

FIN12

Social Capital and Fintech Credit Adoption

Mohammad Hashemi Joo¹, Yuka Nishikawa², Krishnan Dandapani³

¹California State University, Los Angeles, Los Angeles, CA, USA. ²California State Polytechnic University, Pomona, Pomona, CA, USA. ³Florida International University, Miami, FL, USA

Abstract

This study examines the role of social capital in the adoption of fintech mortgage lending, an emerging form of lending facilitated by digital platforms. Prior research highlights how social capital fosters trust between lenders and borrowers, mitigates information asymmetry, and reduces adverse selection—factors crucial in digital and anonymous lending. Social capital also promotes cooperative norms that discourage opportunistic behaviors, creating favorable conditions for both borrowers and lenders. Using U.S. county-level data, we empirically test the hypothesis that regions with higher social capital exhibit greater adoption of fintech mortgage lending. Our findings provide robust evidence supporting this relationship.

Conference Track

Finance and Investment