



RAISE Texas Summit  
*May 2016*

# Affordable Credit Options are Hard to Find



**25 Million US Hispanics**<sup>1</sup> aren't having their needs met by traditional financial institutions. They may have little or no credit history.

Without a credit score, **they may have trouble renting** an apartment or **getting a job**, since many landlords and employers check credit scores.

**Their options are limited** when it comes to financing large purchases or paying for emergency expenses.

- They may not qualify for credit cards or loans from traditional banks
- Many alternative lenders charge high rates, require a bank account and/or require collateral



Alternative products that are typically available to people with little or no credit, **cost 3 times more** than an Oportun loan and can be up to **7 times more expensive**<sup>2</sup>

<sup>1</sup> US Census Bureau as of July 1, 2013 and "2013 FDIC National Survey of Unbanked and underbanked Households."

<sup>2</sup> Based on a study commissioned by Oportun by the Center for Financial Services Innovation, a leading nonprofit authority on consumer financial health.

# Oportun: A Mission-Driven Lender

We provide **credit-building, affordable loans** that help the underserved Hispanic community build a **better future**



We provide **access to affordable, unsecured loans**

We have **saved customers \$345 million in interest and fees**<sup>1</sup>

We help customers **establish or build their credit histories** by reporting customer accounts to credit bureaus

<sup>1</sup> Relative to other alternatives typically available to people with limited credit history in CA, TX, and IL, according to a study conducted on Oportun's behalf by the Center for Financial Services Innovation, a leading nonprofit authority on consumer financial health.

# We Are a Community Development Financial Institution (CDFI)

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In recognition of Oportun's primary mission of **increasing economic opportunity** for its clients, **promoting community development**, and predominantly **servicing low-income or underserved communities**, Oportun is certified by the United States Department of Treasury as a Community Development Financial Institution ("CDFI").

The Company originally received this designation in November 2009 and was re-certified in October 2013.

**90% of Oportun's customers live in low to moderate income communities\***



\* As of 3/31/15. Based on the Department of Housing and Urban Development's classification of census tracts as low to moderate income.

# We Are Focused on Scale

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- Provided first loan in 2006
- 190+ locations in California, Texas, Illinois, Nevada, and Utah
- We are a for-profit institution. Scaling our business and achieving economic sustainability allows us to offer access to hundreds of thousands of people who need and deserve more affordable, responsibly-constructed credit.

725,000

Customers Served

\$2,400,000,000

Loan Disbursement

1,400,000

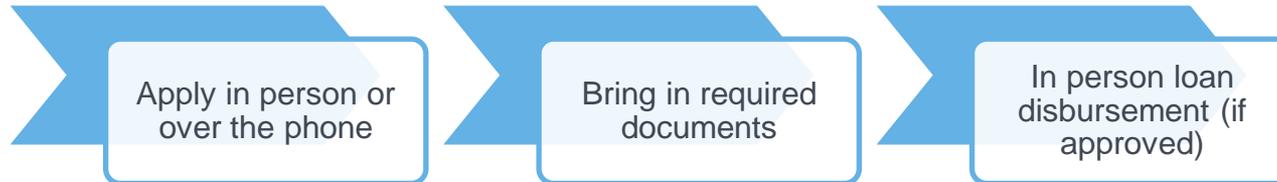
Loans Disbursed

All numbers as of March 31, 2016

# Our Application Is Accessible and Quick

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## Process



## Required Documents



### **Government-issue picture ID**

From the US or another country (driver's license, passport, consular ID)



### **Proof of income**

Pay stubs or bank statements



### **Proof of address**

Mobile phone, electricity, water, cable bills, etc.

# Our Loans Are Designed for Customer Success



Unsecured personal installment loan, documents in Spanish and/or English



No prepayment penalties and no balloon payments



Ability to pay framework used to underwrite every loan



Grace periods of 7 – 15 days



Fixed payments and rates



Report to credit bureaus

**\$300 - \$6,000**

(Avg. \$2,397)

Loan amounts<sup>1</sup>

**6 - 35**

(Avg. 24)

Term months<sup>1</sup>

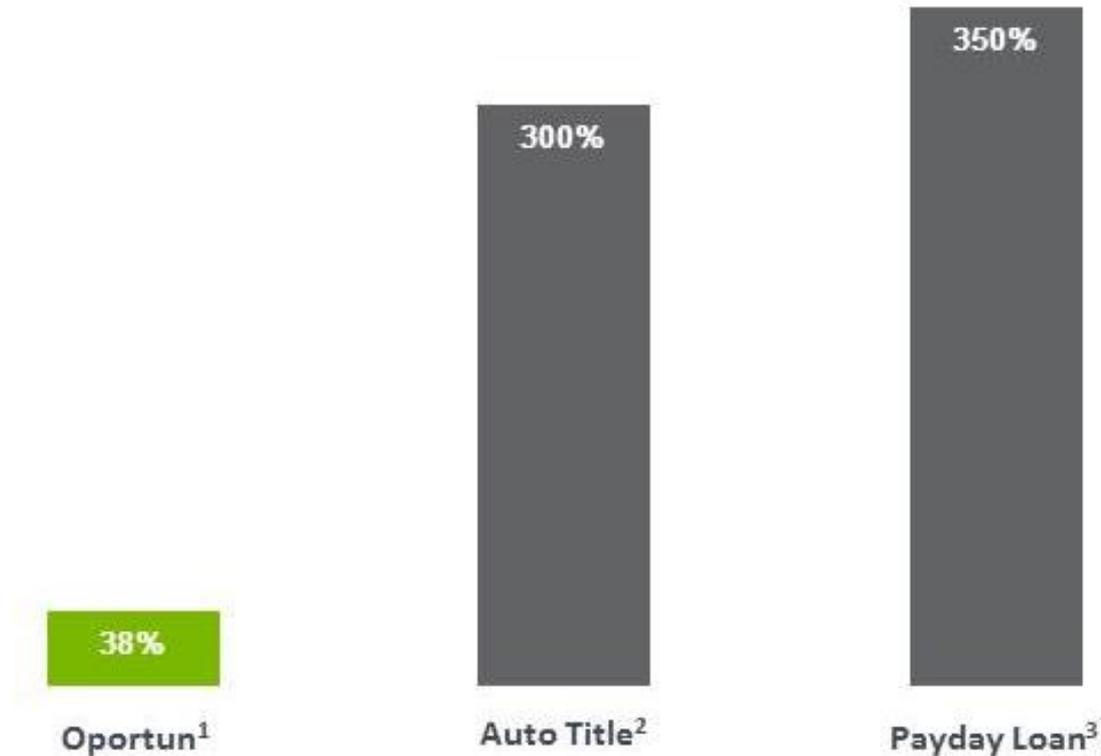
**32.6%**

Average interest rate<sup>1</sup>

<sup>1</sup> For managed portfolio as of 12/31/15; Oportun increased the maximum loan to approximately \$7,000 in February 2016 for certain lower risk customers

# Oportun Loans are Much Lower Cost Than Alternatives

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<sup>1</sup> Average Oportun APR is weighted on original principal and is based on loans originated year-to-date through 12/27/15

<sup>2</sup> Auto title data from Pew Charitable Trust report on auto title lending: "Auto Title Loans: Market Practices and Borrowers' Experiences," March 2015.

<sup>3</sup> Payday data from Pew Charitable Trust report on payday lending: "Payday Lending in America: Who Borrows, Where They Borrow, and Why," July 2012.

# Payday Costs Up to 7X More Than Oportun



Note: Cost equals fees and interest.

<sup>1</sup> Payday data from Pew Charitable Trust report on payday lending: "Payday Lending in America: Who Borrows, Where They Borrow, and Why," July 2012. In footnote 24, Pew states that the \$375 figure is based on Advance America's average payday loan (from their 2011 Annual Report). The \$520 is the cost of 8 rollovers (based on data in state reports) and the average fees charged by Advance America.

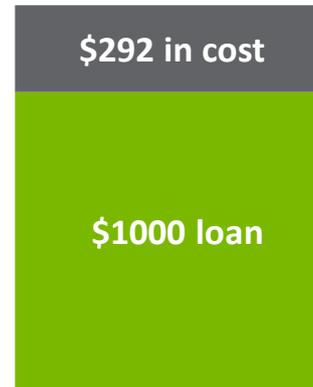
<sup>2</sup> Oportun example is a California-based loan that assumes on-time payments.

# Auto Title Costs Up to 4X More Than Oportun



**Average Auto Title Loan<sup>1</sup>**  
Term = 30 days  
APR = 300%

**Customers Save  
\$908 by Working  
with Oportun vs  
Average Car Title  
Loan**



**Oportun Loan<sup>2</sup>**  
Term = 12 months  
APR = 49.3%

Note: Cost equals fees and interest.

<sup>1</sup> Auto title data from Pew Charitable Trust report on auto title lending: "Auto Title Loans: Market Practices and Borrowers' Experiences," March 2015.

<sup>2</sup> Oportun example is a California-based loan that assumes on-time payments.

# Social Impact

## RESPONSIBILITY

Oportun models responsible lending practices that promote customer success

- Oportun loans have saved customers over **\$345M** in total interest and fees when compared to the alternatives typically available to them\*
- Alternative products typically cost **3 times** more than an Oportun loan, and can be up to **7 times** more expensive\*

\*According to a study conducted on Oportun's behalf by the Center for Financial Services Innovation, a leading nonprofit authority on consumer financial health

## COMMUNITY

Oportun strives to meet the credit needs of the underserved Hispanic community

- Nearly **50%** of Oportun customers came to us with no credit history\*
- Nearly **90%** of customers live in low to moderate income communities

\*No Credit Score population was defined as all first-time loan applicants who received a loan from Oportun, who did not have a Vantage 1 score at the time of their application

## OPPORTUNITY

Oportun helps customers build a better future by opening up new opportunities

- Oportun reports to 2 of the 3 major credit bureaus
- From 2011 - 2014, **61%** of multiple CA borrowers between \$300 - \$2,500 **obtained higher credit scores** on subsequent loans\*
- In 2014, the average increase for those borrowers was **355 points**\*

\*2015 CA Dept of Business Oversight Report of Activity Under Small Dollar Loan Programs

# Thank you

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