

August 11, 2025

Senator Matt Klein, Chair  
Commerce and Consumer Protection Committee  
95 University Avenue W.  
Minnesota Senate Bldg., Room 2105  
St. Paul, MN 55155

Senator Gary Dahms, Ranking Minority Member  
Commerce and Consumer Protection Committee  
95 University Avenue W.  
Minnesota Senate Bldg., Room 2219  
St. Paul, MN 55155

Representative Kaohly Vang Her, Co-Chair  
Commerce Finance and Policy Committee  
5<sup>th</sup> Floor Centennial Office Building  
St. Paul, MN 55155

Representative Tim O'Driscoll, Co-Chair  
Commerce Finance and Policy Committee  
2<sup>nd</sup> Floor Centennial Office Building  
St. Paul, MN 55155

**RE: Minnesota Department of Commerce Report on Exodus Lending Activities as mandated in Laws of 2023, Chapter 57, Article 1, Section 2, subdivision 3(i).**

Dear Chair, Co-Chairs and Ranking Member:

This letter addresses the notification requirement set forth by the Legislature in the Laws of 2023, Chapter 57, Article 1, Section 2, subd. 3(i) as outlined in the language below:

*No later than August 15, 2024, and annually thereafter until the appropriations under paragraphs (e) and (f) have been exhausted or canceled, the commissioner of commerce must submit a report to the chairs and ranking minority members of the legislative committees with primary jurisdiction over commerce and consumer protection. The report must detail the information collected by the commissioner of commerce under paragraph (h).*

Pursuant to Minnesota Statutes § 3.197: This report cost *de minimis* to prepare, including staff time. If you have any questions, please do not hesitate to contact me or my team.

Sincerely,



Grace Arnold  
Commissioner



# Report on Exodus Lending Activities

Laws of 2023, Chapter 57, Article 1, Section 2, subdivision 3(i)

August 11, 2025

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## Reporting Requirements:

In accordance with the requirements set forth in Laws of Minnesota 2023, chapter 57, article 1, section 2, subd. 3(h), the monthly and annual status reports provided to the Minnesota Commerce Department must include the following criteria:

- 1) Total number of loans granted;
- 2) Total number of participants granted loans;
- 3) An analysis of the participant's race, ethnicity, gender, and geographic locations;
- 4) The average loan amount;
- 5) The total loan amounts paid back by participants;
- 6) A list of the trusted community partners;
- 7) The final criteria developed for character-based small dollar loan program determinations under paragraph (f); and
- 8) Summary data on the significant barriers to mainstream financial products faced by participants.

## Criteria 1, 2, 4 and 5:

The below tables illustrate the total number of loans granted, the total number of participant loans granted, the total loan amounts, and the average participant loan amount that have been paid back by participants.

<b>July 2024 - June 2025 Loan Closings/Repayment</b>	<b>Refinancing</b>	<b>Resiliency</b>	<b>Project MOVE<sup>1</sup></b>	<b>Total</b>
Total number of loans granted	89	87	1	<b>177</b>
Total number of participants granted loans	89	87	1	<b>177</b>
Total loans granted	\$117,679.41	\$99,911.24	\$2,431.62	<b>\$220,022.27</b>
Total loan amounts paid back by participants	\$87,740.73	\$21,112.00	\$476.00	<b>\$109,328.73</b>

<b>July 2024 - June 2025 Loan Closings/Repayment</b>	<b>Refinancing</b>	<b>Resiliency</b>	<b>Project MOVE</b>	<b>Total Average</b>
Average loan amount per participant	\$1,322.24	\$1,148.41	\$2,431.62	<b>\$1,243.06<sup>2</sup></b>

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<sup>1</sup> Project MOVE was a piloted loan program done in partnership with The Lift Garage, in which Exodus Lending offered a personal loan for a qualified Minnesotan to purchase a fleet vehicle from a partnering dealership. While Exodus Lending initially budgeted to do more loans within this pilot, due to staffing changes at The Lift Garage, this partnership is not moving forward to offer new loans. The loan capital was provided by The Lift Garage.

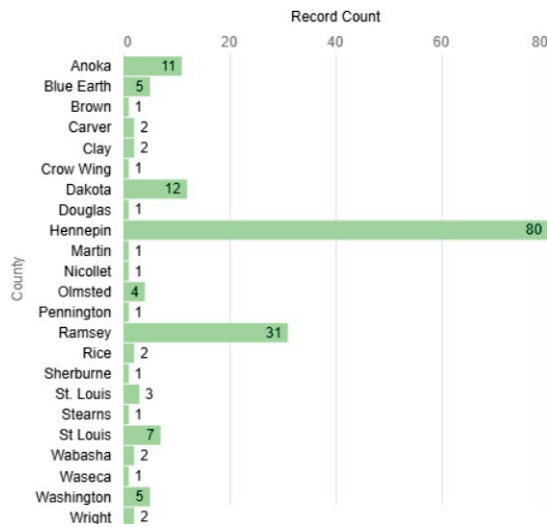
<sup>2</sup> Total average loan amount across all three programs and 177 loans.  
Report on Exodus Lending Activities

### Criteria 3:

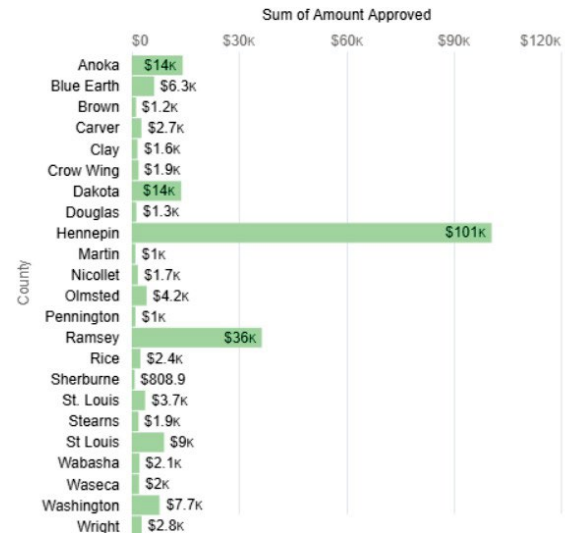
The below data sets exhibit participants’ race, ethnicity, gender and geographic locations.

#### July 2024 - June 2025 Demographic Analysis - Refinancing and Resiliency Combined

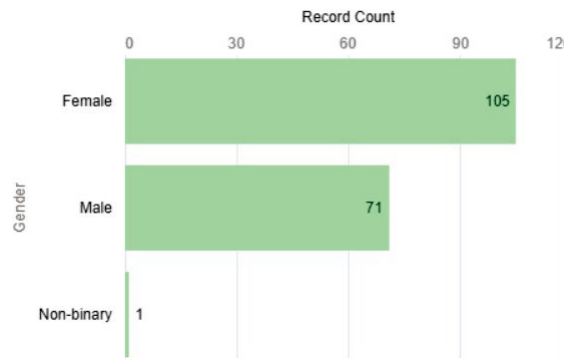
Loans Closed by County (#)



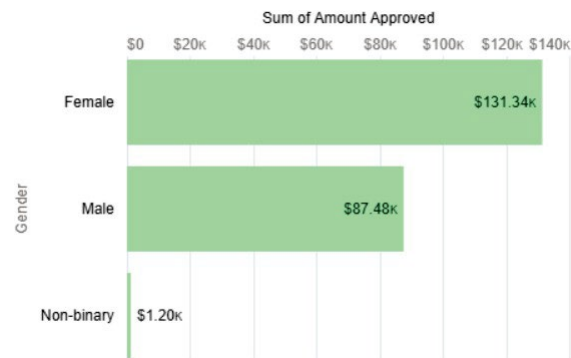
Loans Closed by County (\$)



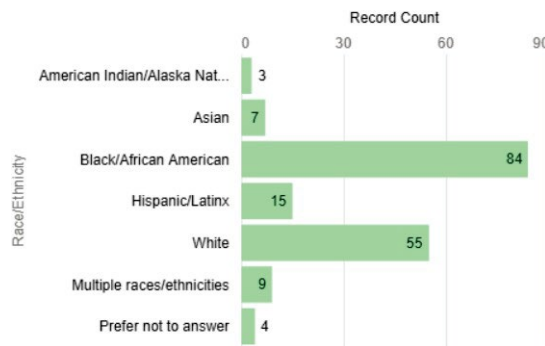
Loans Closed by Gender (#)



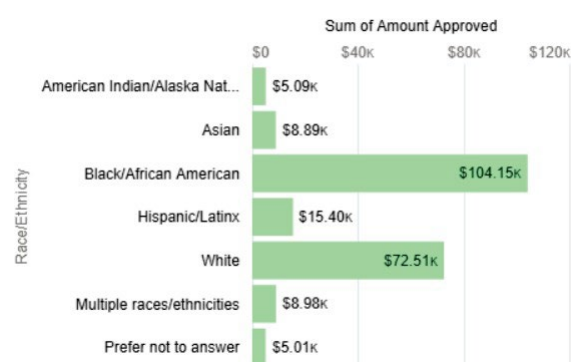
Loans Closed by Gender (\$)



Loans Closed by Race/Ethnicity (#)



Loans Closed by Race/Ethnicity (\$)



## Criteria 6:

Below is a list of Exodus Lending's trusted community partners.

Current and Prospective Resiliency Loan Partners (May 2024 >)		
Exodus Lending relaunched our "anti-payday" Resiliency Loan program in mid-April 2024. We provide access to the loan through a community partner referral. Community partners are listed below, with those with signed MOUs labeled as "current".		
Partner Name	Status	Enrollments
<b>Model Cities</b> (Saint Paul, MN)	Current	15
<b>Northside Residents Redevelopment Council (NRRC)</b> (Minneapolis, MN)	Current	15
<b>The Dignity Center</b> (Minneapolis, MN)	Current	12
<b>Project for Pride in Living (PPL)</b> (Minneapolis, MN)	Current	12
<b>Merrick Community Services</b> (St. Paul, MN)	Current	11
<b>CAPI USA</b> (Brooklyn Center, MN)	Current	6
<b>Family Freedom Center</b> (Duluth, MN)	Current	6
<b>Lakes &amp; Prairies Community Action Partnership</b> (Moorhead, MN)	Current	3
<b>Like-Work Planning Center</b> (Mankato, MN)	Current	3
<b>Wellshare</b> (Mankato, MN)	Current	3
<b>EMERGE</b> (Minneapolis, MN)	Current	2
<b>Jeremiah Program</b> (Rochester, MN)	Current	2
<b>Neighborhood Development Alliance (NeDA)</b> (St. Paul, MN)	Current	2
<b>Neighbors, Inc</b> (South St. Paul, MN)	Current	2
<b>ISAIAH</b> (Minneapolis, MN)	Inactive <sup>3</sup>	1
<b>Build Wealth MN</b> (Minneapolis, MN)	Current	-
<b>Community Action Duluth</b> (Duluth, MN)	Current	-
<b>Family Promise in Anoka County</b> (Coon Rapids, MN)	Current	-

<sup>3</sup> Last year, Exodus Lending was still developing our process for stewarding new partners. At the time, Commerce Department Financial Institution program team elected to do a modified enrollment in collaboration with ISAIAH to show their team how the Resiliency Loan program would work. Exodus Lending enrolled one individual at that time, and that person is still actively repaying their loan. However, ISAIAH did not choose to move forward as a more formal, official partner after that initial enrollment. Thus, they are "inactive" in that they are no longer referring new individuals to the Exodus Lending but remain on the list from a reporting perspective due to the one active loan still on Exodus Lending books.

<b>Freedom Resource Center</b> (Otter Tail, MN)	Current	-
<b>Leech Lake Financial Services</b> (Cass Lake, MN)	Current	-
<b>Minnesota Valley Action Center</b> (Mankato, MN)	Current	-
<b>Mount Olive Lutheran Church</b> (Minneapolis, MN)	Current	-
<b>Northwest Minnesota Multi-County HRA</b> (Mentor, MN)	Current	-
<b>Three Rivers Community Action</b> (Zumbrota, MN)	Current	-

## Criteria 7:

Below represents Exodus Lending's final criteria developed for character-based small dollar loans

Eligibility Criteria for Loan Programs	
<p>To be eligible for any loan with Exodus Lending, first-time applicants (individuals who have <u>not</u> previously had a loan with Exodus Lending) must:</p> <p><input type="checkbox"/> <b>Be A Minnesota Resident</b> Applicants must provide a photo ID as part of their Loan Application.</p> <p><input type="checkbox"/> <b><u>NOT</u> Be Strongly Considering or in Active Bankruptcy</b></p> <ul style="list-style-type: none"> <li>• If an Applicant indicates they are in active bankruptcy, they are ineligible for a loan.</li> <li>• If an Applicant indicates they are <i>considering</i> bankruptcy, ask follow-up questions to determine the seriousness or likelihood of bankruptcy filing during the course of the loan. If it is determined to be highly likely, Exodus Lending may deem them ineligible.</li> </ul> <p><input type="checkbox"/> <b>Have Income and a Demonstrated Ability to Repay</b> Applicants must provide proof of at least one (1) month's income as part of their Loan Application. Acceptable forms of income include paycheck, pension, unemployment benefits, Social Security, or other benefit types.</p> <ul style="list-style-type: none"> <li>• For self-employed applicants, Exodus Lending may request additional proof of income.</li> </ul> <p>Participants who have/had a loan with Exodus Lending in the past may be subject to additional re-enrollment requirements before they are deemed eligible for another loan in the same program.</p>	
Refinancing	Resiliency
<p>Additionally, applicants for the <b>Refinancing Program</b> must also:</p> <p><input type="checkbox"/> <b>Have Qualifying Predatory, High-Cost Debt</b> Applicants must provide sufficient loan documentation(s) that demonstrate:</p> <ul style="list-style-type: none"> <li>• Loan(s) is at least one (1) month old (i.e. "renewed" at least once if a payday loan)</li> <li>• Payoff amount(s) is less than or equal to the loan amount cap of \$1,500.00.</li> <li>• Annual Percentage Rate (APR) is greater than 36% as listed on the Truth in Lending (TIL) disclosure. <ul style="list-style-type: none"> <li>○ If no TIL, use APR estimator.</li> </ul> </li> </ul> <p>Qualifying debt products may include but are not limited to: auto title, installment, payday, and pawn loans; earned wage access apps; and some lines of credit.</p> <ul style="list-style-type: none"> <li>• Applicants with other products that may be predatory must get Director approval before refinancing.</li> </ul>	<p>Additionally, applicants for the <b>Resiliency Loan</b> must also:</p> <p><input type="checkbox"/> <b>Be Referred by a Qualified Partner</b> On behalf of the applicant, a community partner must submit a referral form that confirms applicant has:</p> <ul style="list-style-type: none"> <li>• Need for credit that <u>is best met by a loan</u></li> <li>• Capacity to repay a loan</li> </ul> <p><input type="checkbox"/> <b>Qualifying Debt-to-Income Ratio</b> Applicants must have a self-reported debt-to-income ratio of <u>50% or less after the addition of the monthly payment amount.</u></p> <ul style="list-style-type: none"> <li>• Housing (rent or mortgage) and other credit costs (student loan, credit cards) are considered debt for this calculation.</li> <li>• Ongoing bills (e.g. utilities, collections without active payment plans) are <u>not</u> considered debt for this calculation.</li> </ul>

## Criteria 8:

Below is a summary data representing significant barriers to mainstream financial products faced by participants, along with a summary of reasons as to why any loan was needed.

### **Barriers to mainstream financial products faced by participants:**

- Income insufficient and/or inconsistent
- Expenses exceeding income
- Mismatch between income and expense flows
- Increasing costs of living (e.g. groceries, rent, car payment and maintenance, utilities)
- Lack of savings (emergencies & retirement)
- Credit score (low or damaged)
- Debt (medical, credit card, student loans, high cost loans, back taxes)
- Financial stress in relationship
- No bandwidth for financial or future planning

### **What led you to take out this personal resiliency loan? (reason for loan)**

- To assist with past due rent debt
- I'm trying to get my life together and work on my credit as well
- Needed help with finances
- I was looking for a quick loan for my car repair
- This loan would go toward my school fees, I plan on completing my final year of school
- To pay off small debts and increase credit score
- Fixing my credit and helping build credit to buy my first home
- Emergency financial assistance