



OneMain Financial[®]

Social Bond Framework

June 2021

1.0 Introduction

Who We Are

We are the largest nonprime installment lender in America and our mission is to improve the financial well-being of hardworking Americans. We offer responsible, transparent financial products through a leading digital footprint and national branch network rooted in local communities.

We offer a diverse product suite to customers including our secured and unsecured loans, insurance and other optional products¹. Our branches and digital options allow customers to access solutions and personalized service anytime, anywhere and allows us to fulfill our vision to be the lender of choice for our customers by solving their financial needs.

Our mission builds on our 100+ year commitment to our communities and positions us to help our customers progress toward a brighter future. Almost 100 million Americans cannot easily access credit from banks or credit unions and possess limited savings to cushion against unexpected life events. They come to us with everyday needs such as debt consolidation, unexpected household expenses and home repairs. For over 100 years, we have provided access to responsible lending solutions that help our customers meet their financial needs and improve their financial well-being.

What We Do

We believe that anyone who applies for a loan deserves to be treated with respect, dignity and honesty. Customers entrust us with personal conversations about their income, expenses, debt, credit scores — and how each impacts them daily.

Our customers come to us through direct marketing, online search, affiliate market partners (i.e. credit aggregators) or one of our branches. We get to know each customer and work with them one-on-one to understand their situations and goals. Our loan specialists are trained to listen, to educate people about choices that could make a difference and to present financial solutions clearly and thoughtfully.

From these conversations, we begin to build a custom budget and verify income and employment with every customer. This budget process starts with our customer's take home pay, nets all obligations found on the customer's credit report, then removes housing and basic living expenses. We then determine their net disposable income by including their potential OneMain loan and any changes in payments due to debt consolidation, if applicable (see Table 1). This analysis helps our customers better understand their financial situation and lets them choose the best solution for them. This analysis is also the

foundation of our ability-to-pay underwriting.

OneMain's advanced underwriting leverages our ability-to-pay analysis and machine-learning models using attributes from bureau information, alternative data and our proprietary data that is the result of serving millions of customers with billions in loans.

Our approach and belief in doing what's right also extends to our servicing. Early-stage collections are handled in our branches and rely on a relationship-based approach, while later stage collections are handled at centrally managed locations. This servicing is 100% in-house and onshore, with shared systems across our branches and five central servicing facilities. This allows for impartial, professional treatment, but also diligent quality control through extensive training, monitoring tools and analytics.

What we do, from how the customer comes to us to quality-controlled servicing, ensures respect, dignity and honesty in every part of the process. When things do not go as planned, we are committed to the same personal attention with our Executive Office of Customer Care. This provides a single point of contact for all complaints and drives our strong customer satisfaction rating.

¹OneMain offers credit life, disability and unemployment insurance; home and auto memberships; term life insurance; and guaranteed asset protection products.

Table 1: Illustrative custom budget & ability-to-pay analysis

Purpose		Bill Consolidation	MONTHLY BUDGET WORKSHEET		
LOAN OPTION 1			Before Loan	After Loan	
Type	Unsecured				
Size	\$5,250				
APR	28.63%				
Term	48 Mo.				
Monthly Payment	\$185				
LOAN OPTION 2					
Type	Direct Auto				
Size	\$13,000				
APR	16.85%				
Term	54 Mo.				
Monthly Payment	\$345				
			Take-home pay (Net Income)	\$3,750	\$3,750
			Less: Debt payments		
			Mortgage/rent payment	\$900	\$900
			Car loan payment	152	-
			Credit card payment	374	-
			Less: Expenses		
			Expenses	\$412	\$412
			Less: OneMain payment		\$345
			Net disposable income	\$1,912	\$2,093

How We Operate

A key principle of how we operate is customer choice. Customers can choose to close their loan online with team member assistance, in person at one of our branches, or over the phone supported with online co-browsing. Whatever their choice, we help them understand every aspect of their loan before they sign, including terms, pricing and interest rate, monthly payments and total cost.

Each customer also receives a Customer Bill of Rights at the time of loan closing (see Appendix 1 at the end of this document). The Bill of Rights represents our commitment to fairness and transparency, including customer choice. After closing, we conduct surveys to ensure customer satisfaction and their understanding that any optional products are optional and can be canceled at any time.

Operating responsibly also means a strong compliance organization with controls and systems that uphold our

principles. We are committed to the highest standards of business conduct in our relationships with each other, our investors, customers, suppliers, shareholders and others.

Finally, our Code of Conduct is the cornerstone of how we expect all team members to act in their dealings with each other and customers. The Code serves as a set of consistent guidelines and requirements upon which we can base our actions, with annual training required for every team member. We regularly review, update and communicate changes to policies and procedures to our team members to ensure we always meet or exceed the most current standards, laws and regulations. We are also licensed in each of the 44 states in which we operate and believe a responsible and affordable interest rate stops at 36%, even when not required by state law.

1.1 Our Approach to Corporate Social Responsibility

Our approach to CSR is a natural extension of who we are, what we do and how we operate. We are committed to having a positive impact on our customers, communities and team members.

Our customers often have challenges that impact their credit history and for whom mainstream lending is either not available or not an option. Our responsible, affordable options allow us to serve our customers by providing cash in a time of need, often the same day. Our customers turn to us to meet important financial needs, and we want to ensure they have a trusted partner on their road to financial security.

Our team members lead with the shared purpose of helping our customers achieve financial well-being and resilience. We view this as our responsibility as a corporate citizen and, more importantly, a member of this community. We believe that when our communities succeed, we also succeed. Our mission comes from this sense of responsibility, but is only achieved through our customers, our communities and our company.

“For individuals, credit is a tool to tap future resources for use today. Used prudently, it supports wealth-building, enhances financial security, and provides a buffer for unforeseen emergencies. Given the widespread use of financial data in modern economic life, credit behaviors also affect access to broader economic opportunities.”

– Federal Reserve Bank of New York, “Unequal Access to Credit: The Hidden Impact of Credit Constraints”

Our Customers

We believe in serving our customers responsibly and empowering them financially by:

- **Providing transparent and responsible products**
We want our customers to clearly understand the features and costs of all products available so that they understand their options and can make well-informed decisions.
- **Offering financial education and wellness products and solutions**
We support our customers as they navigate questions around savings, budgeting and credit scores through our free micro-courses and library of articles. We also provide them with financial solutions such as our recent Trim acquisition that allow them to save money. Our customers know they can turn to us as a trusted resource to strengthen their financial health.
- **Implementing responsible business practices**
We ensure our customers obtain a loan they can afford with easy-to-understand terms and receive excellent customer service. Practices such as our ability-to-pay underwriting, Borrower’s Assistance Programs, Customer Choice, Fair Lending Practices and Executive Office of Customer Care all ensure transparency and consistency.

Our Communities

We believe in giving back to the communities in which we live and serve by:

- **Building community partnerships**
We seek out partnerships with local and national organizations that share our belief in creating financial resilience, mobility and literacy. Our long-term relationships with these organizations provide value to both parties and more importantly, produce positive impacts for the communities we serve. We regularly host town halls with these partners to provide helpful resources to our community.
- **Facilitating employee volunteer opportunities**
We leverage our community partnerships to create volunteer opportunities for our team members. We encourage this by giving three days of paid time off each year to volunteer with charities and non-profits of their choice.
- **Giving philanthropic grants**
We support our communities through grants in support of immediate public health and food security efforts, financial literacy and economic development.
- **Providing financial education tools**
Free financial education tools and resources are available 24/7 through our website, as well as an archive of more than 300 free articles covering topics from understanding loans and managing debt to avoiding scams.

Our Company

We believe building and maintaining an inclusive culture, nurturing rewarding careers, and developing innovative solutions starts by:

- **Committing to Diversity and Inclusion**
We place an emphasis on diversity and inclusion across the company including our diverse suppliers, recruitment practices, performance evaluations and unconscious bias training.
- **Building a Great Place to Work**
Motivated and engaged team members are more collaborative and productive, resulting in an excellent customer experience. To this end, we provide competitive and comprehensive benefits and professional development to attract and retain top talent, resulting in low rates of employee attrition.
- **Developing Continuous Social Innovation**
We are constantly striving to identify innovative solutions that produce positive outcomes for our team members, customers and community.

Our commitment to improve the financial well-being of hardworking Americans extends to our customers, our communities where we live and work, and our team members – a mission that has guided us for more than 100 years.

1.2. Framework overview

OneMain's Social Bond Framework ("Framework") aligns to the Social Bond Principles 2020 ("SBP")², as administered by the International Capital Market Association ("ICMA"), and addresses the following four core components:

1. Use of proceeds
2. Process for loan evaluation and selection
3. Management of proceeds
4. Reporting

In accordance with the SBPs, the net proceeds of any future offering of Social Bonds will be allocated to financing loans that contribute to the objective of access to essential services, specifically financial inclusion in underserved communities. These communities have been identified using the counties in the Federal Reserve Bank of New York's (FRBNY) "Unequal Access to Credit: The Hidden Impact of Credit Constraints"³ report (the "Report").

The Report utilizes the Community Credit framework⁴ to divide communities into two subgroups – those with a credit score and those without. Residents with no credit score are not connected to a mainstream credit institution and face limited, more expensive options for credit, if at all. Residents in the formal credit economy with credit constraining outcomes may find it challenging to borrow or to withstand emergencies. OneMain customers are typically in the formal credit economy, but the majority have credit constraining attributes as evidenced by an average credit score of 630.

According to the Report, "access to credit is an asset for individuals to pursue economic opportunity and enhance financial security." The Report seeks to better assess a community's ability to access credit products at fair terms when they choose, which is "credit at choice." Traditional analysis only focusing on those not in the formal credit economy often overlooks those with credit constraining outcomes for whom "credit at choice" is unavailable.

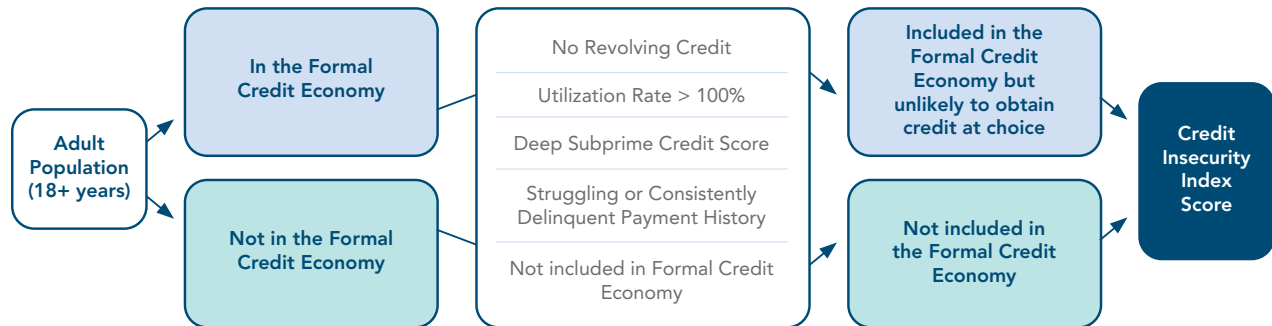
²International Capital Market Association, "Social Bond Principles 2020", published June 2020 <https://www.icmagroup.org/assets/documents/Regulatory/Green-Bonds/June-2020/Social-Bond-PrinciplesJune-2020-090620.pdf>

³Federal Reserve Bank of New York, "Unequal Access to Credit: The Hidden Impact of Credit Constraints", published 24 September 2019 <https://www.newyorkfed.org/outreach-and-education/community-development/unequal-access-to-credit-hidden-impact-credit-constraints>

⁴Federal Reserve Bank of New York, "Community Credit: A New Perspective on America's Communities"; <https://www.newyorkfed.org/data-and-statistics/data-visualization/community-credit-profiles/index.html#overview>

The Report seeks to measure a community's ability to access this credit at choice by incorporating both populations into their "Credit Insecurity Index score" to develop a more accurate and nuanced method of evaluating counties. Certain counties were identified as having limited access to credit at choice due to significant numbers of residents that are either unbanked or have credit-limiting histories. On average, credit constraining outcomes represent over half of the Credit Insecurity Index score and these identified counties are also more rural, less white, and the residents earn less than the rest of the United States⁵.

Table 2: Credit Insecurity Methodology



Furthermore, at least 75% of the loans being funded by the Social Bonds will be to women or minority borrowers in these counties. In alignment with the SBPs, OneMain serves these vulnerable target populations by addressing the general population⁶ with our responsible, principle-based practices such as:

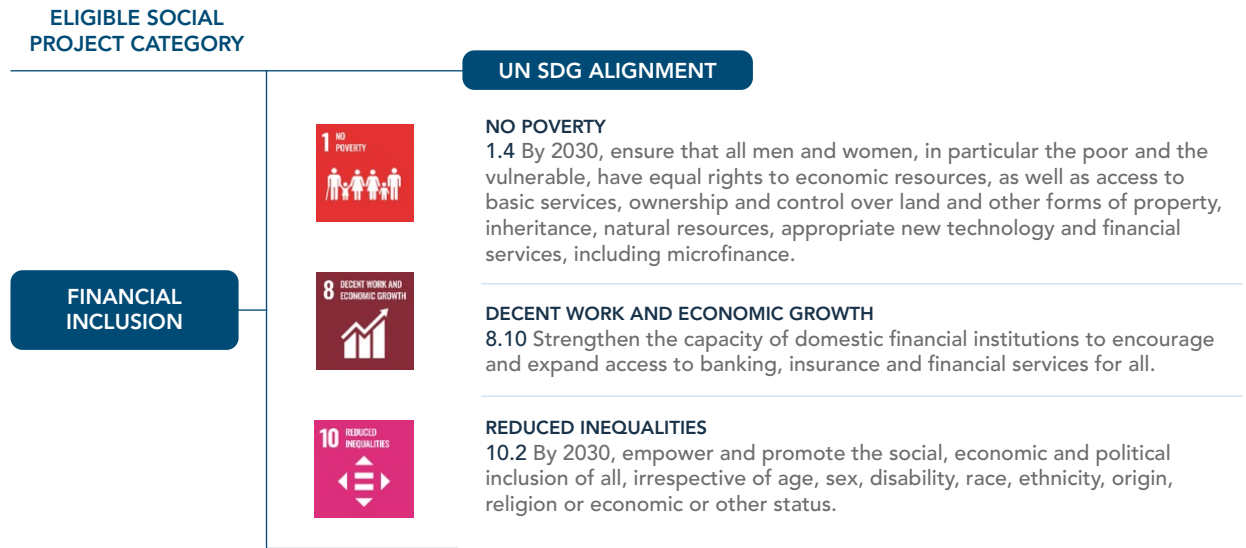
- A self-imposed rate cap of 36%
- Ability-to-pay based underwriting and budgeting
- Sales process driven by customer choice
- Transparent loan disclosures
- Robust Fair Lending program and Compliance Management Program

OneMain's Social Bonds will support and contribute toward meeting the United Nations Sustainable Development Goals (UN SDGs)⁷. The UN SDGs, established by all UN member states in 2015, promote social equity, a healthy planet and economic prosperity for all through a collection of 17 global goals. Particularly relevant for OneMain's Social Bonds' use of proceeds are:

⁵Federal Reserve Bank of New York, "Unequal Access to Credit: The Hidden Impact of Credit Constraints", published 24 September 2019 <https://www.newyorkfed.org/outreach-and-education/community-development/unequal-access-to-credit-hidden-impact-credit-constraints>

⁶International Capital Market Association, "Social Bond Principles 2020", published June 2020 <https://www.icmagroup.org/assets/documents/Regulatory/Green-Bonds/June-2020/Social-Bond-PrinciplesJune-2020-090620.pdf>

⁷ <https://www.un.org/sustainabledevelopment/sustainable-development-goals/>

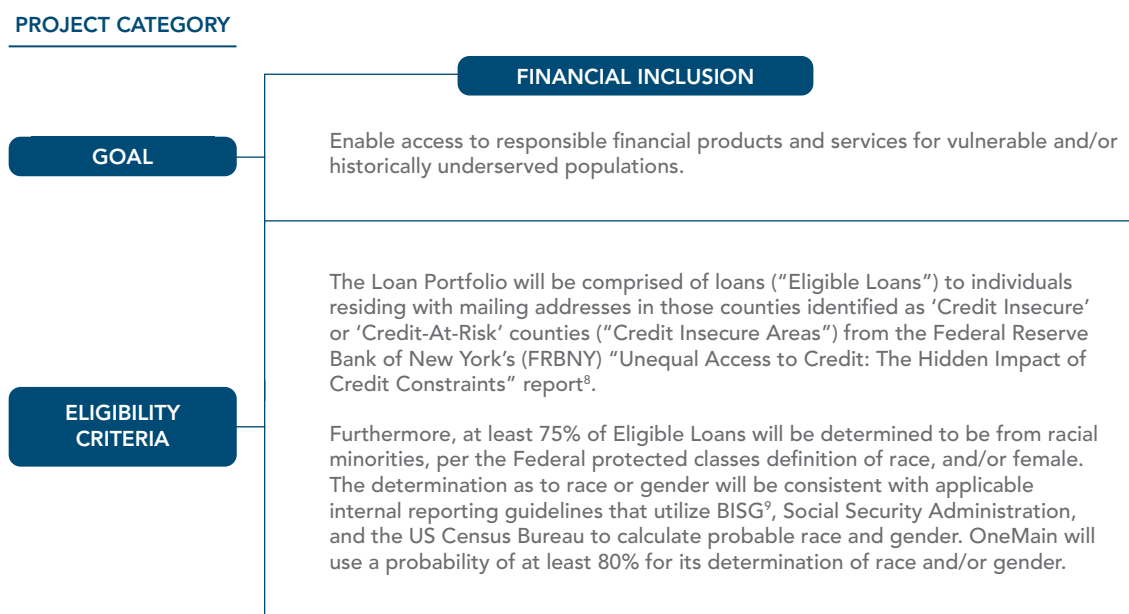


2. Social Bond Framework

2.1. Use of proceeds

An amount equivalent to the net proceeds of OneMain’s Social Bonds will be allocated to finance or re-finance, in part or in full, a portfolio of new or existing loans (collectively, the “Eligible Portfolio”) that meet the Eligibility Criteria described in the below table.

2.2. Eligibility criteria



⁸Federal Reserve Bank of New York, “Unequal Access to Credit: The Hidden Impact of Credit Constraints”, published 24 September 2019 <https://www.newyorkfed.org/outreach-and-education/community-development/unequal-access-to-credit-hidden-impact-credit-constraints>

⁹“Bayesian Improved Surname Geocoding”, which is the market standard

2.3. Loan evaluation and selection process

A subcommittee of OneMain's Management Risk Committee (the "Committee"), comprised of representatives from Corporate Social Responsibility, Government Relations, Legal, Risk Management, Accounting, Finance, and Treasury will be responsible for:

- Review and approval of the Framework
- Review and approval of the Eligible Portfolio
- Review and approval of the annual reporting
- Review of the Post Issuance External Verification Report
- Monitoring ongoing Social Bond market practices
- Ensuring all Eligible Loans comply with OneMain's Lending Guidelines provided in Appendix 2, which mitigate indirect negative social impacts by offering responsible access to credit as described above

2.4. Management of proceeds

The look-back period for an Eligible Portfolio will be 12 months before the date of any future issuance of Social Bonds by OneMain. OneMain's intention is to fully allocate the net proceeds of Social Bonds within 12 months of their issuance.

OneMain will track, on an annual basis, the allocation of the net proceeds from Social Bonds to an Eligible Portfolio. The net proceeds from any Social Bonds issued will be deposited in OneMain's general fund account and an amount equal to the net proceeds will be earmarked for allocation to an Eligible Portfolio in accordance with the Framework. Any portion of a Social Bond's net proceeds that have not been allocated to an Eligible Portfolio will be held in cash or cash equivalents in accordance with OneMain Treasury's liquidity management procedures.

Future Social Bond issuances will be tracked and contain relevant information to identify the Social Bonds and the

Eligible Loans allocated to them, including at a minimum the dollar amount, and applicable eligibility criteria.

The Committee will ensure this information is updated quarterly for their review. This information will form the basis for OneMain's annual Allocation and Impact Reporting.

Payment of principal and interest on any Social Bond issuance will be made from OneMain's general fund account and will not be directly linked to the performance of any Eligible Portfolio.

Until the maturity of the relevant Social Bond(s), in case of divestment, cancellation, or repayment of an allocated loan, or if an allocated loan no longer meets the eligibility criteria, the Committee commits to reallocate the proceeds within a reasonable time frame to maintain the Eligible Portfolio. These changes will be tracked thoroughly and included in reporting to ensure transparency not less than annually.

2.5. Reporting

OneMain intends to make reporting for any future issuance of Social Bonds under this Framework readily available at OneMain's Investor Relations website and/or CSR webpage until maturity of such Social Bonds.

On an annual basis and on a timely basis in the case of material developments, OneMain will, subject to any applicable confidentiality obligations, report on its website a description of the Eligible Portfolio to include at minimum the following information:

1. Net proceeds raised from future Social Bond issuances
2. Aggregate amount of proceeds allocated to the Eligible Loans
3. The balance of unallocated proceeds, if any
4. The proportion of the Eligible Portfolio to which proceeds have been allocated.
5. Unpaid Principal Balance ("UPB") of loans to individuals in Credit Insecure Areas as a percent of all OneMain borrowers.
6. Number of loans to borrowers in Credit Insecure Areas as a percent of all OneMain borrowers.
7. Average balance of Credit Insecure Borrowers' loans vs. average balance of all OneMain borrowers' loans.
8. Average net income of borrowers in Credit Insecure Areas.

OneMain will request a qualified independent external reviewer to verify and provide third-party assurance with respect to the allocation of the Social Bond net proceeds with the OneMain Social Bond Framework. At minimum, this review will be carried out after the full allocation of an amount equal to the net proceeds from the OneMain Social Bond. OneMain will post the external review report on the OneMain website.

2.6. External review

OneMain has appointed the independent second-party opinion provider, S&P Global Ratings, to review this Framework and attest to its alignment with the SBPs and their contribution to the relevant UN SDGs.

2.7. Amendments to this Framework

The Committee will review this Framework on a periodic basis, including its alignment to updated versions of the Social Bond Principles as and when they are released, with the aim of adhering to best practices in the market. Such review may result in this Framework being updated and amended from time to time. Any substantive updates or changes will be subject to prior approval by the External Reviewer. Any future version of this Framework that may exist will either keep or improve the current levels of transparency and reporting disclosures, including the corresponding review by the External Reviewer. The updated Framework, if any, will be published on OneMain's website and will replace this Framework.

Appendix 1: OneMain Financial Customer Bill of Rights

You have the right to:

A Loan You Can Afford Your loan will have an affordable monthly payment that fits into your unique situation and household budget.

Easy to Understand Pricing and Terms We will help you understand every aspect of your loan before you sign, including terms, pricing and interest rate, monthly payment, and total cost.

No Pressure and Fair Treatment You can choose to buy optional products such as insurance to help you through unexpected events. Your choices will be made in a pressure-free environment and have no bearing on your loan approval. You can get a full no-questions-asked refund of your purchase of any of these products within the first 30 days and a pro-rated refund at any time.

Customer Satisfaction Guarantee We will try our best to answer your questions and resolve your concerns. If you are unsatisfied with your loan for any reason, you can return the proceeds within seven calendar days and cancel your loan.

Help When You Need It Life brings unexpected events and challenges, and we will work with you on repayment options if your situation changes.

Appendix 2: General Credit Guidelines of Credit Policy

It is the Company's intention to adhere to the following key principles when lending money:

- Offer responsible, fully amortizing consumer loan products.
- Maintain ability-to-pay based underwriting.
- Design products tailored to provide tangible benefit to customers.
- Design a credit policy to support stable performance through the cycle and meet risk adjusted return hurdles.

A. General Credit Guidelines

- Loan amount minimum is typically \$1,500 and loans are booked up to \$50,000.
- Loan terms may extend up to 72 months.
- Annual Percentage Rate (APR) is not to exceed allowable maximum under state law. In states without a cap, the maximum APR is 35.99% or 36% for applications covered by the Military Lending Act (MLA).
- Loan origination fees comply with appropriate state regulatory statutes.
- Secured loans have a minimum individual collateral requirement of \$2,000 for new and former applicants.

B. Prohibited Loan Types

- Collateral dependent loans
- Post-secondary education loans
Note: This prohibits using loan proceeds to pay off or pay down an existing student loan.
- Real estate loans
Note: This prohibits using loan proceeds as a down payment for a home purchase or land plot.
- Business related expenses
- Securities purchases
- Gambling
- Illegal activities

Important Disclaimers

This Social Bond Framework is provided by OneMain Holdings, Inc. (“OneMain”, “we”, “our” and “us”) for informational purposes only and is subject to change without notice.

OneMain does not assume any responsibility or obligation to update or revise any statements in this document, regardless of whether those statements are affected by the results of new information, future events or otherwise. No representation or warranty, express or implied, is or will be made in relation to the accuracy, reliability or completeness of the information contained herein. No liability whatsoever is or will be accepted by OneMain for any loss or damage howsoever arising out of or in connection with the use of, or reliance upon, the information contained in this document.

This Social Bond Framework does not constitute, or form part of, any offer or invitation to purchase, underwrite, subscribe for or otherwise acquire or dispose of, or any solicitation of any offer to purchase, underwrite, subscribe for or otherwise acquire or dispose of, any debt or other securities (“securities”) of OneMain and is not intended to provide the basis for any credit or any other third-party evaluation of securities. If any such offer or invitation is made, it will be done so pursuant to separate and distinct documentation in the form of a pricing supplement, prospectus supplement, an accompanying prospectus or other equivalent document and a related pricing term sheet (collectively, the “Offering Documents”) and any decision to purchase or subscribe for any securities pursuant to such offer or invitation should be made solely on the basis of such Offering Documents and not this Social Bond Framework.

This Social Bond Framework is not incorporated by reference into, or a part of, any Offering Documents or any security. Any failure of OneMain to comply with this Social Bond Framework will not constitute a default under or breach of any security.

This Social Bond Framework should not be considered as a recommendation that any investor should subscribe for or purchase any securities, nor as an assessment of the economic performance and creditworthiness of the securities. Any person who subsequently acquires securities must rely solely on the Offering Documents prepared by OneMain in connection with such securities, on the basis of which alone purchases of or subscription for such securities should be made. In particular, investors should pay special attention to any sections of Offering Documents describing any risk factors. The merits or suitability

of any securities or any transaction described in these materials to a particular person’s situation should be independently determined by such person. Any such determination should involve, inter alia, an assessment of the legal, tax, accounting, regulatory, financial, credit and other related aspects of the securities or such transaction.

Certain statements in this Social Bond Framework constitute “forward-looking statements” within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. Words such as “expects,” “believes,” “anticipates,” “includes,” “plans,” “assumes,” “estimates,” “projects,” “intends,” “should,” “will,” “shall” or variations of such words are generally part of forward-looking statements. Forward-looking statements are made based on management’s current expectations and beliefs concerning future developments and their potential effects upon OneMain Holdings, Inc. and its subsidiaries. OneMain’s actual results and the use of proceeds from the Social Bonds may differ materially from expectations or estimates reflected in such forward-looking statements. Certain important factors that could cause OneMain’s actual results and the use of proceeds to differ, possibly materially, from expectations or estimates reflected in such forward-looking statements can be found in the “Risk Factors” and “Management’s Discussion and Analysis” sections included in OneMain’s most recent Annual Report on Form 10-K and subsequent Quarterly Reports on Form 10-Q filed with the SEC and in OneMain’s other filings with the SEC from time to time. If one or more of these or other risks or uncertainties materialize, or if our underlying assumptions prove to be incorrect, our actual results and the use of proceeds from the Social Bonds may vary materially from what we may have expressed or implied by these forward-looking statements. Our execution of the Social Bond Framework is subject to the risk that we will be unable to execute our strategy because of economic, market or competitive conditions or other factors. We caution you not to place undue reliance on these forward-looking statements that speak only as of the date on which they were made. We do not undertake any obligation to update or revise these forward-looking statements to reflect events or circumstances after the date of this document or to reflect the occurrence of unanticipated events or the non-occurrence of anticipated events, whether as a result of new information, future developments or otherwise, except as required by law.