

New Study Shows Persistent Credit Myths Contribute to Hardworking Americans' Limited Access to Affordable Credit

While half of Americans said they rely on credit cards to make it through the month, many lack a basic understanding of how to build, use, or maintain good credit

SAN CARLOS, Calif., Oct. 18, 2021 (GLOBE NEWSWIRE) -- Oportun (Nasdaq:OPRT), an A.I.-driven financial services and technology company that provides hardworking people with access to responsible and affordable loans, today shared the results of a new survey that found while many Americans depend on credit cards as a critical financial tool, a limited understanding of how to properly obtain and manage cards could impede their access to more affordable credit options.

This is particularly troubling as hardworking people, forced to rely on expensive credit card products because of poor or insufficient credit histories, often pay more in interest and fees than other Americans. In fact, according to the Financial Health Network's [2021 FinHealth Spend report](#), financially coping and vulnerable households spent an estimated \$90.5 billion on fees and interest – or 87% of the total market – for general purpose credit cards in 2020.

The new survey data from OnePoll, collected on behalf of Oportun, uncovered several behaviors that are likely contributing to this uneven burden and limiting people's ability to build credit, unlock more affordable credit options, and enter the financial mainstream:

- Those with credit cards have taken an average of two cash advances, which is likely to pull their score down;
- Nearly a quarter (24%) of those with credit cards admitted they paid less than the minimum amount due or made no payment at all, and 43% only paid the minimum amount due;
- Thirty-nine percent (39%) of people with credit cards regularly use more than 30% of their available credit line;
- More than two in five have difficulty keeping track of the credit cards that they hold (44%) and a similar amount admit that they're so much in debt that they don't even know where to begin to pay it off (41%).

Unfortunately, despite 54% saying they are confident in knowing how to build their credit, the survey showed that people still regularly fall victim to persistent credit myths such as:

- Any debt is bad debt (35%);
- Checking your credit report will lower your credit score (24%);
- Paying off debt erases negative history (late payments, missed payments, etc.) (21%);

- Credit scores are the only thing that lenders consider (21%);
- Closing a credit card will increase your credit score (18%).

“For consumers with no credit scores or who have been mis-scored by the major bureaus, establishing good credit is often an expensive proposition,” said Matt Jenkins, COO of Oportun and GM of its personal loan business. “Furthermore, a lack of understanding about how credit works too often creates situations that do even more damage to consumer’s financial health. The good news is that some lenders now use artificial intelligence and alternative data to assess the true creditworthiness of hardworking people so they can extend them affordable and responsible credit that helps them onto a path to the financial mainstream.”

In August 2021, Oportun launched the Oportun® Visa® Credit Card after a successful pilot that now counts more than 75,000 customers. Unlike other card products that are available to financially responsible people with limited or no traditional credit history, the Oportun card is unsecured and offers starting credit lines of up to \$1,000. The Oportun card builds on the company’s success in providing affordable credit to people outside of the financial mainstream to offer on demand funds and the ability to build credit faster.

Since its founding, Oportun has successfully provided more than 4.3 million loans and \$10.5 billion in credit, primarily in small dollar loans, savings its customers more than \$1.9 billion in interest and fees when compared to other options typically available to people with little or no credit history. By reporting repayment performance to the major credit bureaus, the company has also helped more than 925,000 people begin to establish a credit history.

The OnePoll survey polled more than 2,000 people with poor, no, or unknown credit. For additional data, please contact Oportun directly at communications@oportun.com. For more information on the Oportun® Visa® Credit Card, please visit <https://oportun.com/whatweoffer/creditcards/>.

About Oportun

Oportun (Nasdaq: OPRT) is a financial services company that leverages its digital platform to provide responsible consumer credit to hardworking people. Using A.I.-driven models that are built on 15 years of proprietary customer insights and billions of unique data points, Oportun has extended more than 4 million loans and over \$10 billion in affordable credit, providing its customers with alternatives to payday and auto title loans. In recognition of its responsibly designed products which help consumers build their credit history, Oportun has been certified as a Community Development Financial Institution (CDFI) since 2009.

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Source: Oportun Financial Corporation