



**EXODUS**

**LENDING**

**2019 Annual Report**

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# WHO WE ARE

## Our Mission

Exodus Lending is dedicated solely to providing trapped Minnesotan borrowers a just pathway out of payday loan debt and toward financial stability.

## Our Values

### Transformation

We seek lasting change for the individual, for financial institutions, and for society at large.

### Relationship

We desire a strong relationship with our participants and community partners who further our shared goals.

### Transparency

We aim for clarity with our clients and donors every step of the way.

### Faith-Rooted Action

We believe that the work of liberation is central to the traditions we embody.

## Our Work

On behalf of enrolled Minnesotans, Exodus Lending pays off up to \$1,000 of payday, title, or online installment loan debt carrying more than 36% interest. Participants then repay over at least 12 months, with no interest on their loan with us.

# A MESSAGE FROM THE EXECUTIVE DIRECTOR

2019 was another amazing year for Exodus Lending. For a young nonprofit, carrying out our work refinancing payday and other predatory loans for just four and a half years, we have achieved big results. We refinanced loans for 151 participants (a 50% increase from 2018), made new connections with local and national organizations, advocated in St. Paul and Washington, D.C. for a 36% interest rate cap, moved to a larger office, added staff, and held listening sessions with our stakeholders.

Our goals are always to improve the financial situation of our current and future program participants. As one of these participants, Andrea, shares in her story featured later in this report, our work transforms lives. Andrea went from debilitating debt to taking steps to purchase a home. She and others describe to us how our program helps them move forward with their financial goals in ways that they could not do without our support.

In difficult times as well as those when everything goes smoothly, I try to approach each day with gratitude. With our Exodus Lending community, that is easy! I'm grateful for each of you and all of you: I am thankful for the talented and hard-working staff; the insightful and dedicated board members who direct and govern; the quiet but steady commitment of volunteers; the partners in the community who send borrowers our way and join in our fight for predatory loan reforms; our loan pool investors; and our donors, including individuals, faith communities, and foundations.

You all make a difference in the lives of Minnesotans trapped by payday and other predatory loans. I can't say it better than Andrea does when she states, "Together, we can lift and empower our neighbor, and thus build a stronger community filled with possibilities and hope."

Thank you for partnering with us in this work.

**Sara Nelson-Pallmeyer**

Executive Director



## PROGRAM GROWTH

We had 151 enrollments and refinanced \$106,564 of predatory debt. In doing so, we estimate our program saved participants \$323,169, assuming they would have otherwise remained in the debt trap for a year.

These numbers highlight our program's rapid growth since 2018. Our enrollments increased by 51%, our total amount refinanced went up 48%, and the total amount saved for participants rocketed up by 61%.

As members of the Credit Builders Alliance, we began reporting participants' payments to the major credit bureaus. Credit reporting provides participants the chance to increase their credit scores and their access to more affordable financial products.

We reached the \$100,000 benchmark with our revolving loan pool. This milestone means we secured enough funding between three-year community investment loans and ongoing participant repayments to have \$100,000 available to lend.

# 2019

## HIGHLIGHTS



## ADVOCACY

We made significant progress toward our organizational goal of accessible, affordable, and non-predatory credit for all. Our executive director worked with local advocates and legislators on a bipartisan bill that would put an annual interest rate cap of 36% on payday loans issued in Minnesota.

Although the bill passed in the Minnesota House, it was not heard in the Senate.

Our participants are the best advocates for their needs, and we were honored to follow their leadership on this issue. In February, program graduate and board member, Missy Juliette, testified before the House Jobs and Economic Development Finance Division in support of Exodus Lending.

Missy Juliette, left, testifies in support of a bill sponsored by Rep. Jim Davnie, right. Photo by Andrew VonBank

Exodus Lending staff members (from left to right) Sara Nelson-Pallmeyer, Anna Li, Kaitlyn Szabo, and Anika Riewe at our office.

## CAPACITY-BUILDING

Our small team continued to grow alongside our sustained program success. We moved to a bigger office in St. Paul, hired a new full-time staff member, and earned a Meets Standards seal from the Charities Review Council.



Attendees listen to our panel during our annual summer fundraiser.

## COMMUNITY BUILDING

We were so grateful for every opportunity spent gathered together.

In the summer, we held our annual fundraiser. During the event, attendees heard from Minnesota Attorney General Keith Ellison and Diane Standaert from the Center for Responsible Lending about local and national payday lending legislation. Program participants Andrea and Paulette also shared their experiences in our program. It was a lovely evening celebrating, uplifting, and amplifying our essential work.

Throughout the year, our team traveled across the state to spread the word about our program. We spent time in Duluth, Mankato, and Rochester meeting with local community organizations and planting the seeds for long-term partnerships. In preparation for anticipated legislative changes, we began envisioning the next steps for our organization. To this end, we hosted two info sessions with key stakeholders to get their input on future programming.

197

predatory loans  
refinanced



100%

of survey respondents  
said they were  
"extremely likely" to  
recommend our services

303%

average interest  
on loans  
refinanced



\$706

average amount  
refinanced per  
participant

49

program  
graduates



# ANDREA'S

In my 43 years of life, there are only a handful of moments where I can recall the details of the conflict in my heart, the physical response of a fast heartbeat and that last moment of pause before making a very painful decision.

**Choosing to take out a payday loan was one such moment.** I remember agreeing to illogical terms, and telling myself I can make this work. I am not a statistic. I will pay this \$700 right away and not be a victim to the scheme that is a payday loan.

But here I stand, as yet another victim of the payday loan debt trap. I am a divorced mother of two amazing teenage girls. I work as an advocate for the homeless and I am no stranger to hard work. In a moment of desperation, I took out a payday loan for \$700, just enough to cover my shortages. I **intended to get in and get out. But just like that, I was trapped.**

Somehow, two months after taking out a \$700 loan and paying over \$400, my loan amount was \$997.97. At the end of my payback schedule, I would have **paid over \$4,000.** Then, my Lutheran Social Services Financial Counselor introduced me to Exodus Lending. Exodus Lending paid off my balance in full. Additionally, I can qualify for monetary incentives.

# STORY

Though the incentives are generous, they pale in comparison to the very basic service Exodus Lending provides: **face-to-face, non-shaming problem-solving through clear and empowering instructions** on how to escape the predatory lending system, and of course an interest-free loan that set me free.

I have learned a lot through this whole process. Before, I was doubting my abilities to ever rise above a paycheck-to-paycheck reality and had accepted the narrative that I had achieved all that was within reach for me financially. But now, I'm changing my narrative. Every step I've taken since Lutheran Social Services pointed me to Exodus Lending has led me to where I am today – not even a year later. Exodus Lending **offered me an opportunity to breathe and pause.** I have now begun preparing for the purchase of a home for my family; a reality I never thought possible.

My narrative has shifted because of empowering voices from organizations like Exodus Lending that fully embrace the truth that as a community we are only as strong as our weakest neighbor. **Together, we can lift and empower our neighbor, and thus build a stronger community filled with possibilities and hope.**

# FINANCIALS

## STATEMENT OF FINANCIAL POSITION

### Assets

Cash and Cash Equivalents	\$256,894
Accounts Receivable	\$79,864
Other Current Assets	\$7,406
<b>TOTAL</b>	<b>\$344,164</b>

### Liabilities

Long-term Liabilities	\$100,000
<b>TOTAL</b>	<b>\$100,000</b>

### Equity

Net Assets - Unrestricted	\$243,684
Net Assets - Restricted	\$480
<b>TOTAL</b>	<b>\$244,164</b>

## STATEMENT OF ACTIVITY

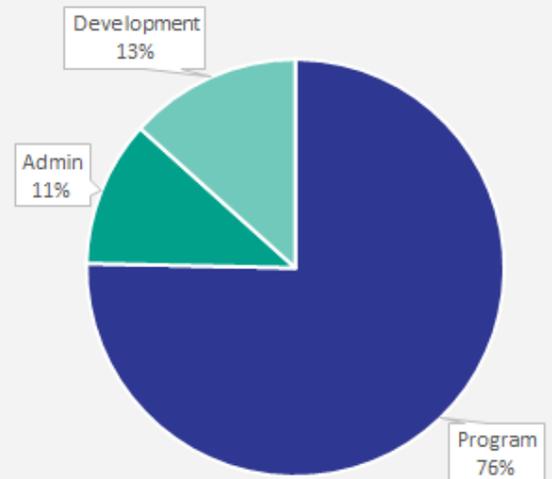
### Revenue

Individuals	\$118,972
Fundraiser	\$28,207
Corporate	\$6,719
Grants & Community Groups	\$65,113
Contract Funding	\$50,000
Other	\$52
<b>TOTAL</b>	<b>\$269,063</b>

### Expenditures

Staffing	\$176,407
Development Expenses	\$591
Loan Management & Outreach	\$28,327
Rent & Office Expenses	\$30,371
<b>TOTAL</b>	<b>\$235,696</b>
<b>NET INCOME</b>	<b>\$33,367</b>

### Functional Allocation of Expenses



# INDIVIDUAL DONORS

## \$1,000+

Anonymous (6)  
Earl and Lynnette Beitzel  
Anna Brejle  
Dottie Brown and James Thomas  
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## \$500 - \$999.99

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Beverly and Gary Zweig

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Elspeth Cavert  
Amelia Colwell  
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Brian Treece  
Elizabeth Tupper  
Rachel White  
Alica Whitmore  
Dr. Lois Yellowthunder and Robert  
Beutel  
Steve and Susan Young  
Rev. Daniel and Joan Zielske

## In Honor Of

Cindy Banchy  
Anne Leland Clark  
Anna Li  
Marvin and Nancy McNeff  
Andrea McNett  
Jack Nelson-Pallmeyer  
Sara Nelson-Pallmeyer  
Anika Riewe  
Nick Scheibel  
Sarah Schoolcraft

## In Memory Of

Kathy Hildebrand  
Anne and Vivian Lucero  
Merle Steinfeldt

# FUNDERS

## FOUNDATIONS AND COMMUNITY GROUPS

### \$10,000+

The Otto Bremer Trust

### \$5,000 – \$9,999.99

Affinity Plus Foundation  
Credit Builders Alliance  
Hardenbergh Foundation  
Sisters of St. Joseph, St. Paul Province  
The Patch Foundation  
Trinity Lutheran Church Foundation

### \$1,000 – \$4,999.99

Lake Nokomis Presbyterian Church  
Mount Olive Lutheran Church  
The Church of St. Joseph the Worker  
The Ron and Kathy Colby Family Foundation  
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Thrivent Financial Foundation at YourCause, LLC  
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### \$500 – \$999.99

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Galilee Evangelical Lutheran Church  
Hiway Credit Union Foundation, Inc  
Mary's Pence  
Matching Grant Program Fund of the Minneapolis Foundation  
Mid-Minnesota Legal Assistance  
New Life Presbyterian Church  
Oak Grove Presbyterian Church  
The American Online Giving Foundation at Benvity, Inc  
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Vanguard Cleaning Systems of Minnesota  
Valley of Peace Lutheran Church

### \$250 – \$499.99

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Church of St. Mary of the Lake  
Comcast Business  
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### up to \$249.99

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Holy Trinity Lutheran Church  
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Minnesota Council of Nonprofits  
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PayPal Giving Fund  
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# Thank You!

## Volunteers

Pam Blomgren  
Charlotte and Jeff Disch  
William Miller  
Lois Parker  
Michael Steele

At Exodus Lending, we treasure our partnerships with donors, foundations, supporters, and volunteers. Together, we help Minnesotans throughout the state break free from debilitating debt.

Our work is possible because of you. Thank you.



# EXODUS

## LENDING

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