

The Esusu Story Against All Odds

NH&RA (10.02.2023)

 **ESUSU**



The Esusu Story

Creating Financial Identity, Stability, & Wealth

Our Vision is to **Bridge the Racial Wealth Gap**
Through the Power of Data

Our Mission is to **Dismantle Barriers to Housing**
for Working Families

Our Strategy is to **Unlock Quality Financial Products** for low to medium income households



2018



2020



2021

Serena Williams invests in rent-reporting fintech Esusu

Serena Williams is investing an undisclosed amount in Esusu, a fintech start-up that allows renters to build and improve credit by reporting...

Jul 16, 2021

2022

Black-owned fintech startup Esusu hits \$1B unicorn valuation

Esusu partners with landlords to report tenants' on-time payments to credit bureaus. The company secured \$130 million in Series B Funding on...

Jan 31, 2022

Esusu Product Overview

3 Easy-To-Use Solutions

1. Rent Reporting to 3 Credit Bureaus

Report rental data to Equifax, Experian, and TransUnion to help residents establish and improve credit.

2. 0% Interest Rent Relief Fund

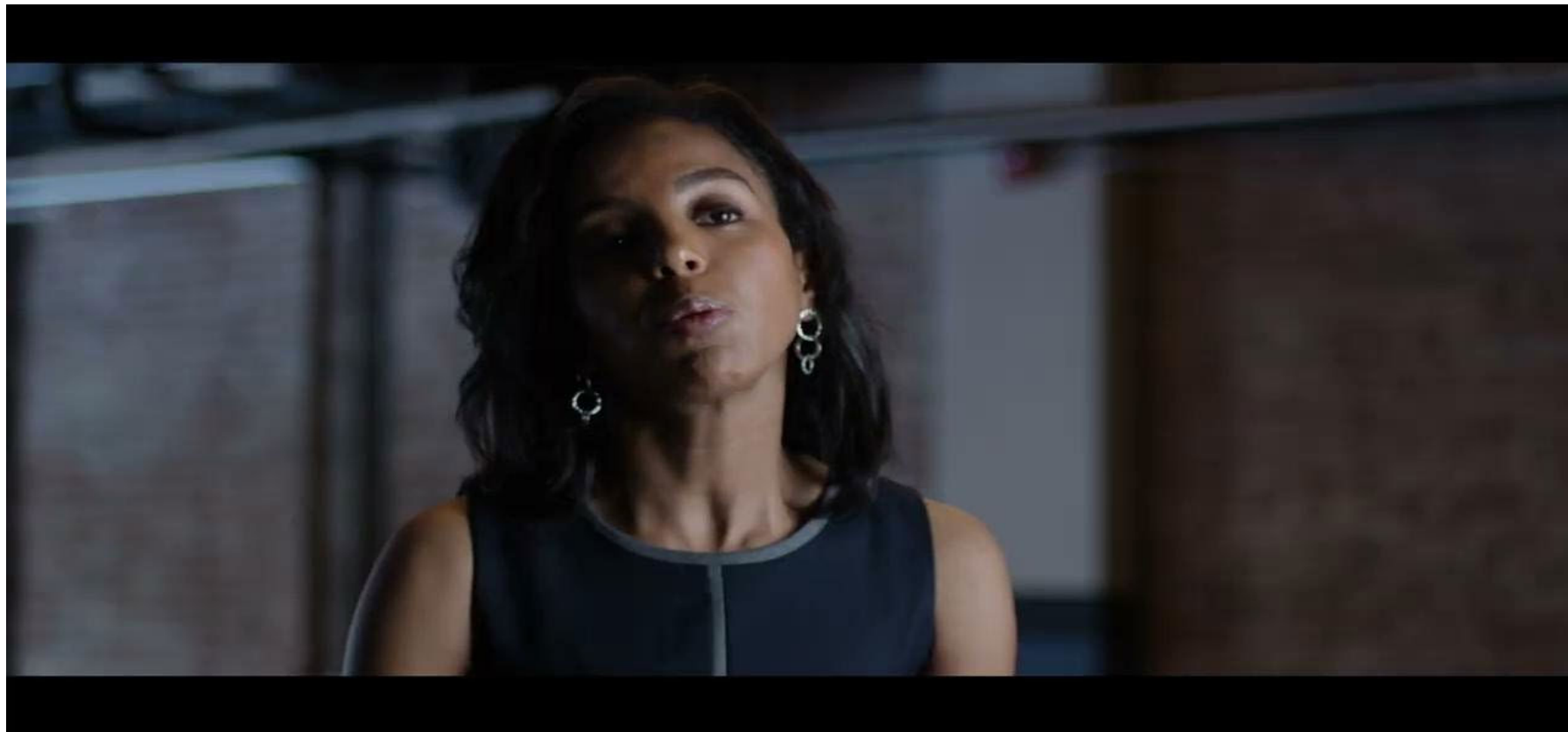
Provide 0% interest rent relief funds for residents experiencing financial shock, paid directly to landlords as cash.

3. ESG Impact Measurement

Measure and track environmental, social and governance (ESG) metrics.



Esusu Resident Story



Esusu & Freddie Mac Summary

Esusu reaches ~240,000 units and 1,449 properties through the Freddie Mac Program

27,393

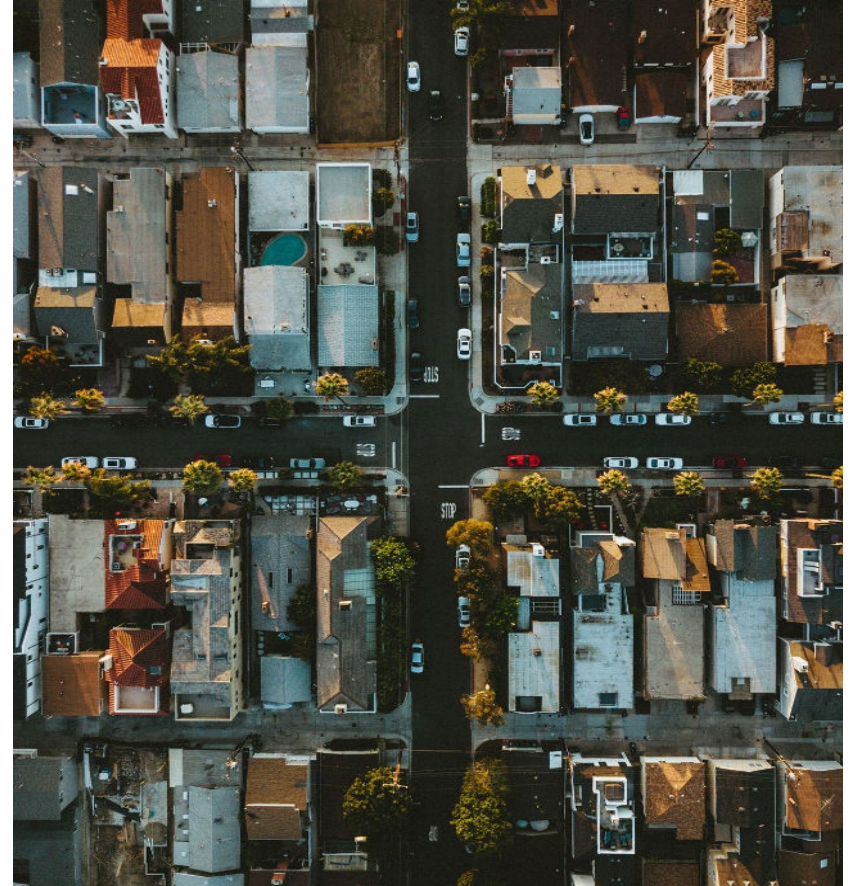
Number of residents who established a credit score

64%

Residents that saw a credit score improvement

+46 pts

Average resident credit score improvement



Note: Credit score data may fluctuate due to timing difference of reporting and credit score data pulls from consumer rating agencies
Data as of September 2022.

Credit Insights Overview

Esusu is in a unique position where it can evaluate which credit lines residents open after Rent Reporting. Esusu evaluated the Freddie Mac portfolio and discovered: **57,606** renters opened credit cards, **16,283** opened auto loans, **5,466** opened student loans, and **3,385** opened home mortgages.

This analysis details the impact of renters who **established** their credit with Esusu for the first time versus **enhanced** it with Esusu because they had a pre-established score.

New and increased credit scores help Freddie residents
(for the first time or more easily) gain access to:



Home mortgages



Student loans



Auto loans



Credit cards



Newly established credit impact for Freddie Mac residents

Residents that Esusu has established their credit have opened credit cards, mortgages, education loans, and auto loans

2,756

Residents were approved for a **credit card** for the first time

8

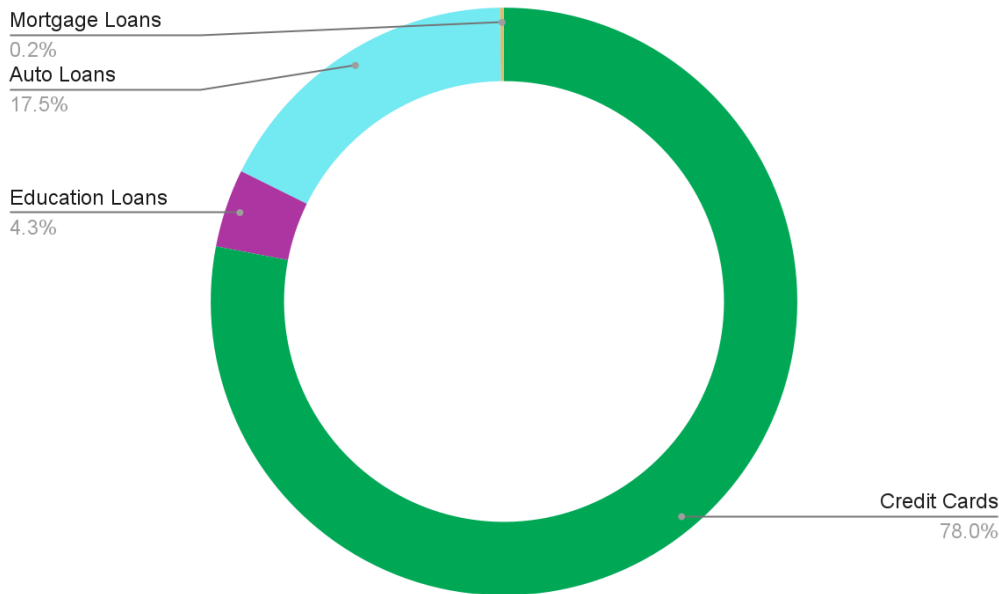
Residents received their first **home mortgage** (avg \$229K)

152

Residents were approved for **educational loans**

617

Residents were approved for **auto loans**



Credit Lines Created Post Rent Reporting

Formerly credit invisible residents generated ~\$20 Million in debt and financial opportunity.

Established Renters					
Type	Total Renters	Average Credit (per person)	Total Credit	Total Credit Lines	Average Credit Lines (per person)
Credit cards	2,756	\$1,735	\$4,782,407	4,030	1.46
Education Loans	152	\$5,892	\$895,577	309	2.03
Auto Loans	617	\$22,227	\$13,714,192	650	1.05
Mortgage Loans	8	\$229,226	\$1,833,805	8	1.00

Enhanced credit impact for Freddie Mac residents

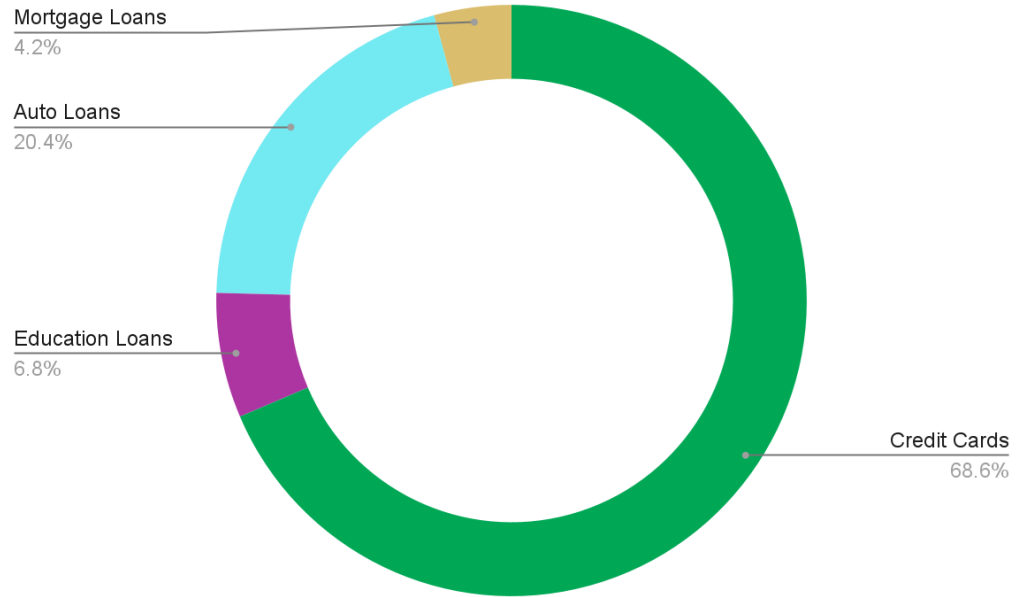
Residents who had pre-established credit scores have opened credit cards, mortgages, education loans, and auto loans

54,850 Residents were approved for a **credit card**

3,385 Residents received a **home mortgage** (avg \$419K)

5,466 Residents were approved for **educational loans**

16,283 Residents were approved for **auto loans**



Credit Lines Created Post Rent Reporting

Residents generated over \$2B in credit of which ~\$1.5B was in mortgages which tangible bridges the racial wealth gap.

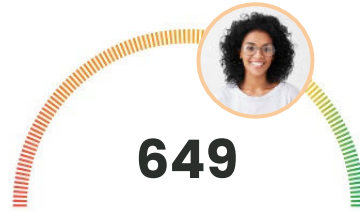
Enhanced Renters					
Type	Total Renters	Average Credit (per person)	Total Credit	Total Credit Lines	Average Credit Lines (per person)
Credit Cards	54,850	\$5,239	\$287,343,002	97,037	1.77
Education Loans	5,466	\$17,118	\$93,565,791	9,964	1.82
Auto Loans	16,283	\$31,336	\$510,242,877	18,107	1.11
Mortgage Loans	3,385	\$419,377	\$1,419,589,851	4,082	1.21

Why This Matters: How can a higher credit score impact your residents' lives and budgets?

Imagine two residents, each with a \$18,000 car loan to pay off:

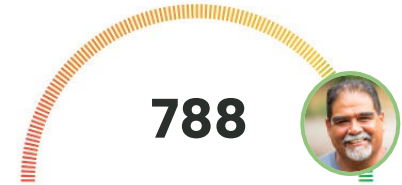
- Reena has a lower credit score of 649. Her APR for the loan 11.119%
- Walter has a higher credit score of 788. His APR for the loan is 4.603%
- Both residents will make similar payments, though Reena will be paying slightly more per month:
 - Reena pays \$590/month
 - Walter pays \$536/month

Reena: Fair credit



Lower credit and high APR means
Reena will spend **\$3,251 in interest**
to repay the loan.

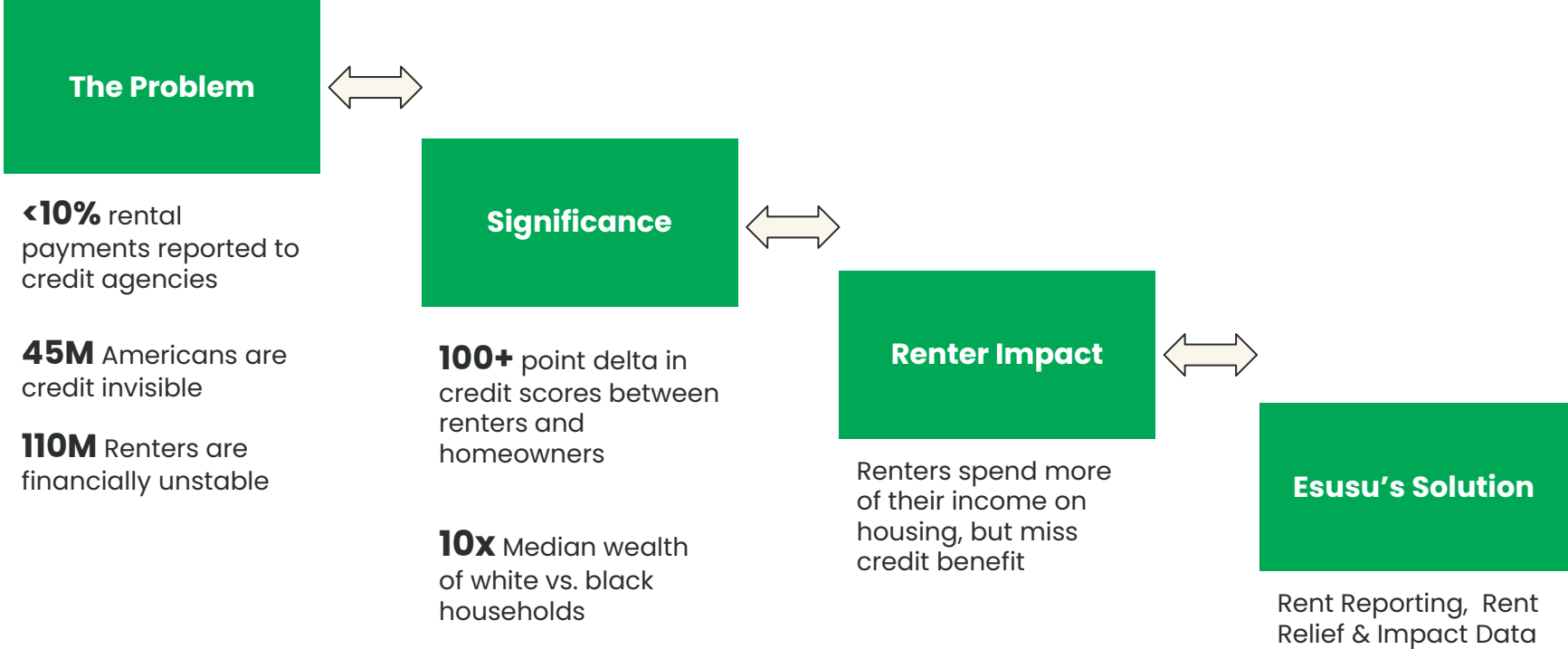
Walter: Excellent credit



Higher credit equates to a lower APR.
Walter will spend **\$1,306 in interest**
to repay the loan.

**A higher credit score can mean more money in your residents' pockets.
A higher credit score saved Walter \$1,945 in interest.**

The housing crisis contributes to the racial wealth gap in America



1, [Freddie Mac](#) 2. Consumer Financial Protection Bureau 2020 report 3. Federal Reserve 2019 Survey of Consumer Finances 4. Fannie Mae 5. Experian

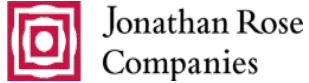
No matter where you come from, the color of your skin, or your financial identity, it should never determine where you end up in life.



Appendix

Esusu partners have a reach of over 4M units across all 50 states

B2B partners represent a range of owners, operators, lenders, and GSEs and support many property types including affordable housing, market rate, student, SFR and more!



Rent Reporting

Serves as software conduit connecting rental payments with the credit bureaus

- Auto-enrollment, do-no-harm model and 24 month look-back maximizes impact
- Renters incentivized by rent reporting amenity to sign leases, pay on-time & renew leases
- Automated data ingestion from rental payment software

2^{out}
of 3

Residents prefer apartments with rent reporting¹

70%

Renters say they are more likely to pay on time¹

100%

Credit invisible renters become scorable after 12 months

SEAMLESS INTEGRATION



YARDI
entrata

REALPAGE
Outpost

mi

ResMan

ESUSU

experian.

EQUIFAX

TransUnion^{tu}

Rent Relief

Proactively addressing homelessness through client partnerships and a dedicated 501(C)3 organization

- Funding received through:
 - Philanthropy (family and corporate foundations and HNW individuals)
 - Esusu Founders' commitment
 - Renters pay-it-forward plan
- Renters apply for 0% interest rent relief. Esusu pays property directly, leading to fewer delinquencies & evictions
- Applicants must live in a property using Esusu, and be less than 90 days delinquent on rent



\$3,000

Avg. cost of
eviction to an
owner/operator

3 mo.

Up to 3 months
covered

\$1,649

Avg. rent relief
distributed

PARTNERS



Michael & Susan Dell
FOUNDATION



ESG Reporting

Providing meaningful social metrics that also prove accretive value

- Owners/Operators face increasing ESG pressure, but lack accretive and scalable “S” solutions
- Esusu provides ESG and investor-ready reports with robust data
- ESG impact unlocks investment opportunities and enhances brand and reputation
- Esusu contracts can be counted toward vendor diversity efforts

