



These 2 young entrepreneurs needed a better bank, so they built one

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Co-founders of PROFIT Bank, Vin Montes, left, and Frantz Romain, right, stand in the company's new office space in the VentureLink building at NJIT in Newark on Monday, November 8, 2021. Julian Leshay | For NJ Advance M

By [George E. Jordan](#) | For NJ Advance Media

When two New Jersey entrepreneurs and computer engineers looked back over the early part of their careers, they decided the biggest obstacle to the success of their small businesses was basic bookkeeping.

Profit and loss statements, tracking cancelled checks, receipts and other papers to qualify for bank loans and prepare annual tax returns were all worrisome details. They wished they had a helping hand.

So Vin Montes, 41, and Frantz Romain, 30, launched [PROFIT Business Bank](#), an all-in-one online bank that targets upstart minority-owned businesses. It offers checking accounts that include bookkeeping software, Visa debit cards, free financial advice and eventually business loans.

“We want to build something disruptive. We want to give them the best service that they deserve,” said Romain, who lives in Union City. “This is a growing demographic and they are not being served well by the current banks.”

The pair launched the bank in September and it currently employs six full-time web engineers and a compliance officer. PROFIT’s founders said they plan to add accountants as its client base grows. The bank is based in Manhattan.

“Everyone says they want to help minority businesses,” said Montes, who lives in Newark, “But they’re not really helping. There are some free services that the businesses are probably paying for. ... We’re literally rolling up our sleeves and doing something about it. We have free services that impact their bottom line.”



Frantz Romain, CTO and co-founder of PROFIT Bank, sits in the company's new office space in the VentureLink building at NJIT in Newark on Monday, November 8, 2021. Julian Leshay | For NJ Advance M

PROFIT, whose backers include Barclays, TechStars and Active Capital, plans to go to market this month to raise \$2 million from angel investors. The bank is part of a wave of online financial institutions with a technical backbone known as fintech, which have grown increasingly popular among minority-owned businesses since the start of the pandemic.

Fintechs were far more successful in processing Paycheck Protection Program aid to minority-owned businesses than traditional banks, according to a recent National Bureau of Economic Research [report](#). It found 12% of minority-owned businesses were more likely to receive PPP loans from a fintech lender than a traditional bank.

As a result, fintechs have been credited with helping even the playing field for minority-owned businesses that historically had strained relationships with traditional banks, especially when it came to securing capital and qualifying for loans.

Rutgers Business School Professor Lyneir Richardson, executive director of a program for urban entrepreneurs, said PROFIT’s free bookkeeping was a “value-added service that makes access to capital easier” because businesses have the paperwork to apply for e-loans.

“Fintech takes a lot of bias out of the decision-making,” he said. “Anything that can make access to capital easier is a welcome development.”

Richardson said minority business formation is up 40% nationally in the past year, but many of the new entrepreneurs face economic, market, sociocultural and institutional barriers. He said only a handful of new Black-owned businesses survive the start-up stage, even though 20% of Black Americans start businesses at some point in their lifetime.

Adenah Bayoh, a member of the Federal Reserve Bank of New York’s small business advisory council, said Fintech’s fast algorithmic lending decisions that eliminate human bias is forcing traditional banks to change their lending practices.



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Black and Latino business owners are half as likely to be approved for bank loans than whites, according to a 2020 Federal Reserve study. Separately, Forbes found that 37.9% of Black businesses reported being discouraged from applying for a business loan, compared to 12.7% of white-owned businesses.

“Anything right now that is disruptive to traditional banking is welcome,” said Bayoh, a major New Jersey IHOP franchisee and commercial real estate investor. “If we’re going to change the banking system, we have to look at a different way of doing banking.”

Fintech’s approach comes with drawbacks, however. And in the postmortem of the PPP, policymakers at the Consumer Financial Protection Bureau and other financial regulators are looking closely at the ways fintech lenders doled out money during the pandemic.

Romain, a 2016 graduate of NJIT, and Montes, an Air Force veteran and 2017 graduate of Fairleigh Dickerson University, got the idea for PROFIT while working as software engineers at United Parcel Service.

Montes, a former medical student, started an energy drink company in 2006 called Nerd Focus. He said he dropped out of medical school to run the company, which grew to 24 full-time employees and \$2 million in annual sales at 3,000 retail locations.

Montes said he sold Nerd Focus for a profit last year, but he lost “lots of money initially” because he lacked strong bookkeeping and financial advice. “Nobody in my family had an accounting or a finance background. It was really hard,” he said.

PROFIT’s online app includes a real-time profit and loss statement, a text message system that stores images of receipts to debit transactions as well as traditional checking account reconciliation. The profit and loss statement includes a projection of profit margin for the business’ industry sector.

“We’re going to have real accountants managing these businesses. If they have a question, they can call the account manager for advice,” said Romain. “We’re literally managing their profit loss statement.”

By monitoring their clients’ profit and loss statements, PROFIT plans to then recommend grants, loans and other programs to help the upstart business.

“It just makes it easy for the business owner,” Montes said. “I can look at my account, I can see my profit loss statement. The bank can see all this coming in and now it’s all there in all in one solution.”

George E. Jordan writes a weekly column on business and development in New Jersey. He may be reached at george@griotmediaworks.com