

BEDSTUY CREDIT LANDSCAPE

598 MEDIAN CREDIT FICO SCORE OF BEDFORD-STUYVESANT RESIDENTS

30% OF CONSUMERS IN LOW-INCOME NEIGHBORHOODS ARE CREDIT INVISIBLE.

26 MILLION
US CONSUMERS CREDIT INVISIBLE

19 MILLION
US CONSUMERS ARE UNSCORABLE

"VERY" OR "EXTREMELY"
60% WORRIED ABOUT FINANCES

BEFORE PAYDAY
56% SHORT ON CASH

73% NO SAVINGS

75% < \$30,000 ANNUAL INCOME

26% DEBT OF \$30,000+

41% "NOT AT ALL" CONFIDENT THAT THEY CAN PAY AN EMERGENCY EXPENSE OF \$50.

BED-STUY POPULATION 135,830
SMALL BUSINESSES **3,821**

BANK BRANCHES 5
CHECK CASHING FACILITIES **5**

ALLOWED CUSTOMERS TO PURCHASE ITEMS ON CREDIT

68.2% OF BED-STUY SMALL BUSINESSES SURVEYED

BEDSTUY
28.1 SMALL BUSINESSES PER 1,000 RESIDENTS

NEW YORK CITY
48.7 SMALL BUSINESSES PER 1,000 RESIDENTS

.4 BANK BRANCHES PER 1,000 RESIDENTS

2.2 BANK BRANCHES PER 1,000 RESIDENTS

IN CONSUMER DISTRESS
90+ DAYS LATE ON ANY LOAN TYPE OR HAD 3RD PARTY COLLECTIONS WITHIN LAST 12 MONTHS

16% OF BROOKLYN RESIDENTS
15.5% OF NYC RESIDENTS

SERIOUSLY DELINQUENT
90+ DAYS LATE ON MORTGAGE

6% OF BROOKLYN MORTGAGE BORROWERS
5.6% OF NYC MORTGAGE BORROWERS

SUBPRIME LOANS
PER 100 TOTAL LOANS

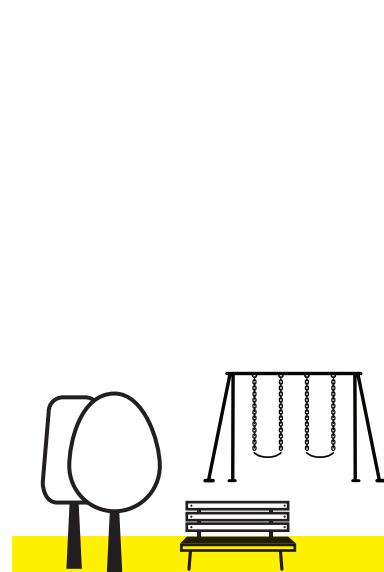
3.6 BED-STUY SUBPRIME LOANS
2.0 BROOKLYN SUBPRIME LOANS
1.7 NYC SUBPRIME LOANS

COMMON RECURRING TRANSACTIONS IN BED-STUY:

RENT, UTILITIES, GROCERIES
CHILDCARE, DIAPERS/WIPES, FEMININE PRODUCTS, METRO CARD, PHARMACY
PHONE, CREDIT CARD, STUDENT LOANS, WIFI, CHILD'S CELL PHONE
CIGARETTES, BARBERSHOP, CABLE, NETFLIX/HULU



BEDSTUY INFORMAL TO FORMAL LENDING TRANSACTIONS



FRIENDS

Lending based on tenure of relationship, shared experiences and perceived reliability

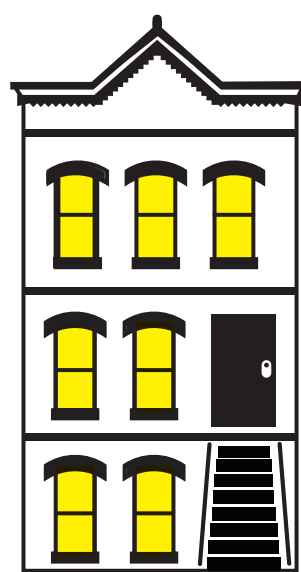
BENEFIT: Privacy, Highly Flexible

ACCESS: Quick

DEFAULT RISK: High/Low

PENALTY OF DEFAULT: High

\$ AMOUNT: Less than \$50



FAMILY

A private transaction centered on inter-personal relationships and mutual trust

BENEFIT: Privacy, Somewhat Flexible

ACCESS: Quick

DEFAULT RISK: Low

PENALTY OF DEFAULT: Medium

\$ AMOUNT: Less than \$100

FORMER PARTNER



SMALL BUSINESS OWNER

Extended to a small segment of loyal and frequent customers

BENEFIT: Goodwill, Strengthens Loyalty, Short payback period

ACCESS: Immediate

PENALTY OF DEFAULT: Medium

DEFAULT RISK: Low

\$ AMOUNT: Typically no more than \$20

SUSU



LOAN SHARK

Easy access to larger amounts of money in times of crisis, but accompanied by high interest rates and inflexible terms

BENEFIT: Privacy, Access to Larger Amounts of Capital

ACCESS: Quick

PENALTY OF DEFAULT: Extremely High

DEFAULT RISK: Low

\$ AMOUNT: At least \$500



BORROWING AGAINST SAVING

Financial product of last resort with set terms and little flexibility; ultimately reduces future savings

BENEFIT: Low Interest Rate

ACCESS: A week

PENALTY OF DEFAULT: High

DEFAULT RISK: Medium; Increases if change in employment status

\$ AMOUNT: 50% of Savings, up to a Max of \$50,000



COMMUNITY INSTITUTION

Neighborhood pillars with longstanding relationships and strong sense of community benefit that provide loans in times of crisis

BENEFIT: Goodwill, Flexible

ACCESS: Quick

PENALTY OF DEFAULT: Medium

DEFAULT RISK: Low

\$ AMOUNT: Small

SUSU



TRADITIONAL BANK LOAN

Formal lending mechanism with established processes and credit checks, but interest rates may be prohibitive for those with bad credit

BENEFIT: Reputable, Access to Larger Amounts of Capital

ACCESS: Weeks to months

PENALTY OF DEFAULT: Medium

DEFAULT RISK: Low

\$ AMOUNT: At least \$5,000