



IN HIGH GEAR

2018 ANNUAL REPORT

ON THE ROAD LENDING
OTR FUND I, LLC.





LETTER FROM OUR **FOUNDER**

HOW DO YOU SHIFT INTO HIGH GEAR?

With cars, many complex parts need to be in place and operating together in harmony and balance to generate the torque to get you moving. At first it's slow going, but, when the moment is right, you give it some gas and shift into high gear. From there it's smooth sailing!

With businesses, it's not so different. For the last few years, we have been tuning the gears at On the Road Lending and making sure all of the parts were in place. We've been building our infrastructure, perfecting our programs, and securing new partners. In 2018, we started gaining traction and securing the fuel for serious growth.

We will soon announce a \$10 million partnership with a major investment bank, which will give us the ability to shift into high gear! This will provide the capital we need to expand not only across Texas but also into new markets across the southeastern United States. We're also pleased that the Rebuild Texas Fund is investing another \$1.5 million on top of an earlier commitment of \$550,000 to support our ongoing work getting the victims of Hurricane Harvey back into cars and on the road to recovery. J.P. Morgan is another important source of our momentum, having provided grant and investment dollars as well as technical assistance totaling more than \$1 million over two years.

Now's the time for On the Road Lending. We're in high gear and heading into new territory. We're making a positive impact by lifting individuals from poverty, strengthening families and building communities across Texas and in high-need areas of the Southeast—with much more to come. Thank you for being a part of this exhilarating journey!

Michelle Corson

On the Road Lending Founder and CEO / Loan Fund Entities Managing Director



LETTER FROM OUR
BOARD CHAIRMAN

My involvement with On The Road Lending began in 2014 as a result of a search to identify an emerging nonprofit where I could add significant value as an impact investor. I was seeking an organization with a mission of transforming the lives of modest-income people, especially women and girls. I thought if I could also find one that created an innovative and inspiring model for philanthropy, then I would consider my findings perfect!

When I learned about On the Road Lending, my quest to find all of these attributes in one organization was fulfilled.

On the Road Lending is impact investing at its best. It is a perfect example of how a “hand up” can offer lifelong benefits, much more than a “hand out.” On the Road Lending’s direct transformation of client lives is powerful and clear, providing access to better jobs, safer neighborhoods, more educational opportunities, healthier food and more. Our clients also avoid predatory lenders who sell over-priced clunker cars that pollute and break down.

In just a few years, I’ve seen On the Road Lending evolve from a startup to a sustainable, two-fold organization ready to scale beyond Texas with the help of a visionary founder and significant partners. The nonprofit side embraces our clients with coaching, encouragement and other social services. Donors to the nonprofit can be confident their financial support is used as intended and yields measurable societal benefits. The OTR Fund I, LLC provides capital to fulfill the mission while also assuring investors that the fund is disciplined, transparent and laser-focused on its role as a certified Community Development Financial Institution.

I’m proud to be a part of this transformative organization and hope that the accomplishments of the past year encourage more investors and donors to support this unique, worthy mission.

Cynthia Pharr-Lee
Chairman of the Board / OTR Fund I, LLC



IMPACT

MAINTAINING EMPLOYMENT

Carl is exactly the kind of person we had in mind when we created our Keys to Empowering Yourself (KEY) Program. He had provided for his family with his own lawn care and moving business. He took out an auto title loan on his truck to build his credit, but the truck broke down. When the truck was repossessed, it hurt his credit and sent his family into severe financial distress. He had to sell all of his lawn equipment just to pay his bills. With the help of BridgeBuilders, a faith-based charitable organization, Carl got a job as a steelworker, but bought a cash car that was falling apart.

Like all of our KEY Program clients, Carl was not a candidate for traditional financing or our Mobility Program. The vehicles in our KEY Program are slightly older than in our Mobility Program, and the loan term is only 12 months. At the end of the 12-month period, another KEY client goes into the vehicle, and the first client graduates to a newer car.

We were able to help Carl get an AirCheck Texas voucher, reducing his purchase price by \$3,000. We helped him understand that purchasing a 2015 Nissan Altima was a better decision than an SUV. Carl is now building credit and assets. He has never been late on a payment!



IMPACT GAINING INDEPENDENCE

Kela is a divorced mother of two who was referred to us by Catholic Charities. She had a job with Bell Helicopter and a reliable car when tragedy struck. Within just a few months, she lost three close family members, including her mother, who was killed in a hit-and-run with an 18-wheeler near her home in New Mexico.

Kela used her savings for her mother's cremation, and, while she was in New Mexico to settle her mother's affairs, an uninsured motorist who was texting and driving hit her car and totaled it. When she returned to Fort Worth, she was laid off from her job.

Catholic Charities helped Kela by finding her an older, high-mileage vehicle so she could look for work and get her busy kids to school and activities. When that car began to break down—it had 300,000 miles on it—she found On the Road Lending. Now with a reliable car, and a steady job, Kela is starting her own business and repairing her finances. Her main focus is her two children.

“They're my precious jewels!” she says.



IMPACT

RECOVERING FROM DISASTER

Jalicia is a 30-year-old single mother who lost everything in Hurricane Harvey—and then lost a second car in Tropical Storm Gordon! After living in shelters in the Houston and Dallas areas, she was finally back in Port Arthur with an apartment, a car and a job. Then came Gordon on Labor Day weekend of 2018. Jalicia’s car was in the parking lot of her apartment complex and was totaled in the flood.

Again she was desperately in need of a car to get back to work and was approved for a loan through a dealership. However, with weak credit, the interest rate was high, making every payment a struggle. She reached out to one of our partner agencies, Endeavors, which provides continued assistance after Hurricane Harvey, and was referred to On the Road Lending.

So far we have worked with nearly 400 families and put over 100 people into cars following the floods in South Texas—and the work continues.

“My falls in life have made me a better person in helping me to learn,” she says. “Overcoming obstacles and being able to persevere are indeed true blessings. I am determined to continue to overcome the impacts of Hurricane Harvey and Tropical Storm Gordon. I still face hardships in my life, but I will not let the fear stop me.”



IMPACT STRENGTHENING FAMILIES

Trey grew up in a home that he says taught him unacceptable behavior was acceptable. His mom died when he was only 15, and he went from being an honor-roll student to being a homeless dropout selling drugs to survive. He ended up in the Texas juvenile justice system and later prison. In 2011 he was sentenced to eight years in prison and eventually ended up in high security, removed from the general prison population and in seclusion 23 hours a day.

“It was at the end of that year in seclusion that I began to change my life,” Trey says. “I started taking college courses and learned to weld. From there, I was accepted into the prison entrepreneurship program.”

“That program completely changed my life,” he says. “I was given a special review in January of 2018 by the parole board and was released. I went to work six days later. Within a few weeks I had a driver’s license and a bank account, and within 30 days I had saved over \$1,000.”

Trey now has a vision of success for himself—and it includes a loan for a reliable car through On the Road Lending! “I want to be the father that my son deserves,” Trey says.



IMPACT

BUILDING PARTNERSHIPS

Goodwill Industries is one of our growing community partnerships, providing contacts and referrals in new locations as we expand. As a leading provider of employment for people with disabilities and other hard-to-employ persons, Goodwill shares our mission to help vulnerable people achieve economic mobility and financial inclusion. Founded in 1902 in Boston, Goodwill has a long-term presence in communities characterized by poverty across the country. Our first Goodwill partnership was in Dallas. As we have expanded beyond North Texas, Goodwill organizations across Texas and in Mississippi have become ambassadors for our work as we get to know communities and their unique needs. We are proud of this partnership and look forward to changing many lives together!



IMPACT BEATING POVERTY

Mississippi has constantly struggled with poverty issues, hovering at and around the number one poverty rate in the nation. We currently have the highest level of poverty for women in the U.S. and more than 78,000 households in Mississippi headed by women are living below the federal poverty line. About 75% of Mississippi children who live in poverty live in such a household.

Transportation barriers pose a major problem for people throughout Mississippi. Without personal transportation or strong mass transit options, access to jobs, health care, child care and schools, banking, and even healthy food is compromised. This lack of access perpetuates the cycle of poverty.

We welcome On the Road Lending initiatives to Mississippi, not only because they provide citizens with a way to access affordable personal transportation options, but also because of the financial education provided, which will keep them in their cars and give them a chance to achieve economic mobility and financial inclusion. Financial education is the key to empowering individuals to break the chains of poverty. I look forward to a long and growing partnership with On the Road Lending.

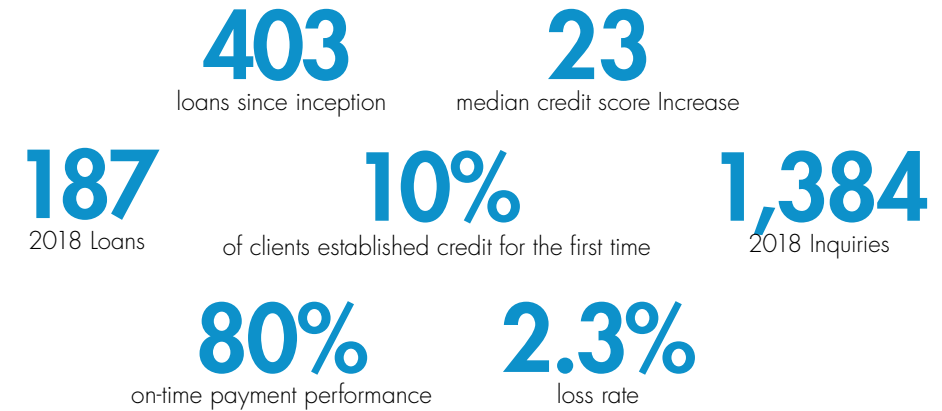
–Lynn Fitch, Treasurer, State of Mississippi



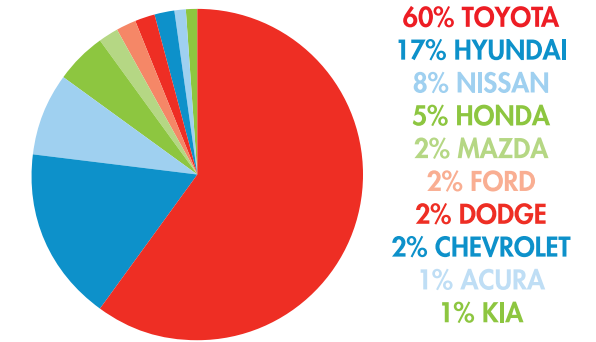
2018 METRICS



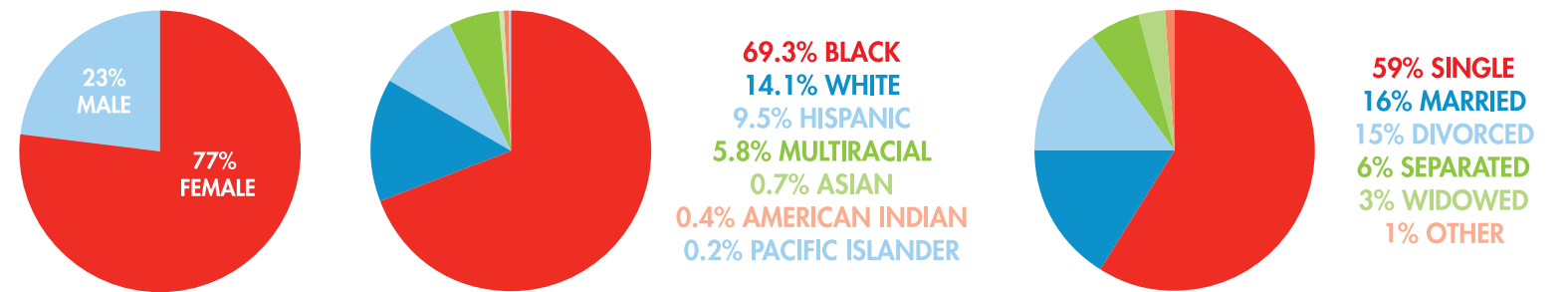
OUR RESULTS



OUR CARS



OUR CLIENTS

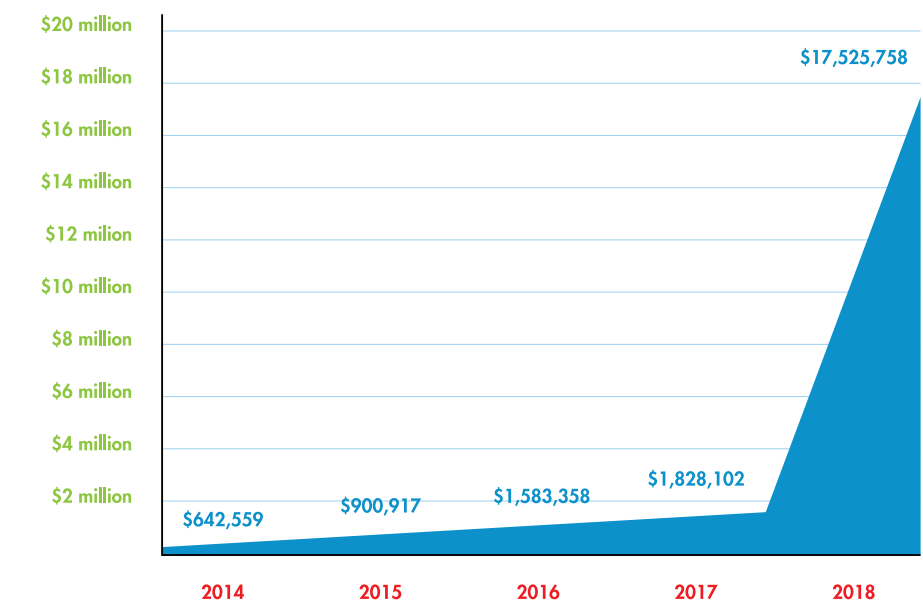




2018 FINANCIALS



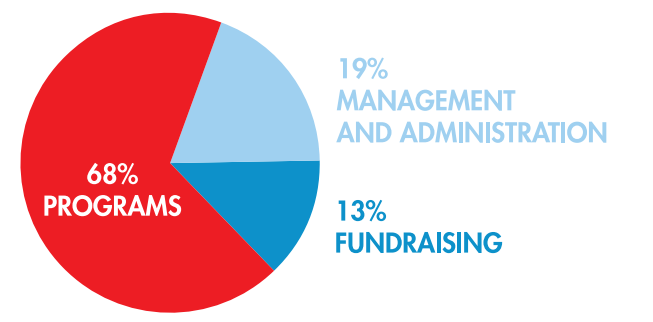
COMMITTED CAPITAL OTR FUND I



ON THE ROAD LENDING FINANCIALS

\$840 K assets
\$1.841 MM revenue
\$1.452 MM expenses

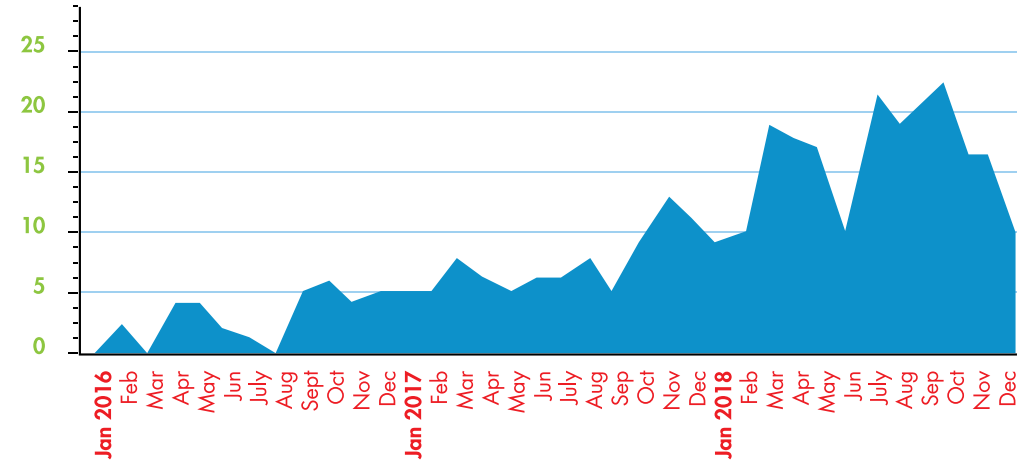
ON THE ROAD LENDING EXPENSES



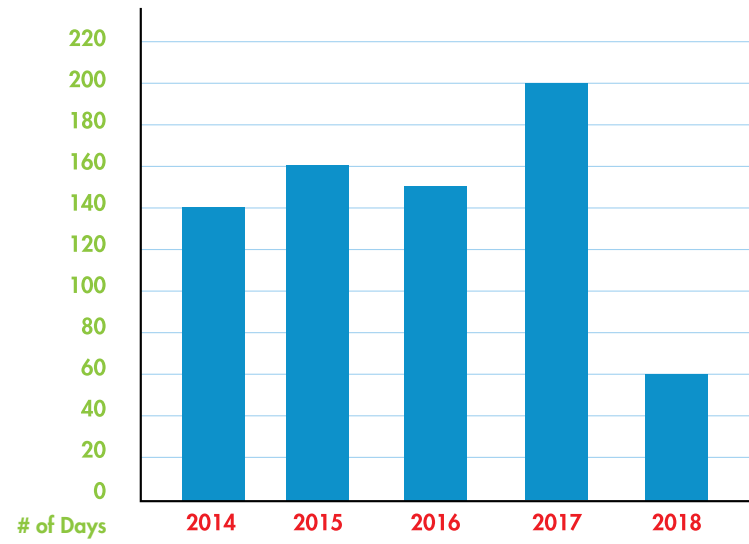


2018 PERFORMANCE

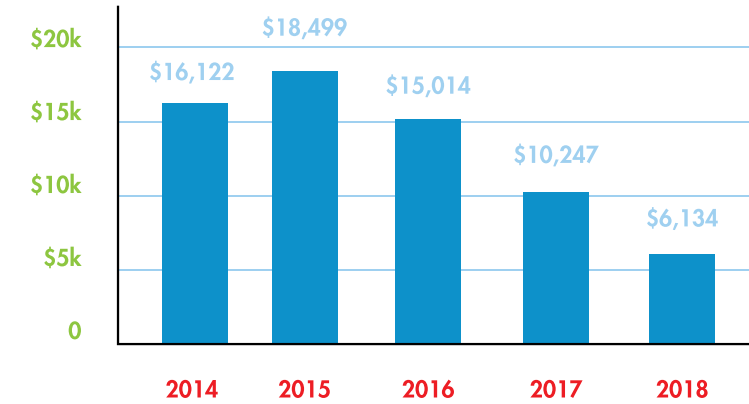
PACE OF DELIVERIES

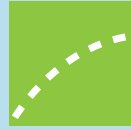


REDUCING TIME TO DELIVERY



REDUCING COSTS TO SERVE CLIENTS





OUR TEAM



MICHELLE CORSON
Founder/CEO

Michelle raises capital, sets strategic vision, and guides expansion activities. She is also Managing Director of our loan funds.



MARY BURNETT
COO

Mary oversees our coaching and underwriting team, manages dealer relationships, and ensures clients get through the program successfully.



KRISTEN PETRICOLA
Client Coach/Underwriter

Kristen evaluates clients' readiness for loans, provides financial mentorship, and guides them through the program requirements.



KAREN WOODCOCK
Client Coach/Underwriter

Karen evaluates clients' readiness for loans, provides financial mentorship, and guides them through the program requirements.



NICK STANUTZ
VP Finance & Administration

Nick manages our compliance, finance and investor relations functions and enhances operational efficiency.



BONNIE THOMAS
Portfolio Manager/Closing Coordinator

Bonnie assists clients with deliveries, manages loan origination documents, helps with warranty service requests, and oversees vehicle valuations.



MOLLY BURNS
Bilingual Intake Coordinator

Molly onboards clients, provides client portal guidance, logs payments, tracks insurance, and assists with servicing.



BILL LONG
Servicing Director

Bill helps our clients post-loan to meet their payment obligations and sets them up with intensive coaching as needed.



SHAYLON SCOTT
Regional Director–North Texas

Shaylon manages our partner relationships in North Texas and identifies clients in need.



LUCRETIA JELKS
Regional Director–South Texas

Lucretia manages our partner relationships in South Texas and identifies clients in need.



SARAH MILLER
Social Media Manager

Sarah writes blogs, coordinates photography, and manages social media activities.



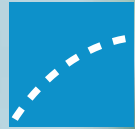
LAUREN CHRISTENSEN
Marketing Consultant

Lauren provides branding, graphic design, and marketing expertise.



SALLY GIDDENS STEPHENSON
Marketing Consultant

Sally provides brand management, writing, and marketing expertise.



OUR LEADERSHIP



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 Penny King, Community Development Officer, Bank OZK

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Trish Houck & Dr. Lyssa Jenkins	Thomas Heritage Foundation
Albert Huddleston	United States Treasury CDFI Fund*
Inwood National Bank	Abby & Todd Williams
JPMorgan Chase Foundation*	Thomas Heritage Foundation
Heather Koopman	Abby & Todd Williams
Melody & Lane Kramer	
Cynthia Pharr-Lee & Herb Lee	

*grants

**JOIN US AND HELP GET WORKING FAMILIES
ON THE ROAD TO BETTER LIVES.**

Learn more at ontheroadlending.org.



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