

# New Study Shows Value of Investing in Immigrants

## An Impact-Investing Success Story: Goldman Sachs-Backed Fintech Fuels Double Bottom Line by Investing in International Students

WASHINGTON, Sept. 17, 2019 /PRNewswire/ -- A new study by MPOWER Financing highlights the dramatic impact of no-cosigner loans for international and DACA (Deferred Action for Childhood Arrivals) students on campus diversity, gender equity, and financial inclusion. The report, "Empowering Global Citizens to Create Global Change," focuses on the impact of MPOWER Financing's core product, the world's only fixed-rate, no-cosigner education loan for international and DACA students at top U.S. and Canadian universities. MPOWER was recently selected as the best student lender for international students by [U.S. News & World Report](#).

### No-Cosigner Loans Drive Campus Diversity and Gender Equity

The report demonstrates that MPOWER's unique fixed-rate, no-cosigner loans:

- Build a more geographically diverse student body. MPOWER students hail from 120 countries and are considerably more geographically diverse than the general international student mix in the U.S. and Canada.
- Build a more socioeconomically diverse student body. Fifty-three percent of borrowers were from families earning less than \$15,000 annually and 17 percent were from families earning less than \$2,500 annually.
- Enhance the financial independence and educational prospects of women from emerging markets. Ninety-three percent of MPOWER female borrowers reported that they had no alternate means of financing their degree, versus 79 percent of MPOWER male borrowers. Women were also more likely than men to report that their families had sufficient assets to co-sign a loan but were unwilling to do so.

### MPOWER Financing's Unique Loan Product Allows International Students to Build Credit

MPOWER found that:

- Small monthly payments on education loans can quickly build immigrants' credit. Seventy-five percent of borrowers who had no U.S. credit score before obtaining MPOWER's loan but subsequently made twelve consecutive on-time loan payments attained a prime credit score.
- Education loans can serve as an entry point to the broader financial system. Fifty percent of MPOWER borrowers reported being approved for a credit card after receiving their MPOWER loan, and seven percent reported being approved for a car loan.

### MPOWER Financing Seeks to Change Market; Expansion of No-Cosigner Loans Could Further Enhance Diversity, Gender Equity

"Diversity, gender equity, and financial inclusion have been central to our business model from the start," said Manu Smadja, MPOWER's CEO and co-founder. "We underwrite based on students' future earning potential, so we're not limited by a student's family wealth or lack thereof. That means that we can lend to high-potential students across socio-economic groups, or to talented women whose families may not be able to – or even want to – support their educational aspirations."

"Beyond lending, MPOWER provides a gateway to mainstream financial services in the U.S. and Canada," Smadja said. "Students make small interest payments during school, and we report these payments to the credit bureaus. This allows students to avoid paying interest on interest, and it also allows them to build credit. Ultimately, our goal is to shift the industry's whole paradigm, and we're doing that one loan at a time."

Erika Norwood, the Executive Director of Gray Matters Charitable Foundation (GMCF), which funded MPOWER's social impact strategy, lauded the report and noted its connection to the foundation's own mission to support education leading to a more purposeful life for 100 million women by 2036. She said, "We appreciate this clear-eyed assessment of the numerous obstacles facing women in the higher education pipeline, and we intend to use these insights to inform our work with women and girls in India and around the globe. For the pool of women in emerging markets who do possess the academic and professional qualifications to pursue higher ed in the U.S. or Canada, however, MPOWER is doing an extraordinary job of removing financial barriers for them."

### Full Report

The full report can be found [here](#). MPOWER welcomes investors, universities, policymakers, and other interested parties to learn more about MPOWER's social impact report by registering for MPOWER's [free webinar briefing](#)

on September 26, 2019.

### **About MPOWER Financing**

[MPOWER Financing](#), headquartered in Washington, D.C., and with offices in New York City and Bangalore, India, is a mission-driven fintech company and provider of global educational loans. It is the only student lender in the world that leverages both overseas and U.S. credit data, as well as future earning potential, to serve high-promise international and DACA students. MPOWER Financing works with more than 350 top universities and colleges across the U.S. and Canada to provide financing to students from over 190 countries. Since 2014, it has received close to \$1B in loan application volume on its platform. MPOWER Financing helps students build their credit histories and provides them with personal finance education and career support to help prepare for life after college. The team is backed by Gray Matters Capital, Breega, Potencia Ventures, Zephyr Management, Goal Structured Solutions, 1776, Village Capital, VARIV, DreamIt, Fresco, Chilango, K Street, and University Ventures, as well as funds managed by Lloyd Crescendo Advisors, Community Investment Management, and Goldman Sachs.

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