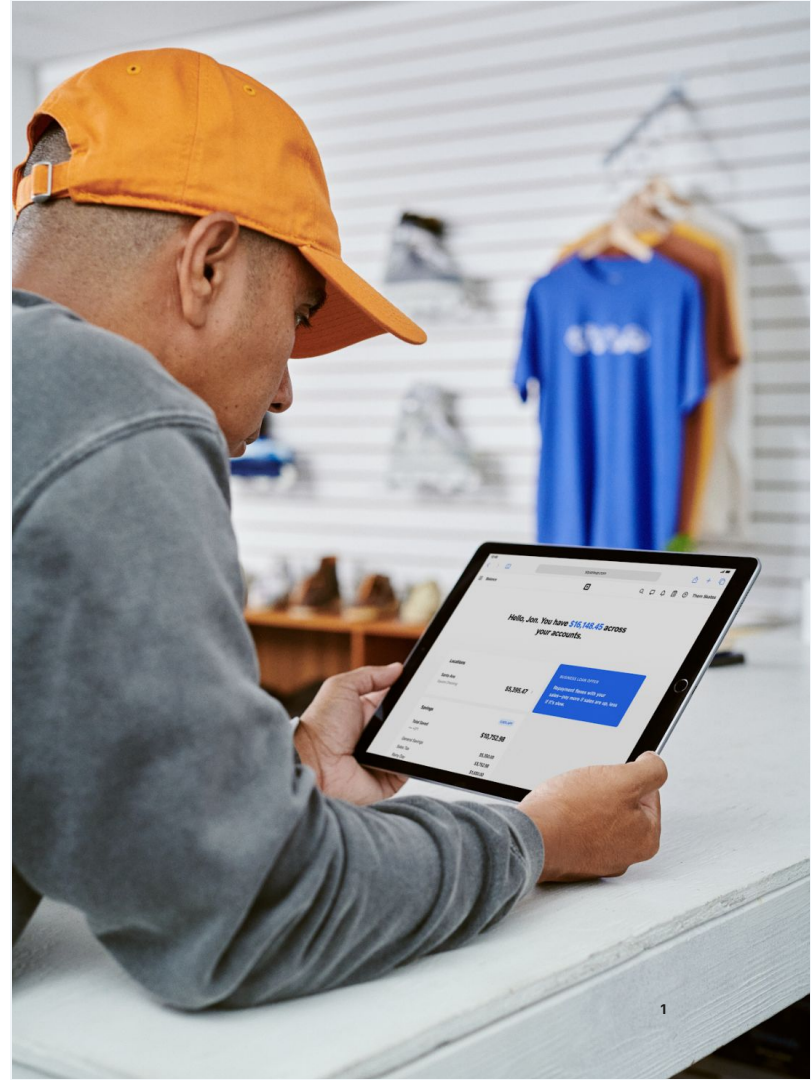




Expanding Access to Capital: Short-Term Loans

Explored a new loan offering to **expand access to funding for sellers** who were previously ineligible.





The Problem

At the time, **~70% of payment-active sellers** were ineligible for Square's primary loan product.

THE GAP

Sellers needed access to capital but lacked eligibility.

THE GAP

Square lacked a way to serve earlier-stage or lower-volume businesses.

Opportunity: Expand access while managing risk



Proposed Solution

A **short-term loan offering** designed to:

- Provide smaller loan amounts (**\$250–\$5K**)
- Offer shorter repayment windows (**30–120 days**)
- Use a more **conservative risk model**

Goal: Reach underserved sellers without increasing risk exposure.

60 day loan

Choose your loan offer

\$1,000

\$250 \$1,000

Loan amount	\$1,000.00
Loan fee	\$40.00
Total owed	\$1,040.00
Repayment	15% card sales, debits
Time to repay	60 days

A minimum of \$520 is due every 30 days. **There's no interest or additional fees**, so you'll never owe more than \$1,040.00.

Select \$1,000

Applying won't affect your credit score.

How repayment works

15% of daily card sales are deducted automatically. If you haven't met the \$520 minimum by the monthly due date, your bank account will be debited to help you stay on track.

Slow month Healthy month Strong month

Slow month	Healthy month	Strong month
\$220 bank debit	\$100 bank debit	\$0 bank debit
\$300 from sales	\$420 from sales	\$600 from sales

Just an example.

How repayment works

15% of daily card sales are deducted automatically. If you haven't met the \$520 minimum by the monthly due date, your bank account will be debited to help you stay on track.

Slow month Healthy month Strong month

Research Goals

The primary objectives for this research phase include:

- Assess **seller sentiment** toward short-term loans
- Identify **comprehension gaps** in the offer experience
- Understand how this fits into sellers' **broader financial behavior**



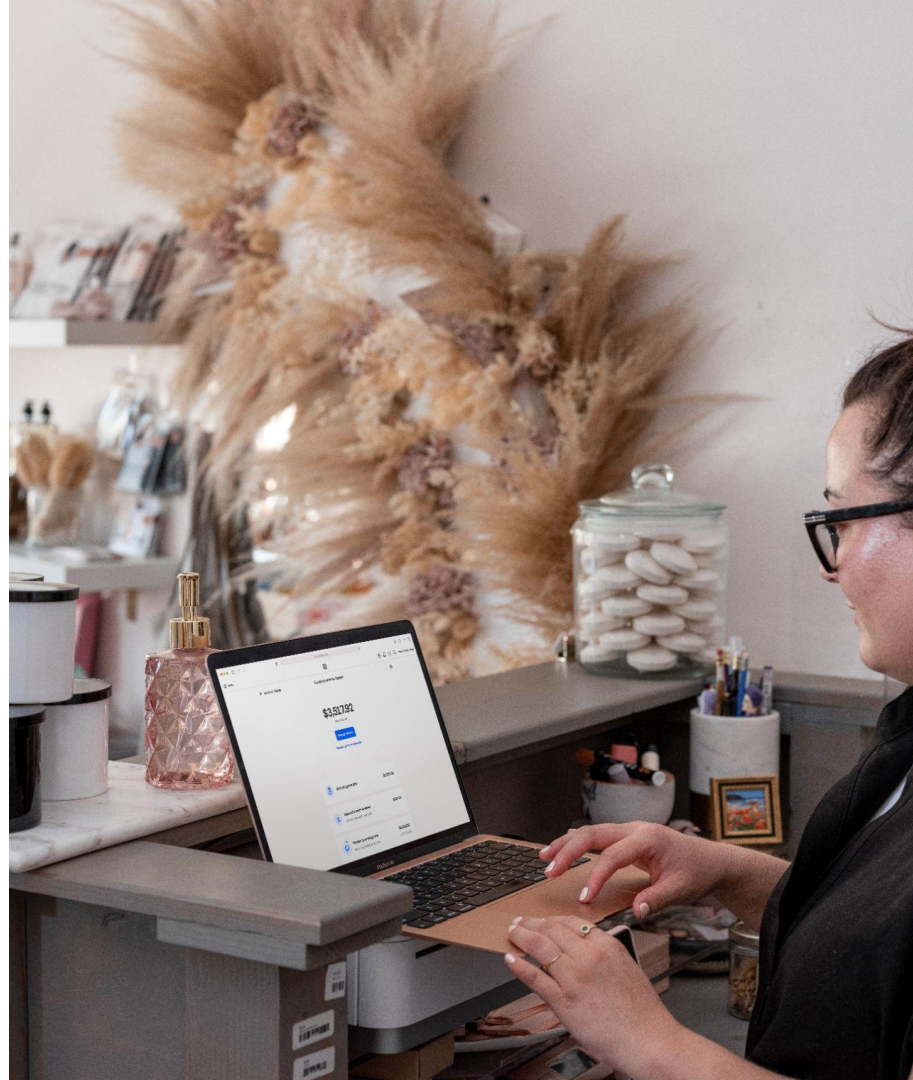
Methodology

Approach

- 10–12 qualitative interviews (45 min each)
- Participant Mix:
 - Sellers with **no prior loan experience**
 - Sellers **familiar with Square Loans**

Research Focus

- Concept testing
- Offer page usability
- Mental models around lending



To understand how sellers evaluate short-term loans, we looked at how they fit within their broader lending journey.

Observation: Access > Optimization

For many sellers, access to **any loan** outweighed concerns about terms.

| *"It's better than nothing."*

Implication

Availability itself is a core value prop, not just loan quality.

OBSERVATION

Mental Model Mismatch

Existing loan users viewed this as a **downgraded version of Flex Loans**:

- Smaller size = less useful
- Shorter terms = more risk
- Not clearly differentiated

Implication

Positioning and framing matter as much as product design.

OBSERVATION

Repayment Anxiety is Contextual

Sellers' concerns depended on:

- Cash flow timing
- Business model (B2B vs daily sales)
- Payment variability

Key tension:

Predictability vs flexibility

Predictability



Fixed amounts, known schedules, easier budgeting for stable flows.

Flexibility



Percentage-based, scales with sales, critical for variable revenue.

Design Implications

Exploring strategic opportunities to improve product positioning and trust.



Positioning

How might we position short-term loans so they feel additive, not inferior?



Alignment

How might we align repayment models with different cash flow patterns?



Trust

How might we build trust in smaller loan amounts?

What Changed

Research directly influenced these key areas:

✓ 1. Simplified Offer Experience

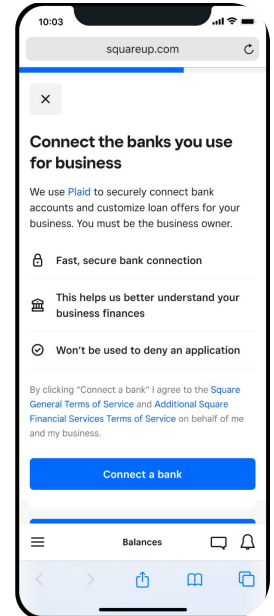
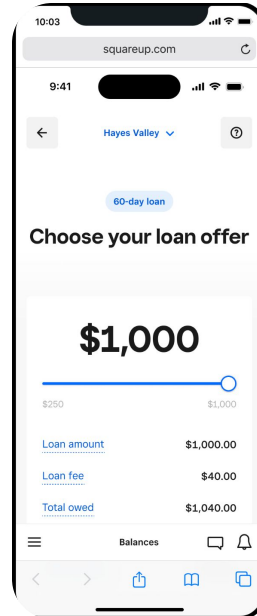
Removed redundant pre-offer page

✓ 2. Clearer Loan Framing

Replaced "new" with "60-day loan"

✓ 3. Improved Transparency

Introduced visual repayment explanations



Strategic Impact

Impact

- **Directly informed experimentation** on expanding loan access to previously ineligible sellers
- **Informed product positioning** and marketing strategy
- Highlighted need for:
 - More transparent eligibility
 - Better alignment with seller mental models
 - Future personalization of loan terms

My Role

Led **end-to-end research** from scoping to synthesis, influencing product, design, and strategy decisions.



Driving growth through data-backed insights and strategic alignment.

What this unlocked

Short Term Loans enables Square to test broader access to capital while managing risk, helping Square meet sellers earlier in their growth journey. **Providing access to funding that we otherwise would not be able to.**



Eligibility Tool

Introduction and expansion for more predictability on Loan offers. Helps sellers understand non-eligibility with actionable steps.



Loan Application

Facilitating more discussions and driving buy-in on "apply for loan" within the seller ecosystem.



X-Day Loan Broadening

- ~Similar value props as "Flex"
- **Build credit over time (new)**
- Helps sellers understand "why this loan"