

LM Funding Announces Contracts with New Associations

TAMPA, FL / ACCESSWIRE / August 24, 2020 / Funding America, Inc.

(NASDAQ:LMFA) ("LM Funding" "LMFA" or "Company"), a technology-based specialty finance company, today announced contracting with two additional South Florida condominium owners associations to provide funding for potential budget shortfalls resulting from the pandemic driven economic downturn. These new contracts add 8,000 doors to the Company's total door count for Associations under contract with active accounts to approximately 33,000.

"We continue to expect overall delinquency rates in community associations and the demand for our funding products to track unemployment", said LMFA's Chief Executive Officer Bruce M. Rodgers. "The pandemic caused economic downturn has resulted in May 2020 U.S. unemployment of 13.3%. We experienced our most profitable years following the 2008 financial downturn when unemployment increased in 2009 to 2013 from a low of 7.8% to a high of 9.8%. We entered that business cycle as a start up company with limited access to capital and unproven operating systems. We believe the lessons learned from the last cycle will scale well in the current economic environment."

According to data from Community Association Institute (www.caionline.org) over 9.8 million people live in over 48,000 Florida condominium or homeowners associations. These community associations are not for profit corporations governed by board of directors elected by property owners. The community associations pay for maintenance of common amenities with assessments collected from owners.

"When homeowners do not pay their assessments, their neighbors must make up the difference, and if they fail to do so, property values will likely decline as amenities are reduced." Rodgers said. "With high unemployment, some people are not going to be able to pay their assessments. But we must recognize that the debtors of this cycle are victims of a pandemic and not participants in a widespread real estate bubble like last cycle. The virus has disrupted the lives of hard-working productive people and our approach will be to work to keep them in their homes by funding association payment plans rather than foreclosures whenever possible."

On August 18, 2020, LMFA announced receipt of approximately \$9 million in cash proceeds from an underwritten offering of its common stock and warrants increasing the Company's cash position to approximately \$14.4 million as of August 22, 2020.

About LM Funding America:

LM Funding America, Inc., together with its subsidiaries, is a technology-based 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 by funding a certain portion of the associations' rights to delinquent accounts that are selected by the Associations arising from unpaid Association assessments.

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," "believe," "estimate," "expect," "intend," "plan," and "project" and other similar words and expressions are intended to signify forward-looking statements. Forward-looking statements are not guaranties 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 most recent Annual Report on Form 10-K and its other filings with the SEC, which are available at www.sec.gov. These risks and uncertainties include, without limitation, uncertainty created by the COVID-19 pandemic, our ability to acquire new accounts at appropriate prices, the need for capital, our ability to hire and retain new employees, changes in governmental regulations that affect our ability to collect sufficient amounts on defaulted consumer receivables, changes in the credit or capital markets, changes in interest rates, and negative press regarding the debt collection industry. 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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