MARQETA

The Marqeta Solution for Retail Installment and Leasing Contract **Point-of-Sale Lending**

Point-of-Sale (POS) lending is being hailed as the future of consumer lending for e-commerce and retail. Increasingly, it is bridging the gap between an empty shopping cart and a satisfied customer by providing more payment options in which to pay. Despite the tremendous growth many lenders still struggle to achieve scale with merchants and borrowers. Two key challenges hold them back:

CHALLENGES

Scaling the merchant and borrower acquisition loop

Merchants understand that the more payment options they can offer to consumers, the more likely they are to get an approval and close the sale. Complex POS system integration and heavy IT infrastructure requirements cause disruption to operations, are expensive to manage, and become a deterrent to securing and onboarding new lending partners.

Engaging & re-engaging the borrower over time

The ability to maximize the lifetime value of every borrower is critical for a lender's growth. It is therefore incumbent upon lenders to not only create a solution that facilitates the POS lending transaction, but also one that allows the consumer to continue to spend over time.

Today, the competition is fierce. Point-of-sale lenders must now consider technology-driven payments as a critical part of their business strategy.

BENEFITS

Marqeta is the industry's first card issuing and payment processing platform that gives lenders a powerful new model for processing consumer loans for ecommerce and retail shopping platforms at the point-of-sale. Built from the ground up, the Marqeta platform is a modern technology solution that helps lenders reduce friction for borrowers, gain greater control and insight, and achieve scale — all while helping the merchant close a larger sale.

For Lenders:

- Disbursement of funds to a physical, virtual or tokenized card or Digital Wallet within seconds via Visa, Mastercard or Discover
- Co-branded or white-label solutions for virtual or physical card helps differentiate lender and drive top-of-mind and top-of-wallet recurring usage
- In-app provisioning for contactless card payment methods via Google Pay, and Apple Pay Digital Wallets
- Ability to use robust spend controls to direct borrower behavior, increase spend and improve lifetime value

For Merchants:
- Immediate payment — merchants no longer have to wait for ACH to clear
- Easy integration — no POS systems integration or IT teams required
- Card drives borrowers back into merchant's storefront for increased sales
- Works with merchant's existing card, and Digital Wallet card network infrastructure

The essential tools for innovating the lending experience

Marqeta empowers lenders with tools, technology, and controls they need to level the playing field.

Greater management over transactions

Manage authorization and spend category codes at merchant, terminal, and store ID levels. Combination of gateway Just-In-Time (JIT) funding and card token tracking enables scalability with access to out-of-network merchants. Lenders set parameters to approve or decline each transaction based on business logic, helping to mitigate risk and adding further control and transparency. Marqeta's Program Dashboard allows managers, accounting teams, and customer service teams to manage all aspects of a card program in a user-friendly interface.

Simplified implementation

Marqeta enables lenders to design and build their own custom payment solution with full transparency and interoperability with back office systems — at unprecedented speed. Our suite of open APIs gives developers the control, scale, and insight they need to build beautiful payment experiences, without the complexity of legacy issuer processors, in as little as 60 days. Commando Mode allows lenders to keep their business running in the case of unusually high transaction volumes, latency, or outages.

Instant re-application for more financing

Marqeta's API library helps lenders tie borrower activities to loan origination and inventory at the point-of-sale, which enables the borrower to instantly re-apply for additional financing in the same shopping experience or at a different merchant. Because the Marqeta card is a vehicle for continuous funding, lenders can build stronger, ongoing customer relationships.

On-demand data & insights

Detailed transaction data help lenders learn more about the borrower behavior and preferences helping to inform risk, underwriting, and marketing strategies.

ABOUT   Marqeta is the first modern card issuing and core processing platform, powering prepaid, debit and credit cards for the world's top commerce innovators. Marqeta's advancements represent the first fundamental updates in the past twenty years to card issuing platforms, a $30 trillion addressable market covering all possible cardable spending.