

**Online, Interest-Free Lending for Members' Financial Health**

**Financial  
Business Services**

**Float Money LLC  
206 West Main Street, 2nd Floor  
Lexington, KY 40507  
859-226-0190  
www.floatmoney.com**



**Shane Hadden  
CEO**

**BIO:**

Shane is a passionate financial innovator and consumer advocate. He is the founder and CEO of Float Money, which is pioneering the interest-free line of credit as a safer borrowing alternative for consumers and small businesses. Before turning his attention to consumer credit, Shane developed innovative financing solutions for banks, insurance companies and large corporations as a Director in the Global Structuring Group at Credit Suisse. Shane has advised banks on regulatory capital and risk issues in roles with Promontory Financial Group, Auriemma Consulting Group, Bank Street Group, E&Y and PwC. Shane is a Chartered Financial Analyst and received a JD/MBA from Georgetown University and a BA in

Economics and International Studies from Miami University.

**About Float Money:**

Founded in 2011, Float is an online lender focused on improving their members' financial health by leveraging an asset every consumer has – their shopping loyalty. Float offers general-purpose interest-free loans to members who do their shopping for everyday items through the Float network of merchants. This network of over 1,000 online and local merchants includes top national brands, boutiques, groceries, restaurants and gas stations. For more information, visit <http://www.floatmoney.com>.

**Interview conducted by:  
Lynn Fosse, Senior Editor  
CEOCFO Magazine**

**CEOCFO:** Mr. Hadden, what is the concept to Float Money?

**Mr. Hadden:** Float is a new type of lending company. Everything we do is to promote the financial health of our members. The heart of Float is an interest-free line of credit that our members can use for any reason, whenever they want. It is a ten month loan with no interest or fees, ever. The way that we make interest free loans is that we are both a lender and a marketing company. We earn marketing revenue when our loyal customers shop through our network of merchants.

**CEOCFO:** Would you explain the network of merchants and how the whole offering comes together?

**Mr. Hadden:** The credit line is equal to average monthly spending times a score that we give to every customer. That score can be from fifty percent to five hundred percent. If you have a

score of one hundred percent and you are spending a thousand dollars a month, then you have a thousand dollars of interest free credit. The spending is for everyday items such as gas, groceries, pharmacy items and restaurants. We do not want people to spend more than they normally would, just to do it smartly through Float. We have an online shopping mall and we sell gift cards for people to use in their local stores. For example, if you buy \$500 of Stop 'n' Shop gift cards and \$200 of CVS cards every month, you can earn an interest free line of credit of from \$350 to \$3,500 just from that spending.

**CEOCFO:** How do you establish the score?

**Mr. Hadden:** The score is set to achieve our target profitability based on expected marketing revenue, credit risk, loyalty risk and expected line utilization. We will lend to people with a broad range of credit profiles; from very good credit to weak or no credit history. Someone with very good credit will have a high score and someone with low credit will have a lower score. It is also a function of loyalty. If you have been a loyal member of Float for a long time, your score will be higher than someone that is brand new. Lastly, it is based on how much people use the line. If you are not drawing on the credit line your score will increase fairly quickly. If you are drawing a lot, for example to pay off a credit card, then your score will not grow as quickly.

**CEOCFO:** Are you reselling for merchants; how you are making your money?

**Mr. Hadden:** Yes. We earn money from commissions when our members

shop at our merchant partners. We are a powerful marketer, because we have very loyal users. Our customers are loyal because we are providing interest free credit and helping to improve their financial health. We also have a lot of data that helps our merchants deliver targeted offers.

**CEOCFO:** I am sure you have been asked this several times, but did you wake up one night with the idea? How did it come together?

**Mr. Hadden:** It has developed over time. My background is in credit structuring on Wall Street. I did many large transactions to help banks and other large companies borrow more efficiently. I saw that there was an enormous need in the consumer lending space for a better solution for consumers. Consumer borrowing costs are much higher than necessary and banks are no longer the best lenders to consumers. Because of regulatory capital requirements and operational restrictions banks have a hard time meeting the consumer's need for low rate credit. To solve this problem, I left Wall Street to start a non-bank lending company to make better loans.

**CEOCFO:** How long has Float been operational?

**Mr. Hadden:** We have been operational for about a year testing various elements of the business model with low volumes. We are now in the process of slowly ramping up our customer volumes. We have to grow fairly slowly at the beginning as our underwriting models are developing.

**CEOCFO:** Who is your target customer?

**Mr. Hadden:** Our customers are the 75% of Americans that have low savings and are aware of the risk that they are in as a result. They are also ready to improve their financial health by budgeting and focusing their spending. Although most of our market has good credit, we can also help people with weaker credit or limited or no credit history. In fact, we are often the only source of low rate credit for this population. For all

borrowers we offer a way to build positive credit history as we report our lines to the bureaus. We have also found that many of our early adopters are actually small businesses that are using their small business spending through Float. Small businesses have very limited access to credit and many small business owners can get in trouble with their consumer credit by using their credit cards. We are an alternative tool to help them avoid this risk.

**CEOCFO:** Do people get it? Do people understand the concept or do they just know they can get the money so "why not"?

**Mr. Hadden:** That is a very good question. It is difficult for us as we are so radically different from traditional lenders. Consumers rightly do not trust lenders. Therefore, there is an initial resistance to what we are doing that we have to get through. Then we have to explain how it works. Once

**"Once Float achieves critical mass, the high-rate, short-term loan marketplace could disappear quickly, replaced by safer, smarter interest-free credit."  
- Shane Hadden**

we get past those two gates, our customers are very grateful for our product and loyal; they use Float regularly and it becomes part of their everyday financial life.

**CEOCFO:** Your site indicates that you are in a variety of states now. Are there state regulations that you need to follow? What is the regulatory aspect for Float?

**Mr. Hadden:** The CFPB is our federal regulator. Every state has their own licensing requirements for non-bank lenders. Therefore, in each state we have to determine whether we need a license or not. In the states that we are in now, we do not need a license because we lend at zero percent. We will need to obtain licenses in other states.

**CEOCFO:** How is business?

**Mr. Hadden:** Business is good. We are adding new partners and our pilot program continues to show great early results. Our active customers are

loyal and their average monthly spending is increasing. We are seeing a good mix of users from small business owners to moms paying off credit cards and from super-prime credits to people with no credit history at all. We are also starting to build awareness and excitement for our better approach to lending. Once Float achieves critical mass, the high-rate, short-term loan marketplace could disappear quickly, replaced by safer, smarter interest-free credit.

**CEOCFO:** How does the payback work on the loan?

**Mr. Hadden:** It is a ten month loan that is paid monthly. If you borrow \$1,000 you pay \$100 for ten months. There are no late fees. There is no penalty rate. There is never any interest or fees.

**CEOCFO:** How do you get the money to the customer?

**Mr. Hadden:** We ACH the money into their bank account. Then we auto debit the payments from the account monthly.

**CEOCFO:** Has the use of the loan option been adopted by people who have signed up or do you find that many people have signed up and are still not quite comfortable with making use of the service?

**Mr. Hadden:** We have many people who sign up looking for quick loans. We are not quick, easy credit. We are the best credit, but it takes budgeting and focused spending. So we do have some people that drop off. Of the people that are actively shopping, about half have borrowed. Some people think that because it is interest free that people will max out their draw continuously. However, that is actually not the case. People are using Float as a kind of a safety net for credit. They do not like to borrow, but they know that they may need to borrow in the future. Instead of getting a credit card they get Float. We also have people using Float just to build their credit history.

**CEOCFO:** Have you considered looking at a customer at a higher level; people that have savings but

just “why bother” if you can use someone else’s money or is it not large enough in scale for those people?

**Mr. Hadden:** People that are exposed to high rate credit cards are the ones that get the most benefit from using Float. But yes, the idea of interest free credit should be attractive to everyone. Our interest-free product is not simply a zero percent loan verses a five percent or ten percent or fifteen percent loan. It is a different type of product completely. No interest or fees means you know exactly how much the loan costs; it costs nothing. When you add interest and fees as with a traditional loan, because you do not know exactly when you will be able to repay, you do not how much the loan will cost. You swipe a credit card thinking you will pay 20% over a month and you end up paying this rate over a year or more. Almost everyone is at risk to this and,

therefore, should use interest-free credit for their short-term borrowing needs.

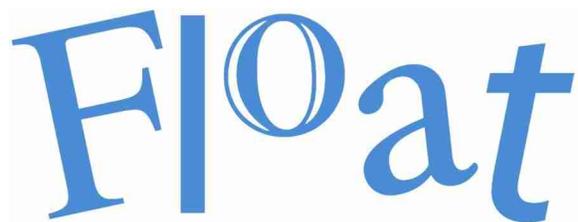
**CEOCFO:** How do you reach potential customers?

**Mr. Hadden:** We work with various types of partners who present Float as a safer, smarter borrowing alternative to their constituents. For example, credit building platforms, merchants, education services and employers. We are developing partnerships with banks and credit unions to offer Float as an alternative rewards platform with debit card use. We are also integrating with digital wallets to allow customers to draw on their Float account as they would a credit card. Merchants love this as Float offers a way to take credit as a payment method without credit card interchange rates.

**CEOCFO:** Why should investors and people in the business community take a look at Float Money? Why does Float stand out?

**Mr. Hadden:** Float is pioneering a dramatic change in the way consumers borrow money, for the better. It is a radically new way of thinking about credit that is safer and smarter. Once adopted it will save tens of millions of people from financial stress and improve the buying power of consumers for the benefit of merchants and the economy. Float also represents the beginning of a new type of lender; one that is not a bank, but is relationship based and heavily integrated into the budgeting and spending lives of its borrowers. The consumer loyalty that this new model will create presents enormous growth opportunities for investors and business partners.

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The logo for Float, featuring the word "Float" in a blue, serif font. The letter "O" is stylized as a sphere with horizontal lines, suggesting a globe or a ball.

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