IMPORTANT NOTICE

THIS OFFERING IS AVAILABLE ONLY TO INVESTORS MEETING THE QUALIFICATIONS DESCRIBED IN THE ATTACHED PRIVATE PLACEMENT MEMORANDUM.

IMPORTANT: You must read the following before continuing. The following applies to the private placement memorandum following this page, and you are therefore advised to read this carefully before reading, accessing or making any other use of the private placement memorandum. In accessing the private placement memorandum, you agree to be bound by the following terms and conditions, including any modifications to them any time you receive any information from us as a result of such access.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE NOTES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION AND THE NOTES MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT OF 1933, AS AMENDED, AND APPLICABLE STATE OR LOCAL SECURITIES LAWS. THE ACQUISITION AND TRANSFER OF THE NOTES ARE SUBJECT TO ANY ADDITIONAL RESTRICTIONS DESCRIBED IN THE PRIVATE PLACEMENT MEMORANDUM.

EXCEPT AS SET FORTH IN THE PRIVATE PLACEMENT MEMORANDUM, THE PRIVATE PLACEMENT MEMORANDUM MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORIZED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OF 1933, AS AMENDED, OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

The Issuer will be relying on an exclusion or exemption from the definition of "investment company" under the Investment Company Act of 1940, as amended (the "Investment Company Act") contained in Rule 3a-7 of the Investment Company Act, although there may be additional exclusions or exemptions available to the Issuer. The Issuer is being structured so as not to constitute a "covered fund" for purposes of the Volcker Rule under the Dodd-Frank Act (both as defined in this private placement memorandum).

Confirmation of your Representation: In order to be eligible to view this private placement memorandum, investors must be (i) qualified institutional buyers (within the meaning of Rule 144A under the Securities Act of 1933, as amended) or (ii) in the case of the Notes other than the Class D Notes, non-"U.S. Persons" (as defined in Regulation S under the Securities Act of 1933, as amended) in compliance with Regulation S under the Securities Act of 1933, as amended. This private placement memorandum is being sent at your request and by accepting this e-mail and accessing this private placement memorandum, you will be deemed to have represented to us that you are a qualified institutional buyer (within the meaning of Rule 144A under the Securities Act of 1933, as amended) or, in the case of the Notes other than the Class D Notes, not a "U.S. Person" (as defined in Regulation S under the Securities Act of 1933, as amended) and that you consent to delivery of this private placement memorandum by electronic transmission.

You are reminded that this private placement memorandum has been delivered to you on the basis that you are a person into whose possession this private placement memorandum may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorized to, deliver this private placement memorandum to any other person.

This private placement memorandum has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of the Initial Purchasers nor any person who controls any of the Initial Purchasers, or any director, officer, employee or agent of such persons or affiliate of such persons accepts any liability or responsibility whatsoever in respect of any difference between the private placement memorandum distributed to you in electronic format and the hard copy version available to you on request from the Initial Purchasers.

OneMain Direct Auto Receivables Trust 2016-1
Issuer

OneMain Direct Auto Funding, LLC
Depositor

Springleaf Finance Corporation
Servicer

$753,900,000 Asset-Backed Notes
Principal and interest payable monthly, commencing in August 2016

You should carefully consider the risk factors beginning on page 24 of this private placement memorandum.

None of the Notes or the Loans are insured or guaranteed by any governmental agency or instrumentality.

The Notes represent non-recourse debt obligations of the Issuer only and will not be obligations of, or represent interests in, any other entity.

The Issuer Will Issue—

- One class of senior asset-backed notes and three classes of subordinate asset-backed notes.
- Two classes of trust certificates.

The Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes are offered by this private placement memorandum (collectively, the "**Notes**"). The size, ratings and basic payment characteristics of the Notes are described in the table (the "**Notes Table**") on page 9 of this private placement memorandum. Only a United States person (as defined under Section 7701(a)(30) of the Internal Revenue Code) may hold a Class D Note.

The Assets to be Pledged by the Issuer Consist of—

- A pool of non-revolving, fixed-rate direct auto loans secured by automobiles, light-duty trucks and other vehicles (the "**Loans**").

Credit Enhancement Will Consist of—

- Subordination of certain classes of Notes to other classes of Notes higher in order of payment priority for payments of interest and principal.
- Overcollateralization, which is the excess of the aggregate adjusted loan principal balance of the direct auto loans over the aggregate principal balance of the Notes and is described more fully under "*Summary Information—Credit Enhancement*" in this private placement memorandum.
- Excess spread available to absorb losses on the direct auto loans and to make payments of principal on the Notes.
- A reserve account available to pay interest and principal on the Notes as well as servicing fees and certain other fees and amounts.

The Notes have not been and will not be registered under the Securities Act of 1933, as amended (the "**Securities Act**"), or with any securities regulatory authority of any state of the United States, and the Issuer has not been registered under the Investment Company Act of 1940, as amended (the "**Investment Company Act**"). The Notes are being offered only (i) in the United States to "qualified institutional buyers" in reliance on Rule 144A ("**Rule 144A**") of the Securities Act and (ii) except in the case of the Class D Notes, in offshore transactions to persons who are not "U.S. persons" (as defined in Regulation S ("**Regulation S**") under the Securities Act) in reliance on Regulation S. For a description of certain restrictions on transfer, see "*Restrictions on Transfer*" in this private placement memorandum. Reproduction or further distribution of this confidential private placement memorandum is forbidden. Prospective investors should be aware that they may be required to bear the economic risks of this investment for an indefinite period of time. Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the Notes or determined if this private placement memorandum is truthful or complete. Any representation to the contrary is a criminal offense.

The Notes will be sold by the Depositor to the Initial Purchasers, which will offer the Notes from time to time in negotiated transactions at varying prices to be determined at the time of sale when, as and if delivered to and accepted by the Initial Purchasers and subject to various prior conditions, including the Initial Purchasers' right to reject orders in whole or in part; *provided* that some of the Notes may be retained by the Depositor or conveyed to an affiliate of the Depositor. It is expected that delivery of the Notes will be made on or about July 19, 2016 (the "**Closing Date**").

The date of this private placement memorandum is July 12, 2016.

Joint Bookrunners

Credit Suisse **Natixis** **Barclays**

Co-Managers

Citigroup **RBC Capital Markets** **Drexel Hamilton**

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This private placement memorandum contains substantial information concerning the Issuer, the Depositor, the Servicer, the Notes, the direct auto loans and the obligations of the Sellers, the Performance Support Provider, the Servicer, the Administrator, the Back-up Servicer, the Owner Trustee, the Depositor Loan Trustee, the Issuer Loan Trustee, the Indenture Trustee (each as defined herein) and others with respect to them. Potential investors are urged to review this private placement memorandum in its entirety. The obligations of the parties with respect to the transactions contemplated in this private placement memorandum are set forth in and will be governed by certain documents described in this private placement memorandum, and all of the statements and information in this private placement memorandum are qualified in their entirety by reference to such documents.

PROSPECTIVE PURCHASERS ARE NOT TO CONSTRUE THE CONTENTS OF THIS PRIVATE PLACEMENT MEMORANDUM OR ANY PRIOR OR SUBSEQUENT COMMUNICATIONS FROM THE SELLERS, THE PERFORMANCE SUPPORT PROVIDER, THE DEPOSITOR, THE ISSUER, THE SERVICER, THE ADMINISTRATOR, THE BACK-UP SERVICER, THE NOTE REGISTRAR, THE INITIAL PURCHASERS, THE DEPOSITOR LOAN TRUSTEE, THE ISSUER LOAN TRUSTEE, THE INDENTURE TRUSTEE OR THE OWNER TRUSTEE (EACH AS DEFINED HEREIN) OR ANY OF THEIR RESPECTIVE OFFICERS, EMPLOYEES OR AGENTS AS INVESTMENT, LEGAL, ACCOUNTING OR TAX ADVICE. PRIOR TO INVESTING IN THE NOTES A PROSPECTIVE PURCHASER SHOULD CONSULT WITH ITS ATTORNEY AND ITS INVESTMENT, ACCOUNTING, REGULATORY AND TAX ADVISORS TO DETERMINE THE CONSEQUENCES OF AN INVESTMENT IN THE NOTES AND ARRIVE AT AN INDEPENDENT EVALUATION OF SUCH INVESTMENT.

THE NOTES HAVE NOT BEEN REGISTERED OR QUALIFIED UNDER THE SECURITIES ACT OR UNDER THE SECURITIES LAWS OF ANY OTHER JURISDICTION AND THE ISSUER IS NOT AND WILL NOT BE REGISTERED UNDER THE UNITED STATES INVESTMENT COMPANY ACT OF 1940, AS AMENDED. THE RESALE OR TRANSFER OF THE NOTES IS RESTRICTED BY THE TERMS THEREOF AND BY THE TERMS OF THE INDENTURE. SEE "*NOTICE TO INVESTORS*" IN THIS PRIVATE PLACEMENT MEMORANDUM. INVESTORS SHOULD BE AWARE THAT THEY MAY BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THEIR INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.

THE NOTES WILL BE OFFERED (1) IN THE UNITED STATES TO QUALIFIED INSTITUTIONAL BUYERS IN RELIANCE ON RULE 144A OF THE SECURITIES ACT AND (2) EXCEPT IN THE CASE OF THE CLASS D NOTES, OUTSIDE THE UNITED STATES TO ENTITIES WHICH ARE NOT "U.S. PERSONS" IN COMPLIANCE WITH REGULATION S UNDER THE SECURITIES ACT, EACH TO WHOM THIS PRIVATE PLACEMENT MEMORANDUM HAS BEEN FURNISHED. THE NOTES WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OR ANY STATE SECURITIES OR "BLUE SKY" LAWS AND ARE BEING OFFERED AND SOLD IN RELIANCE UPON EXEMPTIONS FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND SUCH LAWS. THE TRANSFER OF THE NOTES IS SUBJECT TO CERTAIN ADDITIONAL RESTRICTIONS AND CONDITIONS. SEE "NOTICE TO INVESTORS." THERE IS NO MARKET FOR THE NOTES AND THERE IS NO ASSURANCE THAT ONE WILL DEVELOP. RESALES OF THE NOTES MAY BE MADE ONLY (I) (A) PURSUANT TO RULE 144A OR (B) EXCEPT IN THE CASE OF THE CLASS D NOTES, PURSUANT TO REGULATION S UNDER THE SECURITIES ACT, (II) PURSUANT TO THE REQUIREMENTS OF, OR AN EXEMPTION UNDER, APPLICABLE STATE SECURITIES LAWS AND (III) IN ACCORDANCE WITH THE OTHER RESTRICTIONS ON TRANSFER SET FORTH IN THE INDENTURE AND DESCRIBED BELOW.

THE NOTES HAVE NOT BEEN REGISTERED WITH OR APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR BY ANY STATE OR FOREIGN SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE OR FOREIGN SECURITIES COMMISSION REVIEWED OR PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PRIVATE PLACEMENT MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THE NOTES REPRESENT NON-RECOURSE OBLIGATIONS OF THE ISSUER. NEITHER THE NOTES NOR THE LOANS WILL REPRESENT INTERESTS IN OR OBLIGATIONS OF THE SELLERS, THE PERFORMANCE SUPPORT PROVIDER, THE DEPOSITOR, THE SERVICER, THE ADMINISTRATOR, THE BACK-UP SERVICER, THE NOTE REGISTRAR, THE INITIAL PURCHASERS, THE DEPOSITOR LOAN

TRUSTEE, THE ISSUER LOAN TRUSTEE, THE INDENTURE TRUSTEE, THE OWNER TRUSTEE OR ANY OF THEIR RESPECTIVE AFFILIATES. NEITHER THE NOTES NOR THE LOANS WILL BE GUARANTEED OR INSURED BY ANY GOVERNMENTAL AGENCY OR INSTRUMENTALITY OR ANY OTHER ENTITY. THE LOANS AND ANY FUNDS ON DEPOSIT IN THE NOTE ACCOUNTS WILL BE THE SOLE SOURCE OF PAYMENT ON THE NOTES, AND THERE WILL BE NO RECOURSE TO THE SELLERS, THE PERFORMANCE SUPPORT PROVIDER, THE DEPOSITOR, THE SERVICER, THE ADMINISTRATOR, THE BACK-UP SERVICER, THE NOTE REGISTRAR, THE INITIAL PURCHASERS, THE DEPOSITOR LOAN TRUSTEE, THE ISSUER LOAN TRUSTEE, THE INDENTURE TRUSTEE, THE OWNER TRUSTEE OR ANY OTHER ENTITY IN THE EVENT THAT PAYMENTS ON THE LOANS OR AMOUNTS IN THE NOTE ACCOUNTS ARE INSUFFICIENT OR OTHERWISE UNAVAILABLE TO MAKE ALL PAYMENTS PROVIDED FOR UNDER THE NOTES.

NO PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS OTHER THAN THOSE CONTAINED IN THIS PRIVATE PLACEMENT MEMORANDUM AND ANY TERM SHEET PROVIDED TO YOU BY THE DEPOSITOR PRIOR TO THE DELIVERY OF THIS PRIVATE PLACEMENT MEMORANDUM AND, IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON. THIS PRIVATE PLACEMENT MEMORANDUM DOES NOT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY ANY SECURITIES OTHER THAN THE NOTES. THIS PRIVATE PLACEMENT MEMORANDUM DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY, NOR WILL THERE BE ANY SALE OF THE NOTES, IN ANY STATE OR OTHER JURISDICTION IN WHICH SUCH OFFER, SOLICITATION OR SALE WOULD BE UNLAWFUL PRIOR TO REGISTRATION OR QUALIFICATION UNDER THE SECURITIES LAWS OF SUCH STATE OR OTHER JURISDICTION. THE DELIVERY OF THIS PRIVATE PLACEMENT MEMORANDUM AT ANY TIME DOES NOT IMPLY THAT INFORMATION HEREIN IS CORRECT AS OF ANY TIME SUBSEQUENT TO ITS DATE. THE DEPOSITOR AND THE INITIAL PURCHASERS RESERVE THE RIGHT TO REJECT ANY OFFER TO PURCHASE THE NOTES IN WHOLE OR IN PART, FOR ANY REASON, OR TO SELL LESS THAN THE FULL PRINCIPAL BALANCE OF THE NOTES OFFERED HEREBY.

A PROSPECTIVE TRANSFEREE OF THE NOTES OR ANY INTEREST THEREIN MUST REPRESENT (AND SHALL BE DEEMED TO REPRESENT) THAT EITHER (I) IT IS NOT AND IS NOT ACTING ON BEHALF OF, OR USING THE ASSETS OF (A) AN "EMPLOYEE BENEFIT PLAN," AS DEFINED IN SECTION 3(3) OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**"), THAT IS SUBJECT TO TITLE I OF ERISA, (B) A "PLAN," AS DEFINED IN SECTION 4975(e)(1) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**INTERNAL REVENUE CODE**"), THAT IS SUBJECT TO SECTION 4975 OF THE INTERNAL REVENUE CODE, (C) AN ENTITY WHOSE UNDERLYING ASSETS INCLUDE "PLAN ASSETS" BY REASON OF SUCH EMPLOYEE BENEFIT PLAN'S OR PLAN'S INVESTMENT IN THE ENTITY (WITHIN THE MEANING OF DEPARTMENT OF LABOR REGULATION 29 C.F.R. SECTION 2510.3-101, AS MODIFIED BY SECTION 3(42) OF ERISA) OR (D) ANY GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN THAT IS SUBJECT TO ANY NON-U.S., FEDERAL, STATE OR LOCAL LAW THAT IS SUBSTANTIALLY SIMILAR TO SECTION 406 OF ERISA OR SECTION 4975 OF THE INTERNAL REVENUE CODE ("**SIMILAR LAW**") OR AN ENTITY WHOSE UNDERLYING ASSETS INCLUDE ASSETS OF ANY SUCH PLAN, OR (II) (A) THE TRANSFEREE IS ACQUIRING CLASS A NOTES OR CLASS B NOTES AND (B) ITS ACQUISITION, CONTINUED HOLDING AND DISPOSITION OF SUCH NOTES (OR ANY INTEREST THEREIN) WILL NOT GIVE RISE TO A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE INTERNAL REVENUE CODE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION OR VIOLATION OF ANY SIMILAR LAW.

EXCEPT AS SET FORTH IN SECTION 2.05 OF THE INDENTURE, NO TRANSFER OF A CLASS C NOTE OR BENEFICIAL INTEREST THEREIN SHALL BE EFFECTIVE, AND ANY SUCH ATTEMPTED TRANSFER SHALL BE VOID *AB INITIO*, UNLESS, PRIOR TO AND AS A CONDITION TO EACH SUCH TRANSFER, THE PROSPECTIVE TRANSFEREE (INCLUDING THE INITIAL BENEFICIAL OWNER AS INITIAL TRANSFEREE) AND ANY SUBSEQUENT TRANSFEREE REPRESENTS AND WARRANTS, IN WRITING, SUBSTANTIALLY IN THE FORM OF THE TRANSFEREE CERTIFICATION SET FORTH IN EXHIBIT B-6 TO THE INDENTURE, TO THE INDENTURE TRUSTEE AND THE NOTE REGISTRAR THAT:

(A) EITHER (I) IT IS NOT AND WILL NOT BECOME FOR U.S. FEDERAL INCOME TAX PURPOSES A PARTNERSHIP, SUBCHAPTER S CORPORATION OR GRANTOR TRUST (OR A DISREGARDED ENTITY THE SINGLE OWNER OF WHICH IS ANY OF THE FOREGOING) (EACH SUCH ENTITY, A "**FLOW-THROUGH ENTITY**") OR (II) IF IT IS OR BECOMES A FLOW-THROUGH ENTITY, THEN (X) NONE OF THE DIRECT OR INDIRECT BENEFICIAL OWNERS OF ANY OF THE INTERESTS IN SUCH FLOW-THROUGH ENTITY HAS OR EVER WILL HAVE MORE THAN 50% OF THE VALUE OF ITS INTEREST IN SUCH FLOW-THROUGH ENTITY ATTRIBUTABLE TO THE BENEFICIAL INTEREST OF SUCH FLOW-THROUGH ENTITY IN THE NOTES, OTHER INTEREST (DIRECT OR INDIRECT) IN THE ISSUER, OR ANY INTEREST CREATED UNDER THE INDENTURE AND (Y) IT IS NOT AND WILL NOT BE A PRINCIPAL PURPOSE OF THE ARRANGEMENT INVOLVING THE FLOW-THROUGH ENTITY'S BENEFICIAL INTEREST IN ANY CLASS C NOTE TO PERMIT ANY PARTNERSHIP TO SATISFY THE 100 PARTNER LIMITATION OF SECTION 1.7704-1(h)(1)(ii) OF THE TREASURY REGULATIONS NECESSARY FOR SUCH PARTNERSHIP NOT TO BE CLASSIFIED AS A PUBLICLY TRADED PARTNERSHIP UNDER THE INTERNAL REVENUE CODE, (B) IT IS NOT ACQUIRING ANY CLASS C NOTE OR BENEFICIAL INTEREST THEREIN, IT WILL NOT SELL, TRANSFER, ASSIGN, PARTICIPATE, PLEDGE OR OTHERWISE DISPOSE OF ANY CLASS C NOTE(S) OR BENEFICIAL INTEREST THEREIN, AND IT WILL NOT CAUSE ANY CLASS C NOTE(S) OR BENEFICIAL INTEREST THEREIN TO BE MARKETED, IN EACH CASE ON OR THROUGH AN "ESTABLISHED SECURITIES MARKET" WITHIN THE MEANING OF SECTION 7704(b) OF THE INTERNAL REVENUE CODE, INCLUDING, WITHOUT LIMITATION, AN INTERDEALER QUOTATION SYSTEM THAT REGULARLY DISSEMINATES FIRM BUY OR SELL QUOTATIONS, (C) ITS BENEFICIAL INTEREST IN THE CLASS C NOTES IS NOT AND WILL NOT BE IN AN AMOUNT THAT IS LESS THAN THE MINIMUM DENOMINATION FOR SUCH CLASS C NOTE SET FORTH IN THE INDENTURE, AND IT DOES NOT AND WILL NOT HOLD ANY INTEREST ON BEHALF OF ANY PERSON WHOSE BENEFICIAL INTEREST IN A CLASS C NOTE IS IN AN AMOUNT THAT IS LESS THAN THE MINIMUM DENOMINATION FOR THE CLASS C NOTES SET FORTH IN THE INDENTURE, (D) IT WILL NOT SELL, ASSIGN, TRANSFER, PLEDGE OR OTHERWISE DISPOSE OF ANY CLASS C NOTE OR ANY BENEFICIAL INTEREST THEREIN, OR ENTER INTO ANY FINANCIAL INSTRUMENT OR CONTRACT THE VALUE OF WHICH IS DETERMINED BY REFERENCE IN WHOLE OR IN PART TO ANY CLASS C NOTE OR BENEFICIAL INTEREST THEREIN, IN EACH CASE IF THE EFFECT OF DOING SO WOULD BE THAT THE BENEFICIAL INTEREST OF ANY PERSON IN THE CLASS C NOTE WOULD BE IN AN AMOUNT THAT IS LESS THAN THE MINIMUM DENOMINATION FOR THE CLASS C NOTES SET FORTH IN THE INDENTURE, (E) IT WILL NOT USE ANY CLASS C NOTE AS COLLATERAL FOR THE ISSUANCE OF ANY SECURITIES THAT COULD CAUSE THE ISSUER TO BE TREATED AS AN ASSOCIATION OR PUBLICLY TRADED PARTNERSHIP TAXABLE AS CORPORATION FOR U.S. FEDERAL INCOME TAX PURPOSES, (F) IF ANY CLASS C NOTE HELD BY THE TRANSFEREE IS REQUIRED TO BE TREATED AS A PARTNERSHIP INTEREST IN THE ISSUER FOR U.S. FEDERAL INCOME TAX PURPOSES, THEN THE TRANSFEREE, OR, IF DIFFERENT, THE BENEFICIAL OWNER OF SUCH NOTE, SHALL AGREE TO THE DESIGNATION OF THE DEPOSITOR (OR IF NOT ALLOWED BY LAW, ITS OWNER) AS THE "TAX MATTERS PARTNER" AS DEFINED BY SECTION 6231(a)(7) OF THE CODE (PRIOR TO AMENDMENT OF THE CODE BY SECTION 1106 OF THE BIPARTISAN BUDGET ACT OF 2015 (THE "**AMENDED PARTNERSHIP AUDIT RULES**")), AND THE "PARTNERSHIP REPRESENTATIVE" AS DEFINED IN SECTION 6223 OF THE CODE (FOLLOWING AMENDMENT OF THE CODE BY THE AMENDED PARTNERSHIP AUDIT RULES), OF ANY PARTNERSHIP IN WHICH SUCH TRANSFEREE OR BENEFICIAL OWNER IS DEEMED TO BE A PARTNER FOR U.S. FEDERAL INCOME TAX PURPOSES BY VIRTUE OF HOLDING SUCH NOTE OR BENEFICIAL INTEREST THEREIN, (G) (1) UPON REASONABLE REQUEST, THE TRANSFEREE OR, IF SUCH TRANSFEREE IS NOT THE BENEFICIAL OWNER OF SUCH NOTE, THE BENEFICIAL OWNER OF SUCH NOTE SHALL PROVIDE TO THE INDENTURE TRUSTEE ON BEHALF OF THE ISSUER AND THE DEPOSITOR ANY FURTHER INFORMATION REQUIRED BY THE ISSUER TO COMPLY WITH THE AMENDED PARTNERSHIP AUDIT RULES, INCLUDING SECTION 6226(a) OF THE CODE AND, TO THE EXTENT THE ISSUER DETERMINES SUCH APPOINTMENT NECESSARY FOR IT TO MAKE AN ELECTION UNDER SECTION 6226(a) OF THE CODE, HEREBY APPOINTS THE TRANSFEREE AS ITS AGENT FOR PURPOSES OF RECEIVING ANY NOTIFICATIONS OR INFORMATION PURSUANT TO THE NOTICE REQUIREMENTS UNDER SECTION 6226(a)(2) OF THE CODE AND (2) TO THE EXTENT APPLICABLE, EACH TRANSFEREE OF A CLASS C NOTE AND, IF DIFFERENT, EACH BENEFICIAL OWNER OF A CLASS C NOTE SHALL HOLD THE ISSUER, THE INDENTURE TRUSTEE AND THEIR RESPECTIVE AFFILIATES

HARMLESS FOR ANY LOSSES RESULTING FROM A BENEFICIAL OWNER OF A CLASS C NOTE NOT PROPERLY TAKING INTO ACCOUNT OR PAYING ITS ALLOCATED ADJUSTMENT OR LIABILITY UNDER SECTION 6226 OF THE CODE, AND (H) IT WILL NOT TRANSFER A CLASS C NOTE OR ANY BENEFICIAL INTEREST THEREIN (DIRECTLY, THROUGH A PARTICIPATION, OR OTHERWISE) UNLESS, PRIOR TO THE TRANSFER, THE TRANSFEREE SHALL HAVE EXECUTED AND DELIVERED TO THE INDENTURE TRUSTEE AND THE NOTE REGISTRAR A TRANSFEREE CERTIFICATION SUBSTANTIALLY IN THE FORM OF EXHIBIT B-6 TO THE INDENTURE. NOTWITHSTANDING THE FOREGOING, A TRANSFEREE MAY PLEDGE A CLASS C NOTE OR ANY BENEFICIAL INTEREST THEREIN IF DOING SO WILL NOT RESULT IN ANY PERSON (OTHER THAN THE TRANSFEREE) BEING TREATED FOR U.S. FEDERAL INCOME TAX PURPOSES AS THE OWNER OF ALL OR ANY PORTION OF A CLASS C NOTE OR BENEFICIAL INTEREST THEREIN.

EXCEPT AS SET FORTH IN SECTION 2.05 OF THE INDENTURE, NO TRANSFER OF A CLASS D NOTE OR BENEFICIAL INTEREST THEREIN SHALL BE EFFECTIVE, AND ANY SUCH ATTEMPTED TRANSFER SHALL BE VOID *AB INITIO*, UNLESS, PRIOR TO AND AS A CONDITION TO EACH SUCH TRANSFER, THE PROSPECTIVE TRANSFEREE (INCLUDING THE INITIAL BENEFICIAL OWNER AS INITIAL TRANSFEREE) AND ANY SUBSEQUENT TRANSFEREE PROVIDES REPRESENTATIONS AND WARRANTIES, IN WRITING, SUBSTANTIALLY IN THE FORM OF THE TRANSFEREE CERTIFICATION SET FORTH IN EXHIBIT B-7 TO THE INDENTURE, TO THE INDENTURE TRUSTEE AND THE NOTE REGISTRAR, THAT: (I) WITH REFERENCE TO THE CLASS D NOTES OR BENEFICIAL INTERESTS THEREIN, INCLUDE THE REPRESENTATIONS AND WARRANTIES LISTED IN CLAUSES (A) THROUGH (H) IN THE IMMEDIATELY PRECEDING PARAGRAPH AND (II) IT IS A "UNITED STATES PERSON" AS DEFINED IN SECTION 7701(A)(30) OF THE INTERNAL REVENUE CODE AND WILL NOT TRANSFER TO, OR CAUSE SUCH CLASS D NOTE OR BENEFICIAL INTEREST THEREIN TO BE TRANSFERRED TO, ANY PERSON OTHER THAN A "UNITED STATES PERSON," AS DEFINED IN SECTION 7701(A)(30) OF THE INTERNAL REVENUE CODE. NOTWITHSTANDING THE FOREGOING, A TRANSFEREE MAY PLEDGE A CLASS D NOTE OR ANY BENEFICIAL INTEREST THEREIN IF DOING SO WILL NOT RESULT IN ANY PERSON (OTHER THAN THE TRANSFEREE) BEING TREATED FOR U.S. FEDERAL INCOME TAX PURPOSES AS THE OWNER OF ALL OR ANY PORTION OF A CLASS D NOTE OR BENEFICIAL INTEREST THEREIN.

THE NOTES MAY NOT BE SOLD IN THIS INITIAL OFFERING WITHOUT DELIVERY OF A FINAL PRIVATE PLACEMENT MEMORANDUM.

THIS PRIVATE PLACEMENT MEMORANDUM IS PERSONAL TO EACH OFFEREE AND DOES NOT CONSTITUTE AN OFFER TO ANY OTHER PERSON OR TO THE PUBLIC GENERALLY TO SUBSCRIBE FOR OR OTHERWISE ACQUIRE THE NOTES. DISTRIBUTION OF THIS PRIVATE PLACEMENT MEMORANDUM OR ANY OF THE DOCUMENTS REFERRED TO HEREIN TO ANY PERSON OTHER THAN THE OFFEREE AND THOSE PERSONS, IF ANY, RETAINED TO ADVISE SUCH OFFEREE WITH RESPECT THERETO IS UNAUTHORIZED, AND ANY DISCLOSURE OF ANY OF THE CONTENTS THEREOF OR HEREOF WITHOUT THE PRIOR WRITTEN CONSENT OF THE DEPOSITOR IS PROHIBITED. EACH PROSPECTIVE PURCHASER, BY ACCEPTING DELIVERY OF THIS PRIVATE PLACEMENT MEMORANDUM, AGREES TO THE FOREGOING AND THAT IT WILL NOT MAKE ANY COPIES OF, NOR FORWARD, THIS PRIVATE PLACEMENT MEMORANDUM OR ANY DOCUMENTS REFERRED TO HEREIN AND, IF THE OFFEREE DOES NOT PURCHASE ANY NOTES OR THIS OFFERING IS TERMINATED, TO RETURN TO THE DEPOSITOR THIS PRIVATE PLACEMENT MEMORANDUM, AND ALL DOCUMENTS DELIVERED HEREWITH.

THIS PRIVATE PLACEMENT MEMORANDUM HAS BEEN PREPARED BY THE DEPOSITOR SOLELY FOR USE IN CONNECTION WITH THE SALE OF THE NOTES. NONE OF THE ISSUER, THE SELLERS, THE DEPOSITOR, THE PERFORMANCE SUPPORT PROVIDER, THE SERVICER, THE ADMINISTRATOR, THE BACK-UP SERVICER, THE NOTE REGISTRAR, THE DEPOSITOR LOAN TRUSTEE, THE ISSUER LOAN TRUSTEE, THE INDENTURE TRUSTEE, THE OWNER TRUSTEE, THE INITIAL PURCHASERS OR ANY OF THEIR RESPECTIVE AFFILIATES MAKES ANY

REPRESENTATIONS OR WARRANTIES AS TO THE ACCURACY OR COMPLETENESS OF THE INFORMATION CONTAINED HEREIN AND NOTHING HEREIN SHALL BE DEEMED TO CONSTITUTE SUCH A REPRESENTATION OR WARRANTY BY ANY SUCH PERSON OR ANY PROMISE OR REPRESENTATION AS TO THE FUTURE PERFORMANCE OF THE ISSUER, THE SERVICER, THE ADMINISTRATOR, THE SELLERS, THE PERFORMANCE SUPPORT PROVIDER OR THE LOANS.

INVESTORS INTERESTED IN PARTICIPATING IN THIS OFFERING SHOULD CONDUCT AN INDEPENDENT INVESTIGATION OF THE RISKS POSED BY AN INVESTMENT IN THE NOTES. REPRESENTATIVES OF THE DEPOSITOR WILL BE AVAILABLE TO ANSWER QUESTIONS CONCERNING THE LOANS AND WILL, UPON REQUEST, MAKE AVAILABLE SUCH OTHER INFORMATION AS INVESTORS MAY REASONABLY REQUEST.

THE APPROPRIATE CHARACTERIZATION OF THE NOTES UNDER VARIOUS LEGAL INVESTMENT RESTRICTIONS, AND THUS THE ABILITY OF INVESTORS SUBJECT TO THESE RESTRICTIONS TO PURCHASE SUCH NOTES, IS SUBJECT TO SIGNIFICANT INTERPRETIVE UNCERTAINTIES. ACCORDINGLY, INVESTORS WHOSE INVESTMENT AUTHORITY IS SUBJECT TO LEGAL RESTRICTIONS SHOULD CONSULT THEIR OWN LEGAL ADVISORS TO DETERMINE WHETHER AND TO WHAT EXTENT THE NOTES CONSTITUTE LEGAL INVESTMENTS FOR THEM.

FORWARD-LOOKING STATEMENTS

THIS PRIVATE PLACEMENT MEMORANDUM CONTAINS FORWARD-LOOKING STATEMENTS WITHIN THE MEANING OF SECTION 27A OF THE SECURITIES ACT. IN ADDITION, CERTAIN STATEMENTS MADE IN PRESS RELEASES AND IN ORAL AND WRITTEN STATEMENTS BY OR WITH THE DEPOSITOR'S APPROVAL MAY CONSTITUTE FORWARD-LOOKING STATEMENTS. SPECIFICALLY, FORWARD-LOOKING STATEMENTS, TOGETHER WITH RELATED QUALIFYING LANGUAGE AND ASSUMPTIONS, ARE FOUND IN THE MATERIAL (INCLUDING TABLES) UNDER THE HEADINGS "RISK FACTORS," AND "PREPAYMENT AND YIELD CONSIDERATIONS." FORWARD-LOOKING STATEMENTS ARE ALSO FOUND IN OTHER PLACES THROUGHOUT THIS PRIVATE PLACEMENT MEMORANDUM, AND MAY BE IDENTIFIED BY, AMONG OTHER THINGS, ACCOMPANYING LANGUAGE SUCH AS "EXPECTS," "INTENDS," "ANTICIPATES," "ESTIMATES" OR ANALOGOUS EXPRESSIONS, OR BY QUALIFYING LANGUAGE OR ASSUMPTIONS. THESE STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER IMPORTANT FACTORS THAT COULD CAUSE THE ACTUAL RESULTS OR PERFORMANCE TO DIFFER MATERIALLY FROM THE FORWARD-LOOKING STATEMENTS. THESE RISKS, UNCERTAINTIES AND OTHER FACTORS INCLUDE, AMONG OTHERS, GENERAL ECONOMIC AND BUSINESS CONDITIONS, AN INCREASE IN DELINQUENCIES (INCLUDING INCREASES DUE TO WORSENING OF ECONOMIC CONDITIONS), CHANGES IN POLITICAL, SOCIAL AND ECONOMIC CONDITIONS, REGULATORY INITIATIVES AND COMPLIANCE WITH GOVERNMENTAL REGULATIONS, CUSTOMER PREFERENCE AND VARIOUS OTHER MATTERS, MANY OF WHICH ARE BEYOND THE CONTROL OF THE ISSUER, THE DEPOSITOR, THE SELLERS, THE PERFORMANCE SUPPORT PROVIDER, THE SERVICER, THE ADMINISTRATOR AND THEIR RESPECTIVE AFFILIATES.

SUCH FORWARD-LOOKING STATEMENTS SPEAK ONLY AS OF THE DATE OF THIS PRIVATE PLACEMENT MEMORANDUM. NONE OF THE ISSUER, THE DEPOSITOR, THE SERVICER OR ANY OTHER PARTY TO THE TRANSACTION HAS, AND EACH SUCH PARTY EXPRESSLY DISCLAIMS, ANY OBLIGATION OR UNDERTAKING TO DISSEMINATE ANY UPDATES OR REVISIONS TO ANY FORWARD-LOOKING STATEMENTS TO REFLECT CHANGES IN SUCH PARTY'S EXPECTATIONS WITH REGARD TO THOSE STATEMENTS OR ANY CHANGE IN EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH ANY FORWARD-LOOKING STATEMENT IS BASED.

IMPORTANT INFORMATION REGARDING OFFERS AND SALES OF THE NOTES

The Notes offered hereby are subject to modification or revision and are offered on a "when, as and if issued" basis. You understand that, when you are considering the purchase of Notes, a binding contract of sale will not exist prior to the time that the relevant Class of Notes has been priced and the Initial Purchasers have confirmed

the allocation of such Notes to be made to you; prior to that time any "indications of interest" expressed by you, and any "soft circles" generated by the Initial Purchasers will not create binding contractual obligations for you or the Initial Purchasers and may be withdrawn at any time. You may commit to purchase one or more classes of Notes that have characteristics that may change, and you are advised that all or a portion of the Notes may not be issued with the characteristics described in this private placement memorandum. The obligation of the Initial Purchasers to sell such Notes to you is conditioned on the Notes having the characteristics described in this private placement memorandum. If the Initial Purchasers or the Depositor determine that condition is not satisfied in any material respect, you will be notified, and neither the Depositor nor the Initial Purchasers will have any obligation to you to deliver any portion of the Notes that you have committed to purchase, and there will be no liability among the Depositor or the Initial Purchasers and you as a consequence of the non-delivery. Your payment for the Notes will confirm your agreement to the terms and conditions described in this private placement memorandum.

AVAILABLE INFORMATION

To permit compliance with Rule 144A under the Securities Act in connection with sales of the Notes, the Indenture Trustee will be required to furnish, upon the request of any holder of the Notes, to such holder and a prospective purchaser designated by such holder, the information required to be delivered under Rule 144A(d)(4) under the Securities Act provided such information has been furnished to it by the Depositor. Any such request should be directed to the Indenture Trustee at its Corporate Trust Office.

The Depositor has furnished a Form ABS-15G to the U.S. Securities and Exchange Commission (the "**SEC**") pursuant to Rule 15Ga-2 of the U.S. Securities Exchange Act of 1934, as amended (the "**Exchange Act**"). The Form ABS-15G is available on the SEC's website at http://www.sec.gov under CIK number 0001678127. Notwithstanding the foregoing, this Private Placement Memorandum does not incorporate by reference any documents, portions of documents, exhibits or other information that are deemed to have been filed with the SEC

NOTICE TO INVESTORS

Because of the following restrictions, prospective investors in the Notes are advised to consult legal counsel prior to making any offer, resale, pledge or other transfer of the Notes.

Each prospective purchaser of Notes, by accepting delivery of this private placement memorandum, will be deemed to have represented and agreed as follows:

(i) It acknowledges that this private placement memorandum is personal to it and does not constitute an offer to any other person or to the public generally to subscribe for or otherwise acquire the Notes other than pursuant to Rule 144A or, except in the case of the Class D Notes, Regulation S. Distribution of this private placement memorandum, or disclosure of any of its contents to any person other than those persons, if any, retained to advise it with respect thereto and other persons meeting the requirements of Rule 144A or, except in the case of the Class D Notes, Regulation S, and any disclosure of any of its contents, without the prior written consent of the Issuer or the Depositor, except as expressly permitted in this private placement memorandum with respect to the U.S. federal income tax treatment of the Notes, is prohibited.

(ii) It agrees to make no photocopies of, nor forward, this private placement memorandum or any documents referred to herein and, if it does not purchase any Notes or the offering is terminated, to return this private placement memorandum and all documents referred to herein to the Depositor.

(iii) The Notes are being offered only (i) in the United States to persons that are QIBs, purchasing for their own account or one or more accounts with respect to which they exercise sole investment discretion, each of which is a QIB, in transactions exempt from the registration requirements of the Securities Act or (ii) in the case of the Class A Notes, the Class B Notes and the Class C Notes only, outside the United States to non-"U.S. Persons" in compliance with Regulation S. The Class D Notes are being offered only to "United States persons" within the meaning of Section 7701(a)(30) of the Internal Revenue Code. The Notes are subject to restrictions on transferability and resale and may not be transferred or resold except (i) as permitted under the Securities Act in accordance with Rule 144A or, except in the case of the Class D Notes, Regulation S, (ii) pursuant to the requirements of, or an exemption under, applicable state securities laws and (iii) in accordance with the other restrictions on transfer set forth in the Indenture and described below, including, without limitation, in the case of the Class D Notes, that the transferee provide a certificate to the Indenture Trustee and Note Registrar with certain written representations and warranties, as specified under the heading *"Restrictions on Transfer"* in this private placement memorandum and the requirement that Class D Notes and beneficial interests therein may only be resold, transferred or otherwise conveyed to transferees that are "United States persons" within the meaning of Section 7701(a)(30) of the Internal Revenue Code. The Indenture will provide that no transfer of any Note will be registered by the Note Registrar unless certain required certifications are provided to the Note Registrar, at the expense of the transferor and transferee, with respect to their compliance with the foregoing restrictions, among others. Investors transferring interests in the Notes will be deemed to have made such certifications. The Indenture provides that transfers to any investor that does not meet the foregoing requirements will be void *ab initio*.

(iv) Pursuant to the Indenture, no sale, pledge or other transfer of any Note or any beneficial interest therein may be made by any person unless such sale, pledge or other transfer is exempt from the registration and/or qualification requirements of the Securities Act or is otherwise made in accordance with the Securities Act and state securities laws. Any holder of a Note desiring to effect a transfer of such Note or any beneficial interest therein will, by acceptance thereof, be deemed to have agreed to indemnify the Issuer, the Depositor, the Note Registrar and the Indenture Trustee against any liability that may result if the transfer is not exempt from the registration requirements of the Securities Act or is not made in accordance with such applicable federal and state laws and the Indenture. None of the Sellers, the Performance Support Provider, the Depositor, the Issuer, the Servicer, the Administrator, the Back-up Servicer, the Note Registrar, the Initial Purchasers, the Depositor Loan Trustee, the Issuer Loan Trustee, the Indenture Trustee, the Owner Trustee or any of their respective affiliates will be required to register the Notes under the Securities Act, qualify the Notes under the securities laws of any state, or provide registration rights to any purchaser.

(v) Pursuant to the Indenture, the transferee or owner of a beneficial interest in any Note will be deemed to have made certain representations regarding ERISA. See "*ERISA Considerations*" in this private placement memorandum. In addition, pursuant to the Indenture, each transferee or owner of a beneficial interest in the Notes will be required to provide the appropriate Internal Revenue Service Form W-9 or Internal Revenue Service Form W-8 (or applicable successor form), as applicable, as required by the Indenture.

NOTICE TO RESIDENTS OF THE UNITED KINGDOM

THIS PRIVATE PLACEMENT MEMORANDUM MAY ONLY BE COMMUNICATED OR CAUSED TO BE COMMUNICATED IN THE UNITED KINGDOM TO (1) PERSONS AUTHORIZED TO CARRY ON A REGULATED ACTIVITY UNDER THE FINANCIAL SERVICES AND MARKETS ACT 2000, AS AMENDED (THE "**FSMA**") OR TO PERSONS OTHERWISE HAVING PROFESSIONAL EXPERIENCE IN MATTERS RELATING TO INVESTMENTS AND QUALIFYING AS INVESTMENT PROFESSIONALS UNDER ARTICLE 19(5) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005, AS AMENDED (THE "**ORDER**"); (2) TO PERSONS FALLING WITHIN ARTICLES 49(2)(A) THROUGH (D) ("HIGH NET WORTH COMPANIES, UNINCORPORATED ASSOCIATIONS, ETC.") OF THE ORDER; OR (3) TO ANY OTHER PERSON TO WHOM THIS PRIVATE PLACEMENT MEMORANDUM MAY OTHERWISE LAWFULLY BE COMMUNICATED OR CAUSED TO BE COMMUNICATED (ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS "**RELEVANT PERSONS**"). THIS PRIVATE PLACEMENT MEMORANDUM MUST NOT BE ACTED ON OR RELIED ON BY PERSONS WHO ARE NOT RELEVANT PERSONS. ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THIS PRIVATE PLACEMENT MEMORANDUM RELATES, INCLUDING THE NOTES, IS AVAILABLE ONLY TO RELEVANT PERSONS AND WILL BE ENGAGED IN ONLY WITH RELEVANT PERSONS.

NOTICE TO RESIDENTS OF THE EUROPEAN ECONOMIC AREA

THIS PRIVATE PLACEMENT MEMORANDUM IS NOT A PROSPECTUS FOR THE PURPOSES OF THE PROSPECTUS DIRECTIVE.

THIS PRIVATE PLACEMENT MEMORANDUM HAS BEEN PREPARED ON THE BASIS THAT ANY OFFER OF NOTES IN ANY MEMBER STATE OF THE EUROPEAN ECONOMIC AREA WHICH HAS IMPLEMENTED THE PROSPECTUS DIRECTIVE (EACH, A "**RELEVANT MEMBER STATE**") WILL BE MADE PURSUANT TO AN EXEMPTION UNDER THE PROSPECTUS DIRECTIVE FROM THE REQUIREMENT TO PUBLISH A PROSPECTUS FOR OFFERS OF NOTES. ACCORDINGLY ANY PERSON MAKING OR INTENDING TO MAKE AN OFFER IN A RELEVANT MEMBER STATE OF NOTES WHICH ARE THE SUBJECT OF THE OFFERING CONTEMPLATED IN THIS PRIVATE PLACEMENT MEMORANDUM MAY ONLY DO SO IN CIRCUMSTANCES IN WHICH NO OBLIGATION ARISES FOR THE ISSUER, THE DEPOSITOR OR THE INITIAL PURCHASERS TO PUBLISH A PROSPECTUS PURSUANT TO ARTICLE 3 OF THE PROSPECTUS DIRECTIVE IN RELATION TO SUCH OFFER. NONE OF THE ISSUER, THE DEPOSITOR OR ANY INITIAL PURCHASER HAS AUTHORISED, NOR DO THEY AUTHORISE, THE MAKING OF ANY OFFER OF NOTES IN CIRCUMSTANCES IN WHICH AN OBLIGATION ARISES FOR THE ISSUER, THE DEPOSITOR OR THE INITIAL PURCHASERS TO PUBLISH A PROSPECTUS FOR SUCH OFFER. THE EXPRESSION "**PROSPECTUS DIRECTIVE**" MEANS DIRECTIVE 2003/71/EC (AS AMENDED, INCLUDING BY DIRECTIVE 2010/73/EU), AND INCLUDES ANY RELEVANT IMPLEMENTING MEASURE IN THE RELEVANT MEMBER STATE.

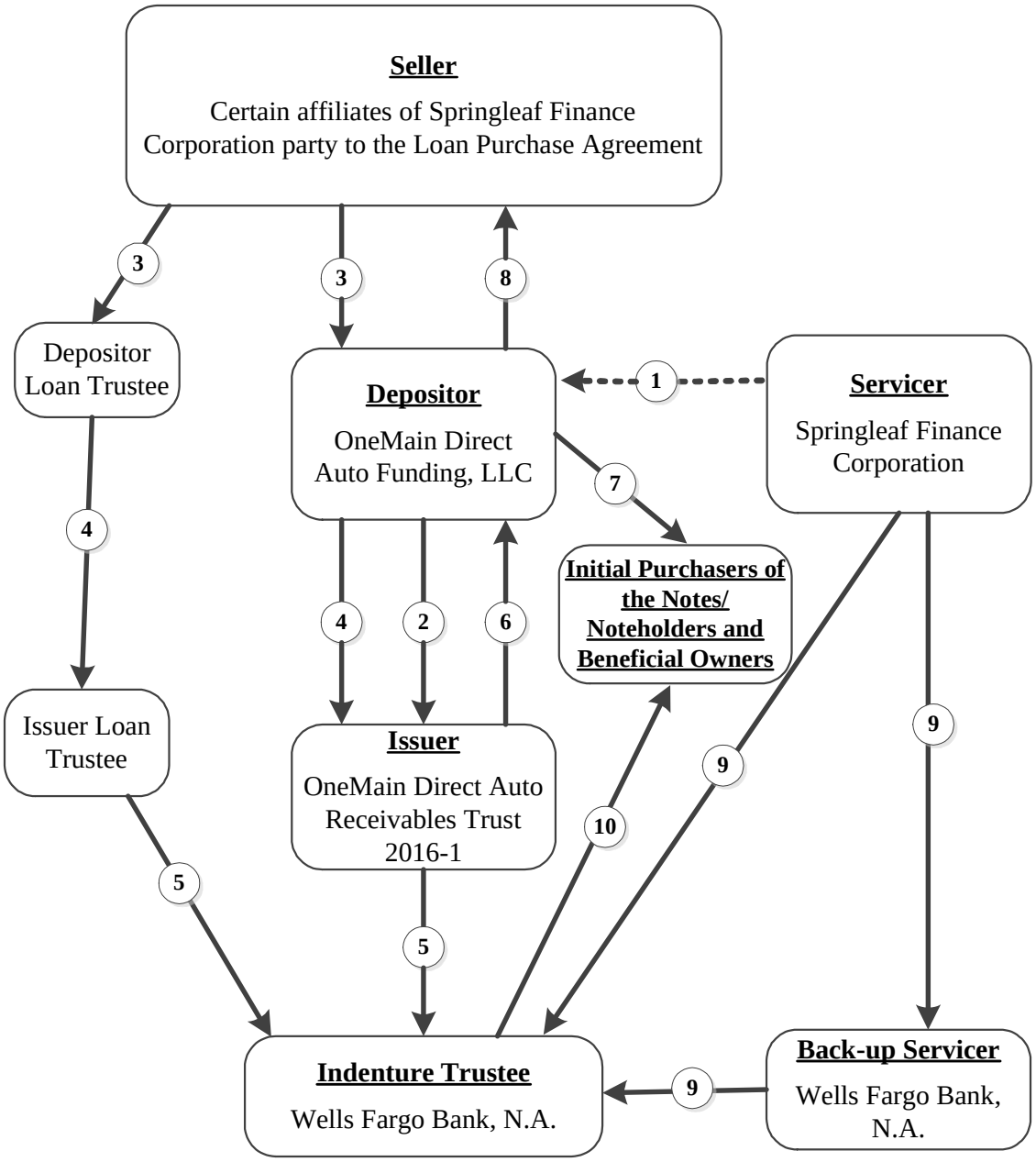
NOTES TABLE

ONEMAIN DIRECT AUTO RECEIVABLES TRUST 2016-1, ASSET-BACKED NOTES

Class of Notes	Initial Note Principal Balance	Interest Rate	Minimum Denomination	Incremental Denomination	Final Scheduled Payment Date	DBRS/KBRA/ Moody's/S&P Rating[(1)]
Class A	$603,120,000	2.04%	$100,000	$1,000	January 15, 2021	AA/AA+/A2/A+
Class B	$45,610,000	2.76%	$100,000	$1,000	May 17, 2021	A/AA/Baa2/BBB+
Class C	$51,270,000	4.58%	$750,000	$1,000	September 15, 2021	BBB/A-/Ba2/BB
Class D	$53,900,000	7.00%	$2,000,000	$1,000	February 15, 2023	BB/BB/B2/NR

(1) The Notes will not be issued unless they receive at least the ratings set forth in this table. See "*Ratings*" in this private placement memorandum.

TRANSACTION DIAGRAM



1. Springleaf Finance Corporation forms the Depositor.

2. The Depositor forms the Issuer.

3. The Sellers sell the Loans to the Depositor and legal title to the Loans to the Depositor Loan Trustee for the benefit of the Depositor on the Closing Date. For further detail, see "*Description of the Loans—Assignment of Loans; Representations and Warranties; Repurchase Obligations and Renewals*" in this private placement memorandum.

4. The Depositor and the Depositor Loan Trustee for the benefit of the Depositor convey the Loans to the Issuer and legal title to the Loans to the Issuer Loan Trustee for the benefit of the Issuer on the Closing Date. For further detail, see "*Description of the Loans—Assignment of Loans; Representations and Warranties; Repurchase Obligations and Renewals*" in this private placement memorandum.

5. The Issuer and the Issuer Loan Trustee for the benefit of the Issuer pledge the Loans, and certain other assets to the Indenture Trustee to secure the Notes. For further detail, see "*Description of the Notes*" in this private placement memorandum.

6. On the Closing Date, the Issuer transfers the Notes and the Class A and Class B trust certificates to the Depositor in consideration for the Loans. The Class A trust certificates will be retained by the Depositor; however, the Class A trust certificates may be transferred in whole or in part after the Closing Date in accordance with the terms of the Trust Agreement. The Class B trust certificates will be assigned by the Depositor to SFI on or about the Closing Date. For further detail, see "*Description of the Loans—Assignment of Loans; Representations and Warranties; Repurchase Obligations and Renewals*" in this private placement memorandum.

7. The Depositor sells the Notes to the Initial Purchasers in return for cash. Notes that are not sold to the Initial Purchasers are retained by the Depositor or conveyed to an affiliate.

8. The Depositor on behalf of itself and the Depositor Loan Trustee transfers to the Sellers the cash from the sale of the Notes as partial consideration for the Loans. The Depositor draws a cash amount under an intercompany credit agreement between the Depositor, as borrower, and Springleaf Finance Corporation, as lender, and uses such cash amount to pay the remainder of the consideration to the Sellers for the Loans. For further detail, see "*Description of the Loans—Assignment of Loans; Representations and Warranties; Repurchase Obligations and Renewals*" in this private placement memorandum.

9. The Servicer services the Loans and remits principal and interest collections to the Indenture Trustee. In the event that the Servicer is terminated after a Servicer Default or resigns (other than in connection with an assignment permitted under the terms of the Sale and Servicing Agreement), the Back-up Servicer will service the Loans, including collecting payments on the Loans and remitting them to the Collection Account. For further detail, see "*The Sale and Servicing Agreement and the Back-up Servicing Agreement —Servicing of Loans*" and "*The Sale and Servicing Agreement and the Back-up Servicing Agreement —Payments on Loans; Collection Account*" in this private placement memorandum.

10. On each payment date, the Indenture Trustee, uses the remittance from the Servicer (or the Back-up Servicer, if applicable) to make payments on the Notes pursuant to the payment priorities described under "*Description of the Notes—Priority of Payments*" in this private placement memorandum.

SUMMARY INFORMATION

This summary highlights selected information from this private placement memorandum, but does not contain all of the information that you should consider in making your investment decision. Please read this entire private placement memorandum carefully for additional detailed information about the Notes.

THE NOTES

OneMain Direct Auto Receivables Trust 2016-1, Asset-Backed Notes.

Classes

Class A Notes, Class B Notes, Class C Notes and Class D Notes (the "**Notes**").

RELEVANT PARTIES

Issuer

OneMain Direct Auto Receivables Trust 2016-1, a Delaware statutory trust (the "**Issuer**").

Servicer and Performance Support Provider

Springleaf Finance Corporation ("**SFC**"), an Indiana corporation, in its capacity as Servicer, will be responsible for servicing the Loans pursuant to the Sale and Servicing Agreement.

SFC, in its capacity as performance support provider, will guarantee certain performance obligations of the Sellers, at any time the Administrator is an Affiliate of SFC, the Administrator, and at any time the Servicer is an Affiliate of SFC, the Servicer. See "*The Servicer and Performance Support Provider*" and "*The Performance Support Agreement*" in this private placement memorandum.

Sellers

As of the Closing Date, the Sellers are Springleaf Financial Services, Inc., a Delaware corporation, Springleaf Financial Services of Alabama, Inc., a Delaware corporation, Springleaf Financial Services of America, Inc., a Delaware corporation, Springleaf Financial Services of America, Inc., an Iowa corporation, Springleaf Financial Services of America, Inc., a North Carolina corporation, Springleaf Financial Services of Arizona, Inc., an Arizona corporation, Springleaf Financial Services of Florida, Inc., a Florida corporation, Springleaf Financial Services of Hawaii, Inc., a Hawaii corporation, Springleaf Financial Services of Illinois, Inc., an Illinois corporation, Springleaf Financial Services of Indiana, Inc., an Indiana corporation, Springleaf Financial Services of Louisiana, Inc., a Louisiana corporation, Springleaf Financial Services of New Hampshire, Inc., a Delaware corporation, Springleaf Financial Services of New York, Inc., a New York corporation, Springleaf Financial Services of North Carolina, Inc., a North Carolina corporation, Springleaf Financial Services of Ohio, Inc., an Ohio corporation, Springleaf Financial Services of Pennsylvania, Inc., a Pennsylvania corporation, Springleaf Financial Services of South Carolina, Inc., a South Carolina corporation, Springleaf Financial Services of Washington, Inc., a Washington corporation, Springleaf Financial Services of Wisconsin, Inc., a Wisconsin corporation, Springleaf Financial Services of Wyoming, Inc., a Wyoming corporation, Springleaf Home Equity, Inc., a Delaware corporation, Springleaf Home Equity, Inc., a West Virginia corporation, and State Financial Services - Springleaf, Inc., d/b/a/ Springleaf Financial Services of Texas, Inc., a Texas corporation.

Administrator

SFC will be the administrator of the Issuer and, in such capacity, will provide administrative and ministerial services for the Issuer as provided in the Administration Agreement. See "*The Administration Agreement*" in this private placement memorandum.

Back-up Servicer

Wells Fargo Bank, National Association, a national banking association, will act as back-up servicer under the Back-up Servicing Agreement. The Back-up Servicer will become successor servicer if SFC is terminated by the Indenture Trustee as servicer for any reason, or SFC resigns as servicer (other than in connection with an assignment permitted under the terms of the Sale and Servicing Agreement), in either case, in accordance with the Sale and Servicing Agreement. See "*The Back-up Servicer*," "*The Sale and Servicing Agreement and the Back-up Servicing Agreement—Servicer Defaults*," "*The Sale and Servicing Agreement and the Back-up Servicing Agreement—Rights Upon Servicer Default*," "*The Sale and Servicing Agreement and the Back-up Servicing Agreement—Resignation of the Servicer*"

and "*The Sale and Servicing Agreement and the Back-up Servicing Agreement—Assumption of Servicing by the Back-up Servicer*" in this private placement memorandum.

Depositor

OneMain Direct Auto Funding, LLC, a Delaware limited liability company, and a wholly-owned special purpose subsidiary of SFC, is the depositor (the "**Depositor**"). The Depositor and the Depositor Loan Trustee for the benefit of the Depositor will acquire the Loans from the Sellers pursuant to the Loan Purchase Agreement and sell or otherwise convey the Loans to the Issuer and the Issuer Loan Trustee for the benefit of the Issuer pursuant to the Sale and Servicing Agreement. The Depositor will be the initial holder of the Issuer's Class A trust certificates and Class B trust certificates. On or about the Closing Date, the Depositor will assign the Class B trust certificates in whole to Springleaf Finance, Inc. ("**SFI**"), an Indiana corporation. See "*The Depositor*" in this private placement memorandum.

Indenture Trustee and Note Registrar

Wells Fargo Bank, National Association, a national banking association, will act as indenture trustee and note registrar. See "*The Indenture Trustee*" and "*The Indenture—Compensation of the Indenture Trustee; Indemnification*" and "*The Indenture—Resignation and Removal of the Indenture Trustee*" in this private placement memorandum.

Owner Trustee

Wilmington Trust, National Association, a national banking association, will act as owner trustee for the Issuer.

Depositor Loan Trustee

Wilmington Trust, National Association, a national banking association, will act not in its individual capacity but solely as depositor loan trustee for the Depositor (in such capacity, the "**Depositor Loan Trustee**") pursuant to the depositor loan trust agreement (the "**Depositor Loan Trust Agreement**"), and will hold legal title to the Loans otherwise owned by the Depositor on behalf of the Depositor.

Issuer Loan Trustee

Wilmington Trust, National Association, a national banking association, will act not in its individual capacity but solely as issuer loan trustee for the Issuer (in such capacity, the "**Issuer Loan Trustee**") pursuant to the issuer loan trust agreement (the "**Issuer Loan Trust Agreement**"), and will hold legal title to the Loans otherwise owned by the Issuer on behalf of the Issuer.

CUT-OFF DATE

The "**Cut-Off Date**" for the transaction will be the close of business on June 30, 2016. All payments received in respect of the Loans after the Cut-Off Date will be assets of the Issuer.

CLOSING DATE

On or about July 19, 2016.

PAYMENT DATES

The 15th day of each month, or the immediately following Business Day if the 15th day is not a Business Day, commencing in August 2016.

COLLECTION PERIOD

The collection period for the initial Payment Date is the period from but excluding the Cut-Off Date through and including the last day of the calendar month immediately preceding such initial Payment Date. The collection period for any subsequent Payment Date is the calendar month immediately preceding such Payment Date.

FINAL SCHEDULED PAYMENT DATE

The outstanding balance of each Class of Notes, to the extent not previously paid, will be payable in full on the Payment Date specified below (each, a "**Final Scheduled Payment Date**"):

- for the Class A Notes, the January 2021 Payment Date;
- for the Class B Notes, the May 2021 Payment Date;
- for the Class C Notes, the September 2021 Payment Date; and
- for the Class D notes, the February 2023 Payment Date.

The actual date on which the aggregate outstanding principal amount of any Class of Notes is paid may be earlier than the Final Scheduled Payment Date for that class, depending on a variety of factors, certain of which are discussed in "*Prepayment and Yield Considerations*" in this private placement memorandum.

RECORD DATE

The record date for each Payment Date will be the close of business on the Business Day immediately preceding such Payment Date for so long as the Notes are represented by global Notes.

AFFILIATIONS

The Sellers, the Performance Support Provider, the Servicer, the Administrator, the Depositor and the Issuer are affiliates. In addition, the Indenture Trustee and the Back-up Servicer are affiliates. Notes may be held by the Depositor or affiliates of the Depositor and any such Notes held by affiliates of the Depositor (other than certain parties to the Transaction Documents) will be considered "Outstanding" and have the same voting rights as Notes held by unaffiliated investors. There are no additional relationships, agreements or arrangements outside of this transaction among the transaction parties that are material to an understanding of the Notes.

DESCRIPTION OF NOTES

A summary chart of the initial principal balance, the interest rate, denominations, Final Scheduled Payment Date and rating of the Notes is set forth in the Notes Table. The Notes of all Classes will be issued in book-entry form.

The Issuer will also issue two classes of non-interest bearing certificates which represents the beneficial interests in the Issuer and are not being offered by this private placement memorandum. Such certificates are referred to herein as the "**Class A trust certificates**" and "**Class B trust certificates**." The Class A trust certificates represent a 100% economic interest and 50% voting interest in the Issuer and the Class B trust certificates represent a non-economic 50% voting interest in the Issuer. The holder of the Class A trust certificates will be entitled on each Payment Date only to amounts remaining after payments on the Notes, payments of Issuer expenses and other required allocations or distributions on such Payment Date pursuant to the Priority of Payments. The holder of the Class B trust certificates will not be entitled to any payments or other distributions from the Issuer. The Depositor will be the initial holder of the Class A and Class B trust certificates as of the Closing Date; however, the Class A trust certificates may be transferred in whole or in part after the Closing Date in accordance with the terms of the Trust Agreement, and the Class B trust certificates will be assigned in whole to SFI on or about the Closing Date.

Form of Notes; Denominations

Beneficial interests in the Notes will be represented by one or more permanent global Notes in fully registered form without coupons, each deposited with the Indenture Trustee as custodian for, and registered in the name of a nominee of, The Depository Trust Company ("**DTC**"). Beneficial interests in each such global Note will be shown on, and transfers thereof will be effected only through, records maintained by DTC and its direct and indirect participants.

The Class A Notes, the Class B Notes and the Class C Notes may be sold outside the United States in reliance on Regulation S, and will initially be represented by one or more temporary global Notes in registered form without coupons, each of which will be deposited with the Indenture Trustee as custodian for, and registered in the name of a nominee of, DTC, for the account of Euroclear Bank S.A./N.V. as operator of the Euroclear System ("**Euroclear**") or Clearstream Banking, *société anonyme* ("**Clearstream**"). Interests in each such temporary global Note will be exchangeable, in whole or in part, for interests in one or more permanent global notes of the same class, each in fully registered form without coupons; and each such permanent global Note will be deposited with a custodian for, and registered in the name of a nominee of, DTC, on or after the 40th day after the Closing Date and upon certification of non-U.S. beneficial ownership, as set forth in the Indenture.

Except as described herein and in the Indenture, the global Notes described above will not be exchanged for definitive notes in registered form. See "*Restrictions on Transfer*" in this private placement memorandum.

No Class D Note may be sold outside the United States in reliance on Regulation S.

The secondary market for the Notes (other than those sold outside the United States in reliance on Regulation S) is limited to qualified institutional

buyers pursuant to Rule 144A under the Securities Act and there can be no assurance that a secondary market will develop or, if it does develop, that it will offer sufficient liquidity of investment or will continue.

The Notes will be issued in the minimum denominations and the incremental denominations set forth in the Notes Table. The Notes are not intended to be directly or indirectly held or beneficially owned by anyone in amounts lower than such minimum denominations.

Payments—General

As more fully described herein, (i) payments of interest on the Notes will be made on each Payment Date in accordance with the Priority of Payments from collections from, and other amounts obtained in respect of, the Loans received during the applicable Collection Period, together with any funds on deposit in the Reserve Account, in each case as of the commencement of such Payment Date (collectively, the "**Available Funds**" for such Payment Date) and (ii) payments of the principal of the Notes will be made on each Payment Date from amounts on deposit in the Principal Distribution Account (as deposited therein on such Payment Date in accordance with the Priority of Payments from Available Funds). See "*Description of the Notes—Priority of Payments*" and "*–Interest Payments and Principal Payments–Principal Payments*" in this private placement memorandum.

Interest Payments

On each Payment Date, interest will be paid to the Notes from Available Funds as described below under "*—Priority of Payments*" and under "*Description of the Notes—Priority of Payments*" in this private placement memorandum.

Interest for each Payment Date will accrue on each Class of Notes during the period beginning on and including the 15th day of the month preceding the Payment Date to but excluding the 15th day of the month in which such Payment Date occurs or, with respect to the first Payment Date, the period from and including the Closing Date, to but excluding August 15, 2016 (each such period, an "**Interest Period**"). Interest will be calculated on each Class of Notes on the basis of a 360-day year comprised of twelve 30-day months, or in the case of the period from the Closing Date to the first Payment Date, on the basis of the actual days elapsed during such period and a 360-day year comprised of twelve 30-day months. Accrued and unpaid interest on the Notes will be paid in accordance with the Priority of Payments.

See "*Description of the Notes—Priority of Payments*" and "*–Interest Payments and Principal Payments–Interest Payments*" in this private placement memorandum.

Interest Rates

The "**Interest Rate**" for each Class of the Notes and each Payment Date will be a per annum rate equal to the related fixed rate as set forth in the Notes Table.

See "*Description of the Notes—Interest Payments and Principal Payments*" in this private placement memorandum.

Reserve Account

The Notes will have the benefit of a reserve account (the "**Reserve Account**") to be established by the Servicer, for the benefit of the Noteholders, with the Indenture Trustee on or before the Closing Date. On the Closing Date, the Depositor will remit an amount (the "**Required Reserve Account Amount**") equal to approximately 1.00% of the aggregate Loan Principal Balance of the Loan Pool as of the Cut-Off Date to the Indenture Trustee for deposit to the Reserve Account. On each Payment Date, amounts on deposit in the Reserve Account as of the commencement of such Payment Date will be applied as Available Funds in accordance with the Priority of Payments. On each Payment Date funds in an amount up to the Required Reserve Account Amount will be remitted to the Indenture Trustee for deposit to the Reserve Account to the extent available in accordance with the Priority of Payments. See "*The Indenture—Reserve Account*" in this private placement memorandum.

Principal Distribution Account

The Servicer, for the benefit of the Noteholders, will establish the Principal Distribution Account with the Indenture Trustee on or before the Closing Date.

On each Payment Date amounts on deposit in the Principal Distribution Account will be distributed by the Indenture Trustee as follows:

- *first*, to the Class A Noteholders in reduction of the Class A Note Balance, until the Class A Note Balance has been reduced to zero;

- *second*, to the Class B Noteholders in reduction of the Class B Note Balance, until the Class B Note Balance has been reduced to zero;

- *third*, to the Class C Noteholders in reduction of the Class C Note Balance, until the Class C Note Balance has been reduced to zero; and

- *fourth*, to the Class D Noteholders in reduction of the Class D Note Balance, until the Class D Note Balance has been reduced to zero.

Principal Payments

On each Payment Date, (i) principal will be paid to the Notes from amounts on deposit in the Principal Distribution Account as described above under "*—Principal Distribution Account*" and (ii) amounts will be allocated to the Principal Distribution Account as described below under "*—Priority of Payments*" and under "*Description of the Notes—Interest Payments and Principal Payments*" and under "*The Indenture—Collection Account; Principal Distribution Account*" in this private placement memorandum.

Priority of Payments

On each Payment Date, Available Funds will be applied as follows:

- *first*, (1) first, pro rata (based on amounts owing), (A) to the Indenture Trustee and the Note Registrar for fees and expenses due to the Indenture Trustee or the Note Registrar pursuant to the Indenture, (B) to the Owner Trustee for fees and expenses due to the Owner Trustee pursuant to the Trust Agreement, (C) to the Back-up Servicer, any expenses of the Back-up Servicer (other than Servicing Transition Costs) reimbursable pursuant to the Back-up Servicing Agreement, if any, that have not been paid by the Servicer, (D) to the Depositor Loan Trustee, all fees and all reasonable out-of-pocket expenses then due to the Depositor Loan Trustee pursuant to the Depositor Loan Trust Agreement and (E) to the Issuer Loan Trustee, all fees and all reasonable out-of-pocket expenses then due to the Issuer Loan Trustee pursuant to the Issuer Loan Trust Agreement; and (2) second, to the Owner Trustee, the Indenture Trustee, the Note Registrar, the Depositor Loan Trustee, the Issuer Loan Trustee and any other Person entitled thereto, on a pro rata basis (based on amounts owing), any indemnified amounts due and owing from the Issuer pursuant to any Transaction Document, in an aggregate amount for (1) and (2) above, not to exceed $200,000 during any calendar year; provided, that if an Event of Default shall have occurred and be continuing, such limitations shall not apply;

- *second*, to the Back-up Servicer, (x) an amount equal to the Back-up Servicing Fee for such Payment Date, plus the amount of any Back-up Servicing Fee previously due but not previously paid to the Back-up Servicer; and (y) in the event that a Servicing Transition Period has commenced under the Back-up Servicing Agreement, an amount equal to the Servicing Transition Costs, if any, that have not been paid by the Servicer pursuant to the Back-up Servicing Agreement; provided, that the aggregate amount paid pursuant to this clause (y) on all Payment Dates shall not exceed $250,000;

- *third*, to the Servicer, an amount equal to the Servicing Fee for such Payment Date (to the extent not retained by the Servicer pursuant to the Indenture), plus the amount of any Servicing Fee previously due but not previously paid to the Servicer;

- *fourth*, to the Class A Noteholders, an amount equal to the Class A Monthly Interest Amount for such Payment Date, plus the amount of any Class A Monthly Interest Amount previously due but not previously paid to the Class A Noteholders with interest thereon at the Class A Interest Rate;

- *fifth*, an amount equal to the lesser of (x) the First Priority Principal Payment for such Payment Date and (y) all funds remaining after giving effect to the distributions in clauses *first* through *fourth* above, to be deposited into the Principal Distribution Account;

- *sixth*, to the Class B Noteholders, an amount equal to the Class B Monthly Interest Amount for such Payment Date, plus the amount of any Class B Monthly Interest Amount previously due but not previously paid to the Class B Noteholders with interest thereon at the Class B Interest Rate;

- *seventh*, an amount equal to the lesser of (x) the Second Priority Principal Payment for such Payment Date and (y) all funds remaining after giving effect to the distributions in clauses *first* through *sixth* above, to be deposited into the Principal Distribution Account;

- *eighth*, to the Class C Noteholders, an amount equal to the Class C Monthly Interest Amount for such Payment Date, plus the amount of any Class C Monthly Interest Amount previously due but not previously paid to the Class C Noteholders with interest thereon at the Class C Interest Rate;

- *ninth*, an amount equal to the lesser of (x) the Third Priority Principal Payment for such Payment Date and (y) all funds remaining after giving effect to the distributions in clauses *first* through *eighth* above, to be deposited into the Principal Distribution Account;

- *tenth*, to the Class D Noteholders, an amount equal to the Class D Monthly Interest Amount for such Payment Date, plus the amount of any Class D Monthly Interest Amount previously due but not previously paid to the Class D Noteholders with interest thereon at the Class D Interest Rate;

- *eleventh*, an amount equal to the lesser of (x) the Fourth Priority Principal Payment for such Payment Date and (y) all funds remaining after giving effect to the distributions in clauses *first* through *tenth* above, to be deposited into the Principal Distribution Account;

- *twelfth*, to the Reserve Account, an amount equal to the lesser of (x) the amount (if any) required to cause the amount of cash on deposit in the Reserve Account to equal the Required Reserve Account Amount and (y) all funds remaining after giving effect to the distributions in clauses *first* through *eleventh* above;

- *thirteenth*, an amount equal to the lesser of (x) the Regular Principal Payment Amount and (y) all funds remaining after giving effect to the distributions in clauses *first* through *twelfth* above, to be deposited into the Principal Distribution Account;

- *fourteenth*, to the Owner Trustee, the Indenture Trustee, the Note Registrar, the Depositor Loan Trustee, the Issuer Loan Trustee and the Back-up Servicer, pro rata (based on amounts owing), an amount equal to the lesser of (x) (A) any fees and expenses due to the Indenture Trustee or the Note Registrar pursuant to the Indenture, (B) any fees and expenses due to the Owner Trustee pursuant to the Trust Agreement, (C) any expenses due to the Back-up Servicer (other than Servicing Transition Costs) reimbursable pursuant to the Back-up Servicing Agreement, if any, that have not been paid by the Servicer, (D) any fees and expenses due to the Depositor Loan Trustee pursuant to the Depositor Loan Trust Agreement and (E) any fees and expenses due to the Issuer Loan Trustee pursuant to the Issuer Loan Trust Agreement, in each case, to the extent not paid in full pursuant to clause (1) of clause *first* above and (y) all funds remaining after giving effect to the distributions in clauses *first* through *thirteenth* above;

- *fifteenth*, to the Owner Trustee, the Indenture Trustee, the Note Registrar, the Back-up Servicer, the Depositor Loan Trustee, the Issuer Loan Trustee and any other Person entitled thereto, on a pro rata basis (based on amounts owing), an amount equal to the lesser of (x) any indemnified amounts due and owing from the Issuer pursuant to any Transaction Document to the extent not paid in full pursuant to subclause (2) of clause *first* above and (y) all funds remaining after giving effect to the distributions in clauses *first* through *fourteenth* above; and

- *sixteenth*, for application in accordance with the Trust Agreement.

As reflected in the definitions of First Priority Principal Payment, Second Priority Principal Payment, Third Priority Principal Payment and Fourth Priority Principal Payment, following the occurrence of an Event of Default, the priority of payments changes with the result that all principal and all accrued and unpaid interest on a Class of Notes is paid before any such amounts are paid in respect of any Class of Notes that is subordinate in payment priority to such Class.

Fees and Expenses

The servicing fee (the "**Servicing Fee**") payable to the Servicer on each Payment Date in respect of its servicing activities under the Sale and Servicing Agreement will accrue on the aggregate Loan Principal Balance of the Loans as of the first day of the related Collection Period (or, with respect to the first Payment Date, as of the Cut-Off Date) at a per annum rate equal to 2.50%. See "*The Sale and Servicing Agreement and the Back-up Servicing Agreement—Servicing and Other Compensation and Payment of Expenses*" in this private placement memorandum. The Servicing Fee is not subject to increase to the extent that the Back-up Servicer is appointed as successor servicer. As additional

compensation, the Servicer will be entitled to retain all Supplemental Servicing Fees.

The Back-up Servicer is entitled to receive, on each Payment Date, as compensation for its activities under the Back-up Servicing Agreement, a fee (the "**Back-up Servicing Fee**"). The Back-up Servicing Fee for any Payment Date is equal to the greater of (x) $5,000 and (y) an amount equal to a per annum rate of 0.03% multiplied by the aggregate Loan Principal Balance of the Loans as of the first day of the related Collection Period (or, with respect to the first Payment Date, as of the Cut-Off Date). The Back-up Servicing Fee will no longer be payable to the extent that the Back-up Servicer has become the successor servicer. See "*The Sale and Servicing Agreement and the Back-up Servicing Agreement—Servicing and Other Compensation and Payment of Expenses*" in this private placement memorandum.

The Indenture Trustee is entitled to receive on each Payment Date, a fee for acting as Indenture Trustee and, if applicable, Note Registrar in an amount equal to one-twelfth ($1/12^{th}$) of $12,000. See "*The Indenture—Compensation of the Indenture Trustee; Indemnification*" in this private placement memorandum.

The Owner Trustee is entitled to receive a fee for acting as Owner Trustee in an amount equal to $3,000, payable annually in advance. The first such annual fee payable by the Issuer will be paid in accordance with the Priority of Payments on the Payment Date in July 2017. See "*The Trust Agreement—Compensation of the Owner Trustee; Indemnification of the Owner Trustee*" in this private placement memorandum.

The Depositor Loan Trustee is entitled to receive a fee of $3,000 per annum, payable in equal monthly installments, for acting as Depositor Loan Trustee under the Depositor Loan Trust Agreement, and the Issuer Loan Trustee is entitled to receive a fee of $10,500 per annum, payable in equal monthly installments, for acting as Issuer Loan Trustee under the Issuer Loan Trust Agreement, which fees will be paid in accordance with the Priority of Payments.

See "*The Sale and Servicing Agreement and the Back-up Servicing Agreement*", "*The Indenture*", "*The Loan Trust Agreements*" and "*The Trust Agreement*" in this private placement memorandum for a description of the fees, expenses and indemnification rights of the Servicer, the Back-up Servicer, the Indenture Trustee, the Note Registrar, the Depositor Loan Trustee, the Issuer Loan Trustee and the Owner Trustee.

COLLATERAL

General

The assets of the Issuer will consist primarily of fixed-rate, non-revolving direct auto loans (each, a "**Loan**" and, collectively, "**Loans**" or the "**Loan Pool**") secured by automobiles, light-duty trucks and other vehicles, extended to borrowers directly by the Sellers. The vehicles securing the Loans are generally used vehicles. The Loans identified on the schedule of Loans delivered by the Sellers on the Closing Date will be transferred to the Depositor and the Depositor Loan Trustee for the benefit of the Depositor by the Sellers and then to the Issuer and the Issuer Loan Trustee for the benefit of the Issuer. The Issuer and the Issuer Loan Trustee for the benefit of the Issuer will grant a security interest in the Loans and the other property of the Issuer and the Issuer Loan Trustee for the benefit of the Issuer to the Indenture Trustee on behalf of the Noteholders.

The assets of the Issuer are more fully described under "*The Issuer—The Issuer Property*" in this private placement memorandum.

Loan Pool Characteristics

As of the Cut-Off Date, the aggregate Loan Principal Balance of the Loan Pool was $753,904,198.06. Normal collection activity with respect to the Loans following the Cut-Off Date (including, without limitation, payments received on the Loans and delinquency experience) will be for the account of the Issuer. The statistical characteristics of the Loan Pool as of the Cut-Off Date may vary from the characteristics of the Loan Pool as of the Closing Date as a result of normal collection activity and Renewals with respect to the Loans that occur between the Cut-Off Date and the Closing Date. See "*Description of the Loans*" in this private placement memorandum.

Loan Representations and Warranties

Each Seller will make certain representations and warranties as of the Cut-Off Date regarding the characteristics of the Loans it transfers to the Depositor and the Depositor Loan Trustee for the benefit of the Depositor, which are described under "*Description of the Loans—Assignment of Loans; Representations and Warranties; Repurchase Obligations and Renewals—Repurchase Obligations*"

in this private placement memorandum. Breach of these representations with respect to a Loan may, subject to certain conditions, result in the related Seller being obligated to repurchase the Loan. This repurchase obligation will constitute the sole remedy available to the Noteholders or the Issuer and the Issuer Loan Trustee for the benefit of the Issuer for any uncured breach by a Seller of those representations and warranties. See "*Description of the Loans—Assignment of Loans; Representations and Warranties; Repurchase Obligations and Renewals*" in this private placement memorandum.

Renewals

From time to time, a Seller may originate a new direct auto loan with an existing borrower, the proceeds of which refinance such borrower's existing loan and generally provide additional cash to the borrower. Any such refinancing is referred to as a "**Renewal**" in this private placement memorandum. Any Renewal of a Loan will result in a payoff and satisfaction of the Loan.

While it is not possible to predict with certainty the amount of Loans that will be renewed after the Closing Date, historically, a substantial portion of our customers have renewed their loans, a practice which Springleaf expects will continue. As such, Springleaf expects that a substantial portion of the Loans will be renewed after the Closing Date.

CREDIT ENHANCEMENT

The credit enhancement is designed to provide protection for the Noteholders against losses and delays in payment on the Loans or other shortfalls in cash flow. This transaction employs the following forms of credit enhancement:

- *Excess Spread*. The Loans are expected to generate more interest than is needed to pay interest on the Notes because the weighted average interest rates of the Loans is expected to be higher than the weighted average Interest Rate on the Notes. In addition, excess spread will be generated on the portion of the Loans representing overcollateralization, as further described below under "*–Overcollateralization*". On each Payment Date, excess spread received during the related Collection Period will be included in Available Funds for application pursuant to the Priority of Payments.

- *Overcollateralization*. If the Adjusted Loan Principal Balance of the Loans exceeds the Aggregate Note Principal Balance of the Notes, there is overcollateralization to absorb losses on the Loans before such losses affect the Notes. Any such excess is the overcollateralization level, which will be de minimis (approximately zero) on the Closing Date and is expected to build to the Target Overcollateralization Amount. The "**Target Overcollateralization Amount**" is an amount equal to the greater of (a) 8.00% of the Adjusted Loan Principal Balance as of the last day of the immediately preceding Collection Period and (b) 1.00% of the Adjusted Loan Principal Balance as of the Cut-Off Date. On each Payment Date, Available Funds will be allocated in accordance with the Priority of Payments to the Principal Distribution Account, to the extent necessary to maintain the Target Overcollateralization Amount. See "*Description of the Notes—Priority of Payments*" in this private placement memorandum.

- *Subordination*. On each Payment Date prior to the occurrence of an Event of Default, classes of Notes that are lower in order of payment priority (i) will not receive payments of interest until the classes of Notes that are higher in order of payment priority have been paid their interest payment amount and (ii) will not receive payments of principal until the principal balance of the classes of Notes that are higher in order of payment priority have been reduced to zero. Additionally, on each Payment Date after the occurrence of an Event of Default, classes of Notes that are lower in order of payment priority will not receive any payments of interest or principal until each Class of Notes that is higher in order of payment priority has received all payments of interest and the principal balance of such class has been reduced to zero.

- *Reserve Account*. The Notes will have the benefit of amounts on deposit in the Reserve Account. On each Payment Date, amounts on deposit in the Reserve Account will be distributed as Available Funds, and the Reserve Account will be replenished, in accordance with the Priority of Payments. After the occurrence of an Event of Default, no amounts will be allocated pursuant to the Priority of Payments to replenish the Reserve Account until all Notes have been repaid in full. See "*Description of the Notes—Priority of Payments*" and "*The Indenture—Reserve Account*" in this private placement memorandum.

SERVICER DEFAULTS

"**Servicer Defaults**" under the Sale and Servicing Agreement will consist of:

(a) any failure by the Servicer to make any required payment, transfer or deposit to the Indenture Trustee for distribution to the Noteholders, which failure continues unremedied for a period of five (5) Business Days after the earlier of (i) the date on which notice of such failure, requiring the same to be remedied, shall have been given by registered or certified mail to the Servicer by the Issuer or the Indenture Trustee, or to the Servicer, the Issuer and the Indenture Trustee by the Required Noteholders and (ii) the actual knowledge of the Servicer thereof; or

(b) failure on the part of the Servicer duly to observe or perform any other covenants or agreements of the Servicer set forth in the Sale and Servicing Agreement or the Indenture, which failure has a material adverse effect on the interests of the Noteholders (as determined by the Required Noteholders) and which continues unremedied for a period of ninety (90) days after the earlier of (i) the date on which notice of such failure, requiring the same to be remedied, shall have been given by registered or certified mail to the Servicer by the Issuer or the Indenture Trustee, or to the Servicer, the Issuer and the Indenture Trustee by the Required Noteholders and (ii) the actual knowledge of the Servicer thereof; or

(c) any representation, warranty or certification made by the Servicer in the Sale and Servicing Agreement or the Indenture shall prove to have been incorrect when made or deemed made and such failure has a material adverse effect on the Noteholders (as determined by the Required Noteholders) and which continues unremedied for a period of ninety (90) days after the earlier of (i) the date on which a notice specifying such incorrect representation or warranty and requiring the same to be remedied, shall have been given by registered or certified mail to the Servicer by the Issuer or the Indenture Trustee, or to the Servicer, the Issuer and the Indenture Trustee by the Required Noteholders and (ii) the actual knowledge of the Servicer thereof; or

(d) insolvency, readjustment of debt or marshalling of assets and liabilities or similar proceedings, and certain actions (in the case of involuntary proceedings, if unstayed for ninety (90) days) by or on behalf of the Servicer indicating its insolvency or inability to pay its obligations;

provided, however, that a delay in or failure of performance referred to in paragraph (a) above for a period of ten (10) Business Days or in paragraph (b) or (c) above for a period of sixty (60) days after the applicable grace period shall not constitute a Servicer Default if such delay or failure was caused by a Force Majeure Event. If, following the expiration of such ten (10) Business Day incremental grace period (in the case of a delay or failure of performance described in paragraph (a)) or such sixty (60) day incremental grace period (in the case of a delay or failure of performance described in paragraph (b) or (c) above), the applicable delay or failure of performance remains outstanding but the Servicer continues to work diligently to remedy such delay or failure of performance, then the grace period shall be extended for a further thirty (30) days upon notice from the Servicer to the Indenture Trustee.

EVENTS OF DEFAULT

An "**Event of Default**" under the Indenture is the occurrence of any one of the following events:

(a) insolvency, readjustment of debt, marshalling of assets and liabilities or similar proceedings, and certain actions (in the case of involuntary proceedings, if unstayed for ninety (90) days) by or on behalf of the Issuer indicating its insolvency or inability to pay its obligations; or

(b) a default in the payment of any interest on any Note of the Controlling Class when the same becomes due and payable and such default shall continue for a period of five (5) Business Days; or

(c) a failure to pay the principal balance of all Outstanding Notes of any Class, together with all accrued and unpaid interest thereon, in full on the Final Scheduled Payment Date for such Class; or

(d) a failure on the part of the Issuer duly to observe or perform any other covenants or agreements of such party set forth in the Indenture, which failure has a material adverse effect on the rights of the Noteholders under the Transaction Documents and which continues unremedied for a period of sixty (60) days (or for such longer period not in excess of ninety (90) days as may be reasonably necessary to remedy such failure; provided that such failure is capable of remedy

within ninety (90) days) after the date on which notice of such failure, requiring the same to be remedied, shall have been given by registered or certified mail to the Issuer by the Indenture Trustee or to the Issuer, and the Indenture Trustee by the Required Noteholders; or

(e) any representation, warranty or certification made by the Issuer in the Indenture shall prove to have been inaccurate when made or deemed made and such inaccuracy has a material adverse effect on the rights of the Noteholders under the Transaction Documents and which continues unremedied for a period of sixty (60) days (or for such longer period not in excess of ninety (90) days as may be reasonably necessary to remedy such failure; provided that such failure is capable of remedy within ninety (90) days) after the date on which a notice specifying such incorrect representation or warranty and requiring the same to be remedied, shall have been given by registered or certified mail to the Issuer by the Indenture Trustee, or to the Issuer and the Indenture Trustee by the Required Noteholders;

provided, however, that a failure of performance under any of clauses (b), (c), (d) or (e) above for a period of thirty (30) days (beyond any cure periods provided for therein) shall not constitute an Event of Default if such failure was caused by a Force Majeure Event. For the avoidance of doubt, an Event of Default shall occur in the event that such failure of performance has not been cured as of the expiration of such thirty (30) day period.

PREPAYMENTS/YIELD

The yield to investors in the Notes will be sensitive to the rate and timing of principal payments thereon. A significant number of the Loans may be prepaid, in whole or in part, at any time without penalty, including as a result of Renewals. The rate and timing of prepayment on the Loans may be influenced by a variety of economic, social and other factors. The rate of prepayment on the Loans may be influenced by the nature of the Loan Obligors, servicing decisions and the number of Renewals. In addition, the Sellers are obligated to repurchase Loans as a result of certain breaches of representations and warranties as to the characteristics of the Loans as of the Cut-Off Date, the Depositor is obligated to accept assignment of Loans for which the maturity date has been extended beyond the Final Scheduled Payment Date of the Class D Notes and, under certain circumstances, the initial Servicer is obligated to purchase Loans pursuant to the Sale and Servicing Agreement as a result of breaches of certain of its representations and warranties and covenants as Servicer. See "*Description of the Loans—Assignment of Loans; Representations and Warranties; Repurchase Obligations and Renewals*" and "*The Sale and Servicing Agreement and the Back-Up Servicing Agreement—Purchase Obligations*" in this private placement memorandum. See "*Risk Factors—Yield Considerations/Prepayments*" and "*Prepayment and Yield Considerations*" in this private placement memorandum for further information, including prepayment scenario projections based on various assumptions.

REDEMPTION

The Depositor may, at its option, purchase all of the Loans from the Issuer and the Issuer Loan Trustee for the benefit of the Issuer, the proceeds of which will be used to retire the Notes, at any time on or after the "**Optional Redemption Date**," which is the first Payment Date on which the aggregate Loan Principal Balance of the Loans is less than or equal to 20% of the aggregate Loan Principal Balance of the Loans on the Cut-Off Date. The purchase price will equal the sum of (i) the Loan Principal Balance of each Loan plus accrued and unpaid interest thereon and (ii) any expenses, indemnification amounts or other amounts owed to the Indenture Trustee, the Note Registrar, the Owner Trustee, the Depositor Loan Trustee, the Issuer Loan Trustee or the Back-up Servicer, and in any event must be at least equal to the amount necessary to redeem the Notes in full. If the option described above is exercised, the Notes then outstanding will be retired earlier than the applicable Final Scheduled Payment Date.

Additionally, each of the Notes is subject to redemption in whole, but not in part, on any Payment Date on which the sum of amounts on deposit in the Reserve Account and remaining Available Funds after the payments under clauses *first* through *eleventh* and clause (x) of each of clause *fourteenth* and clause *fifteenth* in the Priority of Payments set forth under "*—Priority of Payments*" above would be sufficient to pay in full the outstanding principal balance of the Outstanding Notes as determined by the Servicer. On such Payment Date, (a) the Indenture Trustee, upon written direction from the Servicer, will transfer all amounts on deposit in the Reserve Account to the Collection Account and (b) the outstanding Notes shall be redeemed in whole, but not in part. See "*Description of the Notes—Redemption*" in this private placement memorandum.

ERISA CONSIDERATIONS

The Class A Notes and the Class B Notes are expected to be eligible for purchase by pension, profit-sharing and other employee benefit plans as well as individual retirement accounts and Keogh plans (each, a "**Plan**") and any plan subject to any non-U.S., federal, state or local law that is substantially similar to Section 406 of ERISA or Section 4975 of the Internal Revenue Code ("**Similar Law**") if certain conditions are met. However, any fiduciary or other investor of assets of a plan that proposes to acquire or hold such Notes on behalf of or with assets of any Plan or plan subject to Similar Law is encouraged to consult with its counsel with respect to the potential applicability of the fiduciary responsibility provisions of ERISA and the prohibited transaction provisions of ERISA and Section 4975 of the Internal Revenue Code, to the proposed investment. The Class C Notes and the Class D Notes may not be purchased or held by a Plan or by a plan subject to Similar Law.

For further information regarding the ERISA considerations involved in investing in the Notes, see "*ERISA Considerations*" in this private placement memorandum.

U.S. FEDERAL INCOME TAX TREATMENT

Mayer Brown LLP, as special tax counsel to the Issuer, will issue an opinion as of the closing date that:

1. when issued, the Class A Notes and Class B Notes will be characterized as indebtedness for U.S. federal income tax purposes, in each case except to the extent such notes are retained by the Issuer or conveyed to an affiliate of the Issuer,

2. when issued, the Class C Notes and the Class D Notes should be characterized as indebtedness for U.S. federal income tax purposes, in each case except to the extent such Notes are retained by the Issuer or conveyed to an affiliate of the Issuer, and

3. the Issuer will not be classified as an association (or a publicly traded partnership) taxable as a corporation for U.S. federal income tax purposes.

(the "**Closing Date Tax Opinions**").

By accepting a Note, each Noteholder or beneficial owner will agree to treat the Notes as indebtedness. The Issuer suggests that each Noteholder and beneficial owner consult its own tax advisor regarding the U.S. federal income tax consequences of the purchase, ownership and disposition of the Notes or interests therein, and the tax consequences under the laws of any state or other taxing jurisdiction.

Only a United States person (as defined under Section 7701(a)(30) of the Internal Revenue Code) may hold a Class D Note.

The U.S. federal income tax characterization of any Note retained by the Issuer or conveyed to an affiliate of the Issuer will not be determined until the time, if any, that the Note is sold to an unrelated purchaser, based on the law and circumstances existing at that time. Therefore, no opinion is expressed, and no assurances can be given, with respect to the characterization for U.S. federal income tax purposes of such a Note. However, prior to any subsequent sale of such a Note, the Issuer must receive an opinion from counsel that, among other things, such sale will not cause the Issuer to be classified as an association (or a publicly traded partnership) taxable as a corporation for U.S. federal income tax purposes.

For more information on the material tax consequences of the purchase, ownership and disposition of the Notes, see "*Certain U.S. Federal Income Tax Consequences*" and "*State and Other Tax Consequences*" in this private placement memorandum.

LEGAL INVESTMENT

You should consult with counsel to see if you are permitted to buy the Notes, since legal investment rules will vary depending on the type of entity purchasing the Notes, whether that entity is subject to regulatory authority, and if so, by whom.

See "*Legal Investment*" in this private placement memorandum.

RATINGS

It is a condition of the issuance of the Notes that they receive at least the ratings set forth in the Notes Table by DBRS, Inc. ("**DBRS**"), Kroll Bond Rating Agency, Inc. ("**KBRA**"), Moody's Investors Service, Inc. ("**Moody's**") and Standard & Poor's Ratings Services, a Standard & Poor's Financial Services LLC business ("**S&P**"). DBRS, KBRA, Moody's and

S&P are referred to herein from time to time individually as a "**Rating Agency**" and collectively, as the "**Rating Agencies**"). The ratings of the Notes by the Rating Agencies address the likelihood of the ultimate payment of principal of, and the timely payment of interest on, the Notes. The ratings of the Notes should be evaluated independently from similar ratings on other types of securities.

A security rating is not a recommendation to buy, sell or hold securities, in as much as that rating does not comment on market price or suitability for an investor. A security rating may be subject to revision or withdrawal at any time by the assigning rating organization.

None of the Initial Purchasers, the Issuer, the Issuer Loan Trustee, the Owner Trustee, the Indenture Trustee, the Performance Support Provider, the Servicer, the Sellers, the Depositor, the Depositor Loan Trustee, the Administrator or any of their affiliates have any obligation to monitor any changes on the ratings on the Notes. A rating agency not hired by SFC or the Depositor to rate the transaction may provide an unsolicited rating that differs from (or is lower than) the ratings provided by the rating agencies hired by SFC or the Depositor to rate the transaction. A rating of the Notes is based on each rating agency's independent evaluation of the Loans, the credit enhancement and other features of this transaction. A rating, or a change or withdrawal of a rating, by one rating agency will not necessarily correspond to a rating, or a change or a withdrawal of a rating, from any other rating agency.

See "*Ratings*" in this private placement memorandum.

INVESTMENT COMPANY ACT CONSIDERATIONS

The Issuer will be relying on an exclusion or exemption under the Investment Company Act contained in Rule 3a-7 of the Investment Company Act, although there may be additional exclusions or exemptions available to the Issuer. The Issuer is being structured so as not to constitute a "covered fund" for purposes of the regulations adopted to implement Section 619 of the Dodd-Frank Act (such statutory provision together with such implementing regulations, the "**Volcker Rule**").

RISK FACTORS

The following information, which you should carefully consider, identifies certain significant sources of risk associated with an investment in the Notes.

Restrictions Relating to the Transfer of the Notes and Other Factors Reduce Their Liquidity and May Make Resale Difficult or Impossible

The Notes are being offered in a private placement to (i) QIBs in reliance on Rule 144A under the Securities Act and (ii) other than in the case of the Class D Notes, non-U.S. Persons pursuant to offers and sales that occur outside of the United States in compliance with Regulation S under the Securities Act. The Notes will not be registered under the Securities Act or the securities laws of any jurisdiction. Consequently, the Notes are not transferable other than pursuant to an exemption under the Securities Act and in accordance with the laws of each applicable jurisdiction and subject to the restrictions described herein. See "*Restrictions on Transfer*" and "*Notice to Investors*" in this private placement memorandum.

There is currently no secondary market for the Notes. The Initial Purchasers may, but are under no obligation to, make a secondary market in the Notes solely to facilitate transfers among QIBs and may discontinue such market-making activities at any time without notice. There can be no assurance that a secondary market for the Notes will develop or, if it does develop, that it will continue or be sufficiently liquid to permit the resale of the Notes. Because of the restrictions on transfers of the Notes, purchasers must be able to bear the risks of their investment in the Notes for an indefinite period of time.

Events in the global financial markets occurring in the past several years, including the failure, acquisition or government seizure of several major financial institutions, the establishment of government initiatives such as the government bailout programs for financial institutions and assistance programs designed to increase credit availability, support economic activity and facilitate renewed consumer lending, problems related to subprime mortgages and other financial assets, the devaluation of various assets in secondary markets, the forced sale of asset-backed and other securities as a result of the deleveraging of structured investment vehicles, hedge funds, financial institutions and other entities, the lowering of ratings on certain asset-backed securities, the European Union sovereign debt crisis and the ratings downgrade of U.S. Treasury bonds and European Union sovereign debt caused a significant reduction in liquidity in the secondary market for asset-backed securities.

On June 23, 2016, a referendum on the United Kingdom's membership in the European Union was held and resulted in a vote in favor of the withdrawal of the United Kingdom from the European Union. While the United Kingdom will remain a member state until it reaches an agreement in relation to withdrawal from the European Union (or, if earlier, the expiration of a two year notification period), the withdrawal of the United Kingdom from the European Union may introduce potentially significant new uncertainties and instability in United Kingdom, European and global financial markets.

The occurrence of such events, or similar events in the future, could reduce, or reduce significantly, the liquidity in the secondary market for asset-backed securities, which could adversely affect the market value of the Notes and/or limit the ability of a Noteholder to resell its Notes.

There can be no assurance that the uncertainty relating such events, including with respect to the sovereign debt of various countries, will not lead to further disruption of the credit markets in the U.S. and/or deterioration in general economic conditions. If U.S. Treasury bonds and other debt instruments backed by the full faith and credit of the U.S. are downgraded in the future, the ratings of the Notes could be adversely affected, as could the market price and/or the marketability of the Notes.

Laws and regulations in effect or proposed in the United States, including the Dodd-Frank Act and regulations thereunder (see "*—Financial Regulatory Reform*" in this private placement memorandum) may negatively affect the secondary market for sales to investors in the United States.

Laws and regulations in effect or proposed in the European Union ("**EU**") and in other countries in the European Economic Area ("**EEA**") may negatively affect the regulatory treatment of investments in the Notes by certain investors and so may negatively affect the secondary market for sales to investors subject to regulation in those countries. Articles 404-410 of Regulation (EU) No. 575/2013 of the European Parliament and of the Council of June 26, 2013, known as the Capital Requirements Regulation ("**CRR**"), place certain restrictions on the ability of an EEA-regulated credit institution or investment firm and its consolidated group affiliates to invest in asset-backed securities. (CRR has direct effect in EU member states and is expected to be implemented by national legislation or rulemaking in the other EEA countries).

CRR Article 405 allows such credit institutions and investment firms and their consolidated group affiliates to invest in asset-backed securities only if the sponsor, originator or original lender has disclosed to investors that it will retain, on an ongoing basis, a specified minimum net economic interest in the securitization transaction. Prior to investing in an asset-backed security, and while it holds that investment, the credit institution or investment firm or its affiliate must also be able to demonstrate that, among other things, it has a comprehensive and thorough understanding of the securitization transaction and its structural features by satisfying the prescribed due diligence requirements and it has established procedures for monitoring the ongoing performance of the securitized assets under CRR Article 406.

Article 17 of the European Union Alternative Investment Fund Managers Directive (Directive 2011/61/EU) (as supplemented by Section 5 of Chapter III of Commission Delegated Regulation (EU) No 231/2013) and Article 135(2) of the European Union Solvency II Directive 2009/138/EC (as amended and as supplemented by Articles 254-257 of Commission Delegated Regulation (EU) No 2015/35) contain requirements similar to those set out in Articles 404 – 410 of the CRR and apply, respectively, to EEA regulated alternative investment fund managers and to EEA regulated insurance and reinsurance undertakings. While such requirements are similar to those in the CRR, they are not identical and, in particular, additional due diligence obligations apply to relevant alternative investment fund managers and insurance and reinsurance companies. Similar requirements are also expected to apply in the future to investments in securitisations by EEA regulated undertakings for collective investment in transferrable securities UCITS as defined in the EU Directive 2009/65/EC and EEA regulated institutions for occupational retirement provision as defined in the EU Directive 2003/41/EC. For the purpose of this provision, all such requirements, together with the Articles 404 – 410 of the CRR, are referred to as the "**Retention Rules**". On September 30, 2015, the European Commission published a legislative proposal for an EU regulatory framework for securitization that, if finalized and adopted as proposed, would repeal the current Retention Rules and replace them with a single regime that would apply to the various types of regulated institutional investors. Until the proposed regulatory framework is considered and adopted by the European Parliament and Council, it is not possible to tell what effect it might have in relation to investments in the notes offered by this private placement memorandum. Prospective investors are themselves responsible for monitoring and assessing any changes to the Retention Rules.

None of Springleaf, the Sellers or the Depositor nor any other party to the transaction, as an originator, sponsor or material lender or otherwise, is obligated or intends to retain a material net economic interest in the securitization described in this private placement memorandum or take any other action that may be required to enable any investor to satisfy the due diligence and monitoring requirements of any Retention Rules.

Failure of an EEA-regulated credit institution or investment firm or a consolidated affiliate thereof, or of any other EEA-regulated investor that is or may become subject to Retention Rules, to comply with one or more requirements for an investment in a securitization set forth in the applicable Retention Rules in any material respect may result in the imposition of a penalty regulatory capital charge on the securities acquired by that investor or of other regulatory sanctions. Any changes to the regulation or regulatory treatment of asset-backed securities, whether in the United States, EU or elsewhere, may negatively impact the regulatory position of affected investors and have an adverse impact on the value and liquidity of asset-backed securities such as the Notes. None of Springleaf, the Sellers, the Depositor, or the Initial Purchasers nor any other party to the transaction makes any representation to any prospective investor or purchaser of the Notes regarding the regulatory capital treatment of their investment in the Notes on the Closing Date or at any time in the future. Noteholders should analyze their own regulatory position, and are encouraged to consult with their own investment and legal advisors regarding compliance with Retention Rules or other applicable regulations and the suitability of the Notes for investment.

As a result, no assurance can be given as to the ability of the Noteholders to resell their Notes at any time or at acceptable prices. Therefore, an investment in the Notes should only be made by investors who are able to hold such Notes to maturity notwithstanding the possibility that the Notes may experience a severe reduction in value while held.

No registration rights will be granted to any purchaser of the Notes and no Noteholder may register the Notes under the Securities Act or any state securities laws. Any resale of the Notes made in reliance on Rule 144A or Regulation S must satisfy the applicable conditions of Rule 144A or Regulation S, respectively. Accordingly, no Note or any interest or participation therein can be reoffered, resold, pledged or otherwise transferred unless it is sold (i) to a QIB in a transaction meeting the requirements of Rule 144A or (ii) solely in the case of the Class A Notes, the Class B Notes and the Class C Notes, outside the United States to non-U.S. Persons in compliance with Regulation S under the Securities Act and, in each case, in accordance with the terms of the Indenture. As a result of the transfer restrictions imposed to comply with the Securities Act, investors must be prepared to bear the risk of holding the Notes for as long as such Notes are outstanding.

No Class C or Class D Note (or beneficial interest therein) may be transferred unless the transferee provides a certificate to the Indenture Trustee and Note Registrar with certain written representations and warranties, as specified under the heading *"Restrictions on Transfer"* in this private placement memorandum. In addition, the Class D Notes may only be held by "United States persons" within the meaning of Section 7701(a)(30) of the Internal Revenue Code.

Each beneficial owner of a book-entry Note, by acceptance of such Note, will be deemed to represent and warrant that (A) it is either (i) a QIB, or (ii) solely in the case of the Class A Notes, the Class B Notes and the Class C Notes, a non-"U.S. Person" (as defined in Regulation S under the Securities Act of 1933, as amended), acquiring such Note in compliance with Regulation S under the Securities Act of 1933, as amended, and (B) either (i) it is not and is not acting on behalf or using the assets of a Plan, a plan subject to Similar Law or any entity whose underlying assets include any assets of a Plan or plan subject to Similar Law or (ii) it is acquiring Class A Notes or Class B Notes and the purchase, continued holding and disposition of such Notes (or any interest therein) will not give rise to a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Internal Revenue Code or result in a non-exempt prohibited transaction or violation of any Similar Law. Each holder of a Definitive Note (if issued) will be required to make certain representations in writing as specified under the heading "*Restrictions on Transfer*" in this private placement memorandum. The Notes of all Classes will be issued as Definitive Notes only under the limited circumstances specified in the Indenture. See "*Description of the Notes—Book-Entry Notes and Definitive Notes*" and "*ERISA Considerations*" in this private placement memorandum.

Repayment of the Notes Is Limited to the Issuer's Assets

The Issuer does not have, nor is it expected in the future to have, any significant assets other than the Loans and certain related rights, amounts on deposit in the Note Accounts and any Notes retained by it. Generally, no Noteholder will have recourse for payment of its Notes to any assets of the Sellers, the Depositor, the Depositor Loan Trustee, the Performance Support Provider, the Servicer, the Indenture Trustee, the Issuer Loan Trustee or any of their respective Affiliates. The Notes represent obligations solely of the Issuer, and none of the Sellers, the Depositor, the Depositor Loan Trustee, the Performance Support Provider, the Servicer, the Indenture Trustee, the Issuer Loan Trustee or any of their respective Affiliates is obligated to make any payments on the Notes. Consequently, Noteholders must generally rely upon the Loans and Collections thereon for the payment of principal of and interest on the Notes. Should the Notes not be paid in full on a timely basis, Noteholders may not look to, or draw upon, any assets of any Seller, the Depositor, the Depositor Loan Trustee, the Servicer, the Performance Support Provider, the Indenture Trustee, the Issuer Loan Trustee or any of their respective Affiliates to satisfy their claims. See "*The Indenture—General*" in this private placement memorandum.

Potential Inadequacy of Credit Enhancement

Credit enhancement for the Class A Notes will be provided by the subordination of the Class B Notes, Class C Notes and Class D Notes, excess spread, overcollateralization and funds on deposit in the Reserve Account. Credit enhancement for the Class B Notes will be provided by the subordination of the Class C Notes and Class D notes, excess spread, overcollateralization and funds on deposit in the Reserve Account. Credit enhancement for the

Class C Notes will be provided by the subordination of the Class D Notes, excess spread, overcollateralization and funds on deposit in the Reserve Account. Credit enhancement for the Class D Notes will be provided by excess spread, overcollateralization and funds on deposit in the Reserve Account. Greater than expected losses on the Loans would have the effect of reducing, and could eliminate, the protection against loss afforded by this credit enhancement. Moreover, each time a Loan is prepaid by a Loan Obligor or a Loan is repurchased by the Depositor and the Depositor Loan Trustee for the benefit of the Depositor, such Loan will cease to generate interest Collections for the Trust Estate, thereby potentially reducing the protection against loss afforded by excess spread. See "*Summary Information—Credit Enhancement*" and "*—Yield Considerations/Prepayments*" in this private placement memorandum.

Based on the priorities described under "*Description of the Notes—Priority of Payments*," a Class of Notes that receives payments, particularly principal payments, before another class will be repaid more rapidly than the class or classes of Notes that are subordinated to such Class of Notes. In addition, because principal of each Class of Notes will be paid sequentially, classes of Notes that have lower sequential class designations (i.e., B being lower than A) will be outstanding longer and therefore will be exposed to the risk of losses on the Loans during periods after a more senior Class of Notes has received most or all amounts payable on such Class of Notes, and after which a disproportionate amount of credit enhancement may have been applied and not replenished. See "*—Payments on Subordinate Classes of Notes are more Sensitive to Losses on the Loans*" in this private placement memorandum.

Payments on Subordinate Classes of Notes are More Sensitive to Losses on the Loans

Certain classes of Notes are subordinated to other classes of Notes, and any notes having lower sequential class designations are more likely to suffer the consequences of delinquent payments and defaults on the Loans than the classes of Notes having a higher sequential class designations.

The Notes with a lower sequential class designation are subordinated with respect to interest and principal payments to the Notes with a higher sequential class designation (the Class D Notes are subordinated to the Class A Notes, the Class B Notes and the Class C Notes, the Class C Notes are subordinated to the Class A Notes and the Class B Notes and the Class B Notes are subordinated to the Class A Notes). Following the occurrence of an Event of Default, the priority of interest and principal distributions will change, with the effect that the most senior outstanding Class of Notes will receive all payments of principal and interest before any subordinate Class of Notes receives any payments of principal or interest. See "*Description of the Notes—Priority of Payments*" in this private placement memorandum. The subordination arrangements could result in delays or reductions in interest or principal payments on classes of Notes with lower sequential class designations even as payment is made in full on classes of Notes with higher sequential class designations.

Competition in the Consumer Finance Industry May Adversely Affect the Ability of Springleaf to Fulfill Its Obligations in Respect of the Loans

The consumer finance industry is highly competitive, and the barriers to entry for new competitors are relatively low in the market segment in which Springleaf operates. Springleaf competes with other consumer finance companies as well as other types of financial institutions that offer products that are similar to the Loans. Some of these competitors may have considerably greater financial, technical and marketing resources than does Springleaf. Some competitors may also have a lower cost of funds than does Springleaf, greater access to funding sources than does Springleaf or other competitive advantages relative to Springleaf. These competitive pressures may adversely affect the ability of Springleaf to fulfill its obligations in respect of the Loans, in which case payments on the Notes could be adversely affected.

Losses on the Loans May Be Greater Than Expected as a Consequence of Risks Associated with Springleaf's Underwriting Process

In processing requests for direct auto loans, Springleaf generally relies on a combination of proprietary credit scoring models and subjective underwriting that is performed by individual personnel at the branch level and/or at Springleaf's centralized facilities. The credit scoring models are based on the loan applicant's payment history on prior accounts with Springleaf and other creditors, other data contained in credit bureau reports, and information provided in the loan application, such as income and current debt-service obligations. The underwriting

process considers the applicant's credit scoring, employment information and income, prior accounts with Springleaf and information contained in credit bureau reports. The underwriting process is reliant on significant and ongoing training of underwriters to ensure the quality of the loan decision, making it important that Springleaf attract and retain qualified personnel to perform this underwriting process. There can be no assurance that Springleaf will be able to attract and retain qualified personnel to perform the loan underwriting process. Moreover, if the training of personnel fails to be effective or if model performance deteriorates over time and is not corrected, delinquency and losses could be materially affected. Additionally, if Springleaf makes errors in the development and validation of new credit scoring models and underwriting tools, the direct auto loans that are originated based upon such models and tools would experience higher delinquencies and losses. Also, if future performance differs from past experience (driven by factors, including but not limited to, macro economic factors, policy actions by regulators, lending by other institutions, and reliability of data from information providers such as credit bureaus), which experience has informed the development of the underwriting processes employed by Springleaf, delinquency and losses on the direct auto loans could increase. See "*Underwriting Standards*" and "*—Modifications to the Customary Practices May Result in Changes to the Performance of the Loan Pool and the Servicing of the Loans*" in this private placement memorandum.

In deciding whether to make a direct auto loan to a customer, Springleaf relies heavily on information furnished by or on behalf of its applicants as well as the credit bureaus, and its ability to validate such information through third-party services and its other quality assurance processes. If a significant percentage of the credit customers were to intentionally or negligently misrepresent any of this information, and Springleaf's internal processes were to fail to detect such misrepresentations, or any or all of the other components of the underwriting process described above were to fail, increased delinquencies and losses on the Loans could occur.

Delinquency and Loan Loss Experience

Although Springleaf has calculated and presented herein its delinquency and net loss experience with respect to its portfolio of direct auto loans, there can be no assurance that the information presented will reflect future experience with respect to Springleaf's direct auto loan portfolio or specifically with respect to the Loans in the Loan Pool. A portion of the Loans in the Loan Pool were originated subsequent to certain periods presented in the net loss and delinquency tables. In addition, there can be no assurance that the future delinquency or loss experience of the Issuer with respect to the Loans will be better or worse than that set forth herein or that of similar direct auto loans that are not conveyed to the Issuer.

There Are Risks to Noteholders Because the Loan Agreements Will Not be Delivered to the Issuer.

The Servicer or an entity to which the Servicer has delegated servicing duties will maintain possession of any original Loan Agreements in tangible form. The Servicer or the entity to which the Servicer has delegated servicing duties, as applicable, will identify that the Loans for which it holds the original Loan Agreements in tangible form have been conveyed to the Depositor and the Depositor Loan Trustee for the benefit of the Depositor and the Issuer and the Issuer Loan Trustee for the benefit of the Issuer, but these original Loan Agreements will not be segregated or specifically marked as belonging to the Depositor and the Depositor Loan Trustee for the benefit of the Depositor or the Issuer and the Issuer Loan Trustee for the benefit of the Issuer. However, appropriate UCC-1 financing statements reflecting the transfer and assignment of the Loans (including those in electronic form, as described below) by the applicable Seller to the Depositor and the Depositor Loan Trustee for the benefit of the Depositor and by the Depositor and the Depositor Loan Trustee for the benefit of the Depositor to the Issuer and the Issuer Loan Trustee for the benefit of the Issuer, and the pledge thereof to the Indenture Trustee will be filed to perfect that interest and give notice of the Issuer's (and solely with respect to legal title thereto, the Issuer Loan Trustee's) ownership interest in, and the Indenture Trustee's security interest in, the Loans. If, through inadvertence or otherwise, any of the Loans were sold or pledged to another party who purchased (including a pledgee) the Loans in the ordinary course of its business and took possession of the original contracts in tangible form giving rise to the Loans (any such event, a "tangible contract event"), the purchaser would acquire an interest in the Loans superior to the interests of the Issuer and the Issuer Loan Trustee for the benefit of the Issuer and the Indenture Trustee if the purchaser acquired the Loans for value and without knowledge that the purchase violates the rights of the Issuer and the Issuer Loan Trustee for the benefit of the Issuer or the Indenture Trustee, which could cause investors to suffer losses on their Notes.

Springleaf implemented an electronic signature process in the second half of 2013, which permits Springleaf to originate direct auto loans in electronic form. See "*Underwriting Standards—Loan Closings*" and "*Servicing Standards—Records Management and Storage*" in this private placement memorandum. As described in "*Servicing Standards—Records Management and Storage*" in this private placement memorandum, Springleaf will originate and maintain custody of some Loan Agreements in electronic form through its own technology system. Springleaf's technology system is designed to enable it to identify a copy of each electronic contract as an "original" or "single authoritative copy" that is readily distinguishable from all other copies and that identifies Springleaf as the owner. The system is further designed to prevent revisions to the authoritative copy of the electronic contract without Springleaf's participation and to identify revisions as either authorized or unauthorized revisions. Notwithstanding these capacities of the technology, Springleaf will perfect the transfer and assignment of Loans, including those evidenced by electronic contracts, solely by filing UCC-1 financing statements as described above. Moreover, there can be no assurance that Springleaf's technology system will perform as represented by it in maintaining the systems and controls required to provide assurance that Springleaf maintains control over an electronic contract as described above. In that event, through inadvertence, system failure or otherwise, another person could acquire an interest in an electronic contract that is superior to the interest of Springleaf (and accordingly the Issuer's interest) (any such event, an "electronic contract event"), which could result in losses on the Notes. Additionally, market practices regarding control of electronic chattel paper and other electronic contracts are still developing. For example, the Uniform Commercial Code concept of "control" by its terms applies only to electronic chattel paper and not to electronic contracts that might fall into other Uniform Commercial Code categories.

As a result of any of a tangible contract event or electronic contract event, (i) the Issuer or the Issuer Loan Trustee for the benefit of the Issuer may not have a perfected security interest in certain Loans (or such security interest may not be of first priority) and/or (ii) the Indenture Trustee may not have a perfected security interest in certain Loans (or such perfected security interest may not be of first priority). The possibility that the Issuer, the Issuer Loan Trustee or the Indenture Trustee may not have a perfected security interest in the Loans (or that such perfected security interest may be junior to another party's interest) may affect its ability to obtain Collections on the Loans, seek judgments against Loan Obligors for payments on the Loans and/or repossess collateral providing security for the related Loan. Therefore, Noteholders may be subject to delays in payment and may incur losses on their investment in the Notes.

Furthermore, if the Servicer or any Seller becomes the subject of an insolvency proceeding, competing claims to ownership or security interests in the Loans could arise. These claims, even if unsuccessful, could result in delays in payments on the Notes. If successful, the attempt could result in losses or delays in payments to you or an acceleration of the repayment of the Notes.

The Indenture Trustee May Not have a Perfected Interest in Collections Commingled by the Servicer with Other Funds

The Servicer is obligated to deposit Collections received by it into the Collection Account no later than the second business day after identification. Each Seller, to extent that it receives any payments, is obligated to transfer Collections received by it to the Servicer not later than the second business day following receipt of those Collections. In the event that certain conditions are met, however, the Servicer is permitted to hold all Collections received during a monthly period and to make only a single deposit of those Collections on the Business Day immediately preceding the following Payment Date. See "*The Sale and Servicing Agreement and the Back-up Servicing Agreement—Payments on Loans; Collection Account*" in this private placement memorandum.

Moreover, unlike in many other asset backed securitizations, some of Springleaf's direct auto loan borrowers, including in respect of the Loans, make payments in cash and/or in-person at Springleaf branches. While there has been an increasing trend on the part of direct auto loan borrowers to make payments via lockboxes and various electronic payment channels, branch payments remain a payment channel utilized by many direct auto loan borrowers. See "*—Inability to Make In-Branch Payments May Result in Additional Risks to Noteholders*" in this private placement memorandum. With respect to Springleaf's direct auto loan portfolio secured by Financing Vehicles that were eight years old or less at the time of loan origination, for the three months ended March 31, 2016, approximately 18.0% (by dollar amount) of Springleaf's direct auto loan payments were made in-person at Springleaf branches by the direct auto loan customer by check, cash or money order. Of those payments made in

person at a branch, approximately 52.1% (by dollar amount) were in cash, representing approximately 9.4% of all Springleaf direct auto loan payments during the three months ended March 31, 2016. See "*Servicing Standards—Billing and Payments*" in this private placement memorandum. Additionally, a portion of direct auto loan payments were made by check mailed to Springleaf branches. There can be no assurance that branch payments will not increase in the future.

Any in-person or other payments in respect of Loans made to a branch office location of any Seller must be processed at the branch office before being transferred to the Servicer for processing. Funds in respect of such branch payments are generally available in a Springleaf concentration account for processing by the Servicer by the second business day following receipt of such payments at the applicable Seller branch. See "*Servicing Standards—Billing and Payments*" in this private placement memorandum. To the extent that branch payments require decentralized manual processing, the possibility of delay or misdirection of payments is greater than with payments through lockboxes or electronic channels, which in turn could delay or reduce payments in respect of the Notes. See "*—Inability to Make In-Branch Payments May Result in Additional Risks to Noteholders*" in this private placement memorandum.

Additionally, all Collections that the Servicer or any Seller is permitted to hold are commingled with other funds. Until these funds have been deposited into the Collection Account, the Servicer or such Seller may use and invest these funds at its own risk and for its own benefit and will not segregate them from its own funds. The Indenture Trustee may not have a perfected interest in these commingled amounts until such time as they have been deposited into the Collection Account, with the result that, in the event that the holder or owner of any such commingled funds (including the Servicer, any Seller or any other affiliate of SFC) were to become a debtor in a proceeding under the United States Bankruptcy Code or any other Debtor Relief Law and there is a resulting delay in depositing Collections into the Collection Account due to the imposition of a bankruptcy stay or otherwise or the Servicer, the applicable Seller, any such affiliate or the bankruptcy trustee thereof is unable to specifically identify those funds constituting Collections and there are competing claims on the commingled funds by creditors of any holder or owner of any such commingled funds, payments on the Notes could be delayed or reduced.

Credit Insurance Products

Springleaf sells credit insurance products to its direct auto loan borrowers. These products are provided by a group of Springleaf-affiliated insurance companies and insure the direct auto loan borrower's payment obligations on the related direct auto loan in the event of such direct auto loan borrower's inability to make monthly payments due to death, disability or involuntary unemployment. Payment of the associated premiums can be made by the borrower separately, but except in very rare instances, the direct auto loan borrower finances payment of the premium and it is included in the principal balance of the applicable direct auto loan. The financing of credit insurance products premiums generally represents approximately 2.3% of the aggregate principal balance of Springleaf's direct auto loan portfolio secured by Financing Vehicles that were eight years old or less at the time of loan origination. The Loan Pool may have a different percentage of aggregate principal balance attributable to credit insurance product premiums. A credit insurance product in respect of a direct auto loan may be cancelled if, for example, (i) the owner or servicer of the direct auto loan requests cancellation due to the direct auto loan borrower's default on obligations under the related direct auto loan, (ii) the direct auto loan borrower prepays the principal balance of the direct auto loan in whole or (iii) the direct auto loan borrower elects to terminate the credit insurance prior to the expiration of the term thereof (which the direct auto loan borrower may do at any time). Generally, upon any cancellation of credit insurance, the related direct auto loan borrower will be entitled to a refund of the unearned premium for such credit insurance, which is typically effected by making a corresponding reduction in the principal balance of the direct auto loan. If, however, the borrower requests cancellation of the applicable credit insurance, the unearned premium, if any, is typically refunded to the borrower in cash and the direct auto loan balance is not reduced. The insurance companies providing such credit insurance have agreed to reimburse Springleaf for unearned premiums that are refunded to the direct auto loan borrower whether by reduction of the direct auto loan balance or in cash. Rights to any such reimbursements in respect of reductions in the principal balances of Loans will be conveyed to the Issuer and treated as Collections in respect of such Loans. Despite the foregoing, there can be no assurance that such insurance companies will have sufficient funds to make such payments, which could result in increased losses on the direct auto loans, including the Loans. A portion of recoveries reflected in the net loss and delinquency tables presented herein are attributable to reimbursement payments that insurance companies were obligated to make in respect of claims on such credit insurance, but direct

auto loan borrowers, including the Loan Obligors, are not required to purchase credit insurance products. If the insurers are for any reason unable or unwilling to meet their claim payment obligations or if fewer Loan Obligors purchase credit insurance protection in respect of the Loans, losses on the Loans could increase and repayment of the Notes could be adversely affected. See "*—Springleaf's Financial Strength May Affect the Ability of the Servicer, the Sellers and Their Affiliates to Perform Their Obligations*" in this private placement memorandum.

Social and Economic Factors May Affect Repayment of the Loans

The ability of the Loan Obligors to make payments on the Loans, as well as the prepayment experience thereon, will be affected by a variety of social and economic factors. Economic factors include interest rates, unemployment levels, gasoline prices, upward adjustments in monthly mortgage payments, the rate of inflation and consumer perceptions of economic conditions generally. Social factors include changes in consumer confidence levels and attitudes toward incurring debt and changing attitudes regarding the stigma of personal bankruptcy. Economic conditions may also be impacted by localized weather events and environmental disasters. See "*—Geographic Concentration May Increase Risk of Loss*" in this private placement memorandum. The Issuer is unable to determine and has no basis to predict whether or to what extent social or economic factors will affect the Loans.

The United States has experienced a severe economic downturn. If another economic downturn occurs or if the current economic recovery fails to gain momentum, it may adversely affect the performance and market value of the Notes. High unemployment, decreases in home values, increased mortgage and consumer loan delinquencies and a lack of available consumer credit can result in increased delinquencies, defaults and losses on consumer loans and receivables, including those direct auto loans owned and serviced by Springleaf. In addition, the number of delinquencies and defaults on consumer receivables is significantly influenced by the employment status of obligors. If economic conditions worsen, or fail to improve at a sufficient pace, delinquencies and losses on the Loans could increase. Any increase in delinquencies or defaults with respect to the Loans, together with any resulting impairment of the ability of Sellers and the Servicer to meet their respective obligations under the Transaction Documents increases the likelihood that Noteholders will experience losses with respect to the Notes.

An economic downturn may also be accompanied by decreased consumer demand for automobiles, light-duty trucks and other vehicles and declining values of vehicles securing outstanding direct auto loans, which would weaken collateral coverage and increase the amount of loss in the event of default by a Loan Obligor. Significant increases in the inventory of used automobiles during periods of economic slowdown or recession may also depress the prices at which repossessed automobiles may be sold or delay the timing of these sales. Investors may experience payment delays and losses on the Notes.

An improvement in economic conditions could result in prepayments by the obligors of their payment obligations under the Loans. As a result, investors may receive principal payments of the Notes earlier than anticipated. See "*—Yield Considerations/Prepayments*" in this private placement memorandum.

Federal or State Bankruptcy or Debtor Relief Laws may Impede Collection Efforts or Alter Timing and Amount of Collections.

If a Loan Obligor sought protection under federal or state bankruptcy or debtor relief laws, a court could reduce or discharge completely the Loan Obligor's obligations to repay amounts due on its Loan. As a result, all or a portion of the Loan would be written off as uncollectible. Noteholders could suffer a loss if insufficient funds were available from credit enhancement or other sources to cover the applicable defaulted amount.

Geographic Concentration May Increase Risk of Loss

The geographic concentration of the Loans may expose the Notes to an increased risk of loss due to risks associated with certain regions. Certain regions of the United States from time to time will experience weaker economic conditions and higher unemployment and, consequently, will experience higher rates of delinquency and loss than on similar loans nationally. In addition, natural disasters in specific geographic regions may result in higher rates of delinquency and loss in those areas. In the event that a significant portion of the Loan Pool is comprised of Loans owed by Loan Obligors resident in certain states, economic conditions, natural disasters or other

factors affecting these states in particular could adversely impact the delinquency and default experience of the Loans and could result in reduced or delayed payments on the Notes.

Further, the concentration of the Loans in one or more states would have a disproportionate effect on Noteholders if governmental authorities in any of those states take action against the Sellers (such as actions described in "*—Consumer Protection Laws and Contractual Restrictions*" in this private placement memorandum, or the Servicer or take action affecting the Sellers' or the Servicer's ability to service the Loans.

As of the Cut-Off Date, the aggregate Loan Principal Balance of the Loans originated in each of the following States exceeded 5% of the aggregate Loan Principal Balance of the Loan Pool:

Texas	8.91%
California	8.47%
Illinois	7.62%
Ohio	7.02%
North Carolina	6.96%
Virginia	6.56%
Pennsylvania	5.90%
Indiana	5.72%
Georgia	5.68%

The geographic concentration of the Loan Pool may change over time as a result of repayments of the Loans (including prepayments due to Renewals), charge-offs or otherwise, including in a manner that adversely affects Noteholders. See "*—Yield Considerations/Prepayments*" in this private placement memorandum.

Consumer Protection Laws and Contractual Restrictions

Federal and state consumer protection laws impose requirements, including licensing requirements, and place restrictions on creditors in connection with extensions of credit and collections on loans such as direct auto loans and protection of sensitive customer data obtained in the origination and servicing thereof and any such loans that do not comply with consumer protection laws may not be valid or enforceable under their terms against the obligors of those loans. Moreover, certain of these laws make an assignee of such loans (such as the Issuer and the Issuer Loan Trustee for the benefit of the Issuer) liable to the obligor thereon for any violation by the originating lender. Any violation of such laws or any litigation alleging such a violation with respect to a Loan could give rise to claims and/or defenses by a Loan Obligor, or a group of similarly situated Loan Obligors, against the Issuer, one or more of the Sellers, the Indenture Trustee, the Depositor, the Servicer and certain other parties, or subject them to claims for damages and/or enforcement actions. The federal and state consumer protection laws, rules and regulations applicable to the solicitation and advertising for, underwriting of, granting, servicing and collection of personal loans such as direct auto loans, and the protection of sensitive customer data, frequently provide for administrative penalties, as well as civil (and in some cases, criminal) liability resulting from their violation. An administrative proceeding or litigation relating to one or more allegations or findings of the violation of such laws by a Seller, the Depositor, the Servicer or the Issuer (whether by an administrative agency, a Loan Obligor or a group or class of Loan Obligors) could result in modifications in Springleaf's methods of doing business which could impair Springleaf's ability to collect the Loans or result in the requirement that a Seller, the Servicer, the Depositor and/or the Issuer pay damages and/or cancel the balance or other amounts owing under a Loan associated with such violations. The Loans are subject to generally standard documentation. Thus, many Loan Obligors may be similarly situated in so far as the provisions of their respective contractual obligations are concerned. Accordingly, allegations of violations of the provisions of applicable federal or state consumer protection laws could potentially result in a large class of claimants asserting claims against the Sellers, the Servicer, the Depositor and/or the Issuer. There is no assurance that such claims will not be asserted against the Sellers, the Servicer, the Depositor and/or the Issuer in the future. To the extent it is determined that the Loans were not originated in accordance with all applicable laws, the relevant Sellers may be obligated to repurchase from the Issuer and the Issuer Loan Trustee for the benefit of the Issuer any Loan that fails to comply with such legal requirements. There can be no assurance, however, that any Seller or the Performance Support Provider will have adequate resources to make such repurchases. See "*—Springleaf's Financial Strength May Affect the Ability of the Servicer, the Sellers and Their*

Affiliates to Perform Their Obligations" and "*Certain Legal Aspects of the Loans — Consumer Protection Laws*" in this private placement memorandum.

Springleaf is also subject to potential enforcement, supervisions and other actions that may be brought by state attorneys general or other state enforcement authorities and other governmental agencies. Any such actions could subject Springleaf to civil money penalties, customer remediation and increased compliance costs, as well as damage to reputation and brand and could limit or prohibit Springleaf's ability to offer certain products and services or engage in certain business practices.

In July 2015, The Department of Defense issued a final rule amending the implementing regulations of the Military Lending Act (the "**MLA**"). The final rule expands specific protections provided to members of the military and certain family members under the MLA and addresses a wider range of credit products than the previous MLA regulation. Under the final rule, Springleaf is subject to the limitations of the MLA, which places a 36% limitation on all fees, charges, interest rate and credit and non-credit insurance premiums for certain loans made to members of the military and certain family members. The final rule was effective October 1, 2015, but compliance is not required until October 3, 2016.

Additionally, Congress, the states and regulatory agencies could further regulate the consumer credit industry in ways that make it more difficult for the Servicer to collect payments on the Loans. Further, changes in the regulatory application or judicial interpretation of the laws and regulations applicable to financial institutions also could impact the manner in which Springleaf conducts its business. The regulatory environment in which financial institutions operate has become increasingly complex and robust, and following the financial crisis of 2008, supervisory efforts to apply relevant laws, regulations and policies have become more intense.

In the event that, as a result of any of the events described above, it becomes more difficult for the Servicer to service direct auto loans, it could subject Noteholders to risks and losses of the nature described in *"—Yield Considerations/Prepayments*" in this private placement memorandum.

Litigation

Due to the consumer-oriented nature of Springleaf's industry and the application of certain laws and regulations, industry participants are regularly named as defendants in litigation alleging violations of federal and state laws and regulations and consumer law torts, including fraud. Many of these actions involve alleged violations of consumer protection laws. A significant judgment against one or more of the Sellers or SFC in connection with any such litigation could have a material adverse effect on any such Seller's or SFC's financial condition, results of operations or ability to perform its obligations under the Transaction Documents.

The Repurchase and Indemnification Obligations of Sellers and the Servicer are Limited

The Sellers and the Servicer have obligations arising from representations and warranties and certain other contractual obligations related to the sale or servicing of the Loans, including the obligation of the respective Sellers to repurchase Loans in certain limited circumstances, the obligation of the Servicer to service the Loans, the obligation of the initial Servicer to purchase Loans as a result of certain breaches by the initial Servicer of its covenants, representations and warranties and the obligation of the Sellers and the Servicer to provide indemnification under certain circumstances to the Issuer, the Issuer Loan Trustee, the Depositor and the Depositor Loan Trustee.

However, such obligations are not a guarantee of performance and do not protect the Issuer from all risks that could impact the performance of the Loans. Further, the representations and warranties with respect to the Loans are made as of the Cut-Off Date and are not ongoing representations or warranties with respect to the eligibility of the Loans. While the Sellers are obligated to repurchase any Loan if there is a breach of an applicable representation and warranty regarding its eligibility (but only if such breach is not cured and materially and adversely affects the interest of the interests of the Noteholders in such Loan), there can be no assurance given that each representation and warranty was true when made or that any entity will fulfill its obligation to repurchase or will be financially in a position to fund its repurchase obligation.

In the event of any financial or other inability of any of the Sellers or the Servicer (or the Performance Support Provider on their behalf) or any Successor Servicer, to fulfill its obligations in respect of the Loans, payments on the Notes could be adversely affected. See "*The Sale and Servicing Agreement and the Back-up Servicing Agreement*," "*The Servicer and Performance Support Provider*," "*The Performance Support Agreement*" and "*The Sellers*" in this private placement memorandum.

The Rate of Depreciation of Certain Vehicles Securing Loans Could Exceed the Amortization of the Outstanding Principal Balance of the Related Loans, Which May Result In Losses.

There can be no assurance that the value of any vehicle securing a Loan (a "**Financing Vehicle**") will be greater than the outstanding Loan Principal Balance of the related Loan. Even if the value of a Financing Vehicle is greater than the Loan Principal Balance of the related Loan at the time the Loan is issued, the rate of depreciation of the Financing Vehicle may exceed the rate at which the Loan amortizes, resulting in a reduction in the Loan Obligor's equity in the Financing Vehicle. The lack of any significant equity in their vehicles may make it more likely that those Loan Obligors will default in their payment obligations if their personal financial conditions change. Defaults during these earlier years are likely to result in losses because the proceeds of repossession of the vehicles securing Loans are less likely to pay the full amount of interest and principal owed on the related Loan. Loss severity tends to be greater with respect to Loans with a higher loan-to-value ratio and with respect to Loans secured by new vehicles because of the higher rate of depreciation described above and the decline in used vehicle prices. Furthermore, specific makes, models and vehicle types may experience a higher rate of depreciation and a greater than anticipated decline in used vehicle prices under certain market conditions including, but not limited to, the discontinuation of a brand by a manufacturer or the termination of dealer franchises by a manufacturer.

The pricing of used vehicles is affected by the supply and demand for those vehicles, which, in turn, is affected by consumer tastes, economic factors (including the price of gasoline), the introduction and pricing of new vehicle models and other factors, including the impact of vehicle recalls or the discontinuation of vehicle models or brands. Decisions by a manufacturer with respect to new vehicle production, pricing and incentives may affect used vehicle prices, particularly those for the same or similar models. Further, the insolvency of a manufacturer may negatively affect used vehicle prices for vehicles manufactured by that company. An increase in the supply or a decrease in the demand for used vehicles may impact the resale value of the vehicles securing the Loans. Decreases in the value of those vehicles may, in turn, reduce the incentive of Loan Obligors to make payments on the Loans and decrease the proceeds realized by the issuing entity from repossessions of those vehicles. In any of the foregoing cases, the delinquency and credit loss figures shown in the tables appearing under "*Springleaf Direct Auto Loan Product—Delinquency and Charge-off Experience*" in this private placement memorandum might be a less reliable indicator of the rates of delinquencies and losses that could occur on the Loans than would otherwise be the case.

There May be Insufficient Collateral Securing a Loan Obligor's Obligations Under a Loan

The respective Sellers, in connection with selling the Loans to the Depositor and the Depositor Loan Trustee for the benefit of the Depositor, have assigned or will assign to the Depositor and the Depositor Loan Trustee for the benefit of the Depositor their rights under the applicable Loan Agreements (but none of the obligations), and certain other Purchased Assets including any security interest in the vehicles securing the Loans, which the Depositor and the Depositor Loan Trustee for the benefit of the Depositor, in turn, will assign to the Issuer and the Issuer Loan Trustee for the benefit of the Issuer. The Issuer and, solely, with respect to the legal title to the Loans, the Issuer Loan Trustee for the benefit of the Issuer, in turn, has granted or will grant a security interest in its interest in such Loans, Loan Agreements and other Purchased Assets to the Indenture Trustee.

The Loans are secured by automobiles, light-duty trucks and other vehicles for which, under applicable state law, a certificate of title is issued and any security interest therein is required to be perfected by notation on such certificate of title or by filing with the relevant state Governmental Authority. In most cases, the Financing Vehicles were not acquired with proceeds of those Loans in a manner that would give rise to a purchase money security interest. The security interest in the Financing Vehicles is a perfected first priority security interest effected by noting the lien of the applicable Seller on the corresponding certificate of title or by filing with the relevant state Governmental Authority. See "*—The Issuer's Security Interest in the Financing Vehicles Will not be Noted on the Certificates of Title, which May Cause Losses on the Notes*" in this private placement memorandum.

As of the Closing Date, Loan Obligors are required to maintain physical damage insurance in respect of Financing Vehicles in an amount equal to the lesser of the loan balance or the value of the vehicle and to cause the applicable Seller to be named as a loss payee. In most cases, the direct auto loan borrower obtains the required insurance from its own insurer, but if the borrower fails to do so, Springleaf may, though is not required to, purchase the insurance on a lender-placed basis and charge the associated premium (typically paid in advance to the insurer for twelve months of coverage) to the direct auto loan borrower by increasing the principal balance of the applicable direct auto loan. Such lender-placed insurance is typically purchased from an affiliate of Springleaf licensed to write vehicle insurance (or from an unaffiliated insurer which is reinsured by a licensed affiliate of Springleaf). Such lender-placed insurance may be canceled at any time if the direct auto loan borrower provides evidence to Springleaf that other applicable insurance in respect of the Financing Vehicle has been obtained. In the event that any such lender-placed insurance is canceled, the principal balance of the applicable direct auto loan would be reduced by an amount equal to the unearned premium with respect to such lender-placed insurance. If there is an insurance claim payment on a Financing Vehicle, the payment will typically be made payable, both in the case of insurance obtained by the direct auto loan borrower and insurance obtained by Springleaf on behalf of such direct auto loan obligor (i.e., lender-placed insurance) to Springleaf and the direct auto loan borrower jointly, and the proceeds will be applied (i) to repair the Financing Vehicle if the cost of repairs is less than the lesser of the loan balance or the vehicle value or (ii) otherwise, as a principal payment in respect of the applicable direct auto loan. See "*Underwriting Standards—Insurance*" in this private placement memorandum.

Despite the collateralization requirements described above, there can be no assurance that the value of the applicable vehicle or the amount of any associated insurance will be sufficient to repay the principal balance of the applicable Loan. Frequently, the principal balance of a Loan exceeds (and may substantially exceed) the value of the vehicle securing such Loan. There may also be circumstances in which a Loan ceases to be collateralized as a consequence of loss or disposition of the related vehicle without either reduction of the principal balance of the Loan or replacement of the collateral. Moreover, if the security interest in a Financing Vehicle is unperfected for any reason, including a failure on the part of a Seller to perfect a security interest in such vehicle as described above, the security interest would be subordinate to, among others, a bankruptcy trustee of the Loan Obligor, a subsequent purchaser of the applicable vehicle or a holder of a perfected security interest in the applicable vehicle. As a consequence of any of the foregoing, increased losses on the Loans could occur and repayment of the Notes could be adversely affected. Investors should not rely on the proceeds from the disposition of any such collateral as a significant source of funds to make payments on the Notes.

Recovery under Insurance for Vehicles Securing Loans May Not Be Available or May be Inadequate

While Springleaf, pursuant to the Customary Practices, contractually requires Loan Obligors to maintain physical damage insurance in respect of the Financing Vehicle, through inadvertence or otherwise such insurance may not be in full force and effect at the time a loss purported to be covered occurs. In addition, a Loan Obligor may fail to comply with the requirement to maintain such insurance. Springleaf monitors whether a Loan Obligor maintains vehicle insurance.

The Servicer may, though it is not required to, lender-place collision and comprehensive insurance on a Financing Vehicle if the related Loan Obligor fails to maintain such insurance and the unpaid principal balance of the related Loan is $6,000 or more. In the event of such lender-placement, the premium is paid (typically in advance to the insurer for twelve months of coverage) by the Servicer or an entity to which the Servicer has delegated servicing duties, and the balance of the Loan is increased by the amount of such payment, bearing interest at the rate applicable to the Loan. Such lender-placed premium amounts generally represent less than 0.1% of the aggregate principal balance of Springleaf's direct auto loan portfolio secured by Financing Vehicles that were eight years old or less at the time of loan origination. The Loan Pool may have a different percentage of aggregate principal balance attributable to such lender-placed premium amounts and such percentage may increase or decrease after the Cut-Off Date. The incremental principal balance of the Loan resulting from the premium amount is typically collected from the Loan Obligor over a period of ten months by way of an increase in the Loan Obligor's monthly payment. If the lender-placed insurance is terminated early for any reason (e.g., because the Loan is paid in full or the Loan Obligor purchases replacement insurance), any associated refund for unearned premium received from the applicable insurer is paid to the Servicer and applied as Collections. However, there can be no assurance that such insurer will be able to make such payments. See "*Underwriting Standards—Insurance*" in this private placement memorandum.

In light of the foregoing, there can be no assurance that each Financing Vehicle will continue to be covered by applicable insurance, whether obtained by the Loan Obligor or obtained by the applicable Seller or the Servicer during the entire term during which the related Loan is outstanding. Consequently, recoveries may be limited in the event of losses or casualties to vehicles securing the Loans, and Noteholders could suffer a loss on their investment.

Interests of other Persons in the Insurance Policies Related to the Loans Could be Superior to the Issuer's or the Indenture Trustee's Interest, which May Result in Reduced Payments on the Notes

Under the terms of the Loan Purchase Agreement, the Sale and Servicing Agreement and the Indenture, the respective Sellers have assigned their rights, if any, in credit and vehicle insurance policies related to the Loans to the Depositor, which rights the Depositor, in turn, has conveyed to the Issuer, and the Issuer has pledged to the Indenture Trustee for the benefit of the Noteholders. None of the Sellers, the Servicer, the Depositor or the Issuer will take any action to perfect the Issuer's or the Indenture Trustee's rights in proceeds of any insurance policies covering particular Financing Vehicles or any credit insurance policies, nor will the Issuer or the Indenture Trustee be identified as a named insured or loss payee in any applicable insurance policy or certificate. Therefore, the rights of a third party with an interest in these proceeds could prevail against the rights of the Issuer or the Indenture Trustee prior to the time the Servicer deposits the proceeds of such insurance into a Note Account.

The Issuer's Security Interest in the Financing Vehicles Will not be Noted on the Certificates of Title, which May Cause Losses on the Notes

In connection with each sale of any Loan to the Depositor and the Depositor Loan Trustee for the benefit of the Depositor, the applicable Seller will assign its security interests in the related Financing Vehicle to the Depositor, who will further assign them to the Issuer. Finally, the Issuer will pledge its interest in the Financing Vehicle as collateral for the Notes. The lien certificates or certificates of title relating to the Financing Vehicles will not be amended or reissued to identify the Issuer, the Depositor or the Indenture Trustee as the new secured party. In the absence of such an amendment or reissuance, the Issuer, the Depositor or the Indenture Trustee may not have a perfected security interest in the Financing Vehicles in some states. As a consequence, in some cases, if the Issuer (or the Servicer on its behalf) elects to attempt to repossess a Financing Vehicle, it might not be able to realize any liquidation proceeds on the vehicle and, as a result, Noteholders may suffer a loss on their investment in the Notes.

Interests of Other Persons in the Vehicles Securing the Loans and Insurance Proceeds Could Be Senior to the Issuer's Interest, which May Result in Reduced Payments on the Notes

Even though the Seller is required to have a first priority perfected security interest in each Financing Vehicle, and such interest is conveyed to the Issuer, the Issuer could lose the priority of its security interest in the vehicle due to, among other things, liens for repairs or storage of the titled asset or for unpaid taxes of a Loan Obligor. None of the Seller, the Servicer, or any other person will have any obligation to purchase or repurchase a Loan for any such loss of the priority of the security interest in any such vehicle after the Loan is sold to the Depositor and the Depositor Loan Trustee for the benefit of the Depositor. Therefore, the rights of a third party with an interest in the proceeds could prevail against the rights of the Issuer prior to the time the proceeds are deposited by the Servicer into an account controlled by the Indenture Trustee for the Notes.

Yield Considerations/Prepayments

The yield to investors in the Notes will be sensitive to the rate and timing of principal payments thereon.

The Loans may be prepaid, in whole or in part, at any time without penalty, including as a result of Renewals. The rate and timing of prepayment on the Loans may be influenced by a variety of economic, social and other factors. The rate of prepayment on the Loans may be influenced by the nature of the Loan Obligors, servicing decisions and the number of Renewals. In addition, the Sellers are obligated to repurchase Loans as a result of certain breaches of representations and warranties as to the characteristics of the Loans as of the Cut-Off Date, and under certain circumstances the initial Servicer is obligated to purchase Loans pursuant to the Sale and Servicing Agreement as a result of certain breaches of representations, warranties or covenants by the Servicer. See

"*Description of the Loans–Assignment of Loans; Representations and Warranties; Repurchase Obligations and Renewals*" in this private placement memorandum.

Further, if the Loans are sold upon exercise of an optional redemption by the Depositor, the Issuer will redeem all notes then outstanding and investors will receive the remaining principal balance of the Notes plus accrued and unpaid interest through the related payment date. In such event, the Notes will no longer be outstanding and investors will not receive the additional interest payments that would have been paid had the Notes remained outstanding. For Notes bought at a premium, the yield to maturity will be lower than it would have been if the optional redemption had not been exercised. See "*Description of the Notes—Redemption*" in this Private Placement Memorandum.

Investors are urged to consider that the yield to maturity of the Notes purchased at a discount or premium will be more sensitive to the rate and timing of payments of principal thereon. Noteholders should consider, in the case of any such Notes purchased at a discount, the risk that a slower than anticipated rate of principal payments could result in an actual yield that is lower than the anticipated yield, and, in the case of any such Notes purchased at a premium, the risk that a faster than anticipated rate of principal payments could result in an actual yield that is lower than the anticipated yield. The Noteholders will bear all the reinvestment risks relating to prepayments on the Loans and resulting from distributions of principal on the Notes. These reinvestment risks include the possibility that the Noteholders may not be able to reinvest distributions of principal in alternative comparable investments having similar yields. No representation is made as to the anticipated rate of prepayments of, rate and timing of losses on or repurchases of the Loans, the occurrence of an Event of Default or the resulting yield to maturity of the Notes.

Book-Entry Registration of the Notes May Reduce Their Liquidity

The Notes of all Classes initially will be represented by one or more Global Notes registered in the name of Cede & Co. ("**Cede**") as a nominee of DTC and will not be registered in the names of the owners of the beneficial interests of such Notes ("**Beneficial Owners**") or their nominees. Issuance of the Notes as Global Notes may reduce the liquidity of such Notes in the secondary trading market since investors may be unwilling to purchase Notes for which they cannot obtain definitive physical securities representing such investors' interests, except in certain circumstances described under "*Description of the Notes—Book-Entry Notes and Definitive Notes*" in this private placement memorandum.

Since transactions in Notes represented by Global Notes will be effected only through DTC, direct or indirect participants in DTC's book-entry system or certain banks, the ability of a Beneficial Owner to pledge its interest in the Notes to persons or entities that do not participate in the DTC system, or otherwise to take actions in respect of such Notes, may be limited due to lack of a physical security representing such Beneficial Owner's interest in such Notes.

Additionally, owners of the Notes may experience some delay in their receipt of distributions of interest on and principal of the Global Notes since distributions may be required to be forwarded by the Indenture Trustee to DTC and, in such case, DTC will be required to credit such distributions to the accounts of its participants which thereafter will be required to credit them to the accounts of the applicable Beneficial Owners either directly or indirectly through indirect participants. See "*Description of the Notes—Book-Entry Notes and Definitive Notes*" in this private placement memorandum.

The Loans Are Generally Obligations of Sub-Prime Obligors and Will Likely Have Higher Default Rates than a Pool of Loans Constituting Primarily Obligations of Prime Obligors

The Loans are generally obligations of "sub-prime" obligors who do not qualify for, or have difficulty qualifying for, credit from traditional sources of consumer credit as a result of, among other things, moderate income, limited assets, other adverse income characteristics and/or a limited credit history or an impaired credit record, which may include a history of irregular employment, previous bankruptcy filings, repossessions of property, charged-off loans and/or garnishment of wages.

The average interest rate charged to such "sub-prime" obligors generally is higher than that charged by commercial banks and other institutions providing traditional sources of consumer credit. These traditional sources of consumer credit typically impose more stringent credit requirements than the direct auto loan products provided by Springleaf and the Sellers. As a result of the credit profile of the Loan Obligors and the interest rates on the Loans, the historical delinquency and default experience on the Loans will likely be higher (and may be significantly higher) than those experienced by financial products arising from traditional sources of consumer credit. Additionally, delinquency and default experience on the Loans is likely to be more sensitive to changes in the economic climate in the areas in which the Loan Obligors of such Loans reside. See "*–Geographic Concentration May Increase Risk of Loss*" in this private placement memorandum. Investors are urged to consider the credit quality of the Loans when analyzing an investment in the Notes.

Additional Servicing Risks

The Servicer contacts customers with delinquent loan balances soon after the loan becomes delinquent. During periods of increased delinquencies it is important that the Servicer is proactive in dealing with credit customers rather than simply allowing a Loan to become charged-off. Historically, when collection efforts begin at an earlier stage of delinquency, there is a greater likelihood that the applicable direct auto loan will not be charged off. However, there is no assurance that such historical trend will continue.

During periods of increased delinquencies, it becomes extremely important that the Servicer is properly staffed and trained to take appropriate action in an effort to bring the delinquent balance current and ultimately avoid the Loan becoming charged-off. If the Servicer is unable to attract and retain qualified credit and collection personnel, and maintain workloads for its collections personnel at a manageable level, it could result in increased delinquencies and charge-offs on the Loans.

Vulnerability of Information Technology Infrastructure

The Servicer uses management information systems to manage their credit portfolio, including management of collections and, Springleaf uses such management information systems to manage and maintain control of electronic contracts. These systems are subject to damage or interruption from:

- Power loss, computer systems failures and Internet, telecommunications or data network failures;
- Operator negligence or improper operation by, or supervision of, employees;
- Physical and electronic loss of data or security breaches, misappropriation and similar events;
- Computer viruses;
- Cyberterrorism
- Intentional acts of vandalism and similar events; and
- Hurricanes, fires, floods and other natural disasters.

In addition, the software that the Servicer has developed for its use in daily operations may contain undetected errors that could cause the information network to fail. Any failure of the Servicer's systems due to any of these causes, if it is not supported by the Servicer's disaster recovery plan, could cause an interruption in operations and result in reduced collections of the Loans. Though the Servicer has implemented contingency and disaster recovery processes in the event of one or several technology failures, any unforeseen failure, interruption or compromise of these systems or security measures could affect its collection of the Loans. The risk of possible failures or interruptions may not be adequately addressed, and such failures or interruptions could occur.

Risks Associated With the Investment Company Act

The Issuer has not registered with the SEC as an investment company pursuant to the United States Investment Company Act. Neither the Issuer nor the pool of Loans and other collateral have been registered as an investment company under the Investment Company Act in reliance on the exception provided under Rule 3a-7 thereof. Counsel for the Issuer will opine, in connection with the initial sale of the Notes, that the Issuer is not required to be registered on the Closing Date as an investment company under the Investment Company Act. No opinion or no-action position has been requested of the SEC.

If the SEC or a court of competent jurisdiction were to find that the Issuer is in violation of the Investment Company Act having failed to register as an investment company thereunder, possible consequences include, but are not limited to, the following: (i) the SEC could apply to a district court to enjoin the violation; (ii) investors in the Issuer could sue the Issuer and recover any damages caused by the violation; and (iii) any contract to which the Issuer is party that is made in, or whose performance involves a violation of the Investment Company Act would be unenforceable by any party to the contract unless a court were to find that under the circumstances enforcement would produce a more equitable result that nonenforcement and would not be inconsistent with the purposes of the Investment Company Act. Should the Issuer be subjected to any or all of the foregoing, the Issuer would be materially and adversely affected, and losses to Noteholders could occur.

Financial Regulatory Reform

The Dodd-Frank Wall Street Reform and Consumer Protection Act (the "**Dodd-Frank Act**") was signed into law on July 21, 2010. Although the Dodd-Frank Act generally took effect on July 22, 2010, many provisions are taking effect as implementing regulations are issued and finalized. The Dodd-Frank Act is extensive and significant legislation that, among other things:

- creates a framework for the liquidation of certain bank holding companies and other nonbank financial companies, defined as "covered financial companies", in the event such a company is in default or in danger of default and the resolution of such a company under other applicable law would have serious adverse effects on financial stability in the United States, and also for the liquidation of certain of their respective subsidiaries, defined as "covered subsidiaries", in the event such a subsidiary is, among other things, in default or in danger of default and the liquidation of such subsidiary would avoid or mitigate serious adverse effects on the financial stability or economic conditions of the United States;

- creates a new framework for the regulation of over-the-counter derivatives activities;

- strengthens the regulatory oversight of securities and capital markets activities by the SEC; and

- created the Consumer Financial Protection Bureau (the "**CFPB**"), a new agency responsible for administering and enforcing the laws and regulations for consumer financial products and services.

The Dodd-Frank Act impacts the offering, marketing and regulation of consumer financial products and services offered by financial institutions, which could include the Sellers, the Servicer, the Depositor and their Affiliates, including the Issuer. The CFPB will have supervision, examination and enforcement authority over the consumer financial products and services offered by certain non-depository institutions and large insured depository institutions. The CFPB also has broad rulemaking and enforcement authority over providers of credit, savings and payment services and products and authority to prevent "unfair, deceptive or abusive" acts or practices. The CFPB has the authority to write regulations under federal consumer financial protection laws, and to enforce those laws against and examine large financial institutions for compliance.

For example, the Dodd-Frank Act gives the CFPB supervisory authority over entities that are designated as "larger participants" in certain financial services markets, including consumer installment loans and related products. The CFPB has issued a final rule, effective August 31, 2015, expanding its authority to larger participants in the automobile financing market. Under the definitions included in the final rule, the Servicer is considered a larger participant. Consequently, the Servicer is subject to the supervision and examination authority of the CFPB.

The CFPB is also authorized to collect fines and provide consumer restitution in the event of violations, engage in consumer financial education, track consumer complaints, request data and promote the availability of financial services to underserved consumers and communities. Depending on how the CFPB functions and its areas of focus, it could increase the compliance costs for Springleaf, potentially delay Springleaf's ability to respond to marketplace changes, result in requirements to alter products and services that would make them less attractive to consumers and impair the ability of Springleaf to offer products and services profitably. The CFPB is authorized to pursue administrative proceedings or litigation for violations of federal consumer financial laws. In these proceedings, the CFPB can obtain cease and desist orders (which can include orders for restitution or rescission of contracts, as well as other kinds of affirmative relief) and monetary penalties ranging from $5,000 per day for minor violations of federal consumer financial laws (including the CFPB's own rules) to $25,000 per day for reckless violations and $1 million per day for knowing violations. Also, where a company has violated Title X of the Dodd-Frank Act or CFPB regulations under Title X, the Dodd-Frank Act empowers state attorneys general and state regulators to bring civil actions for the kind of cease and desist orders available to the CFPB.

The Dodd-Frank Act also increases the regulation of the securitization markets. For example, it requires securitizers or originators to retain an economic interest in a portion of the credit risk for any asset that they securitize or originate. It also gives broader powers to the SEC to regulate credit rating agencies and adopt regulations governing these organizations and their activities.

Compliance with the implementing regulations under the Dodd-Frank Act or the oversight of the SEC or CFPB may impose costs on, create operational constraints for, or place limits on pricing with respect to finance companies such as Springleaf. Many of the regulations required by the Dodd-Frank Act have not been finalized. Until all of the implementing regulations are issued, no assurance can be given that these new requirements imposed by the Dodd-Frank Act will not have a significant impact on marketability of asset-backed securities such as the Notes, the secondary market for such securities, the servicing of the Loans, and the operating results, the regulation and supervision of Springleaf.

Although the expectation is that the liquidation framework described above will be invoked on rare occasions and only involving the largest financial companies, no assurances can be given that the liquidation framework for the resolution of "covered financial companies" or their "covered subsidiaries" would not apply to the Sellers, the Servicer, the Performance Support Provider, the Depositor and their Affiliates, including the Issuer, or, if it were to apply, would not result in a repudiation of any of the Transaction Documents where further performance is required or an automatic stay or similar power preventing the Indenture Trustee or other transaction parties from exercising their rights. This repudiation power could also affect the transfer of the Loans. Application of this framework could materially and adversely affect the timing and amount of payments of principal and interest on the Notes.

The application of the Servicemembers Civil Relief Act may lead to delays in payment or losses on the Notes.

The Servicemembers Civil Relief Act and similar state legislation may limit the interest payable on a Loan receivable during a Loan Obligor's period of active military duty. This legislation could adversely affect the ability of the Servicer to collect full amounts of interest on a Loan as well as to foreclose on an affected Loan during and, in certain circumstances, after the Loan Obligor's period of active military duty. This legislation may thus result in delays and losses in payments to holders of the Notes. See "*Certain Legal Aspects of the Loans—Servicemembers Civil Relief Act*" in this private placement memorandum.

Springleaf's Financial Strength May Affect the Ability of the Servicer, the Sellers and Their Affiliates to Perform their Obligations

SFC currently has a significant amount of indebtedness. As of March 31, 2016, SFC had $7.2 billion of indebtedness outstanding. Interest expense on SFC's indebtedness totaled $156 million for the three months ended March 31, 2016. Each of the Sellers is a wholly-owned subsidiary of SFC, which also serves as the Servicer of the Loans and the Performance Support Provider pursuant to the Performance Support Agreement of the Sellers' obligations under the Loan Purchase Agreement, at any time the Administrator is an Affiliate of SFC, the Administrator's obligations under the Transaction Documents and, at any time the Servicer is an Affiliate of SFC, the Servicer's obligations under the Sale and Servicing Agreement. As such, SFC's financial condition could

adversely affect, among other things, (a) a Seller's ability to repurchase a Loan as required under the Loan Purchase Agreement, (b) the Servicer's ability to repurchase a Loan required to be repurchased by it under the Sale and Servicing Agreement, (c) SFC's ability to effectively service the Loans pursuant to the terms of the Sale and Servicing Agreement or guarantee a Seller's repurchase obligations under the Loan Purchase Agreement and (d) the ability of its Affiliates to make payments in respect of credit insurance provided by such Affiliates in respect of the Loans or insurance relating to the vehicles securing the Loans. On February 3, 2012, S&P downgraded SFC's senior unsecured debt obligations from "B" to "CCC" with a negative outlook citing the operating, funding, and liquidity challenges that SFC faced as it worked to pay down its debt coming due in 2012. In February 2013, S&P acknowledged that SFC had addressed its short-term liquidity concerns through 2014, but noted that SFC continues to have pressing liquidity needs after 2014. On April 4, 2013, S&P upgraded SFC's unsecured term debt obligations from "CCC" to "CCC+" and upgraded SFC's issuer credit rating from "CCC" to "B-" with a stable outlook, citing SFC's improved funding and liquidity. On June 1, 2012, Moody's downgraded SFC's senior unsecured long-term debt from "B3" to "Caa1" with a negative outlook. On May 8, 2013, Moody's Investors Service affirmed SFC's Caa1 senior unsecured debt rating but upgraded its rating outlook to positive from negative, citing SFC's improved liquidity and funding, though noting that execution risks for further improvement remain high. On August 30, 2013, Fitch upgraded SFC's long-term Issuer Default Rating and senior unsecured debt rating from "CCC" to "B-" and assigned a stable outlook. On October 14, 2013, Moody's upgraded SFC's senior unsecured long-term debt rating to "B3" from "Caa1" with a stable outlook, citing SFC's progress in strengthening liquidity, improving operating performance and reducing leverage. Fitch upgraded SFC's senior unsecured debt rating from "B-" to "B" with a stable outlook on August 7, 2014.

Moody's, S&P and Fitch upgraded SFC's long-term corporate debt rating as follows: (i) from "B3" to "B2" with a stable outlook by Moody's on October 8, 2014; (ii) from "B-" to "B" with a stable outlook by S&P on August 8, 2014; and (iii) from "B-" to "B" with a stable outlook by Fitch on August 7, 2014.

As a result of the announcement on March 3, 2015 relating to the proposed acquisition by OneMain Holdings, Inc. ("**OMH**") of OneMain Financial Holdings, Inc. from CitiFinancial Credit Company, each of Moody's, S&P and Fitch changed SFC's ratings from a stable outlook to a negative watch.

On November 13, 2015 S&P affirmed its long-term corporate debt rating of "B". On November 16, 2015 Moody's and Fitch downgraded SFC's long-term corporate debt rating from "B2" to "B3" and "B" to "B-", respectively, with both assigning stable ratings outlooks.

In order to meet SFC's debt obligations in 2016 and beyond, SFC intends to pursue a number of options, including additional secured and unsecured debt financings, particularly new securitizations, revolving credit facilities, debt refinancing transactions, debt exchanges, portfolio sales, or a combination of the foregoing.

However, there can be no assurance that SFC would be able to take any of these actions, that these actions would be successful even if undertaken, that these actions would permit SFC to meet its scheduled debt obligations, or that these actions would be permitted under the terms of SFC's existing or future debt agreements. In the absence of sufficient cash resources, SFC could face substantial liquidity problems and might be required to dispose of material assets or operations to meet its debt and other obligations.

Further, SFC's ability to refinance its debt on attractive terms or at all, as well as the timing of any refinancings, depends upon a number of factors over which SFC may have little or no control, including general economic conditions, such as unemployment levels, housing markets and interest rates, disruptions in the financial markets, the market's view of the quality, value, and liquidity of its assets, its current and potential future earnings and cash flows, and its credit ratings. In addition, any financing, particularly any securitization, that is reviewed by a rating agency is subject to the rating agency's view of the quality and value of any assets supporting such financing, its processes to generate cash flows from, and monitor the status of, such assets, and changes in the methodology used by the rating agencies to review and rate the applicable financing. This process may require significant time and effort to complete and may not result in a favorable rating or any rating at all, which could reduce the effectiveness of such financing or render it unexecutable.

The Risks Associated with Acquisitions by the Springleaf Company May Affect the Ability of the Servicer and the Performance Support Provider and Their Affiliates to Perform Their Obligations

SFC, SFI and OMH and their affiliates (collectively, the "**Springleaf Company**") regularly consider strategic acquisitions and have been involved in transactions of various magnitudes involving a variety of forms of consideration and financing. The purchase price for possible acquisitions could be financed through the issuance of equity or debt securities, bank borrowings, securitizations or a combination thereof. The Springleaf Company cannot predict if any such acquisitions will be consummated or, if consummated, will result in a financial or other benefit to the Springleaf Company.

On November 15, 2015, OMH completed its acquisition of OneMain Financial Holdings, LLC ("**OneMain**") from CitiFinancial Credit Company, a wholly-owned subsidiary of Citigroup Inc., an all-cash transaction (the "**OneMain Acquisition**") pursuant to a Stock Purchase Agreement. A copy of the press release announcing the OneMain Acquisition and a copy of the Stock Purchase Agreement entered into between OMH and CitiFinancial Credit Company were filed by OMH with the Securities and Exchange Commission (the "**SEC**") on Form 8-K on March 3, 2015. A copy of the press release announcing the completion of the OneMain Acquisition was filed by OMH with the SEC on Form 8-K on November 17, 2015, as amended by the Form 8-K/A filed on January 29, 2016. These filings are available on the SEC's Internet site (http://www.sec.gov).

Integration issues are likely to occur with respect to the OneMain Acquisition and any acquisition that may be consummated in the future. The Springleaf Company may fail to realize some or all of the anticipated benefits of the transaction if the integration process takes longer, or is more costly, than expected. The Springleaf Company's failure to meet the challenges involved in successfully integrating any such acquisition with its current business or otherwise to realize any of the anticipated benefits of the transaction, could impair their respective operations. In addition, the Springleaf Company anticipates that any integration will be a complex, time-consuming and expensive process that, without proper planning and effective and timely implementation, could significantly disrupt its business.

Potential difficulties the Springleaf Company may encounter during the integration process for the OneMain Acquisition or any other acquisition include, but are not limited to, the following:

- the integration of the assets acquired into its information technology platforms and servicing systems;
- the quality of servicing during any interim servicing period;
- the integration of underwriting and servicing policies;
- the disruption to the Springleaf Company's ongoing businesses and distraction of its management teams from ongoing business concerns;
- the requirements of various federal, state and local regulatory authorities;
- the retention of existing customers and contract counterparties;
- the creation of uniform standards, controls, procedures, policies and information systems;
- the occurrence of unanticipated expenses; and
- potential unknown liabilities associated with acquired assets or an unexpected increase in assumed liabilities, including legal liability related to origination and servicing of acquired assets prior to the acquisition.

The anticipated benefits and synergies from any acquisition will assume, a successful integration, and are or will be based on projections, which are inherently uncertain, as well as other assumptions. Even if integration is successful, anticipated benefits and synergies may not be achieved.

To the extent the Springleaf Company experiences any difficulties in connection with the OneMain Acquisition or any other future acquisitions, the Springleaf Company's financial condition could be adversely affected which may affect the ability of the Servicer, the Sellers and the Performance Support Provider and their affiliates to perform their respective obligations under the Transaction Documents.

Replacement of the Servicer or Inability to Replace Servicer or Inability of the Sellers to Assist in Servicing the Loans Could Result in Reduced Payments on the Notes

The Issuer's receipt of Collections in respect of the Loans (the primary source from which the Issuer pays amounts in respect of the Notes) will depend on the skill and diligence of the Servicer in making collections. If the Servicer fails to make collections adequately for any reason, then payments to the Issuer in respect of the Loans may be delayed or reduced. In that event, it is likely that delays or reductions in the amounts distributed on the Notes would result. As described under "*The Back-up Servicer*," "*The Sale and Servicing Agreement and the Back-up Servicing Agreement—Servicing of Loans*" and "*The Sale and Servicing Agreement and the Back-up Servicing Agreement—Rights Upon Servicer Default*" in this private placement memorandum, following a Servicer Default, at the direction of holders of the Required Noteholders, the Back-up Servicer will be obligated to serve as the Successor Servicer.

It is likely that the termination of the initial Servicer and the transfer of the rights, duties and obligations of the Servicer under the Sale and Servicing Agreement to the Back-up Servicer or other Successor Servicer would adversely affect the servicing of the Loans. For example, transfers of servicing involve the risk of disruption in collections due to data input errors, misapplied or misdirected payments, system incompatibilities and other reasons. Because the Loan Obligors generally are "sub-prime", the Loans likely are more sensitive to any such disruptions than direct auto loans and other personal loans owing from "prime" loan obligors. Moreover, the transfer of servicing from the initial Servicer to the Back-up Servicer could result in significant changes in the manner in which the Loans are serviced. For example, there is a strong possibility that the Back-up Servicer would employ its own servicing practices in servicing the Loans rather than service in accordance with the Customary Practices. Additionally, the Back-up Servicer may elect to increase centralization of servicing with respect to some or all of the Loans. See "*The Sale and Servicing Agreement and the Back-up Servicing Agreement—Assumption of Servicing by the Back-up Servicer*" in this private placement memorandum.

The Servicer expects to primarily effectuate its obligations as Servicer under the Sale and Servicing Agreement by delegating its servicing obligations (i) to the Sellers who will subservice the Loans through their respective branches or at a central location and (ii) to Springleaf Consumer Loan, Inc. ("**SCLI**"), a Delaware corporation and wholly-owned subsidiary of SFI, who will service certain Loans on a centralized basis. Because a portion of the servicing of the Loans is conducted by some Sellers through their various branches, the ability of the Back-up Servicer to service the Loans may be dependent, in significant part, on the participation of the Sellers. See "*—Inability to Make In-Branch Payments May Result in Additional Risks to Noteholders*," "*Servicing Standards*" and "*The Sale and Servicing Agreement and the Back-up Servicing Agreement*" in this private placement memorandum. Moreover, many of the Loan Obligors are "sub-prime" or "non-prime" and therefore require "high touch" servicing which is facilitated by Springleaf's branch network. Springleaf believes that the credit performance of the Loans depends in part on the geographical proximity of these branches to the Loan Obligors and the personalized servicing provided to such Loan Obligors at these branches. To the extent servicing is centralized, the benefits of this geographical proximity may no longer be realized.

In the event that the initial Servicer is terminated, entities to which the Servicer has delegated servicing duties may or may not continue acting in such capacity for the Back-up Servicer or any other Successor Servicer. Moreover, (i) the financial wherewithal of Springleaf at the time of such termination may adversely affect the ability of such entities to continue to subservice the Loans in the same manner as they had prior to the servicing transition and (ii) the Back-up Servicer may elect to increase centralization of servicing with respect to some or all of the Loans. Any resulting servicing disruptions or changes could result in higher delinquencies and defaults on the Loans, which in turn could adversely affect the repayment of the Notes. Investors should note that the historical performance of the Loans during the time period in which the initial Servicer serviced such Loans may not be consistent with the performance of the Loans if they are serviced by a different servicer, if one or more entities to which the Servicer has delegated servicing responsibilities ceases to act in that capacity or if the Loans are serviced in the manner in which the Back-up Servicer is required to service the Loans.

Additionally, in the event of the Servicer's bankruptcy, even if the Required Noteholders direct that the Servicer be terminated, the Back-up Servicer and the Depositor may face delays in terminating, or may be unable to terminate, the Servicer as the termination right in the Sale and Servicing Agreement upon a Servicer Default relating to insolvency generally is subject to the bankruptcy court's automatic stay.

Similarly, there can be no assurance whether, after a Servicer Default, a sufficient percentage of Noteholders will elect to terminate the Servicer or how quickly a sufficient percentage of Noteholders will act in order to terminate the Servicer. In the event that the Servicer fails to service, or is unable to service, the Loans in accordance with the Sale and Servicing Agreement after such a Servicer Default and Noteholders are unable to terminate the Servicer, or there are delays in terminating the Servicer, these servicing disruptions could result in higher delinquencies and defaults on the Loans, which in turn may adversely affect the repayment of the Notes.

Any reasonable costs and expenses of the Back-up Servicer or other successor primary servicer incurred in connection with the transfer of servicing from the Servicer will be paid by the Servicer following its receipt of a written accounting thereof in reasonable detail. In the event that the Servicer fails to reimburse the Back-up Servicer or other successor primary servicer for such costs within a reasonable period of time, the Back-up Servicer or other successor primary servicer will be entitled to reimbursement from the assets of the Trust Estate, subject to a cap of $250,000.

Inability to Make In-Branch Payments May Result in Additional Risks to Noteholders

With respect to Springleaf's direct auto loan portfolio secured by Financing Vehicles that were eight years old or less at the time of loan origination, for the three months ended March 31, 2016, approximately 18.0% (by dollar amount) of Springleaf's direct auto loan payments were made at Springleaf branches by the loan customer coming into a branch. Of those payments made in person at a branch, approximately 52.1% (by dollar amount) were in cash, representing approximately 9.4% of all Springleaf direct auto loan payments during the three months ended March 31, 2016. Despite a recent trend in favor of payments via lockboxes and electronic channels, a significant number of Loan Obligors may continue to make payments in Seller branches, including in cash or by money order. While Springleaf cannot estimate the percentage of Loan Obligors without a checking account, should one or more of the Sellers' branches become unavailable for any reason (including as a result of one or more Sellers becoming unable or unwilling to assist in servicing the Loans or as a result of branch closures) for the acceptance of payments, the ability to collect payments from these Loan Obligors who would otherwise make payments at such branch may be adversely affected, which could result in increased delinquencies and losses on the Loans. See "*—Replacement of the Servicer or Inability to Replace Servicer or Inability of Sellers to Assist in Servicing the Loans Could Result in Reduced Payments on the Notes*" in this private placement memorandum. Additionally, there can be no assurance that the number of Loan Obligors who make cash payments or payments in person at Springleaf's branches in the future will not increase over current levels. See "*Springleaf Direct Auto Loan Product*" in this private placement memorandum. Additionally, after the delivery of a Servicing Centralization Period Notice, the Sellers within six months will discontinue accepting cash payments by Loan Obligors at branch locations. In the event that such cash payments are no longer accepted, there can be no assurance that the performance of the Loans with respect to which the Loan Obligors make such cash payments would not be adversely affected, resulting in increased delinquencies and losses on the Loans. See "*The Sale and Servicing Agreement and the Back-up Servicing Agreement–Servicing Centralization Period*" in this private placement memorandum.

There May Be Changes to the Terms of the Loans Owned by the Issuer in a Way that Reduces or Slows Collections

From time to time, the Servicer may modify the terms of the Loans owned by the Issuer in accordance with the Customary Practices. These changes could have the effect of, among other things, reducing or otherwise changing the Loan interest rate, forbearing or forgiving payments of interest on, principal of or other charges on the Loans, extending the final maturity date, capitalizing delinquent interest and other amounts owed under the Loans or any combination of these or other modifications. See "*Springleaf Direct Auto Loan Product*" in this private placement memorandum.

If the Servicer reduces the interest rate of a Loan in connection with a modification, the resulting interest shortfall, if any, will reduce the amount of Collections available to the holders of the Notes. A modification to the

term of a Loan may slow the rate of principal payments thereon and, as a result, may extend the weighted average lives of the Notes. If the Servicer forgives or forbears all or a portion of the principal balance of a Loan or takes any of the other actions described in the preceding paragraph, it could result in a delay in the payment of principal of one or more classes of the Notes or, under certain loss scenarios, the failure to pay the remaining note principal balance of one or more classes of Notes upon maturity.

Springleaf Risk Levels and Historical Loss Experience May Not Accurately Predict the Likelihood of Delinquencies, Defaults and Losses on the Loans

Springleaf has determined and presented in "*Description of the Loans—Loan Pool Data*" in this private placement memorandum the Springleaf Risk Levels (if any) with respect to the Loan Pool as of the Cut-Off Date. For each loan for which a Springleaf Risk Level was determined and assigned, the Springleaf Risk Level was determined by applying the Springleaf Risk Scoring Model in effect at the time the loan was originated. Certain direct auto loans originated by Springleaf are not assigned a Springleaf Risk Level, typically because information needed to apply the scoring model is not available with respect to such loans. A Springleaf Risk Level (i) purports only to be a measurement of the relative degree of risk a Loan Obligor represents to the creditor and (ii) is a proprietary credit scoring model created by Springleaf and, as a result, is different than credit scoring models used by originators of similar consumer loans and could result in a Loan Obligor receiving a relatively higher Springleaf Risk Level than such Loan Obligor would receive under more common credit scoring models. None of SFC, the Sellers, the Depositor or the Issuer makes any representations or warranties that a particular Springleaf Risk Level should be relied upon as a basis for an expectation that a Loan will be paid in accordance with its terms.

Additionally, historical loss and delinquency information set forth in this private placement memorandum under "*Springleaf Direct Auto Loan Product —Delinquency and Charge-Off Experience*" was affected by several variables, including general economic conditions and market interest rates, that are likely to differ in the future. There can be no assurance that the delinquency and loss experience presented in this private placement memorandum with respect to Springleaf's portfolio of direct auto loans will reflect experience with respect to the Loan Portfolio after the Closing Date.

Modifications to the Customary Practices May Result in Changes to the Performance of the Loan Pool and the Servicing of the Loans

Springleaf may choose to modify the Customary Practices at any time and there are no restrictions on Springleaf's ability to make such modifications except that Springleaf has covenanted not to modify the Customary Practices in any manner that could reasonably be expected to result in an Event of Default. Modifications to the Customary Practices could alter the policies by which the Servicer services the Loans, including the policies by which the Servicer determines whether to change the terms of the Loans owned by the Issuer and the Issuer Loan Trustee for the benefit of the Issuer. If these types of modifications were to occur, it could result in worse performance of the Loans. In the event that the performance of the Loans deteriorates, it could adversely affect the performance of the Notes.

In addition, as part of the OneMain Acquisition, Springleaf has and will likely continue to make various changes to its Customary Practices in order to facilitate the integrated operation with OneMain, which may include, without limitation, changes relating to determining delinquencies and charge-offs on Loans as well as its origination, servicing and collection practices more generally, in each case that may be material. There can be no assurances that such changes, if made, will not adversely affect collections with respect to the Loans and/or adversely affect Noteholders.

In response to changes in the regulatory environment, Springleaf continually engages in the evaluation of operational, legal and reputational risk associated with its Customary Practices. If the risks are deemed significant, Springleaf may implement changes to its existing Customary Practices that could result in diminished recoveries on the Loans and the repayment of the Notes could be adversely affected.

Conflicts of Interest May Exist Among the Servicer, the Depositor and the Issuer

It is expected that the Depositor will own the Class A trust certificates, SFI will own the Class B trust certificates and the Depositor or an affiliate of the Depositor may own some of the Notes at the Closing Date. In addition, the Class A trust certificates and Class B trust certificates may be transferred in whole or in part after the Closing Date in accordance with the terms of the Trust Agreement. Additionally, Notes may be acquired by Affiliates of the Depositor after the Closing Date. The holder of such Notes and the trust certificates may therefore be an affiliate of the Servicer. The servicing of the Loans, while subject to the servicing standards described under "*Servicing Standards*" and "*The Sale and Servicing Agreement and the Back-up Servicing Agreement—Servicing of Loans*," will be under the control of the Servicer, and certain servicing decisions may affect the weighted average lives and yields on the Notes. See "*Yield Considerations/Prepayments*" in this private placement memorandum. Investors in the Notes should consider that no formal policies or guidelines have been established to resolve or minimize such conflict of interest.

The Depositor May Retain Notes or Convey Notes to an Affiliate

Some of the Notes may be retained by the Depositor or conveyed to an affiliate of the Depositor. As a result, the market for the Notes may be less liquid than would otherwise be the case and, if any retained Notes are subsequently sold by the Depositor or an affiliate thereof on the secondary market, it could reduce demand for Notes already in the market, which could adversely affect the market value of the Notes and/ or limit the ability of Noteholders to resell their Notes. In addition, any retained Notes that are subsequently sold may have a different CUSIP number than other Notes of the same Class, which could further reduce liquidity. See "*Certain U.S. Federal Income Tax Consequences.*"

The "De-Centralized" Nature of the Servicing May Pose Additional Risks to Investors

Unlike many asset backed securitizations in which the servicing of the assets is done on a centralized basis, a portion of the servicing of the Loans is conducted by the Sellers through their various branches. While SFC, as Servicer, transfers servicing of loans that are three payments past due to a centralized servicing facility, and other loans if it determines that centralized servicing of such loans strikes a better balance between collection experience and servicing efficiency, it expects to continue to conduct a significant portion of the servicing through the branches. This "de-centralized" servicing may subject investors to risks and losses of the nature described in "*–Replacement of the Servicer or Inability to Replace Servicer or Inability of Sellers to Assist in Servicing the Loans Could Result in Reduced Payments on the Notes*" in this private placement memorandum in the event that one or more Sellers became unable or unwilling to assist in servicing the Loans. Additionally, while the Servicer is obligated to monitor (and is ultimately responsible for) the performance of the Sellers, the "de-centralized" nature of servicing with respect to a substantial portion of the Loans may make it more difficult for the Servicer to ensure that each of the Sellers is complying with its obligations than if servicing were centralized in a single location. To the extent that the performance of the Loans were to be negatively impacted by aspects of this "de-centralized" servicing, the Issuer's ability to make payments on the notes could be adversely affected. See also "*—The Indenture Trustee May Not have a Perfected Interest in Collections Commingled by the Servicer with Other Funds*" in this private placement memorandum.

Potential Conflicts of Interest Relating to the Initial Purchasers

The Initial Purchasers may from time to time perform investment banking services for, or solicit investment banking business from, any person named in this private placement memorandum. The Initial Purchasers and/or their employees or customers may from time to time have a long or short position in the Notes. These long or short positions may be as a result of any market making activities with respect to the Notes. The Initial Purchasers and/or their employees or customers may from time to time enter into hedging positions with respect to the Notes.

The Ratings on the Notes May Not Accurately Reflect Their Risks; Ratings Could Be Reduced or Withdrawn

The ratings of the Notes will be based on the Rating Agencies' assessment of the Loans, the structure of the Notes and the ability of the Servicer to service the Loans. A rating of a Note is not a recommendation to purchase,

sell or hold such Note inasmuch as such rating does not comment on the market price of the Notes, its tax impact on any investor or its suitability for a particular investor. In addition, there can be no assurance that a rating of a Note will remain for any given period of time or that a rating will not be downgraded or withdrawn entirely by a Rating Agency if, in its judgment, circumstances so warrant. A downgrade or withdrawal of a rating by a Rating Agency is likely to have an adverse effect on the market value of the affected Notes, which effect could be material.

The procedures used by rating agencies to determine ratings on securities have come under scrutiny as a result of the turbulence in the financial markets, and federal governmental authorities have enacted and continue to propose rules and regulations to reform the rating process. The Securities and Exchange Commission adopted Rule 17g-5 under the Securities Exchange Act of 1934, as amended ("**Rule 17g-5**"), with the goal of enhancing transparency, objectivity and competition in the credit rating process. The Notes will be subject to Rule 17g-5. To comply with Rule 17g-5, SFC has created a password protected website which is accessible to all nationally recognized statistical rating organizations ("**NRSROs**") (not just the Rating Agencies), in order for them to obtain the information the parties to this transaction provided to the Rating Agencies in connection with the determination of an initial credit rating, including information about the characteristics of the underlying assets and the legal structure of the Notes, as well as ongoing information about the transaction. The availability of such information could encourage NRSROs other than the Rating Agencies to rate one or more classes of Notes upon initial issuance or at any time during the life of this transaction and such ratings could be less favorable than the ratings assigned by the Rating Agencies to the Notes. These unsolicited ratings could reduce the liquidity and market value of the Notes, and could adversely affect any investor relying on credit ratings for any purpose. In addition, other future changes to rating procedures, to the regulation of rating agencies or to the rating process could affect the issued ratings on the Notes.

The Noteholders Have Limited Control over Amendments, Modifications and Waivers to, and Assignments of, the Indenture and other Transaction Documents

Certain amendments, modifications or waivers to, or assignments of, the Indenture and the other Transaction Documents may require the consent of holders representing only a certain percentage interest of the Notes or only adversely affected holders. Additionally, other amendments, modifications or waivers to, or assignments of, the Indenture and other Transaction Documents do not require the consent of any Noteholder. As a result, certain amendments, modifications or waivers to the Indenture and such other Transaction Documents may be effected without the consent of any Noteholders or with the consent of only certain Noteholders. See "*The Sale and Servicing Agreement and the Back-up Servicing Agreement—Amendment; Waiver*," "*The Indenture—Supplemental Indentures*," "*The Indenture—The Administration Agreement*," "*The Trust Agreement—Amendments*" and "*The Performance Support Agreement*" in this private placement memorandum. In addition, any affiliate of the Depositor (other than the Issuer, the Servicer, the Performance Support Provider and the Sellers), to the extent that it holds any Notes, will be entitled to vote those Notes to the same extent as an unaffiliated Noteholder, and, in some cases, to the extent it is the only Noteholder adversely affected by an amendment or other action, will be the only Noteholder required to consent to such amendment or other action, and could therefore affect or control the outcome of a Noteholder vote. There can be no assurance as to whether or not amendments, modifications, waivers or assignments effected without a Noteholder vote or outcomes of Noteholder votes in which any such affiliate of the Depositor participates will adversely affect the performance of the Notes.

The Bankruptcy of the Depositor Could Result in Losses or Delays in Payments on the Notes

If the Depositor were to become the debtor in a case under the U.S. Bankruptcy Code (the "**Bankruptcy Code**"), the bankruptcy court (at the request of other creditors of the Depositor, including any other issuer) could exercise control over the Loans transferred by the Depositor to the Issuer on an interim or a permanent basis. Although steps have been taken to minimize this risk, the Depositor as debtor-in-possession, or another interested party such as one or more other issuers, could argue that:

- the Depositor did not sell the related Loans to the Issuer but instead borrowed money from the Issuer and granted a security interest in such Loans to secure its borrowing; or

- the Issuer and its assets (including the Loans), should be substantively consolidated with the bankruptcy estate of the Depositor.

See "*—The Treatment of the Loan Purchase Agreement as a Pledge of Security Following a Bankruptcy of any Seller or the Depositor Could Result in Late Payments on the Notes and/or Reductions in the Amounts of such Payments*" and "*—The Consolidation of the Assets and Liabilities of the Depositor and any Seller or Springleaf Could Result in the Delay, Reduction or Elimination of Payments to the Noteholder*" in this private placement memorandum.

If these or similar arguments were made, whether successfully or not, payments to you could be adversely affected. Further, if the Depositor were to enter bankruptcy, the ability to collect payments from, and otherwise enforce the Transaction Documents against, the Depositor would be subject to the "automatic stay" which prevents secured creditors from exercising remedies against a debtor in bankruptcy without permission from the bankruptcy court and provisions of the Bankruptcy Code that permit substitution of collateral in certain circumstances. Noteholders also may be required to return distributions already received that were attributable to the Loans transferred by the Depositor if the Depositor were to become the debtor in a bankruptcy case. Additionally, the claims of Noteholders in a bankruptcy proceeding of the Depositor (including claims with respect to the Trust Estate or proceeds thereof) may be subject to competing claims of the other issuers.

The Treatment of the Loan Purchase Agreement as a Pledge of Security Following a Bankruptcy of any Seller or the Depositor Could Result in Late Payments on the Notes and/or Reductions in the Amounts of such Payments

It is intended by the Depositor and each Seller that the transfer of the Loans by each Seller to the Depositor constitutes a "true sale" of the Loans to the Depositor and the Depositor Loan Trustee for the benefit of the Depositor. If the transfer constitutes a "true sale", the Loans and the proceeds thereof should not be a part of any Seller's bankruptcy estate should it become a debtor in a bankruptcy case subsequent to the transfer of such Loans. However, if any Seller were to become a debtor in a bankruptcy case, claimants might argue that the sale of the Loans was not a true sale but merely a pledge of security. Under this theory, a court could order the Depositor and the Depositor Loan Trustee for the benefit of the Depositor to turn over the Loans sold by such Seller and treat such Loans as assets included in the bankruptcy estate of such Seller. If a court were to conclude that the sale of such Loans constituted a grant of a security interest and not a sale then delays in payments on the Notes could occur and/or reductions in the amounts of such payments could result. No representation is made as to whether or not conveyances of Loans from the Depositor and the Depositor Loan Trustee for the benefit of the Depositor to the Issuer and the Issuer Loan Trustee for the benefit of the Issuer under the Sale and Servicing Agreement constitute "true sales."

The Consolidation of the Assets and Liabilities of the Depositor and any Seller or Springleaf Could Result in the Delay, Reduction or Elimination of Payments to the Noteholders

The Depositor has taken steps in structuring the transactions contemplated hereby that are intended to ensure that the voluntary or involuntary application for relief by Springleaf or any Seller under the United States Bankruptcy Code or other Debtor Relief Laws will not result in the consolidation of the assets and liabilities of the Depositor with those of SFC or such Seller. These steps include the appointment of an independent manager for the Depositor, the creation of the Depositor as a special purpose limited liability company pursuant to a limited liability company agreement containing certain limitations (including restrictions on the nature of the Depositor's business, restrictions on the Depositor's ability to commence a voluntary case or proceeding under any Debtor Relief Law with respect to itself without the prior unanimous affirmative vote of all of its managers, including the independent manager, the maintenance of separate books and records and the requirement that all transactions between the Depositor and Springleaf, the Sellers and their affiliates will be on an arm's-length basis). However, there can be no assurance that the activities of the Depositor would not result in a court concluding that the assets and liabilities of the Depositor should be consolidated with those of SFC or any Seller in a proceeding under any Debtor Relief Law. If a court were to reach such a conclusion, then delays in payments on the Notes could occur and/or reductions in the amounts of such payments could result. See "*The Depositor*" in this private placement memorandum. No representation is made as to whether or not the activities of the Issuer would result in a court concluding that the assets and liabilities of the Issuer should be consolidated with those of the Depositor in a proceeding under any Debtor Relief Law.

Combination or "Layering" of Multiple Risk Factors May Significantly Increase the Risk of Loss on the Notes

Although the various risks discussed in this private placement memorandum are generally described separately, prospective investors in the Notes should consider the potential effects of the interplay of multiple risk factors. Where more than one significant risk factor is present, the risk of loss to an investor may be significantly increased. In considering the potential effects of layered risks, you should carefully review the descriptions of the Loans and the Notes.

There May Be a Conflict of Interest Among Classes of Notes

As described elsewhere in this private placement memorandum, the Required Noteholders or another specified percentage of Noteholders are entitled to make certain decisions with regard to, among other things, treatment of defaults by the servicer, exercising rights and remedies following an Event of Default (including directing the liquidation of the Loans and other collateral), consenting to certain amendments to the Transaction Documents and certain other matters. In the case of votes by holders of all of the Notes, the outstanding dollar principal amount of the Class A Notes will generally be substantially greater than the outstanding dollar principal amount of the subordinated classes of Notes. Consequently, the Noteholders of the Class A Notes will frequently have the ability to determine whether and what actions should be taken. The subordinated Noteholders will generally need the concurrence of the senior-most Noteholders to cause actions to be taken.

Because the holders of different classes of Notes may have varying interests when it comes to these matters, you may find that courses of action determined by other Noteholders do not reflect your interests but that you are nonetheless bound by the decisions of these other Noteholders.

In addition, it is an Event of Default if the Issuer fails on any Payment Date to pay any interest on any Note of the Controlling Class, which will initially be Class A, but there is no Event of Default as a result of the Issuer failing to pay interest on any other Class of Notes until such Class becomes the Controlling Class. See "*The Indenture—Events of Default*" in this private placement memorandum.

There may be a loss or a delay in receiving payments on the Notes if the assets of the Issuer are liquidated.

If an Event of Default occurs and the Notes are accelerated, the Indenture Trustee may liquidate the assets of the Issuer, subject to the conditions described under "*The Indenture*" in this private placement memorandum. As a result:

- there may be losses on the Notes if the assets of the Issuer are insufficient to pay the amounts owed on the Notes;
- payments on certain classes of Notes may be delayed until more senior classes of Notes are repaid or until the liquidation of the assets is completed; and
- subordinate Notes may be repaid earlier than scheduled, which will involve the prepayment risks described under *"—Yield Considerations/Prepayments*" in this Private Placement Memorandum.

The Issuer cannot predict the length of time that will be required for liquidation of the assets of the Issuer to be completed. In addition, liquidation proceeds may not be sufficient to repay the Notes in full. Even if liquidation proceeds are sufficient to repay the Notes in full, any liquidation that causes the outstanding principal balance of a class of Notes to be paid before the related final scheduled payment date will involve the prepayment risks described above and under "*—Yield Considerations/Prepayments*" in this Private Placement Memorandum.

The Notes May Not Be Suitable for All Investors

The Notes are not suitable investments for all investors. In particular, you should not purchase the Notes unless you understand the structure, including the priority of payments, and prepayment, credit, liquidity and market

risks associated with the Notes. The Notes are complex securities. You should possess, either alone or together with financial, tax and legal advisors, the expertise to analyze the prepayment, reinvestment, default and market risk, the tax consequences of an investment and the interaction of these factors.

Original Issue Discount for the Notes

One or more Classes of Notes may be issued with original issue discount ("**OID**") for U.S. federal income tax purposes. A U.S. Holder generally will be required to accrue OID on a current basis as ordinary income and pay tax accordingly, even before such U.S. Holder receives cash attributable to that income and regardless of such U.S. Holder's method of tax accounting. For further discussion of the computation and reporting of OID, see "*Certain U.S. Federal Income Tax Consequences—U.S. Holders—Taxation of Interest and Original Issue Discount*" in this private placement memorandum.

Risk of Withholding Tax if the Class C Notes or Class D Notes Are Recharacterized as Equity

Tax counsel to the Issuer will issue an opinion as of the Closing Date that, when issued, the Class C Notes and the Class D Notes should be treated as debt for U.S. federal income tax purposes, except to the extent such Notes are retained by the Issuer or conveyed to an affiliate of the Issuer. Consequently, the opinion reflects some uncertainty as to the proper characterization of the Class C Notes and the Class D Notes for U.S. federal income tax purposes. The Class D Notes may only be held by "United States persons" within the meaning of Section 7701(a)(30) of the Internal Revenue Code but the Class C Notes do not share this restriction. If the Internal Revenue Service successfully contended that Class C Notes or Class D Notes should be recharacterized as equity interests in the Issuer, the Issuer may be required to withhold tax with respect to any such Notes held by non-U.S. Holders. Further, the Issuer could be liable for any failure to so withhold, thereby reducing the cash flow that would otherwise be available to make payments on all Notes. For further discussion, see "*Certain U.S. Federal Income Tax Consequences – Treatment of the Notes as Indebtedness"* in this private placement memorandum.

Structuring Tables are Based Upon Assumptions and Models

The decrement tables appearing under "*Prepayment and Yield Considerations—Percent of Initial Note Principal Balance at Various Prepayment Assumptions*" have been prepared on the basis of the modeling assumptions set forth under "*Prepayment and Yield Considerations*" in this private placement memorandum. The model used in this private placement memorandum for prepayments does not purport to be an historical description of prepayment experience or a prediction of the anticipated rate of prepayment of any pool of loans, including the Loans in the pool. It is highly unlikely that the Loans will prepay at the rates specified. The prepayment assumption is for illustrative purposes only. For these reasons, the actual weighted average lives of the Notes may differ from the weighted average lives shown in the decrement tables.

THE SELLERS

The following entities will be the Sellers of the Loans as of the Closing Date: Springleaf Financial Services, Inc., a Delaware corporation, Springleaf Financial Services of Alabama, Inc., a Delaware corporation, Springleaf Financial Services of America, Inc., a Delaware corporation, Springleaf Financial Services of America, Inc., an Iowa corporation, Springleaf Financial Services of America, Inc., a North Carolina corporation, Springleaf Financial Services of Arizona, Inc., an Arizona corporation, Springleaf Financial Services of Florida, Inc., a Florida corporation, Springleaf Financial Services of Hawaii, Inc., a Hawaii corporation, Springleaf Financial Services of Illinois, Inc., an Illinois corporation, Springleaf Financial Services of Indiana, Inc., an Indiana corporation, Springleaf Financial Services of Louisiana, Inc., a Louisiana corporation, Springleaf Financial Services of New Hampshire, Inc., a Delaware corporation, Springleaf Financial Services of New York, Inc., a New York corporation, Springleaf Financial Services of North Carolina, Inc., a North Carolina corporation, Springleaf Financial Services of Ohio, Inc., an Ohio corporation, Springleaf Financial Services of Pennsylvania, Inc., a Pennsylvania corporation, Springleaf Financial Services of South Carolina, Inc., a South Carolina corporation, Springleaf Financial Services of Washington, Inc., a Washington corporation, Springleaf Financial Services of Wisconsin, Inc., a Wisconsin corporation, Springleaf Financial Services of Wyoming, Inc., a Wyoming corporation, Springleaf Home Equity, Inc., a Delaware corporation, Springleaf Home Equity, Inc., a West Virginia corporation and State Financial Services - Springleaf, Inc., d/b/a/ Springleaf Financial Services of Texas, Inc., a Texas corporation (collectively,

with other affiliates of SFC which become parties to the Loan Purchase Agreement as sellers after the Closing Date, the "**Sellers**").

Each of the Sellers is a wholly-owned subsidiary of SFC (SFC, together with its subsidiaries (other than the Depositor or any other special purpose subsidiary), including the Sellers, are collectively "**Springleaf**"), an Indiana corporation headquartered in Evansville, Indiana. For a description of SFC, see "*The Servicer and Performance Support Provider*" below in this private placement memorandum.

THE DEPOSITOR

OneMain Direct Auto Funding, LLC (the "**Depositor**"), a Delaware limited liability company, is a wholly-owned subsidiary of SFC. The Depositor was formed on May 2, 2016 as a special purpose entity for the purpose of forming and holding interests in securitization entities like the Issuer, purchasing and transferring assets like the Loans and taking other actions in connection with securitizations like the transaction described in this private placement memorandum. The Depositor's limited liability company agreement limits its activities to such purposes and any activities incidental thereto. This is the Depositor's first securitization transaction. It may act as "depositor" for issuers in connection with other securitization transactions. See "*Risk Factors— The Bankruptcy of the Depositor Could Result in Losses or Delays in Payments on the Notes*" in this private placement memorandum.

The Depositor's limited liability company agreement may be amended, waived or otherwise modified: (i) to cure any ambiguity or (ii) to correct or supplement any provision in a manner consistent with the intent of such agreement. Moreover, certain provisions of the Depositor's limited liability company agreement (including provisions relating to the limitations on its purposes and activities, the appointment, maintenance and replacement of the independent manager(s) and the restrictions on amendment of such agreement) may only be amended, waived or otherwise modified with the unanimous written consent of the board of managers of the Depositor (including the independent manager(s)). In addition, the Depositor has agreed under the Sale and Servicing Agreement not to amend its certificate of formation, its limited liability company agreement or other organizational documents in any respect unless (i) the Rating Agency Notice Requirement is satisfied, (ii) the Depositor shall have provided to the Indenture Trustee, the Issuer Loan Trustee and the Issuer a certificate of an officer of the Depositor, dated as of the date of such amendment, stating that such amendment is not reasonably expected to result in an Adverse Effect and (iii) such amendment is effected in accordance with the terms of the applicable organizational document.

Under the Sale and Servicing Agreement, the Depositor is not permitted to dissolve, liquidate, consolidate with or merge into any other entity or sell or otherwise transfer (other than conveyances to the Issuer contemplated under the Sale and Servicing Agreement) its properties and assets substantially as an entirety to any Person unless:

(i) the resulting entity (if not the Depositor) from such consolidation or merger or the transferee of the properties and assets of the Depositor is a U.S. entity that is a special purpose entity whose powers and activities are limited and such entity expressly assumes, by written agreement, the performance of every covenant and obligation of the Depositor under the Sale and Servicing Agreement; and

(ii) the Depositor or the surviving or transferee entity, as the case may be, has delivered to the Owner Trustee and the Indenture Trustee (with a copy to each Rating Agency) (A) a certificate of an officer of the Depositor or such entity as to compliance with the foregoing condition and with all other conditions precedent in the Sale and Servicing Agreement relating to such transaction have been complied with and (B) a certificate of an officer of the Depositor or such entity and an Opinion of Counsel as to the enforceability of the assumption agreement; and

(iii) the Depositor or the surviving or transferee entity, as the case may be, has delivered to the Servicer and the Indenture Trustee a certificate of an officer of the Depositor or such entity to the effect that in the reasonable belief of the Depositor or such entity, such consolidation, merger, conveyance, transfer or sale will not have an Adverse Effect.

Except in connection with a transaction permitted under the provisions described in the foregoing paragraph, the obligations, rights or any part thereof of the Depositor under the Sale and Servicing Agreement shall not be assignable.

THE ISSUER

OneMain Direct Auto Receivables Trust 2016-1 (the "**Issuer**") was formed on June 14, 2016, as a Delaware statutory trust, the beneficial ownership of which will be evidenced by the Class A trust certificates and the Class B trust certificates. The Issuer was formed as a statutory trust and is a special purpose entity that will be operated in accordance with, an amended and restated trust agreement, dated the Closing Date, between the Depositor and the Owner Trustee (the "**Trust Agreement**") for the purpose of acquiring the Loans (in conjunction with the Issuer Loan Trustee) from the Depositor and the Depositor Loan Trustee, pledging the Loans and certain other rights and assets to the Indenture Trustee and issuing the Notes and the trust certificates. SFC has been engaged to act as Administrator on behalf of the Issuer and the Issuer Loan Trustee, as described in "*The Administration Agreement*" in this private placement memorandum. On the Closing Date, the Issuer will transfer the Notes and the Class A and Class B trust certificates to the Depositor in consideration for the Loans. The Class A trust certificates represent a 100% economic interest and a 50% voting interest in the Issuer and will be retained by the Depositor; however, the Class A trust certificates may be transferred in whole or in part after the Closing Date in accordance with the terms of the Trust Agreement. The Class B trust certificates represent a non-economic 50% voting interest in the Issuer. The Depositor will assign the Class B trust certificates in whole to SFI on or about the Closing Date. On each Payment Date, the holder of the Class A trust certificates will be entitled to receive certain funds remaining on such Payment Date after the application of Available Funds to all items of higher priority in accordance with the Priority of Payments, as described in "*Description of the Notes—Priority of Payments*" in this private placement memorandum. The holder of the Class B trust certificates will not be entitled to any payments or other distributions from the Issuer.

The Issuer will not engage in any activity other than (i) acquiring, holding, pledging and managing the Loans and the other assets pledged to secure the Notes, (ii) issuing the Notes and the Class A and Class B trust certificates, (iii) making payments on the Notes and distributions on the Class A trust certificates, (iv) selling, transferring and exchanging the Notes and the Class A and Class B trust certificates, (v) entering into and performing its obligations under the Transaction Documents to which it is a party, (vi) making deposits to and withdrawals from the Note Accounts and (vii) engaging in other activities that are necessary, suitable or convenient to accomplish the foregoing or are incidental thereto or connected therewith as further described in the Trust Agreement.

The Issuer's principal offices are in Wilmington, Delaware, in care of Wilmington Trust, National Association, as Owner Trustee, at the address listed in "*The Owner Trustee*" below.

The Issuer's Trust Agreement, including its permissible activities, may be amended in accordance with the procedures described in "*The Trust Agreement—Amendments*" in this private placement memorandum.

Capitalization of the Issuer

The following table illustrates the expected capitalization of the Issuer as of the Closing Date:

Class A Notes	$	603,120,000
Class B Notes	$	45,610,000
Class C Notes	$	51,270,000
Class D Notes	$	53,900,000
Reserve Account	$	7,539,042
Initial overcollateralization	$	4,198
Total	$	761,443,240

The Issuer Property

The Notes will be collateralized by the Issuer's assets. The primary assets of the Issuer (and, solely with respect to legal title to the Loans, the Issuer Loan Trustee) will be the Loans. See "*Description of the Loans*" in this private placement memorandum.

The "**Trust Estate**" will consist of all the right, title and interest of the Issuer and the Issuer Loan Trustee, whether now owned or hereafter acquired, in, to and under:

(i) the Loans acquired from the Depositor and the Depositor Loan Trustee for the benefit of the Depositor on the Closing Date and all rights to payment and amounts due or to become due with respect to all of the foregoing after the Cut-Off Date and the other Purchased Assets relating to the Loans;

(ii) all money, instruments, investment property and other property (together with all earnings, dividends, distributions, income, issues, and profits relating thereto) distributed or distributable in respect of the Loans after the Cut-Off Date;

(iii) the Note Accounts and all Eligible Investments and all money, investment property, instruments and other property from time to time on deposit in or credited to the Note Accounts, together with all earnings, dividends, distributions, income, issues and profits relating thereto;

(iv) all rights, remedies, powers, privileges and claims of the Issuer and the Issuer Loan Trustee for the benefit of the Issuer under or with respect to the Sale and Servicing Agreement, the Loan Purchase Agreement and each other Transaction Document (whether arising pursuant to the terms of the Sale and Servicing Agreement, the Loan Purchase Agreement or any other Transaction Document or otherwise available to the Issuer at law or in equity), including, without limitation, the rights of the Issuer and the Issuer Loan Trustee for the benefit of the Issuer to enforce the Sale and Servicing Agreement, the Loan Purchase Agreement or any other Transaction Document, and to give or withhold any and all consents, requests, notices, directions, approvals, extensions or waivers under or with respect to the Sale and Servicing Agreement, the Loan Purchase Agreement or any other Transaction Document to the same extent as the Issuer and the Issuer Loan Trustee could but for the assignment and security interest granted under the Indenture;

(v) all proceeds of any credit insurance policies and insurance contracts with respect to any Financing Vehicle, to the extent of the applicable Seller's interest therein, if any;

(vi) all accounts, chattel paper, deposit accounts, documents, general intangibles, goods, motor vehicles, instruments, investment property, letter-of-credit rights, letters of credit and money consisting of, arising from, purporting to secure, or relating to, any of the foregoing;

(vii) all present and future claims, demands, causes and choses in action in respect of any or all of the foregoing and all payments on or under and all proceeds of every kind and nature whatsoever in respect of any or all of the foregoing, including all proceeds, products, rents, receipts or profits of the conversion, voluntary or involuntary, into cash or other property, all cash and non-cash proceeds, and other property consisting of, arising from or relating to all or any part of any of the foregoing or any proceeds thereof; and

(viii) all proceeds of the foregoing.

THE INDENTURE TRUSTEE

Wells Fargo Bank, National Association, a national banking association ("**Wells Fargo**"), will act as indenture trustee (the "**Indenture Trustee**") under the Indenture. The Indenture Trustee's duties are limited to those

duties specifically set forth in the Indenture. The Depositor and its affiliates may maintain normal commercial banking relations with the Indenture Trustee and its affiliates. The Issuer will be responsible for paying the Indenture Trustee's fees and for indemnifying the Indenture Trustee against specified losses, liabilities or expenses incurred by the Indenture Trustee in connection with the transaction documents pursuant to the Priority of Payments as described in "*The Indenture—Compensation of the Indenture Trustee; Indemnification*" and "*Description of the Notes—Priority of Payments*" in this private placement memorandum. In addition, pursuant to the Sale and Servicing Agreement, the Servicer indemnifies the Indenture Trustee against specified losses, liabilities or expenses incurred by the Indenture Trustee in connection with the Transaction Documents.

Wells Fargo has served and currently is serving as indenture trustee for numerous securitization transactions and programs involving pools of consumer receivables.

On June 18, 2014, a group of institutional investors filed a civil complaint in the Supreme Court of the State of New York, New York County, against Wells Fargo, in its capacity as trustee under 276 residential mortgage backed securities ("**RMBS**") trusts, which was later amended on July 18, 2014, to increase the number of trusts to 284 RMBS trusts. On November 24, 2014, the plaintiffs filed a motion to voluntarily dismiss the state court action without prejudice. That same day, a group of institutional investors filed a civil complaint in the United States District Court for the Southern District of New York (the "**District Court**") against Wells Fargo, alleging claims against the bank in its capacity as trustee for 274 RMBS trusts (the "**Complaint**"). In December 2014, the plaintiffs' motion to voluntarily dismiss their original state court action was granted. As with the prior state court action, the Complaint is one of six similar complaints filed contemporaneously against RMBS trustees (Deutsche Bank, Citibank, HSBC, Bank of New York Mellon, and US Bank) by a group of institutional investor plaintiffs. The Complaint against Wells Fargo alleges that the trustee caused losses to investors and asserts causes of action based upon, among other things, the trustee's alleged failure to (i) enforce repurchase obligations of mortgage loan sellers for purported breaches of representations and warranties, (ii) notify investors of alleged events of default purportedly caused by breaches by mortgage loan servicers, and (iii) abide by appropriate standards of care following alleged events of default. Relief sought includes money damages in an unspecified amount, reimbursement of expenses, and equitable relief. Other cases alleging similar causes of action have been filed against Wells Fargo and other trustees in the same court by RMBS investors in these and other transactions, and these cases have been consolidated before the same judge. On January 19, 2016, an order ("**Jan. 19 Order**") was entered in connection with the Complaint in which the District Court declined to exercise jurisdiction over 261 trusts at issue in the Complaint; the District Court also allowed the plaintiffs to file amended complaints, and three amended complaints have been filed. On March 28, 2016, certain plaintiffs filed a new complaint in state court in San Francisco, California with regard to the trusts that had been dismissed in the Jan. 19 Order. There can be no assurances as to the outcome of the litigation, or the possible impact of the litigation on the trustee or the RMBS trusts. However, Wells Fargo denies liability and believes that it has performed its obligations under the RMBS trusts in good faith, that its actions were not the cause of any losses to investors, and that it has meritorious defenses, and it intends to contest the plaintiffs' claims vigorously.

Wells Fargo is subject to various other legal proceedings that arise from time to time in the ordinary course of business. Wells Fargo does not believe that the ultimate resolution of any of these proceedings will have a materially adverse effect on its ability to carry out its duties and obligations as indenture trustee.

The corporate trust office for the indenture trustee is located at Wells Fargo Center, Sixth Street and Marquette Avenue, MAC N9311-161, Minneapolis, MN 55479, Attn: Asset Backed Securities Department. The Corporate Trust Services department of Wells Fargo will perform the duties and obligations of the Indenture Trustee under the Indenture.

The Indenture Trustee will make each Monthly Servicer Report available to the Noteholders via the Indenture Trustee's Internet website at http://www.ctslink.com. For assistance with regard to this service, investors may call the corporate trust office at (866) 846-4526.

Wells Fargo is a wholly-owned subsidiary of Wells Fargo & Company. A diversified financial services company, Wells Fargo & Company is a U.S. bank holding company which provides, banking, insurance, trust, mortgage and consumer finance services throughout the United States and internationally. Wells Fargo provides

retail and commercial banking services and corporate trust, custody, securities lending, securities transfer, cash management, investment management and other financial and fiduciary services.

Wells Fargo is providing the foregoing information at the Depositor's request in order to assist the Depositor with the preparation of this private placement memorandum. Other than with respect to the information contained under the headings "The Indenture Trustee" and "The Back-up Servicer" which this private placement memorandum specifies Wells Fargo has provided, Wells Fargo has not participated in the preparation of this private placement memorandum or any other disclosure document and assumes no responsibility for its contents.

THE OWNER TRUSTEE

Wilmington Trust, National Association ("**WTNA**") (formerly called M & T Bank, National Association) —also referred to herein as "issuing entity owner trustee" or the "owner trustee"—is a national banking association with trust powers incorporated in 1995. The issuing entity owner trustee's principal place of business is located at 1100 North Market Street, Wilmington, Delaware 19890. WTNA is an affiliate of Wilmington Trust Company and both WTNA and Wilmington Trust Company are subsidiaries of Wilmington Trust Corporation.

On May 16, 2011, after receiving all required shareholder and regulatory approvals, Wilmington Trust Corporation, the parent of WTNA, through a merger, became a wholly-owned subsidiary of M&T Bank Corporation, a New York corporation.

WTNA is subject to various legal proceedings that arise from time to time in the ordinary course of business. WTNA does not believe that the ultimate resolution of any of these proceedings will have a materially adverse effect on its services as owner trustee.

WTNA is providing the foregoing information at the Depositor's request in order to assist the Depositor with the preparation of this private placement memorandum. Otherwise, the Owner Trustee has not participated in the preparation of this private placement memorandum or any other disclosure document and assumes no responsibility for its contents.

As compensation for its duties under the Trust Agreement, the Owner Trustee will be entitled to such compensation and indemnity as is described in "*The Trust Agreement—Compensation of the Owner Trustee; Indemnification of the Owner Trustee*" in this private placement memorandum.

For a description of the roles and responsibilities of the Owner Trustee, see "*The Trust Agreement*" in this private placement memorandum. For information regarding the Owner Trustee's resignation, removal and replacement see "*The Trust Agreement—Resignation or Removal of the Owner Trustee*" below, in this private placement memorandum.

THE DEPOSITOR LOAN TRUSTEE AND THE ISSUER LOAN TRUSTEE

WTNA will serve as Depositor Loan Trustee pursuant to the Depositor Loan Trust Agreement and will hold legal title to the Loans otherwise owned by the Depositor on behalf of the Depositor. WTNA will serve as Issuer Loan Trustee pursuant to the Issuer Loan Trust Agreement and will hold legal title to the Loans otherwise owned by the Issuer on behalf of the Issuer. WTNA is subject to various legal proceedings that arise from time to time in the ordinary course of business. WTNA does not believe that the ultimate resolution of any of these proceedings will have a materially adverse effect on its services as Depositor Loan Trustee or Issuer Loan Trustee, as applicable. WTNA is providing the foregoing information at the Depositor's request in order to assist the Depositor with the preparation of this private placement memorandum. Otherwise, WTNA, as the Depositor Loan Trustee and the Issuer Loan Trustee, has not participated in the preparation of this private placement memorandum or any other disclosure document and assumes no responsibility for its contents. As compensation for its duties under the Depositor Loan Trust Agreement and the Issuer Loan Trust Agreement, the Depositor Loan Trustee and the Issuer Loan Trustee, respectively, will be entitled to such compensation and indemnity as is described in "*The Loan Trust Agreements*" in this private placement memorandum. For a description of the roles and responsibilities of the Depositor Loan Trustee and the Issuer Loan Trustee and for information regarding the resignation, removal

and replacement of the Depositor Loan Trustee and the Issuer Loan Trustee, see "*The Loan Trust Agreements*" in this private placement memorandum.

THE BACK-UP SERVICER

Wells Fargo will act as the Back-up Servicer under the Back-up Servicing Agreement.

Wells Fargo is a national banking association and its principal offices are located at Sixth Street and Marquette Avenue, MAC N9311-161, Minneapolis, Minnesota 55479. The Corporate Trust Services department of Wells Fargo will perform the duties and obligations of the Back-up Servicer under the Back-up Servicing Agreement.

Wells Fargo is providing the foregoing information at the Depositor's request in order to assist the Depositor with the preparation of this private placement memorandum. Other than with respect to the information contained under the headings "The Indenture Trustee" and "The Back-up Servicer" which this private placement memorandum specifies Wells Fargo has provided, Wells Fargo has not participated in the preparation of this private placement memorandum or any other disclosure document and assumes no responsibility for its contents.

Pursuant to the Back-up Servicing Agreement, if the Back-up Servicer consolidates with, merges or converts into, or transfers or sells all or substantially all of its corporate trust business or assets to, another corporation or banking association, the resulting, surviving or transferee corporation or banking association without any further act will be the successor Back-up Servicer. Notwithstanding the foregoing, in the event that such merger, conversion, transfer or sale would result in a reduction or withdrawal of a Rating Agency's existing rating of any Class of Notes, the Servicer may terminate the rights and obligations (other than those which by their terms survive) of the Back-up Servicer; *provided*, that a successor Back-up Servicer (i) acceptable to the Indenture Trustee (acting at the written direction of the Required Noteholders) or (ii) in the absence of such written direction of the Required Noteholders, satisfies the Rating Agency Notice Requirement and is acceptable to the Servicer has been appointed and has assumed the responsibilities of the Back-up Servicer.

If the Back-up Servicer, as Successor Servicer, consolidates with, merges or converts into, or transfers or sells all or substantially all of its corporate trust business or assets to, another corporation or banking association, the resulting, surviving or transferee corporation or banking association without any further act will be the successor to and substituted for the Servicer for all purposes under the Sale and Servicing Agreement.

Under the Back-up Servicing Agreement, the Back-up Servicer will perform back-up servicing duties including receiving the monthly pool data, conducting periodic on-site visits, confirming the accuracy of certain calculations on the monthly servicer reports and becoming Successor Servicer if SFC is terminated as Servicer for any reason or resigns (other than in connection with an assignment permitted under the terms of the Sale and Servicing Agreement), in either case, in accordance with the Sale and Servicing Agreement. The Servicer will be responsible for indemnifying the Back-up Servicer against specified losses, liabilities or expenses incurred by the Back-up Servicer in connection with the transaction documents, including any such losses, liabilities or expenses incurred in connection with the transfer of servicing to the Back-up Servicer. To the extent these indemnification amounts are not paid by the Servicer, they will be payable out of Available Funds as described in "*The Sale and Servicing Agreement and the Back-up Servicing Agreement—Servicing and Other Compensation and Payment of Expenses*" and "*Description of the Notes—Priority of Payments*" in this private placement memorandum. For more information regarding the Back-up Servicing Agreement see "*The Sale and Servicing Agreement and the Back-up Servicing Agreement*" in this private placement memorandum.

For information regarding the transfer of servicing duties to the Back-up Servicer see "*The Sale and Servicing Agreement and the Back-up Servicing Agreement—Rights Upon Servicer Default*," "*The Sale and Servicing Agreement and the Back-up Servicing Agreement—Resignation of the Servicer*" and "*The Sale and Servicing Agreement and the Back-up Servicing Agreement—Assumption of Servicing by the Back-up Servicer*" below in this private placement memorandum. For information regarding the Back-up Servicer's resignation, removal and replacement see "*The Sale and Servicing Agreement and the Back-up Servicing Agreement—Back-up Servicer Termination Events*," "*The Sale and Servicing Agreement and the Back-up Servicing Agreement—Rights*

Upon Back-up Servicer Termination Events" and "*The Sale and Servicing Agreement and the Back-up Servicing Agreement—Resignation of the Back-up Servicer*" in this private placement memorandum.

THE SERVICER AND PERFORMANCE SUPPORT PROVIDER

Springleaf Finance Corporation ("**SFC**") was incorporated in Indiana in 1927 as successor to a business started in 1920. Springleaf, formerly known as American General Finance Corporation, is, as of March 31, 2016, a $10.5 billion financial services holding company, engaged in the consumer finance and credit insurance businesses.

SFC is a wholly owned subsidiary of Springleaf Finance, Inc. ("**SFI**" and, together with SFC and their subsidiaries, including the Sellers, "**Springleaf**"), an Indiana corporation. SFI is a wholly owned subsidiary of OMH, a Delaware corporation, which completed the initial public offering of its common stock in October 2013. As of March 31, 2016, Springleaf Financial Holdings, LLC ("**SFH**"), a Delaware limited liability corporation, owned approximately 58% of OMH's common stock. SFH is owned primarily by (i) a private equity fund managed by Fortress Investment Group LLC and (ii) AIG Capital Corporation, a subsidiary of American International Group, Inc.

Springleaf is a leading consumer finance company providing loan products primarily in non-prime customers. Springleaf originates direct auto loans through its network of nearly 700 branch offices in 28 states. Through two insurance subsidiaries, it writes credit and non-credit insurance policies covering its customers and the property pledged as collateral from its loans. SFC also pursues strategic acquisitions of loan portfolios. The majority of SFC's operations involve decentralized branch based lending; however, Springleaf does maintain centralized support operations.

SFC, in its capacity as the Servicer, will be responsible for ensuring that the Loans are serviced in accordance with the terms of the Sale and Servicing Agreement. The Servicer may delegate its servicing duties to one or more other entities, but doing so does not in any way relieve the Servicer from any of its obligations to service the Loans in accordance with the terms and conditions of the Sale and Servicing Agreement, and the Servicer shall be primarily liable for such obligations. The Servicer expects to effectuate its obligations as Servicer under the Sale and Servicing Agreement primarily by delegating its servicing obligations (i) to the Sellers who will subservice the Loans through their respective branches or at a central location and (ii) to SCLI, who will service Loans on a centralized basis.

The Servicer may assign part or all of its obligations and duties as Servicer under the Sale and Servicing Agreement to an Affiliate of the Servicer so long as (x) such entity is an Eligible Servicer as of such assignment, (y) the Performance Support Provider shall have fully guaranteed the performance of the obligations and duties of the Affiliate in such capacity, pursuant to the Performance Support Agreement and (z) the Servicer reasonably determines that such assignment will not materially adversely affect the interests of any Class of Noteholders.

Under the Sale and Servicing Agreement, the Servicer is not permitted to consolidate with or merge into any other entity or sell its properties and assets substantially as an entirety to any Person, unless:

(i) (A) the entity formed by such consolidation or merger (if other than the Servicer) or the transferee of the properties and assets of the Servicer shall be an Eligible Servicer (after giving effect to such consolidation, merger or transfer) and (B) such surviving entity expressly assumes, by written agreement, the performance of every covenant and obligation of the Servicer under each other Transaction Document to which it is a party;

(ii) the Servicer or the surviving or transferee entity, as the case may be, has delivered to the Issuer, the Issuer Loan Trustee, the Indenture Trustee, the Depositor and the Depositor Loan Trustee (A) a certificate of an officer of the Servicer or such entity, as applicable, as to compliance with the foregoing conditions (other than status as an Eligible Servicer) and (B) a certificate of an officer of the Servicer or such entity, as applicable, and an Opinion of Counsel as to enforceability of the assumption agreement; and

(iii) the Servicer shall have given the Rating Agencies notice of such consolidation, merger or transfer or assets.

In its capacity as Performance Support Provider under the Performance Support Agreement, SFC will be obligated to fulfill the obligations of the Sellers, at any time an Affiliate of SFC is the Administrator, the Administrator and, at any time an Affiliate of SFC is the Servicer, the Servicer under the Loan Purchase Agreement, the Sale and Servicing Agreement and the other Transaction Documents to the extent a Seller, the Administrator, if applicable, or the Servicer, if applicable, fails to do so. See "*Risk Factors—Springleaf's Financial Strength May Affect the Ability of the Servicer, the Sellers and Their Affiliates to Perform Their Obligations*" in this private placement memorandum.

THE ADMINISTRATOR

SFC will serve as the Administrator under the Administration Agreement. Pursuant to the Administration Agreement, the Issuer and the Issuer Loan Trustee will engage SFC, as Administrator, and the Depositor to perform, on behalf of the Issuer and the Issuer Loan Trustee, certain of the covenants, duties and obligations of the Issuer and the Issuer Loan Trustee under the Indenture, the Issuer Loan Trust Agreement and the other Transaction Documents. See "*The Administration Agreement*" in this private placement memorandum.

SPRINGLEAF DIRECT AUTO LOAN PRODUCT

The following is a brief description of Springleaf's direct auto loan product as of the Closing Date, including a general description of the underwriting and servicing policies and procedures customarily and currently employed with respect to the direct auto loans, as set forth in the Customary Practices in effect as of the Closing Date. There can be no assurance that Springleaf's direct auto loan product will not change over time. Additionally, the Customary Practices may be modified from time to time without Noteholder consent, subject only to a covenant not to modify the Customary Practices in any manner that could reasonably be expected to result in the occurrence of an Event of Default. In addition, as part of the OneMain Acquisition, Springleaf has made and will likely continue to make various changes to its Customary Practices in order to facilitate the integration with OneMain. See "*Risk Factors—Modifications to the Customary Practices May Result in Changes to the Performance of the Loan Pool and the Servicing of the Loans*" in this private placement memorandum.

Springleaf launched its direct auto loan product in 2014 as an extension of its personal loan business. The direct auto loan product allows Springleaf to offer its customers larger loans with lower interest rates on average compared to Springleaf's secured personal loan product. Springleaf originates the direct auto loans directly with customers through its network of nearly 700 branch offices in 28 states. Springleaf does not originate auto loans indirectly through the purchase of vehicle installment sales contracts from automobile dealers.

The direct auto loans in Springleaf's portfolio are non-revolving with a fixed interest rate, an original principal balance of $6,000 or more and a fixed, original term of 36 to 66 months, although exceptions may be made in some cases. The direct auto loans are secured by automobiles, light-duty trucks and other vehicles. The vehicles securing the direct auto loans are generally used vehicles. The direct auto loans have loan-to-value ratios ranging from a maximum of 90% for the highest risk borrowers to a maximum of 150% for the lowest risk borrowers based on Springleaf's proprietary risk scoring model and the model year of the related Financing Vehicles, although exceptions may be made in some cases. The loan-to-value is based on the clean trade-in value without options based on the most recently published National Automobile Dealers Association ("**NADA**") guide.

With respect to Springleaf's direct auto loan portfolio secured by Financing Vehicles that were eight years old or less at the time of loan origination, as of March 31, 2016, approximately 71.0% of the direct auto loans in Springleaf's portfolio were used by borrowers to refinance their existing auto loans with additional cash out, approximately 3.4% of the direct auto loans were used to refinance existing auto loans with no cash out, approximately 20.3% of the direct auto loans were used to borrow against vehicles that were not financed by a pre-existing auto loan and approximately 5.3% of the direct auto loans were used to purchase a vehicle.

In the consumer finance industry, customers are described as prime or near-prime (more creditworthy) at one extreme and non-prime or sub-prime (less creditworthy) at the other. Springleaf customers' incomes are generally near the national median, but may vary from national norms as to their debt-to-income ratios, employment and residency stability, and credit repayment histories. Springleaf customers are typically considered non-prime or sub-prime and require significantly higher levels of servicing than prime or near-prime customers. As a result, customers are charged higher interest rates to compensate Springleaf for the related credit risks and servicing.

Springleaf solicits new direct auto loan customers through its extensive branch network. Springleaf also solicits new prospects, as well as current and former customers, through a variety of channels, including print and online advertisements and direct mail offers. Springleaf's data warehouse is a central, proprietary source of information regarding current and former personal loan and direct auto loan customers. Springleaf uses this information to tailor offers to specific customers. In addition to internal data, Springleaf purchases lists of new potential direct auto loan borrowers from major list vendors based on predetermined selection criteria. Mail solicitations include invitations to apply for direct auto loans and pre-qualified offers for direct auto loans.

Springleaf also uses search engine marketing to drive prospects to its website Springleaf.com. Springleaf.com includes a brief, user-friendly credit application that, upon completion, is automatically routed to the branch office nearest the consumer. Springleaf.com also has a branch office locator feature so potential customers can quickly and easily find the branch office nearest them to contact branch personnel directly. Additionally, customers can make payments on-line via Springleaf.com.

Springleaf has successfully expanded the direct auto loan business through marketing efforts directed to new customers, as well as to existing personal loan customers who qualify for larger auto loans. Additionally, for certain qualifying existing direct auto loan customers, Springleaf offers additional funds through a cash-out Renewal. Springleaf also may renew a delinquent direct auto loan if the related borrower meets current underwriting criteria and Springleaf determines that it does not appear that the cause of past delinquency will affect repayment of the new direct auto loan. In determining whether to grant a renewal of a direct auto loan, regardless of whether the borrower's account is current or delinquent, Springleaf employs the same credit risk underwriting process as it would for an application from a new customer.

In addition to direct auto loans, Springleaf's branch offices offer credit insurance (life, accident and health insurance and involuntary unemployment insurance). Credit insurance is provided by affiliates of SFC. If required by applicable law, certain branch personnel are licensed to offer insurance products. In the event that a loan obligor elects to purchase any credit insurance from a Springleaf affiliate in connection with the origination of a direct auto loan, the applicable Seller is named as a beneficiary, and any proceeds thereof are paid to such Seller in such capacity.

The Servicer expects to effectuate its obligations as Servicer under the Sale and Servicing Agreement primarily by delegating its servicing obligations (i) to the Sellers who will subservice the Loans through their respective branches or at a central location and (ii) to SCLI, who will service certain Loans on a centralized basis. Each branch office is under the supervision of the branch manager (the "**Branch Manager**"). All servicing and collection activity is conducted and documented on the Customer Lending and Solicitation System ("**CLASS**"), a proprietary system which logs and maintains, within Springleaf's centralized information systems, a permanent record of all transactions and notations made with respect to the servicing and/or collection of a direct auto loan and is also used to assess a direct auto loan application as further described below under "*Underwriting Standards—Loan Application*" in this private placement memorandum. CLASS permits all levels of branch and centralized management to review on a daily basis the individual and collective performance of all branches for which they are responsible.

Branch Managers report to a district manager ("**District Manager**"). Each District Manager is responsible for approximately 8 individual branch offices. These branch offices typically are geographically proximate to one another, allowing for frequent onsite visits and reviews of such branch offices by the applicable District Manager. Springleaf's directors of operations (each, a "**Director of Operations**") typically oversee 13 to 30 District Managers.

Delinquency and Charge-off Experience

The following table sets forth the delinquency and credit loss experience of Springleaf on its aggregate direct auto loan portfolio secured by Financing Vehicles that were eight years old or less at the time of loan origination, for the periods ended as specified below.

Direct Auto Loans[1]			
Portfolio Delinquency and Credit Loss Experience			
	Three Months Ended	*Year Ended*	
	3/31/2016	12/31/2015	12/31/2014
Number of Loans Outstanding	70,918	65,316	19,197
Aggregate Unpaid Loan Principal Balance (UPB) of Loans Outstanding (in millions)	$877.6	$810.4	$237.0
UPB of Loans 60+ Days Past Due (in millions)	$8.0	$7.5	$0.2
UPB of Loans 60+ Days Past Due as a % of Aggregate UPB	0.9%	0.9%	0.1%
Aggregate Net Losses (in millions)	$2.5	$2.7	$0.0[2]
Net losses as a % of Aggregate UPB (annualized)	1.18%	0.49%	0.00%[3]
Weighted Average Coupon	17.4%	17.6%	17.9%

[1] Excludes portfolio loans with a related Financing Vehicle age at the time of loan origination of greater than 8 years.
[2] $9,666.
[3] Less than 0.01% but greater than 0.00%.

UNDERWRITING STANDARDS

The following is a brief description of the underwriting policies and procedures used by Springleaf as of the Closing Date to underwrite direct auto loans. Historically, Springleaf has modified these underwriting policies and procedures from time to time in order to comply with state and federal legal requirements and in other manners designed to enhance its direct auto loan product. In addition, as Springleaf identifies new processes and tools that may increase the accuracy and effectiveness of the servicing and collection process, Springleaf may implement such processes and tools. There can be no assurance that these underwriting policies and procedures will not change materially over time after the Closing Date or even be modified on an ad hoc basis with respect to the origination of particular loans from time to time. In addition, the underwriting policies and procedures described below are intended to be general descriptions of the policies and procedures that are applied in substantially all cases, but there may be cases in which there are exceptions with respect to the approval of particular loans. Moreover, Springleaf may modify the Customary Practices without Noteholder consent, subject only to a covenant not to modify the Customary Practices in any manner that could reasonably be expected to result in the occurrence of an Event of Default. In addition, as part of the OneMain Acquisition, Springleaf has made and will likely continue to make various changes to its Customary Practices in order to facilitate the integration with OneMain. See "*Risk Factors—Modifications to the Customary Practices May Result in Changes to the Performance of the Loan Pool and the Servicing of the Loans*" in this private placement memorandum.

Underwriting standards are generally applied by Springleaf to evaluate the prospective borrower's credit standing, repayment ability, and the value and adequacy of any collateral for a direct auto loan. Springleaf generally uses a combination of credit review and income and stability analysis in conjunction with a calculation of the customer's cash flow and budget (including existing required debt service and other obligations) and a review of Springleaf's prior experience (if any) with a prospective borrower to determine what Springleaf believes to be a prospective borrower's ability and willingness to make the required payments in respect of the direct auto loan. As part of its underwriting process, Springleaf assigns an interest rate for each direct auto loan to reflect the outcome of the evaluation of relative risk generally based upon: (i) an internal credit grade (if any), (ii) the value of the collateral securing such direct auto loan, and (iii) the size of the direct auto loan.

Loan Application

A prospective borrower applying for a direct auto loan is required to complete a loan application. The application is designed to provide the applicable Seller with pertinent credit information with regard to the applicant's liabilities, income, credit history, employment history and personal information. With respect to present and former customers, this review would include an evaluation of Springleaf's prior experience with such applicant. Applicant information, such as previously used names, is also collected and entered into CLASS in order to determine whether Springleaf had a prior relationship with such applicant. In certain circumstances, Springleaf will permit a co-applicant or co-signatory with respect to a direct auto loan and, in these instances, Springleaf generally takes the same actions with respect to such co-applicant or co-signatory as it does with respect to a single applicant.

The applicable Seller's employees, in accordance with the Customary Practices, verify the identity of applicants by reviewing standard forms of identification, including but not limited to, driver's licenses and social security numbers. Employment information is also typically verified as further described below.

Applicants may complete the direct auto loan application through a local branch office or through the Internet. For a customer who applies at a branch office, information is entered by a Springleaf employee into an on-line loan application system which allows for the purchase of a full credit bureau report from a nationally-recognized credit bureau. After such credit bureau report is obtained, CLASS generally calculates and assigns an internal proprietary risk level based upon a number of factors, including the applicant's credit history (the number and types of credit lines and the utilization and repayment performance of each) as depicted in such credit bureau report.

For a customer who applies on-line via the Springleaf website, information is entered by the customer, which is then passed to CLASS. Certain high risk applicants are automatically declined by CLASS. A credit report from a nationally-recognized credit bureau is obtained for the applicants not automatically declined. As more fully described below, the borrower is then assigned an internal risk level pursuant to Springleaf's proprietary risk scoring model. For applicants not within Springleaf's branch footprint, the application will be processed at one of Springleaf's centralized underwriting facilities. For applicants within Springleaf's branch footprint, the application along with such credit report and the internal proprietary risk level is forwarded to a Seller branch office (based on the customer's address) for processing in the same manner described above for an applicant who applies at a branch office.

If the applicant meets the initial qualification requirements for a direct auto loan, the application is then forwarded to a centralized underwriting facility for additional underwriting review and decision. All direct auto loans must be approved by specialized underwriters at one of Springleaf's central underwriting facilities. The central underwriters review the application materials forwarded by the branch, as well as the year, make, mileage and other characteristics of the collateral. The borrower's risk level and the characteristics of the collateral will determine the maximum loan size, the interest rate of the direct auto loan, the maximum loan term and maximum loan-to-value ratio for which the borrower may qualify.

Borrower Identification and Anti-Fraud Policies

As part of the direct auto loan application process, the applicant is required to provide two forms of identification; including (i) the customer's driver's license, state identification card, military identification or passport and (ii) one form of identification listing the customer's name and social security number, such as a social security card or a pay stub. Any pay stub that is received is compared to other income documentation, including tax forms and bank statements, for variations. Residence histories of applicants are verified for a two-year period by checking with landlords, mortgage holders, telephone directories, employers, utility bills and/or credit reports.

In the event Springleaf's personnel receive an initial alert, an active duty alert, a credit freeze or a fraud alert from the credit bureau during the application process, such personnel are not permitted to extend credit to the applicant unless the applicant's identity, address, employment and credit information can be verified.

Income

As part of its underwriting process for direct auto loans, Springleaf generally evaluates whether a prospective borrower has sufficient income to support the debt service for the direct auto loan in addition to such borrower's other debt and other obligations. Accordingly, in contrast to many lenders who underwrite direct auto loans based solely on a borrower's gross income, in order to obtain a more complete understanding of the applicant's overall budget when originating a direct auto loan, Springleaf generally calculates the applicant's net disposable income available to support such direct auto loan by subtracting all identified debt service and other obligations it is able to document during the origination process, including taxes, utilities, automotive expenses, childcare and alimony and/or child support payments from the applicant's gross (pre-tax) income. This underwriting analysis allows Springleaf to generally determine whether the applicant has sufficient remaining cash flow to make the payments on the prospective new direct auto loan.

In addition, Springleaf's underwriting criteria for direct auto loans generally include maximum payment-to-income limits (based on net disposable income), which range from 26% for the lowest risk customers to 17% for the highest risk customers based on Springleaf's proprietary risk scoring model.

Income Verification

All of the Loans are originated under full income documentation programs based on the Customary Practices in effect at the time of origination of such Loans. Full income documentation is defined under the Customary Practices as of the Closing Date as follows: (i) wage earners must provide copies of their most recent paycheck stubs, (ii) non-wage earners (for example retirees) must provide copies of the most recent signed tax returns or bank statements verifying regular direct deposits and/or benefit award letters and (iii) self-employed applicants must provide signed tax returns for the last tax year and bank statements for the most current three months. Sources of income not supported by the aforementioned documentation are not given credit in the underwriting process.

Employment Verification

The Sellers generally obtain evidence to verify an applicant's employment history for the previous two years. To verify employment, a Seller may contact the applicant's employer to verify employment status (e.g., full-time or part-time), job title, the length of employment of the applicant with such employer and the applicant's current salary paid by such employer. If a Seller cannot verify employment through the applicant's employer, the Seller may verify employment through review of the applicant's recent tax returns, other tax forms (e.g. W-2 forms), current pay stubs or bank statements, If a consumer is self-employed, the Seller may use recent tax returns, bank statements and other relevant information to verify the applicant's self-employed status.

Credit Reporting

Springleaf requires a credit report on each applicant for a direct auto loan from a nationally-recognized credit reporting bureau. The credit report typically contains information relating to such applicant's credit history with local and national merchants and lenders, installment debt payments and a record of any defaults, bankruptcy, repossession, suits or judgments. All adverse information included in a credit report that Springleaf determines to be material with respect to legal actions and payment history is required to be satisfactorily explained by the applicant to the Seller at the applicable branch office of origination or through the applicable Internet application prior to such Seller approving a direct auto loan for such applicant.

Determining Applicant Risk Level and Springleaf Risk Scoring Model

Springleaf generally uses the information it obtains in the manner described under "*–Income*," "*–Income Verification*," "*–Employment Verification*" and "*–Credit Reporting*" in order to determine an internal risk level based upon a proprietary credit model (the "**Springleaf Risk Scoring Model**") that is used (rather than a FICO® score) in underwriting the direct auto loan. As of the Closing Date, such risk levels are, from the highest and most creditworthy to the lowest and least creditworthy): S, P, A, B, C, D and E (the "**Springleaf Risk Levels**"). The risk

level that a borrower is assigned determines the loan terms and whether additional approval is required before a direct auto loan is approved. The Springleaf Risk Level will be determined based upon applicant information at the time of origination of a Loan and will not be changed over time. The Springleaf Risk Scoring Model used by Springleaf to make credit decisions and to determine the Springleaf Risk Levels may change from time to time.

Collateral

Once Springleaf has completed its evaluation of a customer's ability and willingness to repay a direct auto loan, Springleaf evaluates the collateral that will be pledged as security for the direct auto loan. Acceptable collateral for direct auto loans includes automobiles, light-duty trucks and other vehicles. Before a direct auto loan is approved, a physical inspection of the collateral is conducted by Springleaf personnel or a third party service provider. This inspection is documented as a part of the direct auto loan application and is accompanied by pictures of the collateral and documentation of the clean trade-in value without options based on the most recently published NADA guide. In the event of an unresolved default by the loan obligor, the collateral is generally repossessed after other collection efforts have been unsuccessful. See "*Risk Factors—There May be Insufficient Collateral Securing a Loan Obligor's Obligations Under a Loan*" and "*Risk Factors—Recovery under Insurance for Vehicles Securing Loans May Not Be Available or May be Inadequate*" in this private placement memorandum.

Insurance

Springleaf's standard forms of loan agreement contain a provision pursuant to which the borrower is required to maintain collateral protection insurance and assigns to the applicable Seller his or her rights to the proceeds of any collateral protection insurance covering the vehicle securing the related direct auto loan and any other rights under such insurance, up to the total amount due under the related direct auto loan agreement. If the borrower fails to keep adequate insurance coverage in force until all amounts owed to the Seller are repaid, the Seller may, though it is not required to, at the borrower's expense, purchase insurance coverage to protect the Seller's interest in the Financing Vehicle. Springleaf does not lender-place insurance where the principal balance of the direct auto loan is less than $6,000 or the underlying collateral has an estimated market value of less than $6,000. The Sellers will assign to the Depositor their rights to all such insurance proceeds with respect to the direct auto loan, pursuant to the Loan Purchase Agreement, and the Depositor, in turn, will assign those rights to the Issuer, pursuant to the Sale and Servicing Agreement. Springleaf may, in its sole discretion, discontinue the practice of lender-placing insurance with respect to all Loans at any time.

Security Interest and Lien Perfection

All direct auto loans must be secured by a perfected first-priority security interest in the related Financing Vehicle in favor of the applicable Seller. Each Loan Agreement contains a sale assignment with a clause granting the applicable Seller a security interest in the related Financing Vehicle. In each state in which the Seller does business, a security interest is perfected by noting the Seller's interest on the Financing Vehicle's certificate of title or by filing with the relevant state Governmental Authority.

Springleaf has contracted a nationally recognized third party service provider (the "**Title Administrator**") to perform title administration and custodial services. The Title Administrator maintains custody of the physical and electronic certificates of title to the financed vehicles in its vaults on behalf of the applicable Seller; provided, however, that in some states, certificates of title in physical form are held by the borrower.

Loan Closings

As of the Closing Date, direct auto loan closings can be conducted in a branch office by qualified branch personnel or through an eSignature process at a branch. All required documentation for direct auto loans is reviewed prior to and after the related direct auto loan closing to ensure accuracy, proper completion, and satisfaction of any conditions to closing set forth in the loan approval. As of the Closing Date, direct auto loans with respect to direct auto loan applications received through the Internet are closed at a branch in reasonable proximity to the customer's residence.

Compliance with Local, State and Federal Lending Laws

Springleaf maintains robust systems and operational controls to ensure compliance with applicable federal and state lending laws. These systems and controls are supported by legal, regulatory compliance and internal audit functions within Springleaf's home office structure.

Credit Insurance

Springleaf engages in the credit insurance business to supplement its consumer finance business through Merit Life Insurance Co. (Merit) and Yosemite Insurance Company (Yosemite), which are both wholly-owned subsidiaries of SFC. These subsidiaries offer credit insurance (life, accident and health and involuntary unemployment) to all eligible branch customers. Springleaf's consumer lending specialists, who, where required by applicable law, are licensed to offer credit insurance products, explain Springleaf's credit insurance products to the customer at the time of application and at the closing of the direct auto loan. The customer then determines in its sole discretion whether to purchase any of these products.

A credit life insurance policy insures the life of the borrower in an amount typically equal to the unpaid balance of the direct auto loan and provides for payment to the lender of the direct auto loan in the event of the borrower's death. A credit accident and health insurance policy provides scheduled monthly direct auto loan payments to the lender during the borrower's disability due to illness or injury. Involuntary unemployment credit insurance policies provide payment of the originally scheduled monthly direct auto loan payments to the lender during the borrower's involuntary unemployment. The borrower's purchase of credit insurance is voluntary. Customers generally finance the credit insurance premiums as part of their direct auto loans.

SERVICING STANDARDS

Springleaf's primary servicing activities with respect to the Loans are described above under "*The Servicer and Performance Support Provider*" and "*The Sellers*" in this private placement memorandum.

The following is a brief description of the servicing policies and procedures used by Springleaf as of the Closing Date to service direct auto loans, including the Loans. Historically, Springleaf has modified these servicing policies and procedures from time to time in order to comply with state and federal legal requirements and in other manners designed to enhance its direct auto loan product. In addition, as Springleaf identifies new processes and tools that may increase the accuracy and effectiveness of the servicing and collection process, Springleaf may implement such processes and tools. There can be no assurance that these policies and procedures will not change materially over time after the Closing Date or even be modified on an ad hoc basis with respect to particular loans from time to time. In addition, the policies and procedures described below are intended to be general descriptions of the policies and procedures that are applied in substantially all cases, but there may be cases in which there are exceptions with respect to particular loans. Moreover, Springleaf may modify the Customary Practices without Noteholder consent, subject only to a covenant not to modify the Customary Practices in any manner that could reasonably be expected to result in the occurrence of an Event of Default. In addition, as part of the OneMain Acquisition, Springleaf has made and will likely continue to make various changes to its Customary Practices in order to facilitate the integration with OneMain. See "*Risk Factors—Modifications to the Customary Practices May Result in Changes to the Performance of the Loan Pool and the Servicing of the Loans*" in this private placement memorandum. Additionally, in the event that the Back-up Servicer becomes Successor Servicer, it will not be required to follow these servicing policies and procedures. See "*Risk Factors—Modifications to the Customary Practices May Result in Changes to the Performance of the Loan Pool and the Servicing of the Loans*" and "*Risk Factors—Replacement of the Servicer or Inability to Replace Servicer or Inability of Sellers to Assist in Servicing the Loans Could Result in Reduced Payments on the Notes*" in this private placement memorandum.

Servicing Locations

Springleaf generally services each direct auto loan at the individual branch office location where such direct auto loan was originated or at a central location. When a loan reaches 60 days past due, SFC, as Servicer, transfers servicing of such loan to one of its centralized servicing facilities located in Evansville, Indiana, London,

Kentucky or Tempe, Arizona. Servicing may be centralized before 60 days past due if an account has been referred for litigation, bankruptcy or repossession. If an account has a pending insurance claim, it may not be centralized for up to 90 days past due. In the future, SFC may determine that Loans that are fewer than 60 days past due should also be serviced on a centralized basis if it determines centralized servicing is more effective and efficient.

Records Management and Storage

The customer loan file for each direct auto loan is maintained at the applicable branch office location where such direct auto loan was originated. If servicing of a direct auto loan is transferred from one branch office to another, the loan files relating to such direct auto loan are transferred to such other branch office. If servicing of a direct auto loan is centralized, the loan files will be transferred to a central facility for storage. Springleaf maintains customer loan files in each branch office location in accordance with the Customary Practices.

Springleaf has developed systems to permit it to originate direct auto loans in electronic form through the use of an electronic signature system comprised of proprietary and third party software run on Springleaf hardware. The electronic signature system stores an active PDF e-contract that contains evidentiary data and is sealed by a third party certification as the "original" or single authoritative copy of such e-contract. Any subsequent copy made of the e-contract will be a flattened PDF that does not contain evidentiary data and will be watermarked "COPY." The applicable Springleaf originator is recorded as the owner of the "original" e-contract and the applicable systems do not permit such "original" e-contract to be amended or transferred to another owner without the participation of the Springleaf originator.

All paper certificates of title to Financing Vehicles are sent directly to the Title Administrator and stored in its secure vaults on behalf of the Seller; provided, however, that in some states, certificates of title in physical form are held by the borrower. In states with electronic certificates of title, the Title Administrator securely stores and manages the authoritative copy in its electronic vaulting system as the designated custodian. See also "*Underwriting Standards—Security Interests and Lien Perfection*" in this private placement memorandum. All paper and electronic certificates of title for the Financing Vehicles are stored in accordance with applicable UCC requirements to maintain the Seller's perfected security interest in the Financing Vehicle.

See also "*Risk Factors—There Are Risks to Noteholders Because the Loan Agreements Will Not Be Delivered to the Issuer*" in this private placement memorandum.

Billing and Payments

Direct auto loan borrowers receive billing statements each month showing their account information along with directions for making their payments. With the billing statement, a borrower receives a return envelope that is pre-addressed for delivery to one of Springleaf's three lockbox processing sites (located in Cincinnati, Los Angeles, and St. Louis), each of which is managed by the same national bank. In addition to mailing payments to lockboxes, borrowers may make payments on direct auto loans by check or money order, or they may also mail payments to a Springleaf branch office. Borrowers may also make their payments through Springleaf's website, including by debit card, may choose to have their payments automatically withdrawn via automated clearinghouse (ACH) transfer from their personal bank accounts through Springleaf's "Direct Pay" program, or may utilize Springleaf's "EZ Pay" program which allows them to provide information to Springleaf's central or branch personnel over the phone, allowing such personnel to centrally produce a withdrawal, or initiate an ACH payment, from the customer's personal bank account. Springleaf also has an established vendor arrangement with a national electronic payment system provider that permits direct auto loan borrowers to make payments on direct auto loans at the stores of certain national "big box" retailers. Borrowers may also make payments in cash at a Springleaf branch office. As of the Closing Date, Springleaf's direct auto loan borrowers are not permitted to pay using a credit card.

With respect to Springleaf's direct auto loan portfolio secured by Financing Vehicles that were eight years old or less at the time of loan origination, the primary means by which Springleaf received direct auto loan payments during the three months ended March 31, 2016, were through customer in-person payments at a Springleaf branch (18.0% of direct auto loan payments by dollar amount), lockbox and mail (12.4%), recurring ACH methods (29.0%), non-recurring ACH methods (37.8%) and debit card (2.8%). While in-person branch payments remain an important element of the Springleaf operating model insofar as it permits close contact with direct auto loan

customers for purposes of servicing and business development, there has been an increasing trend among customers to make payments by mail or electronic payment channels. There can be no assurance as to whether in-person branch payments will increase or decrease over time.

Direct auto loan payments made to branches are deposited on the day of receipt to a "deposit only" bank account. By the second business day following receipt of such a direct auto loan payment funds are available in the Springleaf concentration account for processing by SFC. Funds in respect of payments through other channels, including payments made via Springleaf's website, are also available in the Springleaf concentration account for processing by SFC by the second business day following receipt at the payment channel intake point.

Collection Activities

As a general matter, branch personnel, along with all levels of management, review delinquency information with respect to the direct auto loans on a daily basis. Collection activities with respect to the direct auto loans can begin as early as the day after any payment on a direct auto loan becomes past due (if such payment is the first payment on a new direct auto loan), but generally begin when the borrower is ten or more days past due on any payment with respect to a direct auto loan. Routine collection activities with respect to a delinquent direct auto loan include letters, telephone calls and in-branch meetings with the borrower. In the event that a direct auto loan becomes delinquent, acceptable solutions to remedy such delinquency include: (i) collection of past due amounts, (ii) adjustment of the due date for any payment (if permitted under the Customary Practices, which, as of the Closing Date, generally permits only one such adjustment for the life of any direct auto loan and for a maximum of 15 days), (iii) deferment of payments (as described in the following paragraph) and collection of deferred payments, (iv) temporary or permanent loan modifications (subject to full income and employment verification) and (v) "curing" or "reaging" of delinquent accounts to current status in exchange for demonstrated consistent payment activity. All solutions, however, are intended to enable the direct auto loan customer to meet his or her current and future obligations in a manner that Springleaf believes will not increase Springleaf's risk with respect to such direct auto loan or reduce the value of Springleaf's security interest in collateral securing such direct auto loan, will preserve the goodwill between Springleaf and the direct auto loan customer and will comply with state and federal law and regulations and Springleaf company policy. The collection action(s) taken with respect to any delinquent direct auto loan depend upon a number of factors including the borrower's payment history, the estimated value of the collateral and the reason for the current inability of the borrower to make timely payments.

Under the Customary Practices in effect as of the Closing Date, a settlement agreement to accept less than the principal balance owed or to alter the terms of the direct auto loan may be appropriate action to: (i) resolve small balances remaining on a direct auto loan due to unpaid late charges or additional interest assessments; (ii) avoid potential adverse litigation; or (iii) effect charge-off recovery on a direct auto loan or limit potential loss on a direct auto loan. Such a settlement of a direct auto loan could involve the alteration of various terms of the direct auto loan (e.g., interest rate, payment schedule, amount paid-to-date, collateral securing such direct auto loan, etc.), considering the direct auto loan account paid in full, accepting less than full balance owed or accepting collateral security as payment-in-full of the balance. Any settlement of a direct auto loan account (other than a settlement resulting from adverse litigation) must be approved by the Branch Manager, District Manager or Director of Operations with respect to direct auto loans serviced by a branch and by management with respect to loans serviced centrally.

From time to time in accordance with the Customary Practices, Springleaf may offer borrowers the opportunity to defer their direct auto loan by extending the date on which any payment in respect thereof is due. Prior to granting such a deferral, Springleaf typically requires a partial payment in respect of the direct auto loan that is usually the greater of one-half of a regular monthly payment or an amount equal to the interest that is then due on the direct auto loan. Springleaf may extend this offer to customers when they are experiencing higher than normal personal expenses. Generally, deferments are not offered to borrowers who are greater than one payment past due. Deferments must bring the account contractually current or due for the current month's payment. Under the Customary Practices as of the Closing Date, Springleaf generally permits up to two deferments in a rolling twelve-month period, except that a third deferment may be permitted if approved by the Risk Department.

Delinquent accounts may be offered the opportunity to "cure" or "reage" in accordance with the Customary Practices. To qualify a customer must demonstrate that they have rehabilitated from a temporary event which

caused the delinquency. After describing the nature of their temporary financial hardship, and making at least two qualified payments-in-full over consecutive months an account can be brought to a current status. No payment or interest amounts are forgiven or credited in the process of a cure. All cures are reviewed by a central and independent loan review team for approval, and are limited to one cure in a rolling twelve-month period.

Pursuant to the Customary Practices in effect as of the Closing Date, collection and servicing activities with respect to direct auto loans that are 60 days or more past due are generally transferred to a centralized servicing facility that has specialized knowledge and tools that Springleaf believes are required to manage severely delinquent accounts. Following the transfer of servicing of any such direct auto loan, collection and servicing responsibilities with respect to such direct auto loan are retained at the applicable centralized servicing facility even if such direct auto loan later becomes current. Certain non-routine collection activities with respect to such past due direct auto loans may be taken and may include employing third party software and the Internet to ascertain the whereabouts of a borrower, litigation, repossession of collateral securing such direct auto loan, filing involuntary bankruptcy petitions (or similar actions), and charging-off such past due direct auto loans. Litigation and repossession are generally used only as a last resort after all other collection efforts to resolve the delinquency and protect Springleaf's interest in the direct auto loan are exhausted.

In the event that a direct auto loan borrower files for bankruptcy protection, the servicing of such direct auto loan will be performed centrally. All bankruptcy filings are tracked, and routine filings of proof of claims in connection with such bankruptcy are handled, by Springleaf on a centralized basis. In non-routine bankruptcy cases, an outside attorney may be retained to assist with the matter.

Pursuant to the Customary Practices in effect as of the Closing Date, direct auto loans are generally charged off upon the earlier of (i) the month when they become seven (7) payments past due (which loans are charged off in full) and (ii) the month following the date they are discharged in bankruptcy (which loans are charged off by the amount of the applicable loss); provided, that Loans will be charged off earlier in whole or in part as a result of the sale of repossessed collateral. Springleaf will occasionally, in accordance with the Customary Practices, extend the 7-payment charge-off period for particular direct auto loans when such treatment is warranted. Under the Customary Practices, deferral of a charge-off beyond 7 past-due payments is permitted only when there is a valid dispute or claim pending, when Springleaf is awaiting the sale of repossessed collateral, or when there is reasonable expectation of payment from either a court awarded judgment or a bankruptcy trustee. The Customary Practices also permit deferrals in other limited circumstances, but they must be approved by the Risk Department. Centralized recovery personnel along with outside collection agencies or attorneys continue making reasonable efforts to obtain repayment of a charged-off direct auto loan unless the customer's obligation has been terminated by mutual agreement or by court order. Springleaf also sells charged-off direct auto loans to third parties from time to time.

Branch servicing and collection practices may change over time as necessary to comply with state or federal legal requirements and in other manners designed to enhance Springleaf's direct auto loan product. In addition, as Springleaf identifies new practices and tools that Springleaf believes will increase the accuracy and effectiveness of underwriting, servicing and collections in the branches, Springleaf may implement the practices and tools to better manage risk.

Repossession

A direct auto loan identified for repossession by either the servicing branch or the centralized servicing facility is referred to specialized central servicing personnel to be processed. The decision to repossess is based on a number of factors which are evaluated internally, including but not limited to, the outstanding balance of the direct auto loan, verification of the Seller's security interest in the Financing Vehicle and the estimated market value of the Financing Vehicle.

Once a direct auto loan is referred for repossession, the centralized servicing facility places a request to repossess the Financing Vehicle with a licensed repossession agency. The repossession agency is responsible for retaking, transporting and storing the vehicle until sale. Prior to the sale of the vehicle, remarketing agents evaluate the condition of the vehicle and, if deemed appropriate, the vehicle will be reconditioned and/or repaired in order to maximize recovery value. Any personal items in the vehicle are inventoried and made available to the loan obligor for pick-up.

Repossessions are subject to prescribed legal procedures which the applicable servicer must follow, including one or more mandatory borrower notifications and waiting periods that must be observed prior to disposition of the vehicle.

Once the vehicle is ready for sale and any prescribed waiting periods have expired, the repossessed vehicle is sold at public or private auction. Proceeds from the sale of the automobile, net of any resale expenses, and any other recoveries, are remitted to the applicable Seller and credited against the remaining balance of the direct auto loan. Where sale proceeds are not sufficient to cover the outstanding balance of the direct auto loan, the servicer will pursue collection of such deficiency against the borrower when it deems such action to be appropriate.

During the repossession process, all practical means of contacting the borrower are attempted pursuant to the Customary Practices and applicable law. If the borrower makes payment arrangements prior to the time the Financing Vehicle is repossessed, the repossession may be cancelled.

After repossession and prior to sale of the Financing Vehicle, applicable state law may permit the borrower to redeem the Financing Vehicle upon payment of past due amounts and fees related to the repossession.

DESCRIPTION OF THE LOANS

General

The statistical information presented in this private placement memorandum concerning the Loan Pool is based on the aggregate Loan Principal Balance of the Loan Pool as of the Cut-Off Date. The characteristics of the Loan Pool as of the Closing Date may vary somewhat from those described in this private placement memorandum due to (i) normal collection activity on the Loans (including, without limitation, payments received on the Loans and delinquency experience) after the Cut-Off Date, which will be for the account of the Issuer, and (ii) Renewals after the Cut-Off Date. See "*—Assignment of Loans; Representations and Warranties; Repurchase Obligations and Renewals*" in this private placement memorandum.

The information presented under "*—Loan Pool Data*" is based on the Loan Pool as of the Cut-Off Date (without giving effect to Renewals occurring after the Cut-Off Date), consisting of 62,261 Loans having an aggregate unpaid Loan Principal Balance of $753,904,198.06 as of the Cut-Off Date. The Loan Pool will consist of fixed rate secured direct auto loans. The Loans are secured by a perfected first priority security interest in the related Financing Vehicles.

Loan Pool Data

The following tables set forth certain characteristics of the Loan Pool as of the Cut-Off Date (percentages are based on the aggregate Loan Principal Balance of the Loan Pool). The balances and percentages may not be exact due to rounding.

Loan Pool Characteristics

Aggregate Loan Principal Balance		$753,904,198.06
Number of Loans		62,261
Average Outstanding Loan Principal Balance		$12,108.77
Weighted Average Coupon		17.38%
Weighted Average Original Term to Stated Maturity		53 months
Weighted Average Remaining Term to Stated Maturity		44 months
Weighted Average FICO® Score (at origination)(1)		609
Weighted Average PTI(2)		11.19%
Weighted Average Loan-to-Value Ratio		116.85%
Springleaf Risk Level	S:	10.91%
	P:	14.51%
	A:	16.02%
	B:	29.13%
	C:	27.37%
	D:	2.06%
State of Origination (Top 5)	Texas:	8.91%
	California:	8.47%
	Illinois:	7.62%
	Ohio:	7.02%
	North Carolina:	6.96%

(1) Loans for which a FICO® score is not available (representing approximately 0.46% of the aggregate Loan Principal Balance of the Loan Pool as of the Cut-Off Date) have been excluded from the calculation of the Weighted Average FICO® Score (at origination).
(2) Based on net disposable income.

Distribution of Loans in the Loan Pool by Current Loan Principal Balance

Current Loan Principal Balance Range ($)	Number of Loans	Aggregate Loan Principal Balance	% of Aggregate Loan Principal Balance[(1)]
500.01 - 2,500.00	158	$267,200.58	0.04%
2,500.01 - 5,000.00	2,110	$9,206,623.18	1.22%
5,000.01 - 7,500.00	13,504	$85,522,892.33	11.34%
7,500.01 - 10,000.00	13,263	$115,569,341.68	15.33%
10,000.01 - 15,000.00	17,127	$209,544,599.41	27.79%
15,000.01 - 20,000.00	9,069	$156,208,095.67	20.72%
20,000.01 - 25,000.00	4,354	$96,575,899.55	12.81%
Greater than 25,000.00	2,676	$81,009,545.66	10.75%
Total	**62,261**	**$753,904,198.06**	**100.00%**

(1) Sum of percentages may not equal 100.00% due to rounding.

Distribution of Loans in the Loan Pool by Original Loan Principal Balance

Original Loan Principal Balance Range ($)	Number of Loans	Aggregate Loan Principal Balance	% of Aggregate Loan Principal Balance[(1)]
5,000.01 - 7,500.00	8,230	$46,260,135.90	6.14%
7,500.01 - 10,000.00	11,660	$85,403,258.22	11.33%
10,000.01 - 15,000.00	20,252	$208,866,512.87	27.70%
15,000.01 - 20,000.00	11,544	$172,146,088.42	22.83%
20,000.01 - 25,000.00	6,295	$123,797,951.28	16.42%
Greater than 25,000.00	4,280	$117,430,251.37	15.58%
Total	**62,261**	**$753,904,198.06**	**100.00%**

(1) Sum of percentages may not equal 100.00% due to rounding.

Distribution of Loans in the Loan Pool by Original Term to Stated Maturity (Months)

Original Term to Stated Maturity Range (months)	Number of Loans	Aggregate Loan Principal Balance	% of Aggregate Loan Principal Balance[(1)]
13 - 24	75	$395,809.66	0.05%
25 - 36	4,284	$30,800,546.14	4.09%
37 - 48	35,740	$348,963,861.33	46.29%
49 - 60	21,241	$349,802,757.05	46.40%
Greater than 60	921	$23,941,223.88	3.18%
Total	**62,261**	**$753,904,198.06**	**100.00%**

(1) Sum of percentages may not equal 100.00% due to rounding.

Distribution of Loans in the Loan Pool by Remaining Term to Stated Maturity (Months)

Remaining Term to Stated Maturity Range (months)	Number of Loans	Aggregate Loan Principal Balance	% of Aggregate Loan Principal Balance[(1)]
1 - 12	80	$233,637.78	0.03%
13 - 24	2,454	$14,223,574.50	1.89%
25 - 36	15,716	$134,938,851.83	17.90%
37 - 48	31,121	$362,914,061.37	48.14%
49 - 60	12,290	$225,454,911.61	29.90%
Greater than 60	600	$16,139,160.97	2.14%
Total	**62,261**	**$753,904,198.06**	**100.00%**

(1) Sum of percentages may not equal 100.00% due to rounding.

Distribution of Loans in the Loan Pool by State of Origination

State of Origination	Number of Loans	Aggregate Loan Principal Balance	% of Aggregate Loan Principal Balance[(1)]
Texas	5,258	$67,138,702.04	8.91%
California	5,569	$63,845,128.06	8.47%
Illinois	5,006	$57,411,513.45	7.62%
Ohio	4,370	$52,937,265.51	7.02%
North Carolina	4,544	$52,502,052.69	6.96%
Virginia	3,714	$49,450,671.59	6.56%
Pennsylvania	4,063	$44,445,920.33	5.90%
Indiana	3,620	$43,141,386.06	5.72%
Georgia	3,396	$42,848,817.75	5.68%
South Carolina	2,691	$33,147,670.84	4.40%
Florida	2,304	$26,386,540.55	3.50%
Kentucky	1,910	$22,176,959.33	2.94%
Tennessee	1,816	$21,920,145.02	2.91%
Louisiana	1,724	$21,907,394.78	2.91%
Alabama	1,657	$20,427,509.70	2.71%
Washington	1,512	$20,221,276.46	2.68%
Missouri	1,586	$19,559,373.78	2.59%
Oklahoma	1,247	$16,463,433.21	2.18%
Wisconsin	1,279	$15,121,186.06	2.01%
Mississippi	1,036	$12,478,984.50	1.66%
Colorado	796	$10,899,941.40	1.45%
Arizona	876	$10,073,437.65	1.34%
West Virginia	754	$9,652,028.74	1.28%
Oregon	612	$7,864,521.98	1.04%
New Mexico	522	$6,654,338.54	0.88%
Idaho	292	$3,839,939.46	0.51%
Delaware	96	$1,242,224.74	0.16%
Nevada	11	$145,833.84	0.02%
Total	**62,261**	**$753,904,198.06**	**100.00%**

(1) Sum of percentages may not equal 100.00% due to rounding.

Distribution of Loans in the Loan Pool by Coupon

Coupon Range (%)	Number of Loans	Aggregate Loan Principal Balance	% of Aggregate Loan Principal Balance[(1)]
5.000 - 9.999	33	$375,746.77	0.05%
10.000 - 12.499	2,013	$36,432,363.16	4.83%
12.500 - 14.999	15,539	$251,761,733.89	33.39%
15.000 - 17.499	11,518	$145,063,249.51	19.24%
17.500 - 19.999	11,508	$140,761,816.58	18.67%
20.000 - 22.499	7,436	$72,967,308.55	9.68%
22.500 - 24.999	8,991	$71,714,420.32	9.51%
Greater than 25.000	5,223	$34,827,559.28	4.62%
Total	**62,261**	**$753,904,198.06**	**100.00%**

(1) Sum of percentages may not equal 100.00% due to rounding.

Distribution of Loans in the Loan Pool by Springleaf Risk Level

Springleaf Risk Level	Number of Loans	Aggregate Loan Principal Balance	% of Aggregate Loan Principal Balance[(1)]
S	5,941	$82,231,677.78	10.91%
P	7,601	$109,407,941.60	14.51%
A	9,336	$120,792,137.42	16.02%
B	18,397	$219,633,913.36	29.13%
C	19,327	$206,320,146.56	27.37%
D	1,659	$15,518,381.34	2.06%
Total	**62,261**	**$753,904,198.06**	**100.00%**

(1) Sum of percentages may not equal 100.00% due to rounding.

Distribution of Loans in the Loan Pool by FICO® Score[(1)]

Range of FICO® Scores	Number of Loans	Aggregate Loan Principal Balance	% of Aggregate Loan Principal Balance[(2)]
No Score	339	$3,483,457.94	0.46%
549 or less	10,832	$123,480,578.93	16.38%
550 - 599	16,150	$190,308,372.47	25.24%
600 - 649	20,713	$256,269,807.74	33.99%
650 - 699	10,962	$139,455,254.15	18.50%
700 - 899	3,265	$40,906,726.83	5.43%
Total	**62,261**	**$753,904,198.06**	**100.00%**

(1) References to FICO® Scores are references to FICO® Scores as of the respective dates of origination of the Loans.
(2) Sum of percentages may not equal 100.00% due to rounding.

Distribution of Loans in the Loan Pool By Loan-to-Value Ratio (LTV)

LTV Range (%)[1]	Number of Loans	Aggregate Loan Principal Balance	% of Aggregate Loan Principal Balance[2]
0.01 - 89.99	12,235	$117,117,892.69	15.53%
90.00 - 99.99	4,731	$52,026,158.71	6.90%
100.00 - 109.99	6,957	$82,547,103.15	10.95%
110.00 - 119.99	6,230	$77,402,729.72	10.27%
120.00 - 129.99	12,233	$151,051,488.64	20.04%
130.00 - 139.99	12,525	$164,599,754.27	21.83%
140.00 - 149.99	6,107	$89,717,957.88	11.90%
Greater than 150.00	1,243	$19,441,113.00	2.58%
Total	**62,261**	**$753,904,198.06**	**100.00%**

(1) The loan-to-value ratio with respect to a direct auto loan is the ratio, expressed as a percentage, of the total amount financed, which, for purposes of calculating the loan-to-value ratio, excludes financed title fees and ancillary products, to the book value of the related Financing Vehicle. Book value is determined by the applicable Seller in accordance with its origination policy, and no assurance can be given that the book value is reflective of the value of the Financing Vehicle at any time.

(2) Sum of percentages may not equal 100.00% due to rounding.

Distribution of Loans in the Loan Pool By Model Year of Financing Vehicles

Model Year	Number of Loans	Aggregate Loan Principal Balance	% of Aggregate Loan Principal Balance[1]
2006	1,436	$9,836,197.00	1.30%
2007	10,977	$99,483,592.01	13.20%
2008	13,113	$131,392,055.54	17.43%
2009	7,627	$79,389,512.60	10.53%
2010	8,553	$103,175,767.53	13.69%
2011	7,808	$112,783,372.20	14.96%
2012	6,307	$100,816,010.67	13.37%
2013	3,848	$68,544,290.88	9.09%
2014	1,865	$34,786,067.34	4.61%
2015	660	$12,513,099.08	1.66%
2016	67	$1,184,233.21	0.16%
Total	**62,261**	**$753,904,198.06**	**100.00%**

(1) Sum of percentages may not equal 100.00% due to rounding.

Distribution of Loans in the Loan Pool
By Vehicle Make of Financing Vehicles

Vehicle Make	Number of Loans	Aggregate Loan Principal Balance	% of Aggregate Loan Principal Balance[(1)]
Chevrolet	10,214	$130,218,595.45	17.27%
Ford	9,213	$116,353,528.61	15.43%
Toyota	7,010	$83,220,291.69	11.04%
Dodge	6,194	$80,012,145.33	10.61%
Nissan	4,881	$55,068,565.21	7.30%
Honda	4,345	$46,991,172.57	6.23%
GMC	2,370	$35,015,389.69	4.64%
Jeep	2,515	$33,220,587.55	4.41%
Kia	2,303	$24,866,614.03	3.30%
Hyundai	1,978	$20,236,649.09	2.68%
Chrysler	1,826	$18,680,602.23	2.48%
Cadillac	815	$11,477,882.41	1.52%
Mercedes	681	$10,550,328.16	1.40%
Mazda	910	$9,199,858.04	1.22%
Buick	698	$8,261,271.43	1.10%
Lexus	561	$7,920,584.60	1.05%
BMW	559	$7,724,166.29	1.02%
Other[(2)]	5,188	$54,885,965.68	7.28%
Total	**62,261**	**$753,904,198.06**	**100.00%**

(1) Sum of percentages may not equal 100.00% due to rounding.

(2) "Other" represents other vehicle makes which individually comprise less than 1.00% of the aggregate Loan Principal Balance of the Loan Pool.

Static Pool Information About Certain Previous Loan Pools

The below tables set forth static pool information, including cumulative net loss and pool factor information with respect to Springleaf's direct auto loan portfolio secured by Financing Vehicles that were eight years old or less at the time of loan origination, by quarter of origination, including, for the loans originated in each such quarter, the aggregate original loan principal balance, the weighted average original term and the weighted average coupon. The characteristics of direct auto loans included in the static pool information, as well as the social, economic and other conditions existing at the time when those loans were originated and repaid, may vary materially from the characteristics of the Loans in the Loan Pool and the social, economic and other conditions existing at the time the Loans in the Loan Pool were originated, and those that will exist in the future when the Loans in the Loan Pool are required to be repaid. As a result, there can be no assurance that the static pool information set forth below will correspond to or be an accurate predictor of the performance of this securitization transaction.

Cumulative Net Losses[(1)]

Age (Months)	Q3 2014 $84,862,786 50.7 17.7%	Q4 2014 $162,167,035 49.7 18.0%	Q1 2015 $167,239,025 51.4 17.7%	Q2 2015 $213,682,119 51.7 17.7%	Q3 2015 $218,902,994 51.9 17.7%	Q4 2015 $234,687,588 52.4 17.4%	Q1 2016 $177,589,953 54.0 17.0%
0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
1	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
2	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
3	0.00%	0.00%	0.01%	0.00%	0.00%	0.00%	
4	0.01%	0.00%	0.01%	0.01%	0.00%	0.01%	
5	0.01%	0.00%	0.02%	0.01%	0.00%	0.01%	
6	0.02%	0.01%	0.02%	0.02%	0.01%		
7	0.08%	0.02%	0.03%	0.06%	0.05%		
8	0.21%	0.10%	0.10%	0.15%	0.21%		
9	0.27%	0.16%	0.19%	0.29%			
10	0.40%	0.34%	0.31%	0.48%			
11	0.46%	0.42%	0.40%	0.66%			
12	0.57%	0.53%	0.47%				
13	0.68%	0.67%	0.62%				
14	0.79%	0.79%	0.78%				
15	0.90%	0.89%					
16	1.06%	1.05%					
17	1.20%	1.16%					
18	1.37%						
19	1.55%						
20	1.67%						

(1) Data through May 31, 2016.

Pool Factor[(1)]

Age (Months)	Q3 2014 $84,862,786 50.7 17.7%	Q4 2014 $162,167,035 49.7 18.0%	Q1 2015 $167,239,025 51.4 17.7%	Q2 2015 $213,682,119 51.7 17.7%	Q3 2015 $218,902,994 51.9 17.7%	Q4 2015 $234,687,588 52.4 17.4%	Q1 2016 $177,589,953 54.0 17.0%
0	99.40%	99.31%	99.25%	99.28%	99.23%	99.44%	99.30%
1	97.01%	97.06%	96.58%	96.87%	96.54%	97.26%	96.67%
2	94.12%	94.16%	93.41%	93.83%	93.66%	94.55%	93.55%
3	90.86%	90.81%	90.02%	90.57%	90.48%	91.65%	
4	87.50%	87.15%	86.31%	87.30%	87.25%	88.29%	
5	83.86%	83.31%	82.64%	83.85%	84.00%	84.68%	
6	80.45%	79.08%	78.98%	80.03%	80.63%		
7	76.57%	74.57%	75.12%	76.32%	76.79%		
8	72.28%	70.03%	71.44%	73.15%	73.07%		
9	67.98%	65.75%	67.65%	69.52%			
10	63.84%	61.68%	64.03%	65.91%			
11	60.30%	57.62%	60.83%	62.13%			
12	56.70%	53.52%	57.52%				
13	53.08%	50.02%	54.26%				
14	49.65%	46.89%	50.89%				
15	46.54%	44.04%					
16	43.84%	41.29%					
17	41.24%	38.51%					
18	38.75%						
19	35.90%						
20	33.36%						

(1) Data through May 31, 2016.

Assignment of Loans; Representations and Warranties; Repurchase Obligations and Renewals

On the Closing Date the Sellers will sell the Loans to the Depositor and the Depositor Loan Trustee for the benefit of the Depositor pursuant to the Loan Purchase Agreement. The Depositor Loan Trustee will hold legal title to, and serve as loan trustee with respect to, the Loans for the benefit of the Depositor. Such sale shall include the applicable Seller's right to payments and amounts due or to become due with respect to the Loans after the Cut-Off Date and the applicable Seller's interest in the related Loan Agreements, the Financing Vehicles, all money, instruments, investment property and other property (together with all earnings, dividends, distributions, income, issues, and profits relating thereto) distributed or distributable in respect of the Loans after the Cut-Off Date, all proceeds of any credit insurance policies and insurance contracts with respect to any Financing Vehicle to the extent of the applicable Seller's interest therein, all accounts, chattel paper, deposit accounts, documents, general intangibles, goods, motor vehicles, instruments, investment property, letter-of-credit rights, letters of credit and money consisting of, arising from, or relating to, any of the foregoing, all security interests or liens and property subject thereto from time to time, if any, purporting to secure payment of the Loans, together with all financing statements and security agreements describing any collateral securing the Loans, and any insurance and other agreements from time to time supporting or securing payment of the Loans, the servicing rights in respect of the sold Loans and all proceeds of the foregoing (collectively with the sold Loans, the "**Purchased Assets**"); provided that such sale shall not constitute and is not intended to result in the creation of or an assumption by the Depositor, the Depositor Loan Trustee for the benefit of the Depositor, the Issuer, the Issuer Loan Trustee for the benefit of the Issuer, the Owner Trustee (as such or in its individual capacity), the Indenture Trustee or any Noteholder of any obligation of any Seller, the Servicer or any other Person in connection with the Loans or under any agreement or instrument relating thereto. On the Closing Date, the Depositor and the Depositor Loan Trustee for the benefit of the Depositor will convey the Loans and the other related Purchased Assets related thereto acquired from the Sellers pursuant to the Loan Purchase Agreement to the Issuer and the Issuer Loan Trustee for the benefit of the Issuer pursuant to the Sale and Servicing Agreement.

The Depositor and the Depositor Loan Trustee for the benefit of the Depositor will purchase the Loans from the Sellers for a purchase price agreed to by the Depositor and the applicable Seller, provided that such price shall not (in the opinion of the Depositor) be materially less favorable to the Depositor than prices for generally similar transactions at the time of the acquisition, taking into account the quality of the applicable Loans and other pertinent factors and, in any event, shall not be less than reasonably equivalent value for such Loans (such price for any Loan, the "**Purchase Price**").

In connection with the conveyance of the Loans to the Depositor and the Depositor Loan Trustee for the benefit of the Depositor, each Seller will make the representations set forth below under "*—Repurchase Obligations*" to the Depositor regarding the Loans sold by such Seller, the benefit of which will be assigned by the Depositor to the Issuer and then collaterally assigned by the Issuer to the Indenture Trustee for the benefit of the Noteholders.

Repurchase Obligations

Upon the acquisition of actual knowledge or receipt of written notice by a responsible officer of the Indenture Trustee or discovery or receipt of notice by the Depositor of a breach of any of the Loan Eligibility Representations (described below) made by a Seller in the Loan Purchase Agreement in respect of any Loan sold by such Seller which materially adversely affects the interests of the Noteholders in such Loan, such party will give written notice of such breach to the applicable Seller and to the Depositor and the Indenture Trustee. The related Seller will have sixty (60) days after receipt of such notice or discovery of such breach to cure such breach in all material respects. In the event that the related Seller does not so cure such breach, it will be obligated to repurchase the Loan for an amount equal to the Repurchase Price on the first Payment Date following the Collection Period in which such sixty-day period expires. Further, upon the acquisition of actual knowledge or receipt of written notice by the Indenture Trustee or discovery or receipt of notice by the Issuer of a breach of any such representation or warranty of the Depositor regarding a Loan (as remade by the Depositor under the Sale and Servicing Agreement) that materially adversely affects the interests of the Noteholders in such Loan, such party will give written notice of such breach to the applicable Seller, the Depositor, the Issuer and the Indenture Trustee. Upon receipt of such notice, the Depositor must exercise its rights under the Loan Purchase Agreement to require the applicable Seller to either cure such breach or repurchase the related Loan at the Repurchase Price therefor within sixty (60) days after

receipt of such notice or discovery of such breach (any such repurchase of a Loan, a "**Required Loan Repurchase**").

The repurchase price for a Loan to be repurchased by a Seller or the Performance Support Provider as described above (the "**Repurchase Price**") will be an amount equal to the Purchase Price paid for such Loan as of the Closing Date, less any Collections representing payment of principal received by the Depositor since the date of the purchase of such Loan.

To the extent that a Seller fails to cure such breach or repurchase a Loan as described above, the Performance Support Provider will be obligated to fulfill such obligation under the Performance Support Agreement. See "*Risk Factors—Springleaf's Financial Strength May Affect the Ability of the Servicer, the Sellers and Their Affiliates to Perform Their Obligations*" for a discussion of certain factors which may affect the Performance Support Provider's ability to perform its obligations thereunder.

The cure or repurchase obligations referred to above will constitute the sole remedy available to the Noteholders or the Indenture Trustee with respect to a breach of a Seller's Loan Eligibility Representations.

Any inaccuracy in any of the Loan Eligibility Representations will be deemed not to constitute a breach of such Loan Eligibility Representations if such inaccuracy does not affect the ability of the Issuer to receive and retain payment in full on the related Loan on the terms and conditions and within the timeframe set forth in the related Loan Agreement.

Each Seller will permit the Depositor and its authorized representatives reasonable access, during normal business hours, to the books and records of such Seller in the possession of such Seller as they relate to the Loans and the related Purchased Assets; provided, however, that such access shall be conducted in a manner that does not unreasonably interfere with such Seller's normal operations; and, provided, further, that no Seller will be required to divulge any records or information to the extent prohibited by any Requirements of Law.

On the Closing Date, each Seller and the Depositor, on behalf of itself and the Depositor Loan Trustee, will execute an Assignment and Assumption Agreement in substantially the applicable form attached to the Loan Purchase Agreement (the "**Assignment and Assumption Agreement**"), relating to the Loans and other Purchased Assets purchased by the Depositor and the Depositor Loan Trustee for the benefit of the Depositor, dated as of the Closing Date. In addition, on or prior to the Closing Date, the Sellers, the Depositor and the Depositor Loan Trustee will execute and deliver all such additional instruments, documents or certificates as may be reasonably requested by the other party for the consummation on the Closing Date of the transactions contemplated by the Loan Purchase Agreement.

In connection with the sale of Loans on the Closing Date, (i) each Seller will deliver or cause to be delivered to the Depositor and the Depositor Loan Trustee for the benefit of the Depositor a schedule (which schedule may take the form of a computer file, a microfiche list, or another tangible medium that is commercially reasonable) identifying the Loans sold by such Seller as of the Closing Date and (ii) the Depositor will deliver or cause to be delivered to the Issuer a schedule (which schedule may take the form of a computer file, a microfiche list, or another tangible medium that is commercially reasonable) identifying the Loans sold by the Depositor and the Depositor Loan Trustee for the benefit of the Depositor on the Closing Date. The Issuer will deliver to the Indenture Trustee any loan schedule delivered to the Issuer by the Depositor, pursuant to the Sale and Servicing Agreement.

In connection with the transfers of the Loans by the Sellers to the Depositor and the Depositor Loan Trustee for the benefit of the Depositor, each Seller will represent and warrant (the "**Loan Eligibility Representations**"), as of the Cut-Off Date, that each Loan:

1. was originated by a Seller in the ordinary course of such Seller's business and with respect to which the Seller has a first priority security interest in the related Financing Vehicle;

2. is a Loan, the Loan Obligor of which (a) is not a government or a governmental subdivision or agency and (b) is not shown on the Servicer's records as a debtor in a pending bankruptcy proceeding;

3. was selected using selection procedures that were not known or intended by Seller to be adverse to the Depositor or the Issuer;

4. is a Loan the information with respect to which set forth on the Loan Schedule was true and correct in all material respects as of the Cut-Off Date;

5. has the following characteristics: (a) a contract rate not less than 4.00% and not more than 36.00%, (b) an original term to maturity not less than 12 months and not more than 72 months, (c) remaining term to maturity not less than 2 months and not more than 70 months and (d) an outstanding principal balance as of the Cut-Off Date not less than $300.00 and not more than $75,000.00;

6. had a scheduled maturity date on or prior to January 14, 2022;

7. is an "account" or "chattel paper" within the meaning of Section 9-102 of the UCC of all applicable jurisdictions;

8. was originated in the United States and is denominated and payable only in U.S. dollars;

9. constitutes the legal, valid and binding obligation of the related Loan Obligor enforceable against such Loan Obligor in accordance with its terms (except for bankruptcy, moratorium or similar laws affecting creditors' rights) subject to no offset, counterclaim, defense or other adverse claim;

10. is a Loan with respect to which the applicable Seller, the Depositor (and, solely with respect to legal title thereto, the Depositor Loan Trustee) or the Issuer (and, solely with respect to legal title thereto, the Issuer Loan Trustee), as applicable, has good and marketable title free and clear of all Liens (except, in the case of the Issuer and the Issuer Loan Trustee, for permitted Liens) and adverse claims;

11. has not been pledged, assigned, sold, subject to a security interest or otherwise conveyed other than pursuant to the Transaction Documents, and such Seller has not authorized the filing of and is not aware of any financing statements against such Seller that includes a description of collateral covering such Loan other than any financing statement relating to security interests granted under the Transaction Documents or that have been or, prior to the assignment of such Loan thereunder, will be terminated, amended or released;

12. is a Loan with respect to which such Seller will submit, or cause to be submitted, for filing on the Closing Date all appropriate financing statements in the proper filing office in the appropriate jurisdictions under applicable law in order to perfect the Depositor's first priority security interest in such Loan;

13. is a Loan with respect to which there is only one original executed copy, or in the case of an electronic contract, a single "authoritative copy" (as such term is used in Section 9-105 of the UCC) of the related contract, which is held by the Servicer or its agent or subservicer (including any Seller);

14. is a Loan with respect to which none of the instruments, electronic chattel paper or tangible chattel paper that constitute or evidence such Loan has any marks or notations indicating that such Loan has been pledged, assigned or otherwise conveyed to any Person other than the Depositor, the Depositor Loan Trustee for the benefit of the Buyer, the Issuer, the Issuer Loan Trustee for the benefit of the Issuer or the Indenture Trustee;

15. has not been originated in, or is subject to the laws of, any jurisdiction under which the sale, transfer, assignment, setting over, conveyance or pledge of such Loan would be unlawful, void, or voidable;

16. does not, in whole or in part, contravene any law, rule or regulation applicable thereto (including, without limitation, those relating to usury, truth in lending, fair credit billing, fair credit reporting, equal credit opportunity, fair debt collection practices and privacy);

17. is not a Delinquent Loan or a Charged-Off Loan;

18. is a Loan with respect to which the records of the Servicer did not disclose that any default, breach, violation or event permitting acceleration under the terms of the Loan existed as of the Cut-Off Date, or that any continuing condition that, with notice or lapse of time, or both, would constitute a default, breach, violation or event permitting acceleration under the terms of the Loan had arisen as of the Cut-Off Date, except, in either case, for payment delinquencies not resulting in such Loan being a Delinquent Loan or a Charged-Off Loan, and the Seller has not waived any of the foregoing;

19. requires substantially level monthly payments of principal and interest that fully amortize the amount financed by maturity and for a finance charge or yield interest at its contract rate; *provided*, that the amount of the first or last payment may be different but in no event more than three times the level monthly payment;

20. is in full force and effect, which has not been satisfied, subordinated, waived or rescinded and with respect to which the Servicer has granted extensions only in accordance with the Customary Practices; and

21. requires the related Loan Obligor to obtain physical damage insurance covering the Financing Vehicle in accordance with the Customary Practices.

The Loan Eligibility Representations will survive the sale of the related Purchased Assets to the Depositor and the Depositor Loan Trustee for the benefit of the Depositor. Pursuant to the Loan Purchase Agreement, each Seller will acknowledge that the Depositor and the Depositor Loan Trustee for the benefit of the Depositor will sell, transfer, convey, assign and set over the Purchased Assets and the Depositor's and the Depositor Loan Trustee's interests under the Loan Purchase Agreement (including the benefit of the Loan Eligibility Representations) to the Issuer and the Issuer Loan Trustee for the benefit of the Issuer pursuant to the Sale and Servicing Agreement, and that each of the Issuer and the Issuer Loan Trustee for the benefit of the Issuer will grant a security interest in the related Purchased Assets and the Issuer's and the Issuer Loan Trustee's interests under the Loan Purchase Agreement to the Indenture Trustee pursuant to the Indenture, and will agree that the Indenture Trustee may enforce the Loan Eligibility Representations directly for the benefit of the Noteholders.

The Sellers will also make certain representations and warranties in the Loan Purchase Agreement concerning the security interest of the Depositor and the Depositor Loan Trustee in the Loans (the "**Perfection Representations**"). The parties to the Loan Purchase Agreement are required to provide the Rating Agencies with prompt written notice of any material breach of the Perfection Representations and may not, without satisfying the Rating Agency Notice Requirement, waive any of the Perfection Representations, or any breach thereof.

The Sellers will be responsible for the preparation and filing of financing statements, amendments, continuations, initial financing statements in lieu of a continuation statement, terminations, partial terminations, releases or partial releases, or any other filings necessary or advisable to continue, maintain and perfect the security interest of each of the Depositor and the Depositor Loan Trustee in the Loans sold by such Seller to the Depositor and the Depositor Loan Trustee for the benefit of the Depositor as a first-priority interest. Each Seller will take such other action, or execute and deliver such instruments, as may be necessary or advisable (including, without limitation, such actions as are requested by the Depositor or the Depositor Loan Trustee) to maintain and perfect, as

a first priority interest, the Indenture Trustee's security interest in the Loans sold by such Seller to the Depositor and the Depositor Loan Trustee for the benefit of the Depositor.

Renewals

From time to time, a Seller may originate a new direct auto loan with an existing borrower, the proceeds of which refinance such borrower's existing loan. Any such refinancing is referred to as a "**Renewal**" in this private placement memorandum. Any Renewal of a Loan will result in a prepayment of that Loan.

While it is not possible to predict with certainty the amount of Loans that will be renewed after the Closing Date, Renewals historically have been, and Springleaf believes that they will continue to be, an important component of Springleaf's business plan with respect to direct auto loans and as such Springleaf expects that a substantial portion of the Loans will be renewed after the Closing Date.

Lender-Placed Insurance

In the event that any lender-placed insurance is obtained with respect to a Loan, the premium associated with such insurance will be added to the principal balance of such Loan. See "*Risk Factors—There May be Insufficient Collateral Securing a Loan Obligor's Obligations Under a Loan*" in this private placement memorandum.

DESCRIPTION OF THE NOTES

OneMain Direct Auto Receivables Trust 2016-1 Notes will consist of the Notes described in the Notes Table.

The Notes will be issued on the Closing Date pursuant to the Indenture. Set forth below are summaries of the material terms and provisions pursuant to which the Notes will be issued. The following summaries are subject to, and are qualified in their entirety by reference to, the provisions of the Indenture. When particular provisions or terms used in the Indenture are referred to, the actual provisions (including definitions of terms) are incorporated by reference.

Upon initial issuance, the Notes will have the initial Note Principal Balances specified in the Notes Table and will be issued in the minimum denominations and the integral multiples specified in the Notes Table.

The Notes will be secured by the Trust Estate, which will be pledged by the Issuer and, solely with respect to legal title to the Loans, the Issuer Loan Trustee to the Indenture Trustee for the benefit of the Noteholders under the Indenture.

In addition to the Notes, two classes of trust certificates will be issued pursuant to the Trust Agreement. The trust certificates will evidence the ownership interest in the Issuer and will not be entitled to any payments of interest or principal on any Payment Date. The trust certificates are not being offered by this private placement memorandum.

Payments on the Notes will be made by the Indenture Trustee on the 15th day of each month, or if such day is not a business day, on the first business day thereafter, commencing in August 2016 (each, a "**Payment Date**"), to the persons in whose names such Notes are registered at the close of business on the applicable Record Date. The "**Record Date**" with respect to each Payment Date will be the close of business on the Business Day immediately preceding such Payment Date; provided, however, that for any Definitive Note (if issued), the Record Date with respect to each Payment Date will be the close of business on the last Business Day of the calendar month immediately preceding the calendar month in which such Payment Date occurs. All payments with respect to each Class of Notes on each Payment Date will be allocated *pro rata* among the outstanding Noteholders of such class.

Book-Entry Notes and Definitive Notes

The Notes of all Classes, upon original issuance, will be issuable in book-entry form only (the "**Book-Entry Notes**"), rather than in the form of fully-registered physical securities representing such Note (each, a "**Definitive Note**"). Persons acquiring beneficial ownership interests in the Book-Entry Notes ("**Beneficial Owners**") will hold such Notes through The Depository Trust Company ("**DTC**") (in the United States) or Clearstream Banking ("**Clearstream**") or the Euroclear System ("**Euroclear**") (in Europe). Ownership of beneficial interests in a Book-Entry Note will be limited to the accounts of persons who have accounts in such systems (the "**Participants**") and persons who hold interests through Participants. Each class of Book-Entry Notes will be issued in one or more notes which equal the aggregate initial Note Principal Balance of such Notes and will initially be registered in the name of Cede, the nominee of DTC. Clearstream and Euroclear will hold omnibus positions on behalf of their Participants through customers' securities accounts in Clearstream's and Euroclear's names on the books of their respective depositaries (the "**Relevant Depositaries**") which in turn will hold such positions in customers' securities accounts in the depositaries' names on the books of DTC. Investors may hold such beneficial interests in the minimum denominations and integral multiples specified in the Notes Table. Except as described below, no Beneficial Owner will be entitled to receive a Definitive Note evidencing its beneficial interest. Unless and until Definitive Notes are issued, Beneficial Owners are only permitted to exercise their rights indirectly through Participants and DTC and shall be limited to those established by law and agreements between such Beneficial Owners, DTC and/or the Participants.

Beneficial Owners will receive all payments of principal of and interest on the Book-Entry Notes from the Indenture Trustee through DTC and DTC Participants. While the Book-Entry Notes are outstanding (except under the circumstances described below), under the rules, regulations and procedures creating and affecting DTC and its operations (the "**Rules**"), DTC is required to make book-entry transfers among Participants on whose behalf it acts with respect to the Book-Entry Notes and is required to receive and transmit payments of principal of, and interest on, the Book-Entry Notes to such Participants in amounts proportionate to their respective beneficial interests in the principal amount of the relevant Book-Entry Note as shown on the records of DTC or its nominee. Participants with whom Beneficial Owners have accounts with respect to Book-Entry Notes are similarly required to make book-entry transfers and receive and transmit such payments on behalf of their respective Beneficial Owners. Accordingly, although Beneficial Owners will not possess notes representing their respective interests in the Book-Entry Notes, the Rules provide a mechanism by which Beneficial Owners will receive payments and will be able to transfer their interest.

Beneficial Owners will not receive or be entitled to receive notes representing their respective interests in the Book-Entry Notes, except under the limited circumstances described below. Unless and until Definitive Notes are issued, Beneficial Owners who are not Participants may transfer ownership of Book-Entry Notes only through Participants by instructing such Participants to transfer Book-Entry Notes, by book-entry transfer, through DTC for the account of the purchasers of such Book-Entry Notes, which account is maintained with their respective Participants. Under the Rules and in accordance with DTC's normal procedures, transfers of ownership of Book-Entry Notes will be executed through DTC and the accounts of the respective Participants at DTC will be debited and credited. Similarly, the Participants will make debits or credits, as the case may be, on their records on behalf of the selling and purchasing Beneficial Owners.

Because of time zone differences, credits of securities received in Clearstream or Euroclear as a result of a transaction with a Participant will be made during subsequent securities settlement processing and dated the business day following the DTC settlement date. Such credits or any transactions in such securities settled during such processing will be reported to the relevant Euroclear or Clearstream Participants on such business day. Cash received in Clearstream or Euroclear as a result of sales of securities by or through a Clearstream Participant or Euroclear Participant to a DTC Participant will be received with value on the DTC settlement date but will be available in the relevant Clearstream or Euroclear cash account only as of the business day following settlement in DTC.

Transfers between Participants will occur in accordance with the Rules. Transfers between Clearstream Participants and Euroclear Participants will occur in accordance with their respective rules and operating procedures.

Cross-market transfers between persons holding directly or indirectly through DTC, on the one hand, and directly or indirectly through Clearstream Participants or Euroclear Participants, on the other, will be effected in accordance with DTC rules on behalf of the relevant European international clearing system by the Relevant Depositary; however, such cross-market transfers will require delivery of instructions to the relevant European international clearing system by the counterparty in such system in accordance with its rules and procedures and within its established deadlines (European time). The relevant European international clearing system will, if the transaction meets its settlement requirements, deliver instructions to the Relevant Depositary to take action to effect final settlement on its behalf by delivering or receiving securities in DTC, and making or receiving payment in accordance with normal procedures for same day funds settlement applicable to DTC. Clearstream Participants and Euroclear Participants may not deliver instructions directly to the Relevant Depositaries.

DTC (which is a New York-chartered limited purpose trust company, a "banking organization" within the meaning of the New York Banking Law, a member of the U.S. Federal Reserve System, a "clearing corporation" within the meaning of the Uniform Commercial Code and a "clearing agency" registered pursuant to the provisions of Section 17A of the Exchange Act) performs services for its Participants, some of which (and/or their representatives) own DTC. In accordance with its normal procedures, DTC is expected to record the positions held by each DTC Participant in the Book-Entry Notes, whether held for its own account or as a nominee for another person. In general, beneficial ownership of Book-Entry Notes will be subject to the Rules, as in effect from time to time.

Clearstream, a Luxembourg limited liability company, was formed in January 2000 through the merger of Cedel International and Deutsche Boerse Clearing. Clearstream is registered as a bank in Luxembourg, and as such is subject to regulation by the Luxembourg Monetary Authority, which supervises Luxembourg banks. Clearstream holds securities for its customers ("**Clearstream Participants**") and facilitates the clearance and settlement of securities transactions by electronic book-entry transfers between their accounts. Clearstream provides various services, including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Clearstream also deals with domestic securities markets in several countries through established depository and custodial relationships. Clearstream has established an electronic bridge with Euroclear Bank S.A./N.V. as the Euroclear Operator in Brussels to facilitate settlement of trades between systems. Clearstream currently accepts over 200,000 securities issues on its books.

Clearstream's customers are world-wide financial institutions including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Clearstream's United States customers are limited to securities brokers and dealers and banks. Currently, Clearstream has approximately 2,500 customers located in over 110 countries, including all major European countries, Canada, and the United States. Indirect access to Clearstream is available to other institutions which clear through or maintain a custodial relationship with an account holder of Clearstream.

Euroclear was created in 1968 to hold securities for its participants ("**Euroclear Participants**") and to clear and settle transactions between Euroclear Participants through simultaneous electronic book-entry delivery against payment, thereby eliminating the need for physical movement of securities and any risk from lack of simultaneous transfers of securities and cash. Transactions may be settled in a variety of currencies, including United States dollars. Euroclear provides various other services, including securities lending and borrowing and interfaces with domestic markets in several countries generally similar to the arrangements for cross-market transfers with DTC described above. Euroclear is operated by Euroclear Bank S.A./N.V. (the "**Euroclear Operator**"). All operations are conducted by the Euroclear Operator, and all Euroclear securities clearance accounts and Euroclear cash accounts are accounts with the Euroclear Operator. Euroclear plc establishes policy for Euroclear on behalf of Euroclear Participants. Euroclear Participants include banks (including central banks), securities brokers and dealers and other professional financial intermediaries. Indirect access to Euroclear is also available to other firms that clear through or maintain a custodial relationship with a Euroclear Participant, either directly or indirectly.

Securities clearance accounts and cash accounts with the Euroclear Operator are governed by the Terms and Conditions Governing Use of Euroclear and the related Operating Procedures of Euroclear and applicable Belgian law (collectively, the "**Terms and Conditions**"). The Terms and Conditions govern transfers of securities and cash within Euroclear, withdrawals of securities and cash from Euroclear, and receipts of payments with respect to securities in Euroclear. All securities in Euroclear are held on a fungible basis without attribution of specific

securities to specific securities clearance accounts. The Euroclear Operator acts under the Terms and Conditions only on behalf of Euroclear Participants, and has no record of or relationship with persons holding through Euroclear Participants.

Under a book-entry format, Beneficial Owners of the Book-Entry Notes may experience some delay in their receipt of payments, since such payments will be forwarded by the Indenture Trustee to Cede. Payments with respect to Notes held through Clearstream or Euroclear will be credited to the cash accounts of Clearstream Participants or Euroclear Participants in accordance with the relevant system's rules and procedures, to the extent received by the Relevant Depositary. Such payments will be subject to tax reporting in accordance with relevant United States tax laws and regulations. See "*Certain U.S. Federal Income Tax Consequences—Backup Withholding and Information Reporting*" in this private placement memorandum. Because DTC can only act on behalf of DTC Participants, the ability of a Beneficial Owner to pledge Book-Entry Notes to persons or entities that do not participate in the book-entry system, or otherwise take actions in respect of such Book-Entry Notes, may be limited due to the lack of physical securities for such Book-Entry Notes. In addition, issuance of the Book-Entry Notes in book-entry form may reduce the liquidity of such Notes in the secondary market since certain potential investors may be unwilling to purchase Notes for which they cannot obtain physical securities.

Monthly and annual reports on the Notes will be provided to Cede, as nominee of DTC, and may be made available by Cede to Beneficial Owners upon request, in accordance with the rules, regulations and procedures creating and affecting the DTC Participants to whose DTC accounts the Book-Entry Notes of such Beneficial Owners are credited.

DTC has advised the Indenture Trustee that, unless and until Definitive Notes are issued as described below, DTC will take any action the holders of the Book-Entry Notes are permitted to take under the Indenture only at the direction of one or more DTC Participants to whose DTC accounts the Book-Entry Notes are credited, to the extent that such actions are taken on behalf of Financial Intermediaries whose holdings include such Book-Entry Notes. Clearstream or the Euroclear, as the case may be, will take any other action permitted to be taken by a Noteholder under the Agreement on behalf of a Clearstream Participant or Euroclear Participant only in accordance with its relevant rules and procedures and subject to the ability of the Relevant Depositary to effect such actions on its behalf through DTC. DTC may take actions, at the direction of the related Participants, with respect to some Book-Entry Notes which conflict with actions taken with respect to other Book-Entry Notes.

Definitive Notes will be issued to Beneficial Owners of a Class of Book-Entry Notes, or their nominees, rather than to DTC, only if the Issuer advises the Indenture Trustee in writing that DTC is no longer willing, qualified or able to discharge properly its responsibilities as nominee and depository with respect to such Class of Book-Entry Notes, the Issuer, at its option, advises the Indenture Trustee in writing that it elects to terminate the book-entry system through DTC with respect to such Class of Book-Entry Notes or after a Servicer Default or an Event of Default, Beneficial Owners with respect to a Class of Book-Entry Notes representing not less than 50% of the principal amount of the Book-Entry Notes of such Class advise the Indenture Trustee and DTC in writing that the continuation of a book-entry system with respect to the Notes of such Class is no longer in the best interest of the Beneficial Owners with respect to such Class.

Upon the occurrence of the event described in the immediately preceding paragraph, the Indenture Trustee will be required to notify all Beneficial Owners of such Class of Notes of the occurrence of such event and the availability of Definitive Notes to Beneficial Owners with respect to such Class of Notes. Upon surrender by DTC to the Indenture Trustee of such Book-Entry Notes, and instructions for re-registration, the Issuer will issue Definitive Notes, and thereafter the Issuer and the Indenture Trustee will recognize the holders of such Definitive Notes as Noteholders under the Indenture.

Although DTC, Clearstream and Euroclear have agreed to the foregoing procedures in order to facilitate transfers of Book-Entry Notes among participants of DTC, Clearstream and Euroclear, they are under no obligation to perform or continue to perform such procedures and such procedures may be discontinued at any time.

None of the Issuer, the Indenture Trustee or the Note Registrar will have any responsibility for any aspect of the records relating to or payments made on account of beneficial ownership interests of the Book-Entry Notes

held by Cede, as nominee for DTC, or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Interest Payments and Principal Payments

Interest Payments

Distributions in respect of interest payments will be made on each Payment Date from Available Funds for such Payment Date in accordance with the Priority of Payments to the Noteholders of record as of the related Record Date. Interest on the Notes will accrue during each Interest Period on the principal balance thereof (as of the close of business on the immediately preceding Payment Date) at the applicable Interest Rate.

The Interest Rates are as follows:

- for the Class A Notes, the Interest Rate is 2.04% per annum;
- for the Class B Notes, the Interest Rate is 2.76% per annum;
- for the Class C Notes, the Interest Rate is 4.58% per annum; and
- for the Class D Notes, the Interest Rate is 7.00% per annum.

Interest on all Classes of Notes will be calculated on the basis of a 360-day year consisting of twelve 30-day months. For each Payment Date, the Interest Period for the Notes will be the period from and including the 15th day of the month preceding the Payment Date (or in the case of the first Payment Date, the Closing Date) to but excluding the 15th day of the month in which the Payment Date occurs.

Amounts on deposit in the Reserve Account will be available on each Payment Date to pay amounts due on such Payment Date in accordance with the Priority Payments, which may include interest on the Notes. For any Payment Date, interest due but not paid on that Payment Date will be due on the next Payment Date, together with, to the extent permitted by law, interest at the related Interest Rate on such unpaid amount. An Event of Default will occur in the event of a default in the payment of any interest on any Note of the Controlling Class on any Payment Date and such default shall continue for a period of five (5) Business Days. See "*The Indenture—Events of Default*" in this private placement memorandum.

Principal Payments

On each Payment Date, unless an Event of Default has occurred, certain amounts will be deposited to the Principal Distribution Account in accordance with the Priority of Payments to the extent necessary to (i) maintain parity between the Aggregate Note Principal Balance of one or more Classes of Notes, on the one hand, and the Adjusted Loan Principal Balance, on the other, and (ii) achieve the applicable overcollateralization level, which will be de minimis (approximately zero) on the Closing Date and is expected to build to the Target Overcollateralization Amount. See "*—Priority of Payments*" in this private placement memorandum.

The "**Adjusted Loan Principal Balance**" means, with respect to any Collection Period, an amount equal to the Loan Principal Balance of all Loans in the Trust Estate other than Charged-Off Loans as of the last day of such Collection Period.

Any amounts so deposited to the Principal Distribution Account will be used to pay principal of the Notes as described below. If an Event of Default has occurred as of any Payment Date, on such Payment Date, pursuant to the Priority of Payments and the distribution of amounts allocated to the Principal Distribution Account, payments in respect of interest on and principal of the most senior Class of Notes will be made in full prior to the payment of interest on and principal of the more subordinated Classes of Notes.

The classes of Notes are "sequential pay" classes. On each Payment Date, all amounts on deposit in the Principal Distribution Account will be paid out in the following order:

- first, the Class A Notes will amortize until the Class A Note Balance has been reduced to zero;
- once the Class A Note Balance has been reduced to zero, the Class B Notes will begin to amortize, until the Class B Note Balance has been reduced to zero;
- once the Class B Note Balance has been reduced to zero, the Class C Notes will begin to amortize, until the Class C Note Balance has been reduced to zero; and
- once the Class C Note Balance has been reduced to zero, the Class D Notes will begin to amortize, until the Class D Note Balance has been reduced to zero.

The outstanding balance of each Class of Notes, to the extent not previously paid, will be payable in full on the Final Scheduled Payment Date for that Class, which will be,

- for the Class A Notes, the January 2021 Payment Date;
- for the Class B Notes, the May 2021 Payment Date;
- for the Class C Notes, the September 2021 Payment Date; and
- for the Class D notes, the February 2023 Payment Date.

The actual date on which the aggregate outstanding principal amount of any Class of Notes is paid may be earlier than the Final Scheduled Payment Date for that class, depending on a variety of factors, certain of which are discussed in "*Prepayment and Yield Considerations*" in this private placement memorandum.

Priority of Payments

On each Payment Date, based solely upon written instruction from the Servicer (which instruction may be included in the Monthly Servicer Report), the Indenture Trustee will withdraw (x) from the Collection Account, the Collections received during the Collection Period relating to such Payment Date and (y) from the Reserve Account, all amounts on deposit therein as of the related Monthly Determination Date (the "**Reserve Account Draw Amount**"), and apply such amounts in the following order of priority (the "**Priority of Payments**") (the aggregate of the amounts described in (x) and (y), the "**Available Funds**" for such Payment Date):

(i) (1) *first*, pro rata (based on amounts owing), (A) to the Indenture Trustee and the Note Registrar for fees and expenses due to the Indenture Trustee or the Note Registrar pursuant to the Indenture, (B) to the Owner Trustee for amounts due pursuant to the Trust Agreement, (C) to the Back-up Servicer, any expenses of the Back-up Servicer (other than Servicing Transition Costs) reimbursable pursuant to the Back-up Servicing Agreement, if any, that have not been paid by the Servicer, (D) to the Depositor Loan Trustee, all fees and all reasonable out-of-pocket expenses then due to the Depositor Loan Trustee pursuant to the Depositor Loan Trust Agreement and (E) to the Issuer Loan Trustee, all fees and all reasonable out-of-pocket expenses then due to the Issuer Loan Trustee pursuant to the Issuer Loan Trust Agreement; and (2) *second*, to the Owner Trustee, the Indenture Trustee, the Note Registrar, the Depositor Loan Trustee, the Issuer Loan Trustee and any other Person entitled thereto, on a pro rata basis (based on amounts owing), any indemnified amounts due and owing from the Issuer pursuant to any Transaction Document, in an aggregate amount for (1) and (2) above, not to exceed $200,000 during any calendar year; provided, that if an Event of Default shall have occurred and be continuing, such limitations shall not apply;

(ii) to the Back-up Servicer, (x) an amount equal to the Back-up Servicing Fee for such Payment Date, plus the amount of any Back-up Servicing Fee previously due but not previously paid to the Back-up Servicer; and (y) in the event that a Servicing Transition Period has commenced, an amount equal to the Servicing Transition Costs, if any, not paid by the Servicer pursuant to the Back-up Servicing Agreement; provided, that the aggregate amount paid pursuant to this clause (ii)(y) on all Payment Dates shall not exceed $250,000;

(iii) to the Servicer, an amount equal to the Servicing Fee for such Payment Date (to the extent not retained by the Servicer as permitted under the Indenture), plus the amount of any Servicing Fee previously due but not previously paid to the Servicer;

(iv) to the Class A Noteholders, an amount equal to the Class A Monthly Interest Amount for such Payment Date, plus the amount of any Class A Monthly Interest Amount previously due but not previously paid to the Class A Noteholders with interest thereon at the Class A Interest Rate;

(v) an amount equal to the lesser of (x) the First Priority Principal Payment for such Payment Date and (y) all funds remaining after giving effect to the distributions in clauses (i) through (iv) above, to be deposited into the Principal Distribution Account;

(vi) to the Class B Noteholders, an amount equal to the Class B Monthly Interest Amount for such Payment Date, plus the amount of any Class B Monthly Interest Amount previously due but not previously paid to the Class B Noteholders with interest thereon at the Class B Interest Rate;

(vii) an amount equal to the lesser of (x) the Second Priority Principal Payment for such Payment Date and (y) all funds remaining after giving effect to the distributions in clauses (i) through (vi) above, to be deposited into the Principal Distribution Account;

(viii) to the Class C Noteholders, an amount equal to the Class C Monthly Interest Amount for such Payment Date, plus the amount of any Class C Monthly Interest Amount previously due but not previously paid to the Class C Noteholders with interest thereon at the Class C Interest Rate;

(ix) an amount equal to the lesser of (x) the Third Priority Principal Payment for such Payment Date and (y) all funds remaining after giving effect to the distributions in clauses (i) through (viii) above, to be deposited into the Principal Distribution Account;

(x) to the Class D Noteholders, an amount equal to the Class D Monthly Interest Amount for such Payment Date, plus the amount of any Class D Monthly Interest Amount previously due but not previously paid to the Class D Noteholders with interest thereon at the Class D Interest Rate;

(xi) an amount equal to the lesser of (x) the Fourth Priority Principal Payment for such Payment Date and (y) all funds remaining after giving effect to the distributions in clauses (i) through (x) above, to be deposited into the Principal Distribution Account;

(xii) to the Reserve Account, an amount equal to the lesser of (x) the amount (if any) required to cause the amount of cash on deposit in the Reserve Account to equal the Required Reserve Account Amount and (y) all funds remaining after giving effect to the distributions in clauses (i) through (xi) above;

(xiii) an amount equal to the lesser of (x) the Regular Principal Payment Amount and (y) all funds remaining after giving effect to the distributions in clauses (i) through (xii) above, to be deposited into the Principal Distribution Account;

(xiv) to the Owner Trustee, the Indenture Trustee, the Note Registrar, the Depositor Loan Trustee, the Issuer Loan Trustee and the Back-up Servicer, on a pro rata basis (based on amounts owing), an amount equal to the lesser of (x) (A) fees and expenses due to the Indenture Trustee or the Note

Registrar pursuant to the Indenture, (B) fees and expenses due to the Owner Trustee pursuant to the Trust Agreement, (C) any expenses due to the Back-up Servicer (other than Servicing Transition Costs) reimbursable pursuant to the Back-up Servicing Agreement, if any, that have not been paid by the Servicer, (D) any fees and expenses due to the Depositor Loan Trustee pursuant to the Depositor Loan Trust Agreement and (E) any fees and expenses due to the Issuer Loan Trustee pursuant to the Issuer Loan Trust Agreement in each case, to the extent not paid in full pursuant to clause (i)(1) above and (y) all funds remaining after giving effect to the distributions in clauses (i) through (xiii) above;

(xv) to the Owner Trustee, the Indenture Trustee, the Note Registrar, the Back-up Servicer, the Depositor Loan Trustee, the Issuer Loan Trustee and any other Person entitled thereto, on a pro rata basis (based on amounts owing), an amount equal to the lesser of (x) any indemnified amounts due and owing from the Issuer pursuant to any Transaction Document to the extent not paid in full pursuant to clause (i)(2) above and (y) all funds remaining after giving effect to the distributions in clauses (i) through (xiv) above; and

(xvi) for application in accordance with the Trust Agreement.

As reflected in the definitions of First Priority Principal Payment, Second Priority Principal Payment, Third Priority Principal Payment and Fourth Priority Principal Payment, following the occurrence of an Event of Default, the priority of payments changes with the result that all principal and accrued but unpaid interest on a senior Class of Notes will be paid before any such amounts are paid in respect of any Class of Notes that is subordinate to such senior Class.

The "**Class A Monthly Interest Amount**" for any Payment Date will be the amount of interest accrued during the related Interest Period at the Class A Interest Rate on the Class A Note Balance as of the close of business on the immediately preceding Payment Date (or in the case of the first Payment Date, the Closing Date), calculated on the basis of a 360-day year consisting of twelve 30-day months.

The "**Class B Monthly Interest Amount**" for any Payment Date will be the amount of interest accrued during the related Interest Period at the Class B Interest Rate on the Class B Note Balance as of the close of business on the immediately preceding Payment Date (or in the case of the first Payment Date, the Closing Date), calculated on the basis of a 360-day year consisting of twelve 30-day months.

The "**Class C Monthly Interest Amount**" for any Payment Date will be the amount of interest accrued during the related Interest Period at the Class C Interest Rate on the Class C Note Balance as of the close of business on the immediately preceding Payment Date (or in the case of the first Payment Date, the Closing Date), calculated on the basis of a 360-day year consisting of twelve 30-day months.

The "**Class D Monthly Interest Amount**" for any Payment Date will be the amount of interest accrued during the related Interest Period at the Class D Interest Rate on the Class D Note Balance as of the close of business on the immediately preceding Payment Date (or in the case of the first Payment Date, the Closing Date), calculated on the basis of a 360-day year consisting of twelve 30-day months.

The "**First Priority Principal Payment**" for any Payment Date will be, (x) at any time prior to the occurrence of an Event of Default, an amount equal to the excess (if any) of (A) the Class A Note Balance as of the end of the related Collection Period over (B) the Adjusted Loan Principal Balance as of the end of the related Collection Period and (y) at any time from and after the occurrence of an Event of Default or on or after the Final Scheduled Payment Date in respect of the Class A Notes, the Class A Note Balance.

The "**Second Priority Principal Payment**" for any Payment Date will be, (x) at any time prior to the occurrence of an Event of Default, an amount equal to the excess (if any) of (A) the sum of (I) the Class A Note Balance as of the end of the related Collection Period plus (II) the Class B Note Balance as of the end of the related Collection Period minus the amount on deposit in the Principal Distribution Account (after giving effect to any allocations to the Principal Distribution Account pursuant to clause (v) in the Priority of Payments set forth above)

over (B) the Adjusted Loan Principal Balance as of the end of the related Collection Period and (y) at any time from and after the occurrence of an Event of Default or on or after the Final Scheduled Payment Date in respect of the Class B Notes, the sum of the Class A Note Balance and the Class B Note Balance minus the amount on deposit in the Principal Distribution Account (after giving effect to any allocations to the Principal Distribution Account pursuant to clause (v) in the Priority of Payments set forth above).

The "**Third Priority Principal Payment**" for any Payment Date will be, (x) at any time prior to the occurrence of an Event of Default, an amount equal to the excess (if any) of (A) the sum of (I) the Class A Note Balance as of the end of the related Collection Period plus (II) the Class B Note Balance as of the end of the related Collection Period plus (III) the Class C Note Balance as of the end of the related Collection Period minus the amount on deposit in the Principal Distribution Account (after giving effect to any allocations to the Principal Distribution Account pursuant to clauses (v) and (vii) in the Priority of Payments set forth above) over (B) the Adjusted Loan Principal Balance as of the end of the related Collection Period and (y) at any time from and after the occurrence of an Event of Default or on or after the Final Scheduled Payment Date in respect of the Class C Notes, the sum of the Class A Note Balance, the Class B Note Balance and the Class C Note Balance minus the amount on deposit in the Principal Distribution Account (after giving effect to any allocations to the Principal Distribution Account pursuant to clauses (v) and (vii) in the Priority of Payments set forth above).

The "**Fourth Priority Principal Payment**" for any Payment Date will be, (x) at any time prior to the occurrence of an Event of Default, an amount equal to the excess (if any) of (A) the sum of (I) the Class A Note Balance as of the end of the related Collection Period plus (II) the Class B Note Balance as of the end of the related Collection Period plus (III) the Class C Note Balance as of the end of the related Collection Period plus (IV) the Class D Note Balance as of the end of the related Collection Period minus the amount on deposit in the Principal Distribution Account (after giving effect to any allocations to the Principal Distribution Account pursuant to clauses (v), (vii) and (ix) in the Priority of Payments set forth above) over (B) the Adjusted Loan Principal Balance as of the end of the related Collection Period and (y) at any time from and after the occurrence of an Event of Default or on or after the Final Scheduled Payment Date in respect of the Class D Notes, the sum of the Class A Note Balance, the Class B Note Balance, the Class C Note Balance and the Class D Note Balance minus the amount on deposit in the Principal Distribution Account (after giving effect to any allocations to clauses (v), (vii) and (ix) in the Priority of Payments set forth above).

The "**Regular Principal Payment Amount**" shall mean, with respect to any Payment Date, an amount equal to the excess (if any) of (i) the Aggregate Note Principal Balance as of the end of the related Collection Period minus the amount on deposit in the Principal Distribution Account (after giving effect to any allocations on such Payment Date to the Principal Distribution Account pursuant to clauses (v), (vii), (ix) and (xi) of the Priority of Payments set forth above) over (ii) (A) the Adjusted Loan Principal Balance as of the end of the related Collection Period minus (B) the Target Overcollateralization Amount.

The "**Interest Period**" for each Class of Notes and each Payment Date will be the period from and including the 15th day of the month preceding the Payment Date (or in the case of the first Payment Date, from and including the Closing Date) to but excluding the 15th day of the month in which such Payment Date occurs. Interest will be calculated on the Notes on the basis of a 360-day year comprised of twelve 30-day months.

Reserve Account

The Servicer, for the benefit of the Noteholders will establish and maintain with the Indenture Trustee and in the name of the Indenture Trustee, on behalf of the Issuer, a non-interest bearing Eligible Deposit Account that shall bear a designation clearly indicating that the funds deposited therein are held for the benefit of the Noteholders (the "**Reserve Account**"). On each Payment Date, all amounts on deposit in the Reserve Account will be withdrawn by the Indenture Trustee and, together with any other Available Funds, be applied in accordance with the Priority of Payments. Any amounts remaining after making payments pursuant to clauses (i) through (xi) of the Priority of Payments set forth above on any Payment Date, up to the Required Reserve Account Amount, will be deposited to the Reserve Account on such Payment Date.

No Principal or Interest Advance Obligation

None of the Servicer, the Back-up Servicer, the Note Registrar or the Indenture Trustee is under any obligation to remit interest or principal in respect of a Loan except to the extent such party actually received principal of, or interest on, or other Collections in respect of such Loan during the related Collection Period.

Redemption

At any time on or after the Optional Redemption Date, the Depositor may, at its option, purchase all of the Loans from the Issuer and the Issuer Loan Trustee for the benefit of the Issuer. With respect to any such purchase, the purchase price will equal the sum of (i) the Loan Principal Balance of each Loan, plus accrued and unpaid interest on such Loan and (ii) any expenses, indemnification amounts or other amounts owed to the Indenture Trustee, the Note Registrar, the Owner Trustee, the Depositor Loan Trustee, the Issuer Loan Trustee or the Back-up Servicer (or, if greater, the amount necessary to redeem all of the Notes on such day). If the Depositor elects to purchase all of the Loans as described above, the Issuer will be required to redeem all the Notes from the proceeds of such purchase.

Additionally, each of the Notes is subject to redemption in whole, but not in part, on any Payment Date on which the sum of amounts on deposit in the Reserve Account and remaining Available Funds after the payments under clauses (i) through (xi) and clause (x) of each of clause (xiv) and clause (xv) in the Priority of Payments set forth under "*—Priority of Payments*" above would be sufficient to pay in full the outstanding principal balance of the Outstanding Notes as determined by the Servicer. On such Payment Date, (a) the Indenture Trustee, upon written direction from the Servicer, will transfer all amounts on deposit in the Reserve Account to the Collection Account and (b) the outstanding Notes shall be redeemed in whole, but not in part.

PREPAYMENT AND YIELD CONSIDERATIONS

Amounts that are allocated to the Principal Distribution Account pursuant to the Priority of Payments, will be used to pay principal on the Notes.

The weighted average life of the Notes will generally be influenced by the timing of the occurrence (if any) of an Event of Default, the rate of payment, and the rate of prepayments, of principal on the Loans and other factors. The Loans are prepayable in full by the Loan Obligor at any time without penalty. Full and partial prepayments on Loans will be paid or distributed as Available Funds pursuant to the Priority of Payments on the next Payment Date following the Collection Period in which they are received. If prepayments are received on the Loans, their actual weighted average lives may be shorter than their weighted average lives would be if all payments were made as scheduled and no prepayments were made. Weighted average life means the average amount of time during which any principal is outstanding on a direct auto loan. For this purpose "prepayments" include all full prepayments, partial prepayments, and recoveries, as well as amounts received on Loans that are repurchased. The rate and timing of prepayment on the Loans may be influenced by a variety of economic, social and other factors. See "*Risk Factors—Yield Considerations/Prepayments*" in this private placement memorandum.

Moreover, under certain circumstances, the Depositor may cause the Notes to be redeemed. See "*Description of the Notes—Redemption*" in this private placement memorandum. If any such redemption were to occur, Noteholders will receive payments of principal on their Notes earlier than they otherwise would.

It is possible that the final payment on any Class of Notes could occur significantly earlier than the Final Scheduled Payment Date for that Class. The Noteholders will bear all the reinvestment risks resulting from distributions of principal on the Notes. These reinvestment risks include the possibility that the Noteholders may not be able to reinvest distributions of principal in alternative comparable investments having similar yields See "*Risk Factors—Yield Considerations/Prepayments*" in this private placement memorandum.

Prepayments on direct auto loan contracts can be measured against prepayment standards or models. The model used in this Memorandum, the absolute prepayment model, or "**ABS**," assumes a rate of prepayment each month which is related to the original number of Loans in the Loan Pool. ABS also assumes that all of the Loans in

a pool are the same size, that all of those Loans amortize at the same rate and that for every month that any individual Loan is outstanding, payments on that particular Loan will either be made as scheduled or the Loan will be prepaid in full. For example, in a pool of Loans originally containing 10,000 Loans, if a 1% ABS was used, that would mean that 100 Loans would prepay in full each month. The percentage of prepayments that is assumed for ABS is not a historical description of prepayment experience on pools of Loans or a prediction of the anticipated rate of prepayment on either the pool of Loans involved in this transaction or on any pool of Loans. The actual rate of prepayments on the Loans may not in any way be related to the percentage of prepayments that was assumed for ABS.

The table below represents a hypothetical pool of loans that has been disaggregated into 6 smaller hypothetical pools having the characteristics set forth in the table below. The level scheduled monthly payment for each of the hypothetical pools is based on aggregate loan principal balance, weighted average coupon, weighted average loan original term and weighted average loan remaining term assumed as of the Cut-Off Date, such that each hypothetical pool set forth below will be fully amortized by the end of its remaining term to maturity.

Hypothetical Pool	Aggregate Loan Principal Balance	Weighted Average Coupon (%)	Weighted Average Loan Original Term To Maturity (Months)	Weighted Average Loan Remaining Term To Maturity (Months)
1	$233,637.78	19.962	32	10
2	$14,223,574.50	19.659	37	21
3	$134,938,851.83	18.643	46	32
4	$362,914,061.37	17.812	51	43
5	$225,454,911.61	15.982	59	54
6	$16,139,160.97	14.362	66	63
Total	**$753,904,198.06**			

In addition, the following assumptions have been used in preparing the tables below:

- all prepayments on the Loans each month are made in full at the specified monthly ABS and there are no defaults, losses or repurchases;
- each scheduled monthly payment on the Loans is made on the last day of each month, whether or not such day is a business day, and each month has 30 days (including the initial Collection Period);
- the initial Note Principal Balance of the Class A Notes, the Class B Notes, the Class C Notes, and the Class D Notes is equal to the initial Note Principal Balance set forth the Notes Table;
- interest accrues on the Class A Notes at 2.02% per annum, the Class B Notes at 2.71% per annum, the Class C Notes at 4.53% per annum, and the Class D Notes at 7.00% per annum;
- the Loans have the same characteristics as set forth herein as of the Cut-Off Date;
- payments on the Notes are made on the fifteenth day of each month commencing in August 2016, whether or not such day is a business day;
- the Notes are purchased on July 19, 2016;
- the scheduled monthly payment for each Loan was calculated on the basis of the characteristics described in the above table and in such a way that such Loan would amortize in a manner that will be sufficient to repay the Loan Principal Balance of such Loan by its indicated remaining term to maturity;

- the Depositor does not elect to cause the Notes to be redeemed (except as otherwise noted in the tables below);

- no Event of Default occurs;

- the Required Reserve Account Amount is $7,539,041.98 on each Payment Date and the Reserve Account is funded in the amount of the Required Reserve Account Amount on the Closing Date;

- the Servicer receives a monthly servicing fee equal to the product of (i) 2.50%, multiplied by (ii) the aggregate Loan Principal Balance as of the first day of the related Collection Period (or, in the case of the initial Payment Date, the Cut-Off Date), multiplied by (iii) one-twelfth (1/12);

- the Back-up Servicer receives a monthly fee equal to the greater of (x) $5,000 and (y) the product of (i) 0.03%, multiplied by (ii) the aggregate Loan Principal Balance of all Loans as of the first day of the related Collection Period (or, in the case of the initial Payment Date, the Cut-Off Date), multiplied by (iii) one-twelfth (1/12);

- the Indenture Trustee receives a monthly fee equal to one-twelfth (1/12) of $12,000;

- the Owner Trustee receives an annual fee equal to $3,000 payable every August commencing in August 2017;

- the Depositor Loan Trustee receives a monthly fee equal to one-twelfth (1/12) of $3,000;

- the Issuer Loan Trustee receives a monthly fee equal to one-twelfth (1/12) of $10,500; and

- all other fees and expenses are zero (0).

The following tables were created relying on the assumptions listed above. The tables below indicate the percentages of the initial principal amount of each Class of Notes that would be outstanding after each of the listed Payment Dates if a certain ABS is assumed. The tables below also indicate the corresponding weighted average lives of each Class of Notes if the same percentages of ABS are assumed.

The assumptions used to construct the tables are hypothetical and have been provided only to give a general sense of how the principal cash flows might behave under various prepayment scenarios. The actual characteristics and performance of the Loans will differ from the assumptions used to construct the tables. For example, it is very unlikely that the Loans will prepay at a constant ABS until maturity or that all of the Loans will prepay at the same ABS. Moreover, the diverse terms of the Loans could produce slower or faster principal distributions than indicated in the tables at the various ABSs specified. Any difference between the assumptions used to construct the tables and the actual characteristics and performance of the Loans, including actual prepayment experience or losses, will affect the percentages of initial principal amounts of each Class of Notes outstanding on any given date and the weighted average lives of each Class of Notes.

As used in the tables which follow, the "**weighted average life**" of a Class of Notes is determined by:

- multiplying the amount of each principal payment on a Class of Notes by the number of years from the date of the issuance of such Notes to the related Payment Date;

- adding the results; and

- dividing the sum by the related initial Note Principal Balance of such Class of Notes.

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Percent of Initial Note Principal Balance Outstanding at Various Prepayment Assumptions (ABS)						
	Class A Notes					
Payment Date	**0.50%**	**1.00%**	**1.50%**	**2.00%**	**2.50%**	**3.00%**
Closing Date	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
8/15/2016	95.89%	95.19%	94.42%	93.57%	92.62%	91.54%
9/15/2016	91.83%	90.46%	88.96%	87.30%	85.45%	83.35%
10/15/2016	87.79%	85.79%	83.60%	81.17%	78.45%	75.38%
11/15/2016	83.77%	81.18%	78.32%	75.17%	71.64%	67.65%
12/15/2016	79.78%	76.61%	73.14%	69.30%	65.01%	60.16%
1/15/2017	75.80%	72.10%	68.05%	63.56%	58.56%	52.91%
2/15/2017	71.84%	67.80%	63.42%	58.58%	53.17%	47.07%
3/15/2017	69.17%	64.70%	59.81%	54.40%	48.37%	41.56%
4/15/2017	66.53%	61.62%	56.24%	50.30%	43.68%	36.22%
5/15/2017	63.88%	58.56%	52.73%	46.29%	39.13%	31.05%
6/15/2017	61.23%	55.52%	49.27%	42.37%	34.70%	26.05%
7/15/2017	58.57%	52.50%	45.87%	38.55%	30.40%	21.24%
8/15/2017	55.90%	49.51%	42.52%	34.81%	26.24%	16.60%
9/15/2017	53.23%	46.54%	39.22%	31.16%	22.21%	12.15%
10/15/2017	50.54%	43.59%	35.99%	27.62%	18.32%	7.89%
11/15/2017	47.86%	40.67%	32.81%	24.17%	14.58%	3.83%
12/15/2017	45.16%	37.77%	29.70%	20.82%	10.99%	0.00%
1/15/2018	42.46%	34.89%	26.64%	17.58%	7.54%	0.00%
2/15/2018	39.75%	32.05%	23.65%	14.44%	4.25%	0.00%
3/15/2018	37.03%	29.23%	20.73%	11.41%	1.11%	0.00%
4/15/2018	34.30%	26.44%	17.87%	8.49%	0.00%	0.00%
5/15/2018	31.68%	23.77%	15.15%	5.73%	0.00%	0.00%
6/15/2018	29.05%	21.12%	12.50%	3.08%	0.00%	0.00%
7/15/2018	26.42%	18.51%	9.92%	0.54%	0.00%	0.00%
8/15/2018	23.78%	15.92%	7.40%	0.00%	0.00%	0.00%
9/15/2018	21.13%	13.37%	4.96%	0.00%	0.00%	0.00%
10/15/2018	18.48%	10.85%	2.59%	0.00%	0.00%	0.00%
11/15/2018	15.82%	8.36%	0.30%	0.00%	0.00%	0.00%
12/15/2018	13.16%	5.91%	0.00%	0.00%	0.00%	0.00%
1/15/2019	10.49%	3.49%	0.00%	0.00%	0.00%	0.00%
2/15/2019	7.81%	1.10%	0.00%	0.00%	0.00%	0.00%
3/15/2019	5.13%	0.00%	0.00%	0.00%	0.00%	0.00%
4/15/2019	3.12%	0.00%	0.00%	0.00%	0.00%	0.00%
5/15/2019	1.11%	0.00%	0.00%	0.00%	0.00%	0.00%
6/15/2019	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Weighted Average Life to Call (years) [(1)]	1.34	1.18	1.02	0.87	0.74	0.63
Weighted Average Life to Maturity (years)	1.34	1.18	1.02	0.87	0.74	0.63

[(1)] Assumes the Depositor will exercise its right to purchase the Loans described under "*Description of the Notes—Redemption*" on the Optional Redemption Date.

Percent of Initial Note Principal Balance Outstanding at Various Prepayment Assumptions (ABS)						
	Class B Notes					
Payment Date	**0.50%**	**1.00%**	**1.50%**	**2.00%**	**2.50%**	**3.00%**
Closing Date	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
8/15/2016	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
9/15/2016	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
10/15/2016	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
11/15/2016	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
12/15/2016	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
1/15/2017	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
2/15/2017	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
3/15/2017	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
4/15/2017	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
5/15/2017	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
6/15/2017	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
7/15/2017	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
8/15/2017	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
9/15/2017	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
10/15/2017	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
11/15/2017	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
12/15/2017	100.00%	100.00%	100.00%	100.00%	100.00%	99.60%
1/15/2018	100.00%	100.00%	100.00%	100.00%	100.00%	51.40%
2/15/2018	100.00%	100.00%	100.00%	100.00%	100.00%	5.91%
3/15/2018	100.00%	100.00%	100.00%	100.00%	100.00%	0.00%
4/15/2018	100.00%	100.00%	100.00%	100.00%	75.38%	0.00%
5/15/2018	100.00%	100.00%	100.00%	100.00%	38.36%	0.00%
6/15/2018	100.00%	100.00%	100.00%	100.00%	3.43%	0.00%
7/15/2018	100.00%	100.00%	100.00%	100.00%	0.00%	0.00%
8/15/2018	100.00%	100.00%	100.00%	75.00%	0.00%	0.00%
9/15/2018	100.00%	100.00%	100.00%	44.48%	0.00%	0.00%
10/15/2018	100.00%	100.00%	100.00%	15.55%	0.00%	0.00%
11/15/2018	100.00%	100.00%	100.00%	0.00%	0.00%	0.00%
12/15/2018	100.00%	100.00%	74.70%	0.00%	0.00%	0.00%
1/15/2019	100.00%	100.00%	46.45%	0.00%	0.00%	0.00%
2/15/2019	100.00%	100.00%	19.27%	0.00%	0.00%	0.00%
3/15/2019	100.00%	83.56%	0.00%	0.00%	0.00%	0.00%
4/15/2019	100.00%	59.71%	0.00%	0.00%	0.00%	0.00%
5/15/2019	100.00%	36.22%	0.00%	0.00%	0.00%	0.00%
6/15/2019	88.07%	13.10%	0.00%	0.00%	0.00%	0.00%
7/15/2019	61.39%	0.00%	0.00%	0.00%	0.00%	0.00%
8/15/2019	34.67%	0.00%	0.00%	0.00%	0.00%	0.00%
9/15/2019	7.91%	0.00%	0.00%	0.00%	0.00%	0.00%
10/15/2019	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Weighted Average Life to Call (years) [(1)]	2.98	2.73	2.47	2.13	1.80	1.49
Weighted Average Life to Maturity (years)	3.07	2.82	2.52	2.18	1.84	1.54

[(1)] Assumes the Depositor will exercise its right to purchase the Loans described under "*Description of the Notes—Redemption*" on the Optional Redemption Date.

Percent of Initial Note Principal Balance Outstanding at Various Prepayment Assumptions (ABS)						
	Class C Notes					
Payment Date	**0.50%**	**1.00%**	**1.50%**	**2.00%**	**2.50%**	**3.00%**
Closing Date	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
8/15/2016	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
9/15/2016	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
10/15/2016	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
11/15/2016	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
12/15/2016	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
1/15/2017	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
2/15/2017	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
3/15/2017	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
4/15/2017	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
5/15/2017	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
6/15/2017	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
7/15/2017	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
8/15/2017	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
9/15/2017	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
10/15/2017	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
11/15/2017	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
12/15/2017	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
1/15/2018	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
2/15/2018	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
3/15/2018	100.00%	100.00%	100.00%	100.00%	100.00%	70.76%
4/15/2018	100.00%	100.00%	100.00%	100.00%	100.00%	37.68%
5/15/2018	100.00%	100.00%	100.00%	100.00%	100.00%	5.77%
6/15/2018	100.00%	100.00%	100.00%	100.00%	100.00%	0.00%
7/15/2018	100.00%	100.00%	100.00%	100.00%	73.88%	0.00%
8/15/2018	100.00%	100.00%	100.00%	100.00%	45.15%	0.00%
9/15/2018	100.00%	100.00%	100.00%	100.00%	17.71%	0.00%
10/15/2018	100.00%	100.00%	100.00%	100.00%	0.00%	0.00%
11/15/2018	100.00%	100.00%	100.00%	89.55%	0.00%	0.00%
12/15/2018	100.00%	100.00%	100.00%	66.74%	0.00%	0.00%
1/15/2019	100.00%	100.00%	100.00%	43.83%	0.00%	0.00%
2/15/2019	100.00%	100.00%	100.00%	22.36%	0.00%	0.00%
3/15/2019	100.00%	100.00%	93.94%	2.61%	0.00%	0.00%
4/15/2019	100.00%	100.00%	75.34%	0.00%	0.00%	0.00%
5/15/2019	100.00%	100.00%	56.88%	0.00%	0.00%	0.00%
6/15/2019	100.00%	100.00%	38.22%	0.00%	0.00%	0.00%
7/15/2019	100.00%	91.42%	20.37%	0.00%	0.00%	0.00%
8/15/2019	100.00%	71.54%	3.34%	0.00%	0.00%	0.00%
9/15/2019	100.00%	50.98%	0.00%	0.00%	0.00%	0.00%
10/15/2019	83.21%	30.15%	0.00%	0.00%	0.00%	0.00%
11/15/2019	58.95%	9.74%	0.00%	0.00%	0.00%	0.00%
12/15/2019	32.98%	0.00%	0.00%	0.00%	0.00%	0.00%
1/15/2020	6.99%	0.00%	0.00%	0.00%	0.00%	0.00%
2/15/2020	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Weighted Average Life to Call (years) [(1)]	2.99	2.74	2.49	2.16	1.82	1.49
Weighted Average Life to Maturity (years)	3.39	3.20	2.90	2.51	2.10	1.75

[(1)] Assumes the Depositor will exercise its right to purchase the Loans described under "*Description of the Notes—Redemption*" on the Optional Redemption Date.

Percent of Initial Note Principal Balance Outstanding at Various Prepayment Assumptions (ABS)						
	Class D Notes					
Payment Date	**0.50%**	**1.00%**	**1.50%**	**2.00%**	**2.50%**	**3.00%**
Closing Date	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
8/15/2016	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
9/15/2016	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
10/15/2016	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
11/15/2016	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
12/15/2016	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
1/15/2017	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
2/15/2017	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
3/15/2017	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
4/15/2017	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
5/15/2017	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
6/15/2017	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
7/15/2017	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
8/15/2017	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
9/15/2017	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
10/15/2017	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
11/15/2017	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
12/15/2017	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
1/15/2018	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
2/15/2018	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
3/15/2018	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
4/15/2018	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
5/15/2018	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
6/15/2018	100.00%	100.00%	100.00%	100.00%	100.00%	76.82%
7/15/2018	100.00%	100.00%	100.00%	100.00%	100.00%	49.90%
8/15/2018	100.00%	100.00%	100.00%	100.00%	100.00%	24.76%
9/15/2018	100.00%	100.00%	100.00%	100.00%	100.00%	0.00%
10/15/2018	100.00%	100.00%	100.00%	100.00%	94.69%	0.00%
11/15/2018	100.00%	100.00%	100.00%	100.00%	73.97%	0.00%
12/15/2018	100.00%	100.00%	100.00%	100.00%	54.72%	0.00%
1/15/2019	100.00%	100.00%	100.00%	100.00%	36.97%	0.00%
2/15/2019	100.00%	100.00%	100.00%	100.00%	20.76%	0.00%
3/15/2019	100.00%	100.00%	100.00%	100.00%	0.00%	0.00%
4/15/2019	100.00%	100.00%	100.00%	86.21%	0.00%	0.00%
5/15/2019	100.00%	100.00%	100.00%	71.10%	0.00%	0.00%
6/15/2019	100.00%	100.00%	100.00%	57.18%	0.00%	0.00%
7/15/2019	100.00%	100.00%	100.00%	44.47%	0.00%	0.00%
8/15/2019	100.00%	100.00%	100.00%	33.02%	0.00%	0.00%
9/15/2019	100.00%	100.00%	87.79%	22.83%	0.00%	0.00%
10/15/2019	100.00%	100.00%	73.21%	0.00%	0.00%	0.00%
11/15/2019	100.00%	100.00%	59.48%	0.00%	0.00%	0.00%
12/15/2019	100.00%	90.25%	46.60%	0.00%	0.00%	0.00%
1/15/2020	100.00%	71.64%	34.60%	0.00%	0.00%	0.00%
2/15/2020	81.91%	53.45%	23.51%	0.00%	0.00%	0.00%
3/15/2020	73.56%	46.80%	18.65%	0.00%	0.00%	0.00%
4/15/2020	65.21%	40.29%	0.00%	0.00%	0.00%	0.00%
5/15/2020	56.86%	33.92%	0.00%	0.00%	0.00%	0.00%
6/15/2020	48.51%	27.70%	0.00%	0.00%	0.00%	0.00%
7/15/2020	40.16%	21.63%	0.00%	0.00%	0.00%	0.00%
8/15/2020	31.82%	15.72%	0.00%	0.00%	0.00%	0.00%
9/15/2020	23.49%	0.00%	0.00%	0.00%	0.00%	0.00%
10/15/2020	15.15%	0.00%	0.00%	0.00%	0.00%	0.00%
11/15/2020	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Weighted Average Life to Call (years) [(1)]	2.99	2.74	2.49	2.16	1.82	1.49
Weighted Average Life to Maturity (years)	3.94	3.74	3.44	3.00	2.47	2.03

(1) Assumes the Depositor will exercise its right to purchase the Loans described under "*Description of the Notes—Redemption*" on the Optional Redemption Date.

THE LOAN PURCHASE AGREEMENT

The Sellers will sell the Loans on the Closing Date to the Depositor and the Depositor Loan Trustee for the benefit of the Depositor pursuant to the loan purchase agreement, dated as of the Closing Date, among each of the Sellers, the Depositor and the Depositor Loan Trustee (the "**Loan Purchase Agreement**"). For further detail on (i) conveyances of Loans from the Sellers to the Depositor and the Depositor Loan Trustee for the benefit of the Depositor and from the Depositor and the Depositor Loan Trustee for the benefit of the Depositor to the Issuer and the Issuer Loan Trustee for the benefit of the Issuer on the Closing Date and (ii) Loan repurchase obligations as a consequence of breaches of certain representations and warranties, see "*Description of the Loans—Assignment of Loans, Representations and Warranties, Repurchase Obligations and Renewals*" in this private placement memorandum. The Loan Purchase Agreement may be amended or modified by a written agreement executed by the Depositor and each Seller, with the consent of the Issuer. The Depositor is required to deliver a form of any such amendment to the Rating Agencies.

The Issuer has agreed in the Indenture that it will not terminate, amend, waive, supplement or otherwise modify any of, and will not consent to any of the foregoing with respect to, or consent to the assignment by any party of, the Transaction Documents to which it is a party except as described in "*The Indenture—Modifications of Transaction Documents*" in this private placement memorandum.

Notwithstanding the foregoing, in certain cases, the Issuer may amend, modify, waive, supplement or agree to any amendment, modification, supplement or waiver of the terms of the Loan Purchase Agreement without the consent of any Holders of Notes. See "*Risk Factors—The Noteholders Have Limited Control over Amendments, Modifications and Waivers to, and Assignments of, the Indenture and other Transaction Documents*" in this private placement memorandum.

THE SALE AND SERVICING AGREEMENT AND THE BACK-UP SERVICING AGREEMENT

The Loans will be conveyed by the Depositor and the Depositor Loan Trustee for the benefit of the Depositor to the Issuer and the Issuer Loan Trustee for the benefit of the Issuer pursuant to the terms of the sale and servicing agreement, dated as of the Closing Date (the "**Sale and Servicing Agreement**") among the Depositor, the Depositor Loan Trustee, the Issuer, the Issuer Loan Trustee and the Servicer. In addition, the Loans will be serviced pursuant to the terms of the Sale and Servicing Agreement. Under the Sale and Servicing Agreement, the Servicer will be responsible for ensuring that the Loans are serviced in accordance with the terms of the Sale and Servicing Agreement. The Servicer may delegate servicing responsibilities to other Persons and will enlist the Sellers to assist with some servicing functions, but such delegation does not, in any way, relieve the Servicer from any of its obligations to ensure that the Loans are serviced in accordance with the terms and conditions of the Sale and Servicing Agreement.

Set forth below are summaries of the specific terms and provisions pursuant to which the Loans will be conveyed by the Depositor and the Depositor Loan Trustee for the benefit of the Depositor to the Issuer and the Issuer Loan Trustee for the benefit of the Issuer and serviced by the Servicer. The summaries do not purport to be complete and are subject to, and are qualified in their entirety by reference to, the provisions of the Sale and Servicing Agreement.

Conveyance of Loans, Etc.

On the Closing Date, the Depositor and the Depositor Loan Trustee for the benefit of the Depositor will convey to the Issuer and, solely with respect to legal title to the Loans, the Issuer Loan Trustee the Purchased Assets acquired by the Depositor and the Depositor Loan Trustee for the benefit of the Depositor from the Sellers under the Loan Purchase Agreement on such date, its rights under the Loan Purchase Agreement and certain other assets for a purchase price equal to the aggregate Purchase Price paid by the Depositor to the Sellers in connection with the acquisition of such Purchased Assets under the Loan Purchase Agreement. Such purchase price shall be paid by the Issuer in cash to the extent of proceeds available from the issuance of the Notes and otherwise by delivery of the Class A trust certificates to the Depositor.

In connection with the conveyance of Loans and other related Purchased Assets by the Depositor and the Depositor Loan Trustee for the benefit of the Depositor to the Issuer and the Issuer Loan Trustee for the benefit of the Issuer under the Sale and Servicing Agreement, the Depositor will make the Loan Eligibility Representations. In connection with any breach of the Loan Eligibility Representations, the Depositor and the Depositor Loan Trustee for the benefit of the Depositor will have a repurchase obligation vis-à-vis the Issuer and the Issuer Loan Trustee for the benefit of the Issuer that parallels the repurchase obligation of the applicable Sellers vis-à-vis the Depositor and the Depositor Loan Trustee for the benefit of the Depositor under the Loan Purchase Agreement. Additionally, the conveyances of Loans and other related Purchased Assets by the Depositor and the Depositor Loan Trustee for the benefit of the Depositor to the Issuer and the Issuer Loan Trustee for the benefit of the Issuer under the Sale and Servicing Agreement are subject to the satisfaction of conditions similar to those described above under "*Description of the Loans—Assignment of Loans; Representations and Warranties; Repurchase Obligations and Renewals*" with respect the conveyance of Loans and other related Purchased Assets by the Sellers to the Depositor.

For further detail on (i) conveyances of Loans from the Sellers to the Depositor and the Depositor Loan Trustee for the benefit of the Depositor and from the Depositor and the Depositor Loan Trustee for the benefit of the Depositor to the Issuer and the Issuer Loan Trustee for the benefit of the Issuer on the Closing Date and (ii) Loan repurchase obligations as a consequence of breaches of certain representations and warranties, see "*Description of the Loans—Assignment of Loans; Representations and Warranties; Repurchase Obligations and Renewals*" in this private placement memorandum.

Servicing of Loans

The Servicer will service and administer the Loans (or cause the Loans to be serviced and administered) in accordance with the Customary Practices, all applicable Requirements of Law and the Sale and Servicing Agreement. The Servicer will have full power and authority, acting alone or through any party properly designated by it under the Sale and Servicing Agreement, to do any and all things in connection with such servicing and administration which the Servicer may deem necessary or desirable. Generally speaking, the Servicer will not be liable for any action taken or for refraining from taking action in good faith without willful misfeasance, bad faith or gross negligence or reckless disregard of its duties.

"**Customary Practices**" shall mean the customary and usual credit, servicing, administration and collection practices and procedures used by the Servicer for the underwriting and servicing of direct auto loans, as the same may be modified from time to time. The Servicer has covenanted not to modify the Customary Practices after the Closing Date in any manner that could reasonably be expected to result in an Event of Default. See "*Risk Factors—Modifications to the Customary Practices May Result in Changes to the Loan Pool and the Servicing of the Loans*" in this private placement memorandum. If the Back-up Servicer is appointed as Successor Servicer, "Customary Practices" shall mean the customary and usual servicing, administration and collection practices and procedures used by the Successor Servicer for servicing consumer loans comparable to the Loans which the Successor Servicer services for its own account. See "*Risk Factors—Replacement of the Servicer or Inability to Replace Servicer or Inability of Sellers to Assist in Servicing the Loans Could Result in Reduced Payments on the Notes*" in this private placement memorandum.

Pursuant to the Sale and Servicing Agreement, the Issuer Loan Trustee will authorize the Servicer, acting alone or through an Affiliate, to execute, deliver and perform any and all agreements, documents or certificates as the Issuer Loan Trustee may be requested or required to undertake in connection with enforcing its rights as the legal title holder to the Loans. In connection with the enforcement of any rights of the Issuer Loan Trustee with respect to any Loan, the Issuer Loan Trustee will furnish the Servicer with a power of attorney and any other documents reasonably necessary or appropriate to enable the Servicer to enforce such rights on behalf of the Issuer Loan Trustee.

The Servicer may at any time delegate its servicing and administration duties with respect to the Loans under the Sale and Servicing Agreement or enter subservicing arrangements with any Person (including any Seller) that agrees to conduct such duties in accordance with the Customary Practices and the terms of the Sale and Servicing Agreement. Notwithstanding any such delegation or subservicing arrangements, the Servicer shall remain obligated and solely liable to the Indenture Trustee and the Noteholders for the servicing and administering of the

Loans in accordance with the provisions of the Sale and Servicing Agreement to the same extent and under the same terms and conditions as if the Servicer alone were servicing and administering the Loans.

Servicing and Other Compensation and Payment of Expenses

As full compensation for its servicing activities under the Sale and Servicing Agreement, the Servicer will be entitled to receive the Servicing Fee payable in arrears on each Payment Date on or prior to the termination of the Trust pursuant to the terms of the Trust Agreement. The "**Servicing Fee**" for any Payment Date, other than the initial Payment Date, will be an amount equal to the product of (i) 2.50%, multiplied by (ii) the aggregate Loan Principal Balance as of the first day of the related Collection Period, multiplied by (iii) one-twelfth. The Servicing Fee for the initial Payment Date will be an amount equal to the product of (i) 2.50%, multiplied by (ii) the aggregate Loan Principal Balance as of the Cut-Off Date, multiplied by (iii) a fraction having as its numerator the number of days from the Closing Date through the end of the related Collection Period, and as its denominator, 360. The Servicing Fee will be payable to the Servicer solely to the extent that amounts are available for payment in accordance with the terms of the Indenture (including by the Servicer retaining Collections in an amount up to the aggregate accrued and unpaid Servicing Fee). As additional compensation, the Servicer will be entitled to retain all Supplemental Servicing Fees.

The Servicer shall be required to pay the fees, costs and expenses incurred by the Servicer in connection with its servicing responsibilities under the Sale and Servicing Agreement, including expenses related to enforcement of the Loans, out of its own account and will not be entitled to any payment or reimbursement therefor, except for certain costs and expenses incurred by the Servicer in connection with the repossession and disposition of Financing Vehicles and certain other amounts described in the definition of Excluded Amounts.

The Back-up Servicer is entitled to receive from the Issuer, on each Payment Date in accordance with the Priority of Payments, as compensation for its activities under the Back-up Servicing Agreement, a fee (the "**Back-up Servicing Fee**"). The Back-up Servicing Fee for any Payment Date is equal to the greater of (x) $5,000 and (y) the product of 0.03% per annum and the aggregate Loan Principal Balance of the Loans as of the first day of the related Collection Period (or, with respect to the first Payment Date, as of the Cut-Off Date). The Back-up Servicing Fee will no longer be payable to the extent that the Back-up Servicer has become the Successor Servicer.

The Back-up Servicer will be entitled to receive from the Servicer, (i) indemnification payments in respect of losses arising from or otherwise relating to the Back-up Servicer's participation in the transactions described in the Back-up Servicing Agreement, except to the extent that any such losses relate to or arise from the Back-up Servicer's gross negligence, willful misconduct or bad faith (excluding errors in judgment) of the Back-up Servicer in the performance of its duties under the Back-up Servicing Agreement or by reason of reckless disregard of its obligations and duties under the Back-up Servicing Agreement, (ii) reimbursement of reasonable and documented out-of-pocket expenses (including legal fees of external counsel) of the Back-up Servicer incurred in connection with the performance of its duties under the Back-up Servicing Agreement and (iii) reimbursement of its reasonable costs and expenses in connection with the assumption of its servicing obligations after the delivery of a Termination Notice to the Servicer (such costs and expenses, the "**Servicing Transition Costs**"). If the Servicer does not pay any such amounts described in the immediately preceding sentence within sixty (60) days following demand therefor, the Back-up Servicer shall be entitled to receive payment of such unpaid amounts in accordance with the Priority of Payments. The Back-up Servicer shall be required to pay all expenses (other than Servicing Transition Costs) incurred by it in connection with its activities under the Back-up Servicing Agreement (including taxes imposed on the Back-up Servicer and all expenses incurred in connection with reports delivered thereunder).

The payment of fees and reimbursement of expenses of the Indenture Trustee and the Note Registrar pursuant to the Indenture, the payment of fees and reimbursement of expenses of the Owner Trustee pursuant to the Trust Agreement, the reimbursement of expenses of the Back-up Servicer pursuant to the Back-up Servicing Agreement (other than Servicing Transition Costs), the payment of fees and reimbursement of expenses of the Depositor Loan Trustee and the Issuer Loan Trustee pursuant to the Depositor Loan Trust Agreement and the Issuer Loan Trust Agreement, respectively, and the payment to the Owner Trustee, the Indenture Trustee and any other Person entitled thereto of any indemnified amounts due and owing from the Issuer pursuant to any Transaction Document from the assets of the Trust Estate payable on a senior basis in accordance with the Priority of Payments are subject to aggregate annual cap of $200,000 for all such amounts during any calendar year; provided, that (i) if

an Event of Default shall have occurred and be continuing, such limitations shall not apply and (ii) all such amounts that exceed such cap prior to an Event of Default are payable from the assets of the Trust Estate on a subordinate basis in accordance with the Priority of Payments.

Each of the Servicing Fees and the Back-up Servicing Fees will be paid from collections in respect of the Loans in accordance with the Priority of Payments.

Payments on Loans; Collection Account

Except as otherwise provided below, the Servicer shall deposit Collections into the Collection Account as promptly as possible after the date of processing of such Collections, but in no event later than the second business day after identification. Notwithstanding anything else in the Indenture or the Sale and Servicing Agreement to the contrary, for so long as: (i) no Event of Default has occurred and is continuing; and (ii) the Servicer maintains a long term rating of "A" or higher from S&P and "A2" or higher from Moody's and a short term rating of "A-1" or higher from S&P and "P-1" or higher from Moody's, the Servicer need not make the deposits of Collections into the Collection Account as provided in the preceding sentence, but may make a single deposit in the Collection Account in immediately available funds not later than 11:00 a.m., New York City time, on the business day preceding the immediately succeeding Payment Date in an amount equal to the Collections received during the related Collection Period. If the Servicer fails to make the deposit required by the preceding sentence by 11:00 a.m., New York City time, on the business day preceding the Payment Date, the Indenture Trustee will promptly make a claim for payment of the applicable amounts under the Performance Support Agreement. The Servicer may retain certain amounts, including accrued and unpaid Servicing Fees, Supplemental Servicing Fees and certain other amounts described in the definition of Excluded Amounts, which will not constitute Collections and will not be required to be deposited in the Collection Account.

Amounts on deposit in the Collection Account may, at the written direction of the Servicer, be invested by the Indenture Trustee in Eligible Investments selected by the Servicer. In the absence of any such written direction, amounts on deposit in the Collection Account will not be invested and the Indenture Trustee will have no obligation or liability to pay an interest or earnings thereon. Pursuant to the Sale and Servicing Agreement, the Servicer shall instruct the Indenture Trustee to make withdrawals and payments from the Collection Account for the purposes of carrying out the Servicer's or the Indenture Trustee's duties under the Indenture and under the Sale and Servicing Agreement.

Duties of the Back-up Servicer

Under the Back-up Servicing Agreement, the Back-up Servicer has agreed to perform certain duties on behalf of the Issuer, the Issuer Loan Trustee and the Indenture Trustee, for the benefit of the Noteholders, including: (i) in cooperation and consultation with the Servicer, reviewing the servicing procedures and systems of the Servicer and adopting such changes or other modifications to the systems of the Back-up Servicer or assisting the Servicer to make changes or other modifications, as are reasonably necessary to ensure that the Back-up Servicer is able to perform its duties and obligations during the Servicing Centralization Period, during the Servicing Transition Period and following the Servicing Assumption Date, (ii) upon receipt of the electronic files containing the information necessary for the Servicer to prepare the Monthly Servicer Report (the "**Monthly Data Tape**"), (a) reviewing such Monthly Data Tape to confirm that the information contained therein appears to be readable on its face and that it is in a format reasonably acceptable to the Back-up Servicer, (b) using the data contained therein, confirming the following calculations and comparing the same against the calculations reflected in the Monthly Servicer Report: Adjusted Loan Principal Balance, Aggregate Note Principal Balance, Back-up Servicing Fee, Class A Monthly Interest Amount, Class A Note Balance, Class B Monthly Interest Amount, Class B Note Balance, Class C Monthly Interest Amount, Class C Note Balance, Class D Monthly Interest Amount, Class D Note Balance, Aggregate Adjusted Loan Principal Balance of Delinquent Loans, First Priority Principal Payment, Second Priority Principal Payment, Third Priority Principal Payment, Fourth Priority Principal Payment, Regular Principal Payment Amount and Servicing Fee and (c) providing notice of discrepancies to the Servicer no later than five (5) Business Days after receipt of the Monthly Date Tape and (iii) not less than once per twelve-month period, meeting with the Servicer's management at its corporate headquarters to discuss any material changes to the Servicer's servicing processes and procedures adopted by the Servicer during such twelve-month period.

The Back-up Servicer will not be liable to the Issuer, the Issuer Loan Trustee, the Depositor, the Depositor Loan Trustee or the Indenture Trustee under the Back-up Servicing Agreement except for its willful misconduct, bad faith or gross negligence in the performance of its duties, or by reason of reckless disregard of obligations and duties under the Back-up Servicing Agreement.

The Back-up Servicer will not be deemed to have knowledge of a Servicer Default unless a Responsible Officer of the Back-up Servicer has actual knowledge of such Servicer Default or has received written notice thereof. Prior to such Responsible Officer's receipt of such written notice or its obtaining actual knowledge of a Servicer Default, the Back-up Servicer may assume that a Servicer Default has not occurred and will not have any obligation or duty to determine whether any Servicer Default has occurred.

Except as expressly otherwise provided in the Back-up Servicing Agreement and prior to the Servicing Assumption Date, the Back-up Servicer is entitled to conclusively rely, without investigation or other action on its part, on directions, opinions, certificates, reports, notices, advice, calculations and other documents and information provided to it by any party to any of the Transaction Documents, not only as to due execution, validity and effectiveness, but also as to the truth and accuracy of any information contained therein, and such reliance will not constitute negligence or misconduct, and the Back-up Servicer will not be personally liable or accountable to any Person, under such circumstances, by reason of such good faith reliance. Except as expressly otherwise provided in the Back-up Servicing Agreement and prior to the Servicing Assumption Date, the Back-up Servicer will have no duty to investigate, recompile, recalculate or otherwise verify the accuracy of any such information and will have no liability for any error or inaccuracy in such reports resulting from the use of such information.

Pursuant to the Back-up Servicing Agreement, the Back-up Servicer may act through its agents, attorneys, accountants, experts and such other professionals as the Back-up Servicer deems necessary, advisable or appropriate. Notwithstanding the appointment of any such agent, attorney, accountant or other professional, the Back-up Servicer will remain obligated and solely liable to the Issuer, the Issuer Loan Trustee for the benefit of the Issuer, the Servicer, the Depositor, the Depositor Loan Trustee for the benefit of the Depositor, the Indenture Trustee and the Noteholders for its duties, obligations and liabilities under the Back-up Servicing Agreement to the same extent and under the same terms and conditions as if the Back-up Servicer were acting alone. The Backup Servicer, when acting as successor Servicer may, without the need to obtain any prior consent of any Person, delegate any or all of its duties and obligations under the Back-up Servicing Agreement and the Sale and Servicing Agreement to one or more subcontractors or subservicers; *provided*, that the Backup Servicer, as successor Servicer, will remain obligated and solely liable to the Issuer, the Issuer Loan Trustee for the benefit of the Issuer, the Servicer, the Depositor, the Depositor Loan Trustee for the benefit of the Depositor, the Indenture Trustee and the Noteholders for its duties, obligations and liabilities under the Back-up Servicing Agreement and the Sale and Servicing Agreement to the same extent and under the same terms and conditions as if the Back-up Servicer, as successor Servicer, were acting alone.

Servicing Centralization Period

Unless a Servicing Transfer has already occurred, if at any time SFC and its Affiliates cease all or substantially all servicing activity with respect to personal loans and direct auto loans (a "**Servicing Centralization Trigger Event**") and the Indenture Trustee delivers a Servicing Centralization Period Notice to the Back-up Servicer (the period from the Back-up Servicer's receipt of a Servicing Centralization Period Notice and ending on the receipt by the Back-up Servicer of a Servicing Transfer Notice, the "**Servicing Centralization Period**"), the Back-up Servicer may perform, in addition to the duties described above under "*—Duties of the Back-up Servicer,*" the duties listed below and any other actions, in each case to the extent the Back-up Servicer deems necessary in order to ensure its preparedness to act as the Servicer:

1. Hire sufficient personnel and allocate appropriate space and resources as may be necessary in connection with the assumption of the duties of Servicer under the Servicing Agreement.

2. Participate in status meetings with the Servicer and its personnel.

3. Resolve any information technology issues regarding remote access to Springleaf's computer system (including to all scanned Loan Agreements).

4. Confirm that access and control over the Central Lockbox is fully vested with the Back-up Servicer.

5. Negotiate any necessary subservicing or other agreements with third-party servicers, collection agents or other service providers.

6. Negotiate a custodial agreement with terms comparable to those in custodial agreements relating to direct auto loan securitization transactions similar to the transaction contemplated by the Transaction Documents with a third-party custodian selected by the Back-up Servicer in its reasonable discretion and confirm that all Loan Agreements constituting instruments or chattel paper are held with such custodian (other than an immaterial number of such documents).

The Servicer has agreed in the Back-up Servicing Agreement that, upon its receipt of a Servicing Centralization Period Notice, (x) to cooperate with the Back-up Servicer in its performance of the duties described above and (y) to do each of the following:

1. to the extent permitted under the Loan Agreements and applicable Requirements of Law, promptly commence, and within six (6) months thereafter complete, the acceleration of the timing of delivery of monthly statements and billing invoices to the Loan Obligors and advance the invoice and payment dates with respect to the Loans, in each case to the earliest date permitted under the related Loan Agreements and applicable Requirements of Law;

2. promptly commence, and within six (6) months thereafter complete, the distribution of written notices to all Loan Obligors instructing them to direct payments to the Central Lockbox or to a Permitted Payment Location;

3. promptly commence, and within six (6) months thereafter complete, the implementation of new procedures regarding acceptance of payments constituting Collections at branch locations of SFC and the Sellers as follows: (a) deliver to Loan Obligors that "walk-in" to remit Collections written materials encouraging remittance of Collections to the Central Lockbox or to a Permitted Payment Location and (b) discontinue accepting cash payments at branch locations;

4. to the extent any cash payments constituting Collections are received by the Servicer, promptly (and in any event not more than two (2) Business Days following receipt thereof) remit all such Collections to the Central Lockbox;

5. contact all Loan Obligors of Loans with respect to which one or more required payment is past due not later than seven (7) days after the due date thereof regarding all delinquent payments;

6. not later than six (6) months after receipt of the Servicing Centralization Period Notice, deliver all original Loan Agreements constituting instruments or chattel paper previously held by or on behalf of the Servicer or any Seller to a third-party custodian identified by the Back-up Servicer; provided that, with respect to the Loan Agreements delivered to a third-party custodian, such third-party custodian shall provide the Servicer reasonable access to such Loan Agreements; and

7. not later than six (6) months after receipt of the Servicing Centralization Period Notice, scan all Loan Agreements (not previously scanned) into the electronic files maintained at or accessible from the Servicer's headquarters.

A "**Servicing Centralization Period Notice**" is a written notice substantially in the applicable form attached to the Back-up Servicing Agreement from the Indenture Trustee (acting at the written direction of the Required Noteholders) to the Back-up Servicer (with a copy to the Servicer) advising the Servicer and the Back-up Servicer of the occurrence of a Servicing Centralization Trigger Event.

The "**Central Lockbox**" is a post office box and linked deposit account established and maintained by the Servicer on behalf of the Back-up Servicer in the name of the Indenture Trustee for the purpose of receiving Collections after the commencement of the Servicing Centralization Period.

A "**Permitted Payment Location**" is any payment location approved by SFC operated in conjunction with an established electronic payment service such as Mastercard RPPS, Moneygram or CheckFreePay.

Certain Matters Regarding the Servicer

The primary servicing duties to be performed by the Servicer include processing and maintaining the Loans and Loan Agreements, tracking and monitoring the status of the Loans, responding to Loan Obligor inquiries, collection and remittance of principal and interest payments on the Loans, collection of insurance claims, loss mitigation, charging-off Loans as uncollectible and liquidations of Loans and collateral securing such Loans and collecting on deficiency balances. The Servicer also will provide certain required data and information to the Back-up Servicer and the Indenture Trustee with respect to the Loans.

The Servicer may delegate any of its servicing and administration duties with respect to the Loans under the Sale and Servicing Agreement or enter subservicing arrangements with any Person, but no such Person will be entitled to any additional compensation from assets of the Trust Estate. Notwithstanding the delegation of its servicing obligations, the Servicer will (until its resignation or removal as Servicer) remain liable under the Sale and Servicing Agreement for the servicing of the Loans.

The Sale and Servicing Agreement will provide that neither the Servicer, nor any directors, officers, partners, members, managers, employees or agents of the Servicer in its capacity as Servicer, will be under any liability to the Issuer, the Owner Trustee, the Indenture Trustee, the Noteholders or any other Person for the taking of any action or for refraining from the taking of any action in good faith pursuant to the Sale and Servicing Agreement; provided, however, that none of the Servicer or any such directors, officers, partners, members, managers, employees or agents of the Servicer, will be protected against any liability that would otherwise be imposed by reason of willful misfeasance, bad faith or gross negligence in the performance of his or its duties or by reason of reckless disregard of his or its obligations and duties thereunder.

Purchase Obligations

Under the Sale and Servicing Agreement, the Servicer and any Successor Servicer by its appointment thereunder will make, with respect to itself only, on the Closing Date (or on the date of the appointment of such Successor Servicer), the following representations and warranties and shall covenant to certain matters, including the following:

- It shall (i) duly satisfy all obligations on its part to be fulfilled under the Sale and Servicing Agreement or in connection with each Loan and will maintain in effect all qualifications required under Requirements of Law in order to service properly each Loan; and (ii) comply in all material respects with the Customary Practices and all Requirements of Law in connection with servicing each Loan the failure to comply with which would have an Adverse Effect;

- It shall not permit any amendment, waiver, modification, rescission or cancellation of any Loan, except in accordance with the Customary Practices, as required by Requirements of Law or as ordered by a court of competent jurisdiction or other Governmental Authority; and

- It shall take no action which, nor omit to take any action the omission of which, would impair, in any material respect, the rights of the Issuer or the Indenture Trustee in any Loan, nor shall it reschedule, revise or defer payments due on any Loan except in accordance with the Customary Practices or as required by Requirements of Law.

In the event any of the representations, warranties or covenants of the Servicer set forth above with respect to any Loan is breached, which breach materially adversely affects the interests of the Noteholders in such Loan,

and is not cured within sixty (60) days from the date on which the Servicer is notified by the Issuer, the Indenture Trustee or the Depositor of, or discovered, such breach, then any Loan or Loans to which such event relates shall be purchased by SFC, as the Servicer on or prior to the Payment Date immediately following the Collection Period in which such sixty (60) day period expired. The cure or purchase obligations referred to above will constitute the sole remedy available to the Noteholders or the Indenture Trustee with respect to the Servicer's breach of such representations, warranties and covenants. SFC, as the Servicer, will effect any such purchase by making a deposit into the Collection Account or other applicable Note Account in immediately available funds in an amount equal to the Loan Principal Balance of the Loans to be purchased as of such date.

Additionally, if the Servicer extends the maturity date of a Loan beyond the Final Scheduled Payment Date for the Class D Notes, then such Loan will be assigned and transferred to the Depositor and the Depositor will make a deposit into the Collection Account or other applicable Note Account in immediately available funds in an amount equal to the Loan Principal Balance of the Loan not later than the Payment Date immediately following the Collection Period in which such extension was granted.

Servicer Defaults

"**Servicer Defaults**" under the Sale and Servicing Agreement will consist of:

a) any failure by the Servicer to make any required payment, transfer or deposit to the Indenture Trustee for distribution to the Noteholders, which failure continues unremedied for a period of five (5) Business Days after the earlier of (i) the date on which notice of such failure, requiring the same to be remedied, shall have been given by registered or certified mail to the Servicer by the Issuer or the Indenture Trustee, or to the Servicer, the Issuer for the benefit of the Issuer and the Indenture Trustee by the Required Noteholders and (ii) the actual knowledge of the Servicer thereof; or

b) failure on the part of the Servicer duly to observe or perform any other covenants or agreements of the Servicer set forth in the Sale and Servicing Agreement or the Indenture, which failure has a material adverse effect on the interests of the Noteholders (as determined by the Required Noteholders) and which continues unremedied for a period of ninety (90) days after the earlier of (i) the date on which notice of such failure, requiring the same to be remedied, shall have been given by registered or certified mail to the Servicer by the Issuer or the Indenture Trustee, or to the Servicer, the Issuer and the Indenture Trustee by the Required Noteholders and (ii) the actual knowledge of the Servicer thereof; or

c) any representation, warranty or certification made by the Servicer in the Sale and Servicing Agreement or the Indenture or in any certificate delivered pursuant to the Sale and Servicing Agreement or the Indenture shall prove to have been incorrect when made or deemed made and such failure has a material adverse effect on the Noteholders (as determined by the Required Noteholders) and which continues unremedied for a period of ninety (90) days after the earlier of (i) the date on which a notice specifying such incorrect representation or warranty and requiring the same to be remedied, shall have been given by registered or certified mail to the Servicer by the Issuer or the Indenture Trustee, or to the Servicer, the Issuer and the Indenture Trustee by the Required Noteholders and (ii) the actual knowledge of the Servicer thereof; or

d) insolvency, readjustment of debt or marshalling of assets and liabilities or similar proceedings, and certain actions in the case of an involuntary proceeding, if unstayed for ninety (90) days) by or on behalf of the Servicer indicating its insolvency or inability to pay its obligations;

provided, however, that a delay in or failure of performance referred to in paragraph (a) above for a period of ten (10) Business Days or in paragraph (b) or (c) above for a period of sixty (60) days after the applicable grace period shall not constitute a Servicer Default if such delay or failure was caused by a Force Majeure Event. If, following the expiration of such ten (10) Business Day incremental grace period (in the case of a delay or failure of performance described in paragraph (a)) or such sixty (60) day incremental grace period (in the case of a delay or failure of performance described in paragraph (b) or (c) above), the applicable delay or failure of performance remains outstanding but the Servicer continues to work diligently to remedy such delay or failure of performance,

then the grace period shall be extended for a further thirty (30) days upon notice from the Servicer to the Indenture Trustee.

See "*Risk Factors—Replacement of the Servicer or Inability to Replace Servicer or Inability of Sellers to Assist in Servicing the Loans Could Result in Reduced Payments on the Notes*" and "*Risk Factors—The "De-Centralized" Nature of the Servicing May Pose Additional Risks to Investors*" for a description of the risks associated with replacing the Servicer upon the occurrence of a Servicer Default.

Rights Upon Servicer Default

So long as a Servicer Default under the Sale and Servicing Agreement is continuing, the Indenture Trustee may (and upon the written direction of the Required Noteholders shall), by notice then given to the Servicer, the Issuer, the Issuer Loan Trustee for the benefit of the Issuer and the Back-up Servicer (a "**Termination Notice**"), terminate all of the rights and obligations of the Servicer as Servicer under the Sale and Servicing Agreement and the Indenture. The existence of a Servicer Default may be waived with the consent of the Required Noteholders.

On and after the receipt by the Servicer of a Termination Notice, the Servicer shall continue to perform all servicing functions under the Sale and Servicing Agreement until the earlier of (i) the date specified in the Termination Notice or otherwise specified by the Indenture Trustee and (ii) the Servicing Transfer Date. The Indenture Trustee shall as promptly as possible after the giving of a Termination Notice appoint (at the written direction of the Required Noteholders in the case of a Successor Servicer that is not the Back-up Servicer or the Indenture Trustee) an Eligible Servicer (which shall be the Back-up Servicer unless the Back-up Servicer is then acting as the Servicer) as a successor Servicer (the "**Successor Servicer**"), and such Successor Servicer shall accept its appointment in writing. In the event that a Successor Servicer has not been appointed or has not accepted its appointment at the time when the Servicer ceases to act as Servicer, the Indenture Trustee without further action shall automatically be appointed the Successor Servicer. The Indenture Trustee may delegate any of its servicing obligations to an Affiliate or agent in accordance with the Sale and Servicing Agreement. Notwithstanding the foregoing, the Indenture Trustee shall, if it is legally unable or unwilling so to act, petition a court of competent jurisdiction to appoint any established institution qualifying as an Eligible Servicer as the Successor Servicer under the Sale and Servicing Agreement.

An "**Eligible Servicer**" is the Indenture Trustee, SFC, the Back-up Servicer or an entity which, at the time of its appointment as Servicer, (i) (a) is either (x) the surviving Person of a merger or consolidation with, or the transferee of all or substantially all of the assets of, SFC in a transaction otherwise complying with the relevant terms of the Sale and Servicing Agreement or (y) an Affiliate of Springleaf, (b) is servicing a portfolio of personal loans or direct auto loans, (c) is legally qualified (either directly or through a subservicer) and has the capacity to service and administer the Loans in accordance with the Sale and Servicing Agreement and (d) is qualified to use the software that is then being used to service the Loans or obtains the right to use or has its own software which is adequate to perform its duties under the Sale and Servicing Agreement or (ii) (a) is servicing a portfolio of personal loans or direct auto loans, (b) is legally qualified and has the capacity to service and administer Loans in accordance with the Sale and Servicing Agreement, (c) has demonstrated the ability to service professionally and competently a portfolio of loans which are similar to the Loans in accordance with high standards of skill and care and (d) is qualified to use the software that is then being used to service the Loans or obtains the right to use or has its own software which is adequate to perform its duties under the Sale and Servicing Agreement.

No assurance can be given that the termination of the rights and obligations of the Servicer would not adversely affect the servicing of the Loans, including the loss and delinquency experience of the Loans. See "*Risk Factors—Replacement of the Servicer or Inability to Replace Servicer or Inability of Sellers to Assist in Servicing the Loans Could Result in Reduced Payments on the Notes*" in this private placement memorandum. Further, there is no established protocol in the Transaction Documents to appoint a successor Back-up Servicer in the event that the Back-up Servicer becomes Successor Servicer under the Sale and Servicing Agreement. Consequently, in the event that after the Back-up Servicer has become the Successor Servicer, it is terminated as Successor Servicer, the servicing of the Loans, including the delinquency and loss experience of the Loans, could be adversely affected.

Resignation of the Servicer

The Servicer shall not resign from the obligations and duties imposed on it under the Sale and Servicing Agreement except upon a determination (as supported by an Opinion of Counsel) that (i) the performance of its duties under the Sale and Servicing Agreement is no longer permissible under applicable law and (ii) there is no reasonable action which the Servicer could take to make the performance of its duties under the Sale and Servicing Agreement permissible under applicable law. No resignation shall become effective until a Successor Servicer (which shall be the Back-up Servicer unless the Back-up Servicer is the resigning Servicer) or the Indenture Trustee shall have assumed the responsibilities and obligations of the Servicer in accordance with the Sale and Servicing Agreement (other than in the case of the Back-up Servicer, any such duty or obligation that it is not required to assume under the terms of the Back-up Servicing Agreement). If, within one hundred twenty (120) days of the date of the determination that the Servicer may no longer act as Servicer as described above, the Indenture Trustee is unable to appoint a Successor Servicer, the Indenture Trustee shall serve as Successor Servicer. Notwithstanding the foregoing, the Indenture Trustee shall, if it is legally unable so to act, petition a court of competent jurisdiction to appoint any established institution qualifying as an Eligible Servicer as the Successor Servicer.

The Servicer may assign (which assignment shall not constitute a "resignation" for purposes of the foregoing paragraph) part or all of its obligations and duties as Servicer under the Sale and Servicing Agreement to an Affiliate of the Servicer so long as (x) such entity is an Eligible Servicer as of such assignment, (y) the Performance Support Provider shall have fully guaranteed the performance of the obligations and duties of the Affiliate in such capacity, pursuant to the Performance Support Agreement and (z) the Servicer reasonably determines that such assignment will not materially adversely affect the interests of any Class of Noteholders.

Assumption of Servicing by the Back-up Servicer

In the event that SFC is terminated or resigns as Servicer pursuant to the terms of the Sale and Servicing Agreement, the Back-up Servicer, within a commercially reasonable period of time (not to exceed sixty (60) days) after its receipt of a Servicing Transfer Notice (such period, the "**Servicing Transition Period**"), will be (i) the successor in all respects, except as noted below, to SFC in its capacity as servicer under the Sale and Servicing Agreement and (ii) except as noted below, shall be entitled to all the rights, protections, indemnities and immunities of the Servicer and subject to the responsibilities, obligations, restrictions, duties, liabilities and termination provisions relating thereto placed on the Servicer by the terms and provisions of the Sale and Servicing Agreement. The date on which such rights, responsibilities and obligations have been so assumed by the Back-up Servicer is referred to herein as the "**Servicing Assumption Date**". The Servicer is required under the Sale and Servicing Agreement to reasonably cooperate in the transfer of such rights, responsibilities, obligations, restrictions, duties and liabilities to the Back-up Servicer. The Servicing Assumption Date will occur within a commercially reasonable period of time (not to exceed 60 days) after receipt by the Back-up Servicer of a Servicing Transfer Notice.

The Back-up Servicer, as the Successor Servicer, and its successors or assigns, shall have (i) no liability with respect to any obligation which was required to be performed by the predecessor Servicer prior to the date that the Successor Servicer becomes the Servicer or any claim of a third party based on any alleged action or inaction of the predecessor Servicer, (ii) no obligation to perform any purchase, repurchase, reimbursement or advancing obligations, if any, of the Servicer, (iii) no obligation to pay any taxes required to be paid by the Servicer, (iv) no obligation to pay any of the fees and expenses of any other party involved in this transaction and (v) no liability or obligation with respect to any Servicer indemnification, defense or hold harmless obligations of any prior servicer including the original servicer. Furthermore, the Back-up Servicer as Successor Servicer will not be required to service the Loans in accordance with the Customary Practices of the original servicer, but rather in accordance with the customary and usual servicing, administration and collection practices and procedures used by the Back-up Servicer for servicing consumer loans comparable to the Loans which the Back-up Servicer services for its own account and the Back-up Servicer will not be required to carry out the same activities as described above under "—*Servicing of Loans*" and "*Servicing Standards*" in this private placement memorandum. Additionally, if the Back-up Servicer becomes the successor Servicer, the duties and obligations of the Servicer contained in the Back-up Servicing Agreement and the Sale and Servicing Agreement will be deemed modified as follows: (i) any provision in the Back-up Servicing Agreement providing that the Servicer will take or omit to take any action, or will have any obligation to do or not do any other thing, upon its "knowledge" (or any derivation thereof), "discovery" (or any derivation thereof) or awareness (or any derivation thereof) will be interpreted as the actual knowledge of a

responsible officer of such successor Servicer or such responsible officer's receipt of a written notice thereof, (ii) such successor Servicer will not be liable for any claims, liabilities or expenses relating to the engagement of any accountants or any report issued in connection with such engagement and dissemination of any such report of any accountants appointed by it (except to the extent that any such claims, liabilities or expenses are caused by such successor Servicer's gross negligence or willful misconduct) pursuant to the provisions of any Transaction Document, and the dissemination of such report will, if applicable, be subject to the consent of such accountants, and (iii) such successor Servicer will have no obligation to provide investment direction pursuant to the Indenture or any other Transaction Document requiring investment direction from the Servicer.

In the event that the Back-up Servicer becomes Successor Servicer, the Back-up Servicer will determine at such time how it wishes to carry out the servicing and administration of the Loans, and the Back-up Servicer may elect to centralize some or all of the servicing and administration of the Loans. There can be no assurance that the servicing and administration of the Loans by the Back-up Servicer will not adversely affect the performance of the Loans. See *"Risk Factors—Replacement of the Servicer or Inability to Replace Servicer or Inability of Sellers to Assist in Servicing the Loans Could Result in Reduced Payments on the Notes"* in this private placement memorandum.

Back-up Servicer Termination Events

"**Back-up Servicer Termination Events**" under the Back-up Servicing Agreement will consist of:

(a) Failure on the part of the Back-up Servicer to duly observe or perform in any material respect any covenant or agreement of the Back-up Servicer set forth in the Back-up Servicing Agreement, which failure continues unremedied for a period of ten (10) Business Days after the date on which a responsible officer of the Back-up Servicer had actual knowledge of such failure or on which written notice of such failure, requiring the same to be remedied, shall have been given to the Back-up Servicer by the Issuer, the Issuer Loan Trustee for the benefit of the Issuer or the Indenture Trustee (acting at the written direction of the Required Noteholders); or

(b) (i) The commencement of an involuntary case under the federal bankruptcy laws, as in effect as of the Closing Date or from time to time thereafter, or another present or future, federal or state bankruptcy, insolvency or similar law and such case is not dismissed within forty five (45) calendar days; or (ii) the entry of a decree or order for relief by a court or regulatory authority having jurisdiction in respect of the Back-up Servicer in an involuntary case under the federal bankruptcy laws, as now or hereafter in effect, or another present or future, federal or state bankruptcy, insolvency or similar law, or appointing a receiver, liquidator, assignee, trustee, custodian, sequestrator or other similar official of the Back-up Servicer or of any substantial part of its properties or ordering the winding up or liquidation of the affairs of the Back-up Servicer; or

(c) The commencement by the Back-up Servicer of a voluntary case under the federal bankruptcy laws, as now or hereafter in effect, or any other present or future, federal or state bankruptcy, insolvency or similar law, or the consent by the Back-up Servicer to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian, sequestrator or other similar official of the Back-up Servicer or of any substantial part of its property or the making by the Back-up Servicer of an assignment for the benefit of creditors or the failure by the Back-up Servicer generally to pay its debts as such debts become due or the taking of corporate action by the Back-up Servicer in furtherance of any of the foregoing; or

(d) Any representation, warranty or statement of the Back-up Servicer made in the Back-up Servicing Agreement or any certificate, report or other writing delivered by the Back-up Servicer pursuant to the Back-up Servicing Agreement shall prove to be incorrect in any material respect as of the time when the same shall have been made and, within ten (10) Business Days after the Back-up Servicer had actual knowledge thereof or written notice thereof shall have been given to a responsible officer of the Back-up Servicer by the Servicer, the Issuer, the Issuer Loan Trustee for the benefit of the Issuer or the Indenture Trustee (acting at the written direction of the Required Noteholders), the circumstances or condition in

respect of which such representation, warranty or statement was incorrect shall not have been waived, eliminated or otherwise cured.

Rights upon Back-up Servicer Termination Events

If a Back-up Servicer Termination Event shall occur and be continuing, the Indenture Trustee (acting at the written direction of the Required Noteholders) shall, by notice given in writing to the Back-up Servicer, terminate all of the rights and obligations of the Back-up Servicer under the Back-up Servicing Agreement (except certain rights which expressly survive such termination). The terminated Back-up Servicer will cooperate with the Servicer and the Indenture Trustee in effecting the termination of the responsibilities and rights of the terminated Back-up Servicer under the Back-up Servicing Agreement.

Resignation of the Back-up Servicer

Prior to the time the Back-up Servicer and the Servicer receive a Servicing Transfer Notice, the Back-up Servicer may resign as Back-up Servicer only upon determination that the performance of its duties shall no longer be permissible under applicable law or that compliance with any applicable law would result in a material adverse impact on the Back-up Servicer's financial condition; provided, however, that (i) the Back-up Servicer may resign if it has not received its fee by the later of (a) sixty (60) days after such fee becomes due in accordance with the Back-up Servicing Agreement and (b) the applicable Payment Date pursuant to the Indenture and (ii) no such resignation shall be effective until a successor Back-up Servicer acceptable to the Indenture Trustee (acting at the written direction of the Required Noteholders) and the Issuer (which consent shall not be unreasonably withheld) has been appointed and has assumed the responsibilities of the Back-up Servicer under the Back-up Servicing Agreement. In the event that the Back-up Servicer delivers notice pursuant to the foregoing sentence, the Servicer will cooperate with the Indenture Trustee, and take such actions as the Indenture Trustee may reasonably request, in order to appoint a replacement Back-up Servicer as promptly as possible. If no successor Back-up Servicer has been appointed within forty-five (45) days after the giving of such notice of resignation, the resigning Back-up Servicer may petition any court of competent jurisdiction for the appointment of a successor Back-up Servicer.

The Back-up Servicer will be permitted to assign its rights and obligations under the Back-up Servicing Agreement with the consent of each other party thereto.

Amendment; Waiver

The Sale and Servicing Agreement

The Sale and Servicing Agreement may be amended by written agreement signed by the Servicer, the Depositor, the Depositor Loan Trustee, the Issuer and the Issuer Loan Trustee, but without consents of any of the Noteholders, for certain limited purposes (with notice to the Rating Agencies); provided, however, that such action shall not adversely affect in any material respect the interest of any of the Noteholders as evidenced by an Officer's Certificate of the Depositor to such effect delivered to the Indenture Trustee and the Issuer. The Sale and Servicing Agreement may also be amended by written agreement signed by the Servicer, the Depositor, the Depositor Loan Trustee, the Issuer and the Issuer Loan Trustee, but without consent of any of the Noteholders, for any other purpose provided that (i) the Depositor shall have delivered to the Indenture Trustee and the Issuer an Officer's Certificate, dated the date of any such amendment, stating that the Depositor reasonably believes that such amendment will not have an Adverse Effect and (ii) the Rating Agency Notice Requirement shall have been satisfied with respect to any such amendment. The Sale and Servicing Agreement may be amended by the Servicer, the Depositor, the Depositor Loan Trustee, the Issuer and the Issuer Loan Trustee by a written instrument signed by each of them, but without the consent of the Noteholders, upon satisfaction of the Rating Agency Notice Requirement with respect to such amendment (without anything further) as may be necessary or advisable in order to avoid the imposition of any withholding taxes or state or local income or franchise taxes imposed on the Issuer's property or its income.

In connection with any amendment (other than as described in the foregoing paragraph) to the Sale and Servicing Agreement, the consent of Holders of not less than a majority of the aggregate unpaid principal amount of the adversely affected Outstanding Notes shall be required; provided, however, that no such amendment shall

directly or indirectly (i) reduce in any manner the amount of or delay the timing of any distributions to be made to Noteholders or deposits of amounts to be so distributed without the consent of each affected Noteholder, (ii) change the definition of or the manner of calculating the interest of any Noteholder without the consent of each affected Noteholder or (iii) reduce the aforesaid percentage required to consent to any such amendment, in each case, without the consent of each Noteholder.

The Required Noteholders may, on behalf of all Noteholders, waive any default by the Depositor, the Depositor Loan Trustee, the Issuer, the Issuer Loan Trustee or the Servicer in the performance of their obligations under the Sale and Servicing Agreement and its consequences, except the failure to make any distributions required to be made to Noteholders or to make any required deposits of any amounts to be so distributed (which such default may only be waived by 100% of the affected Noteholders).

In connection with the execution of any amendment under the Sale and Servicing Agreement, the Indenture Trustee shall be entitled to receive an Opinion of Counsel to the effect that such amendment is permitted under the terms of the Sale and Servicing Agreement. All reasonable fees, costs and expenses (including reasonable attorneys' fees, costs and expenses) incurred in connection with any amendment to the Sale and Servicing Agreement will be payable by the Issuer in accordance with and subject to the Priority of Payments.

The Back-up Servicing Agreement

The Back-up Servicing Agreement may be amended from time to time by the Back-up Servicer, the Servicer, the Issuer, the Issuer Loan Trustee for the benefit of the Issuer and the Indenture Trustee, by a written instrument signed by each of them, but without consent of any of the Noteholders, (i) to correct or supplement any provisions therein which may be inconsistent with any other provisions therein, (ii) to conform the terms of the Back-up Servicing Agreement to the description thereof in this private placement memorandum, or (iii) to add any other provisions with respect to matters or questions arising under the Back-up Servicing Agreement which shall not be inconsistent with the provisions of the Back-up Servicing Agreement; provided, however, that such action shall not adversely affect in any material respect the interest of any of the Noteholders as evidenced by an Officer's Certificate of Issuer to such effect, on which the Back-up Servicer and the Indenture Trustee may conclusively rely in executing and delivering any such amendment. Additionally, the Back-up Servicing Agreement may be amended from time to time by the Back-up Servicer, the Servicer, the Issuer, the Issuer Loan Trustee for the benefit of the Issuer and the Indenture Trustee, but without the consent of any of the Noteholders, provided that (i) the Issuer shall have delivered to the Indenture Trustee and the Back-up Servicer an Officer's Certificate, dated the date of any such amendment, stating that the Issuer reasonably believes that such amendment will not have an Adverse Effect and (ii) the Rating Agency Notice Requirement shall have been satisfied with respect to any such amendment.

The Back-up Servicing Agreement may also be amended from time to time by the Back-up Servicer, the Servicer, the Issuer, the Issuer Loan Trustee for the benefit of the Issuer and the Indenture Trustee, with the consent of the Required Noteholders, for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of the Back-up Servicing Agreement or of modifying in any manner the rights of the Noteholders.

The Issuer is required to furnish notification of the substance of each such amendment to the Servicer, the Indenture Trustee, the Issuer Loan Trustee and each Noteholder, and the Servicer is required to furnish notification of the substance of such amendment to the Rating Agencies.

All reasonable fees, costs and expenses (including, without limitation, reasonable attorneys' fees, costs and expenses) incurred in connection with any amendment, modification, waiver or supplement to the Back-up Servicing Agreement will be payable by the Issuer in accordance with and subject to the Priority of Payments.

Each of the Issuer and the Issuer Loan Trustee has agreed in the Indenture that it will not terminate, amend, waive, supplement or otherwise modify any of, and will not consent to any of the foregoing with respect to, or consent to the assignment by any party of, the Transaction Documents to which it is a party except as described in "*The Indenture—Modifications of Transaction Documents*" in this private placement memorandum.

In certain cases, the Issuer may amend, modify, waive, supplement or agree to any amendment, modification, supplement or waiver of the terms of the Sale and Servicing Agreement or the Back-up Servicing Agreement without the consent of any Noteholders. See "*Risk Factors—The Noteholders Have Limited Control over Amendments, Modifications and Waivers to, and Assignments of, the Indenture and other Transaction Documents*" in this private placement memorandum.

THE INDENTURE

General

The Notes will be issued pursuant to the Indenture, to be dated the Closing Date (the "**Indenture**"), among the Issuer, the Issuer Loan Trustee, the Indenture Trustee and the Servicer. Set forth below are summaries of the specific terms and provisions pursuant to which the Notes will be issued. The summaries do not purport to be complete and are subject to, and are qualified in their entirety by reference to, the provisions of the Indenture.

The Issuer and, with respect to legal title to the Loans, the Issuer Loan Trustee will grant to the Indenture Trustee for the benefit of the Noteholders all of the Issuer's right, title and interest in and to the Trust Estate, whether now existing or hereafter created.

Any Loan that is to be conveyed to the Depositor and the Depositor Loan Trustee for the benefit of the Depositor as a result of a Required Loan Repurchase and certain rights relating to such Loan (including rights to future payments in respect thereof) or otherwise will be deemed to be automatically released from the lien of the Indenture without any action being taken by the Indenture Trustee upon payment of the applicable consideration to the Issuer. In addition, in the event that a Loan becomes a Charged-Off Loan, such Charged-Off Loan and certain related rights (including rights to future payments in respect thereof) will be deemed to be automatically released from the lien of the Indenture; provided that all recoveries and other amounts collected by the Issuer, the Depositor or the Servicer with respect to any Charged-Off Loan shall be paid to the Issuer and subject to the lien of the Indenture.

Collection Account; Principal Distribution Account

The Servicer, for the benefit of the Noteholders, will establish and maintain with the Indenture Trustee and in the name of the Indenture Trustee, on behalf of the Issuer, a non-interest bearing Eligible Deposit Account bearing a designation clearly indicating that such account is the "Collection Account" and that the funds and other property credited thereto are held for the benefit of the Noteholders (the "**Collection Account**"). Pursuant to the Sale and Servicing Agreement, the Servicer shall instruct the Indenture Trustee to make withdrawals and payments from the Collection Account for the purposes of carrying out the Servicer's or the Indenture Trustee's duties under the Indenture and under the Sale and Servicing Agreement.

In addition, the Servicer, for the benefit of the Noteholders, will establish and maintain with the Indenture Trustee and in the name of the Indenture Trustee, on behalf of the Issuer, a non-interest bearing account bearing a designation clearly indicating that such account is the "Principal Distribution Account" and that the funds and other property credited thereto are held for the benefit of the Noteholders (the "**Principal Distribution Account**"). The Issuer may deposit or cause the deposit into the Principal Distribution Account from time to time of funds available to the Issuer that are not required to be deposited into another Note Account or otherwise allocated or to be held in trust on behalf of any Person in accordance with the Indenture or any other Transaction Document.

An "**Eligible Deposit Account**" is either (a) a segregated account with an Eligible Institution or (b) a segregated trust account with the corporate trust department of a depository institution organized under the laws of the United States or any one of the states thereof, including the District of Columbia (or any domestic branch of a foreign bank), and acting as a trustee for funds deposited in such account, so long as any of the unsecured, unguaranteed senior debt securities of such depository institution shall have a credit rating from each of Moody's and Standard & Poor's in one of its generic credit rating categories that signifies "BBB+"/"Baa1" or higher.

An "**Eligible Institution**" is a depository institution organized under the laws of the United States of America or any one of the states thereof, including the District of Columbia (or any domestic branch of a foreign bank), which at all times has (a)(i) a long-term unsecured debt rating of "Baa1" or better by Moody's and (ii) a certificate of deposit rating of "P-2" by Moody's and (b), either (x) a long-term unsecured debt rating of "BBB+" or better by Standard & Poor's or (y) a short-term credit rating of "A-1" by Standard & Poor's. If so qualified, the Indenture Trustee, the Depositor Loan Trustee, the Issuer Loan Trustee or the Administrator may be considered an Eligible Institution for the purposes of this definition.

On each Payment Date, the Indenture Trustee will make distributions from the Collection Account and the Principal Distribution Account in accordance with the provisions set forth under "*Description of the Notes—Priority of Payments*" in this private placement memorandum.

Reserve Account

The Notes will have the benefit of a reserve account (the "**Reserve Account**") which will be a non-interest bearing account established by the Servicer for the benefit of the Noteholders, with the Indenture Trustee and in the name of the Indenture Trustee, on behalf of the Issuer, on or prior to the Closing Date. Funds on deposit in the Reserve Account will be available on each Payment Date to pay amounts due and owing on such Payment Date in accordance with the Priority of Payments. On the Closing Date, the Depositor will remit the Required Reserve Account Amount to the Indenture Trustee for deposit to the Reserve Account. On each Payment Date, all amounts on deposit in the Reserve Account will be withdrawn by the Indenture Trustee and, together with any other Available Funds, be applied in accordance with the Priority of Payments. Any amounts remaining after making payments pursuant to clauses (i) through (xi) of the Priority of Payments as described under "*Description of the Notes—Priority of Payments*" in this private placement memorandum on any Payment Date, up to the Required Reserve Account Amount, will be deposited to the Reserve Account on such Payment Date.

All amounts deposited to the Reserve Account will be held in the name of the Indenture Trustee, on behalf of the Issuer, but shall be under the sole dominion and control of the Indenture Trustee for the benefit of the Noteholders, in accordance with the terms and provisions of the Indenture. Amounts on deposit in the Reserve Account may, at the written direction of the Servicer, be invested by the Indenture Trustee in Eligible Investments selected by the Servicer. In the absence of any such written direction, amounts on deposit in the Reserve Account will not be invested and the Indenture Trustee will have no obligation or liability to pay any interest or earnings thereon.

The Reserve Account must be an Eligible Deposit Account.

Events of Default

An "**Event of Default**" under the Indenture is the occurrence of any one of the following events:

a) insolvency, readjustment of debt, marshalling of assets and liabilities or similar proceedings, and certain actions (in the case of an involuntary proceeding, if unstayed for ninety (90) days) by or on behalf of the Issuer indicating its insolvency or inability to pay its obligations; or

b) a default in the payment of any interest on any Note of the Controlling Class when the same becomes due and payable and such default shall continue for a period of five (5) Business Days; or

c) a failure to pay the principal balance of all Outstanding Notes of any Class, together with all accrued and unpaid interest thereon, in full on the Final Scheduled Payment Date for such Class; or

d) a failure on the part of the Issuer duly to observe or perform any other covenants or agreements of such party set forth in the Indenture, which failure has a material adverse effect on the rights of the Noteholders under the Transaction Documents and which continues unremedied for a period of sixty (60) days (or for such longer period not in excess of ninety (90) days as may be reasonably necessary to remedy such failure; provided that such failure is capable of remedy within ninety (90) days) after the date

on which notice of such failure, requiring the same to be remedied, shall have been given by registered or certified mail to the Issuer by the Indenture Trustee or to the Issuer and the Indenture Trustee by the Required Noteholders; or

e) any representation, warranty or certification made by the Issuer in the Indenture shall prove to have been inaccurate when made or deemed made and such inaccuracy has a material adverse effect on the rights of the Noteholders under the Transaction Documents and which continues unremedied for a period of sixty (60) days (or for such longer period not in excess of ninety (90) days as may be reasonably necessary to remedy such failure; provided that such failure is capable of remedy within ninety (90) days) after the date on which a notice specifying such incorrect representation or warranty and requiring the same to be remedied, shall have been given by registered or certified mail to the Issuer by the Indenture Trustee, or to the Issuer and the Indenture Trustee by the Required Noteholders;

provided, however, that a failure of performance under any of clauses (b), (c), (d) or (e) above for a period of thirty (30) days (beyond any cure periods provided for therein) shall not constitute an Event of Default if such failure was caused by a Force Majeure Event. For the avoidance of doubt, an Event of Default shall occur in the event that such failure of performance has not been cured as of the expiration of such thirty (30) day period.

Rights Upon Event of Default

If an Event of Default described in clauses (b) through (e) in "*—Events of Default*" above occurs and is continuing, then the Indenture Trustee will, acting at the written direction of the holders holding Notes evidencing more than 50% of the Outstanding Notes (the "**Required Noteholders**"), declare all the Notes, together with accrued or accreted and unpaid interest thereon through the date of acceleration, to be immediately due and payable.

If an Event of Default described in clause (a) in "*—Events of Default*" above occurs and is continuing, then the unpaid principal of all Notes, together with the accrued or accreted and unpaid interest thereon through the date of acceleration, shall automatically become due and payable.

At any time after such declaration of acceleration of maturity has been made and before a judgment or decree for payment of the money due has been obtained by the Indenture Trustee as provided in the Indenture, the Required Noteholders, by written notice to the Issuer and the Indenture Trustee, may rescind and annul such declaration and its consequences if:

(i) the Issuer has paid or deposited with the Indenture Trustee a sum sufficient to pay:

(A) all payments of principal of and interest on the Notes and all other amounts that would then be due under the Indenture or upon the Notes if the Event of Default giving rise to such acceleration had not occurred; and

(B) all sums paid or advanced by the Indenture Trustee under the Indenture and the reasonable compensation, expenses, disbursements and advances of the Indenture Trustee and its agents and outside counsel and, if applicable, any such amounts due to the Back-up Servicer, the Owner Trustee, the Depositor Loan Trustee and the Issuer Loan Trustee; and

(ii) all Events of Default, other than the nonpayment of the principal of the Notes that has become due solely by such acceleration, have been cured or waived as provided in the Indenture.

If an Event of Default shall have occurred and be continuing, and the Notes have been accelerated, the Indenture Trustee shall, upon the written direction of the Required Noteholders (unless the Indenture Trustee preserves the Trust Estate in accordance with the Indenture), do one or more of the following: (i) institute proceedings in its own name and as trustee of an express trust for the collection of all amounts then payable on the Notes or under the Indenture, enforce any judgment obtained, and collect from the Issuer, the Trust Estate and from any other obligor upon such Notes in accordance with any such judgment; (ii) sell, on a servicing released basis, Loans, as shall constitute a part of the related Trust Estate (or rights or interest therein), at one or more public or

private sales called and conducted in any manner permitted by law; (iii) direct the Issuer and the Issuer Loan Trustee for the benefit of the Issuer to exercise rights, remedies, powers, privileges or claims under the Sale and Servicing Agreement, the Loan Purchase Agreement and the Performance Support Agreement; and (iv) take any other appropriate action to protect and enforce the rights and remedies of the Indenture Trustee or the Noteholders hereunder; provided, however, that the Indenture Trustee may not exercise the remedy described in clause (ii) above or otherwise sell or liquidate the Trust Estate substantially as a whole (in one or more sales), or institute proceedings in furtherance thereof, unless (A) the Holders of 100% of the aggregate unpaid principal amount of the outstanding Notes direct such remedy, (B) the Indenture Trustee determines that the anticipated proceeds of such sale distributable to the Noteholders are sufficient to discharge in full all amounts then due and unpaid upon the Notes for principal and interest (after giving effect to the payment of any amounts that are senior in priority to such principal and interest under the Priority of Payments) or (C) the Indenture Trustee determines (based on the information provided to it by the Servicer) that the Trust Estate may not continue to provide sufficient funds for the payment of principal of and interest on the Notes as they would have become due if the Notes had not been declared due and payable, and the Indenture Trustee is directed to take such remedy by the Holders of not less than 66 2/3% of the aggregate unpaid principal amount of the Outstanding Notes. In determining such sufficiency or insufficiency with respect to clauses (B) and (C), the Indenture Trustee may, but need not, obtain and rely upon an opinion of an independent investment banking or accounting firm of national reputation as to the feasibility of such proposed action and as to the sufficiency of the Trust Estate for such purpose. The cost of such opinion shall be reimbursed to the Indenture Trustee from amounts held in the Collection Account.

The remedies provided in the Indenture are the exclusive remedies provided to the Noteholders with respect to the Trust Estate and each of the Noteholders (by their acceptance of their respective interests in the Notes) will be deemed to have waived and the Indenture Trustee will have waived pursuant to the Indenture any other remedy that might have been available under the applicable UCC.

If the Indenture Trustee collects any money or property pursuant its exercise of remedies with respect to the Issuer or the Trust Estate following the acceleration of the maturities of the Notes, it will pay out the money or property in accordance with the Priority of Payments or, in the case of an acceleration as a result of an Event of Default due to an insolvency or similar event with respect to the Issuer or the Depositor, as may otherwise be directed by a court of competent jurisdiction.

Following the sale of the Trust Estate and the application of the proceeds of such sale and other amounts, if any, then held in the Collection Account in accordance with the Priority of Payments, any and all amounts remaining due on the Notes and all other Obligations shall be extinguished and shall not revive, the Notes shall be deemed cancelled and the Notes shall no longer be Outstanding.

The Indenture Trustee may fix a record date and Payment Date for any payment to Noteholders pursuant to this section "*The Indenture—Rights Upon Event of Default*." At least fifteen (15) days before such record date, the Indenture Trustee shall transmit to each Noteholder and the Issuer a notice that states the record date, the Payment Date and the amount to be paid.

Waiver of Defaults

The Required Noteholders may, on behalf of all Noteholders, waive in writing any past default with respect to the Notes and its consequences (including an Event of Default), except that:

(a) a default in the payment of the principal or interest in respect of any Note cannot be waived without the consent of each Noteholder of each Outstanding Note affected thereby;

(b) a default as a result of an Insolvency Event with respect to the Issuer or the Depositor cannot be waived without the consent of each Noteholder; and

(c) a default in respect of a covenant or provision of the Indenture that under the terms of the Indenture cannot be modified or amended without the consent of the Noteholder of each Outstanding Note

or each Noteholder of each Outstanding Note affected thereby without the consent of each such Noteholder.

Upon any such written waiver, such default, and any Event of Default arising therefrom, shall cease to exist and shall be deemed to have been cured for every purpose of the Indenture; provided, that no such waiver shall extend to any subsequent or other default or Event of Default or impair any right consequent thereon.

Notice of Events of Default

Within five (5) days following the occurrence of any Event of Default or Insolvency Event with respect to the Issuer, the Issuer will deliver a written notice in the form of an Officer's Certificate of the Issuer of such Event of Default or Insolvency Event, its status and what action the Issuer is taking or proposes to take with respect thereto. The Indenture Trustee will have no obligation either prior to or after receiving any such notice to investigate or verify that such event has in fact occurred and will be entitled to rely conclusively, and will be fully protected in so relying, on any such notice furnished to it. In the absence of such notice or actual knowledge of such default by a responsible officer of the Indenture Trustee, the Indenture Trustee may conclusively assume that there is no Event of Default or Insolvency Event.

Limitation on Suits

Subject to the limitations set forth in the Indenture, no Noteholder shall have any right to institute any proceedings, judicial or otherwise, with respect to the Indenture, or for the appointment of a receiver or trustee, or for any other remedy hereunder, unless:

(a) the Holders of not less than 10% of the aggregate unpaid principal amount of all Outstanding Notes have made written request to the Indenture Trustee to institute such proceeding in its own name as Indenture Trustee under the Indenture;

(b) such Noteholder or Noteholders has previously given written notice to the Indenture Trustee of a continuing Event of Default;

(c) such Noteholder or Noteholders has offered to the Indenture Trustee indemnity reasonably satisfactory to it against the costs, expenses and liabilities to be incurred in compliance with such request;

(d) the Indenture Trustee for sixty (60) days after its receipt of such notice, request and offer of indemnity has failed to institute any such proceeding; and

(e) no direction inconsistent with such written request has been given to the Indenture Trustee during such sixty-day period by Holders of a majority of the aggregate unpaid principal amount of all Outstanding Notes.

In the event the Indenture Trustee receives conflicting or inconsistent requests and indemnity from two (2) or more groups of Noteholders, each representing less than a majority of the Outstanding amount of the Notes, the Indenture Trustee shall act at the direction of the group representing a greater percentage of the Outstanding amount of the Notes, or if both groups are equal, the Indenture Trustee in its sole discretion may determine what action, if any, shall be taken, notwithstanding any other provisions of the Indenture.

Annual Compliance Statements

The Issuer will deliver to the Indenture Trustee, no later than April 30th of each year so long as any Note is Outstanding (commencing April 30, 2017), an Officer's Certificate stating, as to the Authorized Officer signing such Officer's Certificate, that:

(a) a review of the activities of the Issuer during the most recently ended fiscal year (or in the case of the Officer's Certificate to be delivered on April 30, 2017, the period from the Closing Date to December 31, 2016) and of performance under the Indenture and the Sale and Servicing Agreement has been made under such Authorized Officer's supervision; and

(b) to the best of such Authorized Officer's knowledge, based on such review, the Issuer has materially complied with all conditions and covenants under the Indenture and the Sale and Servicing Agreement throughout such year, or, if there has been a default in its compliance with any such condition or covenant, specifying each such default known to such Authorized Officer and the nature and status thereof.

Governing Law

The Indenture and the Notes provide that they will be governed by, and will be construed in accordance with, the laws of the State of New York applicable to agreements made and to be performed in the State of New York, without reference to its conflicts of laws provisions (other than Section 5-1401 of the General Obligations Laws).

Satisfaction and Discharge of the Indenture

The Indenture will be discharged (except with respect to certain continuing rights specified in the Indenture) when:

(i) either:

(A) all Notes (other than (1) any Notes which have been destroyed, lost or stolen and which have been replaced or paid and (2) any Notes for whose full payment money is held in trust by the Indenture Trustee and thereafter released to the Issuer or discharged from such trust as provided in the Indenture) have been delivered to the Indenture Trustee for cancellation; or

(B) all Notes not theretofore delivered to the Indenture Trustee for cancellation:

(I) have become due and payable; or

(II) are to be called for redemption within one year under arrangements satisfactory to the Indenture Trustee for the giving of notice of redemption by the Indenture Trustee in the name, and at the expense, of the Issuer;

and the Issuer, in the case of (I) or (II) above, has irrevocably deposited or caused to be irrevocably deposited with the Indenture Trustee cash or direct obligations of or obligations guaranteed by the United States of America (which will mature prior to the date such amounts are payable), in trust for such purpose, in an amount sufficient to pay and discharge the entire indebtedness on such Notes in accordance with the Priority of Payments when due and payable or on the applicable final Payment Date (if Notes shall have been called for redemption pursuant to the Indenture), as the case may be;

(ii) the Issuer has paid or caused to be paid all other sums payable hereunder by the Issuer with respect to the Notes and with respect to the Indenture Trustee; and

(iii) the Issuer has delivered to the Indenture Trustee an Officer's Certificate of the Issuer and an Opinion of Counsel, each meeting the applicable requirements of the Indenture and each stating that all conditions precedent therein relating to the satisfaction and discharge of the Indenture have been complied with.

All monies deposited with the Indenture Trustee in connection with the satisfaction and discharge of the Indenture shall be held in trust and applied by it, in accordance with the provisions of the Notes and the Indenture, to make payments to the Noteholders for the payment in respect of which such monies have been deposited with the Indenture Trustee, of all sums due and to become due thereon for principal and interest; but such monies need not be segregated from other funds except to the extent required in the Indenture or in the Sale and Servicing Agreement or required by law.

Reports to Noteholders

Not later than the second Business Day preceding each monthly Payment Date, the Servicer shall deliver to the Issuer, the Issuer Loan Trustee for the benefit of the Issuer, each Rating Agency, the Back-up Servicer and the Indenture Trustee a report (the "**Monthly Servicer Report**") setting forth, among other things, the following information for such Payment Date:

(a) the Adjusted Loan Principal Balance for the related Collection Period;

(b) the amount of interest to be paid to each Class of Notes on such Payment Date;

(c) the amount of Collections for such Collection Period;

(d) the amount on deposit in the Reserve Account as of such Payment Date; and

(e) the amount of principal to be paid to each Class of Notes and the principal balance for each Class of Notes immediately prior to such Payment Date and after giving effect to payments on the Notes on such Payment Date.

The Servicer will deliver to the Issuer, the Issuer Loan Trustee for the benefit of the Issuer, each Rating Agency and the Indenture Trustee on or before April 30 of each calendar year, beginning with April 30, 2017, an Officer's Certificate stating that, based on the review of an Authorized Officer of the Servicer, the Servicer has performed in all material respects all of its obligations under the Sale and Servicing Agreement and other Transaction Documents throughout such calendar year (or in the case of the Officer's Certificate to be delivered on or before April 30, 2017, the period from the Closing Date to December 31, 2016), and that no Servicer Default has occurred and is continuing, except as may be noted in such Officer's Certificate, together with an agreed-upon procedures letter delivered by an independent provider (provided that the Indenture Trustee need not receive any such agreed-upon procedures letter) with respect to the Servicer's activities under the Transaction Documents.

DTC will supply these Monthly Servicer Reports to Noteholders in accordance with its procedures. Since Beneficial Owners will not be recognized as Noteholders, DTC will not forward monthly reports to Beneficial Owners. Copies of Monthly Servicer Reports may be obtained by Beneficial Owners by a request in writing to the Servicer.

Supplemental Indentures

Supplemental Indentures Without the Consent of the Noteholders. Without the consent of any Noteholders but with prior notice to each Rating Agency, the Issuer, the Issuer Loan Trustee, the Servicer and the Indenture Trustee may enter into one or more indentures supplemental to the Indenture only in order to (i) correct or amplify any description of property or to better assure, convey or confirm the lien of the Indenture Trustee in any such property, or to add any additional property to the lien of the Indenture Trustee; (ii) to add to the covenants of the Issuer or the Issuer Loan Trustee for the benefit of the Holders of the Notes, or to surrender any right or power conferred upon the Issuer in the Indenture; (iii) to convey, transfer, assign, mortgage or pledge any property to the Indenture Trustee; (iv) to cure any ambiguity or inconsistency in any way or to make any other provisions with respect to matters or questions arising under the Indenture or in any supplemental indenture that does not adversely affect the interests of any Noteholders in any material respect, as evidenced by an Officer's Certificate of the Issuer; (v) to evidence and provide for the acceptance of the appointment by a successor indenture trustee and additional

indenture trustee; or (vi) to conform the terms of the Indenture to the description thereof in this private placement memorandum.

The Indenture Trustee is authorized to join in the execution of any such supplemental indenture and to make any further appropriate agreements and stipulations that may be therein contained.

The Issuer, the Issuer Loan Trustee, the Servicer and the Indenture Trustee may also, without the consent of any Noteholders but upon satisfaction of the Rating Agency Notice Requirement, enter into an indenture supplemental to the Indenture for the purpose of adding any provisions to, or changing in any manner or eliminating any of the provisions of, the Indenture or of modifying in any manner the rights of the Noteholders, so long as the Issuer has delivered to the Indenture Trustee an Officer's Certificate stating that the Issuer reasonably believes that such action will not have an Adverse Effect, and the Issuer has delivered to the Indenture Trustee and each Rating Agency a Tax Opinion addressing such action.

Additionally, the Issuer, the Issuer Loan Trustee, the Servicer and the Indenture Trustee may, without the consent of any Noteholders, enter into an indenture supplemental to the Indenture in order to add, modify or eliminate such provisions as may be necessary or advisable in order to enable all or any portion of the Issuer to avoid the imposition of state or local income or franchise taxes imposed on the Issuer's property or its income, so long as (i) the Issuer has delivered to the Indenture Trustee an Officer's Certificate to the effect that the proposed amendments meet the requirements set forth in the Indenture with respect thereto, (ii) the Rating Agency Notice Requirement has been satisfied, (iii) such amendment does not affect the rights, duties or obligations of the Indenture Trustee under the Indenture without its consent and (iv) the Issuer has delivered to the Indenture Trustee a Tax Opinion addressing such action.

No supplemental indenture that is effectuated as described above in this "*—Supplemental Indentures Without the Consent of the Noteholders*" may result in any change described in (a) through (h) in "*—Supplemental Indentures With the Consent of the Noteholders*" below.

Supplemental Indentures With the Consent of the Noteholders. The Issuer, the Issuer Loan Trustee, the Servicer and the Indenture Trustee, also may, with the consent of the Holders of not less than a majority of the aggregate unpaid principal amount of the adversely affected Outstanding Notes and with prior notice to each Rating Agency, enter into an indenture supplemental to the Indenture so long as the Issuer shall have delivered to the Indenture Trustee a Tax Opinion addressing such action; provided, that no supplemental indenture shall, without the consent of each Noteholder affected thereby:

(a) change the date of payment of any installment of principal of or interest on any Note, or reduce the principal amount thereof, the Interest Rate specified thereon or the redemption price with respect thereto, change the provisions of the Indenture relating to the application of collections on, or the proceeds of the sale of, all or any portion of the Trust Estate to payment of principal of or interest on the Notes, or change any place of payment where, or the coin or currency in which, any Note or any interest thereon is payable or impair the right to institute suit for the enforcement of the provisions of the Indenture requiring the application of funds available therefor to the payment of any such amount due on the Notes on or after the respective due dates thereof;

(b) reduce the percentage of the aggregate unpaid principal amount of all Notes, the consent of the holders of which is required for any such supplemental indenture, or the consent of the holders of which is required for any waiver of compliance with the provisions of the Indenture or defaults hereunder and their consequences as provided for in the Indenture;

(c) reduce the percentage of the aggregate unpaid principal amount of any Notes, the consent of the holders of which is required to direct the Indenture Trustee to sell or liquidate the Trust Estate if the proceeds of such sale would be insufficient to pay the principal amount and accrued but unpaid interest on the Notes;

(d) modify the calculation of the amount of any payment of interest or principal due on any Note on any Payment Date (including the calculation of any of the individual components of such calculation) or to affect the rights of the holders of Notes to the benefit of any provisions for the mandatory redemption of the Notes contained in the Indenture;

(e) modify or alter the provisions of the Indenture prohibiting the voting of Notes held by the Issuer, any other obligor on the Notes, the Depositor, the Performance Support Provider, the Servicer or any Seller;

(f) permit the creation of any Lien ranking prior to or on a parity with the lien of the Indenture or, except as otherwise permitted or contemplated in the Indenture, terminate the Lien of the Indenture on any part of the Trust Estate or deprive the Holder of any Note of the security provided by the Lien of the Indenture;

(g) modify or alter any provisions (including any relevant definitions) relating to the pro rata treatment of payments to any Class of Notes; or

(h) (w) reduce the Target Overcollateralization Amount or change the manner in which the Adjusted Loan Principal Balance is calculated or structured, (x) modify any Event of Default (or any defined term used therein), (y) modify the provisions relating to the requirements for supplemental indentures or (z) amend or supplement the provisions of permitting monthly deposits of Collections by the Servicer or the provisions permitting the release of Loans from the lien of the Indenture.

Promptly after the execution by the Issuer, the Issuer Loan Trustee, the Servicer and the Indenture Trustee of any supplemental indenture, the Indenture Trustee shall mail to the Noteholders written notice setting forth in general terms the substance of such supplemental indenture. Any failure of the Indenture Trustee to mail such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such supplemental indenture.

Any supplemental indenture which affects the rights, duties, liabilities or immunities of the Indenture Trustee will require the Indenture Trustee's written consent. All reasonable fees, costs and expenses (including, without limitation, reasonable attorneys' fees, costs and expenses) incurred in connection with any such amendment, modification, waiver or supplemental indenture will be payable by the Issuer in accordance with and subject to the Priority of Payments.

Modifications of Transaction Documents

Each of the Issuer and the Issuer Loan Trustee has agreed in the Indenture that it will not (i) terminate, amend, waive, supplement or otherwise modify any of, or consent to the assignment by any party of, the Transaction Documents to which it is a party, and (ii) to the extent that the Issuer or the Issuer Loan Trustee has the right to consent to any termination, waiver, amendment, supplement or other modification of, or any assignment by any party of, any Transaction Document to which it is not a party, give such consent, unless, in each case (a) either (x) such termination, amendment, waiver, supplement or other modification or such assignment, as applicable, would not materially adversely affect the Noteholders, conclusive evidence of which may be established by delivery of a certificate of an officer of the Servicer as to such determination or (y) to the extent such termination, amendment, waiver, supplement or other modification or such assignment requires, under the terms of the applicable Transaction Document, the consent of any Noteholder, such requirement shall have been satisfied; and (b) the other requirements with respect to such termination, amendment, waiver, supplement or other modification, or such assignment, as applicable, contained in the Transaction Documents have been satisfied. Notwithstanding the foregoing, the Issuer and the Issuer Loan Trustee may enter into supplemental indentures to the Indenture as described under "*—Supplemental Indentures—Supplemental Indentures Without the Consent of the Noteholders*."

See "*Risk Factors—The Noteholders Have Limited Control over Amendments, Modifications and Waivers to, and Assignments of, the Indenture and other Transaction Documents*" and "*—Supplemental Indentures*" in this private placement memorandum.

Compensation of the Indenture Trustee; Indemnification

The Indenture Trustee will be entitled to receive an annual fee in an amount equal to $12,000 as compensation for its activities under the Indenture which will be paid in equal monthly installments by the Issuer in accordance with the Priority of Payments.

In addition to compensation for its services, the Issuer will reimburse the Indenture Trustee and the Note Registrar, in each case in accordance with the Priority of Payments, for all reasonable out-of-pocket expenses (including reasonable fees and out-of-pocket expenses, disbursements and advances of any agents, any co-trustee, counsel, accountants and experts) incurred or made by it (including without limitation expenses incurred in connection with notices or other communications to the Noteholders), disbursements and advances incurred or made by the Indenture Trustee and the Note Registrar in accordance with any of the provisions of the Indenture or any of the Transaction Documents, except any such expense, disbursement or advance as may arise from its negligence, willful misconduct, fraud or bad faith.

The payment of fees and reimbursement of expenses of the Indenture Trustee and the Note Registrar pursuant to the Indenture, the payment of fees and reimbursement of expenses of the Owner Trustee pursuant to the Trust Agreement, the reimbursement of expenses of the Back-up Servicer pursuant to the Back-up Servicing Agreement (other than Servicing Transition Costs), the payment of fees and reimbursement of expenses of the Depositor Loan Trustee and the Issuer Loan Trustee pursuant to the Depositor Loan Trust Agreement and the Issuer Loan Trust Agreement, respectively, and the payment to the Owner Trustee, the Indenture Trustee, the Depositor Loan Trustee, the Issuer Loan Trustee and any other Person entitled thereto of any indemnified amounts due and owing from the Issuer pursuant to any Transaction Document from the assets of the Trust Estate payable on a senior basis in accordance with the Priority of Payments are subject to aggregate annual cap of $200,000 for all such amounts during any calendar year; provided, that (i) if an Event of Default shall have occurred and be continuing, such limitations shall not apply and (ii) prior to any such Event of Default, all such amounts that exceed such cap are payable from the assets of the Trust Estate on a subordinate basis in accordance with the Priority of Payments.

The Indenture Trustee shall not be liable with respect to any action taken, suffered or omitted to be taken by it in good faith in accordance with the Indenture and/or the direction of the Required Noteholders as to the time, method and place of conducting any proceeding for any remedy available to the Indenture Trustee or for exercising any trust or power conferred upon the Indenture Trustee under the Indenture. Generally, the Indenture Trustee shall not be under any obligation to exercise any of the rights or powers vested in it by the Indenture, or to honor the request or direction of any of the Noteholders pursuant to the Indenture to institute, conduct or defend any litigation hereunder in relation hereto, unless such Noteholders shall have offered to the Indenture Trustee reasonable security or indemnity against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction.

With respect to any indemnity claim (i) the Indenture Trustee shall promptly notify the Issuer and the Servicer thereof (however, failure by the Indenture Trustee to so notify the Issuer and the Servicer shall not relieve the Issuer of its indemnity obligations unless such loss, liability or expense could have been avoided with such prompt notification and then only to the extent of such loss, expense or liability which could have been so avoided) and (ii) the Issuer shall defend any claim against the Indenture Trustee; provided, however, the Indenture Trustee may have separate counsel and, if it does, the Issuer shall pay the fees and expenses of such counsel.

Resignation and Removal of the Indenture Trustee

The Indenture Trustee, may resign for any reason at any time by giving sixty (60) days prior written notice to the Issuer, in which event the Issuer will be obligated to appoint a successor Indenture Trustee as set forth in the Indenture, which successor shall be reasonably satisfactory to the Servicer.

The Issuer shall remove the Indenture Trustee by giving sixty (60) days notice if (i) the Indenture Trustee ceases to have a combined capital and surplus of at least $50,000,000 as set forth in its most recent published annual report of condition, (ii) the rating of its long-term unsecured debt is less than Baa3 by Moody's or less than BBB- by Standard & Poor's, (iii) the Indenture Trustee fails to meet the requirements of Section 26(a)(1) of the Investment Company Act, (iv) the Indenture Trustee is an Affiliate of the Issuer, the Depositor or the initial Servicer, (v) the

Indenture Trustee offers or provides credit or credit enhancement to the Issuer, (vi) the Indenture Trustee becomes insolvent or (vii) the Indenture Trustee becomes incapable of acting. If the Issuer removes the Indenture Trustee, the Issuer will be obligated to appoint a successor indenture trustee, which successor shall be reasonably satisfactory to the Servicer.

In addition, the Indenture Trustee may be removed at any time by the Required Noteholders.

Any resignation or removal of the Indenture Trustee and appointment of a successor indenture trustee will not become effective until the acceptance of appointment by the successor Indenture Trustee pursuant to the Indenture. If a successor Indenture Trustee does not take office within thirty (30) days after the retiring Indenture Trustee resigns or is removed, the retiring Indenture Trustee, the Issuer or the Holders of a majority of the aggregate unpaid principal amount of the Notes may petition any court of competent jurisdiction for the appointment of a successor Indenture Trustee, and all reasonable fees, costs and expenses (including, without limitation, reasonable attorneys' fees) incurred in connection with such petition will be paid by the Issuer in accordance with and subject to the Priority of Payments.

Direction by Noteholders

Whenever the Indenture or any other Transaction Document requires or permits actions to be taken based on instructions from the Holders of Outstanding Notes evidencing a specified percentage of the Aggregate Note Principal Balance, the Aggregate Note Principal Balance will be calculated as follows (but excluding, in each instance, any Notes which are not considered "Outstanding" for purposes of determining whether the requisite principal amount of the Outstanding Notes have given any request, demand, authorization, direction, notice, consent or waiver under the Indenture as noted in the definition of "Outstanding" set forth below):

"**Aggregate Note Principal Balance**" shall mean, as of any date of determination, the sum of the aggregate Class A Note Balance, the aggregate Class B Note Balance, the aggregate Class C Note Balance and the aggregate Class D Note Balance, in each case as of such date of determination.

"**Class A Note Balance**" shall initially mean $603,120,000 and thereafter, shall equal the initial Class A Note Balance reduced by all previous payments to the Class A Noteholders in respect of the principal of the Class A Notes that have not been rescinded.

"**Class B Note Balance**" shall initially mean $45,610,000 and thereafter, shall equal the initial Class B Note Balance reduced by all previous payments to the Class B Noteholders in respect of the principal of the Class B Notes that have not been rescinded.

"**Class C Note Balance**" shall initially mean $51,270,000 and thereafter, shall equal the initial Class C Note Balance reduced by all previous payments to the Class C Noteholders in respect of the principal of the Class C Notes that have not been rescinded.

"**Class D Note Balance**" shall initially mean $53,900,000 and thereafter, shall equal the initial Class D Note Balance reduced by all previous payments to the Class D Noteholders in respect of the principal of the Class D Notes that have not been rescinded.

"**Outstanding**" shall mean, as of any date of determination, all Notes previously authenticated and delivered under the Indenture except,

(1) Notes previously cancelled by the Indenture Trustee or delivered to the Indenture Trustee for cancellation; and

(2) Notes for whose payment or redemption money in the necessary amount has been previously deposited with the Indenture Trustee for the holders of such Notes; provided, that if such Notes are to be redeemed, any required notice of such redemption pursuant to the Indenture or provision for such notice satisfactory to the Indenture Trustee has been made; and

(3) Notes that have been paid (rather than exchanged) in connection with a request for replacement of a lost or mutilated Note or in exchange for or in lieu of which other Notes have been authenticated and delivered under the Indenture, other than any such Notes for which there shall have been presented to the Indenture Trustee proof satisfactory to it that such Notes are held by a protected purchaser;

provided, however, that in determining whether the Holders of the requisite principal amount of the Outstanding Notes have given any request, demand, authorization, direction, notice, consent or waiver under the Indenture, Notes owned by the Issuer, any other obligor upon the Notes, the Depositor, the Performance Support Provider, the Servicer or any Seller shall be disregarded and considered not to be Outstanding, except that (i) in determining whether the Indenture Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Notes that a responsible officer of the Indenture Trustee, as the case may be, has actual knowledge of being so owned shall be so disregarded and (ii) in connection with any vote where all the relevant Notes required or entitled to vote are held by the Depositor, the Performance Support Provider, the Servicer or any Seller or any affiliate thereof, such Notes shall be deemed to be Outstanding for purposes of such vote. Notes so owned that have been pledged in good faith may be regarded as Outstanding if the pledgee establishes to the satisfaction of the Indenture Trustee the pledgee's right so to act for such Notes and that the pledgee is not the Issuer, any other obligor upon the Notes, the Depositor, the Performance Support Provider, the Servicer or any Seller or any affiliate thereof. In making any such determination, the Indenture Trustee may rely on the representations of the pledgee and shall not be required to undertake any independent investigation.

THE ADMINISTRATION AGREEMENT

Pursuant to the Administration Agreement, the Issuer and the Issuer Loan Trustee will engage SFC as Administrator and the Depositor to perform, on behalf of the Issuer and the Issuer Loan Trustee, certain of the covenants, duties and obligations of the Issuer under the Indenture, the Issuer Loan Trust Agreement and the other Transaction Documents. Notwithstanding such engagement, the Issuer shall remain liable for all such covenants, duties and obligations.

The Administration Agreement shall continue in force until the termination of the Trust Agreement in accordance with its terms. SFC may resign as Administrator by providing the Issuer with at least sixty (60) days' prior written notice. The Issuer may remove SFC as Administrator without cause by providing the Administrator with at least sixty (60) days' prior written notice. In addition, the Issuer may remove SFC as Administrator, effective immediately upon notice if the Administrator defaults in the performance of any of its duties under the Administration Agreement (if not cured within ten days after notice (or, if such default cannot be cured within ten days, the Administrator shall not have given within such time such assurance of cure as shall be reasonably satisfactory to the Issuer) or if an Insolvency Event shall occur with respect to the Administrator.

No resignation or removal of the Administrator described above shall be effective until (i) a successor Administrator shall have been appointed by the Issuer in accordance with the Trust Agreement and (ii) such successor Administrator shall have agreed in writing to be bound by the terms of the Administration Agreement. If a successor Administrator does not take office within sixty (60) days after the retiring Administrator resigns or is removed, the resigning or removed Administrator or the Issuer may petition any court of competent jurisdiction for the appointment of a successor Administrator.

The Administration Agreement may be amended from time to time by the parties thereto, without notice to or the consent of any of the holders of the Notes or the trust certificates, (i) to cure any ambiguity, (ii) to cause the provisions therein to conform to or be consistent with or in furtherance of the statements made with respect to the Notes and the trust certificates, the Issuer or the Administration Agreement in any private placement memorandum, or to correct or supplement any provision therein which may be inconsistent with any other provisions therein, (iii) to make any other provisions with respect to matters or questions arising under the Administration Agreement or (iv) to add, delete, or amend any provisions to the extent necessary or desirable to comply with any requirements imposed by the Internal Revenue Code. No such amendment effected pursuant to clause (iii) of the preceding sentence shall, as evidenced by an Opinion of Counsel (which shall be an expense of the party requesting such amendment and shall not be an expense of the Issuer), adversely affect in any material respect the interests of any Noteholder or the holders of the trust certificates. Prior to entering into any amendment without the consent of holders of the Notes or the trust certificates, the Administrator may require an Opinion of Counsel (at the expense of

the party requesting such amendment) to the effect that such amendment is permitted under the Administration Agreement.

The Administration Agreement may also be amended from time to time by the parties thereto with the consent of the Required Noteholders and the holders of the trust certificates for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of the Administration Agreement or of modifying in any manner the rights of the holders of the Notes or the trust certificates; provided, however, that no such amendment may (i) increase or reduce in any manner the amount of, or accelerate or delay the timing of, collections of payments on the Loans and other collateral or payments or distributions, as applicable, that shall be required to be made for the benefit of holders of the Notes or the trust certificates or (ii) reduce the aforesaid percentage of the principal balance of the Notes required to consent to any such amendment, in the case of clause (i) without the consent of the holders of all the Outstanding Notes and the trust certificates, and in the case of clause (ii) without the consent of the holders of all the Outstanding Notes. Notification of the substance of any such amendment will be provided to the Rating Agencies.

THE TRUST AGREEMENT

The following summaries describe certain provisions of the Trust Agreement. The summaries do not purport to be complete and are subject to, and are qualified in their entirety by reference to, the provisions of the Trust Agreement.

Formation of the Trust; Activities

The Issuer is a statutory trust formed under the laws of the State of Delaware pursuant to the Trust Agreement for transactions described herein.

The purpose for which the Issuer is formed is to engage, from time to time, solely in a program of acquiring Loans pursuant to the Sale and Servicing Agreement and issuing Notes under the Indenture and related activities. Without limiting the generality of the foregoing, the Issuer may and has the power and authority to: (i) from time to time authorize and approve the issuance of Notes pursuant to the Indenture without limitation to aggregate amounts and, in connection therewith, determine the terms and provisions of such Notes and of the issuance and sale thereof, including, among other things, (1) preparing and filing all documents necessary or appropriate in connection with the registration of the Notes under the Securities Act, the qualification of indentures under the Trust Indenture Act of 1939 and the qualification under any other applicable federal, foreign, state, local or other governmental requirements, (2) preparing any private placement memorandum or other descriptive material relating to the issuance of the Notes, (3) appointing a paying agent or agents for purposes of payments on the Notes, and (4) arranging for the underwriting, subscription, purchase or placement of the Notes and selecting underwriters, managers and purchasers or agents for that purpose; (ii) from time to time receive payments and proceeds with respect to the assets in the Trust Estate and either invest or distribute those payments and proceeds, (iii) from time to time make deposits to and withdrawals from accounts established under the Indenture; (iv) from time to time execute, deliver, authenticate and issue the trust certificates pursuant to the Trust Agreement; (v) from time to time, in conjunction with the Issuer Loan Trustee, acquire, hold and sell the Loans and related assets from the Depositor and the Depositor Loan Trustee for the benefit of the Depositor pursuant to the Sale and Servicing Agreement; (vi) from time to time assign, grant a security interest in, grant, transfer, pledge and mortgage the Trust Estate pursuant to the Indenture and hold, manage and distribute to the holder of the trust certificates or the Noteholders pursuant to the terms of the Trust Agreement and the Transaction Documents any portion of the Trust Estate released from the lien of and remitted to the Trust pursuant to, the Indenture; (vii) from time to time make payments on the Notes; (viii) execute and deliver and perform its obligations under the Transaction Documents to which the Issuer is to be a party; (ix) subject to compliance with the Transaction Documents, to engage, from time to time, in such other activities as may be required in connection with conservation of the assets in the Trust Estate and the making of payments to the Noteholders and distributions to the holders of the Class A trust certificates; and (x) from time to time perform such obligations and exercise and enforce such rights and pursue such remedies as may be appropriate by virtue of the Issuer being party to any of the Transaction Documents and agreements contemplated in clauses (i) through (ix) above.

The Issuer will not engage in any business or activities other than in connection with, or relating to, the purposes specified in the previous paragraph. The operations of the Issuer will be conducted in accordance with the following standards:

(a) The Issuer shall not:

(i) enter into transactions with affiliates unless such transactions are on an arm's-length basis, on commercially reasonable terms and on terms no less favorable than would be obtained in a comparable arm's-length transaction with an unrelated third party and shall otherwise maintain an arm's-length relationship with its affiliates;

(ii) except in connection with the final disposition of all assets comprising the Trust Estate, dissolve or liquidate, in whole or in part;

(iii) consolidate or merge with or into any other entity or, except as permitted under the Indenture, sell, lease, assign, convey or otherwise transfer all or substantially all of its properties and assets to any Person;

(iv) take any action that it knows shall cause the Issuer to become insolvent;

(v) guarantee or become obligated for the debts of any other Person or hold out its credit as being available to satisfy the obligations of any other Person, except as expressly provided or contemplated in the Transaction Documents;

(vi) hold out its credit as being available to satisfy the obligations of any other Person;

(vii) incur or assume any indebtedness except as contemplated by the Transaction Documents;

(viii) pledge its assets for the benefit of any other Person or make any loans or advances to any entity except as contemplated by the Transaction Documents;

(ix) take any action that shall cause the Issuer to be treated as an association (or publicly traded partnership) taxable as a corporation for U.S. federal income tax purposes;

(x) acquire the obligations or securities of its Affiliates or the Depositor or own any material assets other than the Loans and related assets and any incidental property as may be necessary for the operation of the Trust, except as contemplated by the Transaction Documents; or

(xi) identify itself as a division of any other person or entity.

(b) The Issuer shall:

(i) maintain complete books, records and agreements (including books of account and minutes of meetings and other proceedings) as official records and separate from each other Person;

(ii) strictly observe all organizational formalities;

(iii) maintain its bank accounts separate from each other Person;

(iv) except as expressly contemplated in the Transaction Documents, not commingle its assets with those of any other Person and hold all of its assets in its own name;

(v) conduct its own business in its own name;

(vi) not have its assets listed on the financial statements of another Person, except as required by U.S. generally accepted accounting principles consistently applied;

(vii) other than as contemplated by the Transaction Documents, pay its own liabilities and expenses only out of its own funds;

(viii) observe formalities required under the Delaware Statutory Trust Act;

(ix) have its own principal executive and administrative office through which its business is conducted (which, however, may be within the premises of and leased from the Depositor or its Affiliates) separate from those of any other Person and allocate fairly and reasonably any overhead expenses that are shared with an affiliate (including, without limitation, telephone and other utility charges, the services of shared employees, consultants and agents, and reasonable legal and auditing expenses), and other items of cost and expense shared between the Trust and any of its affiliates, on the basis of actual use to the extent practicable, and to the extent such allocation is not practicable, on a basis reasonably related to actual use or the value of services rendered;

(x) use separate stationery, invoices, and checks bearing its own name (or under any name licensed pursuant to any trademark license or similar agreement);

(xi) hold itself out as a separate entity from any other Person, including the Depositor, and not conduct any business in the name of any other Person, including the Depositor;

(xii) correct any known misunderstanding regarding its separate identity;

(xiii) not form, acquire or hold any subsidiary (whether corporate, partnership, limited liability company or other) except as permitted under the Transaction Documents;

(xiv) maintain its assets in such a manner that it will not be costly or difficult to segregate, ascertain or identify its individual assets from those of any other Person;

(xv) maintain adequate capital in light of its contemplated business operations, transactions and liabilities; and

(xvi) cause its agents and other representatives to act at all times with respect to it consistently and in furtherance of the foregoing.

Prior to the termination of the Indenture in accordance with its terms, the Issuer shall not amend the provisions of the Trust Agreement described in (a) and (b) without the prior written consent of 100% of the Noteholders.

Compensation of the Owner Trustee; Indemnification of the Owner Trustee

Subject to the Priority of Payments, the Issuer will (i) pay to the Owner Trustee a fee for acting as Owner Trustee in an amount equal to $3,000, payable annually in advance by the Issuer beginning in July 2017, and (ii) reimburse the Owner Trustee for all other reasonable out-of-pocket costs and expenses (including reasonable fees and expenses of outside counsel) incurred by it in connection with its acting as Owner Trustee of the Issuer. Amounts payable to the Owner Trustee described in the foregoing sentence shall be payable from amounts designated for payment to the Owner Trustee pursuant to the Priority of Payments or from other amounts available to the Issuer that are not subject to the lien of the Indenture.

The Issuer will assume liability for, and indemnify, protect, save and keep harmless the Owner Trustee (in its individual capacity and as the Owner Trustee) and its officers, directors, successors, assigns, legal representatives, agents and servants (the "**Owner Trustee Indemnified Parties**"), from and against any and all liabilities, obligations, losses, damages, penalties, taxes, claims, actions, suits, investigations, proceedings, costs, expenses or disbursements (including reasonable legal fees and expenses, including legal fees and expenses in

connection with enforcement of its rights therein) of any kind and nature whatsoever which may be imposed on, incurred by or asserted at any time against an Owner Trustee Indemnified Party (whether or not also indemnified against by any other person) in any way relating to or arising out of (i) the Trust Agreement or any other related documents or the enforcement of any of the terms of any thereof, the administration of the Issuer and the assets of the Issuer or the action or inaction of the Owner Trustee under the Trust Agreement, (ii) any action or inaction taken by the Owner Trustee on behalf of the Issuer in accordance with the Trust Agreement, and (iii) the manufacture, purchase, acceptance, nonacceptance, rejection, ownership, delivery, lease, possession, use, operation, condition, sale, return or other disposition of any property (including any strict liability, any liability without fault and any latent and other defects, whether or not discoverable), except, in any such case, to the extent that any such liabilities, obligations, losses, damages, penalties, taxes, claims, actions, suits investigations, proceedings, costs, expenses and disbursements are the result of the willful misconduct or gross negligence of either of the Owner Trustee or such Owner Trustee Indemnified Party.

In case any such action, investigation or proceeding will be brought involving an Indemnified Party, the Trust will assume the defense thereof, including the employment of counsel and the payment of all expenses. The Owner Trustee will have the right to employ separate counsel in any such action, investigation or proceeding and to participate in the defense thereof and reasonable counsel fees and expenses of such counsel will be paid by the Trust.

The payment of fees and reimbursement of expenses of the Indenture Trustee and the Note Registrar pursuant to the Indenture, the payment of fees and reimbursement of expenses of the Owner Trustee pursuant to the Trust Agreement, the reimbursement of expenses of the Back-up Servicer pursuant to the Back-up Servicing Agreement (other than Servicing Transition Costs), the payment of fees and reimbursement of expenses of the Depositor Loan Trustee and the Issuer Loan Trustee pursuant to the Depositor Loan Trust Agreement and the Issuer Loan Trust Agreement, respectively, and the payment to the Owner Trustee, the Indenture Trustee, the Depositor Loan Trustee, the Issuer Loan Trustee and any other Person entitled thereto of any indemnified amounts due and owing from the Issuer pursuant to any Transaction Document from the assets of the Trust Estate are subject to aggregate annual cap of $200,000 for all such amounts during any calendar year; provided, that (i) if an Event of Default shall have occurred and be continuing, such limitations shall not apply and (ii) prior to any such Event of Default, all such amounts are also payable from the assets of the Trust Estate on a subordinate basis in accordance with the Priority of Payments.

Resignation or Removal of the Owner Trustee

The Owner Trustee may resign at any time without cause by giving at least 30 days' prior written notice to the holders of the trust certificates, the Issuer's board of trustees, the Depositor, the Directing Holder and the Indenture Trustee. In addition, the Directing Holder may at any time remove the Owner Trustee without cause by an instrument in writing delivered to the Owner Trustee. No such removal or resignation will become effective until a successor Owner Trustee, however appointed, becomes vested as Owner Trustee. The Depositor will notify the Rating Agencies promptly after the resignation or removal of the Owner Trustee and promptly after the appointment of a successor Owner Trustee.

Upon the occurrence of a Disqualification Event with respect to the Owner Trustee, the Directing Holder may appoint a successor Owner Trustee by written instrument. If a successor Owner Trustee has not been appointed within 30 days after the giving of written notice of such resignation or the delivery of the written instrument with respect to such removal, the Owner Trustee or the Directing Holder may apply to any court of competent jurisdiction to appoint a successor Owner Trustee to act until such time, if any, as a successor Owner Trustee has been appointed. Any successor Owner Trustee so appointed by such court will immediately and without further act be superseded by any successor Owner Trustee appointed as above provided.

"**Disqualification Event**" means (a) the bankruptcy, insolvency or dissolution of the Owner Trustee, (b) the occurrence of the date of resignation of the Owner Trustee, as set forth in a notice of resignation given pursuant to the Trust Agreement, (c) the delivery to the Owner Trustee of the instrument or instruments of removal referred to in the Trust Agreement (or, if such instruments specify a later effective date of removal, the occurrence of such later date), or (d) failure of the Owner Trustee to satisfy the following requirements: (i) be a trust company or a banking corporation under the laws of its state of incorporation or a national banking association satisfying the

provisions of Section 3807(a) of the Delaware Statutory Trust Act and authorized to exercise corporate trust powers, (ii) have a combined capital and surplus of not less than $50,000,000 (or have its obligations and liabilities irrevocably and unconditionally guaranteed by an affiliated Person having a combined capital and surplus of at least $50,000,000) and be subject to supervision or examination by federal or state banking authorities and (iii) be rated (or have a parent which is rated) at least BBB- by Standard & Poor's.

Assignment of Trust Certificates

The Class A trust certificates represent a 100% economic interest and 50% voting interest in the Issuer and the Class B trust certificates represent a non-economic 50% voting interest in the Issuer. The Depositor will be the initial holder of the Class A and Class B trust certificates as of the Closing Date; however, the Class A trust certificates may be transferred in whole or in part after the Closing Date in accordance with the terms of the Trust Agreement, and the Class B trust certificates will be assigned in whole to SFI on or about the Closing Date. Transfers of the economic and voting interests in the Issuer and the trust certificates may be made to any other Person who is an Affiliate of Springleaf (a "**Permitted Transferee**") that is a United States person within the meaning of Section 7701(a)(30) of the Internal Revenue Code. A holder of a trust certificate may not transfer, assign, exchange or otherwise pledge or convey all or any part of its right, title and interest in and to a trust certificate or its economic and voting interest in the Issuer to any other Person, except to any Permitted Transferee. It shall be a condition to any such transfer, assignment, exchange or pledge (i) that the holder of the applicable trust certificate and the proposed Permitted Transferee certify to the Owner Trustee that such proposed transfer, assignment, exchange or pledge complies with the Trust Agreement and the restrictive legends on the trust certificate and (ii) if made without the prior written consent of the Directing Holder (to be obtained by the Depositor), that the Owner Trustee shall have received a certificate of an Authorized Officer of the Depositor confirming that such transfer, assignment, exchange or pledge will not adversely affect the interests of the Noteholders under and in connection with the Notes and the Transaction Documents. Other than a transfer of the Class B trust certificates and the corresponding voting interest by the Depositor to SFI, any purported transfer by a holder of a trust certificate of all or any part of its right, title and interest in and to a trust certificate or the economic and voting interests in the Issuer represented thereby (1) to any Person will be effective only upon issuance of an Opinion of Counsel with respect to non-consolidation matters and a Tax Opinion, which will not be an expense of the Owner Trustee, and (2) not in compliance with the requirements described herein will be null and void.

Amendments

The Trust Agreement may be amended only by a written instrument executed by the Depositor, a majority of the Issuer's board of trustees, and the Owner Trustee, at the direction of the Administrator or the holders of the trust certificates, but only with the consent of the Directing Holder (such consent to be obtained by the Depositor). The Issuer is required to provide a copy of any such amendment to the holders of the trust certificates, to the Administrator and, for so long as any Notes are outstanding, to each Rating Agency.

The Owner Trustee shall be entitled to require and may conclusively rely on an Opinion of Counsel that any proposed amendment complies with the terms of the Trust Agreement and a certificate from the Depositor that all other conditions precedent to the execution and delivery of such amendment under the Trust Agreement have been met.

THE LOAN TRUST AGREEMENTS

Each of the Depositor and the Issuer will enter into a Loan Trust Agreement with WTNA as the "Loan Trustee" (in such capacity, the "**Depositor Loan Trustee**" pursuant to the "**Depositor Loan Trust Agreement**," and the "**Issuer Loan Trustee**" pursuant to the "**Issuer Loan Trust Agreement**," respectively). The Depositor Loan Trust Agreement and the Issuer Loan Trust Agreement are collectively referred to as the "**Loan Trust Agreements**." Each Loan Trust Agreement provides that the Loan Trustee thereunder will hold legal title to the Loans for the benefit of the Depositor or the Issuer, as applicable. The Issuer Loan Trustee pledges its interest in the applicable Loans to the Indenture Trustee pursuant to the Indenture. The sole role of the Loan Trustees under the applicable Loan Trust Agreements is to hold legal title to the applicable Loans and any other material obligation or liability is disclaimed and indemnified by the Issuer, other than those arising from the willful misconduct or gross negligence of the applicable Loan Trustee (as determined by a court of competent jurisdiction). Under the Loan

Trust Agreements, the applicable Loan Trustee or any successor thereto may resign at any time without cause by giving at least sixty (60) days' prior written notice, such resignation to be effective upon the acceptance of the trust created by the Loan Trust Agreement by a qualified successor. In certain limited circumstances, a Loan Trustee may resign immediately and need not take any action pending appointment of a successor.

Each Loan Trustee will be entitled to receive (i) an annual fee in an amount equal to $3,000 for Depositor Loan Trustee and $10,500 for Issuer Loan Trustee as compensation for its activities under the applicable Loan Trust Agreement, which will be paid in equal monthly installments by the Issuer in accordance with the Priority of Payments on each Payment Date and (ii) reimbursement for all other reasonable expenses, charges, and other disbursements and those of its attorneys, agents, and employees incurred in and about the administration and execution of the applicable Loan Trust Agreement, in accordance with the Priority of Payments on each Payment Date.

Pursuant to the applicable Loan Trust Agreement, the Issuer will indemnify and hold harmless and otherwise reimburse the Depositor Loan Trustee and the Issuer Loan Trustee (in its individual and trustee capacities) from and against any and all liabilities, obligations, losses, damages, penalties, claims, actions, suits, costs, expenses or disbursements (including, without limitation, legal fees and expenses, including legal fees and expenses in connection with enforcement of its rights therein) of any kind and nature whatsoever which may be imposed on, incurred by or asserted against the Depositor Loan Trustee or the Issuer Loan Trustee, as applicable, in any way relating to or arising out of the related Loan Trust Agreement or any document relating to the applicable Loan Trust Agreement, or the performance or enforcement of any of the terms of any provision thereof, or in any way relating to or arising out of the administration of the trust estate or the action or inaction of the Depositor Loan Trustee or Issuer Loan Trustee under the applicable Loan Trust Agreement, except only in the case of willful misconduct or gross negligence (as determined by a court of competent jurisdiction) on the part of the Depositor Loan Trustee or the Issuer Loan Trustee, as applicable, in the performance of its respective duties thereunder. In no event shall the Depositor Loan Trustee or the Issuer Loan Trustee or their respective directors, officers, agents and employees be held liable for any punitive, special, indirect or consequential damages resulting from any action taken or omitted to be taken by it or them thereunder or in connection therewith even if advised of the possibility of such damages. Any such amounts payable to the Depositor Loan Trustee or the Issuer Loan Trustee will be paid from funds paid pursuant to the Priority of Payments.

To the extent amounts payable by the Issuer to the Depositor Loan Trustee and the Issuer Loan Trustee, as described above, exceed the amounts available therefor pursuant to the Priority of Payments, such amounts will be paid by SFC.

The payment of fees and reimbursement of expenses of the Indenture Trustee and the Note Registrar pursuant to the Indenture, the payment of fees and reimbursement of expenses of the Owner Trustee pursuant to the Trust Agreement, the reimbursement of expenses of the Back-up Servicer pursuant to the Back-up Servicing Agreement (other than Servicing Transition Costs), the payment of fees and reimbursement of expenses of the Depositor Loan Trustee and the Issuer Loan Trustee pursuant to the Depositor Loan Trust Agreement and the Issuer Loan Trust Agreement, respectively, and the payment to the Owner Trustee, the Indenture Trustee, the Depositor Loan Trustee, the Issuer Loan Trustee and any other Person entitled thereto of any indemnified amounts due and owing from the Issuer pursuant to any Transaction Document from the assets of the Trust Estate are subject to aggregate annual cap of $200,000 for all such amounts during any calendar year; provided, that (i) if an Event of Default shall have occurred and be continuing, such limitations shall not apply and (ii) prior to any such Event of Default, all such amounts that exceed such cap are payable from the assets of the Trust Estate on a subordinate basis in accordance with the Priority of Payments.

THE PERFORMANCE SUPPORT AGREEMENT

Pursuant to the Performance Support Agreement, SFC agrees in favor of the Depositor, the Issuer, the Depositor Loan Trustee, the Issuer Loan Trustee and the Indenture Trustee, for the benefit of the Noteholders, to guarantee the full and timely payment, observance and performance of all of the terms, covenants, indemnities, agreements, undertakings and obligations under the Transaction Documents of (i) each Seller, (ii) to the extent SFC is not the Servicer and the Servicer is an Affiliate of SFC, the Servicer (the "**Springleaf Successor Servicer**") and (iii) to the extent SFC is not the Administrator and the Administrator is an Affiliate of SFC, the Administrator.

In addition, under the Performance Support Agreement, SFC guarantees the full and timely payment, observance and performance of all of the terms, covenants, indemnities, agreements, undertakings and obligations of each of the Sellers under the Loan Purchase Agreement and under the other Transaction Documents, including, without limitation, (a) the obligation of such Seller to repurchase Loans pursuant to the Loan Purchase Agreement and (b) all obligations of such Seller in respect of indemnities under the Loan Purchase Agreement.

The Performance Support Agreement may only be amended, waived or otherwise modified with the prior written consent of each party thereto and the satisfaction of the Rating Agency Notice Requirement. SFC shall not be permitted to assign its rights, duties or obligations under the Performance Support Agreement.

CERTAIN LEGAL ASPECTS OF THE LOANS

General

The transfer of Loans by the Sellers to the Depositor and the Depositor Loan Trustee for the benefit of the Depositor and by the Depositor and the Depositor Loan Trustee for the benefit of the Depositor to the Issuer and the Issuer Loan Trustee for the benefit of the Issuer, the pledge thereof to the Indenture Trustee, the perfection of the security interests in the Loans, and the enforcement of rights to realize on the collateral, if any, securing the Loans are subject to a number of federal and state laws, including the UCC as codified in various states. Under the UCC as in effect in all states in which Loans are originated, the Loans constitute accounts, instruments, chattel paper or payment intangibles depending upon how they are documented. The Issuer, the Issuer Loan Trustee, the Servicer, the Depositor and the Depositor Loan Trustee will take necessary actions to perfect the Indenture Trustee's rights in the Loans. If, through inadvertence or otherwise, a third party were to purchase, including the taking of a security interest in, a Loan for new value in the ordinary course of its business and then were to take possession of the instrument, tangible chattel paper or electronic chattel paper, if any, representing the Loan, such third party would acquire an interest in the Loans superior to the interests of the Issuer and the Indenture Trustee if the third party acquired the Loans for value and without knowledge that the purchase violates the rights of the Issuer, the Issuer Loan Trustee for the benefit of the Issuer or the Indenture Trustee, which could cause investors to suffer losses on their Notes. No entity will take any action to perfect the Issuer's, the Issuer Loan Trustee's or the Indenture Trustee's right in the insurance policies or any proceeds of any insurance policies covering particular items of collateral securing the Loans or any credit life or other credit insurance policies. Therefore, the rights of a third party with an interest in these proceeds could prevail against the rights of the Issuer, the Issuer Loan Trustee for the benefit of the Issuer or the Indenture Trustee prior to the time the Servicer deposits the proceeds into a Note Account and the rights of a third party with an interest in the other rights with respect to the insurance policies could prevail against the rights of the Issuer, the Issuer Loan Trustee for the benefit of the Issuer or the Indenture Trustee

Generally, the rights held by assignees of the Loans, including without limitation, the Issuer, the Issuer Loan Trustee for the benefit of the Issuer and the Indenture Trustee, will be subject to:

- all the terms of the contracts related to or evidencing the Loans and any defense or claim in recoupment arising from the transaction that gave rise to the contracts; and

- any other defense or claim of the Loan Obligor against the assignor of such Loan which accrues before the Loan Obligor receives notification of the assignment. Because none of the Sellers, the Servicer, the Depositor or the Issuer is obligated to give the obligors notice of the assignment of any of the Loans, the Issuer and the Indenture Trustee, if any, will be subject to defenses or claims of the Loan Obligor against the assignor even if such claims are unrelated to the Loans.

Security Interests in Collateral Securing the Loans

Each Loan is secured by a security interest in a Financing Vehicle that is evidenced by a certificate of title issued under applicable state law. Perfection of security interests in Financing Vehicles is generally governed by the registration or titling laws of the state in which the applicable Financing Vehicle is registered or titled. In most states, a security interest in a Financing Vehicle is perfected by noting the secured party's lien on the Financing Vehicle's certificate of title. In certain states, a security interest in a Financing Vehicle may only be perfected by

electronic recordation, by either a third-party service provider or the relevant state registrar of title, which indicates that the lien of the secured party on the Financing Vehicle is recorded on the original certificate of title on the electronic lien and title system of the applicable state. As a result, any reference to a certificate of title in this private placement memorandum includes certificates of title maintained in physical form and electronic form. In some states, certificates of title maintained in physical form are held by the obligor and not the lien holder or a third party servicer. If such Seller, because of clerical errors or otherwise, fails to effect or maintain the notation of the security interest on the certificate of title relating to a Financing Vehicle, the Issuer and the Issuer Loan Trustee for the benefit of the Issuer may not have a perfected first priority security interest in that Financing Vehicle.

Each Seller will sell and assign the Loans it has originated and its security interests in the related Financing Vehicles to the Depositor and the Depositor Loan Trustee for the benefit of the Depositor, which shall convey such Loans and such related security interests to the Issuer and the Issuer Loan Trustee for the benefit of the Issuer, which will grant an interest in the Loans and the security interests in the related Financing Vehicles and related property to the Indenture Trustee on behalf of the Noteholders. Because of the administrative burden and expense, the Sellers, the Depositor, the Depositor Loan Trustee, the Servicer, the Issuer, the Issuer Loan Trustee and the Indenture Trustee will not amend any physical or electronic certificate of title to identify the Issuer or the Issuer Loan Trustee or the Indenture Trustee as the new secured party on the certificates of title. Regardless of whether the certificates of title are amended, UCC financing statements will be filed in the appropriate jurisdictions in order to perfect each transfer or pledge of the Loans between the Sellers, the Depositor and the Depositor Loan Trustee for the benefit of the Depositor, the Issuer and the Issuer Loan Trustee for the benefit of the Issuer and the Indenture Trustee. In most states, a secured creditor can perfect its security interest in a Financing Vehicle against creditors and subsequent purchasers without notice only by one or more of the following methods:

- depositing with the applicable state office a properly endorsed certificate of title for the Financing Vehicle showing the secured party as legal owner or lienholder on the Financing Vehicle;

- in those states that permit electronic recordation of liens, submitting for an electronic recordation, by either a third-party service provider or the relevant state registrar of titles, which indicates that the lien of the secured party on the Financing Vehicle is recorded on the original certificate of title on the electronic lien and title system of the applicable state;

- filing a sworn notice of lien with the applicable state office and noting the lien on the certificate of title; or

- if the Financing Vehicle has not been previously registered, filing an application in usual form for an original registration together with an application for registration of the secured party as legal owner or lienholder, as the case may be.

However, under the laws of most states, a transferee of a security interest in a Financing Vehicle is not required to reapply to the applicable state office for a transfer of registration when the security interest is sold or transferred by the lienholder to secure payment or performance of an obligation. Accordingly, under the laws of these states, the assignment by the applicable Seller to the Depositor and the Depositor Loan Trustee for the benefit of the Depositor, by the Depositor and the Depositor Loan Trustee for the benefit of the Depositor to the Issuer and the Issuer Loan Trustee for the benefit of the Issuer and by the Issuer and the Issuer Loan Trustee for the benefit of the Issuer to the Indenture Trustee of their respective interests in the Loans effectively conveys the applicable Seller's, the Depositor's, the Depositor Loan Trustee's, the Issuer's and the Issuer Loan Trustee's security in the Loans and, specifically, the Financing Vehicles, without re-registration and without amendment of any lien noted on the certificate of title, and the Indenture Trustee will succeed to the applicable Seller's, the Depositor's, the Depositor Loan Trustee's, the Issuer's and the Issuer Loan Trustee's respective rights as secured party. However, a risk exists in not identifying the Indenture Trustee as the new secured party on the certificates of title because the security interest of the Indenture Trustee could be released without such party's consent, another person could obtain a security interest in the applicable Financing Vehicle that is higher in priority than the interest of such party or such party's status as a secured creditor could be challenged in the event of a bankruptcy proceeding involving any of the Loan Obligor, the Depositor or any Seller.

Although it is not necessary to re-register the Financing Vehicles to convey the perfected security interest in the Financing Vehicles to the Indenture Trustee, the Indenture Trustee's security interest could be defeated through fraud, negligence, forgery or administrative error (including by state recording officials) because it may not be listed as legal owner or lienholder on the certificates of title. However, in the absence of these events, the notation of the applicable Seller's lien on the certificates of title generally will be sufficient to protect the Issuer against the rights of subsequent purchasers or subsequent creditors who take a security interest in a Financing Vehicle.

As of the Closing Date, Springleaf generally takes all action necessary to obtain a perfected security interest in each Financing Vehicle, however, Springleaf may not take such action in certain cases and, after the Closing Date, may change its business practices with respect to taking such action. If there are any Financing Vehicles for which the applicable Seller failed to obtain a first priority perfected security interest, the applicable Seller's security interest would be subordinate to, among others, subsequent purchasers and the holders of first priority perfected security interests in these Financing Vehicles. See "*Risk Factors—The Issuer's Security Interest in the Collateral for the Loans Will not be Noted on the Certificates of Title, which May Cause Losses on the Notes*", "*Risk Factors—Interests of Other Persons in the Collateral for Loans and Insurance Proceeds Could Be Senior to the Issuer's Interest, which May Result in Reduced Payments on the Notes*" and "*Risk Factors—There May be Insufficient Collateral Securing a Loan Obligor's Obligations Under a Loan*" in this private placement memorandum.

Under the Uniform Commercial Code, a perfected security interest in a Financing Vehicle continues until the earlier of the expiration of four months after the Financing Vehicle is moved to a new state from the state in which it is initially registered and the date on which the owner reregisters the Financing Vehicle in the new state. To re-register a Financing Vehicle, a majority of states require the registering party to surrender the certificate of title. In those states that require a secured party to take possession of the certificate of title to maintain perfection, the secured party would learn of the reregistration through the borrower's request for the certificate of title so it could re-register the Financing Vehicle. In the case of Financing Vehicles registered in states that provide for notation of a lien on the certificate of title but which do not require possession, the secured party would receive notice of surrender from the state of reregistration if the security interest is noted on the certificate of title. Thus, the secured party would have the opportunity to re-perfect its security interest in the Financing Vehicle in the new state. However, these procedural safeguards will not protect the secured party if, through fraud, forgery or administrative error, the borrower somehow procures a new certificate of title that does not list the secured party's lien. Additionally, in states that do not require the reregistering party to surrender the certificate of title, reregistration could defeat perfection.

Investors in the Notes should not rely on the Financing Vehicles as a significant source of funds to make payments on the Notes.

Competing Liens

Under the laws of most states, statutory liens take priority over even a first priority perfected security interest in collateral. These statutory liens include:

- mechanic's, repairmen's, garagemen's and other similar liens;
- motor vehicle accident liens;
- towing and storage liens;
- liens arising under various state and federal criminal statutes; and
- liens for unpaid taxes.

The UCC also grants certain federal tax liens priority over a secured party's lien. Additionally, the laws of most states and federal law permit governmental authorities to confiscate personal property under certain

circumstances if used in or acquired with the proceeds of unlawful activities. Confiscation may result in the loss of the perfected security interest in the applicable collateral. The Seller and the Depositor will represent and warrant that, as of the Cut-Off Date, the Seller has a first priority security interest in each Financing Vehicle. However, liens for repairs or taxes superior to the Indenture Trustee's security interest in any Financing Vehicle, or the confiscation of a Financing Vehicle, could arise at any time during the term of the applicable Loan. No notice will be given to the Indenture Trustee or any Noteholder in the event these types of liens or confiscations arise. Moreover, any liens of these types or any confiscation arising after the Closing Date would not give rise to a repurchase obligation of the applicable Seller or the Depositor. See "*—Repurchase Obligation*" below and "*Description of the Loans—Assignment of Loans; Representations and Warranties; Repurchase Obligations and Renewals—Repurchase Obligations*" in this private placement memorandum.

Notice of Sale; Redemption Rights

In the event of a default by a Loan Obligor, some jurisdictions require that the Loan Obligor be notified of the default and be given a time period within which the Loan Obligor may cure the default prior to repossession of the collateral securing the applicable Loan. Generally, this right of reinstatement may be exercised on a limited number of occasions in any one year period. Additionally, in cases where a Loan Obligor objects or raises a defense to repossession to a Financing Vehicle, or if otherwise required by applicable state law, a court order must be obtained from the appropriate state court, and the Financing Vehicle must then be recovered in accordance with that order.

The Uniform Commercial Code and other state laws require the secured party to provide the Loan Obligor with reasonable notice concerning the disposition of the collateral securing the Loan including, among other things, the date, time and place of any public sale and/or the date after which any private sale of the collateral may be held and certain additional information if the collateral constitutes consumer goods. In addition, some states also impose substantive timing requirements on the sale of repossessed vehicles or other Financing Vehicles and/or various substantive timing and content requirements relating to those notices. In some states, after a Financing Vehicle has been repossessed, the Loan Obligor may reinstate the account by paying the delinquent installments and other amounts due, in which case the Financing Vehicle is returned to the obligor. The Loan Obligor has the right to redeem the collateral prior to actual sale or entry by the secured party into a contract for sale of the collateral by paying the secured party the unpaid principal balance of the obligation, accrued interest thereon, reasonable expenses for repossessing, holding and preparing the collateral for disposition and arranging for its sale, plus, in some jurisdictions, reasonable attorneys' fees and legal expenses.

Deficiency Judgments and Excess Proceeds

The proceeds of resale of the repossessed Financing Vehicles generally will be applied first to certain expenses of resale and then to the satisfaction of the indebtedness. While some states impose prohibitions or limitations on deficiency judgments if the net proceeds from resale do not cover the full amount of the indebtedness, a deficiency judgment can be sought in those states that do not prohibit or limit those judgments. However, the deficiency judgment would be a personal judgment against the obligor for the shortfall, and a defaulting Loan Obligor can be expected to have very little capital or sources of income available following repossession. Therefore, in many cases, it may not be useful to seek a deficiency judgment or, if one is obtained, it may be settled at a significant discount. In addition to the notice requirement, the Uniform Commercial Code requires that every aspect of the sale or other disposition, including the method, manner, time, place and terms, be "commercially reasonable." Generally, in the case of consumer goods, courts have held that when a sale is not "commercially reasonable," the secured party loses its right to a deficiency judgment. In the case of collateral that does not constitute consumer goods, the Uniform Commercial Code provides that when a sale is not "commercially reasonable," the secured party may retain its right to at least a portion of the deficiency judgment.

The Uniform Commercial Code also permits the debtor or other interested party to recover for any loss caused by noncompliance with the provisions of the Uniform Commercial Code. In particular, if the collateral is consumer goods, the Uniform Commercial Code grants the debtor the right to recover in any event an amount not less than the credit service charge plus 10% of the principal amount of the debt. In addition, prior to a sale, the Uniform Commercial Code permits the debtor or other interested person to prohibit or restrain on appropriate terms

the secured party from disposing of the collateral if it is established that the secured party is not proceeding in accordance with the "default" provisions under the Uniform Commercial Code.

Occasionally, after resale of a repossessed Financing Vehicle and payment of all expenses and indebtedness, there is a surplus of funds. In that case, the Uniform Commercial Code requires the creditor to remit the surplus to any holder of a subordinate lien with respect to the Financing Vehicle or if no subordinate lien holder exists, the Uniform Commercial Code requires the creditor to remit the surplus to the Loan Obligor.

Courts have applied general equitable principles to secured parties pursuing repossession and litigation involving deficiency balances. These equitable principles may have the effect of relieving an obligor from some or all of the legal consequences of a default.

Forfeiture for Drug, RICO and Money Laundering Violations

Federal law provides that property purchased or improved with assets derived from criminal activity or otherwise tainted, or used in the commission of certain offenses, can be seized and ordered forfeited to the United States of America. The offenses which can trigger such a seizure and forfeiture include, among others, violations of the Racketeer Influenced and Corrupt Organizations Act, the Bank Secrecy Act, the anti money laundering laws and regulations, including the USA Patriot Act of 2001 and the regulations issued thereunder, as well as the narcotic drug laws. In many instances, the United States may seize the property even before a conviction occurs.

In the event of a forfeiture proceeding, a secured party may be able to establish its interest in the property by proving that (i) its security interest was granted and perfected before the commission of the illegal conduct from which the assets used to purchase or improve the property were derived or before the commission of any other crime upon which the forfeiture is based, or (ii) the secured party, at the time of the execution of the security agreement, "did not know or was reasonably without cause to believe that the property was subject to forfeiture." However, there can be no assurance that such a defense will be successful.

Servicemembers Civil Relief Act

Generally, under the terms of the Servicemembers Civil Relief Act (the "**Relief Act**"), a Loan Obligor who enters military service after the origination of such Loan Obligor's Loan (including a Loan Obligor who is a member of the National Guard or is in reserve status at the time of the origination of the Loan and is later called to active duty) may not be charged interest, including fees and charges, above an annual rate of 6% during the period of such Loan Obligor's active duty status and for one year thereafter. In addition to adjusting the interest, the lender must forgive any such interest in excess of 6% per annum, unless a court or administrative agency orders otherwise upon application of the lender. It is possible that such action could have an effect, for an indeterminate period of time, on the ability of the Servicer to collect full amounts of interest on certain of the Loans. Any shortfall in interest collections resulting from the application of the Relief Act or any amendment to it will make it more likely that, under certain scenarios, amounts received in respect of the Loans and, with respect to the Notes, amounts in the Reserve Account, may be insufficient to pay the Notes all principal and interest to which they are entitled. Further, the Relief Act imposes limitations which may impair the ability of the Servicer to use self-help repossession on collateral securing an affected Loan during the Loan Obligor's period of active duty status. Thus, in the event that such a Loan goes into default, there may be delays and losses occasioned by the inability to realize upon any collateral in a timely fashion. In addition, the Relief Act provides broad discretion for a court to modify a Loan upon application of the Loan Obligor. Certain states have enacted comparable legislation which may lead to the modification of a Loan or interfere with or affect the ability of the Servicer to timely collect payments of principal and interest on, or to repossess collateral on, Loans of Loan Obligors in such states who are active or reserve members of the armed services or the national guard. For example, California has enacted legislation providing protection substantially similar to that provided by the Relief Act to California national guard members called up for active service by the Governor or President and to reservists called to active duty.

Military Lending Act

In July 2015, The Department of Defense issued a final rule amending the implementing regulations of the Military Lending Act ("**MLA**"). The final rule expands specific protections provided to members of the military and certain family members under the MLA and addresses a wider range of credit products than the previous MLA regulation. Under the final rule, Springleaf is subject to the limitations of the MLA, which places a 36% limitation on all fees, charges, interest rate and credit and non-credit insurance premiums for certain loans made to members of the military and certain family members. The final rule was effective October 1, 2015, but compliance is not required until October 3, 2016.

Consumer Protection Laws

Numerous federal and state consumer protection laws and related regulations impose substantial requirements on lenders and servicers involved in consumer finance, including requirements regarding the adequate disclosure of contract terms and limitations on contract terms, collection practices and creditor remedies.

Consumer Financial Protection Bureau

The Dodd-Frank Act impacts the offering, marketing and regulation of consumer financial products and services offered by financial institutions, which could include the Sellers, the Servicer, the Depositor and their Affiliates, including the Issuer. The CFPB will have supervision, examination and enforcement authority over the consumer financial products and services offered by certain non-depository institutions and large insured depository institutions. The CFPB also has broad rulemaking and enforcement authority over providers of credit, savings and payment services and products and authority to prevent "unfair, deceptive or abusive" acts or practices. The CFPB has the authority to write regulations under federal consumer financial protection laws, and to enforce those laws against and examine large financial institutions for compliance.

For example, the Dodd-Frank Act gives the CFPB supervisory authority over entities that are designated as "larger participants" in certain financial services markets, including consumer installment loans and related products. The CFPB has issued a final rule, effective August 31, 2015, expanding its authority to larger participants in the automobile financing market. Under the definitions included in the final rule, the Servicer is considered a larger participant. Consequently, the Servicer is subject to the supervision and examination authority of the CFPB.

The CFPB is also authorized to collect fines and provide consumer restitution in the event of violations, engage in consumer financial education, track consumer complaints, request data and promote the availability of financial services to underserved consumers and communities. Depending on how the CFPB functions and its areas of focus, it could increase the compliance costs for Springleaf, potentially delay Springleaf's ability to respond to marketplace changes, result in requirements to alter products and services that would make them less attractive to consumers and impair the ability of Springleaf to offer products and services profitably. The CFPB is authorized to pursue administrative proceedings or litigation for violations of federal consumer financial laws. In these proceedings, the CFPB can obtain cease and desist orders (which can include orders for restitution or rescission of contracts, as well as other kinds of affirmative relief) and monetary penalties ranging from $5,000 per day for minor violations of federal consumer financial laws (including the CFPB's own rules) to $25,000 per day for reckless violations and $1 million per day for knowing violations. Also, where a company has violated Title X of the Dodd-Frank Act or CFPB regulations under Title X, the Dodd-Frank Act empowers state attorneys general and state regulators to bring civil actions for the kind of cease and desist orders available to the CFPB.

See "*Risk Factors—Financial Regulatory Reform*" in this private placement memorandum.

Other Laws

Other laws include the following (and their implementing regulations):

- federal Truth in Lending Act,

- Equal Credit Opportunity Act,
- Fair Credit Reporting Act,
- Federal Trade Commission Act,
- Magnuson-Moss Warranty Act,
- Fair Debt Collection Practices Act, and
- Gramm-Leach-Bliley Act.

In addition state consumer protection laws also impose substantial requirements on creditors and servicers involved in consumer finance. The applicable state laws generally regulate:

- allowable rates, fees and charges,
- the disclosures required to be made to Loan Obligors,
- licensing of originators of direct auto loans,
- debt collection practices,
- origination practices, and
- servicing practices.

These federal and state laws can impose specific statutory liabilities on creditors who fail to comply with their provisions and may affect the enforceability of a direct auto loan. In particular, a violation of these consumer protection laws may:

- limit the ability of the Servicer to collect all or part of the principal of or interest on the Loan,
- subject the Issuer, as an assignee of the Loans, to liability for expenses, damages and monetary penalties resulting from the violation,
- subject the Issuer to an administrative enforcement action, and
- provide the Loan Obligor with set-off rights against the Issuer.

Courts have imposed general equitable principles upon repossession and litigation involving deficiency balances. These equitable principles are generally designed to relieve a consumer from the legal consequences of a default.

In several cases, consumers have asserted that the remedies provided secured parties under the UCC and related laws violate the due process protections provided under the 14th Amendment to the Constitution of the United States. For the most part, courts have upheld the notice provisions of the UCC and related laws as reasonable or have found that the repossession and resale by the creditor does not involve sufficient state action to afford constitutional protection to consumers.

The Consumers' Claims and Defenses Rule, the so-called "Holder-in-Due-Course" rule of the Federal Trade Commission, has the effect of subjecting a seller, and certain related creditors and their assignees in a consumer credit transaction and any assignee of the creditor to all claims and defenses which the debtor in the transaction could assert against the seller of the goods. If a Loan is subject to the requirements of the Holder in Due

Course rule, the Issuer, the Issuer Loan Trustee or the Indenture Trustee on the Issuer's behalf will be subject to any claims or defenses that the debtor may assert against a seller.

Repurchase Obligation

Each Seller, as seller of Loans to the Depositor and the Depositor Loan Trustee for the benefit of the Depositor, will make representations and warranties in the Loan Purchase Agreement that each Loan sold by it to the Depositor and the Depositor Loan Trustee for the benefit of the Depositor satisfies the Loan Eligibility Representations. If any Loan Eligibility Representation proves to be incorrect with respect to any Loan, has certain material adverse effects and is not timely cured, such Seller will be required under the applicable Transaction Documents to repurchase the affected Loan as described under "*Description of the Loans—Assignment of Loans; Representations and Warranties; Repurchase Obligations and Renewals—Repurchase Obligations*" in this private placement memorandum. The Sellers are subject from time to time to litigation alleging that the direct auto loans or its lending practices do not comply with applicable law. The commencement of any such litigation generally would not result in a breach of any of a Seller's representations or warranties.

Certain Matters Relating to Bankruptcy

The Depositor has been structured as a limited purpose entity and will engage only in activities permitted by its organizational documents. The Depositor's organizational documents contain provisions that are intended to reduce the likelihood that the Depositor will file a voluntary petition under the United States Bankruptcy Code or any similar applicable state law. There can be no assurance, however, that the Depositor, or SFC or any Seller, will not become insolvent and file a voluntary petition under the United States Bankruptcy Code or any similar applicable state law or become subject to a conservatorship or receivership, as may be applicable in the future.

The voluntary or involuntary petition for relief under the United States Bankruptcy Code or any similar applicable state law or the establishment of a conservatorship or receivership, as may be applicable, with respect to SFC or any Seller should not necessarily result in a similar voluntary application with respect to the Depositor so long as the Depositor is solvent and does not reasonably foresee becoming insolvent either by reason of SFC's or such Seller's insolvency or otherwise. The Depositor has taken certain steps in structuring the transactions contemplated hereby that are intended to make it unlikely that any voluntary or involuntary petition for relief by SFC or any Seller under applicable insolvency laws will result in the consolidation pursuant to such insolvency laws or the establishment of a conservatorship or receivership, of the assets and liabilities of the Depositor with those of SFC or any Seller. These steps include the organization of the Depositor as a limited purpose entity pursuant to its limited liability company agreement containing certain limitations (including restrictions on the limited nature of Depositor's business and on its ability to commence a voluntary case or proceeding under any insolvency law without an affirmative vote of all of its directors, including independent directors).

SFC, the Sellers and the Depositor believe that subject to certain assumptions (including the assumption that the books and records relating to the assets and liabilities of SFC and the Sellers will at all times be maintained separately from those relating to the assets and liabilities of the Depositor, the Depositor will prepare its own balance sheets and financial statements and there will be no commingling of the assets of SFC or any Seller with those of the Depositor except as expressly contemplated in the Transaction Documents) the assets and liabilities of the Depositor and the Depositor Loan Trustee should not be substantively consolidated with the assets and liabilities of SFC or any Seller in the event of a petition for relief under the United States Bankruptcy Code with respect to SFC or any Seller; and the transfer of Loans by the Sellers to the Depositor and the Depositor Loan Trustee should constitute an absolute transfer, and, therefore, such Loans would not be property of the applicable Seller in the event of the filing of an application for relief by or against such Seller under the United States Bankruptcy Code.

Counsel to the Depositor and the Issuer will also render its opinion that:

- subject to certain assumptions, the assets and liabilities of neither the Depositor nor the Issuer would be substantively consolidated with the assets and liabilities of Springleaf or any Seller in the event of a petition for relief under the United States Bankruptcy Code with respect to Springleaf or such Seller; and

- the transfer of the Loans by each Seller to the Depositor constitutes an absolute transfer and would not be included in such Seller's bankruptcy estate or subject to the automatic stay provisions of the United States Bankruptcy Code.

If, however, a bankruptcy court or a creditor were to take the view that SFC or any Seller, on the one hand, and the Depositor or the Issuer, on the other hand, should be substantively consolidated or that the transfer of the Loans from any Seller to the Depositor and the Depositor Loan Trustee for the benefit of the Depositor should be recharacterized as a pledge of such Loans, then you may experience delays and/or shortfalls in payments on the Notes.

FDIC's Avoidance Power under OLA

The Dodd-Frank Wall Street Reform and Consumer Protection Act established the orderly liquidation authority ("**OLA**") under which the Federal Deposit Insurance Corporation ("**FDIC**") is authorized to act as receiver of a financial company and its subsidiaries defined therein as "covered financial companies." OLA differs from the United States Bankruptcy Code in several respects. In addition, because the legislation remains subject to clarification through FDIC regulations and has yet to be applied by the FDIC in any receivership, it is unclear what impact these provisions will have on any particular company, including the sponsor, the depositor or the issuer, or such company's creditors. For a company to become subject to OLA, the Secretary of the Treasury (in consultation with the President of the United States) must determine that: (a) the company is in default or in danger of default; (b) the failure of the company and its resolution under the United States Bankruptcy Code would have serious adverse effects on financial stability in the United States; (c) no viable private sector alternative is available to prevent the default of the company; and (d) an OLA proceeding would mitigate these effects. If the FDIC were to determine that the failure of SFC, any Seller, the Depositor and/or the Issuer, alone or in combination with the failure of other entities would have serious adverse effects on financial stability in the United States and that the other criteria above is satisfied, then SFC, such Seller, the Depositor and/or the Issuer could be subject to OLA.

If that occurred, the FDIC could repudiate contracts deemed burdensome to the estate, including secured debt. Springleaf has structured the transfers of the Loans to the Depositor and the Issuer in a manner intended to mitigate the risk of the recharacterization of the transfers as a security interest to secure debt of any Seller. Any attempt by the FDIC to repudiate the transfer of the Loans or to recharacterize the securitization transaction as a secured loan (which the FDIC could then repudiate) could cause delays in payments or losses on the Notes. In addition, if the Issuer were to become subject to OLA, the FDIC could repudiate the debt of the Issuer with the result that Noteholders would have a secured claim in the receivership of the Issuer. Also, if the Issuer were subject to OLA, Noteholders would not be permitted to accelerate the Notes, exercise remedies against the collateral or replace the servicer without the FDIC's consent for 90 days after the receiver is appointed. As a result of any of these events, delays in payments on the Notes and reductions in the amount of those payments could occur.

In addition, and also assuming that the FDIC were appointed receiver of the sponsor or any of their affiliates under OLA, the FDIC could avoid transfers of Loans that are deemed "preferential." Under one potential interpretation of OLA, the FDIC could avoid a Seller's transfer of certain Loans to the Depositor perfected merely upon their transfer (in the case of a sale) or by the filing of a UCC financing statement (in the case of a pledge by the issuing entity). If the transfer were avoided as a preference under OLA, Noteholders would have only an unsecured claim in the receivership for the purchase price of the Loans. On July 15, 2011, the FDIC Board of Directors published a final rule which, among other things, states that the FDIC is interpreting the OLA's provisions regarding the treatment of preferential transfers in a manner comparable to the relevant provisions of the United States Bankruptcy Code so that transferees will have the same treatment under the OLA as they would have in a bankruptcy proceeding. This final rule was effective on August 15, 2011. If a court were to conclude, however, that this FDIC rule is not consistent with the statute, then if a transfer were avoided as a preference under the OLA, Noteholders would have only an unsecured claim in the receivership for the purchase price of the Loans.

Other Limitations

In addition to the laws limiting or prohibiting deficiency judgments, numerous other statutory provisions, including the United States Bankruptcy Code and similar state laws, may interfere with or affect the ability of a secured party to realize upon collateral or to enforce a deficiency judgment. For example, if an obligor commences

bankruptcy proceedings, a bankruptcy court may prevent a creditor from repossessing a titled asset, and, as part of the rehabilitation plan, reduce the amount of the secured indebtedness to the market value of the titled asset at the time of filing of the bankruptcy petition, as determined by the bankruptcy court, leaving the creditor as a general unsecured creditor for the remainder of the indebtedness. A bankruptcy court may also reduce the monthly payments due under a direct auto loan or change the rate of interest and time of repayment of the direct auto loan.

Any shortfalls or losses arising in connection with the matters described above, to the extent not covered by amounts payable to the Noteholders from amounts available under a credit enhancement mechanism, could result in losses to the Noteholders.

CERTAIN U.S. FEDERAL INCOME TAX CONSEQUENCES

The following is a general discussion of certain U.S. federal income tax consequences relating to the purchase, ownership and disposition of the Notes by initial purchasers of the Notes who purchase the Notes upon their original issuance and hold the Notes as capital assets within the meaning of Section 1221 of the Internal Revenue Code. This discussion does not address all of the tax considerations that may be relevant to prospective purchasers in light of their particular circumstances or to persons subject to special rules under federal tax laws, such as certain financial institutions, insurance companies, dealers in securities, tax-exempt entities, certain former citizens or residents of the U.S., persons who hold the Notes as part of a "straddle," "hedging," "conversion" or other integrated transaction, persons who mark their securities to market for U.S. federal income tax purposes, persons whose functional currency is not the U.S. dollar or persons who may be or become subject to the alternative minimum tax. In addition, this discussion does not address the effect of any state, local or foreign tax laws. Accordingly, prospective purchasers are advised to consult their own tax advisors with respect to their individual circumstances.

This discussion is based on the Internal Revenue Code, the Treasury regulations promulgated thereunder and administrative and judicial pronouncements, all as in effect on the date hereof, and all of which are subject to change, possibly with retroactive effect.

For purposes of the following discussion, the term "U.S. Holder" means a beneficial owner of a Note that is, for U.S. federal income tax purposes, (i) an individual citizen or resident of the U.S., (ii) a corporation (or other entity subject to U.S. federal income taxation as a corporation) created or organized in or under the laws of the U.S. or of any state or the District of Columbia, or (iii) an estate or trust treated as a U.S. person under Section 7701(a)(30) of the Internal Revenue Code. The term "Non-U.S. Holder" means a beneficial owner of a Note other than a U.S. Holder or an entity treated as a partnership for U.S. federal income tax purposes. For the purposes of this discussion, U.S. Holders and Non-U.S. Holders are referred to collectively as "Holders." Non-U.S. Holders are not permitted to purchase Class D Notes.

Special rules, not addressed in this discussion, may apply to persons purchasing Notes through entities treated for U.S. federal income tax purposes as partnerships, and any such entity purchasing Notes and persons purchasing Notes through such an entity should consult their own tax advisors in that regard.

Except as otherwise noted herein, the discussion below does not address the U.S. federal income tax consequences of the purchase, ownership and disposition of Notes that will initially be retained by the Issuer or conveyed to an affiliate of the Issuer.

Treatment of the Notes as Indebtedness

Mayer Brown LLP, as special tax counsel to the Issuer, will issue an opinion as of the closing date that

- when issued, the Class A Notes and Class B Notes will be characterized as indebtedness for U.S. federal income tax purposes, in each case except to the extent such Notes are retained by the Issuer or conveyed to an affiliate of the Issuer,

- when issued, the Class C Notes and the Class D Notes should be characterized as indebtedness for U.S. federal income tax purposes, in each case except to the extent such Notes are retained by the Issuer or conveyed to an affiliate of the Issuer, and

- the Issuer will not be classified as an association (or a publicly traded partnership) taxable as a corporation for U.S. federal income tax purposes

(the "**Closing Date Tax Opinions**"). In rendering the Closing Date Tax Opinions, special tax counsel will rely on various representations made to it by the Issuer, SFC and others. Potential investors should be aware that, as of the date of this private placement memorandum, no transaction closely comparable to that contemplated herein has been the subject of any judicial decision, Treasury regulation or revenue ruling. Although special tax counsel to the Issuer will issue the Closing Date Tax Opinions, the Internal Revenue Service may successfully take a contrary position. The Closing Date Tax Opinions are not binding on the Internal Revenue Service or on any court.

The U.S. federal income tax characterization of any Note retained by the Issuer or conveyed to an affiliate of the Issuer will not be determined until the time, if any, that the Note is sold to an unrelated purchaser, based on the law and circumstances existing at that time. Therefore, no opinion is expressed, and no assurances can be given, with respect to the characterization for U.S. federal income tax purposes of such a Note. However, prior to any subsequent sale of such a Note, the Issuer must receive an Opinion of Counsel that such sale (i) will not adversely affect the U.S. federal income tax characterization as debt of any outstanding Notes with respect to which an Opinion of Counsel was delivered at the time of their original issuance as to the characterization of such Notes as debt for U.S. federal income tax purposes, (ii) will not cause or constitute an event in which gain or loss would be recognized by any Holder of outstanding Notes other than the Depositor or any affiliate thereof and (iii) will not cause the Issuer to be classified as an association (or a publicly traded partnership) taxable as a corporation for U.S. federal income tax purposes. Unless such subsequently sold Note has a CUSIP number that is different than that of any other Notes outstanding immediately prior to such sale, the Issuer must also receive an Opinion of Counsel that, for U.S. federal income tax purposes, such later sold Notes have the same issue price and issue date as do any outstanding Notes that have the same CUSIP number as the Notes being sold.

The Issuer, by entering into the Indenture, and each Holder, by the acceptance of any Note (and each beneficial owner of a Note, by its acceptance of an interest in the applicable Note), agree to treat the Notes for federal, state and local income and franchise tax purposes as indebtedness, and to file all federal, state and local income and franchise tax and information returns and reports required to be filed with respect to any Notes, under any applicable federal, state or local tax statute or any rule or regulation under any of them, consistent with such characterization.

The Closing Date Tax Opinions will reflect uncertainty as to the U.S. federal income tax characterization of the Class C Notes and the Class D Notes. Although as described more fully above, the Issuer and each Holder, including Holders of Class C and Class D Notes (and each beneficial owner of a Note), agree to treat the Notes for tax purposes as indebtedness, the Internal Revenue Service may assert that the Notes, or a particular Class of Notes, are not properly characterized as indebtedness for U.S. federal income tax purposes. The courts and the Internal Revenue Service have held that, in certain circumstances, indebtedness issued by a thinly capitalized entity should not be treated as indebtedness of that entity for U.S. federal income tax purposes. Although it is not clear that the Issuer should be viewed as being thinly capitalized, the Internal Revenue Service might contend that the Issuer is thinly capitalized and thus the Notes or a Class of the Notes, in substance, represent equity of the Issuer. If the Internal Revenue Service were to contend successfully that any Class of Notes were not properly treated as indebtedness for U.S. federal income tax purposes, such Notes might be treated as equity interests in the Issuer (any such Notes, "**Recharacterized Notes**"). Because of the subordination of the Class C Notes and the Class D Notes, any such attempted recharacterization would more likely be successful, if at all, with respect to the Class C Notes or the Class D Notes. If any of the Notes were successfully recharacterized as equity interests, the Issuer would be considered to have multiple equity owners (rather than the Depositor being treated as its sole owner) and, if that were the case, it is expected that the Issuer would be classified as a partnership for U.S. federal income tax purposes.

If the Issuer were treated as a partnership, the Issuer generally would not be subject to U.S. federal income tax, but each Holder of Recharacterized Notes would be treated as a partner in such partnership and would be required to take into account an amount with respect to such Holder's ownership interest in the Issuer, possibly even

if a corresponding cash payment was not received by such Holder. In such event, however, the amount, timing and character of income to a Holder of Recharacterized Notes would not generally be expected to materially differ from that which a Holder would receive if such Holder's Notes were not recharacterized. In addition, the Issuer could be required to withhold tax with respect to any Recharacterized Notes held by Non-U.S. Holders, and could be liable for any failure to so withhold, thereby reducing the cash flow that would otherwise be available to make payments on all Notes. With respect to any Recharacterized Notes, the Issuer and each beneficial owner of such Notes, by acceptance of such Notes (or beneficial interest therein), agree that, in the event any Notes are successfully recharacterized, the Issuer will be treated as a partnership as described above and payments on the Recharacterized Notes will be treated as "guaranteed payments" under Section 707 of the Internal Revenue Code, and agree to file all tax returns or reports consistent with such treatment.

If the Class A Notes or the Class B Notes were successfully recharacterized as equity interests, however, the Issuer may be treated as a publicly traded partnership taxable as a corporation. If the Issuer were treated as a publicly traded partnership taxable as a corporation, the Issuer would be subject to U.S. federal income tax at corporate rates on its taxable income, computed without any deduction for interest paid on any Recharacterized Notes, substantially reducing cash flow that would otherwise be available to make payments on the Notes.

If the Issuer were treated as a partnership for U.S. federal income tax purposes, adverse tax consequences might be experienced by Non-U.S. Holders and certain tax-exempt U.S. Holders of Recharacterized Notes. In particular, each Non-U.S. Holder of Recharacterized Notes could be subject to a 30% withholding tax (subject to a lower rate pursuant to an applicable tax treaty) on the interest amounts due to them, possibly prior to distribution of such amounts. Alternatively, each Non-U.S. Holder of Recharacterized Notes could be subject to tax (and withholding) based on regular U.S. tax rates applicable to U.S. persons on the interest amounts due to them, possibly prior to distribution of such amounts, and, in the case of a corporation, an additional 30% branch profits tax (subject to a lower rate pursuant to an applicable tax treaty). Further, depending on the circumstances, a Non-U.S. Holder of Recharacterized Notes could be required to file a U.S. tax return. In addition, with respect to certain tax-exempt U.S. Holders, certain portions of their receipts of payments may constitute "unrelated business taxable income." Finally, new audit rules for partnerships, scheduled to become effective for tax years beginning in 2018, require taxes arising from audit adjustments to be paid by the entity rather than by its partners or members unless an entity elects otherwise. It is unclear to what extent these elections will be available to the Issuer and how any such elections may affect the procedural rules available to challenge any audit adjustment that would otherwise be available in the absence of any such elections. Holders of equity (including holders of Recharacterized Notes) could be obligated to pay any such taxes and other costs, and may have to take the adjustment into account for the taxable year in which the adjustment is made rather than for the audited taxable year. Prospective investors are urged to consult with their tax advisors regarding the possible effect of the new rules on them.

Except as otherwise expressly indicated, the following discussion assumes that the characterizations described in the Closing Date Tax Opinions are correct, and that the Notes are properly characterized as indebtedness for U.S. federal income tax purposes.

U.S. Holders

Taxation of Interest and Original Issue Discount. Each U.S. Holder of a Note will include in income payments of interest in respect of such Note, in accordance with such U.S. Holder's method of accounting for U.S. federal income tax purposes, as ordinary interest income.

The issue price of some or all of the Notes may be less than their stated principal amount by more than a specified *de minimis* amount, such that those Notes (the "**OID Notes**") will be treated as issued with original issue discount ("**OID**") in an amount equal to such difference. A U.S. Holder must generally accrue OID on a current basis as ordinary income as it accrues over the term of an OID Note (taking into account special rules applicable to debt instruments such as the Notes, the repayment of which may be accelerated by payments on other obligations securing the debt instrument), and pay tax accordingly, without regard to its regular method of accounting for U.S. federal income tax purposes and in advance of the receipt of cash payments attributable to that income.

A U.S. Holder may elect to treat all interest on an OID Note as OID and calculate the amount includible in gross income under the constant yield method described above. The election is to be made for the taxable year in

which the OID Note was acquired, and may not be revoked without the consent of the Internal Revenue Service. A U.S. Holder should consult his own tax advisor about this election and about the OID rules, in general.

Principal Payments. The principal payments will generally constitute a tax-free return of capital that will reduce a U.S. Holder's adjusted tax basis in its Notes.

Sale, Exchange, Retirement or Other Disposition of Notes. In general, a U.S. Holder of a Note will have a tax basis in such Note equal to the cost of the Note to such U.S. Holder, reduced by any principal payments. Upon a sale, exchange, retirement or other disposition of a Note, a U.S. Holder will generally recognize gain or loss equal to the difference between the amount realized on the sale, exchange, retirement or other disposition (less any amount realized that is attributable to accrued but unpaid interest, which will constitute ordinary income if not previously included in income) and the U.S. Holder's tax basis in such Note. Any such gain or loss will be long-term capital gain or loss if the U.S. Holder has held the Note for more than one year at the time of disposition. A U.S. Holder that is an individual is entitled to preferential treatment for net long-term capital gains; the ability of a U.S. Holder to utilize capital losses to offset ordinary income is limited, however.

Net Investment Income Tax. Certain U.S. Holders that are individuals, estates or trusts are subject to a 3.8% tax on all or a portion of their "net investment income," which will include all or a portion of their interest income from, and gain from the disposition of, a Note. Any U.S. Holder that is an individual, estate or trust, is urged to consult his or her tax advisors regarding the applicability of such tax to his or her income.

Non-U.S. Holders

Subject to the discussion below under the headings "*—Foreign Account Tax Compliance Act ("FATCA")*" and "*—Backup Withholding and Information Reporting*," the following is a discussion of U.S. federal income tax considerations generally applicable to Non-U.S. Holders:

- payments of principal and interest (including OID) with respect to a Note held by or for a Non-U.S. Holder will not be subject to withholding of U.S. federal income tax, provided that, in the case of interest (including OID), (i) such interest is not received by a bank on an extension of credit made pursuant to a loan agreement entered in the ordinary course of its trade or business, (ii) such Non-U.S. Holder does not own, actually or constructively, 10% or more of the total combined voting power of all of SFC's classes of stock entitled to vote, (iii) such Non-U.S. Holder is not a controlled foreign corporation, within the meaning of Section 957(a) of the Internal Revenue Code, that is related, directly or indirectly, to SFC through stock ownership and (iv) the statement requirement set forth in Section 871(h) or Section 881(c) of the Internal Revenue Code (described below) has been fulfilled with respect to such Non-U.S. Holder; and

- a Non-U.S. Holder will generally not be subject to U.S. federal income tax on gain realized on the sale, exchange, retirement or other disposition of a Note, unless (i) such Non-U.S. Holder is an individual who is present in the U.S. for 183 days or more in the taxable year of such sale, exchange, retirement or other disposition and certain other conditions are met or (ii) such gain is effectively connected with the conduct by such Non-U.S. Holder of a trade or business in the U.S. (and, under certain income tax treaties, is attributable to a U.S. permanent establishment maintained by such Non-U.S. Holder).

Sections 871(h) and 881(c) of the Internal Revenue Code require that, in order to obtain the exemption from withholding of U.S. federal income tax described in the first bullet above, either the Non-U.S. Holder or a securities clearing organization, bank or other financial institution that holds customers' securities in the ordinary course of its trade or business (a "**Financial Institution**") and that is holding the Note on behalf of such Non-U.S. Holder, must file a statement with the withholding agent to the effect that the Non-U.S. Holder is not a U.S. person. Such requirement will be fulfilled if the Non-U.S. Holder certifies on Internal Revenue Service Form W-8BEN, if an individual, or Form W-8BEN-E, if an entity (or successor forms), under penalties of perjury, that it is not a U.S. person and provides its name and address, or any Financial Institution holding the note on behalf of the Non-U.S. Holder files a statement with the withholding agent to the effect that it has received such a statement from the Non-U.S. Holder (and furnishes the withholding agent with a copy thereof). In addition, in the case of Notes held by a foreign intermediary (other than a "qualified intermediary") or a foreign partnership (other

than a "withholding foreign partnership"), the foreign intermediary or partnership, as the case may be, generally must provide a properly executed Internal Revenue Service Form W-8IMY (or successor form) and attach thereto an appropriate certification by each foreign beneficial owner or U.S. payee.

If a Non-U.S. Holder is engaged in a trade or business in the U.S., and if amounts treated as interest (including OID) for U.S. federal income tax purposes on a Note or gain realized on the sale, exchange, retirement or other disposition of a Note are effectively connected with the conduct of such trade or business, the Non-U.S. Holder, although exempt from the withholding of U.S. federal income tax described in the first bullet above, will generally be subject to regular U.S. federal income tax on such effectively connected income or gain in the same manner as if it were a U.S. Holder. In lieu of the certificate described in the preceding paragraph, such Non-U.S. Holder will be required to provide a properly executed Internal Revenue Service Form W-8ECI (or successor form) to the withholding agent in order to claim an exemption from withholding tax. In addition, if such Non-U.S. Holder is a foreign corporation, it may be subject to a branch profits tax equal to 30% (or such lower rate provided by an applicable treaty) of its effectively connected earnings and profits for the taxable year, subject to certain adjustments.

Foreign Account Tax Compliance Act ("FATCA")

Pursuant to the Foreign Account Tax Compliance Act, enacted as of part of the Hiring Incentives to Restore Employment Act ("**FATCA**"), foreign financial institutions (which include hedge funds, private equity funds, mutual funds, securitization vehicles and any other investment vehicles regardless of their size) must comply with information reporting rules with respect to their U.S. account holders and investors or bear a withholding tax on certain U.S. source payments made to them (including such payments made to them in their capacity as intermediaries). Generally, if a foreign financial institution or certain other foreign entity does not comply with these reporting requirements, "withholdable payments" made to the noncomplying entity are subject to a 30% withholding tax. For this purpose, withholdable payments are U.S.-source payments otherwise subject to nonresident withholding tax and, beginning in 2019, also include the entire gross proceeds from the sale of certain equity or debt instruments of U.S. issuers. This withholding tax will apply regardless of whether the payment would otherwise be exempt from U.S. nonresident withholding tax (*e.g.*, under the portfolio interest exemption or as capital gain). This withholding tax will not apply to withholdable payments made directly to foreign governments, international organizations, foreign central banks of issue and individuals, and the Internal Revenue Service is authorized to provide additional exceptions.

Foreign entities located in jurisdictions that have entered into intergovernmental agreements with the U.S. in connection with FATCA may be subject to different rules.

Prospective purchasers are urged to consult with their tax advisors regarding these rules.

Backup Withholding and Information Reporting

U.S. Holders. Under current U.S. federal income tax law, backup withholding at specified rates and information reporting requirements may apply to payments of principal and interest (including OID) made to, and to the proceeds of sale before maturity by, certain noncorporate U.S. Holders of Notes. Backup withholding will apply to a U.S. Holder if:

- such U.S. Holder fails to furnish its Taxpayer Identification Number ("**TIN**") to the payor in the manner required;
- such U.S. Holder furnishes an incorrect TIN and the payor is so notified by the Internal Revenue Service;
- the payor is notified by the Internal Revenue Service that such U.S. Holder has failed to properly report payments of interest or dividends; or

- under certain circumstances, such U.S. Holder fails to certify, under penalties of perjury, that it has furnished a correct TIN and has not been notified by the Internal Revenue Service that it is subject to backup withholding for failure to report interest or dividend payments.

Backup withholding does not apply with respect to payments made to certain exempt recipients, including corporations (within the meaning of Section 7701(a) of the Internal Revenue Code), tax-exempt organizations or qualified pension and profit-sharing trusts.

Backup withholding is not an additional tax. Any amounts withheld from a payment under the backup withholding rules will be allowed as a credit against a U.S. Holder's U.S. federal income tax liability and may entitle such U.S. Holder to a refund, provided that certain required information is furnished to the Internal Revenue Service.

U.S. Holders should consult their tax advisors regarding their qualification and eligibility for exemption from backup withholding, and the application of information reporting requirements, in their particular situations.

Non-U.S. Holders. Backup withholding will not apply to payments of principal or interest (including OID) made by the Issuer or its paying agent on a note if a Non-U.S. Holder has provided the required certification under penalties of perjury that it is not a U.S. person or has otherwise established an exemption (absent the Issuer's actual knowledge or reason to know that the Non-U.S. Holder is actually a U.S. Holder). Backup withholding is not an additional tax. Any amounts withheld from a payment under the backup withholding rules will be allowed as a credit against a Non-U.S. Holder's U.S. federal income tax liability and may entitle such Non-U.S. Holder to a refund, provided that certain required information is furnished to the Internal Revenue Service.

The Issuer must report annually to the Internal Revenue Service on Internal Revenue Service Form 1042-S the amount of interest (including OID) paid on the Notes and the amount of tax withheld with respect to those payments. Copies of the information returns reporting those interest payments and withholding may also be made available to the tax authorities in the country in which a Non-U.S. Holder resides under the provisions of an applicable income tax treaty. Information reporting on Internal Revenue Service Form 1099 may also apply to payments of interest (including OID) made outside the U.S., and payments on the sale, exchange, retirement or other disposition of a Note effected outside the U.S., if payment is made by a payor that is, for U.S. federal income tax purposes,

- a U.S. person;
- a controlled foreign corporation;
- a U.S. branch of a foreign bank or foreign insurance company;
- a foreign partnership controlled by U.S. persons or engaged in a U.S. trade or business; or
- a foreign person, 50% or more of whose gross income is effectively connected with the conduct of a U.S. trade or business for a specified three-year period,

unless such payor has in its records documentary evidence that the beneficial owner is not a U.S. Holder and certain other conditions are met or the beneficial owner otherwise establishes an exemption.

Non-U.S. Holders should consult their tax advisors regarding their qualification and eligibility for exemption from backup withholding, and the application of information reporting requirements, in their particular situations.

STATE AND OTHER TAX CONSEQUENCES

In addition to the U.S. federal income tax consequences described in "*Certain U.S. Federal Income Tax Consequences*" in this private placement memorandum, potential investors should consider the state and local tax

consequences of the acquisition, ownership, and disposition of the Notes offered hereunder. State tax law may differ substantially from the corresponding federal tax law, and this discussion does not purport to describe any aspect of the tax laws of any state or other jurisdiction. Therefore, prospective investors should consult their own tax advisors with respect to the various tax consequences of investments in the Notes.

ERISA CONSIDERATIONS

Sections 404 and 406 of ERISA and Section 4975 of the Internal Revenue Code impose fiduciary and prohibited transaction restrictions on the activities of employee benefit plans (as defined in and subject to ERISA) and certain other retirement plans and arrangements described in and subject to Section 4975 of the Internal Revenue Code and on various other entities and arrangements, including bank collective investment funds and insurance company general and separate accounts in which such plans are invested (collectively, "**Plans**").

Some plans, including governmental plans (as defined in Section 3(32) of ERISA), plans maintained outside the United States primarily for the benefit of persons substantially all of whom are non-resident aliens as described in Section 4(b)(4) of ERISA and, if no election has been made under Section 410(d) of the Internal Revenue Code, church plans (as defined in Section 3(33) of ERISA) are not subject to Section 406 of ERISA or Section 4975 of the Internal Revenue Code. Accordingly, assets of these plans may be invested in the Notes without regard to the ERISA considerations described below, subject to the provisions of other applicable federal, state, non-U.S. and local law. Any such plan which is qualified and exempt from taxation under Sections 401(a) and 501(a) of the Internal Revenue Code, however, is subject to the prohibited transaction rules set forth in Section 503 of the Internal Revenue Code.

ERISA generally imposes on Plan fiduciaries general fiduciary requirements, including the duties of investment prudence and diversification and the requirement that a Plan's investments be made in accordance with the documents governing the Plan. Any person who has discretionary authority or control with respect to the management or disposition of the assets of a Plan ("**Plan Assets**") and any person who provides investment advice with respect to Plan Assets for a fee is a fiduciary of the investing Plan. If the Loans and other assets included in the Issuer were to constitute Plan Assets, then any party exercising management or discretionary control with respect to those Plan Assets may be deemed to be a Plan "fiduciary," and subject to the fiduciary responsibility provisions of ERISA and the prohibited transaction provisions of ERISA and Section 4975 of the Internal Revenue Code with respect to any investing Plan. In addition, the acquisition or holding of Class A Notes or Class B Notes by or on behalf of a Plan or with Plan Assets may constitute or involve a prohibited transaction under ERISA and Section 4975 of the Internal Revenue Code unless a statutory or administrative exemption is available. Further, ERISA prohibits Plans to which it applies from engaging in "prohibited transactions" under Section 406 of ERISA and Section 4975 of the Internal Revenue Code imposes excise taxes with respect to transactions described in Section 4975 of the Internal Revenue Code. These transactions described in ERISA and Section 4975 of the Internal Revenue Code prohibit a broad range of transactions involving Plan Assets and persons who are "parties in interest" as defined in ERISA or "disqualified persons" as defined in Section 4975 of the Internal Revenue Code (collectively, "**Parties in Interest**"), unless a statutory or administrative exemption is available.

Some transactions involving the Issuer might be deemed to constitute prohibited transactions under ERISA and Section 4975 of the Internal Revenue Code with respect to a Plan that purchases Class A Notes or Class B Notes if the Loans and other assets included in the Issuer are deemed to be assets of the Plan. The U.S. Department of Labor ("**DOL**") has promulgated the DOL regulations (29 C.F.R. Section 2510.3-101, as modified by Section 3(42) of ERISA) concerning whether or not a Plan's assets would be deemed to include an interest in the underlying assets of an entity, including a trust, for purposes of applying the general fiduciary responsibility provisions of ERISA and the prohibited transaction provisions of ERISA and Section 4975 of the Internal Revenue Code. Under the DOL regulations, generally, when a Plan acquires an "equity interest" in another entity (such as the Issuer), the underlying assets of that entity may be considered to be Plan Assets unless an exception applies. Exceptions contained in the DOL regulations and Section 3(42) of ERISA provide that Plan Assets will not include an undivided interest in each asset of an entity in which the Plan makes an equity investment if: (1) the entity is an operating company; (2) the equity investment made by the Plan is either a "publicly-offered security," as defined in the DOL regulations, or a security issued by an investment company registered under the Investment Company Act of 1940, as amended; or (3) so-called "benefit plan investors" own less than 25% of the value of each class of equity interests issued by the entity. Under the DOL regulations, Plan Assets will be deemed to include an interest in the instrument evidencing

the equity interest of a Plan as well as an interest in the underlying assets of the entity in which a Plan acquires an interest (such as the Loans and other assets included in the Issuer).

Although there is no authority directly on point, the Issuer believes that, at the date of this private placement memorandum, the Class A Notes and the Class B Notes should be treated as indebtedness without substantial equity features for purposes of the DOL regulations. The Issuer also believes that, so long as such Notes retain a rating of at least investment grade, such Notes should continue to be treated as indebtedness without substantial equity features for the purposes of the DOL regulations. There is, however, increased uncertainty regarding the characterization of debt instruments that do not carry an investment grade rating. A prospective transferee of the Class A Notes or Class B Notes or any interest therein who is a Plan or is acting on behalf of a Plan, or using Plan Assets to effect such transfer or a plan subject to Similar Law or using assets of such a Plan or a plan subject to Similar Law, is required to provide written confirmation (or in the case of any Book-Entry Notes, will be deemed to have confirmed) that the acquisition, continued holding and disposition of such Notes (or beneficial interest therein) will not give rise to a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Internal Revenue Code or result in a non-exempt prohibited transaction or violation of any Similar Law.

Neither the Class C Notes nor the Class D Notes may be purchased by a Plan or by an entity acting on behalf of a Plan or using Plan Assets or by, or with assets of, a plan subject to Similar Law.

In addition, the purchase, sale and holding of the Notes by or on behalf of a Plan could be considered to give rise to a prohibited transaction if the Depositor, the Sellers, the Indenture Trustee or any of their respective affiliates is or becomes a Party in Interest with respect to the Plan. Because the Issuer, the Depositor, the Sellers, the Performance Support Provider, the Initial Purchasers, the Servicer, the Administrator, the Back-up Servicer, the Note Registrar, the Indenture Trustee and the Owner Trustee may receive certain benefits in connection with the sale of the Notes, the purchase of Class A Notes or the Class B Notes using Plan Assets over which any of such parties has investment authority might be deemed to be a violation of the prohibited transaction rules of ERISA or Section 4975 of the Internal Revenue Code for which no exemption may be available. Whether or not the Loans and other assets of the Issuer were deemed to include Plan Assets, prior to making an investment in the Notes, prospective Plan investors should determine whether any of the Issuer, the Depositor, the Sellers, the Performance Support Provider, the Initial Purchasers, the Servicer, the Administrator, the Back-up Servicer, the Note Registrar, the Indenture Trustee and the Owner Trustee is a Party in Interest with respect to such Plan and, if so, whether such transaction is subject to one or more statutory or administrative exemptions. The DOL has granted certain class exemptions which provide relief from certain of the prohibited transaction provisions of ERISA and the related excise tax provisions of the Internal Revenue Code, including, but not limited to: Prohibited Transaction Class Exemption ("**PTCE**") 84-14, which exempts certain transactions effected on behalf of a Plan by a "qualified professional asset manager"; PTCE 90-1, which exempts certain transactions between insurance company separate accounts and Parties in Interest; PTCE 91-38, which exempts certain transactions between bank collective investment funds and Parties in Interest; PTCE 95-60, which exempts certain transactions between insurance company general accounts and Parties in Interest; and PTCE 96-23, which exempts certain transactions effected on behalf of a Plan by an "in-house asset manager." In addition, Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Internal Revenue Code provide a statutory exemption for certain transactions between a Plan and a non-fiduciary service provider (or affiliate) for "adequate consideration." There can be no assurance that any DOL exemption or any statutory exemption will apply with respect to any particular Plan investment in the Notes or, even if all of the conditions specified therein were satisfied, that any exemption would apply to all prohibited transactions that may occur in connection with such investment.

Any fiduciary or other investor of Plan Assets (or assets of a governmental plan, a foreign plan or a church plan) that proposes to acquire or hold the Notes on behalf of or with Plan Assets (or assets of a governmental plan, a foreign plan or a church plan) is encouraged to consult with its counsel with respect to the application of the fiduciary responsibility provisions of ERISA and the prohibited transaction provisions of ERISA and Section 4975 of the Internal Revenue Code (and in the case of a governmental plan, a foreign plan or a church plan, any additional federal, state or local law considerations) before making the proposed investment.

The sale of the Notes (other than the Class C Notes and the Class D Notes, which may not be acquired or held by Plans) to a Plan or a plan governed by Similar Law or a sale of Notes to a governmental plan, foreign plan or

church plan not subject to Similar Law is in no respect a representation by the Depositor or the Indenture Trustee that such an investment meets all relevant legal requirements with respect to investments by Plans or to a governmental plan, foreign plan or church plan generally or any particular plan, or that such an investment is appropriate for plans generally or any particular plan.

LEGAL INVESTMENT

The appropriate characterization of the Notes under various legal investment restrictions, and thus the ability of investors subject to legal restrictions to purchase any Notes, are subject to significant interpretive uncertainties. If you are subject to legal investment laws and regulations or to review by regulatory authorities, you may be subject to restrictions on investing in the Notes and should consult with your own legal advisers to determine whether and to what extent that is the case. No representations are made as to the proper characterization of any Note for legal investment or other purposes or as to the ability of particular investors to purchase any Notes under applicable legal investment restrictions.

EU RISK RETENTION AND DUE DILIGENCE REQUIREMENTS

Laws and regulations in effect or proposed in the European Union ("**EU**") and in other countries in the European Economic Area ("**EEA**") may negatively affect the regulatory treatment of investments in the Notes by certain regulated investors and so may negatively affect the secondary market for sales to investors subject to regulation in those countries. Articles 404-410 of Regulation (EU) No. 575/2013 of the European Parliament and of the Council of June 26, 2013, known as the Capital Requirements Regulation ("**CRR**"), place certain restrictions on the ability of an EEA-regulated credit institution or investment firm and its consolidated group affiliates to invest in asset-backed securities. (CRR has direct effect in EU member states and is expected to be implemented by national legislation or rulemaking in the other EEA countries).

CRR Article 405 allows such credit institutions and investment firms and their consolidated group affiliates to invest in asset-backed securities only if the sponsor, originator or original lender has disclosed to investors that it will retain, on an ongoing basis, a specified minimum net economic interest in the securitization transaction. Prior to investing in an asset-backed security, and while it holds that investment, the credit institution or investment firm or its affiliate must also be able to demonstrate that, among other things, it has a comprehensive and thorough understanding of the securitization transaction and its structural features by satisfying the prescribed due diligence requirements and it has established procedures for monitoring the ongoing performance of the securitized assets under CRR Article 406.

Article 17 of the European Union Alternative Investment Fund Managers Directive (Directive 2011/61/EU) (as supplemented by Section 5 of Chapter III of Commission Delegated Regulation (EU) No 231/2013) and Article 135(2) of the European Union Solvency II Directive 2009/138/EC (as amended and as supplemented by Articles 254-257 of Commission Delegated Regulation (EU) No 2015/35) contain requirements similar to those set out in Articles 404 – 410 of the CRR and apply, respectively, to EEA regulated alternative investment fund managers and to EEA regulated insurance and reinsurance undertakings. While such requirements are similar to those in the CRR, they are not identical and, in particular, additional due diligence obligations apply to the relevant alternative investment fund managers and insurance and reinsurance companies. Similar requirements are also expected to apply in the future to investments in securitisations by EEA regulated undertakings for collective investment in transferrable securities UCITS as defined in the EU Directive 2009/65/EC and EEA regulated institutions for occupational retirement provision as defined in the EU Directive 2003/41/EC. For the purpose of this provision, all such requirements, together with the Articles 404 – 410 of the CRR, are referred to as the "**Retention Rules**". On September 30, 2015, the European Commission published a legislative proposal for an EU regulatory framework for securitization that, if finalized and adopted as proposed, would repeal the current Retention Rules and replace them with a single regime that would apply to the various types of regulated institutional investors. Until the proposed regulatory framework is considered and adopted by the European Parliament and Council, it is not possible to tell what effect it might have in relation to investments in the notes offered by this private placement memorandum. Prospective investors are themselves responsible for monitoring and assessing any changes to the Retention Rules.

None of Springleaf, the Sellers or the Depositor nor any other party to the transaction, as an originator, sponsor or material lender or otherwise, is obligated or intends to retain a material net economic interest in the

securitization described in this private placement memorandum or take any other action that may be required to enable any investor to satisfy the due diligence and monitoring requirements of any Retention Rules.

Failure of an EEA-regulated credit institution or investment firm or a consolidated affiliate thereof, or of any other EEA-regulated investor that is or may become subject to Retention Rules, to comply with one or more requirements for an investment in a securitization set forth in the applicable Retention Rules in any material respect may result in the imposition of a penalty regulatory capital charge on the securities acquired by that investor or of other regulatory sanctions. Any changes to the regulation or regulatory treatment of asset-backed securities, whether in the United States, EU or elsewhere, may negatively impact the regulatory position of affected investors and have an adverse impact on the value and liquidity of asset-backed securities such as the Notes. None of Springleaf, the Sellers, the Depositor or the Initial Purchasers nor any other party to the transaction makes any representation to any prospective investor or purchaser of the Notes regarding the regulatory capital treatment of their investment in the Notes on the Closing Date or at any time in the future. Noteholders should analyze their own regulatory position, and are encouraged to consult with their own investment and legal advisors regarding compliance with Retention Rules or other applicable regulations and the suitability of the Notes for investment.

UK SELLING RESTRICTIONS

Each Initial Purchaser has represented and agreed in the Note Purchase Agreement that:

(a) it has only communicated or caused to be communicated, and will only communicate or cause to be communicated, an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA received by it in connection with the issue or sale of the Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer or the Depositor; and

(b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

EUROPEAN ECONOMIC AREA SELLING RESTRICTIONS

In relation to each Relevant Member State, each Initial Purchaser has represented and agreed in the Note Purchase Agreement that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State, it has not made and will not make an offer of the Notes which are the subject of the offering contemplated by this private placement memorandum to the public in that Relevant Member State other than:

(a) to any legal entity which is a qualified investor as defined in the Prospectus Directive;

(b) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the relevant Initial Purchaser or Initial Purchasers nominated by the Issuer; or

(c) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes shall require the Issuer, the Depositor or the Initial Purchasers to publish a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an "**offer of the Notes to the public**" in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State and the expression "**Prospectus Directive**" means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU) and includes any relevant implementing measure in the Relevant Member State.

ACCOUNTING CONSIDERATIONS

Various factors may influence the accounting treatment applicable to an investor's acquisition and holding of asset backed securities. Accounting standards, and the application and interpretation of such standards, are subject to change from time to time. Investors are encouraged to consult their own accountants for advice as to the appropriate accounting treatment for the Notes.

USE OF PROCEEDS

The Depositor will apply the net proceeds of the sale of the Notes to the purchase price of the Loans transferred to the Issuer on the Closing Date and to fund the Reserve Account with the Required Reserve Account Amount. See "*Method of Distribution*" in this private placement memorandum.

LEGAL MATTERS

The legality of the Notes and certain tax matters will be passed upon for SFC, Sellers, the Depositor and the Issuer by Mayer Brown LLP. Certain legal matters relating to the issuance of the Notes will be passed upon for the Initial Purchasers by Sidley Austin LLP.

METHOD OF DISTRIBUTION

The Notes may only be offered (i) in the United States to Qualified Institutional Buyers and (ii) in the case of the Notes other than the Class D Notes, outside of the United States to Non-U.S. Persons in compliance with Regulation S under the Securities Act. Such investors will be required to make or will be deemed to make certain representations with respect to their ability to invest in the Notes. The Notes have not, and will not be, registered under the Securities Act or any state securities laws, and neither the Issuer nor any other person is required to so register or qualify the Notes or to provide registration rights to any investor therein.

Subject to the terms and conditions set forth in a certain note purchase agreement (the "**Note Purchase Agreement**"), dated on or before the Closing Date, among the Depositor, SFC and the Initial Purchasers, the Initial Purchasers will purchase the Notes from the Depositor on the Closing Date. The Depositor will retain or may convey to an affiliate of the Depositor any of the Notes that are not purchased by the Initial Purchasers. The Initial Purchasers intend to offer the Notes to prospective investors from time to time.

The Notes are being purchased when, as and if delivered to and accepted by the Initial Purchasers, and subject to prior sale and to the right of the Initial Purchasers to reject any orders in whole or in part. The Initial Purchasers may withdraw, cancel or modify the offering of the Notes without notice. Sales of the Notes may be effected from time to time in one or more negotiated transactions or otherwise at varying prices to be determined at the time of sale. The Initial Purchasers may effect such transactions by selling the Notes to or through sub-agents, and such sub-agents may receive compensation in the form of discounts, concessions or commissions from the Initial Purchasers.

In connection with the sale of the Notes, the Initial Purchasers may be deemed to have received compensation in the form of discounts, concessions or commissions from the Depositor. Proceeds from the sale of the Notes will be equal to the aggregate purchase price paid by the Initial Purchasers. The Note Purchase Agreement provides that the Depositor and Springleaf will indemnify the Initial Purchasers against certain liabilities, including liabilities under the Securities Act, or contribute to payments required to be made in respect thereof.

There currently is no secondary market for the Notes, and there can be no assurance that such a market will develop or, if it does develop, that it will continue or will provide investors with a sufficient level of liquidity of investment. While the Initial Purchasers may make a secondary market in the Notes, it may discontinue or limit such activities at any time. In addition, the liquidity of the Notes may be affected by present uncertainties and future unfavorable developments concerning legal investment. Consequently, investors should be aware that they may be required to bear the financial risks of an investment in the Notes for an indefinite period of time.

The Initial Purchasers may engage in over-allotment transactions, stabilizing transactions, syndicate covering transactions and penalty bids with respect to the Notes in accordance with Regulation M under the Exchange Act. Over-allotment transactions involve syndicate sales in excess of the offering size, which creates a syndicate short position. Stabilizing transactions permit bids to purchase the Notes so long as the stabilizing bids do not exceed a specified maximum. Syndicate covering transactions involve purchases of the Notes in the open market after the distribution has been completed in order to cover syndicate short positions. Penalty bids permit the Initial Purchasers to reclaim a selling concession from a syndicate member when the Notes originally sold by such syndicate member are purchased in a syndicate covering transaction. Such over-allotment transactions, stabilizing transactions, syndicate covering transactions and penalty bids may cause the prices of the Notes to be higher than they would otherwise be in the absence of such transactions. None of the Depositor, the Issuer or the Initial Purchasers represent that the Initial Purchasers will engage in any such transactions or that such transactions, once commenced, will not be discontinued without notice at any time.

The Initial Purchasers and their affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, investment research, principal investment, hedging, financing and brokerage activities. The Initial Purchasers and their affiliates from time to time have provided, or in the future may provide, various investment and commercial banking and financial advisory services to SFC and its affiliates and subsidiaries (including the Issuer), for which they have received, or in the future will receive, customary fees and commissions and they expect to provide these services to SFC and its affiliates and subsidiaries (including the Issuer) in the future, for which they expect to receive customary fees and commissions. In addition, affiliates of the Initial Purchasers from time to time have acted, or in the future may act, as agents and lenders to SFC and its affiliates and subsidiaries (including the Issuer) under their respective credit facilities and other asset based and asset backed financing arrangements, or as trustee under the indentures governing their respective senior notes, for which services they have received, or in the future will receive, customary compensation.

In the ordinary course of their various business activities, the Initial Purchasers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers, and such investment and securities activities may involve securities and/or instruments of Springleaf and its affiliates. The Initial Purchasers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or instruments and may at any time hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

RESTRICTIONS ON TRANSFER

The following information relates to the form, transfer and delivery of the Notes. Because of the following restrictions, purchasers of the Notes are advised to consult legal counsel prior to making any offer, resale, pledge or transfer of the Notes. Purchasers of the Notes are advised that the Notes are not transferable at any time except in accordance with the following restrictions.

The Notes of all Classes will be issued as Book-Entry Notes represented by one or more notes in fully-registered, global form, without interest coupons (each, a "**Rule 144A Global Note**") for sale/resale to QIBs in reliance on Rule 144A. The Class A Notes, the Class B Notes and the Class C Notes offered and sold outside the United States in reliance on Regulation S will be issued in the form of one or more fully-registered Regulation S temporary global notes, without interest coupons (each, a "**Temporary Regulation S Global Note**"). The Class D Notes may not be sold outside the United States in reliance on Regulation S. Beneficial interests in each Temporary Regulation S Global Note will be exchanged for beneficial interests in a fully registered permanent Regulation S global note, without interest coupons (each, a "**Permanent Regulation S Global Note**" and together with each Temporary Regulation S Global Note, the "**Regulation S Global Notes**") upon the expiration of the Distribution Compliance Period (as defined below) and provided that the applicable transferee is deemed to have represented and warranted that it is not a "U.S. person" (as defined in Regulation S) and such transfer is being made in accordance with Rule 903 or Rule 904 of Regulation S and all other applicable securities laws. The Regulation S Global Notes together with the Rule 144A Global Notes are referred to herein as the "**Global Notes**."

The Global Notes will be deposited upon issuance with a custodian for DTC in New York, New York and registered in the name of Cede, as nominee of DTC, in each case for credit to an account of a direct or indirect participant in DTC as described below. Through and including the 40th day after the later of the beginning of the offering to persons other than distributors in reliance upon Regulation S or the Closing Date (that period through and including that 40th day, the "**Distribution Compliance Period**"), beneficial interests in the Regulation S Global Notes may be held only through the Euroclear and Clearstream (as Indirect Participants in DTC) unless transferred to a person that takes delivery through an interest in a Rule 144A Global Note in accordance with the certification requirements described below. Beneficial interests in a Rule 144A Global Note may not be exchanged for beneficial interests in the Regulation S Global Notes at any time except under the limited circumstances described below.

Any ownership interest represented by a beneficial interest in a Rule 144A Global Note may be transferred to an entity that wishes to hold Notes in the form of an interest in a Rule 144A Global Note; provided, that, the applicable transferor and transferee are deemed to have represented and warranted that, among other things, such transfer is being made to a transferee that the transferor reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A.

Beneficial interests in a Regulation S Global Note may be exchanged for beneficial interests in a Rule 144A Global Note only if that exchange occurs in connection with a transfer of the note pursuant to Rule 144A and, before the expiration of the Distribution Compliance Period, the transferring Beneficial Owner is deemed to have represented and warranted that, among other things, the transfer is being made to a person who the transferring Beneficial Owner reasonably believes is a QIB within the meaning of Rule 144A, purchasing for its own account or the account of a QIB in a transaction meeting the requirements of Rule 144A and in accordance with all applicable securities laws of the states of the United States and other jurisdictions.

Beneficial interests in a Rule 144A Global Note may be transferred to a person who takes delivery in the form of an interest in a Regulation S Global Note whether before or after the expiration of the Distribution Compliance Period, only if the transferring Beneficial Owner is deemed to have represented and warranted that such transfer is being made in accordance with Rule 903 or Rule 904 of Regulation S and that, if that transfer occurs before the expiration of the Distribution Compliance Period, the interest transferred will be held immediately thereafter through Euroclear or Clearstream.

A holder of a beneficial interest in a Temporary Regulation S Global Note must provide Euroclear or Clearstream, as the case may be, with a certification in the form required by the Indenture certifying that the beneficial owner of the interest in that Global Note is not a "U.S. person" (as defined in Regulation S), and Euroclear or Clearstream, as the case may be, must provide to the Indenture Trustee (or a paying agent appointed by the Indenture Trustee) a certification in the form required by the Indenture, before (i) the payment of principal of, interest on or any other payment with respect to that holder's beneficial interest in such Temporary Regulation S Global Note and (ii) any exchange of that beneficial interest for a beneficial interest in a Permanent Regulation S Global Note.

No transfer of a Class C Note or beneficial interest therein shall be effective, and any such attempted transfer shall be void *ab initio*, unless, prior to and as a condition to each such transfer, the prospective transferee (including the initial beneficial owner as initial transferee) and any subsequent transferee represents and warrants, in writing, substantially in the form of the transferee certification set forth in Exhibit B-6 to the Indenture, to the Indenture Trustee and the Note Registrar that: (A) either (I) it is not and will not become for U.S. federal income tax purposes a partnership, Subchapter S corporation or grantor trust (or a disregarded entity the single owner of which is any of the foregoing) (each such entity, a "**flow-through entity**") or (II) if it is or becomes a flow-through entity, then (x) none of the direct or indirect beneficial owners of any of the interests in such flow-through entity has or ever will have more than 50% of the value of its interest in such flow-through entity attributable to the beneficial interest of such flow-through entity in the Notes, other interest (direct or indirect) in the Issuer, or any interest created under the Indenture and (y) it is not and will not be a principal purpose of the arrangement involving the flow-through entity's beneficial interest in any Class C Note to permit any partnership to satisfy the 100 partner limitation of Section 1.7704-1(h)(1)(ii) of the Treasury Regulations necessary for such partnership not to be classified as a publicly traded partnership under the Internal Revenue Code, (B) it is not acquiring any Class C Note or beneficial interest therein, it will not sell, transfer, assign, participate, pledge or otherwise dispose of any Class C Note(s) or beneficial interest therein, and it will not cause any Class C Note(s) or beneficial interests therein to be

marketed, in each case on or through an "established securities market" within the meaning of Section 7704(b) of the Internal Revenue Code, including, without limitation, an interdealer quotation system that regularly disseminates firm buy or sell quotations, (C) its beneficial interest in the Class C Notes is not and will not be in an amount that is less than the minimum denomination for such Class C Note set forth in the Indenture, and it does not and will not hold any interest on behalf of any person whose beneficial interest in a Class C Note is in an amount that is less than the minimum denomination for the Class C Notes set forth in the Indenture, (D) it will not sell, assign, transfer, pledge or otherwise dispose of any Class C Note or beneficial interest therein, or enter into any financial instrument or contract the value of which is determined by reference in whole or in part to any Class C Note or beneficial interest therein, in each case if the effect of doing so would be that the beneficial interest of any person in the Class C Note would be in an amount that is less than the minimum denomination for the Class C Notes set forth in the Indenture, (E) it will not use any Class C Note as collateral for the issuance of any securities that could cause the Issuer to be treated as an association or publicly traded partnership taxable as corporation for U.S. federal income tax purposes, (F) if any Class C Note held by the transferee is required to be treated as a partnership interest in the Issuer for U.S. federal income tax purposes, then the transferee, or, if different, the beneficial owner of such Note, shall agree to the designation of the Depositor (or if not allowed by law, its owner) as the "tax matters partner" as defined by Section 6231(a)(7) of the Code (prior to amendment of the Code by Section 1106 of the Bipartisan Budget Act of 2015 ("the Amended Partnership Audit Rules")), and the "partnership representative" as defined in Section 6223 of the Code (following amendment of the Code by the Amended Partnership Audit Rules), of any partnership in which such transferee or beneficial owner is deemed to be a partner for U.S. federal income tax purposes by virtue of holding such Note or beneficial interest therein, (G) (1) upon reasonable request, the transferee or, if such transferee is not the beneficial owner of such Note, the beneficial owner of such Note, shall provide to the Indenture Trustee on behalf of the Issuer and the Depositor any further information required by the Issuer to comply with the Amended Partnership Audit Rules, including Section 6226(a) of the Code and, to the extent the Issuer determines such appointment necessary for it to make an election under Section 6226(a) of the Code, hereby appoints the transferee as its agent for purposes of receiving any notifications or information pursuant to the notice requirements under Section 6226(a)(2) of the Code and (2) to the extent applicable, each transferee of a Class C Note and, if different, each beneficial owner of a Class C Note shall hold the Issuer, the Indenture Trustee and their respective affiliates harmless for any losses resulting from a beneficial owner of a Class C Note not properly taking into account or paying its allocated adjustment or liability under Section 6226 of the Code, and (H) it will not transfer a Class C Note or any beneficial interest therein (directly, through a participation, or otherwise) unless, prior to the transfer, the transferee shall have executed and delivered to the Indenture Trustee and the Note Registrar a transferee certification substantially in the form of Exhibit B-6 to the Indenture. Notwithstanding the foregoing, a transferee may pledge a Class C Note or any beneficial interest therein if doing so will not result in any person (other than the transferee) being treated for U.S. federal income tax purposes as the owner of all or any portion of a Class C Note or beneficial interest therein.

No transfer of a Class D Note or beneficial interest therein shall be effective, and any such attempted transfer shall be void *ab initio*, unless, prior to and as a condition to each such transfer, the prospective transferee (including the initial beneficial owner as initial transferee) and any subsequent transferee provides representations and warranties, in writing, substantially in the form of the transferee certification set forth in Exhibit B-7 to the Indenture, to the Indenture Trustee and the Note Registrar that: (I) with reference to the Class D Notes or beneficial interests therein, include the representations and warranties listed in clauses (A) through (H) in the immediately preceding paragraph and (II) it is a "United States person" as defined in Section 7701(a)(30) of the Internal Revenue Code and will not transfer to, or cause such Class D Note or beneficial interest therein to be transferred to, any person other than a "United States person," as defined in Section 7701(a)(30) of the Internal Revenue Code. Notwithstanding the foregoing, a transferee may pledge a Class D Note or any beneficial interest therein if doing so will not result in any person (other than the transferee) being treated for U.S. federal income tax purposes as the owner of all or any portion of a Class D Note or beneficial interest therein.

Each purchaser of a Note that represents a beneficial interest in a Global Note will be deemed to have represented and agreed, and each purchaser of a definitive note will be required to certify to the Indenture Trustee and Note Registrar in writing, among other things to be set forth in the Indenture, that:

(a) (1) the purchaser is a QIB and is acquiring such Note for its own account or as a fiduciary or agent for others (which others also must be QIBs) for investment purposes and not for distribution in violation of the Securities Act, and it is able to bear the economic risk of an investment in the Notes and

has such knowledge and experience in financial and business matters so as to be capable of evaluating the merits and risks of purchasing the Notes, or (2) solely in the case of Class A Notes, Class B Notes and Class C Notes, the purchaser is not a "U.S. person" (as defined in Regulation S) (and is not purchasing for the account or benefit of a "U.S. person" as defined in Regulation S), is outside the United States, and is acquiring the Notes pursuant to an exemption from registration in accordance with Rule 903 or Rule 904 of Regulation S;

(b) the purchaser understands that such Note is being offered only in a transaction that does not require registration under the Securities Act and, if such purchaser decides to resell, pledge or otherwise transfer such Notes, then it agrees that it will resell, pledge or transfer such Notes only (1) so long as such Note are eligible for resale pursuant to Rule 144A, to a person who the seller reasonably believes is a QIB acquiring such Note for its own account or as a fiduciary or agent for others (which others must also be QIBs) to whom notice is given that the resale or other transfer is being made in reliance on Rule 144A or (2) solely in the case of Class A Notes, Class B Notes an Class C Notes, to a purchaser who is not a "U.S. person" (as defined in Regulation S) (and is not purchasing for the account or benefit of a "U.S. person" as defined in Regulation S), is outside the United States, and is acquiring the Notes pursuant to an exemption from registration under the Securities Act in accordance with Rule 903 or Rule 904 of Regulation S, and, in each case, in accordance with any applicable United States state securities or "Blue Sky" laws or any securities laws of any other jurisdiction;

(c) unless the relevant legend set out below has been removed from the relevant Note, the purchaser shall notify each transferee of the Notes that (1) such Note has not been registered under the Securities Act, (2) the holder of such Note is subject to the restrictions on the resale or other transfer thereof described in paragraph (b) above, and (3) such transferee shall be deemed to have represented (i) as to its status as a QIB purchasing the Notes in reliance on Rule 144A or, solely in the case of Class A Notes, ,Class B Notes and Class C Notes, as not a "U.S. person" (as defined in Regulation S) (and as to it not purchasing for the account or benefit of a "U.S. person" as defined in Regulation S) and as outside the United States, acquiring the Notes pursuant to an exemption from registration under the Securities Act in accordance with Rule 903 or Rule 904 of Regulation S, as the case may be, (ii) if such transferee is a QIB, that such transferee is acquiring the Notes for its own account or as a fiduciary or agent for others (which others also must be QIBs) and (iii) that such transferee shall be deemed to have agreed to notify its subsequent transferees as to the foregoing;

(d) in the case of the Class C Notes and Class D Notes, (A) either (I) it is not and will not become for U.S. federal income tax purposes a partnership, Subchapter S corporation or grantor trust (or a disregarded entity the single owner of which is any of the foregoing) (each such entity, a "**flow-through entity**") or (II) if it is or becomes a flow-through entity, then (x) none of the direct or indirect beneficial owners of any of the interests in such flow-through entity has or ever will have more than 50% of the value of its interest in such flow-through entity attributable to the beneficial interest of such flow-through entity in the Notes, other interest (direct or indirect) in the Issuer, or any interest created under the Indenture and (y) it is not and will not be a principal purpose of the arrangement involving the flow-through entity's beneficial interest in the Notes to permit any partnership to satisfy the 100 partner limitation of Section 1.7704-1(h)(1)(ii) of the Treasury Regulations necessary for such partnership not to be classified as a publicly traded partnership under the Internal Revenue Code, (B) it is not acquiring any Note or beneficial interest therein, it will not sell, transfer, assign, participate, pledge or otherwise dispose of any Note(s) or beneficial interest therein, and it will not cause any Note(s) or beneficial interests therein to be marketed, in each case on or through an "established securities market" within the meaning of Section 7704(b) of the Internal Revenue Code, including, without limitation, an interdealer quotation system that regularly disseminates firm buy or sell quotations, (C) its beneficial interest in the Notes is not and will not be in an amount that is less than the minimum denomination for such Note set forth in the Indenture, and it does not and will not hold any interest on behalf of any person whose beneficial interest in a Note is in an amount that is less than the minimum denomination for the Notes set forth in the Indenture, (D) it will not sell, assign, transfer, pledge or otherwise dispose of any Note or beneficial interest therein, or enter into any financial instrument or contract the value of which is determined by reference in whole or in part to any Note or beneficial interest therein, in each case if the effect of doing so would be that the beneficial interest of any person in such Note would be in an amount that is less than the minimum

denomination for the Notes set forth in the Indenture, (E) it will not use any Note as collateral for the issuance of any securities that could cause the Issuer to be treated as an association or publicly traded partnership taxable as corporation for U.S. federal income tax purposes, (F) if any Class C Note or Class D Note held by the purchaser is required to be treated as a partnership interest in the Issuer for U.S. federal income tax purposes, then the purchaser, or, if different, the beneficial owner of such Note, shall agree to the designation of the Depositor (or if not allowed by law, its owner) as the "tax matters partner" as defined by Section 6231(a)(7) of the Code (prior to amendment of the Code by Section 1106 of the Bipartisan Budget Act of 2015 ("the Amended Partnership Audit Rules")), and the "partnership representative" as defined in Section 6223 of the Code (following amendment of the Code by the Amended Partnership Audit Rules), of any partnership in which such purchaser or beneficial owner is deemed to be a partner for U.S. federal income tax purposes by virtue of holding such Note or beneficial interest therein, (G) (1) upon reasonable request, each Noteholder of a Class C Note or a Class D Note or, if such Noteholder is not the beneficial owner of such Note, the beneficial owner of such Note, shall provide to the Indenture Trustee on behalf of the Issuer and the Depositor any further information required by the Issuer to comply with the Amended Partnership Audit Rules, including Section 6226(a) of the Code and, to the extent the Issuer determines such appointment necessary for it to make an election under Section 6226(a) of the Code, hereby appoints the Noteholder as its agent for purposes of receiving any notifications or information pursuant to the notice requirements under Section 6226(a)(2) of the Code and (2) to the extent applicable, each Noteholder of a Class C Note or Class D Note and, if different, each beneficial owner of a Class C Note or Class D Note shall hold the Issuer, the Indenture Trustee and their respective affiliates harmless for any losses resulting from a beneficial owner of a Class C Note or Class D Note not properly taking into account or paying its allocated adjustment or liability under Section 6226 of the Code, (H) it will not transfer a Class C Note or Class D Note or any beneficial interest therein (directly, through a participation, or otherwise) unless, prior to the transfer, the transferee shall have executed and delivered to the Indenture Trustee and the Note Registrar a transferee certification substantially in the form of Exhibit B-6 or B-7 to the Indenture, respectively, and (I) in the case of the Class D Notes, it is a "United States person" as defined in Section 7701(a)(30) of the Internal Revenue Code and will not transfer to, or cause such Class D Note or beneficial interest therein to be transferred to, any person other than a "United States person," as defined in Section 7701(a)(30) of the Internal Revenue Code; provided, however, that, notwithstanding the foregoing representations and warranties, it may pledge a Note or any beneficial interest therein if doing so will not result in any person (other than the purchaser) being treated for U.S. federal income tax purposes as the owner of all or any portion of a Note or beneficial interest therein;

(e) such purchaser, and each person for which it is acting, understands that any sale or transfer to a person that does not comply with the requirements set forth herein will be null and void *ab initio*;

(f) either (x) the purchaser is not and is not acting on behalf or using the assets of (1) an "employee benefit plan," as defined in Section 3(3) of ERISA, that is subject to Title I of ERISA, (2) a "plan," as defined in Section 4975(e)(1) of the Internal Revenue Code, that is subject to Section 4975 of the Internal Revenue Code, (3) an entity whose underlying assets include "plan assets" by reason of such employee benefit plan's or plan's investment in the entity (within the meaning of Department of Labor Regulation 29 C.F.R. Section 2510.3-101, as modified by Section 3(42) of ERISA), or (4) any governmental, church, non-U.S. or other plan that is subject to any non-U.S., federal, state or local law that is substantially similar to Section 406 of ERISA or Section 4975 of the Internal Revenue Code ("**Similar Law**") or an entity whose underlying assets include assets of any such plan; or (y) the purchaser is acquiring Class A Notes or Class B Notes and the acquisition, continued holding and disposition of such Notes (or any interest therein) will not give rise to a non-exempt prohibited transaction under Section 406 of ERISA, Section 4975 of the Internal Revenue Code or result in a non-exempt prohibited transaction or violation of any Similar Law;

(g) each purchaser of Notes, by its acceptance of a Note (or interest herein) represents that it has, independently and without reliance upon the Indenture Trustee, and based on such documents and information as it has deemed appropriate, made its own investment decision in respect of such Note. Each purchaser of Notes also represents that it will, independently and without reliance upon the Indenture Trustee, and based on such documents and information as it shall deemed appropriate at the time, continue to make its own decision in taking or not taking action under the Indenture and in connection with the

Notes except for notices, reports and other documents expressly required to be furnished to the holders of Notes by the Indenture, the Indenture Trustee shall not have any duty or responsibility to provide any Noteholder with any other information concerning the transactions contemplated hereby, the Trust Estate, the Issuer, the Servicer, or any other parties to the Indenture or to any related documents which may come into the possession of the Indenture Trustee or any of its officers, directors, employees, agents, representatives or attorneys-in-fact; and

(h) the purchaser understands that each Note will bear the following legend, with (A) the italicized language in brackets to be included only in the Class A Notes and the Class B Notes, (B) the underscored language in brackets to be included only in the Class C Notes, (C) the bolded language in brackets to be included only in the Class D Notes and (D) the footnoted language in brackets to be included only in Rule 144A Notes or the Class A Note, Class B Notes and Class C Notes that are Regulation S Notes, as applicable, unless, in any case, determined otherwise in accordance with applicable law:

"[THIS NOTE HAS NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), ANY UNITED STATES STATE SECURITIES OR "BLUE SKY" LAWS OR ANY SECURITIES LAWS OF ANY OTHER JURISDICTION, AND, AS A MATTER OF U.S. LAW, MAY NOT BE OFFERED OR SOLD IN VIOLATION OF THE SECURITIES ACT OR SUCH OTHER LAWS. THE HOLDER HEREOF, BY PURCHASING OR ACCEPTING THIS NOTE, IS HEREBY DEEMED TO HAVE AGREED FOR THE BENEFIT OF THE ISSUER AND THE INITIAL PURCHASERS THAT IT WILL RESELL, PLEDGE OR OTHERWISE TRANSFER THIS NOTE, AS A MATTER OF U.S. LAW, ONLY (1) SO LONG AS THIS NOTE IS ELIGIBLE FOR RESALE, PURSUANT TO RULE 144A PROMULGATED UNDER THE SECURITIES ACT ("RULE 144A"), TO A PERSON WHO THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER, AS DEFINED IN RULE 144A (A "QUALIFIED INSTITUTIONAL BUYER"), THAT IS ACQUIRING THIS NOTE FOR ITS OWN ACCOUNT OR AS A FIDUCIARY OR AGENT FOR OTHERS (WHICH OTHERS MUST ALSO BE QUALIFIED INSTITUTIONAL BUYERS) TO WHOM NOTICE IS GIVEN THAT THE RESALE OR OTHER TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, OR (2) TO A PERSON WHO IS NOT A "U.S. PERSON" (AS DEFINED IN REGULATION S PROMULGATED UNDER THE SECURITIES ACT ("REGULATION S")) OUTSIDE THE UNITED STATES ACQUIRING THIS NOTE IN ACCORDANCE WITH RULE 903 OR RULE 904 UNDER REGULATION S, IN EACH CASE IN ACCORDANCE WITH ANY UNITED STATES STATE SECURITIES OR "BLUE SKY" LAWS OR ANY SECURITIES LAWS OF ANY OTHER JURISDICTION.][1]

[THIS NOTE HAS NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), ANY UNITED STATES STATE SECURITIES OR "BLUE SKY" LAWS OR ANY SECURITIES LAWS OF ANY OTHER JURISDICTION, AND, AS A MATTER OF U.S. LAW, PRIOR TO THE DATE THAT IS 40 DAYS AFTER THE LATER OF THE COMMENCEMENT OF THE OFFERING OF THE NOTES AND THE CLOSING OF THE OFFERING OF THE NOTES MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED IN THE UNITED STATES OR TO A "U.S. PERSON" (AS DEFINED IN REGULATION S PROMULGATED UNDER THE SECURITIES ACT) EXCEPT PURSUANT TO AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT IN ACCORDANCE WITH RULE 903 OR 904 UNDER REGULATION S PROMULGATED UNDER THE SECURITIES ACT AND PURSUANT TO AND IN ACCORDANCE WITH ANY UNITED STATES STATE SECURITIES OR "BLUE SKY" LAWS OR ANY SECURITIES LAWS OF ANY OTHER JURISDICTION.][2]

THIS NOTE, AND ANY BENEFICIAL INTEREST HEREIN, MAY BE TRANSFERRED ONLY IN MINIMUM DENOMINATIONS OF [*$100,000*] [$750,000] [**$2,000,000**] AND $1,000 INCREMENTS IN EXCESS THEREOF.

EACH NOTEHOLDER OR BENEFICIAL OWNER, BY ACCEPTANCE OF THIS NOTE, OR, IN THE CASE OF A BENEFICIAL OWNER, A BENEFICIAL INTEREST IN THIS NOTE, WILL BE DEEMED TO REPRESENT AND WARRANT THAT *[EITHER (I)]* IT IS NOT AND IS NOT ACTING ON BEHALF OF, OR

[1] To be included only in Rule 144A Notes.
[2] To be included only in Regulation S Notes.

USING THE ASSETS OF (A) AN "EMPLOYEE BENEFIT PLAN," AS DEFINED IN SECTION 3(3) OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("ERISA"), THAT IS SUBJECT TO TITLE I OF ERISA, (B) A "PLAN," AS DEFINED IN SECTION 4975(e)(1) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "INTERNAL REVENUE CODE"), THAT IS SUBJECT TO SECTION 4975 OF THE INTERNAL REVENUE CODE, (C) AN ENTITY WHOSE UNDERLYING ASSETS INCLUDE "PLAN ASSETS" BY REASON OF SUCH EMPLOYEE BENEFIT PLAN'S OR PLAN'S INVESTMENT IN THE ENTITY (WITHIN THE MEANING OF DEPARTMENT OF LABOR REGULATION 29 C.F.R. 2510.3-101, AS MODIFIED BY SECTION 3(42) OF ERISA) OR (D) ANY GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN THAT IS SUBJECT TO ANY NON-U.S., FEDERAL, STATE OR LOCAL LAW THAT IS SUBSTANTIALLY SIMILAR TO SECTION 406 OF ERISA OR SECTION 4975 OF THE INTERNAL REVENUE CODE ("SIMILAR LAW") OR AN ENTITY WHOSE UNDERLYING ASSETS INCLUDE ASSETS OF ANY SUCH PLAN *[OR (II) ITS ACQUISITION, CONTINUED HOLDING, AND DISPOSITION OF THIS NOTE (OR ANY INTEREST HEREIN) WILL NOT GIVE RISE TO A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE INTERNAL REVENUE CODE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION OR VIOLATION OF ANY SIMILAR LAW]*.

[EXCEPT AS SET FORTH IN SECTION 2.05 OF THE INDENTURE, NO TRANSFER OF A CLASS C NOTE OR BENEFICIAL INTEREST THEREIN SHALL BE EFFECTIVE, AND ANY SUCH ATTEMPTED TRANSFER SHALL BE VOID *AB INITIO*, UNLESS, PRIOR TO AND AS A CONDITION TO EACH SUCH TRANSFER, THE PROSPECTIVE TRANSFEREE (INCLUDING THE INITIAL BENEFICIAL OWNER AS INITIAL TRANSFEREE) AND ANY SUBSEQUENT TRANSFEREE REPRESENTS AND WARRANTS, IN WRITING, SUBSTANTIALLY IN THE FORM OF THE TRANSFEREE CERTIFICATION SET FORTH IN EXHIBIT B-6 TO THE INDENTURE, TO THE INDENTURE TRUSTEE AND THE NOTE REGISTRAR, AND ANY OF THEIR RESPECTIVE SUCCESSORS AND ASSIGNS, THAT: (A) EITHER (I) IT IS NOT AND WILL NOT BECOME FOR U.S. FEDERAL INCOME TAX PURPOSES A PARTNERSHIP, SUBCHAPTER S CORPORATION OR GRANTOR TRUST (OR A DISREGARDED ENTITY THE SINGLE OWNER OF WHICH IS ANY OF THE FOREGOING) (EACH SUCH ENTITY, A "FLOW-THROUGH ENTITY") OR (II) IF IT IS OR BECOMES A FLOW-THROUGH ENTITY, THEN (X) NONE OF THE DIRECT OR INDIRECT BENEFICIAL OWNERS OF ANY OF THE INTERESTS IN SUCH FLOW-THROUGH ENTITY HAS OR EVER WILL HAVE MORE THAN 50% OF THE VALUE OF ITS INTEREST IN SUCH FLOW-THROUGH ENTITY ATTRIBUTABLE TO THE BENEFICIAL INTEREST OF SUCH FLOW-THROUGH ENTITY IN THE NOTES, OTHER INTEREST (DIRECT OR INDIRECT) IN THE ISSUER, OR ANY INTEREST CREATED UNDER THE INDENTURE AND (Y) IT IS NOT AND WILL NOT BE A PRINCIPAL PURPOSE OF THE ARRANGEMENT INVOLVING THE FLOW-THROUGH ENTITY'S BENEFICIAL INTEREST IN ANY CLASS C NOTE TO PERMIT ANY PARTNERSHIP TO SATISFY THE 100 PARTNER LIMITATION OF SECTION 1.7704-1(h)(1)(ii) OF THE TREASURY REGULATIONS NECESSARY FOR SUCH PARTNERSHIP NOT TO BE CLASSIFIED AS A PUBLICLY TRADED PARTNERSHIP UNDER THE INTERNAL REVENUE CODE, (B) IT IS NOT ACQUIRING ANY CLASS C NOTE OR BENEFICIAL INTEREST THEREIN, IT WILL NOT SELL, TRANSFER, ASSIGN, PARTICIPATE, PLEDGE OR OTHERWISE DISPOSE OF ANY CLASS C NOTE(S) OR BENEFICIAL INTEREST THEREIN, AND IT WILL NOT CAUSE ANY CLASS C NOTE(S) OR BENEFICIAL INTEREST THEREIN TO BE MARKETED, IN EACH CASE ON OR THROUGH AN "ESTABLISHED SECURITIES MARKET" WITHIN THE MEANING OF SECTION 7704(b) OF THE INTERNAL REVENUE CODE, INCLUDING, WITHOUT LIMITATION, AN INTERDEALER QUOTATION SYSTEM THAT REGULARLY DISSEMINATES FIRM BUY OR SELL QUOTATIONS, (C) ITS BENEFICIAL INTEREST IN THE CLASS C NOTES IS NOT AND WILL NOT BE IN AN AMOUNT THAT IS LESS THAN THE MINIMUM DENOMINATION FOR SUCH CLASS C NOTE SET FORTH IN THE INDENTURE, AND IT DOES NOT AND WILL NOT HOLD ANY INTEREST ON BEHALF OF ANY PERSON WHOSE BENEFICIAL INTEREST IN A CLASS C NOTE IS IN AN AMOUNT THAT IS LESS THAN THE MINIMUM DENOMINATION FOR THE CLASS C NOTES SET FORTH IN THE INDENTURE, (D) IT WILL NOT SELL, ASSIGN, TRANSFER, PLEDGE OR OTHERWISE DISPOSE OF ANY CLASS C NOTE OR ANY BENEFICIAL INTEREST THEREIN, OR ENTER INTO ANY FINANCIAL INSTRUMENT OR CONTRACT THE VALUE OF WHICH IS DETERMINED BY REFERENCE IN WHOLE OR IN PART TO ANY CLASS C NOTE OR BENEFICIAL INTEREST THEREIN, IN EACH CASE IF THE EFFECT OF DOING SO WOULD BE THAT THE BENEFICIAL INTEREST OF ANY PERSON IN THE CLASS C NOTE WOULD BE IN AN AMOUNT THAT IS LESS THAN THE MINIMUM DENOMINATION FOR THE CLASS C NOTES SET FORTH IN THE

INDENTURE, (E) IT WILL NOT USE ANY CLASS C NOTE AS COLLATERAL FOR THE ISSUANCE OF ANY SECURITIES THAT COULD CAUSE THE ISSUER TO BE TREATED AS AN ASSOCIATION OR PUBLICLY TRADED PARTNERSHIP TAXABLE AS CORPORATION FOR U.S. FEDERAL INCOME TAX PURPOSES, (F) IF ANY CLASS C NOTE HELD BY THE TRANSFEREE IS REQUIRED TO BE TREATED AS A PARTNERSHIP INTEREST IN THE ISSUER FOR U.S. FEDERAL INCOME TAX PURPOSES, THEN THE TRANSFEREE, OR, IF DIFFERENT, THE BENEFICIAL OWNER OF SUCH NOTE, SHALL AGREE TO THE DESIGNATION OF THE DEPOSITOR (OR IF NOT ALLOWED BY LAW, ITS OWNER) AS THE "TAX MATTERS PARTNER" AS DEFINED BY SECTION 6231(a)(7) OF THE CODE (PRIOR TO AMENDMENT OF THE CODE BY SECTION 1106 OF THE BIPARTISAN BUDGET ACT OF 2015 ("THE AMENDED PARTNERSHIP AUDIT RULES")), AND THE "PARTNERSHIP REPRESENTATIVE" AS DEFINED IN SECTION 6223 OF THE CODE (FOLLOWING AMENDMENT OF THE CODE BY THE AMENDED PARTNERSHIP AUDIT RULES), OF ANY PARTNERSHIP IN WHICH SUCH TRANSFEREE OR BENEFICIAL OWNER IS DEEMED TO BE A PARTNER FOR U.S. FEDERAL INCOME TAX PURPOSES BY VIRTUE OF HOLDING SUCH NOTE OR BENEFICIAL INTEREST THEREIN, (G) (1) UPON REASONABLE REQUEST, THE TRANSFEREE OR, IF SUCH TRANSFEREE IS NOT THE BENEFICIAL OWNER OF SUCH NOTE, THE BENEFICIAL OWNER OF SUCH NOTE, SHALL PROVIDE TO THE INDENTURE TRUSTEE ON BEHALF OF THE ISSUER AND THE DEPOSITOR ANY FURTHER INFORMATION REQUIRED BY THE ISSUER TO COMPLY WITH THE AMENDED PARTNERSHIP AUDIT RULES, INCLUDING SECTION 6226(a) OF THE CODE AND, TO THE EXTENT THE ISSUER DETERMINES SUCH APPOINTMENT NECESSARY FOR IT TO MAKE AN ELECTION UNDER SECTION 6226(a) OF THE CODE, HEREBY APPOINTS THE TRANSFEREE AS ITS AGENT FOR PURPOSES OF RECEIVING ANY NOTIFICATIONS OR INFORMATION PURSUANT TO THE NOTICE REQUIREMENTS UNDER SECTION 6226(a)(2) OF THE CODE AND (2) TO THE EXTENT APPLICABLE, EACH TRANSFEREE OF A CLASS C NOTE AND, IF DIFFERENT, EACH BENEFICIAL OWNER OF A CLASS C NOTE SHALL HOLD THE ISSUER, THE INDENTURE TRUSTEE AND THEIR RESPECTIVE AFFILIATES HARMLESS FOR ANY LOSSES RESULTING FROM A BENEFICIAL OWNER OF A CLASS C NOTE NOT PROPERLY TAKING INTO ACCOUNT OR PAYING ITS ALLOCATED ADJUSTMENT OR LIABILITY UNDER SECTION 6226 OF THE CODE, AND (H) IT WILL NOT TRANSFER A CLASS C NOTE OR ANY BENEFICIAL INTEREST THEREIN (DIRECTLY, THROUGH A PARTICIPATION, OR OTHERWISE) UNLESS, PRIOR TO THE TRANSFER, THE TRANSFEREE SHALL HAVE EXECUTED AND DELIVERED TO THE INDENTURE TRUSTEE AND THE NOTE REGISTRAR A TRANSFEREE CERTIFICATION SUBSTANTIALLY IN THE FORM OF EXHIBIT B-6 TO THE INDENTURE. NOTWITHSTANDING THE FOREGOING, A TRANSFEREE MAY PLEDGE A CLASS C NOTE OR ANY BENEFICIAL INTEREST THEREIN IF DOING SO WILL NOT RESULT IN ANY PERSON (OTHER THAN THE TRANSFEREE) BEING TREATED FOR U.S. FEDERAL INCOME TAX PURPOSES AS THE OWNER OF ALL OR ANY PORTION OF A CLASS C NOTE OR BENEFICIAL INTEREST THEREIN.]

[**EXCEPT AS SET FORTH IN SECTION 2.05 OF THE INDENTURE, NO TRANSFER OF A CLASS D NOTE OR BENEFICIAL INTEREST THEREIN SHALL BE EFFECTIVE, AND ANY SUCH ATTEMPTED TRANSFER SHALL BE VOID *AB INITIO*, UNLESS, PRIOR TO AND AS A CONDITION TO EACH SUCH TRANSFER, THE PROSPECTIVE TRANSFEREE (INCLUDING THE INITIAL BENEFICIAL OWNER AS INITIAL TRANSFEREE) AND ANY SUBSEQUENT TRANSFEREE REPRESENTS AND WARRANTS, IN WRITING, SUBSTANTIALLY IN THE FORM OF THE TRANSFEREE CERTIFICATION SET FORTH IN EXHIBIT B-7 TO THE INDENTURE, TO THE INDENTURE TRUSTEE AND THE NOTE REGISTRAR, AND ANY OF THEIR RESPECTIVE SUCCESSORS AND ASSIGNS, THAT: (A) EITHER (I) IT IS NOT AND WILL NOT BECOME FOR U.S. FEDERAL INCOME TAX PURPOSES A PARTNERSHIP, SUBCHAPTER S CORPORATION OR GRANTOR TRUST (OR A DISREGARDED ENTITY THE SINGLE OWNER OF WHICH IS ANY OF THE FOREGOING) (EACH SUCH ENTITY A "FLOW-THROUGH ENTITY") OR (II) IF IT IS OR BECOMES A FLOW-THROUGH ENTITY, THEN (X) NONE OF THE DIRECT OR INDIRECT BENEFICIAL OWNERS OF ANY OF THE INTERESTS IN SUCH FLOW-THROUGH ENTITY HAS OR EVER WILL HAVE MORE THAN 50% OF THE VALUE OF ITS INTEREST IN SUCH FLOW-THROUGH ENTITY ATTRIBUTABLE TO THE BENEFICIAL INTEREST OF SUCH FLOW-THROUGH ENTITY IN THE NOTES, OTHER INTEREST (DIRECT OR INDIRECT) IN THE ISSUER, OR ANY INTEREST CREATED UNDER THE INDENTURE AND (Y) IT IS NOT AND WILL NOT BE A PRINCIPAL PURPOSE OF THE ARRANGEMENT INVOLVING THE FLOW-THROUGH ENTITY'S**

BENEFICIAL INTEREST IN ANY CLASS D NOTE TO PERMIT ANY PARTNERSHIP TO SATISFY THE 100 PARTNER LIMITATION OF SECTION 1.7704-1(h)(1)(ii) OF THE TREASURY REGULATIONS NECESSARY FOR SUCH PARTNERSHIP NOT TO BE CLASSIFIED AS A PUBLICLY TRADED PARTNERSHIP UNDER THE INTERNAL REVENUE CODE, (B) IT IS NOT ACQUIRING ANY CLASS D NOTE OR BENEFICIAL INTEREST THEREIN, IT WILL NOT SELL, TRANSFER, ASSIGN, PARTICIPATE, PLEDGE OR OTHERWISE DISPOSE OF ANY CLASS D NOTE(S) OR BENEFICIAL INTEREST THEREIN, AND IT WILL NOT CAUSE ANY CLASS D NOTE(S) OR BENEFICIAL INTEREST THEREIN TO BE MARKETED, IN EACH CASE ON OR THROUGH AN "ESTABLISHED SECURITIES MARKET" WITHIN THE MEANING OF SECTION 7704(b) OF THE INTERNAL REVENUE CODE, INCLUDING, WITHOUT LIMITATION, AN INTERDEALER QUOTATION SYSTEM THAT REGULARLY DISSEMINATES FIRM BUY OR SELL QUOTATIONS, (C) ITS BENEFICIAL INTEREST IN THE CLASS D NOTES IS NOT AND WILL NOT BE IN AN AMOUNT THAT IS LESS THAN THE MINIMUM DENOMINATION FOR SUCH CLASS D NOTE SET FORTH IN THE INDENTURE, AND IT DOES NOT AND WILL NOT HOLD ANY INTEREST ON BEHALF OF ANY PERSON WHOSE BENEFICIAL INTEREST IN A CLASS D NOTE IS IN AN AMOUNT THAT IS LESS THAN THE MINIMUM DENOMINATION FOR THE CLASS D NOTES SET FORTH IN THE INDENTURE, (D) IT WILL NOT SELL, ASSIGN, TRANSFER, PLEDGE OR OTHERWISE DISPOSE OF ANY CLASS D NOTE OR ANY BENEFICIAL INTEREST THEREIN, OR ENTER INTO ANY FINANCIAL INSTRUMENT OR CONTRACT THE VALUE OF WHICH IS DETERMINED BY REFERENCE IN WHOLE OR IN PART TO ANY CLASS D NOTE OR BENEFICIAL INTEREST THEREIN, IN EACH CASE IF THE EFFECT OF DOING SO WOULD BE THAT THE BENEFICIAL INTEREST OF ANY PERSON IN THE CLASS D NOTE WOULD BE IN AN AMOUNT THAT IS LESS THAN THE MINIMUM DENOMINATION FOR THE CLASS D NOTES SET FORTH IN THE INDENTURE, (E) IT WILL NOT USE ANY CLASS D NOTE AS COLLATERAL FOR THE ISSUANCE OF ANY SECURITIES THAT COULD CAUSE THE ISSUER TO BE TREATED AS AN ASSOCIATION OR PUBLICLY TRADED PARTNERSHIP TAXABLE AS CORPORATION FOR U.S. FEDERAL INCOME TAX PURPOSES, (F) IF ANY CLASS D NOTE HELD BY THE TRANSFEREE IS REQUIRED TO BE TREATED AS A PARTNERSHIP INTEREST IN THE ISSUER FOR U.S. FEDERAL INCOME TAX PURPOSES, THEN THE TRANSFEREE, OR, IF DIFFERENT, THE BENEFICIAL OWNER OF SUCH NOTE, SHALL AGREE TO THE DESIGNATION OF THE DEPOSITOR (OR IF NOT ALLOWED BY LAW, ITS OWNER) AS THE "TAX MATTERS PARTNER" AS DEFINED BY SECTION 6231(a)(7) OF THE CODE (PRIOR TO AMENDMENT OF THE CODE BY SECTION 1106 OF THE BIPARTISAN BUDGET ACT OF 2015 ("THE AMENDED PARTNERSHIP AUDIT RULES")), AND THE "PARTNERSHIP REPRESENTATIVE" AS DEFINED IN SECTION 6223 OF THE CODE (FOLLOWING AMENDMENT OF THE CODE BY THE AMENDED PARTNERSHIP AUDIT RULES), OF ANY PARTNERSHIP IN WHICH SUCH TRANSFEREE OR BENEFICIAL OWNER IS DEEMED TO BE A PARTNER FOR U.S. FEDERAL INCOME TAX PURPOSES BY VIRTUE OF HOLDING SUCH NOTE OR BENEFICIAL INTEREST THEREIN, (G) (1) UPON REASONABLE REQUEST, THE TRANSFEREE OR, IF SUCH TRANSFEREE IS NOT THE BENEFICIAL OWNER OF SUCH NOTE, THE BENEFICIAL OWNER OF SUCH NOTE, SHALL PROVIDE TO THE INDENTURE TRUSTEE ON BEHALF OF THE ISSUER AND THE DEPOSITOR ANY FURTHER INFORMATION REQUIRED BY THE ISSUER TO COMPLY WITH THE AMENDED PARTNERSHIP AUDIT RULES, INCLUDING SECTION 6226(a) OF THE CODE AND, TO THE EXTENT THE ISSUER DETERMINES SUCH APPOINTMENT NECESSARY FOR IT TO MAKE AN ELECTION UNDER SECTION 6226(a) OF THE CODE, HEREBY APPOINTS THE TRANSFEREE AS ITS AGENT FOR PURPOSES OF RECEIVING ANY NOTIFICATIONS OR INFORMATION PURSUANT TO THE NOTICE REQUIREMENTS UNDER SECTION 6226(a)(2) OF THE CODE AND (2) TO THE EXTENT APPLICABLE, EACH TRANSFEREE OF A CLASS D NOTE AND, IF DIFFERENT, EACH BENEFICIAL OWNER OF A CLASS D NOTE SHALL HOLD THE ISSUER, THE INDENTURE TRUSTEE AND THEIR RESPECTIVE AFFILIATES HARMLESS FOR ANY LOSSES RESULTING FROM A BENEFICIAL OWNER OF A CLASS D NOTE NOT PROPERLY TAKING INTO ACCOUNT OR PAYING ITS ALLOCATED ADJUSTMENT OR LIABILITY UNDER SECTION 6226 OF THE CODE, (H) IT WILL NOT TRANSFER A CLASS D NOTE OR ANY BENEFICIAL INTEREST THEREIN (DIRECTLY, THROUGH A PARTICIPATION, OR OTHERWISE) UNLESS, PRIOR TO THE TRANSFER, THE TRANSFEREE SHALL HAVE EXECUTED AND DELIVERED TO THE INDENTURE TRUSTEE AND THE NOTE REGISTRAR A TRANSFEREE CERTIFICATION SUBSTANTIALLY IN THE FORM OF EXHIBIT B-7 TO THE INDENTURE AND (I)

IT IS A "UNITED STATES PERSON" AS DEFINED IN SECTION 7701(A)(30) OF THE INTERNAL REVENUE CODE AND WILL NOT TRANSFER TO, OR CAUSE SUCH CLASS D NOTE OR BENEFICIAL INTEREST THEREIN TO BE TRANSFERRED TO, ANY PERSON OTHER THAN A "UNITED STATES PERSON," AS DEFINED IN SECTION 7701(A)(30) OF THE INTERNAL REVENUE CODE. NOTWITHSTANDING THE FOREGOING, A TRANSFEREE MAY PLEDGE A CLASS D NOTE OR ANY BENEFICIAL INTEREST THEREIN IF DOING SO WILL NOT RESULT IN ANY PERSON (OTHER THAN THE TRANSFEREE) BEING TREATED FOR U.S. FEDERAL INCOME TAX PURPOSES AS THE OWNER OF ALL OR ANY PORTION OF A CLASS D NOTE OR BENEFICIAL INTEREST THEREIN.]

THIS NOTE AND RELATED DOCUMENTATION MAY BE AMENDED OR SUPPLEMENTED FROM TIME TO TIME TO MODIFY THE RESTRICTIONS ON AND PROCEDURES UNDERTAKEN OR REPRESENTED BY THE HOLDER, FOR RESALES AND OTHER TRANSFERS OF THIS NOTE, TO REFLECT ANY CHANGE IN, OR TO MAKE USE OF OTHER, APPLICABLE LAWS OR REGULATIONS (OR THE INTERPRETATION THEREOF) OR IN PRACTICES RELATING TO RESALES OR OTHER TRANSFERS OF RESTRICTED SECURITIES GENERALLY. THE HOLDER OF THIS NOTE AND ANY BENEFICIAL OWNER OF ANY INTEREST THEREIN SHALL BE DEEMED, BY ITS ACCEPTANCE OR PURCHASE HEREOF OR THEREOF, TO HAVE AGREED TO ANY SUCH AMENDMENT OR SUPPLEMENT (EACH OF WHICH SHALL BE CONCLUSIVE AND BINDING ON THE HOLDER HEREOF AND ALL FUTURE HOLDERS OF THIS NOTE AND ANY NOTES ISSUED IN EXCHANGE OR SUBSTITUTION THEREFOR, WHETHER OR NOT ANY NOTATION THEREOF IS MADE HEREON) AND AGREES TO TRANSFER THIS NOTE ONLY IN ACCORDANCE WITH SUCH RELATED DOCUMENTATION AS SO AMENDED OR SUPPLEMENTED AND IN ACCORDANCE WITH APPLICABLE LAW IN EFFECT AT THE DATE OF SUCH TRANSFER.

UNLESS THIS NOTE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO THE INDENTURE TRUSTEE OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT, AND ANY NOTE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

THE OUTSTANDING PRINCIPAL AMOUNT OF THIS NOTE MAY BE REDUCED FROM TIME TO TIME BY DISTRIBUTIONS ON THIS NOTE ALLOCABLE TO PRINCIPAL. ACCORDINGLY, FOLLOWING THE INITIAL ISSUANCE OF THIS NOTE, THE OUTSTANDING PRINCIPAL AMOUNT OF THIS NOTE MAY BE DIFFERENT FROM THE INITIAL PRINCIPAL AMOUNT SHOWN BELOW. ANYONE ACQUIRING THIS NOTE MAY ASCERTAIN THE CURRENT OUTSTANDING PRINCIPAL AMOUNT OF THIS NOTE BY INQUIRY OF THE INDENTURE TRUSTEE. ON THE DATE OF THE INITIAL ISSUANCE OF THIS NOTE, THE INDENTURE TRUSTEE IS WELLS FARGO BANK, NATIONAL ASSOCIATION.

THIS NOTE IS NOT AN OBLIGATION OF, AND IS NOT INSURED OR GUARANTEED BY, ANY GOVERNMENTAL AGENCY, SPRINGLEAF FINANCE CORPORATION, ONEMAIN DIRECT AUTO FUNDING, LLC, ANY TRUSTEE OR ANY AFFILIATE OF ANY OF THE FOREGOING.

THE HOLDER OF THIS NOTE, BY ACCEPTANCE OF THIS NOTE, AND EACH OWNER OF A BENEFICIAL INTEREST HEREIN, AGREES TO TREAT THE NOTES AS INDEBTEDNESS FOR APPLICABLE UNITED STATES FEDERAL, STATE, AND LOCAL INCOME AND FRANCHISE TAX LAW AND FOR PURPOSES OF ANY OTHER TAX IMPOSED ON, OR MEASURED BY, INCOME."

Upon the transfer, exchange or replacement of a Rule 144A Note or a Regulation S Note bearing the legend set forth above, or upon specific request for removal of the legend, the Indenture Trustee will deliver only

replacement Rule 144A Notes or Regulation S Notes, as the case may be, that bear such legend, or will refuse to remove such legend, unless there is delivered to the Issuer, the Indenture Trustee and the Note Registrar such satisfactory evidence (which may include a legal opinion) as may reasonably be required by the Issuer, the Indenture Trustee and the Note Registrar that neither the legend nor the restrictions on transfer set forth therein are required to ensure compliance with the provisions of the Securities Act.

Transfers of interests in the Notes represented by Global Notes within the European clearing systems will be in accordance with the usual rules and operating procedures of the relevant European clearing system.

The laws of some states of the United States require that certain persons receive individual certificates in respect of their holding of Notes. Consequently, the ability to transfer interests in a Global Note to such persons will be limited. Because the European clearing systems only act on behalf of participants, who in turn act on behalf of indirect participants, the ability of a person having an interest in a Global Note to pledge such interest to persons or entities which do not participate in the relevant European clearing system, or otherwise take actions in respect of such interest, may be affected by the lack of a definitive note representing such interest.

Although each of the European clearing systems has agreed to the foregoing procedures in order to facilitate transfers of interests in the Global Notes among participants and account holders of Clearstream and Euroclear, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. None of the Issuer, the Indenture Trustee or the Note Registrar will have any responsibility for the performance by any European clearing system or their respective direct or indirect participants or account holders of their respective obligations under the rules and procedures governing their respective operations.

RATINGS

It is a condition of the issuance of the Notes that they receive at least the ratings set forth in the Notes Table. The ratings reflect the assessment of each Rating Agency, based on various prepayment and loss assumptions, of the likelihood of the ultimate payment of principal and the timely payment of interest on the Notes. The ratings address structural, legal and issuer related aspects associated with the Notes, including the nature of the Loans. While the ratings address the likelihood of receipt by holders of the ultimate payment of principal and the timely payment of interest due on the Notes, such ratings do not represent any assessment of any interest shortfalls resulting from prepayments, the timing of receipt by holders of the principal due on the Notes or the corresponding effect on yield to investors.

A security rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time by the assigning rating organization. Each security rating should be evaluated independently of any other security rating. In the event that any of the ratings initially assigned to the Notes are subsequently lowered for any reason, no person or entity is obligated to provide any additional credit support or credit enhancement with respect to the Notes.

The Issuer has not requested that any rating agency rate the Notes other than the Rating Agencies. If another rating agency were to rate the Notes, such rating agency may assign ratings different from the ratings described above.

INVESTMENT COMPANY ACT CONSIDERATIONS

The Issuer will be relying on an exclusion or exemption under the Investment Company Act contained in Rule 3a-7 of the Investment Company Act, although there may be additional exclusions or exemptions available to the Issuer. The Issuer is being structured so as not to constitute a "covered fund" for purposes of the regulations adopted to implement Section 619 of the Dodd-Frank Act (such statutory provision together with such implementing regulations, the "**Volcker Rule**").

GLOSSARY OF TERMS

"Adjusted Loan Principal Balance" shall mean, with respect to any Collection Period, an amount equal to the Loan Principal Balance of all Loans in the Trust Estate, other than Charged-Off Loans, in each case, as of the last day of such Collection Period.

"Administration Agreement" shall mean the Administration Agreement, to be dated as of the Closing Date, among the Issuer, the Issuer Loan Trustee, the Depositor and the Administrator.

"Administrator" shall mean the Person acting in such capacity from time to time pursuant to the Administration Agreement, which shall initially be SFC.

"Adverse Effect" shall mean, with respect to any action, that such action will (a) result in the occurrence of an Event of Default or (b) materially and adversely affect the amount of distributions to be made to the Noteholders for any Class pursuant to the Sale and Servicing Agreement or the Indenture.

"Affiliate" of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For the purposes of this definition, "control" when used with respect to any specified Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"Aggregate Note Principal Balance" shall have the meaning specified under the heading "*The Indenture—Direction by Noteholders*" in this private placement memorandum.

"Amended Partnership Audit Rules" means Section 1106 of the Bipartisan Budget Act of 2015.

"Assignment and Assumption Agreement" shall have the meaning specified under the heading "*Description of the Loans—Assignment of Loans; Representations and Warranties; Repurchase Obligations and Renewals—Repurchase Obligations*" in this private placement memorandum.

"Authorized Officer" shall mean:

(a) with respect to the Issuer, any officer of the Owner Trustee who is authorized to act for the Owner Trustee in matters relating to the Issuer and who is identified on the list of Authorized Officers, containing the specimen signature of each such Person, delivered by the Owner Trustee to the Indenture Trustee on the Closing Date (as such list may be modified or supplemented from time to time thereafter) and any officer of the Administrator who is authorized to act for the Administrator in matters relating to the Issuer and who is identified on the list of Authorized Officers (containing the specimen signatures of such officers) delivered by the Administrator to the Indenture Trustee on the Closing Date (as such list may be modified or supplemented from time to time thereafter);

(b) with respect to the Depositor, any officer of the Depositor who is authorized to act for the Depositor in matters relating to the Depositor and who is identified on the list of Authorized Officers (containing the specimen signature of each such Person) delivered by the Depositor to the Indenture Trustee on the Closing Date (as such list may be modified or supplemented from time to time thereafter);

(c) with respect to the Servicer, any Servicing Officer;

(d) with respect to a Seller, any Vice President, Assistant Treasurer or more senior officer;

(e) with respect to the Indenture Trustee, any Responsible Officer;

(f) with respect to the Depositor Loan Trustee, any Responsible Officer; and

(g) with respect to the Issuer Loan Trustee, any Responsible Officer.

"Available Funds" shall have the meaning specified under the heading "*Description of the Notes—Priority of Payments*" in this private placement memorandum.

"Back-up Servicer" shall mean, initially, Wells Fargo Bank, N.A., and at any other time, the Person then acting as "Back-up Servicer" pursuant to the Back-up Servicing Agreement.

"Back-up Servicing Agreement" shall mean the Back-up Servicing Agreement, to be dated as of the Closing Date, among the Issuer, the Depositor, the Depositor Loan Trustee, the Issuer Loan Trustee, the Indenture Trustee, the Servicer and the Back-up Servicer, pursuant to which the Back-up Servicer has agreed to perform the back-up servicing duties specified therein for the benefit of the Issuer and the Noteholders.

"Back-up Servicing Fee" shall have the meaning specified under the heading "*The Sale and Servicing Agreement and the Back-up Servicing Agreement—Servicing and Other Compensation and Payment of Expenses*" in this private placement memorandum.

"Beneficial Interests" shall mean the beneficial interests in the Issuer evidenced by the Class A trust certificates and the Class B trust certificates.

"Beneficial Owner" shall have the meaning specified under the heading "*Description of the Notes—Book-Entry Notes and Definitive Notes*" in this private placement memorandum.

"Book-Entry Notes" shall have the meaning specified under the heading "*Description of the Notes—Book-Entry Notes and Definitive Notes*" in this private placement memorandum.

"Business Day" shall mean any day other than (a) a Saturday or Sunday or (b) any other day on which banking institutions in New York, New York, Minneapolis, Minnesota, Wilmington, Delaware or any other city in which the Corporate Trust Office or the principal executive offices of the Servicer or the Depositor, as the case may be, are located, are authorized or obligated by law, executive order or governmental decree to be closed or on which the fixed income markets in New York, New York are closed.

"Cede" shall mean Cede & Co.

"Certificate of Trust" means the certificate of trust of the Trust filed on June 14, 2016, with the Office of the Secretary of State of the State of Delaware pursuant to the Delaware Statutory Trust Act.

"Charged-Off Loan" shall mean, upon the earlier occurrence, any Loan (i) that was seven (7) payments or more (or such longer period as permitted for certain Loans subject to charge-off exceptions in accordance with the Customary Practices) past due (as reflected on the records of the Servicer); (ii) with respect to which the borrower has filed for protection under any bankruptcy law, the earlier of seven (7) payments past due and discharge of the Loan in the bankruptcy proceeding; and (iii) for which the Servicer has repossessed and liquidated the related Financing Vehicle; provided, that determination of charged-off status with respect to such Loan shall be made no later than the last day of the Collection Period of the month immediately following the month in which the liquidation of the Financing Vehicle has occurred.

"Class" shall mean the Class A Notes, the Class B Notes, the Class C Notes or the Class D Notes, as the context may require.

"CLASS" shall have the meaning specified under the heading "*Springleaf Direct Auto Loan Product*" in this private placement memorandum.

"Class A Interest Rate" means 2.04% *per annum*.

"Class A Monthly Interest Amount" means, for any Payment Date, the amount of interest accrued during the related Interest Period at the Class A Interest Rate on the Class A Note Balance as of the close of business on the immediately preceding Payment Date (or in the case of the first Payment Date, the Closing Date), calculated on the basis of a 360-day year consisting of twelve 30-day months.

"Class A Note" means any one of the 2.04% Class A Notes executed by the Owner Trustee on behalf of the Issuer and authenticated by the Indenture Trustee in accordance with the terms of the Indenture.

"Class A Note Balance" shall initially mean $603,120,000 and thereafter, shall equal the initial Class A Note Balance reduced by all previous payments to the Class A Noteholders in respect of the principal of the Class A Notes that have not been rescinded.

"Class B Interest Rate" means 2.76% *per annum.*

"Class B Monthly Interest Amount" means, for any Payment Date, the amount of interest accrued during the related Interest Period at the Class B Interest Rate on the Class B Note Balance as of the close of business on the immediately preceding Payment Date (or in the case of the first Payment Date, the Closing Date), calculated on the basis of a 360-day year consisting of twelve 30-day months.

"Class B Note" means any one of the 2.76% Class B Notes executed by the Owner Trustee on behalf of the Issuer and authenticated by the Indenture Trustee, in accordance with the terms of the Indenture.

"Class B Note Balance" shall initially mean $45,610,000 and thereafter, shall equal the initial Class B Note Balance reduced by all previous payments to the Class B Noteholders in respect of the principal of the Class B Notes that have not been rescinded.

"Class C Interest Rate" means 4.58% *per annum.*

"Class C Monthly Interest Amount" means, for any Payment Date, the amount of interest accrued during the related Interest Period at the Class C Interest Rate on the Class C Note Balance as of the close of business on the immediately preceding Payment Date (or in the case of the first Payment Date, the Closing Date), calculated on the basis of a 360-day year consisting of twelve 30-day months.

"Class C Note" means any one of the 4.58% Class C Notes executed by the Owner Trustee on behalf of the Issuer and authenticated by the Indenture Trustee, in accordance with the terms of the Indenture.

"Class C Note Balance" shall initially mean $51,270,000 and thereafter, shall equal the initial Class C Note Balance reduced by all previous payments to the Class C Noteholders in respect of the principal of the Class C Notes that have not been rescinded.

"Class D Interest Rate" means 7.00% *per annum.*

"Class D Monthly Interest Amount" means, for any Payment Date, the amount of interest accrued during the related Interest Period at the Class D Interest Rate on the Class D Note Balance as of the close of business on the immediately preceding Payment Date (or in the case of the first Payment Date, the Closing Date), calculated on the basis of a 360-day year consisting of twelve 30-day months.

"Class D Note" means any one of the 7.00% Class D Notes executed by the Owner Trustee on behalf of the Issuer and authenticated by the Indenture Trustee, in accordance with the terms of the Indenture.

"Class D Note Balance" shall initially mean $53,900,000 and thereafter, shall equal the initial Class D Note Balance reduced by all previous payments to the Class D Noteholders in respect of the principal of the Class D Notes that have not been rescinded.

"Clearstream" shall mean Clearstream Banking, *société anonyme*, a professional depository incorporated under the laws of Luxembourg, and its successors.

"Closing Date" shall have the meaning specified on the front cover of this private placement memorandum.

"Closing Date Tax Opinions" shall have the meaning specified in this private placement memorandum under the heading "*Certain U.S. Federal Income Tax Consequences—Treatment of the Notes as Indebtedness*."

"Collection Account" shall have the meaning specified under the heading "*The Indenture—Collection Account; Principal Distribution Account*" in this private placement memorandum.

"Collection Period" shall mean, with respect to each Payment Date, the preceding calendar month; provided, however, that the initial Collection Period will commence on the day immediately following the Cut-Off Date and end on and include the last day of the calendar month immediately preceding the initial Payment Date.

"Collections" shall mean all amounts collected on or in respect of the Loans after the Cut-Off Date, including scheduled loan payments (whether received in whole or in part, whether related to a current, future or prior due date, whether paid voluntarily by a Loan Obligor or received in connection with the realization of the amounts due and to become due under any defaulted Loan or upon the sale of any property acquired in respect thereof), all partial prepayments, all full prepayments, recoveries (including net proceeds from the sale of any repossessed vehicle), or any other form of payment; provided, however, that Collections shall not include Excluded Amounts.

"Controlling Class" shall mean, with respect to any Notes outstanding, the Class A Notes as long as any Class A Notes are outstanding, and thereafter the Class B Notes as long as any Class B Notes are outstanding, and thereafter the Class C Notes as long as any Class C Notes are outstanding, and thereafter the Class D Notes as long as any Class D Notes are outstanding.

"Corporate Trust Office" shall have the meaning (a) when used in respect of the Owner Trustee, the Depositor Loan Trustee or the Issuer Loan Trustee, the address of such party at Rodney Square North, 1100 North Market Street, Wilmington, Delaware 19890, Attn: Corporate Trust Administration, and (b) when used in respect of the Indenture Trustee or the Back-up Servicer, the address of the Indenture Trustee at Wells Fargo Center, Sixth Street and Marquette Avenue, MAC N9311-161, Minneapolis, MN 55479, Attn: Asset Backed Securities Department.

"Customary Practices" shall have the meaning specified under the heading "*The Sale and Servicing Agreement and the Back-up Servicing Agreement—Servicing of Loans*" in this private placement memorandum.

"Cut-Off Date" shall mean June 30, 2016.

"DBRS" shall mean DBRS, Inc. or any successor.

"Debtor Relief Laws" shall mean (i) the United States Bankruptcy Code and (ii) all other applicable liquidation, conservatorship, bankruptcy, moratorium, arrangement, receivership, insolvency, reorganization, suspension of payments, adjustment of debt, marshalling of assets or similar debtor relief laws of the United States, any state or any foreign country from time to time in effect affecting the rights of creditors generally.

"Definitive Notes" shall mean, for any Class, the Notes issued in fully registered, certificated form issued to the owners of such Class or their nominee.

"Delaware Statutory Trust Act" means Chapter 38 of Title 12 of the Delaware Code, 12 Del. Code § 3801 et seq., as the same may be amended from time to time.

"Delinquent Loan" shall mean a Loan which is 30 or more days past due as reflected in the records of the Servicer in accordance with the Customary Practices.

"Depositor" shall mean OneMain Direct Auto Funding, LLC, a limited liability company formed and existing under the laws of the State of Delaware, and its successors and permitted assigns.

"Depositor Loan Trust Agreement" shall mean the Depositor Loan Trust Agreement, to be dated as of the Closing Date, among the Depositor and the Depositor Loan Trustee, as the same may be amended, supplemented or otherwise modified from time to time.

"Depositor Loan Trustee" shall mean Wilmington Trust, National Association, not in its individual capacity but solely as Depositor Loan Trustee under the Depositor Loan Trust Agreement. "Depositor Loan Trustee" shall also mean each successor Depositor Loan Trustee as of the qualification of such successor as Depositor Loan Trustee under the Depositor Loan Trust Agreement.

"Directing Holder" shall mean (i) so long as the Indenture shall not have terminated, the Required Noteholders, and (ii) in all other instances, the holder or holders of more than 50% of the voting power of the Beneficial Interests.

"Distribution Compliance Period" shall have the meaning specified under the heading "*Restrictions on Transfer*" in this private placement memorandum.

"Dollars", "$" or "U.S. $" shall mean (a) United States dollars or (b) denominated in United States dollars.

"Eligible Deposit Account" shall have the meaning specified under the heading "*The Indenture—Collection Account; Principal Distribution Account*" in this private placement memorandum.

"Eligible Institution" shall have the meaning specified under the heading "*The Indenture—Collection Account; Principal Distribution Account*" in this private placement memorandum.

"Eligible Investments" shall mean book-entry securities, negotiable instruments or securities represented by instruments in bearer or registered form which have maturities of no later than the Business Day immediately prior to the next succeeding Payment Date (unless payable on demand, in which case such securities or instruments may mature on such next succeeding Payment Date) and which evidence:

(a) direct obligations of, and obligations fully guaranteed as to timely payment by, the United States of America;

(b) demand deposits, time deposits or certificates of deposit (having original maturities of no more than 365 days) of depository institutions or trust companies incorporated under the laws of the United States of America or any state thereof (or domestic branches of foreign banks) and subject to supervision and examination by federal or state banking or depository institution authorities; provided that at the time of the Issuer's investment or contractual commitment to invest therein, the short-term debt rating of such depository institution or trust company will be rated "A-1" or higher by Standard & Poor's, "P-1" or higher by Moody's and an equivalent rating by each other Rating Agency (to the extent rated by such Rating Agency);

(c) commercial paper (having remaining maturities of no more than 30 days) having, at the time of the Issuer's investment or contractual commitment to invest therein, a rating not lower than "A-1" from Standard & Poor's, a rating not lower than "P-1" from Moody's and an equivalent rating from each other Rating Agency (to the extent rated by such Rating Agency);

(d) investments in money market funds (including proprietary money market funds offered or managed by Wells Fargo Bank, N.A. or an Affiliate thereof) rated "AAAm" or higher by Standard & Poor's, "Aaa-mf" or higher by Moody's and an equivalent rating by each other Rating Agency (to the extent rated by such Rating Agency) or otherwise approved in writing by each Rating Agency;

(e) notes or bankers' acceptances (having original maturities of no more than 365 days) issued by any depository institution or trust company referred to in (b) above;

(f) demand deposits, time deposits or certificates of deposit, other than as referred to in clause (b) above, with a Person (i) the commercial paper of which is rated "A-1" or higher by Standard & Poor's, "P-1" or higher by Moody's and an equivalent rating by each other Rating Agency (to the extent rated by such Rating Agency) or (ii) that has a long-term unsecured debt rating of "A" or higher by Standard & Poor's, "Baa1" or higher by Moody's and an equivalent rating by each other Rating Agency (to the extent rated by such Rating Agency); or

(g) any other investments with respect to which the Rating Agency Notice Requirement has been satisfied.

Eligible Investments may be purchased by or through the Indenture Trustee or any of its Affiliates.

"Eligible Servicer" shall have the meaning specified under the heading "*The Sale and Servicing Agreement and the Back-up Servicing Agreement—Rights Upon Servicer Default*" in this private placement memorandum.

"ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended.

"Euroclear" shall mean the Euroclear System.

"Euroclear Operator" shall mean Euroclear Bank S.A./N.V., as operator of Euroclear, and its successor and assigns in such capacity.

"Event of Default" shall have the meaning specified under the heading "*The Indenture—Events of Default*" in this private placement memorandum.

"Exchange Act" shall mean the Securities Exchange Act of 1934, as amended.

"Excluded Amounts" means (i) accrued and unpaid Servicing Fees (ii) Supplemental Servicing Fees, (iii) expenses incurred by the Servicer in connection with collection activities on any Charged-Off Loan, (iv) any payments required by law to be returned to a Loan Obligor, (v) any amounts deposited into the Collection Account with respect to Loan Obligor checks that are not honored, (vi) reimbursements for any amounts advanced by the Servicer with respect to premiums on lender-placed insurance policies covering any Financing Vehicle and (vii) all out-of-pocket costs and expenses incurred by the Servicer in connection with a sale or other disposition of a Financing Vehicle, including without limitation, all repossession, auction, painting, repair and any and all other similar liquidation and refurbishment costs and expenses.

"FDIC" shall have the meaning specified under the heading "*Certain Legal Aspects of the Loans—FDIC's Avoidance Power under OLA*" in this private placement memorandum.

"Final Scheduled Payment Date" shall have the meaning specified under the heading "*Summary of Terms—Final Scheduled Payment Date*" in this private placement memorandum.

"Financing Vehicle" shall have the meaning specified under the heading "*Risk Factors—The Rate of Depreciation of Certain Vehicles Securing Loans Could Exceed the Amortization of the Outstanding Principal Balance of the Related Loans, Which May Result In Losses*" in this private placement memorandum.

"First Priority Principal Payment" shall have the meaning specified under the heading "*Description of the Notes—Priority of Payments*" in this private placement memorandum.

"Fitch" shall mean Fitch Ratings, Inc. or any successor.

"Force Majeure Event" shall mean an event that occurs as a result of an act of God, an act of the public enemy, acts of declared or undeclared war (including acts of terrorism), public disorder, rebellion, sabotage, epidemics, landslides, lightning, fire, hurricane, earthquakes, floods or similar causes.

"Fourth Priority Principal Payment shall have the meaning specified under the heading "*Description of the Notes—Priority of Payments*" in this private placement memorandum.

"Global Note" shall have the meaning specified under the heading "*Restrictions on Transfer*" in this private placement memorandum.

"Governmental Authority" shall mean any federal, state, municipal, national, local or other governmental department, court, commission, board, bureau, agency, intermediary, carrier or instrumentality or political subdivision thereof, or any entity or officer exercising executive, legislative, judicial, quasi-judicial, regulatory or administrative functions of or pertaining to any government or any court, in each case, whether of the United States or a state, territory or possession thereof, a foreign sovereign entity or country or jurisdiction or the District of Columbia.

"Indenture" shall mean the Indenture, to be dated as of the Closing Date, among the Issuer, the Issuer Loan Trustee, the Indenture Trustee and the Servicer, as the same may be amended, supplemented or otherwise modified from time to time.

"Indenture Trustee" shall mean Wells Fargo Bank, N.A., in its capacity as indenture trustee under the Indenture, its successors in interest and any successor indenture trustee under the Indenture.

"Initial Purchasers" shall mean Credit Suisse Securities (USA) LLC, Natixis Securities Americas LLC, Barclays Capital Inc., Citigroup Global Markets Inc., RBC Capital Markets, LLC and Drexel Hamilton, LLC.

"Insolvency Event" with respect to any Person, shall occur if (i) such Person shall file a petition or commence a Proceeding (A) to take advantage of any Debtor Relief Law or (B) for the appointment of a trustee, conservator, receiver, liquidator, or similar official for or relating to such Person or all or substantially all of its property, or for the winding up or liquidation of its affairs, (ii) such Person shall consent or fail to object to any such petition filed or Proceeding commenced against or with respect to it or all or substantially all of its property, or any such petition or Proceeding shall not have been dismissed or stayed within ninety (90) days of its filing or commencement, or a court, agency, or other supervisory authority with jurisdiction shall have decreed or ordered relief with respect to any such petition or Proceeding, (iii) such Person shall admit in writing its inability to pay its debts generally as they become due, (iv) such Person shall make an assignment for the benefit of its creditors, (v) such Person shall voluntarily suspend payment of its obligations, or (vi) such Person shall take any action in furtherance of any of the foregoing.

"Intercompany Credit Agreement" shall mean the credit agreement, to be dated as of the Closing Date, between Springleaf and the Depositor.

"Interest Period" shall mean, with respect to any Payment Date, the period from and including the 15th day of the calendar month preceding such Payment Date (or, in the case of the first Payment Date, the Closing Date) to but excluding the 15th day of the calendar month in which such Payment Date occurs.

"Interest Rate" shall mean, with respect to the Class A Notes, the Class A Interest Rate, with respect to the Class B Notes, the Class B Interest Rate, with respect to the Class C Notes, the Class C Interest Rate and with respect to the Class D Notes, the Class D Interest Rate.

"Internal Revenue Code" shall mean the Internal Revenue Code of 1986, as amended.

"Investment Company Act" shall mean the Investment Company Act of 1940, as amended.

"Issuer" shall mean OneMain Direct Auto Receivables Trust 2016-1, a statutory trust organized and existing under the laws of the State of Delaware, and its successors and permitted assigns.

"Issuer Loan Trust Agreement" shall mean the Issuer Loan Trust Agreement, to be dated as of the Closing Date, among the Issuer and the Issuer Loan Trustee, as the same may be amended, supplemented or otherwise modified from time to time.

"Issuer Loan Trustee" shall mean Wilmington Trust, National Association, not in its individual capacity but solely as Issuer Loan Trustee under the Issuer Loan Trust Agreement. "Issuer Loan Trustee" shall also mean each successor Issuer Loan Trustee as of the qualification of such successor as Issuer Loan Trustee under the Issuer Loan Trust Agreement.

"KBRA" shall mean Kroll Bond Rating Agency, Inc. or any successor.

"Lien" shall mean, with respect to any property, any mortgage, deed of trust, pledge, hypothecation, assignment, deposit arrangement, equity interest, encumbrance, lien (statutory or other), preference, participation interest, priority or other security agreement or preferential arrangement of any kind or nature whatsoever relating to that property, including any conditional sale or other title retention agreement, any financing lease having substantially the same economic effect as any of the foregoing and the filing of any financing statement under the UCC or comparable law of any jurisdiction to evidence any of the foregoing.

"Loan" shall mean any non-revolving direct auto loan conveyed under the Loan Purchase Agreement and the Sale and Servicing Agreement on the Closing Date, and identified on the Loan Schedule.

"Loan Agreement" shall mean, with respect to any Loan, all agreements between the applicable Seller and the related Loan Obligor prior to the Cut-Off Date containing the terms and conditions applicable to such Loan and any applicable truth in lending disclosure statements related thereto, in each case, as amended and in effect from time to time, representative copies of which have been made available to the Depositor and will be delivered to the Depositor upon request.

"Loan Eligibility Representations" shall have the meaning set forth under the heading "*Description of the Loans—Assignment of Loans*; *Representations and Warranties; Repurchase Obligations and Renewals—Repurchase Obligations*" in this private placement memorandum.

"Loan Obligor" shall mean any maker, co-maker, guarantor, or other obligor with respect to a Loan. In respect of each Loan, if there is more than one Loan Obligor (husband and wife, for example), references herein to Loan Obligor shall mean any or all of such Loan Obligors, as the context may require.

"Loan Principal Balance" shall mean as of any determination date with respect to (a) a Loan other than a Precompute Loan, the outstanding principal balance of such Loan and (b) a Loan that is a Precompute Loan, the current total loan balance less the unearned finance charges. The Loan Principal Balance of any Loan a portion of which has been charged-off in accordance with the Customary Practices shall be reduced by the portion so charged-off.

"Loan Purchase Agreement" shall mean the Loan Purchase Agreement, to be dated as of the Closing Date, among the Sellers party thereto, the Depositor and the Depositor Loan Trustee.

"Loan Schedule" shall mean a complete schedule prepared by the Servicer on behalf of the Sellers, the Depositor and the Depositor Loan Trustee identifying all Loans sold by a Seller to the Depositor on the Closing Date, and which Loans, in turn, are sold by the Depositor and the Depositor Loan Trustee for the benefit of the Depositor to the Issuer and the Issuer Loan Trustee for the benefit of the Issuer on the Closing Date, as such schedule is updated or supplemented from time to time, including, without limitation, in connection with any reassignment to the Depositor pursuant to the Sale and Servicing Agreement and to the applicable Seller pursuant to the Loan Purchase Agreement or otherwise. The Loan Schedule may take the form of a computer file, a microfiche

list, or another tangible medium that is commercially reasonable. The Loan Schedule shall identify each Loan by loan number, Loan Principal Balance as of the Cut-Off Date and Seller.

"Loan Trust Agreement" means each of the Depositor Loan Trust Agreement and the Issuer Loan Trust Agreement.

"Monthly Determination Date" shall mean the 12th day of each calendar month, or if such 12th day is not a Business Day, the next succeeding Business Day.

"Monthly Servicer Report" shall have the meaning specified under the heading "*The Indenture—Reports to Noteholders*" in this private placement memorandum.

"Moody's" shall mean Moody's Investors Service, Inc., and its successors.

"Note" shall mean a note issued by the Issuer pursuant to the Indenture and described in this private placement memorandum.

"Note Account" shall mean the Collection Account, the Principal Distribution Account or the Reserve Account, as applicable.

"Note Principal Balance" shall mean, with respect to any determination date and any Class of Notes, the Class A Note Balance, the Class B Note Balance, the Class C Note Balance or the Class D Note Balance, as applicable, as of such determination date.

"Note Purchase Agreement" shall mean that certain Note Purchase Agreement, to be dated on or about the date of this Private Placement Memorandum, among the Depositor, the Servicer and the Initial Purchasers.

"Note Registrar" shall mean the entity (which shall either by the Indenture Trustee or an entity appointed by the Indenture Trustee) which acts as note registrar and in such capacity shall provide for the registration of Notes, and transfers and exchanges of Notes as provided in the Indenture.

"Noteholder" or "Holder" shall mean the Person in whose name a Note is registered in the Note Register, or such other Person deemed to be a "Noteholder" or "Holder" pursuant to the Indenture.

"Notes Table" shall have the meaning set forth on the front cover of the private placement memorandum.

"OLA" shall have the meaning specified under the heading "*Certain Legal Aspects of the Loans—FDIC's Avoidance Power under OLA.*"

"OMH" shall mean OneMain Holdings, Inc., a Delaware corporation.

"Officer's Certificate" shall mean, except to the extent otherwise specified, a certificate signed by an Authorized Officer of the Issuer, the Issuer Loan Trustee, the Depositor, the Depositor Loan Trustee, the Servicer, a Seller or the Indenture Trustee, as applicable.

"Opinion of Counsel" shall mean a written opinion of counsel, who may be counsel for, or an employee of, the Person providing the opinion and who shall be reasonably acceptable to the Person to whom the opinion is to be provided; provided, however, that any Tax Opinion or other opinion relating to U.S. federal income tax matters shall be an opinion of nationally recognized tax counsel.

"Optional Redemption Date" shall have the meaning specified under the heading "*Summary Information—Redemption.*"

"Outstanding" shall have the meaning specified under the heading "*The Indenture—Direction by Noteholders*" in this private placement memorandum.

"Owner Trustee" shall mean Wilmington Trust, National Association, not in its individual capacity but solely in its capacity as owner trustee under the Trust Agreement, its successors in interest and any successor owner trustee under the Trust Agreement.

"Payment Date" shall mean the 15th day of each calendar month, or if such 15th day is not a Business Day, the next succeeding Business Day; provided, that the first Payment Date will be August 15, 2016.

"Performance Support Agreement" shall mean the Performance Support Agreement, to be dated as of the Closing Date, by SFC in favor of the Indenture Trustee in respect of the obligations of the Sellers, the Servicer (so long as it is an Affiliate of SFC and the Administrator (so long as it is an Affiliate of SFC) under the Transaction Documents.

"Permanent Regulation S Global Note" shall have the meaning specified under the heading "*Restrictions on Transfer*" in this private placement memorandum.

"Person" shall mean any legal person, including any individual, corporation, limited liability company, partnership, joint venture, association, joint-stock company, trust, unincorporated organization, governmental entity or other entity of any nature.

"Precompute Loan" shall mean any Loan reflected as such on the records of the Servicer.

"Principal Distribution Account" shall have the meaning specified under the heading "*The Indenture—Collection Account; Principal Distribution Account*" in this private placement memorandum.

"Proceeding" shall mean any suit in equity, action at law or other judicial or administrative proceeding.

"Purchase Price" shall have the meaning specified under the heading "*Description of the Loans—Assignment of Loans; Representations and Warranties; Repurchase Obligations and Renewals*" in this private placement memorandum.

"Purchased Assets" shall have the meaning specified under the heading "*Description of the Loans—Assignment of Loans; Representations and Warranties; Repurchase Obligations and Renewals*" in this private placement memorandum.

"QIB" shall mean a "qualified institutional buyer" as defined in Rule 144A.

"Rating Agency" shall mean each of DBRS, KBRA, Moody's and S&P.

"Rating Agency Notice Requirement" shall mean, with respect to any action, that each Rating Agency shall have received ten (10) days' written notice thereof and shall not have notified the Depositor, the Servicer, the Owner Trustee and the Indenture Trustee in writing (including by means of a press release) within such 10-day period that such action will result in a reduction or withdrawal of the then existing rating of the Notes.

"Record Date" shall, unless otherwise specified in any Transaction Document, have the meaning set forth under "*Description of the Notes*" in this private placement memorandum.

"Registered Noteholder" shall mean the Holder of a Definitive Note.

"Regular Principal Payment Amount" shall have the meaning specified under the heading "*Description of the Notes—Priority of Payments*" in this private placement memorandum.

"Regulation S" shall mean Regulation S promulgated under the Securities Act.

"Regulation S Global Note" shall have the meaning specified under the heading "*Restrictions on Transfer*" in this private placement memorandum.

"Regulation S Note" means any Note offered and sold in reliance on Regulation S of the Securities Act.

"Relief Act" shall have the meaning specified under the heading "*Certain Legal Aspects of the Loans—Servicemembers Civil Relief Act*" in this private placement memorandum.

"Renewal" shall have the meaning set forth in "*Description of the Loans—Assignment of Loans; Representations and Warranties; Repurchase Obligations and Renewals*" in this private placement memorandum.

"Repurchase Price" shall have the meaning set forth in "*Description of the Loans—Assignment of Loans; Representations and Warranties; Repurchase Obligations and Renewals—Repurchase Obligations*" in this private placement memorandum.

"Required Loan Repurchase" shall have the meaning specified under the heading "*Description of the Loans—Assignment of Loans; Representations and Warranties; Repurchase Obligations and Renewals—Repurchase Obligations*" in this private placement memorandum.

"Required Noteholders" shall mean, at any time, the Holders of Notes evidencing more than 50% of the Outstanding Notes.

"Required Reserve Account Amount" shall have the meaning specified under the heading "*Summary Information—Description of the Notes—Reserve Account*" in this private placement memorandum.

"Requirements of Law" shall mean, for any Person, (a) any certificate of incorporation, certificate of formation, articles of association, bylaws, limited liability company agreement, or other organizational or governing documents of that Person and (b) any law, treaty, statute, regulation, or rule, or any determination by a Governmental Authority or arbitrator, that is applicable to or binding on that Person or to which that Person is subject. This term includes usury laws, the Truth in Lending Act, and Regulation Z and Regulation B of the Board of Governors of the Federal Reserve System.

"Reserve Account" shall have the meaning specified under the heading "*Description of the Notes—Reserve Account*" in this private placement memorandum.

"Reserve Account Draw Amount" shall have the meaning specified under the heading "*Description of the Notes—Priority of Payments*" in this private placement memorandum.

"Responsible Officer" shall mean, with respect to any of the Indenture Trustee, the Back-up Servicer, the Depositor Loan Trustee or the Issuer Loan Trustee, any officer within the Corporate Trust Office of such Person, as the case may be, including any Vice President, Assistant Vice President, Assistant Treasurer, Assistant Secretary, or any other officer of such Person customarily performing functions similar to those performed by any of the above designated officers, and also, with respect to a particular matter, any other officer to whom such matter is referred because of such officer's knowledge of and familiarity with the particular subject, in each case having direct responsibility for the administration of the applicable Transaction Documents on behalf of such Person.

"Rule 144A" shall mean Rule 144A promulgated under the Securities Act.

"Rule 144A Global Note" shall have the meaning specified under the heading "*Restrictions on Transfer*" in this private placement memorandum.

"Rule 144A Note" shall mean any offered and sold to a QIB pursuant to Rule 144A of the Securities Act.

"S&P" and "Standard & Poor's" shall mean Standard & Poor's Ratings Services, a Standard & Poor's Financial Services LLC business, or any successor.

"Sale and Servicing Agreement" shall mean the Sale and Servicing Agreement, to be dated as of the Closing Date, among the Depositor, the Depositor Loan Trustee, the Servicer, the Issuer and the Issuer Loan Trustee.

"SCLI" shall mean Springleaf Consumer Loan, Inc., a Delaware corporation and a subsidiary of SFI.

"SEC" shall mean the United States Securities and Exchange Commission.

"Second Priority Principal Payment" shall have the meaning specified under the heading "*Description of the Notes—Priority of Payments*" in this private placement memorandum.

"Securities Act" shall mean the Securities Act of 1933, as amended.

"Seller" or "Sellers" shall mean the Persons identified in Schedule I to the Loan Purchase Agreement.

"Servicer" shall mean (i) initially Springleaf, in its capacity as Servicer pursuant to the Sale and Servicing Agreement and any Person that becomes the successor thereto pursuant to the Sale and Servicing Agreement, and (ii) after any Servicing Transfer Date, the Successor Servicer.

"Servicer Defaults" shall have the meaning specified under the heading "*The Sale and Servicing Agreement and the Back-up Servicing Agreement—Servicer Defaults*" in this private placement memorandum.

"Servicing Fee" shall have the meaning specified under the heading "*The Sale and Servicing Agreement and the Back-up Servicing Agreement—Servicing and Other Compensation and Payment of Expenses*" in this private placement memorandum.

"Servicing Officer" shall mean any officer of the Servicer or an attorney in fact of the Servicer who in either case is involved in, or responsible for, the administration and servicing of the Loans and whose name appears on a list of servicing officers furnished to the Owner Trustee and the Indenture Trustee by the Servicer, as such list may from time to time be amended.

"Servicing Assumption Date" shall have the meaning specified under the heading "*The Sale and Servicing Agreement and the Back-up Servicing Agreement—Assumption of Servicing by the Back-up Servicer*" in this private placement memorandum.

"Servicing Centralization Period" have the meaning specified under the heading "*The Sale and Servicing Agreement and the Back-up Servicing Agreement–Servicing Centralization Period*" in this private placement memorandum.

"Servicing Transfer" shall mean that all authority and power of the Servicer under the Sale and Servicing Agreement shall have passed to and been vested in the Successor Servicer appointed by the Indenture Trustee pursuant to the Sale and Servicing Agreement.

"Servicing Transfer Date" shall mean the date on which a Successor Servicer has assumed all of the duties and obligations of the Servicer under the Sale and Servicing Agreement (other than in the case of the Back-up Servicer, any such duty or obligation that it is not required to assume under the terms of the Back-up Servicing Agreement) after the resignation or termination of the Servicer.

"Servicing Transfer Notice" shall mean a written notice substantially in the applicable form attached to the Back-up Servicing Agreement from the Indenture Trustee to the Back-up Servicer, which the Indenture Trustee will send upon the delivery of a Termination Notice to the Servicer pursuant to the Sale and Servicing Agreement.

"Servicing Transition Costs" shall have the meaning specified under the heading "*The Sale and Servicing Agreement and the Back-up Servicing Agreement—Servicing and Other Compensation and Payment of Expenses*" in this private placement memorandum.

"Servicing Transition Period" shall have the meaning specified under the heading "*The Sale and Servicing Agreement and the Back-up Servicing Agreement—Assumption of Servicing by the Back-up Servicer*" in this private placement memorandum.

"SFC" shall mean Springleaf Finance Corporation, an Indiana corporation.

"SFI" shall mean Springleaf Finance, Inc., an Indiana corporation.

"Similar Law" shall mean any non-U.S., federal, state or local law that is substantially similar to Section 406 of ERISA or Section 4975 of the Internal Revenue Code.

"Springleaf" shall mean SFC, SFI and their subsidiaries (other than the Depositor and the Issuer).

"Springleaf Risk Level" shall have the meaning specified under the heading "*Underwriting Standards – Determining Applicant Risk Level and Springleaf Risk Scoring Model*" in this private placement memorandum.

"Springleaf Risk Scoring Model" shall have the meaning specified under the heading "*Underwriting Standards – Determining Applicant Risk Level and Springleaf Risk Scoring Model*" in this private placement memorandum.

"Standard & Poor's" and "S&P" shall mean Standard & Poor's Rating Services, a Standard & Poor's Financial Services LLC business, and its successors.

"State" shall mean any of the fifty (50) states in the United States of America or the District of Columbia.

"Successor Servicer" shall mean the successor servicer appointed in accordance with the Sale and Servicing Agreement.

"Supplemental Servicing Fees" means any and all (i) late fees, (ii) extension fees, (iii) non-sufficient funds charges and (iv) any and all other administrative fees or similar charges allowed by applicable law with respect to any Loan.

"Target Overcollateralization Amount" means, as of any date of determination, an amount equal to the greater of (a) 8.00% of the Adjusted Loan Principal Balance as of the last day of the related Collection Period and (b) 1.00% of the Adjusted Loan Principal Balance as of the Cut-Off Date.

"Tax Opinion" shall mean, with respect to any action, an Opinion of Counsel to the effect that, for U.S. federal income tax purposes, (a) such action will not adversely affect the tax characterization as debt of any Note of any Outstanding Class with respect to which an Opinion of Counsel was delivered at the time of its original issuance as to the characterization of such Note as debt for U.S. federal income tax purposes, (b) such action will not cause or constitute an event in which gain or loss would be recognized by any Noteholder other than the Depositor or any affiliate thereof, and (c) such action will not cause the Issuer to be classified as an association (or publicly traded partnership) taxable as a corporation.

"Temporary Regulation S Global Note" shall have the meaning specified under the heading "*Restrictions on Transfer*" in this private placement memorandum.

"Terminated Loan" shall mean the Loan that is refinanced in connection with a Renewal in respect of such Loan.

"Termination Notice" shall have the meaning specified under the heading "*The Sale and Servicing Agreement and the Back-up Servicing Agreement—Rights Upon Servicer Default*" in this private placement memorandum.

"Third Priority Principal Payment" shall have the meaning specified under the heading "*Description of the Notes—Priority of Payments*" in this private placement memorandum.

"Transaction Documents" shall mean the Certificate of Trust, the Trust Agreement, the Depositor Loan Trust Agreement, the Issuer Loan Trust Agreement, the Note Purchase Agreement, the Loan Purchase Agreement, the Intercompany Credit Agreement, the Sale and Servicing Agreement, the Indenture, the Performance Support Agreement, the Administration Agreement, the Back-up Servicing Agreement, and such other documents and certificates delivered in connection the foregoing.

"Trust" shall mean the Trust established by the Trust Agreement.

"Trust Agreement" shall mean the Amended and Restated Trust Agreement relating to the Issuer, to be dated as of the Closing Date, between the Depositor, the "Regular Trustees", set forth therein, and the Owner Trustee.

"Trust Estate" shall have the meaning specified under the heading "*Description of the Notes*" in this private placement memorandum.

"UCC" shall mean the Uniform Commercial Code of the applicable jurisdiction.

"United States Bankruptcy Code" shall mean Title 11 of the United States Code, 11. U.S.C. §§ 101 et seq., as amended.