



EXODUS LENDING

Exodus Lending is the only nonprofit dedicated solely to helping Minnesotans break free from payday debt.

What is a payday loan?

Payday loans are small-dollar loans with interest rates that are often over 200%. Unlike a typical loan, payday lenders require the borrower to pay off the loan in full on their next payday. Payday lenders require direct access to the borrower's bank account and make these loans without fully investigating the borrower's ability to repay.

What is the payday loan debt trap?

Borrowers unable to pay off the loan by their next payday often re-borrow, leading to "the payday loan debt trap." Every two weeks, trapped borrowers pay only the interest and fees to "renew," without ever being able to pay off the principal loan amount.

How does the payday loan debt trap impact Minnesotans?

In 2019, about 41,000 Minnesotans took out more than 271,000 payday loans. Borrowers averaged 7 loans each, with 60% of borrowers taking out at least 5 loans and 11% taking out over 20 loans.

Minnesotans for Fair Lending estimates that between 1999 and 2014, more than \$110 million in interest and fees was drained from our communities. Minnesota payday loan borrowers paid more than \$7 million in interest and fees in 2019 alone. That is a large amount of money that is not being used for groceries, rent/mortgage payments, transportation, childcare, and other needed expenses, leading to an increase in financial distress for families, which can have devastating physical, emotional and psychological consequences over time.

How does Exodus Lending respond?

Exodus Lending pays off these predatory payday loans. Program participants pay us back through manageable monthly payments over twelve months, with no interest and no fees.

Participants are Minnesota residents with a steady income who have found themselves caught in the payday loan debt trap. Our tested program offers referrals to financial counseling, incentives for savings and support for personal money management.

Since we began in 2015*

258 participants have repaid in full
146 current program participants
\$759 average refinanced per participant
\$371,323 total refinanced
\$1,132,105 total saved for participants
305% average payday loan APR
>90% repayment rate

Our current loan program participants*

62% are people of color
64% are women
80% live in the Twin Cities metro area
32% live in Minneapolis or St. Paul
36 counties served
\$31,521 is the median income
44 years old is the average age

*as of 01/27/2021

What does our program mean for participants?

"I appreciate everything you do for me and my family and I think back to a year ago and where I am right now, I don't think I would be there if it wasn't for Exodus. I was literally able to pull myself back up. I think all my loans came to like \$978. That's the check that Exodus gave and that was to pay off - but every month I was paying close to \$400 in interest on that.

So I sit and think, what does Exodus mean to me? It means \$450 times twelve. Because that's how much money I saved a year. And with that money, I moved. My partner got a new car. We caught up on our bills. I think of it over time, all the money- like everything I did with the money and that's what Exodus did. I don't think I would have been able to pull that off if it wasn't for you guys, so, thank you. I really, really appreciate it."

- Margretta, program graduate

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Exodus Lending is a Minnesota nonprofit organization; it is tax-exempt under Internal Revenue Code section 501(c)(3).