

Biz2Credit Statement Re FTC Settlement

The following statements by Biz2Credit are in response to the Federal Trade Commission (FTC) press release issued on March 18, 2024. They should be attributed to a spokesperson for Biz2Credit.

Biz2Credit Statement

- The 12-14 Business Day Processing Time Estimate. Biz2Credit demonstrated to the FTC that its 12-14 business day average processing time estimate for PPP loans was accurate for all bona fide PPP loan applications. Fraudulent and ineligible applications, which took longer to process, were included by the FTC in its calculations. Biz2Credit carefully reviewed and ultimately declined applications that it determined were potentially fraudulent or ineligible under PPP program rules. It is important to note that PPP lenders like Biz2Credit made money only when they funded applications.
- Biz2Credit Implemented Significant Anti-Fraud Protocols. Biz2Credit took its responsibilities as a PPP lender seriously and implemented numerous anti-fraud protocols.
- Because there was so much fraud, the company funded only around 30% of all the applications it received in 2021.
- PPP lenders made money only when they funded loans, but Biz2Credit did the right thing during PPP and prioritized program compliance.
- Biz2Credit Helped Underserved Small Businesses During PPP. Biz2Credit is a minority-owned business that looked to help truly underserved small businesses during PPP.
- 47% of Biz2Credit's funded applications were also minority-owned businesses, and 32% were women-owned businesses, and were typically under 3 employees.
- Biz2Credit answered the call of the Biden Administration in February 2021 to make sure the program provided fairer access to capital for such truly underserved businesses.
- There was No Admission of Wrongdoing. Biz2Credit's decision to enter into the FTC settlement was a pragmatic business decision given the cost and uncertainty of litigation.
- There was no admission of wrongdoing by Biz2Credit in the settlement.

FTC Press Release

- The FTC Press Release Cites a High Decline Rate by Biz2Credit. The FTC said Biz2Credit's decline rate was 40% and notes this was "the largest" among the biggest PPP lenders – as if this were an indication of wrongdoing.
- To the contrary, as per its statement, this decline rate is indicative of Biz2Credit's fraud prevention program, as was its duty under PPP rules.
- The FTC's References to Customer Complaints May be Misleading. The FTC's draft complaint cites certain customer complaints as evidence of potential wrongdoing. This is potentially misleading as:
 - Some customers experienced SBA hold codes that Biz2Credit did not control, or failed to timely provide documents required under PPP rules.
 - One customer whose complaint was cited was promptly funded by Biz2Credit 5 days after providing the requested documents.

- Biz2Credit has no records of another customer whose complaint was cited in the FTC complaint.
- Proper Context Should be Provided. As above, other allegations made by the FTC may be potentially misleading without additional context.
- Therefore, FTC allegations should be placed in proper context of these Biz2Credit bullet points or the full Biz2Credit press statement (attached)
- If you have any questions, please do not hesitate to contact us. Thank you.

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