Chime Introduces Instant Loans

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Members now have fast and easy access to liquidity with fair, fixed rates

SAN FRANCISCO--(BUSINESS WIRE)--Leading consumer financial technology company Chime® announced today the launch of Instant Loans—a product that provides instant access to up to $500 in funds with a fixed interest rate that is lower than what's typically observed in the industry. Like all of Chime's services, Instant Loans is easy to use and transparent, and unlike some other loan products, there is no credit check to qualify. Instead, Chime leverages its proprietary technology platform and rich data sources to help determine eligibility. On-time payments can also help members build credit over time.

Instant Loans offers three-month installment loans up to $500 to pre-approved Chime members who receive direct deposits to their Chime Checking Account. Members are pre-approved for a loan and notified of their eligibility within the Chime app. Once accepted, eligible members gain instant access to the loan funds. When compared to other types of liquidity products on the market, Instant Loans enables consumers to borrow at potentially half the cost, and with the added flexibility of having up to three times longer to repay.[1] Chime's Instant Loans has no late fees or compound interest, just a fixed interest rate of $5 for every $100 borrowed, paid back in three monthly payments of $35.00 per $100 borrowed (29.76% annual percentage rate). For greater ease, repayments can be automated and are designed to not exceed 10% of monthly member cash inflows to ensure affordability. Chime also reports on-time payment history to credit reporting agencies, allowing members to build credit. Participants who pay on time may see their credit score increase by 10-30 points, validated by a prior simulation conducted with Experian[2].

"We are relentlessly focused on helping everyday people achieve financial progress," said Madhu Muthukumar, Chime's Chief Product Officer. "Our members have told us that they want simple and transparent tools to access money when they need it, and to help them build credit — and we're excited Instant Loans provides both to our members."

Instant Loans is Chime's latest innovation, building on its commitment to enabling financial progress through products centered around consumer needs. In 2024, Chime announced the launch of MyPay, which lets eligible members access up to $500[3] of their pay before payday with no interest[4] and no credit check. Since its official launch in July 2024, MyPay has helped members access billions of dollars. SpotMe[5], which allows Chime members to overdraw their account without fees, also surpassed a major milestone in 2024, covering more than $30 billion in transactions. The Chime Checking Account was one of the first full-featured accounts to disrupt the traditional banking industry by offering fee-free overdrafts with the launch of SpotMe. Similarly, millions of people have increased their credit scores since opening a Chime Credit Builder Visa® Credit Card, which doesn't charge interest or require a credit check or minimum security deposit.

About Chime

Chime is a financial technology company founded on the premise that basic banking services should be helpful, easy, and free. Chime builds products that allow the company to succeed when its members do. That's why Chime doesn't rely on punitive fees such as overdraft, monthly service, or minimum balance fees. Member deposits are FDIC-insured through The Bancorp Bank, N.A. or Stride Bank, N.A., Members FDIC, up to applicable limits.[6] For additional information, please visit www.chime.com.

Instant Loans are made by The Bancorp Bank, N.A. The secured Chime Credit Builder Visa Credit Card is issued by The Bancorp Bank, N.A. or Stride Bank, N.A., pursuant to a license from Visa U.S.A. Inc. and may be used everywhere Visa credit cards are accepted.

[1] Comparable offerings include product offerings by Varo Advance (APR approximately 95%, payback in 1 month), Cash App Borrow (APR range of 60-70%, payback in 1 month) and Possible Finance (APR range of 50-240%, payback in 2 months).

[2] Experian simulation indicated members with a positive payment history would realize a positive impact in their Vantage Score 3, with larger increases in deep subprime and thin file members.

[3] MyPay is a line of credit. To be eligible for MyPay, you must receive qualifying direct deposits to your Chime Checking Account as set forth in the MyPay Agreement. A qualifying direct deposit is a deposit from an employer, payroll provider, gig economy payer, government benefits payer, or other permitted source of income by Automated Clearing House ("ACH") or Original Credit Transaction ("OCT"). Your MyPay Credit Limit and Available Advance Amount may change at any time. MyPay is a line of credit and available limits are based on estimated income and risk-based criteria. Eligible members may be offered a $20 - $500 Credit Limit per pay period. Your Credit Limit and Maximum Available Advance will be displayed to you within the Chime app. MyPay is currently only available to eligible Chime members in certain states. Other restrictions may apply. See Bancorp MyPay Agreement or Stride MyPay Agreement for details.

[4] Option to get funds instantly for $2 per advance or get funds for free within 24 hours. See MyPay Agreement for details.

[5] SpotMe® for/on Credit Builder is an optional, no interest/no fee overdraft line of credit tied to the Secured Deposit Account; SpotMe on Debit is an optional, no fee service attached to your Chime Checking Account (individually or collectively, “SpotMe”). Eligibility for SpotMe requires $200 or more in qualifying direct deposits to your Chime Checking Account each month.

Qualifying members will be allowed to overdraw their Chime Checking Account and/or their Secured Deposit Account up to $20 in total, but may be later eligible for a higher combined limit of up to $200 or more based on member’s Chime account history, direct deposit frequency and amount, spending activity and other risk-based factors. Your SpotMe Limit will be displayed to you within the Chime mobile app. You will receive notice of any changes to your SpotMe Limit. SpotMe for Credit Builder and SpotMe on Debit share a single SpotMe limit. Your SpotMe Limit may change at any time, at Chime or its banking partners’ discretion. Although there are no overdraft fees, there may be out-of-network or third party fees associated with ATM transactions or OTC cash withdrawal fees at retailers. SpotMe won't cover non card transactions, including ACH transfers, Pay Anyone transfers, or Chime Checkbook transactions. SpotMe Terms and Conditions.

[6] Chime is not FDIC-insured. The Bancorp Bank, N.A. and Stride Bank, N.A. are the FDIC-insured members. Deposit insurance covers the failure of an insured bank. Certain conditions must be satisfied for pass-through deposit insurance coverage to apply.

Contacts

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