A Business Case...  
For Action

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Filene

Think Forward. Change Lives

Research, Innovation, Incubation, Communities Events.
A Business Case for Action

• What do credit unions need to take action to advance financial inclusion in their communities?
  • Case for Mission and Margin
    • Is it financially sustainable?
    • Is it impactful?
  • Proven Pathways for Success
  • The Will to Act
Case for Mission and Margin: RMH Incubator

If mainstream financial institutions offer alternative lending options, they will provide consumers with affordable solutions they may not otherwise have had access to and help them get one step closer to financial stability.
Case for Mission and Margin: RMH Incubator

- **FILENE AND** 40 CREDIT UNIONS Tested
- **5 PRODUCTS** Over
- **18 MONTHS**
- **58,482 LOANS** Totaling
- **$84.8 MILLION**
Case for Mission and Margin: RMH Incubator

<table>
<thead>
<tr>
<th></th>
<th>ITIN Lending</th>
<th>Data Mined Auto Loans</th>
<th>QCash</th>
<th>Community Microfinance</th>
<th>Payday Payoff</th>
</tr>
</thead>
<tbody>
<tr>
<td>Testing Credit Unions</td>
<td>13</td>
<td>13</td>
<td>3</td>
<td>9</td>
<td>7</td>
</tr>
<tr>
<td>Loan Number</td>
<td>2,172</td>
<td>164</td>
<td>48,700</td>
<td>73</td>
<td>7,373</td>
</tr>
<tr>
<td>Loan Volume</td>
<td>$27M</td>
<td>$3.5M</td>
<td>$43.3M</td>
<td>$683K</td>
<td>$9.8M</td>
</tr>
<tr>
<td>Avg Loan Amount</td>
<td>$12,655</td>
<td>$21,632</td>
<td>$889</td>
<td>$9,353</td>
<td>$1,326</td>
</tr>
<tr>
<td>Avg Borrower Income</td>
<td>$39,960</td>
<td>$55,010</td>
<td>N/A</td>
<td>$32,640</td>
<td>$43,975</td>
</tr>
<tr>
<td>Avg Borrower Credit Score</td>
<td>665</td>
<td>630</td>
<td>617</td>
<td>687</td>
<td>586</td>
</tr>
<tr>
<td>Avg Age of Borrower</td>
<td>39</td>
<td>42</td>
<td>44</td>
<td>40</td>
<td>49</td>
</tr>
</tbody>
</table>
ITIN Lending Test: By the Numbers

Do you want membership growth and deeper relationships?

99% • 99% of users self-identified as a minority

97% • 97% reported they would recommend ITIN lending to family and friends

95% • 95% said the program had a positive impact on their lives.

67% • 67% of borrowers in the program were new to their credit union
ITIN Lending Test: By the Numbers

Do you want to grow revenue and support the bottom line?

**PROGRAM ROAs AT A GLANCE**

<table>
<thead>
<tr>
<th>Program</th>
<th>ROA</th>
</tr>
</thead>
<tbody>
<tr>
<td>QCash®</td>
<td>6.37%</td>
</tr>
<tr>
<td>Payday Payoff®</td>
<td>5.23%</td>
</tr>
<tr>
<td>ITIN Lending</td>
<td>3.81%</td>
</tr>
<tr>
<td>Community Microfinance</td>
<td>0.90%</td>
</tr>
<tr>
<td>Data Mined Auto Loans</td>
<td>0.75%</td>
</tr>
<tr>
<td>Credit union system average</td>
<td>0.75%</td>
</tr>
</tbody>
</table>

13 testers issued 2,171 loans totaling $27M
Proven Pathways for Success: Guides

Do you want tools, templates and guidance for action?

ITIN Lending Guide

Free Download at Filene.org/ITIN
Proven Pathways for Success: Guides

Do you want tools, templates and guidance for action?
Proven Pathways for Success: Workshops

How about in-person guidance and lessons from your peers?

The HOW! ITIN Lending Workshop Agenda

• The Opportunity for Financial Inclusion
• Generating Organizational Buy-In to Practice Diversity and Inclusion
• Risk, Regulation, and Compliance for ITIN Lending
• Operational Considerations for ITIN Lending
• Connecting with Your Community
The Will to Act

YOU are the most important factor for changing lives

“Training is nothing without the will to act”

https://www.psychologytoday.com/us/blog/black-belt-brain/201803/training-is-nothing-without-the-will-to-act
Juntos Avanzamos is a pathway for success

It removes barriers for action to pursue financial inclusion