

Opportunity Finance Network
Consumer Research
Online Quantitative Study Findings
October 2017



Background



In September of 2017, FieldGoals.US was contracted by Mendoza Group, Inc. to conduct an online quantitative study with potential customers of Community Development Financial Institutions nationwide.

Background



- A total of 201 consumers completed the online survey. The qualifications for participation were:
 - Between the ages of 25 and 54
 - Household income of \$100,000 or less per year
 - 50% male/50% female
 - Minimum 50% non-white ethnicity

Executive Summary



- 201 respondents participated in the online study. Participants were designated into one of six geographic regions to ensure a mix of locations nationwide.
- 50% of the respondents were Caucasian, 30% identified as African American, 11% Asian and 8% Hispanic.
- 80% reside in Urban/Suburban regions, while 20% reside in geographies considered Rural.

Executive Summary



- Almost 40% of the respondents maintained a household income of \$50,000 to \$100,000, while 40% reported incomes of \$20,000 to \$49,999.
- Almost 70% of all respondents had applied for a personal or fast cash loan – and 71% of those who applied were approved.
 - 50% said they were attracted to their lender because of the easy-to-use information tools on the website.
 - ✦ The majority (63%) of those who felt that way indicated their lender was a credit union or bank.
 - Another 30% said it was because information on the website was friendly and welcoming.
 - ✦ In this case, 48% indicated their lender was a credit union or bank, while 25% used online vendors and 23% used a fast cash lender.
 - Of those who were not approved for a personal or fast cash loan, 80% had a credit score of 649 or less
 - 50% contacted a bank, 37% contacted a CU, and 49% contacted an online or fast cash lender.

Executive Summary



- About 40% said they needed a fast cash loan while 60% applied for a longer term, personal loan.
 - A little more than half executed their personal or fast cash loan online.
 - 56% of those applying for either a fast cash or personal loan in the past 3 years reported a HH Income of less than \$50,000.
- Of those who applied for fast cash loans, almost 75% used a payday lending service. The next highest percentage used a check cashing or money store.

Executive Summary



- More than 60% overall somewhat or completely understand the difference between a traditional bank and a local community-focused lender or CDFI.
 - Important lender qualities included: Honesty, Trustworthy, Friendly Staff, Good Rates and Easy to Work With.
- 64% overall would like to know what minimum credit score would qualify them for a loan prior to applying.
 - 56% would like to know loan fees, 51% repayment time frame and 46% and 45% personal information and personal documents needed.

Executive Summary

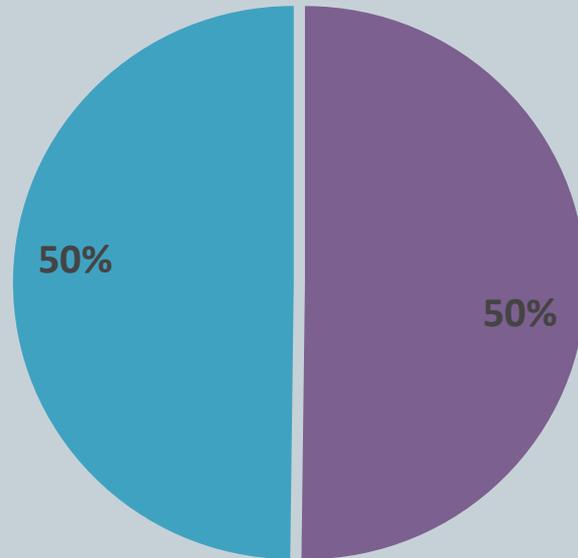


- Reputation is ultimately important when selecting a loan provider, and over 60% agreed that CDFIs would take the time to get to know them personally.
- The two most important steps lenders can take to improve personal borrowing experience are to offer assistance to prepare the consumer to borrow money and be more flexible with lending decisions.

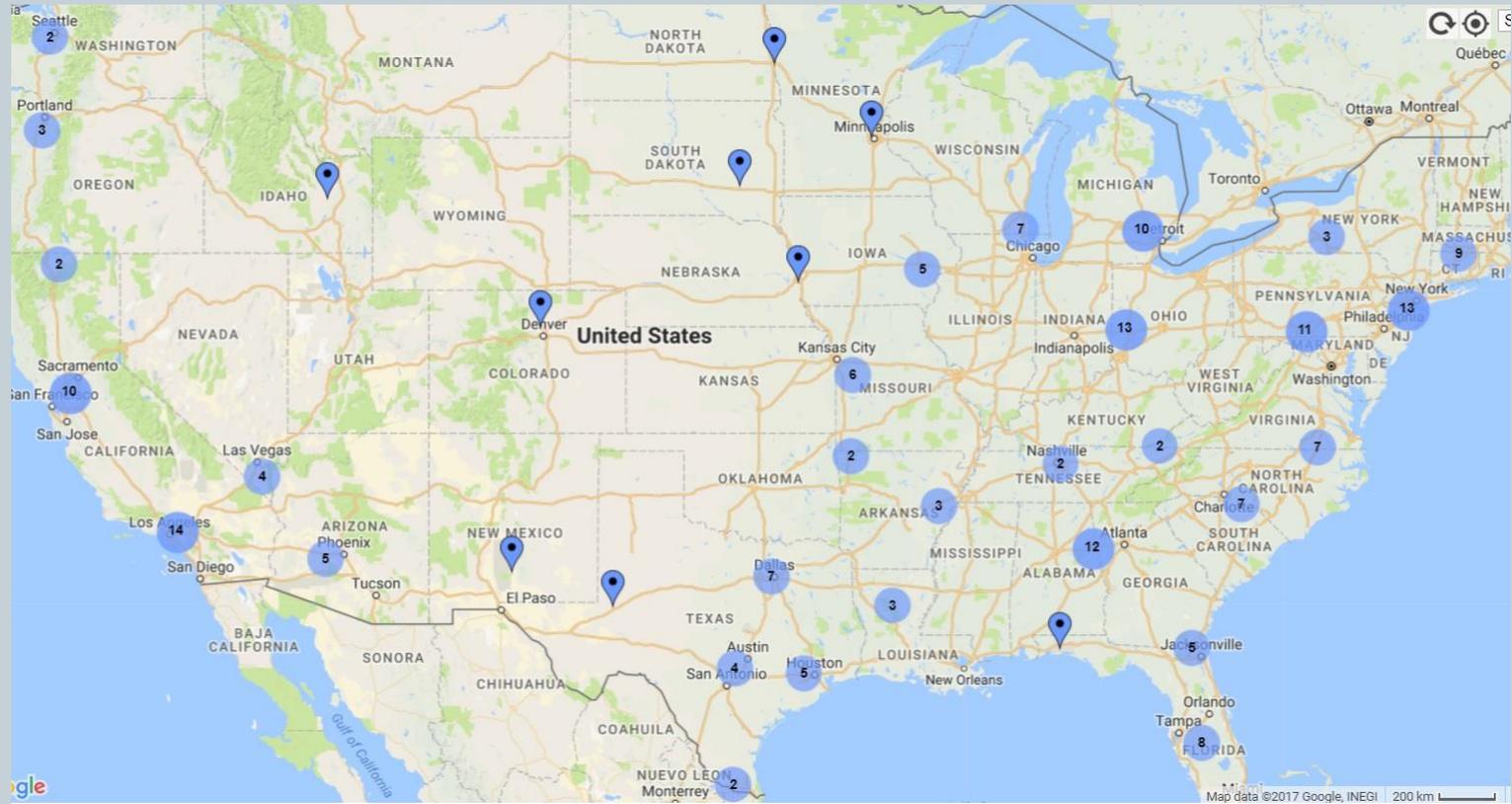
What is your gender?



■ Male ■ Female



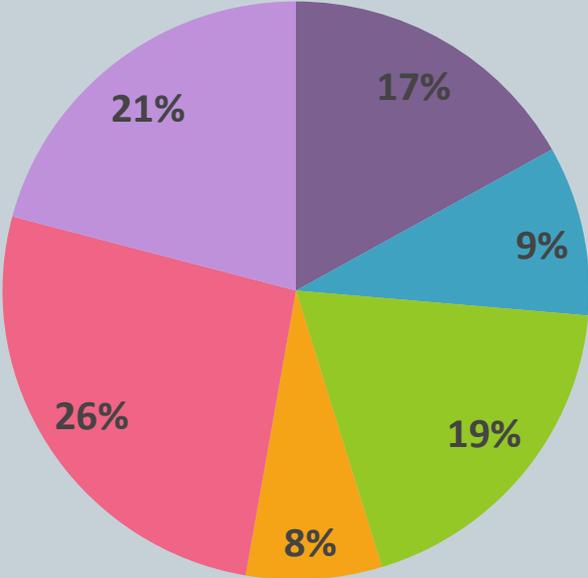
What is your zip code?



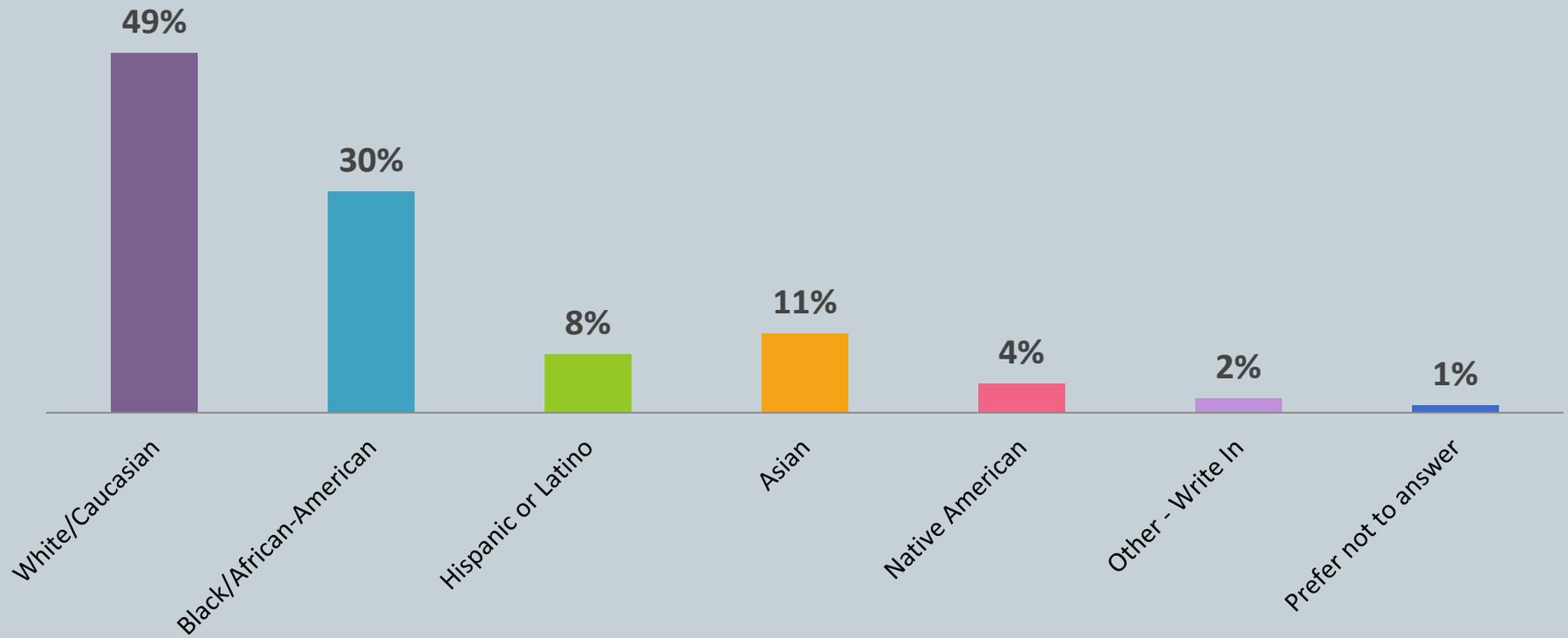
In which general region of the country are you located?



■ Northeast ■ Northwest ■ Midwest ■ Central ■ Southeast ■ Southwest



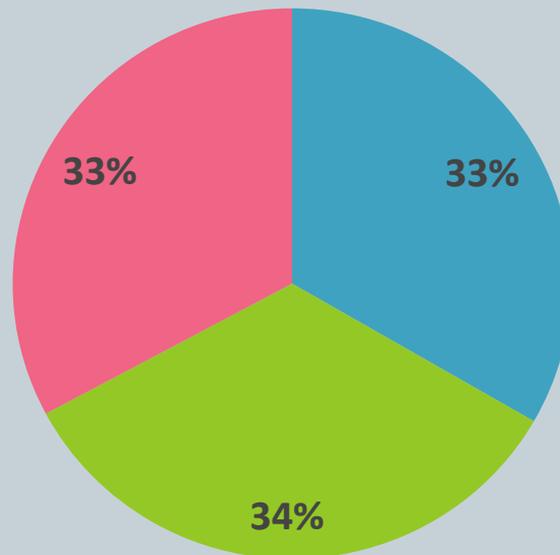
What is your race or ethnicity?



Which of the following categories includes your age?



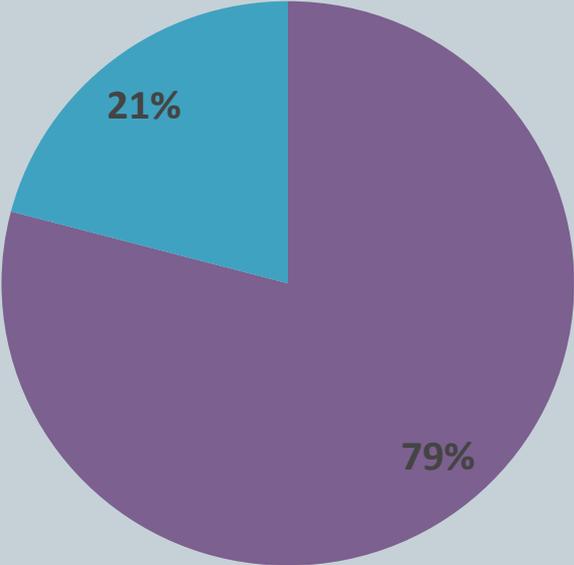
■ 25-34 ■ 35-44 ■ 45-54



Which of the following most closely describes the area in which you currently reside?



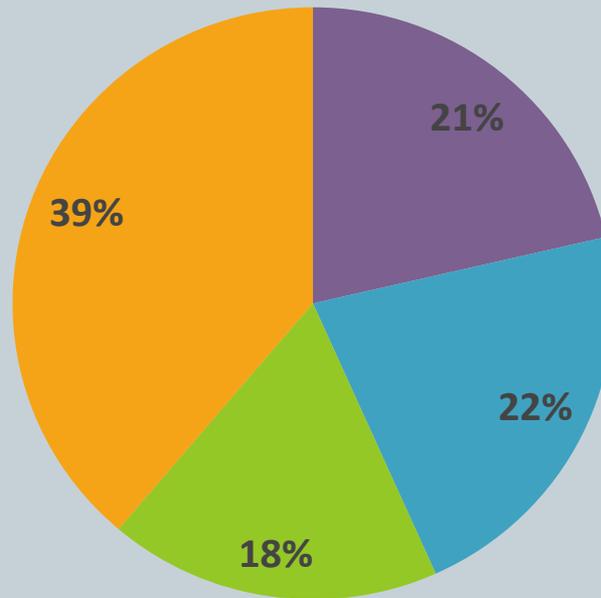
■ Urban/Suburban ■ Rural



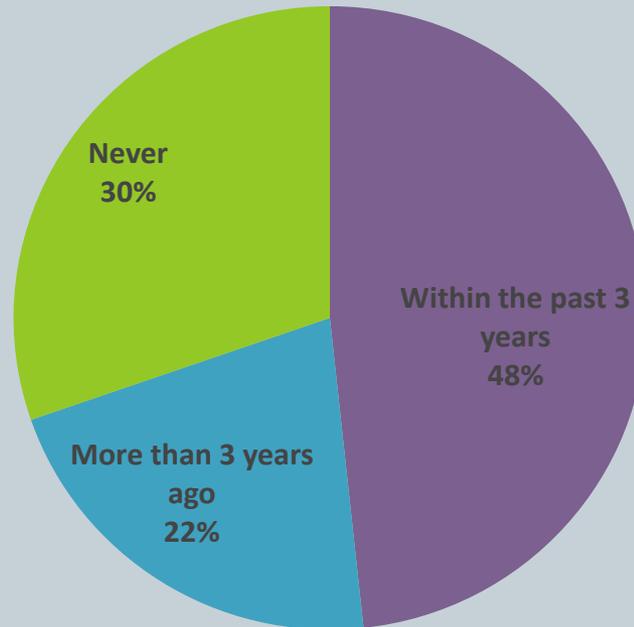
Which of the following categories includes your total annual household income before taxes?



■ Under \$20,000 ■ \$20,000 to \$34,999 ■ \$35,000 to \$49,999 ■ \$50,000 to \$100,000



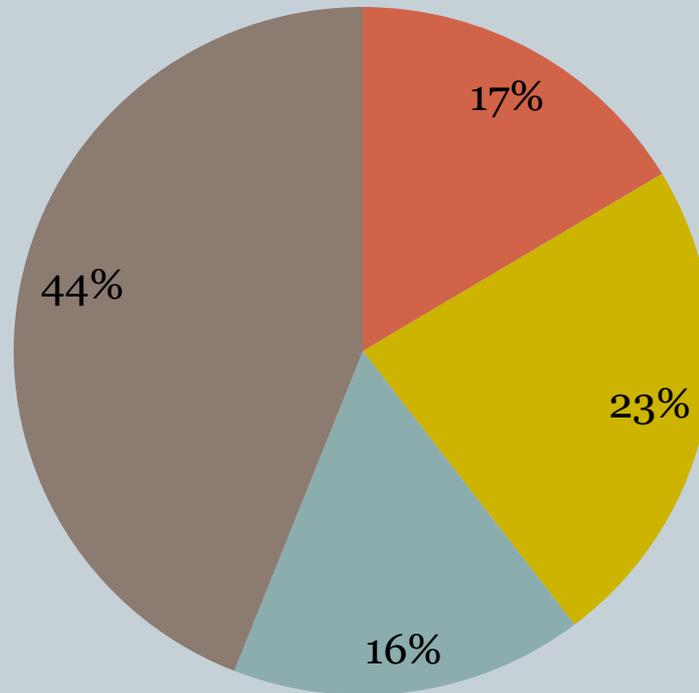
When did you last apply for a personal loan?



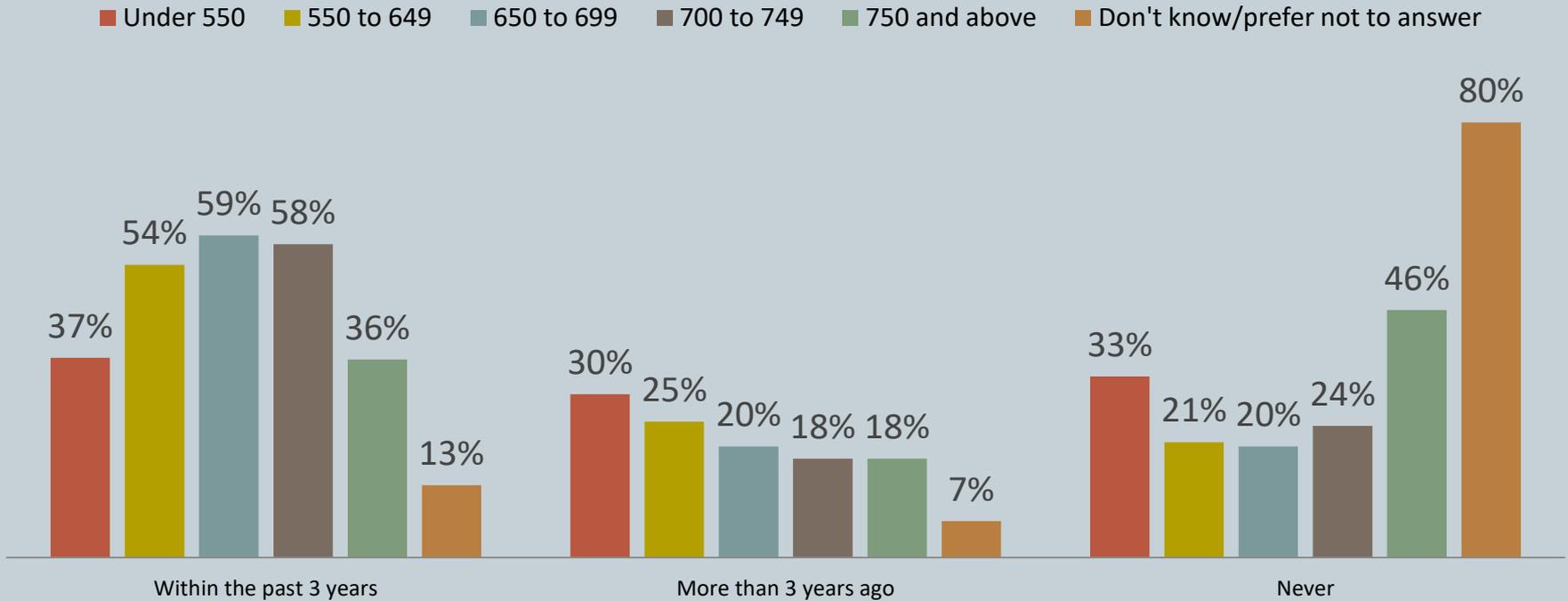
Applied for a personal loan in the last 3 years



■ Under \$20K ■ \$20K-\$34.9K ■ \$35K-\$49.9K ■ \$50K-\$100K



When did you last apply for a personal loan?

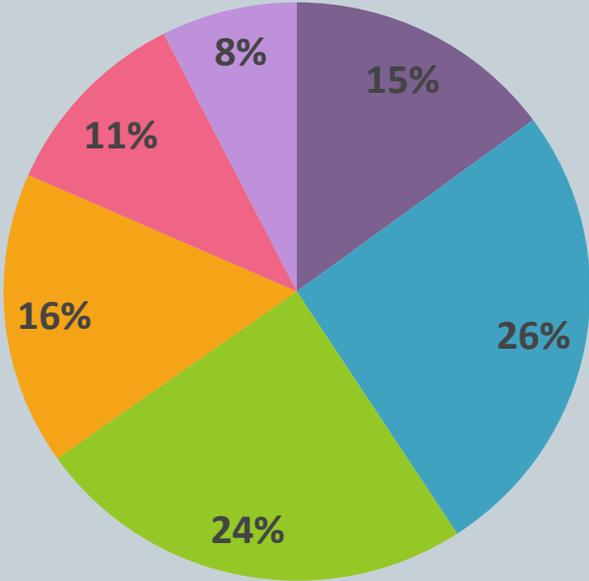


*Showing % of each credit score category

Which of the following includes your current credit score?



■ Under 550 ■ 550 to 649 ■ 650 to 699 ■ 700 to 749 ■ 750 and above ■ Don't know/prefer not to answer

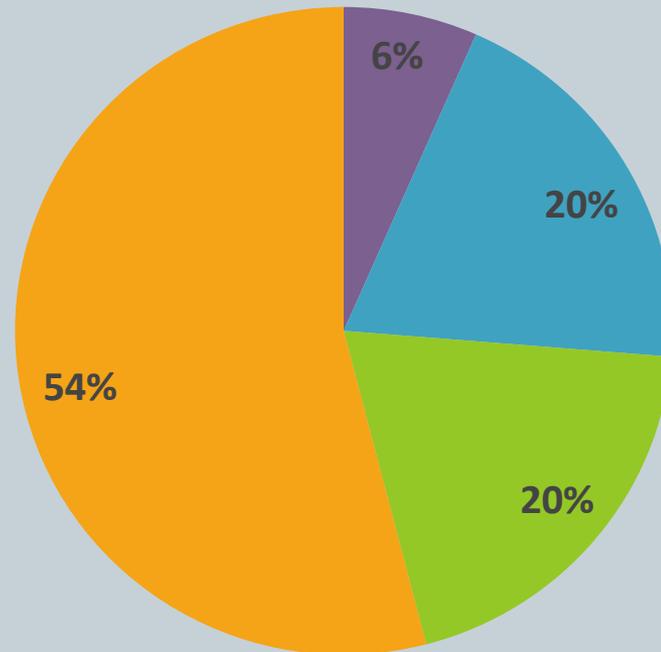


In the next 30 days, how likely are you to apply for a personal loan?

[If never applied for a personal loan only]



■ Extremely likely ■ Somewhat likely ■ Not very likely ■ Not at all likely

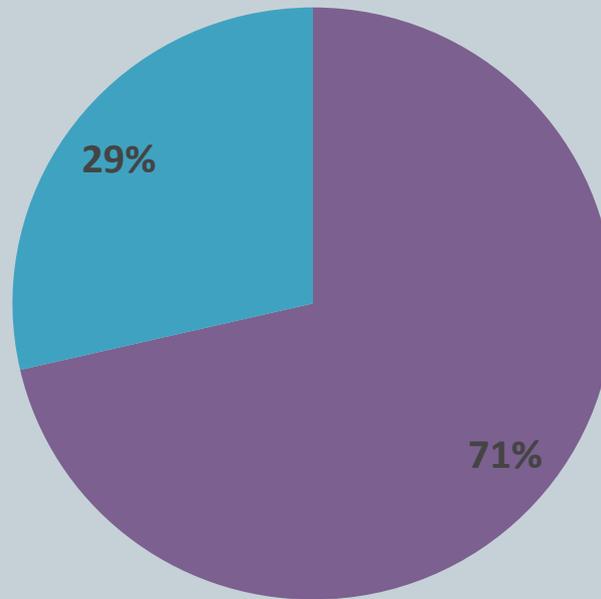


When applying for my last personal loan, I was...

[If applied for a personal loan]



■ Approved for a loan ■ Not approved for a loan

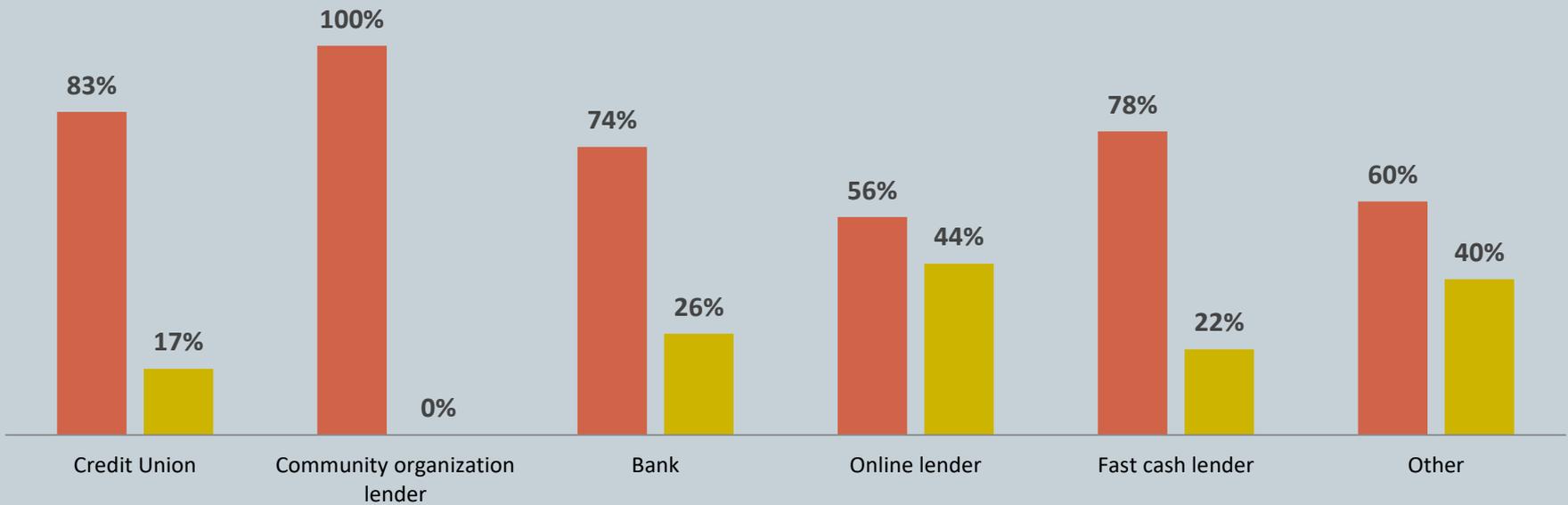


When applying for my last personal loan, I was...

[If applied for a personal loan]



Approved for a loan Not approved for a loan

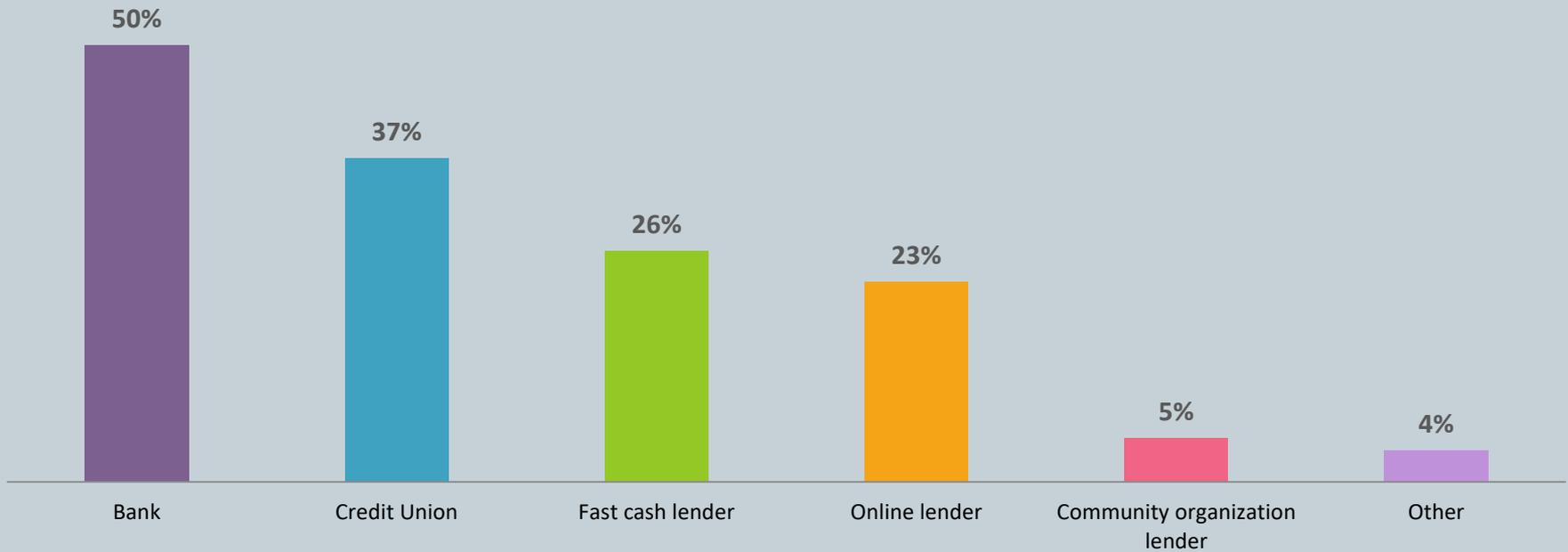


What type of lender did you contact to apply for a personal loan?

[If applied for a personal loan]



***Select all that apply
(% may total higher than 100)**

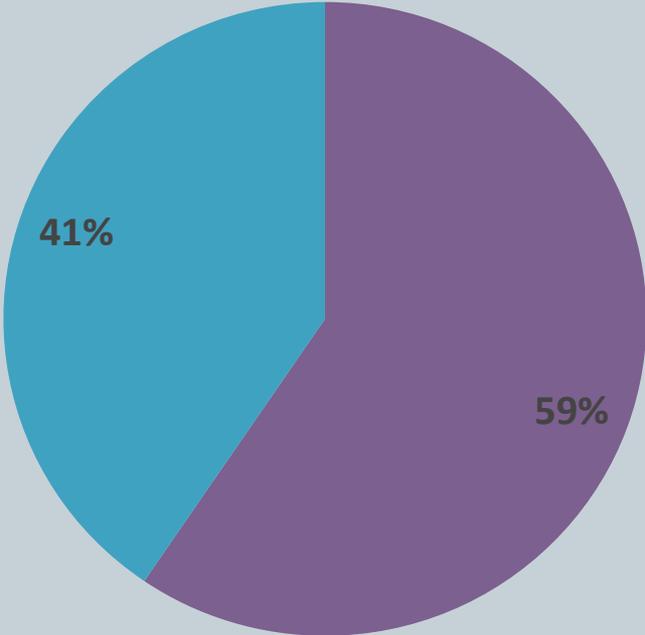


Did you contact the fast cash lender online or in person?

[If contacted a fast cash lender]



■ Online ■ In person

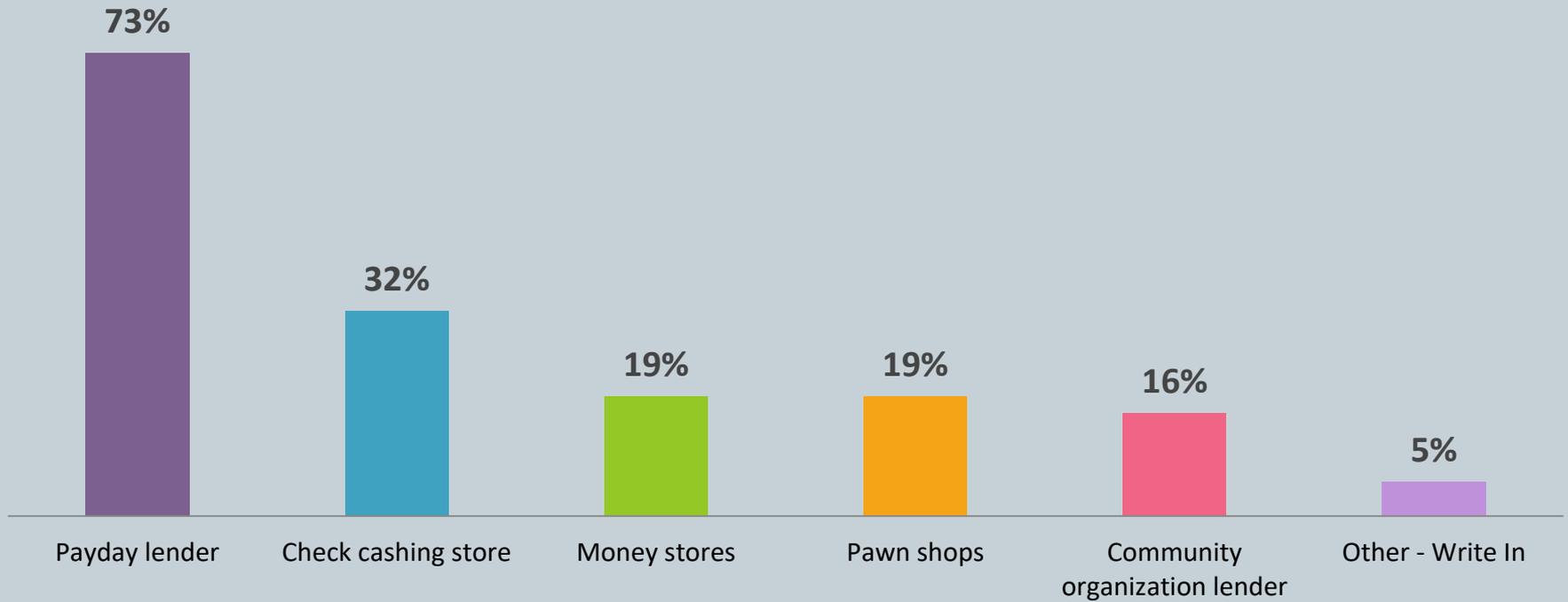


If applicable, where have you applied for fast cash loans?

[If contacted a fast cash lender]



***Select all that apply
(% may total higher than 100)**

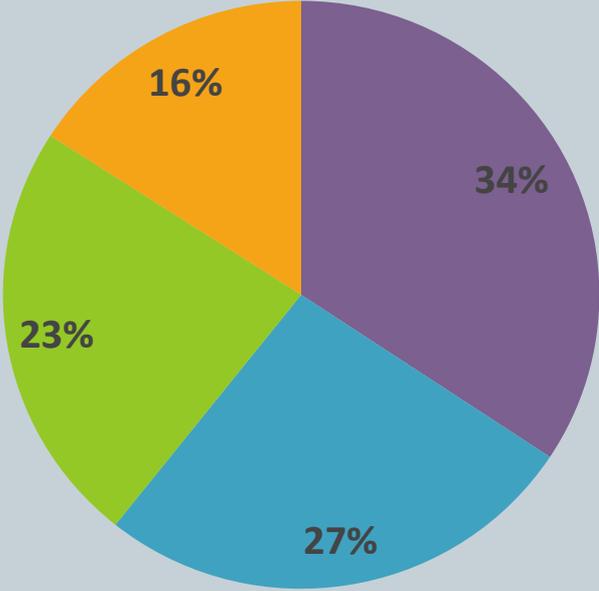


- Other:
- Online bank
 - Southern finance

Do you know the difference between a traditional bank and a local community-focused lender or CDFI?



■ Yes, I completely understand ■ Somewhat understand ■ No, not at all ■ I don't know enough about a CDFI to have an opinion

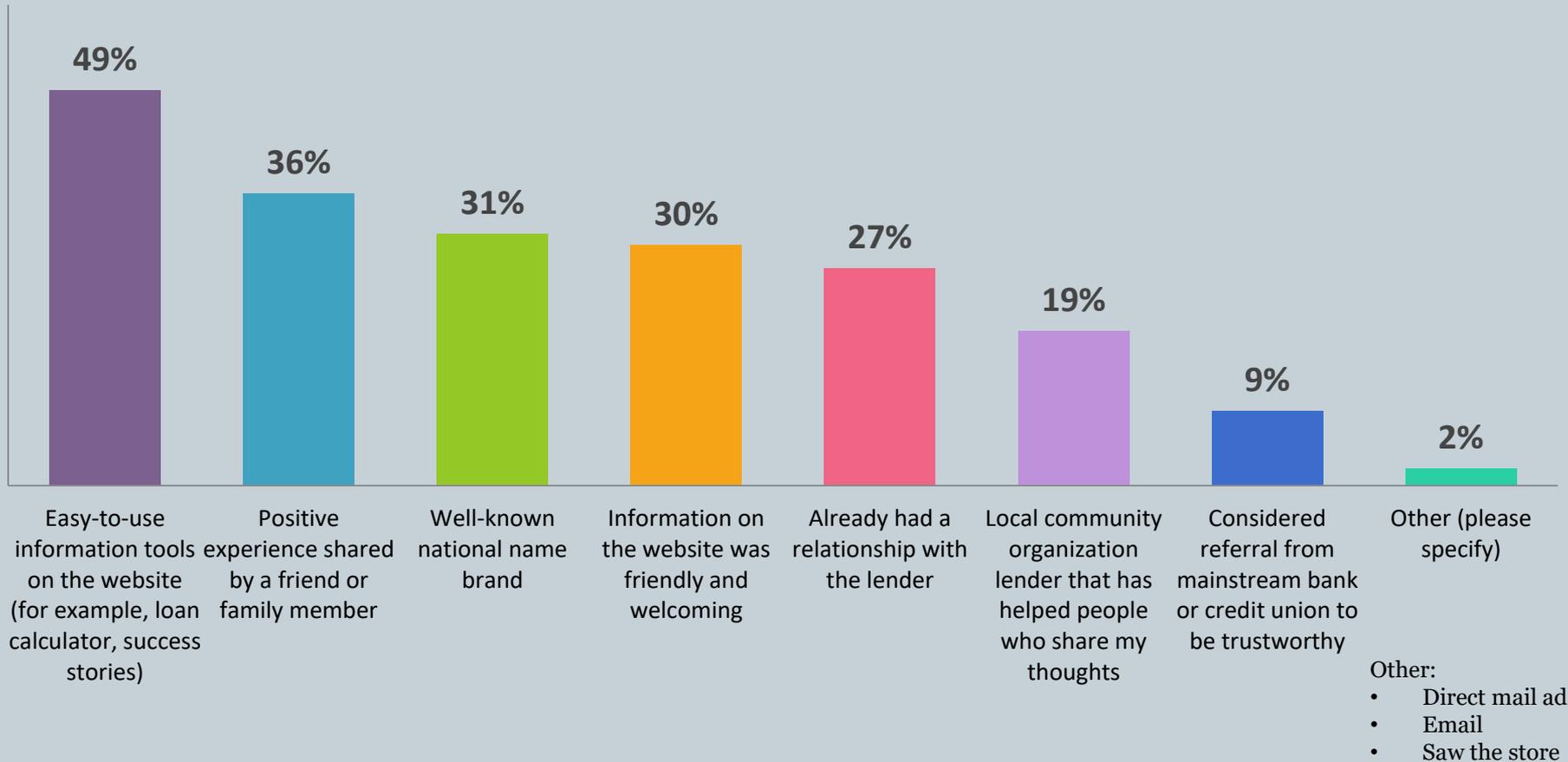


What key factors initially attracted you to the lender that you applied with?

[If applied for a personal loan]



***Select all that apply
(% may total higher than 100)**

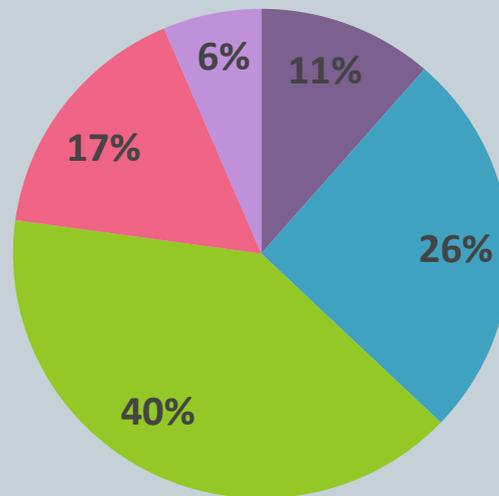


How did you find the lender?

[If applied for a personal loan]



- Referred by a bank or credit union that did not approve my loan
- Referred by a friend or family
- Internet
- Previous or existing loan with the lending institution
- Other (please specify)



Other:

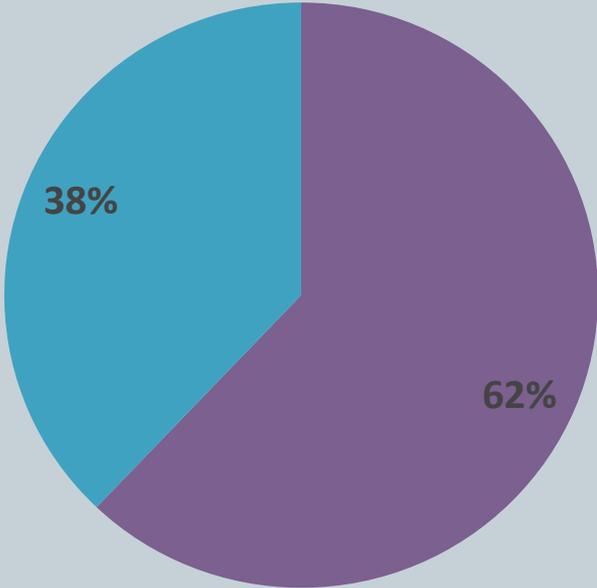
- Already had account with lender (2)
- Direct mail (2)
- Email (2)
- Auto purchase
- My school got the loan for me
- Walking by

When you last applied, what type of loan did you need?

[If applied for a personal loan]



■ Personal loan (long-term) ■ Personal fast cash loan



How important are the following qualities in a lender?
Rank on a scale of 1-5 with 1 being most important and 5 being least important



Overall Rank	Quality
1	Is there for me during the hard times, as well as the good times
2	Is located close to where I live
3	Knows who I am
4	Is only a phone call away
5	Doesn't act like a big traditional bank

How important are the following qualities in a lender?
 Rank on a scale of 1-5 with 1 being most important and 5 being least important



HH Income Under \$20K

Overall Rank	Quality
1	Is there for me during the hard times, as well as the good times
2	Knows who I am
3	Is located close to where I live
4	Doesn't act like a big traditional bank
5	Is only a phone call away

HH Income Under \$35K-\$49.9K

Overall Rank	Quality
1	Is located close to where I live
2	Is there for me during the hard times, as well as the good times
3	Knows who I am
4	Is only a phone call away
5	Doesn't act like a big traditional bank

HH Income \$20K-\$34.9K

Overall Rank	Quality
1	Is there for me during the hard times, as well as the good times
2	Doesn't act like a big traditional bank
3	Is located close to where I live
4	Knows who I am
5	Is only a phone call away

HH Income Under \$49.9K-\$100K

Overall Rank	Quality
1	Is only a phone call away
2	Knows who I am
3	Is located close to where I live
4	Is there for me during the hard times, as well as the good times
5	Doesn't act like a big traditional bank

What other qualities are important to you in a lender?



***Open ended**

Honesty (14%)
Trustworthy (9%)

Friendly staff (5%) Good rates (5%)

Fast response/approval (4%)

Reputation (3%) Easy approval (3%)

Easy to work with (2%) Reliable (2%)

Full confidence in me Fair Good terms No hassle

Understanding Knowledgeable Quality Ease of transaction

Small town/community Communication Flexible payment options

Approachable Reasonable Service Strong and confident

Convenient No credit check Doesn't judge Give me a chance No scamming Professionalism

Low fees Forgiveness Reviews from others Quality Limits the amount of hoops I have to jump through

Clean and compassionate Speaks in plain terms I understand Easy to apply, cash right away Sensitivity

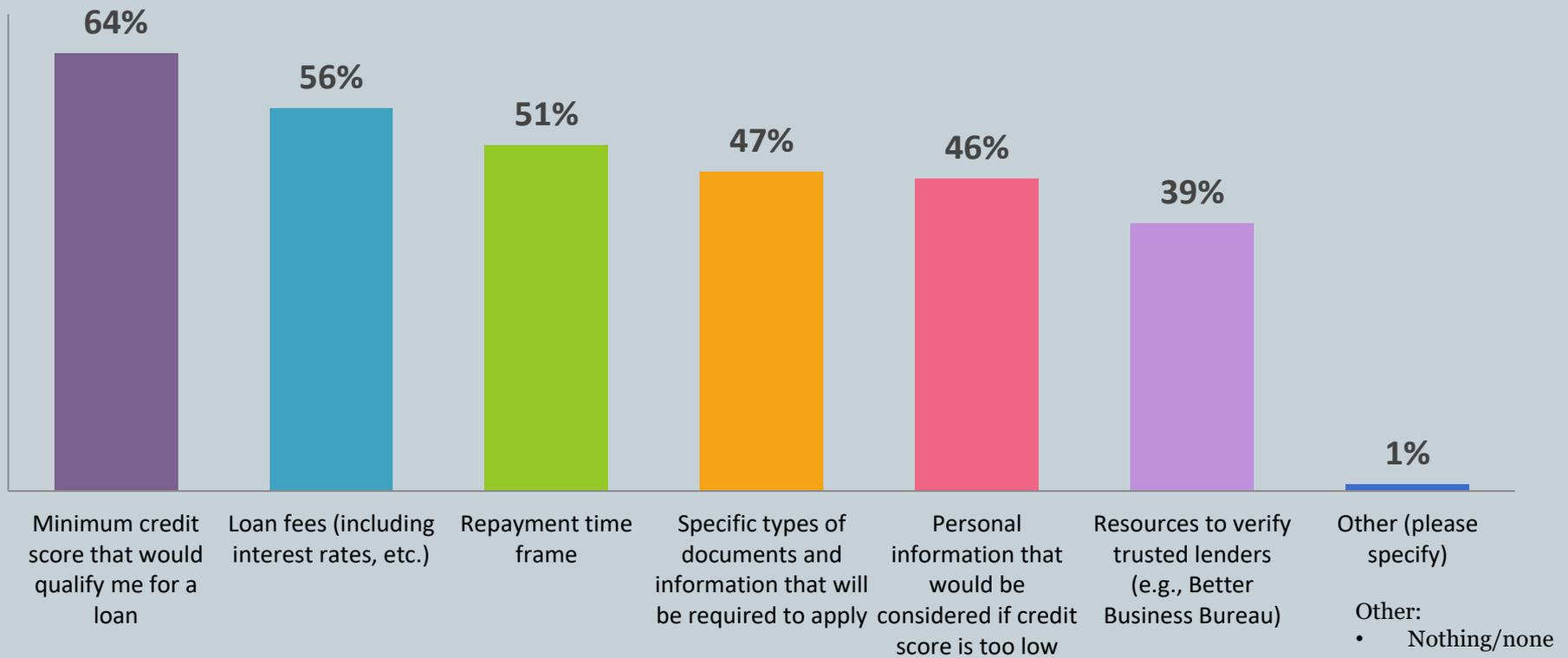
Doesn't give me the run around Skills Helping the small person out How long you have to pay back the loan

Has sufficient lending limit Interest rebate Respect Knowing when to pay back the loan Fast direct deposit

What kind of information would be helpful to know before applying for a personal loan?



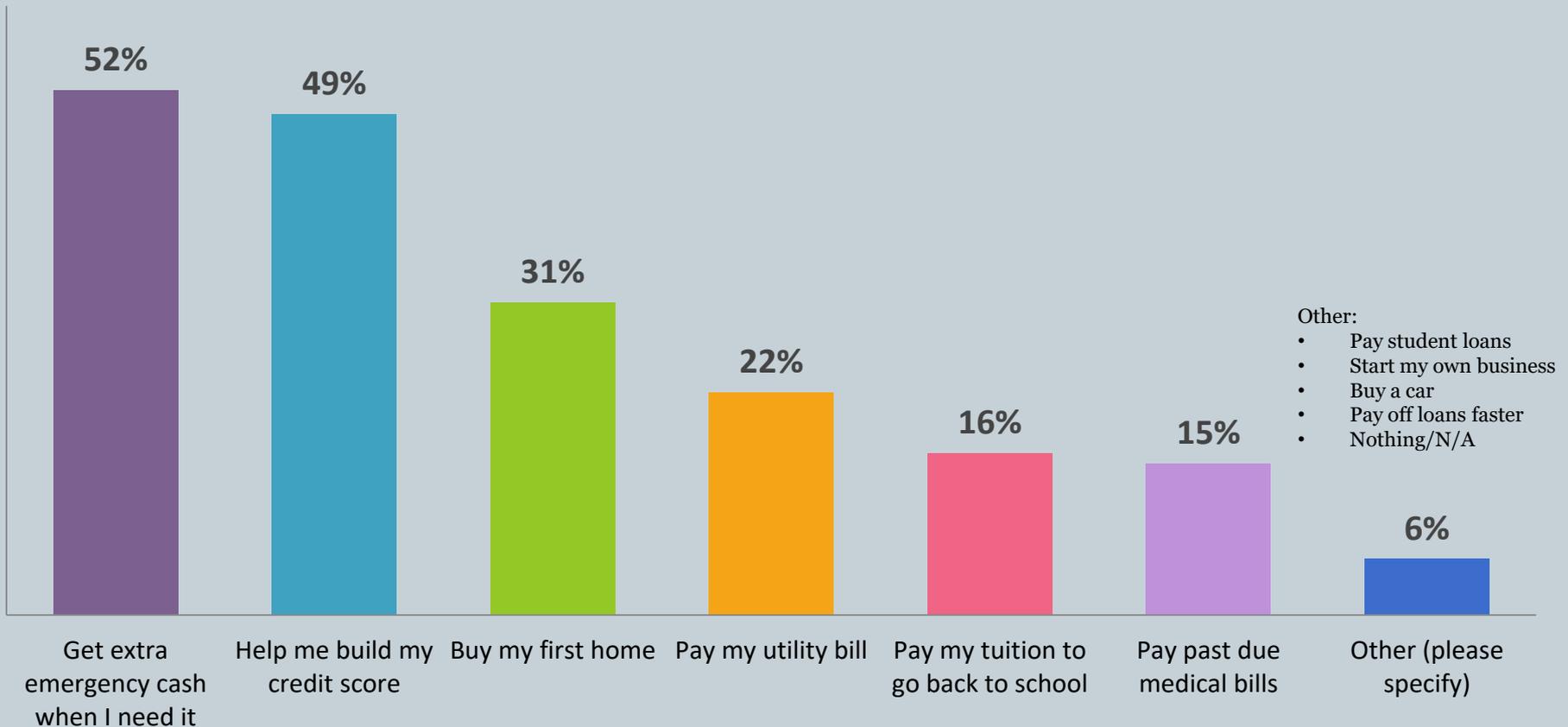
***Select all that apply
(% may total higher than 100)**



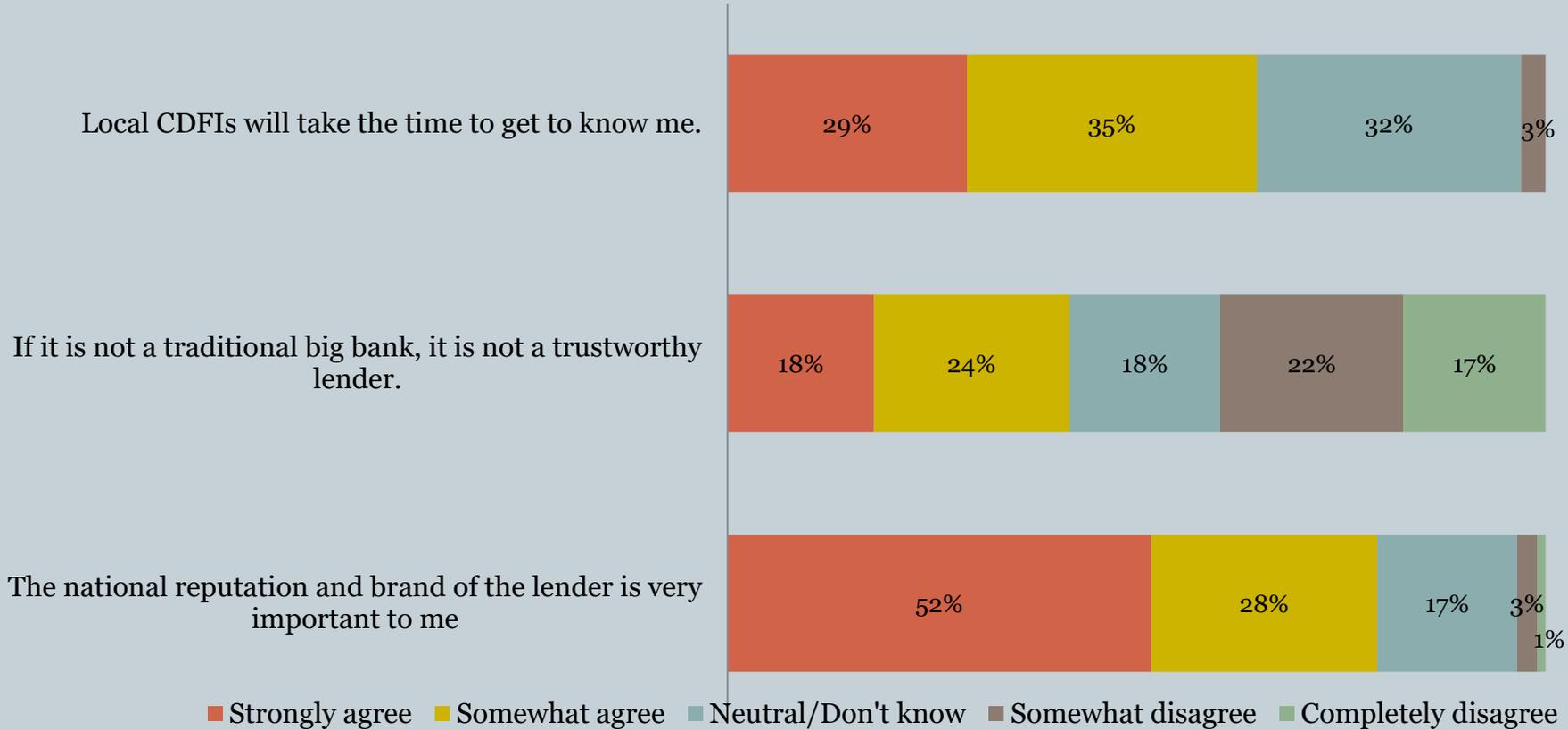
I would like to find a lender who can help me...



***Select all that apply
(% may total higher than 100)**



Please rate how much you agree or disagree with the following statements...



What should lenders do to improve your personal borrowing experience?



***Select all that apply
(% may total higher than 100)**

