



## Lowering the costs of education

### What is UniThrive?

College is expensive. UniThrive helps students pay for college. It's that simple.

UniThrive is a nonprofit organization (501c3 approval pending) that connects college students with alumni in an online platform designed to facilitate peer-to-peer, interest-free, alumni-to-student loans.

Focusing on getting a good education is challenging enough without the pressures of wondering if you can afford to stay in school. UniThrive isn't the only solution to paying for college, but it is part of the solution to making higher education more affordable and within reach for more people.

UniThrive will be piloted in the spring of 2009 at Harvard University with plans for expansion at universities and colleges in the United States.

### How does UniThrive work?

Students create their borrowing profiles online at [www.UniThrive.org](http://www.UniThrive.org).



Registered alumni then log-in to review and select student borrowers. Alumni can make their decisions based on financial need, academic majors, career goals, and other interests.



Once a match is determined, individual loans are made. The loan amount per semester cannot exceed \$2,000 and can be as little as \$500. The loan is directly transferred to the university or college.



Students sign promissory notes for each loan. If they default, they endanger their credit. Students are required to pay the loans back after graduation with 0% interest.

### The Case for UniThrive

The statistics are clear: Nearly two-thirds of undergraduates at American universities will finish college with an average of \$19,300 in debt.

Much of the spiraling student debt seen today is due to a dearth of knowledge and misaligned incentives between financial institutions and students. To make matters worse, the current economic crisis is only compounding problems within the student loan industry. Interest rates are sky-rocketing, even as many banks are drastically scaling back their student loan offerings or ceasing student loans altogether.

In addition to cutting their own private offerings, commercial banks are also scaling back the amount of federal loans they offer, citing capital constraints and concerns about the profitability of the business. Loans that are still offered—both private and federal—do not offer the best value proposition to students, with interest rates that range from 5% to over 12% and that sometimes begin to accrue even before the student graduates.

Although some colleges and universities have enacted ambitious financial aid programs to address this problem, their actions alone are unable to meet this challenge.

## The Opportunity

The innovative models of micro-lending and peer-to-peer lending have grown in popularity and found success in a number of lending sectors. Organizations like Kiva.org, a leading peer-to-peer lending network, has validated the model by successfully facilitating loans to impoverished entrepreneurs in developing countries. Today, Kiva.org boasts 97.8% repayment rate.

UniThrive brings the efficiency of this model to the market for student loans. In doing so, UniThrive achieves two goals: helping to provide a solution to the cost of college and engaging college alumni to give back to their college communities in a tangible and meaningful way.

## How it works

At the core of the UniThrive platform is one of the strongest value propositions in the student loan market. Through socially responsible lending, UniThrive provides 0% interest loans to students, while simultaneously cultivating long-lasting relationships between individual alumni lenders and their student benefactors.



UniThrive provides a platform for alumni to put a face to their contribution, and provides an avenue for alumni engagement unlike any other option currently available. The platform personalizes contributions and the financial transactions catalyze mentor-mentee relationships between lenders and borrowers.

Students create profiles on the UniThrive platform in which they tell their "story": biographical and demographic information, loan needs, academic pursuits, extracurricular activities, career aspirations, personal interests, etc.

Alumni can then browse through these profiles and even search by keywords specific to various criteria listed on the profiles. When an alumnus decides to loan to a specific student, he or she can give as little as \$50 or as much as the full loan requested.



Other key details of the UniThrive model:

- A student may only request one loan per semester
- The maximum loan amount a student may request is \$2,000
- Multiple-to-one model: many alumni can pledge small amounts to fill one student's loan
- Students are required to update their lenders a minimum of five times per year
- Repayment begins January after graduation and has a maturity of five years

When a loan is fully funded, the money is transferred directly to the student's institution and directly deposited towards paying tuition costs. The money never reaches the student's hands, guaranteeing proper use of the loan.

In order to maintain the security of the platform, the site will verify a user's status as either a current undergraduate or alumnus of an institution via checks on their official university-given email addresses. Additionally, each visit to the site is secure, only alumni will be able to view student profiles and loan requests, and all users will be able to readily report suspicious or illicit behavior on the site.



## The UniThrive Story

In December 2007, Joshua Kushner and Nimay Mehta had an idea that they felt could potentially revolutionize the way students financed their college education. The concept was simple: pool together alumni to make small microcredit loans to students to help them pay tuition.

At the time, the Harvard undergraduates (Class of 2008 and 2009, respectively) recognized the inefficiencies in the student lending market. They saw an industry dominated by profit-driven and impersonal banks that gave students rigid and burdensome loan terms. Indeed, even at an institution with such a generous financial aid program like Harvard's, Joshua and Nimay saw too many of their peers forced to compromise their college experience. Many of their friends—even those on financial aid—worked several jobs and often had to forego opportunities for public and community service in order to meet their monetary obligations to the university. Additionally, both Joshua and Nimay found a striking disconnect between the student and alumni communities and wanted to find a way to bridge that gap.

After seeking feedback from students, professors, administrators and alumni, Joshua and Nimay were convinced UniThrive could be a viable and successful online platform for student loans. Recognizing a need for expertise in microfinance and marketing, they approached former Kiva.org Fellow, Tanuj Parikh (Class of 2009) for advice. Having seen first-hand the power and impact of micro-loans in rural and urban Kenya, Tanuj immediately joined their efforts.

In February 2008, the new team began to develop their business plan. Joshua and Nimay's previous entrepreneurial experience—separately, they had founded and led successful online and medical startups earlier in college—proved invaluable. That spring, they submitted UniThrive into Harvard College's premier entrepreneurship competition, the i3 Innovation Challenge. UniThrive was awarded one

of the top prizes and along with it, seed capital.

In April 2008, the team traveled to San Francisco to meet with the premier leaders in the peer-to-peer lending market—Chris Larsen, CEO of Prosper.com and Premal Shah, President of Kiva.org. Both Larsen and Shah strongly encouraged the team to push forward to make UniThrive a reality. Additionally, the team sought advice from other industry leaders, including senior leadership at Virgin Money and LendingClub.com.

Development of the UniThrive site began in earnest during the summer of 2008. Joshua, who had recently

Many of their friends had to forego opportunities for public service in order to meet monetary obligations to the university.

joined Goldman Sachs, contributed his signing bonus as additional seed funding. Nimay and Tanuj also invested personal money from

previous summer internships and savings. They all did so with the understanding that they would likely not be repaid.

For the next several months, the team worked around the clock—and around their own busy lives—to build the site and lay the groundwork for marketing the platform to students and alumni. In March 2009, the UniThrive.org beta testing site was launched.

Throughout the entire process and in spite of several setbacks, Josh, Nimay and Tanuj have been driven by the notion that UniThrive could positively impact an entire generation of college students.

They knew that because it was a simple idea, it could work. They understood the importance of engaging alumni with students as a new way of paying it forward and making a difference in a tangible and meaningful way. With UniThrive, they could revolutionize how alumni give back to their university communities.

For more information about UniThrive and how you can contribute, visit [www.UniThrive.org](http://www.UniThrive.org).

## The UniThrive Team

Joshua Kushner



Josh, who had an elder brother at Harvard, understands the importance of having a mentor or advisor available to help one navigate through college. He has extensive operating experience over several startups. Josh graduated from Harvard College in 2008 with a BA in Government. While at Harvard, Josh was actively involved in a myriad of entrepreneurial startups and ventures. He co-founded Vostu.com, a venture backed online social networking site targeting South and Central Americans. Additionally, Josh founded the Friendship Circle of Boston, a non-profit organization dedicated to creating friendships between students and children with mental disabilities. Josh is currently working for Goldman Sachs' real estate private investment area, after which he will matriculate at Harvard Business School, to which he has already been accepted.

Nimay Mehta



Nimay's fascination with the recent explosion of venture capital investment into peer-to-peer lending sparked his interest in becoming deeply involved in the UniThrive project. Nimay is currently a senior at Harvard and an economics concentrator. He has been actively involved in several entrepreneurial endeavors during his career at Harvard that have ranged from developing consumer products for Kraft Foods Inc. to cardiovascular disease prevention programs. His entrepreneurial spirit led him to start the Harvard College Entrepreneurship Forum, which is dedicated to fostering entrepreneurship on Harvard's undergraduate campus. HCEF holds numerous networking and educational events year-round and recently launched a campus-wide \$80,000 business plan competition. Nimay has worked as a term-time and summer intern for General Catalyst Partners, a venture capital firm based in Cambridge, MA. He was involved in their sourcing program, which operates to ensure high-quality deal flow and investment prospects to the firm. After graduation, Nimay will join Insight Venture Partners, a growth-stage venture capital / private equity firm focused on software and internet enterprises.

Tanuj Parikh



Tanuj was drawn to this project because it married his passion for education equality and his faith in the power and potential of person-to-person lending to create meaningful change. Tanuj is currently a senior at Harvard and a government concentrator. He has been very active on campus during his undergraduate career. As Chair of the South Asian Men's Collective, he oversaw several charity events that fund-raised over \$50,000 for a variety of social justice issues in the Asian subcontinent, and he developed expertise in marketing to students. Tanuj also has extensive experience in the nonprofit sector. He has served as a term-time intern for New Sector Alliance, a social enterprise consulting firm, and in 2007 was a Fellow for Kiva Microfunds, a peer-to-peer lending website that is revolutionizing microfinance. His work on the ground in Kenya gave him an extensive familiarity with Kiva's peer-to-peer lending model and microfinance best practices. In 2008 he was a summer intern in the Strategic Planning department of the New York City Economic Development Corporation. He will be working full-time for the NYCEDC after graduation.