



ON THE ROAD
LENDING

ENJOY THE JOURNEY

Celebrating a Decade of Impact

2023 ANNUAL REPORT

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American First National Bank, *equity*

*Bank of Texas, *debt*

Lucy Billingsley, *debt*

*Cadence Bank, *EQ2*

*Cattlemen's Bank, *debt*

*C-Note, *debt*

*Michelle and Larry Corson, *equity*

*Dain Ehring, *equity*

*Farm Bureau Bank, *equity*

*Goldman Sachs Urban Investment Group, *debt*

Julia Harvey, *equity*

*Forrest Hogle, *equity*

Trish Houck and Rev. Dr. Lyssa Jenkins, *equity*

*Albert Huddleston, *equity*

*Sharron Hunt, *equity*

InBank, *debt*

Inwood Bank, *debt*

*JPMC Foundation, *equity/grant*

Kempner Foundation, *equity*

*Heather Koopman, *equity*

Lane & Melody Kramer, *equity*

*Herb Lee and Cynthia Pharr-Lee, *equity*

*Live Oak Bank, *equity*

Dr. Bobby Lyle, *equity*

Hideto Nishitani, *equity*

*Opportunity Finance Network, *debt*

*Mike Pacillio, *equity*

*Rebuild Texas/One Star Foundation, *debt*

*Trevor Rees-Jones, III, *equity*

*Judy Ruby-Brown, *equity*

*Gene and Barbara Sanger, *equity*

Sapphire Foundation, *debt*

Lynne Scroggins

*Patsy Shockley

*Sunflower Bank

*SVP Impact Dallas, Inc.

*Thomas Heritage Foundation

*Tolleson Bank

*Todd & Abby Williams

2013–2023

Celebrating a Decade of Impact

I remember the day very clearly – it was my husband's birthday, January 16, 2014 – and I went to withdraw \$21,724.19 from my personal bank account to pay Richardson Chrysler Jeep Dodge Ram for a 2013 Chevrolet Impala. We didn't have any investors at that time, just Larry and me. Mary Burnett, Kathy Menard, and I, along with our salesman, Murphy, met "Ashley," a young mother of three boys who came to us from New Friends New Life to take delivery of her car. When I handed her the keys, she looked at me incredulously and asked if the car was really hers. I laughed and jokingly said, "Well, you have to pay us back, but yes, this car is now yours."

That was our very first loan, the beginning of a ten-year journey.

It's hard to believe that On the Road Lending and its sister CDFI, On the Road Sustainability Funds, are now ten years old! Looking back today fills me with so many memories of the people we've met whose lives changed for the better when they finally had a decent car. I'll never forget April, who called us every week to tell us that she had washed her car and was taking good care of it. Or Lucy, who struggled the first year. I met her at her house a few times to pick up her car payment, and she showed up at our office five years later to make her final payment in person and shared that she had also paid off the big rig she used in her business. Or getting a text message from Torrie eight years after her loan, saying she'd finished college. Or seeing Carolyn, who joined us at an investor luncheon last year and shared that she still drove the 2012 Toyota Camry that we helped her buy (and that it was still running great all those years later).

I never expected any of this to happen. When we launched this business, we had no idea whether it would work. Could we raise money? Would anyone get it? Would having a good car with a better loan matter? It did work, much more profoundly than we ever imagined. I doubt there are many auto lenders whose borrowers stay in touch with them long after their loans have been retired.

The other exciting thing about turning ten years old is that we have seen our capital turn.

We envisioned this business as a triple-bottom-line initiative, generating financial, social, and environmental returns. This social enterprise recycles everything, including our investor dollars. Because these loans are five years in duration and our losses have been so low, it means that dollars put into our fund in 2014 to help one family got paid back in 2019 and went on to help another family who will pay off their loan this year. In many cases, our clients paid off their loans early and those dollars have now turned for their third round!

While our annual reports have most often looked ahead to the future, we are filled with gratitude and nostalgia this year for all that has happened in the past. These years have brought me and the rest of our team so much joy. We want to celebrate the journey we have been on for a decade now. This year's report is looking backward to say thank you to the many people who have invested in our funds, served on our boards, and made generous gifts to support our work. We are grateful to you for your partnership. We are grateful, too, for the people who have worked at our companies and shared their talents with us over the years. And mostly we want to celebrate the successful lives led by the resilient people we have come to know as our clients who have become more than that – they are our friends.

Thank you all for the incredible journey!



Michelle Corson
Founder + CEO
On the Road Companies

Our Journey: 10 Years of Making an Impact

2011-2012



Champion Impact Capital launched late 2011 as nonprofit impact advisory.

TRANSPORTATION

Began looking at mobility as an economic issue that could be solved in a better way.

2013-2014

ON THE ROAD LENDING

OTRL was formed in 2013, along with its related loan funds, and spun out as their own enterprise.

FIRST LOAN

We made our first loan in January 2014 and 15 more that year.

2015-2016

IMPACT INVESTORS

We raised \$2.5 million from impact investors.



Our first big break came from a \$1 million grant from Toyota in 2016.

2017-2018

BANKS

We certified our loan fund as a CDFI in 2016, enabling banks to partner. *Bank of Texas* and *Inwood* made us loans in 2017-2018.

HURRICANE HARVEY

Over one million cars were lost in South Texas in this storm. We launched a Disaster Mobility Program to help.

2019-2020

Goldman Sachs

In 2019, we put together a partnership with *Goldman Sachs* for \$10 million.

GEOGRAPHIC EXPANSION

Our first loans outside of Texas began in Mississippi, Alabama, and Georgia.

2021-2022

WORKFORCE

On the Road Garage was created in 2020 as a social enterprise and opened two shops in 2022.

MAJOR GIFTS

Margot Perot made a \$3 million gift to help us launch *Garage*. The Department of Commerce made a \$3.75 million grant to renovate our buildings.

2023-2024

MIDWEST

OTRL began further expansion with a goal of reaching 10 states.

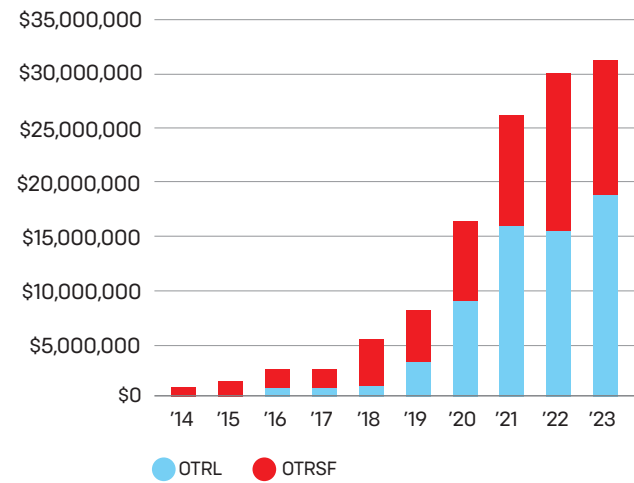
NATIONAL

Both *Lending* and *Garage* began to lay the groundwork for a nationwide presence through strategic partnerships.

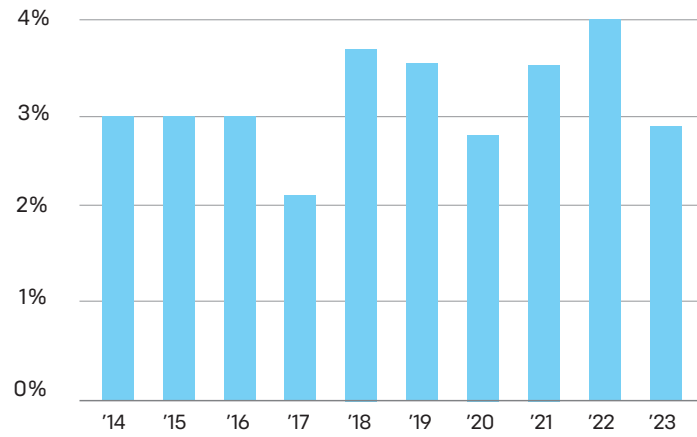
Financials

2023 FISCAL YEAR

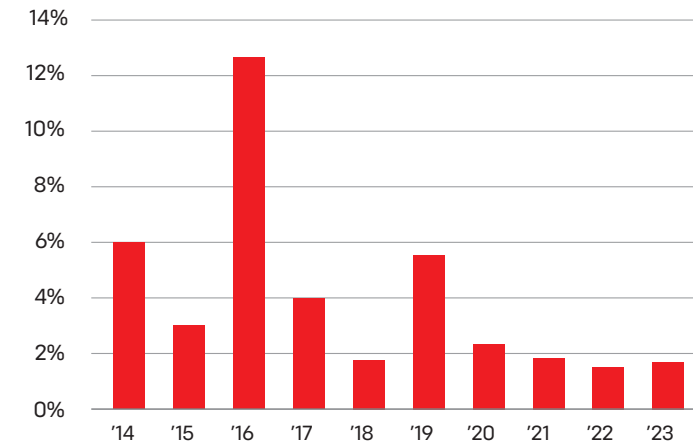
ASSETS OTRSFS & OTRL Audited 2014–2022
Unaudited 2023
CAGR = 48%



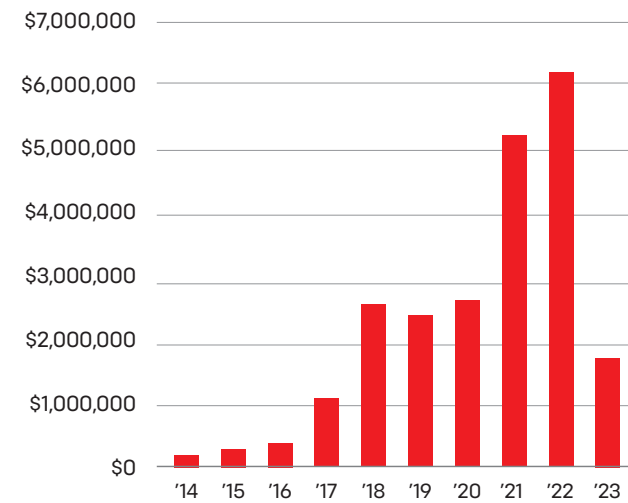
COST OF CAPITAL OTRSFS – Returns to Debt/Equity Blended



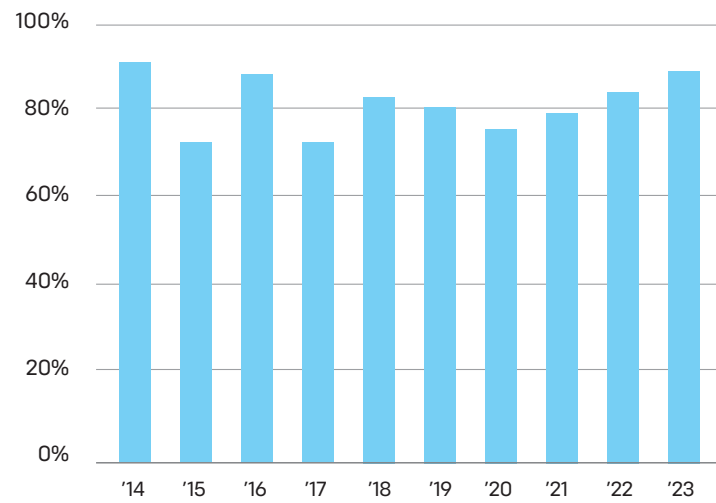
LOSS RATES OTRSFS – Annualized Net Losses



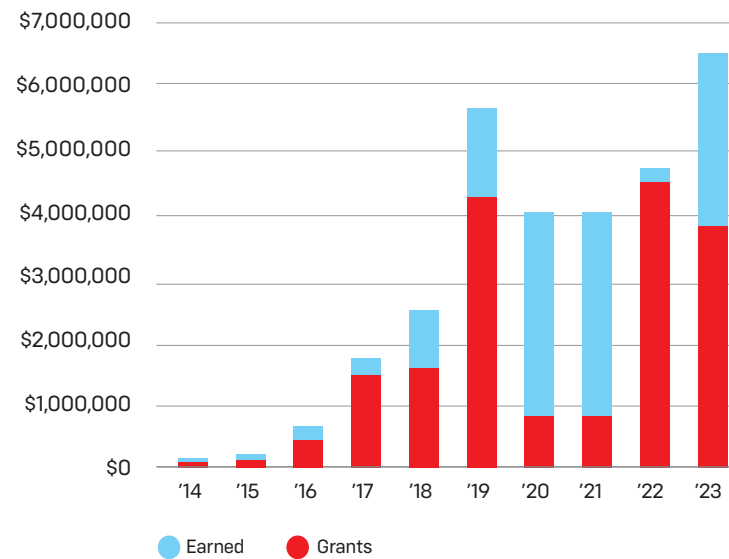
LOANS ORIGINATED OTRSFS (\$)



TARGET MARKET LOANS % of Loans Made to Black, Hispanic, or Low-Income Borrowers



REVENUES OTRSFS & OTRL Audited 2014–2022
Unaudited 2023



Celebrating a Decade of Client Triumph

Join us in commemorating a decade of remarkable achievements and transformative journeys! For the past ten years, our clients have embarked on a path towards their goals, each with their own unique aspirations and dreams. Today, we are thrilled to celebrate not only how far they have come but also the incredible impact that having a reliable car has had on their success journey.

From overcoming transportation barriers to achieving their dreams, our clients have demonstrated resilience, determination, and unwavering dedication. Having access to reliable transportation has been a game-changer for them, opening doors to new opportunities and empowering them to pursue their goals with confidence.

For many of our clients, a reliable car has meant more than just getting from point A to point B—it has been the key to unlocking a brighter future. It has enabled them to commute to work, attend school, run errands, and care for their families with ease and convenience. It has provided them with the freedom and flexibility to pursue their passions, explore new opportunities, and chase their dreams.

As we reflect on the past decade, we are inspired by the stories of resilience, perseverance, and triumph that our clients have shared with us. Each success story is a testament to the transformative power of reliable transportation and the positive impact it can have on individuals and communities.

To our incredible clients: Congratulations on your 10-year success journey!

We are immensely proud of all that you have accomplished, and we are honored to have played a part in your success. Thank you for trusting us to provide you with reliable transportation and for allowing us to be a part of your journey.

Torrie

10 Years of Wealth Creation

Torrie was living in Dallas and for years had been grappling with the challenges of owning an old car plagued by mechanical and electrical issues.

From the incessant alarm blaring at odd hours to the constant fear of breakdowns, her unreliable vehicle cast a shadow of uncertainty over her life. With On the Road Lending's life-changing vehicle lending program, Torrie found the key to unlocking a brighter future. With newfound confidence and stability, Torrie embarked on a transformative journey. The reliable vehicle she obtained through On the Road Lending not only restored her faith in transportation, but also paved the way for a series of remarkable achievements. Torrie was able to pursue her long-held aspiration of obtaining a college degree. As the years passed, Torrie's hard work and dedication paid off. Armed with her degree and bolstered by her newfound confidence, she ascended the ranks in her career. From entry-level positions to managerial roles, Torrie's journey epitomized the power of resilience, determination, and unwavering belief in oneself. Today, Torrie is a fleet manager for Enterprise and with a thriving career and a newfound sense of confidence, she embodies the resilience and determination of individuals who



refuse to be defined by their circumstances. In the past ten years, Torrie has doubled her income, improved her credit, and held her head up high knowing she is in the driver's seat to write her own story for her life. Torrie also attributes her success to the financial literacy class she took during the loan process. She says, "I started to believe I was worthy of nice things and held my head up high to pursue my goals with determination." Armed with a knowledge of credit, she was able to be financially self-sufficient by paying off all her bills and creating her own self-worth.

Torrie says, "I can be anything I want to be and now get from point A to point B without any issues." She says, "This is a program that works, and I truly think of *On the Road Lending* as family."

Income increases were impressive, some as much as

4x!

Wealth created on average
\$20k

Key findings from third party evaluation: the Carsey School of Policy Center for Impact Finance at the University of New Hampshire, randomized control trial of the On the Road Lending vehicle loan program between 2018-2020.

Shurun

10 Years of Credit Consciousness

Shurun was a determined single mom and sole supporter of her two children, and every day, she embarked on a challenging journey – an hour-long commute to work, each way, without a reliable car.

Shurun's old vehicle was plagued with mechanical issues and not gas efficient, leaving her stranded on numerous occasions and making her late for work. To make matters worse, her credit score was less than ideal, making it difficult to secure a loan for a more dependable car. Despite her hard work and dedication, Shurun found herself trapped in a cycle of high payments and financial insecurity.

Shurun heard about the On the Road Lending program through a co-worker and decided to take matters into her own hands. During the loan process with On the Road Lending, she became enrolled in the financial literacy class to become more financially savvy and understand the importance of credit management. With newfound credit awareness, Shurun was able to secure a loan for a new, reliable car that was more gas efficient with manageable payments. She felt a sense of pride and relief as she drove her children to school and herself to work without the fear of breakdowns or missed opportunities.

Shurun remained credit-conscious, diligently making her payments and managing her finances responsibly.

Her efforts paid off, and she even managed to pay off her car loan early – a testament to her commitment and perseverance.

However, just when things seemed to be looking up, Shurun suffered a stroke, leaving her unable to work and facing an uncertain future. But amidst the challenges, Shurun found solace in one unexpected blessing – her reliable car. Thanks to her smart choices and early loan payoff, Shurun was in a great position to weather the storm. With access to a reliable car, she could attend her doctor's appointments and therapy sessions without worrying about transportation. Her car became her lifeline, providing the support and stability she needed during a difficult time.

Looking back ten years later, what seemed like a burden – monthly car payments – turned out to be a blessing in disguise. Shurun's wise financial choices and credit consciousness allowed her to emerge from adversity stronger and more resilient than ever before.

She says, "This is an awesome program, and it definitely changed my life."

On average, our clients see an increase in credit score by

+157 Points

520 to 738

The majority experienced significant credit score gains including this 218-point jump.

Key findings from third party evaluation: the Carsey School of Policy Center for Impact Finance at the University of New Hampshire, randomized control trial of the On the Road Lending vehicle loan program between 2018-2020.

Shaylon

10 Years of Saving Time

In the aftermath of her divorce, Shaylon found herself navigating uncharted territory. Her ex-husband had taken the car, leaving her and her daughters stranded without reliable transportation.

With drained bank accounts and no down payment for a new vehicle, Shaylon found herself at a crossroads. Her job was over an hour away from her home, and public transportation like the bus was not available for her in the area she lived. She also struggled trying to find a decent used car online.

But amidst the chaos, On the Road Lending's life-changing loan program offered a lifeline in Shaylon's time of need. She was introduced to the program through a non-profit she was working with at the time. Determined to reclaim her independence, Shaylon saved every penny she could, scrimping and sacrificing for over three months to gather a down payment for a new car. Swallowing her pride, she opened up and asked for help, drawing strength from the support of friends and family.

Shaylon says, "Transportation was the glue that kept everything together in my life."

Having access to a reliable vehicle enabled Shaylon to get to work on time, ensuring financial stability for her children and paving the way for career advancement.

She could shuttle her girls to their after-school clubs and therapy sessions, providing them with the support and stability they needed during the tumult of divorce.

But the impact of Shaylon's car extended far beyond her daily routine; it allowed her to cut expenses by accessing affordable groceries and essential services, easing the burden of financial strain and enabling her family to thrive despite the challenges they faced. In Shaylon's life, her car became more than just a mode of transportation – it was a symbol of resilience, determination, and access. She said, "I didn't think a car would have that much influence in a person's life, but a car really does allow you to keep everything together!"

Shaylon's car connected the dots and illuminated the path to a brighter future. And as she looks back on her journey ten years later, Shaylon knows one thing for certain – her car has been so much more than just a means of getting from one place to another, it has been the catalyst for transformation.

Commute to work
12x faster
in just minutes
by car, instead of
4 hours on transit

People with a car have **more time** than those who use mass transit. OTR clients have seen their mass transit commute in the morning of 2 hours and 20 **reduced to 26 minutes** when gaining access to buying their own vehicle.

Key findings from third party evaluation: the Carsey School of Policy Center for Impact Finance at the University of New Hampshire, randomized control trial of the On the Road Lending vehicle loan program between 2018–2020.

CONFIDENCE

LIFE-CHANGING

SUCCESS

ACCEPTANCE

TRIUMPH

EMPOWERED

FREEDOM

CREDIT CONSCIOUS

INDEPENDENCE

JOURNEY

GRACE

"Life is good," she says. "On the Road Lending truly got us on the road to a better future. My kids and I made it. We made it through."

"This is an awesome program, and it definitely changed my life."

"I never felt like I deserved any of this, that I was not worthy to do something important," Jessica said. "After going through this program, my mind was opened to get more opportunities for my life. Having a car allows me to go anywhere whenever I want with my family, and I can pay for it now."

Torrie says, "I can be anything I want to be and now get from point A to point B without any issues." She says, "This is a program that works, and I truly think of On the Road Lending as family."

Shaylon says, "Transportation was the glue that kept everything together in my life."

"My car gave me pride and a connection to all of my hard work." Molita says, "I was at a very low point in my life and this program was well needed and changed by trajectory."

Jessica

10 Years of Safety

Jessica had endured unspeakable hardships; while living in a domestic violence shelter, her spirit had dimmed by shadows of abuse and despair. With no driver's license and no credit to her name, Jessica felt her dreams of a better life were obscured by her circumstances. Jessica was referred to On the Road Lending through the shelter and she embarked on a journey towards liberation.

Determined to seize control of her destiny, Jessica set out to obtain her driver's license, an essential step towards reclaiming her independence. With the help of dedicated mentors and supporters, she studied diligently, overcoming her fears and doubts.

As Jessica embraced her newfound independence, she discovered the power of financial freedom. With a reliable car at her disposal, she could go anywhere she wanted, work harder, and earn more money. She said, "Things keep getting better and better because you have a car."

But, the impact of Jessica's newfound freedom extended far beyond the realm of transportation. With more time on her hands, she could work longer hours, pursue better job opportunities, and strive towards her dream of owning a house one day. The car became not just a mode of transportation, but a symbol of Jessica's determination to carve out a better future for herself.

Ten years later, Jessica now owns a house and a farm and enjoys her quiet life with her new husband and two children.

80%
said they feel
healthier because
of their vehicle.

"I never felt like I deserved any of this, that I was not worthy to do something important," Jessica said. "After going through this program, my mind was opened to get more opportunities for my life. Having a car allows me to go anywhere whenever I want with my family, and I can pay for it now."

For Jessica, the freedom she gained through On the Road Lending reminded her that she could overcome any obstacle in pursuit of a better life.

Key findings from third party evaluation: the Carsey School of Policy Center for Impact Finance at the University of New Hampshire, randomized control trial of the On the Road Lending vehicle loan program between 2018-2020.

Molita

10 Years of Educational Opportunities

Molita was living in a shelter and was consumed by guilt, believing she was taking up space that could be better utilized by someone else. Little did she know, her journey was about to take a turn. Molita was introduced to On the Road Lending through a contact at the shelter, and through the program, she embarked on a journey of empowerment and independence, guided by the steady hand of financial coaching.

Molita did not want to be a victim of her circumstances any longer. She devoured every piece of advice and insight offered by her mentors, learning to navigate finance with confidence. She would no longer allow herself to be taken advantage of and she felt empowered to control her own future.

With the keys to her new car in hand, Molita felt a surge of pride and accomplishment. Her car was more than a mode of transportation – it was the freedom to a better life. Over the past ten years, Molita took bold steps towards her dreams. She pursued a bachelor’s degree in criminal justice, fueled by a desire to make a difference in the world. And now, with her sights set on a master’s degree in social work, Molita’s journey to empowerment continues.

She reflects on how far she has come, saying, “My car gave me pride and a connection to all of my hard work.” Molita says, “I was at a very low point in my life and this program was well needed and changed by trajectory.”

Now Molita is six classes away from her master’s degree, and still finds time to spend with her ten grandchildren. In 2020, she was able to buy a brand-new car with a low interest rate because of her improved credit. Molita has also started a new business that provides case management for criminal justice cases and plans to provide counseling to others once she obtains her master’s degree. Molita is proud of herself for daring to pursue her dreams and for gaining the independence she wanted in her life.

“People with a car can access more educational opportunities.”

1200

families with an average cost savings of \$20,000 per loan/family resulted in almost...

\$25 million

in cost savings for working families

100%

said their children’s lives were better because of their vehicle.

9.6

is the average score on a scale of 0–10 for helping them feel more in control of their lives because of their vehicle

“Young adults who were carless growing up completed less education than their matched peers who always had access to a car.”

Key findings from third party evaluation: the Carsey School of Policy Center for Impact Finance at the University of New Hampshire, randomized control trial of the On the Road Lending vehicle loan program between 2018–2020.

Carolyn

Reduced carbon emissions of

30%

Save over
56,000
gallons of gas
each year by getting clients
into a more fuel-efficient car

10 Years of Fuel Efficiency

Carolyn had a high-mileage Mazda deemed unsafe by her mechanic—whom she saw far too often. With an unreliable car, getting to her job at an area hospital and raising her three children were constant struggles.

After On the Road Lending got Carolyn into a reliable, fuel-efficient car, she had the time and energy to look at some new possibilities for her family. First, she completed her associate's degree, and next she graduated from a training program to be a minister at Potter's House. Carolyn was used to helping people, not people helping her.

"Life is good," she says. "On the Road Lending truly got us on the road to a better future. My kids and I made it. We made it through."

Ten years later, Carolyn has started her own life coaching business called "Destined to Win" and is providing the tools people need to win, whether in faith, family, fitness, finance or business. Carolyn knows the grace she received during the most difficult part of the journey is how she can help other people learn about their own life purpose and make a difference in the lives of others.



Key findings from third party evaluation: the Carsey School of Policy Center for Impact Finance at the University of New Hampshire, randomized control trial of the On the Road Lending vehicle loan program between 2018–2020.

ON THE ROAD LENDING

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