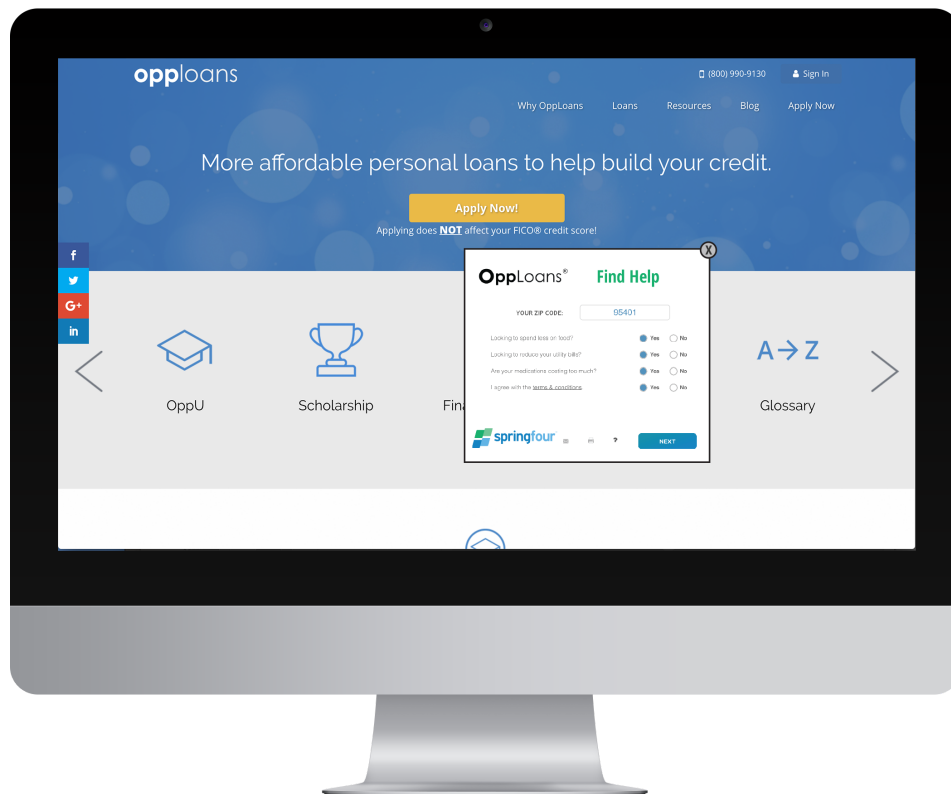


# Partnering through a Pandemic

## A Case Study of OppLoans and SpringFour

September 2020



## Overview of OppLoans and SpringFour

OppLoans, founded in 2012, provides small dollar installment loans to credit-challenged, middle income consumers who are turned away by traditional financial providers. OppLoans' mission is: "To provide financial inclusion to the middle income, credit-challenged consumer through the best available products and an unwavering commitment to our customers."

Founded in 2005, SpringFour is the only Certified B, social impact fintech company that helps financial services institutions limit risk by empowering improved payment performance and increased customer engagement. SpringFour's suite of financial health cloud-based solutions provide access to over 15,000 vetted nonprofit and government resources to millions of consumers. These resources enable them to meet financial objectives, reduce household expenses, and avoid payment delinquencies.

## Partnership Highlights

OppLoans and SpringFour became acquainted in October of 2018 and recognized a kindred spirit in one another. Both companies are mission-aligned and focused on creating unique solutions that improve the financial lives of their consumers.



As Chicago-based fintech companies focused on social impact, each company was also chosen as a [Financial Health Network leader](#) in 2020. The Financial Health Leaders program, sponsored by the [Financial Health Network](#), spotlights members that are at the forefront of financial health and promotes their work as an example for others.

As the partnership has grown, both parties have remained committed to helping consumers who need access to valuable financial resources quickly.

"As a financial technology platform serving credit-challenged customers, OppLoans seeks to help create credit access to the 60 million consumers who are locked out of the traditional financial system. However, we understand that there are multiple factors that affect a person's financial health that go beyond what we can offer. Through our partnership with SpringFour, we are able to help our customers reduce common monthly expenses that often prevent them from building a better financial path."

- Natasha Anand, VP of Social Impact, OppLoans

## How OppLoans Integrated SpringFour Into its Platform

Following a 6-month pilot of S4Pro with a select group of Customer Advocates (customer service representatives), OppLoans engaged SpringFour in a full rollout of both [S4Pro](#) and [S4Direct](#) in June 2019. Prior to the full rollout, SpringFour worked side by side with OppLoans to write scripts for employees providing referrals, test introducing SpringFour at different points along the customer journey, and provide data analysis and reporting. Because the pilot seemed so beneficial to interactions with customers, OppLoans rolled it out to the entire Customer Advocate Department. Today, OppLoans customers learn about the availability of referrals from SpringFour, from utility payment assistance to employment services in a variety of ways, including:

- Over the phone when customers mention financial hardship
- In email communications
- From the "[COVID-19 Resources](#)" section of the OppLoans website.

"SpringFour has been a great partner for us - not only from a mission and values-alignment perspective - but also because they have been proactive in helping us ensure that we are getting the most value out of their products. The more our employees and customers are aware of the resources available to them, the better equipped we are to empower our customers to build their financial futures."

- Natasha Anand, VP of Social Impact, OppLoans

## A Pandemic Spotlights the Growing Need for Resources

The severity of the COVID-19 pandemic and its effect on families was unprecedented. OppLoans and SpringFour worked together to tackle the new challenges faced by OppLoans' customers. Because many of their customers live paycheck to paycheck, OppLoans recognized that their customers might be in further crisis given record unemployment rates and financial uncertainty in the coming months. Therefore, OppLoans developed a variety of ways to help customers through the pandemic, including specific relief programs for OppLoans' customers."

To date, over 20,000 OppLoans customers have participated in their relief programs.

- Customer Relief Programs
  - 30-day payment deferrals
  - Temporary 90-day hardship program where interest is frozen and payments are reduced to 50%
  - If the customer needs more assistance, they can make the temporary hardship program permanent for the life of the loan
- Dedicated website with resources for customers
  - S4direct to help customers reduce their expenses
  - Newly-launched partner Steady, to help customers increase their income
  - Original content articles for customers on how to navigate financial health during the crisis

## Immediate Response to COVID-19

Given the challenges faced by customers due to COVID-19, OppLoans immediately saw that a swift response was needed to help customers navigate the crisis. One aspect of this was amping up referrals to resources through SpringFour.

From the onset, SpringFour was recognized as an integral part of OppLoans' COVID-19 response strategy. Because OppLoans had already been offering SpringFour resources to customers for a year, they were able to easily incorporate SpringFour's new COVID-19 specific resources into their platform. More than 3,000 COVID-specific resources were added in the categories of food, financial assistance, and healthcare.

OppLoans created a dedicated [COVID-19 Resources Page](#) that prominently included S4Direct so that any visitor to the website - regardless of their relationship with OppLoans - could access local resources to help them in their time of need. OppLoans included a link to the COVID-19 resources page in the footer of its outbound email campaigns.

## Impact: How to be a Trusted Financial Partner in a Time of Crisis

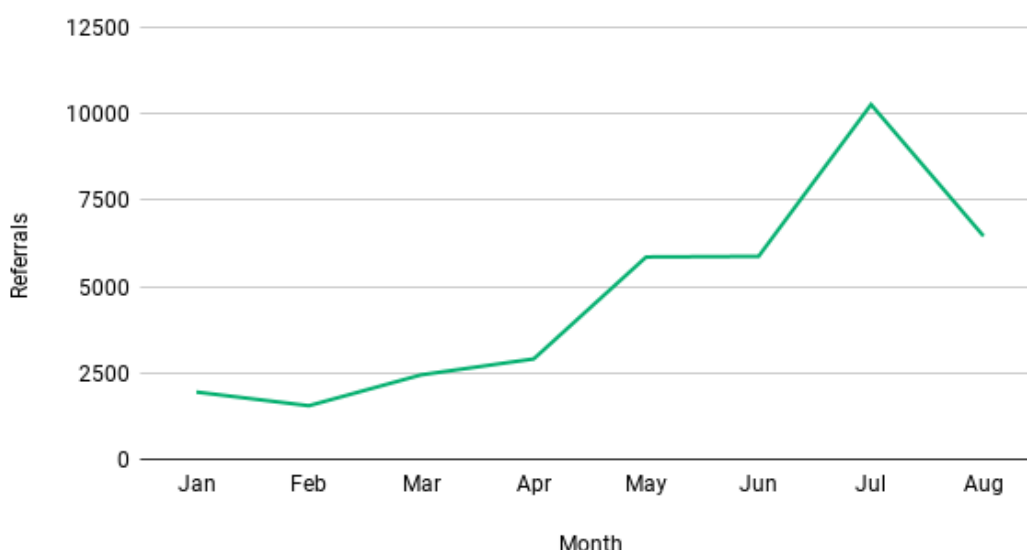
"When customers I spoke to expressed difficulty not finding jobs and mentioned they had children, it completely broke my heart that they were struggling to provide for them. One story in particular that I do remember is I informed a customer that in addition to the hardship program and Covid deferral program, we worked with SpringFour as well. I notified her that she could use SpringFour's free information with her job search. In addition, since she mentioned that she was struggling with rent, I also included information for potentially lowering her utility bills and finding cheaper rent. She was incredibly thankful and was almost in tears. She became very emotional and appreciated the assistance that alleviated some of her financial burden. It was very heartwarming to hear that this gave her hope. Although SpringFour is completely optional, many people welcome the assistance with open arms."

- Ileana Blanco, OppLoans Employee

Through S4Direct, OppLoans' customers can directly access SpringFour resources without working through an OppLoans Customer Advocate, so that they can access assistance at any time. OppLoans saw a dramatic increase in demand for SpringFour referrals through the S4 Direct platform in the immediate onset of the COVID-19 pandemic.

OppLoans has seen its total SpringFour referrals increase tenfold; this trend just recently began leveling off.

OppLoans SpringFour Referrals 2020 to Date



## Categories of Need, Pre and Post-Covid

“At OppLoans, we take a holistic approach to financial health. Most of our customers come to us after they have experienced some setback that they are unable to cover with savings or traditional credit products. Our partnership with SpringFour helps us to address these customer problems with a two-pronged approach to help customers truly recover from financial shocks.”

- Natasha Anand, VP of Social Impact, OppLoans

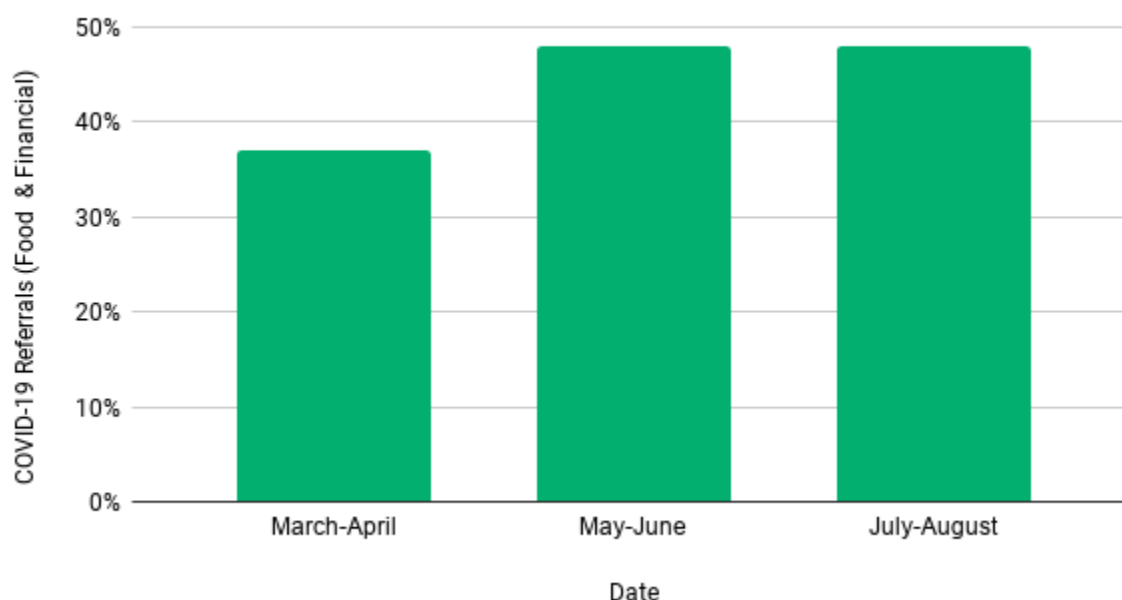
Since the beginning of the pandemic, OppLoans has consistently seen high demand in the following categories, showing that their customers are looking for help in accessing basic necessities:

Top 5 Categories, Pre-COVID-19	Top 5 Categories, Post-COVID-19
Heating / Utility Costs	Financial Assistance
Financial Counseling	Food Assistance
Healthcare Savings	Financial Counseling
Food Assistance	Healthcare Savings
Employment Services	Employment Services

## COVID-19-Specific Resources Dominate Consumer Need

OppLoans saw such high demand for COVID-related resources that two COVID-19 categories (food and financial assistance) have quickly grown to account for almost half of all referrals. Therefore, SpringFour and OppLoans worked together to quickly improve and increase resources to help meet the immediate and growing needs specific to food and financial assistance difficulties.

COVID-19 Referral Categories Now Almost Half of All Referrals



"We knew that people would be facing extreme hardship due to COVID-19 and that is why our team quickly mobilized to research and vet additional resources for financial assistance, food aid, and COVID-19-related healthcare. Our experience has shown us that this is what people would need right away,"

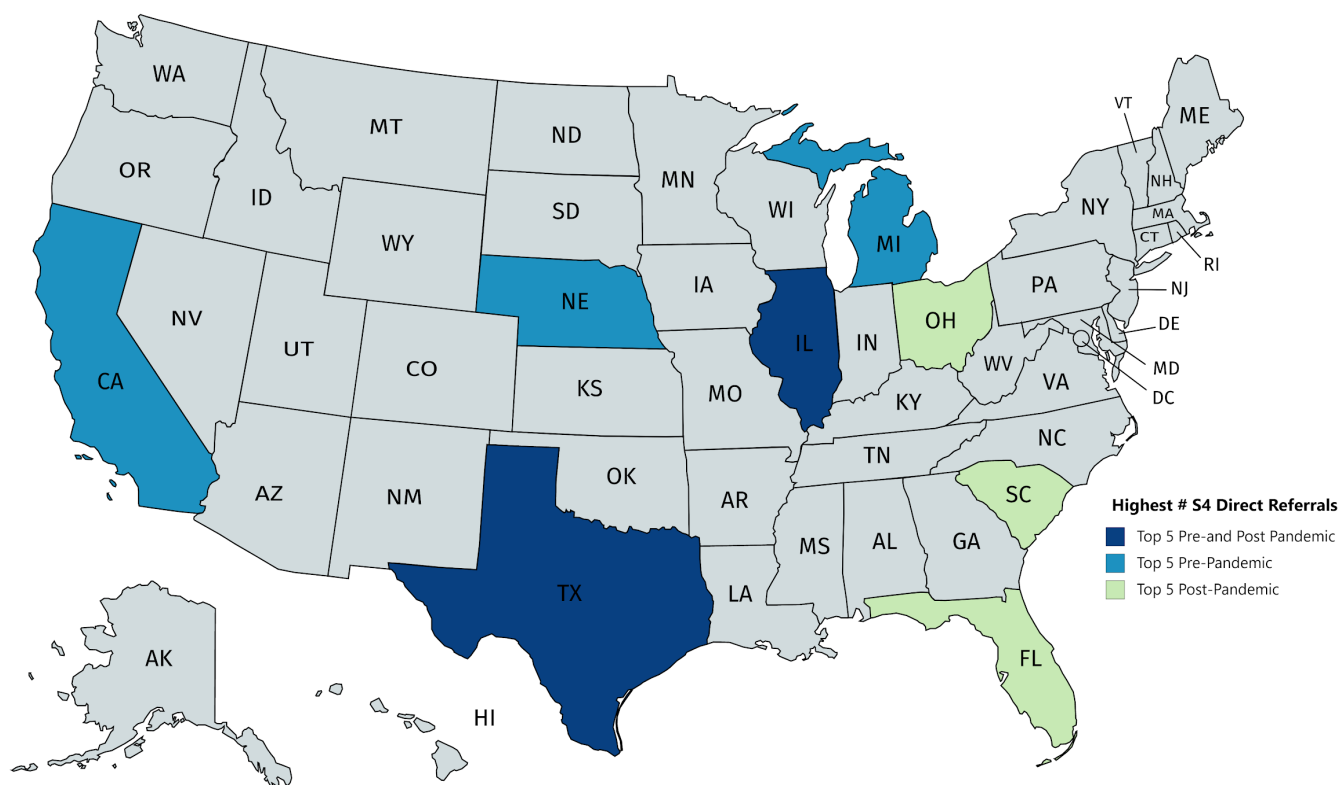
- Rochelle Nawrocki Gorey, CoFounder and CEO of SpringFour.

"SpringFour was so proactive in adjusting their product in response to the COVID-19 pandemic. It is always great to have a partner that supports our ability to provide best-in-class customer service to our borrowers with timely information that meets their pressing needs."

- Natasha Anand, VP of Social Impact, OppLoans

## Geographic Need Mimics Pandemic

Throughout the pandemic, the states with the highest demand for OppLoan referrals in S4Direct changed as need for assistance increased in COVID-19 hotspots around the country. Currently, no single state has more than 17% of total share of referrals. Illinois and Texas remain in the top five states both pre-and post-pandemic, but by the end of Q2, Florida emerged as the top state for SpringFour referrals. This growth reflects the ability for OppLoans to meet people truly in need throughout the country.



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## Conclusion

While no one could have predicted a crisis like COVID-19, the experience of SpringFour and OppLoans highlights how having a proactive partnership with additional financial resources makes it easier to quickly respond to financial events that impact so many customers. Financial institutions have a role to play in providing customers with financial resources outside of the products they offer—and partnerships are an important avenue for getting customers the assistance they need and deserve.

"We believe that when people are experiencing financial hardship, they need outside resources that can assist them in getting back on track. Our company's focus is to help address the root cause behind a payment challenge, and we are proud to partner with OppLoans to help many more individuals get one step closer to achieving financial health."

- Rochelle Nawrocki Gorey, CoFounder and CEO, SpringFour

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