Amid the COVID-19 Crisis, Kasasa Loan® Sees 288% Increase in Utilization of Take-Back™ Balances

Consumers benefit from loan feature as they seek greater access to cash during uncertain times

AUSTIN, Texas, April 6, 2020 – Kasasa®, an award-winning financial technology and marketing provider, saw a 288 percent increase in consumers leveraging their Take-Back™ funds in the first quarter of 2020, compared to the first three months of 2019. The average amount consumers withdrew from their Kasasa Loan® Take-Back balance was $442.

With an unprecedented level of unemployment claims last week and some estimates predicting that number to grow to 14 million by summer, many people need funds to get them through to their next paycheck. The Kasasa Loan, exclusively offered at community financial institutions nationwide, enables that reprieve in the form of the Take-Back. Take-Backs allow borrowers to pay ahead to reduce debt, but take that extra back if they need it, making it the most consumer-friendly loan available on the market today.

If not for the availability of the Take-Back balance, borrowers would be limited to increasing the amount borrowed on credit cards, seeking additional loan funds or falling into a delinquent state. Instead, consumers look to their Kasasa Loan to leverage funds that they had paid ahead toward their loan balance and now are available to them with no increase to interest rate and no additional cost to them. The Kasasa Loan’s interactive dashboard lets borrowers see transparently and instantly the impact of paying ahead or withdrawing from their Take-Back balance.

Gabe Krajicek, CEO of Kasasa, attributes this massive uptick in Take-Back adoption to community banks and credit unions responding as they usually do – by being attentive to their account holders and communities.

“If you think about it, $442 is a car payment,” Krajicek said. “It’s not enough to jeopardize an institution’s finances, but it is a world of difference for someone who is trying to make it to the next paycheck. I’m proud to be able to offer a product that is built to help consumers. No one does more for communities than those local institutions and offering a loan with Take-Back functionality is just another example of that dedication.”

The financial institutions that offer the Kasasa Loan with Take-Backs report a high level of loyalty among consumers. Whether they are existing account holders that take advantage of a Kasasa Loan or new to the financial institution, 82 percent of Kasasa Loan borrowers also have a checking account with that community bank or credit union. The Kasasa Loan is available exclusively to community financial institutions, who do not have to offer the Kasasa free rewards checking account in order to provide the only loan with Take-Backs. Kasasa financial institutions belong to a network of over 700 community banks and credit unions in all 50 states.
“Typically, our clients see an average of 50 percent of borrowers build up their Take-Back balance and then access those funds when needed,” said Krajicek. “Today, amid the COVID-19 pandemic, the number of people who keep extra money in their Kasasa Loan reserve has dropped to near 40 percent as borrowers tap into their safety net.”

“In a time when consumer use of lines of credit is predicted to increase and bankers will need to seek additional paths to non-interest income without operational expense or exposure risk, this data story we’re witnessing among borrowers demonstrates exactly what we stand for. Community financial institutions are the best sources for people-friendly lending and financial products,” Krajicek added.

About Kasasa
Based in Austin, Texas with 450 employees, Kasasa® is a financial technology and marketing provider committed to driving results for over 900 community financial institutions by attracting, engaging, and retaining consumers. Kasasa does this through branded retail products, world class marketing, and expert consulting. For more information, please visit www.kasasa.com, or visit them on Twitter or LinkedIn.

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