



PODCAST TRANSCRIPTION SESSION NO. 259-ROCHELLE GOREY

Welcome to the Lend Academy Podcast, Episode No. 259. This is your host, Peter Renton, Founder of Lend Academy and Co-Founder of LendIt Fintech.

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Today's episode is sponsored by LendIt Fintech USA, the world's largest fintech event dedicated to lending and digital banking is going virtual. It's happening online September 29th through October 1st. This year, with everything that's been going on, there'll be so much to talk about. It will likely be our most important show ever. So, join the fintech community online this year where you will meet the people who matter, learn from the experts and get business done. LendIt Fintech, lending and banking connected. Sign up today at lendit.com/usa.

Peter Renton: Today on the show, I am delighted to welcome Rochelle Gorey, she is the CEO and Co-Founder of SpringFour. Now, SpringFour is a super interesting company, they're in the financial wellness space and what they're really focused on is helping lenders who have borrowers who may be struggling, but help those lenders provide resources to these borrowers, vetted resources that can really help these borrowers get back on their feet and therefore, help them repay the loan.

So, we get into that in some detail, how it all works, Rochelle goes through some examples, she talks about what the increased engagement has been like. Obviously, for her this has been a very busy time as consumers are struggling like never before, certainly, more consumers than ever before are struggling to repay their loans. So, we talk about the different types of services they offer to different types of resources that they provide, how they're able to keep this list up-to-date and there's a huge number of resources that they're focusing on here.

They talk about what a difference it makes for the consumer and for the lender itself and they talk about the recent report they've released that demonstrates sort of what's been happening this year because it certainly has not been a very typical year. We talk about how the banks made of this and how they kind of implement it into collections departments and really what they've got planned for the future. It was a fascinating interview, I hope you enjoy the show.

Welcome to the podcast, Rochelle!

Rochelle Gorey: Thank you, Peter, great to be here.

Peter: Okay, great having you. So, let's just get started. I know you've been doing SpringFour for quite some time now, but let's just get started with giving the listeners a little bit of background about what you've done in your career, particularly before SpringFour.



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Rochelle: Oh, yeah, sure. So, I spent my entire career, more than 25 years, working with financial institutions and non-profits to create affordable lending products, helping people get into homeownership and then, of course, how do we make certain when people are in homes that we can create sustainable home ownership opportunities so, that led me to do a lot of work around foreclosure intervention.

I helped create some of the first ever foreclosure intervention program in the country, home ownership preservation initiative through Chicago, Neighborhood Housing Services of Chicago along with the city of Chicago and I actually worked with then Senator Obama to create some of the first state regulations against predatory lending. So, my experience ranges from program development to policy and advocacy work, focusing in how do we help create good, affordable lending products that help increase and revitalize neighborhoods and increase people's opportunity to home ownership.

Peter: Right, right, okay. So then, what led to the founding of SpringFour, what was sort of the catalyst, the idea you had there?

Rochelle: Yeah. So, I had been working on a consulting project...so I left Neighborhood Housing Services of Chicago in 2005 when my first daughter was born and I started consulting and I was working for a large mortgage servicer trying to better understand their work flow when they were serving delinquent borrowers.

In a conversation I had with the servicer at that time, they were sharing and telling me that their call center agents were able to look upon their screens and look at the foreclosure log because foreclosure log vary state by state and so they needed to understand what those logs were when they were dealing with the delinquent borrowers. And I really had an Aha moment that led me to think, well, is it possible for a call center agent to see various foreclosure logs, what if were able to populate their screen with the various different non-profit and government resources that were available to assist borrowers when they were behind on their mortgage.

So, that was the idea behind SpringFour and my Co-Founder and I, Dr. Michael Collins, he now leads the Center for Financial Security at the University of Wisconsin, Madison. He and I decided we would figure out a way to build the technology that would make it easy and efficient for lenders to connect borrowers to vetted non-profits and government resources where they live.

Peter: Okay, okay. So, you launched before the last financial crisis, right, so.....

Rochelle: We did, we found the writing on the wall and you know, we had been working in the communities and really had an understanding that when people get into financial difficulties and challenges, they really don't know where to turn for help. I think today it's still true, there's a lot of shame attached to financial difficulties so people weren't sharing their issues, their troubles so they didn't know about resources often right in their own backyard and yet we knew there were a lot of different non-profits available to assist people and so we wanted to build that bridge, to make that connection happen.



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We also knew that banks who had very large portfolios of troubled borrowers right across the country, they too needed that information because it's really----you know, a lender, it's not really their job to understand and figure out all of the various different non-profits in all of the communities that they have loans and borrowers.

Peter: Right, right. Obviously, the last financial crisis was really led by real estate and some of the bad real estate practices. It sounds like your background was very well suited to that, but this crisis is different and it's not led by real estate. It may end up.....we don't know exactly how bad it's going to be, we just found out today that the GDP in the second quarter was negative 32 point something percent so it's an all-time record.

We know that people are going to be struggling and I know people have been struggling....obviously, a lot of people have become unemployed so, I'd love to get a sense of the overall....the act of your company and your offerings this year. We started January and February and things were pretty normal, how have things kind of escalated for you guys since March?

Rochelle: Escalation is a good word to describe it. You know, I think the word of the year is "unprecedented," we're seeing an unprecedented level of interest and demand for SpringFour. Right when COVID hit, we knew that we were and we should be part of the solution. SpringFour was built to help people when they experience a financial crisis so this is really right now so this is really what we were built to do. Certainly, I never imagined that we would be operating during a global pandemic, but I'm very proud of what we've built and our ability to get it out quickly to assist the financial institutions and their borrowers.

So, our team quickly got to work to increase our tech capacities so that we could increase our timely deployment. We already have a fast timely deployment with large financial institutions because we're not directly integrating inside any of their systems. We took that time from 30 days down to two weeks so anyone that's interested in working with SpringFour, they can get our solution out very quickly to be able to assist their borrowers and their customers.

And then we also....our data team knew from our experience what type of resources people would need and they got busy researching and vetting additional COVID-19 resources so within two weeks, we built out three new service categories, COVID-19, Financial Help and Financial Assistance so that our customers/our clients could present those to their borrowers front and center and be part,,,utilize SpringFour as part of their COVID-19 response.

Peter: Right, right. So, who are the kind of lenders that you're working with? I know you've worked with some traditional banks and fintechs, but maybe I'd love to get a sense of who you were working with before and who has come calling in the last past few months?

Rochelle: Yeah, sure. So, we have built up a very impressive track record working with financial institutions of all sizes and types, including fintechs and credit unions, and we also work with non-profit organizations. So, we work with anyone from BMO Harris Bank, US Bank, e-Bay to fintech organizations like LendUp, Oportun, Enova, Elevate is one of our newest client. We are



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super excited to see that many banks, again, of all types and sizes have come to us when COVID-19 hit, we've actually done ten deployments since January. So, as you know, in this area of fintech and building relationships with banks, it can take a long time to put those partnerships together.

So, the fact that we've done ten already this year and we have several more in the pipeline, meaning that we're working through the contracts right now and already working to do deployment documents with those organizations.....so, I can't name everyone today and I wish I could, but I will say that a handful of them represent institutions in the top ten financial institutions category.

So, I believe that financial institutions understand that they should and can be part of the solution for people who are suffering as a result of COVID-19. So, they have come to us, they understand that we deliver and we can create impact for the banks' bottom line and for their customers.

So, I think what we're seeing is the result of a 15-year journey, right, like it doesn't happen overnight, it takes a lot of hard work, patience and the ability to deliver and we have all of those things and we have what people need right now. So, it's been very validating, but yet humbling too and we're just very proud to be able to serve during this time.

Peter: So, I'd like to sort of dig into a real concrete example, if we could. Let's just say I'm a borrower, I have a loan with XYZ Bank that happens to be...they have the SpringFour system and I call in and I say, you know what, I don't have a job anymore, I can't pay down this loan, what does the call center representative say?

Rochelle: Yeah. So, that's a perfect example. A call center rep that has access to the SpringFour Pro tool which is a call center tool built for call center agents to be able to deliver vetted, curated financial help resources when someone is struggling to pay, so there's a couple of ways that our clients do it. They either, just off the butt, offer SpringFour referrals to every client understanding and knowing that most people will react positively and benefit from vetted financial help resources.

The other thing that can happen is they're listening, they're trained to listen in for cues to understand what is getting in the way of that person making a payment and then being able to provide directed resources in that category. So, with SpringFour we've built up essentially a database of over 25 pending or serviced categories so anything from food savings to help reducing prescription drug cost, reducing feeding and utility costs, financial counseling, employment refer to the big one right now certainly.

So, when they hear those cues, they can ask that borrower...well, Peter, it sounds like you're really struggling with unexpected medical expenses or high prescription drug cost, would you like to receive a referral for a non-profit that provides assistance in those areas and then they'll go ahead and either verbally give that to the borrower over the phone and/or send off an email to that borrower so that they know where to turn for help.



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It's really important to know that with SpringFour, we're only making referrals to non-profits and government agencies. The idea is we want to refer people to organizations whose mission it is to assist them. Unfortunately, what we saw during the last crisis and unfortunately, it's not any different today with the pandemic, there's lots of unscrupulous actors out there that prey on people who are experiencing financial challenges.

Peter: Right, right. So, I want to just dig in a little bit.....you know, you talk about non-profits and government agencies and, obviously, not all non-profits are created equal, not all government agencies are created equal.

Rochelle: Right, right.

Peter: This is a local problem, you want to send someone to their local neighborhood, how do you know.....here in Denver, Colorado where I'm sitting, how do you know that the food security help or the employment help or whatever it is you're referring to, how do you know they are still doing a good job, they're not like completely overwhelmed, how do you know that?

Rochelle: Yeah, that's a great question and I'm happy to answer that because it's truly one of our differentiators. So, the way that our solution works is we employ a professional data team. Everyone that is on our data team has a background in community development and non-profit work so they really have an understanding or a kind of foundation or core understanding of non-profits, how they deliver their services and what it takes to make a good organization.

So, we are not doing any screen scraping, we do this the old fashioned way with real people calling organizations, finding out about, you know, assessing their track record, reputation to assist and funding levels. I am glad you also mentioned, you know, funding because it is a challenge right now, organizations are seeing, you know, huge surges in demand for their resources. So, one of the values that we deliver to our clients is we are consistently.....I'm constantly revealing the organizations in our database making sure that they have the capacity to serve.

We never want to direct the borrower to a dead end and you can imagine working with financial institutions, very high reputational risks so we make sure our data is very clean, very up-to-date, very accurate. We built a proprietary data portal and we have systems in place that allow us to regularly vet those organizations and once an organization is in the SpringFour platform, we go back in and make certain that they're still able to deliver on that promise of service. One of the reasons we built the COVID-19 category was to really stay on top of what is happening in those highly needed categories so that, again, any organization that is in SpringFour has the ability to provide services.

Peter: Right, right, okay, that makes sense. Like your going back, is that monthly, six months, how often do you go back to every single.....

Rochelle: It's weekly now, yeah, it's that important. You know, we have built our company on a record of trust and integrity in providing good quality resources. Also, I should add, our intention



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was never to be the Google of every organization in a particular market, we really are drilling down to make certain that the organizations that we have in our database are really great at what they do. You're right, not all non-profits are created equally so we're making sure that any organization in there is doing a great job servicing its clients.

Peter: Right, right, So, how many in the database?

Rochelle: Over 15,000 and that number continues to grow. We're in 575 cities today, that will continue to grow as well. We also have state national resources so that's why we're really well suited to work with the large financial institutions that has, you know, customers all across the country. So, no matter where a person lives, they can find the systems and help through SpringFour.

Peter: Right, right, okay. I'm curious about your customers and obviously, when you pitch this they're not going to take it on unless they feel like there's a real return on the investment. What is the return on investment for your clients here because, obviously, it's going to cost money, probably a significant money for large banks to have your service so, what do you tell them?

Rochelle: Yeah. Well, number one, it's going to impact their bottom line. So, we believe that when people are experiencing financial challenges it's because something's happening in their life, they've just been in the way of that payment so by utilizing SpringFour we address that root cause and we get people paying and saving again. So, each of our subscribers is different, but they see significant repayment rate increase as a result of utilizing SpringFour. But, what's great and what we've learned through the years is that was our number one sort of thesis or premise was that we would definitely be able to impact repayment rates, but what we've also seen is the huge benefit to our subscribers on our engagement thrust.

The borrowers are appreciative of getting these referrals. In addition, the call center employees that utilize SpringFour were able to provide better customer service, they feel more positive about the role that they're playing as the banks.....we're really changing the tone of the conversation and the outcome that's happening at the call center because now we've equipped a call center agent with the ability to provide empathy, to be able to provide, you know, that they're listening to what's happening in that borrower's life down that journey to a positive resolution.

And, we consistently survey the agents that utilize our tool and it's always in the 90 percentile that they feel better efficiency, more positive resolutions or outcomes because it's SpringFour. So, it really is a "win win, win", but I think number one, you have to start with what is a banks' self-interest and it is repayment rates, but then all these other things combined to really create a full package. We hear time and time again when we're on calls with our clients that...well, this seems like a no brainer (both laugh).

Peter: Right, that's not so. So, I am curious, do any of your clients use this proactively as sort of a marketing tool where.....I mean, you don't want to encourage people to postpone payment, but



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I think as a resources I could imagine, particularly there's always going to be a certain segment, I mean, before this crisis as well, a certain segment that are always struggling.

Rochelle: Right.

Peter: So, is this is a proactive tool or is it always reactive?

Rochelle: It's not always reactive and I think it's really great and interesting to see a client of ours or subscriber uses it proactively. So, many of our subscribers will utilize it to tweet out the availability of this product or the resources thatand when they do, they see their usage skyrocket. A lot of our subscribers have positioned SpringFour now on their COVID-19 response pages so, yes, its starting to.....you know, the current situation wherein with COVID-19 and the pandemic, but it's also proactive, right, so they're putting that out there front and center...hey, if you need assistance, we're here for you and the usage has really dramatically increased when they do that. We also have some clients who are using it in bank branches although, you know, many branches are not open today, but they have used it in bank branches to further that conversation or have something to be helpful if somebody comes in with issues.

Peter: Right, right, okay. And I want to get to this report that you emailed me which I thought was really interesting.....

Rochelle: Thank you.

Peter: ...showing that the trends you've seen in your business, in the referrals particularly for financial assistance, maybe you can give us just a quick summary of the report that you just recently put out.

Rochelle: Sure. Well, I guess most importantly, it's been a huge increase in demand in the referrals that are going out. So, I think, collectively, with our subscribers we are having an impact in delivering native resources in a moment of, you know, crisis for many consumers so, already this year, we've made over 1.6 million referrals. In the month of May alone, we made nearly a half a million referrals so that is dramatically increased. Last year, we made a total of 1.2 million referrals so by the end of June, we've already eclipsed that significantly and we know the demand is continuing.

We, actually, have been hearing from a lot of drivers and a lot of organizations in our pipeline that they're very fearful that this fall is going to be even worse because, you know, assistance is running out, right. Tomorrow, I believe it's tomorrow, the eviction moratorium ends and 23 million people could find themselves in periods of jeopardy of not having anywhere to live. So, it's pretty dramatic what's going on out there.

So, we have demands for referrals increasing, we're seeing demand for referrals and food is number one, financial assistance, number two so food, financial, employment, of course, is number three, followed by utility assistance. So, I think that really paints the picture of what



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people are facing, having food be the number one or most frequently requested. Referral refers means that people are very much struggling.

Peter: Yeah, you see it on the news and people are saying, I never went to a Food Bank in my life and here I am because I need assistance and I've lots of...the Food Banks throughout the country are really full right now, they are really providing more assistance more than ever before. So, I want to ask about...is this always used in the collections area or in the loans servicing type area, are there any other use cases for your product?

Rochelle: Yeah, it's interesting that you ask that, Peter, because we'll be releasing a report next month, so mid-August, where we did a survey of low and moderate income consumers about the availability of resources and do they know where to turn.

What was interesting to me was that 60% of people said that they did not know where to turn for resources when they were experiencing financial difficulty, but over 80% of people said that they would want to receive information and believe that their bank is a trusted source of that information. So, I think there's a use case for making certain that people can have this information from a bank so that they will be interested in receiving it after applying for a loan a credit card for opening a checking account.

Peter: Interesting.

Rochelle: So, I think that there should be.....and, you know, there's been a great movement, we now have a Financial House Movement which is so exciting to me. When we started SpringFour, you know, nobody was talking about these underlying issues, there wasn't this concept that it's all connected like if we work on one area, you know, make a person stronger and better. So, I think this is super exciting and it's an opportunity that collectively, as an industry, we can help people get more financially healthy, right. It's not that difficult to present people with options and resources and I think the time has come.

Peter: Right.

Rochelle: You know, we are seeing now that SpringFour is not a nice to have, it's a necessity and our clients who are already using SpringFour are seeing the benefit of that during the pandemic.

Peter: Right, right, I know. Financial health, it's good...in some ways you are like ten years ahead of your time, I think, because certainly now, there's a lot more awareness even before the pandemic. I mean, we know....here at LendIt, 2017 we started focusing on financial health and having its own standalone track. In 2017, we got a small number of people and each year the interest has doubled pretty much.

Rochelle: Right, yeah.



Peter: And now, at our 2019 event there was a queue to get into the track, everyone was interested. I feel like that's one thing that I keep harping on. Fintech can make more of an impact here in financial health and should. This really should be..... I think the main purpose of fintech is to really help increase financial health for everybody. A lot of it is information, I mean, let's face it, a lot of it is just a lack of information.

Rochelle: And choices.

Peter: Yeah, exactly. So, I think we've really.....it's good that we've made progress over the last five years because I think now, we really are bearing the fruits of that. So, I'd like to get your perspective.....you mentioned the last financial crisis and I'd love to kind of get your perspective on what's different now from your perspective as far as the end user of your services, the borrowers that are struggling. What's different between 2008/2009 and 2020?

Rochelle: Well, I mean, I think 2008 was really about home ownership and mortgage foreclosures and so the people that were affected were homeowners. I think now, it's so vast. right, I mean, does anyone know anyone that has not been impacted or affected by COVID-19 and the pandemic, whether you've gotten sick or not. I mean, it's infiltrated every aspect of our lives so this is going to be so much bigger, it's beyond just one industry, it's every single consumer out there which, I think, is one of the reasons why SpringFour is definitely a part of the solution because we are almost a one-stop-shop for any need that the consumer is facing and we intentionally built it that way.

So, that's why we have 25+ service or spending categories. Really, when you think about anything that goes into a person's household budget, we try to make certain that we have a resource available for them to decrease the spend in that area. So, I think that's one way that it's different and I think the positive is that we've, in the last 10 or 12 years, have built up a lot of different information around financial health and products and innovation. It's so exciting, all of this.

To me, the innovative fintech products that exist that are serving people who have not perfect credit or have financial emergencies or challenges and I don't think that was there in 2008. I really think we had a very much....a dual finance market where it was traditional banking and, you know, predatory, I believe, products. So, we've seen a really nice growth and innovative, affordable, responsible lending product. So, that's my take on the end user.

Peter: For sure, for sure. I've said that there's much morethere are many more options for the consumer when it comes to credit than there has ever been before. So, we're running out of time so a couple more questions to I want get to. So, what's actually involved? If there's a lender that's listening and says, ah, that sounds interesting, what do you actually do? When you said it's two weeks to get up and running and obviously, you said it's independent of what kind of software they're running, what do you actually do? What do you implement at the lender so they can get up and running SpringFour?



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Rochelle: Sure. And one of the things that I realize is I didn't talk about our digital solution. Our digital solution is having a huge success right now because, you know, a lot of people can't get into a bank, bank telephone lines can be overwhelmed and busy so, our digital solution as for directing something,.....again, it can be up and running in two weeks where we're covering on the financial institutions to put SpringFour on their website, it can be presented in many different ways.

As I mentioned, a lot of banks are moving their SpringFour direct tool to their COVID-19 page, but it can be in their financial health page, their savings page, you know, mortgage assistance page where essentially you're branding it and asking your customer, your buyer. They're looking for ways to save and then they simply enter a couple of questions, put in their zip code and they're directed to resources in their area for the categories that they want. But, as far as working with us, it's a matter of, you know, getting in touch us, we'll work through the requirements on our digital solution because it's all.....the tech is all on our site, we run all the backend so it really is one to two hours of IT time for our subscribers.

We even host a landing page in the website if a subscriber doesn't want to get into the lead with our marketing team. As for Pro tool, the call center agent tool, is really a matter of we will train your team or we can do a train the trainor approach, it usually takes about half an hour, we assign user names and passwords and the bank is up and running and utilizing it in their call center.

Now, of course, that doesn't take into account like all the vendor compliance and risk management, they go through both working banks. Understand that this is something that's really needed and so they're putting more resources on that to get us through compliance quicker. It's not that we're not doing the compliance, but it's just the timeline has moved up which is great so the tool gets out there sooner.

Peter: Right, right. So, I just want to be clear, you said go to the Pro tool which is digital as well, I mean, it's all digital, right (cross talking).

Rochelle: Yes, yes, it's all in the Cloud.

Peter: Digital, is that more consumer- facing when you said that.....

Rochelle: Yeah, it's consumer-facing, sorry, so it's, for lack of a better word, a widget that would appear on the lender's website and the borrowers click on it and be able to self-serve 24/7 and get those referrals themselves. What we're seeing really well is when a call center agent has access to our Pro tool, which is in the Cloud as well. They just log-in at the beginning of their shift, they access SpringFour....when they send an email to that borrower, if a bank also has SpringFour Direct, they could include the link which allows that borrower to continue to go back to their bank to get resources whenever they need them.

Unfortunately, there's a lot of multiple issues happening in people's lives so, you know, they could be facing..... you know need food assistance one week and a few weeks later looking for



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help with a home repair or help with medical care cost. So, paired together we feel a really great usage.

Peter: Right, right. So, last question. You know, this has been a crazy year for many of us and a crazy year, it sounds like, for SpringFour, what are you working on strategically, what's next? Obviously, you're just getting through, getting through the pandemic is probably the first goal for all of us, right, but I'd love to sort of see where you're taking this.

Rochelle: Yeah. Well, one thing that is front and center is that we launched two employer relationship/partnership this year. I believe that, you know, we started this financial services industry that's as best we knew, that was the problem we were trying to solve, but I'm very encouraged by this idea that employers understand that an employee who has good financial health is a positive for their company for productivity, their reputation as an employer and so are looking to launch more relationships and partnerships with employers so that employees can be better financially healthy.

We're always enhancing our tech and increasing the number of markets, the number of service categories so that's really where we're mostly focused. We're seeing a lot of increased desire for SpringFour to do API feeds and integrate into some financial app for that as well. And then, the other thing is, you know, we may be going international, this is a worldwide problem and we're seeing interest from companies in other countries, mostly Canada and Australia so, you'll never know.

Peter: Interesting. Well, good luck, we'll have to leave it there. I really appreciate your coming on the show today, Rochelle.

Rochelle: Thank you, it was a pleasure.

Peter: Okay, see you.

Rochelle: Take care, Peter.

Peter: Bye.

You know, as you can probably tell, I'm pretty bullish on SpringFour and what they've done. They were a finalist in our Partnership Award back last year and I've been following them since then. Obviously, this is the time that really their services are sorely needed and I never really say this, but I really feel like if you're a lender and you don't have....you're not helping your borrowers in this way, shame on you.

I really think that every single lender should be helping their borrowers any way they can in this environment that we're in today and this provides resources, it provides information. And, really, when it comes down to it, it's going to increase your bottom line by helping your collections. I never really say this, but I think everyone, every lender in the country should be using SpringFour or resources like it.



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Anyway on that note, I will sign off. I very much appreciate your listening and I'll catch you next time. Bye.

Today's episode was sponsored by LendIt Fintech USA, the world's largest fintech event dedicated to lending and digital banking is going virtual. It's happening online September 29th through October 1st. This year, with everything that's been going on, there'll be so much to talk about. It will likely be our most important show. So, join the fintech community online this year where you will meet the people who matter, learn from the experts and get business done. LendIt Fintech, lending and banking connected. Sign up today at lendit.com/usa

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