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 Co-Issuers 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 Co-Issuers. The Co-Issuers are 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 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, 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 BofA Securities, Inc. or Credit Suisse Securities (USA) LLC or any person who controls BofA Securities, Inc. or Credit Suisse Securities (USA) LLC or any director, officer, employee or agent of BofA Securities, Inc. or Credit Suisse Securities (USA) LLC or any affiliate of BofA Securities, Inc. or Credit Suisse Securities (USA) LLC 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 BofA Securities, Inc. or Credit Suisse Securities (USA) LLC.

PRIVATE PLACEMENT MEMORANDUM **STRICTLY CONFIDENTIAL**

SpringCastle America Funding, LLC, SpringCastle Credit Funding, LLC and SpringCastle Finance Funding, LLC

Co-Issuers

$663,047,000

SpringCastle Funding Asset-Backed Notes 2020-A

Principal and interest payable monthly, commencing in October 2020

The Co-Issuers Will Issue—

- One class of senior asset-backed notes.
- One class of subordinate asset-backed notes.

You should carefully consider the risk factors beginning on page 25 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 Co-Issuers only and will not be obligations of, or represent interests in, any other entity.

The Class A Notes and the Class B Notes (collectively, the "**Notes**") are offered by this private placement memorandum. The initial note principal balances, ratings, CUSIP numbers, interest rates and certain other characteristics of the Notes are described in the notes table on page 9 of this private placement memorandum. The initial note principal balances of the Class A Notes and the Class B Notes have been determined using the aggregate principal balance of the loan pool as of the Cut-Off Date.

The Assets to be Pledged by the Co-Issuers Consist of—

- A seasoned pool of subprime, performing and non-performing revolving and non-revolving, unsecured personal loans and personal home loans (together, the "**Loans**").

Credit Enhancement Will Consist of—

- Subordination of the Class B Notes to the Class A Notes for payments of interest and principal.
- Overcollateralization. As of the cut-off date, the aggregate Loan Principal Balance will exceed the aggregate principal balance of the Notes by a *de minimis* amount, but will build to a specified target overcollateralization amount.
- Excess spread available to offset losses on the Loans and to make payments of principal on the Notes.
- A reserve account available to pay interest and principal on the Notes and to pay 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 UNDER THE SECURITIES LAW OF ANY OTHER JURISDICTION, AND THE CO-ISSUERS ARE NOT AND WILL NOT BE 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) 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.

The information contained herein is confidential and may not be reproduced in whole or in part. BofA Securities, Inc. and Credit Suisse Securities (USA) LLC (together, the "**Initial Purchasers**") will purchase some or all of the Notes (the "**Purchased Notes**") from the Co-Issuers and have advised the Co-Issuers that they propose to place the Purchased Notes privately from time to time in negotiated transactions at varying prices to be determined in each case at the time of sale. Transfers of the Notes will be subject to certain restrictions as described herein. It is expected that delivery of the Purchased Notes will be made on or about September 25, 2020 (the "**Closing Date**").

The date of this private placement memorandum is September 16, 2020.

BofA Securities, Inc. **Credit Suisse**

Joint Structuring Leads and Joint Bookrunners

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This private placement memorandum contains substantial information concerning the Co-Issuers, the Loan Trustees, the Notes, the Loans and the obligations of the Sellers, the Performance Support Provider, the Servicer, the Back-up Servicer, the Indenture Trustee, the Custodian, the Paying Agent, the Note Registrar 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 CO-ISSUERS, THE SERVICER, THE BACK-UP SERVICER, THE NOTE REGISTRAR, THE INITIAL PURCHASERS, THE INDENTURE TRUSTEE, THE CUSTODIAN OR THE LOAN TRUSTEES 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 CO-ISSUERS ARE NOT AND WILL NOT BE REGISTERED UNDER THE INVESTMENT COMPANY ACT. 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 ONLY (1) IN THE UNITED STATES TO QUALIFIED INSTITUTIONAL BUYERS IN RELIANCE ON RULE 144A OF THE SECURITIES ACT AND (2) 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) 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 CO-ISSUERS. NEITHER THE NOTES NOR THE LOANS WILL REPRESENT INTERESTS IN OR OBLIGATIONS OF THE SELLERS, THE PERFORMANCE SUPPORT PROVIDER, THE SERVICER, THE BACK-UP SERVICER, THE NOTE REGISTRAR, THE INITIAL PURCHASERS, THE INDENTURE TRUSTEE, THE CUSTODIAN, THE LOAN TRUSTEES 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 SERVICER, THE BACK-UP SERVICER, THE NOTE REGISTRAR, THE INITIAL PURCHASERS, THE INDENTURE TRUSTEE, THE CUSTODIAN, THE LOAN TRUSTEES 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 INITIAL PURCHASERS 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 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. 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 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.

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 CO-ISSUERS 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 CO-ISSUERS THIS PRIVATE PLACEMENT MEMORANDUM, AND ALL DOCUMENTS DELIVERED HEREWITH.

THIS PRIVATE PLACEMENT MEMORANDUM HAS BEEN PREPARED BY THE CO-ISSUERS SOLELY FOR USE IN CONNECTION WITH THE SALE OF THE NOTES. NONE OF THE CO-ISSUERS, THE SELLERS, THE PERFORMANCE SUPPORT PROVIDER, THE SERVICER, THE BACK-UP SERVICER, THE NOTE REGISTRAR, THE INDENTURE TRUSTEE, THE CUSTODIAN, THE PAYING AGENT, THE NOTE REGISTRAR, THE LOAN TRUSTEES, 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 CO-ISSUERS, THE SERVICER, 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 CO-ISSUERS 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 CO-ISSUERS' 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 "YIELD AND PREPAYMENT 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 CO-ISSUERS, THE SELLERS, THE PERFORMANCE SUPPORT PROVIDER, THE SERVICER AND THEIR RESPECTIVE AFFILIATES.

SUCH FORWARD-LOOKING STATEMENTS SPEAK ONLY AS OF THE DATE OF THIS PRIVATE PLACEMENT MEMORANDUM. NONE OF THE CO-ISSUERS, 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 any Initial Purchaser will not create binding contractual obligations for you or any Initial Purchaser 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 any Initial Purchaser or any Co-Issuer determines that condition is not satisfied in any material respect, you will be notified, and none of the Co-Issuers or 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 on the part of the Co-Issuers or the Initial Purchasers to 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 Note Registrar 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 any Co-Issuer. Any such request should be directed to the Indenture Trustee at its Corporate Trust Office.

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 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 Regulation S, and any disclosure of any of its contents, without the prior written consent of the Co-Issuers, 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 one of the Co-Issuers.

(iii) The Notes are being offered only (i) in the United States to persons that are qualified institutional buyers (within the meaning of Rule 144A under the Securities Act) ("**QIB**s"), 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) outside the United States to non-"U.S. Persons" in compliance with Regulation S. 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, (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 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 an 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 Co-Issuers, the Custodian, the Note Registrar, the Paying Agent 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 Co-Issuers, the Servicer, the Back-up Servicer, the Custodian, the Note Registrar, the Paying Agent, the Initial Purchasers, the Indenture Trustee, the Loan Trustees 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 a 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 INVESTORS: EUROPEAN ECONOMIC AREA AND UNITED KINGDOM

The Notes are not intended to be offered, sold or otherwise made available to, and should not be offered, sold or otherwise made available to, any retail investor in the European Economic Area ("**EEA**") or the United Kingdom ("**UK**"). For these purposes, the expression "**retail investor**" means a person who is one (or more) of the following: (1) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); (2) a customer within the meaning of Directive (EU) 2016/97 (as amended), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (3) not a qualified investor ("**Qualified Investor**") within the meaning of Regulation (EU) 2017/1129 (as amended, the "**Prospectus Regulation**"). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA or the UK has been prepared; and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA or the UK may be unlawful under the PRIIPS Regulation.

This private placement memorandum is not a prospectus for the purposes of the Prospectus Regulation. This private placement memorandum has been prepared on the basis that any offer of Notes in the EEA or the UK will be made only to a Qualified Investor. Accordingly any person making or intending to make an offer in the EEA or the UK of Notes which are the subject of the placement contemplated herein may do so only with respect to Qualified Investors. None of the Co-Issuers and none of the Initial Purchasers has authorized, nor do they authorize, the making of any offer of Notes in the EEA or the UK other than to Qualified Investors.

Any distributor subject to MiFID II that is offering, selling or recommending the Notes is responsible for undertaking its own target market assessment in respect of the Notes and determining its own distribution channels for the purposes of the MiFID II product governance rules under Commission Delegated Directive (EU) 2017/593 (as amended, the "**Delegated Directive**"). None of the Co-Issuers and none of the Initial Purchasers make any representations or warranties as to a distributor's compliance with the Delegated Directive.

NOTICE TO INVESTORS: UNITED KINGDOM

In the UK, this private placement memorandum is being communicated only to, and is directed only at (1) persons which have professional experience in matters relating to investments and which fall within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the "**Order**"), or (2) persons falling within Articles 49(2)(a) through (d) ("High net worth companies, unincorporated associations, etc.") of the Order, or (3) persons to which it may otherwise lawfully be communicated or directed (all such persons together being referred to as "**Relevant Persons**"). In the UK, this private placement memorandum must not be acted on or relied on by persons who are not Relevant Persons. In the UK, 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.

NOTES TABLE

SPRINGCASTLE FUNDING ASSET-BACKED NOTES 2020-A

Class of Notes	Initial Note Principal Balance[(1)]	Interest Rate	144A CUSIP	Regulation S CUSIP	Minimum Denomination	Incremental Denominations	Stated Maturity Date	KBRA Rating[(2)]
Class A	$610,004,000	1.97%	85022W AP9	U84573 AK7	$100,000	$1,000	9/25/2037	AAA (sf)
Class B	$53,043,000	2.66%	85022W AQ7	U84573 AL5	$100,000	$1,000	9/25/2037	AAA (sf)

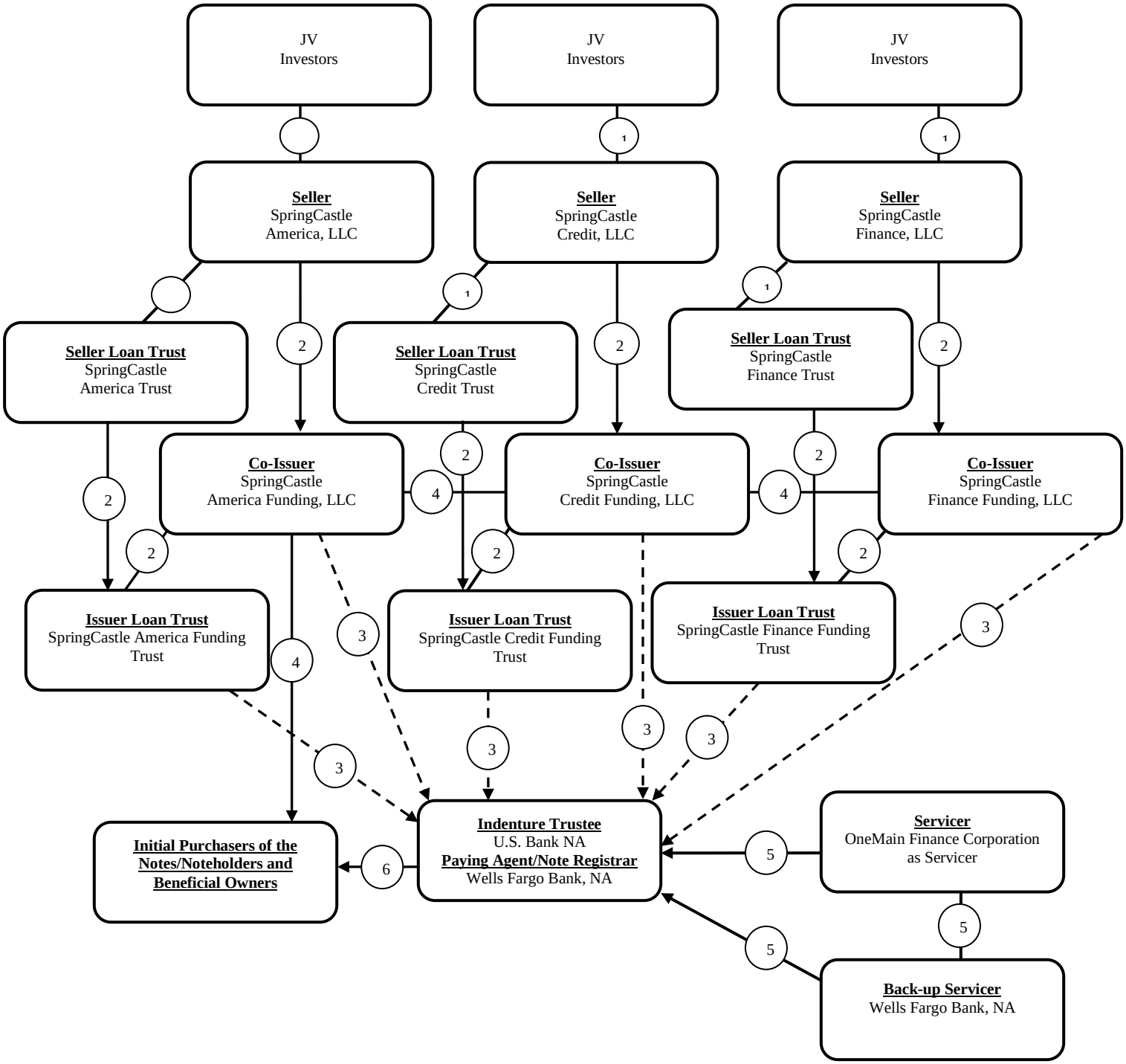
(1) Each of the initial Class A Note Balance and the initial Class B Note Balance included in this private placement memorandum has been determined using the aggregate principal balance of the loan pool as of the Cut-Off Date. On the Closing Date, overcollateralization provided to the Notes is expected to be *de minimis* (approximately zero) and is expected to build to the Target Overcollateralization Amount

(2) 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

(see following pages for notes)

This chart provides only a simplified overview of the relations between key parties to the transaction. You should refer to the remainder of this private placement memorandum for further description.



Notes

1. Affiliates of OneMain Finance Corporation (formerly known as Springleaf Finance Corporation, successor by merger to Springleaf Finance, Inc.), New Residential Investment Corp. and Blackstone Tactical Opportunities Advisors L.L.C. (collectively, the "**Initial JV Investors**") previously formed SpringCastle America, LLC, SpringCastle Credit, LLC and SpringCastle Finance, LLC (collectively, the "**Sellers**"). On March 31, 2016, the Initial JV Investors entered into a purchase agreement whereby OneMain Finance Corporation (formerly known as Springleaf Finance Corporation, successor by merger to Springleaf Finance, Inc.) and its Affiliates sold all their interests in the Sellers to Affiliates of each of New Residential Investment Corp. and Blackstone Tactical Opportunities Advisors L.L.C. (collectively, the "**JV Investors**"). In addition, each Seller entered into a loan trust agreement with Wilmington Trust, National Association, giving rise to common law trusts known as SpringCastle America Trust, SpringCastle Credit Trust and SpringCastle Finance Trust collectively, (the "**Seller Loan Trusts**"). On April 1, 2013, the Sellers and their respective Seller Loan Trusts collectively purchased the Loans from HSBC, with the Seller Loan Trusts acquiring legal title to the applicable Loans and the Sellers acquiring all beneficial interest in the applicable Loans. SpringCastle America, LLC and its related Seller Loan Trust acquired all Loans that were Acquisition Non-Performing Loans, SpringCastle Credit, LLC and its related Seller Loan Trust acquired all Loans that were Acquisition Closed-End Loans and SpringCastle Finance, LLC and its related Seller Loan Trust acquired all Loans that were Acquisition Revolving Loans.

2. SpringCastle America Funding, LLC, SpringCastle Credit Funding, LLC and SpringCastle Finance Funding, LLC (collectively, the "**Co-Issuers**") were formed by the respective Sellers. Each Co-Issuer has entered into a loan trust agreement with Wilmington Trust, National Association, giving rise to common law trusts known as SpringCastle America Funding Trust, SpringCastle Credit Funding Trust and SpringCastle Finance Funding Trust (collectively, the "**Issuer Loan Trusts**"). Each Seller and its respective Seller Loan Trust previously sold the Loans to its related Co-Issuer and Issuer Loan Trust, with the Issuer Loan Trusts acquiring legal title to the applicable Loans from the corresponding Seller Loan Trust and the Co-Issuers acquiring all beneficial interest in the applicable Loans from the corresponding Sellers. Although not reflected in the Transaction Diagram, New Residential Investment Corp., pursuant to a performance support agreement, guarantees the obligations of the Sellers under the loan purchase agreements, as amended, effecting the aforementioned sale to the Co-Issuers.

3. The Co-Issuers and the Issuer Loan Trustees will pledge all of their right, title and interest in the applicable Loans to the Indenture Trustee to secure the Notes. Though not reflected in the Transaction Diagram, the physical loan files with respect to those Loans for which physical loan files exist, were delivered to U.S. Bank National Association in its capacity as custodian under a custodial agreement.

4. On the Closing Date, the Co-Issuers will sell the Purchased Notes to the Initial Purchasers in return for cash. Any Notes which are not Purchased Notes are expected to be retained by the Co-Issuers (or an affiliate thereof), allocated among them as separately agreed among the Co-Issuers.

5. On and after the Closing Date, the Servicer will service the Loans and remit Collections to the Paying Agent and Note Registrar. 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 Servicing Agreement), the Back-up Servicer will service the Loans, including collecting payments on the Loans and remitting them to the Collection Account.

6. On each payment date, the Paying Agent will use the remittance from the Servicer (or the Back-up Servicer, if applicable) to make payments on the Notes as described in this private placement memorandum under "*Description of the Notes—Priority of Payments*."

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

SpringCastle Funding Asset-Backed Notes 2020-A.

Classes

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

RELEVANT PARTIES

Co-Issuers

SpringCastle America Funding, LLC, SpringCastle Credit Funding, LLC and SpringCastle Finance Funding, LLC, each a Delaware limited liability company (each, a "**Co-Issuer**" and collectively, the "**Co-Issuers**"). See "*The Co-Issuers*" in this private placement memorandum. The Co-Issuers will hold the beneficial ownership interest in the Loans.

Sellers

With respect to the Acquisition Closed End Loans (as defined herein) as of the Acquisition Cut-Off Date, SpringCastle Credit, LLC, a Delaware limited liability company; with respect to the Acquisition Revolving Loans (as defined herein) as of the Acquisition Cut-Off Date, SpringCastle Finance, LLC, a Delaware limited liability company; and with respect to the Acquisition Non-Performing Loans (as defined herein) as of the Acquisition Cut-Off Date, SpringCastle America, LLC, a Delaware limited liability company (each, a "**Seller**" and collectively, the "**Sellers**").

See "*The Sellers*" in this private placement memorandum.

Loan Trustees

Wilmington Trust National Association, will act as a Loan Trustee on behalf of each Co-Issuer under the related Loan Trust Agreement, and in such capacity will hold legal title to the Loans owned by such Co-Issuer. See "*The Seller Loan Trustee and the Loan Trustee* " and "*The Loan Trust Agreements*" in this private placement memorandum.

Performance Support Provider and Administrator

New Residential Investment Corp. ("**NRZ**"), a Delaware corporation, in its capacity as performance support provider (the "**Performance Support Provider**"), will guarantee certain performance obligations of the Sellers. See "*The Performance Support Agreement*" in this private placement memorandum.

NRZ will also be the administrator of each of the Co-Issuers and, in such capacity, will provide administrative and ministerial services for the Co-Issuers as provided in the Administration Agreement. See "*The Indenture—The Administration Agreement*" in this private placement memorandum.

Servicer

OneMain Finance Corporation (formerly known as Springleaf Finance Corporation) ("**OMFC**"), an Indiana corporation, in its capacity as Servicer (the "**Servicer**"), will be responsible for servicing the Loans pursuant to the Servicing Agreement. See "*The Servicer*" in this private placement memorandum.

Back-up Servicer

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

Indenture Trustee and Custodian

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

U.S. Bank National Association will also act as custodian with respect to files related to certain of the Loans pursuant to a custodial agreement. See "*The Indenture Trustee and Custodian*" and "*The Custodial Agreement*" in this private placement memorandum.

Paying Agent and Note Registrar

Wells Fargo Bank, National Association, a national banking association, will act as paying agent and note registrar under the Indenture. See "*The Paying Agent and Note Registrar*" and "*The Indenture—Compensation of the Paying Agent and Note Registrar; Indemnification*" and "*The Indenture—Resignation and Removal of the Paying Agent and Note Registrar*" in this private placement memorandum.

THE LOANS

The personal loans (each, a "**Loan**" and, collectively, the "**Loans**") held by the Co-Issuers and the related Loan Trustee on the Closing Date, will either be personal unsecured loans (each a "**PUL**," and collectively, the "**PULs**") or personal home loans (each a "**PHL**," and collectively, the "**PHLs**"). Approximately 67.86% and 32.14% of the Loans (in each case by aggregate principal balance as of the Cut-Off Date (as defined herein)) are PULs and PHLs, respectively. Each PUL is unsecured, and each PHL at origination was secured by a junior lien in the related mortgaged property. Approximately 87.70% of the Loans (by aggregate principal balance as of the Cut-Off Date) have a fixed interest rate, except with respect to 30.19% of the PHLs (by aggregate principal balance of the PHLs as of the Cut-Off Date) which have a feature whereby the related interest rate can decline if the borrower is current in its monthly payments. Approximately 12.30% of the Loans (by aggregate principal balance as of the Cut-Off Date) have an adjustable interest rate, which for all of these Loans is based upon the prime rate, plus a margin.

The Loans as of the Cut-Off Date have an aggregate principal balance of approximately $663,047,714.82.

The Sellers acquired the beneficial interests in the Loans on April 1, 2013 (the "**Acquisition Closing Date**"), as part of a portfolio of loans purchased from HSBC Finance Corporation ("**HSBC**") and certain of its subsidiaries (collectively, "**HSBC**"). See "*Acquisition of the Loan Portfolio*" in this private placement memorandum. The Co-Issuers acquired the beneficial interests in such portfolio of loans, including the Loans, from the Sellers on the Acquisition Closing Date pursuant to the respective Loan Purchase Agreements.

On the Acquisition Closing Date, the loans in the portfolio acquired from HSBC, including the Loans, were classified as Acquisition Closed-End Loans, Acquisition Revolving Loans or Acquisition Non-Performing Loans based on their characteristics as of the Acquisition Cut-Off Date. With respect to approximately 20.50% of the loans in the acquired portfolio (by aggregate principal balance as of the Acquisition Cut-Off Date), the borrower was less than 90 days delinquent, if at all, in its payments and such loan had been originated as a closed end loan under which the borrower was not permitted to make additional draws on the loan (such loans, the "**Acquisition Closed End Loans**"). With respect to approximately 74.24% of the loans in the acquired portfolio (by aggregate principal balance as of the Acquisition Cut-Off Date), the borrower was less than 90 days delinquent, if at all, in its payments and such loan had been originated as a revolving loan under which the borrower was originally permitted to make additional draws on the loan notwithstanding any subsequent termination of the additional draw capacity with respect to any such loan (such loans, the "**Acquisition Revolving Loans**"). With respect to approximately 5.26% of the loans in the acquired portfolio (by aggregate principal balance as of the Acquisition Cut-Off Date), the borrower was 90 or more days delinquent as of the Acquisition Cut-Off Date (such Loans, the "**Acquisition Non-Performing Loans**"). Such classification of the loans in the acquired portfolio and their allocation among the Sellers was made to address certain tax matters affecting certain of the JV Investors. The loans in the acquired portfolio, including the Loans, have not been reclassified or reallocated among those categories or the Sellers since the Acquisition Closing Date, regardless of intervening performance or collection experience.

See "*Description of the Loans*" in this private placement memorandum.

The following table summarizes the composition of the loans in the acquired portfolio as described above as of the Acquisition Cut-Off Date:

	PUL	PHL
Acquisition Revolving Loans	93.63%	31.90%
Acquisition Closed End Loans	1.81%	61.30%
Acquisition Non-Performing Loans	4.56%	6.80%

On the Acquisition Closing Date, each Seller and Seller Loan Trustee sold its respective interest in the Acquisition Closed End Loans, the Acquisition Revolving Loans and the Acquisition Non-Performing Loans, allocated as described above, to its corresponding Co-Issuer and Loan Trustee. On the Closing Date, each Seller will make certain representations and warranties with respect to the Loans transferred by such Seller and the applicable Seller Loan Trustee to the related Co-Issuer and Loan Trustee on the Acquisition Closing Date and still held by such related Co-Issuer and Loan Trustee on the Closing Date. Those representations and warranties will in large part remake as of the Closing Date, but with appropriate changes, certain representations and warranties made by the Sellers on the Acquisition Closing Date. As noted above, the loans in the acquired portfolio, including the Loans, have not been reclassified or reallocated among the categories described above or among the Sellers, the Seller Loan Trustees, the Co-Issuers or the Loan Trustees since the Acquisition Closing Date, regardless of intervening performance or collection experience.

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

Notwithstanding the allocation described above of the Acquisition Closed End Loans, the Acquisition Revolving Loans and the Acquisition Non-Performing Loans, as of the Cut-Off Date, (i) with respect to approximately 48.61% of the Loans (by aggregate principal balance as of the Cut-Off Date), the borrower was less than 90 days delinquent, if at all, in its payments and the borrower was not permitted to make additional draws on the Loan, whether or not such Loan had at one time included a revolving feature (such Loans, the "**Closed End Loans**"); (ii) with respect to approximately 49.76% of the Loans (by aggregate principal balance as of the Cut-Off Date), the borrower was less than 90 days delinquent, if at all, in its payments and the borrower was permitted to make additional draws on the Loan (such Loans, the "**Revolving Loans**"); and (iii) with respect to approximately 1.64% of the Loans (by aggregate principal balance as of the Cut-Off Date), the borrower was 90 or more days delinquent (such Loans, the "**Non-Performing Loans**").

The following table summarizes the composition of the Loans as described above as of the Cut-Off Date:

	PUL	PHL
Revolving Loans	62.51%	22.83%
Closed End Loans	35.73%	75.79%
Non-Performing Loans	1.76%	1.38%

CUT-OFF DATE

The cut-off date for the transaction will be 11:59 p.m. on August 31, 2020 (the "**Cut-Off Date**"). All payments received after the Cut-Off Date will be assets of the applicable Co-Issuer.

CLOSING DATE

On or about September 25, 2020.

PAYMENT DATES

The 25th day of each month, or the immediately following Business Day if the 25th day is not a Business Day, commencing in October 2020.

COLLECTION PERIOD

The collection period for each Payment Date will be the calendar month preceding the month in which such Payment Date falls.

STATED MATURITY DATE

For the Class A Notes, the September 2037 Payment Date; and for the Class B Notes, the September 2037 Payment Date.

RECORD DATE

The record date for each Payment Date will be the Business Day preceding such Payment Date, or in the case of any Definitive Notes, the last day of the related Collection Period.

AFFILIATIONS

The Sellers, the Performance Support Provider, the Administrator, the Co-Issuers and certain of the JV Investors are affiliates. In addition, the Indenture Trustee and the Custodian are the same entity, and the

Paying Agent, the Note Registrar and the Back-up Servicer are affiliates. Some Notes may initially be retained by the Co-Issuers (and may in the future be held by affiliates of the Co-Issuers) or sold by the Initial Purchasers to JV Investors or affiliates of JV investors. While Notes held by any Co-Issuer will not be considered to be "Outstanding," any Notes held by an affiliate of a Co-Issuer or by a JV Investor or an affiliate of a JV Investor may be considered "Outstanding" and as such would have the same voting rights as Notes held by unaffiliated investors. See "*Risk Factors—The Co-Issuers May Retain Notes or Convey Notes to an Affiliate,*" "*Risk Factors—Potential Conflicts of Interest Relating to the JV Investors*" and "*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.

DESCRIPTION OF THE NOTES

A summary chart of the initial note principal balance, the interest rate, CUSIP numbers, denominations, stated maturity date and rating of the Notes is set forth in the Notes Table on page 9 of this private placement memorandum. The Notes will be issued and offered in book-entry form.

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 Note Registrar 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 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 Note Registrar 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.

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, payments of the principal of, and interest on, the Notes will be made on each Payment Date in accordance with the Priority of Payments from collections and other amounts obtained in respect of the Loans received during the applicable Collection Period net of amounts retained by the Servicer, as described herein or used to fund draws by the Loan Obligors (collectively, the "**Available Funds**" for such Payment Date). See "*—Priority of Payments*", "*Description of the Notes—Priority of Payments*", and "*—Interest Payments*" and "*Principal Payments*" and "*Description of the Notes—Interest Payments and 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 will accrue on each Class of Notes during the period beginning on and including the immediately preceding Payment Date and ending on but excluding the current Payment Date or, with respect to the first Payment Date, the period from and including the Closing Date, to but excluding such first Payment Date

(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. 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.

The Indenture does not permit the allocation of shortfalls and losses on the Loans to the Notes; all such shortfalls and losses will result in a reduction of Available Funds. However, to the extent the aggregate balance of the Class B Notes and the Class A Notes is greater than the aggregate balance of the Loans, the Class B Notes will not accrue interest on their note principal balance to the extent of such excess. However, any resulting shortfall will accrue and carry forward and be payable as the Class B Subordinated Interest Amount and will be paid in accordance with the priorities of payment described in this private placement memorandum. See "*—Priority of Payments*", "*Description of the Notes—Priority of Payments*" in this private placement memorandum.

Investors in the Notes should note that although shortfalls and losses will not be directly allocated to the Notes, under certain shortfall and loss scenarios there will not be enough principal and interest on the Loans to pay the Notes all interest and principal amounts to which they are entitled.

Interest Rates

The "**Interest Rate**" for 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—Interest Payments"* in this private placement memorandum.

Reserve Account

The Notes will have the benefit of a reserve account (the "**Reserve Account**"). The Servicer will establish the Reserve Account with the Paying Agent on or before the Closing Date. On the Closing Date, the Co-Issuers will remit an amount equal to 0.50% of the aggregate Loan Principal Balance as of the Cut-Off Date to the Paying Agent 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 greater of (i) 0.50% of the aggregate Loan Principal Balance as of the end of the most recently ended Collection Period and (ii) 0.15% of the aggregate Loan Principal Balance as of the Cut-Off Date (the "**Required Reserve Account Amount**" will be remitted to the Paying Agent for deposit to the Reserve Account to the extent available in accordance with the Priority of Payments. See "*Description of the Notes—Reserve Account*" in this private placement memorandum.

Advance Reserve Account

The Servicer will establish the Advance Reserve Account with the Paying Agent on or before the Closing Date. On the Closing Date, the Co-Issuers will remit an amount equal to $5,000,000 (the "**Required Advance Reserve Amount**") to the Paying Agent for deposit to the Advance Reserve Account. On each Payment Date, to the extent that Available Funds on such Payment Date are sufficient to pay such amount in accordance with the Priority of Payments, funds will be deposited to the Advance Reserve Account to cause the amount on deposit therein to equal the Required Advance Reserve Amount. The Advance Reserve Account will be used to fund intra-month draws by the Loan Obligors that exceed amounts on deposit in the Collection Account and Collections received and retained by the Servicer for such purpose. See "*The Indenture—Collection Account; Advance Reserve Account*" in this private placement memorandum. See "*Description of the Loans—Assignment of Loans; Representations and Warranties; Repurchase Obligations*" in this private placement memorandum.

Principal Distribution Account; Principal Payments

The Servicer, for the benefit of the Noteholders, will establish the Principal Distribution Account with the Paying Agent on or before the Closing Date. On each Payment Date, amounts on deposit in the Principal Distribution 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 will be remitted to the Paying Agent for deposit to the Principal Distribution Account to the extent available in accordance with the Priority of Payments. See "*The Indenture—Collection Account; Principal Distribution Account*" in this private placement memorandum.

Payments of principal on the Notes will be made on each Payment Date from amounts on deposit in the Principal Distribution Account. On each Payment

Date, amounts on deposit in the Principal Distribution Account will be distributed as principal by the Paying Agent 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; and

- *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.

Priority of Payments

On each Payment Date, Available Funds will be applied as follows, in each case, to the extent of the amount of Available Funds remaining:

- *first*, (1) first, pro rata (based on amounts owing), (A) to the Indenture Trustee, the Paying Agent and the Note Registrar for amounts due to the Indenture Trustee, the Paying Agent or the Note Registrar pursuant to the applicable provisions of the Indenture, (B) to the Loan Trustees all fees and all reasonable out-of-pocket expenses then due to the Loan Trustees pursuant to the terms of the Loan Trust Agreements, (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 and (D) to the Custodian, an amount equal to all fees and all reasonable out-of-pocket expenses then due to the Custodian pursuant to the terms of the Custodial Agreement; and (2) second, to the Indenture Trustee, the Loan Trustees, the Custodian and any other Person entitled thereto, pro rata (based on amounts owing), any indemnified amounts due and owing from the Co-Issuers pursuant to any Transaction Document; provided, that the aggregate amount paid under the foregoing clauses (1) (A), (B), (C) and (2) above shall not exceed $200,000 during any calendar year; provided, further that if an Event of Default shall have occurred and be continuing as of such Payment Date, the foregoing cap 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, plus reimbursement of fees and expenses due to the Servicer;

- *fourth*, to the Administrator, an amount equal to the Administration Fee for such Payment Date, plus the amount of any Administration Fee previously due but not previously paid to the Administrator;

- *fifth*, to the Advance Reserve Account, an amount equal to the Advance Reserve Account Shortfall Amount;

- *sixth*, 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 previously due but not previously paid to the Class A Noteholders with interest thereon at the Class A Interest Rate;

- *seventh*, an amount equal to the First Priority Principal Payment for such Payment Date, to be deposited into the Principal Distribution Account;

- *eighth*, to the Class B Noteholders, an amount equal to the Class B Senior Interest Amount for such Payment Date, plus the amount of any Class B Senior Interest previously due but not previously paid to the Class B Noteholders with interest thereon at the Class B Interest Rate from the date such payment was due;

- *ninth*, an amount equal to the Second Priority Principal Payment for such Payment Date, to be deposited into the Principal Distribution Account;

- *tenth*, to the Class B Noteholders, an amount equal to the Class B Subordinated Interest Amount for such Payment Date, plus the amount of any Class B Subordinated Interest Amount previously due but not previously paid to the Class B Noteholders with interest thereon at the Class B Interest Rate from the date such payment was due;

- *eleventh*, to replenish the Reserve Account up to the Required Reserve Account Amount;

- *twelfth*, an amount equal to the Regular Principal Payment Amount, to be deposited into the Principal Distribution Account;

- *thirteenth*, pro rata (based on amounts owing), to the Indenture Trustee, the Custodian, the Note Registrar, the Paying Agent, the Loan Trustees, the Back-up Servicer, the Servicer and the Administrator, as applicable, an amount equal to the fees and reasonable out-of-pocket expenses and indemnity amounts payable to such parties to the extent not paid in full pursuant to clause *first* to *fourth* above (and, in the case of the Back-up Servicer, which are reimbursable pursuant to the Back-up Servicing Agreement, if any, and are not paid by the Servicer);

- *fourteenth*, to the Co-Issuers for payment of Other Co-Issuer Obligations then due and owing; and

- *fifteenth*, any remainder shall be released to the Allocation Agent for remittance to the Co-Issuers as separately agreed among the Allocation Agent and the Co-Issuers.

As reflected in the definitions of First Priority Principal Payment and Second 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 the Class A Notes is paid before any such amounts are paid in respect of the Class B Notes.

The "**Class B Senior Interest Amount**" for any Payment Date, will be the lesser of (x) the Class B Monthly Interest Amount for such Payment Date and (y) an amount equal to the product of (a) one-twelfth ($1/12^{th}$) of the Class B Interest Rate and (b) the excess, if any of (i) the Adjusted Loan Principal Balance as of the end of the Collection Period immediately preceding the related Collection Period, over (ii) the Class A Note Balance as of the close of business on the immediately preceding Payment Date.

The "**Class B Subordinated Interest Amount**" for any Payment Date, will be the excess of (x) the Class B Monthly Interest Amount for such Payment Date over (y) the Class B Senior Interest Amount for such Payment Date.

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 Stated Maturity 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 *seventh* 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 Stated Maturity 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 *seventh* 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 *seventh* and *ninth* of the Priority of Payments set forth above) over an amount, not less than zero, equal to (ii) (A) the Adjusted Loan Principal Balance as of the end of the related Collection Period minus (B) the Target Overcollateralization Amount.

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 Servicing Agreement will be for each Loan, an amount equal to the product of (x) 1.625% (i.e., 0.01625), multiplied by (y) the aggregate Loan Principal Balance of such Loan as of the first day of the related Collection Period (or, in the case of the initial Payment Date, as of the initial Cut-Off Date), multiplied by (z) one-twelfth; provided that the aggregate minimum monthly Servicing Fee shall be $250,000. The Servicing Fee shall 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 amount up to the aggregate accrued and unpaid Servicing Fee).

See "*The 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 in the event that the Back-up Servicer is appointed as successor servicer.

The Servicer will be solely responsible for any subservicing fees payable to any subservicers in respect of their servicing activities with respect to the Loans and the Co-Issuers will not be required to pay any such fees to any subservicer.

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) $10,000 and (y) an amount equal to a per annum rate of 0.025% multiplied by the aggregate Loan Principal Balance of the Loans as of the first day of the related Collection Period (or, in the case of the initial Payment Date, as of the initial 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 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 in an amount equal to one-twelfth ($1/12^{th}$) of $24,000. See "*The Indenture—Compensation of the Indenture Trustee; Indemnification*" in this private placement memorandum.

The Note Registrar and the Paying Agent are entitled to receive, on each Payment Date, a fee for acting as both Note Registrar and Paying Agent equal to one-twelfth (1/12th) of $12,000. See "*The Indenture—Compensation of the Paying Agent and Note Registrar; Indemnification*" in this private placement memorandum.

The Custodian is entitled to receive a fee on each Payment Date for acting as Custodian which will be paid from Available Funds as described under "*—Priority of Payments*" and "*Description of the Notes—Priority of Payments*" in this private placement memorandum. See "*The Custodial Agreement*" in this private placement memorandum.

Each of the Loan Trustees, on the September Payment Date in each year, beginning with the September 2021 Payment Date, is entitled to receive a fee for acting as Loan Trustee in an amount equal to $7,500, payable annually in advance. See "*The Loan Trust Agreements*" in this private placement memorandum.

The Administrator is entitled to receive, on each Payment Date, a fee for acting as Administrator on behalf of the Co-Issuers equal to one-twelfth (1/12th) of $20,000. See "*The Indenture—The Administration Agreement*" in this private placement memorandum.

See "*The Servicing Agreement and the Back-up Servicing Agreement*", "*The Indenture*", "*The Paying Agent and Note Registrar*" and "*The Loan Trust Agreements*" 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 Custodian, the Paying Agent, the Note Registrar and the Loan Trustees.

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 aggregate 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 (i) for any Payment Date on which the Three-Month

Average Loss Rate is greater than or equal to 9.00%, an amount equal to 2.30% of the Adjusted Loan Principal Balance as of the Cut-Off Date, and (ii) for any other Payment Date, an amount equal to 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 "*Description of the Notes—Priority of Payments*" in this private placement memorandum, to the extent necessary to maintain the Target Overcollateralization Amount.

- *Subordination of Class B Notes*. On each Payment Date prior to the occurrence of an Event of Default, the Class B Notes (i) will not receive payments of interest until the Class A Notes have been paid their interest payment amount and (ii) will not receive payments of principal until the principal of the Class A Notes have been reduced to zero. Additionally, on each Payment Date after the occurrence of an Event of Default, the Class B Notes will not receive any payments of interest or principal until the Class A Notes have received all payments of interest to which they are entitled and the principal balance of the Class A Notes 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. See "*Description of the Notes—Priority of Payments*" and "*—Reserve Account*" in this private placement memorandum.

SERVICER DEFAULTS

"**Servicer Defaults**" applicable to the Servicer under the Servicing Agreement will consist of:

(a) any failure by the Servicer to make any payment, transfer or deposit or to give instructions or to give notice to the Paying Agent to make such payment, transfer or deposit on or before the date such payment, transfer or deposit or such instruction or notice is required to be made or given, as the case may be, under the terms of the Servicing Agreement or the Indenture, and which continues unremedied for a period of five (5) Business 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 Servicer by any Co-Issuer, any Loan Trustee, the Paying Agent or the Indenture Trustee, or to the Servicer, any Co-Issuer, any Loan Trustee, the Paying Agent and the Indenture Trustee by the Required Noteholders; or

(b) failure on the part of the Servicer duly to observe or perform in any material respect any other covenants or agreements of the Servicer set forth in the 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 sixty (60) 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 Servicer by any Co-Issuer, any Loan Trustee, the Paying Agent or the Indenture Trustee, or to the Servicer, any Co-Issuer, any Loan Trustee, the Paying Agent and the Indenture Trustee by the Required Noteholders; or

(c) any representation, warranty or certification made by the Servicer in the Servicing Agreement or the Indenture or in any certificate delivered pursuant to the Servicing Agreement or the Indenture shall prove to have been incorrect in any material respect when made or deemed made and such 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 thirty (30) 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 Servicer by any Co-Issuer, any Loan Trustee, the Paying Agent or the Indenture Trustee, or to the Servicer, any Co-Issuer, any Loan Trustee, the Paying Agent and the Indenture Trustee by the Required Noteholders; or

(d) insolvency, readjustment of debt, marshalling of assets and liabilities or similar proceedings, and certain actions by or on behalf of the Servicer indicating its insolvency or inability to pay its obligations.

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 by or on behalf of any Co-Issuer indicating its insolvency or inability to pay its obligations; or

(b) the Indenture Trustee shall cease to have a first-priority perfected security interest in all or a material portion of the Trust Estate; or

(c) any Co-Issuer shall have become subject to regulation by the SEC as an "investment company" under the Investment Company Act; or

(d) any Co-Issuer shall become taxable as an association, a taxable mortgage pool or a publicly traded partnership taxable as a corporation under the Internal Revenue Code; or

(e) a default in the payment of any interest on any Class A Note on any Payment Date and such default shall continue for a period of five (5) Business Days; or

(f) a failure to pay the note principal balance of all Outstanding Notes of any Class, together with all accrued and unpaid interest thereon, in full on the Stated Maturity Date for such Class; or

(g) either (x) a failure on the part of any of the Co-Issuers or on the part of any of the Loan Trustees duly to observe or perform any other covenants or agreements of the Co-Issuers or of the Loan Trustees, as applicable, set forth in the Indenture, or (y) a failure on the part of any of the Sellers duly to observe or perform any covenants or agreements of such Seller in respect of the repurchase of any Loan set forth in the related Loan Purchase Agreement, 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 sixty (60) days after the earlier of (i) the date on which any of the Co-Issuers, Sellers or Indenture Trustee has actual knowledge of (or in the case of the Indenture Trustee, has received written notice of) such failure and (ii) 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 Co-Issuers, the Loan Trustees or the Sellers, as applicable, by the Indenture Trustee, or to the Co-Issuers, the Loan Trustees or the Sellers, as applicable, and the Indenture Trustee by the Required Noteholders; or

(h) either (x) any representation, warranty or certification made by any of the Co-Issuers or by any of the Loan Trustees in the Indenture or in any certificate delivered pursuant to the Indenture shall prove to have been inaccurate when made or deemed made or (y) any representation, warranty or certification made by any of the Sellers with respect to any Loan in the related Loan Purchase Agreement or in any certificate delivered pursuant to such Loan Purchase Agreement shall prove to have been inaccurate when made or deemed made and, in either case, such inaccuracy has a material adverse effect on the Noteholders (as determined by the Required Noteholders) and which continues unremedied for a period of thirty (30) days after the earlier of (i) the date on which any of the Co-Issuers, Sellers or Indenture Trustee has actual knowledge of (or in the case of the Indenture Trustee, has received written notice of) such incorrect representation or warranty and (ii) 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 Co-Issuers, the Loan Trustees or the Sellers, as applicable, by the Indenture Trustee, or to the Co-Issuers, the Loan Trustees or the Sellers, as applicable, and the Indenture Trustee by the Required Noteholders; it being understood that any repurchase of a Loan by the applicable Seller and Seller Loan Trustee pursuant to a Loan Purchase Agreement shall be deemed to remedy any incorrect representation or warranty with respect to such Loan; or

(i) the Internal Revenue Service shall file notice of a lien pursuant to Section 430 or Section 6321 of the Internal Revenue Code with regard to any Co-Issuer and such lien shall not have been released within thirty (30) days;

provided, however, that a failure of performance under any of clauses (e), (f), (g) or (h) above for a period of fifteen (15) days (beyond any cure periods provided for therein) shall not constitute an Event of Default if such failure could not be prevented by the exercise of reasonable diligence by the Co-Issuers or the Indenture Trustee and 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 fifteen (15) day period.

YIELD AND PREPAYMENT CONSIDERATIONS

The yield to investors in the Notes will be sensitive to the rate and timing of principal payments. All of the Loans may be prepaid, in whole or in part, at any time without penalty. 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 and servicing decisions. 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 Servicing Agreement as a result of breaches of certain of its representations and warranties and covenants as Servicer. See "*Risk Factors—Yield and Prepayment Considerations*" and "*Yield and Prepayment Considerations*" in this private placement memorandum for further information, including prepayment scenario projections based on various assumptions.

OPTIONAL REDEMPTION

The Co-Issuers may, at their option, redeem the Notes in whole. This optional redemption may occur on any Business Day on or after the Payment Date occurring in September 2021. With respect to any redemption of Notes occurring on or after the Payment Date occurring in September 2021 but prior to the Payment Date in September 2022, the redemption price for any Class of Notes shall be the sum of (i) 100% of the outstanding principal balance of the Notes of the applicable Class, plus (ii) in the case of any Class of Notes, the applicable Specified Call Premium Amount for such Class of Notes, plus (iii) accrued and unpaid interest and fees in respect of such Notes. With respect to any redemption of Notes occurring on or after the Payment Date occurring in September 2022, the redemption price for any Class of Notes shall be the sum of (i) 100% of the outstanding principal balance of the Notes of the applicable Class, plus (ii) accrued and unpaid interest and fees in respect of such Notes. If the Redemption Date is a Payment Date, the payment of any redemption price and the determination of any Specified Call Premium Amount will be based on the Note Balance of the Notes after payments are made in respect of the Loans and application, if any, of amounts on deposit in the Reserve Account on such Redemption Date.

As used herein, "**Specified Call Premium Amount**," shall mean, on any Redemption Date for any Class of Notes shall mean an amount equal to (a) the product of (1) the Call Premium Rate with respect to such Class of Notes, times (2) the outstanding principal balance of the Notes of such Class to be redeemed on such Redemption Date, times (3) the number of days, computed on a 30/360 basis, from and including such Redemption Date to but excluding the Payment Date occurring in September 2022, divided by (b) 360; and (y) "**Call Premium Rate**" shall mean, with respect to the Class A Notes, 1.00% and, with respect to the Class B Notes, 1.00%.

In addition, the Servicer may, at its option, subject to the consent of the members of the Sellers, purchase all of the Loans from the Co-Issuers, the proceeds of which will be used to retire the Notes on any Business Day on or after the Payment Date on which the aggregate note principal balance (prior to any principal payments to be made on such Payment Date) of the Outstanding Notes is less than or equal to 20% of the aggregate principal balance of the Outstanding Notes as of the Closing Date. With respect to any such purchase by the Servicer, 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 reimbursements owed to the Indenture Trustee, the Loan Trustees or the Custodian, the Servicer, the Loan Trustees, the Paying Agent, the Note Registrar or the Back-up Servicer (or, if greater, the amount necessary to redeem all of the Notes on such day at par). If the Servicer elects to purchase all of the Loans as described above, the Co-Issuers will be required to retire the Notes.

If either option described above is exercised, the Notes will be retired earlier than they would be otherwise. See "*Description of the Notes—Optional 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 (a) an "employee benefit plan" (as defined in Section 3(3) of ERISA that is subject to Title I of ERISA, (b) 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, (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) (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.

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

Sidley Austin LLP, as special tax counsel to the Co-Issuers, will issue an opinion as of the Closing Date that for U.S. federal income tax purposes:

1. the Notes issued on the Closing Date will be characterized as debt, except to the extent any such Notes are (a) retained by the Co-Issuers or the Sellers or (b) conveyed to any affiliate or direct or indirect equity holder of a Seller; and

2. no Co-Issuer will be classified as an association, a taxable mortgage pool or a publicly traded partnership taxable as a corporation.

By accepting a Note, each Noteholder or beneficial owner agrees to treat the Notes as debt for federal, state and local income and franchise tax purposes, 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 federal, state or local tax statute, rule and regulation consistently with debt characterization.

Each Noteholder and beneficial owner should consult its tax advisor about 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.

The U.S. federal income tax characterization of any Note retained by the Co-Issuers or the Sellers, or conveyed to any affiliate or direct or indirect equity holder of a Seller, will not be determined until the time, if any, that the Note is sold to an unrelated party 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 Co-Issuers must receive an opinion from counsel that, among other things, such sale will not cause the Co-Issuers to be classified as an association, a taxable mortgage pool 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.

CERTAIN INVESTMENT COMPANY ACT CONSIDERATIONS

None of the Co-Issuers is registered with the SEC as an investment company pursuant to the Investment Company Act. The offering of the Notes hereby is being structured such that the Co-Issuers may rely on an exclusion or exemption from the definition of "investment company" under Rule 3a-7 of the Investment Company Act, although there may be additional exclusions or exemptions available to it. By virtue of its reliance on the exclusion or exemption provided under Rule 3a-7, none of the Co-Issuers is a "covered fund" under the Dodd Frank Act's Volcker Rule. No opinion or no action position with respect to the registration of the Co-Issuers under the Investment Company Act has been requested of, or received from, the SEC.

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.

U.S. CREDIT RISK RETENTION

To implement the credit risk retention requirements of Section 15G of the Exchange Act, several U.S. federal agencies jointly adopted rules (the "**U.S. Risk Retention Rules**") requiring a "sponsor" of a securitization transaction (or majority-owned affiliate of the sponsor) to retain an economic interest in the credit risk of the securitized assets, as more fully described below. Under the U.S. Risk Retention Rules, New Residential Investment Corp. intends to retain, on the Closing Date, an "eligible horizontal residual interest" (as defined in the U.S. Risk Retention Rules) in the Co-Issuers through three majority-owned affiliates (as defined in the U.S. Risk Retention Rules).

The U.S. Risk Retention Rules impose limitations on the ability of a retaining sponsor to dispose of, or hedge, the retained interests until the later of (i) the fifth anniversary of the Closing Date and (ii) the date on which the Aggregate Loan Balance has been

reduced to 25% of the Aggregate Closing Date Collateral Balance, but in any event no longer than the seventh anniversary of the Closing Date. See *U.S. Credit Risk Retention* in this private placement memorandum.

EU SECURITIZATION RULES

None of the Sellers, nor any other party to the transactions described in this private placement memorandum, intends, or is required under the transaction documents, to retain a material net economic interest in the securitization constituted by the issuance of the Notes in a manner that would satisfy the requirements of European Union Regulation (EU) 2017/2402 (as amended, the "**EU Securitization Regulation**") and any applicable regulatory technical standards, implementing technical standards and official guidance supplementing such regulation and any national implementation measures in respect of such regulation (together with the EU Securitization Regulation, the "**EU Securitization Rules**"). In addition, no such person undertakes to take any other action or refrain from taking any action prescribed or contemplated in, or for purposes of, or in connection with, compliance by any investor with any requirement of, the EU Securitization Rules. The arrangements described under "*U.S. Credit Risk Retention*" have not been structured with the objective of ensuring compliance with any requirements of the EU Securitization Rules by any person. Consequently, the Notes may not be a suitable investment for investors which are subject to the EU Securitization Rules; and this may (amongst other things) affect the value and liquidity of the Notes.

Prospective investors are responsible for analyzing their own legal and regulatory position, and are encouraged (where relevant) to seek advice regarding the suitability of the Notes for investment, and, in particular, their compliance with any applicable requirements under the EU Securitization Rules or any equivalent or similar requirements in any jurisdiction. For further information, see "*EU Securitization Rules*" 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 Kroll Bond Rating Agency, LLC ("**KBRA**"; KBRA is referred to herein from time to time as the "**Rating Agency**"). The ratings of the Notes by the Rating Agency 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 Co-Issuers, the Indenture Trustee, the Paying Agent, the Note Registrar, the Performance Support Provider, the Servicer, the Sellers, 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 the Co-Issuers or any of their affiliates to rate the transaction may provide an unsolicited rating that differs from (or is lower than) the ratings provided by any rating agency hired by the Co-Issuers or any of their affiliates 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.

RISK FACTORS

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

Adverse Events Arising from the COVID-19 Pandemic Could Result in Delays in Payment or Losses on the Notes and May Impact the Financial Markets and Reduce the Market Value of the Notes and/or Limit the Ability of Noteholders to Resell the Notes

The novel coronavirus ("**COVID-19**") pandemic has resulted in widespread volatility in global financial markets and deterioration in economic conditions across the United States and the global economy in general. The COVID-19 pandemic may continue to lead to disruptions in the global economy, including extreme volatility in the stock market and capital markets. Governmental authorities have taken a number of emergency measures to combat or slow the spread or resurgence of the COVID-19 pandemic, including shutdowns of non-essential businesses, stay at home orders, travel bans, cancelling events, and generally promoting social distancing (including in the workplace, which has resulted in a significant increase in employees working remotely). Such emergency measures and other actions, such as reduction of staff at even essential businesses, including governmental offices, which have disrupted or limited economic activity, have adversely affected and may continue to adversely affect the ability of the Servicer to service Loans and the ability of the other transaction parties that are party to the Transaction Documents to perform their obligations thereunder.

While some states have begun a phased relaxation of these measures, substantial restrictions on economic activity remain in place. Although it cannot be predicted, additional policy action at the federal, state and local level is possible in the near future. The COVID-19 pandemic (and any future outbreak of COVID-19) and resulting emergency measures has led (and may continue to lead) to significant disruptions in the global supply chain, global capital markets, the economy of the United States and the economies of other nations where a COVID-19 outbreak has occurred or may occur. Concern about the potential effects of the COVID-19 pandemic and the effectiveness of measures being put in place by governmental bodies and reserve banks at various levels as well as by private enterprises (such as workplaces, trade groups, amateur and professional sports leagues and conferences, places of worship, schools, restaurants, gyms and other organizations) to contain or mitigate its spread has adversely affected economic conditions and capital markets globally, and has led to significant volatility in global financial markets. There can be no assurance that the containment measures or other measures implemented from time to time will be successful in limiting the spread of the virus and what effect those measures will have on the economy generally or on any particular loan. In certain U.S. cities and states, the COVID-19 pandemic resulted in a near total cessation of all non-essential economic activities, with some businesses temporarily suspending operations and laying-off employees, and many businesses including financial services companies permitting or requiring employees to work remotely. While non-essential economic activity is to some extent returning in certain jurisdictions, the timing of such return remains uncertain, and may vary substantially depending on the location and the type of activity. The disruption and volatility in the credit markets and the reduction of economic activity in severely affected sectors may continue for an extended period or indefinitely, and may worsen the recession in the United States and/or globally.

Furthermore, as a result of the measures discussed above, many organizations (including banks, trustees, servicers, courts and federal and state agencies) have either closed or implemented policies requiring their employees to work at home. Such remote working policies are dependent upon a number of factors to be successful, including communications, internet connectivity and the proper functioning of information technology systems, all of which can vary from organization to organization. As a result, such closures and remote working policies may lead to delays in otherwise routine functions that are not foreseeable at this time, including routine support functions on securitization transactions. In addition, if significant portions of the Servicer's or the transaction parties' workforces are unable to work effectively as a result of the COVID-19 pandemic, there may be servicing and other disruptions in the Servicer's or the transaction parties' businesses. As a result, there can be no assurance that such otherwise routine functions, including servicing of the Loans, will be performed or processed on a regular or predictable timeframe. The disruption in day-to-day business activities may also have an impact on the ability of parties to this transaction to perform their responsibilities. If any transaction party or other relevant party is unable to adequately perform its obligations due to

a remote working environment, this may adversely impact the performance of the Loans and the timing and amount of distributions on the Notes.

Large parts of the United States were placed on lockdown as a result of the COVID-19 pandemic, and millions of people working in retail, restaurants, travel, hotels, entertainment and leisure industries have lost their jobs and the losses are continuing to spread into other industries. Unemployment has reached extraordinarily high levels as a result of the COVID-19 pandemic, notwithstanding governmental relief efforts such as the initial funding of $349 billion for the Small Business Administration's Paycheck Protection Program ("**PPP**"), providing loans to small businesses to enable them to keep their workers on the payroll, with loan forgiveness available subject to certain conditions, and it is unclear when or to what extent unemployment will abate. Although government programs have been, and are continuing to be, enacted, it is not possible to predict at this time the effectiveness of any such programs. Borrowers experiencing unemployment, or reduced employment, may be unable to (x) make their monthly payments of principal and interest on their loans. Borrowers may also prioritize payment obligations other than their loans if they experience, or anticipate experiencing, a loss in wages or employment. Unemployment rates may continue to rise in the near future or remain at high levels, which may result in an increase in delinquencies and defaults with respect to the Loans, and such increase could be substantial. This could adversely impact the performance of the Notes.

Federal, state and local governments have mandated or encouraged financial services companies to make accommodations to borrowers and other customers affected by the COVID-19 pandemic, including allowing obligors to forego making scheduled payments for some period of time and precluding creditors from exercising certain rights or taking certain actions with respect to collateral, if any. Legal and regulatory responses to concerns about the COVID-19 pandemic could result in additional regulation or restrictions affecting the servicing of consumer loans, like the Loans, in the future. The enactment or expansion of any of the foregoing could make collection of the Loans more difficult for the Servicer and could decrease the amount of Collections received by the Co-Issuers, which in turn could result in a delay in the payment of principal or interest of one or more classes of Notes or, under certain loss scenarios, the failure to pay the remaining principal balance of one or more classes of Notes upon maturity.

Under the Servicer's borrower assistance programs to support customers and communities suffering from the effects of the COVID-19 pandemic, the Servicer waived late fees for payments due March 15, 2020 through April 30, 2020, offered reduced and deferred payment options for customers negatively impacted by the COVID-19 pandemic and suspended credit bureau reporting for newly delinquent accounts in March and April of 2020. Although enrollment in borrower assistance programs were largely consistent with pre-COVID-19 enrollment levels, these programs may negatively impact the Collections received by the Co-Issuers and, if these programs are not effective in mitigating the effect of the COVID-19 pandemic on the Loan Obligors, may adversely affect the Notes. As of the Cut-Off Date, 4,837 Loans with an aggregate principal balance of $49,988,341.87 received an extension or modification since March 1, 2020, and there can be no assurance that other Loan Obligors have not been or will not become impacted by COVID-19 and request and receive extensions or modifications or other borrower accommodations.

Furthermore, as discussed under "*Servicing Procedures—Delinquency and Loss Mitigation*," the Servicer may implement a range of actions with respect to Loan Obligors and the related Loans to extend or modify the payment schedule consistent with the Credit and Collection Policy in effect from time to time. To the extent an economic downturn results in increased delinquencies and defaults by Loan Obligors on the Loans due to financial hardship resulting from COVID-19, or otherwise, such actions may be taken with respect to a material portion of the Loans. See "*—There May Be Changes to the Terms of the Loans Owned by the Co-Issuers in a Way that Reduces or Slows Collections*" and "*—Modifications to the Credit and Collection Policy May Result in Changes to the Performance of the Loans and the Servicing of the Loans*" in this private placement memorandum.

The COVID-19 pandemic has also caused significant recent volatility in financial markets and adverse economic conditions and may have significant long-term adverse social, economic and financial effects in the U.S., including increased instability in capital markets, declines in business and consumer confidence, reductions in economic activity, increased unemployment and economic recession, any of which may adversely affect the Servicer's financial condition and its ability to support its operations. Further, sustained adverse effects from COVID-19 may also prevent the Servicer or the Performance Support Provider from satisfying their respective regulatory and other supervisory requirements or result in downgrades in their respective credit ratings. See "*—OMFC's Financial Strength May Affect Its Ability to Perform Its Obligations as the Servicer*" in this private placement memorandum. The COVID-19 pandemic has also limited secondary market liquidity for asset-backed securities such as the Notes, so there can be no assurance that Noteholders will be able to sell their Notes on the secondary market at favorable prices or at all.

Many scientists, medical experts, politicians and commentators have predicted that a "second wave" of COVID-19 may occur in the United States in the late third quarter or the fourth quarter of 2020 and continuing into 2021, and this second wave may be on a larger scale than the initial wave of COVID-19 that the United States has experienced and is currently experiencing. Parts of the United States and other countries have begun to relax lockdowns, social distancing and other measures implemented as a result of COVID-19. Certain states and other regions have recently experienced increases in the number of cases of COVID-19 while other areas have experienced a decrease in the number of cases. This second wave may result from the gradual or abrupt easing of lockdowns and other mitigation or containment measures related to the initial wave of COVID-19, especially those measures related to restrictions on large gatherings both indoors and outdoors, such as reopening schools, beaches, pools, parks, bars, restaurants and churches, among others. Certain states have already seen in a spike in reported cases as states have started to re-open. In addition, since late May 2020, cities across the United States have been the sites of mass protests, riots and looting, which may contribute to the spread of COVID-19 in these communities and elsewhere, and these activities may continue for an indefinite period of time. The recent protests and civil unrest may also result in delays in certain businesses not opening or delaying the reopening of certain business or other economic disruptions. In the event of a second wave of COVID-19, it is unclear whether the same mitigation or containment measures taken by various governments (including at the federal, state and local level) or private enterprises described herein will be continued or reimplemented, or if different measures will be implemented, and what impact such measures will have on the national or global economy or the economy of any particular state in a "hot spot." In addition, it is possible that despite a second wave of COVID-19, an increasing number of Americans who have emerged in varying degrees from lockdowns and other mitigation or containment measures related to the initial wave of COVID-19 will be less willing to return to such conditions, which could exacerbate the course of the pandemic. A secondary outbreak (or resurgence of the initial outbreak) of COVID-19 could lengthen the duration and increase the severity of the economic downturn already occurring in the United States economy and the associated adverse effects on the Loans and the Notes as described herein.

The extent to which the COVID-19 pandemic, including a secondary outbreak or resurgence of COVID-19 (or any other disease or pandemic), impacts the Notes will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of COVID-19, and the actions taken to contain it or mitigate its impact. Efforts to combat the spread, resurgence and severity of the COVID-19 pandemic and related public health issues may not be effective. Other widespread health crises occurring in the future could have similar, or even more severe, adverse consequences. None of the Servicer, the Co-Issuers or the Performance Support Provider can predict the course of the COVID-19 pandemic, the likelihood or severity of any secondary outbreak or resurgence of COVID-19 or any other outbreak, the impact of legal and regulatory responses to the pandemic and related economic problems or the ultimate effects on the financial markets generally, on the Co-Issuers, the Servicer, the Performance Support Provider or the other transaction parties or their ability to perform their respective obligations under the Transaction Documents, the ability of Loan Obligors to make timely payments on the Loans or the value or performance of the Notes. Moreover, because a pandemic such as COVID-19 has not occurred in recent years, historical loss or delinquency experience may not accurately predict the performance of the receivables in the receivables pool.

During the COVID-19 pandemic, government stimulus measures, borrower assistance programs and increased collection efforts by the Servicer resulted in strong customer payment trends and favorable delinquency experience. There can be no assurance that such government stimulus measures, borrower assistance programs and increased collection efforts will continue in effect or that Loan Obligors will qualify for such measures and programs or, even if they remain in effect, that they will continue to be effective in improving loan performance. If such measures, programs and efforts are discontinued or cease to be effective, it may materially and adversely impact the ability of Loan Obligors to make timely payments on the Loans or the value or performance of the Notes. In particular, in March 2020, the CARES Act was signed into law, which, among other things, expanded states' ability to provide unemployment insurance for many workers impacted by COVID-19, including for workers who were not otherwise eligible for unemployment benefits, provide direct payments to qualifying individuals, and provided assistance for small and medium size businesses. Many Loan Obligors may have benefited from the enhanced benefits provided by the CARES Act, some of which, such as enhanced unemployment benefits, expired in July 2020. If these benefits are not reinstated, or if other stimulus measures benefiting such Loan Obligors are not enacted in the near term, the effect may materially and adversely impact the ability of Loan Obligors to make timely payments on the Loans and may result in an increase in delinquencies on the Loans.

To the extent COVID-19 adversely affects the United States economy (including the ability of Loan Obligors to make timely payments on the Loans) or financial markets or the business or operations of the Servicer, the Co-Issuers or the Performance Support Provider, it may also have the effect of heightening many of the other risks

described in this "*Risk Factors*" section, such as those related to the ability of Loan Obligors to make timely payments on the Loans, the performance, market value, credit ratings and secondary market liquidity of the Notes, and the geographic concentration of the Loan Obligors.

All of the foregoing could have a negative impact on the performance of the Loans and, as a result, Noteholders may experience delays in payments or losses on their Notes.

Restrictions Relating to the Transfer of the Notes and Economic Factors in the United States and Abroad May Reduce the Liquidity of the Notes or 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) 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 they 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.

Recent and continuing events in the global financial markets, 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 sub-prime 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 de-leveraging of structured investment vehicles, hedge funds, financial institutions and other entities, the lowering of ratings on certain asset-backed securities, the European Union ("**EU**") sovereign debt crisis and the downgrade by S&P of U.S. Treasury bonds and other debt instruments backed by the full faith and credit of the United States to AA+ on August 5, 2011, together with similar downgrades of EU sovereign debt have caused, or may cause, a significant reduction in 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 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 further downgraded, the ratings of the Notes could be adversely affected, as could the market price and/or the marketability of the Notes.

The United Kingdom ("**UK**") ceased to be a member of the EU on January 31, 2020 ("**Brexit**"). During a prescribed period (the "**Transition Period**"), certain transitional arrangements are in effect, such that the UK continues to be treated, in most respects, as if it were still a member of the EU, and generally remains subject to EU law. The withdrawal agreement (the "**Withdrawal Agreement**") made between the EU and the UK with regard to Brexit provides for the Transition Period to end on December 31, 2020. The Withdrawal Agreement also includes a mechanism by which, at any time up to June 30, 2020, the EU and the UK could have agreed to extend the Transition Period for up to a further two years; but no such extension was agreed by that date (and, in any event, UK law currently precludes any such extension). From the end of the Transition Period, the UK will no longer be subject to EU law. The UK and the EU have begun negotiations with regard to certain terms of the relationship to be established between them following the end of the Transition Period. However, there is no certainty that any such terms will be agreed, and no certainty as to the scope or nature of any such terms that may be agreed. The actual or potential consequences of Brexit, and the associated uncertainty, could adversely affect economic and market conditions in the UK, in the EU and its member states and elsewhere, and could contribute to instability in global financial markets. In particular, these matters could significantly impact volatility, liquidity and/or the market value of securities, including the Notes.

The occurrence of 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.

Laws and regulations in the EU, in other countries in the European Economic Area ("**EEA**") and in the UK may negatively affect the secondary market for sales to investors subject to regulation in those countries. See "*EU Securitization Rules*" in this private placement memorandum.

As a result, no assurance can be given that the Notes may be sold by a purchaser thereof 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) 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.

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) a non-U.S. Person acquiring such Note in a transaction outside the United States 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 the 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 will be required to make certain representations in writing as specified under the heading "*Restrictions on Transfer*" in this private placement memorandum. The Notes 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 Co-Issuers' Assets

None of the Co-Issuers has, or is expected in the future to have, any significant assets other than their beneficial interests in the Loans, 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 Performance Support Provider, the Servicer, the Indenture Trustee, the Custodian, the Paying Agent, the Note Registrar or any of their respective Affiliates. The Notes represent obligations solely of the Co-Issuers, and none of the Sellers, the Performance Support Provider, the Servicer, the Indenture Trustee, the Custodian, the Paying Agent, the Note Registrar 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 Servicer, the Performance Support Provider, the Indenture Trustee, the Custodian, the Paying Agent, the Note Registrar or any of their respective Affiliates to satisfy their claims. See "*Description of 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, excess spread, overcollateralization and funds on deposit in the Reserve Account. Credit enhancement for the Class B 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 repaid in full by a Loan Obligor, a Loan is repurchased by a Seller, a charged-off Loan is sold to a third party, or collection efforts on a charged-off Loan are ceased, 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*" 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 subject to the Target Overcollateralization Amount, the Class B Notes will be outstanding longer and therefore will be exposed to the risk of losses on the Loans during periods after the Class A Notes have received most or all amounts payable thereon. See "*—Payments on the Class B Notes Are More Sensitive to Losses on the Loans*" below.

The Indenture does not permit the allocation of shortfalls and losses on the Loans to the Notes; all such shortfalls and losses will result in a reduction of Available Funds. However, to the extent the aggregate balance of the Class B Notes and the Class A Notes is greater than the aggregate balance of the Loans, the Class B Notes will not accrue interest on its note principal balance to the extent of such excess. However, any resulting shortfall will accrue and carry forward and be payable as the Class B Subordinate Interest Amount and will be paid in accordance with the priorities of payment described in this private placement memorandum. See "*—Priority of Payments*", "*Description of the Notes—Priority of Payments*" in this private placement memorandum.

Investors in the Notes should note that although shortfalls and losses will not be directly allocated to the Notes, under certain shortfall and loss scenarios there will not be enough principal and interest on the Loans to pay the Notes all interest and principal amounts to which they are entitled.

Payments on the Class B Notes Are More Sensitive to Losses on the Loans

The Class B Notes are subordinated with respect to interest and principal payments to the Class A Notes and are more likely to suffer the consequences of delinquent payments and defaults on the Loans than the Class A Notes. In addition, following the occurrence of an Event of Default, the priority of interest and principal distributions will change, with the effect that the Class A Notes will receive all payments of principal and interest before the Class B 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 Class B Notes even as payment is made in full on the Class A Notes.

Many of the Loan Files May Be Incomplete or Inaccurate

In connection with the purchase of the Loans from HSBC, HSBC stated that the loan files may be incomplete or outdated or may contain errors, omissions or inaccurate and conflicting information, and that the purchaser assumed all risk in connection therewith. The Sellers are making limited representations and warranties with respect to the Loans. Although the Servicer does not intend to access the loan files frequently in connection with its servicing of the Loans, the inability or delay in accessing the loan files or the status of the documents contained therein may result in delays in realizing the proceeds of the Loans and the Loan being unenforceable or otherwise adversely affect the performance of the Loans.

Physical loan files exist for a significant number, but less than half, of the Loans held by the Co-Issuers and pledged to the Indenture Trustee. Imaged loan files exist for substantially all, but not all, of the Loans. Physical loan files exist for substantially all, but not all, of the PHLs and the PULs originated in states that require an original note for processing of pay-offs. For the PHLs, the loan file may not contain a mortgage note, a mortgage or deed of trust. For PULs originated in states that require an original note for processing payoffs, the loan file may not contain an original note. For PULs originated in other states, the Co-Issuers believe, based on statements made by or on behalf of HSBC, that the original notes have been destroyed. However, there can be no assurance that the original promissory notes no longer exist. In the event that any PHLs or PULs evidenced by promissory notes and for which loan files do not appear exist were, in fact, not destroyed, there is a risk that another Person could acquire a security or ownership interest in one or more of such PHLs or PULs superior to that of the Indenture Trustee for the benefit of the Noteholders, which in turn could reduce the amount of Collections available to repay the Notes.

There Are Risks to Noteholders Because Some Loan Agreements Will Be Held by the Servicer

The original Loan Agreements and notes in tangible form for each of the Loans will be held by a national bank custodian, except that the Servicer may hold the files for a small number of loans that are involved in enforcement litigation. With respect to the small number of original Loan Agreements and notes held by the Servicer relating to Litigation Loans, there is a risk that (i) the applicable Co-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), which 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 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

Loan Obligors will be able to remit payments in respect of Loans to a lockbox maintained by or on behalf of the Servicer for servicing activity generally. Loan Obligors may also be able to make payments at branch offices of the Servicer's subsidiaries and through third party collection points (such as Wal-Mart stores). Remittances from obligors in respect of receivables other than the Loans are also made to such lockboxes or other collection locations referenced above. The Servicer is obligated to deposit Collections received by it into the Collection Account no later than the second business day after the date of processing by the Servicer for 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 following Payment Date. See "*The Servicing Agreement and the Back-up Servicing Agreement—Payments on Loans; Collection Account*" in this private placement memorandum.

Additionally, all Collections that the Servicer is permitted to hold are commingled with other 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 or any other Affiliate of the Servicer) were to become a debtor in a proceeding under the U.S. 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, 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.

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 or adverse impacts from COVID-19 or similar outbreaks. See "*—Geographic Concentration May Increase Risk of Loss*" in this private placement memorandum. The Co-Issuers are unable to determine and have no basis to predict whether or to what extent social or economic factors will affect the Loans. The Co-Issuers' ability to make payments on the Notes could be adversely affected if Loan Obligors were unable to make timely payments or if the Servicer elected to, or was required to, implement forbearance programs in connection with Loan Obligors suffering a hardship (including hardships related to the outbreak of COVID-19). In particular, the Servicer recently instituted borrower assistance programs available to loan obligors impacted by the COVID-19 pandemic, including offering reduced and deferred payment options for customers negatively impacted by the COVID-19 pandemic. See "*—There May Be Changes to the Terms of the Loans Owned by the Co-Issuers in a Way that Reduces or Slows Collections,*" "*—Modifications to the Credit and Collection Policy May Result in Changes to the Performance of the Loans and the Servicing of the Loans*" and "*—Adverse Events Arising from the COVID-19 Pandemic Could Result in Delays in Payment or Losses on the Notes and May Impact the Financial Markets and Reduce the Market Value of the Notes and/or Limit the Ability of Noteholders to Resell the Notes*" in this private placement memorandum.

The United States has experienced severe economic downturns in the past and faces the prospect of another as a consequence of the COVID-19 pandemic. 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 the Loans. The COVID-19 pandemic and other adverse economic events have led to a significant increase in unemployment which began in March 2020 and continued to rise in April 2020. Such unemployment levels may rise even further. See "*—Adverse Events Arising from the COVID-19*

Pandemic Could Result in Delays in Payment or Losses on the Notes and May Impact the Financial Markets and Reduce the Market Value of the Notes and/or Limit the Ability of Noteholders to Resell the Notes" in this private placement memorandum. It is uncertain as to how high unemployment levels could rise or how long periods of high unemployment could ultimately last. In addition, the number of delinquencies and defaults on consumer receivables is significantly influenced by the employment status of obligors. If economic conditions worsen, 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 Co-Issuers, the Servicer and the Performance Support Provider to meet their respective obligations under the Transaction Documents increases the likelihood that Noteholders will experience losses with respect to 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 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. It is possible that a higher percentage of Loan Obligors will seek protection under bankruptcy or debtor relief laws as a result of financial and economic disruptions related to COVID-19 than is reflected in the historical loss and delinquency experience. 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, including epidemics (such as a severe outbreak of COVID-19 in such states), disruptions caused by directives (such as stay-at-home orders) intended to limit the spread or resurgence of COVID-19 and governmental mandates requiring borrower accommodations or restricting exercise of remedies or other actions by lenders, could adversely impact the delinquency and default experience of the Loans and could result in reduced or delayed payments on the Notes. See "*—Social and Economic Factors May Affect Repayment of the Loans*" in this private placement memorandum.

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, the Servicers or take action affecting the Sellers' or Servicer's ability to service the Loans.

As of the Cut-Off Date, the aggregate principal balance of the loans originated in the following States exceeded 5.00% of the aggregate principal balance of the loans as of the Cut-Off Date:

North Carolina	12.43%
Pennsylvania	8.20%
New York	6.64%
Ohio	6.62%
Florida	6.17%

Each of the states listed above is (or has one or more counties in such state that is) a current or past "hot spot" for COVID-19 cases, and accordingly the adverse impact of the COVID-19 pandemic on the Loan Pool may be more significant due to such concentrations. See "*—Adverse Events Arising from the COVID-19 Pandemic Could Result in Delays in Payment or Losses on the Notes and May Impact the Financial Markets and Reduce the Market Value of the Notes and/or Limit the Ability of Noteholders to Resell the Notes*" in this private placement memorandum. The

geographic concentration of the Loans may change after the Closing Date as a result of repayments of the Loans, charge-offs or otherwise, including in a manner that adversely affects Noteholders.

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 personal loans and protection of sensitive customer data obtained in the origination and servicing thereof and personal loans that do not comply with consumer protection laws may not be valid or enforceable under their terms against the obligors of those personal loans. No independent diligence was performed to ensure that the various originators of the Loans were properly licensed and consequently, enforcement of the Loans could be impaired. Moreover, certain of these laws make an assignee of such personal loans (such as the Co-Issuers) 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 one or more of the Co-Issuers, one or more of the Sellers, the Indenture Trustee, 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, 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 Servicer or a Co-Issuer (whether by an administrative agency, a Loan Obligor or a group or class of Loan Obligors) could result in modifications in the Co-Issuers' and their Affiliates' methods of doing business which could impair the Co-Issuers' and their Affiliates' ability to collect the Loans or result in the requirement that a Seller, the Servicer and/or a Co-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 and/or the Co-Issuers. There is no assurance that such claims will not be asserted against the Sellers, the Servicer and/or the Co-Issuers 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 related Co-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 "*—Obligations of the Sellers and the Servicer*", "*—OMFC's Financial Strength May Affect Its Ability to Perform Its Obligations as the Servicer*", "*—NRZ's Financial Strength May Affect Its Ability to Perform Its Obligations as the Performance Support Provider*" and "*Certain Legal Aspects of the Loans—Consumer Protection Laws*" in this private placement memorandum.

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 they conduct their 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.

Litigation

Due to the consumer-oriented nature of the Co-Issuers' and the Sellers' 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, the Co-Issuers or the Servicer in connection with any such litigation could have a material adverse effect on any such Sellers', Co-Issuer's or the Servicer's financial condition, results of operations or ability to perform its obligations under the Transaction Documents.

Potential Counterclaims in Collection Litigation

The Servicer, on a very limited basis, files collection actions with respect to some Loans, which may result in counterclaims. The number of such claims cannot be predicted with certainty, which, in turn, can result in responsive counterclaims, including the possibility of counterclaims brought as class actions. Given the Servicer's

limited pursuit of collection actions, the volume of counterclaims has been low, but if that volume should increase or if class action counterclaims were to be pursued, there could be a material adverse effect on the collectability of the Loans subject to such litigation.

Consent Orders

In a 2002 Consent Order with the State Attorneys General, HSBC adopted certain servicing practices relating to the PHLs which have generally become standard practices for servicers of loans similar to the PHLs, such as permitting borrowers under open to buy loans (lines of credit) to cancel at any time, not charging borrowers prepayment penalties, separately identifying credit insurance premiums on monthly account statements, allocating and disclosing interest short amounts, not unilaterally converting borrowers from bi-weekly to semi-monthly payments and promptly providing payoff information.

In 2011, HSBC entered into a Consent Order with the Office of the Comptroller of Currency and the Federal Reserve Board which governs aspects of mortgage servicing. In January 2013, HSBC entered into an agreement in principle to amend that Consent Order and pay compensation to certain mortgage borrowers.

The servicing requirements of these Consent Orders have continued and will continue to be observed by the Servicer in connection with the servicing of the applicable Loans. The restrictions imposed by these Consent Orders and any additional consent orders which may become effective in the future could have a material adverse effect on the collectability of the Loans or on the Sellers' or OMFC's financial condition, results of operations or ability to perform their respective obligations under the Transaction Documents.

Obligations of the Sellers and the Servicer

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 Servicer to purchase Loans as a result of certain breaches by the Servicer of its covenants, representations and warranties and the obligation of the Sellers and the Servicer to provide indemnification under certain circumstances to the Co-Issuers. However, such obligations are not a guarantee of performance and do not protect the Co-Issuers or Indenture Trustee from all risks that could impact the performance of the Loans. In the event of any financial or other inability of any of the Sellers (or the Performance Support Provider on their behalf) or the Servicer or any successor Servicer, to fulfill its obligations in respect of the Loans, payments on the Notes could be adversely affected. See "*The Sellers*", "*The Servicer*", "*The Performance Support Provider*", "*The Loan Purchase Agreements*", "*The Servicing Agreement and the Back-up Servicing Agreement*", and "*The Performance Support Agreement*" in this private placement memorandum.

There May be Limited, Insufficient or No Collateral Securing a Loan Obligor's Obligations Under a Loan

The respective Sellers, in connection with selling the Loans to the related Co-Issuer, have assigned or will assign to such Co-Issuer their rights under the applicable Loan Agreements (but none of the obligations), and certain other Purchased Assets including any security interest in collateral supporting repayment of a secured Loan. The Co-Issuers, in turn, have 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 fall into two categories: personal unsecured loans or PULs and personal home loans or PHLs. PULs are unsecured revolving or closed-end loans, including small balance loans for retail purchase financing and side loans originated in conjunction with an HSBC secured loan product. PULs also include unsecured loans originated by mail through a pre-approved check note loan offer. PHLs are typically revolving or closed-end secured loans evidenced by a mortgage or deed of trust filed against the borrower's home. PHLs are generally subordinate home loans with high (100 percent or more) combined loan-to-value ratios which were underwritten, priced and serviced like unsecured loans. No independent appraisals of property value were obtained and no title insurance was obtained to insure HSBC's interest in the property. HSBC historically has not foreclosed on the collateral for PHLs, as recovery upon foreclosure was viewed as unlikely after satisfying senior liens and paying the expenses of foreclosure, making it uneconomical to do so. The Servicer has continued and expects to continue such practice. The Servicer may selectively pursue collateral securing certain Loans if, in its judgment, the benefit of pursuing collateral outweighs the cost. See "*Certain Legal Aspects of the Loan*" in this private placement memorandum. As a consequence of the foregoing the Co-Issuers are not expected to receive any proceeds in respect of such collateral to

make payments in respect of the Notes, and 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 collateral as a significant source of funds to make payments on the Notes.

The Loans May Incur Losses as a Result of Defects in the Loans, Even if such Loans Are Repurchased

A significant risk for investors in the Notes is that losses may be incurred as a result of defects with respect to the Loans, generally unrelated to the credit characteristics of the Loans, which result in a loss. However, the Sellers have made representations and warranties with respect to the Loans related to some of these defects. Investors in the Notes are strongly encouraged to review "*Description of the Loans—Assignment of Loans; Representations and Warranties; Repurchase Obligations*" for the content of the representations and warranties, and the mechanism whereby claims for breaches are made.

In the event of a breach of a representation and warranty with respect to a Loan for which a repurchase obligation may exist, the repurchase price of the related Seller may be an amount less than the principal balance of such Loan. The amount of the discount from the principal balance will be based on whether or not the applicable Loan was a Non-Performing Loan as of the Closing Date**.** The Applicable Purchase Percentage with respect to any Loan that was not a Non-Performing Loan as of the Cut-Off Date will be 100% and with respect to any Loan that was a Non-Performing Loan as of the Cut-Off Date, 70%. As a result, the amount received by the applicable Co-Issuer with respect to a Loan which is in breach may be less than what would ultimately been received had the Loan been held to maturity. As a result, investors in the Notes may incur losses greater than would otherwise be the case.

Failure to Fund under Open-to-Buy Loans May Adversely Affect Payments on Such Loans

Approximately 47.53% of the aggregate principal balance of the Loans as of the Cut-Off Date are currently revolving with an open-to-buy feature (i.e., open lines of credit) to the extent of the applicable credit limit. As of the Cut-Off Date, the aggregate open-to-buy exposure under the Loans was approximately $263 million. The Servicer is obligated to fund Loan Obligor draws under the open-to-buy Loans. The Servicer may reimburse itself at any time for funded draws by withholding the reimbursement amount from Collections prior to depositing them in the Collection Account, by instructing the Paying Agent to withdraw the reimbursement amount from funds then on deposit in the Collection Account and remitting such amount to the Servicer or by instructing the Paying Agent to withdraw the reimbursement amount from funds then on deposit in the Advance Reserve Account and remitting such amount to the Servicer. To the extent that the Servicer is not reimbursed earlier, it may be reimbursed through the monthly disbursements made by the Paying Agent as outlined in the Indenture. The Monthly Report will summarize all such reimbursement activity for the corresponding Collection Period. To the extent that despite its obligation, the Servicer fails to fund amounts requested by Loan Obligors under open-to-buy Loans, performance by the Loan Obligors under those Loans may be delayed or otherwise impaired, in which case payments on the Notes could be adversely affected.

OMFC's Financial Strength May Affect Its Ability to Perform Its Obligations as the Servicer

OMFC's ability to service the Loans depends on its financial condition and operating performance, which is subject to prevailing economic and competitive conditions and to certain financial, business, and other factors beyond its control. OMFC currently has a significant amount of indebtedness in relation to its equity and its credit rating is non-investment grade, which has a significant impact on its cost of, and access to, capital. This, in turn, negatively affects its ability to manage its liquidity and its ability and cost to refinance its indebtedness.

Any material adverse change to OMFC's financial condition, results of operations or liquidity might adversely affect its ability to service the Loans.

NRZ's Financial Strength May Affect Its Ability to Perform Its Obligations as the Performance Support Provider

NRZ's ability to perform under the Performance Support Agreement depends on its financial condition and operating performance, which is subject to prevailing economic and competitive conditions and to certain financial, business, and other factors beyond its control. NRZ has a "Corporate Family Rating" from Moody's of "B1." Any material adverse change to NRZ's financial condition, results of operations or liquidity might adversely affect its ability to perform under the Performance Support Agreement.

For additional information regarding NRZ, see "*The Performance Support Provider*" in this private placement memorandum

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

While certain Loans are covered under credit insurance policies, such insurance may not be in full force and effect at the time a loss purported to be covered occurs. In light of the foregoing, there can be no assurance that any Loan will continue to be covered by credit insurance whether obtained by HSBC or by the applicable Seller or the Servicer during the entire term during which such Loan is outstanding. Consequently, recoveries may be limited in the event of losses in respect of such Loans, and Noteholders could suffer a loss on their investment.

Some of the Loans May Have Perfected Security Interests from Third Parties for which Remedies May Be Limited

HSBC represented that the Loans sold to the Sellers were free of liens other than permitted liens and agreed to indemnify the Sellers for any breach of this representation. The absence of non-permitted liens was not independently verifiable, however. Moreover, more than half of the Loans are not secured by physical notes, the possession of which might enable the Sellers and the Co-Issuers to claim priority over any such liens. The Sellers acquired the Loans in reliance on the accuracy of such representations and the related indemnities from HSBC. Under the Portfolio Loan Purchase Agreement, the aforementioned indemnities do not survive beyond a period of two years from the Acquisition Closing Date. Accordingly, in the event of a lien claim by a third party against a Loan, particularly if it is asserted after such two-year period, the rights held by the Sellers against HSBC may be limited and there can be no assurance that any attempt to enforce such rights will be successful. Since the Acquisition Closing Date, no claim subject to indemnification as described in this paragraph has been identified.

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

Under the terms of the Loan Purchase Agreements, the Servicing Agreement and the Indenture, the respective Sellers have assigned their rights, if any, in credit insurance policies related to the Loans to the Co-Issuers, and the Co-Issuers have pledged such rights to the Indenture Trustee for the benefit of the Noteholders.

None of the Sellers, the Servicer or the Co-Issuers will take any action to perfect the Co-Issuers' or the Indenture Trustee's rights in proceeds of any credit insurance policies, nor will the Co-Issuers 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 applicable Co-Issuer or the Indenture Trustee prior to the time the Servicer deposits the proceeds of such insurance into a Note Account, in which case payments on the Notes could be adversely affected.

This Private Placement Memorandum Provides Information Regarding the Characteristics of the Loans in the Loan Pool as of the Cut-Off Date, Which May Differ from the Characteristics of the Loans in the Loan Pool on the Closing Date

The Loans as of the Cut-Off Date have an aggregate principal balance of approximately $663,047,714.82. As a consequence of the experience of the loan pool in the interim, the Loans as of the Cut-Off Date are projected to have an aggregate Loan Principal Balance that is minimally greater than the projected, Initial Note Principal Balance of $663,047,000. As a result of such loan pool experience, the Loans in the loan pool on the Closing Date may have characteristics that differ somewhat from the characteristics of the Loans in the loan pool described in this private placement memorandum. The Co-Issuers believe that the characteristics of the Loans as of the Cut-Off Date will not differ materially from the characteristics of the Loans as of the Cut-Off Date. If you purchase a Note, you must not assume that the characteristics of the Loans in the loan pool on the Closing Date will be identical to the characteristics of the Loans disclosed in this private placement memorandum.

Yield and Prepayment Considerations

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

All of the Loans may be prepaid, in whole or in part, at any time without penalty. 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 and servicing decisions. 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 Servicing Agreement as a result of certain breaches of representations, warranties or covenants by the Servicer. In addition, the Servicer or its Affiliates may, but are not obligated to, solicit Loan Obligors for new loans or to refinance existing Loans.

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. See "*Yield and Prepayment Considerations*" in this private placement memorandum.

Book-Entry Registration of the Notes May Reduce Their Liquidity

The Notes 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 Paying Agent or 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 those imposed in connection with the origination of the Loans. 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.

The Loans are seasoned so the underwriting standards set forth herein are of limited use in evaluating the current credit quality of the Loan Obligors. However, the weighted average credit score as of the Cut-Off Date (for Loan Obligors where a credit score is available and based on credit scores that were obtained as of May 2020), was 677.

A Significant Percentage of the Loans Included in the Trust Have Been Re-Aged, a Practice that Will Continue with respect to the Loans and May Reduce the Amount of Interest Paid

With respect to a significant percentage of the Loans included in the Trust, the related borrower was delinquent in their payment but HSBC "re-aged" the related Loan, a process whereby a payment is made, and, if the borrower continues to pay, prior payments of interest are forgiven and the Loan is extended. Similar "re-aging" policies have continued to apply to the Loans since the Acquisition Closing Date. Investors in the Notes should note that this process will extend the term of the Loan and will not result in a prepayment, charge-off, or loss, but will reduce the amount of interest paid to the trust had the borrower paid all of its payments at the interest rate on the related note. The Loan Obligors with respect to the Loans may have a limited ability to pay off their Loans or obtain other credit at a lower interest rate. In the event the Loans are not continually extended, the Loan Obligor may default and a loss may occur.

Additional Servicing Risks

The Servicer generally 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 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, in which case payments on the Notes could be adversely affected. See "*—Adverse Events Arising from the COVID-19 Pandemic Could Result in Delays in Payment or Losses on the Notes and May Impact the Financial Markets and Reduce the Market Value of the Notes and/or Limit the Ability of Noteholders to Resell the Notes*" in this private placement memorandum.

Vulnerability of Information Technology Infrastructure

The Servicer uses management information systems to manage the Loan portfolio, including management of collections and 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;
- 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 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

None of the Co-Issuers have registered with the SEC as an investment company pursuant to the United States Investment Company Act. Neither any Co-Issuer nor the pool of 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 Co-Issuers will opine, in connection with the initial sale of the Notes by the Co-Issuers, that the Co-Issuers are not required to be registered on the Closing Date as an investment company under the Investment Company Act without reliance exclusively on Section 3(c)(1) or 3(c)(7) of 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 a Co-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 such Co-Issuer could sue such Co-Issuer and recover any damages caused by the violation; and (iii) any contract to which such Co-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 than nonenforcement and would not be inconsistent with the purposes of the Investment Company Act. Should any Co-Issuer be subjected to any or all of the foregoing, such Co-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 took effect as implementing regulations were 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**"), the primary federal 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 and their Affiliates, including the Issuer. The CFPB has 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" 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.

As discussed below, pursuant to the Dodd-Frank Act, the CFPB issued comprehensive mortgage servicing rules that became effective January 10, 2014, and apply to the closed end PHLs (and some provisions of which apply to open end PHLs).

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. While the CFPB has not yet promulgated regulations that designate "larger participants" for all segments of the consumer finance company business, it 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 and is therefore subject to the supervision and examination authority of the CFPB for that segment of its business. If the Servicer is designated as a "larger participant" for other segments of the consumer finance market, its business could become more broadly subject to CFPB supervision and examination.

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 the Servicer, potentially delay the Servicer'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 the Servicer 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. 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 the Servicer. 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 the Servicer.

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 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.

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

The Co-Issuers' receipt of Collections in respect of the Loans (the primary source from which the Co-Issuers pay 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 Co-Issuers 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 Servicing Agreement and the Back-up Servicing Agreement—Servicing of Loans*" and "*The 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 may 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 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 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 apply its own credit and collection policies in servicing the Loans rather than servicing in accordance with the initial Servicer's credit and collection policy. See "*The Servicing Agreement and the Back-up Servicing Agreement—Assumption of Servicing by the Back-up Servicer*" in this private placement memorandum.

Investors should note that the historical performance of the Loans during the time period in which the initial Servicer services such Loans may not be consistent with the performance of the Loans if they are serviced by a different servicer.

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 Indenture Trustee may face delays in terminating, or may be unable to terminate, the Servicer as the termination right in the Servicing Agreement upon a Servicer Default relating to insolvency generally is subject to the bankruptcy court's automatic stay. Moreover, there may be circumstances that prevent the Back-up Servicer from assuming the servicing role. For example, in the event of a bankruptcy of the Servicer, the Servicer may claim ownership of the servicing rights in connection with this transaction. As a result, a bankruptcy court may auction off the servicing rights, which may or may not be acquired by the Back-up Servicer. As a result, investors should not assume that the Back-up Servicer will automatically take over servicing from the Servicer in the event of a bankruptcy. The Indenture Trustee will not be liable for any losses that occur due to a disruption in servicing arising out of a Servicing Default or the transition of servicing to the Back-up Servicer or other successor Servicer.

Similarly, there can be no assurance whether, after a Servicer Default, sufficient 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 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. The duties and obligations of the Servicer will be limited to those expressly set forth in the Servicing Agreement and the Servicer will not have any fiduciary or other implied duties or obligations to any person, including any Noteholder. Hence, it may be more difficult for any Noteholder to adequately redress perceived Servicer shortcomings.

Any reasonable costs and expenses of the Back-up Servicer or other successor 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 servicer for such costs within a reasonable period of time, the Back-up Servicer or other successor servicer will be entitled to reimbursement from the assets of the Trust Estate, subject to a cap of $250,000.

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

From time to time, the Servicer may modify the terms of the Loans owned by the Co-Issuers in accordance with the Credit and Collection Policy. See "*The Servicing Agreement and the Back-up Servicing Agreement—Servicing of Loans*" in this private placement memorandum. 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, revising the applicable fee schedule, capitalizing delinquent interest and other amounts owed under the Loans or any combination of these or other modifications. See "*The Servicer*" 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 Loan 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 notes or, under certain loss scenarios, the failure to pay the remaining note principal balance of one or more classes of Notes upon maturity.

Bankruptcy Loans Will Be Subject to Removal from the Trust Pursuant to a Forward Flow Agreement (FFA); Failure to Extend or Renew the FFA May Adversely Affect the Performance of the Loans

The Servicer has in place one FFA with a third party counterparty. It relates to the sale and transfer of servicing of bankruptcy loans upon charge-off, which is scheduled to terminate by its terms on December 31, 2020. Investors should note that in the event the counterparty under the FFA ceases acquiring charged-off Loans due to bankruptcy or the FFA is not extended, renewed or replaced, the performance of the Loans may be adversely affected if direct collection would result in lower recoveries. If the Servicer concludes that higher recovery can be achieved through direct collection of such bankruptcy loans, it may elect to collect directly in the future rather than selling such Loans to third parties.

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

Historical loss and delinquency information set forth in the Performance Data included in Annex A of this private placement memorandum 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 calculated and presented in this private placement memorandum with respect to the loans prior to the Cut-Off Date will reflect actual experience with respect to such Loans after the Cut-Off Date. In particular, as noted in "*—Adverse Events Arising from the COVID-19 Pandemic Could Result in Delays in Payment or Losses on the Notes and May Impact the Financial Markets and Reduce the Market Value of the Notes and/or Limit the Ability of Noteholders to Resell the Notes*," delinquencies are expected to increase due to COVID-19 and the long-term impact of COVID-19 on loan performance is uncertain.

Modifications to the Credit and Collection Policy May Result in Changes to the Loans and the Servicing of the Loans

OMFC may choose to modify the Credit and Collection Policy at any time and there are no restrictions on OMFC's ability to make such modifications except that OMFC has covenanted not to modify the Credit and Collection Policy in any manner that could reasonably expected to result in an Adverse Effect. Modifications to the Credit and Collection Policy could alter the policies by which the Servicer service the Loans, including the policies by which the Servicer determines whether to change the terms of the Loans owned by the Co-Issuers. 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. See "*Servicing Procedures—The Servicer's Servicing Procedures*" in this private placement memorandum.

Violations of Federal, State and Local Laws May Adversely Affect the Ability to Collect Amounts Due on the Loans

The Loans are subject to federal, state and local laws, which may include, without limitation:

- the Federal Truth in Lending Act and Regulation Z promulgated under that Act, which both require certain disclosures to the mortgagors regarding the terms of the residential loans;

- the Equal Credit Opportunity Act and Regulation B promulgated under that Act, which both prohibit discrimination on the basis of age, race, color, sex, religion, marital status, national origin, receipt of public assistance or the exercise of any right under the Consumer Credit Protection Act, in the extension of credit and the servicing of a consumer transaction;

- the Real Estate Settlement Procedures Act and its regulations, which (among other things) prohibit the payment of referral fees for real estate settlement services (including mortgage lending and brokerage services) and regulate escrow accounts for taxes and insurance and billing inquiries made by mortgagors;

- the Fair Credit Reporting Act, which regulates the use and reporting of information related to the mortgagor's credit experience; and

- the Home Equity Loan Consumer Protection Act of 1988, which requires additional disclosures and limits changes that may be made to the loan documents without the mortgagor's consent. This Act also restricts a mortgagee's ability to declare a default or to suspend or reduce a mortgagor's credit limit to certain enumerated events.

Some of the PHLs are "Section 32" loans under the Home Ownership and Equity Protection Act of 1994, as amended ("**HOEPA**" and such PHLs, the "**Section 32 PHLs**") and may be subject to state law versions of HOEPA. HOEPA requires that borrowers of PHLs that have interest rates or origination costs in excess of prescribed levels be given certain disclosures prior to the consummation of such PHLs and limits or prohibits the inclusion in such PHLs of certain loan provisions. Some states and localities have enacted, or may enact, similar laws or regulations, which in some cases impose restrictions and requirements more stringent than those in HOEPA. Failure to comply with these laws, to the extent applicable to any Section 32 PHLs, could subject the Co-Issuers, as an assignee of the Section 32 PHLs, to statutory, punitive, consequential and actual damages and/or administrative enforcement and could result in, among other things, the borrowers rescinding the Section 32 PHLs against the Co-Issuers. Further, even after the expiration of any applicable statute of limitation for affirmative claims under HOEPA, a borrower may, in certain instances, raise a HOEPA violation in a defensive action or recoupment claim, if permitted by state law, for an amount up to the debt owed by the borrower. Lawsuits have been brought in various states making claims against assignees of high cost loans for violations of state law. Named defendants in these cases have included numerous participants within the secondary mortgage market, including some securitization trusts.

Violations or alleged violations of federal, state or local laws could result in a reduction in the amount available from the Loans for payments on the Notes. A number of laws have been introduced or enacted at the federal, state and local level that are designed to discourage certain lending practices, including those now deemed abusive or predatory. Some states have enacted, or may enact, laws or regulations that prohibit inclusion of some provisions in PHLs that have mortgage interest rates or origination costs in excess of prescribed levels, and require that borrowers, including mortgagors, be given certain additional disclosures prior to the consummation of such loans. In some cases, state law imposes requirements and restrictions greater than those under federal law. Some such state laws are extremely rigorous and a violation could lead to statutory, punitive, consequential and actual damages, administrative enforcement, or forfeiture of all principal and interest or the voiding of any security interest. A PHL may also be rescinded or voided in certain instances. In addition, other state laws, public policy and general principles of equity relating to the protection of consumers, unfair and deceptive practices and debt collection practices may apply to the origination, servicing and collection of loans.

The Sellers will make representations and warranties with respect to the Loans relating to compliance with federal, state and local laws at the time of origination. In the event of a breach of any such representation that materially and adversely affects the interests of the Noteholders in the related Loan, the applicable Seller will be required to cure such breach or repurchase the affected Loan from the Co-Issuers. To the extent that the Seller fails to repurchase any such Loan from the Co-Issuers, the Performance Support Provider will be required to contribute assets to the Seller to effect such repurchase. If the Seller and the Performance Support Provider are unable to fulfill these obligations for financial or other reasons, shortfalls in the payments on the Notes could occur.

Statutory and Judicial Limitations on Foreclosure May Delay Recovery in Respect of the Mortgaged Property and, in Some Instances, Limit the Amount that May be Recovered; Governmental Actions May Limit the Servicer's Ability to Foreclose the PHLs

While the Servicer does not pursue foreclosure on defaulted PHLs (see "*Servicing Procedures—Recovery*" in this private placement memorandum), if that policy were to change, or if the Servicer were to elect to foreclosure on a defaulted PHL, additional complicating factors and risks may arise. Judicial foreclosure actions are subject to delays inherent in litigation, including the need to address defenses and counterclaims, as well as locating the necessary defendants. Non-judicial foreclosure actions often involve laws mandating various recording and notice requirements, which would likewise serve to delay foreclosure. Some states have enacted "anti-deficiency" statutes, which limit the

ability of a lender to collect the full amount owed on a loan if the property sells at foreclosure for less than the full amount owed, and such statutes would likely impair the Servicer's ability to recover the full amount owed on a defaulted PHL through foreclosure, since in most cases the PHLs have high (100 percent or more) combined loan-to-value ratios (see "*Description of the Loans—General—Personal Home Loans ("PHLs")*"). United States courts have traditionally imposed general equitable principles to limit the remedies available to lenders in foreclosure actions that are perceived to be overly harsh and unfair, administrative agencies and courts have begun to enforce rules regarding the conduct of foreclosures more strictly, and state legislatures have been enacting additional procedural rules regarding foreclosure and other laws that work to slow or prevent foreclosure processes altogether – all of which may preclude or create delays in foreclosure actions, increase the expenses involved in such actions and reduce net recoveries upon foreclosure.

Even were the Servicer to change its policies and elect to pursue foreclosure actions, such actions may not be possible given the contents of the mortgage files for the PHLs. As discussed above in "*—There May be Limited, Insufficient or No Collateral Securing a Loan Obligor's Obligations Under a Loan,*" HSBC, the originator and initial servicer of the PHLs, did not historically foreclosure on the collateral for the PHLs, and the Co-Issuers acquired the PHLs without any representation as to the sufficiency of the mortgage files for pursuing foreclosure actions (see "*Description of the Loans—Assignment of Loans; Representations and Warranties; Repurchase Obligations—Repurchase Obligations*"). Borrowers have been increasingly successful in challenging or delaying foreclosures based on technical grounds, including challenges based on alleged defects in the PHL documents, and it is possible that there will be an increase in the number of successful challenges to foreclosures by borrowers. As a result of the above, it is possible that the mortgage files for the PHLs do not contain all the documentation needed to foreclose on the related collateral or that the foreclosure documentation may be deemed defective in some way, and any such document irregularities could delay or prevent foreclosure actions.

Any delays and related expenses involved in foreclosure actions may reduce or preclude recovery on any defaulted PHLs should the Servicer seek to foreclose. As stated elsewhere in this private placement memorandum (see, e.g. "*—There May be Limited, Insufficient or No Collateral Securing a Loan Obligor's Obligations Under a Loan*"), investors should not rely on the proceeds from the disposition of collateral as a significant source of funds to make payments on the Notes.

The CFPB released final rules relating to mortgage servicing ("**Final Servicing Rules**"), which became effective on January 10, 2014. These Final Servicing Rules impact the closed end PHLs (and some provisions impact the open end PHLs). Among other things, the Final Servicing Rules target early intervention with borrowers following initial delinquency and impose detailed requirements applicable in each step of a servicer's loss mitigation process. These rules, for example, prohibit a servicer from commencing a foreclosure until a PHL is more than 120 days delinquent and require such servicer to provide certain notices and follow specific procedures relating to loss mitigation and foreclosure alternatives. The Final Servicing Rules therefore could result in increased delays in foreclosure or the inability to foreclose, which could in turn result in delays in payments on, or losses in respect of, the PHLs and, consequently, delays in payments on, or losses in respect of, the Notes. We cannot predict what effect the Final Servicing Rules will have on the Servicer or the value or marketability of the Notes. In all cases the Servicer will be required to service the PHLs in accordance with applicable law. See *"Certain Legal Aspects of the Loans—Consumer Protection Laws*" in this private placement memorandum for additional information.

On August 4, 2016, the CFPB announced amendments to certain of the Final Servicing Rules (the "**2016 Final Servicing Rule Amendments**") relating to force-placed insurance notices, delinquency and early intervention, loss mitigation, periodic monthly statements, and successors-in-interest to borrowers that could further impact servicing and delay foreclosures. Portions of the 2016 Final Servicing Rule Amendments became effective on October 19, 2017, and the remaining provisions became effective on April 19, 2018. The Final Servicing Rules, including the 2016 Final Servicing Rule Amendments, could result in increased delays in foreclosure or the inability to foreclose, which could in turn result in delays in payments on, or losses in respect of, the PHLs and, consequently, delays in payments on, or losses in respect of, the certificates. Additionally, the CFPB has the authority under the Dodd-Frank Act to impose additional requirements on servicers to address any perceived issues.

Generally, the rules require servicers to follow certain procedural requirements regarding their evaluation of borrowers for loss mitigation. The rules address dual tracking (where a servicer is simultaneously evaluating a consumer for loan modifications or other alternatives at the same time that it prepares to foreclose on the property) by prohibiting a servicer from making the first notice or filing required for a foreclosure process unless: (1) a PHL account is more than 120 days delinquent; (2) the foreclosure is based on the borrower's violation of a due-on-sale clause, or (3) when the servicer is joining a foreclosure action of a subordinate lienholder. Even if a borrower is more

than 120 days delinquent, if a borrower submits a complete application for a loss mitigation option before a servicer has made the first notice or filing required for a foreclosure process, a servicer may not start the foreclosure process unless: (1) the servicer informs the borrower that the borrower is not eligible for any loss mitigation option (and any appeal has been exhausted or is not applicable), (2) a borrower rejects all loss mitigation options offered by the servicer, or (3) a borrower fails to comply with the terms of a loss mitigation option. If a borrower timely submits a complete application for a loss mitigation option after the foreclosure process has commenced but more than 37 days before a foreclosure sale, a servicer may not move for a foreclosure judgment or order of sale, or conduct a foreclosure sale, until: (1) the borrower's loss mitigation application is properly denied and the borrower has exhausted the appeal process; (2) the borrower rejects all loss mitigation options offered by the servicer; or (3) the borrower fails to perform under a loss mitigation agreement.

For a complete loss mitigation application received more than 37 days before a foreclosure sale, the servicer is required to evaluate the borrower, within 30 days, for all loss mitigation options for which the borrower may be eligible in accordance with the investor's eligibility rules, and to notify the borrower of all loss mitigation options, if any, that are offered. This includes both options that enable the borrower to retain the home (such as a loan modification) and non-retention options (such as a short sale). If a court orders a foreclosure sale date that does not permit a servicer sufficient time to evaluate a complete loss mitigation application, the servicer has to avoid having the court rule on a dispositive motion or issue a judgment order, or has to delay a foreclosure sale, until it has completed its loss mitigation evaluation.

For closed-end loans secured by borrower's principal residence, the Final Servicing Rules also require servicers to maintain reasonable policies and procedures to provide delinquent borrowers with access to designated personnel to assist them with loss mitigation options where applicable. The expense of complying with these CFPB servicing standards for the servicers is substantial. The Final Servicing Rules therefore could result in increased delays in foreclosure or the inability to foreclose, which could in turn result in delays in payments on, or losses in respect of, the PHLs and, consequently, delays, reductions in payments to, or losses on, the Notes. Additionally, the CFPB has the authority under the Dodd–Frank Act to impose additional requirements on servicers to address any perceived issues.

Noteholders will bear the risk that future regulatory and legal developments will result in losses on their Notes, to the extent not covered by the applicable credit enhancement. The effect on the Notes will likely be more severe if any of these future legal and regulatory developments occur in one or more states in which there is a significant concentration of mortgaged properties.

The Servicer is examined for compliance with federal, state and local laws, rules, and guidelines by numerous regulators and agencies. No assurance can be given that these regulators or agencies will not inquire into the Servicer's practices, policies or procedures in the future. It is possible that any of these regulators or agencies will require the Servicer to change or revise its practices, policies or procedures in the future. Any such change or revisions may have a material impact on the future income from the Servicer's operations.

The occurrence of one or more of the foregoing events or a determination by any court or regulatory agency that the Servicer's policies and procedures do not comply with applicable law could lead to downgrades by one or more rating agencies, a transfer of the Servicer's servicing responsibilities, increased delinquencies on the PHLs, delays in payments or losses on the Notes, or any combination of these events.

Bankruptcy of the Servicer Could Result in Losses on the Notes

The Servicer will be permitted to commingle collections on the Loans with its own funds. In addition, the Servicer will deposit collections in an account that is not under the control of the Indenture Trustee, and collections will be held in this account before they are remitted to the Paying Agent. In the event the Servicer goes into bankruptcy, the Trust, the Indenture Trustee and the Noteholders may not have a perfected or priority interest in any collections on Loans that are in the Servicer's possession or have not been remitted to the Paying Agent at the time the Servicer goes into bankruptcy. The Servicer may not be required to remit to the Paying Agent any collections on Loans that are in its possession or have not been remitted to the Paying Agent at the time it goes into bankruptcy.

To the extent that the Servicer has commingled collections of Loans with its own funds, the holders of the Notes may be required to return to the Servicer as preferential transfer payments amounts received on the Notes.

If the Servicer were to go into bankruptcy, it may stop performing its functions as Servicer. In addition, except with respect to the Back-up Servicer's replacement of the Servicer, it may be difficult to find a third party to act as successor Servicer. The Servicer may also have the power, with the approval of the court or the receiver, conservator, liquidator or similar official, to assign its rights and obligations as Servicer to a third party without the consent, and even over the objection, of the parties, and without complying with the requirements of the applicable documents.

If the Servicer is in bankruptcy, then the parties may be prohibited (unless authorization is obtained from the court) from taking any action to enforce any obligations of the Servicer under the applicable documents or to collect any amount owing by the Servicer under the applicable documents.

If the Servicer is in bankruptcy, then, despite the terms of the documents, the parties may be prohibited from terminating the Servicer Party and appointing a successor.

The occurrence of any of these events could result in delays or reductions in distributions on, or other losses with respect to, the Notes. There may also be other possible effects of a bankruptcy of the Servicer that could result in delays or reductions in distributions on, or other losses with respect to, the Notes. Regardless of any specific adverse determinations in a bankruptcy of the Servicer, the fact that such a proceeding has been commenced could have an adverse effect on the value of the PHLs and the liquidity and value of the Notes.

The Co-Issuers May Retain Notes or Convey Notes to an Affiliate

Some or all of the Class B Notes may be retained by one or more of the Co-Issuers or conveyed to an affiliate or direct or indirect equity holder of the applicable Co-Issuer. To the extent that such Notes are so retained or conveyed, the market for these Notes may be less liquid than would otherwise be the case and, if any retained or conveyed Class B Notes are subsequently sold by a Co-Issuer or affiliate or direct or indirect equity holder of such Co-Issuer in the secondary market, it could reduce demand for the 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. Further, while the Class B Notes held by any Co-Issuer will not be considered to be "Outstanding," any Class B Notes held by an affiliate or direct or indirect equity holder of the applicable Co-Issuer of a Co-Issuer may be considered "Outstanding" and as such would have the same voting rights as the Notes held by unaffiliated investors. See *"—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. In addition, any retained Class B 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."*

Potential Conflicts of Interest Relating to the JV Investors

Some of the Notes may be purchased by the one or more of the JV Investors or an affiliate of the applicable JV Investor. To the extent that Notes are so purchased, the market for the Notes may be less liquid than would otherwise be the case and, if any such Notes are subsequently sold by any applicable JV Investor or affiliate thereof, demand for Notes already in the market could be reduced, which could adversely affect the market value of the Notes and/or limit the ability of Noteholders to resell their Notes. While Notes held by any Co-Issuer will not be considered to be "Outstanding," any Notes held by an affiliate of a Co-Issuer or by a JV Investor or an affiliate of a JV Investors may be considered "Outstanding" and as such would have the same voting rights as Notes held by unaffiliated investors. See *"—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.

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 respective 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 respective employees or customers may from time to time enter into hedging positions with respect to the Notes. Credit Suisse Securities (USA) LLC acted as an advisor to HSBC in connection with their sale of the loan portfolio that included the Loans.

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 Agency's 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 SEC has 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, NRZ has created a password protected website which is accessible to all nationally recognized statistical rating organizations ("**NRSROs**") (not just the Rating Agency), in order for them to obtain the information the parties to this transaction provided to the Rating Agency 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 Agency 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 Agency 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. 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 a specified percentage of Noteholders. See "*The Indenture—Modifications of Transaction Documents*", "*The Servicing Agreement and the Back-up Servicing Agreement—Amendment; Waiver*", "*The Indenture—Supplemental Indentures—Supplemental Indentures Without the Consent of the Noteholders*", "*The Indenture—The Administration Agreement*", and "*The Performance Support Agreement*" in this private placement memorandum. In addition, any JV Investor or any affiliate of a Co-Issuer or a JV Investor (other than the Co-Issuers, 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 could, therefore affect or control the outcome of a Noteholder vote. See *"—The Co-Issuers May Retain Notes or Convey Notes to an Affiliate"* and *"—Potential Conflicts of Interest Relating to the JV Investors"* in this private placement memorandum. 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 JV Investor or affiliate of the Sellers or any JV Investor participates will adversely affect the performance of the Notes.

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

It is intended by each Seller that the transfer of the Loans by each Seller to the related Co-Issuer constituted a "true sale" of the Loans to such Co-Issuer. If the transfer constituted a "true sale", the Loans and the proceeds thereof would 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 related Co-Issuer 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.

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

The Co-Issuers have taken steps in structuring the transactions contemplated hereby that are intended to ensure that the voluntary or involuntary application for relief by 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 any Co-Issuer with those of such Seller. These steps include the appointment of an independent director for each Co-Issuer, the creation of each Co-Issuer as a special purpose limited liability company pursuant to a limited liability company agreement containing certain limitations (including restrictions on the nature of such Co-Issuer's business, restrictions on such Co-Issuer'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, the maintenance of separate books and records and the requirement that all transactions between such Co-Issuer, the Sellers and their affiliates will be on an arm's-length basis). However, there can be no assurance that the activities of any Co-Issuer would not result in a court concluding that the assets and liabilities of one or more of the Co-Issuers should be consolidated with those of 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 Co-Issuers*" in this private placement memorandum.

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 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 note principal balance of the Class A Notes will generally be substantially greater than the outstanding note principal balance of the Class B Notes. Consequently, the Noteholders of the Class A Notes will frequently have the ability to determine whether and what actions should be taken. Class B Noteholders will generally need the concurrence of the Class A 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 Co-Issuers fail to pay any interest on any Class A Note on any Payment Date, but there is no Event of Default as a result of the Co-Issuers failing to pay interest on the Class B Notes. See "*The Indenture—Events of Default*" 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.

Structuring Tables are Based Upon Assumptions and Models

The decrement tables appearing under "*Yield and Prepayment Considerations*" have been prepared on the basis of the modeling assumptions set forth under "*Yield and Prepayment 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.

Certain Matters Relating to Bankruptcy of the Co-Issuers

Each Co-Issuer has been structured as a limited purpose entity and will be permitted to engage only in activities permitted by its organizational documents. Each Co-Issuer's organizational documents contain provisions that are intended to reduce the likelihood that such Co-Issuer will file a voluntary petition under the United States Bankruptcy Code (the "**Bankruptcy Code**") or any similar applicable state law. There can be no assurance, however, that a Co-Issuer or any Seller, will not become insolvent and file a voluntary petition under the Bankruptcy Code or any similar applicable state law or become subject to a conservatorship or receivership, as may be applicable in the future. Moreover, the Co-Issuers had previously issued notes secured by the Loans under an indenture similar in form and substance to the Indenture. While repayment in full of such previously issued notes and the satisfaction of all related obligation under such indenture and the related agreements is a condition to the issuance of the Notes, certain indemnification and expense reimbursement provisions in such indenture and related agreements survive the termination thereof. Though the Co-Issuers are not aware of any obligations arising under such provisions and no such obligations are anticipated to arise, there can be no assurance that obligations will not arise under those surviving provisions, which, if unsatisfied, could increase the likelihood of a bankruptcy or other insolvency proceeding with respect to the Co-Issuers. The Indenture includes a covenant on the part of each Co-Issuer to pay any such obligations should any arise and the Priority of Payments provides for payment of any such obligations before available funds are turned over to the Co-Issuers.

The voluntary or involuntary petition for relief under the Bankruptcy Code or any similar applicable state law or the establishment of a conservatorship or receivership, as may be applicable, with respect to any Seller should not necessarily result in a similar voluntary application with respect to the related Co-Issuer or any other Co-Issuer so long as such Co-Issuer is solvent and does not reasonably foresee becoming insolvent either by reason of such Seller's insolvency or otherwise. Each Co-Issuer 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 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 such Co-Issuer with those of any Seller. These steps include the organization of each Co-Issuer as a limited purpose entity pursuant to its limited liability company agreement containing certain limitations (including restrictions on the limited nature of such Co-Issuer'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).

The Sellers and the Co-Issuers believe that subject to certain assumptions (including the assumption that the books and records relating to the assets and liabilities of the Sellers will at all times be maintained separately from those relating to the assets and liabilities of each Co-Issuer, each Co-Issuer will prepare its own balance sheets and financial statements and there will be no commingling of the assets of any Seller with those of any Co-Issuer except as expressly contemplated in the Transaction Documents) the assets and liabilities of the Co-Issuers should not be substantively consolidated with the assets and liabilities of any Seller in the event of a petition for relief under the Bankruptcy Code with respect to any Seller; and the transfer of Loans by the Sellers and the related Seller Loan Trustees to the Co-Issuers and related Loan Trustees should constitute an absolute transfer, and, therefore, such Loans would not be property of the applicable Seller or that entity, as applicable, in the event of the filing of an application for relief by or against such Seller or such entity, as applicable, under the Bankruptcy Code.

Counsel to the Co-Issuers will also render its opinion that:

- subject to certain assumptions, the assets and liabilities of none of the Co-Issuers would be substantively consolidated with the assets and liabilities of any Seller in the event of a petition for relief under the Bankruptcy Code with respect to such Seller; and

- the transfer of the Loans by each Seller and its Seller Loan Trustee to the related Co-Issuer and its related Loan Trustee constitutes an absolute transfer and would not be included in such Seller's bankruptcy estate or subject to the automatic stay provisions of the Bankruptcy Code.

If, however, a bankruptcy court or a creditor were to take the view that any Seller, on the one hand, and the Co-Issuers, on the other hand, should be substantively consolidated or that the transfer of the Loans from any Seller to the related Co-Issuer should be recharacterized as a pledge of such Loans, then you may experience delays and/or shortfalls in payments on the Notes.

ACQUISITION OF THE LOAN PORTFOLIO

On April 1, 2013, the Sellers and the Seller Loan Trustees, as assignees of SpringCastle Acquisition LLC ("**SCA**"), a joint venture, in which New Residential Investment Corp. ("**NRZ**"), BTO Willow Holdings, L.P. ("**Blackstone**"), an affiliate of Blackstone Tactical Opportunities Advisors L.L.C., and Springleaf Acquisition Corporation each directly or indirectly held an equity interest (the "**Joint Venture**"), acquired a portfolio of consumer loans (the "**Acquisition Portfolio**") with an unpaid principal balance of $3.9 billion as of the Acquisition Closing Date, from HSBC Finance Corporation ("**HSBC**") and certain of its affiliates (collectively, "**HSBC**"). Under the terms of the applicable acquisition documentation with HSBC, SCA had the right to assign its right to purchase the Acquisition Portfolio and certain related assets to certain third parties. Immediately prior to the closing of the acquisition, SCA assigned those rights to the Sellers and the Seller Loan Trustees pursuant to an Omnibus Assignment and Assumption Agreement among SCA, the Sellers and the Seller Loan Trustees (the "**Omnibus Assignment**"). All of the loans acquired by the Co-Issuers on the Acquisition Closing Date were purchased as part of the Acquisition Portfolio. The purchase price for the Acquisition Portfolio and the related assets was $3.0 billion. On March 31, 2016, the Initial JV Investors entered a purchase agreement whereby OneMain Finance Corporation (formerly known as Springleaf Finance Corporation, successor by merger to Springleaf Finance, Inc.) and its Affiliates sold their interests in the Sellers to Affiliates of each of New Residential Investment Corp. and to Blackstone and certain of its Affiliates, who remain the sole joint venture parties, though they have retained the flexibility to further sell interests in the Joint Venture's equity investment in the Acquisition Portfolio.

THE SELLERS

On the Acquisition Closing Date, SpringCastle America, LLC, a Delaware limited liability company, SpringCastle Credit, LLC, a Delaware limited liability company, and SpringCastle Finance, LLC, a Delaware limited liability company (each, a "**Seller**" and together, the "**Sellers**"), sold a beneficial interest in a substantial majority of the Acquisition Portfolio as of the Acquisition Closing Date to the Co-Issuers. The Loans are comprised of the portion of such previously acquired loans remaining outstanding as of the Cut-Off Date.

SpringCastle America, LLC is owned by NRZ SC America, LLC, BTO Willow Holdings, L.P., BTO Willow Holdings II, L.P., Blackstone Family Tactical Opportunities Investment Partnership – NQ – ESC L.P. and BTO – NQ Side-by-Side GP L.L.C. (the foregoing, other than NRZ SC America, LLC being referred to herein as the **"Blackstone Members"**); SpringCastle Credit, LLC is owned by NRZ SC Credit Limited and the Blackstone Members; and SpringCastle Finance, LLC is owned by NRZ SC Finance I LLC, NRZ SC Finance II LLC, NRZ SC Finance III LLC, NRZ SC Finance IV LLC and NRZ SC Finance V LLC, and the Blackstone Members.

SpringCastle America Trust, SpringCastle Credit Trust and SpringCastle Finance Trust is each a common law trust under a trust agreement governed by Delaware law pursuant to which Wilmington Trust, National Association, acts as trustee (in such capacity under each such trust agreement, a "**Seller Loan Trustee**"). The legal interests in the loans in which the respective Sellers acquired a beneficial interest on the Acquisition Closing Date were acquired by the corresponding Seller Loan Trustee. Moreover, the respective Seller Loan Trustees sold to the corresponding Loan Trustee on the Acquisition Closing Date the legal interests in loans the beneficial interests in which were sold by the corresponding Seller to the corresponding Co-Issuer on the Acquisition Closing Date.

SpringCastle America, LLC and its Seller Loan Trustee acquired Acquisition Portfolio loans that were Non-Performing Loans as of the Acquisition Closing Date, and accordingly the loans it sold to its corresponding Co-Issuer and its related Loan Trustee were Non-Performing Loans as of the Acquisition Closing Date. SpringCastle Credit, LLC and its Seller Loan Trustee acquired Acquisition Portfolio loans that were Closed End Loans, as of the Acquisition Closing Date and accordingly the loans it sold to its corresponding Co-Issuer and its related Loan Trustee were Closed End Loans as of the Acquisition Closing Date. SpringCastle Finance, LLC and its Seller Loan Trustee acquired Acquisition Portfolio loans that were Revolving Loans as of the Acquisition Closing Date, and accordingly the loans it sold to its corresponding Co-Issuer and its related Loan Trustee were Revolving Loans as of the Acquisition Closing Date. No subsequent reallocation of loans among such entities has been made as a consequence of collection experience since the Acquisition Closing Date.

The principal offices of the Sellers are located at c/o New Residential Investment Corp., 1345 Avenue of the Americas, 45th Floor, New York, New York 10105.

THE CO-ISSUERS

SpringCastle America Funding, LLC, a Delaware limited liability company, SpringCastle Credit Funding, LLC, a Delaware limited liability company, and SpringCastle Finance Funding, LLC, a Delaware limited liability company were each formed on March 18, 2013. Each Co-Issuer is a special purpose entity that will be operated in accordance with a limited liability company agreement, as amended, executed by, in the case of SpringCastle America Funding, LLC, SpringCastle America, LLC, in the case of SpringCastle Credit Funding, LLC, SpringCastle Credit, LLC, and in the case of SpringCastle Finance Funding, LLC, SpringCastle Finance, LLC (each, a "**Co-Issuer LLC Agreement**"), for the purpose, among other things, of purchasing from its related Seller on the Acquisition Closing Date such Seller's beneficial interest in the loans in the Acquisition Portfolio (any loan in the Acquisition Portfolio the beneficial interest in which is purchased by a Co-Issuer from its corresponding Seller being referred to herein as a "**Sold Loan**"; each Sold Loan outstanding as of the Cut-Off Date in which a Co-Issuer continues to hold the beneficial interest is referred to herein as a "**Loan**"). Each Co-Issuer will pledge its beneficial interests in any Loan to the Indenture Trustee under the Indenture.

SpringCastle America Funding Trust, SpringCastle Credit Funding Trust and SpringCastle Finance Funding Trust is each a common law trust under a trust agreement governed by Delaware law pursuant to which Wilmington Trust, National Association, acts as trustee (in such capacity under each such trust agreement, a "**Loan Trustee**"). On the Acquisition Closing Date, each Loan Trustee acquired the legal interests in the Sold Loans in which the respective Co-Issuers acquired a beneficial interest. Each Loan Trustee will pledge its legal interests in any Loan to the Indenture Trustee under the Indenture.

Legal title to all Sold Loans that were Non-Performing Loans as of the Acquisition Closing Date was held as of the Acquisition Closing Date by the applicable Loan Trustee for the benefit of SpringCastle America Funding, LLC, legal title to all Loans that were Closed End Loans as of the Acquisition Closing Date was held as of the Acquisition Closing Date by the applicable Loan Trustee for the benefit of SpringCastle Credit Funding, LLC, and legal title to all Loans that were as of the Acquisition Closing Date Revolving Loans as of the Acquisition Closing Date was held as of the Acquisition Closing Date by the applicable Loan Trustee for the benefit of SpringCastle Finance Funding, LLC. No subsequent reallocation of Sold Loans among such entities has been made as a consequence of collection experience since the Acquisition Closing Date.

Each Co-Issuer and its corresponding Loan Trustee will pledge their respective right, title and interest in the Loans and certain other rights and assets to the Indenture Trustee and the Co-Issuers will jointly and severally issue the Notes on a fully cross-collateralized basis.

The powers and purposes of each of the Co-Issuers are limited under the terms of its Co-Issuer LLC Agreement to (i) acquiring, holding, pledging and managing the Loans and the other assets pledged to secure the Notes, (ii) issuing the Notes, (iii) making payments on the Notes, (iv) selling, transferring and exchanging the Notes, (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. The Co-Issuers have engaged NRZ as Administrator to perform certain of their duties and obligations under the Indenture on their behalf. See "*The Indenture—The Administration Agreement*" in this private placement memorandum.

The principal offices of the Co-Issuers are located in at 1345 Avenue of the Americas, 45th Floor, New York, New York 10105.

The Co-Issuers will be jointly and severally liable on the Notes and, Subject to the immediately following paragraph, their aggregate capitalization as of the Closing Date is expected to be as follows:

Class A Notes	$	610,004,000.00
Class B Notes	$	53,043,000.00
Reserve Account	$	3,315,238.57
Initial overcollateralization	$	714.82
Total	**$**	**666,362,953.39**

The amount required to be on deposit in the Reserve Account as of the Closing Date will be an amount equal to 0.50% of the aggregate initial Loan Principal Balance as of the Cut-Off Date and the amount of initial overcollateralization will be the excess, if any, of the initial aggregate Loan Principal Balance as of the Cut-Off Date over the actual Initial Note Principal Balance as of the Closing Date.

THE INDENTURE TRUSTEE AND CUSTODIAN

U.S. Bank National Association ("**U.S. Bank**"), a national banking association, will act as Indenture Trustee. U.S. Bancorp, with total assets exceeding $547 billion as of June 30, 2020, is the parent company of U.S. Bank, the fifth largest commercial bank in the United States. As of June 30, 2020, U.S. Bancorp served approximately 18 million customers and operated over 2,700 branch offices in 26 states. A network of specialized U.S. Bancorp offices across the nation provides a comprehensive line of banking, brokerage, insurance, investment, mortgage, trust and payment services products to consumers, businesses, and institutions.

U.S. Bank has one of the largest corporate trust businesses in the country with office locations in 48 Domestic and 2 International cities. The Indenture will be administered from U.S. Bank's corporate trust office located at 60 Livingston Avenue, EP-MN-WS3D, St. Paul, Minnesota 55107-2232.

U.S. Bank has provided corporate trust services since 1924. As of June 30, 2020, U.S. Bank was acting as trustee with respect to over 104,000 issuances of securities with an aggregate outstanding principal balance of over $4.6 trillion. This portfolio includes corporate and municipal bonds, mortgage-backed and asset-backed securities and collateralized debt obligations.

U.S. Bank also acts as custodian (the "**Custodian**") of certain documents evidencing the Loans pursuant to the Custodial Agreement. As Custodian, U.S. Bank is responsible for holding loan files on behalf of the Indenture Trustee, subject to certain exceptions. U.S. Bank holds such loan documents in one of its custodial vaults, which is located at 1133 Rankin Street, Suite 100, St. Paul, MN 55116. The loan files are tracked electronically to identify that they are held by U.S. Bank pursuant to the Custodial Agreement. U.S. Bank uses a barcode tracking system to track the location of, and owner or secured party with respect to, each file that it holds as Custodian, including the loan files held on behalf of the Indenture Trustee. As of June 30, 2020, U.S. Bank holds approximately 11,095,000 document files for approximately 980 entities and has been acting as a custodian for over 33 years. See "The Custodial Agreement" in this private placement memorandum.

In the last several years, U.S. Bank and other large financial institutions have been sued in their capacity as trustee or successor trustee for certain residential mortgage backed securities ("**RMBS**") trusts. The complaints, primarily filed by investors or investor groups against U.S. Bank and similar institutions, allege the trustees caused losses to investors as a result of alleged failures by the sponsors, mortgage loan sellers and servicers to comply with the governing agreements for these RMBS trusts. Plaintiffs generally assert causes of action based upon the trustees' purported failures to enforce repurchase obligations of mortgage loan sellers for alleged breaches of representations and warranties, notify securityholders of purported events of default allegedly caused by breaches of servicing standards by mortgage loan servicers and abide by a heightened standard of care following alleged events of default.

U.S. Bank 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 losses to investors, that it has meritorious defenses, and it has contested and

intends to continue contesting the plaintiffs' claims vigorously. However, U.S. Bank cannot assure you as to the outcome of any of the litigation, or the possible impact of these litigations on the trustee or the RMBS trusts.

On March 9, 2018, a law firm purporting to represent fifteen Delaware statutory trusts (the "**DSTs**") that issued securities backed by student loans (the "**Student Loans**") filed a lawsuit in the Delaware Court of Chancery against U.S. Bank in its capacities as indenture trustee and successor special servicer, and three other institutions in their respective transaction capacities, with respect to the DSTs and the Student Loans. This lawsuit is captioned *The National Collegiate Student Loan Master Trust I, et al. v. U.S. Bank National Association, et al.*, C.A. No. 2018-0167-JRS (Del. Ch.) (the "**NCMSLT Action**"). The complaint, as amended on June 15, 2018, alleged that the DSTs have been harmed as a result of purported misconduct or omissions by the defendants concerning administration of the trusts and special servicing of the Student Loans. Since the filing of the NCMSLT Action, certain Student Loan borrowers have made assertions against U.S. Bank concerning special servicing that appear to be based on certain allegations made on behalf of the DSTs in the NCMSLT Action.

U.S. Bank believes that it has performed its obligations as indenture trustee and special servicer in good faith and in compliance in all material respects with the terms of the agreements governing the DSTs (the "Governing Agreements"), and accordingly that the claims against it in the NCMSLT Action are without merit.

U.S. Bank has filed a motion seeking dismissal of the operative complaint in its entirety with prejudice pursuant to Chancery Court Rules 12(b)(1) and 12(b)(6) or, in the alternative, a stay of the case while other prior filed disputes involving the DSTs and the Student Loans are litigated. On November 7, 2018, the Court ruled that the case should be stayed in its entirety pending resolution of the first-filed cases. On January 21, 2020, the Court entered an order consolidating for pretrial purposes the NCMSLT Action and three other lawsuits pending in the Delaware Court of Chancery concerning the DSTs and the Student Loans (the "**Consolidated Action**"). U.S. Bank and other parties to the Consolidated Action have briefed and argued motions for judgment on the pleadings pursuant to Chancery Court Rule 12(c) regarding disputed issues of contractual interpretation at issue in one or more of the cases comprising the Consolidated Action, including the NCMSLT Action. The Court has not yet ruled on these motions or on U.S. Bank's dismissal motion in the NCMSLT Action.

U.S. Bank intends to continue to defend the NCMSLT Action vigorously.

U.S. Bank serves as both Indenture Trustee and in certain other roles, including Custodian, under the agreements governing the collateral and the Notes. U.S. Bank may, in such capacities, discharge its separate functions fully, without hindrance or regard to conflict of interest principles, duty of loyalty principles or other breach of fiduciary duties to the extent that any such conflict or breach arises from the performance by U.S. Bank of its express duties set forth in such agreements in any of such capacities, all of which defenses, claims or assertions are waived by the parties to the Indenture and the Noteholders. Knowledge of the Indenture Trustee shall not be attributed or imputed to U.S. Bank National Association's other roles in the transaction, if any, and knowledge of U.S. Bank National Association in any role other shall not be attributed or imputed to each other or to the Indenture Trustee.

THE SELLER LOAN TRUSTEE AND THE LOAN TRUSTEE

Wilmington Trust, National Association ("**WTNA**") (formerly called M & T Bank, National Association) — also referred to herein as the "Seller Loan Trustee" or the "Loan Trustee"—is a national banking association with trust powers incorporated in 1995. WTNA'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 Seller Loan Trustee or Loan Trustee.

WTNA is providing the foregoing information at the Co-Issuers' request in order to assist the Co-Issuers with the preparation of this private placement memorandum. Otherwise, WTNA, whether in its capacity of a Seller

Loan Trustee, a Loan Trustee or otherwise 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 Loan Trust Agreements, WTNA, as Loan Trustee 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 WTNA, as Loan Trustee, see "*The Loan Trust Agreements*" in this private placement memorandum. For information regarding the resignation, removal and replacement of WTNA as Loan Trustee see "*The Loan Trust Agreements*" below, in this private placement memorandum.

THE PAYING AGENT AND NOTE REGISTRAR

Wells Fargo Bank, National Association, a national banking association ("**Wells Fargo**"), will act as paying agent (the "**Paying Agent**") under the Indenture to make distributions to Noteholders from the Collection Account pursuant to the Priority of Payments. The Paying Agent shall have the revocable power to withdraw funds from the Collection Account for the purpose of making such distributions.

Wells Fargo will also act as note registrar (the "**Note Registrar**") under the Indenture to provide for the authentication and registration of Notes, and transfers and exchanges of Notes as provided in the Indenture. The Note Registrar shall keep a register (the "**Note Register**") in which, subject to such reasonable regulations as it may prescribe, the registration of Notes and the registration of transfers of Notes shall be provided. The Note Registrar shall act solely for the purpose of maintaining the Note Register as an agent of the Co-Issuers.

The duties of the Paying Agent and the Note Registrar, respectively, are limited to those duties specifically set forth in the Indenture. OMFC and its affiliates may maintain normal commercial banking relations with the Paying Agent and its affiliates. The Co-Issuers will be responsible for paying Wells Fargo's fees for acting as both Paying Agent and Note Registrar and for indemnifying Wells Fargo in such capacities against specified losses, liabilities or expenses incurred by Wells Fargo, as the Paying Agent or as the Note Registrar, as applicable, in connection with the Transaction Documents pursuant to the Priority of Payments as described in "*The Indenture—Compensation of the Paying Agent and Note Registrar; Indemnification*" and "*Description of the Notes—Priority of Payments*" in this private placement memorandum.

Wells Fargo has served and currently is serving as paying agent and note registrar for numerous securitization transactions and programs involving pools of consumer receivables.

Wells Fargo is subject to various 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 Paying Agent and Note Registrar.

Beginning on June 18, 2014, a group of institutional investors filed civil complaints in the Supreme Court of the State of New York, New York County, and later the U.S. District Court for the Southern District of New York against Wells Fargo in its capacity as trustee for certain RMBS trusts. The complaints against Wells Fargo alleged that the trustee caused losses to investors and asserted causes of action based upon, among other things, the trustee's alleged failure to: (i) notify and enforce repurchase obligations of PHL sellers for purported breaches of representations and warranties, (ii) notify investors of alleged events of default, and (iii) abide by appropriate standards of care following alleged events of default. Relief sought included money damages in an unspecified amount, reimbursement of expenses, and equitable relief. In November 2018, Wells Fargo reached an agreement, in which it denied any wrongdoing, to resolve such claims on a classwide basis for the 271 RMBS trusts at issue. The settlement agreement is subject to court approval. Separate lawsuits against Wells Fargo making similar allegations filed by certain other institutional investors concerning several RMBS trusts in New York federal and state court are not covered by the settlement agreement.

In addition to the foregoing cases, in August 2014 and August 2015, Nomura Credit & Capital Inc. ("Nomura") and Natixis Real Estate Holdings, LLC ("Natixis") filed a total of seven third-party complaints against Wells Fargo Bank in New York state court. In the underlying first-party actions, Nomura and Natixis have been sued for alleged breaches of representations and warranties made in connection with residential mortgage-backed securities sponsored by them. In the third-party actions, Nomura and Natixis allege that Wells Fargo Bank, as master servicer,

primary servicer or securities administrator, failed to notify Nomura and Natixis of their own breaches, failed to properly oversee the primary servicers, and failed to adhere to accepted servicing practices. Natixis additionally alleges that Wells Fargo Bank failed to perform default oversight duties. Wells Fargo has asserted counterclaims alleging that Nomura and Natixis failed to provide Wells Fargo notice of their representation and warranty breaches.

With respect to each of the foregoing litigations, Wells Fargo believes plaintiffs' claims are without merit and intends to contest the claims vigorously, but there can be no assurances as to the outcome of the litigations or the possible impact of the litigations on Wells Fargo or the related RMBS trusts.

The corporate trust office for the Paying Agent and Note Registrar is located at Wells Fargo Bank, N.A., 600 S. 4th Street, MAC N9300-061, Minneapolis, MN 55415, Attn: Corporate Trust Services—SpringCastle Funding Asset-Backed Notes 2020-A.

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

THE SERVICER

OMFC was incorporated in Indiana in 1927 as successor to a business started in 1920. OMFC, formerly known as American General Finance Corporation, and, more recently, as Springleaf Finance Corporation, is a financial services holding company engaged in the consumer finance and credit insurance businesses. OMFC is a wholly owned subsidiary of OneMain Holdings, Inc., ("**OMH**" or, collectively with its subsidiaries, whether directly or indirectly owned, "**OneMain**"), a Delaware corporation, which completed the initial public offering of its common stock in October 2013.

On November 15, 2015, OMH completed its acquisition of OneMain Financial Holdings, LLC ("**OMFH**") from CitiFinancial Credit Company, a wholly-owned subsidiary of Citigroup Inc., in an all cash transaction pursuant to a Stock Purchase Agreement.

On February 26, 2018, Springleaf Financial Holdings, LLC, a Delaware limited liability company ("**SFH**") sold, in a secondary offering, shares of common stock of OMH that, prior to the sale, had been beneficially owned by AIG Capital Corporation, a subsidiary of American International Group, Inc. ("**AIG**"), which shares of common stock represented approximately 3.0% of the issued and outstanding common stock of OMH as of such date.

In a continuing effort by OMH to streamline its operations and achieve operational efficiencies following the OneMain Acquisition, Springleaf Finance, Inc. ("**SFI**"), a wholly owned direct subsidiary of OMH, entered into a Contribution Agreement on June 22, 2018 (the " **Independence Contribution Agreement**"), with OMFC, a wholly owned direct subsidiary of SFI and a wholly owned indirect subsidiary of OMH, pursuant to which Independence Holdings, LLC ("**Independence**"), a wholly owned direct subsidiary of OMH, was contributed to OMFC.

Under the Independence Contribution Agreement, OMFC acquired as a capital contribution from SFI one thousand (1,000) units of Independence, representing all of the common interests of Independence, on June 22, 2018 (the "**Contribution**"). The Contribution immediately followed the capital contribution by OMH to SFI of Independence pursuant to a separate Contribution Agreement entered into between OMH and SFI on June 22, 2018.

As a result of the Contribution and effective as of June 22, 2018, (i) Independence became a wholly owned direct subsidiary of OMFC and (ii) Independence's direct and indirect subsidiaries, including OMFH, became indirect subsidiaries of OMFC.

As of June 25, 2018, OM Holdings, Inc. ("**OM Holdings**") (which is owned by an investor group led by funds managed by affiliates of Apollo Global Management, LLC ("**Apollo**") and Värde Partners, Inc. ("**Värde**")) in accordance with the terms of the Share Purchase Agreement, dated as of January 3, 2018 (the "**SPA**"), completed its purchase of 54,937,500 shares (the "**Purchased Shares**") of common stock, par value $0.01 per share, of OMH beneficially owned by SFH (which is owned primarily by a private equity fund managed by Fortress Investment Group LLC ("**Fortress**")) (such transaction, the "**Private Sale**"). As of June 25, 2018, the Purchased Shares represented approximately 40.5% of the outstanding common stock of OMH.

As of December 16, 2019, the Apollo-Värde Group informed OMH that it has undertaken to pledge all of its 54,937,500 shares of OMH's common stock pursuant to margin loan agreements and related documentation on a non-recourse basis. The Apollo-Värde Group further informed OMH that the loan to value ratio in connection with the loans on January 30, 2020 was equal to approximately 21.45%. The Apollo-Värde Group informed OMH that the margin loan agreements contain customary default provisions, and in the event of an event of default under the loan agreements, the lenders thereunder may foreclose upon any and all shares of OMH's common stock pledged to them.

When the margin loan agreements were entered into, OMH delivered letter agreements to the lenders in which it has, among other things, made certain representations and warranties and has agreed, subject to certain exceptions, not to take any actions that are intended to hinder or delay the exercise of any remedies by the secured parties under the margin loan agreements and related documentation. Except for the foregoing, OMH is not a party to the margin loan agreements and related documentation and does not have, and will not have, any obligations thereunder.

On September 20, 2019, OMFC entered into a merger agreement with its direct parent, SFI, pursuant to which SFI merged with and into OMFC, with OMFC as the surviving entity. As a result of the merger with SFI, OMFC became a wholly owned direct subsidiary of OMH.

OneMain is a leading consumer finance company providing loan products primarily to non-prime customers. OneMain originates personal loans through its network of approximately 1,500 branch offices in 44 states. OneMain writes credit and non-credit insurance policies covering its customers and the property pledged as collateral for its loans. OneMain also pursues strategic acquisitions of loan portfolios. The majority of OneMain's operations involve decentralized branch-based lending; however, OneMain does maintain centralized support operations.

OMFC, in its capacity as the Servicer, is responsible for ensuring that the Loans are serviced in accordance with the terms of the Servicing Agreement. The Servicer may appoint one or more of subservicers to perform any of Servicer's obligations under the Servicing Agreement from time to time in its sole discretion. The Servicer may terminate the subservicing of the Loans by any subservicer so appointed at any time in its sole discretion. The servicing by the subservicers does not relieve the Servicer from any of its obligations to service the Loans in accordance with the terms and conditions of the Servicing Agreement, and the Servicer is primarily liable for such obligations.

The Servicer may assign part or all of its obligations and duties as Servicer under the Servicing Agreement to another Person, whether or not an Affiliate of the Servicer so long as: (v) such entity shall be an Eligible Servicer as of such assignment; (w) such assignee assumes, by a written agreement, the performance of every covenant and obligation of the Servicer assigned to it; (x) the Servicer shall have caused such assignee to deliver a certificate of an officer of such assignee and an Opinion of Counsel, as to enforceability of the assumption agreement; (y) the Servicer shall have delivered (i) an Opinion of Counsel stating that the assignment is permitted under the applicable provisions of the Servicing Agreement and (ii) if such assignment is made to any entity other than OMFC, a certificate of an officer of the Servicer stating that such assignment will not materially adversely affect the interests of the Noteholders; and (z) (i) if such assignment is made to an Affiliate of the Servicer, the Servicer shall have given the Rating Agency notice of such assignment or (ii) if such assignment is made to a Person other than an Affiliate of the Servicer, the Rating Agency Notice Requirement has been satisfied with respect to such assignment.

Under the 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) if the Servicer is not the surviving entity, such surviving entity expressly assumes, by written agreement, the performance of every covenant and obligation of the Servicer under each Transaction Document to which the Servicer is a party; and

(ii) the Servicer or the surviving or transferee entity, as the case may be, has delivered to the Co-Issuers, the Paying Agent and the Indenture Trustee (A) a certificate of an officer of the Servicer or such entity, as applicable, as to compliance with the foregoing conditions 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 Agency notice of such consolidation, merger or transfer of assets.

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 600 S. 4th Street, MAC N9300-061, Minneapolis, Minnesota 55415.

Under the Back-up Servicing Agreement, the Back-up Servicer performs back-up servicing duties including receiving the monthly pool data, conducting periodic on-site visits, confirming the completeness of certain data on the monthly servicer reports and becoming successor servicer if OMFC is terminated as Servicer for any reason or resigns (other than in connection with an assignment permitted under the terms of the Servicing Agreement), in either case, in accordance with the Servicing Agreement. The Servicer is responsible for indemnifying the Back-up Servicer against specified losses, liabilities or expenses incurred by the Back-up Servicer in connection with the transaction contemplated by the transaction documents. To the extent these indemnification amounts are not paid by the Servicer, they will be payable out of Available Funds as described in "*The 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 Servicing Agreement and the Back-up Servicing Agreement*" in this private placement memorandum.

THE PERFORMANCE SUPPORT PROVIDER

New Residential Investment Corp. ("**NRZ**"), a publicly traded (NYSE: NRZ) Delaware corporation, was formed as a wholly owned subsidiary of Newcastle Investment Corp. in September 2011 and was spun off from Newcastle on May 15, 2013. NRZ focuses primarily on opportunistically investing in, and actively managing, investments related to residential real estate. NRZ has elected to be treated as a real estate investment trust for U.S. federal income tax purposes, commencing with its taxable year ended December 31, 2013.

NRZ will act as the Performance Support Provider under the Performance Support Agreement. In such capacity NRZ is obligated to fulfill the obligations of the Sellers under the Loan Purchase Agreements to the extent a Seller fails to do so.

UNDERWRITING PROCEDURES

All of the loans in the Acquisition Portfolio, including all of the Loans, were originated by HSBC. Since HSBC ceased new origination activity for personal consumer loans in 2009, the following describes the general underwriting procedures formerly used by HSBC to review and extend personal loans.

Underwriting was managed by HSBC on a centralized basis outside the sales organization to ensure consistent decisions according to internal, external and regulatory guidelines. During the ten years preceding the Acquisition Closing Date no lending authority was vested with any branch operations personnel. At the core of the underwriting process was a proprietary credit scoring model. While HSBC sought to leverage its proprietary credit risk and bankruptcy scorecards to make automated decisions, manual underwriting was also an important component of the credit decision process.

PUL loan applications were primarily filtered through a system-generated decision engine based on a proprietary credit risk scoring model which incorporated credit bureau and payment history information, with a small volume of pending approval exceptions being resolved manually by the centralized underwriting team. PULs were also originated by mail through a pre-approved check note loan offer.

PHL loan applications were underwritten by HSBC prior to the extension of credit. PHL underwriting generally included the following:

- review of an independent credit bureau report;

- verification of ownership of the property and any senior mortgage balance;

- evaluation of payment history, which may have been obtained from credit bureau information or may have been obtained in writing or by telephone from the holder of any senior lien; and

- verification of employment which may have included obtaining a W-2 form or pay stub, a minimum of two years of tax returns for self-employed individuals or other written or telephone verification from employers.

At the conclusion of underwriting, a decision was made to accept or reject the application.

For revolving consumer loans, a limit on the amount of credit to be extended to the borrower was assigned based on HSBC's assessment of the borrower's ability to pay. For closed-end consumer loans, the initial loan amount was assigned based on HSBC's assessment of the borrower's ability to pay. Generally, all prospective borrowers were required to have had a debt-to-income ratio of no greater than 50%.

Solicitations of prospective borrowers who had no credit relationship with HSBC for a pre-approved loan were made based upon information obtained through proprietary and acquired databases, including credit history and income levels. The loan amount for a pre approved consumer loan to a borrower with no credit relationship with HSBC was generally established at a lower amount than for a borrower with more complete information available from an in branch application.

Borrowers having an existing relationship with HSBC, and prospective borrowers with no relationship with HSBC, may have received pre-approved consumer loans. These loans were activated by cashing a check enclosed in the notice of pre-approval sent to the borrower. The selection of borrowers that received a pre-approved consumer loan and the amount of the consumer loan was based upon available credit information using the same criteria discussed above with respect to consumer generated applications and prior payment history with HSBC.

SERVICING PROCEDURES

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

Since the end of an interim servicing period on September 1, 2013, all of the Loans have been serviced by either SFI, which is an affiliate of the Servicer, or OneMain Finance Corporation (formerly known as Springleaf Finance Corporation). On and after the Closing Date, the Loans will be serviced by OMFC, in its capacity as Servicer. The following is a brief description of the servicing policies and procedures used by the Servicer as of the Closing Date to service the Loans. Historically, the Servicer has modified its 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 the effectiveness of its servicing. In addition, as the Servicer identifies new processes and tools that may increase the accuracy and effectiveness of the servicing and collection process, the Servicer 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, the Servicer may modify its policies and procedures without Noteholder consent. See "*Risk Factors—Modifications to the Credit and Collection Policy May Result in Changes to the Loans and the Servicing of the Loans*" in this private placement memorandum.

Billing and Payments

The Servicer's personal 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 Servicer's lockbox processing site managed by a national bank. The Servicer may provide borrowers an opportunity to elect to receive their monthly statement electronically in lieu of the traditional paper statement.

In addition to mailing payments to a lockbox, borrowers may also make their payments through the Servicer's website, may choose to have their payments automatically withdrawn via automated clearinghouse (ACH) transfer from their personal bank accounts through the Servicer's "Direct Pay" program, or may utilize the Servicer's "EZ Pay" program which allows them to provide information to the Servicer's collection staff over the phone, allowing such personnel to centrally produce a withdrawal, or initiate an ACH payment, from the customer's personal bank account or debit card. The Servicer also has an established vendor arrangement with PayNearMe that permits personal loan borrowers to make payments on personal loans at certain retailers. Servicer's personal loan borrowers are not permitted to pay using a credit card.

Funds in respect of payments, including payments made via the Servicer's website, are also available in the Servicer concentration account for processing by the second business day following receipt at the payment channel intake point.

Customer Service

The Servicer services the Loans primarily out of its facility in London, Kentucky, a 44,838 square foot facility that was purchased from HSBC on September 1, 2013. The acquisition of the loan servicing facility included the transfer of over 200 employees to the Servicer. As of June 30, 2020, the Servicer employed approximately 383 people at the London, Kentucky facility. The employees in London, Kentucky have extensive servicing experience and expertise. The Servicer intends to continue to provide customer service functions in the London, Kentucky facility. If the Servicer requires additional customer service or collection resources, the Servicer may move a portion of the loans to one of the Servicer's other domestic U.S. facilities. The primary facilities that would be considered for servicing support would be in Evansville, IN or Tempe, AZ. If additional servicing resources are required on a short-term basis, the Servicer has an agreement with a third party service provider for a sustained staff located in offices in California and Tennessee. The service provider has access to the Branch Network and provides servicing on a "first party" basis. This service provider also serves as the emergency servicer in the case of a temporary closure of the London, Kentucky facility.

Collections

Collection strategy is driven by, among other factors, the delinquency status of the borrower, age of delinquency, pay history, current credit bureau attributes of the borrower, and historical payment behavior of the borrower. Over time these will be refined and modified but the core inputs and model-driven collection treatment and roadmaps are expected to form an integral and fundamental framework for collection activity on the Loans.

Delinquency and Loss Mitigation

The delinquency status of a personal loan is determined based on the status of payments made versus the payments due on the loan. Over time, to the extent permitted under applicable law and the Loan Agreements, the Servicer may change the delinquency policy with respect to some or all of the Loans with the objective of improving cash flow to the Co-Issuers. In the event that a personal loan becomes delinquent, the Servicer has several options to provide to the borrower remedy the delinquency including: (i) collection of past due amounts, (ii) settlement for less than the principal balance owed (as described in the following paragraph), (iii) loan modification and (iv) curing of delinquent accounts via a re-age process. All solutions, however, are intended to enable the personal loan customer to meet his or her current and future obligations in a manner that the Servicer believes will not increase the Servicer's risk with respect to such personal loan, will preserve the goodwill between the Servicer and the personal loan customer and will comply with state and federal laws and regulations and the Servicer's policies and procedures.

In certain circumstances, a settlement agreement to accept less than the principal balance owed or to alter the terms of the personal loan may be appropriate action to: (i) resolve small balances remaining on a personal loan due to unpaid late charges or additional interest assessments; (ii) compromise disputes arising from the financing of goods

or services; (iii) avoid potential adverse litigation; or (iv) effect charge-off recovery on a personal loan or limit potential loss on a personal loan. Such a settlement of a personal loan could involve the alteration of various terms of the personal loan (e.g., interest rate, payment schedule, amount paid-to-date, etc.), considering the personal loan account paid in full, or accepting less than full balance owed.

A loan modification may be granted when a borrower experiences an extended hardship. The reason for the hardship is documented and a commitment from the borrower to make reduced payments is obtained. Generally, the interest rate is reduced on the account to 6% and the payment is dropped to 50% of the normal payment. These temporarily modified terms are generally in place for six months but may be extended up to the life of the loan in some limited cases.

In circumstances where a borrower has experienced a temporary hardship which has caused delinquency, but has now established the ability to resume normal monthly payments, the Servicer may employ a "cure" or "re-age" process. A loan re-age is a process to cure a delinquent loan by altering the loan to bring it to a current status. After the receipt of two monthly payments and documentation of the nature of the hardship and its resolution, the Servicer may return the account to a current status. The delinquent payments are added to the end of the loan, in the case of closed-end loan. Accounts are limited to five such cures over a five year period (60 consecutive months).

The Servicer employs account modification, re-aging and other customer account management policies and practices as flexible customer account management tools and the specific criteria employed may vary. In addition, the Servicer continually assesses modification and re-aging criteria and, as such, they have been and continue to be subject to revision or exceptions from time to time. Accordingly, the description of account modification and re-aging policies or practices above is only a general description of the modification and re-aging approach, and there can be no assurance that accounts not meeting these criteria will never be modified or re-aged, that every account meeting these criteria will in fact be modified or re-aged or that these criteria will not change or that exceptions will not be made in individual cases. In addition, in an effort to determine optimal customer account management strategies, management may run tests on some or all accounts for fixed periods of time in order to evaluate the impact of alternative policies and practices.

Enforcement

When a loan is three or more payments past due, a file review is typically completed by a designated employee. This review may include an assessment of previous collection efforts, contacting the personal loan customer to determine whether the customer's financial problems are temporary or long term and an attempt to maintain contact with the customer in order to increase the likelihood of future payments. Certain non-routine collection activities with respect to such past due personal loans may be taken and may include employing third party software to ascertain the location of a borrower, litigation, filing involuntary bankruptcy petitions (or similar actions), and charging-off such past due personal loans. Litigation is generally used only as a last resort after all other collection efforts to cure the delinquency and protect the Servicer's interest in the personal loan are exhausted.

The Servicer has the ability to pursue enforcement litigation as deemed appropriate on an account-by-account basis. The Servicer intends to continue the practice of selling PUL charge-offs due to bankruptcy under the existing forward flow agreement. PHL accounts are actively collected by internal resources in a manner consistent with the collection of defaulted unsecured loans. Sales of the PHL loans may be considered in the future.

Charge-off

Pursuant to the Credit and Collection Policy, the Servicer generally charges off delinquent Loans (i) that became seven (7) or more payments (or such longer period as permitted for certain Loans subject to charge-off exceptions in accordance with the Credit and Collection Policy) past due (as reflected on the records of the Servicer (or any applicable subservicer)), or (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; provided, that determinations of charged-off status with respect to any Loan shall be made as of the last day of the Collection Period in which the event or circumstance giving rise to the charged-off classification occurs.

Recovery

The Servicer employs a combination of internal collection staff to recover on charged-off personal loans. For junior lien PHLs, the Servicer selectively employs outbound collection calls but generally will rely on collection

opportunities resulting from inbound calls from the related borrower seeking to remove the Servicer's lien from borrower's real property. These inbound calls provide opportunity for the Servicer to negotiate a settlement of the loan balance, often at significant discount to the outstanding balance due on the loan.

The Servicer sells PUL charge-offs to third party purchasers, including Loans for which the borrowers have filed for protection under the bankruptcy laws of the United States. The Servicer currently sells such charge-offs to two buyers pursuant to forward flow agreements with fixed pricing for a term of three and twelve months, respectively. The Servicer will be authorized under the Servicing Agreement on behalf of the Co-Issuers and Indenture Trustee to extend the term of such agreements and negotiate the applicable sale price. The Servicer may also terminate such agreements in accordance with their terms, enter into replacement agreements with other buyers, offer charged-off loans for sale in one-off sales, collect the Loans through the Servicer's own collection staff or third party collection agents, file suit against the borrower to enforce the PUL or any combination of the foregoing.

The Servicer employs both active and passive collections for PHL charge-offs. A "passive" collection takes no affirmative action to collect on the account until it receives an inbound call or other communication from the borrower, generally seeking a release of the PHL lien on the borrower's real property. The Servicer uses this opportunity to negotiate a settlement of the account in exchange for a release of the lien. The Servicer actively collects PHL charge-offs through a combination of outbound calls and possibly sales to third party purchasers. These strategies are expected to change over time in response to market conditions.

The Servicer does not foreclose on defaulted PHLs due to the junior lien status of the related mortgage. The Servicer does not intend to monitor the lien status of any mortgage securing a PHL, the delinquency status of any real estate taxes that may be owing on any property underlying a PHL or the status of any property or casualty insurance on such property. Moreover, the Servicer does not intend to foreclose on charged-off PHLs and under the terms of the Servicing Agreement is not obligated to do so. Investors in the Notes should not expect any recovery as a result of any action by the Servicer to recover on any collateral securing any Loan.

Portfolio Management

The Servicer generally suspends access to credit lines when accounts become two payments past due and closes such lines at three payments past due. HSBC historically required fixed minimum payments on revolving accounts at a fixed dollar amounts rather than at percentages of the outstanding balances. The Servicer intends to continue these practices, but has effected certain changes in terms, including changes in minimum payments, line reductions, modifications or waivers of balloon payments and closures on revolving accounts. The Servicer will continue to evaluate changes in terms and intends to evaluate the portfolio periodically for potential line closure, check/draw eligibility, and credit line increase opportunities.

Consent Orders

As publicly announced, in 2011 HSBC entered into a Consent Order with the Federal Reserve Board which governs aspects of mortgage servicing. In addition, under a 2002 Consent Order with the State Attorneys General, HSBC adopted certain servicing practices relating to the PHLs which have generally become standard practices for servicers of loans similar to the PHLs, such as permitting borrowers under open to buy loans to cancel at any time, not charging borrowers prepayment penalties, separately identifying credit insurance premiums on monthly account statements, allocating and disclosing interest shortfall amounts, not unilaterally converting borrowers from bi-weekly to semi-monthly payments and promptly providing payoff information. The requirements of these consent orders have continued to be observed by the Servicer in connection with the servicing of the applicable Loans.

DESCRIPTION OF THE LOANS

General

The Loans consists of certain personal consumer loans originated by the consumer and mortgage lending ("**CML**") business of HSBC Finance Corporation and its subsidiaries (collectively referred to herein as "**HSBC**") prior to February 2009. In February 2009, HSBC discontinued new loan originations for all products in its CML business and placed its personal consumer loan business (among others) into run-off. Since that time HSBC and/or an affiliate of the Servicer or the Servicer have continued to service the Loans.

The Loans consist of the following:

Personal Unsecured Loans ("PULs"). PULs are unsecured revolving or closed-end loans, including small balance loans for retail purchase financing and side loans originated in conjunction with an HSBC secured loan product. PULs also include loans originated by mail through a pre-approved check note loan offer. PUL borrowers typically signed a promissory note; however, pre-approved check note loans distributed via direct mail were evidenced by the signature on the cashed check. Revolving PULs are revolving credit, fixed or variable rate consumer loans that are unsecured. Closed-end PULs are fixed or variable rate consumer loans that are unsecured. The approximate aggregate principal balance of PULs as of the Cut-Off Date is $449,961,366.20, allocated among loan types (fixed rate/variable rate, revolving/closed-end, open-to-buy lines of credit, side loans and check note loans as set forth under "*Description of the Loans—Selected Data*". The average per loan balance of the PULs as of the Cut-Off Date is approximately $5,859.33.

Personal Home Loans ("PHLs"). Typically, PHLs are revolving or closed-end secured loans evidenced by a mortgage or deed of trust filed against the borrower's home. PHLs typically have original terms of 120 to 240 months and are generally subordinate home loans with high (100 percent or more) combined loan-to-value ratios which HSBC underwrote, priced and has serviced like unsecured loans (apart from sending the yearly tax statement of interest paid and providing the RESPA hello/goodbye notice). No independent appraisals of property value were obtained. No title insurance was obtained to insure HSBC's interest in the property. Because an appraisal or title insurance was not required to be obtained with respect to PHLs, applications for these loans were underwritten using guidelines for unsecured consumer loans. Because recovery upon foreclosure is viewed as unlikely after satisfying senior liens and paying the expenses of foreclosure, the Servicer does not consider the collateral as a source for repayment in the establishment of credit loss reserves. In connection with the acquisition of the PHLs by the Sellers and the Seller Loan Trustees, HSBC agreed to cooperate with the Sellers and the Seller Loan Trustees in PHL lien administration for a reasonable period of time, including providing a limited scope, temporary power of attorney to the Sellers and the Seller Loan Trustees. That temporary power of attorney has now terminated with, and the Servicer has recorded assignments of the associated mortgages in order to enable it to perform lien administration. Revolving PHLs are revolving credit, fixed or variable rate consumer loans that are secured in whole, or in part, by the borrower's home. Closed-end PHLs are fixed or variable rate consumer loans that are secured in whole, or in part, by the borrower's home. The approximate aggregate principal balance of PHLs as of the Cut-Off Date is $213,086,348.62, allocated among loan types as set forth "*Description of the Loans—Selected Pool Data*". The average per loan balance of the PHLs as of the Cut-Off Date is approximately $12,423.41.

Revolving Loan Terms. Approximately $560 million, or 84.50% of the aggregate principal balance of the Loans, as of the Cut-Off Date were originated as revolving loans. Approximately $315 million, or 47.53%, of the aggregate principal balance of the Loans as of the Cut-Off Date, have approximately $263 million open to buy ("OTB") on the credit line. Approximately $245 million or 36.97% of the aggregate principal balance of the Loans as of the Cut-Off Date were originated as revolving loans but currently no longer have the ability to make draws.

These Revolving Loans and OTB lines, generally, do not have expiration dates. Certain Revolving Loans have terms of 60, 84, 120 or 180 months. Payment and term are recalculated at the time of each advance. Other revolving loans have a 15 year balloon period after which the amount of the loan is due in full. The Servicer generally does not enforce the balloon payment, allowing borrowers to continue to pay and maintain the credit line. Typically, liens were filed for revolving PHLs with a term of 15 years. Borrowers access a revolving consumer loan by completing and cashing a check issued by the Servicer. SFI in its capacity as servicer sent checks with the "welcome packages" upon transfer of serving from HSBC, and the Servicer does not plan to proactively issue additional checks.

The Servicer may issue additional checks to some borrowers upon request. The Servicer reserves the right to refuse to issue new checks or the payment of previously issued checks in accordance to applicable laws.

Except in certain circumstances related to collection and modification efforts, the "minimum monthly payment" for a majority of the revolving consumer loans is the greatest of:

- a specified percentage of the principal balance of the revolving consumer loan, plus administrative charges (including currently payable late charge fees, bad check fees and other fees), and credit insurance charges;
- a designated minimum dollar amount, which is generally $25, plus administrative charges and credit insurance charges;
- the amount of accrued interest during the related billing cycle plus administrative charges and credit insurance charges; and
- the amount of the annual fee assessed on the revolving consumer loan.

In some instances, however, the minimum monthly payment may exceed the formula set forth above.

Principal amounts may be drawn from time to time. The amount drawn may equal the credit limit of the revolving consumer loan, and in certain cases may exceed the credit limit. For revolving consumer loans, the consumer's right to make additional draws can be suspended at any time, subject to applicable law.

The borrower(s) is (are) notified of the suspension or cancellation in writing within the stipulated time along with the specific reason for the action taken.

Except for any amortization of principal which may occur as a result of the required minimum monthly payments, there are no required payments of principal, except that the outstanding principal amount of revolving PHLs will be due at maturity. The maturity of revolving PHLs is generally 15 years from origination. Revolving PULs generally do not have a maturity date and accounts where the monthly minimum payment has not been fixed generally will not fully amortize during the life of the borrowers. The Servicer has identified these loans and will make minimum payment calculation adjustments so the accounts amortize within a reasonable expected time frame. Upon the death of any borrower with respect to such a revolving consumer loan, the principal balance may be accelerated; however, payments may continue to be accepted on a revolving consumer loan. Except as provided under state law, the variable rate revolving consumer loans have no periodic interest rate adjustment caps.

Closed End Loan Terms. The Closed End Loans are fixed and variable rate, fully-amortizing consumer loans and generally provide for level payments of principal and interest.

Interest for closed-end consumer loans is generally calculated using simple interest, schedule to schedule or a pre-computed method (such as Rule of 78's or actuarial) which provides for fixed monthly payments of principal and interest. These interest calculations were determined at origination of the loan.

Each monthly payment for a simple interest closed-end consumer loan consists of an installment of interest which is calculated on the basis of the outstanding principal balance of the consumer loan multiplied by the applicable monthly interest rate and further multiplied by a fraction as described by one of the following examples:

- 30/360 day;
- actual/365 days —actual number of days in month (28, 29, 30 or 31) (divisor is 366 days in a leap year); or
- 358/367 —interest is calculated from the date of the last payment; each full calendar month since the last payment is counted as 30 days, and then any additional calendar days (less than a full month) are added, the resulting number of days is divided by 365.

Payments on a borrower's account will generally be applied to the extent available in the following order in accordance with state law and the loan contract:

- *first*, to late charges;
- *second*, to interest accrued since the last payment date;
- *third*, to current principal due;
- *fourth*, to any monthly insurance premiums; and
- *fifth*, to further reduce the unpaid principal balance.

Generally, funds are applied in payment of any outstanding fees and charges as well as interest accrued and unpaid from prior collection periods only after funds are applied to pay all current accrued interest and all outstanding, unpaid principal. In accordance with the terms of its 2002 Consent Order with the State Attorneys General, HSBC agreed, with regard to its PHL simple interest loans, to allocate all interest shortfall amounts into a deferred account that borrowers may pay down during the loan term or after they have paid off the principal amount of the loan. This deferred interest account cannot incur interest. This requirement with regard to interest shortfall amounts is binding on the Sellers and the Co-Issuers, as purchasers of any affected Loans. In certain states, the payment allocation priority will differ with respect to late charges, monthly insurance premiums and other outstanding fees and charges. The allocation priority will differ if the amounts due on a prior payment date (other than interest) remain unpaid.

Selected Loan Data

The following tables set forth certain characteristics of the Loans as of the Cut-Off Date (percentages are based on the aggregate principal balance of the loans). The balances and percentages may not be exact due to rounding.

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Composition of the Loans as of the Cut-Off Date

	Aggregate Loans	PUL Loans	PHL Loans
Current Aggregate Principal Balance ($)	663,047,714.82	449,961,366.20	213,086,348.62
Percentage of Current Principal Balance	100.00%	67.86%	32.14%
Number of Loans	93,946	76,794	17,152
Average Principal Balance ($)	7,057.75	5,859.33	12,423.41
Range of Principal Balances ($)	0 to 91,194.34	0 to 24,323.04	0 to 91,194.34
Percentage by Principal Balance of PULs	67.86%	100.00%	0.00%
Percentage by Principal Balance of PHLs	32.14%	0.00%	100.00%
Aggregate Original Balance ($)	1,205,247,966.74	789,050,034.88	416,197,931.86
Average Original Balance ($)	12,829.16	10,274.89	24,265.27
Range of Original Principal Balances ($)	0 to 48,999.88	0 to 30,000.00	2,500 to 48,999.88
Aggregate Credit Limit on Revolving Loans ($)(1)	579,641,703.00	508,641,257.00	71,000,446.00
Aggregate Open to Buy on Revolving Loans($)(1)	263,353,631.11	236,447,507.74	26,906,123.37
Percentage of Revolving Loans(2)	49.83%	62.59%	22.90%
Percentage of Closed-End Loans(3)	50.17%	37.41%	77.10%
Weighted Average Coupon	17.393%	19.727%	12.465%
Range of Coupons	0 to 37.65%	0 to 37.65%	0 to 28.15%
Percentage by Principal Balance of Fixed Rate Loans	87.70%	83.34%	96.90%
Percentage by Principal Balance of Variable Rate Loans	12.30%	16.66%	3.10%
Weighted Average Margin on Variable Loans(4)	15.79%	16.06%	12.76%
Weighted Average Ceiling on Variable Loans(4)	24.50%	24.84%	22.00%
Weighted Average Floor on Variable Loans(4)	11.01%	13.89%	9.98%
Weighted Average Months Since Origination	187	187	185
Range of Months Since Origination	133 to 521	133 to 521	151 to 340
Non-Zero Weighted Average Current FICO Score(5)	677	680	669
Range of Current FICO Scores(6)	441 to 850	447 to 850	441 to 850
Percentage by Principal Balance of Revolving Loans(7)	49.76%	62.51%	22.83%
Percentage by Principal Balance of Closed-end Loans(8)	48.61%	35.73%	75.79%
Percentage by Principal Balance of Non-Performing Loans(9)	1.64%	1.76%	1.38%
EZ Pay Percentage(10)	20.69%	22.53%	16.81%
Top 5 State Concentration			
	NC (12.43%)	NC (10.44%)	NC (16.64%)
	PA (8.20%)	PA (7.65%)	PA (9.36%)
	NY (6.64%)	FL (7.02%)	NY (9.35%)
	OH (6.62%)	OH (6.47%)	OH (6.93%)
	FL (6.17%)	NY (5.36%)	MI (4.68%)

(1) Statistics shown for revolving loans with open credit limit status

(2) Statistics shown for revolving loans with open credit limit status as of the Cut-Off Date

(3) Statistics shown for all closed-end loans as well as any revolving loans with cancelled or suspended credit limit status as of the Cut-Off Date

(4) Excludes variable interest rate accounts where the rate information is unavailable

(5) FICO Scores are shown for portfolio comparative purposes only using FICO Scores obtained by OMFC as of May 2020

(6) Excludes FICO Scores that are unavailable

(7) Statistics shown for revolving loans that are not 90+ Days Past Due

(8) Statistics shown for closed-end loans that are not 90+ Days Past Due

(9) Statistics shown for loans that are 90+ Days Past Due

(10) Enrolled in EZ Pay as of the Cut-Off Date

Distribution of the Loans by Current Principal Balance Range as of the Cut-Off Date

(Percentages may not add to 100.00% due to rounding)

Current Principal Balance ($)	Number of Loans	Percentage of Number of Loans (%)	Current Aggregate Principal Balance ($)	Percentage of Current Aggregate Principal Balance (%)
Zero Balance	8,818	9.39	0.00	0.00
0.01 to 2,500.00	13,458	14.33	17,231,438.08	2.60
2,500.01 to 5,000.00	17,736	18.88	67,211,311.36	10.14
5,000.01 to 7,500.00	17,240	18.35	107,229,450.89	16.17
7,500.01 to 10,000.00	13,805	14.69	119,803,327.24	18.07
10,000.01 to 12,500.00	8,420	8.96	94,213,089.16	14.21
12,500.01 to 15,000.00	6,926	7.37	95,022,621.62	14.33
15,000.01 to 20,000.00	4,292	4.57	74,875,279.75	11.29
20,000.01 to 25,000.00	1,652	1.76	36,999,599.11	5.58
25,000.01 to 30,000.00	810	0.86	22,193,168.97	3.35
30,000.01 to 35,000.00	454	0.48	14,709,395.58	2.22
35,000.01 to 40,000.00	189	0.20	7,027,463.65	1.06
40,000.01 to 45,000.00	122	0.13	5,222,319.28	0.79
45,000.01 to 50,000.00	8	0.01	379,757.92	0.06
50,000.01 or Greater	16	0.02	929,492.21	0.14
Total:	**93,946**	**100.00**	**663,047,714.82**	**100.00**

Distribution of the Loans by Original Principal Balance Range as of the Cut-Off Date

(Percentages may not add to 100.00% due to rounding)

Original Principal Balance ($)	Number of Loans	Percentage of Number of Loans (%)	Current Aggregate Principal Balance ($)	Percentage of Current Aggregate Principal Balance (%)
Zero Balance	776	0.83	4,373,798.29	0.66
0.01 to 2,500.00	1,339	1.43	5,151,623.28	0.78
2,500.01 to 5,000.00	6,647	7.08	27,335,998.24	4.12
5,000.01 to 7,500.00	13,705	14.59	60,650,821.55	9.15
7,500.01 to 10,000.00	24,675	26.27	125,189,228.64	18.88
10,000.01 to 12,500.00	10,944	11.65	65,424,609.20	9.87
12,500.01 to 15,000.00	15,955	16.98	119,568,114.44	18.03
15,000.01 to 20,000.00	9,564	10.18	94,383,372.16	14.23
20,000.01 to 25,000.00	2,718	2.89	33,220,064.51	5.01
25,000.01 to 30,000.00	2,586	2.75	35,918,986.98	5.42
30,000.01 to 35,000.00	2,216	2.36	38,041,708.32	5.74
35,000.01 to 40,000.00	1,437	1.53	23,437,706.54	3.53
40,000.01 to 45,000.00	679	0.72	16,409,430.95	2.47
45,000.01 to 50,000.00	705	0.75	13,942,251.72	2.10
Total:	**93,946**	**100.00**	**663,047,714.82**	**100.00**

Distribution of the Loans by Current Credit Limit Range as of the Cut-Off Date

(Percentages may not add to 100.00% due to rounding)

Current Credit Limit ($)	Number of Loans	Percentage of Number of Loans (%)	Current Aggregate Principal Balance ($)	Percentage of Current Aggregate Principal Balance (%)
Not Applicable[1]	42,328	45.06	346,125,518.19	52.20
0.01 to 2,500.00	760	0.81	571,529.10	0.09
2,500.01 to 5,000.00	3,884	4.13	7,582,146.35	1.14
5,000.01 to 7,500.00	7,468	7.95	23,429,121.99	3.53
7,500.01 to 10,000.00	12,051	12.83	55,526,855.65	8.37
10,000.01 to 12,500.00	8,161	8.69	48,447,836.32	7.31
12,500.01 to 15,000.00	13,646	14.53	108,915,216.73	16.43
15,000.01 to 20,000.00	4,175	4.44	43,819,550.95	6.61
20,000.01 to 25,000.00	605	0.64	8,476,551.85	1.28
25,000.01 to 30,000.00	342	0.36	6,530,155.33	0.98
30,000.01 to 35,000.00	328	0.35	7,542,294.27	1.14
35,000.01 to 40,000.00	64	0.07	1,653,157.84	0.25
40,000.01 to 45,000.00	134	0.14	4,427,780.25	0.67
Total:	**93,946**	**100.00**	**663,047,714.82**	**100.00**

[1] Loans categorized as Not Applicable include loans originated as closed-end loans, as well as loans originated as revolving loans with a credit line equal to zero as of the Cut-Off Date.

Distribution of the Loans by Revolving Account Status as of the Cut-Off Date (Revolving Loans Only)

(Percentages may not add to 100.00% due to rounding)

Revolving Account Status	Number of Loans	Percentage of Number of Loans (%)	Current Aggregate Principal Balance ($)	Percentage of Current Aggregate Principal Balance (%)
Open[(1)]	53,480	62.91	330,413,296.78	58.97
Cancelled	31,524	37.09	229,882,582.17	41.03
Total:	**85,004**	**100.00**	**560,295,878.95**	**100.00**

[(1)] Open revolving account status includes loans with open or suspended credit lines

Distribution of the Loans by Coupon Range as of the Cut-Off Date

(Percentages may not add to 100.00% due to rounding)

Range of Coupons (%)	Number of Loans	Percentage of Number of Loans (%)	Current Aggregate Principal Balance ($)	Percentage of Current Aggregate Principal Balance (%)
Less than or equal to 8.000	7,041	7.49	67,350,766.27	10.16
8.001 to 10.000	1,550	1.65	11,821,101.52	1.78
10.001 to 12.000	5,249	5.59	50,054,816.74	7.55
12.001 to 14.000	4,286	4.56	54,558,718.62	8.23
14.001 to 16.000	5,026	5.35	58,841,155.83	8.87
16.001 to 18.000	20,576	21.90	129,044,861.84	19.46
18.001 to 20.000	7,755	8.25	48,329,590.27	7.29
20.001 to 22.000	12,867	13.70	77,142,755.48	11.63
22.001 to 24.000	15,967	17.00	99,019,876.12	14.93
24.001 to 26.000	5,440	5.79	28,902,826.61	4.36
26.001 to 28.000	2,566	2.73	14,340,024.18	2.16
28.001 to 30.000	5,282	5.62	22,230,925.84	3.35
30.001 or Greater	341	0.36	1,410,295.50	0.21
Total:	**93,946**	**100.00**	**663,047,714.82**	**100.00**

Distribution of the Loans by Interest Rate Type as of the Cut-Off Date
(Percentages may not add to 100.00% due to rounding)

Interest Rate Type	Number of Loans	Percentage of Number of Loans (%)	Current Aggregate Principal Balance ($)	Percentage of Current Aggregate Principal Balance (%)
Fixed	80,015	85.17	581,460,916.19	87.70
Variable	13,931	14.83	81,586,798.63	12.30
Total:	**93,946**	**100.00**	**663,047,714.82**	**100.00**

Distribution of the Loans by Current FICO Scores as of the Cut-Off Date
(Percentages may not add to 100.00% due to rounding)

Current FICO Scores[(1)]	Number of Loans	Percentage of Number of Loans (%)	Current Aggregate Principal Balance ($)	Percentage of Current Aggregate Principal Balance (%)
Not Available	1,839	1.96	15,486,901.97	2.34
400 to 449	4	0.00[(2)]	74,441.07	0.01
450 to 499	209	0.22	2,087,546.62	0.31
500 to 549	2,334	2.48	21,786,302.92	3.29
550 to 599	7,215	7.68	64,309,385.54	9.70
600 to 649	14,526	15.46	118,071,647.58	17.81
650 to 699	24,492	26.07	182,855,135.76	27.58
700 to 749	26,794	28.52	181,047,783.26	27.31
750 to 799	12,405	13.20	64,197,305.73	9.68
800 or Greater	4,128	4.39	13,131,264.37	1.98
Total:	**93,946**	**100.00**	**663,047,714.82**	**100.00**

(1) NextGen FICO Scores, as of May 2020
(2) Less than 0.005% but greater than zero

Distribution of the Loans by Month Since Origination Range as of the Cut-Off Date

(Percentages may not add to 100.00% due to rounding)

Months Since Origination[(1)]	Number of Loans	Percentage of Number of Loans (%)	Current Aggregate Principal Balance ($)	Percentage of Current Aggregate Principal Balance (%)
Less than or equal to 150	10,036	10.68	55,146,975.47	8.32
151 to 155	4,253	4.53	28,569,225.72	4.31
156 to 160	8,220	8.75	61,114,181.08	9.22
161 to 165	8,079	8.60	60,422,300.50	9.11
166 to 170	9,641	10.26	71,263,717.20	10.75
171 to 175	7,470	7.95	55,513,656.27	8.37
176 to 180	7,186	7.65	54,552,311.22	8.23
181 to 185	5,934	6.32	47,001,563.08	7.09
186 to 190	4,784	5.09	34,499,451.40	5.20
191 to 195	4,250	4.52	32,348,447.26	4.88
196 to 200	2,612	2.78	19,197,882.71	2.90
201 or Greater	21,481	22.87	143,418,002.91	21.63
Total:	**93,946**	**100.00**	**663,047,714.82**	**100.00**

[(1)] Month since origination is calculated as the current age of the loan since origination or since last re-age, if applicable

Distribution of the Loans by State as of the Cut-Off Date

(Percentages may not add to 100.00% due to rounding)

Top 15 States	Number of Loans	Percentage of Number of Loans (%)	Current Aggregate Principal Balance ($)	Percentage of Current Aggregate Principal Balance (%)
North Carolina	9,948	10.59	82,422,469.84	12.43
Pennsylvania	7,020	7.47	54,340,857.33	8.20
New York	6,146	6.54	44,039,226.34	6.64
Ohio	5,752	6.12	43,906,706.32	6.62
Florida	6,620	7.05	40,911,835.12	6.17
Michigan	3,905	4.16	28,838,020.33	4.35
Illinois	4,035	4.30	27,682,132.51	4.17
Indiana	3,900	4.15	27,585,035.34	4.16
California	4,452	4.74	24,661,017.73	3.72
Virginia	2,945	3.13	19,809,621.93	2.99
Maryland	2,918	3.11	19,118,123.42	2.88
Tennessee	3,011	3.21	18,904,444.52	2.85
Georgia	2,338	2.49	17,310,495.52	2.61
Texas	2,138	2.28	15,544,860.72	2.34
Massachusetts	2,476	2.64	15,142,789.88	2.28
Other[(1)]	26,342	28.04	182,830,077.97	27.57
Total:	**93,946**	**100.00**	**663,047,714.82**	**100.00**

[(1)] No other state makes up more than 2.05% of the current aggregate principal balance.

Distribution of the Loans by Days Past Due Range as of the Cut-Off Date

(Percentages may not add to 100.00% due to rounding)

Days Past Due	Number of Loans	Percentage of Number of Loans (%)	Current Aggregate Principal Balance ($)	Percentage of Current Aggregate Principal Balance (%)
0 to 29	90,792	96.64	636,537,081.17	96.00
30 to 59	1,168	1.24	9,906,889.31	1.49
60 to 89	691	0.74	5,753,405.93	0.87
90 to 119	450	0.48	3,652,533.91	0.55
120 to 149	405	0.43	3,348,489.10	0.51
150 or Greater	440	0.47	3,849,315.40	0.58
Total:	**93,946**	**100.00**	**663,047,714.82**	**100.00**

Distribution of the Loans by EZ Pay Status as of the Cut-Off Date

(Percentages may not add to 100.00% due to rounding)

EZ Pay Status	Number of Loans	Percentage of Number of Loans (%)	Current Aggregate Principal Balance ($)	Percentage of Current Aggregate Principal Balance (%)
Not Activated	72,695	77.38	525,841,842.53	79.31
Activated	21,251	22.62	137,205,872.29	20.69
Total:	**93,946**	**100.00**	**663,047,714.82**	**100.00**

Distribution of the Loans by Origination Year as of the Cut-Off Date

(Percentages may not add to 100.00% due to rounding)

Origination Year	Number of Loans	Percentage of Number of Loans (%)	Current Aggregate Principal Balance ($)	Percentage of Current Aggregate Principal Balance (%)
Pre-2000	8,854	9.42	52,562,466.84	7.93
2000	1,582	1.68	11,598,600.76	1.75
2001	2,303	2.45	15,179,671.44	2.29
2002	3,928	4.18	29,046,144.28	4.38
2003	5,250	5.59	37,987,302.96	5.73
2004	9,625	10.25	70,847,262.98	10.69
2005	14,705	15.65	113,796,209.32	17.16
2006	20,846	22.19	154,525,989.40	23.31
2007	16,188	17.23	118,408,958.49	17.86
2008	8,999	9.58	49,521,356.62	7.47
2009	1,666	1.77	9,573,751.73	1.44
Total:	**93,946**	**100.00**	**663,047,714.82**	**100.00**

Assignment of Loans; Representations and Warranties; Repurchase Obligations

On the Acquisition Closing Date each Seller and its related Seller Loan Trustee sold beneficial interest in and legal title to, respectively, a portfolio of loans owned by such Seller and its related Seller Loan Trustee, together with certain related assets, as the same existed at March 31, 2013, to the related Co-Issuer and its Loan Trustee pursuant to a Loan Purchase Agreement. The portfolio of loans and related assets sold by each Seller on the Acquisition Closing Date included the Loans owned by such Seller and Seller Loan Trustee together with all of such Seller's and such Seller Loan Trustee's right, title and interest in, to, and under the following assets, as the same existed at March 31, 2013 (collectively with the Loans, the "**Purchased Assets**"):

(i) all right, title and interest of such Seller and/or such Seller Loan Trustee (A) in and to the Loan Documents and the Loan Files for all Loans, (B) to receive, collect and retain loan payments and certain fees relating to the Loans that are unpaid as of the Acquisition Closing Date, (C) to service the Loans and (D) subject to the receipt of the "Credit Insurance Consents" as defined under the Portfolio Loan Purchase Agreement, as the beneficiary under any credit insurance policy relating to a Loan;

(ii) rights under the Portfolio Loan Purchase Agreement, each Credit Insurance ASA and the Forward Flow Agreements to the extent relating to the Loans and under the group master policies for credit insurance to the extent related to the Loans;

(iii) all causes of action, lawsuits, judgments, refunds, choses in action, rights of recovery, rights of setoff, rights of recoupment, demands and any other rights or claims of any nature, whether arising by way of counterclaim or otherwise, available to the Seller and/or the Seller Loan Trustee related to any Purchased Asset;

(iv) all guaranties, warranties, indemnities and similar rights in favor of such Seller and/or such Seller Loan Trustee to the extent related to any Purchased Assets; and

(v) all proceeds of the foregoing;

provided, that (except as noted below) such sale did not constitute and was not intended to result in the creation of or an assumption by any Co-Issuer, any Loan 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 (except that (x) each Co-Issuer has assumed, and engaged the Servicer to perform, the applicable Seller's obligations under each applicable Credit Insurance ASA to perform the administration, servicing, billing, collecting and reporting functions and (y) SpringCastle Finance Funding, LLC has assumed the obligation to make advances under the Revolving Loans).

The price paid by each Co-Issuer to the respective Seller on the Acquisition Closing Date for the portfolio of loans and related assets, including the Purchased Assets, was not (in the opinion of the applicable Co-Issuer) materially less favorable to the applicable Co-Issuer 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, including any Loan included in the Purchased Assets, the "**Purchase Price**").

Repurchase Obligations

Upon discovery by the Indenture Trustee (which shall be deemed to occur when the Indenture Trustee receives written notice thereof) or the Co-Issuer party thereto of a breach of any of the Loan Level Representations (described below) made by the applicable Seller in a Loan Purchase Agreement in respect of any Loan which materially adversely affects the interests of the Noteholders in such Loan (it being understood that a breach or alleged breach of representations and warranties set forth in clauses (7), (16), (24), (25), (26), (29), (7a), (16a), (24a), (25a), (26a) and (29a) below with respect to any Loan will not be deemed a breach that materially adversely affects the interests of the Noteholders unless such breach actually prevents or materially delays realization under the Loan

Agreement for such Loan through applicable loss mitigation activities), such party will give written notice of such breach to such Seller and to the Co-Issuer party thereto and the Indenture Trustee. The related Seller will have thirty (30) 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 thirty-day period expires (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 (i) the product of (a) the Loan Principal Balance of such Loan as of the time of repurchase and (b) the Applicable Purchase Percentage for such Loan, plus (ii) any out-of-pocket costs incurred by the related Co-Issuer in connection with such repurchase.

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—NRZ's Financial Strength May Affect Its Ability to Perform Its Obligations as the Performance Support Provider*" 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 Level Representations.

Each Seller will permit the Co-Issuers and their 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 related Co-Issuer 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 issuance of the Notes.

On the Closing Date, each Seller will deliver or cause to be delivered to the related Co-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 previously sold by such Seller that remain outstanding as of the Cut-Off Date and that constitute Loans.

In connection with the sale of the loans and related assets on the Acquisition Closing Date each Seller made various representations and warranties with respect to each loan sold by it to the related Co-Issuer on the Acquisition Closing Date. On the Closing Date, each Seller will make to the related Co-Issuer with respect to each Loan as of the Cut-Off Date certain representations and warranties, the majority of which reaffirm as of the Cut-Off Date, with certain technical adjustments made necessary by the passage of time, the representations and warranties made on the Acquisition Closing Date. Such representations and warranties, which are set forth below, are referred to herein as the "**Loan Level Representations**."

1. The information concerning the Loan contained in the 2020-A Loan Schedule is true and correct in all material respects as of the Closing Date (except as otherwise set forth in the 2020-A Loan Schedule). Except as otherwise indicated thereon, no credit score listed on the 2020-A Loan Schedule is more than 180 days old as of the Closing Date.

2. Following the sale of the interests of the Seller and its Seller Loan Trustee in a Loan to the Co-Issuer and its Loan Trustee on the Acquisition Closing Date, and as of the Closing Date, the Co-Issuer, together with its Loan Trustee, hold such Loan free and clear of any encumbrance, equity, participation interest, lien, pledge, charge, claim (including, but not limited to, any preference or fraudulent transfer claim), or security interest except any such interest created

pursuant to or in accordance with the terms of the Loan Purchase Agreement, the Indenture and other Transaction Documents.

3. The delivery by the Seller and by the Seller Loan Trustee of the Loan Purchase Agreement to the Co-Issuer and its Loan Trustee on the Acquisition Closing Date (i) vested in the Co-Issuer and its Loan Trustee sole and exclusive ownership of all of the related Loans free and clear of any Lien of any Person claiming through or under the Seller and in compliance with all Requirements of Law applicable to the Seller and (ii) constituted a valid assignment of the entire interest of the Seller and of the Seller Loan Trustee in the related Loan, enforceable in all respects in accordance with its terms, except as enforceability may be limited by (i) bankruptcy, insolvency, liquidation, receivership, moratorium or other similar laws affecting the enforcement of the rights of creditors and (ii) general principles of equity, whether enforcement is sought in a proceeding in equity or at law.

4. With respect to each Loan, on the Acquisition Closing Date, each Loan Agreement and the respective interests of Seller and of the Seller Loan Trustee therein were freely assignable and such Loan Agreement did not require the approval or consent of any related Loan Obligor or any other Person that was not obtained to effectuate the valid assignment of the same in favor of the Co-Issuer and its Loan Trustee.

5. All consents, licenses, approvals, or authorizations of or registrations or declarations with, any Governmental Authority that were required in connection with the Seller's sale of each Loan to the Co-Issuer and its Loan Trustee on the Acquisition Closing Date were obtained or made by the Seller and are fully effective.

6. No transfer of any Loan to the Co-Issuer and its Loan Trustee on the Acquisition Closing Date was made with intent to hinder, delay or defraud any of the Seller's creditors.

7. With respect to each PHL, the related mortgage is a valid, subsisting, enforceable, and perfected junior lien on all of the mortgaged property, subject only to the following permitted encumbrances; (A) (1) rights arising under the Loan Purchase Agreement and the Indenture and (2) liens of any mortgage senior to the related mortgage and liens for real estate taxes and special government assessments not yet due and payable, (3) covenants, conditions and restrictions, rights of way, easements and other matters of public record as of the date of recording of the mortgage, such exceptions appearing of record being reasonably acceptable to mortgage lending institutions generally or specifically reflected in the appraisal made in connection with the origination of the PHL and (4) other matters to which like properties are commonly subject which do not, individually or in the aggregate, materially interfere with (x) the benefits of the security intended to be provided by the mortgage, (y) the use, enjoyment, value or marketability of the related mortgaged property; or (z) the full right and authority to assign and transfer each PHL, including the servicing rights relating thereto, and (B) other exceptions that are customarily acceptable to lending institutions generally and do not affect the value or marketability of the mortgaged property or otherwise materially impair the PHL; provided, that if the substance of the breach of this representation results solely in an inability to foreclose on the related Mortgaged Property, this representation will be deemed not to have been breached.

8. Each PUL arises from or in connection with a bona fide sale or loan transaction (including any amounts in respect of finance charges, annual fees and other charges and fees assessed on any such PUL).

9. Each Loan Agreement with respect to each Loan is the legal, valid and binding obligation of (x) the Seller, subject to the interest therein of the Seller Loan Trustee, and (y) the related Loan Obligor and any guarantor or co-signer named therein, in each case enforceable in accordance with its terms (except as enforceability may be limited by Debtor Relief Laws or general principles of equity), and, to the Seller's knowledge, is not subject to offset, recoupment,

adjustment or any other claim or defense; provided, that, with respect to each PHL, if the substance of the breach of this representation results solely in an inability to foreclose on the related mortgaged property, this representation will be deemed to not be in breach.

10. Except as indicated in the 2020-A Loan Schedule or other than with respect to payment deferrals, (A) there is no material agreement or arrangement as to any Loan with any Loan Obligor regarding any variation of monthly payments, finance charges, schedules of payment, or other charges due under any Loan, (B) no Loan Obligor has been released from its liability or obligations under any Loan, in whole or in part, and (C) with respect to each PHL, no mortgaged property has been released from such and (D) none of the terms of any Loan have been otherwise impaired, amended, altered or modified in any way except, during the period after the Acquisition Closing Date when such Loan was serviced by OneMain Finance Corporation (formerly known as Springleaf Finance Corporation, successor by merger to Springleaf Finance, Inc.) in its capacity at such time as servicer, on an individual basis in accordance with the Credit and Collection Policy relating to the Loans sold by such Seller as in effect on the date of such amendment.

11. With respect to each Loan, the related Loan Agreement and all related documents comply in all material respects with all Requirements of Law.

12. With respect to each PHL, any and all Requirements of Law, including, without limitation, usury, truth in lending, real estate settlement procedures, consumer credit protection, predatory and abusive lending laws, equal credit opportunity, fair housing and disclosure laws or unfair and deceptive practices laws applicable to the origination and servicing of mortgage loans of a type similar to the PHL including, without limitation, any provisions relating to prepayment penalties, have been complied with in all material respects and the consummation of the transactions contemplated hereby will not involve the violation of any such laws or regulations.

13. The servicing and collection practices used by any servicer with respect to each PHL have been in all material respects in compliance with the terms of the related mortgage note.

14. Each PHL was originated and has been serviced in compliance in all material respects with applicable Requirements of Law, including without limitation HOEPA or any state "high cost" law, that could impair the validity of the related PHL.

15. With respect to each PHL, to the Seller's knowledge, there is no pending action or proceeding directly involving the mortgaged property in which compliance with any environmental law, rule, or regulation is at issue.

16. With respect to each Loan (i) each of HSBC, any originator other than HSBC, any prior owner of the Loan and any servicer of the Loan, as applicable, has performed all obligations required to be performed by it to date under the related Loan Agreement, and all actions of the Seller prior to the Closing Date have been in compliance, in all material respects, with the related Loan Agreements, (ii) the Seller is not in default under the related Loan Agreement, (iii) it complies in all material respects with the applicable Loan Agreement, and (iv) except as disclosed on the 2020-A Loan Schedule, no event has occurred under the related Loan Agreement that, with the lapse of time or action by the applicable Loan Obligor or any third party, is reasonably likely to result in a material default under any of the related Loan Agreement.

17. The Seller and each of HSBC, any originator other than HSBC, any prior owner of the PUL and any servicer of the PUL have complied with all applicable Requirements of Law with respect to the origination, acquisition, ownership and servicing of the PUL and the disclosures in respect thereof including any change in the terms of any PUL. The interest rates, fees, charges and other terms in connection with each PUL complies, in all material respects, with all Requirements of Law.

18. Any single premium credit insurance policy related to the Loan is in compliance in all material respects with applicable Requirements of Law.

19. Each of HSBC, any originator other than HSBC, any prior owner of the Loan and any servicer of the Loan is (or, during the period in which it held and disposed of an interest in the Loan or engaged in any activity with respect to the Loan, was) duly licensed or approved and validly authorized under applicable law to originate, own, service, hold its interest in, or engage in activities with respect to such Loan, or was exempt from such licensing or approval requirements.

20. No fraud, misrepresentation, material error or omission or gross negligence has taken place with respect to any Loan on the part of the Seller or the Servicer.

21. No Loan has been satisfied, cancelled or rescinded in whole or in part.

22. With respect to each PHL, the Mortgage is the legal, valid and binding obligation of the maker thereof is free from all claims, defenses, rights of rescission, any discount, allowance, set-off counterclaim, bankruptcy or other defenses or contingent liability which could adversely affect the collectability of the related PHL; and is enforceable in all respects in accordance with its terms, except as enforceability may be limited by (i) bankruptcy, insolvency, liquidation, receivership, moratorium or other similar laws affecting the enforcement of the rights of creditors and (ii) general principles of equity, whether enforcement is sought in a proceeding in equity or at law. All parties to each PHL and any such other agreement had legal capacity to enter into the PHL and to execute and deliver the applicable PHL or such other agreement, as applicable.

23. The Custodian or the Servicer is in possession of a mortgage file for each PHL, which mortgage file includes all documents reasonably necessary to collect any amounts owed pursuant to the applicable PHL assuming foreclosure on the applicable mortgage will not be pursued.

24. With respect to each PHL, the related mortgage contains an enforceable provision for the acceleration of the payment of the Loan Principal Balance of such PHL in the event that the mortgaged property is sold or transferred without the prior written consent of the mortgagee thereunder.

25. To the Seller's knowledge, with respect to each PHL if required by the terms and conditions of the documents related to the mortgage loan senior to such PHL, either (i) no consent for the PHL is required by the holder of the related senior mortgage loan or (ii) such consent has been obtained and is contained in the PHL mortgage file.

26. Each underlying promissory note evidencing a PUL has been duly and properly executed by all Loan Obligors to the promissory note and is the legal, valid and binding obligation of the signatories.

27. The Loan Agreement and the related promissory note, together with the other records of the Seller relating to each PUL, constitute all of the material documents related to each such PUL and the Co-Issuer and its Loan Trustee or the Custodian on the Loan Trust's behalf are in possession of all documents necessary to enforce the rights and remedies of the Seller (as assigned to the Co-Issuer and its Loan Trustee) in respect of such PUL against the Loan Obligor.

28. There is only one original copy of the executed Loan Agreement related to each PUL.

29. Each Loan has been serviced and maintained in accordance with the Credit and Collection Policy since September 1, 2013.

30. (i) The applicable Loan Purchase Agreement creates a valid and continuing security interest (as defined in the applicable UCC) in the Loan, which security interest is prior to all other Liens, and is enforceable as such as against creditors of and purchasers from the applicable Seller; (ii) the Loan constitutes "tangible chattel paper", "accounts" "instruments" or "general intangibles" within the meaning of the UCC; (iii) immediately prior to its sale to the applicable Co-Issuer and its Loan Trustee on the Acquisition Closing Date, the applicable Seller, together with its Seller Loan Trustee, was the sole owner and holder of the Loan and the Loan was not assigned or pledged by such Seller or Seller Loan Trustee to any other person other than as contemplated by the Indenture and the other Transaction Documents; the applicable Seller, together with its Seller Loan Trustee, had good, indefeasible, and marketable title to the Loan and the such Seller, together with its Seller Loan Trustee had full right to transfer, sell, and assign its interest in the Loan to the applicable Co-Issuer and its Loan Trustee on the Acquisition Closing Date; (iv) the applicable Seller received all consents and approvals to the sale of the Loan to the applicable Co-Issuer and its Loan Trustee on the Acquisition Closing Date required by the terms of the applicable Loan Agreement to the extent that it constitutes an instrument; (v) the applicable Seller has caused the filing of all appropriate financing statements in the proper filing office in the appropriate jurisdictions under applicable law in order to perfect the sale of the Loan to the applicable Co-Issuer and its Loan Trustee and the security interest of such Co-Issuer and its Loan Trustee in the Loan, in each case, on the Acquisition Closing Date; (vi) the applicable Seller has not authorized the filing of, or is not aware of, any financing statements against such Seller that include a description of collateral covering the Loan sold by such Seller to the applicable Co-Issuer and its Loan Trustee other than any financing statement (x) relating to the conveyance of such Loans to such Co-Issuer and its Loan Trustee under the applicable Loan Purchase Agreement, (y) relating to the security interest granted to the Indenture Trustee under the Indenture or (z) that has been terminated; (vii) the Custodian or the Servicer has in its possession all original copies of the instruments and chattel paper, if any, that constitute or evidence such Loan; none of the instruments or tangible chattel paper, if any, that constitute or evidence such Loan has any marks or notations indicating that it has been pledged, assigned or otherwise conveyed to any Person other than the applicable Co-Issuer, its Loan Trustee or the Indenture Trustee; (viii) the applicable Seller covenants that, in order to evidence the interests of the applicable Co-Issuer and its Loan Trustee under the applicable Loan Purchase Agreement, such Seller shall take such action, or execute and deliver such instruments as may be necessary or advisable (including, without limitation, such actions as are requested by such Co-Issuer or its 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 such Co-Issuer and its Loan Trustee and listed on the 2020-A Loan Schedule; such Seller shall, from time to time and within the time limits established by law, prepare and file, all 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, as a first-priority interest, the security interest of such Co-Issuer and its Loan Trustee in the Loans sold by such Seller to such Co-Issuer and its Loan Trustee and listed on the 2020-A Loan Schedule; and (ix) notwithstanding any other provision of the applicable Loan Purchase Agreement or any other Transaction Document, the perfection representations, warranties and covenants contained in the foregoing clauses (i) through (viii) (the "**Perfection Representations**") shall be continuing, and remain in full force and effect until such time as all obligations under the applicable Loan Purchase Agreement have been finally and fully paid and performed.

The Loan Level Representations will survive the issuance of the Notes. Pursuant to the applicable Loan Purchase Agreement, each Seller will acknowledge that the related Co-Issuer will grant a security interest in the Purchased Assets and the related Co-Issuer's interests under such Loan Purchase Agreement to the Indenture Trustee pursuant to the Indenture, and will agree that the Indenture Trustee may enforce the Loan Level Representations made by such Seller directly for the benefit of the Noteholders.

Each Seller 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 related Co-Issuer's security interest in the Loans sold by such Seller to such Co-Issuer 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 related Co-Issuer) to maintain and perfect, as a first priority interest, the Indenture Trustee's security interest in the Loans sold by such Seller to the related Co-Issuer. Notwithstanding anything to the contrary, the Indenture Trustee shall not be responsible for monitoring or ensuring the initial perfection, the maintenance, continuation or enforceability of the security interest granted to it under the Indenture.

In addition to required repurchases as described above, each Seller also has the right to call back from the applicable Co-Issuer certain Loans the Seller is obligated to sell back to an HSBC Party. Under the Portfolio Loan Purchase Agreement, an HSBC Party has the right to repurchase a Loan if such HSBC Party is a named party in litigation related to that Loan or if such HSBC party otherwise determines that litigation relating to the Loan cannot be resolved or the interest of such HSBC Party adequately protected unless such HSBC Party owns the Loan. Accordingly, on any Business Day, following at least two Business Days' written notice to each of the applicable Co-Issuer and the Indenture Trustee, the applicable Seller may require reassignment of any Loan it is required to sell back to an HSBC Party for a reassignment price equal to the Repurchase Price to be paid by cash in immediately available funds to the Servicer on behalf of the applicable Co-Issuer and deposited in the Collection Account. Upon deposit of such Repurchase Price in the Collection Account, the lien of the Indenture Trustee will be automatically released without further action. As of the Cut-Off Date, no repurchases described in this paragraph have been made.

DESCRIPTION OF THE NOTES

SpringCastle Funding Asset-Backed Notes 2020-A will consist of the Notes described in the Notes Table.

The Notes will be issued jointly by the Co-Issuers 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. The Class A Notes and the Class B Notes will be issued in minimum denominations of $100,000 and in integral multiples of $1,000 in excess thereof.

The Notes will be secured by the assets pledged by each Co-Issuer (the "**Trust Estate**") and its related Loan Trustee to the Indenture Trustee for the benefit of the Noteholders under the Indenture, which will consist of all of such Co-Issuer's and such Loan Trustee's right, title and interest, whether now owned or hereafter acquired, in, to and under the following:

(i) the Loans owned by or on behalf of such Co-Issuer and all rights to payment and amounts due or to become due with respect to all of the foregoing and the other Purchased Assets owned by or on behalf of such Co-Issuer;

(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 such Loans;

(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 such Co-Issuer under or with respect to the Servicing Agreement, the related Loan Purchase Agreement to which it is a party and each other Transaction Document (whether arising pursuant to the terms of the Servicing Agreement, such

Loan Purchase Agreement or any other Transaction Document or otherwise available to such Co-Issuer at law or in equity), including, without limitation, the rights of such Co-Issuer to enforce the Servicing Agreement, such 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 Servicing Agreement, such Loan Purchase Agreement or any other Transaction Document to the same extent as such Co-Issuer could but for the assignment and security interest granted under the Indenture;

(v) all proceeds of any credit insurance policies or collateral protection insurance policies relating to any Loans, to the extent of the applicable Seller's interest therein;

(vi) all accounts, chattel paper, deposit accounts, documents, general intangibles, payment intangibles, goods, 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 Trust Estate will not include any Loans that are reassigned to a Seller as required under the applicable Loan Purchase Agreement or any other Purchased Assets related thereto.

Payments on the Notes will be made by the Paying Agent on the 25th day of each month, or if such day is not a business day, on the first business day thereafter, commencing in October 2020 (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, or in the case of any Definitive Notes, the last day of the related Collection Period. 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, upon original issuance, will be issuable in book-entry form only (the "**Book-Entry Notes**"). 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 & Co., 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 Class A Notes and the Class B Notes in minimum denominations of $100,000 and integral multiples of $1,000 in excess thereof. Except as described below, no Beneficial Owner will be entitled to receive a note in the form of fully-registered physical securities representing such Note (each, 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 Paying Agent 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 Paying Agent to Cede & Co. 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 & Co., as nominee of DTC, and may be made available by Cede & Co. 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 Note Registrar 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 DTC advises the Note Registrar 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 Co-Issuers, at their option, advises the Note Registrar 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 Note Registrar 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 Note Registrar 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 Note Registrar of such Book-Entry Notes, and instructions for re-registration, the Co-Issuers will issue Definitive Notes, and thereafter the Co-Issuers and the Note Registrar 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 Co-Issuers, the Indenture Trustee, the Custodian, the Paying Agent 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 & Co., 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 related note 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 1.97% per annum; and
- for the Class B Notes, the Interest Rate is 2.66% 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 commencing on the Payment Date occurring in the month immediately preceding the month in which such Payment Date occurs (or in the case of

the first Payment Date, the Closing Date) and ending on the day immediately preceding such Payment Date, calculated on the basis of actual days elapsed during such period and a 360-day year consisting of twelve 30-day months.

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 of 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 Class A Note then outstanding 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

Unless an Event of Default has occurred, on each Payment Date certain amounts will be allocated in accordance with the Priority of Payments, to the Principal Distribution Account 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, (ii) maintain certain levels of overcollateralization and (iii) 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. Any amounts so allocated 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.

Payments of principal on the Notes will be made on each Payment Date from amounts on deposit in the Principal Distribution Account. On each Payment Date, amounts on deposit in the Principal Distribution Account will be distributed by the Paying Agent 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; and

- *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.

In addition, any outstanding principal amount of any Class of Notes that has not been previously paid will be due and payable on the Stated Maturity Date for that class. The actual date on which the aggregate outstanding principal amount of any Class of Notes is paid may be earlier than the Stated Maturity Date for that class, depending on a variety of factors, certain of which are discussed in "*Yield and Prepayment Considerations*" in this private placement memorandum.

The Stated Maturity Dates for each Class of Notes is as follows: for the Class A Notes, the September 2037 Payment Date; and for the Class B Notes, the September 2037 Payment Date.

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 Paying Agent will withdraw (a) from the Collection Account, the Collections received during the Collection Period relating to such Payment Date and (b) 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 (a) and (b), the "**Available Funds**" for such Payment Date), in each case to the extent of amount of Available Funds remaining:

- *first*, (1) first, pro rata (based on amounts owing), (A) to the Indenture Trustee, the Paying Agent and the Note Registrar for amounts due to the Indenture Trustee, the Paying Agent or the Note

Registrar pursuant to the applicable provisions of the Indenture, (B) to the Loan Trustees all fees and all reasonable out-of-pocket expenses then due to the Loan Trustees pursuant to the terms of the Loan Trust Agreements, (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 and (D) to the Custodian, an amount equal to all fees and all reasonable out-of-pocket expenses then due to the Custodian pursuant to the terms of the Custodial Agreement; and (2) second, to the Indenture Trustee, the Loan Trustees, the Custodian and any other Person entitled thereto, pro rata (based on amounts owing), any indemnified amounts due and owing from the Co-Issuers pursuant to any Transaction Document; provided, that the aggregate amount paid under the foregoing clauses (1) (A), (B), (C) and (2) above shall not exceed $200,000 during any calendar year; provided, further that if an Event of Default shall have occurred and be continuing as of such Payment Date, the foregoing cap 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, plus reimbursement of fees and expenses due to the Servicer;

- *fourth*, to the Administrator, an amount equal to the Administration Fee for such Payment Date, plus the amount of any Administration Fee previously due but not previously paid to the Administrator;

- *fifth*, to the Advance Reserve Account, an amount equal to the Advance Reserve Account Shortfall Amount;

- *sixth*, 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 previously due but not previously paid to the Class A Noteholders with interest thereon at the Class A Interest Rate;

- *seventh*, an amount equal to the First Priority Principal Payment for such Payment Date, to be deposited into the Principal Distribution Account;

- *eighth*, to the Class B Noteholders, an amount equal to the Class B Senior Interest Amount for such Payment Date, plus the amount of any Class B Senior Interest previously due but not previously paid to the Class B Noteholders with interest thereon at the Class B Interest Rate from the date such payment was due;

- *ninth*, an amount equal to the Second Priority Principal Payment for such Payment Date, to be deposited into the Principal Distribution Account;

- *tenth*, to the Class B Noteholders, an amount equal to the Class B Subordinated Interest Amount for such Payment Date, plus the amount of any Class B Subordinated Interest Amount previously due but not previously paid to the Class B Noteholders with interest thereon at the Class B Interest Rate from the date such payment was due;

- *eleventh*, to replenish the Reserve Account up to the Required Reserve Account Amount;

- *twelfth*, an amount equal to the Regular Principal Payment Amount, to be deposited into the Principal Distribution Account;

- *thirteenth*, pro rata (based on amounts owing), to the Indenture Trustee, the Custodian, the Note Registrar, the Paying Agent, the Loan Trustees the Back-up Servicer, the Servicer and the Administrator, as applicable, an amount equal to the fees and reasonable out-of-pocket expenses and indemnity amounts payable to such parties to the extent not paid in full pursuant to clause *first* to *fourth* above (and, in the case of the Back-up Servicer, which are reimbursable pursuant to the Back-up Servicing Agreement, if any, and are not paid by the Servicer);

- *fourteenth*, to the Co-Issuers for payment of Other Co-Issuer Obligations then due and owing; and

- *fifteenth*, any remainder shall be released to the Allocation Agent for remittance to the Co-Issuers as separately agreed among the Allocation Agent and the Co-Issuers.

As reflected in the definitions of First Priority Principal Payment and Second 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 the Class A Notes is paid before any such amounts are paid in respect of the Class B Notes.

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 B Senior Interest Amount**" for any Payment Date, will be the lesser of (x) the Class B Monthly Interest Amount for such Payment Date and (y) an amount equal to the product of (a) one-twelfth ($1/12^{th}$) of the Class B Interest Rate and (b) the excess, if any of (i) the Adjusted Loan Principal Balance as of the end of the Collection Period immediately preceding the related Collection Period, over (ii) the Class A Note Balance as of the close of business on the immediately preceding Payment Date.

The "**Class B Subordinated Interest Amount**" for any Payment Date, will be the excess of (x) the Class B Monthly Interest Amount for such Payment Date over (y) the Class B Senior Interest Amount for such Payment Date.

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 Stated Maturity 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 *seventh* 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 Stated Maturity 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 *seventh* 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 *seventh* and *ninth* of the Priority of Payments set forth above) over an amount, not less than zero, equal to (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 Payment Date immediately preceding such Payment Date to but excluding such Payment Date (or, in the case of the first Payment Date, the period from and including the Closing Date to but excluding such Payment Date). 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 Paying Agent and in the name of the Paying Agent, on behalf of the Indenture Trustee and the Co-Issuers, an 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 Paying Agent 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 *first* through *tenth*) 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 Custodian, the Note Registrar, the Paying Agent 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.

Optional Redemption

The Co-Issuers may, at their option, redeem the Notes in whole. This optional redemption may occur on any Business Day on or after the Payment Date occurring in September 2021. With respect to any redemption of Notes occurring on or after the Payment Date occurring in September 2021 but prior to the Payment Date in September 2022, the redemption price for any Class of Notes shall be the sum of (i) 100% of the outstanding principal balance of the Notes of the applicable Class, plus (ii) in the case of any Class of Notes, the applicable Specified Call Premium Amount for such Class of Notes, plus (iii) accrued and unpaid interest and fees in respect of such Notes, plus (iv) any expenses, indemnification amounts or other reimbursements owed to the Indenture Trustee, the Custodian, the Servicer, the Loan Trustees, the Paying Agent, the Note Registrar or the Back-up Servicer. With respect to any redemption of Notes occurring on or after the Payment Date occurring in September 2022, the redemption price for any Class of Notes shall be the sum of (i) 100% of the outstanding principal balance of the Notes of the applicable Class, plus (ii) accrued and unpaid interest and fees in respect of such Notes and (iii) any expenses, indemnification amounts or other reimbursements owed to the Indenture Trustee, the Custodian, the Servicer, the Loan Trustees, the Paying Agent, the Note Registrar or the Back-up Servicer. If the Redemption Date is a Payment Date, the payment of any redemption price and the determination of any Specified Call Premium Amount will be based on the Note Balance of the Notes after payments are made in respect of the Loans and application, if any, of amounts on deposit in the Reserve Account on such Redemption Date.

In addition, the Servicer may, at its option, subject to the consent of the members of the Sellers, purchase all of the Loans from the Co-Issuers, the proceeds of which will be used to retire the Notes on any Business Day on or after the Payment Date on which the aggregate note principal balance (prior to any principal payments to be made on such Payment Date) of the Outstanding Notes is less than or equal to 20% of the aggregate principal balance of the Outstanding Notes as of the Closing Date. With respect to any such purchase by the Servicer, 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 reimbursements owed to the Indenture Trustee, the Loan Trustees or the Custodian, the Servicer, the Loan Trustees, the Paying Agent, the Note Registrar or the Back-up Servicer (or, if greater,

the amount necessary to redeem all of the Notes on such day at par). If the Servicer elects to purchase all of the Loans as described above, the Co-Issuers will be required to retire the Notes.

YIELD AND PREPAYMENT CONSIDERATIONS

The performance scenarios set forth below are included only for illustrative purposes. The usefulness of these scenarios is limited by, among other things, the predictive value of the underlying assumptions and the uncertain relevance of the assumptions as compared to other factors that have not been identified or taken into account. The assumptions underlying the performance scenarios are inherently subject to significant economic and behavioral uncertainties, all of which are impossible to predict and beyond the control of any of the Issuer, the Transferor or the Servicer. There can be no assurance that any particular performance scenario will be realized, and the performance of the Notes may be materially different from any performance scenario shown. The performance scenarios are not projections or forecasts and were not prepared with a view to complying with published guidelines of the United States Securities and Exchange Commission or the American Institute of Certified Public Accountants regarding projections or forecasts. Under no circumstances should the inclusion of the performance scenarios be regarded as a representation, warranty or prediction with respect to their accuracy or the accuracy or appropriateness of the underlying assumptions, or that the Notes will achieve or are likely to achieve any particular results. There can be no assurance that the actual performance of the Notes will not vary materially from any scenario under any set of assumptions whether set forth herein or used by a prospective investor. Prospective investors should conduct such financial analysis as they deem prudent, which may include the preparation of their own performance scenarios under a range of economic, behavioral and other assumptions chosen by such prospective investors or their advisors. Each prospective investor must make its own evaluation of the merits and risks of investment in the Notes and should consult its own legal, tax and accounting advisers as to the appropriateness of making an investment in the Notes. See "*Risk Factors—Yield and Prepayment Considerations*" in this private placement memorandum.

Moreover, under certain circumstances, the Servicer may cause the Notes to be redeemed. See "*Description of the Notes—Optional 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 date on which the final payment for that class of Notes is scheduled to be paid. 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 and Prepayment Considerations*" in this private placement memorandum.

The average life of each class of Notes, which refers to the weighted amount of time that will elapse from the date of delivery of such Notes until each dollar of principal of such notes will be applied to make a corresponding payment to the Noteholders, will be determined by the amount and timing of collections on the Loans which are dependent upon, among other things, applicable finance charges, delinquency and charge-off rate, rate of payment, draws and recovery rate.

The weighted average life of the Notes is determined by (x) multiplying the amount of each principal payment on a Note by the number of years from the date of issuance of the Note to the related Payment Date, (y) adding the results and (z) dividing the sum of the original principal amount of the Note.

The "**Hypothetical Pool of Loans**" is a pool of loans equal to the aggregate principal balance as of the Cut-Off Date. The table below represents a pool of loans that have been further disaggregated into four smaller hypothetical pools having the characteristics set forth in the table below. The monthly payment for each of the hypothetical pools is based on the estimated principal balance, weighted average coupon, constant default rate (**"CDR"**), delinquency rate, recovery rate and constant prepayment rate (**"CPR"**). For the sake of this private placement memorandum prepayment rate shall include scheduled principal payments and voluntary prepayment amounts.

The tables below set forth hypothetical performance scenarios, including weighted average life and the percentage of note principal balance that would be outstanding as of the indicated dates on the basis of the indicated

assumptions concerning delinquencies, gross principal charge-off rate, principal payment rate, finance charges and recoveries.

Structuring Assumptions

(a) Hypothetical pools are as follows(*):

Hypothetical Pools	Aggregate Principal Balance ($)	Weighted Average Coupon (%)	Constant Default Rate (%)
1	449,717,641.18	20.124	5.40
2	243,725.02	12.376	5.58
3	110,578,237.77	14.138	2.54
4	102,508,110.85	11.476	2.73

(*) The weighted average coupon used for the hypothetical pools has been derived by using the average annualized finance charges set forth on Annex A for the corresponding products over the last twelve months ending on July 31, 2020. These coupons are lower than the stated APR on the Loans and take into account the delinquencies experienced over the same period.

(b) The base payment assumption assumes that the principal outstanding at the beginning of the period that prepays during that period stated as an annual rate as follows:

- 19.57% CPR for Hypothetical Pool 1
- 13.29% CPR for Hypothetical Pool 2
- 14.35% CPR for Hypothetical Pool 3
- 25.04% CPR for Hypothetical Pool 4

In addition to the payment assumptions above, the tables below were prepared on the basis of certain other assumptions, including that:

(c) no repurchase payment is required to be made by the Seller in respect of any loan included in the pool;

(d) payments on the Notes are made on the 25th day of each month, whether or not that day is a business day;

(e) the first payment date is October 25, 2020;

(f) collection period is the preceding calendar month from the payment date;

(g) each loan payment is made on the last day of each calendar month (commencing in September, 2020) and includes 30 days of interest;

(h) scheduled payments on the Loans are received in the Collection Period in September, 2035, on all Loans, after taking into consideration all prepayments, delinquencies and defaults applied in accordance with the assumptions set forth herein;

(i) Loss severities equal 96% of gross charge-offs;

(j) Recovery lag of 0 months;

(k) interest is expected to accrue on the Class A Notes at 1.47% per annum and on the Class B Notes at 2.40% per annum;

(l) the servicing fee is 1.625% per annum based upon the aggregate loan balance as of the first day of the related collection period, subject to a floor of $250,000 per month;

(m) the administration fee is approximately $1,666.67 per month;

(n) the back-up servicing fee is 0.025% per annum with a minimum of $10,000 per month, and such fee is based upon the aggregate loan balance as of the first day of the related collection period;

(o) the note registrar and paying agent fee is $1,000 per month;

(p) the indenture trustee fee is $2,000 per month;

(q) the loan trustee fee is $7,500 per year (September Payment Date, commencing in 2021);

(r) all other fees and expenses are assumed to be $0 and there are no fee caps;

(s) no draws will be made on the Advance Reserve Account;

(t) there are no Advance Reserve Account Shortfall Amounts;

(u) the closing date is assumed to be September 25, 2020;

(v) no funds will be deposited into the Advance Reserve Account from Available Funds;

(w) the Servicer exercises its 20% optional redemption of the Notes on the Payment Date on which the aggregate note principal balance (prior to any principal payments to be made on such Payment Date) of the Outstanding Notes is less than or equal to 20% of the aggregate principal balance of the Outstanding Notes as of the Closing Date (except that such assumption is not made for purposes of calculating the "Weighted Average Life to Maturity" in the following tables);

(x) the balance in the Reserve Account is released on the Payment Date the Servicer exercises its 20% optional redemption of the Notes; and

(y) no Event of Default occurs.

The following tables set forth the percentages of the unpaid principal amount of each class of the Notes that would be outstanding after each of the Payment Dates shown, based on a rate equal to 70%, 80%, 90% 100%, 110% and 120% of the prepayment assumption. As used in the table, "70% Prepayment Assumption" assumes that loan will pay at 70% of the prepayment assumption set forth.

Percent of Initial Note Principal Balance at Various Prepayment Assumptions						
Class A Notes						
Prepayment Assumption Percentages						
Payment Date	**70%**	**80%**	**90%**	**100%**	**110%**	**120%**
Closing Date	100.00	100.00	100.00	100.00	100.00	100.00
October 2020	97.33	97.13	96.92	96.70	96.48	96.25
November 2020	95.45	95.05	94.64	94.21	93.79	93.35
December 2020	93.76	93.17	92.56	91.94	91.31	90.67
January 2021	92.10	91.32	90.53	89.72	88.90	88.07
February 2021	90.47	89.51	88.54	87.55	86.55	85.54
March 2021	88.86	87.73	86.59	85.43	84.26	83.07
April 2021	87.28	85.99	84.68	83.36	82.02	80.67
May 2021	85.73	84.27	82.81	81.33	79.84	78.33
June 2021	84.20	82.59	80.97	79.35	77.71	76.06
July 2021	82.70	80.94	79.18	77.41	75.63	73.85
August 2021	81.22	79.32	77.42	75.51	73.60	71.69
September 2021	79.76	77.73	75.69	73.66	71.62	69.59
October 2021	78.33	76.16	74.00	71.85	69.69	67.55
November 2021	76.92	74.63	72.35	70.07	67.81	65.56
December 2021	75.54	73.12	70.73	68.34	65.97	63.62
January 2022	74.18	71.65	69.14	66.65	64.18	61.73
February 2022	72.84	70.19	67.58	64.99	62.43	59.90
March 2022	71.52	68.77	66.05	63.37	60.72	58.11
April 2022	70.22	67.37	64.56	61.79	59.06	56.37
May 2022	68.95	66.00	63.09	60.24	57.43	54.67
June 2022	67.69	64.65	61.66	58.73	55.85	53.02
July 2022	66.46	63.32	60.25	57.25	54.30	51.42
August 2022	65.24	62.02	58.88	55.80	52.79	49.85
September 2022	64.05	60.75	57.53	54.38	51.32	48.33
October 2022	62.87	59.50	56.20	53.00	49.88	46.85
November 2022	61.72	58.27	54.91	51.64	48.48	45.40
December 2022	60.58	57.06	53.64	50.32	47.11	43.99
January 2023	59.46	55.87	52.39	49.03	45.77	42.62
February 2023	58.36	54.71	51.17	47.76	44.47	41.29
March 2023	57.28	53.56	49.98	46.52	43.19	39.99
April 2023	56.22	52.44	48.81	45.31	41.95	38.73
May 2023	55.17	51.34	47.66	44.13	40.74	37.49
June 2023	54.14	50.26	46.54	42.97	39.56	36.29
July 2023	53.13	49.20	45.43	41.84	38.40	35.13
August 2023	52.13	48.15	44.35	40.73	37.28	33.99
September 2023	51.15	47.13	43.30	39.65	36.18	32.88
October 2023	50.18	46.12	42.26	38.59	35.10	31.80
November 2023	49.23	45.14	41.24	37.55	34.06	30.75
December 2023	48.30	44.17	40.25	36.54	33.04	29.73
January 2024	47.38	43.21	39.27	35.55	32.04	28.73
February 2024	46.48	42.28	38.32	34.58	31.06	27.76
March 2024	45.59	41.36	37.38	33.63	30.11	26.81

Percent of Initial Note Principal Balance at Various Prepayment Assumptions						
Class A Notes						
Prepayment Assumption Percentages						
Payment Date	**70%**	**80%**	**90%**	**100%**	**110%**	**120%**
April 2024	44.71	40.46	36.46	32.71	29.19	25.89
May 2024	43.85	39.58	35.56	31.80	28.28	24.99
June 2024	43.01	38.71	34.68	30.91	27.40	24.12
July 2024	42.17	37.85	33.82	30.05	26.53	23.27
August 2024	41.35	37.02	32.97	29.20	25.69	22.44
September 2024	40.55	36.19	32.14	28.37	24.87	21.63
October 2024	39.75	35.39	31.33	27.56	24.07	20.84
November 2024	38.97	34.59	30.53	26.76	23.28	20.07
December 2024	38.21	33.81	29.75	25.99	22.52	19.33
January 2025	37.45	33.05	28.98	25.23	21.77	18.60
February 2025	36.71	32.30	28.23	24.49	21.05	17.89
March 2025	35.98	31.56	27.50	23.76	20.33	17.20
April 2025	35.26	30.84	26.77	23.05	19.64	16.53
May 2025	34.55	30.13	26.07	22.35	18.96	15.87
June 2025	33.85	29.43	25.38	21.67	18.30	15.23
July 2025	33.17	28.74	24.70	21.01	17.65	14.61
August 2025	32.49	28.07	24.03	20.36	17.02	14.00
September 2025	31.83	27.41	23.38	19.72	16.41	13.41
October 2025	31.18	26.76	22.74	19.10	15.81	12.84
November 2025	30.54	26.12	22.11	18.49	15.22	0.00
December 2025	29.91	25.49	21.50	17.90	14.65	0.00
January 2026	29.28	24.88	20.90	17.31	14.09	0.00
February 2026	28.67	24.27	20.31	16.74	13.54	0.00
March 2026	28.07	23.68	19.73	16.18	13.01	0.00
April 2026	27.48	23.10	19.16	15.64	0.00	0.00
May 2026	26.90	22.53	18.61	15.10	0.00	0.00
June 2026	26.32	21.96	18.06	14.58	0.00	0.00
July 2026	25.76	21.41	17.53	14.07	0.00	0.00
August 2026	25.21	20.87	17.01	13.57	0.00	0.00
September 2026	24.66	20.34	16.49	13.08	0.00	0.00
October 2026	24.12	19.81	15.99	12.60	0.00	0.00
November 2026	23.59	19.30	15.50	0.00	0.00	0.00
December 2026	23.07	18.80	15.01	0.00	0.00	0.00
January 2027	22.56	18.30	14.54	0.00	0.00	0.00
February 2027	22.06	17.81	14.08	0.00	0.00	0.00
March 2027	21.56	17.34	13.62	0.00	0.00	0.00
April 2027	21.08	16.87	13.17	0.00	0.00	0.00
May 2027	20.60	16.41	12.74	0.00	0.00	0.00
June 2027	20.12	15.95	0.00	0.00	0.00	0.00
July 2027	19.66	15.51	0.00	0.00	0.00	0.00
August 2027	19.20	15.07	0.00	0.00	0.00	0.00
September 2027	18.75	14.64	0.00	0.00	0.00	0.00
October 2027	18.31	14.22	0.00	0.00	0.00	0.00

Percent of Initial Note Principal Balance at Various Prepayment Assumptions						
Class A Notes						
Prepayment Assumption Percentages						
Payment Date	**70%**	**80%**	**90%**	**100%**	**110%**	**120%**
November 2027	17.88	13.81	0.00	0.00	0.00	0.00
December 2027	17.45	13.40	0.00	0.00	0.00	0.00
January 2028	17.03	13.00	0.00	0.00	0.00	0.00
February 2028	16.61	0.00	0.00	0.00	0.00	0.00
March 2028	16.20	0.00	0.00	0.00	0.00	0.00
April 2028	15.80	0.00	0.00	0.00	0.00	0.00
May 2028	15.41	0.00	0.00	0.00	0.00	0.00
June 2028	15.02	0.00	0.00	0.00	0.00	0.00
July 2028	14.63	0.00	0.00	0.00	0.00	0.00
August 2028	14.26	0.00	0.00	0.00	0.00	0.00
September 2028	13.89	0.00	0.00	0.00	0.00	0.00
October 2028	13.52	0.00	0.00	0.00	0.00	0.00
November 2028	13.16	0.00	0.00	0.00	0.00	0.00
December 2028	12.81	0.00	0.00	0.00	0.00	0.00
January 2029	0.00	0.00	0.00	0.00	0.00	0.00
Weighted Average Life to Maturity	3.98	3.57	3.22	2.93	2.68	2.47
Weighted Average Life to 20% Optional Redemption	3.74	3.34	3.03	2.76	2.52	2.32
Principal Window to 20% Optional Redemption	1 to 100	1 to 89	1 to 81	1 to 74	1 to 67	1 to 62

Percent of Initial Note Principal Balance at Various Prepayment Assumptions						
Class B Notes						
Prepayment Assumption Percentages						
Payment Date	**70%**	**80%**	**90%**	**100%**	**110%**	**120%**
Closing Date	100.00	100.00	100.00	100.00	100.00	100.00
October 2020	100.00	100.00	100.00	100.00	100.00	100.00
November 2020	100.00	100.00	100.00	100.00	100.00	100.00
December 2020	100.00	100.00	100.00	100.00	100.00	100.00
January 2021	100.00	100.00	100.00	100.00	100.00	100.00
February 2021	100.00	100.00	100.00	100.00	100.00	100.00
March 2021	100.00	100.00	100.00	100.00	100.00	100.00
April 2021	100.00	100.00	100.00	100.00	100.00	100.00
May 2021	100.00	100.00	100.00	100.00	100.00	100.00
June 2021	100.00	100.00	100.00	100.00	100.00	100.00
July 2021	100.00	100.00	100.00	100.00	100.00	100.00
August 2021	100.00	100.00	100.00	100.00	100.00	100.00
September 2021	100.00	100.00	100.00	100.00	100.00	100.00
October 2021	100.00	100.00	100.00	100.00	100.00	100.00
November 2021	100.00	100.00	100.00	100.00	100.00	100.00
December 2021	100.00	100.00	100.00	100.00	100.00	100.00
January 2022	100.00	100.00	100.00	100.00	100.00	100.00
February 2022	100.00	100.00	100.00	100.00	100.00	100.00
March 2022	100.00	100.00	100.00	100.00	100.00	100.00
April 2022	100.00	100.00	100.00	100.00	100.00	100.00
May 2022	100.00	100.00	100.00	100.00	100.00	100.00
June 2022	100.00	100.00	100.00	100.00	100.00	100.00
July 2022	100.00	100.00	100.00	100.00	100.00	100.00
August 2022	100.00	100.00	100.00	100.00	100.00	100.00
September 2022	100.00	100.00	100.00	100.00	100.00	100.00
October 2022	100.00	100.00	100.00	100.00	100.00	100.00
November 2022	100.00	100.00	100.00	100.00	100.00	100.00
December 2022	100.00	100.00	100.00	100.00	100.00	100.00
January 2023	100.00	100.00	100.00	100.00	100.00	100.00
February 2023	100.00	100.00	100.00	100.00	100.00	100.00
March 2023	100.00	100.00	100.00	100.00	100.00	100.00
April 2023	100.00	100.00	100.00	100.00	100.00	100.00
May 2023	100.00	100.00	100.00	100.00	100.00	100.00
June 2023	100.00	100.00	100.00	100.00	100.00	100.00
July 2023	100.00	100.00	100.00	100.00	100.00	100.00
August 2023	100.00	100.00	100.00	100.00	100.00	100.00
September 2023	100.00	100.00	100.00	100.00	100.00	100.00
October 2023	100.00	100.00	100.00	100.00	100.00	100.00
November 2023	100.00	100.00	100.00	100.00	100.00	100.00
December 2023	100.00	100.00	100.00	100.00	100.00	100.00
January 2024	100.00	100.00	100.00	100.00	100.00	100.00
February 2024	100.00	100.00	100.00	100.00	100.00	100.00
March 2024	100.00	100.00	100.00	100.00	100.00	100.00

Percent of Initial Note Principal Balance at Various Prepayment Assumptions						
Class B Notes						
Prepayment Assumption Percentages						
Payment Date	**70%**	**80%**	**90%**	**100%**	**110%**	**120%**
April 2024	100.00	100.00	100.00	100.00	100.00	100.00
May 2024	100.00	100.00	100.00	100.00	100.00	100.00
June 2024	100.00	100.00	100.00	100.00	100.00	100.00
July 2024	100.00	100.00	100.00	100.00	100.00	100.00
August 2024	100.00	100.00	100.00	100.00	100.00	100.00
September 2024	100.00	100.00	100.00	100.00	100.00	100.00
October 2024	100.00	100.00	100.00	100.00	100.00	100.00
November 2024	100.00	100.00	100.00	100.00	100.00	100.00
December 2024	100.00	100.00	100.00	100.00	100.00	100.00
January 2025	100.00	100.00	100.00	100.00	100.00	100.00
February 2025	100.00	100.00	100.00	100.00	100.00	100.00
March 2025	100.00	100.00	100.00	100.00	100.00	100.00
April 2025	100.00	100.00	100.00	100.00	100.00	100.00
May 2025	100.00	100.00	100.00	100.00	100.00	100.00
June 2025	100.00	100.00	100.00	100.00	100.00	100.00
July 2025	100.00	100.00	100.00	100.00	100.00	100.00
August 2025	100.00	100.00	100.00	100.00	100.00	100.00
September 2025	100.00	100.00	100.00	100.00	100.00	100.00
October 2025	100.00	100.00	100.00	100.00	100.00	100.00
November 2025	100.00	100.00	100.00	100.00	100.00	0.00
December 2025	100.00	100.00	100.00	100.00	100.00	0.00
January 2026	100.00	100.00	100.00	100.00	100.00	0.00
February 2026	100.00	100.00	100.00	100.00	100.00	0.00
March 2026	100.00	100.00	100.00	100.00	100.00	0.00
April 2026	100.00	100.00	100.00	100.00	0.00	0.00
May 2026	100.00	100.00	100.00	100.00	0.00	0.00
June 2026	100.00	100.00	100.00	100.00	0.00	0.00
July 2026	100.00	100.00	100.00	100.00	0.00	0.00
August 2026	100.00	100.00	100.00	100.00	0.00	0.00
September 2026	100.00	100.00	100.00	100.00	0.00	0.00
October 2026	100.00	100.00	100.00	100.00	0.00	0.00
November 2026	100.00	100.00	100.00	0.00	0.00	0.00
December 2026	100.00	100.00	100.00	0.00	0.00	0.00
January 2027	100.00	100.00	100.00	0.00	0.00	0.00
February 2027	100.00	100.00	100.00	0.00	0.00	0.00
March 2027	100.00	100.00	100.00	0.00	0.00	0.00
April 2027	100.00	100.00	100.00	0.00	0.00	0.00
May 2027	100.00	100.00	100.00	0.00	0.00	0.00
June 2027	100.00	100.00	0.00	0.00	0.00	0.00
July 2027	100.00	100.00	0.00	0.00	0.00	0.00
August 2027	100.00	100.00	0.00	0.00	0.00	0.00
September 2027	100.00	100.00	0.00	0.00	0.00	0.00
October 2027	100.00	100.00	0.00	0.00	0.00	0.00

Percent of Initial Note Principal Balance at Various Prepayment Assumptions						
Class B Notes						
Prepayment Assumption Percentages						
Payment Date	**70%**	**80%**	**90%**	**100%**	**110%**	**120%**
November 2027	100.00	100.00	0.00	0.00	0.00	0.00
December 2027	100.00	100.00	0.00	0.00	0.00	0.00
January 2028	100.00	100.00	0.00	0.00	0.00	0.00
February 2028	100.00	0.00	0.00	0.00	0.00	0.00
March 2028	100.00	0.00	0.00	0.00	0.00	0.00
April 2028	100.00	0.00	0.00	0.00	0.00	0.00
May 2028	100.00	0.00	0.00	0.00	0.00	0.00
June 2028	100.00	0.00	0.00	0.00	0.00	0.00
July 2028	100.00	0.00	0.00	0.00	0.00	0.00
August 2028	100.00	0.00	0.00	0.00	0.00	0.00
September 2028	100.00	0.00	0.00	0.00	0.00	0.00
October 2028	100.00	0.00	0.00	0.00	0.00	0.00
November 2028	100.00	0.00	0.00	0.00	0.00	0.00
December 2028	100.00	0.00	0.00	0.00	0.00	0.00
January 2029	0.00	0.00	0.00	0.00	0.00	0.00
Weighted Average Life to Maturity	14.59	13.89	13.06	12.21	11.40	10.66
Weighted Average Life to 20% Optional Redemption	8.33	7.42	6.75	6.17	5.58	5.17
Principal Window to 20% Optional Redemption	100 to 100	89 to 89	81 to 81	74 to 74	67 to 67	62 to 62

THE LOAN PURCHASE AGREEMENTS

Each Seller and the related Seller Loan Trustee, respectively, sold the beneficial interest in and legal title to the Loans owned by it to the related Co-Issuer and its related Loan Trustee, respectively, on the Acquisition Closing Date pursuant to a loan purchase agreement, dated as of the Acquisition Closing Date, as amended and as further amended as of the Closing Date, between such Seller, such Seller Loan Trustee, such related Co-Issuer and such Loan Trustee (each, a "**Loan Purchase Agreement**" and together, the "**Loan Purchase Agreements**"). For further detail on (i) conveyances of Loans from the Sellers to the Co-Issuers on the Acquisition 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*" in this private placement memorandum. The Loan Purchase Agreements may be amended or modified by a written agreement executed by the Seller, the Seller Loan Trustee, the Co-Issuer and the Loan Trustee party thereto.

Each Co-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, each Co-Issuer may amend, modify, waive, supplement or agree to any amendment, modification, supplement or waiver of the terms of the Loan Purchase Agreement to which it is a party 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 SERVICING AGREEMENT AND THE BACK-UP SERVICING AGREEMENT

The Servicer will service the Loans pursuant to the terms of the Servicing Agreement, dated as of the Closing Date (the "**Servicing Agreement**") among the Co-Issuers, the Loan Trustees and the Servicer. While the Servicer will be a party to the Servicing Agreement and will be responsible for ensuring that the Loans are serviced in accordance with the terms of the Servicing Agreement, much of the actual servicing of the Loans will be conducted by subservicers appointed by Servicer. Any actual servicing of the Loans by subservicers 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 Servicing Agreement.

Set forth below are summaries of the specific terms and provisions pursuant to which the Loans will be 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 Servicing Agreement.

Servicing of Loans

The Servicer shall service and administer such Loan and shall extend, amend or otherwise modify such Loan, by complying in all material respects with the following (collectively, the "**Servicing Standard**"): (A) the Credit and Collection Policy, (B) the Required Servicing Protocols and (C) applicable Requirements of Law; provided, however, that Servicer shall not be obligated to foreclose or otherwise enforce a collateral security interest on any Loan nor, with respect to any PHL, to monitor the delinquency status of real estate taxes or hazard or flood insurance premiums on mortgage properties or monitor the lien status of any mortgage securing a PHL. The Servicer will have full power and authority, acting alone or through any party properly designated by it under the Servicing Agreement, to do any and all things in connection with such servicing and administration which the Servicer may deem necessary or desirable consistent with the terms of the Servicing Agreement and the Servicing Standard. 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.

"**Credit and Collection Policy**" shall mean the Servicer's customary and usual servicing and collection procedures in effect from time to time for servicing consumer loans comparable to the Loans in the jurisdiction where either the applicable Loan Obligor resides or, in the case of a PHL, the mortgaged property is located, subject to the

Required Servicing Protocols. The Servicer has covenanted not to amend, modify, waive or supplement the Credit and Collection Policy after the Closing Date in any manner that could reasonably be expected to result in an Adverse Effect. See "*Risk Factors— Modifications to the Credit and Collection Policy May Result in Changes to the Loans and the Servicing of the Loans*" in this private placement memorandum. If the Back-up Servicer is appointed as Successor Servicer, "Credit and Collection Policy" shall mean the customary and usual servicing, administration and collection practices and procedures used by servicing companies of comparable experience to the Successor Servicer for servicing consumer loans comparable to the Loans which the Successor Servicer services for its own account, subject to the Required Servicing Protocols. See "*Risk Factors—Replacement of the Servicer or Inability to Replace the Servicer or Inability of the Servicer to Service the Loans Could Result in Reduced Payments on the Notes*" in this private placement memorandum.

"**Required Servicing Protocols**" are specific servicing requirements for Loans subject to loss mitigation and PHLs, which requirements are set forth in Schedule I to the Servicing Agreement.

The Servicer will advance the amount of any additional borrowing by the related Loan Obligor to the extent required under the related Loan Agreements and not prohibited by any applicable law. These advances will be made from (i) Collections received by the Servicer and not yet remitted to the Collection Account, (ii) if such Collections are insufficient, the Collection Account, (iii) if such Collections and funds in the Collection Account are insufficient, the Advance Reserve Account, or (iv) if all such amounts described in the preceding clauses (i) through (iii) are insufficient, the Servicer's own funds. The Servicer will be permitted to reimburse itself for any such advances previously made with its own funds from Collections received or by withdrawing such advance amounts from the Collection Account or Advance Reserve Account at a future date.

The Sellers or their Affiliates are and may become parties to certain credit insurance administrative services agreements with providers of certain credit insurance (each, a "**Credit Insurance ASA**"). The Co-Issuers have assumed, and have engaged the Servicer to perform, the applicable Seller's obligations under each applicable Credit Insurance ASA with respect to the administration, servicing, billing, collecting and reporting functions related to Credit Insurance thereunder, and the Servicer and is permitted, but not required, to make advances of premiums on Credit Insurance as contemplated by the Credit Insurance ASAs. To the extent the Servicer determines in its sole discretion to make advances of premiums on Credit Insurance pursuant to any Credit Insurance ASA ("**Premium Advances**"), such Premium Advances will be made from (i) Collections received by Servicer and not yet remitted to the Collection Account, (ii) if such Collections are insufficient, the Collection Account, or (iii) if all such amounts described in the preceding clauses (i) and (ii) are insufficient, the Servicer's own funds. The Servicer shall be entitled to reimburse itself for any such unreimbursed Premium Advances previously made with its own funds from Collections received or by withdrawing such Premium Advance amounts from the Collection Account at a future date.

Servicing and Other Compensation and Payment of Expenses

In consideration of its servicing activities under the Servicing Agreement, the Servicer will be entitled to receive the Servicing Fee payable in arrears on each Payment Date during the term of the Servicing Agreement. The "**Servicing Fee**" for any Payment Date shall be an amount equal to the sum of the amounts for each Loan, an amount equal to the product of (x) 1.625% (i.e., 0.01625), multiplied by (y) the aggregate Loan Principal Balance of such Loan as of the first day of the related Collection Period (or, in the case of the initial Payment Date, as of the initial Cut-Off Date), multiplied by (z) one-twelfth; provided that the aggregate minimum monthly Servicing Fee shall be $250,000. The Servicing Fee shall 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 amount up to the aggregate accrued and unpaid Servicing Fee).

The Servicer's fees, costs and expenses include the reasonable fees and disbursements of attorneys, independent accountants and all other fees, costs and expenses incurred by the Servicer in connection with its activities under the Servicing Agreement, including any fees payable to any subservicer or any other Person performing any of the Servicer's duties and obligations under the Servicing Agreement. Subject to the Servicer's right to receive the payments and reimbursements described above and as otherwise provided in the Servicing Agreement, the Servicer is required to pay such fees, costs and expenses for its own account.

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) $10,000 and (y) the product of 0.025% per annum and the aggregate Loan Principal Balance of the Loans as of the first day of the related Collection Period (or, in the case of the initial Payment Date, as of initial 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 and the costs and expenses of enforcing any indemnity afforded to it) 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 not to exceed $250,000 (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 Paying Agent and Note Registrar pursuant to the Indenture, the payment of fees and reimbursement of expenses of the Loan Trustees pursuant to the Loan Trust Agreements, the reimbursement of expenses of the Back-up Servicer pursuant to the Back-up Servicing Agreement (other than Servicing Transition Costs) and the payment to the Loan Trustees, the Paying Agent, the Note Registrar, the Custodian, the Indenture Trustee and any other Person (other than the Servicer) entitled thereto of any indemnified amounts due and owing from the Co-Issuers 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 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 and such cap shall not apply if an Event of Default shall have occurred and be continuing.

Each of the Servicing Fees (to the extent not retained by the Servicer from Collections) 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 cause each subservicer to deliver any Collections received by such subservicer to the Servicer for deposit into the Collection Account as promptly as possible after the date of receipt of such Collections by such subservicer and the Servicer shall remit any Collections it receives (other than Collections it is entitled to retain for its own account in accordance with the Indenture) no later than the second business day following the date of processing by the Servicer. Notwithstanding anything else in the Indenture or the Servicing Agreement to the contrary, for so long as (i) no Servicer Default has occurred and is continuing; and (ii) the Servicer maintains a long-term rating of "A" or higher and a short-term rating of "A-1" or higher from S&P, 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 each Payment Date in an amount equal to the Collections received during the related Collection Period. The Servicer may retain funds constituting Collections in an amount equal to its accrued and unpaid Servicing Fee and to fund intra-month draws and Premium Advances on behalf of the applicable Co-Issuer (or to reimburse itself for intra-month draws and Premium Advances made from its own funds) and shall not be required to deposit such funds in the Collection Account.

Amounts on deposit in the Note Accounts may, at the written direction of the Servicer, be invested by the Paying Agent in Eligible Investments selected by the Servicer. Pursuant to the Servicing Agreement, the Servicer shall have the power and authority to make withdrawals or to instruct the Paying Agent to make withdrawals from the Collection Account and the Advance Reserve Account permitted by the terms of the Indenture or the 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 Co-Issuers, the Loan Trustees, the Paying Agent 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 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**"), reviewing such Monthly Data Tape to confirm that the information contained therein appears to be readable and in a format reasonably acceptable to the Back-up Servicer 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. Using the data contained in the Monthly Data Tape, the Back-up Servicer shall (i) confirm the calculation of the Adjusted Loan Principal Balance as of the end of the related Collection Period and compare the same against the calculation reflected in the related Monthly Servicer Report and (ii) confirm the accuracy of the following based solely on the related Monthly Servicer Report: Aggregate Note Principal Balance (after the related Payment Date), Back-up Servicing Fee, Class A Monthly Interest Amount, Class A Note Balance (after the related Payment Date), First Priority Principal Payment, Class B Monthly Interest Amount, Class B Note Balance (after the related Payment Date), Second Priority Principal Payment, Regular Principal Payment Amount and Servicing Fee. The Back-up Servicer will provide notice of discrepancies to the Servicer no later than five (5) business days after the receipt of the Monthly Data Tape and the Monthly Servicer Report. Notwithstanding the foregoing, if the Monthly Data Tape or the Monthly Servicer Report does not contain sufficient information for the Back-up Servicer to perform any action hereunder, the Back-up Servicer shall promptly notify the Servicer of any additional information to be delivered by the Servicer to the Back-up Servicer, and the Back-up Servicer and the Servicer shall mutually agree upon the form thereof; provided, however, that the Back-up Servicer shall not be liable for any delay in the performance of any action hereunder resulting from its failure to receive in a timely manner such additional information from the Servicer.

Certain Matters Regarding the Servicer

The primary servicing duties to be performed by the Servicer (or the related subservicer on behalf of the Servicer) include 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 and foreclosure procedures, if any, charging-off Loans as uncollectible and liquidations of Loans and collateral securing such Loans. The Servicer also will provide certain required data and information to the Back-up Servicer and the Paying Agent with respect to the Loans.

The servicing obligations of the Servicer generally will be delegated to subservicers. No subservicers 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 Servicing Agreement for the servicing of the Loans. The rights and obligations of any subservicers appointed under the Servicing Agreement will terminate on a Successor Servicing Transfer Date.

The Servicing Agreement provides that neither the Servicer, nor any directors, officers, partners, members, managers, employees, subservicers or agents of the Servicer in its capacity as Servicer, will be under any liability to the Co-Issuers, the Loan Trustees, the Indenture Trustee, the Paying Agent, the Noteholders or any other Person for any action taken or for refraining from the taking of any action in good faith pursuant to the Servicing Agreement; *provided, however*, that such provision shall not protect the Servicer or any such Person against contractual liability under the Servicing Agreement for any breach of warranties or representations made therein, or any failure to perform

any express contractual duties set forth therein, or any liability which would otherwise be imposed by reason of willful misfeasance, bad faith or gross negligence in the performance of its duties or by reason of reckless disregard of its obligations and its duties thereunder.

Purchase Obligations

Under the Servicing Agreement, the Servicer made, 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, warranties and covenants:

- It shall duly satisfy all obligations on its part to be fulfilled under the Servicing Agreement or in connection with each Loan and will maintain in effect all qualifications required under the Servicing Standard in order to service each Loan in accordance with the Servicing Standard;

- It shall not permit any material amendment, waiver, modification, rescission or cancellation of any Loan, except in accordance in all material respects with the Servicing Agreement, the Servicing Standard, 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 any Co-Issuer, any Loan Trustee or the Indenture Trustee in any Loan, nor shall it reschedule, revise or defer payments due on any Loan except in accordance in all material respects with the Servicing Agreement and the Servicing Standard; provided, however that Servicer shall not be obligated to foreclose or otherwise enforce a collateral security interest on any Loan nor, with respect to any PHL, to monitor the delinquency status of real estate taxes or hazard or flood insurance premiums on mortgage properties or monitor the lien status of any mortgage securing a PHL.

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 thirty (30) days from the date on which the Servicer discovered such breach or is notified by any Co-Issuer, any Loan Trustee, the Indenture Trustee or the Paying Agent of such breach, then any Loan or Loans to which such event relates shall be assigned and transferred to the Servicer on or prior to the Payment Date immediately following the Collection Period in which such thirty (30) day period expired (any such purchase, a "**Required Servicer Loan Purchase**"). The cure or repurchase obligations referred to above will constitute the sole remedy available to the Co-Issuers and the Loan Trustees with respect to the Servicer's breach of such representations, warranties and covenants, except for indemnity obligations set forth in the Servicing Agreement.

The Servicer shall effect any such assignment by making a deposit into the Collection Account in immediately available funds in an amount equal to the product of (a) the Loan Principal Balance of any Loan to be purchased as of the purchase date and (b) the Applicable Purchase Percentage for such Loan.

Servicer Defaults

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

(a) any failure by the Servicer to make any payment, transfer or deposit or to give instructions or to give notice to the Paying Agent to make such payment, transfer or deposit on or before the date such payment, transfer or deposit or such instruction or notice is required to be made or given, as the case may be, under the terms of the Servicing Agreement or the Indenture, and which continues unremedied for a period of five (5) Business 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 Servicer by any Co-Issuer, any Loan Trustee, the Paying Agent or the Indenture Trustee, or to the Servicer, the Co-Issuers, the Loan Trustees, the Paying Agent and the Indenture Trustee by the Required Noteholders; or

(b) failure on the part of the Servicer duly to observe or perform in any material respect any other covenants or agreements of the Servicer set forth in the 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 sixty (60) 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 Servicer by any Co-Issuer, any Loan Trustee, the Paying Agent or the Indenture Trustee, or to the Servicer, the Co-Issuers, the Loan Trustees, the Paying Agent and the Indenture Trustee by the Required Noteholders; or

(c) any representation, warranty or certification made by the Servicer in the Servicing Agreement or the Indenture or in any certificate delivered pursuant to the Servicing Agreement or the Indenture shall prove to have been incorrect in any material respect when made or deemed made and such 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 thirty (30) 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 Servicer by any Co-Issuer, any Loan Trustee, the Paying Agent or the Indenture Trustee, or to the Servicer, the Co-Issuers, the Loan Trustees, the Paying Agent, the Note Registrar and the Indenture Trustee by the Required Noteholders; or

(d) insolvency, readjustment of debt, marshalling of assets and liabilities or similar proceedings, and certain actions by or on behalf of the Servicer indicating its insolvency or inability to pay its obligations.

See "*Risk Factors—Replacement of the Servicer or Inability to Replace the Servicer or Inability of the Servicer to Service the Loans Could Result in Reduced Payments on the Notes*" 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 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 Co-Issuers, the Loan Trustees, the Paying Agent and the Back-up Servicer (a "**Termination Notice**"), terminate all of the rights and obligations of the Servicer as Servicer under the Servicing Agreement and the Indenture. The existence of a Servicer Default may be waived with the consent of the Required Noteholders, 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).

On and after the receipt by the Servicer of a Termination Notice, the Servicer shall continue to perform all servicing functions under the Servicing Agreement, and shall be entitled to the related Servicing Fees and other amounts to which it is entitled in connection with the Servicing Agreement, until the Successor Servicing Transfer Date. The Indenture Trustee, acting at the direction of the Required Noteholders, shall as promptly as possible after the giving of a Termination Notice appoint 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 shall petition a court of competent jurisdiction to appoint any established institution qualifying as an Eligible Servicer as the Successor Servicer under the Servicing Agreement. The Indenture Trustee is required to give prompt notice to the Rating Agency upon the appointment of a Successor Servicer following a Servicer Default. Under no circumstances shall the Indenture Trustee be required to act as Successor Servicer or servicer of last resort.

An "**Eligible Servicer**" is the Servicer, 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, the Servicer in a transaction otherwise complying with the provisions described above or (y) an Affiliate of the Servicer, (b) is servicing a portfolio of consumer 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 Servicing Agreement, (d) is reasonably 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 Servicing Agreement, (e) 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 similar to the Servicing Standard and (f) is reasonably 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 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 the Servicer or Inability of the Servicer to Service 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 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 Servicing Agreement except upon a determination (as supported by an opinion of counsel) that (i) the performance of its duties under the 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 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) shall have assumed the responsibilities and obligations of the Servicer in accordance with the 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 and the Indenture Trustee is unable to appoint a Successor Servicer, the Indenture Trustee shall petition a court of competent jurisdiction to appoint any established institution qualifying as an Eligible Servicer as the Successor Servicer. The Co-Issuers are required to give prompt noticed to the Rating Agency upon appointment of a Successor Servicer after a resignation.

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 Servicing Agreement to another Person, whether or not an Affiliate of the Servicer so long as: (v) such entity shall be an Eligible Servicer as of such assignment; (w) such assignee assumes, by a written agreement, the performance of every covenant and obligation of the Servicer assigned to it; (x) the Servicer shall have caused such assignee to deliver a certificate of an officer of such assignee and an Opinion of Counsel, as to enforceability of the assumption agreement; (y) the Servicer shall have delivered (i) an Opinion of Counsel stating that the assignment is permitted under the applicable provisions of the Servicing Agreement and (ii) if such assignment is made to any entity other than OMFC, a certificate of an officer of the Servicer stating that such assignment will not materially adversely affect the interests of the Noteholders; and (z) (i) if such assignment is made to an Affiliate of the Servicer, the Servicer shall have given the Rating Agency notice of such assignment or (ii) if such assignment is made to a Person other than an Affiliate of the Servicer, the Rating Agency Notice Requirement has been satisfied with respect to such assignment.

Assumption of Servicing by the Back-up Servicer

In the event that OMFC is terminated or resigns as Servicer pursuant to the terms of the 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 OMFC in its capacity as servicer under the Servicing Agreement and (ii) except as noted below, shall be subject to all the rights, obligations and duties placed on the Servicer by the terms and provisions of the Servicing Agreement. The date on which such rights, duties 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 Servicing Agreement to cooperate in the transfer of such rights, obligations and duties 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 repurchase or advancing obligations, if any, of the Servicer, except that the Back-up Servicer will fund intra-month draws but only to the extent that funds are available therefor pursuant to the terms of the Servicing Agreement and without any obligation to expend its own funds therefor, (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 obligations of any prior servicer including the original servicer. Neither the Back-up Servicer as Successor Servicer nor any other Successor Servicer will be required to expend its own funds to make any advance in respect of the Loans. Furthermore, the Back-up Servicer as Successor Servicer will not be required to service the Loans in accordance with the Servicer's collection policies, but rather in accordance with the customary and usual servicing, administration and collection practices and procedures used by servicing companies of comparable experience to the Back-up Servicer for servicing consumer loans comparable to the Loans which the Back-up Servicer services for its own account, subject to the Required Servicing Protocols, and the Back-up Servicer will not be required to carry out the same activities as described above under "*—Servicing of Loans*" and "*Servicing Procedures*" in this private placement memorandum.

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. 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 the Servicer or Inability of the Servicer to Service 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 Co-Issuers, the Administrator, the Paying Agent 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 Co-Issuers, the Administrator, the Paying Agent or the Indenture Trustee, 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 (subject to the Indenture Trustee's rights under the Indenture), 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 the Back-up servicer may resign if it has not received the Back-up Servicing Fee by the later of (a) 60 days after such fee becomes due and (b) the applicable Payment Date pursuant to the terms of the Indenture; *provided, further*, that 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 Co-Issuers 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; provided that if no successor has been appointed within sixty (60) days the Back-up Servicer may petition a court of competent jurisdiction to appoint a successor, the costs of such petition to be paid by the Co-Issuers as a reimbursable expense.

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 Servicing Agreement

The Servicing Agreement may be amended by a written agreement among the Servicer, the Co-Issuers and the Loan Trustees, with notice to the Rating Agency, but without consent of any of the Noteholders, (i) to cure any ambiguity or correct or supplement any provisions that may be inconsistent with any other provisions in the Servicing Agreement, or (ii) to add any other provisions with respect to matters or questions arising under or related to the Servicing Agreement which shall not be inconsistent with the provisions of the Servicing Agreement; provided, however, that such action shall not adversely affect in any material respect the interest of any of the Noteholders or Loan Trustees as evidenced by an officer's certificate of each Co-Issuer to such effect delivered to the Indenture Trustee and the Loan Trustees. The Servicer shall provide notice of any such amendment to the Rating Agency.

In addition, the Servicing Agreement may be amended from time to time by a written agreement among the Servicer, the Co-Issuers and the Loan Trustees, but without the consent of any of the Noteholders, provided that (i) the party requesting such amendment shall, at its own expense, provide the Indenture Trustee with an officer's certificate stating that such amendment (x) will not materially adversely affect the interests of the Noteholders and (y) is permitted by the Servicing Agreement and (ii) the Rating Agency Notice Requirement shall have been satisfied.

Further, the Servicing Agreement may be amended by written instrument among the Servicer, the Co-Issuers and the Loan Trustees, but without the consent of the Noteholders, upon satisfaction of the Rating Agency Notice Requirement as may be necessary or advisable to avoid imposition of withholding taxes or state or local income or franchise taxes imposed on a Co-Issuer's property or its income.

The Servicing Agreement may also be amended from time to time by the Servicer, the Co-Issuers and the Loan Trustees, with the consent of the Required Noteholders and subject to satisfaction of the Rating Agency Notice Requirement, for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of the Servicing Agreement or of modifying in any manner the rights of the Noteholders; 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 without the consent of each Noteholder.

The Required Noteholders may, on behalf of all Noteholders, waive any default by any Co-Issuer, or the Servicer in the performance of their obligations under the 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).

The Back-up Servicing Agreement

The Back-up Servicing Agreement may be amended from time to time by all parties thereto, 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, or (ii) 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 the party requesting such action shall provide the Indenture Trustee with an officer's certificate dated the date of any such amendment stating that such amendment (i) will not give rise to an Adverse Effect and (ii) is permitted by the Back-up Servicing Agreement. Additionally, the Back-up Servicing Agreement may be amended from time to time by all parties thereto, but without the consent of any of the Noteholders, provided that (i) the Co-Issuers shall have delivered to the Indenture Trustee an officer's certificate dated the date of any such amendment and stating that such amendment (x) will not give rise to an Adverse Effect and (y) is permitted by the Back-up Servicing Agreement and (ii) the Rating Agency Notice Requirement shall have been satisfied.

The Back-up Servicing Agreement may also be amended from time to time by all parties thereto, 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; 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 without the consent of each Noteholder.

The cost of any amendment shall be borne by the party requesting the amendment; provided that if the amendment is sought to address any ambiguity or is otherwise requested by the Indenture Trustee or the Back-up Servicer, the expense of such amendment shall be borne by the Co-Issuers and paid as a reimbursable expense.

The Co-Issuers are required to furnish notification of the substance of each such amendment to the Indenture Trustee and each Noteholder.

The Co-Issuers and Loan Trustees have agreed in the Indenture not to terminate, amend, waive, supplement or otherwise modify any of, and not to 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 Co-Issuers may amend, modify, waive, supplement or agree to any amendment, modification, supplement or waiver of the terms of the Servicing Agreement or the Back-up Servicing 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 INDENTURE

General

The Notes will be issued pursuant to the Indenture, to be dated the Closing Date (the "**Indenture**"), among the Co-Issuers, the Loan Trustees, the Indenture Trustee, the Paying Agent and Note Registrar, 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.

Each Co-Issuer and its Loan Trustee will grant to the Indenture Trustee for the benefit of the Noteholders all of such Co-Issuer's and such Loan Trustee'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 a Seller and the related Seller Loan Trustee as a result of a Required Loan Repurchase or a Portfolio Called Loan, or to be conveyed to the Servicer as a result of a Required Servicer Loan Purchase (together with all other Purchased Assets relating thereto existing on such date or thereafter arising, and any and all proceeds of such Loan or any such Purchased Assets) 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 applicable Co-Issuer. In addition, in the event that a Loan becomes a Charged-Off Loan in accordance with the Credit and Collection Policy, such Charged-Off Loan (together with all other Purchased Assets relating thereto existing on such date or thereafter arising, and any and all proceeds of such Charged-Off Loan or any such Purchased Assets) will be deemed to be automatically released from the lien of the Indenture; provided that all Recoveries and other amounts collected by any Co-Issuer, any subservicer or the Servicer with respect to any such Loan shall be paid to the applicable Co-Issuer, shall be deposited in the Collection Account, subject to the lien of the Indenture and shall be applied as Available Funds.

Collection Account; Advance Reserve Account

The Servicer, for the benefit of the Noteholders, will establish and maintain with the Paying Agent and in the name of the Paying Agent, on behalf of the Indenture Trustee and the Co-Issuers, an 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 Servicing Agreement, the Servicer shall have the power and authority to make withdrawals or to instruct the Paying Agent to make withdrawals from the Collection Account and the Advance Reserve Account permitted by the terms of the Indenture or the Servicing Agreement.

In addition, the Servicer, for the benefit of the Noteholders, will establish and maintain with the Paying Agent and in the name of the Paying Agent, on behalf of the Indenture Trustee and the Co-Issuers, an Eligible Deposit Account bearing a designation clearly indicating that such account is the "Advance Reserve Account" and that the funds and other property credited thereto are held for the benefit of the Noteholders (the "**Advance Reserve Account**"). On the Closing Date, the Co-Issuers will remit an amount equal to the Required Advance Reserve Amount to the Paying Agent for deposit to the Advance Reserve Account. On each Payment Date, to the extent of Available Funds on such Payment Date are sufficient to pay such amount in accordance with the Priority of Payments, funds will be deposited to the Advance Reserve Account to cause the amount on deposit therein to equal the Required Advance Reserve Amount. The Advance Reserve Account will be used to pay to the Servicer such amounts as are required pursuant to the terms of any outstanding Loans to be funded to the Loan Obligors to the extent that the aggregate amount of intra-month draws by the Loan Obligors exceeds amounts on deposit in the Collection Account and the amount of Collections received and retained for such purpose.

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 Fitch, KBRA, Moody's or S&P in one of its generic credit rating categories that signifies "BBB-"/"Baa3" 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 or (ii) a certificate of deposit rating of "P-2" by Moody's and (b), either (x) a long-term unsecured debt rating of "BBB+" by Standard & Poor's or (y) a certificate of deposit rating of "A-2" by Standard & Poor's, or in each case, such other lower rating as may be approved by the Co-Issuers. If so qualified, the Paying Agent, the Indenture Trustee or the Administrator may be considered an Eligible Institution for the purposes of this definition.

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

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 by or on behalf of any Co-Issuer indicating its insolvency or inability to pay its obligations; or

(b) the Indenture Trustee shall cease to have a first-priority perfected security interest in all or a material portion of the Trust Estate; or

(c) any Co-Issuer shall have become subject to regulation by the SEC as an "investment company" under the Investment Company Act; or

(d) any Co-Issuer shall become taxable as an association, a taxable mortgage pool or a publicly traded partnership taxable as a corporation under the Internal Revenue Code; or

(e) a default in the payment of any interest on any Class A Note on any Payment Date and such default shall continue for a period of five (5) Business Days; or

(f) a failure to pay the note principal balance of all Outstanding Notes of any Class, together with all accrued and unpaid interest thereon, in full on the Stated Maturity Date for such Class; or

(g) either (x) a failure on the part of any of the Co-Issuers or on the part of any of the Loan Trustees duly to observe or perform any other covenants or agreements of the Co-Issuers or of the Loan Trustees, as applicable, set forth in the Indenture, or (y) a failure on the part of any of the Sellers duly to observe or perform any covenants or agreements of such Seller in respect of the repurchase of any Loan set forth in the related Loan Purchase Agreement, 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 sixty (60) days after the earlier of (i) the date on which any of the Co-Issuers, Sellers or a Responsible Officer of the Indenture Trustee has actual knowledge of such failure and (ii) 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 Co-Issuers, the Loan Trustees or the Sellers, as applicable, by the Indenture Trustee, or to the Co-Issuers, the Loan Trustees or the Sellers, as applicable, and the Indenture Trustee by the Required Noteholders; or

(h) either (x) any representation, warranty or certification made by any of the Co-Issuers or by any of the Loan Trustees in the Indenture or in any certificate delivered pursuant to the Indenture shall prove to have been inaccurate when made or deemed made or (y) any representation, warranty or certification made by any of the Sellers

with respect to any Loan in the related Loan Purchase Agreement or in any certificate delivered pursuant to such Loan Purchase Agreement shall prove to have been inaccurate when made or deemed made and, in either case, such inaccuracy has a material adverse effect on the Noteholders (as determined by the Required Noteholders) and which continues unremedied for a period of thirty (30) days after the earlier of (i) the date on which any of the Co-Issuers, Sellers or a Responsible Officer of the Indenture Trustee has actual knowledge of such incorrect representation or warranty and (ii) 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 Co-Issuers, the Loan Trustees or the Sellers, as applicable, by the Indenture Trustee, or to the Co-Issuers, the Loan Trustees or the Sellers, as applicable, and the Indenture Trustee by the Required Noteholders; it being understood that any repurchase of a Loan by the applicable Seller and Seller Loan Trustee pursuant to a Loan Purchase Agreement shall be deemed to remedy any incorrect representation or warranty with respect to such Loan; or

(i) the Internal Revenue Service shall file notice of a lien pursuant to Section 430 or Section 6321 of the Internal Revenue Code with regard to any Co-Issuer and such lien shall not have been released within thirty (30) days;

provided, *however*, that a failure of performance under any of clauses (e), (f), (g) or (h) above for a period of fifteen (15) days (beyond any cure periods provided for therein) shall not constitute an Event of Default if such failure could not be prevented by the exercise of reasonable diligence by the Co-Issuers and 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 fifteen (15) day period.

Rights Upon Event of Default

If an Event of Default described in clauses (b) through (i) in "*—Events of Default*" above occurs and is continuing, then the Indenture Trustee will (subject to its rights under the Indenture), acting at the 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 Co-Issuers and the Indenture Trustee, may rescind and annul such declaration and its consequences if:

(i) the Co-Issuers have paid or deposited with the Paying Agent 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 hereunder 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, the Paying Agent and the Note Registrar thereunder and the reasonable compensation, expenses, indemnities, disbursements and advances of the Indenture Trustee, the Paying Agent and the Note Registrar and their agents; 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 (subject to its rights under the Indenture), 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 Co-Issuers, 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 any Co-Issuer to exercise rights, remedies, powers, privileges or claims under the Loan Purchase Agreement to which it is a party 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 (based on the information provided to it by the Servicer) 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) 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 making the determinations referenced in (B) and (C) above, the Indenture Trustee shall be entitled to rely upon the opinion of relevant experts.

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 pursuant to the Indenture any other remedy that might have been available under the applicable UCC.

If the Indenture Trustee or the Paying Agent collects any money or property pursuant to the Indenture Trustee's exercise of remedies with respect to any Co-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 any Co-Issuer, as may otherwise be directed by a court of competent jurisdiction.

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 any Co-Issuer 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 cannot be waived 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.

Limitation on Suits

Subject to the limitations set forth in the Indenture and the Indenture Trustee's rights under 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 25% 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 Notes, the Indenture Trustee may act at the direction of the group representing a greater percentage of the Outstanding 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 Co-Issuers will deliver to the Indenture Trustee, no later than April 30th of each year so long as any Note is Outstanding (commencing April 30, 2021), an Officer's Certificate stating, as to the Authorized Officer signing such Officer's Certificate, that:

(a) a review of the activities of the Co-Issuers during the most recently ended fiscal year (or in the case of the fiscal year ending December 31, 2020, the period from the Closing Date to December 31, 2020) and of performance under the Indenture 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 Co-Issuers have materially complied with all conditions and covenants under the Indenture 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 Law).

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 Paying Agent and thereafter released to any Co-Issuer or discharged from such trust as provided in the Indenture) have been delivered to the Note Registrar for cancellation; or

(B) all Notes not theretofore delivered to the Note Registrar for cancellation:

(I) have become due and payable; or

(II) are to be called for redemption within one year under arrangements satisfactory to the Note Registrar for the giving of notice of redemption by the Indenture Trustee in the name, and at the expense, of the Co-Issuers, to be paid out of funds in the Collection Account;

and the Co-Issuers, in the case of (I) or (II) above, have irrevocably deposited or caused to be irrevocably deposited with the Paying Agent 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 (to the extent not theretofore delivered to the Note Registrar for cancellation) 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 Co-Issuers have paid or caused to be paid all other sums payable hereunder by the Co-Issuers with respect to the Notes and with respect to the Indenture Trustee, the Loan Trustees, the Custodian, the Paying Agent, the Servicer, the Back-up Servicer and the Note Registrar; and

(iii) the Co-Issuers have delivered to the Indenture Trustee, the Paying Agent and the Note Registrar an officer's certificate of the Co-Issuers and of the Administrator 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 and that the satisfaction and discharge of the Indenture is permitted thereunder.

All monies deposited with the Paying Agent 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 Paying Agent, 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 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 Co-Issuers, the Rating Agency, the Back-up Servicer, the Paying Agent 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 Collections for such Collection Period;

(c) the amount of intra-month draws made during such Collection Period and the amount on deposit in the Advance Reserve Account as of such Payment Date;

(d) the amount on deposit in the Reserve Account as of such Payment Date;

(e) the amount of interest accrued on, and the amount of interest to be paid to, each class of Notes on such Payment Date;

(f) the First Priority Principal Payment, the Second Priority Principal Payment and the Regular Principal Payment Amount for such Payment Date, and

(g) the amount of principal to be paid to each class of Notes and the note 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 Co-Issuers, the Loan Trustees, the Rating Agency, the Back-up Servicer and the Indenture Trustee on or before April 30 of each calendar year, beginning with April 30, 2021, 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 Servicing Agreement and other Transaction Documents throughout such calendar year 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 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 of that series, DTC will not forward monthly reports to those owners. Copies of Monthly Servicer Reports may be obtained by Beneficial Owners as provided in the Indenture.

Supplemental Indentures

Supplemental Indentures Without the Consent of the Noteholders. Without the consent of any Noteholders, but with prior notice to the Rating Agency, the Co-Issuers, the Servicer, the Paying Agent, the Note Registrar 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 at any time subject to the lien of the Indenture 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 Co-Issuers, for the benefit of the Holders of the Notes, or to surrender any right or power conferred upon the Co-Issuers in the Indenture; (iii) to convey, transfer, assign, mortgage or pledge any property to the Indenture Trustee; (iv) to cure any ambiguity, to correct or supplement any provision herein or in any supplemental indenture that may be inconsistent with any other provision herein or in any supplemental indenture or to make any other provisions with respect to matters or questions arising under the Indenture or in any supplemental indenture, including without limitation to cure any ambiguity or make any correction as a result of any discrepancy or inconsistency between any offering materials used by the Co-Issuers in connection with the sale of the Notes and the provisions of the Indenture or of any supplemental indenture; provided, that such action shall not adversely affect the interests of the Holders of the Notes in any material respect (so long as the Co-Issuers have delivered to the Indenture Trustee an Officer's Certificate stating that the Co-Issuers reasonably believe that such action will not have an Adverse Effect); or (v) to evidence and provide for the acceptance of the appointment by a successor indenture trustee and additional indenture trustee and to add to or change any of the provisions of this Indenture as shall be necessary to facilitate the administration of the trusts under the Indenture by more than one additional indenture trustee pursuant to the requirements thereunder.

The Co-Issuers, the Servicer, the Paying Agent, the Note Registrar and the Indenture Trustee, when authorized by an Issuer Order executed by each of the Co-Issuers, may, also without the consent of any Noteholders of any Notes, but upon satisfaction of the Rating Agency Notice Requirement, enter into an indenture or indentures 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 Holders of the Notes under the Indenture so long as the Co-Issuers have delivered to the Indenture Trustee an Officer's Certificate stating that such supplemental indenture will not have an Adverse Effect, and the Co-Issuers have delivered to the Indenture Trustee a Tax Opinion addressing such action.

Additionally, the Co-Issuers, the Paying Agent, the Note Registrar 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 Co-Issuers to avoid the imposition of state or local income or franchise taxes imposed on the Co-Issuer's property or its income, so long as (i) such amendment does not affect the rights, duties or obligations of the Indenture Trustee, the Paying Agent or the Note Registrar under the Indenture without its consent and (ii) the Co-Issuers have delivered to the Indenture Trustee and the Paying Agent 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 Co-Issuers, the Servicer, the Paying Agent, the Note Registrar 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 Notes and with prior notice to the Rating Agency, enter into an indenture supplemental to the Indenture so long as the Co-Issuers shall have delivered to the Indenture Trustee and the Paying Agent 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 Co-Issuers or any other obligor on the Notes;

(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) (v) modify the definition of "First Priority Principal Payment", "Second Priority Principal Payment", "Regular Principal Payment Amount", "Target Overcollateralization Amount", "Required Reserve Account Amount", "Advance Reserve Account Shortfall Amount" or "Event of Default" (or any defined term used therein), (x) modify the provisions relating to the requirements for supplemental indentures or (y) 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 or (z) amend or supplement the provisions with respect to the priority and distribution of Available Funds.

Notwithstanding anything to the contrary in the Indenture, including any provision set forth in "*—Supplemental Indentures With the Consent of the Noteholders"* above, no supplemental indenture shall, without the consent of the Holders of not less than a majority of the aggregate unpaid principal amount of the Outstanding Notes, permit the redemption of the Notes as contemplated in "*Description of the Notes—Optional Redemption"* on any day other than on a Payment Date.

It shall not be necessary for any act of Noteholders under this section to approve the particular form of any proposed supplemental indenture, but it shall be sufficient if such act shall approve the substance thereof.

The cost of any Supplement Indenture shall be borne by the party requesting the Supplement Indenture; provided that if the Supplement Indenture is sought to address any ambiguity or is otherwise requested by the Indenture Trustee or the Back-up Servicer, the expense of such Supplement Indenture shall be borne by the Co-Issuers and paid as a reimbursable expense. Promptly after the execution by the Co-Issuers, the Servicer, the Paying Agent, the Note Registrar 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. In connection with any supplemental indenture, in addition to the documents referenced herein, the Indenture Trustee shall be entitled to any additional Officers' Certificates and Opinions of Counsel required by the Indenture.

Modifications of Transaction Documents

Each Co-Issuer and each 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 such Co-Issuer 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 an Officer's Certificate as to such determination or (y) the Required Noteholders have consented in writing thereto; 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 Co-Issuers may enter into supplemental indentures to the Indenture as described under "*—Supplemental Indentures*."

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; Liability of Indenture Trustee

The Indenture Trustee will be entitled to receive an annual fee in an amount equal to $24,000 as compensation for its activities under the Indenture which will be paid in equal monthly installments by the Co-Issuers in accordance with the Priority of Payments.

In addition to compensation for its services, the Co-Issuers will reimburse the Indenture Trustee 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 and the costs of enforcing the Co-Issuers' indemnity obligations), disbursements and advances incurred or made by the Indenture 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 or bad faith as determined by a court of competent jurisdiction. The Co-Issuers have also agreed to indemnify the Indenture Trustee and its officers, directors, agents and employees, against any and all loss, suit, claim, judgment, liability or expense (including the reasonable fees and expenses of counsel and any costs incurred by the Indenture Trustee, in seeking the enforcement of any indemnity afforded to it under the Indenture) incurred by it in connection with the administration of the trust and the performance of its duties under the Indenture and under the other Transaction Documents. Such amounts will be paid in accordance with the Priority of Payments.

The payment of fees and the reimbursement of expenses of the Indenture Trustee and the Paying Agent and Note Registrar pursuant to the Indenture, the payment of fees and reimbursement of expenses of the Loan Trustees pursuant to the Loan Trust Agreements, the reimbursement of expenses of the Back-up Servicer pursuant to the Back-up Servicing Agreement (other than Servicing Transition Costs) and the payment to the Loan Trustees, the Paying Agent, the Note Registrar, the Indenture Trustee, the Custodian and any other Person (other than the Servicer) entitled thereto of any indemnified amounts due and owing from the Co-Issuers 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 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 and such cap shall not apply if an Event of Default shall have occurred and be continuing.

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.

The Indenture Trustee (a) shall not be required to take any action which would involve the prosecution or commencement of any action, proceeding or demand against U.S. Bank in any capacity in relation to the collateral or the Notes and (b) shall suffer no liability for its refusal to take any such action. In instances where such action is properly requested in accordance with other provisions of this Indenture, the Indenture Trustee, in its sole discretion, will be entitled to either appoint a separate trustee to take such action or assign its right to take such action (in either case, to the extent it possesses the legal right to take such action) to a third party pursuant to an agreement acceptable to the Indenture Trustee in its sole discretion; provided, however, if the Indenture Trustee does not take such action and does not appoint a separate trustee or third party pursuant hereto within ninety (90) days of such proper direction, the Co-Issuers may appoint such trustee or third party to pursue such action without the consent of the Indenture Trustee, and the Indenture Trustee shall not incur any liability in connection with such appointment by the Co-Issuers (or its own failure to act or appoint a party to act).

Subject to the terms of the Indenture, and except during a continuing Event of Default (of which a Responsible Officer of the Indenture Trustee has actual knowledge) under the Indenture, the Indenture Trustee will perform only those duties specifically set forth in the Indenture and disclaims all other duties, implied covenants or obligations. After an Event of Default (of which a Responsible Officer of the Indenture Trustee has actual knowledge) under the Indenture occurs, the Indenture Trustee will be obligated to exercise the rights and powers vested in it by the Indenture and to use the same degree of care and skill in their exercise as a prudent man would exercise or use under the circumstances in the conduct of his own affairs.

The Indenture Trustee will be liable for its own negligent action, its own negligent failure to act or its own bad faith or willful misconduct under the Indenture; provided, however, that:

- the Indenture Trustee will not be liable for an error of judgment made in good faith by a Responsible Officer of the Indenture Trustee, unless it is proven that the Indenture Trustee was negligent in ascertaining the pertinent facts, nor will the Indenture Trustee be liable with respect to any action it takes or omits to take in good faith in accordance with the Indenture or in accordance with a direction received by it pursuant to the Indenture, and

- the Indenture Trustee will not be required to expend or risk its own funds or otherwise incur financial liability if there are reasonable grounds for believing that the repayment of those funds or indemnity satisfactory to it against that risk or liability is not reasonably assured to it under the Indenture.

In addition, the Indenture Trustee will not be charged with knowledge of any Event of Default, any Servicer Default, any breach of a representation or warranty or any failure by any person to comply with its obligations under the Transaction Documents unless a Responsible Officer of the Indenture Trustee receives written notice of such event at its corporate trust office.

Resignation and Removal of the Indenture Trustee

The Indenture Trustee may resign at any time by giving sixty (60) days prior written notice to the Co-Issuers, in which event the Co-Issuers 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 Indenture Trustee shall resign immediately if (i) the Indenture Trustee ceases to have a combined capital, surplus and undivided profits 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 ceases to be a bank (as defined in the Investment Company Act), (iv) the Indenture Trustee is an Affiliate of any of the Co-Issuers or the Servicer, (v) the Indenture Trustee offers or provides credit or credit enhancement to any Co-Issuer, (vi) the Indenture Trustee becomes insolvent or (vii) the Indenture Trustee becomes incapable of acting. If the Co-Issuers removes the Indenture Trustee, the Co-Issuers 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 Co-Issuers 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.

Compensation of the Paying Agent and Note Registrar; Indemnification

The Paying Agent and Note Registrar will be entitled to receive an annual fee in an amount equal to $12,000 as compensation for their activities under the Indenture which will be paid in equal monthly installments by the Co-Issuers in accordance with the Priority of Payments.

In addition to compensation for its services, the Co-Issuers will reimburse each of the Paying Agent and the Note Registrar 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 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 or bad faith.

The payment of fees and reimbursement of expenses of the Indenture Trustee and the Paying Agent and Note Registrar pursuant to the Indenture, the payment of fees and reimbursement of expenses of the Loan Trustees pursuant to the Loan Trust Agreements, the reimbursement of expenses of the Back-up Servicer pursuant to the Back-up

Servicing Agreement (other than Servicing Transition Costs) and the payment to the Loan Trustees, the Paying Agent, the Note Registrar, the Indenture Trustee, the Custodian and any other Person entitled thereto of any indemnified amounts due and owing from the Co-Issuers 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 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 and such cap shall not apply if an Event of Default shall have occurred and be continuing.

Neither the Paying Agent nor the Note Registrar shall 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 for exercising any power conferred upon the Paying Agent or the Note Registrar, as applicable, under the Indenture. Generally, neither the Paying Agent nor the Note Registrar shall 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 Paying Agent or the Note Registrar, as applicable, 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 Paying Agent or the Note Registrar, as applicable, shall promptly notify the Co-Issuers and the Servicer thereof (however, failure by the Paying Agent or the Note Registrar, as applicable, to so notify the Co-Issuers and the Servicer shall not relieve any Co-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 Co-Issuers shall defend any claim against each of the Paying Agent and the Note Registrar; provided, however, the Paying Agent or the Note Registrar, as applicable, may have separate counsel and, if it does, the Co-Issuers shall pay the fees and expenses of such counsel.

Resignation and Removal of the Paying Agent and Note Registrar

Paying Agent

The Co-Issuers may remove the Paying Agent if the Co-Issuers determine in their sole discretion that the Paying Agent shall have failed to perform its obligations under the Indenture in any material respect. If the Co-Issuers remove the Paying Agent, the Co-Issuers will be obligated to appoint a successor paying agent, which successor shall be reasonably satisfactory to the Servicer.

The Paying Agent may resign at any time by giving sixty (60) days prior written notice to the Co-Issuers and the Servicer, in which event the Co-Issuers will be obligated to appoint a successor Paying Agent as set forth in the Indenture, which successor shall be reasonably satisfactory to the Servicer. The cost of any Petition of Court for Successor shall be borne by the party requesting the Petition of Court for Successor; provided that if the Petition of Court for Successor is sought to address any ambiguity or is otherwise requested by the Indenture Trustee or the Back-up Servicer, the expense of such Petition of Court for Successor shall be borne by the Co-Issuers and paid as a reimbursable expense.

The Paying Agent shall resign if (i) the Paying Agent 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 Paying Agent fails to meet the requirements of Section 26(a)(1) of the Investment Company Act, (iv) the Paying Agent is an Affiliate of any of the Co-Issuers or the Servicer, (v) the Paying Agent offers or provides credit or credit enhancement to any Co-Issuer, (vi) the Paying Agent becomes insolvent or (vii) the Paying Agent becomes incapable of acting.

Note Registrar

The Co-Issuers may remove the Note Registrar if the Co-Issuers determine in their sole discretion that the Note Registrar shall have failed to perform its obligations under the Indenture in any material respect. If the Co-

Issuers remove the Note Registrar, the Co-Issuers will be obligated to appoint a successor note registrar, which successor shall be reasonably satisfactory to the Servicer.

The Note Registrar shall be permitted to resign as Note Registrar upon sixty (60) days written notice to the Co-Issuers and the Indenture Trustee; provided, however, that such resignation shall not be effective and the Note Registrar shall continue to perform its duties as Note Registrar until the Co-Issuers have appointed a successor Note Registrar (which may be the Indenture Trustee).

The Note Registrar shall resign if (i) the Note Registrar 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 Note Registrar fails to meet the requirements of Section 26(a)(1) of the Investment Company Act, (iv) the Note Registrar is an Affiliate of any of the Co-Issuers or the Servicer, (v) the Note Registrar offers or provides credit or credit enhancement to any Co-Issuer, (vi) the Note Registrar becomes insolvent or (vii) the Note Registrar becomes incapable of acting.

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 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 and the aggregate Class B Note Balance in each case as of such date of determination.

"**Class A Note Balance**" shall initially mean $610,004,000 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 $53,043,000 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.

"**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 Note Registrar or delivered to the Note Registrar for cancellation; and

(2) Notes for whose payment or redemption money in the necessary amount has been previously deposited with the Paying Agent 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 Note Registrar 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 Note Registrar 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 any Co-Issuer, any other obligor upon the Notes, the Performance Support Provider, the Servicer (or any subservicer with respect to the Servicer that is an Affiliate of the Servicer) or any Seller shall be disregarded and

considered not to be Outstanding, except that, in determining whether the Indenture Trustee, the Paying Agent and the Note Registrar 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, the Paying Agent or the Note Registrar, as the case may be, has actual knowledge of being so owned shall be so disregarded. 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 Paying Agent and the Note Registrar the pledgee's right so to act for such Notes and that the pledgee is not any Co-Issuer, any other obligor upon the Notes, the Performance Support Provider, the Servicer (or any subservicer with respect to the Servicer that is an Affiliate of the Servicer) or any Seller. In making any such determination, the Indenture Trustee, the Paying Agent and the Note Registrar 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, each of the Co-Issuers has engaged NRZ as Administrator to perform, on behalf of such Co-Issuer, certain of the covenants, duties and obligations of such Co-Issuer under the Indenture and the other Transaction Documents. Notwithstanding such engagement, each Co-Issuer shall remain liable for all such covenants, duties and obligations.

The Administrator will be entitled to receive an annual fee in an amount equal to $20,000 as compensation for its activities under the Administration Agreement which will be paid in equal monthly installments by the Co-Issuers in accordance with the Priority of Payments.

The Administration Agreement shall continue in force until the termination of all of the Co-Issuers in accordance with their respective limited liability company agreements. NRZ may resign as Administrator by providing the Co-Issuers with at least 60 days' prior written notice. In addition, the Co-Issuers may remove NRZ 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 30 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 Co-Issuers)); 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 Co-Issuers in accordance with the Administration 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 60 days after the retiring Administrator resigns or is removed, the resigning or removed Administrator or the Co-Issuers 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, (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, any Co-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 confirmed by an Officer's Certificate, adversely affect in any material respect the interests of any Noteholder. Prior to entering into any amendment without the consent of holders of the Notes, 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 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; 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 Collateral or payments or distributions, as applicable, that shall be required to be made for the benefit of holders of the Notes or (ii) reduce the aforesaid percentage of the

note principal balance of the Notes required to consent to any such amendment, without the consent of the holders of all the Outstanding Notes.

THE CUSTODIAL AGREEMENT

U.S. Bank National Association acts as custodian (the "**Custodian**") of the loan files pursuant to a custodial agreement (the "**Custodial Agreement**"). As of the Closing Date, approximately 133,289 original loan files are held by the Custodian. The Custodian has inventoried such loan files but will not inspect them. On each Payment Date, the Custodian will be entitled to receive the custodial fee in accordance with the terms of the Custodial Agreement. The custodial fee will vary based on the level of access to the files required by the Servicer.

THE LOAN TRUST AGREEMENTS

Each of the Co-Issuers has entered into a Loan Trust Agreement with Wilmington Trust, National Association, as Loan Trustee. Each Loan Trust Agreement provides that the Loan Trustee thereunder will hold legal title to certain of the Loans for the benefit of the applicable Co-Issuer. Each 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 applicable Co-Issuer other than those arising from the willful misconduct or gross negligence of the applicable Loan Trustee. Under the Loan Trust Agreements, the applicable Loan Trustee or any successor thereto may resign at any time without cause by giving at least 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.

Subject to the Priority of Payments, each Co-Issuer will (i) pay to its related Loan Trustee on the Payment Date occurring in September of each calendar year, beginning in 2021, a fee for acting as Loan Trustee in an amount equal to $7,500, payable annually in advance, and (ii) reimburse such Loan 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 Loan Trustee of such Co-Issuer. Amounts payable to a Loan Trustee described in the foregoing sentence shall be payable from amounts designated for payment to the Loan Trustees pursuant to the Priority of Payments or from other amounts available to such Co-Issuer that are not subject to the lien of the Indenture.

The payment of fees and reimbursement of expenses of the Indenture Trustee, the Paying Agent and the Note Registrar pursuant to the Indenture, the payment of fees and reimbursement of expenses of the Loan Trustees pursuant to the Loan Trust Agreements, the reimbursement of expenses of the Back-up Servicer pursuant to the Back-up Servicing Agreement (other than Servicing Transition Costs) and the payment to the Loan Trustees, the Indenture Trustee, the Custodian, the Paying Agent, the Note Registrar and any other Person (other than the Servicer) entitled thereto of any indemnified amounts due and owing from the Co-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 all such amounts are also payable from the assets of the Trust Estate on a subordinate basis in accordance with the Priority of Payments and such cap shall not apply if an Event of Default shall have occurred and be continuing.

THE CO-ISSUER LIMITED LIABILITY COMPANY AGREEMENTS

The following summaries describe certain provisions of the Co-Issuer LLC Agreements. 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 Co-Issuer LLC Agreements.

Formation of the Co-Issuers

Each Co-Issuer is a limited liability company formed under the laws of the State of Delaware pursuant to its Co-Issuer LLC Agreement for transactions described herein. Each Co-Issuer's sole member is the relevant Seller under its respective Loan Purchase Agreement, and such sole member may determine at any time in its sole discretion

the number of managers that constitutes the board of managers. At formation, each Co-Issuer's board of managers consisted of three managers, including one who is the initial independent manager. Each Co-Issuer must have at least one independent manager at all times.

Activities and Limitations on Activities of the Co-Issuers

The purpose of each Co-Issuer, for so long as any obligations are outstanding in connection with the issuance of the Notes, are as follows:

(a) Acquiring as purchaser and/or by contribution to the capital of each Co-Issuer or otherwise, owning, holding, transferring, assigning, selling, contributing to capital, pledging and otherwise dealing with

(i) promissory notes, loan agreements, and similar documents and instruments, related personal property, security agreements and other related agreements, documents, books and records,

(ii) related rights to payment, whether constituting cash, account, chattel paper, instrument, general intangible or otherwise, and any other related assets, property and rights, including without limitation security interests,

(iii) related collection, deposit, custodial, trust and other accounts, lock boxes and post office boxes and any amounts and other items from time to time on deposit therein,

(iv) personal property acquired by repossession or judicial proceedings or otherwise in respect of any of the foregoing,

(v) certificates, notes, bonds or other securities, instruments and documents evidencing ownership interests in or obligations secured by all or any of the foregoing, and

(vi) proceeds and other payments and distributions of any kind of, on or in respect of any of the foregoing, in each case, solely in connection with the Transaction;

(b) Authorizing, issuing, selling and delivering, directly or indirectly through corporations, partnerships, limited liability companies, business trusts, common law trusts or other special purpose entities established solely for such purpose, certificates, notes, bonds and other securities, instruments and documents evidencing beneficial or legal ownership interests in or obligations secured by all or any portion of the assets described in the foregoing paragraph (a), and, to that end, entering into the Transaction Documents; and

(c) To engage in any activity and to exercise any powers permitted to limited liability companies under the laws of the State of Delaware that are related or incidental to the foregoing and necessary, convenient or advisable to accomplish the foregoing.

No Co-Issuer is permitted to engage in any business or activities other than in connection with, or relating to, the purposes specified in the previous paragraph.

So long as any obligations in connection with the issuance of the Notes are outstanding, each Co-Issuer will:

(a) Maintain its own separate books and records and bank accounts;

(b) At all times hold itself out to the public as a legal and economic entity separate from the member and any other Person, and strictly comply with all organizational formalities to maintain its separate existence;

(c) Have a board separate from that of the member and any other Person;

(d) Correct any known misunderstanding regarding its separate identity and refrain from engaging in any activity that compromises the separate legal identity of such Co-Issuer;

(e) Maintain adequate capital and a sufficient number of employees, if any employees are so needed, in light of its contemplated business purposes, transactions and liabilities and in order to pay its debts as they become due;

(f) Cause its board to meet at least annually or act pursuant to written consent and keep minutes of such meetings and actions and observe all other Delaware limited liability company formalities;

(g) Not acquire any obligations or securities of any Affiliate of the member;

(h) File its own tax returns, if any, as may be required under applicable law, to the extent (1) not part of a consolidated group filing a consolidated return or returns or (2) not treated as a division for tax purposes of another taxpayer, and pay any taxes so required to be paid under applicable law;

(i) Except as contemplated by the Transaction Documents, not commingle its assets with assets of any other Person;

(j) Conduct its business in its own name;

(k) Maintain separate financial statements, prepared in accordance with applicable generally accepted accounting principles, showing its assets and liabilities separate and apart from those of any other Person and not have its assets listed on any financial statement of any other Person other than as a consequence of the application of consolidation rules in accordance with general accepted accounting principles;

(l) Pay its own liabilities and expenses only out of its own funds;

(m) Maintain an arm's length relationship with unaffiliated parties, and not enter into any transaction with an Affiliate of the Company except on commercially reasonable terms similar to those available to unaffiliated parties in an arm's length transaction;

(n) Pay the salaries of its own employees, if any, only out of its own funds;

(o) Not hold out its credit or assets as being available to satisfy the obligations of any other Person nor pledge its assets for the benefit of any other Person nor make any intercompany loans to any Affiliate or accept any intercompany loans from any Affiliate;

(p) Clearly identify its offices, if any, as its offices and, to the extent that it and its Affiliates have offices in the same location, allocate fairly and reasonably any overhead expenses that are shared with an Affiliate, including and for services performed by an employee of an Affiliate;

(q) Use separate stationery, invoices and checks bearing its own name; and

(r) Cause its managers, officers, agents and other representatives to act at all times consistently and in furtherance of the foregoing and in the best interests of such Co-Issuer.

So long as any obligations in connection with the issuance of the Notes are outstanding, each Co-Issuer will not:

(a) Guarantee any obligation of any Person, including any Affiliate;

(b) Engage, directly or indirectly, in any business other than that required or permitted to be performed under the relevant LLC agreement, as described herein, or the Transaction Documents;

(c) Incur, create or assume any indebtedness other than as expressly permitted under the Transaction Documents;

(d) Allow any borrowing or granting of a security interest or other transfer of assets between such Co-Issuer and any other Person unless such action is permitted under the Transaction Documents and there is a business purpose for such Co-Issuer and the borrowing or granting of a security interest in or other transfer of assets was not and will not be intended to impair the rights or interests of creditors and was made in exchange for reasonably equivalent value and fair consideration and has been and will be appropriately documented and recorded in its records;

(e) Except as already described in this subheading, make or permit to remain outstanding any loan or advance to, or own or acquire any stock or securities of, any Person, except that each Co-Issuer may invest in those investments permitted under the Transaction Documents and may make any advance required or expressly permitted to be made pursuant to any provisions of the Transaction Documents and permit the same to remain outstanding in accordance with such provisions;

(f) Form, acquire or hold any subsidiary (whether corporate, partnership, limited liability company or other) or own any equity interest in any other entity except as expressly permitted under the Transaction Documents; or

(g) To the fullest extent permitted by law, engage in any dissolution, liquidation, consolidation, merger, sale or other transfer of any of its assets outside the ordinary course of such Co-Issuer's business.

Without the unanimous consent of the board (including the independent manager), no Co-Issuer, its respective member, nor any other Person on behalf of such Co-Issuer shall have the authority to confess a judgment against such Co-Issuer; or knowingly perform any act that would subject (i) the member to liabilities of the respective Co-Issuer in any jurisdiction, or such Co-Issuer to liabilities of the member, or (ii) such Co-Issuer to taxation as a corporation under relevant provisions of the Internal Revenue Code, as amended.

Amendments

So long as any present and future indebtedness and other liabilities and obligations of each Co-Issuer under or in connection with the Transaction Documents is outstanding, such Co-Issuer's limited liability company agreement may not be amended, waived or otherwise modified except: (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 each Co-Issuer'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 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 Co-Issuer (including the independent manager). The applicable Co-Issuer is required to provide a copy of any amendment to the Administrator and, for so long as any Notes are outstanding, to the Rating Agency.

Any amendment which affects the rights, duties, immunities or liabilities of the Loan Trustees shall require the Loan Trustees' written consent.

THE PERFORMANCE SUPPORT AGREEMENT

Pursuant to the Performance Support Agreement, NRZ agrees in favor of each Co-Issuer 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 of each Seller of the Sellers under the Loan Purchase Agreements, including, without limitation, (a) the obligation of such Seller to repurchase Loans pursuant to the Loan Purchase Agreement to which it is a party and (b) all obligations of such Seller in respect of indemnities under such 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. NRZ 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 beneficial interest in and legal title to the Loans by the Sellers and the Seller Loan Trustee, respectively, to the Co-Issuers and the Loan Trustees, 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 and whether or not there is collateral securing such Loans. The Co-Issuers and the Servicer 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 would acquire an interest in the Loans superior to the interests of the applicable Co-Issuer, the applicable Loan Trustee and the Indenture Trustee if the third party acquired the Loans for value and without knowledge that the purchase violates the rights of such Co-Issuer or the Indenture Trustee, which could cause investors to suffer losses on their Notes. No entity will take any action to perfect any Co-Issuer's, any 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 a Co-Issuer, a Loan Trustee 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 such Co-Issuer, such Loan Trustee or the Indenture Trustee.

Generally, the rights held by assignees of the Loans, including without limitation, the applicable Co-Issuer and its related Loan Trustee 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 Seller Loan Trustees, the Servicer, the Co-Issuers or the Loan Trustees is obligated to give the obligors notice of the assignment of any of the Loans, the Co-Issuers 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.

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 foreclose on an affected Loan during the Loan Obligor's period of active duty status and up to one year thereafter. 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 or to collect payments of principal and interest on, or to foreclose 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.

Consumer Protection Laws

Numerous federal, state and local laws regulate residential mortgage origination, servicing and collection practices and impose various disclosure and other substantive requirements. With respect to PHLs, violations of these laws may, in some instances, adversely affect the value and/or enforceability of the PHLs. One of the most significant types of laws that may affect assignees of the PHLs are the so-called "anti-predatory lending" or "high cost laws." On the federal level, the Home Ownership and Equity Protection Act of 1994 ("**HOEPA**"), which adds certain provisions to TILA that were implemented through amendments to Regulation Z, imposes additional disclosure and other requirements on creditors with respect to "high-cost mortgages." originated on or after October 1, 1995. In general for this portfolio, HOEPA applies to closed end PHLs which have annual percentage rates ("**APR**"), points and fees and/or prepayment penalties that exceed certain thresholds. HOEPA and TILA impose specific statutory liabilities upon creditors who fail to comply with their provisions and may affect the enforceability of the related loans. In addition, any assignee of a creditor, including any Co-Issuer and the trustee, would generally be subject to all claims and defenses that the consumer could assert against the creditor, including, without limitation, the right to rescind the PHL.

States and some localities have also adopted anti-predatory lending laws that are similar to HOEPA and in some instances were conformed to HOEPA, but which in other instances contain APR, points and fees or other thresholds that are generally lower than under federal law and may also apply to HELOCs. These laws could impact some of the PHLs. Similarly to HOEPA, these laws contain disclosure and other substantive restrictions include for loans to which they apply, which may include prohibitions on steering borrowers into loans with high interest rates and away from more affordable products, selling unnecessary insurance to borrowers, flipping or repeatedly refinancing loans and making loans without a reasonable expectation that the borrowers will be able to repay the loans. Compliance with some of these restrictions requires lenders to make subjective judgments, such as whether a loan will provide a "net tangible benefit" to the borrower. These restrictions expose a lender to risks of litigations and regulatory sanction no matter how carefully a loan is underwritten. The remedies for violations of these laws are not based on actual harm to the consumer and can result in damages that exceed the loan balance. In addition, an increasing number of these laws, rules and regulations seek to impose liability for violations on assignees, which may include prior warehouse lenders and whole-loan buyers, regardless of whether the assignee knew of or participated in the violation.

In addition, other federal, state and local laws, public policy and general principles of equity relating to the protection of consumers, unfair, deceptive or abusive acts or practices and debt collection practices apply to the origination, servicing and collection with respect to PHLs. Lawsuits have been brought in various states making claims against assignees of high cost loans for violations of state law allegedly committed by the originator. Named defendants in these cases include numerous participants within the secondary mortgage market, including some securitization trusts. Depending upon the provisions of the applicable law and the specific facts and circumstances involved, violations of these laws may limit the ability of a servicer to collect all or part of the principal of or interest on the PHLs, may entitle borrowers to a refund of amounts previously paid and could subject a Co-Issuer to damages.

Under the anti-predatory lending laws of some states, the borrower is required to meet a net tangible benefits test in connection with the origination of the related PHL. This test may be highly subjective and open to interpretation. As a result, a court may determine that a PHL does not meet the test even if the originator reasonably believed that the test was satisfied. Any determination by a court that the PHL does not meet the test will result in a violation of the state anti-predatory lending law.

The CFPB, local, state and federal legislatures, state and federal banking regulatory agencies, state attorneys general offices, the Federal Trade Commission, the Department of Justice, the Department of Housing and Urban Development and state and local governmental authorities have continued to focus on lending and servicing practices by some companies, primarily in the non-prime lending industry, sometimes referred to as "predatory lending" and "abusive servicing" practices. Sanctions have been imposed by various agencies for practices such as charging excessive fees, imposing higher interest rates than the credit risk of some borrowers warrant, failing to disclose adequately the material terms of loans to borrowers and abrasive servicing and collections practices.

PHLs are also subject to various other federal laws, including but not limited to: (1) the Real Estate Settlement Procedures Act ("**RESPA**") and Regulation X promulgated thereunder, which regulates real estate settlement closing and servicing practices; (2) the Equal Credit Opportunity Act and Regulation B promulgated thereunder, which prohibit discrimination on the basis of age, race, color, sex, religion, marital status, national origin, receipt of public assistance or the exercise of any right under the Consumer Credit Protection Act, in the extension of credit and servicing of consumer transactions; and (3) the Fair Credit Reporting Act, which regulates the use and reporting of information related to borrowers' credit experience.

In addition to "high cost laws," TILA and its implementing regulation, Regulation Z, impose restrictions on a category of PHLs called "higher-priced PHLs." The "higher-priced PHL" restrictions for this portfolio apply to closed end mortgage loans originated on or after October 1, 2009. A "higher-priced PHL" includes a first-lien or subordinate-lien PHL for which the APR exceeds certain specified thresholds that are lower than the HOEPA thresholds. "Higher-priced PHLs" are subject to consumer protections that include prohibiting a lender from extending a loan based on the value of the collateral without regard to the consumer's repayment ability, prohibiting certain prepayment penalties and requiring the establishment of an escrow account for the payment of taxes and mortgage-related insurance premiums. In addition, TILA and Regulation Z also impose a number of other disclosure and substantive requirements related to the origination of the PHL. Again, violation of these requirements may subject an assignee of those loans to statutory liability under TILA, including in certain instances, the right to rescind the loan. A small number of states have also adopted statutes that create their own category of "higher-priced PHLs", which may impose additional disclosure and/or substantive obligations on creditors, violations of which may affect assignees of such loans.

The Dodd-Frank Act sets forth certain objectives for and the functions of the CFPB. The objectives of the CFPB, as identified under the Dodd-Frank Act, are to ensure that: (1) consumers are provided with timely and understandable information to make responsible decisions about financial transactions; (2) consumers are protected from unfair, deceptive, or abusive acts and practices and from discrimination; (3) outdated, unnecessary, or unduly burdensome regulations are regularly identified and addressed in order to reduce unwarranted regulatory burdens; (4) federal consumer financial law is enforced consistently, without regard to the status of a person as a depository institution, in order to promote fair competition; and (5) markets for consumer financial products and services operate transparently and efficiently to facilitate access and innovation. The primary functions of the CFPB under the Dodd-Frank Act are: (1) conducting financial education programs; (2) collecting, investigating, and responding to consumer complaints; (3) collecting, researching, monitoring, and publishing information relevant to the functioning of markets for consumer financial products and services to identify risks to consumers and the proper functioning of such markets;

(4) subject to certain sections of the Dodd-Frank Act, supervising covered persons for compliance with federal consumer financial law, and taking appropriate enforcement action to address violations of federal consumer financial law; (5) issuing rules, orders, and guidance implementing federal consumer financial law; and (6) performing such support activities as may be necessary or useful to facilitate the other functions of the CFPB.

The Dodd-Frank Act, which is designed to improve accountability and transparency in the financial system and to protect consumers from abusive financial services practices, has also imposed various new requirements that may affect assignees. Among other things, the CFPB issued a final rule (the "**Servicing Rule**") that became effective on January 10, 2014, which amends Regulation X and Regulation Z, the regulations that implement RESPA and TILA respectively, to establish substantive mortgage servicing standards. The Servicing Rule, which applies to the closed end PHLs (and some provisions of which apply to open end PHLs), addresses, among other matters, (1) periodic statements for each billing cycle; (2) notices regarding interest rate adjustments; (3) prompt payment crediting and accurate payoff statements; (4) a prohibition against charging for force-placed requests of complaints of errors; (6) general servicing policies and procedures; (7) an early intervention requirement to contact delinquent borrowers; (8) a continuity requirement for providing delinquent borrowers with access to servicing personnel; and (9) a requirement to follow loss mitigation procedures that include specific time frames for responses, restrictions on "dual tracking" whereby the servicer evaluates a consumer for a loss mitigation alternative while simultaneously pursuing a foreclosure proceeding, restrictions on initiating a judicial or non-judicial foreclosure process unless the borrower is more than 120 days delinquent and an appeal process for denied applications for loss mitigation. Specifically, the Servicing Rule prohibits a servicer from making the first notice or filing required to commence the foreclosure process until the mortgagor is more than 120 days delinquent. Even if a mortgagor is more than 120 days delinquent, if the mortgagor submits a complete application for a loss mitigation option before a servicer has made the first notice or filing required for a foreclosure process, the servicer may not start the foreclosure process unless (i) the servicer informs the mortgagor that the mortgagor is not eligible for any loss mitigation option (and any appeal in respect thereof has been exhausted), (ii) the mortgagor rejects all loss mitigation offers, or (iii) the mortgagor fails to comply with the terms of a loss mitigation option such as a trial modification. If a mortgagor submits a complete application for a loss mitigation option after the foreclosure process has commenced but more than 37 days before a foreclosure sale, the servicer may not move for a foreclosure judgment or order of sale, or conduct a foreclosure sale, until one of the same three conditions has been satisfied. In all of these situations, the servicer is responsible for promptly instructing foreclosure counsel retained by the servicer not to proceed with filing for foreclosure judgment or order of sale, or to conduct a foreclosure sale, as applicable. On August 4, 2016, the CFPB announced amendments to certain of the Servicing Rules relating to force-placed insurance notices, delinquency and early intervention, loss mitigation, periodic monthly statements, and successors-in-interest to borrowers that could further impact servicing and delay foreclosures. These new 2016 amendments took effect on October 19, 2017, except that the certain of the new amendments became effective on April 19, 2018. Additionally, the CFPB has the authority under the Dodd–Frank Act to impose additional requirements on servicers to address any perceived issues.

See "*Risk Factors—Financial Regulatory Reform*" and "*Risk Factors—Statutory and Judicial Limitations on Foreclosure May Delay Recovery in Respect of the Mortgaged Property and, in Some Instances, Limit the Amount that May be Recovered; Governmental Actions May Limit the Servicer's Ability to Foreclose the PHLs*" in this private placement memorandum.

Other Laws

Other laws include the following (and their implementing regulations):

- federal Truth in Lending Act,
- the Home Ownership and Equity Protection Act ("**HOEPA**") and state laws patterned after HOEPA,
- Equal Credit Opportunity Act,
- Fair Credit Reporting Act,
- Federal Trade Commission Act,

- Magnuson-Moss Warranty Act,
- Fair Debt Collection Practices Act,
- Servicemembers Civil Relief 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 personal 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 personal 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 Co-Issuers 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 self-help remedies of secured parties under the Uniform Commercial Code and related laws violate the due process protections provided under the 14th Amendment to the Constitution of the United States. Courts have generally upheld the notice provisions of the Uniform Commercial Code and related laws as reasonable or have found that the repossession and resale by the creditor do not involve sufficient state action to afford constitutional protection to obligors.

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 applicable Co-Issuer and Issuer Loan Trustee on its behalf will be subject to any claims or defenses that the debtor may assert against a seller.

Repurchase Obligations

Each Seller, as seller of Loans to the related Co-Issuer, will make representations and warranties in the applicable Loan Purchase Agreement that each Loan sold by it to such Co-Issuer complies with all requirements of law in all material respects. If any Loan Level 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—Repurchase Obligations*" in this private placement memorandum. The Sellers are subject from time to time to litigation alleging that the personal 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.

In addition the Servicer is required to purchase any Loan in the event certain of its representations, warranties or covenants in the Servicing Agreement with respect to such Loan is breached, which breach materially adversely affects the interests of the Noteholders in such Loan, and is not cured. The Servicer is subject from time to time to litigation alleging that its servicing practices do not comply with applicable law. The commencement of any such litigation generally would not result in a breach of any of the Servicer's representations, warranties or covenants.

Certain Matters Relating to Bankruptcy

Each Co-Issuer has been structured as a limited purpose entity and will be permitted to engage only in activities permitted by its organizational documents. Each Co-Issuer's organizational documents contain provisions that are intended to reduce the likelihood that such Co-Issuer will file a voluntary petition under the United States Bankruptcy Code (the "**Bankruptcy Code**") or any similar applicable state law. There can be no assurance, however, that a Co-Issuer or any Seller, will not become insolvent and file a voluntary petition under the Bankruptcy Code or any similar applicable state law or become subject to a conservatorship or receivership, as may be applicable in the future. Moreover, the Co-Issuers had previously issued notes secured by the Loans under an indenture similar in form and substance to the Indenture. While repayment in full of such previously issued notes and the satisfaction of all related obligation under such indenture and the related agreements is a condition to the issuance of the Notes, certain indemnification and expense reimbursement provisions in such indenture and related agreements survive the termination thereof. Though the Co-Issuers are not aware of any obligations arising under such provisions and no such obligations are anticipated to arise, there can be no assurance that obligations will not arise under those surviving provisions, which, if unsatisfied, could increase the likelihood of a bankruptcy or other insolvency proceeding with respect to the Co-Issuers. The Indenture includes a covenant on the part of each Co-Issuer to pay any such obligations should any arise and the Priority of Payments provides for payment of any such obligations before available funds are turned over to the Co-Issuers.

The voluntary or involuntary petition for relief under the Bankruptcy Code or any similar applicable state law or the establishment of a conservatorship or receivership, as may be applicable, with respect to any Seller should not necessarily result in a similar voluntary application with respect to the related Co-Issuer or any other Co-Issuer so long as such Co-Issuer is solvent and does not reasonably foresee becoming insolvent either by reason of such Seller's insolvency or otherwise. Each Co-Issuer 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 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 such Co-Issuer with those of any Seller. These steps include the organization of each Co-Issuer as a limited purpose entity pursuant to its limited liability company agreement containing certain limitations (including restrictions on the limited nature of such Co-Issuer'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).

The Sellers and the Co-Issuers believe that subject to certain assumptions (including the assumption that the books and records relating to the assets and liabilities of the Sellers will at all times be maintained separately from those relating to the assets and liabilities of each Co-Issuer, each Co-Issuer will prepare its own balance sheets and financial statements and there will be no commingling of the assets of any Seller with those of any Co-Issuer except as expressly contemplated in the Transaction Documents) the assets and liabilities of the Co-Issuers should not be substantively consolidated with the assets and liabilities of any Seller in the event of a petition for relief under the

Bankruptcy Code with respect to any Seller; and the transfer of Loans by the Sellers and the related Seller Loan Trustees to the Co-Issuers and related Loan Trustees should constitute an absolute transfer, and, therefore, such Loans would not be property of the applicable Seller or that entity, as applicable, in the event of the filing of an application for relief by or against such Seller or such entity, as applicable, under the Bankruptcy Code.

Counsel to the Co-Issuers will also render its opinion that:

- subject to certain assumptions, the assets and liabilities of none of the Co-Issuers would be substantively consolidated with the assets and liabilities of any Seller in the event of a petition for relief under the Bankruptcy Code with respect to such Seller; and

- the transfer of the Loans by each Seller and its Seller Loan Trustee to the related Co-Issuer and its related Loan Trustee constitutes an absolute transfer and would not be included in such Seller's bankruptcy estate or subject to the automatic stay provisions of the Bankruptcy Code.

If, however, a bankruptcy court or a creditor were to take the view that any Seller, on the one hand, and the Co-Issuers, on the other hand, should be substantively consolidated or that the transfer of the Loans from any Seller to the related Co-Issuer 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 FDIC is authorized to act as receiver of a financial company and its subsidiaries defined therein as "covered financial companies." OLA differs from the 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 any Seller or any Co-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 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 any Seller and/or any Co-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 such Seller and/or such Co-Issuer could be subject to OLA.

If that occurred, the FDIC could repudiate contracts deemed burdensome to the estate, including secured debt. The transfers of the Loans to the Co-Issuers has been structured 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 any Co-Issuer were to become subject to OLA, the FDIC could repudiate the debt of such Co-Issuer with the result that Noteholders would have a secured claim in the receivership of such Co-Issuer. Also, if any Co-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 related Co-Issuer 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 a Co-Issuer). 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. 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 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 personal loan or change the rate of interest and time of repayment of the personal 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 file an "applicable financial statement" as described in Section 451(b) of the Internal Revenue Code, 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. Prospective purchasers should consult their tax advisors regarding 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 political subdivision thereof, 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."

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 Co-Issuers or the Sellers or conveyed to any affiliate or direct or indirect equity holder of a Seller.

Treatment of the Notes as Debt

Sidley Austin LLP, as special tax counsel to the Co-Issuers, will issue an opinion as of the Closing Date that for U.S. federal income tax purposes:

- the Notes issued on the Closing Date will be characterized as debt, except to the extent any such Notes are (a) retained by the Co-Issuers or the Sellers or (b) conveyed to any affiliate or direct or indirect equity holder of a Seller; and

- no Co-Issuer will be classified as an association, a taxable mortgage pool or a publicly traded partnership taxable as a corporation.

(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 Co-Issuers 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 Co-Issuers will issue the Closing Date Tax Opinions, the Internal Revenue Service ("**IRS**") may successfully take a contrary position. The Closing Date Tax Opinions are not binding on the IRS or on any court.

The U.S. federal income tax characterization of any Note retained by the Co-Issuers or the Sellers, or conveyed to any affiliate or direct or indirect equity holder of a Seller, will not be determined until the time, if any, that the Note is sold to an unrelated party 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 Co-Issuers must receive a Tax Opinion with respect to such subsequent sale. 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 Co-Issuers must also receive an Opinion of Counsel that, for U.S. federal income tax purposes, (i) 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 or (ii) neither the later sold Notes nor any outstanding Notes that have the same CUSIP number as the Notes being sold were issued with OID. In addition, the Co-Issuers must receive an Opinion of Counsel that such later sold Note will be characterized as debt for U.S. federal income tax purposes.

Each Co-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 Note), agrees to treat the Note for federal, state and local income and franchise tax purposes as debt, and to file all federal, state and local income and franchise tax and information returns and reports required to be filed with respect to the Note under federal, state and local tax statutes and rules and regulations, consistently with debt characterization.

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 debt 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 OID in an amount equal to such difference. A U.S. Holder of an OID Note must generally accrue OID on a current basis as ordinary income as it accrues over the term of the OID Note (taking into account special rules under Section 1272(a)(6) of the Internal Revenue Code 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. Except in the case of Notes issued with de minimis OID, the principal payments will generally constitute tax-free returns 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, increased by any OID included in income, and 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 rates for net long-term capital gains; the ability of a U.S. Holder to utilize capital losses to offset ordinary income is limited, however.

Medicare 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, should consult such holder's tax advisor regarding the applicability of such tax to such holder's income.

Non-U.S. Holders

Subject to the discussion above under the heading "*Treatment of the Notes as Debt*," and the discussion below under the headings "*—Foreign Account Tax Compliance Act ("FATCA")*" and "*—Backup Withholding and Information Reporting*," the following is a summary 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 capital or profits in a Co-Issuer, (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 a Co-Issuer 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 IRS Form W-8BEN or IRS Form W-8BEN-E (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 IRS 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 IRS 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 treated as a corporation for U.S. federal income tax purposes, 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 certain 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 will be subject to a 30% withholding tax. For this purpose, withholdable payments are U.S.-source payments otherwise subject to nonresident withholding tax. 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.

Current provisions of the Internal Revenue Code and Treasury regulations that govern FATCA treat gross proceeds from a sale or other disposition of debt obligations that can produce U.S.-source interest (such as the Notes) as subject to FATCA withholding. However, under recently released proposed Treasury regulations, such gross proceeds are not subject to FATCA withholding. In its preamble to such proposed Treasury regulations, the IRS has stated that taxpayers may generally rely on the proposed Treasury regulation until final Treasury regulations are issued.

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 new provisions.

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 IRS;

- the payor is notified by the IRS 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 IRS 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 timely furnished to the IRS.

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 Co-Issuers or their 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 Co-Issuers' 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 timely furnished to the IRS.

Each Co-Issuer must report annually to the IRS on IRS 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 IRS Form 1099 may also apply to payments 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 the Employee Retirement Income Security Act of 1974, as amended ("**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(e)(1) 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 the ERISA requirements. 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 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 Trust Estate 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 Notes by or on behalf of a Plan or with Plan Assets, as well as the operation of the Co-Issuers, 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 Co-Issuers might be deemed to constitute prohibited transactions under ERISA and Section 4975 of the Internal Revenue Code with respect to a Plan that purchases the Notes if the Loans and other assets included in the Trust Estate are deemed to be assets of the Plan. The U.S. Department of Labor ("**DOL**") has promulgated the DOL regulations (29 C.F.R. 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 a Co-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 total value of each class of equity interests issued by the entity. Under the DOL regulations, unless an exception applies, Plan Assets will be deemed to include an interest in the instrument evidencing the equity interest of a Plan as well as an undivided interest in each of the underlying assets of the entity in which a Plan acquires an interest (such as the Loans and other assets included in the Trust Estate). 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 Co-Issuers, the Sellers, the Indenture Trustee, the Custodian, the Paying Agent, the Note Registrar or any of their respective affiliates is or becomes a Party in Interest with respect to the Plan.

Because the Co-Issuers, the Sellers, the Performance Support Provider, the Initial Purchasers, the Servicer, the Back-up Servicer, the Note Registrar, the Indenture Trustee, the Custodian, the Paying Agent and the Loan Trustees may receive certain benefits in connection with the sale of the Notes, the purchase of 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 Co-Issuers were deemed to include Plan Assets, prior to making an investment in the Notes, prospective Plan investors should determine whether any of the Co-Issuers, the Sellers, the Performance Support Provider, the Initial Purchasers, the Servicer, the Back-up Servicer, the Note Registrar, the Indenture Trustee, the Custodian, the Paying Agent or any Loan Trustees 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." There can be no assurance that any DOL 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.

Although there is no authority directly on point, the Co-Issuers believe that, at the date of this private placement memorandum, the Notes should be treated as indebtedness without substantial equity features for purposes of the DOL regulations. A prospective transferee of the 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 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 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 (i) 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 violation of any Similar Law and (ii) and (ii) the transferee believes that, at the time of acquisition, the Notes, as applicable, are treated as indebtedness without substantial equity features for purposes of ERISA and the DOL regulations and will so treat the Notes, as applicable.

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 to a Plan or to a governmental plan, foreign plan or church plan is in no respect a representation by any Co-Issuer 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.

INVESTMENT COMPANY ACT CONSIDERATIONS

The Co-Issuers 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. Each Co-Issuers 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**").

U.S. CREDIT RISK RETENTION

General

As required by Section 15G of the Exchange Act, which was added by Section 941 of the Dodd-Frank Act, several U.S. federal agencies have adopted rules that impose credit risk retention requirements in connection with certain securitization transactions (the "**U.S. Risk Retention Rules**"). The U.S. Risk Retention Rules require a sponsor of a securitization transaction (or majority-owned affiliate of the sponsor) to retain an economic interest in the credit risk of the securitized assets. Under the U.S. Risk Retention Rules, "sponsor" means a person who organizes and initiates a securitization transaction by selling or transferring assets, either directly or indirectly, including through an affiliate, to the issuing entity.

Under the U.S. Risk Retention Rules, the retaining sponsor of a securitization transaction (or majority-owned affiliate) may hold the retained interest in the form of an "eligible horizontal residual interest" (an "**EHRI**") in the issuer. The EHRI must have a fair value equal to at least 5% of the fair value of the asset-backed securities and any other ABS interests in the issuer (including any residual interest) issued as part of the securitization transaction (collectively, "**ABS Interests**"). Such fair value is determined as of the closing date for the securitization transaction using a fair value measurement framework under U.S. generally accepted accounting principles ("**GAAP**").

The Co-Issuers' Notes, together with the limited liability company membership interests (the "**Co-Issuer Membership Interests**") in each of the three Co-Issuers will constitute the ABS Interests for the securitization transaction resulting from the offer and sale of the Notes by the Co-Issuers (the "**Current Securitization Transaction**").

New Residential Investment Corp. is a sponsor with respect to the Current Securitization Transaction. It intends to acquire and hold an EHRI in the Co-Issuers (the "**Residual Interest**"), either directly or through one or more majority-owned affiliates (as defined in the U.S. Risk Retention Rules). The Residual Interest will be composed of the Co-Issuer Membership Interests of the three Co-Issuers, as more fully described below.

Material Terms of the Residual Interest

Residual cash flows from the Loans held by each Co-Issuer are distributed monthly by the Co-Issuer to the holder of that Co-Issuer's Co-Issuer Membership Interests. Distributions in respect of the Co-Issuer Membership Interests will depend primarily on cash flows of the Loans owned by the Co-Issuers. As described under "*Description of the Notes – Priority of Payments*," remittances, if any, to the Co-Issuers on each Payment Date pursuant to clause *fifteenth* of the Priority of Payments, which, in turn are available for distribution in respect of the Residual Interest,

will be limited to amounts remaining in the Collection Account after (i) payments of interest and principal on the Notes, (ii) deposits to the Reserve Account to the extent necessary to achieve the Required Reserve Account Amount and (iii) other distributions set forth in the Priority of Payments. On each Payment Date, through the operation of the Priority of Payments, any realized losses on the Loans will be absorbed by the Residual Interest before any losses are incurred by the Noteholders. The Residual Interest will not be issued with a principal balance or an interest rate.

Majority-Owned Affiliates

The Co-Issuer Membership Interests in the three Co-Issuers – SpringCastle America Funding, LLC, SpringCastle Credit Funding, LLC and SpringCastle Finance Funding, LLC – are held respectively by SpringCastle America, LLC, SpringCastle Credit, LLC and SpringCastle Finance, LLC (each, a "**Risk Retaining LLC**"). In turn, 53.5% of the limited liability interests in each Risk Retaining LLC are held by New Residential Investment Corp. or by one or more wholly-owned subsidiaries of New Residential Investment Corp.

Under the U.S. Risk Retention Rules, a "majority-owned affiliate" of a person means "an entity (other than the issuing entity for the securitization transaction) that, directly or indirectly, majority controls, is majority controlled by or is under common majority control with, such person." For purposes of the definition, "majority control" means "ownership of more than 50 percent of the equity of an entity, or ownership of any other controlling financial interest in the entity, as determined under GAAP." Accordingly, New Residential Investment Corp. intends that each Risk Retaining LLC will be a majority-owned affiliate of New Residential Investment Corp. for purposes of the U.S. Risk Retention Rules.

On the Closing Date, New Residential Investment Corp. will hold the Residual Interest, through its investment in the three Risk Retaining LLCs.

Prohibition on Hedging, Transfer and Financing of Retained Interests

The U.S. Risk Retention Rules impose limitations on the ability of the sponsor of a securitization transaction to dispose of or hedge the retained interests. In the case of the Current Securitization Transaction, the limitations will apply until the later of (i) the fifth anniversary of the Closing Date and (ii) the date on which the Aggregate Loan Balance has been reduced to 25% of the Aggregate Closing Date Collateral Balance, but in any event no longer than the seventh anniversary of the Closing Date (the "**Sunset Date**"). In general, prior to the Sunset Date, New Residential Investment Corp. may not transfer the Residual Interest to any person other than a majority-owned affiliate. In addition, prior to the Sunset Date, New Residential Investment Corp. and its affiliates may not engage in any hedging transactions if payments on the hedge position are materially related to the Residual Interest and the hedge position would limit the financial exposure of New Residential Investment Corp. (or a majority-owned affiliate) to the Residual Interest. Finally, New Residential Investment Corp. (or an affiliate) may not pledge its interest in any Residual Interest as collateral for any financing unless such financing is with full recourse to the sponsor (or the affiliate) as provided under the U.S. Risk Retention Rules.

Neither New Residential Investment Corp., nor any of the Risk Retaining LLCs, nor any other affiliate of New Residential Investment Corp. will transfer, hedge or pledge any portion of the Residual Interest until the Current Securitization Transaction's Sunset Date, except as permitted under the U.S. Risk Retention Rules.

Fair Value of the ABS Interests

The information appearing in this section is being provided by New Residential Investment Corp. for the sole purpose of satisfying the pre-sale disclosure obligations with respect to an "eligible horizontal residual interest" under the U.S. Risk Retention Rules. As such, the information set forth in this section should not be relied upon or used for any other purpose, including, without limitation, as the basis for making an investment decision with respect to any of the Notes.

Each Person receiving this private placement memorandum is advised that none of the Initial Purchasers, the Indenture Trustee, the Paying Agent, the Back-up Servicer or the Servicer (i) has participated in the determinations or calculations of fair value described below, (ii) has independently verified any of the statements in this section, (iii) is

responsible for making any representation concerning (a) the accuracy or completeness of the fair value determination, (b) the fair value of the Residual Interest that New Residential Investment Corp. will hold through the three Risk Retaining LLCs or (c) any assumptions, discount factors or other variables used to determine any such fair value, (iv) assumes responsibility for the contents of the fair value disclosures or any of the information in this section or (v) will be required to, and shall not, monitor, verify or enforce any U.S. Risk Retention Rules or any percentage holding requirements thereunder.

Each Person receiving this private placement memorandum is advised that certain information in this section contains forward-looking statements. There can be no assurance that the predictions contained in such forward-looking statements will materialize or that actual results will not differ materially from those presented in this section. See the disclaimer regarding "Forward-Looking Statements" appearing on page 5 of this private placement memorandum.

Except to the limited extent set forth under "*—Post-Closing Date Disclosure*," no Person has undertaken, or is under any obligation, to update, revise, reaffirm or withdraw the information in this section.

Fair Value Framework

The fair value of each of the ABS Interests will be determined as of the Closing Date using a fair value measurement framework under GAAP. Under GAAP, in measuring fair value, the use of observable and unobservable inputs and their significance in measuring fair value are reflected in a fair value hierarchy assessment, with Level 1 inputs favored over Level 2 inputs and Level 3 inputs, and Level 2 inputs favored over Level 3 inputs:

- *Level 1*. Inputs include quoted prices for identical instruments and are the most observable;
- *Level 2*. Inputs include quoted prices for similar instruments and observable inputs such as interest rates and yield curves; and
- *Level 3*. Inputs include data not observable in the market and reflect management judgment about the assumptions market participants would use in pricing the instrument.

For the Notes, as of the date of the preliminary private placement memorandum, the fair value was calculated with Level 2 inputs, reflecting the use of projected interest rates for the Notes identical to those interest rates used as part of the structuring assumptions under "*Yield and Prepayment Considerations—Structuring Assumptions.*" In the final private placement memorandum, the fair value of the Notes to be issued on the Closing Date will be determined with Level 1 inputs, reflecting the actual interest rates for the Notes. The fair value of the Residual Interest will be determined, in each case, with Level 3 inputs, as many of those inputs are generally not observable.

Key Inputs and Assumptions

In order to determine the fair value of the Co-Issuers' ABS Interests, the key inputs and assumptions set forth below were used. The valuation methodology involved a loan-level assessment of the actual performance of the Loans across the four main products types (PUL (closed end), PUL (revolving), PHL (closed end) and PHL (revolving)) over a twelve-month period ending July 31, 2020.

(a) payment and other assumptions (but excluding items (k), (s), (w) and (x)) as provided under "*Yield and Prepayment Considerations – Structuring Assumptions*" in this private placement memorandum;

(b) interest is expected to accrue on the Class A Notes at 1.97% per annum and on the Class B Notes at 2.66% per annum;

(c) the issue prices to be paid for the Notes by third-party investors which are expected to be as set forth below:

Note Class	Balance	Price	Net Proceeds
Class A	$610,004,000	99.99503%	$609,973,682.80
Class B	$53,043,000	98.58864 %	$52,294,372.32

(d) annual discount rate of 15%;

(e) any expenses required to be paid by the Co-Issuers will be paid with cash flows on unsecuritized loans owned by the Co-Issuers, which has been the case historically, and not with cash flows allocable to the Residual Interest;

(f) the balance in the Reserve Account and the $5,000,000 balance of the Advance Reserve Account are released in the period in which the Notes are paid in full; and

(g) the sale of the Residual Interest not being restricted by the U.S. Risk Retention Rules.

The key inputs and assumptions described above relating to the Loans were developed with reference to historical information collected by New Residential Investment Corp. related to substantially all of the portfolio loans acquired from HSBC for the twelve-month period beginning August 1, 2019 and ending July 31, 2020. Due to the lack of an actively traded market in residual interests, the discount rate assumption was derived using qualitative factors that consider the equity-like component of the first-loss exposure. New Residential Investment Corp., the Co-Issuers and the Depositor believe that the inputs and assumptions described above include the inputs and assumptions that could have a material impact on the fair value calculation or a prospective Noteholder's ability to evaluate the fair value calculation.

The inputs and assumptions described above are intended solely for the purpose of determining the fair value of the ABS Interests for purposes of the U.S. Risk Retention Rules and should not be relied upon by investors for any other purpose. To the extent that values referenced under "*–Key Inputs and Assumptions*" or "*–Fair Value Determinations*" in this private placement memorandum are described as "expected," they reflect values determined by New Residential Investment Corp. based upon its experience with the securitized loan pool and across a range of securitizations. New Residential Investment Corp. does not anticipate that Closing Date values will vary materially from the expected values stated above.

Fair Value Determinations

Based on the key inputs and assumptions, the fair value of the Co-Issuers' Notes on the Closing Date is determined to be the price at which the Notes are purchased by third party investors. Accordingly, the fair value of the Notes on the Closing Date is expected to be $662,268,055.12.

To determine the fair value of the Residual Interest on the Closing Date, the projected cash flow to be generated by the Loans was calculated based on the key inputs and assumptions and was applied in accordance with the Priority of Payments and the transaction documents to determine the expected cash flow for the Residual Interest. The cash flow for the Residual Interest was then discounted to a present value based on the discount rate set forth above. Based on the foregoing, the fair value of the Residual Interest on the Closing Date is expected to be $148,767,692.26.

Based on the foregoing, the ABS Interests for the Current Securitization Transaction are expected to have an aggregate fair value as of the Closing Date of $811,035,747.38. The fair value of the Residual Interest on the Closing Date is expected to represent approximately 18.34% of the fair value of all ABS Interests for the Current Securitization Transaction on the Closing Date.

Post-Closing Date Disclosure

On the first Payment Date following the Closing Date, New Residential Investment Corp. will make available to Noteholders a statement with valuations prepared by New Residential Investment Corp. setting forth the following information:

- the fair value, expressed as a percentage of the fair value of all of the Co-Issuer's ABS Interests and dollar amount on the Closing Date, of the Residual Interest as of the Closing Date, based on actual sale prices and other relevant actual experience;

- the fair value, expressed as a percentage of the fair value of all of the Co-Issuers' ABS Interests and dollar amount on the Closing Date, of the EHRI that New Residential Investment Corp. is required to retain under the U.S. Risk Retention Rules; and

- to the extent the valuation methodology or any of the key inputs and assumptions that were used in calculating the fair value as disclosed herein or range of fair values as disclosed in the private placement memorandum materially differs from the methodology or key inputs and assumptions used to calculate the fair value on the Closing Date, descriptions of those material differences.

EU SECURITIZATION RULES

Pursuant to the EU Securitization Rules, EU Institutional Investors (as defined below) investing in a securitisation (as defined in the EU Securitization Regulation) must, amongst other things, verify, prior to holding a securitization position, that (a) certain credit-granting requirements in relation to the underlying exposures are satisfied, (b) the originator, sponsor or original lender retains on an ongoing basis a material net economic interest which, in any event, shall not be less than 5%, determined in accordance with Article 6 of the EU Securitization Regulation, and discloses that risk retention, and (c) the originator, sponsor or relevant securitisation special purpose entity has, where applicable, made available information as required by Article 7 of the EU Securitization Regulation. The EU Securitization Regulation has direct effect in member states of the EU (as supplemented by national implementing legislation) and is expected to be implemented by national legislation in other countries in the EEA. In addition, notwithstanding that the UK is no longer a member of the EU, the EU Securitization Regulation continues to apply in the UK, pursuant to the Withdrawal Agreement, for the duration of the Transition Period (which is expected to end on December 31, 2020).

"**EU Institutional Investors**" include: (a) insurance undertakings and reinsurance undertakings as defined in Directive 2009/138/EC; (b) institutions for occupational retirement provision falling within the scope of Directive (EU) 2016/2341 (subject to certain exceptions), and certain investment managers and authorized entities appointed by such institutions; (c) alternative investment fund managers as defined in Directive 2011/61/EU which manage and/or market alternative investment funds in the EU or the UK; (d) certain internally-managed investment companies authorized in accordance with Directive 2009/65/EC, and managing companies as defined in that Directive; (e) credit institutions as defined in Regulation (EU) No 575/2013 ("**CRR**") (and certain consolidated affiliates thereof); and (f) investment firms as defined in CRR (and certain consolidated affiliates thereof).

None of the Sellers, nor any other party to the transactions described in this private placement memorandum, intends, or is required under the transaction documents, to retain a material net economic interest in the securitization constituted by the issuance of the Notes in a manner that would satisfy any requirements of the EU Securitization Rules. In addition, no such person intends or undertakes to take any other action, or refrain from taking any action, prescribed or contemplated in, or for purposes of, or in connection with, compliance by any investor with any applicable requirement of, the EU Securitization Rules.

The arrangements described under "*U.S. Credit Risk Retention*" have not been structured with the objective of ensuring compliance with the requirements of the EU Securitization Rules by any person.

Failure by an EU Institutional Investor to comply with any applicable EU Securitization Rules with respect to an investment in the Notes may result in the imposition of a penalty regulatory capital charge on that investment or of other regulatory sanctions and remedial measures.

Consequently, the Notes may not be a suitable investment for EU Institutional Investors; and this may, amongst other things, have a negative impact on the value and liquidity of the Notes, and otherwise affect the secondary market for the Notes.

In addition, it is currently expected that, with effect from the end of the Transition Period, (i) the EU Securitization Regulation will cease to be applicable in the UK, and (ii) certain similar UK legislation (the "**UK Securitization Rules**") will take effect. The UK Securitization Rules, in broad terms (and amongst other things), will impose upon relevant UK-established or UK-regulated persons certain restrictions and obligations that will generally be similar in nature (but not identical) to those imposed by the EU Securitization Regulation as at the end of the Transition Period. None of the Sellers, nor any other party to the transactions described in this private placement memorandum, intends to take any action that may be required by any person for the purposes of its compliance with any applicable requirement of the UK Securitization Rules. No such party provides any assurances regarding, or assumes any responsibility for, compliance by any investor or any other person with any requirement of the UK Securitization Rules.

Prospective investors are responsible for analyzing their own legal and regulatory position and are encouraged (where relevant) to consult their own legal, accounting and other advisors and/or any relevant regulator or other authority regarding the suitability of the Notes for investment, and, in particular, their compliance with any applicable requirements of the EU Securitization Rules or the UK Securitization Rules.

SELLING RESTRICTION: UNITED KINGDOM

Each of the Initial Purchasers 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, any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 of the UK (as amended, "**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 any Co-Issuer; 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 such Notes in, from or otherwise involving the UK.

SELLING RESTRICTION: EUROPEAN ECONOMIC AREA AND UNITED KINGDOM

Each of the Initial Purchasers has represented and agreed in the Note Purchase Agreement that it has not offered, sold or otherwise made available, and will not offer, sell or otherwise make available, any Notes which are the subject of the placement contemplated by this private placement memorandum to any retail investor in the EEA or the UK. For the purposes of this provision:

(a) the expression "**retail investor**" means a person who is one (or more) of the following:

(i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**");

(ii) a customer within the meaning of Directive (EU) 2016/97 (as amended), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

(iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended); and

(b) the expression "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes so as to enable an investor to decide to purchase or subscribe for the Notes.

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 Co-Issuers will apply the net proceeds of the sale of the Notes to fund (i) the optional redemption of the SpringCastle Funding Asset-Backed Notes 2019-A (the "**2019-A Notes**"), which requires the payment in full of (A) the outstanding principal balance of the 2019-A Notes, (B) a specified call premium amount for each class of 2019-A Notes in an amount equal to (x) the product of (1) 1.00% times (2) the outstanding principal balance of such class of 2019-A Notes times (3) the number of days computed on a 30/360 basis, from and including the Closing Date to but excluding May 25, 2021, divided by (y) 360 and (C) all accrued and unpaid interests, fees and expenses in respect of the 2019-A Notes, (ii) the Reserve Account with the Required Reserve Amount and (iii) the Advance Reserve Account with the Required Advance Reserve Amount. Any remainder will be applied by the Co-Issuers to their costs and expenses or distributed to the Sellers. 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 the Sellers and the Co-Issuers by Sidley Austin LLP. Certain legal matters relating to the issuance of the Notes with be passed upon for the Initial Purchasers by Alston & Bird LLP.

METHOD OF DISTRIBUTION

The Notes may only be offered (i) in the United States to Qualified Institutional Buyers and (ii) 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 Co-Issuers 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 Co-Issuers, the Sellers, NRZ, BofA Securities, Inc. and Credit Suisse Securities (USA) LLC, the Initial Purchasers may purchase all, a portion of or none of the Notes (collectively, the "**Purchased Notes**") from the Co-Issuers on the Closing Date. The Initial Purchasers intend to offer the Purchased Notes to prospective investors from time to time.

The Purchased 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 Purchased Notes without notice. Sales of the Purchased 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 Purchased 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 Purchased Notes, the Initial Purchasers may be deemed to have received compensation in the form of discounts, concessions or commissions from the Co-Issuers. Proceeds from the sale of the Purchased Notes will be equal to the aggregate purchase price paid by the Initial Purchasers. In connection with the Note Purchase Agreement the equity owners of the Sellers as of the Closing Date have agreed to 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 Purchased 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 Purchased Notes, they may discontinue or limit such activities at any time. In addition, the liquidity of the Purchased 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 Purchased 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 Purchased 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 Purchased Notes so long as the stabilizing bids do not exceed a specified maximum. Syndicate covering transactions involve purchases of the Purchased 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 Purchased 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 Purchased Notes to be higher than they would otherwise be in the absence of such transactions. None of the Co-Issuers 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 respective 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 respective affiliates from time to time have provided, or in the future may provide, various investment and commercial banking and financial advisory services to the Sellers, the equity owners of the Sellers and their respective affiliates and subsidiaries (including the Co-Issuers), for which they have received, or in the future will receive, customary fees and commissions and they expect to provide these services to the Sellers, the equity owners of the Sellers and their respective affiliates and subsidiaries (including the Co-Issuers) 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 the Sellers, the equity owners of the Sellers and their respective affiliates and subsidiaries (including the Co-Issuers) 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 its 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 the Sellers, the equity owners of the Sellers and their respective affiliates. The Initial Purchasers and their respective 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 will be offered and sold as Book-Entry Notes to QIBs in reliance on Rule 144A initially will be represented by one or more notes in fully-registered, global form, without interest coupons (each, a "**Rule 144A Global Note**"). The 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**"). 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 the Note Registrar as custodian for DTC in Minneapolis, Minnesota, 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 another entity who 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 Paying Agent and the Note Registrar, 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.

Each purchaser of Notes that represent 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 Notes 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) 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 the Notes are 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 Notes are eligible for resale pursuant to Rule 144A, to a person who the seller reasonably believes is a QIB acquiring the Notes 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) 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 Notes, the purchaser shall notify each transferee of the Notes that (1) such Notes have not been registered under the Securities Act, (2) the holder of such Notes 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 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) 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*;

(e) 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. 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 the 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; and

(f) (1) the purchaser understands that each Rule 144A Note will bear the following legend unless 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. THIS NOTE, AND ANY BENEFICIAL INTEREST HEREIN, MAY BE TRANSFERRED ONLY IN MINIMUM DENOMINATIONS OF $100,000 AND $1,000 INCREMENTS IN EXCESS THEREOF. THE HOLDER HEREOF, BY PURCHASING OR ACCEPTING THIS NOTE, IS HEREBY DEEMED TO HAVE

AGREED FOR THE BENEFIT OF THE CO-ISSUERS 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 OF 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.

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 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.

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 NOTE REGISTRAR 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 NOTE REGISTRAR. ON THE DATE OF THE INITIAL ISSUANCE OF THIS NOTE, THE NOTE REGISTRAR IS WELLS FARGO BANK, NATIONAL ASSOCIATION.

THIS NOTE IS NOT AN OBLIGATION OF, AND IS NOT INSURED OR GUARANTEED BY, ANY GOVERNMENTAL AGENCY, 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 DEBT 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."

(2) The purchaser understands that each Regulation S Notes will bear the following legend, unless 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, 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. THIS NOTE, AND ANY BENEFICIAL INTEREST HEREIN, MAY BE TRANSFERRED ONLY IN MINIMUM DENOMINATIONS OF $100,000 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 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 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 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.

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Upon the transfer, exchange or replacement of a Rule 144A Note or a Regulation S Note bearing the applicable legends set forth above, or upon specific request for removal of the legends, the Note Registrar will deliver only replacement Rule 144A Notes or Regulation S Notes, as the case may be, that bear such applicable legends, or will refuse to remove such applicable legends, unless there is delivered to the Co-Issuers, the Indenture Trustee, the

Custodian, the Paying Agent and the Note Registrar such satisfactory evidence (which may include a legal opinion) as may reasonably be required by the Co-Issuers, the Indenture Trustee, the Custodian, the Paying Agent and the Note Registrar that neither the applicable legends 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 Co-Issuers, the Indenture Trustee, the Custodian, the Paying Agent 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 on page 9 of this private placement memorandum by the Rating Agency. The ratings reflect the assessment of the 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.

No rating of the Notes by a rating agency other than the Rating Agency, if any, has been provided at the request of the Co-Issuers. 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 Co-Issuers 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. Each of the Co-Issuers 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**").

"2020-A Loan Schedule" shall mean a complete schedule prepared by (or on behalf of) a Seller identifying all Loans sold by such Seller (and the related Seller Loan Trustee) to the related Co-Issuer on the Acquisition Closing Date and remaining outstanding as of the Closing Date, which is attached as Schedule IA to the applicable Loan Purchase Agreement. The 2020-A Loan Schedule may take the form of a computer file, a microfiche list, or another tangible medium that is commercially reasonable. Each 2020-A Loan Schedule shall identify each applicable Loan by loan number and Loan Principal Balance as of the Cut-Off Date.

"ABS Interest" shall have the meaning specified under the heading "*U.S. Credit Risk Retention*" in this private placement memorandum.

"Acquisition Closing Date" shall mean April 1, 2013.

"Acquisition Cut-Off Date" shall mean March 31, 2013.

"Acquisition Portfolio" shall have the meaning specified under the heading "*Acquisition of the Loan Portfolio*" in this private placement memorandum.

"Adjusted Loan Principal Balance" shall mean the aggregate Loan Principal Balance of all Loans, excluding Charged-Off Loans.

"Administration Agreement" shall mean the Administration Agreement dated as of the Closing Date, among the Co-Issuers and the Administrator, as amended, restated, supplemented or otherwise modified from time to time.

"Administration Fee" shall mean a monthly fee amount of $1,666.67.

"Administrator" shall mean NRZ, acting in such capacity pursuant to the Administration Agreement.

"Advance Reserve Account" shall have the meaning specified under the heading "*The Indenture—Collection Account; Advance Reserve Account*" in this private placement memorandum.

"Advance Reserve Account Shortfall Amount" shall mean, for any Payment Date, the excess of (x) the Required Advance Reserve Amount over (y) the amount on deposit in the Advance Reserve Account as of the related Monthly Determination Date.

"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 or timing of distributions to be made to the Noteholders for any Class pursuant to the 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.

"Allocation Agent" shall mean NRZ.

"Applicable Purchase Percentage" shall mean at any time (i) with respect to any Loan that was not a Non-Performing Loan as of the Cut-Off Date, 100% and (ii) with respect to any Loan that was a Non-Performing Loan as of the Cut-Off Date, 70%. For avoidance of doubt, the Applicable Purchase Percentages set forth in clauses (i) and

(ii) of this definition are determined for each Loan as of the Closing Date and such Applicable Purchase Percentages will not change for any Loan in the event that any Loan becomes a Non-Performing Loan after the Closing Date.

"Authorized Officer" shall mean:

(a) with respect to any Co-Issuer, any officer of the Co-Issuer, or of any member or manager thereof, who is authorized to act for the Co-Issuer and who is identified on the list of Authorized Officers, containing the specimen signature of each such Person, delivered by the Co-Issuer, or by the Administrator on its behalf, to the Indenture Trustee and the Paying Agent 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 Co-Issuers 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 and the Paying Agent on the Closing Date (as such list may be modified or supplemented from time to time thereafter);

(b) with respect to the Servicer, any Servicing Officer;

(c) with respect to any Seller, any Vice President or more senior officer; and

(d) with respect to the Indenture Trustee or the Paying Agent, 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 dated as of the Closing Date, among the Co-Issuers, the Loan Trustees, the Servicer, the Indenture Trustee and the Back-up Servicer, as amended, restated, supplemented or otherwise modified from time to time, pursuant to which the Back-up Servicer has agreed to perform the back-up servicing duties specified therein for the benefit of the Co-Issuers, the Loan Trustees and the Noteholders.

"Back-up Servicing Fee" shall have the meaning specified under the heading "*The Servicing Agreement and the Back-up Servicing Agreement—Servicing and Other Compensation and Payment of Expenses*" in this private placement memorandum.

"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.

"Blackstone Members" shall have the meaning specified under the heading "*The Sellers*" 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.

"Branch Network" shall have the meaning specified under the heading "*The Servicer*" 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 or any other city in which the principal executive offices of the Servicer, the Indenture Trustee or the Co-Issuers 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.

"Call Premium Rate" shall mean, with respect to the Class A Notes, 1.00% and, with respect to the Class B Notes, 1.00%.

"Charged-Off Loan" shall mean 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 Credit and Collection Policy) past due (as reflected on the records of the Servicer (or any applicable subservicer)), or (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; provided, that determinations of charged-off status with respect to any Loan shall be made as of the last day of the Collection Period in which the event or circumstance giving rise to the charged-off classification occurs.

"Class" shall mean the Class A Notes and the Class B Notes, as the context may require.

"Class A Interest Rate" means 1.97% *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 1.97% Class A Notes executed by the Co-Issuers and authenticated by the Note Registrar in accordance with the terms of the Indenture.

"Class A Note Balance" shall initially mean $610,004,000, 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 2.66% *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 2.66% Class B Notes executed by the Co-Issuers and authenticated by the Note Registrar in accordance with the terms of the Indenture.

"Class B Note Balance" shall initially mean $53,043,000, 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 B Senior Interest Amount" means for any Payment Date, the lesser of (x) the Class B Monthly Interest Amount for such Payment Date and (y) an amount equal to the product of (a) one-twelfth ($1/12^{th}$) of the Class B Interest Rate and (b) the excess, if any of (i) the Adjusted Loan Principal Balance as of the end of the Collection Period immediately preceding the related Collection Period, over (ii) the Class A Note Balance as of the close of business on the immediately preceding Payment Date.

"Class B Subordinated Interest Amount" means for any Payment Date, the excess of (x) the Class B Monthly Interest Amount for such Payment Date over (y) the Class B Senior Interest Amount for such Payment Date.

"Clearstream" shall mean Clearstream Banking, *société anonyme*, a professional depository incorporated under the laws of Luxembourg, and its successors.

"Closed End Loan" shall mean any Loan (other than a Non-Performing Loan) with respect to which, as of the Acquisition Closing Date, the related Loan Obligor is not permitted to make additional draws on such Loan.

"Closing Date" shall mean on or about September 25, 2020.

"Closing Date Tax Opinion" 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 Debt*."

"Co-Issuer" shall mean each of SpringCastle America Funding, LLC, a Delaware limited liability company, SpringCastle Credit Funding, LLC, a Delaware limited liability company and SpringCastle Finance Funding, LLC, a Delaware limited liability company.

"Co-Issuer LLC Agreements" shall mean the Limited Liability Company Agreements of each of the Co-Issuers, in each case, as amended, restated, supplemented or otherwise modified from time to time.

"Co-Issuer Membership Interest" shall have the meaning specified under the heading "*U.S. Credit Risk Retention*" in this private placement memorandum.

"Collateral Documents" shall mean the Mortgages, security agreements, assignments, collateral assignments and any other documents and instruments from time to time executed and delivered pursuant to the Loan Documents for PHLs to grant, perfect and continue a security interest in the Loan Collateral, and any documents or instruments amending or supplementing the same.

"Collection Period" shall mean, with respect to each Payment Date, the calendar month preceding the calendar month in which such Payment Date occurs.

"Collections" shall mean all amounts collected on or in respect of the Loans on and after the Closing 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, or any other form of payment. "Collections" shall not include Servicer Collection Charges, Credit Insurance Fees or premium payments with respect to Credit Insurance ASA or any other Credit Insurance.

"Corporate Trust Office" shall have the meaning (a) when used in respect of the Note Registrar and the Paying Agent, Wells Fargo Bank, N.A., 600 S. 4th Street, MAC N9300-061, Minneapolis, Minnesota 55415, Attention: Corporate Trust Services—SpringCastle Funding Asset-Backed Notes 2020-A, and (b) when used in respect of the Indenture Trustee, 60 Livingston Ave., EP-MN-WS3D, St. Paul, Minnesota 55107, Attn: Structured Finance/SpringCastle 2020-A; Telephone: (651) 466-5033; Facsimile Number: (651) 466-7363.

"Credit and Collection Policy" shall have the meaning specified under the heading "*The Servicing Agreement and the Back-up Servicing Agreement—Servicing of Loans*" in this private placement memorandum.

"Credit Insurance" shall mean, with respect to any Loan, any credit life, credit disability, credit property and/or credit involuntary unemployment insurance policy in effect that provides benefits to the holder of the related Loan Agreement and/or the related Loan Obligor, including all riders and endorsements thereto.

"Credit Insurance ASA" shall mean any credit insurance administrative services agreement or other agreement entered into by any Co-Issuer or any of its Affiliates with a provider of credit insurance pursuant to which such Co-Issuer or Affiliate agrees to administer such credit insurance and which has been approved by the Servicer.

"Credit Insurance Fees" shall mean the fees due to a Co-Issuer or any Affiliate of a Co-Issuer under any Credit Insurance ASA in consideration for such Co-Issuer's or Affiliate's performance of its administrative obligations thereunder. For the avoidance of doubt, "Credit Insurance Fees" shall not include any Premium Advances made by the Servicer on Credit Insurance as contemplated by the Credit Insurance ASAs.

"Current Securitization Transaction" shall have the meaning specified under the heading "*U.S. Credit Risk Retention*" in this private placement memorandum.

"Custodial Agreement" shall mean the Custodial Agreement dated as of April 1, 2013, among the Co-Issuers, the Loan Trustees, the Servicer and the Custodian, as amended, restated, supplemented or otherwise modified from time to time, pursuant to which the Custodian has agreed to perform custodial duties specified therein for the benefit of the Co-Issuers and the Noteholders.

"Custodian" shall mean U.S. Bank National Association, in its capacity as custodian under the Custodial Agreement, its successors in interest and any successor custodian under the Custodial Agreement.

"Cut-Off Date" shall mean 11:59 p.m. on August 31, 2020.

"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.

"Delinquent Loan" shall mean a Loan which is two (2) or more payments past due as reflected in the records of the Servicer (or any subservicer with respect to the Servicer), as applicable, in accordance with the Credit and Collection Policy.

"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.

"EHRI" shall have the meaning specified under the heading "*U.S. Credit Risk Retention*" in this private placement memorandum.

"Eligible Deposit Account" shall have the meaning specified under the heading "*The Indenture—Collection Account; Advance Reserve Account*" in this private placement memorandum.

"Eligible Institution" shall have the meaning specified under the heading "*The Indenture—Collection Account; Advance Reserve 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 Co-Issuers' investment or contractual commitment to invest therein, the short-term debt rating of such depository institution or trust company will be rated "A-2" (or its equivalent) or higher by any of Fitch, KBRA, Moody's or S&P;

(c) commercial paper (having remaining maturities of no more than 30 days) having, at the time of the Co-Issuers' investment or contractual commitment to invest therein, a rating not lower than "A-2" (or its equivalent) from any of Fitch, KBRA, Moody's or S&P;

(d) investments in money market funds rated "AA-mg" (or its equivalent) or higher by any of Fitch, KBRA, Moody's or S&P;

(e) demand deposits, time deposits and certificates of deposit which are fully insured by the Federal Deposit Insurance Corporation;

(f) 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; or

(g) time deposits, other than as referred to in clause (e) above, with a Person (i) the commercial paper of which is rated "A-2" (or its equivalent) or higher by any of Fitch, KBRA, Moody's or S&P or (ii) that has a long-term unsecured debt rating of "BBB+" (or its equivalent) or higher by any of Fitch, KBRA, Moody's or S&P.

Eligible Investments may be purchased by or through the Paying Agent or any of its Affiliates.

"Eligible Servicer" shall have the meaning specified under the heading "*The 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.

"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.

"GAAP" shall have the meaning specified under the heading "*U.S. Credit Risk Retention*" 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 or the District of Columbia.

"Indenture" shall mean the Indenture, dated as of the Closing Date, among the Co-Issuers, the Loan Trustees, the Indenture Trustee, the Paying Agent, the Note Registrar and the Servicer, as the same may be amended, supplemented or otherwise modified from time to time.

"Indenture Trustee" shall mean U.S. Bank National Association, in its capacity as indenture trustee under the Indenture, its successors in interest and any successor indenture trustee under the Indenture.

"Initial Note Principal Balance" shall mean $663,047,000.

"Initial Purchasers" shall mean BofA Securities, Inc. and Credit Suisse Securities (USA) 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 sixty (60) 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.

"Interest Period" shall mean, with respect to any Payment Date, the period from and including the Payment Date immediately preceding such Payment Date to but excluding such Payment Date (or, in the case of the first Payment Date, the period from and including the Closing Date to but excluding such Payment Date).

"Interest Rate" shall mean, with respect to the Class A Notes, the Class A Interest Rate and, with respect to the Class B Notes, the Class B 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.

"JV Investor" shall have the meaning specified in note 1 to the Transaction Diagram on page 11 of this private placement memorandum.

"KBRA" shall mean Kroll Bond Rating Agency, LLC 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.

"Litigation Loans" shall mean Loans that, as of the Cut-Off Date, are subject to judicial enforcement actions for collections.

"Loan" shall mean each of the PULs and PHLs identified on the 2020-A Loan Schedules.

"Loan Agreement" shall mean, with respect to any Loan, all promissory notes, installment sales contracts, loan agreements, or other agreements between the assignee of the applicable originator and the related Loan Obligor 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 applicable Co-Issuer and will be delivered to the applicable Co-Issuer upon request.

"Loan Collateral" means, with respect to any PHL, the residential real property and all other collateral securing repayment of such loan.

"Loan Documents" means, with respect to any Loan, any application, payment check, evidence of debt (including originals thereof, if any), Mortgage (including originals thereof, if any), Collateral Documents (if any), riders (including, if applicable, arbitration riders and home equity credit line revolving loan agreement riders),

disclosures (including, if applicable, truth-in-lending disclosures, insurance disclosures, section 32 disclosures, high cost loan disclosures and state law disclosures), notices (including, if applicable, notices of right to cancel), HUD1A settlement statements (if any), good faith estimates (if any), revolving loan vouchers (if any) or other agreements and documents exclusively relating to such Loan, and any amendments or supplements thereto or modifications thereof, executed by the Loan Obligor or the originator thereof in connection with such Loan.

"Loan File" means, with respect to any Loan, an imaged or electronic file and/or a physical file containing all Loan Documents, Collateral Documents (if any) and all other documents, reports, billing statements, insurance certificates and material written notices exclusively relating to such Loan, the Loan Documents or the Collateral Documents (if any), in each case within the possession or control of the Seller or the Servicer on its behalf.

"Loan Level Representations" shall have the meaning set forth in "*Description of the Loans—Assignment of Loans; Representations and Warranties; Repurchase Obligations—Repurchase Obligations*" in this private placement memorandum.

"Loan Note" means, with respect to any Loan, a promissory note or notes or other evidence of debt with respect to such Loan, together with any assignment, reinstatement, extension, endorsement or modification thereof.

"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 any Loan, the sum of (i) the unpaid principal balance of such Loan at such time, plus (ii) the aggregate unpaid amount of any forborne interest charges with respect to such Loan at such time. The Loan Principal Balance of any Loan (other than a Charged-Off Loan) a portion of which has been charged-off in accordance with the Credit and Collection Policy shall be reduced by the portion so charged-off.

"Loan Purchase Agreements" shall mean each Loan Purchase Agreement, dated as of April 1, 2013, among a Seller, a Seller Loan Trustee with respect to such Seller, a Co-Issuer and a Loan Trustee with respect to such Co-Issuer, in each case, as amended, restated, supplemented or otherwise modified from time to time.

"Loan Trust Agreements" shall mean each of the Loan Trust Agreements, dated as of April 1, 2013, between a Co-Issuer and Wilmington Trust, National Association, as the Loan Trustee, in each case, as amended, restated, supplemented or otherwise modified from time to time.

"Loan Trustee" shall mean Wilmington Trust, National Association, not in its individual capacity but solely in its capacity as loan trustee under a Loan Trust Agreement, its successors in interest and any successor loan trustee under such Loan Trust Agreement.

"Loss Rate" shall mean, for any Payment Date, a fraction, expressed as a percentage, (x) the numerator of which is the product of (i) the sum of the aggregate Loan Principal Balance of all Loans that became Charged-Off Loans during the related Collection Period minus all Recoveries received during the related Collection Period, multiplied by (ii) twelve, and (y) the denominator of which is the Adjusted Loan Principal Balance as of the first day of the related Collection Period.

"Monthly Determination Date" shall mean, with respect to any Collection Period, the 22nd calendar day of the calendar month occurring after the Collection Period, or if such 22nd day is not a Business Day, the next succeeding Business Day; provided, that the first Monthly Determination Date shall be October 22, 2020.

"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., or any successor.

"Mortgage" means, with respect to any PHL, a mortgage, deed of trust or other security instrument creating a lien upon the residential real property interest described therein and securing the Loan Note evidencing such PHL, as such mortgage, deed of trust or other security instrument may have been amended, modified or extended from time to time.

"Non-Performing Loan" shall mean any Loan with respect to which the related Loan Obligor is 90 or more days delinquent with its payments on such Loan.

"Note" shall mean a note issued by the Co-Issuers pursuant to the Indenture and described in this private placement memorandum.

"Note Account" shall mean the Collection Account, the Advance Reserve Account or the Reserve Account, as applicable.

"Note Purchase Agreement" shall mean that certain Note Purchase Agreement to be dated on or before the Closing Date, among the Co-Issuers and the Initial Purchasers.

"Note Register" shall mean the register maintained pursuant to the Indenture in which the Notes are registered.

"Note Registrar" shall mean Wells Fargo Bank, National Association, 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.

"NRZ" shall mean New Residential Investment Corp., a Delaware corporation.

"Officer's Certificate" shall mean, except to the extent otherwise specified, a certificate signed by an Authorized Officer of a Co-Issuer, the Servicer, a Seller, the Paying Agent, the Note Registrar or the Indenture Trustee, as applicable.

"OMFC" shall mean OneMain Finance Corporation, an Indiana corporation.

"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.

"Other Co-Issuer Obligations" shall mean any payment obligations arising under provisions of indentures or agreements entered into by the Co-Issuers in connection with notes previously issued by the Co-Issuer which notes have been retired but which provisions survive the termination of such indentures or agreements.

"Outstanding" shall have the meaning specified under the heading "*The Indenture—Direction by Noteholders*" in this private placement memorandum.

"Paying Agent" shall mean Wells Fargo Bank, National Association, and in such capacity shall make distributions to Noteholders from the Collection Account pursuant to the provisions of the Indenture.

"Payment Date" shall mean, with respect to any Collection Period, the 25th calendar day of the calendar month occurring after the Collection Period, or if such 25th day is not a Business Day, the next succeeding Business Day; provided, that the first Payment Date shall be October 26, 2020.

"Performance Support Agreement" shall mean the performance support agreement dated as of the Closing Date, by NRZ in favor of the Indenture Trustee on behalf of the Noteholders in respect of the obligations of the Sellers under the Loan Purchase Agreements, as amended, restated, supplemented or otherwise modified from time to time.

"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.

"PHL" means a fixed or variable rate personal home closed-end loan or open-end line of credit.

"Portfolio Called Loan" shall mean any Loan required to be reassigned to HSBC Finance Corporation or one of its Affiliates or designees pursuant to the terms of the Portfolio Loan Purchase Agreement.

"Portfolio Loan Purchase Agreement" means that certain Purchase Agreement dated as of March 5, 2013 by and among the Portfolio Sellers, HSBC Finance Corporation, a Delaware corporation, each of the Sellers and each of the Seller Loan Trustees, as amended.

"Portfolio Sellers" means each of the Persons party to the Portfolio Loan Purchase Agreement as a "Seller" therein.

"Proceeding" shall mean any suit in equity, action at law or other judicial or administrative proceeding.

"PUL" means a fixed or variable rate personal unsecured closed-end loan or open-end line of credit.

"Purchase Price" shall have the meaning specified under the heading "*Description of the Loans—Assignment of Loans; Representations and Warranties; Repurchase Obligations*" 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*" in this private placement memorandum.

"QIB" shall mean a "qualified institutional buyer" as defined in Rule 144A.

"Rating Agency" shall mean KBRA.

"Rating Agency Notice Requirement" shall mean, with respect to any action, that the Rating Agency shall have received ten (10) Business Days' prior written notice of such action (or such shorter period as is practicable or acceptable to the Rating Agency).

"Record Date" shall mean, for each Payment Date, the close of business on the Business Day immediately preceding such Payment Date, or in the case of any Definitive Notes, the last day of the related Collection Period.

"Recoveries" shall mean, with respect to any Charged-Off Loan, monies collected in respect thereof from whatever source, net of the sum of any reasonable expenses incurred by and reimbursable to the Servicer in connection with the collection, repossession and disposition of such Loan and the related Loan Collateral, if any, and any amounts required by law to be remitted to the related Loan Obligor; provided that Recoveries with respect to any Charged-Off Loan shall in no event be less than zero.

"Redemption Date" means the Business Day on which the Notes are redeemed by the Co-Issuers in accordance with the Indenture.

"Registered Noteholder" shall mean the Holder of a Definitive Note.

"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.

"Repurchase Price" shall have the meaning set forth in "*Description of the Loans—Assignment of Loans; Representations and Warranties; Repurchase Obligations—Repurchase Obligations*" in this private placement memorandum.

"Required Advance Reserve Amount" shall mean $5,000,000.

"Required Noteholders" shall mean, at any time, the Holders of Notes evidencing more than 50% of the Outstanding Notes.

"Required Reserve Account Amount" shall mean (i) on the Closing Date, an amount equal to 0.50% of the aggregate Loan Principal Balance as of the Cut-Off Date and (ii) on each Payment Date, an amount equal to the greater of (a) 0.50% of the aggregate Loan Principal Balance as of the end of the most recent Collection Period and (b) 0.15% of the aggregate Loan Principal Balance as of the Cut-Off Date.

"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.

"Required Servicing Protocols" shall have the meaning set forth in "*The Servicing Agreement and the Back-up Servicing Agreement—Servicing of Loans*" 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, (b) any federal, state and local 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, and (c) all contractual obligations of that Person, including those contractual obligations of the Person contained in the Servicing Agreement or in a Loan Agreement for which such Person is responsible. This term includes usury laws, the Truth in Lending Act, and Regulation Z and Regulation B.

"Residual Interest" shall have the meaning specified under the heading "*U.S. Credit Risk Retention*" in this private placement memorandum.

"Responsible Officer" shall mean, with respect to the Indenture Trustee, any Loan Trustee or the Paying Agent, any officer within the Corporate Trust Office of the Indenture Trustee, such Loan Trustee or the Paying Agent, as applicable, as the case may be, including any Vice President, Assistant Vice President, Assistant Treasurer, Assistant Secretary, or any other officer of the Indenture Trustee, such Loan Trustee or the Paying Agent, as applicable, 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 Indenture and the other Transaction Documents on behalf of the Indenture Trustee or the Paying Agent or the applicable Trust Agreement on behalf of such Loan Trustee, as applicable.

"Revolving Loan" shall mean any Loan (other than a Non-Performing Loan) with respect to which the related Loan Obligor either is or at one time was permitted to make additional draws on such Loan.

"Risk Retaining LLC" shall have the meaning specified under the heading "*U.S. Credit Risk Retention*" in this private placement memorandum.

"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.

"SEC" shall mean the United States Securities and Exchange Commission.

"Securities Act" shall mean the Securities Act of 1933, as amended.

"Seller" or "Sellers" shall mean SpringCastle America, LLC, a Delaware limited liability company, SpringCastle Credit, LLC, a Delaware limited liability company and SpringCastle Finance, LLC, a Delaware limited liability company.

"Seller Loan Trust Agreements" shall mean each of the Loan Trust Agreements, dated as of April 1, 2013, between a Seller and Wilmington Trust, National Association, as the Loan Trustee.

"Seller Loan Trustee" shall mean Wilmington Trust, National Association, not in its individual capacity but solely in its capacity as loan trustee under a Seller Loan Trust Agreement, its successors in interest and any successor loan trustee under such Seller Loan Trust Agreement.

"Servicer" shall mean (i) initially OMFC, in its capacity as servicer pursuant to the Servicing Agreement and any Person that becomes the successor thereto or any assignee thereof pursuant to the Servicing Agreement, and (ii) after any Successor Servicing Transfer Date, the Successor Servicer.

"Servicer Collection Charges" shall mean, with respect to any Loan, any and all income, revenue, fees, administrative fees, annual fees, expenses, charges or other monies that a servicer is entitled to receive, collect or retain in accordance with the terms of the Loan Documents or Requirements of Law, including late charge fees, bad check fees, ACH fees, partial release fees, release deed and satisfaction fees and other similar fees and charges collected from Loan Obligors, and any other incidental fees permissible under Requirements of Law, but excluding any premiums, fees or other income related to Credit Insurance (other than any collection fees payable to the Servicer pursuant to a Credit Insurance ASA in accordance with the Servicing Agreement).

"Servicer Defaults" shall have the meaning specified under the heading "*The Servicing Agreement and the Back-up Servicing Agreement—Servicer Defaults*" in this private placement memorandum.

"Servicing Agreement" shall mean the Servicing Agreement, dated as of the Closing Date, among the Servicer, the Co-Issuers, the Indenture Trustee and the Loan Trustees, as amended, restated, supplemented or otherwise modified from time to time.

"Servicing Assumption Date" shall have the meaning specified under the heading "*The Servicing Agreement and the Back-up Servicing Agreement—Assumption of Servicing by the Back-up Servicer*" in this private placement memorandum.

"Servicing Fee" shall have the meaning specified under the heading "*The 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 Paying Agent, the Note Registrar and the Indenture Trustee by the Servicer, as such list may from time to time be amended.

"Servicing Standard" shall have the meaning set forth in "*The Servicing Agreement and the Back-up Servicing Agreement—Servicing of Loans*" in this private placement memorandum.

"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 Servicing Agreement.

"Servicing Transition Costs" shall have the meaning specified under the heading "*The 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 Servicing Agreement and the Back-up Servicing Agreement—Assumption of Servicing by the Back-up Servicer*" in this private placement memorandum.

"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.

"Specified Call Premium Amount" shall mean on any Redemption Date for any Class of Notes shall mean an amount equal to (a) the product of (1) the Call Premium Rate with respect to such Class of Notes, times (2) the outstanding principal balance of the Notes of such Class to be redeemed on such Redemption Date, times (3) the number of days, computed on a 30/360 basis, from and including such Redemption Date to but excluding the Payment Date occurring in September 2022, divided by (b) 360.

"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.

"Stated Maturity Date" shall mean with respect to the Class A Notes, the September 2037 Payment Date and, with respect to the Class B Notes, the September 2037 Payment Date.

"Structuring Assumptions" shall mean the assumptions set forth under the heading "*Yield and Prepayment Considerations—Structuring Assumptions*" in this private placement memorandum.

"Successor Servicer" shall mean the successor servicer appointed in accordance with the Servicing Agreement.

"Successor 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 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 termination of the Servicer.

"Successor Servicing Transfer" shall mean that all authority and power of the Servicer under the Servicing Agreement shall have passed to and been vested in the Successor Servicer appointed by the Indenture Trustee pursuant to the Servicing Agreement.

"Target Overcollateralization Amount" shall mean (i) for any Payment Date on which the Three-Month Average Loss Rate is greater than or equal to 9.00%, an amount equal to 2.30% of the Adjusted Loan Principal Balance

as of the Cut-Off Date, and (ii) for any other Payment Date, an amount equal to 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 without the written consent of each Noteholder of each Outstanding Note affected thereby, and (c) such action will not cause any Co-Issuer to be deemed to be an association, a taxable mortgage pool, or a 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.

"Termination Notice" shall have the meaning specified under the heading "*The Servicing Agreement and the Back-up Servicing Agreement—Rights Upon Servicer Default*" in this private placement memorandum.

"Three-Month Average Loss Rate" shall mean, for any Payment Date, the average of the Loss Rates as of such Payment Date and the two immediately preceding Payment Dates (or such lesser number of Payment Dates as have occurred following the Closing Date).

"Transaction Documents" shall mean the Note Purchase Agreement, the Servicing Agreement, the Loan Purchase Agreements, the Loan Trust Agreements, 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 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.

"Volcker Rule" shall have the meaning specified under the heading "*Investment Company Act Considerations*" in this private placement memorandum.

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Annex A

Performance Data

The information provided in this Annex A is an integral part of this private placement memorandum, and is incorporated by reference into this private placement memorandum.

AGGREGATE PORTFOLIO

	Beginning Balance ($)	Ending Balance ($)	Monthly Payment Rate	Monthly Principal Pay Rate	Annualized Charge-off Rate[(1)]	Monthly Draw Rate	Annualized Finance Charges	CRR	CDR	Days Delinquent		
										30-59	60-89	90+
June 2010	9,252,946,325	8,955,690,471	2.59%	1.06%	24.81%	0.14%	18.40%	11.98%	22.17%	5.36%	3.56%	7.19%
July 2010	8,955,690,471	8,690,535,194	2.56%	1.03%	22.62%	0.15%	18.37%	11.64%	20.41%	5.21%	3.58%	7.34%
August 2010	8,690,535,194	8,446,445,260	2.62%	1.10%	20.43%	0.15%	18.33%	12.40%	18.62%	5.12%	3.57%	7.73%
September 2010	8,446,445,260	8,199,545,055	2.57%	1.05%	22.12%	0.16%	18.29%	11.91%	20.01%	5.16%	3.49%	7.87%
October 2010	8,199,545,055	7,946,259,719	2.57%	1.05%	23.89%	0.15%	18.25%	11.94%	21.44%	4.96%	3.35%	7.66%
November 2010	7,946,259,719	7,703,472,165	2.62%	1.10%	22.96%	0.15%	18.22%	12.42%	20.69%	5.02%	3.32%	7.49%
December 2010	7,703,472,165	7,476,331,419	2.56%	1.04%	22.55%	0.16%	18.16%	11.83%	20.36%	5.16%	3.34%	7.25%
January 2011	7,476,331,419	7,262,752,905	2.56%	1.05%	21.44%	0.15%	18.10%	11.94%	19.45%	5.09%	3.31%	7.04%
February 2011	7,262,752,905	7,041,894,583	2.76%	1.25%	20.51%	0.13%	18.06%	14.05%	18.68%	4.75%	3.13%	6.80%
March 2011	7,041,894,583	6,828,922,488	2.88%	1.38%	19.40%	0.12%	17.93%	15.39%	17.77%	4.09%	2.67%	6.26%
April 2011	6,828,922,488	6,634,911,567	2.85%	1.34%	18.31%	0.15%	18.04%	14.97%	16.85%	3.94%	2.50%	5.79%
May 2011	6,634,911,567	6,457,762,009	2.76%	1.25%	17.53%	0.16%	18.03%	14.04%	16.18%	4.31%	2.52%	5.47%
June 2011	6,457,762,009	6,296,913,244	2.71%	1.21%	16.20%	0.17%	18.04%	13.55%	15.05%	4.61%	2.70%	5.31%
July 2011	6,296,913,244	6,149,808,188	2.68%	1.18%	14.92%	0.18%	18.02%	13.30%	13.94%	4.65%	2.91%	5.42%
August 2011	6,149,808,188	6,006,644,810	2.76%	1.26%	14.30%	0.20%	17.99%	14.08%	13.40%	4.84%	3.00%	5.77%
September 2011	6,006,644,810	5,868,008,374	2.67%	1.17%	14.77%	0.18%	17.97%	13.19%	13.81%	4.83%	3.10%	6.03%
October 2011	5,868,008,374	5,726,577,311	2.66%	1.17%	15.94%	0.18%	17.93%	13.14%	14.83%	4.73%	3.05%	6.24%
November 2011	5,726,577,311	5,581,617,529	2.70%	1.21%	16.61%	0.19%	17.89%	13.61%	15.40%	4.50%	3.08%	6.30%
December 2011	5,581,617,529	5,446,044,215	2.61%	1.12%	16.84%	0.21%	17.86%	12.62%	15.60%	4.59%	2.88%	6.38%
January 2012	5,446,044,215	5,307,299,980	2.65%	1.16%	17.35%	0.19%	17.86%	13.08%	16.04%	4.50%	2.87%	6.17%
February 2012	5,307,299,980	5,167,923,070	2.81%	1.32%	16.42%	0.16%	17.84%	14.74%	15.24%	4.01%	2.64%	5.80%
March 2012	5,167,923,070	5,028,095,688	2.92%	1.44%	15.75%	0.14%	17.74%	15.96%	14.66%	3.54%	2.27%	5.28%
April 2012	5,028,095,688	4,903,282,682	2.86%	1.38%	14.39%	0.17%	17.80%	15.32%	13.48%	3.67%	2.23%	5.00%
May 2012	4,903,282,682	4,790,609,625	2.78%	1.29%	13.52%	0.20%	17.79%	14.47%	12.71%	3.92%	2.25%	4.78%
June 2012	4,790,609,625	4,686,583,367	2.76%	1.28%	12.49%	0.21%	17.80%	14.32%	11.79%	3.98%	2.40%	4.76%
July 2012	4,686,583,367	4,589,503,813	2.74%	1.26%	11.63%	0.21%	17.78%	14.10%	11.03%	4.14%	2.44%	4.94%
August 2012	4,589,503,813	4,493,591,165	2.78%	1.30%	11.66%	0.22%	17.79%	14.49%	11.06%	4.05%	2.49%	5.07%
September 2012	4,493,591,165	4,401,475,531	2.71%	1.22%	11.82%	0.21%	17.79%	13.74%	11.20%	4.10%	2.55%	5.27%
October 2012	4,401,475,531	4,307,174,436	2.76%	1.28%	12.10%	0.20%	17.76%	14.32%	11.46%	4.02%	2.54%	5.36%
November 2012	4,307,174,436	4,218,977,451	2.71%	1.23%	11.71%	0.21%	17.76%	13.77%	11.10%	3.90%	2.50%	5.48%
December 2012	4,218,977,451	4,133,769,027	2.64%	1.16%	12.38%	0.23%	17.74%	13.07%	11.70%	4.03%	2.51%	5.55%
January 2013	4,133,769,027	4,042,649,428	2.72%	1.24%	12.77%	0.21%	17.73%	13.88%	12.05%	3.92%	2.47%	5.50%
February 2013	4,042,649,428	3,952,708,741	2.80%	1.32%	12.17%	0.19%	17.69%	14.78%	11.51%	3.77%	2.35%	5.31%
March 2013 [(2)]	--	--	--	--	--	--	--	--	--	--	--	--
April 2013	3,934,954,777	3,849,077,860	2.85%	1.41%	12.23%	0.19%	17.22%	15.72%	11.56%	3.41%	2.08%	5.09%
May 2013	3,849,077,860	3,769,726,699	2.76%	1.33%	11.81%	0.19%	17.22%	14.81%	11.20%	3.54%	2.07%	4.96%
June 2013	3,769,726,699	3,694,160,538	2.67%	1.24%	11.21%	0.21%	17.22%	13.90%	10.65%	3.76%	2.20%	5.02%

AGGREGATE PORTFOLIO

	Beginning Balance ($)	Ending Balance ($)	Monthly Payment Rate	Monthly Principal Pay Rate	Annualized Charge-off Rate[1]	Monthly Draw Rate	Annualized Finance Charges	CRR	CDR	Days Delinquent		
										30-59	60-89	90+
July 2013	3,694,160,538	3,622,697,551	2.70%	1.26%	9.79%	0.22%	17.21%	14.13%	9.36%	3.80%	2.32%	5.10%
August 2013	3,622,697,551	3,551,144,523	2.77%	1.34%	10.17%	0.27%	17.21%	14.92%	9.71%	3.73%	2.30%	5.20%
September 2013	3,551,144,523	3,490,326,962	2.48%	1.25%	9.75%	0.22%	14.77%	14.01%	9.33%	5.63%	2.69%	5.54%
October 2013	3,490,326,962	3,422,471,302	2.85%	1.42%	9.90%	0.37%	17.18%	15.77%	9.46%	5.57%	3.06%	5.68%
November 2013	3,422,471,302	3,361,896,634	2.68%	1.30%	8.51%	0.30%	16.53%	14.55%	8.19%	4.49%	3.20%	5.96%
December 2013	3,361,896,634	3,298,752,578	2.63%	1.27%	10.94%	0.30%	16.35%	14.20%	10.40%	4.43%	2.76%	6.28%
January 2014	3,298,752,578	3,233,790,251	2.76%	1.34%	11.47%	0.25%	17.10%	14.90%	10.89%	4.12%	2.41%	6.24%
February 2014	3,233,790,251	3,165,408,421	2.70%	1.33%	11.03%	0.18%	16.43%	14.89%	10.49%	3.77%	2.18%	5.82%
March 2014	3,165,408,421	3,098,138,271	2.94%	1.48%	11.81%	0.19%	17.52%	16.43%	11.19%	3.36%	1.88%	5.14%
April 2014	3,098,138,271	3,036,286,227	2.78%	1.42%	10.73%	0.24%	16.32%	15.76%	10.21%	3.21%	1.71%	4.52%
May 2014	3,036,286,227	2,974,800,571	2.86%	1.44%	9.17%	0.24%	17.12%	15.93%	8.80%	3.26%	1.65%	4.14%
June 2014	2,974,800,571	2,924,132,814	2.73%	1.37%	7.87%	0.24%	16.24%	15.29%	7.59%	3.59%	1.68%	3.98%
July 2014	2,924,132,814	2,875,348,115	2.84%	1.42%	7.37%	0.27%	17.08%	15.79%	7.13%	3.52%	1.83%	3.89%
August 2014	2,875,348,115	2,827,354,904	2.82%	1.40%	6.67%	0.26%	17.00%	15.61%	6.47%	3.45%	1.83%	3.78%
September 2014	2,827,354,904	2,693,711,803	2.74%	1.38%	5.46%[3]	0.25%	16.32%	15.35%	5.58%[3]	3.31%	1.76%	3.46%
October 2014	2,693,711,803	2,649,107,533	3.00%	1.51%		0.27%	17.92%	16.67%		3.26%	1.64%	3.58%
November 2014	2,649,107,533	2,589,748,078	2.78%	1.39%	13.54%	0.24%	16.64%	15.46%	12.73%	3.25%	1.79%	2.95%
December 2014	2,589,748,078	2,548,655,853	2.88%	1.43%	6.40%	0.30%	17.44%	15.84%	6.21%	3.31%	1.76%	3.04%
January 2015	2,548,655,853	2,504,591,569	2.99%	1.49%	6.43%	0.24%	17.94%	16.48%	6.24%	3.18%	1.81%	3.00%
February 2015	2,504,591,569	2,460,743,287	2.89%	1.48%	6.12%	0.18%	16.91%	16.34%	5.95%	2.98%	1.69%	2.95%
March 2015	2,460,743,287	2,415,372,742	3.17%	1.65%	5.73%	0.22%	18.23%	18.10%	5.58%	2.60%	1.51%	2.80%
April 2015	2,415,372,742	2,373,598,109	3.04%	1.60%	6.54%	0.27%	17.31%	17.59%	6.35%	2.51%	1.34%	2.72%
May 2015	2,373,598,109	2,329,736,088	3.06%	1.58%	6.81%	0.25%	17.77%	17.42%	6.60%	2.56%	1.36%	2.52%
June 2015	2,329,736,088	2,286,711,263	3.06%	1.62%	6.63%	0.27%	17.21%	17.83%	6.43%	2.76%	1.41%	2.43%
July 2015	2,286,711,263	2,245,106,115	3.21%	1.69%	5.84%	0.30%	18.18%	18.53%	5.69%	2.76%	1.47%	2.35%
August 2015	2,245,106,115	2,207,193,561	3.08%	1.63%	4.90%	0.29%	17.37%	17.90%	4.80%	2.96%	1.56%	2.47%
September 2015	2,207,193,561	2,170,059,527	3.02%	1.58%	5.49%	0.30%	17.22%	17.39%	5.35%	3.05%	1.60%	2.56%
October 2015	2,170,059,527	2,130,987,625	3.21%	1.69%	5.47%	0.29%	18.23%	18.50%	5.33%	2.92%	1.58%	2.57%
November 2015	2,130,987,625	2,094,904,496	2.91%	1.52%	5.85%	0.25%	16.74%	16.75%	5.69%	3.04%	1.58%	2.58%
December 2015	2,094,904,496	2,059,598,634	3.07%	1.58%	5.74%	0.33%	17.87%	17.43%	5.60%	3.11%	1.58%	2.58%
January 2016	2,059,598,634	2,025,029,854	2.98%	1.53%	5.65%	0.26%	17.47%	16.87%	5.50%	3.21%	1.67%	2.62%
February 2016	2,025,029,854	1,986,162,409	3.15%	1.69%	5.90%	0.21%	17.50%	18.53%	5.75%	2.85%	1.67%	2.51%
March 2016	1,986,162,409	1,946,002,990	3.41%	1.87%	5.53%	0.26%	18.40%	20.30%	5.40%	2.72%	1.49%	2.37%
April 2016	1,946,002,990	1,909,893,596	3.21%	1.72%	5.53%	0.28%	17.77%	18.84%	5.40%	2.63%	1.45%	2.25%
May 2016	1,909,893,596	1,874,984,219	3.16%	1.71%	5.04%	0.26%	17.37%	18.70%	4.92%	2.79%	1.48%	2.28%
June 2016	1,874,984,219	1,840,575,351	3.19%	1.74%	5.56%	0.32%	17.47%	18.99%	5.42%	2.94%	1.57%	2.34%
July 2016	1,840,575,351	1,807,591,907	3.25%	1.74%	4.81%	0.30%	18.11%	19.01%	4.71%	3.08%	1.69%	2.48%

AGGREGATE PORTFOLIO

	Beginning Balance ($)	Ending Balance ($)	Monthly Payment Rate	Monthly Principal Pay Rate	Annualized Charge-off Rate[(1)]	Monthly Draw Rate	Annualized Finance Charges	CRR	CDR	Days Delinquent		
										30-59	60-89	90+
August 2016	1,807,591,907	1,773,063,150	3.26%	1.80%	5.95%	0.34%	17.55%	19.55%	5.79%	3.05%	1.74%	2.54%
September 2016	1,773,063,150	1,741,874,389	3.15%	1.67%	5.46%	0.32%	17.74%	18.32%	5.33%	3.03%	1.74%	2.63%
October 2016	1,741,874,389	1,709,712,235	3.16%	1.70%	5.76%	0.28%	17.57%	18.58%	5.61%	3.17%	1.79%	2.84%
November 2016	1,709,712,235	1,678,503,291	3.03%	1.63%	6.45%	0.29%	16.82%	17.86%	6.26%	3.28%	1.81%	2.96%
December 2016	1,678,503,291	1,646,169,060	3.28%	1.76%	6.58%	0.33%	18.28%	19.16%	6.38%	3.30%	1.78%	3.04%
January 2017	1,646,169,060	1,611,940,310	3.25%	1.80%	7.17%	0.27%	17.45%	19.58%	6.94%	3.18%	1.81%	3.05%
February 2017	1,611,940,310	1,579,582,084	3.17%	1.75%	6.58%	0.25%	17.08%	19.09%	6.38%	3.20%	1.68%	3.03%
March 2017	1,579,582,084	1,543,277,984	3.66%	2.07%	6.65%	0.28%	19.11%	22.17%	6.45%	2.84%	1.60%	2.78%
April 2017	1,543,277,984	1,512,085,853	3.29%	1.86%	6.17%	0.30%	17.16%	20.13%	6.00%	2.98%	1.43%	2.62%
May 2017	1,512,085,853	1,479,864,375	3.34%	1.90%	5.95%	0.30%	17.25%	20.59%	5.79%	3.03%	1.52%	2.39%
June 2017	1,479,864,375	1,449,810,486	3.42%	1.93%	5.87%	0.35%	17.78%	20.90%	5.72%	3.13%	1.64%	2.33%
July 2017	1,449,810,486	1,420,913,455	3.40%	1.91%	5.41%	0.32%	17.88%	20.67%	5.28%	3.21%	1.73%	2.37%
August 2017	1,420,913,455	1,393,000,248	3.47%	1.99%	4.75%	0.37%	17.68%	21.47%	4.65%	2.99%	1.71%	2.47%
September 2017	1,393,000,248	1,366,257,742	3.34%	1.87%	5.21%	0.34%	17.68%	20.27%	5.08%	2.94%	1.62%	2.56%
October 2017	1,366,257,742	1,339,019,403	3.39%	1.92%	5.39%	0.34%	17.58%	20.80%	5.26%	3.01%	1.57%	2.55%
November 2017	1,339,019,403	1,312,804,554	3.28%	1.84%	5.92%	0.34%	17.21%	20.01%	5.76%	3.26%	1.62%	2.47%
December 2017	1,312,804,554	1,287,944,227	3.33%	1.82%	6.17%	0.40%	18.02%	19.82%	6.00%	3.20%	1.75%	2.49%
January 2018	1,287,944,227	1,262,359,562	3.44%	1.97%	4.74%	0.34%	17.59%	21.28%	4.63%	3.10%	1.69%	2.61%
February 2018	1,262,359,562	1,237,721,799	3.27%	1.86%	5.02%	0.29%	16.90%	20.20%	4.90%	3.14%	1.65%	2.71%
March 2018	1,237,721,799	1,208,465,014	3.84%	2.25%	5.62%	0.31%	19.18%	23.86%	5.47%	2.67%	1.60%	2.58%
April 2018	1,208,465,014	1,182,190,072	3.48%	2.06%	6.16%	0.36%	17.09%	22.10%	5.99%	2.53%	1.43%	2.40%
May 2018	1,182,190,072	1,157,331,068	3.55%	2.07%	5.17%	0.37%	17.82%	22.18%	5.05%	2.46%	1.39%	2.30%
June 2018	1,157,331,068	1,134,339,380	3.59%	2.10%	4.49%	0.45%	17.84%	22.50%	4.40%	2.49%	1.43%	2.33%
July 2018	1,134,339,380	1,116,134,061	3.60%	2.15%	4.91%	0.92%	17.48%	22.93%	4.80%	2.80%	1.42%	2.37%
August 2018	1,116,134,061	1,095,655,527	3.69%	2.19%	5.52%	0.78%	18.01%	23.35%	5.38%	2.62%	1.60%	2.31%
September 2018	1,095,655,527	1,076,743,338	3.34%	1.92%	5.16%	0.58%	16.96%	20.80%	5.04%	2.83%	1.60%	2.39%
October 2018	1,076,743,338	1,056,831,340	3.55%	2.05%	5.50%	0.63%	17.98%	22.01%	5.37%	2.77%	1.62%	2.35%
November 2018	1,056,831,340	1,037,105,826	3.47%	2.00%	5.36%	0.55%	17.64%	21.54%	5.23%	2.61%	1.67%	2.41%
December 2018	1,037,105,826	1,019,170,227	3.36%	1.89%	5.23%	0.56%	17.68%	20.46%	5.10%	2.77%	1.70%	2.52%
January 2019	1,019,170,227	999,447,060	3.54%	2.04%	5.06%	0.50%	17.93%	21.94%	4.94%	2.59%	1.59%	2.48%
February 2019	999,447,060	979,786,655	3.40%	1.97%	5.58%	0.44%	17.18%	21.20%	5.44%	2.57%	1.51%	2.40%
March 2019	979,786,655	958,439,844	3.83%	2.25%	4.66%	0.43%	18.96%	23.89%	4.56%	2.37%	1.37%	2.23%
April 2019	958,410,520	938,728,134	3.62%	2.17%	5.20%	0.52%	17.38%	23.14%	5.07%	2.26%	1.35%	1.99%
May 2019	938,728,134	919,286,733	3.70%	2.16%	4.99%	0.48%	18.44%	23.07%	4.88%	2.24%	1.25%	1.92%
June 2019	919,286,733	901,892,013	3.47%	2.01%	4.20%	0.44%	17.48%	21.63%	4.12%	2.33%	1.31%	1.94%
July 2019	901,892,013	884,551,696	3.65%	2.14%	4.07%	0.54%	18.08%	22.87%	3.99%	2.34%	1.34%	1.99%
August 2019	884,551,696	866,121,490	3.75%	2.22%	4.64%	0.50%	18.31%	23.64%	4.54%	2.21%	1.39%	2.02%

AGGREGATE PORTFOLIO

	Beginning Balance ($)	Ending Balance ($)	Monthly Payment Rate	Monthly Principal Pay Rate	Annualized Charge-off Rate[(1)]	Monthly Draw Rate	Annualized Finance Charges	CRR	CDR	Days Delinquent		
										30-59	60-89	90+
September 2019	866,121,490	849,311,880	3.52%	2.09%	4.08%	0.46%	17.13%	22.37%	4.00%	2.48%	1.38%	2.08%
October 2019	849,311,880	831,362,667	3.77%	2.25%	4.63%	0.50%	18.21%	23.94%	4.53%	2.36%	1.52%	1.99%
November 2019	831,362,667	814,649,107	3.56%	2.09%	4.94%	0.47%	17.61%	22.39%	4.83%	2.31%	1.49%	2.06%
December 2019	814,649,107	798,665,643	3.61%	2.12%	4.70%	0.53%	17.87%	22.66%	4.60%	2.50%	1.44%	2.05%
January 2020	798,665,643	781,813,739	3.75%	2.23%	4.25%	0.46%	18.28%	23.70%	4.17%	2.29%	1.38%	2.13%
February 2020	781,813,739	764,960,989	3.62%	2.17%	4.82%	0.39%	17.48%	23.12%	4.71%	2.24%	1.34%	2.12%
March 2020	764,960,989	748,492,448	3.70%	2.21%	4.66%	0.44%	17.78%	23.56%	4.57%	2.19%	1.34%	2.08%
April 2020	748,492,448	731,149,272	3.64%	2.18%	4.68%	0.23%	17.53%	23.28%	4.58%	2.30%	1.34%	2.06%
May 2020	731,149,272	712,877,802	3.83%	2.33%	4.80%	0.22%	17.96%	24.68%	4.69%	2.28%	1.37%	1.91%
June 2020	712,877,802	695,281,279	3.80%	2.37%	4.77%	0.28%	17.20%	25.00%	4.67%	1.65%	1.06%	1.84%
July 2020	695,281,279	678,950,912	3.90%	2.40%	4.55%	0.41%	17.99%	25.33%	4.46%	1.41%	0.92%	1.73%
August 2020	678,950,912	663,047,715	3.84%	2.38%	4.11%	0.36%	17.57%	25.06%	4.04%	1.49%	0.87%	1.64%

[(1)] Annualized monthly charge-off rate.

[(2)] Data from HSBC was unavailable for March 2013.

[(3)] Data from SpringCastle Funding Servicer Report - reports for Sep/Oct 2014 were combined into 1 report.

CLOSED-END PERSONAL UNSECURED LOANS (PUL)

	Beginning Balance ($)	Ending Balance ($)	Monthly Payment Rate	Monthly Principal Pay Rate	Annualized Charge-off Rate[(1)]	Monthly Draw Rate	Annualized Finance Charges	CRR	CDR	Days Delinquent		
										30-59	60-89	90+
June 2010	951,177,134	891,176,477	5.26%	3.50%	31.35%	0.00%	21.10%	34.80%	27.22%	5.66%	3.88%	8.35%
July 2010	891,176,477	834,774,701	5.53%	3.78%	28.65%	0.00%	21.03%	37.03%	25.18%	5.60%	4.08%	8.58%
August 2010	834,774,701	782,907,624	5.49%	3.74%	27.84%	0.00%	20.90%	36.74%	24.55%	5.43%	4.12%	9.05%
September 2010	782,907,624	733,312,215	5.50%	3.77%	29.24%	0.00%	20.79%	36.93%	25.62%	5.55%	3.92%	9.33%
October 2010	733,312,215	683,934,277	5.74%	4.01%	30.88%	0.00%	20.76%	38.77%	26.86%	5.44%	3.85%	9.24%
November 2010	683,934,277	638,330,555	5.60%	3.87%	32.00%	0.00%	20.76%	37.69%	27.70%	5.77%	3.87%	9.08%
December 2010	638,330,555	594,748,113	5.85%	4.12%	31.38%	0.00%	20.72%	39.64%	27.24%	5.81%	4.06%	8.96%
January 2011	594,748,113	554,479,713	5.93%	4.21%	29.23%	0.00%	20.69%	40.32%	25.62%	5.85%	4.06%	9.06%
February 2011	554,479,713	515,456,246	6.31%	4.59%	28.27%	0.00%	20.70%	43.09%	24.88%	5.55%	3.91%	8.93%
March 2011	515,456,246	475,510,609	6.98%	5.25%	28.50%	0.00%	20.77%	47.64%	25.06%	5.08%	3.41%	8.43%
April 2011	475,510,609	440,671,107	6.60%	4.86%	28.38%	0.00%	20.85%	45.00%	24.96%	4.84%	3.38%	7.83%
May 2011	440,671,107	408,973,920	6.56%	4.82%	27.51%	0.00%	20.90%	44.75%	24.29%	5.34%	3.31%	7.39%
June 2011	408,973,920	380,093,133	6.62%	4.88%	25.36%	0.00%	20.92%	45.12%	22.61%	5.61%	3.61%	7.20%
July 2011	380,093,133	352,955,468	6.90%	5.16%	22.94%	0.00%	20.86%	47.04%	20.67%	5.67%	3.92%	7.43%
August 2011	352,955,468	327,986,258	6.84%	5.11%	22.97%	0.00%	20.70%	46.73%	20.70%	5.80%	4.01%	7.87%
September 2011	327,986,258	304,636,807	6.85%	5.14%	23.25%	0.00%	20.55%	46.91%	20.93%	5.96%	4.08%	8.41%
October 2011	304,636,807	281,462,003	7.04%	5.34%	26.42%	0.00%	20.43%	48.24%	23.45%	6.16%	4.10%	8.77%
November 2011	281,462,003	260,706,565	6.82%	5.13%	26.61%	0.00%	20.29%	46.85%	23.60%	6.02%	4.20%	9.14%
December 2011	260,706,565	240,243,806	7.14%	5.46%	28.49%	0.00%	20.17%	49.04%	25.05%	6.17%	4.15%	9.45%
January 2012	240,243,806	220,585,102	7.42%	5.75%	28.60%	0.00%	20.10%	50.85%	25.14%	6.21%	4.21%	9.49%
February 2012	220,585,102	201,593,706	7.78%	6.10%	29.78%	0.00%	20.17%	53.01%	26.04%	5.48%	4.13%	9.01%
March 2012	201,593,706	182,777,473	8.60%	6.92%	28.52%	0.00%	20.19%	57.71%	25.07%	5.16%	3.59%	8.68%
April 2012	182,777,473	167,137,183	8.05%	6.37%	25.99%	0.00%	20.13%	54.61%	23.11%	5.23%	3.71%	8.42%
May 2012	167,137,183	152,676,705	8.11%	6.43%	26.62%	0.00%	20.12%	54.96%	23.60%	5.57%	3.73%	8.12%
June 2012	152,676,705	139,368,184	8.39%	6.72%	24.08%	0.00%	20.05%	56.62%	21.59%	5.91%	4.02%	8.34%
July 2012	139,368,184	127,314,596	8.37%	6.71%	23.71%	0.00%	19.95%	56.52%	21.30%	5.86%	4.35%	8.53%
August 2012	127,314,596	115,589,586	8.80%	7.14%	25.08%	0.00%	19.83%	58.91%	22.39%	6.30%	4.23%	8.75%
September 2012	115,589,586	105,484,787	8.36%	6.72%	24.93%	0.00%	19.59%	56.62%	22.27%	6.22%	4.48%	9.42%
October 2012	105,484,787	95,674,085	8.79%	7.17%	25.98%	0.00%	19.42%	59.06%	23.10%	6.35%	4.46%	9.76%
November 2012	95,674,085	86,906,151	8.69%	7.08%	25.62%	0.00%	19.23%	58.58%	22.82%	6.50%	4.53%	10.35%
December 2012	86,906,151	78,768,654	8.79%	7.21%	26.30%	0.00%	19.05%	59.24%	23.35%	6.52%	4.80%	10.78%

CLOSED-END PERSONAL UNSECURED LOANS (PUL)

	Beginning Balance ($)	Ending Balance ($)	Monthly Payment Rate	Monthly Principal Pay Rate	Annualized Charge-off Rate[1]	Monthly Draw Rate	Annualized Finance Charges	CRR	CDR	Days Delinquent		
										30-59	60-89	90+
January 2013	78,768,654	70,250,742	9.08%	7.51%	28.15%	0.00%	18.83%	60.82%	24.79%	6.68%	5.09%	10.66%
February 2013	70,250,742	62,897,198	9.65%	8.08%	29.05%	0.00%	18.83%	63.63%	25.48%	6.55%	4.91%	10.93%
March 2013 [2]	--	--	--	--	--	--	--	--	--	--	--	--
April 2013	55,406,096	49,289,079	10.02%	8.50%	26.91%	0.00%	18.31%	65.55%	23.83%	6.81%	4.84%	11.87%
May 2013	49,289,079	43,731,740	10.19%	8.68%	28.71%	0.00%	18.21%	66.34%	25.21%	6.95%	5.31%	12.13%
June 2013	43,731,740	38,783,498	10.12%	8.62%	27.66%	0.00%	18.01%	66.10%	24.41%	7.52%	5.16%	12.76%
July 2013	38,783,498	34,264,041	10.53%	9.04%	28.59%	0.00%	17.85%	67.93%	25.13%	7.51%	5.85%	13.06%
August 2013	34,264,041	29,731,486	11.33%	9.86%	44.16%	0.00%	17.66%	71.22%	36.23%	8.18%	6.11%	13.53%
September 2013	29,731,486	28,603,543	9.67%	8.39%	30.78%	0.00%	15.29%	65.08%	26.79%	9.57%	6.38%	12.87%
October 2013	28,603,543	25,663,370	9.49%	8.12%	22.63%	0.00%	16.40%	63.80%	20.42%	10.15%	7.25%	14.41%
November 2013	25,663,370	22,978,521	9.72%	8.26%	21.76%	0.00%	17.56%	64.45%	19.72%	10.38%	7.23%	16.27%
December 2013	22,978,521	20,528,633	8.95%	7.55%	34.76%	0.00%	16.77%	61.02%	29.72%	9.78%	7.78%	17.56%
January 2014	20,528,633	18,400,049	9.28%	7.79%	31.04%	0.00%	17.87%	62.20%	26.99%	9.50%	8.16%	18.70%
February 2014	18,400,049	16,373,793	9.26%	7.71%	32.91%	0.00%	18.63%	61.80%	28.37%	9.17%	7.88%	18.70%
March 2014	16,373,793	14,667,178	9.13%	7.57%	32.96%	0.00%	18.68%	61.12%	28.41%	8.16%	7.13%	18.58%
April 2014	14,667,178	13,286,618	8.57%	7.03%	28.99%	0.00%	18.44%	58.31%	25.44%	8.19%	6.62%	17.92%
May 2014	13,286,618	11,953,012	8.45%	6.96%	30.13%	0.00%	17.81%	57.93%	26.30%	8.15%	6.43%	16.98%
June 2014	11,953,012	10,823,371	8.18%	6.74%	30.43%	0.00%	17.31%	56.73%	26.53%	9.08%	6.71%	16.21%
July 2014	10,823,371	9,884,508	8.29%	6.79%	20.70%	0.00%	17.93%	57.00%	18.85%	7.83%	6.75%	14.73%
August 2014	9,884,508	9,112,443	7.75%	6.27%	17.18%	0.00%	17.74%	54.05%	15.89%	8.07%	4.64%	11.49%
September 2014	9,112,443	7,985,565	7.35%	5.92%	15.21% [3]	0.00%	17.15%	51.93%	14.19% [3]	6.83%	4.22%	10.50%
October 2014	7,985,565	7,323,913	8.36%	6.83%		0.00%	18.44%	57.20%		8.21%	3.97%	8.89%
November 2014	7,323,913	6,781,955	7.70%	6.21%	13.70%	0.00%	17.91%	53.65%	12.87%	7.71%	5.25%	8.05%
December 2014	6,781,955	6,285,937	8.08%	6.60%	9.43%	0.00%	17.74%	55.93%	9.03%	9.03%	4.60%	8.52%
January 2015	6,285,937	5,795,433	7.87%	6.31%	16.79%	0.00%	18.68%	54.26%	15.56%	9.21%	5.49%	7.59%
February 2015	5,795,433	5,386,103	7.84%	6.23%	8.54%	0.00%	19.29%	53.78%	8.21%	8.98%	4.73%	8.35%
March 2015	5,386,103	4,958,264	8.23%	6.61%	15.32%	0.00%	19.37%	56.00%	14.29%	8.21%	5.40%	7.54%
April 2015	4,958,264	4,597,804	8.07%	6.56%	12.19%	0.00%	18.14%	55.69%	11.53%	8.58%	3.82%	8.04%
May 2015	4,597,804	4,265,861	7.55%	5.95%	14.49%	0.00%	19.22%	52.12%	13.57%	9.63%	4.14%	7.72%
June 2015	4,265,861	3,996,459	7.44%	5.88%	4.36%	0.00%	18.70%	51.67%	4.27%	9.74%	3.97%	9.69%
July 2015	3,996,459	3,746,755	6.90%	5.34%	11.05%	0.00%	18.78%	48.24%	10.50%	8.88%	4.80%	9.03%
August 2015	3,746,755	3,506,457	6.77%	5.19%	14.00%	0.00%	19.01%	47.23%	13.14%	7.70%	5.00%	10.06%

CLOSED-END PERSONAL UNSECURED LOANS (PUL)

	Beginning Balance ($)	Ending Balance ($)	Monthly Payment Rate	Monthly Principal Pay Rate	Annualized Charge-off Rate[(1)]	Monthly Draw Rate	Annualized Finance Charges	CRR	CDR	Days Delinquent		
										30-59	60-89	90+
September 2015	3,506,457	3,259,290	6.11%	4.57%	14.25%	0.00%	18.45%	42.98%	13.36%	10.54%	5.10%	9.09%
October 2015	3,259,290	3,031,493	7.44%	5.80%	13.21%	0.00%	19.67%	51.18%	12.44%	10.01%	6.09%	7.57%
November 2015	3,031,493	2,821,506	7.37%	5.85%	11.01%	0.00%	18.23%	51.49%	10.47%	9.42%	6.99%	8.49%
December 2015	2,821,506	2,620,048	7.09%	5.49%	16.73%	0.00%	19.18%	49.22%	15.51%	10.22%	4.37%	8.94%
January 2016	2,620,048	2,480,843	5.85%	4.38%	10.92%	0.00%	17.69%	41.54%	10.39%	12.32%	5.10%	9.41%
February 2016	2,480,843	2,287,121	6.44%	5.02%	32.91%	0.00%	17.11%	46.10%	28.38%	11.93%	5.97%	7.82%
March 2016	2,287,121	2,115,209	7.52%	5.96%	19.02%	0.00%	18.74%	52.19%	17.45%	10.05%	6.26%	8.69%
April 2016	2,115,209	1,990,701	6.51%	4.94%	11.10%	0.00%	18.80%	45.57%	10.55%	11.72%	4.59%	8.61%
May 2016	1,990,701	1,883,201	5.88%	4.35%	12.23%	0.00%	18.29%	41.38%	11.57%	11.89%	5.49%	8.91%
June 2016	1,883,201	1,765,481	6.51%	4.82%	14.68%	0.00%	20.22%	44.75%	13.73%	12.72%	5.35%	7.72%
July 2016	1,765,481	1,652,737	6.92%	5.50%	10.23%	0.00%	17.03%	49.30%	9.76%	13.62%	5.83%	10.04%
August 2016	1,652,737	1,551,302	6.89%	5.29%	8.82%	0.00%	19.21%	47.92%	8.47%	9.30%	7.67%	10.70%
September 2016	1,551,302	1,434,639	6.45%	4.87%	31.75%	0.00%	18.92%	45.10%	27.51%	8.66%	6.24%	10.77%
October 2016	1,434,639	1,341,390	6.10%	4.74%	20.20%	0.00%	16.31%	44.15%	18.43%	10.14%	4.39%	10.91%
November 2016	1,341,390	1,278,045	5.69%	4.11%	6.87%	0.00%	18.95%	39.58%	6.66%	10.39%	6.40%	11.71%
December 2016	1,278,045	1,188,806	6.20%	4.57%	29.09%	0.00%	19.52%	42.95%	25.51%	10.99%	4.65%	10.64%
January 2017	1,188,806	1,106,498	5.79%	4.45%	29.83%	0.00%	16.10%	42.07%	26.07%	11.84%	3.45%	10.10%
February 2017	1,106,498	1,030,798	6.90%	5.29%	14.82%	0.00%	19.28%	47.91%	13.85%	13.31%	4.67%	8.35%
March 2017	1,030,798	974,218	5.97%	4.53%	17.93%	0.00%	17.18%	42.69%	16.53%	10.97%	6.50%	6.68%
April 2017	974,218	918,081	6.13%	4.56%	12.95%	0.00%	18.84%	42.89%	12.21%	10.50%	6.34%	6.46%
May 2017	918,081	871,223	4.66%	3.44%	19.05%	0.00%	14.72%	34.27%	17.47%	9.47%	4.83%	10.19%
June 2017	871,223	832,643	5.35%	3.62%	9.82%	0.00%	20.75%	35.76%	9.39%	14.40%	1.40%	9.68%
July 2017	832,643	780,883	5.38%	3.98%	25.71%	0.00%	16.86%	38.55%	22.89%	6.51%	8.71%	6.81%
August 2017	780,883	779,925	5.04%	3.49%	23.17%	0.00%	18.59%	34.71%	20.86%	6.45%	9.24%	3.22%
September 2017	779,925	753,776	4.77%	3.63%	0.00%	0.00%	13.71%	35.82%	0.00%	5.53%	4.84%	9.37%
October 2017	753,776	715,088	6.40%	4.99%	1.50%	0.00%	16.89%	45.92%	1.49%	7.53%	7.73%	9.75%
November 2017	715,088	690,485	4.30%	3.10%	4.09%	0.00%	14.36%	31.46%	4.02%	8.36%	2.29%	12.40%
December 2017	690,485	665,946	4.22%	2.90%	7.67%	0.00%	15.76%	29.78%	7.40%	8.60%	4.10%	14.40%
January 2018	665,946	647,394	4.01%	2.78%	0.60%	0.00%	14.77%	28.74%	0.60%	7.64%	9.39%	12.39%
February 2018	647,394	618,609	4.36%	3.06%	15.98%	0.00%	15.49%	31.17%	14.86%	6.20%	5.53%	15.97%
March 2018	618,609	592,848	5.49%	4.05%	1.37%	0.00%	17.34%	39.09%	1.36%	5.04%	7.46%	16.93%
April 2018	592,848	569,592	4.77%	3.54%	4.13%	0.00%	14.81%	35.10%	4.05%	4.91%	3.15%	16.55%

CLOSED-END PERSONAL UNSECURED LOANS (PUL)

	Beginning Balance ($)	Ending Balance ($)	Monthly Payment Rate	Monthly Principal Pay Rate	Annualized Charge-off Rate[(1)]	Monthly Draw Rate	Annualized Finance Charges	CRR	CDR	Days Delinquent		
										30-59	60-89	90+
May 2018	569,592	541,129	4.10%	2.87%	24.99%	0.00%	14.76%	29.50%	22.31%	8.72%	3.43%	13.79%
June 2018	541,129	472,765	4.27%	2.90%	25.62%	0.00%	16.48%	29.73%	22.81%	7.55%	5.90%	3.12%
July 2018	472,765	456,998	4.42%	3.27%	0.00%	0.00%	13.83%	32.91%	0.00%	6.05%	7.81%	3.65%
August 2018	456,998	446,133	3.69%	2.28%	0.00%	0.00%	16.95%	24.18%	0.00%	8.39%	13.03%	2.39%
September 2018	446,133	434,046	3.65%	2.69%	0.00%	0.00%	11.60%	27.87%	0.00%	12.65%	9.99%	4.92%
October 2018	434,046	411,006	3.86%	2.61%	32.15%	0.00%	14.97%	27.23%	27.81%	4.10%	12.27%	6.96%
November 2018	411,006	400,872	3.10%	1.90%	6.69%	0.00%	14.41%	20.53%	6.49%	2.72%	6.16%	16.07%
December 2018	400,872	391,818	2.98%	1.87%	4.68%	0.00%	13.39%	20.25%	4.58%	6.93%	3.08%	16.35%
January 2019	391,818	383,631	3.22%	1.68%	5.32%	0.00%	18.48%	18.37%	5.20%	5.87%	3.33%	14.60%
February 2019	383,631	367,475	3.12%	2.15%	24.72%	0.00%	11.73%	22.91%	22.10%	8.96%	1.49%	11.43%
March 2019	367,475	338,425	4.38%	3.05%	56.40%	0.00%	15.96%	31.08%	43.88%	8.67%	5.54%	10.21%
April 2019	338,425	333,146	2.93%	1.56%	0.00%	0.00%	16.45%	17.20%	0.00%	7.99%	1.85%	12.66%
May 2019	333,143	323,821	3.04%	1.93%	10.25%	0.00%	13.21%	20.89%	9.78%	5.05%	10.53%	8.59%
June 2019	323,821	314,267	4.07%	2.95%	0.00%	0.00%	13.48%	30.14%	0.00%	2.43%	9.41%	5.19%
July 2019	314,267	310,605	2.20%	1.15%	0.00%	0.00%	12.58%	12.94%	0.00%	9.10%	7.89%	4.60%
August 2019	310,605	305,330	2.99%	1.66%	0.00%	0.00%	15.85%	18.24%	0.00%	4.46%	8.94%	5.00%
September 2019	305,330	298,605	2.47%	1.11%	13.22%	0.00%	16.29%	12.56%	12.44%	5.51%	5.26%	6.27%
October 2019	298,605	285,432	1.97%	1.10%	38.68%	0.00%	10.36%	12.48%	32.51%	11.97%	0.00%	11.72%
November 2019	285,432	282,683	1.84%	0.93%	0.00%	0.00%	10.94%	10.58%	0.00%	5.84%	8.33%	11.76%
December 2019	282,683	279,846	1.74%	0.99%	0.00%	0.00%	9.04%	11.22%	0.00%	16.46%	3.53%	12.64%
January 2020	279,846	277,360	2.01%	0.89%	0.00%	0.00%	13.51%	10.16%	0.00%	4.78%	11.86%	13.78%
February 2020	277,360	274,368	2.07%	1.08%	0.00%	0.00%	11.84%	12.20%	0.00%	7.05%	9.89%	14.81%
March 2020	274,368	271,346	2.21%	1.10%	0.00%	0.00%	13.24%	12.45%	0.00%	0.00%	10.31%	18.58%
April 2020	271,346	266,795	2.69%	1.66%	0.00%	0.00%	12.44%	18.15%	0.00%	0.00%	10.44%	10.64%
May 2020	266,795	258,586	2.19%	1.03%	24.58%	0.00%	13.98%	11.66%	22.00%	3.74%	10.70%	1.96%
June 2020	258,586	256,138	1.63%	0.95%	0.00%	0.00%	8.24%	10.79%	0.00%	0.01%	8.21%	8.16%
July 2020	256,138	251,683	2.80%	1.74%	0.00%	0.00%	12.77%	18.99%	0.00%	1.48%	7.15%	2.93%
August 2020	251,683	243,725	1.61%	0.91%	21.61%	0.00%	8.39%	10.37%	19.59%	4.21%	1.43%	7.63%

[(1)] Annualized monthly charge-off rate.

[(2)] Data from HSBC was unavailable for March 2013.

[(3)] Data from SpringCastle Funding Servicer Report - reports for Sep/Oct 2014 were combined into 1 report.

REVOLVING PERSONAL UNSECURED LOANS (PUL)

	Beginning Balance ($)	Ending Balance ($)	Monthly Payment Rate	Monthly Principal Pay Rate	Annualized Charge-off Rate[(1)]	Monthly Draw Rate	Annualized Finance Charges	CRR	CDR	Days Delinquent		
										30-59	60-89	90+
June 2010	6,093,091,497	5,905,683,142	2.46%	0.79%	26.30%	0.19%	19.95%	9.12%	23.35%	5.12%	3.58%	7.44%
July 2010	5,905,683,142	5,740,526,866	2.41%	0.74%	24.09%	0.20%	19.96%	8.55%	21.60%	5.04%	3.61%	7.59%
August 2010	5,740,526,866	5,590,732,376	2.52%	0.86%	21.22%	0.22%	19.94%	9.80%	19.27%	4.90%	3.61%	8.06%
September 2010	5,590,732,376	5,438,224,809	2.48%	0.82%	22.91%	0.22%	19.92%	9.36%	20.65%	4.88%	3.52%	8.25%
October 2010	5,438,224,809	5,276,306,412	2.45%	0.80%	25.57%	0.21%	19.89%	9.14%	22.78%	4.57%	3.38%	8.00%
November 2010	5,276,306,412	5,119,539,864	2.54%	0.89%	24.56%	0.21%	19.89%	10.12%	21.98%	4.58%	3.27%	7.73%
December 2010	5,119,539,864	4,977,017,307	2.43%	0.77%	23.91%	0.22%	19.86%	8.88%	21.46%	4.65%	3.26%	7.38%
January 2011	4,977,017,307	4,842,076,106	2.47%	0.82%	22.70%	0.21%	19.84%	9.41%	20.48%	4.68%	3.22%	7.07%
February 2011	4,842,076,106	4,701,948,870	2.70%	1.05%	21.56%	0.18%	19.81%	11.93%	19.56%	4.37%	3.07%	6.76%
March 2011	4,701,948,870	4,568,192,852	2.80%	1.17%	19.96%	0.16%	19.64%	13.13%	18.23%	3.78%	2.61%	6.18%
April 2011	4,568,192,852	4,444,139,044	2.83%	1.18%	18.98%	0.21%	19.79%	13.33%	17.41%	3.62%	2.42%	5.68%
May 2011	4,444,139,044	4,333,472,443	2.74%	1.09%	17.72%	0.23%	19.80%	12.31%	16.35%	3.87%	2.43%	5.36%
June 2011	4,333,472,443	4,232,902,058	2.69%	1.03%	16.66%	0.24%	19.84%	11.72%	15.45%	4.17%	2.53%	5.16%
July 2011	4,232,902,058	4,142,979,821	2.65%	0.99%	15.26%	0.25%	19.85%	11.27%	14.24%	4.18%	2.75%	5.20%
August 2011	4,142,979,821	4,053,047,800	2.77%	1.12%	14.60%	0.27%	19.85%	12.65%	13.66%	4.40%	2.82%	5.52%
September 2011	4,053,047,800	3,965,938,053	2.67%	1.01%	15.24%	0.24%	19.87%	11.50%	14.22%	4.48%	2.96%	5.75%
October 2011	3,965,938,053	3,878,895,947	2.67%	1.01%	15.72%	0.24%	19.85%	11.49%	14.64%	4.48%	2.95%	6.00%
November 2011	3,878,895,947	3,784,973,710	2.74%	1.09%	17.05%	0.25%	19.83%	12.35%	15.78%	4.26%	2.99%	6.00%
December 2011	3,784,973,710	3,699,652,753	2.62%	0.97%	17.02%	0.28%	19.83%	11.05%	15.76%	4.26%	2.81%	6.08%
January 2012	3,699,652,753	3,610,460,920	2.69%	1.04%	17.65%	0.25%	19.84%	11.77%	16.29%	4.14%	2.78%	5.87%
February 2012	3,610,460,920	3,519,122,236	2.88%	1.22%	16.74%	0.22%	19.83%	13.73%	15.51%	3.71%	2.52%	5.52%
March 2012	3,519,122,236	3,426,203,157	2.97%	1.32%	16.58%	0.19%	19.72%	14.77%	15.37%	3.27%	2.18%	4.97%
April 2012	3,426,203,157	3,342,623,375	2.95%	1.30%	15.14%	0.23%	19.81%	14.56%	14.14%	3.35%	2.15%	4.67%
May 2012	3,342,623,375	3,268,767,042	2.85%	1.20%	14.09%	0.26%	19.83%	13.49%	13.21%	3.54%	2.14%	4.44%
June 2012	3,268,767,042	3,199,652,296	2.85%	1.19%	13.32%	0.27%	19.86%	13.41%	12.53%	3.65%	2.26%	4.35%
July 2012	3,199,652,296	3,135,826,392	2.84%	1.19%	12.20%	0.28%	19.88%	13.37%	11.54%	3.82%	2.33%	4.47%
August 2012	3,135,826,392	3,073,098,167	2.86%	1.20%	12.38%	0.29%	19.93%	13.50%	11.70%	3.75%	2.40%	4.53%
September 2012	3,073,098,167	3,011,399,521	2.84%	1.17%	12.56%	0.29%	19.96%	13.21%	11.86%	3.79%	2.47%	4.70%
October 2012	3,011,399,521	2,949,564,958	2.85%	1.19%	12.70%	0.27%	19.95%	13.40%	11.99%	3.71%	2.45%	4.84%
November 2012	2,949,564,958	2,889,303,766	2.84%	1.17%	12.88%	0.28%	19.97%	13.19%	12.15%	3.57%	2.41%	4.95%
December 2012	2,889,303,766	2,831,555,045	2.78%	1.12%	13.32%	0.31%	19.97%	12.59%	12.54%	3.65%	2.42%	4.96%
January 2013	2,831,555,045	2,770,190,722	2.85%	1.19%	13.59%	0.28%	19.98%	13.37%	12.78%	3.55%	2.38%	4.88%
February 2013	2,770,190,722	2,706,402,315	2.98%	1.32%	13.54%	0.26%	19.94%	14.71%	12.73%	3.43%	2.23%	4.73%
March 2013 [(2)]	--	--	--	--	--	--	--	--	--	--	--	--
April 2013	2,643,643,888	2,582,697,631	3.13%	1.48%	14.23%	0.27%	19.84%	16.37%	13.34%	2.98%	1.91%	4.15%
May 2013	2,582,697,631	2,527,466,302	3.01%	1.35%	13.88%	0.26%	19.86%	15.08%	13.03%	3.04%	1.90%	4.01%
June 2013	2,527,466,302	2,474,877,482	2.93%	1.27%	13.13%	0.29%	19.89%	14.23%	12.37%	3.27%	1.99%	4.04%
July 2013	2,474,877,482	2,425,707,249	2.93%	1.28%	11.42%	0.30%	19.91%	14.28%	10.84%	3.35%	2.11%	4.03%

REVOLVING PERSONAL UNSECURED LOANS (PUL)

	Beginning Balance ($)	Ending Balance ($)	Monthly Payment Rate	Monthly Principal Pay Rate	Annualized Charge-off Rate[1]	Monthly Draw Rate	Annualized Finance Charges	CRR	CDR	Days Delinquent		
										30-59	60-89	90+
August 2013	2,425,707,249	2,377,265,627	3.03%	1.37%	11.40%	0.37%	19.95%	15.26%	10.82%	3.28%	2.11%	4.07%
September 2013	2,377,265,627	2,337,289,880	2.71%	1.29%	11.69%	0.29%	17.00%	14.44%	11.09%	5.05%	2.47%	4.56%
October 2013	2,337,289,880	2,291,368,117	3.13%	1.47%	10.82%	0.50%	19.92%	16.29%	10.30%	4.89%	2.86%	4.51%
November 2013	2,291,368,117	2,251,598,198	2.94%	1.36%	8.85%	0.39%	19.02%	15.12%	8.50%	3.63%	2.80%	4.71%
December 2013	2,251,598,198	2,213,055,878	2.90%	1.32%	10.24%	0.41%	18.87%	14.78%	9.78%	3.65%	2.36%	4.89%
January 2014	2,213,055,878	2,169,555,589	3.07%	1.43%	11.31%	0.33%	19.68%	15.86%	10.74%	3.29%	2.08%	4.75%
February 2014	2,169,555,589	2,122,999,641	3.00%	1.43%	11.18%	0.24%	18.77%	15.89%	10.63%	3.12%	1.89%	4.35%
March 2014	2,122,999,641	2,076,323,011	3.31%	1.62%	12.33%	0.26%	20.20%	17.83%	11.66%	2.73%	1.67%	3.74%
April 2014	2,076,323,011	2,034,739,913	3.06%	1.50%	11.17%	0.33%	18.71%	16.59%	10.62%	2.50%	1.47%	3.14%
May 2014	2,034,739,913	1,993,089,363	3.15%	1.51%	9.32%	0.33%	19.67%	16.72%	8.93%	2.50%	1.40%	2.78%
June 2014	1,993,089,363	1,959,503,491	3.00%	1.45%	8.15%	0.32%	18.66%	16.04%	7.85%	2.79%	1.42%	2.65%
July 2014	1,959,503,491	1,927,072,610	3.17%	1.52%	7.58%	0.37%	19.75%	16.83%	7.32%	2.63%	1.45%	2.35%
August 2014	1,927,072,610	1,894,840,625	3.14%	1.51%	7.37%	0.35%	19.54%	16.71%	7.13%	2.55%	1.47%	2.44%
September 2014	1,894,840,625	1,798,085,780	3.01%	1.44%	6.40% [3]	0.34%	18.76%	16.00%	6.21% [3]	2.51%	1.54%	2.52%
October 2014	1,798,085,780	1,768,378,452	3.31%	1.58%		0.36%	20.75%	17.42%		2.33%	1.44%	2.63%
November 2014	1,768,378,452	1,740,234,154	3.06%	1.46%	6.76%	0.34%	19.20%	16.17%	6.55%	2.41%	1.45%	2.66%
December 2014	1,740,234,154	1,712,454,546	3.19%	1.51%	7.06%	0.41%	20.11%	16.72%	6.84%	2.47%	1.48%	2.62%
January 2015	1,712,454,546	1,681,788,559	3.31%	1.60%	7.31%	0.32%	20.55%	17.60%	7.07%	2.52%	1.51%	2.58%
February 2015	1,681,788,559	1,650,670,040	3.22%	1.60%	6.95%	0.24%	19.40%	17.61%	6.73%	2.35%	1.47%	2.50%
March 2015	1,650,670,040	1,618,825,682	3.55%	1.79%	6.29%	0.29%	21.10%	19.46%	6.11%	2.01%	1.32%	2.36%
April 2015	1,618,825,682	1,590,441,443	3.36%	1.70%	6.16%	0.36%	19.92%	18.59%	5.98%	1.98%	1.16%	2.26%
May 2015	1,590,441,443	1,562,389,470	3.38%	1.67%	6.14%	0.33%	20.51%	18.31%	5.97%	1.97%	1.16%	2.16%
June 2015	1,562,389,470	1,535,135,847	3.36%	1.72%	5.90%	0.37%	19.76%	18.76%	5.74%	2.21%	1.20%	2.14%
July 2015	1,535,135,847	1,508,178,999	3.50%	1.76%	5.94%	0.41%	20.85%	19.22%	5.78%	2.24%	1.30%	2.08%
August 2015	1,508,178,999	1,482,693,560	3.40%	1.73%	5.34%	0.39%	19.97%	18.90%	5.21%	2.40%	1.39%	2.21%
September 2015	1,482,693,560	1,458,191,756	3.32%	1.67%	5.74%	0.40%	19.79%	18.27%	5.60%	2.42%	1.48%	2.31%
October 2015	1,458,191,756	1,432,503,559	3.50%	1.76%	5.91%	0.40%	20.92%	19.19%	5.75%	2.34%	1.42%	2.38%
November 2015	1,432,503,559	1,408,578,253	3.19%	1.59%	6.20%	0.35%	19.20%	17.50%	6.02%	2.45%	1.39%	2.39%
December 2015	1,408,578,253	1,385,912,516	3.35%	1.64%	6.07%	0.45%	20.58%	17.99%	5.90%	2.40%	1.40%	2.39%
January 2016	1,385,912,516	1,362,189,909	3.31%	1.64%	6.23%	0.36%	20.11%	17.97%	6.05%	2.51%	1.44%	2.41%
February 2016	1,362,189,909	1,335,971,846	3.44%	1.77%	6.38%	0.29%	20.05%	19.32%	6.20%	2.23%	1.47%	2.32%
March 2016	1,335,971,846	1,308,698,101	3.73%	1.97%	6.06%	0.35%	21.22%	21.19%	5.89%	2.05%	1.34%	2.22%
April 2016	1,308,698,101	1,284,184,215	3.52%	1.82%	6.31%	0.39%	20.38%	19.79%	6.13%	2.00%	1.30%	2.11%
May 2016	1,284,184,215	1,261,225,353	3.44%	1.77%	5.36%	0.35%	19.95%	19.32%	5.23%	2.16%	1.31%	2.20%
June 2016	1,261,225,353	1,238,965,335	3.45%	1.78%	6.04%	0.44%	20.00%	19.42%	5.87%	2.40%	1.37%	2.28%
July 2016	1,238,965,335	1,216,730,192	3.56%	1.82%	5.63%	0.41%	20.84%	19.78%	5.49%	2.45%	1.55%	2.38%
August 2016	1,216,730,192	1,193,915,601	3.54%	1.86%	6.67%	0.46%	20.14%	20.20%	6.47%	2.42%	1.59%	2.47%
September 2016	1,193,915,601	1,173,216,745	3.44%	1.75%	6.13%	0.44%	20.28%	19.06%	5.96%	2.44%	1.61%	2.61%
October 2016	1,173,216,745	1,151,455,281	3.46%	1.77%	6.64%	0.39%	20.21%	19.34%	6.44%	2.56%	1.62%	2.80%

REVOLVING PERSONAL UNSECURED LOANS (PUL)

	Beginning Balance ($)	Ending Balance ($)	Monthly Payment Rate	Monthly Principal Pay Rate	Annualized Charge-off Rate[(1)]	Monthly Draw Rate	Annualized Finance Charges	CRR	CDR	Days Delinquent		
										30-59	60-89	90+
November 2016	1,151,455,281	1,130,181,941	3.33%	1.72%	7.26%	0.40%	19.29%	18.79%	7.03%	2.72%	1.68%	2.87%
December 2016	1,130,181,941	1,108,458,143	3.60%	1.85%	7.37%	0.46%	21.03%	20.04%	7.13%	2.77%	1.65%	2.98%
January 2017	1,108,458,143	1,084,469,013	3.63%	1.95%	7.92%	0.36%	20.13%	21.04%	7.64%	2.71%	1.71%	2.96%
February 2017	1,084,469,013	1,061,741,312	3.49%	1.86%	7.65%	0.33%	19.61%	20.17%	7.39%	2.62%	1.64%	2.91%
March 2017	1,061,741,312	1,036,462,373	4.05%	2.22%	7.53%	0.39%	21.96%	23.64%	7.27%	2.35%	1.50%	2.74%
April 2017	1,036,462,373	1,015,760,240	3.59%	1.94%	6.65%	0.42%	19.71%	20.98%	6.45%	2.41%	1.38%	2.62%
May 2017	1,015,760,240	993,816,522	3.65%	2.01%	6.73%	0.41%	19.63%	21.64%	6.52%	2.47%	1.43%	2.44%
June 2017	993,816,522	973,637,446	3.69%	1.99%	7.17%	0.47%	20.39%	21.41%	6.93%	2.54%	1.48%	2.36%
July 2017	973,637,446	954,175,073	3.73%	2.02%	6.10%	0.44%	20.60%	21.68%	5.93%	2.65%	1.59%	2.39%
August 2017	954,175,073	935,929,290	3.72%	2.03%	5.62%	0.50%	20.28%	21.82%	5.48%	2.47%	1.54%	2.52%
September 2017	935,929,290	918,331,651	3.60%	1.91%	6.25%	0.47%	20.22%	20.70%	6.07%	2.40%	1.44%	2.58%
October 2017	918,331,651	900,561,200	3.65%	1.97%	6.19%	0.47%	20.22%	21.23%	6.02%	2.46%	1.37%	2.56%
November 2017	900,561,200	883,187,233	3.55%	1.91%	6.66%	0.46%	19.71%	20.65%	6.46%	2.59%	1.43%	2.50%
December 2017	883,187,233	866,645,923	3.66%	1.93%	6.97%	0.56%	20.74%	20.86%	6.75%	2.52%	1.54%	2.54%
January 2018	866,645,923	849,477,276	3.72%	2.04%	5.80%	0.47%	20.16%	21.94%	5.65%	2.52%	1.51%	2.61%
February 2018	849,477,276	832,423,736	3.60%	1.99%	5.87%	0.39%	19.37%	21.42%	5.72%	2.60%	1.53%	2.72%
March 2018	832,423,736	812,576,787	4.18%	2.35%	6.52%	0.42%	22.06%	24.79%	6.33%	2.24%	1.47%	2.64%
April 2018	812,576,787	794,764,521	3.78%	2.15%	7.26%	0.49%	19.46%	22.99%	7.02%	2.05%	1.32%	2.47%
May 2018	794,764,521	777,943,994	3.88%	2.18%	6.15%	0.50%	20.36%	23.26%	5.98%	1.99%	1.25%	2.41%
June 2018	777,943,994	762,817,528	3.89%	2.19%	5.52%	0.63%	20.39%	23.37%	5.38%	2.04%	1.27%	2.36%
July 2018	762,817,528	752,572,989	3.87%	2.21%	6.02%	1.29%	19.88%	23.57%	5.85%	2.27%	1.28%	2.33%
August 2018	752,572,989	740,155,289	3.98%	2.27%	6.67%	1.09%	20.47%	24.08%	6.47%	2.11%	1.45%	2.31%
September 2018	740,155,289	728,477,818	3.61%	2.00%	5.77%	0.81%	19.34%	21.49%	5.62%	2.38%	1.44%	2.38%
October 2018	728,477,818	716,054,793	3.83%	2.13%	6.32%	0.87%	20.44%	22.77%	6.14%	2.25%	1.54%	2.34%
November 2018	716,054,793	703,507,605	3.73%	2.07%	6.16%	0.75%	20.01%	22.15%	5.99%	2.16%	1.54%	2.45%
December 2018	703,507,605	691,832,279	3.68%	2.00%	6.21%	0.77%	20.22%	21.48%	6.04%	2.29%	1.56%	2.54%
January 2019	691,832,279	678,327,493	3.91%	2.20%	6.00%	0.67%	20.45%	23.44%	5.84%	2.04%	1.48%	2.53%
February 2019	678,327,493	664,989,647	3.71%	2.09%	6.57%	0.60%	19.50%	22.36%	6.38%	2.06%	1.34%	2.45%
March 2019	664,989,647	650,154,768	4.21%	2.40%	5.83%	0.58%	21.68%	25.29%	5.67%	1.97%	1.23%	2.27%
April 2019	650,154,768	636,877,395	3.97%	2.33%	6.18%	0.73%	19.66%	24.64%	6.01%	1.78%	1.32%	2.01%
May 2019	636,877,395	623,702,226	4.06%	2.30%	5.96%	0.65%	21.04%	24.39%	5.80%	1.84%	1.14%	1.95%
June 2019	623,702,226	612,205,478	3.77%	2.12%	4.95%	0.61%	19.79%	22.67%	4.84%	1.87%	1.23%	1.94%
July 2019	612,205,478	601,055,998	3.96%	2.25%	4.53%	0.73%	20.51%	23.87%	4.44%	1.90%	1.23%	2.02%
August 2019	601,055,998	588,696,583	4.05%	2.32%	5.84%	0.68%	20.74%	24.58%	5.69%	1.80%	1.26%	2.05%
September 2019	588,696,583	577,469,606	3.83%	2.22%	4.74%	0.63%	19.42%	23.58%	4.64%	2.05%	1.31%	2.11%
October 2019	577,469,606	565,939,523	4.05%	2.33%	5.33%	0.69%	20.61%	24.62%	5.20%	1.95%	1.42%	2.08%
November 2019	565,939,523	554,957,248	3.85%	2.19%	5.72%	0.65%	19.93%	23.33%	5.58%	1.92%	1.37%	2.15%
December 2019	554,957,248	544,256,988	3.96%	2.27%	5.56%	0.74%	20.25%	24.09%	5.42%	2.07%	1.34%	2.16%
January 2020	544,256,988	532,764,688	4.08%	2.36%	5.33%	0.62%	20.63%	24.92%	5.21%	1.87%	1.28%	2.24%

REVOLVING PERSONAL UNSECURED LOANS (PUL)

	Beginning Balance ($)	Ending Balance ($)	Monthly Payment Rate	Monthly Principal Pay Rate	Annualized Charge-off Rate[(1)]	Monthly Draw Rate	Annualized Finance Charges	CRR	CDR	Days Delinquent		
										30-59	60-89	90+
February 2020	532,764,688	520,781,326	4.00%	2.35%	6.06%	0.54%	19.78%	24.82%	5.90%	1.81%	1.25%	2.20%
March 2020	520,781,326	509,761,262	4.00%	2.32%	5.55%	0.60%	20.11%	24.56%	5.41%	1.82%	1.25%	2.16%
April 2020	509,761,262	497,415,297	3.98%	2.32%	5.79%	0.31%	19.88%	24.53%	5.64%	2.05%	1.31%	2.16%
May 2020	497,415,297	484,547,245	4.18%	2.49%	5.65%	0.31%	20.32%	26.12%	5.50%	2.22%	1.37%	2.04%
June 2020	484,547,245	472,150,730	4.19%	2.57%	5.43%	0.39%	19.42%	26.81%	5.29%	1.55%	1.17%	1.99%
July 2020	472,150,730	460,672,499	4.31%	2.61%	5.50%	0.57%	20.39%	27.20%	5.36%	1.17%	1.00%	1.90%
August 2020	460,672,499	449,717,641	4.18%	2.54%	5.00%	0.50%	19.72%	26.55%	4.88%	1.28%	0.86%	1.75%

[(1)] Annualized monthly charge-off rate

[(2)] Data from HSBC was unavailable for March 2013

[(3)] Data from SpringCastle Funding Servicer Report - reports for Sep/Oct 2014 were combined into 1 report.

CLOSED-END PERSONAL HOME LOANS (PHL)

	Beginning Balance ($)	Ending Balance ($)	Monthly Payment Rate	Monthly Principal Pay Rate	Annualized Charge-off Rate[(1)]	Monthly Draw Rate	Annualized Finance Charges	CRR	CDR	Days Delinquent		
										30-59	60-89	90+
June 2010	1,425,552,572	1,394,541,789	1.81%	0.79%	16.68%	0.00%	12.35%	9.03%	15.46%	5.46%	3.18%	5.62%
July 2010	1,394,541,789	1,365,756,970	1.79%	0.76%	15.67%	0.00%	12.31%	8.75%	14.59%	5.23%	2.97%	5.80%
August 2010	1,365,756,970	1,338,798,447	1.80%	0.78%	14.34%	0.00%	12.29%	8.95%	13.44%	5.39%	2.97%	5.86%
September 2010	1,338,798,447	1,310,165,285	1.76%	0.73%	16.30%	0.00%	12.29%	8.44%	15.13%	5.76%	3.02%	5.79%
October 2010	1,310,165,285	1,283,216,874	1.79%	0.77%	16.07%	0.00%	12.29%	8.84%	14.94%	5.80%	2.93%	5.74%
November 2010	1,283,216,874	1,258,297,639	1.82%	0.80%	13.87%	0.00%	12.24%	9.18%	13.02%	6.00%	3.13%	5.94%
December 2010	1,258,297,639	1,231,986,440	1.91%	0.90%	14.37%	0.00%	12.17%	10.26%	13.46%	6.13%	3.27%	6.13%
January 2011	1,231,986,440	1,207,024,494	1.77%	0.76%	15.18%	0.00%	12.13%	8.74%	14.17%	5.72%	3.17%	6.18%
February 2011	1,207,024,494	1,182,295,284	1.83%	0.82%	14.75%	0.00%	12.13%	9.44%	13.79%	5.42%	2.85%	6.12%
March 2011	1,182,295,284	1,156,920,098	1.94%	0.93%	14.66%	0.00%	12.17%	10.58%	13.71%	4.60%	2.44%	5.71%
April 2011	1,156,920,098	1,134,190,074	1.87%	0.85%	13.35%	0.00%	12.20%	9.79%	12.56%	4.57%	2.42%	5.35%
May 2011	1,134,190,074	1,112,717,307	1.82%	0.80%	13.17%	0.00%	12.20%	9.22%	12.40%	5.21%	2.43%	5.22%
June 2011	1,112,717,307	1,092,336,380	1.84%	0.82%	12.16%	0.00%	12.19%	9.40%	11.50%	5.43%	2.82%	5.23%
July 2011	1,092,336,380	1,073,370,059	1.85%	0.84%	10.72%	0.00%	12.11%	9.68%	10.21%	5.52%	3.01%	5.57%
August 2011	1,073,370,059	1,054,855,829	1.84%	0.84%	10.83%	0.00%	12.02%	9.65%	10.31%	5.52%	3.12%	6.03%
September 2011	1,054,855,829	1,036,167,706	1.84%	0.84%	11.26%	0.00%	11.97%	9.64%	10.70%	5.24%	3.08%	6.25%
October 2011	1,036,167,706	1,016,041,669	1.82%	0.83%	13.42%	0.00%	11.93%	9.51%	12.63%	4.90%	2.89%	6.40%
November 2011	1,016,041,669	996,899,365	1.81%	0.82%	12.85%	0.00%	11.87%	9.43%	12.12%	4.66%	2.92%	6.65%
December 2011	996,899,365	976,963,089	1.83%	0.84%	13.99%	0.00%	11.85%	9.62%	13.13%	5.04%	2.73%	6.71%
January 2012	976,963,089	958,318,207	1.78%	0.79%	13.46%	0.00%	11.85%	9.09%	12.66%	5.09%	2.83%	6.58%
February 2012	958,318,207	939,585,009	1.87%	0.88%	12.90%	0.00%	11.85%	10.11%	12.16%	4.51%	2.67%	6.36%
March 2012	939,585,009	921,437,091	2.00%	1.01%	11.20%	0.00%	11.87%	11.45%	10.64%	3.98%	2.30%	6.08%
April 2012	921,437,091	903,993,033	1.95%	0.96%	11.28%	0.00%	11.86%	10.94%	10.71%	4.23%	2.18%	5.95%
May 2012	903,993,033	887,579,327	1.99%	1.00%	9.87%	0.00%	11.86%	11.35%	9.44%	4.53%	2.24%	5.81%
June 2012	887,579,327	871,916,739	1.95%	0.96%	9.76%	0.00%	11.83%	10.94%	9.33%	4.52%	2.52%	5.78%
July 2012	871,916,739	856,839,415	1.95%	0.97%	9.12%	0.00%	11.77%	11.05%	8.75%	4.55%	2.51%	6.09%
August 2012	856,839,415	842,184,756	2.02%	1.04%	8.10%	0.00%	11.70%	11.80%	7.80%	4.37%	2.46%	6.39%
September 2012	842,184,756	828,472,269	1.92%	0.95%	8.25%	0.00%	11.64%	10.82%	7.94%	4.55%	2.42%	6.63%
October 2012	828,472,269	813,074,920	2.10%	1.13%	8.78%	0.00%	11.62%	12.73%	8.44%	4.57%	2.53%	6.64%
November 2012	813,074,920	800,352,968	1.97%	1.01%	7.00%	0.00%	11.59%	11.42%	6.78%	4.37%	2.51%	6.79%
December 2012	800,352,968	786,597,934	1.91%	0.95%	9.28%	0.00%	11.56%	10.82%	8.89%	4.66%	2.54%	6.93%
January 2013	786,597,934	772,716,116	1.97%	1.01%	9.17%	0.00%	11.53%	11.45%	8.80%	4.43%	2.44%	6.96%
February 2013	772,716,116	759,516,553	1.99%	1.02%	8.31%	0.00%	11.55%	11.62%	8.00%	4.39%	2.44%	6.59%
March 2013 [(2)]	--	--	--	--	--	--	--	--	--	--	--	--

CLOSED-END PERSONAL HOME LOANS (PHL)

	Beginning Balance ($)	Ending Balance ($)	Monthly Payment Rate	Monthly Principal Pay Rate	Annualized Charge-off Rate[(1)]	Monthly Draw Rate	Annualized Finance Charges	CRR	CDR	Days Delinquent		
										30-59	60-89	90+
April 2013	818,358,120	805,904,897	1.85%	0.98%	6.46%	0.00%	10.41%	11.16%	6.27%	4.36%	2.37%	7.44%
May 2013	805,904,897	792,995,853	1.91%	1.05%	6.06%	0.00%	10.40%	11.87%	5.89%	4.57%	2.36%	7.35%
June 2013	792,995,853	780,608,363	1.87%	1.00%	6.28%	0.00%	10.37%	11.40%	6.11%	4.70%	2.57%	7.46%
July 2013	780,608,363	768,021,304	1.91%	1.05%	6.26%	0.00%	10.31%	11.93%	6.08%	4.45%	2.71%	7.77%
August 2013	768,021,304	754,575,917	1.92%	1.07%	6.53%	0.00%	10.27%	12.08%	6.34%	4.73%	2.52%	7.97%
September 2013	754,575,917	742,061,324	1.76%	1.00%	4.83%	0.00%	9.19%	11.31%	4.73%	6.91%	3.08%	8.68%
October 2013	742,061,324	728,659,203	2.04%	1.18%	7.18%	0.00%	10.26%	13.33%	6.94%	6.75%	3.47%	9.14%
November 2013	728,659,203	715,771,774	1.95%	1.09%	6.73%	0.00%	10.35%	12.33%	6.52%	6.84%	3.50%	9.73%
December 2013	715,771,774	700,130,585	1.88%	1.05%	11.70%	0.00%	10.03%	11.87%	11.09%	6.73%	3.68%	9.95%
January 2014	700,130,585	685,953,739	1.98%	1.09%	11.94%	0.00%	10.63%	12.34%	11.31%	6.60%	3.18%	10.16%
February 2014	685,953,739	671,727,144	1.98%	1.12%	10.66%	0.00%	10.41%	12.61%	10.16%	5.93%	2.85%	9.58%
March 2014	671,727,144	658,780,478	2.09%	1.20%	9.50%	0.00%	10.67%	13.51%	9.09%	5.46%	2.46%	8.84%
April 2014	658,780,478	645,161,979	2.11%	1.25%	9.85%	0.00%	10.32%	13.99%	9.42%	5.55%	2.35%	8.14%
May 2014	645,161,979	632,794,422	2.15%	1.25%	7.89%	0.00%	10.74%	14.04%	7.61%	5.52%	2.41%	7.84%
June 2014	632,794,422	621,434,487	2.05%	1.20%	7.30%	0.00%	10.22%	13.48%	7.06%	5.92%	2.48%	7.72%
July 2014	621,434,487	610,435,631	2.08%	1.21%	6.88%	0.00%	10.36%	13.61%	6.66%	5.74%	2.58%	6.61%
August 2014	610,435,631	599,305,659	2.09%	1.21%	5.02%	0.00%	10.67%	13.55%	4.91%	5.65%	2.53%	6.06%
September 2014	599,305,659	579,022,679	2.18%	1.33%	4.45% [(3)]	0.00%	10.22%	14.81%	4.36% [(3)]	5.83%	2.41%	6.02%
October 2014	579,022,679	568,676,567	2.30%	1.39%		0.00%	10.95%	15.45%		6.04%	2.21%	6.14%
November 2014	568,676,567	545,777,010	2.19%	1.33%	30.42%	0.00%	10.28%	14.84%	26.52%	5.89%	2.81%	3.83%
December 2014	545,777,010	536,333,156	2.19%	1.30%	4.27%	0.00%	10.67%	14.56%	4.19%	5.91%	2.65%	4.22%
January 2015	536,333,156	527,068,933	2.28%	1.34%	4.01%	0.00%	11.29%	14.93%	3.94%	5.21%	2.73%	4.27%
February 2015	527,068,933	518,421,463	2.16%	1.28%	3.77%	0.00%	10.57%	14.33%	3.71%	4.95%	2.35%	4.28%
March 2015	518,421,463	508,761,874	2.36%	1.45%	5.00%	0.00%	10.92%	16.06%	4.89%	4.54%	2.03%	4.07%
April 2015	508,761,874	499,427,605	2.36%	1.46%	8.40%	0.00%	10.79%	16.17%	8.08%	4.22%	1.85%	3.99%
May 2015	499,427,605	488,340,531	2.36%	1.45%	8.77%	0.00%	10.91%	16.09%	8.42%	4.34%	1.96%	3.57%
June 2015	488,340,531	477,125,005	2.44%	1.54%	8.55%	0.00%	10.90%	16.95%	8.23%	4.34%	1.96%	3.57%
July 2015	477,125,005	466,757,417	2.60%	1.65%	5.63%	0.00%	11.49%	18.07%	5.49%	4.40%	2.02%	3.26%
August 2015	466,757,417	457,854,261	2.41%	1.52%	4.22%	0.00%	10.73%	16.78%	4.14%	4.82%	2.10%	3.33%
September 2015	457,854,261	448,827,488	2.45%	1.55%	4.62%	0.00%	10.78%	17.08%	4.53%	4.92%	2.10%	3.47%
October 2015	448,827,488	439,203,760	2.63%	1.67%	4.87%	0.00%	11.48%	18.35%	4.76%	4.71%	2.06%	3.36%
November 2015	439,203,760	430,387,021	2.44%	1.56%	4.80%	0.00%	10.51%	17.19%	4.70%	4.96%	2.14%	3.30%
December 2015	430,387,021	421,353,299	2.49%	1.57%	5.57%	0.00%	11.05%	17.33%	5.43%	5.40%	2.03%	3.26%
January 2016	421,353,299	413,721,393	2.29%	1.40%	4.58%	0.00%	10.70%	15.53%	4.49%	5.36%	2.39%	3.26%
February 2016	413,721,393	404,610,689	2.64%	1.72%	5.08%	0.00%	11.05%	18.76%	4.96%	4.95%	2.35%	3.07%

CLOSED-END PERSONAL HOME LOANS (PHL)

	Beginning Balance ($)	Ending Balance ($)	Monthly Payment Rate	Monthly Principal Pay Rate	Annualized Charge-off Rate[(1)]	Monthly Draw Rate	Annualized Finance Charges	CRR	CDR	Days Delinquent		
										30-59	60-89	90+
March 2016	404,610,689	395,357,597	2.75%	1.83%	4.39%	0.00%	11.08%	19.87%	4.30%	4.98%	2.07%	2.79%
April 2016	395,357,597	387,181,397	2.60%	1.67%	3.51%	0.00%	11.21%	18.30%	3.45%	4.75%	1.89%	2.70%
May 2016	387,181,397	379,038,581	2.55%	1.66%	4.08%	0.00%	10.78%	18.15%	4.01%	4.99%	2.14%	2.54%
June 2016	379,038,581	370,431,256	2.73%	1.81%	4.09%	0.00%	11.04%	19.69%	4.02%	4.86%	2.24%	2.70%
July 2016	370,431,256	362,854,148	2.61%	1.69%	3.44%	0.00%	11.08%	18.47%	3.39%	5.46%	2.17%	2.93%
August 2016	362,854,148	354,867,927	2.73%	1.82%	3.64%	0.00%	10.96%	19.76%	3.58%	5.28%	2.34%	2.96%
September 2016	354,867,927	347,309,901	2.59%	1.66%	4.91%	0.00%	11.20%	18.18%	4.80%	5.12%	2.23%	2.89%
October 2016	347,309,901	339,961,474	2.59%	1.70%	4.05%	0.00%	10.75%	18.56%	3.98%	5.38%	2.36%	3.10%
November 2016	339,961,474	332,928,138	2.49%	1.62%	4.67%	0.00%	10.52%	17.77%	4.57%	5.38%	2.33%	3.28%
December 2016	332,928,138	325,266,086	2.75%	1.82%	4.86%	0.00%	11.21%	19.75%	4.75%	5.20%	2.24%	3.36%
January 2017	325,266,086	318,143,873	2.53%	1.65%	5.74%	0.00%	10.54%	18.07%	5.60%	4.78%	2.24%	3.30%
February 2017	318,143,873	311,348,018	2.63%	1.75%	3.80%	0.00%	10.56%	19.13%	3.73%	5.25%	1.89%	3.44%
March 2017	311,348,018	303,588,043	2.96%	1.98%	4.79%	0.00%	11.79%	21.29%	4.69%	4.65%	1.96%	3.00%
April 2017	303,588,043	296,641,736	2.64%	1.77%	5.23%	0.00%	10.49%	19.28%	5.11%	4.92%	1.66%	2.73%
May 2017	296,641,736	289,528,351	2.81%	1.90%	4.04%	0.00%	10.97%	20.56%	3.97%	5.06%	1.91%	2.44%
June 2017	289,528,351	282,808,250	2.95%	2.03%	2.61%	0.00%	11.14%	21.77%	2.57%	5.02%	2.25%	2.50%
July 2017	282,808,250	276,325,930	2.76%	1.86%	4.10%	0.00%	10.82%	20.15%	4.02%	5.14%	2.31%	2.52%
August 2017	276,325,930	269,665,581	3.05%	2.13%	2.95%	0.00%	11.04%	22.78%	2.91%	4.85%	2.36%	2.57%
September 2017	269,665,581	263,213,654	2.98%	2.05%	2.86%	0.00%	11.13%	21.98%	2.82%	4.86%	2.22%	2.84%
October 2017	263,213,654	256,583,863	2.95%	2.06%	4.30%	0.00%	10.77%	22.06%	4.22%	5.19%	2.19%	2.89%
November 2017	256,583,863	250,488,134	2.83%	1.94%	4.11%	0.00%	10.71%	20.93%	4.03%	5.59%	2.29%	2.73%
December 2017	250,488,134	244,777,622	2.71%	1.80%	4.67%	0.00%	10.94%	19.59%	4.57%	5.56%	2.48%	2.71%
January 2018	244,777,622	239,205,337	2.83%	1.93%	3.11%	0.00%	10.85%	20.86%	3.06%	5.37%	2.33%	2.89%
February 2018	239,205,337	233,911,846	2.71%	1.84%	3.44%	0.00%	10.45%	19.97%	3.38%	5.14%	2.30%	2.94%
March 2018	233,911,846	227,470,820	3.32%	2.36%	3.33%	0.00%	11.53%	24.92%	3.28%	4.35%	2.22%	2.65%
April 2018	227,470,820	221,512,125	3.03%	2.12%	4.40%	0.00%	10.97%	22.68%	4.31%	4.17%	2.01%	2.45%
May 2018	221,512,125	215,756,029	3.13%	2.18%	2.96%	0.00%	11.33%	23.25%	2.92%	4.43%	1.99%	2.38%
June 2018	215,756,029	210,306,193	3.11%	2.18%	2.81%	0.00%	11.20%	23.22%	2.78%	4.31%	2.26%	2.62%
July 2018	210,306,193	204,683,472	3.22%	2.26%	2.88%	0.00%	11.44%	24.00%	2.84%	4.81%	2.09%	2.92%
August 2018	204,683,472	198,954,359	3.32%	2.36%	3.46%	0.00%	11.57%	24.92%	3.40%	4.64%	2.18%	2.63%
September 2018	198,954,359	194,064,351	2.91%	2.03%	3.73%	0.00%	10.59%	21.79%	3.67%	4.51%	2.37%	2.69%
October 2018	194,064,351	188,856,364	3.19%	2.23%	3.43%	0.00%	11.57%	23.69%	3.37%	4.74%	2.00%	2.73%
November 2018	188,856,364	183,631,275	3.24%	2.29%	3.91%	0.00%	11.41%	24.27%	3.84%	4.37%	2.33%	2.60%
December 2018	183,631,275	179,237,198	2.90%	2.00%	2.97%	0.00%	10.74%	21.56%	2.93%	4.80%	2.25%	2.85%
January 2019	179,237,198	174,615,100	3.13%	2.20%	2.77%	0.00%	11.19%	23.40%	2.74%	4.73%	2.23%	2.70%

CLOSED-END PERSONAL HOME LOANS (PHL)

	Beginning Balance ($)	Ending Balance ($)	Monthly Payment Rate	Monthly Principal Pay Rate	Annualized Charge-off Rate[1]	Monthly Draw Rate	Annualized Finance Charges	CRR	CDR	Days Delinquent		
										30-59	60-89	90+
February 2019	174,615,100	170,377,300	2.92%	2.01%	3.25%	0.00%	10.88%	21.61%	3.20%	4.64%	2.32%	2.70%
March 2019	170,377,300	165,682,801	3.36%	2.39%	2.59%	0.00%	11.63%	25.16%	2.56%	4.14%	1.89%	2.43%
April 2019	165,682,801	161,541,121	3.07%	2.13%	2.38%	0.00%	11.28%	22.74%	2.36%	4.00%	1.74%	2.30%
May 2019	161,541,121	157,012,560	3.35%	2.39%	3.08%	0.00%	11.52%	25.16%	3.04%	4.00%	1.61%	2.19%
June 2019	157,012,560	153,140,632	3.06%	2.12%	1.93%	0.00%	11.23%	22.66%	1.91%	4.16%	1.68%	2.29%
July 2019	153,140,632	148,828,599	3.31%	2.32%	3.16%	0.00%	11.83%	24.55%	3.11%	4.33%	1.73%	2.32%
August 2019	148,828,599	144,782,696	3.32%	2.34%	2.25%	0.00%	11.77%	24.73%	2.23%	4.09%	2.08%	2.18%
September 2019	144,782,696	140,908,922	3.14%	2.23%	3.25%	0.00%	10.84%	23.73%	3.21%	4.67%	1.91%	2.22%
October 2019	140,908,922	136,696,147	3.45%	2.44%	3.62%	0.00%	12.12%	25.63%	3.56%	4.28%	2.08%	1.87%
November 2019	136,696,147	133,128,473	3.16%	2.22%	2.40%	0.00%	11.23%	23.62%	2.37%	4.01%	1.89%	2.13%
December 2019	133,128,473	129,535,921	3.21%	2.25%	2.95%	0.00%	11.53%	23.87%	2.91%	4.35%	1.76%	1.94%
January 2020	129,535,921	125,737,951	3.53%	2.53%	2.25%	0.00%	12.03%	26.45%	2.23%	4.19%	1.65%	2.02%
February 2020	125,737,951	122,310,870	3.30%	2.38%	2.17%	0.00%	11.12%	25.07%	2.15%	4.05%	1.88%	1.95%
March 2020	122,310,870	118,861,588	3.35%	2.39%	2.42%	0.00%	11.51%	25.22%	2.40%	4.35%	1.71%	2.04%
April 2020	118,861,588	115,607,831	3.31%	2.38%	2.14%	0.00%	11.07%	25.14%	2.12%	3.66%	1.79%	2.13%
May 2020	115,607,831	112,341,359	3.32%	2.35%	2.88%	0.00%	11.71%	24.81%	2.85%	2.94%	1.51%	2.01%
June 2020	112,341,359	108,797,283	3.49%	2.53%	4.57%	0.00%	11.49%	26.48%	4.47%	2.62%	0.90%	1.69%
July 2020	108,797,283	105,747,353	3.39%	2.44%	2.31%	0.00%	11.30%	25.69%	2.29%	2.76%	0.95%	1.54%
August 2020	105,747,353	102,508,111	3.57%	2.56%	2.72%	0.00%	12.08%	26.75%	2.69%	2.71%	1.19%	1.53%

[1] Annualized monthly charge-off rate

[2] Data from HSBC was unavailable for March 2013

[3] Data from SpringCastle Funding Servicer Report - reports for Sep/Oct 2014 were combined into 1 report.

REVOLVING PERSONAL HOME LOANS (PHL)

	Beginning Balance ($)	Ending Balance ($)	Monthly Payment Rate	Monthly Principal Pay Rate	Annualized Charge-off Rate[(1)]	Monthly Draw Rate	Annualized Finance Charges	CRR	CDR	Days Delinquent		
										30-59	60-89	90+
June 2010	783,125,122	764,289,062	1.80%	0.63%	20.07%	0.13%	14.05%	7.35%	18.32%	6.66%	3.69%	6.80%
July 2010	764,289,062	749,476,658	1.66%	0.49%	16.90%	0.15%	14.08%	5.69%	15.65%	6.04%	3.93%	6.88%
August 2010	749,476,658	734,006,813	1.75%	0.58%	17.28%	0.14%	14.09%	6.70%	15.97%	5.93%	3.74%	7.22%
September 2010	734,006,813	717,842,745	1.70%	0.53%	19.18%	0.15%	14.10%	6.15%	17.58%	5.83%	3.63%	7.30%
October 2010	717,842,745	702,802,156	1.69%	0.52%	18.28%	0.14%	14.11%	6.03%	16.83%	5.89%	3.40%	7.08%
November 2010	702,802,156	687,304,107	1.74%	0.56%	18.73%	0.13%	14.12%	6.53%	17.20%	5.78%	3.46%	7.04%
December 2010	687,304,107	672,579,559	1.65%	0.48%	19.20%	0.14%	14.08%	5.58%	17.60%	6.59%	3.38%	6.82%
January 2011	672,579,559	659,172,592	1.70%	0.54%	16.62%	0.12%	13.91%	6.26%	15.41%	6.36%	3.61%	6.68%
February 2011	659,172,592	642,194,184	1.86%	0.71%	16.74%	0.11%	13.90%	8.15%	15.51%	5.73%	3.43%	6.68%
March 2011	642,194,184	628,298,929	1.86%	0.70%	16.78%	0.11%	13.82%	8.12%	15.55%	4.64%	2.93%	6.19%
April 2011	628,298,929	615,911,341	1.89%	0.72%	14.94%	0.12%	13.99%	8.33%	13.96%	4.44%	2.59%	5.93%
May 2011	615,911,341	602,598,339	1.88%	0.72%	17.00%	0.14%	13.99%	8.27%	15.74%	5.07%	2.74%	5.46%
June 2011	602,598,339	591,581,674	1.84%	0.67%	14.08%	0.15%	14.03%	7.77%	13.21%	5.61%	3.11%	5.29%
July 2011	591,581,674	580,502,840	1.78%	0.61%	15.03%	0.14%	14.04%	7.11%	14.03%	5.78%	3.31%	5.45%
August 2011	580,502,840	570,754,923	1.82%	0.64%	13.32%	0.18%	14.07%	7.47%	12.54%	6.15%	3.41%	5.87%
September 2011	570,754,923	561,265,809	1.80%	0.63%	13.02%	0.16%	14.07%	7.26%	12.27%	5.94%	3.54%	6.26%
October 2011	561,265,809	550,177,692	1.79%	0.62%	16.49%	0.16%	14.06%	7.16%	15.30%	5.43%	3.54%	6.27%
November 2011	550,177,692	539,037,889	1.94%	0.77%	15.37%	0.16%	14.06%	8.81%	14.33%	5.13%	3.44%	6.37%
December 2011	539,037,889	529,184,567	1.74%	0.57%	15.22%	0.19%	14.04%	6.58%	14.20%	5.32%	3.11%	6.50%
January 2012	529,184,567	517,935,752	1.80%	0.63%	17.38%	0.14%	14.04%	7.27%	16.06%	5.22%	3.00%	6.08%
February 2012	517,935,752	507,622,119	1.94%	0.77%	15.01%	0.14%	14.04%	8.82%	14.02%	4.57%	2.83%	5.39%
March 2012	507,622,119	497,677,967	2.02%	0.86%	13.34%	0.11%	13.93%	9.85%	12.55%	4.00%	2.34%	4.72%
April 2012	497,677,967	489,529,091	1.99%	0.82%	10.74%	0.14%	14.04%	9.45%	10.23%	4.26%	2.33%	4.33%
May 2012	489,529,091	481,586,551	1.89%	0.72%	11.89%	0.18%	14.00%	8.35%	11.26%	4.87%	2.51%	4.09%
June 2012	481,586,551	475,646,149	1.90%	0.73%	8.18%	0.19%	14.06%	8.44%	7.88%	4.67%	2.68%	4.55%
July 2012	475,646,149	469,523,410	1.83%	0.66%	8.89%	0.16%	14.07%	7.63%	8.54%	5.07%	2.56%	5.02%
August 2012	469,523,410	462,718,656	1.98%	0.81%	9.73%	0.19%	14.08%	9.28%	9.30%	4.95%	2.75%	5.30%
September 2012	462,718,656	456,118,954	1.85%	0.68%	10.13%	0.16%	14.09%	7.87%	9.67%	4.84%	2.81%	5.57%
October 2012	456,118,954	448,860,474	1.94%	0.77%	11.00%	0.16%	14.06%	8.87%	10.46%	4.54%	2.67%	5.51%
November 2012	448,860,474	442,414,566	1.92%	0.74%	9.58%	0.16%	14.08%	8.55%	9.17%	4.73%	2.70%	5.65%
December 2012	442,414,566	436,847,394	1.82%	0.65%	9.11%	0.18%	14.08%	7.48%	8.74%	4.97%	2.61%	5.94%
January 2013	436,847,394	429,491,848	2.01%	0.84%	11.17%	0.17%	14.08%	9.59%	10.61%	4.92%	2.68%	5.97%
February 2013	429,491,848	423,892,674	1.97%	0.80%	7.50%	0.15%	14.07%	9.16%	7.25%	4.43%	2.60%	5.86%
March 2013 [(2)]	--	--	--	--	--	--	--	--	--	--	--	--
April 2013	417,546,673	411,186,252	2.08%	0.92%	9.68%	0.14%	13.87%	10.50%	9.26%	3.81%	2.29%	5.60%

REVOLVING PERSONAL HOME LOANS (PHL)

	Beginning Balance ($)	Ending Balance ($)	Monthly Payment Rate	Monthly Principal Pay Rate	Annualized Charge-off Rate[(1)]	Monthly Draw Rate	Annualized Finance Charges	CRR	CDR	Days Delinquent		
										30-59	60-89	90+
May 2013	411,186,252	405,532,803	1.98%	0.83%	9.19%	0.13%	13.87%	9.49%	8.81%	4.22%	2.18%	5.45%
June 2013	405,532,803	399,891,195	1.87%	0.71%	8.87%	0.15%	13.89%	8.20%	8.52%	4.57%	2.53%	5.59%
July 2013	399,891,195	394,704,957	1.98%	0.82%	7.25%	0.17%	13.89%	9.46%	7.01%	4.93%	2.59%	5.84%
August 2013	394,704,957	389,571,493	2.08%	0.92%	9.19%	0.20%	13.91%	10.48%	8.81%	4.24%	2.76%	6.13%
September 2013	389,571,493	382,372,216	1.94%	0.95%	8.89%	0.22%	11.95%	10.79%	8.54%	6.35%	2.95%	4.94%
October 2013	382,372,216	376,780,612	2.22%	1.06%	8.61%	0.35%	13.96%	12.00%	8.27%	7.09%	3.16%	5.49%
November 2013	376,780,612	371,548,141	2.00%	0.90%	9.04%	0.31%	13.24%	10.24%	8.67%	4.76%	4.81%	5.64%
December 2013	371,548,141	365,037,482	2.06%	0.96%	12.18%	0.26%	13.21%	10.96%	11.52%	4.41%	3.13%	7.05%
January 2014	365,037,482	359,880,874	2.02%	0.87%	10.48%	0.24%	13.79%	9.99%	9.99%	4.17%	2.61%	7.12%
February 2014	359,880,874	354,307,844	1.98%	0.84%	9.65%	0.17%	13.70%	9.60%	9.24%	3.33%	2.37%	6.85%
March 2014	354,307,844	348,367,604	2.11%	0.91%	12.07%	0.15%	14.34%	10.41%	11.42%	2.98%	1.81%	5.98%
April 2014	348,367,604	343,097,716	2.13%	1.02%	8.94%	0.20%	13.33%	11.61%	8.58%	2.83%	1.76%	5.34%
May 2014	343,097,716	336,963,775	2.27%	1.11%	9.91%	0.21%	13.96%	12.49%	9.47%	3.32%	1.52%	4.73%
June 2014	336,963,775	332,371,465	2.18%	1.08%	6.51%	0.19%	13.17%	12.20%	6.32%	3.80%	1.53%	4.41%
July 2014	332,371,465	327,955,366	2.19%	1.04%	6.65%	0.18%	13.87%	11.75%	6.45%	3.36%	1.64%	3.88%
August 2014	327,955,366	324,096,177	2.14%	1.00%	5.29%	0.21%	13.77%	11.33%	5.16%	3.47%	1.70%	3.78%
September 2014	324,096,177	308,617,779	2.09%	0.98%	3.99%[(3)]	0.19%	13.31%	11.12%	3.92%[(3)]	3.15%	1.77%	3.99%
October 2014	308,617,779	304,728,601	2.37%	1.16%		0.20%	14.55%	13.09%		3.32%	1.64%	4.18%
November 2014	304,728,601	296,954,959	2.12%	0.98%	21.35%	0.16%	13.63%	11.19%	19.38%	3.27%	1.87%	2.93%
December 2014	296,954,959	293,582,213	2.21%	1.03%	4.57%	0.23%	14.17%	11.67%	4.48%	3.34%	1.72%	3.21%
January 2015	293,582,213	289,938,644	2.26%	1.02%	5.51%	0.19%	14.84%	11.60%	5.38%	3.12%	1.81%	3.07%
February 2015	289,938,644	286,265,681	2.17%	1.01%	5.52%	0.14%	13.91%	11.50%	5.38%	2.88%	1.75%	3.00%
March 2015	286,265,681	282,826,923	2.37%	1.13%	3.61%	0.17%	14.93%	12.76%	3.55%	2.44%	1.61%	2.99%
April 2015	282,826,923	279,131,257	2.37%	1.19%	4.84%	0.24%	14.09%	13.41%	4.74%	2.42%	1.41%	2.96%
May 2015	279,131,257	274,740,226	2.44%	1.24%	7.01%	0.20%	14.41%	13.92%	6.79%	2.64%	1.41%	2.58%
June 2015	274,740,226	270,453,952	2.34%	1.18%	7.41%	0.18%	13.92%	13.26%	7.17%	2.82%	1.47%	2.40%
July 2015	270,453,952	266,422,943	2.57%	1.33%	5.56%	0.23%	14.87%	14.84%	5.42%	2.74%	1.47%	2.19%
August 2015	266,422,943	263,139,283	2.39%	1.20%	3.53%	0.21%	14.22%	13.51%	3.47%	2.85%	1.50%	2.34%
September 2015	263,139,283	259,780,993	2.27%	1.10%	5.41%	0.21%	13.98%	12.43%	5.28%	3.23%	1.41%	2.29%
October 2015	259,780,993	256,248,813	2.51%	1.28%	3.91%	0.19%	14.76%	14.29%	3.84%	2.99%	1.64%	2.26%
November 2015	256,248,813	253,117,716	2.11%	0.97%	5.63%	0.17%	13.66%	11.08%	5.49%	3.05%	1.63%	2.33%
December 2015	253,117,716	249,712,771	2.45%	1.25%	4.10%	0.20%	14.42%	14.00%	4.03%	3.10%	1.85%	2.36%
January 2016	249,712,771	246,637,709	2.30%	1.11%	4.17%	0.18%	14.26%	12.53%	4.10%	3.35%	1.73%	2.67%
February 2016	246,637,709	243,292,753	2.37%	1.18%	4.39%	0.14%	14.25%	13.29%	4.30%	2.70%	1.62%	2.57%
March 2016	243,292,753	239,832,083	2.65%	1.39%	3.52%	0.21%	15.09%	15.45%	3.46%	2.59%	1.31%	2.47%
April 2016	239,832,083	236,537,282	2.45%	1.26%	4.08%	0.19%	14.29%	14.15%	4.01%	2.46%	1.49%	2.18%

REVOLVING PERSONAL HOME LOANS (PHL)

	Beginning Balance ($)	Ending Balance ($)	Monthly Payment Rate	Monthly Principal Pay Rate	Annualized Charge-off Rate[(1)]	Monthly Draw Rate	Annualized Finance Charges	CRR	CDR	Days Delinquent		
										30-59	60-89	90+
May 2016	236,537,282	232,837,085	2.61%	1.44%	4.16%	0.17%	14.10%	15.97%	4.08%	2.56%	1.30%	2.20%
June 2016	232,837,085	229,413,279	2.54%	1.36%	4.45%	0.21%	14.15%	15.20%	4.36%	2.67%	1.51%	2.02%
July 2016	229,413,279	226,354,830	2.60%	1.37%	2.54%	0.20%	14.70%	15.29%	2.51%	2.61%	1.63%	2.24%
August 2016	226,354,830	222,728,320	2.56%	1.38%	5.72%	0.21%	14.19%	15.36%	5.58%	2.82%	1.57%	2.23%
September 2016	222,728,320	219,913,104	2.49%	1.27%	2.56%	0.17%	14.55%	14.25%	2.53%	2.85%	1.68%	2.29%
October 2016	219,913,104	216,954,090	2.45%	1.27%	3.68%	0.18%	14.21%	14.21%	3.62%	2.92%	1.79%	2.63%
November 2016	216,954,090	214,115,167	2.26%	1.13%	4.89%	0.18%	13.60%	12.75%	4.79%	2.93%	1.63%	2.90%
December 2016	214,115,167	211,256,025	2.40%	1.17%	4.94%	0.20%	14.71%	13.18%	4.83%	3.11%	1.80%	2.86%
January 2017	211,256,025	208,220,926	2.40%	1.23%	5.35%	0.19%	14.05%	13.83%	5.23%	3.13%	1.66%	3.10%
February 2017	208,220,926	205,461,955	2.31%	1.15%	5.19%	0.21%	13.86%	13.01%	5.07%	3.05%	1.53%	2.98%
March 2017	205,461,955	202,253,350	2.68%	1.39%	4.85%	0.19%	15.49%	15.49%	4.75%	2.58%	1.57%	2.65%
April 2017	202,253,350	198,765,796	2.70%	1.52%	5.10%	0.16%	14.08%	16.81%	4.98%	2.94%	1.33%	2.41%
May 2017	198,765,796	195,648,280	2.55%	1.35%	4.78%	0.18%	14.49%	15.00%	4.68%	2.83%	1.38%	2.07%
June 2017	195,648,280	192,532,146	2.72%	1.52%	4.13%	0.23%	14.33%	16.82%	4.06%	3.26%	1.52%	1.94%
July 2017	192,532,146	189,631,569	2.66%	1.45%	3.76%	0.21%	14.50%	16.06%	3.70%	3.21%	1.59%	2.02%
August 2017	189,631,569	186,625,452	2.79%	1.60%	2.88%	0.21%	14.22%	17.60%	2.84%	2.89%	1.56%	2.05%
September 2017	186,625,452	183,958,662	2.58%	1.38%	3.41%	0.19%	14.39%	15.41%	3.35%	2.88%	1.60%	2.01%
October 2017	183,958,662	181,159,252	2.68%	1.50%	2.98%	0.19%	14.16%	16.62%	2.94%	2.67%	1.64%	1.96%
November 2017	181,159,252	178,438,703	2.54%	1.38%	4.81%	0.23%	14.00%	15.32%	4.71%	3.32%	1.60%	1.93%
December 2017	178,438,703	175,854,736	2.53%	1.32%	4.32%	0.19%	14.50%	14.77%	4.23%	3.28%	1.76%	1.90%
January 2018	175,854,736	173,029,555	2.89%	1.69%	1.75%	0.18%	14.34%	18.51%	1.74%	2.82%	1.67%	2.20%
February 2018	173,029,555	170,767,608	2.42%	1.27%	2.96%	0.17%	13.74%	14.27%	2.92%	3.03%	1.33%	2.28%
March 2018	170,767,608	167,824,559	2.90%	1.60%	4.35%	0.18%	15.61%	17.56%	4.26%	2.45%	1.41%	2.15%
April 2018	167,824,559	165,343,834	2.68%	1.52%	3.22%	0.26%	13.93%	16.77%	3.18%	2.63%	1.17%	1.94%
May 2018	165,343,834	163,089,916	2.56%	1.37%	3.36%	0.24%	14.28%	15.25%	3.31%	2.07%	1.28%	1.59%
June 2018	163,089,916	160,742,893	2.76%	1.56%	1.74%	0.20%	14.43%	17.17%	1.72%	2.24%	1.07%	1.83%
July 2018	160,742,893	158,420,603	1.90%	1.12%	1.57%	0.26%	9.35%	12.61%	1.56%	2.71%	1.23%	1.83%
August 2018	158,420,603	156,099,746	2.82%	1.60%	2.72%	0.32%	14.59%	17.60%	2.68%	2.41%	1.57%	1.86%
September 2018	156,099,746	153,767,123	2.61%	1.46%	4.05%	0.25%	13.81%	16.13%	3.98%	2.80%	1.33%	2.02%
October 2018	153,767,123	151,509,177	2.65%	1.45%	4.18%	0.29%	14.40%	16.05%	4.10%	2.76%	1.51%	1.95%
November 2018	151,509,177	149,566,073	2.53%	1.34%	3.36%	0.30%	14.24%	14.96%	3.31%	2.53%	1.46%	1.96%
December 2018	149,566,073	147,708,932	2.44%	1.25%	3.38%	0.25%	14.25%	14.02%	3.33%	2.53%	1.68%	1.97%
January 2019	147,708,932	146,120,835	2.31%	1.11%	3.38%	0.28%	14.29%	12.59%	3.33%	2.60%	1.33%	1.96%
February 2019	146,120,835	144,052,232	2.52%	1.35%	3.74%	0.21%	13.93%	15.10%	3.68%	2.48%	1.37%	1.75%
March 2019	144,052,232	142,263,851	2.64%	1.38%	1.57%	0.22%	15.09%	15.39%	1.56%	2.15%	1.36%	1.79%
April 2019	142,263,851	139,976,474	2.65%	1.48%	3.98%	0.18%	14.02%	16.42%	3.90%	2.38%	1.05%	1.54%

REVOLVING PERSONAL HOME LOANS (PHL)

	Beginning Balance ($)	Ending Balance ($)	Monthly Payment Rate	Monthly Principal Pay Rate	Annualized Charge-off Rate[(1)]	Monthly Draw Rate	Annualized Finance Charges	CRR	CDR	Days Delinquent		
										30-59	60-89	90+
May 2019	139,976,474	138,248,126	2.48%	1.26%	2.74%	0.21%	14.59%	13.89%	2.71%	2.01%	1.34%	1.51%
June 2019	138,248,126	136,231,635	2.58%	1.40%	3.42%	0.19%	14.16%	15.36%	3.37%	2.32%	1.23%	1.50%
July 2019	136,231,635	134,356,495	2.65%	1.46%	3.00%	0.29%	14.25%	15.96%	2.96%	2.07%	1.39%	1.48%
August 2019	134,356,495	132,336,881	2.86%	1.64%	1.91%	0.25%	14.65%	17.77%	1.90%	1.98%	1.17%	1.74%
September 2019	132,336,881	130,634,747	2.51%	1.36%	2.01%	0.20%	13.86%	14.94%	1.99%	2.01%	1.13%	1.79%
October 2019	130,634,747	128,441,566	2.92%	1.73%	2.54%	0.23%	14.21%	18.71%	2.51%	2.07%	1.39%	1.71%
November 2019	128,441,566	126,280,704	2.70%	1.52%	4.17%	0.15%	14.23%	16.51%	4.09%	2.25%	1.54%	1.55%
December 2019	126,280,704	124,592,888	2.50%	1.32%	2.78%	0.18%	14.10%	14.51%	2.74%	2.44%	1.50%	1.67%
January 2020	124,592,888	123,033,740	2.56%	1.35%	1.62%	0.20%	14.49%	14.85%	1.61%	2.16%	1.49%	1.77%
February 2020	123,033,740	121,594,425	2.34%	1.17%	2.14%	0.14%	14.02%	13.02%	2.12%	2.27%	1.18%	1.93%
March 2020	121,594,425	119,598,253	2.75%	1.58%	3.15%	0.16%	14.11%	17.19%	3.11%	1.62%	1.31%	1.74%
April 2020	119,598,253	117,859,349	2.57%	1.41%	2.46%	0.13%	13.93%	15.46%	2.43%	2.05%	0.99%	1.54%
May 2020	117,859,349	115,730,613	2.83%	1.66%	3.05%	0.07%	14.14%	17.92%	3.00%	1.88%	1.20%	1.29%
June 2020	115,730,613	114,077,128	2.50%	1.38%	2.21%	0.10%	13.48%	15.11%	2.19%	1.13%	0.76%	1.36%
July 2020	114,077,128	112,279,377	2.72%	1.51%	2.80%	0.14%	14.43%	16.51%	2.76%	1.12%	0.59%	1.21%
August 2020	112,279,377	110,578,238	2.69%	1.53%	1.75%	0.13%	13.91%	16.70%	1.73%	1.24%	0.59%	1.24%

[(1)] Annualized monthly charge-off rate

[(2)] Data from HSBC was unavailable for March 2013

[(3)] Data from SpringCastle Funding Servicer Report - reports for Sep/Oct 2014 were combined into 1 report.