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LM Funding Initiates Strategies to Monetize \$165 Million of Unsecured Assets

TAMPA, Fla., Nov. 09, 2016 (GLOBE NEWSWIRE) -- [LM Funding America, Inc.](#) (NASDAQ:LMFA) (NASDAQ:LMFAW), a specialty finance company offering unique funding solutions to community associations, has initiated strategies to monetize \$165 million of unsecured off-balance sheet assets. The company recently placed \$5 million of these assets with an experienced collection specialist.

LM Funding purchases delinquent accounts from homeowners' associations and subsequently monetizes those accounts through their proprietary technology-driven platform. For each delinquent account part of the balance is secured by real property and therefore guaranteed to pay out sometime in the future, while the remaining amount is unsecured.

Throughout LM Funding's history of handling over 12,000 collection events, the company has accumulated the rights to collect over \$165 million of unsecured debt, and is currently evaluating ways to monetize these off-balance sheet assets with a number of unsecured collection specialists. Recovered proceeds will benefit LM Funding and its client community associations pursuant to contracts between them.

"These off-balance sheet assets have been increasing in value since our founding in 2008," said Bruce Rodgers, founder and CEO of LM Funding. "We are confident that through this process, we will be able to generate a significant amount of capital, which we can then deploy into our core business of purchasing and monetizing delinquent accounts. This strategy, coupled with our recent cost-cutting initiatives, our proprietary software platform, and our strengthened sales force, positions us well to capitalize on the multi-billion-dollar community association receivables market."

Unique to LM Funding is their proprietary software platform which allows the company to simultaneously manage thousands of delinquent accounts – including both the property-secured and unsecured portions.

Rodgers added: "Our robust technology platform sets us apart from our competition as we are far more efficient in processing and ultimately returning capital to our community association clients. This scalable technology allows us to grow without having to invest back into our operations, which will help expand margins in the future."

Additionally, LM Funding has a number of other assets that are also not fully recognized on their balance sheet. For example, at June 30, 2016, the company estimates that its REO portfolio is valued at \$7.9 million, while the balance sheet reflects \$2.1 million. Additionally, third party actuaries value the company's receivables at \$10.5 million, while the balance sheet reflects \$1.8 million.

About LM Funding America

LM Funding America, Inc., together with its subsidiaries, is a specialty finance company that provides funding to nonprofit community associations (Associations) primarily located in the state of Florida, as well as in the states of Washington, Colorado and Illinois. The company offers funding to Associations by purchasing a certain portion of the Associations' rights to delinquent accounts that are selected by the Associations arising from unpaid Association assessments. It is also involved in the business of purchasing delinquent accounts on various terms tailored to suit each Association's financial needs, including under its New Neighbor Guaranty™ program. The company was founded in 2008 and is based in Tampa, Florida. The company's common shares and warrants trade on the NASDAQ Capital Market under the symbols "LMFA" and "LMFAW".

Forward-Looking Statements

This press release may contain forward-looking statements made pursuant to the Private Securities Litigation Reform Act of 1995. Words such as "anticipate," "estimate," "expect," "intend," "plan," and "project" and other similar words and expressions are intended to signify forward-looking statements. Forward-looking statements are not guarantees of future results and conditions but rather are subject to various risks and uncertainties. Some of these risks and uncertainties are identified in the company's filings with the SEC. The occurrence of any of these risks and uncertainties could have a material adverse effect on the company's business, financial condition, and results of operations.

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