



# SoLo Funds

Disclosure Report

Date Submitted: November 24th, 2025



## Disclosure Materials

Certified B Corporations must complete a Disclosure Questionnaire to identify potentially sensitive issues related to the company (e.g. historical fines, sanctions, material litigation, or sensitive industry practices).

This component does not affect the company's score on the B Impact Assessment. If the company answers affirmatively to any items in the Disclosure Questionnaire that B Lab deems relevant for public stakeholders, then, as a condition of their certification, the company must:

- 1) Be transparent about details of the disclosure issues identified on the company's public B Impact Report
- 2) Describe how the company has addressed this issue
- 3) Demonstrate that management practices are in place to avoid similar issues from arising in the future, when necessary.

In all cases, the Standards Advisory council reserves the right to refuse certification if the company is ultimately deemed not to uphold the spirit and integrity of the community.

In addition to the voluntary indication of sensitive issues in the Disclosure Questionnaire, companies pursuing Certification also are subject to a background check by B Lab staff. Background checks include a review of public records, news sources, and search engines for company names, brands, executives/founders, and other relevant topics.

Sensitive issues identified through background checks may or may not be within the scope of questions in the Disclosure Questionnaire, but undergo the same review process and are subject to the same possible review by the Standards Advisory Council, including ineligibility for B Corp Certification, required remediation, or disclosure.

### B Lab's Public Complaints Process

Any party may submit a complaint about a current B Corp through [B Lab's Public Complaint Process](#). Grounds for complaint include:

- 1) Intentional misrepresentation of practices, policies, and/or claimed outcomes during the company's [certification process](#)
- 2) Breaches of the B Corp Community's core values as expressed in our [Declaration of Interdependence](#)

**This document contains a copy of the company's completed Disclosure Questionnaire and related disclosure documentation provided by the company.**



# Disclosure Questionnaire

## Industries and Products

	Yes	No
Please indicate if the company is involved in production or trade in any of the following. Select Yes for all options that apply.		
Animal Products or Services	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Biodiversity Impacts	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Chemicals	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Disclosure Alcohol	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Disclosure Firearms Weapons	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Disclosure Mining	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Disclosure Pornography	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Disclosure Tobacco	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Energy and Emissions Intensive Industries	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Fossil fuels Gambling	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Genetically Modified Organisms	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Illegal Products or Subject to Phase Out	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Industries at Risk of Human Rights Violations	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Monoculture Agriculture	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Nuclear Power or Hazardous Materials	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Payday, Short Term, or High Interest Lending	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Water Intensive Industries	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Tax Advisory Services	<input type="checkbox"/>	<input checked="" type="checkbox"/>

## Outcomes & Penalties

	Yes	No
Please indicate if the company has had any formal complaint to a regulatory agency or been assessed any fine or sanction in the past five years for any of the following practices or policies. Check all that apply.		
Anti-Competitive Behavior	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Breaches of Confidential Information	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Bribery, Fraud, or Corruption	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Company has filed for bankruptcy	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Consumer Protection	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Financial Reporting, Taxes, Investments, or Loans	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Hazardous Discharges Into Air/Land/Water (Past 5 Yrs)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Labor Issues	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Large Scale Land Conversion, Acquisition, or Relocation	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Litigation or Arbitration	<input type="checkbox"/>	<input checked="" type="checkbox"/>
On-Site Fatality	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Penalties Assessed For Environmental Issues	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Political Contributions or International Affairs	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Recalls	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Significant Layoffs	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Violation of Indigenous Peoples Rights	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<a href="#">Other</a>	<input checked="" type="checkbox"/>	<input type="checkbox"/>



## Practices

	Yes	No
Please indicate if the following statements are true regarding whether or not the company engages in the following practices. Check all that apply. If the statement is true, select "Yes." If false, select "No."		
Animal Testing	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Company/Suppliers Employ Under Age 15 (Or Other ILO Minimum Age)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Company prohibits freedom of association/collective bargaining	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Company workers are prisoners	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Conduct Business in Conflict Zones	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Confirmation of Right to Work	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Does not transparently report corporate financials to government	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Employs Individuals on Zero-Hour Contracts	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Facilities located in sensitive ecosystems	<input type="checkbox"/>	<input checked="" type="checkbox"/>
ID Cards Withheld or Penalties for Resignation	<input type="checkbox"/>	<input checked="" type="checkbox"/>
No formal Registration Under Domestic Regulations	<input type="checkbox"/>	<input checked="" type="checkbox"/>
No signed employment contracts for all workers	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Overtime For Hourly Workers Is Compulsory	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Payslips not provided to show wage calculation and deductions	<input type="checkbox"/>	<input checked="" type="checkbox"/>

	Yes	No
Sale of Data	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Tax Reduction Through Corporate Shells	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Workers cannot leave site during non-working hours	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Workers not Provided Clean Drinking Water or Toilets	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Workers paid below minimum wage	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Workers Under Bond	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<a href="#">Other</a>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

## Supply Chain Disclosures

	Yes	No
Please indicate if any of the following statements are true regarding your company's significant suppliers.		
Business in Conflict Zones	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Child or Forced Labor	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Negative Environmental Impact	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Negative Social Impact	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Other	<input type="checkbox"/>	<input checked="" type="checkbox"/>



# Disclosure Questionnaire Statement

Disclosure Questionnaire Category: Other

<b>Topic</b>	The company operates as a financial services provider for its members via their marketplace for emergency capital and neo-banking services. Neo-banking is defined as a tech company that provides banking services via a mobile app or website.
<b>Summary of Issue</b>	<p>SoLo Funds derives 100% of its revenue from its capital marketplace services. Of this, approximately 65% is associated with protection services provided to lending members, while the remaining 35% is associated with borrowing members. Contributions from borrowing members are entirely voluntary, with a portion directed to a non-profit organization.</p> <p>In addition, SoLo Funds currently offers several neo-banking services free of charge, including transactions from consumer deposit accounts. Banking services are provided by Bangor Savings Bank, Member FDIC. SoLo Funds has also launched a Mastercard™ debit card issued by the same bank, and ATM services are offered at no cost.</p> <p>Revenue associated with borrowing members is generated through a voluntary donation mechanism. Donations are initially funded by the lending members and are repaid to them when the borrower repays the loan. Donations are automatically opted in by default; however, borrowers may opt out at any time. When opting in, borrowers may choose from preset donation amounts of 7%, 8%, or 9%.</p>
<b>Size/Scope of Issue (e.g. \$ financial implication, # of individuals affected)</b>	SoLo is an on-demand community capital marketplace allowing members to access and supply short-term funds for immediate needs & returns. SoLo Funds does not partake in the payday lending industry or provide payday loans or high-interest-rate loans. SoLo enables consumer-to-consumer access and supply of funds for emergency use as well as supporting neo-banking services. Borrowers are not charged fees or interest.
<b>Impact on Stakeholders</b>	The minimum loan amount available on the marketplace is USD 100, and the maximum is USD 625. Borrowing members are required to repay the full loan amount in a single lump sum

	<p>within a 35-day term. SoLo Funds does not charge interest on any loans facilitated through its marketplace. All loans carry a 0% interest rate, and borrowing members retain full discretion over the terms they set when requesting funds, including the donation amount, optional tip, purpose of the loan, and repayment date.</p> <p>Choosing not to include a tip or donation does not affect a member's ability to request a loan, nor does the platform provide preferential treatment to those who opt to include one. New members with lower SoLo Scores may, however, choose to offer higher tips or provide more detailed explanations to increase the likelihood of attracting lenders until their scores improve. Tips are capped at 12% of the principal amount and are distributed in full to the lending members.</p> <p>Borrowers may also make an optional donation to SoLo Funds to help offset verification and transaction costs associated with the loan. A portion of each donation is further allocated to a designated non-profit organization.</p>
<b>Implemented Management Practices</b>	<p>All members are required to meet standard AML/KYC obligations comparable to those required when opening a bank account. This includes providing a Social Security Number (SSN), personally identifiable information (PII), a driver's license, and other relevant documentation. Lending members use the SoLo Score—a proprietary risk assessment tool—to evaluate potential borrowers. The score ranges from 30 to 100. New borrowing members can receive a maximum initial score of 60, which increases with positive repayment behavior on the platform.</p> <p>New borrowers are also limited to a maximum initial loan request of USD 100. This limit increases as they establish a positive repayment history. If a borrower becomes delinquent, they are restricted from further use of the platform until the outstanding loan is fully repaid.</p> <p>The SoLo Score is a transaction-based risk assessment derived from a borrower's banking data. Put simply, the platform—through integration with Plaid—reviews a member's cash flow by analysing income, recurring expenses, and other financial activity to assess their ability to repay a loan in full. The score is continuously updated as borrowers make timely</p>



	repayments and has demonstrated a three-times improvement in predictive risk accuracy compared to traditional lenders for this market segment.



# Disclosure Questionnaire Statement

## Disclosure Questionnaire Category: Other Disclosure Practices

Topic	Complaints and Negative PR Results
Summary of Issue	<p>In the last 5 years, B Lab has received two complaints from the public claiming a lack of fee transparency and questionable business practices of SoLo Funds.</p> <p>Background check revealed that there are multiple news reports regarding the company operating without proper licensing in some states, alleged misrepresentation, and lack of transparency in its fee structure.</p> <p>Information gathered from the background check and as disclosed by the company, SoLo Funds faced multiple enforcement actions and private suits alleging deceptive pricing (labeling fees as “tips” or “donations”), unlicensed lending in some states, improper collections, and inaccurate credit-reporting practices. The Consumer Financial Protection Bureau (CFPB) sued SoLo in May 2024 (and later filed/amended pleadings). There are a few private class actions and individual suits underway — some of those private claims have been sent to arbitration. In February 2025, the CFPB dismissed the CFPB enforcement case based on the warrant and with prejudice.</p> <p>The company had paid suit settlement penalties in 6 states within the US for allegedly operating without having proper licenses (such as a lending or broker license) as required by those states. In some cases, regulators claimed problems with the way the company structured or charged costs or fees, alleging its pricing or fee model didn’t comply with state financial regulations. The company had paid the settlements with no findings of wrongdoing. The company has paid 1 state penalty for operating without having a proper debt collection license.</p>
Size/Scope of Issue (e.g. \$ financial implication, # of individuals affected)	The company faced 6 state suits, 1 federal suit filed by the CFPB, 1 consumer suit alleging deceptive lending practices, 1 consumer suit alleging illegal debt collection practices, 1 proposed class action on the grounds of deceptive lending practices that was ordered to individual arbitration, and 2 class



	<p>actions related to interest structure that were dismissed and ordered to arbitration. Rather than be filed in arbitration, the parties settled the matter for a nominal amount.</p> <p>All of the cases that were settled through payment were nominal and valued less than 3% of the company's total revenue in this fiscal year.</p>
<b>Impact on Stakeholders</b>	<p>The stakeholders potentially impacted are customers, investors, regulators, and partners. Unclear loan interest rates, misquoting fees as “tips” and “donations,” and misleading users about true borrowing costs cause a negative financial impact to consumers.</p>
<b>Implemented Management Practices</b>	<p>In regard to the state suits, the company reached settlement agreements with those states through agreeing to pay civil penalties and make minor adjustments to the product to re-enter the state. After paying and making these changes, the company was allowed to continue operating in those states.</p> <p>The following are the company's implemented management practices to mitigate the alleged;</p> <ul style="list-style-type: none"> <li>A. Deceptive Lending Practices - SoLo does not categorize itself as a lender. Borrower choose their costs. That said, SoLo promotes full pricing transparency on every transaction; there is no interest or APR.; SoLo promotes clear pricing and consumer education via SoLo’s pricing page.</li> <li>B. Illegal Debt Collection Practices - SoLo does not categorize itself as a debt collector. SoLo partners with a debt collector to recover defaulted loans.</li> <li>C. Inaccurate Credit-Reporting Practices - There is no credit bureau reporting.</li> <li>D. Operations without Appropriate Licensing - SoLo has regular compliance reviews with bank partners. SoLo actively collaborates with regulators to clarify community finance models.</li> </ul> <p>In order to mitigate the company's exposure and prevent similar cases in the future, the following actions have been put in to place ;</p> <ul style="list-style-type: none"> <li>I. Compliance oversight - Dedicated compliance team, headed by SoLo’s Chief Compliance Officer and General</li> </ul>

	<p>Counsel, performs regular reviews of its product operations as well as state and federal lending frameworks. Additionally, all employees undergo mandatory training with courses tailored to particular job functions.</p> <ul style="list-style-type: none"> <li>II. Regulator engagement - SoLo engages regulators in good faith to offer education on its community finance model and determine paths forward for innovative lending models.</li> <li>III. Independent audits - SoLo's operation undergoes regular independent compliance audits as well as monthly compliance reports to its bank partner.</li> <li>IV. Consumer transparency initiatives - SoLo continues publishing the annual Cash Poor Report, providing third-party validated data on the total cost of borrowing and advocating for industry adoption of the "Total Cost Rate" as a more accurate alternative to APR.</li> </ul>
<b>Report</b>	<p><a href="https://files.consumerfinance.gov/f/documents/cfpb_solo-funds-complaint_2024-05.pdf">https://files.consumerfinance.gov/f/documents/cfpb_solo-funds-complaint_2024-05.pdf</a></p> <p><a href="https://www.law360.com/articles/2314730/solo-funds-interest-rate-suit-sent-to-arbitration">https://www.law360.com/articles/2314730/solo-funds-interest-rate-suit-sent-to-arbitration</a></p> <p><a href="https://www.goodwinlaw.com/en/insights/publications/2025/03/insights-finance-cfs-yir-payday-and-small-dollar-lending">https://www.goodwinlaw.com/en/insights/publications/2025/03/insights-finance-cfs-yir-payday-and-small-dollar-lending</a></p> <p><a href="https://news.bloomberglaw.com/banking-law/solo-funds-loses-bid-to-dismiss-cfpb-case-over-agency-funding">https://news.bloomberglaw.com/banking-law/solo-funds-loses-bid-to-dismiss-cfpb-case-over-agency-funding</a></p> <p><a href="https://www.consumerfinancemonitor.com/2024/08/16/cfpb-file-s-and-prosecutes-yet-another-enforcement-lawsuit-using-funds-obtained-in-violation-of-the-cfpbs-enabling-statute-dodd-frank-act-and-the-constitution/">https://www.consumerfinancemonitor.com/2024/08/16/cfpb-file-s-and-prosecutes-yet-another-enforcement-lawsuit-using-funds-obtained-in-violation-of-the-cfpbs-enabling-statute-dodd-frank-act-and-the-constitution/</a></p> <p><a href="https://www.americanbar.org/groups/business_law/resources/business-lawyer/2024-winter/shape-without-form-2c-shade-without-color-3a-developments/">https://www.americanbar.org/groups/business_law/resources/business-lawyer/2024-winter/shape-without-form-2c-shade-without-color-3a-developments/</a></p> <p><a href="https://www.law360.com/articles/1686409/lending-app-solo-can-t-arbitrate-user-s-interest-rate-claims#:~:text=Law360%20(June%208%2C%202023%2C.consumers%20sign%20up%20for%20accounts">https://www.law360.com/articles/1686409/lending-app-solo-can-t-arbitrate-user-s-interest-rate-claims#:~:text=Law360%20(June%208%2C%202023%2C.consumers%20sign%20up%20for%20accounts</a></p>

	<a href="https://www.americanbanker.com/news/solo-funds-vows-to-fig-ht-cfpb-lawsuit">https://www.americanbanker.com/news/solo-funds-vows-to-fig-ht-cfpb-lawsuit</a>
<b>Management Comments</b>	<p>Consumer damage has never been proven. Less than 1% of all consumer complaints are related to unwarranted allegations mentioned by regulators and the press. The damage that was caused by the regulators and the press which caused confusion.</p> <p>SoLo Funds has never been found guilty of any wrongdoing. Government suits or customer complaints were allegations that resulted in settlements. I updated this section to make that clear. The company has successfully been investigated by multiple states and federal agencies, and all resulted in no findings or federal case dismissals.</p>