Content that investors need

v. 1.1, John Boykin, UX

*[NOTE: Prosper Marketplace is the middleman connecting people who want to borrow money with people who want to loan money as an investment. Over the course of many interviews, usability tests, and surveys, it became clear that investors needed a lot more info than Prosper was giving them. This doc is compilation of topics that needed to be addressed.]*

*Investors don’t need reams of prose, but they do need clear, concise, helpful info about a lot of topics. The more of any given topic we can show graphically with minimal text, the better.*

*This only lists topics we need to address, not where or how any given topic should be addressed.*

**Understanding marketplace lending at Prosper**

Overview: How Prosper as a whole works (very high level summary of both borrowing and investing)

Overview: How borrowing at P works (complete lifecycle of a loan)

Overview: How investing at P works (complete lifecycle of an investment)

Institutional investors versus retail investors and how & when loans are allocated to each

What happens when a loan reaches the end of its term

Glossary for all our terminology, accessible both as a collection and by clicking/tapping/hovering over any term in context (e.g., note, amortize, seasoning, posting, marketplace, maturity, Prosper score, Prosper rating, listings, time left, yield, estimated return, average return, APR, rate, etc.)

Overview of the website, what’s there, what you need to know/do

**Understanding returns**

Effective yield - Estimated loss = Estimated return

Differences between estimated return, average return, yield, APR, rate

Why returns naturally decline over time (in graph form like LC shows, comparing w other lenders, expected returns)

Seasoning over time

Understanding risk as the chance you may lose principal

**Enrolling as an investor**

Enrollment process, steps, what happens after you submit enrollment form, processing time

Why we ask for each form field and what we will do with it (on enrollment and other forms)

Enrolling has no hit on your credit score

**Managing your Prosper portfolio over time**

Why diversifying more and with larger investment amounts yields better returns

Why buying in to more notes over time improves your overall rate of return

Allocating funds

How to adjust your balance of ratings in your portfolio over time

Time commitment by investors (i.e., am I committed for 5 years to a 5-year loan?)

Premium services we offer to qualifying investors

IRAs, 401(k)s & custodians

**Placing your dollars**

Manual selection of notes

Automated selection of notes

Packages of notes

Processing time between when you pick a note and when your money actually gets placed, and what’s happening during that time

Supply of notes available to invest in and why there may not be enough at any given time

How long it actually takes for a loan to originate, why some loans don’t originate, how often that happens, likelihood by rating, what happens to your money during limbo period and after loan fails to originate

How to check the status of loans an investor has chosen

Schedule for when notes are made available to retail investors

Uninvested money in cash reserve

API

**Info about borrowers**

How we screen, verify, and rate borrowers

Verification stages

Basis of Prosper ratings of borrowers (general guidelines and whatever specifics we can give)

Shades of difference within any given borrower rating

Rejection rate for prospective borrowers

Defaults (likelihood, comparison of our default rate with other financial services’ rates, how we keep investor informed, historical rate of defaults by rating

Terminology about borrowers (i.e., debt to income ratio, FICO 08, credit utilization, credit rating, credit score, inquiries, etc.)

**Your money**

Means of funding your acct (day 1 and as time goes on)

Cash reserve & uninvested money

Tax implications (e.g., you can’t subtract losses from gains)

No FDIC, but measures we take to protect your money

**Getting your proceeds**

Your options for what to do with your proceeds (reinvest, get paid, role of cash account)

Reinvesting your proceeds

How we calculate amounts due to you and deductions we make from your gross

When and how periodic payments are made to you

Processing time for payments to you and what’s happening during that time

Receiving your proceeds (how, when, from where to where)

Liquidity/Cashing out: how the process of selling loans works, what to expect, how long it takes, tax implications, and so on

Selling/trading your notes (where, how, frequency of success, pennies on the dollar, processing time)

**Problems that sometimes arise**

Legal restrictions on who can invest (minimum net worth, etc.)

What happens when a borrower misses a payment or defaults, effect on your proceeds

Collections process and practices on delinquent accounts, tracking progression, likelihood of recovering

Moving to a non-Prosper state

Lack of access when traveling abroad

What happens with an account after an investor dies

Contacting Customer Support

How to close your account

**Your info**

How we secure and protect your info, who we do and do not share it with & why, preventing hacking

Accounting, reporting, taxes

Can’t import reports into Excel, TurboTax, etc. [Mint?]

Profile maintenance (change of address, change your bank, add beneficiary, etc.)

**Prosper’s business practices**

How Prosper makes money (fees, etc.)

States where we do not operate and what to do if you move to one

Types of loans we do and do not handle, 3 years or 5 years only, range of $

Prosper’s schedule (days of the week and times of day when we decide which notes will be retail and which institutional, when we make them available, when we make payments to investors, etc.)

Partnership with Folio

Partnership with IRA custodian(s)

Partnership with Web Bank

Other partnerships

PMI Management Rights

**The mechanics**

Notifications from us (about what, frequency, methods, investor’s ability to control)

Site access: Mobile, PC/Mac, various browsers

Joint accounts

Contacting Customer Service

**Background info**

History of Prosper

Corporate structure, parent company, execs

Prosper’s size, stability, growth

Honors, awards, endorsements, partnerships, memberships, affiliations

Physical address

Group photo of our entire staff in front of building

Prosper’s SEC filings