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## CROWDFUNDING PLATFORM USES BITCOIN

 FINANCIAL SERVICES

### **BTCJam provides wider access to loans through peer-to-peer lending.**

The growth of peer-to-peer lending has been consistently impressive, with more than GBP 5 billion lent since 2010 in the UK alone. Back in 2011 we wrote about [a crowdsourcing service](#) that bypasses banks to provide financial products via peer-to-peer investment. Now, **BTCJam** is a lending platform that deals in Bitcoin to facilitate international P2P lending.

Founded in 2012 with the aim of providing affordable credit, the system boasts 19,905 loans funded, USD 24 million borrowed in over 200 countries to date, with 24 loans currently fundraising.

Borrowers can complete a loan transaction in three steps: they make a loan application; they watch it get funded by peers; they withdraw the money; and they make the repayments. The innovation is aimed at those looking to finance anything from debt consolidation to medical expenses and claims to provide cheaper access to money than traditional financial services. According to the company website, "In developing countries like Brazil, interest rates for personal loans can reach over 200 percent per year, making credit difficult if not impossible to be obtained."

The nature of Bitcoin means BTCJam can provide finance to those who may otherwise not have access to loans. Although there is a thorough checking process for those wanting to use the platform, lenders themselves decide whether or not a user is creditworthy.

Although recent reports claim the business is withdrawing from trading in the US leaving uncertainty amongst many American users, BTCJam continues to service its customers worldwide. What other innovations can use Bitcoin to democratize the financial services industry?

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