

# New consumer needs require new, innovative financial products.



The financial services industry has changed dramatically. Consumers are demanding access to innovative credit products that meet their growing and changing needs. The National Bureau of Economic Research revealed that almost half of American consumers can't come up with \$2,000 in 30 days to meet an emergency. And the FDIC recently reported that 68 million consumers make up the unbanked and underbanked populations in the United States.

Nonbank lenders, particularly those online, are currently providing credit products to millions of Americans, but these lenders lack a federal regulatory framework to operate effectively and serve these customers on a nationwide basis. A nonbank federal charter will allow lenders to provide many more credit alternatives than are currently

available under the patchwork of state laws, and to do so much more efficiently, thus lowering costs to consumers. States like New York, Pennsylvania, Massachusetts, North Carolina and others offer no options for small dollar loans.

So what's available now and what could be offered under a nonbank federal charter? Innovative, lower cost credit products to meet consumers' needs and help build their credit. U.S. based companies are pioneers in the online lending industry, leveraging technology and analytics to create such products as NetCredit, FlexCredit, Sunny and RISE.



NetCredit is an innovative personal loan product offered by Enova since 2012. Eligible customers receive a real-time, customized loan offer up to \$10,000 and funds are deposited 1-2 business days after approval. Behind the scenes, NetCredit's proprietary algorithm evaluates overall credit risk, including ability and willingness to repay, in just seconds. Risk-based pricing enables NetCredit to offer lower rates to less risky customers, and all customers graduate to better rates over time. NetCredit is committed to helping customers build credit history and reports payments to the major bureaus with hopes of enabling future access to products like home mortgages, auto loans, and student loans. NetCredit is constantly testing new features and recently launched an interactive tool where customers can vary their payment amount and duration to fit their unique budget constraints and financial goals.



FlexCredit is a product currently offered in the United Kingdom by Enova's brand QuickQuid, but is a prime example of what could be possible under a nonbank federal charter. FlexCredit provides customers more credit flexibility when borrowing. Upon approval of application, FlexCredit customers are provided with a personalized credit limit enabling them to choose their own loan amount and repayment schedule. It gives customers the choice to repay their loan all at once or over the course of several months, up to a maximum repayment term of 10 months. FlexCredit was developed as a result of company-commissioned research conducted by Wright Research, which revealed that flexible, customized payments are highly valued by consumers.

# RISE

RISE is an installment loan product that allows customers to design their own loans, empowering them to customize a variety of elements such as how many payments they want to make, how much each payment will cost, how long they'll take to repay the loan and the first repayment date. In addition to better rates that drop over time according to the customer's positive payment history, RISE provides credit monitoring and financial education programs that promote healthy spending habits.

## LENDUP

With lend up the consumer is in control. LendUp allows consumers to decide their own loan terms through their LendUp sliders. LendUp shows consumers the terms and repayment upfront. Through LendUp consumers have the ability to access more money at lower rates through the LendUp ladder. Consumers can earn these incentives by repaying LendUp loans and completing our free credit education courses.

## PROGRESO FINANCIERO

Progreso Financiero's mission is to help Hispanics gain access to mainstream financial services. Progreso focuses on offering unsecured, closed-end loans with small, fixed payments to Hispanics who lack access to traditional credit. Progreso's loans have fixed payments, fixed APR's and are easy to apply for. Progress makes sure that all consumers who apply for a loan can afford that loan and turn away those who can not.

## SPRINGLEAF

Springleaf Financial Services offers a variety of loans with fixed monthly payments that are easy to afford and have no repayment penalties. Springleaf offers loans for a variety of purposes which include: bill consolidation, auto purchase or repair, home improvements, emergency or unexpected expenses, and college tuition expenses. Springleaf's application is a simple, sensible and secure process that take only three steps.

# sunny<sup>®</sup>

Good today.  
Better tomorrow.

Sunny is a loan product, introduced in August 2013, that bridges the gap between payday and mainstream financing for non-traditional borrowers. Sunny offers customers a new way to borrow up to £1000. Customers are given a credit limit based on multiple affordability checks. They can choose to use all, some, or none of this credit. They then choose a repayment schedule. They can repay their loan in as little as one day or up to a maximum initial term of 5 months. The goal is to partner with customers to build a better financial future and to put them on the path to cheaper borrowing options. We are also committed to responsible lending and offer features like: the No Fee Guarantee, the five day right to change your mind, lower interest rates with demonstrated good repayment history, and flexible repayment schedules.