

MPOWER Financing issues inaugural securitization of international student loans, achieves 'A' ratings on senior class

Goldman Sachs & Co. LLC served as Structuring Agent and Joint Bookrunner on the first international student loan securitization by a U.S.-domiciled private student lending platform that unlocks access to graduate degrees, primarily in STEM and business. Deutsche Bank Securities Inc. also served as a Joint Bookrunner.

WASHINGTON, May 21, 2024 /PRNewswire/ -- MPOWER Financing ("MPOWER"), a mission-driven fintech firm and the leader in international student financing, today announced the completion of its first securitization, MPOWER Education Trust 2024-A ("MPOWER 2024-A"). The \$215.2 million collateral pool is composed of U.S. dollar-denominated, fixed-rate loans made to primarily graduate international students at leading U.S. colleges and universities. It is the first securitization of international student loans by a U.S.-domiciled private student lending platform.

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Along with [\\$300+ million of warehouse commitments](#) that MPOWER secured last year from Goldman Sachs, Deutsche Bank and Värde Partners, this securitization enables MPOWER to put more than \$500 million towards its rapidly growing portfolio of loans issued to international students attending [leading colleges and universities](#) across the United States and Canada.

Goldman Sachs & Co. LLC served as Structuring Agent and Joint Bookrunner, alongside Deutsche Bank Securities Inc. as Joint Bookrunner. MPOWER 2024-A consisted of three tranches of notes totaling \$198.1 million (collectively the "Notes"). Morningstar DBRS ("DBRS") & Kroll Bond Rating Agency ("KBRA") rated the Class A Notes 'A'(sf)/'A'(sf), respectively. DBRS rated the Class B Notes and Class C Notes 'BBB'(sf) and 'BB'(sf), respectively. The securitization's initial investors include blue-chip names spanning asset management, pension plans, and insurance funds. MPOWER plans for this to be the first of a series of programmatic asset-backed securitization offerings.

"This securitization is a testament to the capital markets recognizing our ability to originate attractive, high-credit quality student loans," said [Christopher Zaki](#), head of Capital Markets at MPOWER. "These investors were impressed by our decade-long history of robust credit quality across different rate environments and by our student population: predominantly graduate students, primarily in STEM and business fields, who are investing in their professional futures. Our portfolio is characterized by global diversification and offers investor returns that are uncorrelated with traditional asset classes. With this securitization, we have demonstrated the strength of our business model. Our well-diversified and efficient capital strategy positions us to accelerate our strong growth in loan originations and value creation for both our shareholders and students."

"This rated securitization shows that international students are A-rated, both in terms of their academic potential and their credit behavior. The transaction is the culmination of 10 years of MPOWER's work in international student lending and is a significant milestone for the company," said Manu Smadja, chief executive officer of MPOWER. "The power of our financing is truly transformational: 93% of our students say that a loan with MPOWER was [imperative for their ability to complete their education](#). We're helping students – many of whom are first-generation college students from the Global South – make a quantum leap for themselves and their families. Beyond the positive impact on students, this transaction enables us to help higher education institutions recruit a larger and more diverse international student population, while empowering the [workforce of tomorrow](#) and having a significant positive impact on the U.S. and Canadian economies."

About MPOWER Financing

[MPOWER Financing](#), headquartered in Washington, D.C., and with employees worldwide, is a mission-driven fintech company and the leading provider of global education loans. Its proprietary algorithm analyzes overseas and domestic credit data as well as future earning potential to serve promising international students. MPOWER works with top universities across the U.S. and Canada to provide financing to students from around the world. The MPOWER team consists of former international students and provides students with career guidance and immigration support to prepare them for their professional careers after graduation.

MPOWER is a Certified [B-Corp](#) and [Great Place To Work](#), one of the [best fintechs to work for](#) and the [best tech workplace for diversity](#). The company is [hiring](#) for various positions worldwide.

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