

EXODUS

LENDING

2023 ANNUAL REPORT



MINNESOTANS

FOR FAIR LENDING



EXODUS LENDING

MISSION

Exodus Lending is dedicated to providing Minnesotan borrowers a just pathway out of predatory debt and toward financial stability.

Minnesotans for Fair Lending is a non-partisan coalition dedicated to reforming and eradicating the predatory aspects of payday lending in Minnesota.



Exodus Financial Services
dba Exodus Lending
Registered 501(c)(3)
EIN: 47-1706853



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EXECUTIVE DIRECTOR'S MESSAGE

In 2023, Exodus Lending provided direct monetary **relief** to Minnesotans experiencing immediate financial stress or trauma. Our coalition, Minnesotans for Fair Lending (MFL), worked tirelessly to **reframe** the issue from internalized blame to a collective understanding of systemic exclusion and, in doing so, pushed to **reform** predatory lending schemes through policy and systems change.

RELIEF

- This year, we've refinanced 176 high-cost loans carrying average interest rates of 343%.
- Our team also piloted a new Resiliency Loan in 2023, which offered 0%-interest loans for emergencies or essential expenses, like car repairs or to secure housing, to 27 Minnesotans.

REFRAME

- We raised awareness of our mission and issue through 12 news stories across seven media outlets and several community meetings with our program participants.
- During the legislative session, 100+ people took action to share their stories, testify at the legislature, and reach out to their state legislator(s).

REFORM:

- MFL successfully organized and pushed Minnesota to become the 20th state to pass a meaningful rate cap on payday loans!
- In collaboration with the Minnesota Attorney General, we participated in an affidavit as part of a federal lawsuit against an exploitative online predatory scheme that charged borrowers APRs between 400% and 800%.

Yet, our mission continues into 2024 and beyond – and we'll need your help to propel our efforts. We'll ring in the new year on January 1 by celebrating the **end of payday lending in Minnesota** when the rate cap goes into effect! Your support made ALL the difference in our victory. Together, we will expand access to small-dollar fair credit and build community power to eradicate financial exploitation in Minnesota.


Anne Leland Clark
Executive Director



SMALL-DOLLAR CONSUMER LENDING

Exodus Lending's loan programs stabilize and empower Minnesota communities, eliminate barriers to wealth-creating opportunities, and improve financial health for economically excluded Minnesotans.

PREDATORY DEBT REFINANCING

Through this program, Exodus Lending provides 0% interest refinancing of high-interest payday, pawn, auto title, or online installment "fintech" loans.

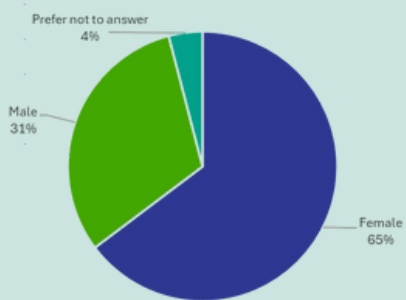
RESILIENCY LOAN

In partnership with community-centered non-profits in Minnesota, Exodus Lending offers a 0% interest Resiliency Loan, up to \$1,200, for urgent or essential expenses.

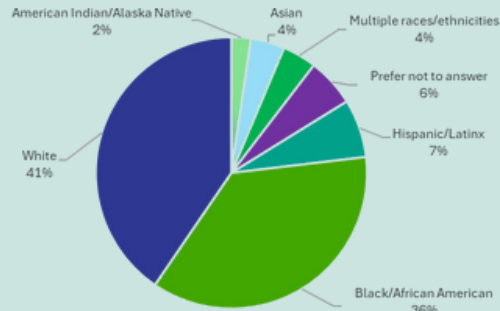
LOAN CAPITAL DEPLOYED

In 2023, Exodus Lending paid off \$153,460 of predatory debt for 146 Minnesotans and provided \$30,816 of Resiliency Loans to 27 Minnesotans. Combined across programs, in 2023, Exodus Lending provided \$184,276 in capital to 173 Minnesotans.

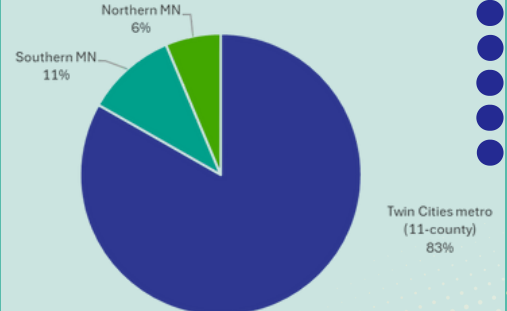
Gender



Race/Ethnicity



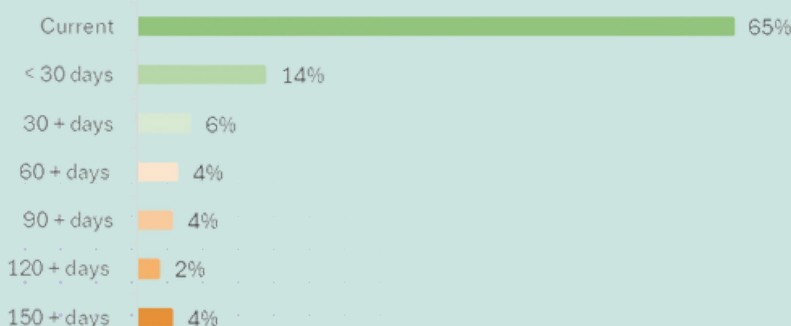
Region



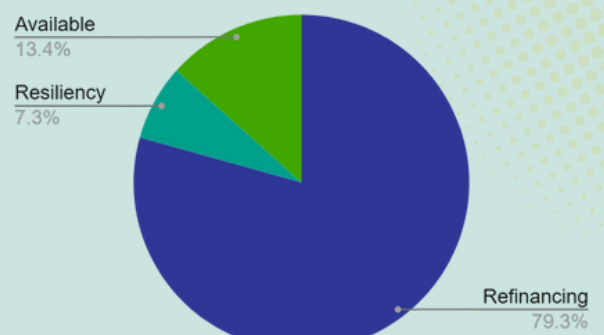
ACTIVE LOAN PORTFOLIO

As of December 31, 2023, Exodus Lending's active loan portfolio was \$157,180 for 203 active participants across both loan programs, including \$143,930 for 188 participants in our Predatory Debt Refinancing Program and \$13,250 for 15 participants in our Resiliency Loan Program. The majority of active loans, at 79% are in "good standing" by either being current or less than 30 days delinquent. Exodus Lending uses a revolving loan pool, funded primarily by participant repayment, investment loans from community members, or restricted grants, to provide loan capital for all programs. In 2023, our loan pool was at \$181,500, with 87% of out in the community at year-end.

Delinquency of Portfolio at Year-End



Deployment of Loan Capital at Year-End



ADVOCACY EFFORTS



MINNESOTANS FOR FAIR LENDING

In 2023, **Minnesotans for Fair Lending (MFL)** led the decade-long campaign to cap interest rates on small-dollar consumer loans, effectively ending predatory payday lending in Minnesota.

Here's a deeper dive into what exactly we won with this legislation:

36% Annual Interest Rate Cap

Beginning on January 1, 2024, payday loans will have interest rates capped at 36% APR – that's down from 2022's average of 220%!

Ability to Repay Analysis

To lend above 36% (between 37% and 50% APR), a lender must complete a thorough ability to repay analysis, including verifying net income, major financial obligations, and basic living expenses.

Anti-Evasion Measures

The bill also includes very strong language that defines who is subject to these provisions and preemptively clamps down on loopholes to the rate cap that have been exploited in other states.

I've seen people outside of Ace Cash in tears, I have family members who have had to file bankruptcy because of these lenders, I have seen people have a payday loan opened in their name through fraud because of their lax underwriting.... This is why I support House File 290 and a 36% interest rate cap. 36% is already a very high interest rate. These lenders could easily make a profit charging people an interest rate of 36%. The only reason they pack their bags and leave every state that passes a rate cap is because the entire point of their business model is to be predatory.

-- Vienna Wilson, Board President

FINANCIALS

STATEMENT OF FINANCIAL POSITION

Assets

Cash & Cash Equivalents	\$271,490
Certificates of Deposit	\$205,010
Loans Receivable, Net	\$133,603
Grants Receivable	\$12,866
Prepaid Expenses	\$7,873
TOTAL	\$630,842

Liabilities

Accounts Payable	\$687
Accrued Expenses	\$10,601
Refundable Advances	\$60,000
Accrued Interest	\$500
Long-Term Debt	\$132,500
TOTAL	\$204,288

Net Assets

Without Donor Restrictions	\$397,554
With Donor Restrictions	\$29,000
TOTAL	\$426,554

STATEMENT OF ACTIVITY

Revenue

Individuals	\$103,860
Fundraiser Contributions	\$24,814
Net Income from Fundraiser	(\$1,466)
Corporate	\$4,644
Grants & Community Groups	\$250,813
Government Grants	\$28,048
Investment Income	\$12,741
TOTAL	\$423,454

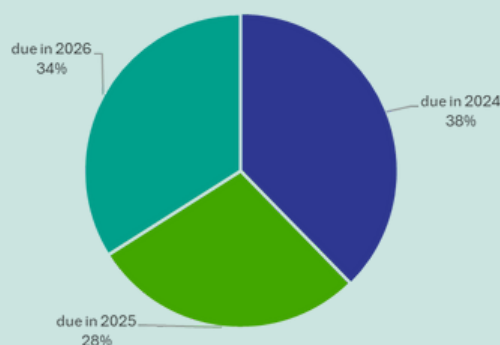
Expenditures

Staffing	\$446,069
Program Service	\$194,241
Management & General	\$21,463
Fundraising	\$5,556
TOTAL	\$667,329

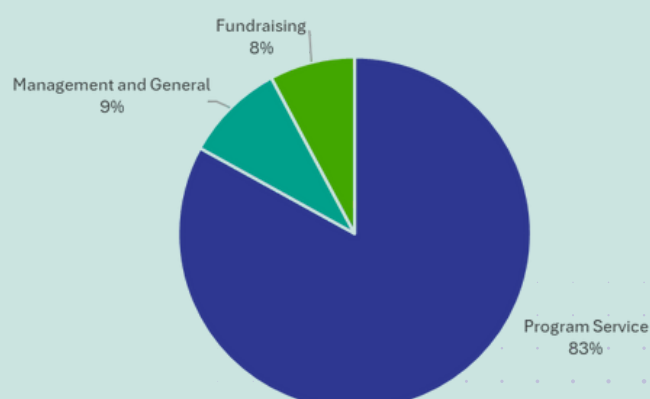
NET INCOME (\$243,875)

BREAKDOWN OF LONG-TERM DEBT

Exodus Lending's long-term debt (totaling \$132,500) exclusively includes no or low-interest investment loans for our loan pool.



FUNCTIONAL ALLOCATION OF EXPENSES



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IN MEMORY OF

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Marian Martha Olson
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