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Loans4Less Seeks Strategic Partner

By Brad Finkelstein

LOANS4LESS.COM IS LOOKING FOR A partner to expand its business operations nationally, using the same successful platform it uses in California, the company's president said.

Steven Hershman said, "We believe we have a premium brand" with a public company behind it. And he added there is an opportunity to use the site to originate other loans besides mortgages, such as automobile loans and consumer loans. But the main thrust will remain conforming first mortgage loans. And, he added Loans4Less is a great name for a company to brand under and use in advertising. He is looking to work with another originator with licenses in multiple states (as many as 25 states); but if he has to, he is willing to go state-by-state. Hershman is looking to create joint venture relationships if there is no single partner.

"I think I have a great proposition, a lot of brokers out there are private companies. They don't have an exit strategy," he said.

By being a public company, he has common stock to offer as a currency to create the joint venture. Loans4Less is preparing to become a fully reporting company,

Hershman said. His goal is to make money for the company's shareholders by getting Loans4Less on the national stage.

Loans4Less started as Union Discount Mortgage in 1993. In 1996, as the Internet started to grow, Hershman was able to get the Loans4Less domain name (as well as similar names); the firm also has a federal trademark. Between 1998 and 2003 it was able to acquire approximately 3,500 clients via the Internet and it has relied since then from referrals on that database. It avoided subprime, it just did "A" paper as brokers.

In 2007, it filed a Regulation A offering to take the company public and its shares trade on the over-the-counter market under the ticker symbol LFLS.

It was able to survive the 2009 implosion, Hershman said, because "we didn't have a tarnished reputation in any way, shape or form." However, the company's shares suffered like many other mortgage stocks. As rates came down, both the share price and its origination volume stabilized.

Hershman himself is a top producer, ranked on the ON 2012 Top 200 list at No. 66 with volume of \$104 million. Still the dream remains to be a national player and for that to happen, Loans4Less needs a partner. ♦