



EXODUS

LENDING



2022

ANNUAL

REPORT

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



2380 Wycliff Street, Suite B-100
Saint Paul, MN 55114



ExodusLending.org



612-615-0067



outreach@exoduslending.org



@ExodusLending

STAFF

Anne Leland Clark
Executive Director

Sara Nelson-Pallmeyer*
Executive Director *Retired in 2022

Jeremiah Fuller
Director of Lending & Programs

Meghan Olsen Biebighauser
Organizing Director

Heidi Durand*
City Policy Specialist *Contractor

Sophia Hoiseth*
Mankato Organizer *Contractor

Logan Rathjen
Program Coordinator

Anika Riewe
Engagement Manager

Kaitlyn Szabo
Development & Finance Manager

BOARD OF DIRECTORS

Vienna Wilson
President

Gene Hummel
Secretary

Tonia Brinston

Kimberly Miller

Missy Juliette
Vice President

Nick Scheibel
Treasurer

Jyoti Gidwani

Sola Olateju

Latisha Harper

Joan Riley

Gary Hess

Ryan Smtih

SueLyne Hok

James Unglaube

Youa Lee

EXECUTIVE DIRECTOR'S MESSAGE

Exodus Lending is thankful for YOU – our community of supporters who sustain and nourish us to carry forward our mission. With your partnership, we:

- **Transitioned executive leadership seamlessly** thanks to the happily retired Sara Nelson-Pallmeyer, our staff, and Board of Directors.
- **Applied for CDFI certification** to become a Community Development Financial Institution as a gateway to expand our lending and operational capital.
- **Merged with Minnesotans for Fair Lending** to bring advocacy and systems change under one roof, under the guidance of Exodus Lending's co-founder, Meghan Olsen Biebighauser.
- **Doubled our impact** from last year by refinancing more than 100 predatory loans with an average APR of 339% for 80 participants.
- **Designed a “Resiliency Loan”** as a direct upstream alternative to predatory loans. We plan to continue the pilot in the New Year with several community nonprofit partners.

Yet, the challenge remains that our communities continue to be systematically targeted by storefront and online lenders whose entire business model relies on people's inability to repay. Today's economic downturn is a predatory lender's paradise. We see people stuck in larger loans for longer periods of time with our average payoff today being \$1,139 compared to \$746 in 2015! So our New Year's Resolutions as we look ahead to 2023 are to:

- **Advocate for a statewide 36% interest rate cap** next legislative session following the lead of 18 states and D.C. who have already passed these common sense protections.
- **Reach and relieve 150 more Minnesotans** stuck in payday, pawn, car title, and high-cost online loans with our refinancing program.
- **Raise more lending capital for our revolving community loan pool** to scale our new Resiliency Loan program.
- **Model dignified, equitable lending to our banks and credit union neighbors** to prove that one's “credit worthiness” is not the only factor in determining ability to access capital.

I am confident that, with your partnership, we can achieve the above stated resolutions.



A handwritten signature in blue ink that reads "Anne Leland Clark". The signature is written in a cursive style and is positioned above a horizontal blue line.

Anne Leland Clark
Executive Director

SMALL-DOLLAR LENDING

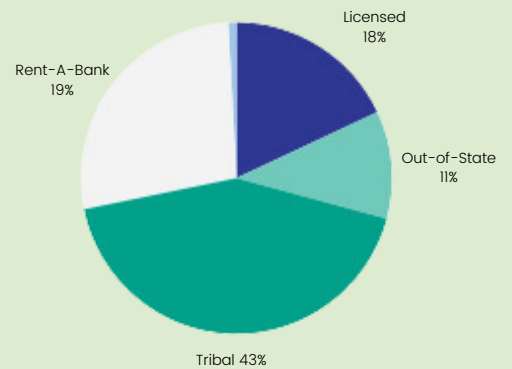
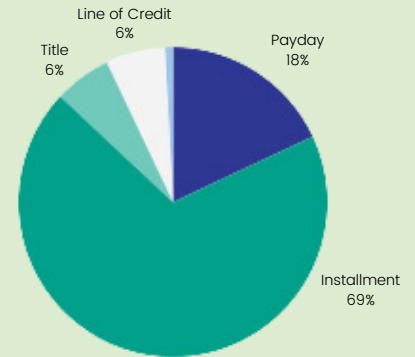
PREDATORY DEBT REFINANCING

We refinanced \$91,101 of high-interest payday, auto title, online installment, and pawn loans for 80 Minnesotans. The majority of the loans we refinanced, both in terms of number of loans and dollar amount of payoff, were for installment loans. Alongside the higher finance charges, more and more Minnesotans are approaching us with loans with higher finance charges than what is legal in Minnesota through lenders based in other states, another country, or under American Indian tribal authority.

Of these 80 enrollments, the majority were for borrowers of color: including 34% Black/African-American, 6% Asian, 5% American Indian/Alaska Native, 5% Hispanic/Latinx, and 3% multiple ethnicities.

At year-end, we had 99 actively enrolled participants and 33 participants successfully finished repayment.

Breakdown of \$ Refinanced



RESILIENCY LOAN

We designed a zero-interest, small-dollar Resiliency Loan pilot to provide an "anti-payday" loan that borrowers, many of whom have little to no credit history, can use instead of predatory products. Our partners in this work are Neighbors, Inc in Dakota County, The Dignity Center in Minneapolis, CAPI in Brooklyn Park, Lakes & Prairies Community Action Partnership (CAPLP), and Northside Residents Redevelopment Council (NRRC).

LOAN POOL

Exodus Lending uses a revolving loan pool because it fosters a sense of community for participants who see it as a way to give back to their neighbors. Funds from repayment are used to pay off new loans. Most of the money in our loan pool comes from these repayments, investment loans, and restricted grants.



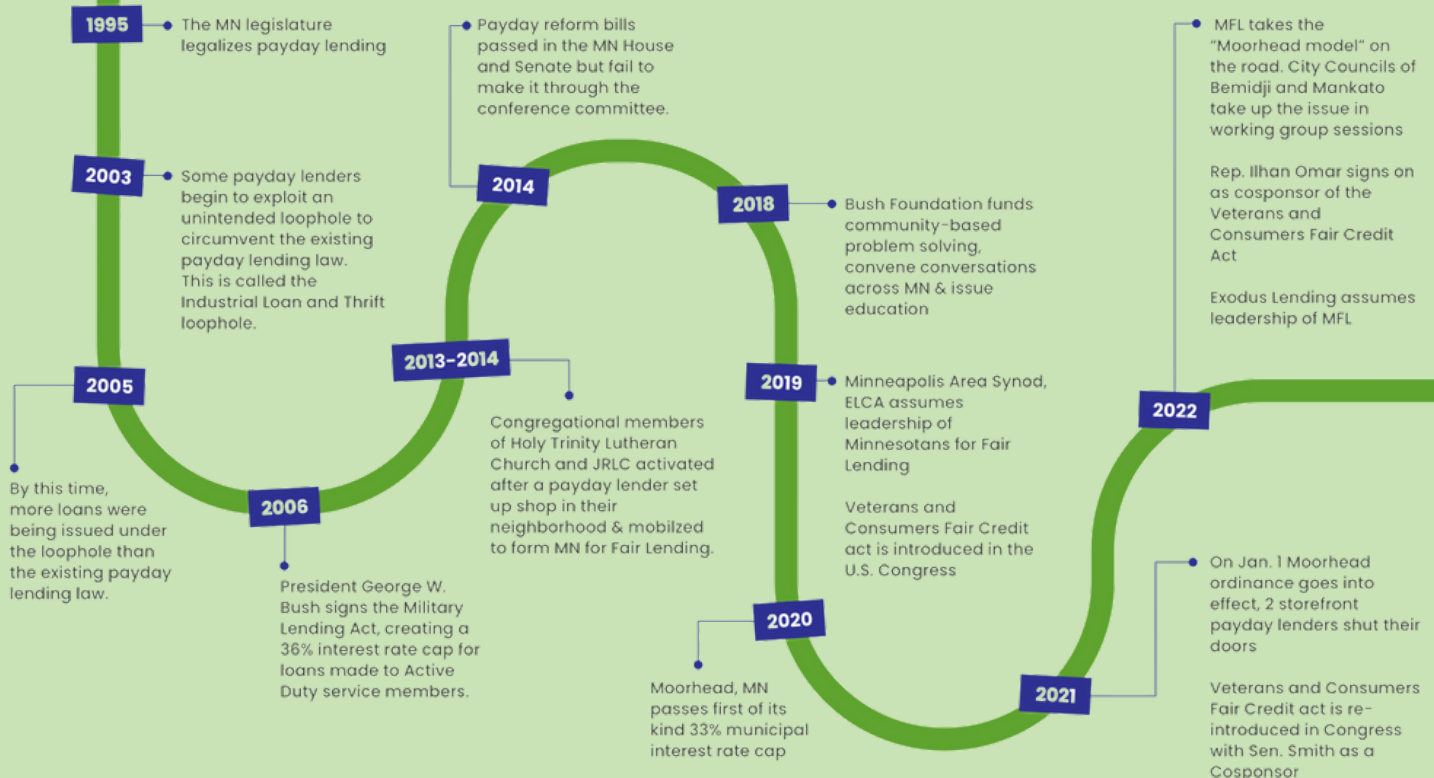
MINNESOTANS FOR FAIR LENDING



In September 2022, Exodus Lending incorporated the Minnesotans for Fair Lending (MFL), a non-partisan campaign and coalition dedicated to eradicating the predatory aspects of payday lending locally and nationally, into our organization. In 2020, MFL was successful in passing the first ever municipal interest rate cap in Moorhead by city ordinance. The team continued this work on replicating the “Moorhead model” in cities across the state, including in Mankato, in 2022 in order to provide a pathway for Minnesota to join the 18 states and D.C. with a 36% annual interest rate cap.

“This was a natural move for the campaign since, like Exodus Lending, it also has direct roots out of Holy Trinity Lutheran Church. I’m excited about the opportunity to have direct lending and community organizing under the same roof to elevate the voices and leadership of those directly impacted by the payday loan debt trap.”

Meghan Olsen Biebighauser
Exodus Lending Co-Founder and Organizing Director



DANIEL'S STORY

For one of our program participants, Daniel, “finances have been really, really difficult my whole entire life.” As one of many local organizations committed to supporting people experiencing financial instability, we are keenly aware of how stress short-circuits our ability to think long-term. When he felt desperate to leave an overwhelming situation, Daniel's fight-or-flight mindset distorted his thinking.

“I was like, I gotta figure out something. I don't care what it is, but I got to get out of this situation. And when you do that, you don't think correctly. I just was so bent on getting this loan. I didn't care what I had to do to get it. I just wanted to get it to get out of that situation, not realizing the consequences of getting this loan.”

Eager to fix his problem, he took out a title loan from an out-of-state lender. But then Daniel had to figure out how to pay it back. Suddenly, he felt even “more stress because now you got another problem on your hand after you just tried to solve one. It also adds another expense to your budget that you have to plan for that you didn't have before.” And the added cost wasn't trivial. Daniel recalled being “just baffled at how much interest they charged on that loan. I think it was upwards of 300 percent.” Per his loan agreement, his \$400 loan would cost him over \$1,000 in interest and fees!

“You basically are at the mercy of them. You get the money, that's great and all that, but then they're going to really drive that interest rate. It's brutal. It's like a gerbil wheel. You just keep going around and around and around.

Can I afford this month's payment? If you can't, then they're going to add more fees and interest on your loan. It's an endless battle.”

Fortunately, through the connections he first made at LSS Financial Counseling, Daniel discovered Exodus Lending and enrolled in our program to finally break the vicious cycle of predatory debt. Now, he no longer has to worry about unaffordable payments. With us, he felt “totally instant relief because I knew I was getting the help that I needed.” Our interest-free loan was “like the best scenario” and, thanks to the Minnesota financial capability trifecta of Exodus Lending, LSS Financial Counseling, and Prepare + Prosper, Daniel is making steady progress toward financial stability.

“It's not going to happen overnight, but I'm ready for the long haul. I'll eventually get there with perseverance and determination and a mindset that every day you just put one foot in front of the other and you do the best you can.”

FINANCIALS

STATEMENT OF FINANCIAL POSITION

Assets

Cash & Cash Equivalents	\$585,361
Accounts Receivable	\$67,109
Grants Receivable	\$160,000
Other Current Assets	\$30,459
TOTAL	\$842,929

Liabilities

Long-term Liabilities	\$172,500
TOTAL	\$172,500

Equity

Net Assets - Unrestricted	\$468,777
Net Assets - Restricted	\$201,652
TOTAL	\$670,429

STATEMENT OF ACTIVITY

Revenue

Individuals	\$117,256
Fundraiser	\$28,572
Corporate	\$13,886
Grants & Community Groups	\$424,975
Other	(\$994)
TOTAL	\$583,695

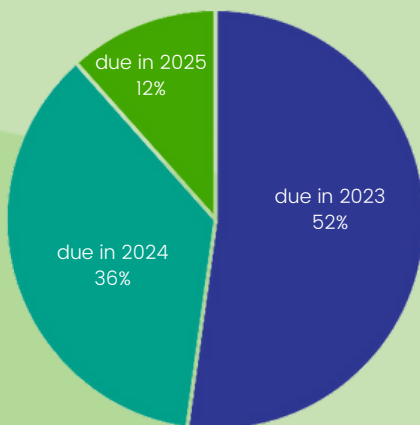
Expenditures

Staffing	\$334,266
Program Service	\$105,515
Management & General	\$13,943
Fundraising	\$9,875
TOTAL	\$463,599
NET INCOME	\$120,096

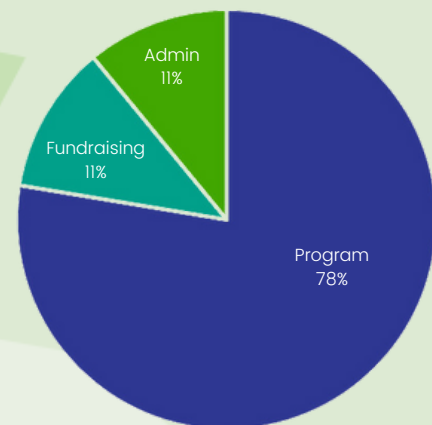
as of December 31, 2022

Breakdown of Liabilities

All of our liabilities (totaling \$172,500) are no or low-interest investment loans for our loan pool.



Functional Allocation of Expenses



INDIVIDUAL DONORS

Anonymous (x17)
Jen Alstad
Steven Altman
Susan Anacker
Deena Anders & Henry Retka
Kathryn Andersen & Ben Langholz
Hugh & Renee Armstrong
Baldwin White Pines Fund
Charlie Bauer & Stacy Opitz
Rev. Mark & Judy Becker
Dean & Pam Blomgren
Andrea Bond
Elena Botella
Doris & Gary Braley
Michele Braley & Nils Dybvig
Anna Brelje
Tonia Brinston
Erin Brothen & Nick Salkowski
Dan & Sheila Broughton
Jay & Kristen Carlson
Cavert Family Legacy Fund
Elspeth Cavert
Harlan Cavert
Mary Cavert
Winston Cavert & Carol Witte
Andrea Cecconi
Dennis & Monica Clark
Steve & Christine Clemens
Judy Connor
Carol & Joseph Crowe
Pat & Win Curtiss
D & V Kennen Fund
Kelly Danner
Sara Danzinger
Reed Deardorff & Brynn Rathjen
John & Joy DeHarpporte
Laura Dirks
Charlotte & Jeff Disch
F. Alvin Dungan
Paris Dunning & Anna Odegaard
Cecelia Duplessis Erickson & Peter Erickson
Laurie Eaton & James Jasper
Lois Eid
Marie Ellis
Erika Sitz Charitable Fund
Fay Yeomans Gift Fund
Dan Fernelius & Taylor Putz
Tracy Fischman
Edward Flahavan & Susan O'Leary
Jenny Focht
Jim Fournier & Karen Zeleznak
Craig & Linda Franz
David Gagne & Lauri Krouse
Carla Gainey
Madilynn Garcia
Bill Gelow
Sara Gjerdrum
Emily Greger & Laney Ohmans
Rachel Goldbach
Matthew Gustafson
Amanda Hakemian & Aaron Miller
Ruth Halvorson
Janet Hamilton Triplett
Pat & Terry Hammink
Dick & Joanne Haugen
Shawn Hartfeldt
Bill & Pat Harwell
Christine Hazuka & Doug Johnson
Arlene Helvig
Ray Henderson
Gary & Terri Hess

Paige Hietpas
C. John Hildebrand
John Hoch
Paul Hogrefe & Jim Sauder
Ritchie & SueLyne Hok
Kathy Hollander & Rod Johnson
Patty Holmstrom
Claudia Holt
Emily Hopkins-Schumacher
Kim Hover
Eric Howard
Bob & Pat Hoyt
Eric & Megan Hughes
Alan & Karen Hummel
Gene Hummel
Henry & Jennie Jiménez
Brent & Heidi Johnson
Johnson-Lundblad Gift Fund
Missy Juliette
Judy Jungwirth & Helen Nikiel
David & Gretchen King
Emily & Ryan Kjesbo-Johnson
Melinda Kohrt
Ben Koch & Karen Kunze
Andi Kuenning & Dan Leisen
Ted Kunze
Matthew Lasley
Anne & Matt Leland Clark
Marie Listopad
Kirk & Kris Livingston
Elaine & Marvin Lofquist
Matthew Lorenz
Mark Lucas & Joanne Ortendahl-Lucas
Larry Luck
Mary K. Lund
Gary & Paulette Malecek
Phil Manz
Maggie Mau
Connie & John Marty
Kat McCaffery
Brian McDaniel
Kara McGuire
Forrest McKnight
Arla & William McNeff
Mary Merchlewicz
Adam & Jen Miller
Barbara & William Miller
Kim Miller
Cherisse Montgomery
Bridget Moore
Nora Moore
Mary Mullen
Danny Nelson
Joy & Randy Nelson
Megan & Tim Nichols
Sola Olateju
Bill Oldfather
Kathleen Olsen
Johanna Osman
Rebecca Pakarinen
Lois & Stephen Parker
Aneesa Parks
Pat & Diana Morrissey Charitable Fund
Tyra Payer
John Pegg
Juliana Pronovici
Julia Quanrud & Eric Spore
Daniel Quillin
Hilary Ray
Robert Ray
John & Linda Rebane

Sara Reed
Paula & Walt Richey
Mark Roberts
Nancy Rogness & Peter Siewert
Chris & Kerry Romano
John Romano
RW Fulmer Family Charitable Fund
Sean Ryan
Dianne Sandberg
Ben Sawatzky
Katherine Schafer
David Scheie
Joe & Marilyn Schmit
Katheryn Schneider
Ian & Sara Schonwald
Sarah Schoolcraft & Thomas Wegner
Susan Schroeder
Katy Schultz
Belle & Robert Scott
Jeff & Kelley Siemon
Mark Simonson
Maryellen Skan & Peter Thiel
Bud Smith
Connie & Douglas Smith
Ryan Smith
Deborah Sodt
Michael Steele
Lyle Steinfeldt
Chris Stevenson & Lauren White
Stibbe Family Fund
Debra & Paul Stoll
Brielle & Philip Stoyke
Eric Strommen
John & Stephanie Sulzbach
Merritt Swain
Anna Swanson
Bob & Donna Swanson
Paige & Zac Syverson
Pam & Wes Syverson
Kaitlyn Szabo
Lindsay Terzich
The John & Marla Simmet Family Fund
The Nelson-Pallmeyer Justice & Peace Fund
The Richey Family Charitable Fund
The Ron & Pam Kaufman Family Charitable Fund
The Voelbel Family Fund
Joseph Thom
Charlie Thompson
Jim & LaRue Unglaube
Rebecca Varone
Christine & Ross Velure-Roholt
Mark Viste
Joe & Katie Wahlberg
Wahlstedt Family Fund
Michael Waltonen
Janet Warwick
David & Michelle Waters
Michael Watkins
Levi Weinhagen & Laura Zabel
Ben Whalen
Ann White
Rob White
Will Stark & Kevin Olsen Fund
Acacia Willey
Anna & Tony Witt
Wolf & Bunny Fund
Barbara & Robert Woodruff
Carolyn Young
Steve & Susan Young
Anne & Rev. Jonathan Zielske

IN HONOR OF

Gary Hess
Ben Koch & Karen Kunze
Anne Leland Clark
Sara Nelson-Pallmeyer
Logan Rathjen
Nick Scheibel

IN MEMORY OF

Marian Martha Olson
Jason Santa Ana-White
John Thomson

FUNDERS & INSTITUTIONAL PARTNERS

3M Community Giving
 AAA - The Auto Club Group
 Affinity Plus Foundation
 Allianz Life
 AmazonSmile Foundation
 Associated Bank
 Becketwood
 Bush Foundation
 Catch Your Dream Consulting
 Christ Church Lutheran
 Christ the King Lutheran Church Foundation
 Co-Opera Co.
 Credit Builders Alliance
 Galilee Evangelical Lutheran Church
 Gartner
 GAP
 Gustavus Adolphus Lutheran Church

Hiway Credit Union Foundation
 Holy Trinity Lutheran Church
 Lake Nokomis Presbyterian Church
 McKnight Foundation
 Medtronic Foundation
 Minnesota Valley Federal Credit Union
 New Life Presbyterian Church
 NewPublica
 Normandale Hylands United Methodist Women
 PayPal Giving Fund
 Prosperity Now
 Old National Bank Foundation
 Raytheon Technologies
 Securian Financial Foundation
 Slalom
 St. Anthony Park Community Foundation
 Target Foundation

The Impact Project
 The Omidyar Group
 The Otto Bremer Trust
 The Patch Foundation
 Thrivent Choice Dollars
 Thrivent Financial Foundation
 Transfiguration Lutheran Church
 Travelers Foundation
 UnitedHealth Group (UHG)
 Unity Church-Unitarian of St Paul
 U.S. Bank Employee Giving Program
 Valley of Peace Lutheran Church
 Xcel Energy Foundation



BREAK THE CYCLE