

NEWS RELEASE

March 9, 2017

Purdue, Vemo Education partnership to help colleges, universities pioneer college funding alternative

WEST LAFAYETTE, Ind. and OAKTON, Va. - [Purdue Research Foundation](#) and [Vemo Education](#) announced, today (March 9), a joint initiative to help colleges and universities design and implement income share agreements (ISAs) that provide students with an alternative to traditional private and Parent Plus loans.

Purdue has received national recognition for its [Back a Boiler – ISA Fund](#). Designed to reduce the financial burden for students, the program allows Purdue University juniors and seniors to pay a percentage of their post-graduation income over a set number of years.

The Back a Boiler – ISA Fund is the first large-scale ISA to be offered by a major U.S. higher education institution. Since the launch of Back a Boiler during the 2016-17 academic year, 160 juniors and seniors have received nearly \$2.2 million in educational funding.

“Even before officially launching Back a Boiler, we received numerous inquiries and requests from leaders at peer institutions who had heard about the program and wanted to explore the opportunity for their students,” said Brian Edelman, chief operating officer for the Purdue Research Foundation who worked closely with Purdue’s Division of Financial Aid to create the program. “Our partnership with Vemo is designed to help take the complexity out of ISAs. We have created a concise process to help other institutions leverage our experience to develop similar programs.”

The agreement between Purdue Research Foundation and Vemo will assist interested institutions with best practices and technical support needed to establish new college funding models on their respective campuses.

Income share agreements were conceived in the 1950s as a mechanism to enable schools to share risk with students by aligning institutional revenue with student outcomes after graduation. An ISA has no principal balance or interest, so its payments adjust with the student's income over the life of the contract. If a student makes less income than expected, he or she is not beholden to the investors for any more than the agreed-upon percentage of actual income earnings.

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“Income share agreements align interests between students and universities. When students succeed, so does the university. This encourages institutions to invest in programs and services that increase the probability of student success,” said Vemo Education CEO Tonio DeSorrento. “Unlike loans, which are typically based on the historic finances of their parents, ISAs are based on the future potential of students.”

Any proceeds received by Purdue Research Foundation from the partnership will go back into the Back a Boiler program to support enrolled students in the form of scholarships or other non-obligatory aid.

For additional information, email ISAinitiative@prf.org or visit www.vemo.com/ISAinitiative.

About Vemo Education

Vemo Education's mission is to help higher education institutions empower their students by developing customized, value-oriented student financing programs. Providing a full-service approach to its partners, Vemo has invested in the infrastructure required to design, price, originate, disburse and service income-based payment products. Vemo's management team has extensive experience in education finance and the financial aid sector. Learn more at www.vemo.com.

About Purdue Research Foundation

The [Purdue Research Foundation](http://www.purdue.edu/prf) is a private, nonprofit foundation created to advance the mission of Purdue University. Established in 1930, the foundation accepts gifts; administers trusts; funds scholarships and grants; acquires property; protects Purdue's intellectual property; and promotes entrepreneurial activities on behalf of Purdue. The foundation manages the Purdue Foundry, Purdue Office of Technology Commercialization, Purdue Research Park and Purdue Technology Centers. The foundation received the 2016 Innovation and Economic Prosperity Universities Award for Innovation from the Association of Public and Land-grant Universities. For more information about funding and investment opportunities in startups based on a Purdue innovation, contact the Purdue Foundry at foundry@prf.org.

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