Money For the Rest of Us
Peer-to-Peer Lending Estimated Returns

Summary

Investors can expect to earn approximately 6.5% annualized from peer-to-peer lending over the life of their loans during non-recessionary periods.

If a recession occurs during the loan holding period, annualized returns could average 3% or less for lower rated loans.

The highest rated loans are the worst performers during non-recessionary periods, but the best performer during recessions. Return estimates over all periods is 4.5% to 5% annualized for the highest rated loans.

The second to lowest rated loans (E) are the best performing loans during non-recessionary periods, with an estimated return of 8.2%. E rated loans issued during the recession returned 3.5% annualized.

Lending Club Returns For Seasoned Loans
As of September 28, 2015

Loan Origination Dates	Total Loan Amount	Average Interest Rate	All Loans Adj Net Annualized Return	Best Category Rank	Best Category Return	Worst Category Rank	Worst Category Return
Q1 2007 to Q4 2008	24,766,755	12.33%	1.98%	A	5.30%	F-G	-2.27%
Q1 2009 to Q4 2009	51,814,750	12.81%	5.29%	D	6.27%	F-G	2.70%
Q1 2010 to Q4 2010	126,351,175	12.43%	6.63%	E	7.61%	A	4.98%
Q1 2011 to Q4 2011	257,363,650	13.18%	6.74%	E	8.58%	A	4.27%
Q1 2009 to Q4 2011	435,529,575	12.92%	6.58%	E	8.15%	A	4.56%

Returns are adjusted net annualized returns based on monthly borrower payments actually received net of service and collections fees, actual charge offs, recoveries, and estimated future losses.

Prosper Estimated Return For Loans Issued From December 2013 through September 2014
As of September 30, 2014

Loan Origination Dates	Total Loan Amount	Estimated Yield	All Loans Estimated Annualized Return	Best Category Rank	Best Category Return	Worst Category Rank	Worst Category Return
12/2013 to 9/2014	1,118,576,307	12.56%	6.87%	HR	10.24%	A	4.61%

Average interest rate equals the borrower interest rate minus service fee rate minus estimated uncollected interest on charge offs plus estimated collected late fees.
Estimated annualized return equals estimated yield less estimated charge offs, which represent estimated principal losses on loans.

Upstart Modeled Returns

Loan Grade	Interest Rate	Modeled Return	Annual Loss Rate
AAA	4.00% - 4.67%	4.59%	< 0.1%
AA	4.67% - 5.77%	5.31%	0.32%
A	5.77% - 8.36%	6.06%	1.38%
B	8.36% - 11.11%	6.75%	3.30%
C	11.11% - 13.64%	7.27%	5.69%
D	13.64% - 18.88%	7.77%	9.06%
E	18.88% - 25.27%	8.46%	15.76%