



A better way to verify income

Purpose Financial can issue more loans faster when applicants verify their income using Plaid



4x

With Plaid, Purpose increased their bank coverage 4x compared to their previous solution.

“The fast connection with Plaid keeps more people in our application flow and allows some borrowers to receive funds within minutes of verifying their income.”

NATHAN WIGGINS,
Director of Technology and Innovation, Purpose Financial

Challenge

Purpose Financial needed a fast, robust, and user-friendly income verification tool—and they needed it in 90 days.

Solution

With Plaid, Purpose was up and running with Assets + Bank Income in just 33 days.

Results with Plaid

Purpose Financial reports the following results with Plaid:

33 days	Purpose launched Plaid in just 33 days
4x	With Plaid, Purpose increased their bank coverage 4x compared to their previous solution
38%	Loan applicants choose instant verification 38% more often with Plaid than they did with the previous solution
71%	Purpose reports a 71% lift in the number of customers able to instantly verify their income since switching to Plaid

In September of 2021, Purpose Financial suddenly found themselves in search of a new instant income verification tool for their brand Advance America. Not only was their current tool slow, causing many would-be borrowers to drop out of the loan application flow, its provider was sunseting the product. Purpose had just 90 days to find a new solution.

Given that Advance America is one of the largest providers of personalized financial services in the US, this was no small detail. Since 1997, the company has issued more than 134 million loans, including payday loans, online loans, installment loans, title loans, and personal lines of credit.

With thousands of new loan applications streaming in each month, Advance America needed to make the income verification step fast and easy to avoid losing customers.

That’s when they turned to Plaid.

PLAID PRODUCTS

- [Assets](#)
- [Bank Income](#)
- [Document Income](#)

38%

Loan applicants choose instant verification 38% more often with Plaid than they did with the previous solution.

“More people recognize and trust the Plaid name. They’ve used it to connect their bank accounts to other apps and services, so they know how it works and that their bank connection and data will be secure.”

NATHAN WIGGINS,
*Director of Technology
and Innovation, Purpose
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With Plaid, applicants can instantly verify their income upon submitting an online loan application with Advance America. To do so, they simply select their financial institution from a list and enter the username and password for the associated account. Plaid now connects to more than 12,000 financial institutions—often in a matter of seconds.

Switching to Plaid has delivered impressive results for Advance America and their customers, particularly when it comes to speed. With Plaid, applicants can get seamless real-time verification of their income in just 11 seconds on average. This is a big upgrade compared to the manual upload and review process which can take up to 24-hours. With seamless real-time verification of income, customers can go through the entire application, verification approval, and get funded in less than three minutes—greatly reducing the stress of uncertainty.

“The higher the friction, the higher the drop-off,” explains Nathan Wiggins, Director of Technology and Innovation at Purpose Financial. “The fast connection with Plaid keeps more people in our application flow and allows some borrowers to receive funds within minutes of verifying their income.”

Bank coverage is more robust as well. According to Wiggins, Plaid's network of banks and financial institutions is nearly 4x larger than that of the previous solution, allowing more people to connect the easy way. In fact, since switching to Plaid, Purpose has seen a 71% lift in the number of customers able to instantly verify their income.

Finally, higher consumer trust in Plaid has helped boost the adoption rate amongst those attempting instant verification, according to Wiggins. Today, applicants choose instant verification 38% more often than they did previously.

“More people recognize and trust the Plaid name. They’ve used it to connect their bank accounts to other apps and services, so they know how it works and that their bank connection and data will be secure,” says Wiggins.

These improvements in speed, bank coverage, and consumer trust have enabled Purpose to greenlight more loans. As the bank income verification process is completely automated with Plaid, the entire end to end process can take place online 24x7x365, meeting the customer where they are no matter what day of the week or time of day. In fact, 99.8% of applicants who verify their income using Plaid are approved, as compared to 78% for those who use the manual process.

“This single stat encapsulates the immense value Plaid brings us and our customers,” says Wiggins.

71%

Purpose reports a 71% lift in the number of customers able to instantly verify their income since switching to Plaid.

“We’re putting borrowers on a path to better. We see this as a paradigm shift in the way we do business, and Plaid will play a big role in our transformation.”

NATHAN WIGGINS,
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Up and running in 33 days

Once the 90-day countdown began, time was of the essence. The way Wiggins saw it, three months wasn’t much time to decommission a solution, then contract and integrate a new one.

Moreover, if Purpose missed the time window, every applicant would be forced to use the manual income verification method until the new solution went live, potentially costing the company millions in lost revenue.

At that time, Plaid was beta testing Assets + Bank Income, an API endpoint that automates income verification for most US workers, saving lenders the hassle of manually reviewing uploaded documents. When Wiggins contacted Plaid and explained the situation, Plaid committed to shipping the solution within the given time frame. In the end, it took only 33 business days from the first meeting until the solution went live.

“It was a challenge to get it done so quickly, but the Plaid implementation team did everything they could to make the process as fluid and fast as possible,” says Wiggins.

Before the deal was even inked, he explains, Plaid was parallelizing the development of technical requirements while Purpose worked through their vendor management needs.

“Plaid helped expedite implementation by fast-tracking legal edits to the MSA, attending our weekly scrums, and providing great API docs and GitHub sample projects,” says Wiggins. “All in all, they provided the right resources to ensure a fast and successful implementation.”

A path to better

Today, lenders use financial data in myriad ways to do things like increase revenue, reduce risk, and optimize processes. Given the success of this limited Plaid use case, Purpose intends to expand their usage of financial data in the near future. For one, they plan to roll out Plaid at Perch Loans, another of their brands that currently relies on suboptimal income verification methods.

“Plaid has provided solid uptime and no technical issues to speak of, so it’s a perfect fit to move over to Perch,” says Wiggins.

According to Wiggins, this is all part of a larger strategic plan to move away from payday lending and into more mainstream lending, as he puts it. With better financial data, the company plans to lend higher dollar amounts at lower interest rates, benefiting both Purpose and borrowers. The Plaid connection will also allow Purpose Financial to innovate in the areas of personal financial management tools, personalized offers and other benefits for our customers.

“We’re putting borrowers on a path to better,” concludes Wiggins. “We see this as a paradigm shift in the way we do business, and Plaid will play a big role in our transformation.”

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Ready to build the future of digital finance? Reach out to our sales team at info@plaid.com.