PLAID

Stilt

People are more than their credit score

Identity

Use bank data to verify identities and reduce fraud.

Auth

Instantly authenticate accounts for ACH without micro-deposits.

Transactions

Access clean transactional data via the simplest integration available.

How Stilt uses Plaid to make the immigrant experience more financially secure

For the average immigrant to the United States, obtaining a loan to help with things like tuition, rental deposits, buying a car, or other living expenses is next to impossible. That is, until Priyank Singh and Rohit Mittal teamed up to form Stilt, a Plaid-supported digital lending company bringing financial security to international students, visa holders, and other non-U.S. citizens of official status.

Resolving the credit catch-22

Traditional lenders in the United States rely on credit scores to determine loan eligibility and interest rates, leaving immigrants and other underserved populations stuck in a stubborn cycle. No one will give them a loan because they have no U.S. credit score, and they have no U.S. credit score because no one will give them a loan.

Stilt disrupts the cycle by making loan offers to immigrants based on many indicators of financial responsibility—not just credit score. An applicant's current employment or employability, education and GPA, financial behavior, defaults, collections, and bankruptcies are accounted for and put through statistical models to assess risk. It's a nuanced evaluation that makes more individuals eligible for credit, setting them up for long-term success.

"By giving people loans through our website and then reporting that data to credit bureaus, people are able to get money on day one of moving to the United States and build credit pretty immediately after that," said Mittal.

Natives of India, Mittal and Singh met as international students at Columbia University, where both faced similar challenges to accessing credit. Mittal wasn't able to rent an apartment in New York City because he didn't have a U.S. credit score, and Singh was unable to buy a car or get a loan to complete his education for the same reason—despite having a job offer from Microsoft. Years later, they resolved to build a new type of credit score for foreign nationals using alternative data, so others didn't have to face the same issues.

"As of today, we have served immigrants from 150 different countries," said Mittal. "That's 75 percent of the countries in the world."

Making better decisions, faster

Stilt's holistic model of credit risk assessment hinges on having access to applicants' day-to-day financial data, and for that Mittal and Singh turned to Plaid.

"When we started, we asked applicants for their last six months of bank statements, and we manually went through that. It was a super time-consuming process. When we integrated Plaid's Identity, Auth, and Transaction products

25%

efficiency observed in reconciling payments from borrowers' accounts

into our workflow, it saved us many, many hours of work," said Mittal.

With Plaid, users can easily grant Stilt secure, read-only access to their financial information without sharing their account numbers or passwords. In turn, Stilt can quickly and confidently verify their identities, incomes, and spending habits, making the entire process much smoother on both ends.

"There is a significant decrease in back and forth between Stilt and users because of the data Plaid delivers," said Mittal. "We can make and send a high-quality decision and approve loans at the lowest possible interest rates almost instantly. Before, the process would take two to three days."

Plaid also allows users to add new bank accounts to make monthly loan repayments, and it allows Stilt to check users' balances in real-time before initiating a transfer of funds. As a result, Stilt has observed a 25% efficiency in reconciling payments from borrowers' accounts. Mittal also appreciates Plaid's painless integration process, noting that Plaid's open-source code enabled his team to configure their technology without any sales or engineering assistance from Plaid. It took Stilt less than a day to get the API up, running, and delivering actionable data. That alone saved Stilt hundreds of engineering hours.

The future is fintech

Looking to the future, Mittal is excited to have Plaid on Stilt's side.

"I am happy a company like Plaid exists because the information it provides is going to lead to a lot of fintech innovations," he said. "With Plaid, we have been able to do our jobs really well, and we know that it will make a lot of other applications possible. With access to data in an affordable, efficient, verifiable way, we will be able to build new products to serve the underserved."

For Stilt's co-founders, that ideally means evolving into a comprehensive, technology-enabled banking platform for immigrants, complete with bank account services, credit access, and additional products over time.

Most recently, the financial information Plaid's API delivers has enabled Stilt to develop an adaptive loan application that generates targeted questions for applicants on the fly. And with Plaid's recent inroads in Canada, Stilt can access Canadian applicants' transaction-level data to offer them the best-possible interest rates.

"We want to improve the financial lives of people whenever they move to a new country. Not just in the United States, but across the world."

Plaid is a technology platform that modernizes banking infrastructure—making it possible to build products that leverage financial data. We focus on lowering the barriers to entry in financial services by making it easier and safer to use financial data. We build beautiful consumer experiences, user-friendly infrastructure, and intelligence tools that give everyone the ability to develop the future of financial services.