



Elevate Announces Customer Financial Progression Milestones

- ***Fintech company innovating for the middle class reports 55,000 customers have improved their credit scores appreciably and 20,000 are now eligible for rates that are 50 percent or less than their original loan rates***

FORT WORTH, TX – January 25, 2017 – Elevate today announced two major customer financial progression milestones. More than 55,000 customers of Elevate’s RISE product have improved their credit scores appreciably. Additionally, over 20,000 RISE customers are now eligible to receive a reduction in their APR of 50 percent or more. These accomplishments come as Elevate continues its commitment to helping consumers by reporting loan activity to a major credit bureau, offering rates that can go down over time and by providing access to free financial wellness resources, including free credit monitoring and financial literacy tools.

“We believe in helping all of our customers work toward a better financial future. That’s why we are committed to our mission of ‘Good Today, solving immediate financial needs – and Better Tomorrow, helping improve customers’ long-term financial situations.’ Progression through rates that can go down over time, reporting customers’ behavior to a major credit bureau, and providing access to financial literacy tools are all key to helping them make real tangible progress to their long-term financial health.” said Ken Rees, CEO of Elevate.

RISE is a state-licensed online, unsecured loan product designed with the needs of nonprime customers in mind. RISE loans are originally priced to risk. Customers are eligible to receive 50 percent off of their rate on subsequent loans after 24 months of payments, eventually achieving a further reduction to 36 percent. Today, 42 months after the product was launched, over 20,000 customers have received or are eligible to receive a 50 percent a rate reduction and over 4,000 customers are eligible for an APR of 36 percent.

Unlike many traditional lenders serving non-prime consumers, such as payday lenders, Elevate reports RISE borrowers’ behavior to a major credit bureau. Non-prime consumers – of which there are more than 160 million in the United States, a majority of Americans – are significantly underserved by the financial industry, and credit is a critically important factor in their lives.

More than 2,500 of the 55,000 customers with improved credit scores are now considered prime by Elevate, with scores of 700 or greater.

“We know from serving this segment for many years that nonprime consumers want to make financial progress, not just borrow money, when they take out a loan,” said Ken Rees. “While we realize that our own practice of reporting to a prime credit agency is almost certainly not the only factor in our customers’ improving credit health, we are proud of these customers’ accomplishments.”

Customers have noticed their credit scores rising. “I chose RISE because I saw it could help me build my credit. Without any credit history it’s hard to get the money you need when you need it, and RISE came through for me. After I finished paying off my RISE loan, I saw my credit score had jumped over 40 points,” said Jay Lewis of Cincinnati, Ohio. “I was ecstatic because having better credit is key to so many things in everyday life. RISE has helped me overcome that roadblock.”

How important is credit to nonprime consumers? Elevate’s Center for The New Middle Class recently studied the matter and found that, compared to prime consumers, nonprime were:

- Nine times more likely to have been turned down for credit within the last 12 months
- Six times more likely to have been denied a job because of low credit within the last 12 months
- 12 times more likely to have been denied an apartment because of lack of credit within the last 12 months
- 10 times more likely to say they “couldn’t make financial progress” within the last 12 months because of their credit

Additionally, 70 percent of nonprime consumers say that it’s important that a lending product helps them build credit.

“Credit is singularly important to these consumers – many of whom are in their financial situations through no real fault of their own,” said Jonathan Walker, Executive Director of Elevate’s Center for the New Middle Class. “Because of a lack of credit, many are one broken arm or car repair away from financial disaster. Improving their credit standings can change this greatly.”

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About the Research

Elevate worked with the major credit bureau to which it reports, gathering anonymized data on RISE customers. Elevate reviewed the VantageScore® 3.0 risk scores of its RISE customers at the time they took out their first loan in 2014-15 and compared that with their credit scores as of Sept. 30, 2016. Customers included only those who remain in good standing with RISE as of Sept. 30; those who defaulted were not included. The bureau identified six credit score ranges and determined how many RISE customers moved up appreciably, meaning at least one category from when they took out their first loan in the time period:

- <500. Consumers in this score range are not eligible for an FHA mortgage.
- 500-579. Consumers are eligible for limited mortgage financing.
- 580-619. Consumers are eligible for maximum financing, according to FHA guidelines.
- 620-679. Fannie Mae and Freddie Mac will buy loans of consumers in this range.
- 680-699. Consumers are eligible for a substantial reduction to loan level price adjustments and borrower-paid mortgage insurance premium.
- 700+. Consumers are considered prime (by Elevate).

The number of customers who have reached the necessary number of payments to receive a rate reduction was calculated by tabulating the number of accounts at the number of payments necessary.

- 24 months of payments are required to receive 50 percent off of the customer’s original APR
- 36 months of payments are required to reach 36 percent

About Elevate's Center for the New Middle Class

Elevate's Center for the New Middle Class conducts research, engages in dialogue, and builds cooperation to generate understanding of the behaviors, attitudes, and challenges of America's growing "New Middle Class." For more information, visit: <http://www.elevate.com/NewMiddleClass>

About Elevate

Elevate has originated more than \$3 billion in nonprime credit to 1.4 million consumers to date. Its innovative online credit solutions provide immediate relief to customers today and help them build a brighter financial future. The company is committed to rewarding borrowers' good financial behavior with features like interest rates that can go down over time, free financial training and free credit monitoring. Elevate's suite of groundbreaking credit products includes RISE, Sunny and Elastic. The company is privately held and is backed by respected Silicon Valley venture capital firms including Sequoia Capital and Technology Crossover Ventures. For more information, visit: <http://www.elevate.com/>.

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