

Public Information Summary

Host Countries	DFC eligible countries
Name of Borrower	Prodigy Finance Ltd (“ Prodigy ”)
Project Description	A securitization of graduate school student loans to international students from DFC-eligible countries.
Proposed DFC Loan/Guaranty	\$250,000,000
All-Source Funding Total	\$294,000,000
Policy Review	
Developmental Objectives	<p>The Project is expected to have a positive development impact globally by facilitating access to graduate studies for students from developing and emerging economies. Many students in developing and emerging markets face significant financial barriers to accessing high-quality tertiary education abroad, with underdeveloped student loan markets resulting in punitively high interest rates or the need for cosigners or significant collateral. Prodigy Finance uses a proprietary algorithm based on expected future earnings to lend in developing and emerging countries at affordable interest rates without cosigners or collateral. This will allow the Project to result in loans to over 8,000 students, the majority of whom will come from lower or lower-middle income countries but will be able to access high-quality graduate education abroad. Over 86% of Prodigy’s borrowers as of 2022 come from developing and emerging economies report that their graduate degrees resulted in at least a doubling of their salaries, and 90% reported that they had no alternative options for financing their graduate education. Roughly 75% of Prodigy’s loan volume supports students at U.S. universities.</p>
Environment and Social Assessment	<p>The Project has been reviewed against the DFC’s 2020 Environmental and Social Policies and Procedures manual (“ESPP”) and has been determined to be categorically eligible. DFC direct loans to financial intermediaries for the expansion of student loans are screened as a Financial Intermediary C (FI-C) for environmental and social assessment. These downstream investments are expected to result in minimal adverse environmental and social impacts. Therefore, all those downstream investments have been pre-screened as low risk and further review and consent is not required for these investments.</p>

	<p>To ensure that the Borrower's investments are consistent with the DFC's statutory and policy requirements, the DFC loan will be subject to conditions regarding the use of proceeds. The primary environmental and social issues identified in this transaction relate to the need for an Environmental and Social Policy ("ESP") that meets the 2012 IFC Performance Standards.</p> <p>Under the DFC's ESPP, the Borrower is required to comply with applicable local and national laws and regulations related to environmental and social performance and applicable provisions of the 2012 International Finance Corporation's Performance Standard ("PS") 1 and 2. A desk-review based due diligence assessment indicates that because the Project will use DFC support for the expansion of educational loans worldwide, significant adverse impacts concerning community health and safety, biodiversity, land acquisition and resettlement, indigenous people, and cultural heritage are not anticipated; therefore, PS 3, 5, 6, 7, and 8 are not triggered at this time. The Borrower does utilize armed private security and therefore, relevant aspects to IFC PS 4, Community Health, Safety, and Security are triggered.</p> <p>The Borrower has a Sustainability Policy, grievance mechanisms, and human resources policies generally commensurate with its investment strategy but will require updating and strengthening to meet the expectations listed in the DFC's 2020 Environmental Policy and Procedures and IFC PS 1.</p>
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