



**Volunteer  
Leadership  
Institute - Hawaii**

# **BLOCKCHAIN FOR LENDING**

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## **Learning Objectives**

1. Learn the basics of blockchain and how it can be applied to credit unions.
2. Understand how blockchain functions as a shared database.
3. Learn how the future of loans may be viewed.

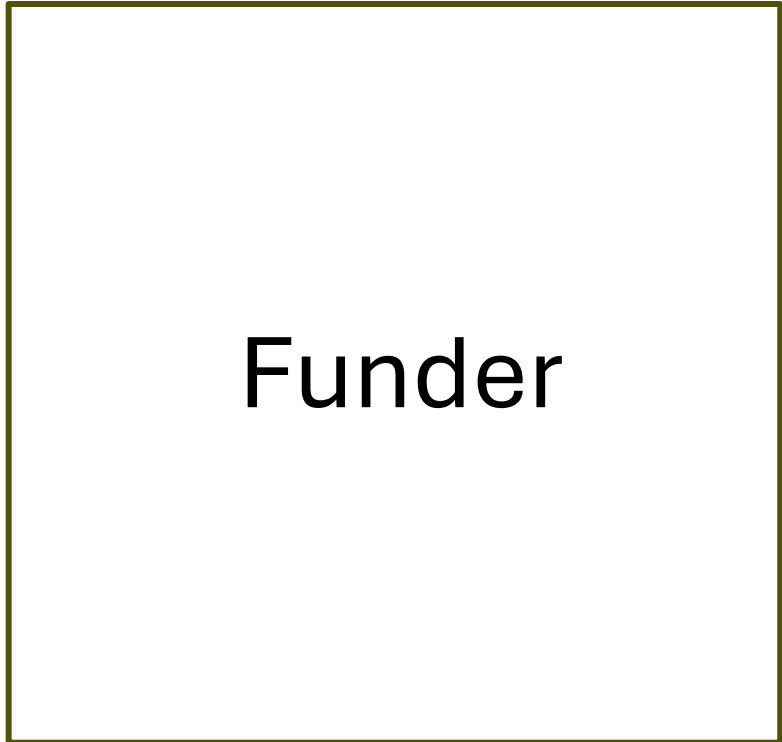
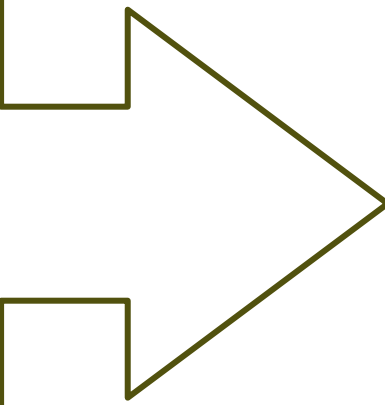
# BLOCKCHAIN FOR LENDING

**Dr. Lamont Black**  
Wide Open Ventures  
DePaul University  
Filene Fellow

1. The ability to make loans depends on liquidity
2. **Efficient** secondary loan markets empower lending



Originator



Funder



Blockchain

## Introducing **LoanNFT**

Can we “tokenize” auto loans and mortgages?

What would be the benefits?

# Benefits of Tokenizing Loans

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- **LIQUIDITY** (shift from broker to marketplace)
- **EFFICIENCY** (a less intermediated marketplace)
- **SECURITY** (data securely stored with redundancy)
- **MEMBER VALUE** (lower cost market → lower rate loans)

# Blockchain Lab Cohort



**Indirect  
Auto**



**Mortgage**



# Blockchain Is the Emerging Platform

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- Blockchain is a system for shared record-keeping (acc., data)
- Blockchain is *distributed* (a distributed ledger technology: DLT)
- A “single source of truth” that does not require reconciliation
- A public blockchain is *decentralized* (does not rely on third party)



# Digital Transformation of Lending

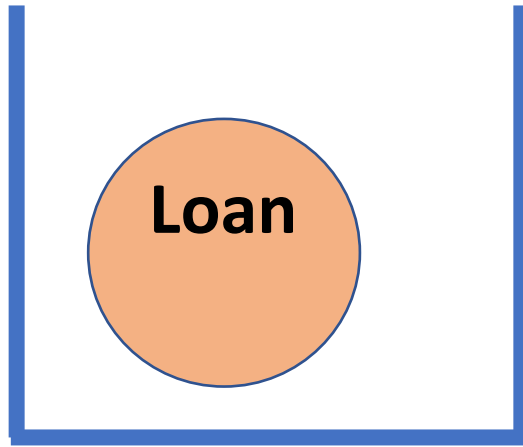
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Loans are just **data**

Maybe we can think about loans as **digital assets**

What if we could *tokenize* loans as **non-fungible tokens**  
(NFTs)?

## Credit Union A



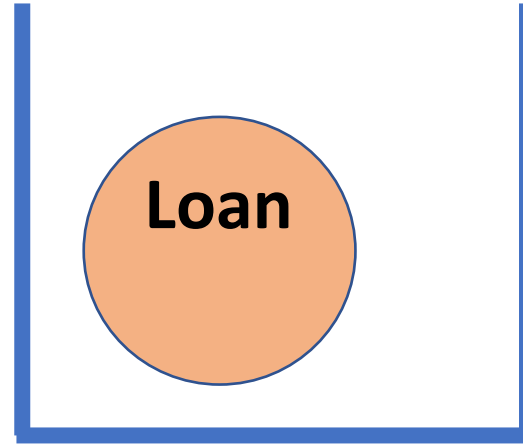
## Credit Union B



## Credit Union A



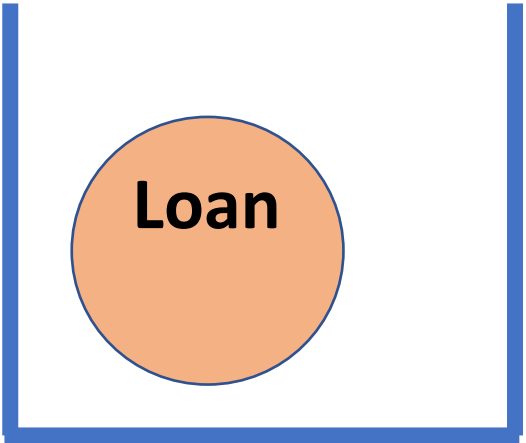
## Credit Union B



Credit Union A



Credit Union B

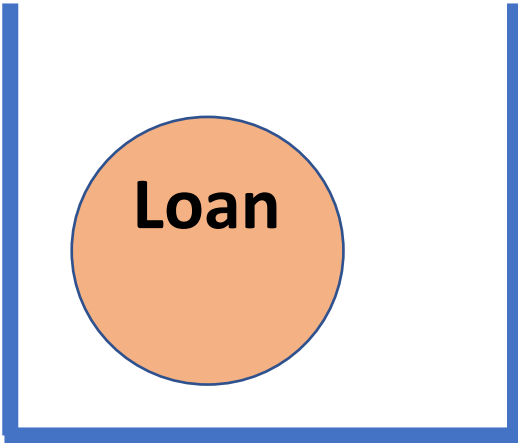


Database

Credit Union A



Credit Union B



**Blockchain**

# "Bored Ape NFT"



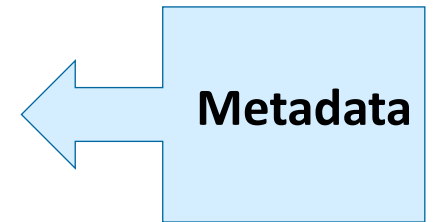
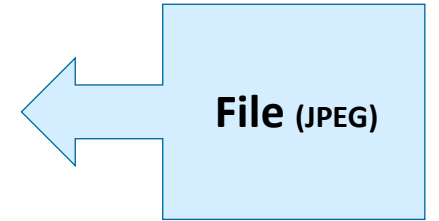
Traits

<b>BACKGROUND</b> Yellow 13% Floor: 14.97 ETH	<b>CLOTHES</b> Striped Tee 4% Floor: 16 ETH	<b>EARRING</b> Silver Stud 8% Floor: 17.5 ETH
<b>EYES</b> Bored 17% Floor: 15.88 ETH	<b>FUR</b> Golden Brown 8% Floor: 14.195 ETH	<b>HAT</b> Bayc Hat Black 2% Floor: 14.95 ETH
<b>MOUTH</b> Bored... 7% Floor: 14.95 ETH		



Traits

<b>BACKGROUND</b> Blue 12% Floor: 16.99 ETH	<b>CLOTHES</b> Puffy Vest 2% Floor: 17.5 ETH	<b>EYES</b> Bored 17% Floor: 15.88 ETH
<b>FUR</b> Pink 5% Floor: 15.88 ETH	<b>HAT</b> Bayc Hat Black 2% Floor: 14.95 ETH	<b>MOUTH</b> Bored... 16% Floor: 14.195 ETH



### **Pool A**

Total Balance: \$1,500,000  
Number of Loans: 10  
Average Interest Rate: 7.50%  
Average FICO: 715

### **Pool B**

Total Balance: \$1,650,000  
Number of Loans: 10  
Average Interest Rate: 7.25%  
Average FICO: 720

### **Pool C**

Total Balance: \$1,450,000  
Number of Loans: 10  
Average Interest Rate: 7.75%  
Average FICO: 710

### **Pool D**

Total Balance: \$1,800,000  
Number of Loans: 10  
Average Interest Rate: 7.20%  
Average FICO: 712

# Each Loan Pool is an “NFT Collection”

## POOL A

Loan Num.	LoanID	State	OrigBalance	InterestRate	FICO
1	12345	GA	20000	7.5	700
2	48573	IL	50300	7.8	735
3	18563	VA	40500	7.2	710
4	72849	MI	70400	7.0	770
5	74930	CA	32000	7.9	702
...					



# The Future Is Bright!



**LAMONT BLACK**

Professor | Speaker | Writer | Futurist

