

**Testimony of Wemimo Abbey, Co-Founder and Co-CEO Esusu**  
**Before the Committee on Financial Services**  
**Task Force on Financial Technology**  
**U.S. House of Representatives**  
**June 30, 2022**

Madam Chair, Ranking Member, and members of the Committee thank you for this opportunity to appear before you today. I also want to express my gratitude to the staff for their tireless efforts.

My name is Wemimo Abbey. I am the Co-Founder and Co-CEO of a Harlem-based fintech unicorn called Esusu Financial. Esusu was founded in 2018 and is one of the few Black-owned fintech startups in the world to be valued at a billion dollars raising a total of \$144 million.

I grew up in the slums of Lagos, Nigeria. I lost my father at the age of two. My mother and two sisters raised me. In 2009, I immigrated from 80-degree weather in Lagos, Nigeria, to negative 20 degrees in Minnesota. Seeking a way to pay for college, my mother and I were turned away from the major banks because we did not have a credit score. My mother pawned my father's ring, took out a 400% interest predatory loan, and borrowed money from church members to afford my first year of college. Inspired by our experiences, I co-founded Esusu on a core premise: **where you come from, the color of your skin, and your financial identity should not determine where you end up in life.**

Credit is fundamental to financial stability and upward mobility, but financial exclusion makes the American dream unattainable for millions. Data released by the Consumer Financial Protection Bureau in 2015 confirmed that approximately 45 million Americans are credit invisible and unscorable. Every month, over 109 million Americans spend on average \$1,100 in rent (over \$1.44 trillion annually) which is often their largest monthly household expense. Over 90% of renters do not get credit for paying rent on time, leading to financial exclusion. Esusu helps bridge this gap by reporting on-time rent payments to the three major credit bureaus, (Equifax, TransUnion, and Experian), helping renters across the nation establish and improve their credit scores to unlock quality financial products. When renters encounter financial hardship and can't afford to pay rent, we pair them with 0% interest rate microloans to help keep them in their homes.

Today, we are here to discuss obstacles to investments in diverse-owned Fintechs. According to Forbes, US fintech billionaires are worth a combined US\$162 billion -- more than a dozen fintech billionaires were created over the past year. None of these minted billionaires are Black or people of color. In 2021, venture capital fintech investment reached \$35 billion -- White male-led startups received over 70% of

investment compared to 1% for Black founded fintech companies. These staggering facts shine a light on the realities of investment in the fintech landscape and point to another reason why the racial wealth gap persists and is growing.

**I offer three thoughts on why investment obstacles persist in diverse-owned Fintechs:**

1. First, investors tend to co-invest in people they know and are comfortable with. For example, over 75% of Esusu's investors are women or Black VCs. They understand Esusu's mission and also generate outsized unrealized returns by investing in Esusu.
2. Second, due to implicit or unconscious bias, many seasoned investors do not consider people of color to be successful entrepreneurs. Personally, my Co-Founder and I spoke to 326 investors before we got one to bet on us.
3. Third, investors may struggle to relate to the problems that entrepreneurs of color and immigrants seek to solve. For instance: a well-paid venture capitalist may not have any personal experience being credit invisible or underbanked, so startups that seek to address these problems are likely to be of less interest to them.

**I would recommend asking institutions under the purview of this committee to implement three solutions:**

1. First, create tax incentives for established banks and the main credit bureaus to work with or adopt technologies or services developed by minority-owned fintech startups.
2. Second, create tax incentives for established venture capitalists to place more investment bets on minority and immigrant fintech entrepreneurs.
3. Third, instruct federal agencies tasked with regulating the financial services sector to engage more proactively with minority-owned fintech startups so that founders can share their perspectives on compliance challenges and the ways in which the needs of marginalized communities are sometimes overlooked or misunderstood by regulators.

In closing, I fundamentally believe investing in minority fintech companies can generate outsize returns and have a profound impact on the lives of many. Esusu is a perfect case study. A company founded by sons of immigrants is now valued at \$1 billion while working tirelessly to keep families in their homes. Our story is only possible in America. There's an African saying "if you want to go fast, you go alone, but if you want to go far, you go together. True change will take both sides of the aisle working together to make this Union more perfect.

**Appendix:**

## Esusu raises \$130 million Series B at a \$1 billion valuation



Today we are proud to announce that Esusu has raised \$130 million at a \$1 billion valuation. This Series B financing provides Esusu with the capital to execute our mission of dismantling barriers to housing for working families, and work towards our vision of unleashing the power of data to bridge the racial wealth gap. This fundraiser makes Esusu one of the few Black-owned startups to reach unicorn status both in the United States and globally. Learn more [here](#).