



Life-Changing Loans

Andrew Posner, Founder & CEO, Capital Good Fund

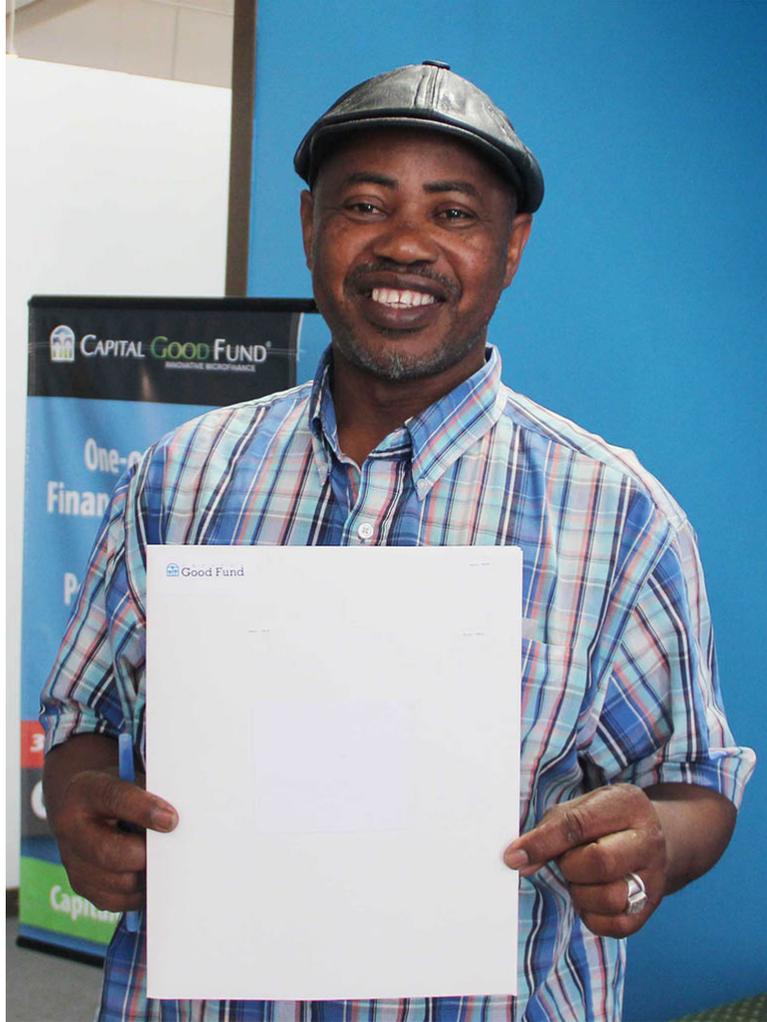
A Presentation for Socially Minded Investors

Who We Are

- Founded in 2009, we are a nonprofit, U.S. Treasury-certified Community Development Financial Institution (a prestigious federal certification) whose mission is to provide equitable financial services that create pathways out of poverty
- A social change “fintech,” we use small-dollar personal loans and one-on-one Financial & Health Coaching to tackle poverty and foster upward mobility



Client Story: Mamadou



Mamadou – Immigration Loan Client

Due to a lengthy immigration process, Mamadou and his family had been **apart for over seven years.**

After everything was finally settled, Mamadou needed financial assistance to fly his wife and children from Africa to their new home in Rhode Island. Thanks to our loan, Mamadou was reunited with his family at last. Afterward, he told us, “My experience was excellent. You are the **only ones who could resolve my problem.**”

The Problem

- **Tens of millions** of Americans lack access to equitable credit and sound financial advice. “Banking deserts,” income inequality, stagnant wages and the perceived risk of lending to the low-income are driving factors
- A **\$141 billion industry** has sprouted up to take advantage of this paradigm. It includes payday lenders, rent-to-own stores, auto title lenders, buy-here-pay-here auto lenders, and pawn shops

The Solution

- Personal loans of \$300–\$25,000 that save borrowers \$500–\$7,000 of interest compared to a predatory product.*
 - Credit-building, no prepayment penalty, affordable terms
 - For critical expenses: emergencies, vehicle purchase or repair, citizenship, security deposit, technology purchase, etc.
 - Only nonprofit offering loans of this type at scale

Example: Payday Loan Alternative

Institution	Principal	Interest Rate	Term	APR	Monthly Payment	Total Annual Interest Paid	Total Cost of Loan*
Average Payday Loan	\$400	10% for every \$100 + \$1	14 days	278%	N/A, avg. loan rolled over 8x	\$600+	\$1,000+
Good Fund Payday Alternative	\$400	10%	12 months	10%	\$35.17	\$22	\$422

* With associated interest and fees

Proven Track Record

- 3,500 loans, \$6.9 million financed*
- 95.6% all-time repayment rate
- \$3.9 million in loans outstanding, 97% on-time
- 1,500+ Financial Coaching clients
- Lending in four states: RI, DE, FL, MA; more under consideration
- Market leader / innovator
- 28 full-time employees
- Have passed all financial audits

* Numbers as of January 2019

Who We Serve & Impact

- Demographics

- 37% Hispanic / Latino
- 35% White / Caucasian
- 22% African American
- 6% Other / mixed-race
- 61% female-headed households

- Household Income

- 30% moderate-income (HUD definition)
- 35% low-income
- 30% very low-income
- 5% extremely low-income

- Credit

- Average FICO at intake: 580
- 20% have no FICO at intake

- Average Client Impact:



see an increase in monthly income



reduce their revolving debt



increase their food security and / or access to health care*



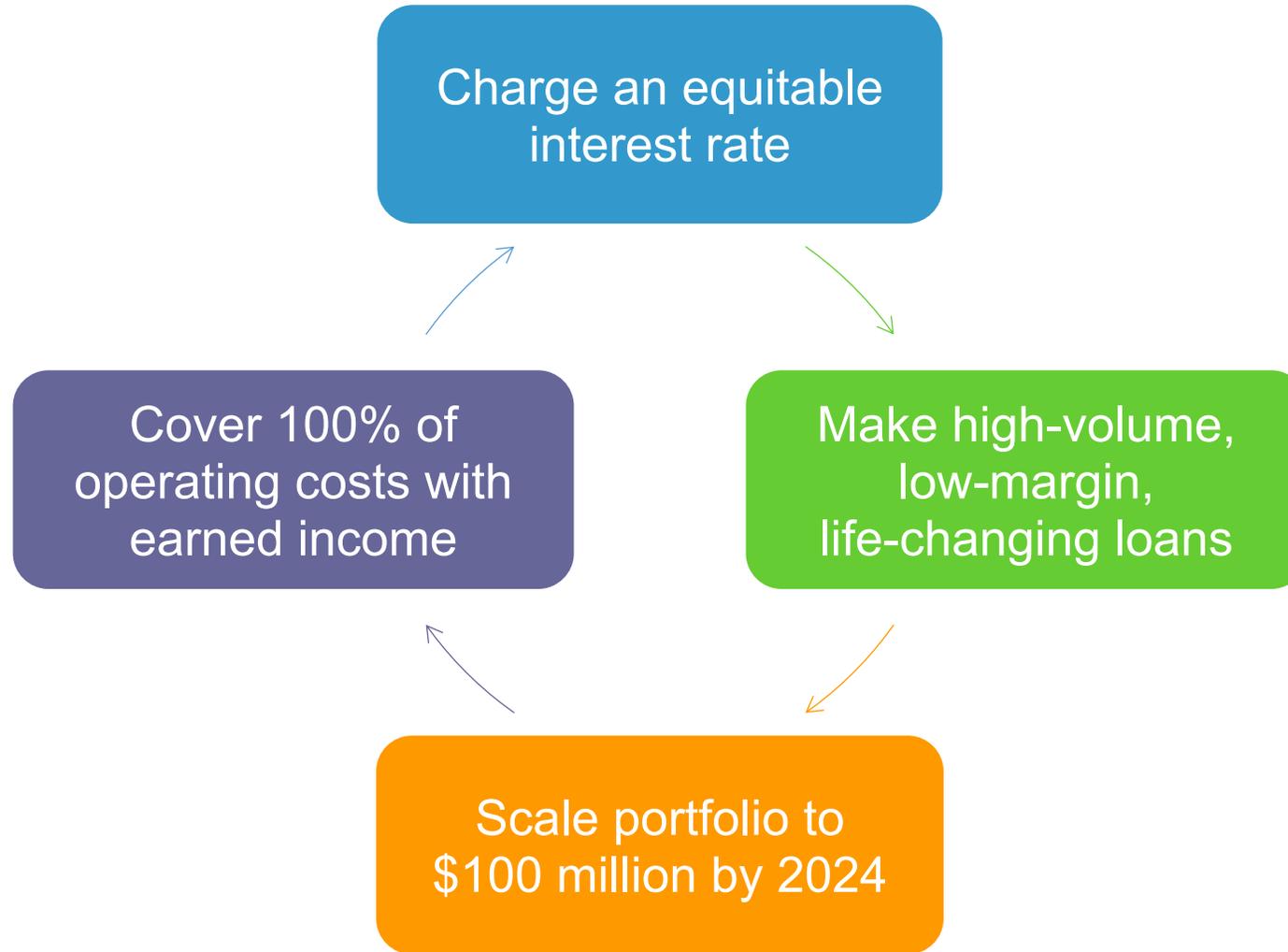
of clients without a bank account open an account



average FICO Score increase

* Of clients who are food insecure at intake based on data from an ongoing Randomized Control Trial

Business Model



Our Competitors

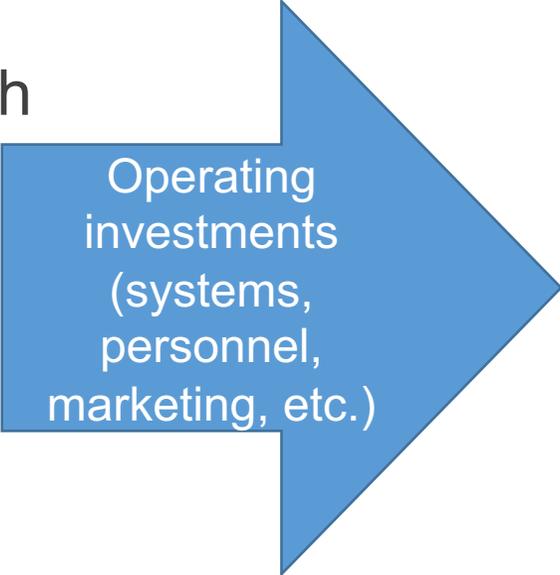
- More branches than Starbucks and McDonald's combined
- “Win-lose” model: make money when borrower defaults
- Double- and triple-digit interest rates
- Compete on convenience, not price
- Target minorities, the low-income, the elderly, etc.
- Don't build credit
- Trap clients in debt spirals, can result in bankruptcy, homelessness, draining savings, crippling stress
- Powerful public lobbies & commanding market presence



Future Growth

- Today

- \$3.83 million portfolio
- 1,500+ clients
- 35% self-sufficiency through earned income
- Operating in four states
- 28 employees
- Tripled loan volume, 2017 vs. 2016, 50% 2018 vs. 2017
- 0.0025% market share



Operating investments
(systems,
personnel,
marketing, etc.)

- By 2024:

- \$100 million loan portfolio
- 10,000+ clients
- 100% self-sufficiency through earned income
- Operating in five states
- Force competitors to lower rates or shut down
- 65 employees
- 0.057% market share

Rates of Return

Initial Investment	7 years	5 years	3 Years
\$1,000 - \$19,999	4.00%	3.00%	1.50%
\$20,000 - \$74,999	5.00%	3.50%	2.00%
\$75,000 - \$124,999	6.50%*	4.50%	3.00%
\$125,000 - \$249,999	7.25%*	5.50%	4.25%*
\$250,000 and above	8.50%	7.25%	6.00%*
	* Our most popular options		

The Team



Andy Posner – Founder & CEO

Andy Posner founded Capital Good Fund in February of 2009 while getting his MA in Environmental Studies at Brown University. Andy Posner is a firm adherent of Dr. Yunus's dream to put poverty into museums; or, as Andy likes to put it, to put poverty out of business. Andy's work has been featured everywhere from Huffington Post to Stanford Social Innovation Review to CNN. Andy believes that creative business models, advanced data analytics, and a mix of market- and mission-centered forces lead to dramatic social change.



Annie Dickson – Chief Operating Officer

Annie has a B.A. in Anthropology and Political Science from Rhode Island College and a certificate in International Non-Governmental Organizations Studies. Before joining the Good Fund team, she spent over three years in Port au Prince, Haiti, running operations for an ethical fashion company to create dignified, living-wage employment opportunities. In another role in Haiti, she helped a nonprofit transition to innovative, community-led development. Professionally, she seeks to remove obstacles to economic empowerment.



Jim Mazjanis – Chief Financial Officer

Jim is a strong believer that small advances add up quickly and make for big positive changes. Prior to joining Good Fund, Jim worked with several local nonprofit organizations. As the Director of Analysis at Neighborhood Health Plan of RI, he helped the organization make better data-driven decisions. At Johnson & Wales University Jim served as Director of Financial Operations, reshaping the finance department with a focus on continuous process improvement. He holds a bachelor's degree in Chemistry and an MBA from UConn.

Client Story: Sherlie



Sherlie – Car Loan Client

Sherlie’s old car was breaking down and becoming dangerous for Sherlie and her daughter. Good Fund gave Sherlie a Car Loan so she could afford **safe, reliable transportation** for her family. “I know that anything I do with Good Fund is going to be done with my best interest in mind and that the staff will treat me with respect.” After getting her Car Loan, she said, “Good Fund helped me buy a reliable car and **took a very heavy load off my shoulders!**”

Detailed Loan Product Information



Emergency Loan • \$300–\$500 • 10% APR

For financial emergencies such as debt repayment, bill catch-up, utilities, unforeseen expenses, etc. \$8 closing fee. No down payment. Monthly repayment over 1 year. Example Lifetime Cost: A \$400 loan costs \$422.



Other Personal Loan • \$700–\$2,000 • 24% APR

For any other personal purchase or expense such as security deposits, car repairs, computer purchase, etc. No closing fee or down payment. Monthly repayment over 2 years. Example Lifetime Cost: A \$1,000 loan costs \$1,269.



Immigration Loan • \$700–\$20,000 • 15%–24% APR

For paying fees for acquiring U.S. citizenship, securing or renewing a Green Card, applying for family members to come to the U.S., and other immigration steps. No closing fee or down payment. Monthly repayment over 2 to 4 years.* Example Lifetime Cost: A \$1,000 loan costs \$1,269.



Car Loan • \$8,000–\$20,000 • 7.60%–16.66% APR

Refinance or purchase of a new or used car for you or your family. \$500 down payment, which includes a \$24 closing fee. Monthly repayment over 5 years. Example Lifetime Cost: A \$13,000 loan costs \$16,960 with an APR of 11%.



Weatherization Loan • \$500–\$25,000 • 0% APR

For measure to make your home more energy efficient and safe, for example insulations, replacing light bulbs, sealing ducts, etc. No closing fee or down payment. Monthly repayment over 2 to 5 years. Example Lifetime Cost: A \$5,000 loan costs \$5,000.



Financial Coaching PLUS Program

- Our Coaching Roadmap:



Key Funders, Investors, & Supporters

	<p>JPMORGAN CHASE & CO.</p>	
		
		
	 	
	<p>Alan Hassenfeld Former CEO, Hasbro Toys</p>	