



# Erasing student loan debt, one dollar at a time

ChangEd helps users repay loans faster through better financial connectivity

by Nell Malone

*As student loan debt soars to a record \$1.6 trillion, millions of Americans are delaying life milestones.*

## CHANGED

# 30%

ChangEd users who link their financial accounts with Plaid become paying customers at a 30% higher rate than those who choose microdeposits.

Student loan debt has become the second-highest consumer-debt category in America, surpassed only by mortgage debt. Among the 45 million Americans who carry student loans, many are delaying milestones such as buying a house, getting married, and starting a family.

ChangEd is an app that lets users pay off student loans faster, thereby saving them thousands of dollars in interest fees. By rounding up purchases to the nearest dollar and putting that money toward repaying student loans, they help borrowers make additional, budget-friendly payments. That gives them more financial freedom to spend on the things that matter most.

“We’re helping people pay back loans in a way that’s budget-friendly and doesn’t necessarily force borrowers to change their day-to-day behavior,” explained ChangEd Co-Founder Nick Sky.

In addition to rounding up purchases, ChangEd allows users to track their loan repayment progress, make extra payments on demand, and offer loved ones the opportunity to contribute to their loans. For those functionalities, they rely on Plaid.

### A time for change

For Dan Stelmach, Sky’s brother and Co-Founder, the impetus to start ChangEd was personal. Buried in student loan debt, he realized he couldn’t afford to purchase a house on top of his \$1,000 monthly student loan payments. That’s when he realized student loan debt was holding him — and many of his peers — back.

ChangEd launched its initial beta iOS app in 2017 with the goal of making student loan debt repayment easy and pain-free. While their mission was important, the brothers soon realized that their technology was not up to snuff.

“When we originally launched, we were having users manually enter their loan information. They could only link one loan, and they weren’t always linking with the right data,” said Sky.

**“In terms of connecting customer bank accounts, linking their student loans, and rounding up their purchases—we couldn’t do those things without Plaid.”**

**NICK SKY,**  
Co-Founder, ChangEd

**“The quality of data we can send back to users is much better with Plaid.”**

**NICK SKY,**  
Co-Founder, ChangEd

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# 2d

ChangEd users who link their financial accounts with Plaid complete the onboarding process 2 full days faster than those who choose microdeposits.

Partnering with Plaid enables ChangEd to:

- Connect to a user’s student loan accounts to track progress and make payments
- Connect to a user’s bank account to make payments
- Receive real-time transactions data to round up user purchases

To get started, users simply select their financial institution from a list, then enter the username and password associated with the account. Plaid connects to more than 10,000 US banks and credit unions, as well as more than 90% of US student loan servicers.

As a result, the vast majority of ChangEd users can verify their accounts and get started paying down their loans in a matter of seconds.

“Through our platform, many users have completely paid off their student loans,” said Sky. “They’ve been able to boost their credit scores, savings, and 401(k) contributions. Many have been able to buy a home.”

### **Boosting conversions via fast connections**

Today, ChangEd manages more than \$2 billion in student loans and has made more than \$78 million in student loan payments. The company thrives by helping borrowers save up to 40% over the life of their loan, depending on how many additional repayments they make.

Perhaps for this reason, they saw their paying user base grow by 200% in 2019.

The benefits of partnering with Plaid also extend to ChangEd’s bottom line. Their onboarding process used to take 2-4 days; with Plaid, it takes a matter of seconds. Because users don’t have to deal with microdeposits or manually entering their account and routing numbers, they now become paying customers at a 30% higher rate.

#### RESULTS WITH PLAID

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**30%** Increase in onboarding conversion rate

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**200%** Increase in paying users in 2019

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**300%** Increase in revenue in 2019

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**“Through our platform, many users have completely paid off their student loans.”**

**NICK SKY,**  
*Co-Founder, ChangEd*

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# 200%

In the year after they partnered with Plaid, ChangEd saw their number of paying users increase by 200%.

The ability to get the full picture of a user's debt situation allows ChangEd to make personalized recommendations on which loans to pay down first, and by how much. For example, if ChangEd transfers \$5.43 out of a user's checking account and puts it toward a loan with 6.8% interest, they notify the user that the transfer is actually worth \$7.28 over the life of the loan.

“The quality of the data we can send to users is much better with Plaid, because Plaid lets us pull that information directly from the servicer,” said Sky.

### **Innovation fuels growth**

By providing innovative services and a superior user experience, ChangEd is helping more borrowers eliminate their student loan debt and reach new financial milestones. Their revenue grew by 300% in 2019, and that has fueled some new offerings.

The company is now developing a white-label enterprise product that will allow financial institutions to offer ChangEd services to their customers. Through it all, they credit Plaid with enabling swift and secure connectivity.

“Plaid is essential to what we do,” said Sky. “In terms of connecting customer bank accounts, linking their student loans, and rounding up their purchases—we couldn't do those things without Plaid.”

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Plaid is a technology platform and data network that enables applications to connect with users' financial accounts. We focus on lowering the barriers to entry in financial services by making it easier and safer to use financial data. Today, we support developers across North America and Europe.