



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
TOTAL	\$344,164

Liabilities

Long-term Liabilities	\$100,000
TOTAL	\$100,000

Equity

Net Assets - Unrestricted	\$243,684
Net Assets - Restricted	\$480
TOTAL	\$244,164

STATEMENT OF ACTIVITY

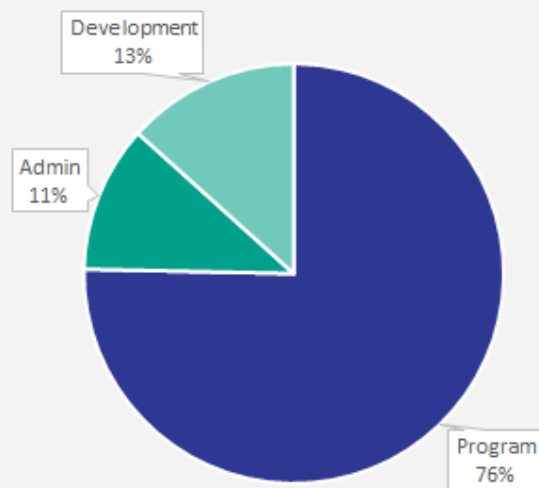
Revenue

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

Expenditures

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

Functional Allocation of Expenses



INDIVIDUAL DONORS

\$1,000+

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Up to \$99.99

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Beutel
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Rev. Daniel and Joan Zielske

In Honor Of

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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
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The Ron and Kathy Colby Family Foundation
Thrivent Choice Dollars
Thrivent Financial Foundation at YourCause, LLC
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Unity Church–Unitarian of St Paul
U.S. Bank Employee Matching Gift Program

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Galilee Evangelical Lutheran Church
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Matching Grant Program Fund of the Minneapolis Foundation
Mid-Minnesota Legal Assistance
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Oak Grove Presbyterian Church
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Comcast Business
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Holy Trinity Lutheran Church
Incarnation Lutheran Church
Minnesota Council of Nonprofits
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PayPal Giving Fund
The Woman's Club of Minnesota

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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