

# GAINING TRACTION



**2019 ANNUAL REPORT**

ON THE ROAD LENDING  
OTR FUND I, LLC. + OTR FUND II, LLC





# LETTER FROM OUR FOUNDER



## GAINING TRACTION

On the Road Lending and our loan funds realized many new milestones in 2019, gaining traction as an initiative that fuels economic mobility and long-term success by providing the engine that drives people's dreams. At the top of that list is a loan of up to \$10 million from the Goldman Sachs Urban Investment Group to fuel our expansion into underserved communities throughout the Southeastern U.S. We now make loans across Texas as well as in Alabama, Georgia and Mississippi. We're grateful to have Goldman Sachs recognize through its investment that a car loan from On the Road Lending is life-changing because owning a reliable car increases job opportunities by removing transportation barriers. It also improves quality of life through better access to health care, education, and even healthier food choices.

You'll read about those tangible differences we're making in our clients' lives in this report, which celebrates victorious clients and another achievement of 2019—retiring our 100th loan! We have astounding metrics to report from these loans, including one client who tripled her income and another who took his credit score from zero to 750. Our ultimate measure of success is when our clients achieve their own financial goals and can continue on their upward economic trajectory with mainstream lenders.

As we continue to build our relationships with funders and investors, we have embraced the United Nations Sustainable Development Goals as a way to calculate our impact. The metrics you will read about on these pages truly give our mission a broader scope that recognizes the role each of us plays on a global level. Not only are we getting our clients on the road to better lives, but also we are building a more sustainable future for our planet one car at a time. Thank you for being a part of the ride!

**Michelle Corson**

*On the Road Lending Founder and CEO / Loan Fund Entities Managing Director*





LETTER FROM A FOUNDING  
**BOARD MEMBER**



I grew up outside of Detroit in a family of autoworkers. We had a new car every few years because it was a high priority to my parents, and it allowed them to get to work to provide for our family. We couldn't imagine what life would be like without a reliable vehicle. Honestly, it wasn't until many years later that I realized how fortunate we were.

I did understand the impact my education had on my life. Consequently, my career has been devoted to ensuring that all children have access to high-quality educational opportunities, particularly those who have struggled in school as a result of disability, poverty or inadequate instruction. However, for many children, access isn't about them or their school. If their families are unable to provide for them and get them to school, access may be impossible. This is why I became involved in On The Road Lending.

I have learned that in cities throughout the U.S. where public transportation is infrequent or inaccessible, there are many parents, particularly mothers, who are not able to make a living that will help their family thrive. The challenge is that they don't have reliable transportation. Too many people in the U.S. fall into this category and find themselves having to make difficult decisions about where they live, which jobs they can get, where they shop, and which schools they want their children to attend. These decisions are made more difficult because of their life circumstances: they have an arrest record, they've experienced domestic violence, or they have a bad credit history.

This is where On The Road Lending enters the picture. This organization is made up of people who understand that access to reliable transportation can have a powerful, long-lasting impact on people's lives. What many of us take for granted—a reliable automobile—can make a meaningful, life-altering, positive impact for On the Road Lending clients and their families. As this organization matures, its impact has become increasingly clear. Individuals who are supported by On the Road Lending are able to get good jobs, stay in those jobs, reliably make their car payments, establish a credit record, and avoid high-interest payday loans. Most important—they are better able to support their families!

My involvement with On The Road Lending is one of most rewarding experiences I've had. I love that it literally gets people on the road to a better life.

**David J. Chard, Ph.D.**

*Dean ad interim and Professor of Special Education, BU / On the Road Lending Founding Board Member*







# ACHIEVING THE VISION

OF THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS



On the Road Lending supports the Sustainable Development Goals

The 2030 Agenda for Sustainable Development, adopted by all United Nations Member States in 2015, provides a plan for peace and prosperity for people and the planet. At its core are the 17 Sustainable Development Goals that are an urgent call for action. They recognize that ending poverty and other deficiencies requires targeted strategies to improve health and education, reduce inequality, and boost economic growth—while addressing climate change and preservation of resources.

On the Road Lending's successful outcomes are directly aligned with the United Nations Sustainable Development Goals.



## UNITED NATIONS GOAL



Reduce by half the number of people living in poverty.

Build resilience to economic shocks for the poor.

Build resilience to natural disasters for vulnerable people.

Ensure that all people have equal rights to economic resources.

Create sound poverty-reduction policy frameworks.



Ensure access to safe, nutritious and sufficient food.

## ON THE ROAD LENDING METRIC

By the time low-income clients' loans were paid in full, 50% of them had moved above the low-income threshold.

More than 90% of our clients reduced their transportation costs by at least 30%.

Within 30 days of major flood events in our service area, we responded with our Disaster Mobility Program to enable vulnerable people to overcome storm-impacted transportation loss.

100% of our clients had access to financial education, and 88% of our clients are considered vulnerable. Long term we will provide microfinance transportation loans for developing countries using blockchain.

Our founder wrote a book on this topic. We participated in presentations with the Federal Reserve Bank and various city entities to inform policymakers on opportunity costs of mass transit for low-income families.

100% of our clients removed transportation barriers to healthy food for themselves and their children.



## UNITED NATIONS GOAL



Ensure access to essential healthcare services.



Ensure access to education including vo-tech.



Ensure access to financial services for women.

Ensure reduced violence against women.



Reduce water pollution.



Provide for improvement in energy efficiency.

## ON THE ROAD LENDING METRIC

100% of our clients removed transportation barriers to medical care for themselves and their children.

100% of our clients removed transportation barriers to education for themselves and their children. On the Road Garage will provide vo-tech training and high-paying jobs to up to 36 hard-to-employ persons annually.

80% of our loans have been made to women.

More than 50% of our loans have been made to women who were escaping gender-based violence.

81% of our clients' vehicle purchases have been better for the environment, with a 30% reduction in greenhouse gases.

81% of our borrowers purchased vehicles that are better for the environment than the vehicle they previously drove, achieving an average of 30% reduction in emissions and fuel consumption.

## UNITED NATIONS GOAL



Ensure that all people have the opportunity for full and productive work.



Provide for affordable and equitable access to credit.



Provide for affordable and equitable access to transportation.



Strengthen resilience to natural disasters.



Reduce fuel consumption.

## ON THE ROAD LENDING METRIC

60% of our clients made more money and experienced increasing wages for the first time.

100% of loans are made using character-based lending, which averaged 60% below market for credit-challenged clients, enabling credit building in an alternative financial system.

72% of clients secured better jobs as a result of removing transportation barriers.

We achieved an average benefit to the environment of 30% reduction in emissions and fuel consumption and responded within 30 days of major flood events with our Disaster Mobility Program.

81% of our borrowers purchased vehicles that are better for the environment than the vehicle they previously drove, achieving an average of 30% reduction in emissions and fuel consumption.



## UNITED NATIONS GOAL



Strengthen resilience to natural disasters.



Minimize impacts of ocean acidification.



Minimize impacts of acid rain.



Reduce violence.



Mobilize resources for developing countries.

## ON THE ROAD LENDING METRIC

We responded within 30 days of major flood events with our Disaster Mobility Program and achieved a 30% reduction in emissions and fuel consumption/benefit to the environment to reduce incidences of climate-related natural disasters.

The ocean absorbs 30% of greenhouse gas emissions. 81% of our borrowers purchased vehicles that are better for the environment than the vehicle they previously drove, achieving an average of 30% reduction in emissions and minimizing acidification.

Emissions contribute to acid rain, which damages crops, forests and other vegetation. 81% of our borrowers purchased vehicles that are better for the environment than the vehicle they previously drove, achieving an average of 30% reduction in emissions and minimizing acidification.

More than 50% of our loans were made to women who were escaping gender-based violence and 3% of clients were fleeing their home countries as refugees.

We are developing a blockchain system for digital credit building that can be deployed in overseas markets to facilitate transportation lending with capital from green bonds.





CELEBRATING  
**100**  
LOANS PAID OFF  
VICTORIOUS CLIENTS

Since 2013 On the Road Lending has fueled economic mobility and long-term success by providing the engine that drives people's dreams. In 2019 we retired our 100th loan and are proud of these clients who are achieving their dreams! Our car loans are life-changing for low-income individuals and working families because owning a reliable car increases job opportunities and improves quality of life by removing transportation barriers. Following are a few of their winning metrics:

**520**

average credit score  
at time of loan

**157**

average increase  
in credit score

**8%**

borrowers establishing credit  
for the first time

**0-750**

highest credit  
score gain

**3X**

highest gain  
in income

**6 mos**

shortest time  
to payoff



**TORRIE**

*On the Road Lending Client*



# REALIZING ECONOMIC MOBILITY AND INDEPENDENCE

“Before I got a car through On the Road Lending, I had cars that were breaking down all the time. After I got a reliable car, I landed a corporate job and went from making no money to making a living wage. I’ve continued to get better jobs because I can commute to them and can support my three kids.

“You have to drive in DFW, and having my Toyota Corolla made it easy for me to commute. I never had a bad experience with that car. The only expense I had was getting my oil changed! My stress level went down to zero. I didn’t have to worry if the air conditioning was going to work or if there was going to be some other expensive repair that would strand my children and me.

“Paying off my loan helped me increase my credit score by about 200 points and get a 2020 Toyota Avalon at a 2% interest rate. I have tripled my income, am getting married and buying a house. My new financial goals are to keep increasing my earnings and ultimately get a job where I can help others.”





**ALFIE**

*On the Road Lending Client*



# SAVING THE PLANET ONE CLEANER CAR AT A TIME

“I’m proud to be number seven in a long line of happy On the Road Lending customers. I had an older car that needed constant repair. Often I had to take the bus to work because my car was in the shop, and, eventually, it just didn’t make sense to spend more money on it.

“I had recently earned my master’s degree, but graduated when the economy was sliding, so I was having trouble finding a job—especially one I could reach on a train or bus route. I not only had my own student loans to pay but also some for my kids. I was under a lot of financial stress.

“After I got an affordable loan for a newer car from On the Road Lending, I got a job as a counselor that I could not have taken without a car. On the Road Lending also connected me with the AirCheck Texas Drive a Clean Machine Program that reduced the cost of my purchase by \$3,000 when my old car that had failed emissions tests was taken off of the road. The Camry I bought had 32% less emissions and a 31% better environmental impact score than my old car, and now I have a Toyota Prius! It feels good to get into a nice car. It’s not something I take for granted.”





**JESSICA**  
*On the Road Lending Client*



# FLEEING VIOLENCE TO BUILD A PROSPEROUS FUTURE

“People who have had cars their entire life don’t understand how hard life can be without a car. Life totally changed for my son and me after I bought my car through On the Road Lending. Just basic things like being able to go to the grocery any time we wanted to. We didn’t need to take a bus or train or worry about carrying heavy stuff. We didn’t have to choose not to buy something because we didn’t want to carry it or were worried about the weather.

“I was able to take a better job that pays more money. Before I was a housekeeper and babysitter. Now I’m working full time doing purchasing and project management. I drive almost an hour to my job. It would have been impossible to take the bus there.

“My main financial goals now are to buy a house and save for my son’s college. I have never been a homeowner, but I know I can make that happen. I will do it just like I made my car payments. Buying a car through On the Road Lending gave me confidence.”





**TREY**

*On the Road Lending Client*



# GAINING DIGNITY THROUGH PRODUCTIVE WORK

“I had a lot of doors shut in my face before On the Road Lending. I have an amazing story of how my car helped me. After I got out of prison in March of 2018, I was living in a halfway house at I-635 and Coit, and my job was on Illinois and Westmoreland in Oak Cliff. I had to get up at 3:30 a.m. and ride a bicycle to the Forest Lane train to get to work by 6 a.m. At 6:30 p.m., it was the same battle back. I was locked in and just surviving.

“When I got my Sonata through On the Road Lending, I was able to take a job with a construction company. Now I make \$17 an hour. Having a vehicle made all of this possible. My credit score is now 715. After I paid off my car, I got a low-interest loan on another car from a dealer. I used the On the Road Lending approach—it’s an older car with low mileage.

“Everything is coming together now. I have custody of my son, and we’ve moved from an apartment into a two-bedroom home that I’m fixing up. My son just got accepted to the DISD science and engineering magnet. He’s in drivers ed, and when he gets his license, I’m going to give him my Sonata.”





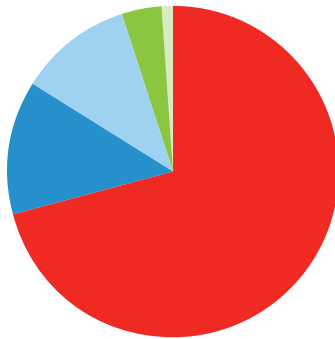
2019

METRICS

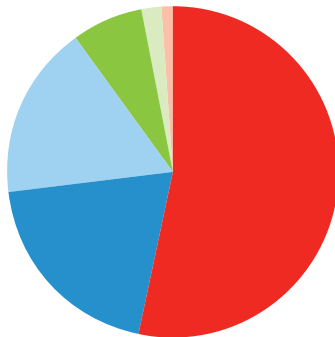




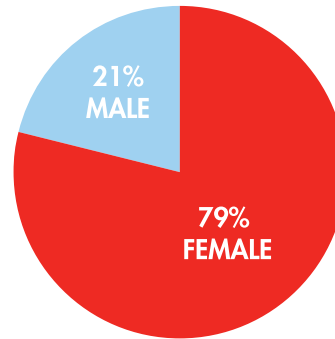
## OUR CLIENTS



**71% BLACK**  
**13% WHITE**  
**11% HISPANIC/LATINO**  
**4% MULTIRACIAL**  
**1% ASIAN**



**54% SINGLE**  
**20% MARRIED**  
**17% DIVORCED**  
**7% SEPARATED**  
**2% WIDOWED**  
**1% OTHER**

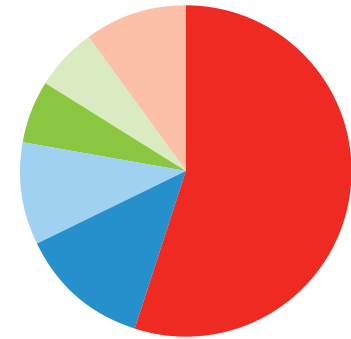


**21% MALE**  
**79% FEMALE**

**41**  
 average age

**\$32,061**  
 average income

## OUR CARS



**55% TOYOTA**  
**13% NISSAN**  
**10% HYUNDAI**  
**6% FORD**  
**6% HONDA**  
**10% OTHER**



2019  
**FINANCIALS**



OTR FUNDS I + II

**150%**

Increase in deliveries 4th  
quarter versus 1st quarter

**500**

Loan originations  
since inception

**\$7MM**

Loaned  
since inception

**17%**

Q4 conversion  
rate

**4%**

Lifetime loss rate

**98%**

2019 vintage % current  
(aged 12 months)

**78%**

2018 vintage % current  
(aged 12 months)

**92%**

Loans with payments made  
in the past 30 days

**\$1.1MM**

Revenues

**\$900K**

Expenses

**\$6MM**

Assets

**\$3.7MM**

Liabilities

**\$9.7MM**

Capital available for lending



2019  
**FINANCIALS**



ON THE ROAD LENDING

**11%**

Expansion  
market intakes

**88%**

Increase in Hispanic  
families applying

**65%**

Reduction in  
time-to-delivery

**20%**

On the Road Lending expenses  
covered by loan funds

**\$4.5MM**

Revenues

**\$2.2MM**

Expenses

**\$3.2MM**

Assets

**NA**

Liabilities

**\$3.0MM**

Available cash

## DALLAS, TEXAS



**MICHELLE CORSON**  
*Founder/CEO*



**NICK STANUTZ**  
*VP Finance & Administration*



**MOLLY BURNS**  
*Loan Processor*



**BEN CORSON**  
*Vehicle Manager*



**DEBBY HANSON**  
*Marketing Director*



**SALLY GIDDENS STEPHENSON**  
*Marketing Consultant*



**LAUREN CHRISTENSEN**  
*Marketing Consultant*



**SHAYLON SCOTT**  
*Regional Director–North Texas*



**MARCELA MINAHAN**  
*Client Coach/Underwriter*



**MANNY SANTOYO**  
*Director of Latino  
Services & Outreach*

## AUSTIN, TEXAS

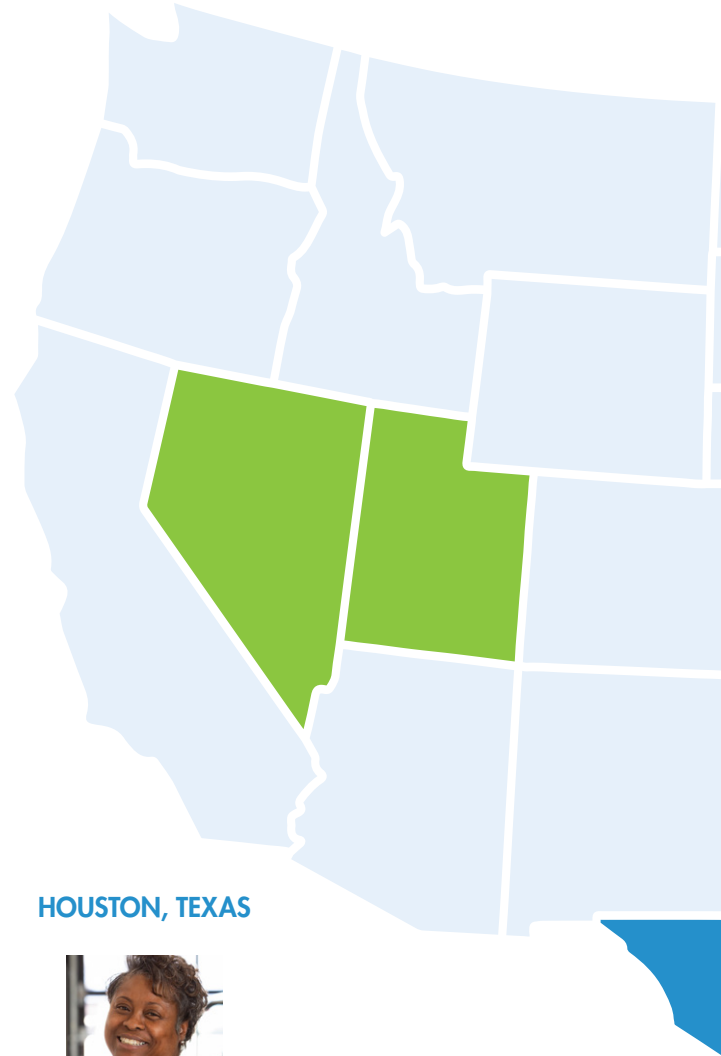


**SARAH MILLER**  
*Social Media Manager*

## HOUSTON, TEXAS

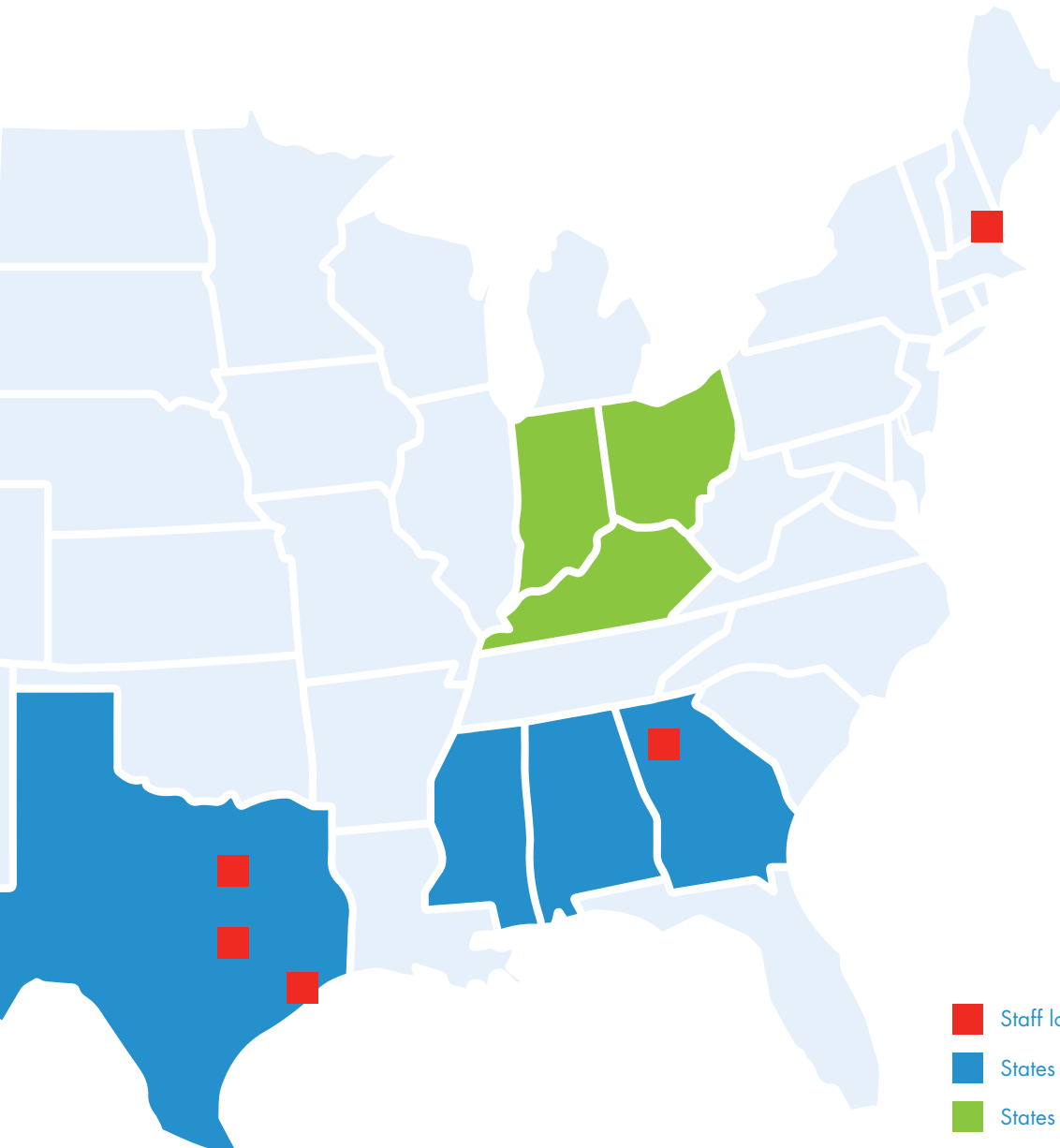


**LUCRETIA JELKS**  
*Regional Director–South Texas*



OUR  
TEAM





## NEW ENGLAND



**BONNIE THOMAS**  
*Closing Coordinator*



**KRISTEN PETRICOLA**  
*Client Coach/Underwriter*



**BARBARA MACDONALD**  
*Portal Administrator/Intake Coach*

## ATLANTA, GEORGIA



**LONNIE SMITH**  
*VP Business Development/  
Regional Director  
Southeastern United States*



**BILL LONG**  
*VP Servicing & Underwriting*

- Staff location
- States currently served
- States projected to be served in 2020



OUR  
**LEADERSHIP**



### ON THE ROAD LENDING BOARD

Jay Altizer, Chair, President, GES  
Maria Coello, Treasurer, Owner, Cox Insurance  
Peter DeTrempe, Secretary, Vice President, Ascend Marketing  
Michelle Corson, Founder and CEO, On the Road Lending  
David J. Chard, Ph.D., Dean ad interim and Professor of Special Education,  
BU Wheelock College of Education and Human Development  
Robbie Matamoros, Retired Director Financial Services, Interstate Batteries  
Josh Mayfield, Ivy Hall Capital, LLC  
Mara McNeill, General Counsel, Toyota Financial Services  
Yolanda Turner, Site Manager, State Farm  
Veree Hawkins Brown, Independent Wealth Advisor

### ON THE ROAD LENDING MAJOR FUNDERS

Bank of America  
Community Foundation of Greater Birmingham.  
Greater Houston Community Foundation  
Harris & Eliza Kempner Fund  
The Hoglund Foundation  
JPMorgan Chase Foundation  
Liberty Mutual  
ORIX Foundation  
Perot Foundation  
Rebuild Texas Fund/OneStar Foundation  
Sapphire Foundation  
Stand Together Foundation  
State Farm Companies Foundation  
Toyota  
United Way of Greater Houston  
Wells Fargo

### OTR FUND I, LLC BOARD

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Aaron Satterthwaite, Vice Chair, Retired Office of Comptroller of the Currency  
Cliff Buster, Treasurer, CFO, Tempur Sealy  
Michelle Corson, Secretary, Managing Director Loan Fund Entities  
Larry Corson, President, Wilbow USA  
Alonzo Harris, Real Estate Developer, 2000 Roses  
Penny King, Community Development Officer, Bank OZK  
Kyle Manley, Senior Vice President, Tiedemann Advisors  
Denise Mason, Vice President Community Relations, BBVA Compass  
Alfreda Norman, Senior Vice President, Federal Reserve Bank of Dallas  
Lynne Scroggins, Investor

### OTR FUND I, LLC INVESTORS

Peggy Allison	Heather Koopman
American First National Bank	Cynthia Pharr-Lee & Herb Lee
Bank of Texas	Dr. Bobby Lyle
Lucy Billingsley	Mike Pacillio
Judy Ruby-Brown	Rebuild Texas Fund/OneStar Foundation
Michelle & Larry Corson	SLH Corporation/Sharron Hunt
Dain Ehring	Barbara & Gene Sanger
Farm Bureau Bank	Patsy Shockley
Forrest Hoglund	SVP Dallas
Trish Houck & Dr. Lyssa Jenkins	Thomas Heritage Foundation
Albert Huddleston	United States Treasury CDFI Fund*
Inwood National Bank	Abby & Todd Williams
JPMorgan Chase Foundation*	<i>*grants</i>

### OTR FUND II, LLC INVESTORS

Goldman Sachs Urban Investment Group (line of credit)

**GETTING CLIENTS ON THE ROAD TO BETTER LIVES WHILE  
BUILDING A MORE SUSTAINABLE FUTURE FOR OUR PLANET.**

Learn more at [ontheroadlending.org](https://ontheroadlending.org).



ON THE ROAD LENDING / 1305 WYCLIFF AVENUE, SUITE 140 / DALLAS, TX 75207