nonPRIME101.com press kit

MEDIA CONTACT:
SUSANA WALLS
swalls@clarityservices.com
727.400.6762

Established in 2013, nonPrime101.com provides research studies and articles about non-prime consumer behavior. Non-prime consumers include thin-file, no-file, and prior prime consumers. They represent the fastest growing consumer segment in the country. nonPrime101.com provides unbiased and empirical studies that show credit usage behaviors, trends, and needs of these consumers.

FOR MORE INFORMATION ABOUT NONPRIME 101, VISIT
nonprime101.com

about nonPRIME101.com

Research

nonPrime101.com publishes articles and research papers on non-prime consumer trends and behaviors. Our research team uses statistical analysis of random datasets to form the basis of this research, which has been cited and used by the Consumer Financial Protection Bureau (CFPB), as well as academics, economists and business leaders. Our research also continues to monitor and offer insight into the effects of regulatory interventions in the industry.

Mission

Our mission is to increase awareness and understanding of this consumer segment with data-backed research, and provide relevant communications that educate and clarify non-prime consumer behavior patterns.

Vision

Our goal is to educate and guide researchers, regulatory bodies, and industry leaders to dispel myths and assumptions about the non-prime consumer population.

Annual Conference

nonPrime101 holds an annual conference for industry leaders. This conference brings together finance experts, researchers, academics and regulators. Speakers discuss their subprime consumer research. Attendees network and participate in a Q&A panel with presentors.

nonPrime101 is the research arm of Clarity Services, Inc. and is powered by Clarity data. Clarity Services is a real-time credit bureau with offices in Clearwater, FL and Austin, TX. Clarity has over 55 million unique consumer identities in its database. It provides powerful real-time fraud detection and credit risk management solutions.

let the data speak

CLARITY SERVICES INC.

clarityservices.com

"The first step in helping non-prime consumers is understanding their credit usage patterns. nonPrime101 provides empirical data that is not just insightful data, but valuable information."

– Tim Ranney, President & CEO,
Clarity Services, Inc.

nonPRIME101.com

MEDIA CONTACT:
SUSANA WALLS
swalls@clarityservices.com
727.400.6762

fact sheet

nonPRIME101.com

- Launched in August 2013 as a way for Clarity Services to provide studies and articles focused solely on understanding the behavior and credit usage patterns of non-prime consumers.
- nonPrime101 has offices in Clearwater, FL and Austin, TX.
- The blog is regularly updated with new statistics and research from Clarity, providing insight into the behavior patterns of non-prime consumers.
- Early data findings published on nonPrime101 include the identification of four different non-prime categories.
- Ongoing projects are planned to examine borrower demographics, trends and the effect of the new CFPB rules on the non-prime consumer.
- Data studies, non-prime consumer trends, and statistics found on nonPrime101 are powered by Clarity data. Clarity has the largest footprint in the non-prime consumer industry, providing real-time reporting on alternative financial services not found in the big three bureaus.
- To date, nonPrime101 has held two annual conferences bringing together business executives, regulatory representatives, researchers, and academics who discussed the subprime industry's unique challenges.

FOR MORE INFORMATION ABOUT NONPRIME 101, VISIT
nonprime101.com

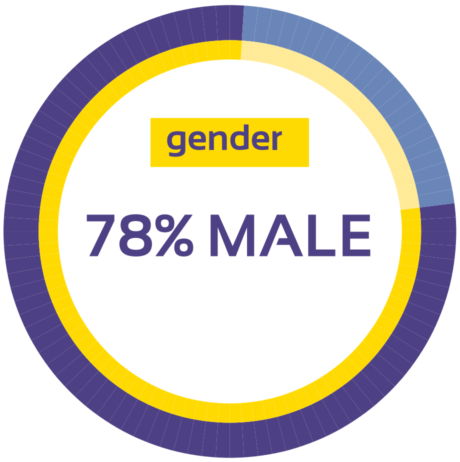
MEDIA CONTACT:
SUSANA WALLS
swalls@clarityservices.com
727.400.6762

"Clarity Services, Inc. introduced nonPrime101.com in August 2013 to help provide access to research studies and articles focused solely on non-prime consumers."

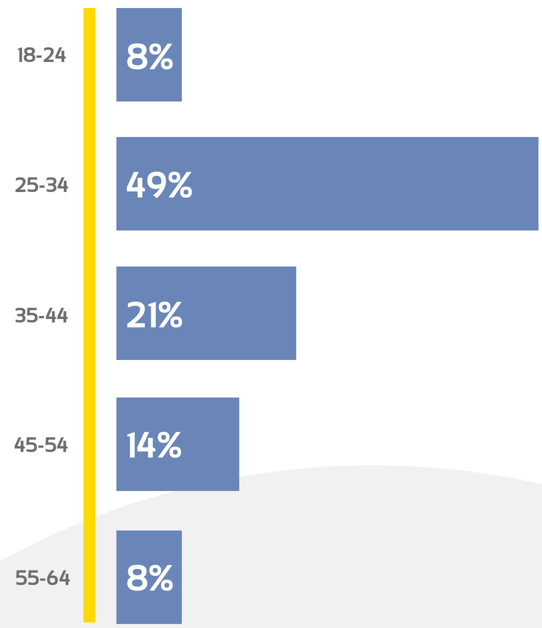
nonPRIME101.com

MEDIA CONTACT:
SUSANA WALLS
swalls@clarityservices.com
727.400.6762

our readers*



age range



affinity categories

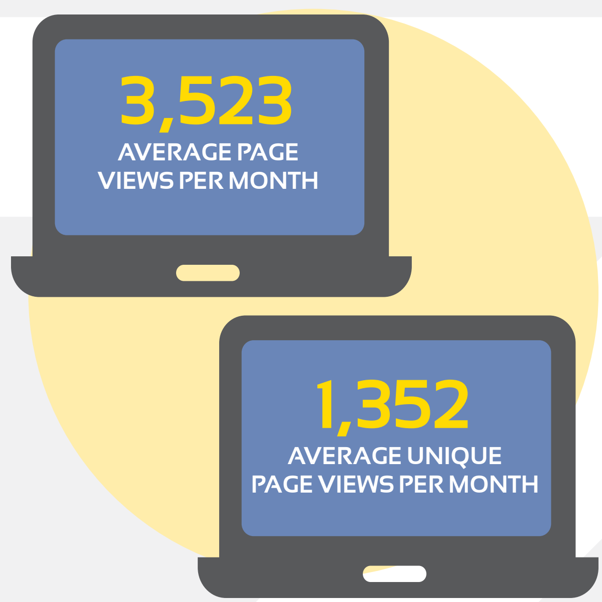
- Avid investors
- News enthusiasts & avid readers
- Business & economic news enthusiasts
- Technophiles
- Political enthusiasts
- Business professionals

in-market segment

- Financial services/investment services
- Financial services/credit & lending
- Financial services/banking services
- Education/post-secondary education
- Business services/business financial service

other categories

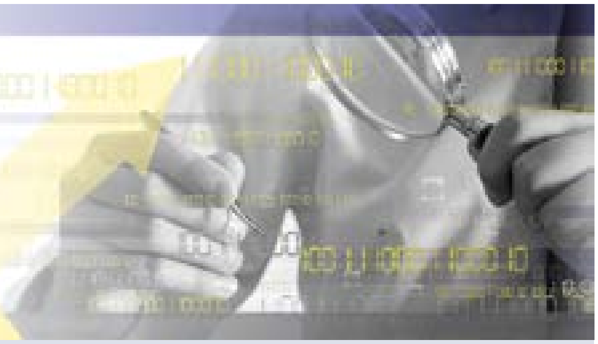
- News/business news/financial markets
- News/politics/campaigns & elections
- Reference/general reference/dictionaries & encyclopedias
- News/newspapers
- Internet & telecom/email & messaging



nonPRIME101.com

MEDIA CONTACT:
SUSANA WALLS
swalls@clarityservices.com
727.400.6762

*Last updated July, 2016



research

Richard P. Hackett

Rick serves as special policy consultant to nonPrime101, and is a frequent national lecturer on consumer financial services law. Rick is also a Partner in the Portland, Maine office of Hudson Cook LLP. From 2011-2013, Rick served as an assistant director at the CFPB, leading the Installment and Liquidity Lending Group in the Research, Markets and Rulemaking Division of the CFPB.

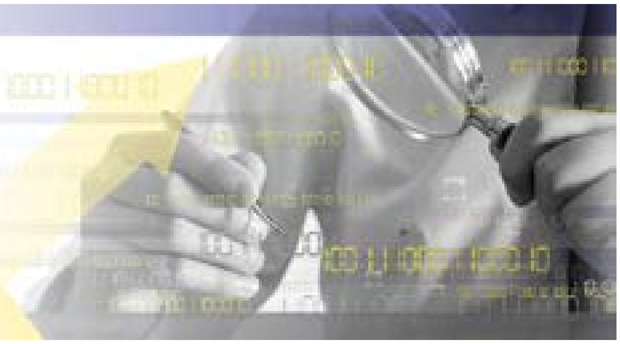
Heather Lamoureux

Heather Lamoureux, MA Economics-Econometrics, spent many years as an entrepreneur in the private sector before entering the non-prime research industry. She has been published in a peer-reviewed transfer pricing journal and has researched and compiled numerous reports for nonPrime101.

> “nonPrime101'S research team is well-versed in the subprime consumer segment and the small-dollar loan industry.”

nonPRIME101.com

MEDIA CONTACT:
SUSANA WALLS
swalls@clarityservices.com
727.400.6762



press releases

NonPrime101 Conference Focuses on Subprime Consumer Trends, Industry Regulation

August 6, 2015 (Clearwater, FL) – On August 4th and 5th, key thought leaders in the subprime consumer space came together with nearly 100 attendees to discuss the fastest growing consumer segment in the United States.
The nonPrime101 Conference in St. Petersburg, Florida brought together business executives, regulatory bodies, researchers, and academics who discussed the industry's unique challenges, and what the future does, or should hold in the subprime lending space.

Tim Ranney, the President and CEO of Clarity Services, Inc., served as host and emcee of the two-day conference. Ranney noted that he was extremely pleased both with the conference turnout, and some of the conversations that took place there. "I was thrilled with the conversations we had at the conference, and I look forward to working with the speakers and experts on how to convey some of the research and information that we've heard here with a wider audience," Ranney said.

Conference attendees heard from economists, academics, and experts in the subprime lending space, starting with Kelly Edmiston, Senior Economist at the Federal Reserve Bank of Kansas City. Edmiston presented empirical research on the effects of lending restrictions on consumer credit, showing that restrictions on small dollar lending may have unintended consequences for low-income consumers. These adverse effects, said Edmiston, should be considered in creating and implementing appropriate industry regulation so as not to harm consumers.

Rick Hackett, former CFPB Assistant Director and current Partner at Hudson Cook LLP, spoke about current regulatory proposals, and how Clarity's research demonstrates that the proposals will be unsupportable for the single payment lender, essentially ending the payday lending structure as it exists today. The demand for such products however, will not go away, said Hackett, and using consumer characteristics and data can help design better products rather than eliminating options altogether.

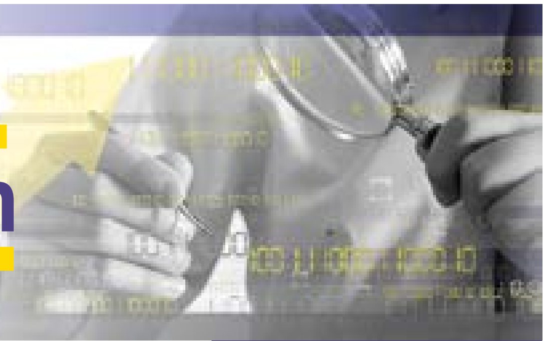
Attendees also heard from Cynthia Campbell, Director of Impact and Labs at the Filene Research Institute, who shared the Institute's work on testing five financial products and analyzing how each benefit subprime consumers, and are profitable/sustainable from a business standpoint.

John Thompson, Senior Vice President at the Consumer Financial Services Institute (CFSI) talked about understanding and improving consumer financial health, sharing some rather stark statistics about the financial health of Americans today. More than half of the U.S. population (57%) is struggling financially he reported, and 30% of American households say that they could make ends meet for just three months or less if suddenly faced with a drop in income.
Understanding the financial realities of Americans, as well as the interplay between financial health and financial product and service usage is a key focus of CFSI, Thompson said.

Thompson was followed by Luz Urrutia, VP of Field Sales and Services for Oportun Financial Corporation, who talked in detail about the consumer trends in the Hispanic population, which is the largest minority population in the United States. Currently 46% of the 54 million Hispanics in the U.S. are un- or underbanked, said Luz.

nonPRIME101.com

MEDIA CONTACT:
SUSANA WALLS
swalls@clarityservices.com
727.400.6762



NonPrime101 Conference Focuses on Subprime Consumer Trends, Industry Regulation (Continued)

Wednesday's presentations began with Daniel Smith, Associate Professor of Economics at Troy University in Alabama. Professor Smith talked about the small-dollar lending business, highlighting the relatively small profits made by lenders, despite high interest rates, when compared to other businesses or commercial lenders. Excessive government regulation of the markets, Smith said, reduces competition within the industry, which inevitably is felt by consumers. Smith also notes that comparing short-term lending APRs to other APRs like for auto and home loans is comparing apples and oranges. Higher APRs on small-dollar loans appropriately reflect the risk involved in lending to consumers, Smith said.

Closing out the individual presentations was Gregory Elliehausen, Senior Economist at the Federal Reserve Board. Elliehausen explored the question of whether or not consumers who use high-rate credit products are making deliberate and rational decisions. What he found was that customers were aware that such products may be expensive, but when compared to alternatives for not using these products, they were considered safer and more cost-effective.

Once presentations were concluded, all panelists gathered on the stage to participate in an audience Q&A, moderated by Tim Ranney. The success of the NonPrime101 conference in Florida has inspired conference leaders to think about holding similar events in other cities, such as Washington, DC. "I feel that this is an extremely important conversation, and I think policy makers in particular could benefit tremendously from hearing from experts like the ones we have featured here," Ranney said.

A full list of speakers is below:

- Kelly Edmiston, Senior Economist, Federal Reserve Bank of Kansas City
- Paul Desaulniers and Ken Pruett, Experian
- Rick Hackett, Partner, Hudson Cook, LLP, former CFPB Assistant Director
- Cynthia Campbell, Director of impact + labs at the Filene Institute
- John Thompson, Senior Vice President – CFSI
- Luz Urrutia, VP of Field Sales and Services, Oportun, formerly known as Progreso Financiero
- Gregory Elliehausen, Senior Economist at the Board of Governors of the Federal Reserve System
- Dr. Daniel J. Smith, Assistant Professor, Johnson Center at Troy University

About nonPrime101.com

nonPrime101.com provides research studies and articles about non-prime consumer behavior to help the public and researchers better understand them. The rate of non-prime consumers, which include thin-file, no-file, and prior prime consumers, continues to rapidly grow and nonPrime101.com provides unbiased and empirical studies that show the credit usage behaviors, activities, and needs of subprime consumers as a whole. For more information, visit nonprime101.com.

press releases

nonPrime101 Conference 2016, On the Horizon

May 12 (Clearwater, FL) – On May 9-11, key thought leaders in the subprime consumer space came together to discuss the large and often underserved subprime consumer segment in the United States.

The nonPrime101 Conference in Tampa, Florida brought together business executives, regulatory representatives, researchers, and academics who discussed the subprime industry's unique challenges. The smaller, more intimate setting encouraged open discussion and allowed for the expression of different viewpoints.

Tim Ranney, the President and CEO of Clarity Services, Inc., served as host of the two-day conference. Ranney noted that he was pleased both with the conference turnout, and some of the conversations that took place there. "We had a great mix of speakers that based their opinions and conclusions on empirical data and inspired passionate discussions during the sessions," said Ranney. "The interest and insight into the subprime consumer market was evident."

Aaron Klein

The first featured speaker was Aaron Klein, Policy Director of the Initiatives on Business and Public Policy, at Brookings Institution. Klein outlined how the majority is defined by the minority in the sense that prime consumers comprise the model used when creating financial regulations. He distinguished between borrowers who are insolvent vs. illiquid. The former is defined as a downward spiral through which more lending will hasten the consumers' decline into debt. The illiquid borrowers need the short term lending for a temporary income shortfall. Finally, Klein encouraged the participants to consider the balance of the uncertainty that comes from pending regulations with the longer lead times resulting from further research that reduces oversight and unforeseen negative consequences.

Kasey Wiedrich

Kasey Wiedrich, Director of Applied Research at the Corporation for Enterprise Development (CFED), followed Aaron with an educational presentation on CFED's 2016 Assets & Opportunity Scorecard. Wiedrich touched upon CFED's data outcomes and their policy recommendations. With many eye-opening statistics, Wiedrich outlined the non-prime consumer's economic situation, as well as the adoption of state policies that she claims expand economic opportunity for consumers.

Scott Schuh

Attendees also heard from Scott Schuh, Director and Economist from the Federal Reserve of Boston. Schuh's research examined how changing credit availability, debt, and utilization over the business cycle and the life cycle relates to U.S. consumers' patterns of incurring, carrying, and paying off their debts. Critical to his research was consumer payment choices, i.e. what alternative financial choices did or does a consumer have when dealing with debt?

Lisa Servon

Next up was Lisa Servon, Professor of Urban Policy at The New School. Servon used data supplied by Clarity Services to not only provide a unique quantitative analysis, but also a personal look into the behavior of these non-prime consumers. Lisa's team surveyed over 890 individuals for an in-depth look at the demographics and behavior of the borrowers. She provided an intriguing deep dive into individual stories and illustrated that in most cases, borrowers experienced a sudden expense that caused them to use short-term credit.

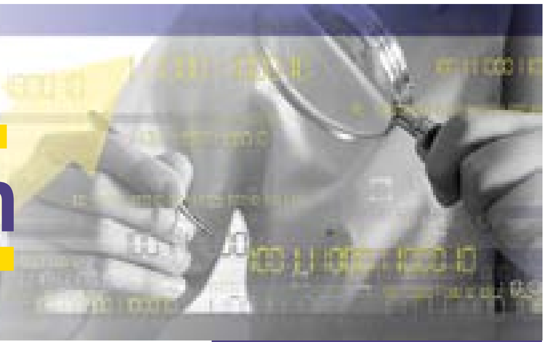
Tom Miller

Servon was followed by Tom Miller, Professor of Finance and the Jack R. Lee Chair in Financial and Consumer Finance at Mississippi State University. Miller provided a historical and political perspective on the proposed regulations. He also addressed the question of whether consumers need to be "protected from themselves." He noted that while the "supply of credit can be legislated away," the demand cannot.

nonPRIME101.com

MEDIA CONTACT:
SUSANA WALLS
swalls@clarityservices.com
727.400.6762

nonPRIME101.com



nonPrime101 Conference 2016, On the Horizon

Michael Anderson

Michael Anderson, Professor of Economics at UMASS was next. Anderson gave a comprehensive view of the demand-side behavior and rationality of non-prime consumers and why this market will increase in the future. His research also gave a broad overview of the economic and behavioral factors behind the use of subprime agreements, specifically in the rent-to-own market.

Anna Ellison

Joining us from the UK was Anna Ellison, Research Director for Policis. Ellison is a consumer advocate who used Clarity data to illustrate how the industry is guided by supply and demand principles, and that regulation cannot control demand. She sought to determine if regulators actually achieve their goals through the regulations they create. Ellison's research included qualitative interviews with anonymous state and federal regulators.

Rick Hackett

Wednesday began with a presentation by Rick Hackett, Former Assistant Director of the CFPB and current Partner at Hudson Cook. Hackett's presentation critiqued existing regulatory studies of payday loan use patterns and proposed a more targeted intervention to mitigate extended use of loans while preserving access to the product. His presentation helped dispel the myth that all payday lending creates predatory 'debt traps' and instead suggested that borrowers are making informed decisions in many cases.

James Barth

James Barth, Lowder Eminent Scholar in Finance, followed. Professor Barth further expounded on the idea that constricting the supply of credit does not change or reduce demand. He noted that there was a large discrepancy between the number of payday lender stores that regulators reported and the number reported by the North American Industry Classification System (NAICS). An interesting statistic he shared was that there are fewer burglaries in places where more payday lender stores are located.

J. Paul Leavell

Closing out the conference was J. Paul Leavell, Senior Marketing Analyst at the Charlotte Metro Credit Union. Leavell discussed how understanding subprime borrowing behavior can help to maximize revenue opportunities. He noted how both subprime and prime customers use subprime borrowing tools, which in his line of work includes overdraft protection at the credit union. Payday lending and overdraft protection are both strategically utilized by each segment as cash flow devices, and a banking strategy that aligns with this fact can generate new revenue streams and market opportunities.

Once presentations were concluded each day, all panelists gathered on the stage to participate in an audience Q&A, moderated by Tim Ranney and Heather Lamoureux, respectively. The panelists provided great feedback and inspired participation from attendees.

The 2016 nonPrime101 conference in Florida was once again deemed a success by all who attended. The inclusion of speakers and attendees representing various points of view clearly shows nonPrime101's commitment to non-biased, empirical data research and results.

About nonPrime101.com

nonPrime101.com provides research studies and articles about non-prime consumer behavior to help the public and researchers better understand them. The rate of non-prime consumers, which include thin-file, no-file, and prior prime consumers, continues to rapidly grow and nonPrime101.com provides unbiased and empirical studies that show the credit usage behaviors, activities, and needs of subprime consumers as a whole. For more information, visit **nonprime101.com.**

in the news

uexpress
The Housing Scene

Not All 'Nonprimes' Are Bad Risks

by Lew Sichelman
Jun 10, 2016

When the limits on two of Bill Johnson's credit cards were lowered from $20,000 to $6,000, his outstanding balances jumped from a perfectly acceptable 20 percent to a dangerously high 66 percent.

It wasn't Johnson's fault that the card issuers lowered his limits. They were just following the requirements under the CARD Act of 2009, legislation designed to establish fair and transparent credit practices.

You might say he was the "beneficiary" of a law intended to help him – as long as you kept your tongue planted firmly in your cheek.

Through no fault of his own, lenders now look at Johnson's credit file and see a would-be borrower who no longer qualifies for the lowest possible mortgage rate. Now he's in the subprime category, and to a lot of lenders these days, subprime borrowers are verboten.

Nearly a decade after the mortgage market meltdown – which was caused, in part, by overzealous lending to unqualified homebuyers with less-than-pristine credit – subprime borrowers remain forbidden fruit, fit only for government-backed loans, if that. For the most part, lenders who only offer conventional loans won't touch them.

Tim Ranney says that sometimes, lenders are smart not to do business with clients whose credit scores are below 650. But, he is quick to point out, many of those with scores below that magic number are acceptable credit risks, as long as they are properly underwritten.

And Ranney, who shared the hypothetical example of "Bill Johnson" above, should know. He is president of Clarity Services, one of the new batch of credit-reporting agencies that have cropped in recent years to challenge the supremacy of the three major credit repositories: Equifax, TransUnion and Experian. Or if not to challenge them directly, then at least to add to the documentation on which lenders base their decisions.

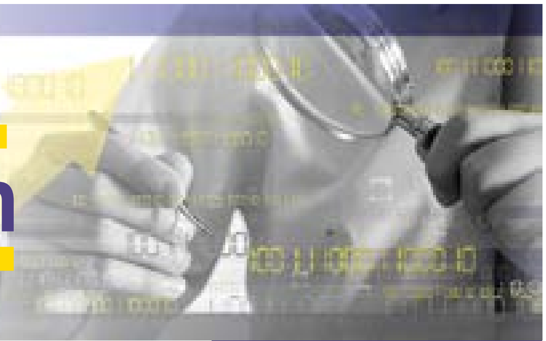
Clarity focuses on the "underbanked," near-prime and subprime consumer who have minimal credit records. It has useable credit information on 55 million people that are considered subprime. From a pure data standpoint, adding reports such as the one from Clarity will allow lenders to approve what otherwise would be marginally risky borrowers who previously would have been turned down.

The company also sponsors important research into what Ranney has relabeled the "nonprime" sector. The company backs numerous academic studies, but has no say-so in their findings. Its only requirement is that it is the first to publish the results, which are posted on its website, nonPrime101.com.

Whereas prime-rated borrowers fit into an easily categorized box, nonprime folks are "defined by what they're not," says Aaron Klein, policy director of the Initiatives on Business and Public Policy at the Brookings Institution. "Young people with limited credit experience, single parents with credit issues, college kids and abusive credit defaulters are all lumped into one."

MEDIA CONTACT:
SUSANA WALLS
swalls@clarityservices.com
727.400.6762

nonPRIME101.com



Not All 'Nonprimes' Are Bad Risks

But they're not all the same, according to Klein. He was the lead speaker at a recent nonPrime101 conference in Tampa, Florida, where the latest Clarity-sponsored research was presented. Whereas 1 in 6 nonprime borrowers is insolvent and stuck in a downward spiral, the rest are merely "illiquid" – as Klein explains, "They are likely to pay back; they just don't have the cash right now."

The usual driving factor of illiquids, 60 percent of whom are hourly workers, is an unforseen income drought. If there is a major snowfall, for example, snowplow drivers make out like bandits. But the cleaning lady who normally works six days a week may not be able to get to her job sites for a few days, and will lose money. Ditto for waitresses and bartenders who can't get to restaurants and bars.

Or when a divorced dad loses his job and can't make his support payments, the kid's mom also feels the pinch. When it rains for a solid week, roofers can't work at all. When a holiday falls on a Friday, your paycheck may not arrive on Saturday in time for you to get to the bank.

These are real-world scenarios of otherwise good people who hit a bump in the road. And the challenge for lenders is how to identify them for what they are, as opposed to serial insolvents, who take larger and larger risks in an attempt to pull a rabbit out of a hat and postpone the eventual day of reckoning.

That's where the new breed of credit bureaus like Clarity, PRBC, VantageScore and others come in. They collect the data the majors don't -- things like rent and utilities, which are not reported to the big three credit repositories; monthly unsecured obligations like payday loans, family loans and car title loans, and information that validates that the person's stated income is consistent with what was said on previous loan applications.

"There should be a set of facts everyone can count on," says Ranney. "Even as you go down the credit spectrum, there is a healthy percentage of the population that, within the limits of their ability to repay, are good credit risks. If they take a loan they can afford, they will pay it back.

"Low income is not automatically nonprime, and high income is not automatically prime. There are a significant number of consumers with low credit scores who, for one reason or another, have experienced some kind of financial setback. But they are completely stable, and have enough income to handle a mortgage."

Retrieved July 11, 2016 from http://www.uexpress.com/housing-scene/2016/6/10/not-all-nonprimes-are-bad-risks

MEDIA CONTACT:
SUSANA WALLS
swalls@clarityservices.com
727.400.6762