



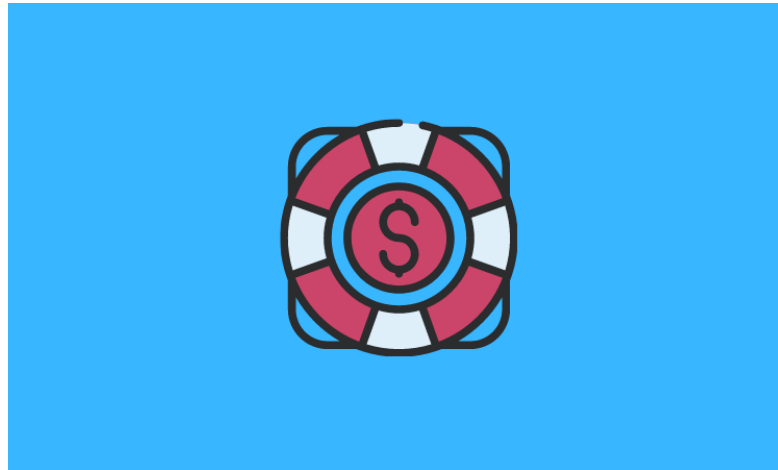
MEMBER EXCLUSIVE, NEW BANKS

Referring struggling customers to get help, banks report improved repayments

M&T Bank joins Capital One, BMO Harris with SpringFour partnership.

SpringFour partners reported increased repayment, improved customer service and increased demand for financial help resources.

SHEHZIL ZAHID | APRIL 27, 2021



M&T customers have a new resource at their disposal that's designed to help them with their financial health — and M&T Bank might get something out of it, too.

In early April, M&T Bank partnered with SpringFour, a social impact fintech. Under the partnership, M&T customers struggling with their finances gain access to SpringFour's vetted database of more than 20,000 local, government and nonprofit resources in 575 cities across the US. The service comes at no cost to customers and it's available via mobile app and website, as is the case with most of SpringFour's partners.

With the partnership, M&T may also anticipate an improvement in repayment rates, considering current SpringFour partners have reported increased repayment rates, improved customer service and increased demand for similar resources.

SpringFour currently has about 50 partnerships with nonprofit organizations, lenders and banks, including Capital One and BMO Harris Bank. While the M&T partnership is new, if SpringFour's results with past partnerships are any indication, M&T Bank can anticipate an improvement in loan, credit and mortgage repayments, as was the case with US Bank. The bank reported that customers who received SpringFour referrals were 10% more likely to remain current on their mortgage. They were also more than twice as likely to engage in foreclosure prevention activities.

When SpringFour and BMO Harris first partnered in 2018, BMO Harris agents began to refer distressed customers to SpringFour.

"The partnership was born out of the realization that if a customer is past due on their loan, it's not because they don't want to pay," says Ben Schack, head of US digital partnerships at BMO Harris Bank. "It's an indication of a broader struggle."

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Schack believes that giving customers access to resources is a win-win for banks and customers. In April 2020, SpringFour and BMO Harris conducted a joint study over a six-month period. The study showed a 'credit loss benefit of \$630 per customer who received SpringFour referrals versus the total BMO portfolio.'

"Customers who accept SpringFour referrals are measurably more likely to stay current on their loans and avoid charged-off balances," says Schack. "It more than pays for itself and we were also able to improve customer experience along the way."

Schack reports that in a lot of cases, customers call back to say thank you, follow up on conversations with the collections team and make it a point to talk about the help they received from agents. It's not surprising, then, that in the same study, 90% of BMO Harris agents reported that SpringFour helps them provide better customer experiences and improve employee retention.

Since COVID-19, SpringFour has delivered more than 2.7 million financial assistance resources to Americans. Close to

Referring struggling customers to get help, banks report improved repayments – Tearsheet

Since COVID-19, SpringFour has delivered more than 3.7 million financial assistance resources to Americans. Close to half of these referrals were for COVID-19-specific resources. Schack says that during COVID-19, BMO Harris saw a huge uptick in SpringFour referrals, with a 500% increase in the use of the service in April 2020, compared to April 2019.

Another SpringFour partner, Self Financial, a fintech that provides credit builder loans, also reported a huge uptick, with 800,000 SpringFour referrals in 2020, since the pandemic began. Additionally, close to 85,000 referrals came in April 2020 — the highest for Self in any given month at the time. For context, Self has 1 million active customers.

Brett Billick, CMO of Self, reported that 250,000 people used the SpringFour platform in Q1 of this year alone — demonstrating that even though there's an end in sight with the pandemic, there is still an overwhelming demand for information and access to local nonprofits to improve financial health.

More than that, people appear to want this information from their banks and financial institutions. A SpringFour survey revealed that almost 60% of respondents were interested in receiving information on additional financial resources from their banks and credit card issuers.

Nate Tsang, CEO and founder of WallStreetZen, a stock market analysis site and tool, says these partnerships are essential for building consumer trust because some customers tend to see financial services as predatory rather than beneficial. Moreover, an Accenture report found that consumer faith in banks had declined in recent years — only 29% of respondents trusted their banks to look after their long-term financial wellbeing, compared to 43% two years ago.

“Getting customers to use and understand these services is worth the investment from both a PR standpoint and in getting the customers to better financial health, which is what any sensible bank wants,” says Tsang.

Rochelle Gorey, CEO of SpringFour, says that in recent times, it's become even more necessary for banks to take an interest in their customers' financial health.

“Since Covid hit, it showed the majority of us are a day away from a catastrophic financial emergency,” says Gorey. “We're really excited to see that we've moved into a time in our history that people recognize what financial health is and what we can do to improve it.”

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