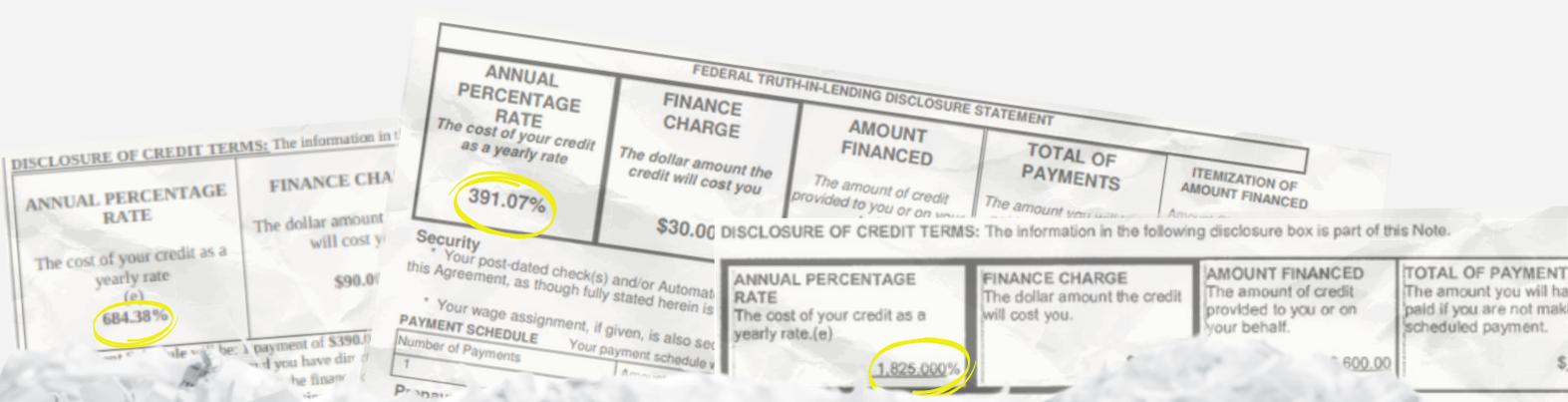




# EXODUS LENDING

## 2020 ANNUAL REPORT



SHREDDING THE DEBT TRAP SINCE 2015



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## OUR MISSION

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

On behalf of enrolled Minnesotans, Exodus Lending pays off up to \$1,500 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.

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## OUR VALUES

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### **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 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 liberation is central to the traditions we embody.

## Board of Directors

Eric Howard  
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Vice President

Sarah Schoolcraft  
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Treasurer

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Executive Director

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Communications & Fundraising  
Specialist VISTA

Anna Li  
Program Coordinator

Anika Riewe  
Program & Communications  
Assistant

Kaitlyn Szabo  
Administrative & Development  
Associate

## A MESSAGE FROM OUR EXECUTIVE DIRECTOR

2020 was a year no one wanted, but we all had to face. Just days after a crew from MassMutual filmed us for a project called Live Mutual and we held our first in-person board meeting with new board members, everything shut down due to the COVID-19 pandemic. Suddenly we, like you, had to figure out how to live our lives and do our work in a new way. Working from our homes, we revised our approach to enrolling and staying in touch with our program participants.

Only a few months later, our hearts shattered upon hearing the news that a Minneapolis police officer murdered George Floyd. The resulting days of unrest left many buildings in the blocks surrounding our place of origin destroyed and reminded us that racism in our state continues to hurt all of us. **Until we live in communities, a state, and a nation that are fully anti-racist, we cannot thrive.** We, therefore, renewed our efforts to ensure that we continue to provide a loan product to address the financial inequalities in Minnesota.

In addition to freeing participants from the debt trap in 2020, we provided timely financial relief to those negatively impacted by COVID-19. Thanks to the generosity of our donors, we provided up to three months' worth of assistance to our program participants in repaying their loans with us and offered grants to help with unexpected expenses. Investments in our loan pool increased from \$100,000 to \$170,000 in 2020, giving us more funding to lend to those who come to us.

**None of what we accomplished in 2020 would have been possible without the support of so many individuals and institutions.** I continue to be deeply grateful for our capable and adaptable staff; our committed board members; our referral and advocacy partners throughout the state; our loan pool investors; and our generous donors, including individuals, faith communities, and foundations. In such a deeply troubling year, no contribution to our work was too small or went unnoticed.

**Thank you all for your ongoing partnership in our efforts to stop the payday loan debt trap.**



**Sara Nelson-Pallmeyer**  
Executive Director

# OUR ACCOMPLISHMENTS

## COVID-19 FINANCIAL RELIEF

Thanks to a generous donation designated exclusively to provide direct relief to participants, Exodus Lending helped 241 Minnesotans impacted negatively by COVID-19. We covered \$27,476 of loan payments for 190 participants and distributed \$71,400 worth of grants of up to \$500 each to 156 individuals.

## INTEREST-FREE REFINANCING

Exodus Lending paid off more than \$70,000 worth of predatory loans for 84 Minnesotans, and 103 participants graduated by completing repayment with us. We estimate saving participants about \$220,000 in 2020 in exploitative interest and fees. Plus, we surpassed \$1,000,000 in savings all-time for our participants.

## CTRL+ALT+DEL DEBT FUNDRAISER

Our team hosted a week-long virtual fundraiser with short yet powerful videos and articles about the problem of payday lending and what we do to fight it. Together, we shared our vision to take back financial CONTROL, create an ALTERNATE economic reality, and DELETE predatory debt once and for all.



We were truly grateful for everyone's support, as our Exodus Lending community raised more than \$42,000 in gifts and pledges, including four new committed sustaining donors.

Visit our website for a recap:  
<https://exoduslending.org/2020fundraiser/>

## ADVOCACY EFFORTS

Our leadership team held several meetings with Minnesota elected officials to discuss the importance of the federal Veterans and Consumers Fair Credit Act, which would pass a nationwide 36% interest rate cap. Excitedly, our partners in Moorhead passed a strong payday lending ordinance, including a 33% rate cap, to be effective starting in 2021.

## PERSONAL LOAN PILOT

Building off our program success and driven by the expressed concerns of our participants, we launched a pilot personal loan program and distributed ten \$500 interest-free loans with 12-month repayment terms. Since we report to the three major credit bureaus, this product offered borrowers the opportunity to improve their credit scores.

## EVENT WITH THE THEATER OF PUBLIC POLICY

Exodus Lending and The Theater of Public Policy hosted a virtual event featuring lots of laughs and insightful discussion of payday lending in Minnesota.

After a brief conversation between our executive director, Sara Nelson-Pallmeyer, and The Theater of Public Policy's host, Tane Danger, the cast members performed entertaining and informational improv.

Visit our website for a recap:

<https://exoduslending.org/t2p2/>



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## REUBEN'S STORY

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Following retirement from a forty-year teaching career and his wife's death, Reuben\* found himself turning to payday loans for their convenience. "It's an easy, quick access to cash. Then, of course, that builds up. If you get several of these [loans], then you become burdened down. When you're retired, your income, mine went down 48%."

Because of the strain these loans placed on his finances, he struggled to make his payments and unfortunately found himself trapped in a cycle of reborrowing. After a demeaning conversation with his lender, Reuben started looking for legal advice on how to get rid of payday loan debt. He came across Exodus Lending's website and was initially attracted to our commitment to charge 0% interest on our loans. He described Exodus Lending as "a godsend. [It] helped me out so much."

"It was just so wonderful what you did. And not only for me, but my best friend...[He] also had one or two, and I told him about, I found Exodus [Lending], and maybe two days after I'd went there, and he signed up, and he's been through your program and all these wonderful things you've done."

Then COVID-19 hit. Like many people, the pandemic worsened Reuben's precarious financial situation. "Being on a fixed income as a senior citizen had left me with limited income as the virus continued." Thanks to a generous donation, Exodus Lending covered up to three months of participants' payments and provided hardship grants for qualifying participants, including Reuben.

From refinancing to direct financial relief, Exodus Lending and our donors continued to provide Minnesotans like Reuben much-appreciated support when they need it most. "I look at myself, how much you helped me...I just think it's amazing what you people are doing."

"I think it's just a wonderful thing...what you've done to really make my day better, make things look better, and financially as well as socially, mentally, physically... [You] just don't have people out there doing what Exodus Lending does."

\*We have changed the participant's name because of confidentiality.



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# OUR FINANCIALS

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## STATEMENT OF FINANCIAL POSITION

### Assets

Cash & Cash Equivalents	\$503,786
Accounts Receivable	\$58,891
Other Current Assets	\$11,742
<b>TOTAL</b>	<b>\$574,419</b>

### Liabilities

Long-term Liabilities	\$170,000
<b>TOTAL</b>	<b>\$170,000</b>

### Equity

Net Assets - Unrestricted	\$404,319
Net Assets - Restricted	\$100
<b>TOTAL</b>	<b>\$574,419</b>

## STATEMENT OF ACTIVITY

### Revenue

Individuals	\$296,702
Fundraiser	\$31,748
Corporate	\$41,554
Grants & Community Groups	\$132,222
Government Grants	\$33,961
Other	\$122
<b>TOTAL</b>	<b>\$536,309</b>

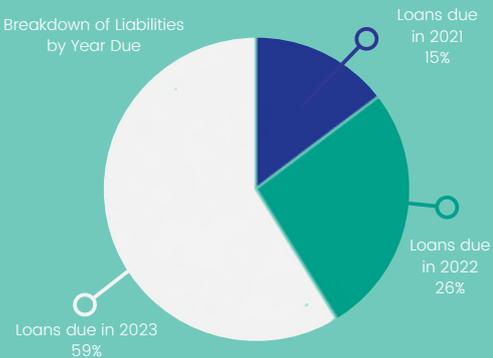
### Expenditures

Staffing	\$217,382
Program Service	\$149,338
Management & General	\$3,784
Fundraising	\$5,550
<b>TOTAL</b>	<b>\$376,054</b>
<b>NET INCOME</b>	<b>\$160,255</b>

## OUR LENDING MODEL

Exodus Lending uses a revolving loan pool. Funds from repayment are used to pay off new loans. Most of the money in our loan pool comes from these ongoing repayments and three-year loans. All of our long-term liabilities (totaling \$170,000) are interest-free loans from community members or organizations for our loan pool.

Breakdown of Liabilities by Year Due



## HOW IT WORKS

### Receive Investment

Community members or organizations provide Exodus Lending a three-year interest-free loan to use for our refinancing program.

### Lending

For enrolled Minnesotans, Exodus Lending pays off up to \$1,500 of payday, title, or online installment loan debt carrying more than 36% interest.

We pay off the loan directly to the lender. **All refinanced loans with Exodus Lending are 0% interest.**

### Repayment

Participants repay monthly over at least 12 months, with no interest on their loan with us.

Funds received from repayment are used to pay off predatory loans for new participants.

### Return Investment

After three years, Exodus Lending returns the initial investment amount back to the investor.

Investors can also choose to reinvest their loan or donate to the loan pool at this time.



# INDIVIDUAL DONORS

Anonymous (36)

Renee Anderson  
Zanona Anderson  
Amber Aulen  
John Barnicle & Lois Pallmeyer  
Judy & Rev. Mark Becker  
Earl & Lynnette Beitzel  
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Anne Rutledge  
Bridget Ryan  
Dianne Sandberg  
Janice Schmidt  
Sarah Schoolcraft & Thomas Wegner  
Jo Schroeder

^Deceased

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The Nelson-Pallmeyer Justice & Peace Fund  
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Ardith Marie Vos  
Carolyn Young  
Steve & Susan Young  
Faye Ziegeweid  
Anne & Rev. Jonathan Zielske  
Rev. Daniel & Joan Zielske

## In Honor Of

Bill & Charlotte Davnie  
Alaina & Rob Duncan  
Michelle Grosz  
Eric Howard  
Anne Leland Clark  
Anna Li  
Jack & Sara Nelson-Pallmeyer  
Tim Nichols  
James Unglaube  
S Walter Richey  
David Ross & Stephanie Susens  
Liz & Nick Scheibel  
Those forgotten

## In Memory Of

Kevin  
George Floyd  
Loren E. Halvorson  
Ruth Marie Pallmeyer  
Therese Provo

# FUNDERS

AmazonSmile Foundation  
American Legal Claim Services LLC  
Cargill  
Christ Church Lutheran  
Christ Lutheran Church  
Christ the King Lutheran Church Foundation  
First Universalist Church of Minneapolis  
Galilee Evangelical Lutheran Church  
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# **EXODUS**

## **LENDING**

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