



Dallas Fintech CollateralEdge Gets Strategic Investment from New York Investment Firm



Phalanx Impact Partners said its investment in CollateralEdge communicates its thesis "that expanded access to middle market credit solutions benefits our next generation of entrepreneurs in all communities."

CollateralEdge—a Dallas-based fintech that enables community and regional banks to structure more competitive commercial loans for underserved communities—has received a strategic investment from New York-based Phalanx Impact Partners.

Phalanx said the investment communicates its thesis “that expanded access to middle market credit solutions benefits our next generation of entrepreneurs in all communities.”

The investment amount was not disclosed.

Dallas Innovates [profiled CollateralEdge and its co-founders](#), CEO Joe Beard and President and COO Joe Radtke, when the startup emerged from stealth with \$3.5 million and a stellar investment group in 2021. The fintech was one of [three inaugural winners](#) of the Startup of the Year Awards at the 2023 Venture Dallas conference. Its co-founder and CEO, Joe Beard, was named to Dallas Innovates' [Future 50 list](#) in 2023.

Instantly pricing loans with ‘hard collateral support’

The CollateralEdge platform instantly prices and delivers hard collateral support to help community banks overcome short-term underwriting concerns and reduce policy exceptions on commercial loans, Phalanx noted. The industry-agnostic solution supports loans as small as \$250,000, “which is key to partnering with community banks in rural areas and inner cities with underserved communities.”

Helping these banks make quality loans “will create thriving local business communities supported by strong job creation and expanded local economies,” Phalanx added.

John Pantalena, partner at Phalanx Impact Partners, said CollateralEdge’s vision “deeply resonated with our belief that expanded access to credit can transform communities.”

“In a financial landscape where middle-market capital is disproportionately allocated to private equity owned businesses in a narrow range of target industries, CollateralEdge stands out as a unique solution-driven value proposition,” Pantalena added in a statement. “We believe that they will be able grow both by being a valued partner to middle-market lending institutions and by expanding the number of participants in the yield products that they are creating through their platform.”

‘A bridge to financial inclusion for small businesses’

News of the Phalanx investment follows CollateralEdge’s recent acceptance as “the very” first fintech partner for the IBATx accelerator program, developed by the Independent Bankers Association of Texas.

The Dallas fintech is actively working with community banks across the country and is “anticipating significant growth for 2024,” Phalanx said.

“We’re not just building a company; we are constructing a bridge to financial inclusion for small businesses, especially those in underserved communities who need it the most,” CollateralEdge CEO Joe Beard said in a statement. “Our collaboration with Phalanx Impact Partners is a testament to our shared belief in the economic backbone of the country—small businesses. Together, we empower community banks to extend competitive credit offers to small and middle market businesses which are the key drivers of economic development in this country.”

The CollateralEdge platform automates the entire process to deliver “high quality collateral enhancement solutions” directly to its bank customers via its proprietary Portal technology, Phalanx noted, allowing the bank customers to “maintain complete control of the loan process and customer relationship.”

Financial Industry veteran James Watkins, a former senior official at the FDIC and current senior managing director at Isaac Milstein, serves on the CollateralEdge advisory board.

“By boosting collateral for some of the most critical businesses, CollateralEdge is providing a positive impact to the financial sector and the economy” Watkins said. “Many of the businesses that benefit from the additional collateral are the leading job creators in their local communities. Expanding middle market access to credit helps to nourish local economies, produce greater employment opportunities, and strengthen communities.”