

The Rise of Finance Companies and FinTech Lenders in Small Business Lending

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Motivation

1. Drop in small businesses lending after 2008 financial crisis
 - Annual bank lending in 2016 is 24% below pre-crisis level
 - Four largest U.S. banks cut lending by 44%
2. Sluggish recovery from 2008 financial crisis
 - Employment only back to 2008-level in 2014
 - Small and medium-sized enterprises account for 48% of total employment and 95% of all firms
 - Two out of three new jobs created by small businesses

Research Question

Did reduction in bank lending cause a slow recovery after 2008?

- 1. Role of financial sector in the post-2008 recovery**
 - Importance of credit supply to bank-dependent firms during recovery
 - Ability of the financial sector to replace bank lending

- 2. Role of small businesses in the post-2008 recovery**
 - Reliance of small businesses on bank funding
 - Substitution to other sources of funding

Empirical challenge

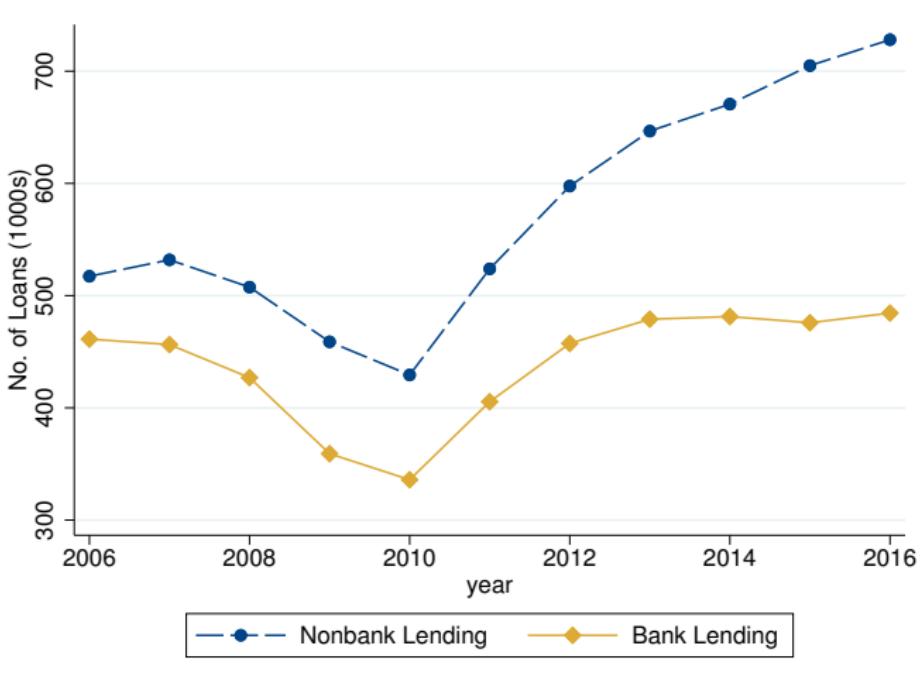
1. **Measurement:** Small business lending by nonbanks
 - Main datasets on small business lending focus exclusively on bank lending
 - Nonbank lenders have been growing since the 2008 crisis
 - Requires U.S.-wide data on *all* sources of small business financing

2. **Identification:** Disentangle credit supply vs. credit demand
 - Decline in small business lending may be caused by low credit demand
 - Need plausible quasi-exogenous variation in credit supply

This paper

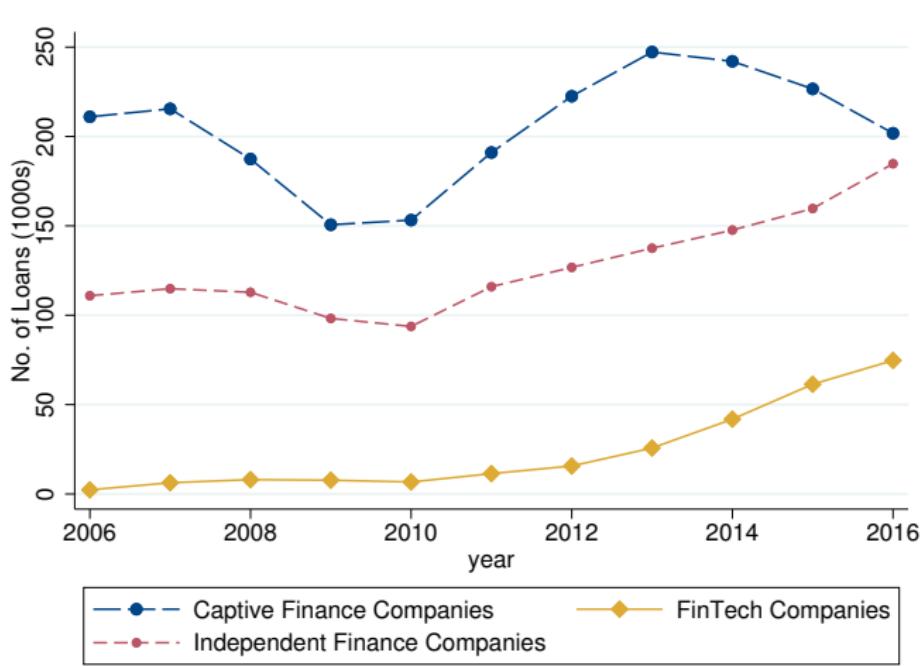
1. **Measurement:** Collect novel loan-level data on universe of U.S. secured, small business lending
 - Data collected from Uniform Commercial Code (UCC) filings
 - Includes all lenders (e.g., banks, finance companies, FinTech lenders)
 - Covers pre-crisis, crisis, and recovery (2006-2016)
 - Also includes data on collateral
2. **Identification:** Use pre-crisis bank dependence to identify negative credit supply shock
 - Impact of negative credit supply shocks varied by geography due to difference in pre-crisis bank dependence
 - Examine effect of credit supply shock on nonbank lending, total lending, and real outcomes by 2006 bank dependence
 - Additional: within-firm estimator & comparing bank-affiliated vs. independent finance companies

Result I: Rise of Nonbank lending



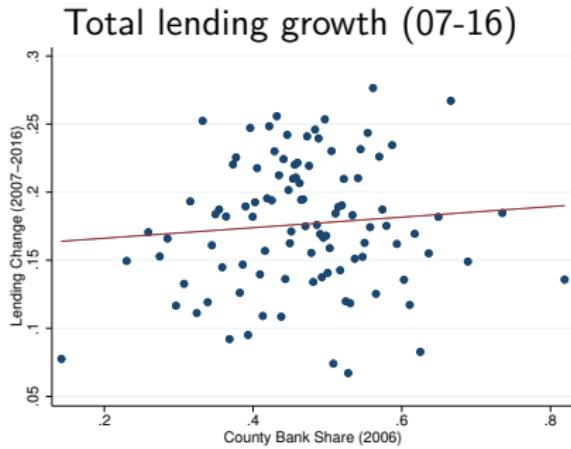
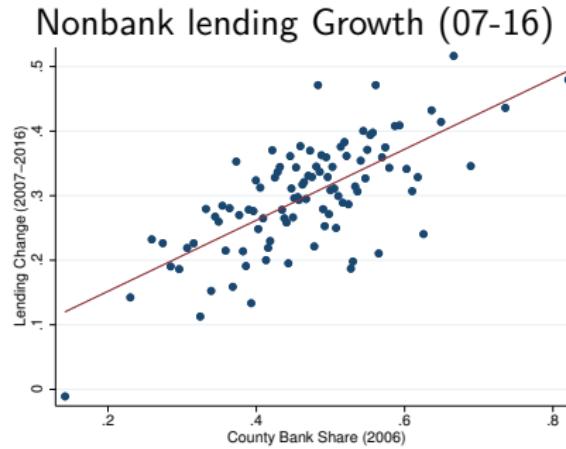
1. Nonbank lenders provide more loans than banks to small businesses
2. Large increase in nonbank lending starting in 2010

Result II: Rise of Finance Companies and FinTech lenders



1. Nonbank lending growth driven by Finance companies and FinTech lenders

Result III: No long-term real effects



1. Nonbank lenders grow more in areas with a larger bank dependence
2. Nonbank lending offsets decline in bank lending \Rightarrow total lending growth (bank + nonbank) does not vary with bank dependence
3. Find no long-term effect of credit supply shock on employment

Literature

Related Literature + Contribution

- **Financial Crisis and SMEs** - Chen, Hanson, and Stein (2017); Bord, Ivashina, and Taliaferro (2018); Cortes, Demyanyk, Li, Loutsikina, and Strahan (2020); Granja, Leuz, and Rajan (2018); Greenstone, Mas, and Nguyen (2020); Balyuk, Berger, and Hackney (2020) - Show role of nonbank lenders
- **Rise of Nonbanks** - Buchak, Matvos, Piskorski, and Seru (2018, 2020); Fuster, Plosser, Schnabl, and Vickery (2019); Chernenko, Erel, and Prilmeier (2019); Irani, Iyer, Meisenzahl, and Peydro (2020); Murfin and Pratt (2019) - Highlight importance of nonbank lenders for small businesses
- **Bank Lending and Real Economy** - Bernanke (1983); Amiti and Weinstein (2011, 2018); Schnabl (2012); Jimenez, Ongena, Peydro, and Saurina (2014); Chodorow-Reich (2014); Paravisini et al. (2015) - Document how nonbank lenders offset negative credit supply shock

Finance companies and FinTech lenders

Background on Finance Companies

1. **Funding:** no deposits

- Finance companies use long-term debt (~ 88%) vs. banks use deposits (~ 75%)
- Does not rely on deposits for long-term lending
- Not subject to bank regulation

2. **Lending:** specialize in small business lending

- Finance companies focus on asset-based lending
- Independent finance company (lend broadly) vs. captive finance company (only lend against owners' brand)
- E.g., John Deere, De Lage Landen, Kubota Credit Corporation

3. **Economic size:** firm size vs. market share

- Different firm size: Top 10 banks (\$806 bn) are ten times larger than top 10 finance companies (\$65 bn)
- Similar market share: total outstanding loans in 2016 for banks are \$299 bn vs. \$388 bn for finance companies

Background on FinTech Lenders

- 1. Definition:** Online lenders that do not take deposits
 - Usually based on partnership with regulated funding bank
 - FinTech makes loan and arranges for funding bank to originate
 - Not subject to bank regulation
- 2. Measurement:** Focus on Merchant Cash Advance (MCA) lender
 - MCAs make short-term loans against debit and credit card receivables
 - Valued for speed and convenience; lend at high interest rates
 - Usually secured with blanket lien

Data

UCC Data

1 Uniform Commercial Code (UCC) Filings

- UCC filings determine priority in bankruptcy
- Routinely made by lenders when originating a secured loan
- Filings are publicly available via state-level UCC registries
- Information on date of origination, borrower, lender, and collateral pledged

[Sample UCC Filing](#)

2. Create quasi-credit registry for U.S. businesses

- Covers all secured, non-real estate U.S. business loans
- Includes all 50 states + DC; covers years 2006 to 2016
- Includes both loans and leases
- Does not include loan amount, price terms

UCC Data (continued)

1. Augment with firm-level data
 - Data appended with unique firm-level identifier (DUNS number)
 - Link data to Dun and Bradstreet data on industry, location, and firm ownership
2. Classify lenders and collateral
 - Clean lender names and determine lender type
 - Match banks to call report data
 - Collateral pledged assigned to 23 categories
3. Ensure consistency with other datasets
 - Correlation with CRA at county level is 0.92

⇒ **Create U.S. credit-registry-type data, including nonbanks**

UCC vs. Community Reinvestment Act (CRA) Data

Topic	UCC	CRA
Lenders	All lenders	Only banks with assets \geq 1 billion
Loan size	No size cutoff	Only loans below \$ 1 million
Loan info	Count only	Count and amount
Aggregation	Loan-level	No borrower info, aggregated data
Credit lines	Properly counted	Incorrectly counted as new credit
Secured	Only secured loans	Secured + unsecured lending (including undrawn credit lines)
Collateral	Detailed info	No

Summary Statistics

Summary statistics: Banks and nonbank lenders

	Number of Lenders		Average number of loans	
	≥ 100 loans	≥ 1500 loans	≥ 100 loans	≥ 1500 loans
Bank	3,967	330	1,315	9,773
Nonbank	4,144	416	1,384	10,097

Lender type (≥ 1500 loans)	Count
Banks	330
Nonbanks	416
<i>Captive Finance</i>	95
<i>Independent Finance Companies</i>	192
<i>Cooperatives</i>	19
<i>Fintech</i>	19
<i>Investment Companies</i>	31

Summary statistics: Loans by lender type

	2006	2016	Total Sample	2006–2016 Growth Rate
Total Banks	463,734	489,637	4,866,852	5.6%
Total Nonbanks	514,791	722,839	6,273,077	40.4%
Captive Finance Companies	211,020	201,813	2,249,066	-4.4%
Independent Finance Companies	110,923	184,760	1,402,955	66.6%
Cooperatives	16,245	25,567	264,867	57.4%
FinTech	2,313	74,718	261,875	» 100%
Investment Companies	10,857	11,503	116,488	6.0%
Non-financials	161,910	222,658	1,945,651	37.5%

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Summary statistics: Collateral

	Full Sample	Banks	Nonbanks
	Mean	Mean	Mean
Equipment	0.662	0.651	0.670
Deposit Accounts	0.316	0.416	0.241
General Intangibles	0.300	0.391	0.231
Chattel Paper	0.251	0.302	0.212
Inventory	0.231	0.321	0.162
Fixtures	0.178	0.247	0.126
Computer Equipment	0.146	0.178	0.121
Vehicles	0.094	0.120	0.073
Negotiable Instruments	0.079	0.124	0.044
Farm Products/ Crops	0.045	0.067	0.028

1. Many firms pledge more than one type of collateral
2. Blanket lien involves listing many different assets

Empirical Analysis

Identification I: Bank dependence by county

- **Concern:** Credit Supply vs. credit demand
 - Supply: Negative shock to supply of bank lending after 2008
 - Demand: Decreased demand for bank lending after 2008
- **Solution:** Use geographic difference in bank dependence *before* financial crisis
 - Decline in bank lending due to national factors
 - Different areas affected differently because of historical variation in bank dependence
 - Control for industry or collateral-specific loan demand
- **Identification Assumption:** Geographic difference in bank dependence uncorrelated with nonbank lender demand

Geographic variation in 2006 bank dependence

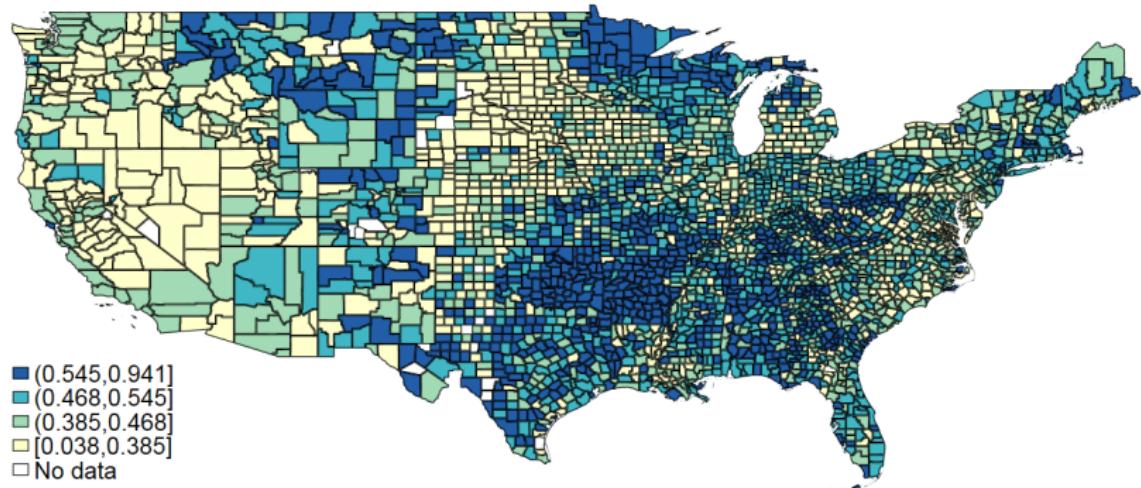


Figure: Geographical distribution of bank shares in the U.S. in 2006

1. Significant variation across U.S.
2. Use state fixed effect to address regional clustering

County-level estimation

$$\Delta Y_c = \alpha_s + \gamma BankShare_{06,c} + \delta X_c + \varepsilon_c,$$

- ΔY_c : County lending growth or Δ market share, 2007-2016
- $BankShare_{06,c}$: Market share of banks in county c in 2006
- α_s : State fixed effects
- X_c : County-level characteristics, 2006
- Standard errors clustered at county-level
- Similar estimation at county-industry-level and county-collateral-level

County-level lending growth

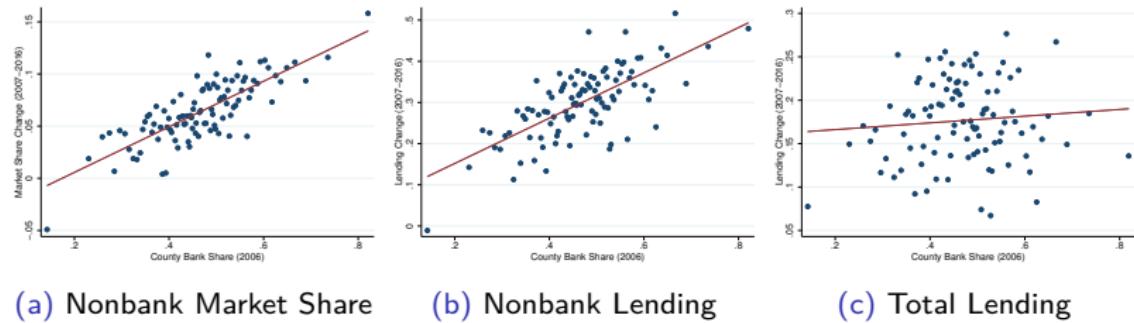


Figure: Binscatter plots of 2007–2016 county-lending change on 2006 bank market share

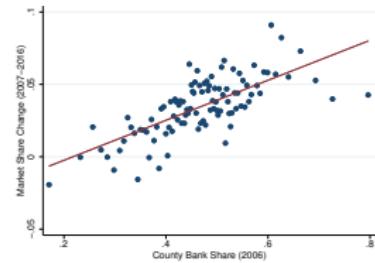
1. Nonbank lending replaces banks \Rightarrow no impact on total lending

County-level lending growth

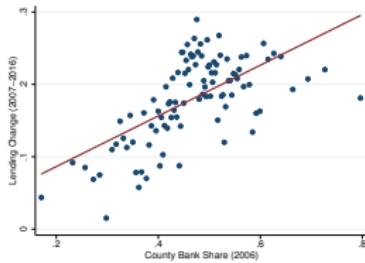
	2007-2016		
	(1) Nonbank Market Share	(2) Nonbank Lending	(3) Total Lending
Bank Share ₀₆	0.221*** (0.024)	0.545*** (0.078)	0.015 (0.059)
Controls	Y	Y	Y
State FE	Y	Y	Y
Obs.	3,006	3,006	3,006
R ²	0.232	0.526	0.566

1. Move from 10th to 90th percentile of bank share (30.4% → 62.9%) increases nonbank market share by 7.2 ppt and nonbank lending by 17.8%

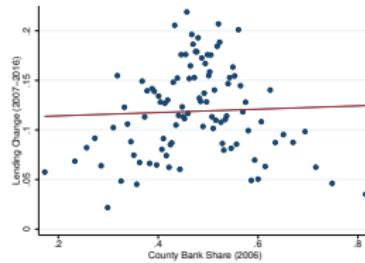
Controlling for industry



(a) Nonbank Market Share



(b) Nonbank Lending



(c) Total Lending

Figure: Binscatter plots of 2007–2016 county-industry lending change on 2006 county bank market share

Controlling for industry

	2007-2016		
	(1) Nonbank Market Share	(2) Nonbank Lending	(3) Total Lending
Bank Share ₀₆ (County)	0.124*** (0.019)	0.330*** (0.074)	-0.007 (0.065)
Industry FE	Yes	Yes	Yes
Controls	Y	Y	Y
Obs.	41,931	41,931	41,931
R ²	0.050	0.152	0.195

1. Move from 10th percentile (30.4%) to 90th percentile (62.9%) of bank share increases nonbank market share by 4.0 ppt and nonbank lending by 10.7%.

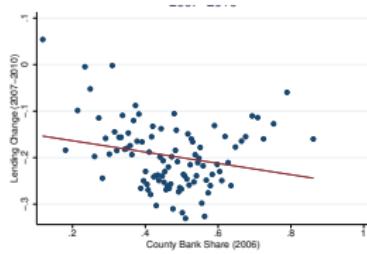
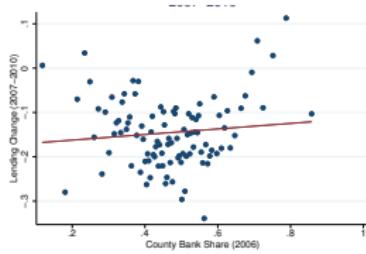
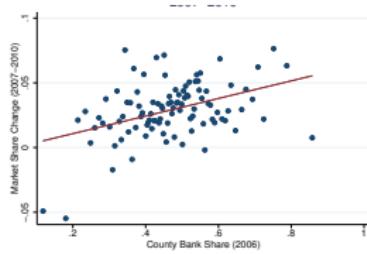
Controlling for collateral

	2007-2016		
	(1) Nonbank Market Share	(2) Nonbank Lending	(3) Total Lending
Bank Share ₀₆ (County)	0.214*** (0.026)	0.508*** (0.106)	0.029 (0.091)
Collateral FE	Y	Y	Y
State FE	Y	Y	Y
Obs.	9,771	9,771	9,771
R ²	0.162	0.337	0.328

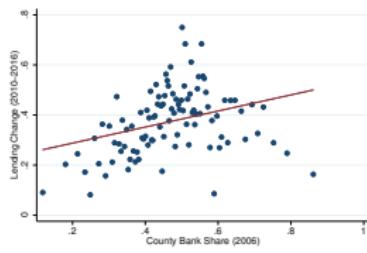
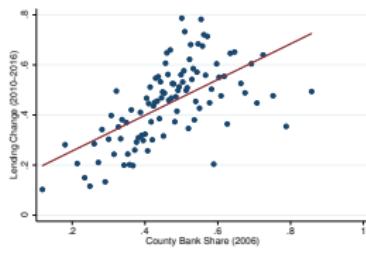
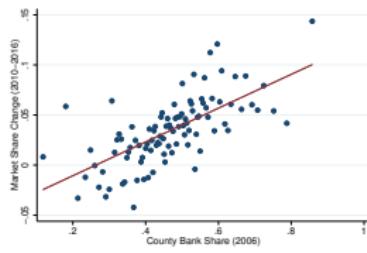
1. Move from 10th percentile (30.4%) to 90th percentile (62.9%) of bank share increases nonbank market share by 7.0 ppt and nonbank lending by 16.5%.

Crisis vs. Recovery Period

2007–2010



2010–2016



(a) Nonbank Market Share

(b) Nonbank Lending

(c) Total Lending

Figure: Binscatter plots of crisis vs. recovery period county-lending change on 2006 bank market share

Identification II: Within-firm estimator

1. **Concern:** Credit Supply vs. credit demand
 - Demand for nonbank loans correlated with 2006 bank dependence
2. **Solution:** Exploit lending by banks vs. nonbanks to the *same* firm
 - Sample: firms with loans from banks and nonbank lenders in 2006-07
 - Controls for firm-level credit demand
3. **Identification Assumption:** No change in borrower preference for bank vs. nonbanks after 2008

Identification II: Within-firm estimator

$$\text{RepeatLoan}_{i,b} = \alpha_i + \beta \text{Nonbank}_b + \delta X_i + \varepsilon_c,$$

- α_i : Firm-fixed effects
- $\text{RepeatLoan}_{i,b}$: Indicator variable for repeat loan to firm i by lender b
- Nonbank_b : Indicator variable whether lender is nonbank
- X_i : Firm characteristics

Within-firm estimator

Sample: borrowers that borrow from both banks and nonbanks in 2006/07

$$\text{RepeatLoan}_{i,b} = \alpha_i + \beta \text{Nonbank}_b + \delta X_i + \varepsilon_c,$$

	(1)	(2)	(3)
Nonbank	0.037*** (0.006)	0.048*** (0.006)	0.054*** (0.006)
Firm FE	Y	N	N
County FE	N	Y	Y
Industry FE	N	Y	N
Obs.	292,994	292,994	292,994
Cluster	County, Ind	County, Ind	County, Ind
R ²	0.702	0.089	0.033

Within-firm estimator

Sample: borrowers that borrow from either banks and nonbanks in 2006/07

$$RepeatLoan_i = \alpha + \beta Nonbank_i + \delta X_i + \varepsilon_c,$$

	(1)	(2)	(3)
Nonbank	0.056*** (0.007)	0.094*** (0.010)	0.098*** (0.013)
Firm FE	N	N	N
County FE	Y	Y	N
Industry FE	Y	N	N
Obs.	821,438	821,438	821,448
Cluster	County, Ind	County, Ind	County, Ind
R ²	0.099	0.045	0.010

Identification III: Bank-affiliated finance companies

- **Concern** - Changes in bank lending is driven by post-crisis regulation or differences in loan types served by nonbank
- **Solution** - Compare bank-affiliated finance companies to nonbank-affiliated finance companies. Serve similar borrowers but bank-affiliated finance companies are regulated like parent.

Bank vs. Bank Affiliated Finance Companies

	2007-2016		
	(1) Bank-Affiliated FC Market Share	(2) Independent FC Market Share	(3) Nonbank Market Share
Bank Share ₀₆	-0.015* (0.008)	0.104*** (0.017)	0.223*** (0.021)
Controls	Y	Y	Y
Obs.	2,249	2,911	3,030
R ²	0.014	0.086	0.081

1. Bank-affiliated finance companies exhibit similar lending patterns as banks

Real effects: county employment growth

	$\Delta(\text{Establishments})$	$\Delta(\text{Employment})$	$\Delta(\text{Wages})$
	(2)	(4)	(6)
Bank Share ₀₆	0.000 (0.016)	-0.032 (0.029)	-0.026 (0.018)
Baseline Controls	Y	Y	Y
State FE	Y	Y	Y
Obs.	3048	3021	3021
R ²	0.313	0.140	0.211

1. No impact of bank dependence on long-term real outcomes

Real effects: county-industry employment growth

	$\Delta(\text{Establishments})$	$\Delta(\text{Employment})$	$\Delta(\text{Wages})$
	(2)	(4)	(6)
Bank Share ₀₆	-0.017 (0.018)	-0.071* (0.038)	0.026 (0.045)
Industry	Y	Y	Y
Baseline Controls	Y	Y	Y
State FE	Y	Y	Y
Obs.	53268	53268	34749
R ²	0.068	0.035	0.047

1. Results similar when controlling for industry

Robustness

- **Captive vs. Independent Finance Companies** - Captive finance company lending driven by parent company need to increase sales uncorrelated to bank lending drop; separate captive and independent finance companies Captive vs. Independent
- **Top4 Share** - Verify if nonbank growth is explained by Top4 bank lending drop Top4 Controls
- **Large Counties** - Results robust to focusing on large counties Large Counties

Conclusion

1. Introduce new dataset on universe of small business lending to study credit supply to SMEs in the aftermath of 2008 financial crisis
2. Finance companies and FinTech lenders can account for “missing” bank lending
 - Finance companies and FinTech lenders replaced bank lending after 2008 financial crisis
3. Negative bank lending supply shock had no long-term real effects
 - We find no long-term impact on establishment growth, employment, and wages
4. Finance and FinTech companies major provider to small businesses
 - Finance and FinTech companies make 60% of small business loans in 2016
 - Should be considered when measuring small business credit and when considering policies concerning small businesses

Appendix

File Number: 20180091764K
Date Filed: 9/5/2018 11:53:00 AM
Elaine F. Marshall
NC Secretary of State

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS

A. NAME & PHONE OF CONTACT AT FILER (optional)

Corporation Service Company

B. E-MAIL CONTACT AT FILER (optional)

FilingDept@escinfo.com

C. SEND ACKNOWLEDGMENT TO: (Name and Address)

Corporation Service Company
801 Adlai Stevenson Dr
Springfield, IL 62703

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S NAME: Provide only one Debtor name (1a or 1b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the individual Debtor's name will not fit in line 1b, leave all of item 1 blank, check here and provide the individual Debtor information in Item 10 of the Financing Statement Addendum (Form UCC1Ad)

1a. ORGANIZATION'S NAME

First Choice Landscaping, Inc.

OR

1b. INDIVIDUAL'S SURNAME

FIRST PERSONAL NAME

ADDITIONAL NAME(S)/INITIAL(S)

SUFFIX

1c. MAILING ADDRESS

CITY

STATE

POSTAL CODE

COUNTRY

596 BURRAGE ROAD

CONCORD

NC

28025

USA

2. DEBTOR'S NAME: Provide only one Debtor name (2a or 2b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the individual Debtor's name will not fit in line 2b, leave all of item 2 blank, check here and provide the individual Debtor information in Item 10 of the Financing Statement Addendum (Form UCC1Ad)

2a. ORGANIZATION'S NAME

OR

2b. INDIVIDUAL'S SURNAME

FIRST PERSONAL NAME

ADDITIONAL NAME(S)/INITIAL(S)

SUFFIX

2c. MAILING ADDRESS

CITY

STATE

POSTAL CODE

COUNTRY

3. SECURED PARTY'S NAME (or NAME OF ASSIGNEE OF ASSIGNOR SECURED PARTY): Provide only one Secured Party name (3a or 3b)

3a. ORGANIZATION'S NAME

Wells Fargo Vendor Financial Services, LLC

OR

3b. INDIVIDUAL'S SURNAME

FIRST PERSONAL NAME

ADDITIONAL NAME(S)/INITIAL(S)

SUFFIX

3c. MAILING ADDRESS

CITY

STATE

POSTAL CODE

COUNTRY

PO Box 35701

Billings

MT

59107

USA

4. COLLATERAL: This financing statement covers the following collateral:

This Financing Statement covers the equipment and other assets described below and/or on any annex, schedule and/or exhibit hereto (which is to be considered an integral part hereof), plus all existing and future replacements, exchanges and substitutions therefor, attachments, accessories, accessions and additions thereto, and insurance, lease, sublease and other proceeds thereof.

Equipment: ONE (1) BOBCAT COMPACT TRACK LOADER, MODEL# T595 S/N: B3NKK18740

ONE (1) BOBCAT SOIL CONDITIONER, MODEL# T2in HYDRAULIC S/N: S6TE03123

ONE (1) BOBCAT TRENCHER, MODEL# LT313 3FT DEPTH S/N: 045414032

ONE (1) BOBCAT SOIL CONDITIONER, MODEL# 84in HYDRAULIC S/N: A6TG03041

◀ Back

File Number: 20180091764K
Date Filed: 9/5/2018 11:53:00 AM
Elaine F. Marshall
NC Secretary of State

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OR
1b. INDIVIDUAL'S SURNAME _____ FIRST PERSONAL NAME _____ ADDITIONAL NAME(S)/INITIAL(S) _____ SUFFIX _____

1c. MAILING ADDRESS
596 BURRAGE ROAD CITY **CONCORD** STATE **NC** POSTAL CODE **28025** COUNTRY **USA**

2. DEBTOR'S NAME: Provide only one Debtor name (2a or 2b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the individual Debtor's name will not fit in line 2a, leave all of item 2 blank, check here and provide the individual Debtor information in Item 10 of the Financing Statement Addendum (Form UCC1Ad)

2a. ORGANIZATION'S NAME
Wells Fargo Vendor Financial Services, LLC

OR
2b. INDIVIDUAL'S SURNAME _____ FIRST PERSONAL NAME _____ ADDITIONAL NAME(S)/INITIAL(S) _____ SUFFIX _____

2c. MAILING ADDRESS
PO Box 35701 CITY **Billings** STATE **MT** POSTAL CODE **59107** COUNTRY **USA**

3. SECURED PARTY'S NAME (or NAME OF ASSIGNEE of ASSIGNOR SECURED PARTY): Provide only one Secured Party name (3a or 3b)

3a. ORGANIZATION'S NAME
Wells Fargo Vendor Financial Services, LLC

OR
3b. INDIVIDUAL'S SURNAME _____ FIRST PERSONAL NAME _____ ADDITIONAL NAME(S)/INITIAL(S) _____ SUFFIX _____

3c. MAILING ADDRESS
PO Box 35701 CITY **Billings** STATE **MT** POSTAL CODE **59107** COUNTRY **USA**

4. COLLATERAL:

This Financing Statement covers the equipment and other assets described below and/or on any annex, schedule and/or exhibit hereto (which is to be considered an integral part hereof), plus all existing and future replacements, exchanges and substitutions therefor, attachments, accessories, accessions and additions thereto, and insurance, lease, sublease and other proceeds thereof.

Equipment: ONE (1) BOBCAT COMPACT TRACK LOADER, MODEL#: T595 S/N: B3NKK18740
ONE (1) BOBCAT SOIL CONDITIONER, MODEL#: T2in HYDRAULIC S/N: S6TE03123
ONE (1) BOBCAT TRENCHER, MODEL#: LT313 3FT DEPTH S/N: 045414032
ONE (1) BOBCAT SOIL CONDITIONER, MODEL#: 84in HYDRAULIC S/N: A6TG03041

Date of Filing
September 5th 2018

◀ Back

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS

A. NAME & PHONE OF CONTACT AT FILER (optional)

Corporation Service Company

B. E-MAIL CONTACT AT FILER (optional)

FilingDept@escinfo.com

C. SEND ACKNOWLEDGMENT TO: (Name and Address)

Corporation Service Company
801 Adlai Stevenson Dr
Springfield, IL 62703

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S NAME: Provide only one (1a or 1b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the individual Debtor's name will not fit in line 1b, leave all of item 1 blank, check here and provide the individual Debtor information in Item 10 of the Financing Statement Addendum (Form UCC1Ad)

1a. ORGANIZATION'S NAME:

First Choice Landscaping, Inc.

OR

1b. INDIVIDUAL'S SURNAME

FIRST PERSONAL NAME

ADDITIONAL NAME(S)/INITIAL(S)

SUFFIX

1c. MAILING ADDRESS

CITY

STATE

POSTAL CODE

COUNTRY

596 BURRAGE ROAD

CONCORD

NC

28025

USA

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OR

2b. INDIVIDUAL'S SURNAME

FIRST PERSONAL NAME

ADDITIONAL NAME(S)/INITIAL(S)

SUFFIX

2c. MAILING ADDRESS

CITY

STATE

POSTAL CODE

COUNTRY

3. SECURED PARTY'S NAME (or NAME OF ASSIGNEE of ASSIGNOR SECURED PARTY): Provide only one Secured Party name (3a or 3b)

3a. ORGANIZATION'S NAME:

Wells Fargo Vendor Financial Services, LLC

OR

3b. INDIVIDUAL'S SURNAME

FIRST PERSONAL NAME

ADDITIONAL NAME(S)/INITIAL(S)

SUFFIX

3c. MAILING ADDRESS

CITY

STATE

POSTAL CODE

COUNTRY

PO Box 35701

Billings

MT

59107

USA

4. COLLATERAL: This financing statement covers the following collateral:

This Financing Statement covers the equipment and other assets described below and/or on any annex, schedule and/or exhibit hereto (which is to be considered an integral part hereof), plus all existing and future replacements, exchanges and substitutions therefor, attachments, accessories, accessions and additions thereto, and insurance, lease, sublease and other proceeds thereof.

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ONE (1) BOBCAT SOIL CONDITIONER, MODEL#: 84in HYDRAULIC S/N: A6TG03041

Borrower
First Choice Landscaping
Located in Concord, NC

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File Number: 20180091764K
Date Filed: 9/5/2018 11:53:00 AM
Elaine F. Marshall
NC Secretary of State

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS

A. NAME & PHONE OF CONTACT AT FILER (optional)

Corporation Service Company

B. E-MAIL CONTACT AT FILER (optional)

FilingDept@escinfo.com

C. SEND ACKNOWLEDGMENT TO: (Name and Address)

Corporation Service Company
801 Adlai Stevenson Dr
Springfield, IL 62703

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1a. ORGANIZATION'S NAME

First Choice Landscaping, Inc.

OR

1b. INDIVIDUAL'S SURNAME

FIRST PERSONAL NAME

ADDITIONAL NAME(S)/INITIAL(S)

SUFFIX

1c. MAILING ADDRESS

CITY

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596 BURRAGE ROAD

CONCORD

NC

28025

USA

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2a. ORGANIZATION'S NAME

OR

2b. INDIVIDUAL'S SURNAME

FIRST PERSONAL NAME

ADDITIONAL NAME(S)/INITIAL(S)

SUFFIX

2c. MAILING ADDRESS

CITY

STATE

POSTAL CODE

COUNTRY

3. SECURED PARTY'S NAME (or NAME OF ASSIGNEE OF ASSIGNOR SECURED PARTY): Provide only one Secured Party name (3a or 3b)

3a. ORGANIZATION'S NAME

Wells Fargo Vendor Financial Services, LLC

OR

3b. INDIVIDUAL'S SURNAME

FIRST PERSONAL NAME

ADDITIONAL NAME(S)/INITIAL(S)

SUFFIX

3c. MAILING ADDRESS

CITY

STATE

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PO Box 35701

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59107

USA

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ONE (1) BOBCAT SOIL CONDITIONER, MODEL#: 84in HYDRAULIC S/N: A6TG03041

Lender
Wells Fargo

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Captive vs. Independent Finance Company

	2007-2016			
	(1) Nonbank Market Share	(2) Captive FC Lending	(3) Independent FC Lending	(4) Total Lending
Bank Share ₀₆	0.214*** (0.019)	0.600*** (0.085)	1.022*** (0.108)	0.109* (0.060)
Controls	Y	Y	Y	Y
Obs.	3,006	2,975	2,922	3,006
R ²	0.086	0.079	0.135	0.080

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Top4 Bank Share

	2007-2016		
	(1) Nonbank Market Share	(2) Nonbank Lending	(3) Total Lending
Bank Share ₀₆	0.222*** (0.020)	0.632*** (0.074)	0.085 (0.061)
Top4 Deposit Share	0.018 (0.017)	-0.106* (0.064)	-0.137*** (0.050)
Controls	Y	Y	Y
Obs.	3,003	3,003	3,003
R ²	0.088	0.124	0.083

Large Counties (Top 500 Counties)

	2007-2016		
	(1) Nonbank Market Share	(2) Nonbank	(3) Total
Bank Share ₀₆	0.352*** (0.068)	1.175*** (0.267)	0.463** (0.185)
Controls	Y	Y	Y
Obs.	500	500	500
R ²	0.212	0.201	0.139