Elevate is reinventing non-prime credit with online products that provide financial relief today, and help people build a brighter financial future.

So far, we’ve originated $6.3 billion to 2.1 million customers and saved them more than $4.4 billion over payday loans.
The next generation of responsible online credit

Approval in seconds  Rates that go down over time  Financial wellness features
Credit building features  Flexible payment terms

Good Today, Better Tomorrow
The U.S. is now a non-prime nation

40% of Americans say they could not cover an emergency expense costing $400, or would cover it by selling something or borrowing money.

2 in 5 Americans experience month-to-month income swings of more than 30%.

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160MM US non-prime population

Sources:
3. According to an analysis of TransUnion data through the third quarter of 2014 by the Corporation for Enterprise Development.
4. FICO, Expanding Credit Opportunities, July 2015
Banks no longer serving average Americans

- Confident they’d approve me for a credit card:
  - Prime: 90
  - Nonprime: 36

- Confident they’d approve me for a personal loan:
  - Prime: 84
  - Nonprime: 35

- Loan products designed for me:
  - Prime: 51
  - Nonprime: 27

Source: Elevate Center for the New Middle Class
Customers pushed to predatory products

$142B
Total reduction in non-prime credit since 2008

Payday Loans
Pawn Shops
Title Loans
Storefront Installment

Source: According to our analysis of master pool trust data of securitizations for the five major credit card issuers, we estimate that from 2008 to 2015, revolving credit to US borrowers with FICO scores of less than 660 was reduced by approximately $143 billion.
Non-prime are less homogenous than prime

Credit invisible
- no or minimal credit history
- often young or new to country
- high chance of fraud

Damaged
- previous charge-offs
- history of late payments
- may be forced to use payday loans

Prime-ish
- significant credit history
- often over-extended on traditional credit
- creditworthiness may be eroding

Maryam
“Right now I’m still working on my credit”

Jennifer
“I had recently filed for bankruptcy. Most lenders would not even give me a second glance”

Lamont
“I was diagnosed with a form of cancer. We were almost tapped out completely.”

Monolithic credit scores like FICO are insufficient
Issue isn’t simply “using AI to identify the invisible prime”

Most of non-prime are that way for a reason

– Bad credit history / no credit history
– Income volatility / Expense volatility
– Lack of savings

No easy technical or analytical solutions

– AI and Big Data are necessary but not sufficient
## Our approach to serving the non-prime

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<thead>
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<th>Traditional underwriting</th>
<th>Elevate approach</th>
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<tr>
<td>Uniform customer score</td>
<td>Multiple “archetype” scores</td>
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<tr>
<td>Focus on credit history</td>
<td>Credit, cash flow &amp; character</td>
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<tr>
<td>Single/few data providers</td>
<td>Diverse data providers</td>
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<tr>
<td>Documentation &amp; verifications</td>
<td>Low friction / fully automated</td>
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Bank account transaction info is essential
Challenges and policy issues

Use of machine learning/big data techniques
- NOAAs
- Disparate impact

Use of bank account transaction data
- Household vs individual accounts
- NOAAs for “character” issues

Online fraud management
- Declining with non-credit data
We believe everyone deserves a lift.