S&P Global Ratings

Research

Presale:

OneMain Financial Issuance Trust 2023-1

May 11, 2023

PRIMARY CREDIT ANALYST

Trang Luu
Austin
+ 1 (214) 765 5887
trang.luu
@spglobal.com

SECONDARY CONTACTS

Rahul Mehta
Englewood
+ 1 (303) 721 4627
rahul.mehta
@spglobal.com

Paul Parys
Englewood
(1) 303-827-9400
paul.parys
@spglobal.com

Preliminary ratings

Class	Preliminary rating	Type	Interest rate	Preliminary amount (mil. $)(i)	Legal maturity date
A	AAA (sf)	Senior	Fixed	327.61	June 14, 2038
B	AA (sf)	Subordinate	Fixed	42.58	June 14, 2038
C	A (sf)	Subordinate	Fixed	29.81	June 14, 2038
D	BBB- (sf)	Subordinate	Fixed	49.09	June 14, 2038

Note: This presale report is based on information as of May 11, 2023. The ratings shown are preliminary. Subsequent information may result in the assignment of final ratings that differ from the preliminary ratings. Accordingly, the preliminary ratings should not be construed as evidence of final ratings. This report does not constitute a recommendation to buy, hold, or sell securities. (i)The actual size of these tranches will be determined on the pricing date.

Profile

Expected closing date	May 23, 2023.
Collateral	Personal consumer loan receivables.
Servicer, administrator, and performance support provider	OneMain Finance Corp.
Sellers	OneMain Affiliates.
Depositor	Springleaf Funding II LLC.
Issuer	OneMain Financial Issuance Trust 2023-1.
Lead underwriter	BNP Paribas Securities Corp.
Indenture trustee and note registrar	HSBC Bank USA N.A.
Owner trustee, depositor loan trustee, and issuer loan trustee	Wilmington Trust N.A.

Credit enhancement summary

	OMFIT 2023-1	OMFIT 2022-3	OMFIT 2022-2	OMFIT 2022-S1	OMFIT 2021-1	OMFIT 2020-2	OMFIT 2020-1	OMFIT 2019-2
Subordination (% of the initial adjusted loan principal balance)								
Class A	24.25	25.55	25.50	25.55	27.45	24.60	16.75	26.25

Credit enhancement summary (cont.)

	OMFIT 2023-1	OMFIT 2022-3	OMFIT 2022-2	OMFIT 2022-S1	OMFIT 2021-1	OMFIT 2020-2	OMFIT 2020-1	OMFIT 2019-2
Class B	15.75	16.80	16.50	16.60	17.15	15.45	7.40	16.60
Class C	9.80	11.80	11.25	11.00	10.85	10.05	0.00	10.35
Class D	0.00	0.00	0.00	0.00	0.00	0.00	N/A	0.00
Class E	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Reserve account								
Initial (%)(i)	0.45	0.45	0.45	0.46	0.47	0.95	0.86	0.47
Target (%)	0.50 (ii)	0.50(ii)	0.50(ii)	0.50(ii)	0.50(ii)	0.95(i)	0.86(i)	0.50(ii)
Floor (%)(i)	--	--	--	--	--	0.95	0.86	--
Floor ($)	250,000	250,000	250,000	250,000	250,000	--	--	250,000
Overcollateralization (% of the initial adjusted loan principal balance)								
Initial	10.35	10.25	9.05	7.95	6.00	5.00	14.30	5.00
Target	10.35	10.25	9.05	7.95	6.00	5.00	14.30	5.00
Floor	10.35	10.25	9.05	7.95	6.00	5.00	14.30	5.00
Total initial hard credit enhancement (% of the initial adjusted loan principal balance)								
Class A	35.05	36.25	35.01	33.96	33.92	30.55	31.91	31.72
Class B	26.55	27.50	26.01	25.01	23.62	21.40	22.56	22.07
Class C	20.60	22.50	20.76	19.41	17.32	16.00	15.16	15.82
Class D	10.80	10.70	9.51	8.41	6.47	5.95	N/A	5.47
Class E	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total credit enhancement, including excess spread (% of the initial adjusted loan principal balance)								
Class A	49.82	53.30	52.18	52.57	54.85	56.3	54.19	54.55
Class B	42.87	46.21	45.30	45.79	47.78	49.78	47.39	47.45
Class C	37.86	41.36	40.51	40.92	42.98	45.05	42.64	42.34
Class D	30.41	32.92	33.09	33.44	35.47	38.24	N/A	35.23
Class E	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Credit enhancement summary (cont.)

	OMFIT 2023-1	OMFIT 2022-3	OMFIT 2022-2	OMFIT 2022-S1	OMFIT 2021-1	OMFIT 2020-2	OMFIT 2020-1	OMFIT 2019-2
Initial adjusted loan principal balance ($)	500,945,147	1,090,343,360	1,099,507,032	651,824,707	904,257,540	1,052,633,250	957,862,848	947,374,174
Total securities issued ($)	449,090,000	978,580,000	1,000,000,000	600,000,000	850,000,000	1,000,000,000	820,880,000	900,000,000

(i)Percentage of the initial adjusted loan principal balance as of the immediately preceding payment date. (ii)Percentage of the aggregate note balance as of the immediately preceding payment date. OMFIT--OneMain Financial Issuance Trust. N/A--Not applicable.

Rationale

The preliminary ratings assigned to OneMain Financial Issuance Trust 2023-1's (OMFIT 2023-1) $449.09 million personal consumer loan-backed notes reflect:

- The availability of approximately 49.8%, 42.9%, 37.9%, and 30.4% credit support to the class A, B, C, and D notes, respectively, in the form of subordination, overcollateralization (O/C), a reserve account, and excess spread (see the Credit enhancement summary table). These credit support levels are sufficient to withstand stresses commensurate with the preliminary ratings on the notes based on our stressed cash flow scenarios (see the S&P Global Ratings' Expected Loss section).
- Our worst-case, weighted average base-case loss for this transaction of 12.51%, which is a function of the transaction-specific reinvestment criteria and actual OneMain loan performance. Our base case also accounts for historical volatility observed in OneMain's annual loan vintages over time.
- Our expectation that under a moderate ('BBB') stress scenario, the assigned preliminary ratings will be within the limits specified in the credit stability section of "S&P Global Ratings Definitions," published Nov. 10, 2021.
- The timely interest and full principal payments expected to be made under stressed cash flow modeling scenarios appropriate to the assigned preliminary ratings (see the Payment Structure section).
- The characteristics of the pool being securitized and receivables expected to be purchased during the revolving period.
- The transaction's payment and legal structures.

Environmental, Social, and Governance (ESG)

Our rating analysis considered the transaction's potential exposure to ESG credit factors. In our view, the transaction has relatively high exposure to social credit factors due to the pool consisting predominantly of loans to subprime obligors with relatively high interest rates. Affordability considerations for these subprime borrowers could increase legal and regulatory risks if the validity of the loan contracts or the servicer's collection practices were challenged. We believe this risk is mitigated by representations made by the issuer that each loan complies with applicable laws when it is originated and that legal and compliance departments at the originator exist that manage adherence to applicable laws. In addition, demographic changes and shifts in borrower user experience preferences could reduce the demand for brick-and-mortar-centric lending models in the future. We believe this risk is mitigated by the development and growth of multi-channel origination platforms, including online and by phone.

In our view, the transaction has relatively high exposure to governance credit factors with respect to the revolving collateral pool and the originators' active role over the transaction's life, exposing investors to the risk of loosening underwriting standards or potential adverse selection. To account for this risk, we assumed that the pool's composition will migrate to the lowest credit quality allowable under the transaction's reinvestment criteria tests, resulting in a higher expected loss than that of a typical amortizing pool.

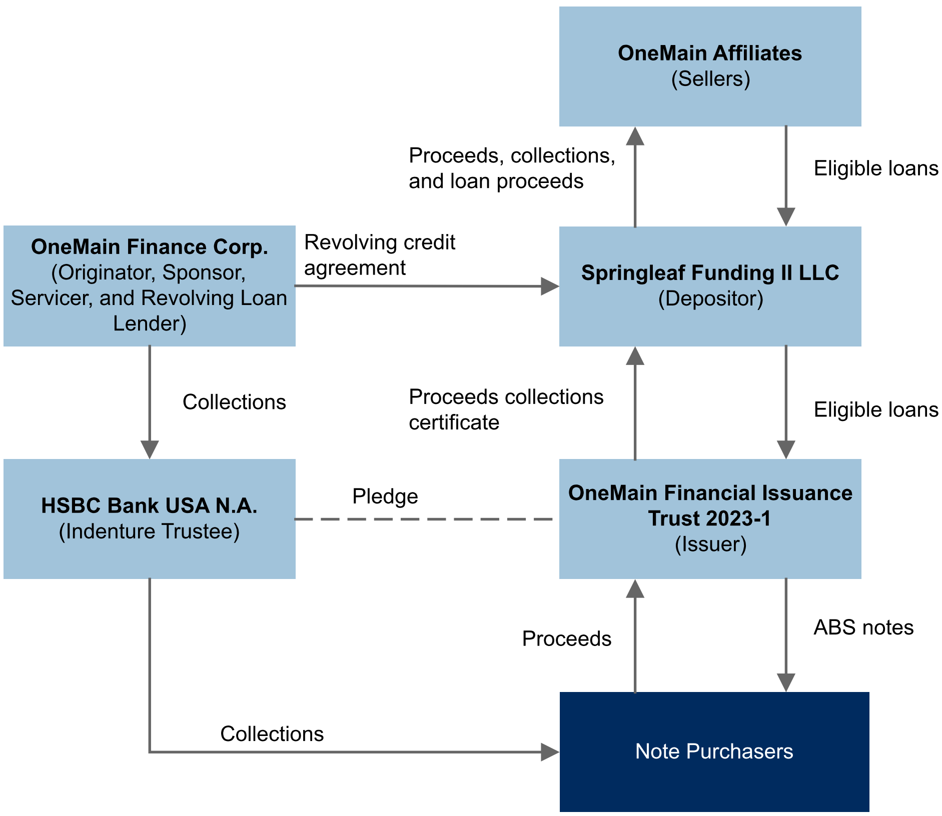
Key Changes From the OMFIT 2022-3 Transaction

Credit and structural changes from the OMFIT 2022-3 transaction include that:

- Initial, target, and floor O/C increased to 10.35% from 10.25%.
- Total credit support, including excess spread, to the class A, B, C, and D notes decreased to 49.8%, 42.9%, 37.9%, and 30.4%, respectively, from 51.5%, 44.4%, 39.6%, and 30.9%.
- Hard credit enhancement for classes A, B, C, and D changed to 35.1%, 26.6%, 20.6%, and 10.8%, respectively, from 36.3%, 27.5%, 22.5%, and 10.7%.
- Reinvestment criteria for unsecured loans limit increased to 60.0% from 54.0%.
- The reinvestment criteria for the weighted average coupon decreased to 21.5% from 22.0%.

Transaction Overview

Transaction Structure



The transaction is structured with the intent of a true sale of the receivables to Springleaf Funding II LLC (the depositor) and the depositor loan trustee (Wilmington Trust N.A.) for the benefit of the depositor from various OneMain affiliates. The depositor will sell the receivables to OMFIT 2023-1 (the issuing entity) and the issuer loan trustee (Wilmington Trust N.A.) for the benefit of the issuing entity, which will pledge its interest in the receivables to the indenture trustee on the noteholders' behalf. OneMain Finance Corp. will service the receivables on the issuing entity's behalf.

In rating this transaction, S&P Global Ratings will review the relevant legal matters outlined in its criteria.

Transaction Structure

The OMFIT 2023-1 transaction incorporates certain structural features:

- A nonamortizing O/C of 10.35%;

- A reserve account equal to the greater of 0.50% of the current note balance and $250,000;
- Sequential principal payments on the notes;
- A revolving period of 60 months from the settlement date;
- Performance-based early amortization triggers linked to a three-month average annualized net loss percentage measured on or after the payment date in August 2023 or an overcollateralization test; and
- Early amortization triggers linked to pool composition or a servicer default.

Payment Structure

The servicer will deposit interest and principal collections for the receivables pool into the collection account no later than two business days after processing. Priority and regular principal payments made in items 4, 6, 8, 10, and 13 of the collection account's payment waterfall (see table 1) will be deposited into the principal distribution account, which is subject to its own payment waterfall. The class A, B, C, and D notes will receive interest payments on each monthly payment date and no principal during the revolving period. Principal payments on the notes will be made upon the revolving period's termination in sequential priority. Funds may be withdrawn from the reserve account each month to make payments in items 1-10 of the collection account's payment waterfall to the extent that collections are not sufficient.

Table 1

Payment waterfall--collection account

Priority	Payment
1	Indenture trustee fees, note registrar fees, owner trustee fees, depositor loan trustee fees, issuer loan trustee fees, and reimbursable expenses capped at $200,000 per year (provided that the cap will not apply if an event of default or servicer default occurs and continues). To the successor servicer, if any, the transition expenses incurred from it becoming the successor servicer--to the extent not previously paid by the predecessor servicer and capped at $250,000.
2	Servicing fee of 3.5% per year.
3	Class A note interest.
4	First-priority principal payment (if the class A notes' balance is greater than the adjusted loan principal balance).
5	Class B note interest.
6	Second-priority principal payment (if the class A and B notes' balance is greater than the adjusted loan principal balance after any first-priority principal payments are made).
7	Class C note interest.
8	Third-priority principal payment (if the class A, B, and C notes' balance is greater than the adjusted loan principal balance after any first- and second-priority principal payments are made).
9	Class D note interest.
10	Fourth-priority principal payment (if the class A, B, C, and D notes' balance is greater than the adjusted loan principal balance after any first-, second-, and third-priority principal payments are made).
11	Restore the reserve account to its required amount (the lesser of the reserve account required amount for such payment date and all funds remaining after giving effect to the distributions in items 1 through 10 above).
12	Any unpaid advances to the servicer.

Table 1

Payment waterfall--collection account (cont.)

Priority	Payment
13	Regular principal payment (the excess, if any, of the class A, B, C, and D notes' balance over the difference between the adjusted loan principal balance and the required overcollateralization amount after any priority principal payments are made).
14	Any unpaid trustee fees and expenses.
15	Any indemnified amounts.
16	Any unpaid advances remaining after item 12.
17	Any remainder to the residual interest holder or, at the sole option of the issuer, to be deposited into the principal distribution account or reserve account or to acquire additional loans to increase the required overcollateralization amount.

During the revolving period, amounts on deposit in the principal distribution account will be available to the issuer to purchase additional loans. The issuer may also take one or more of certain payment date loan actions:

- Acquiring additional loans without using amounts on deposit in the principal distribution account or collection account;
- Exchanging any loan that was not a charged-off or delinquent loan for any eligible loan that is not a charged-off loan;
- Designating any loan that was not a charged-off or delinquent loan as an excluded loan;
- Reversing a loan's excluded designation, provided it is not a charged-off or delinquent loan; and
- Releasing any loan that was not a charged-off or delinquent loan from the indenture trustee's lien and reassign it to the depositor.

The issuer cannot undertake a loan action on a loan action date, including purchasing additional loans, if a reinvestment criteria event would occur (see the Early Amortization Events section). In addition, cash may not account for more than 5% of the loan exchange considerations, and no more than 20% of the adjusted loan principal balance may be exchanged or reassigned on a 12-month rolling basis. Loans may not be excluded if an overcollateralization event is in effect.

If the revolving period has been terminated because of an early amortization event or an event of default, amounts on deposit in the principal distribution account will be applied according to the payment waterfall in table 2.

Table 2

Payment waterfall--principal distribution account

Priority	Payment
1	Class A note principal until the class A note balance is reduced to zero.
2	Class B note principal until the class B note balance is reduced to zero.
3	Class C note principal until the class C note balance is reduced to zero.
4	Class D note principal until the class D note balance is reduced to zero.

Early Amortization Events

The pool will revolve from the settlement date until the revolving period terminates 60 months later unless an event of default occurs (see the Events Of Default section) or one of three early amortization events occurs:

- The three-month average annualized monthly net loss percentage exceeds 17%, as measured on or after the payment date in August 2023;
- A reinvestment criteria event occurs for three consecutive payment dates; or
- A servicer default occurs.

A reinvestment criteria event will occur if:

- The combined balance of all unsecured loans exceeds 60.0% of the adjusted loan principal balance;
- The pool percentage of the three states with the highest concentrations of loan obligors exceeds 37.5% of the adjusted loan principal balance;
- The concentration of loan obligors who reside in any single state, other than the top three states, exceeds 15.0% of the adjusted loan principal balance;
- The pool's weighted average coupon is less than 21.5%;
- The weighted average remaining term of the pool exceeds 58 months;
- The balance of all loans in the pool with a risk level within any range specified in table 3 exceeds the percentage of the adjusted loan principal balance set forth therein;
- The percentage of loans with a coupon below 10.0% exceeds 7.5% of the adjusted loan principal balance;
- The percentage of loans with an original term greater than 60 months exceeds 12.5% of the adjusted loan principal balance;
- The percentage of loans with an original principal balance greater than $25,000 exceeds 5.0% of the adjusted loan principal balance; or
- An overcollateralization event exists.

Table 3

Reinvestment criteria event percentage triggers for risk levels

Risk levels(i)	(%)
D	4.0
D to (and including) C	12.5
D to (and including) B	32.5
D to (and including) A	55.0
D to (and including) P	82.5
D to (and including) S	100.0

(i)The pool consists of secured (loans secured with a titled asset) and unsecured loans, which are then segmented into eight internal credit tiers or risk levels. (As of May 2017, OneMain no longer originates personal loans with a risk level of E. No personal loans with a risk level of E, F, or no risk are included in the pool.) Each risk level score is determined using OneMain's proprietary credit scoring model.

A servicer default will occur if the servicer fails to make any required payments, fails to perform any covenants, fails to remedy any representation or warranty that is incorrect (subject to any applicable cure period), or becomes insolvent.

An O/C event will occur if the excess of the adjusted loan principal balance over the note balance is less than the required $51,855,147.35 O/C amount.

The revolving period may be reinstated under one or both of these conditions:

- An early amortization event caused by the three-month average annualized net loss percentage trigger is cured for three consecutive months and no other event that would terminate the revolving period is in effect; or
- An early amortization event caused by a reinvestment criteria event is cured and no other event that would terminate the revolving period is in effect.

Events Of Default

Upon an event of default from the issuer's or depositor's insolvency, the rated notes will be automatically accelerated and become due and payable. For all other events of default, the rated notes can be accelerated at the direction of a simple majority vote of all outstanding noteholders. The payment waterfall described in the Payment Structure section would be altered so that at each of the priority payment items (4, 6, 8, and 10), the outstanding principal balance of the class A, B, C, and D notes, respectively, would become due and payable. This modification in the payment waterfall is disadvantageous to all subordinate noteholders because they would not receive interest payments until the next-most senior class pays down in full. Some of the events of default that could alter the payment priority are nonmonetary in nature, and our preliminary ratings on the subordinated notes reflect our view of the likelihood of these events occurring. We believe that the servicer has the capabilities and incentives to minimize the likelihood of these nonmonetary events of default and that our preliminary ratings on the subordinated notes appropriately reflect this risk.

Managed Portfolio

As of March 31, 2023, OneMain's managed portfolio of personal consumer loans consisted of approximately $16 billion of receivables, of which approximately 36.5% was secured by titled personal property, such as an automobile, the remainder being unsecured. Annualized losses for the quarter ended March 31, 2023, were 8.9% (see table 4).

Table 4

OneMain managed portfolio

	Quarter-Ended Mar. 31	Year-Ended						
	2023	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**
Unpaid principal balance of loans outstanding (mil. $)	15,982	15,991	15,275	14,865	14,898	12,890	12,282	11,595
Delinquencies (%)(i)								
30-59 days	1.58	1.89	1.55	1.43	1.56	1.55	1.45	1.34
60-89 days	1.16	1.36	1.05	0.93	1.04	1.09	1.14	1.01
90-plus days	3.18	3.21	2.37	1.97	2.43	2.68	2.64	2.96

Table 4

OneMain managed portfolio (cont.)

	Quarter-Ended Mar. 31	Year-Ended						
	2023	2022	2021	2020	2019	2018	2017	2016
Total delinquencies	5.92	6.46	4.96	4.33	5.03	5.32	5.23	5.31
Aggregate net losses (mil. $)	356	1,333	725	929	974	966	951	983
Net losses (% of the average unpaid principal balance)	8.92	7.66	5.00	6.30	7.17	7.72	8.11	8.17
Weighted average coupon (%)	25.50	25.60	25.77	25.91	26.21	26.28	26.06	25.91

(i)Average number of delinquencies as a percentage of the unpaid principal balance of loans outstanding.

Pool Analysis

The pool consists of two types of personal consumer loans: secured and unsecured. These are then segmented into eight internal credit tiers or risk levels. As of May 2017, OneMain no longer originates personal loans with a risk level of E. No personal loans with a risk level of E, F, or no risk are included in the pool. Each risk level score is determined using OneMain's proprietary credit scoring model. The initial pool--with an April 30, 2023, cut-off date--comprises 44.05% secured loans and 55.95% unsecured loans. Over time, the distribution of characteristics in this initial pool may change because a significant number of additional loans may be added to the loan pool during the revolving period. However, such additions and removals may not result in a reinvestment criteria event (see table 5).

Table 5

Collateral Characteristics(i)

	OneMain Financial Issuance Trust								
	2023-1	2022-3	2022-2	2022-S1	2021-1	2020-2	2020-1	2019-2	2019-1
Pool size (mil. $)	500.9	1,090.3	1,099.5	651.8	904.3	1,052.6	957.9	947.4	654.2
No. of receivables	59,967	131,739	133,313	80,742	116,854	140,692	120,896	127,037	99,795
Avg. principal balance ($)	8,354	8,277	8,248	8,073	7,738	7,482	7,923	7,457	6,555
Weighted avg. coupon (%)	24.61	24.84	24.74	24.82	26.39	26.90	26.90	26.91	26.86
Weighted avg. original term (mos.)	58	57	58	58	57	57	57	56	53
Weighted avg. remaining (mos.)	46	47	47	47	45	47	49	48	46
Seasoning (mos.)	12	10	11	11	12	10	8	8	7
Weighted avg. original FICO score(ii)	632	631	630	629	629	626	624	629	630
Asset type by principal balance (%)									
Secured	44.05	50.00	50.74	49.95	44.87	44.92	44.95	40.08	37.61
Other secured	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Table 5

Collateral Characteristics(i) (cont.)

	OneMain Financial Issuance Trust								
	2023-1	2022-3	2022-2	2022-S1	2021-1	2020-2	2020-1	2019-2	2019-1
Unsecured	55.95	50.00	49.26	50.05	55.13	55.08	55.05	59.92	62.39
Risk level by principal balance (%)									
S	27.47	27.31	26.64	24.95	22.09	20.42	19.75	20.10	20.90
P	31.20	30.12	29.23	28.82	28.21	23.55	23.19	23.93	23.07
A	20.98	20.63	20.49	20.37	24.41	27.32	27.38	29.75	30.26
B	14.14	16.14	16.96	18.32	18.06	20.62	21.31	18.37	17.51
C	4.64	4.78	5.76	6.44	5.73	6.27	6.59	6.20	6.84
D	1.56	1.02	0.91	1.11	1.50	1.81	1.78	1.64	1.36
E	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Unscored	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.02	0.06
Top five state concentrations (%)									
	TX=8.84	TX=11.66	TX=8.37	PA=9.47	TX=8.72	TX=7.94	TX=8.68	TX=7.78	TX=8.86
	FL=8.08	NC=7.02	NC=6.90	NC=8.22	PA=6.87	CA=6.86	CA=6.43	CA=6.75	NC=7.21
	CA=7.65	PA=6.00	FL=6.64	OH=6.90	CA=6.76	PA=6.49	PA=6.41	NC=6.57	CA=6.26
	PA=6.19	FL=5.75	PA=6.45	IN=5.75	FL=5.84	NC=6.30	NC=6.17	PA=5.97	PA=6.07
	OH=4.92	OH=4.29	OH=5.18	TN=4.82	NC=5.61	FL=5.57	FL=5.82	FL=5.75	FL=5.69

(i)All percentages are of the initial adjusted loan principal balance. (ii)Excludes obligors with little credit history. N/A--Not applicable.

Cash Flow Analysis

We analyzed OneMain's managed pool loss data for originations from 2006 onward, segmented by two asset types (secured and unsecured) and eight risk levels (from high to low: S, P, and A through D). We established a base-case annualized loss assumption for each collateral type and risk level. Each risk level represents a credit tier that was determined using OneMain's proprietary credit scoring model.

During the five-year revolving period, we assumed that the pool composition could migrate from its initial characteristics as of the initial cut-off date to a worst-case pool composition based on the eligibility criteria and concentration limits as defined by the parameters of the reinvestment criteria event. Applying our base-case projected annualized losses to our assumed worst-case pool composition resulted in an expected annualized monthly loss rate for the worst-case pool of 12.51%. The weighted average coupon for the loans was assumed to be 21.50%, which represents the minimum weighted average coupon as defined in table 3.

In determining our base-case recovery assumptions, we considered the issuer's collection and recovery strategies and track record, as well as the stability of historical recovery rates and factors that may affect the timing, amount, and availability of future recovery rates for the securitized pool. We also considered the limited amount of recovery data available through an economic downturn. We then applied a rating-dependent haircut to the base-case recovery rate to determine the 'AAA' recovery assumption. Our haircut was based on the ranges in paragraphs

52-54 of our criteria "Global Consumer ABS Methodology And Assumptions" (published March 31, 2022) and reflects the highest end of the range specified to reflect these considerations. Based on the available data, our base-case recovery assumption is 20.00% of the defaulted balance collected over 60 months and the stressed recovery rate for the 'AAA', 'AA', 'A', and 'BBB-' scenarios are 9.00%, 10.00%, 11.00%, and 12.33%, respectively.

We modeled the transaction according to the indenture and applied stress assumptions to simulate rating scenarios appropriate for the assigned preliminary ratings. We tested the adequacy of the proposed credit enhancement and structural features using certain assumptions:

- Annualized monthly loss rates that increase linearly during 12 months to a peak loss equal to a rating-stress multiple of the base case from a 12.51% base case;
- A 20.00% base case recovery rate haircut accordingly to each stressed scenario and applied over 60 months;
- A 10.00% constant prepayment rate for voluntary prepayments for all rating scenarios;
- A 58-month weighted average remaining term;
- No loan renewals and additional loan purchases;
- A 3.50% servicing fee;
- A 21.50% weighted average coupon;
- Annual senior fees capped at $200,000; and
- A $250,000 transition fee expense of the servicer.

For each rating level, we modeled an early amortization scenario, which occurs in month one and includes a one-time servicing transition expense of $250,000.

Based on these modeling assumptions and cash flow scenarios, our cash flow results indicate that the class A, B, C, and D notes can withstand 'AAA', 'AA', 'A', and 'BBB-' stresses, respectively, under the immediate amortization scenario (see table 6). The notes receive timely interest each month and full principal by legal maturity in their respective rating stress scenarios.

Table 6

Cash Flow Assumptions And Results

	Class			
	A	B	C	D
Scenario (preliminary rating)	AAA (sf)	AA (sf)	A (sf)	BBB- (sf)
Base-case annualized loss rate (initial loss rate) (%)	12.51	12.51	12.51	12.51
Approximate rating stress multiple (weighted average multiple for worst-case pool) (x)	4.08	3.06	2.49	1.76
Approximate stress case annualized loss rate (peak loss rate in month 12) (%)	51.08	38.32	31.21	22.00
Approximate credit enhancement levels (%)	49.82	42.87	37.86	30.41

Sensitivity Analysis

In addition to running stress scenario cash flows, we conducted a sensitivity analysis under a moderate ('BBB') stress scenario where we assumed losses of approximately 2.0x our expected loss level of the worst-case pool mix. In each case, the scenario results indicated a coverage multiple for each cash flow scenario and for each rated class, consistent with the credit stability section of "S&P Global Ratings Definitions," published Nov. 10, 2021.

In our view, under the moderate stress scenario, we would expect our ratings on the class A and B notes to remain within one rating category of our preliminary ratings and the class C and D notes to remain within two rating categories. This is consistent with our credit stability tolerances for 'AAA', 'AA', 'A', and 'BBB-' ratings.

OneMain Holdings Inc.

OneMain operates the largest consumer loan branch network in the U.S., with approximately 1,400 branches across 44 states. The business provides personal consumer loans and insurance products to near-prime and subprime customers through community-based branches across the country. OneMain's operating model combines its relationship-driven branch network with a centralized platform for later-stage collections. Generally, originations, servicing, and early-stage collections are performed at the branch level, and marketing, underwriting, and late-stage collection efforts are centralized.

OneMain is the combination of two companies that operated in the consumer loan branch-based segment: Springleaf Finance Corp. and OMFH. On March 2, 2015, CitiFinancial Credit Co., a wholly owned subsidiary of Citigroup Inc., entered into an agreement to sell OMFH to Springleaf Holdings Inc. (subsequently renamed OneMain Holdings Inc.). The acquisition closed on Nov. 15, 2015. Since the acquisition, the company has fully completed its integration of both Springleaf and OneMain legacy platforms, and the company's performance remains stable (see "OneMain Holdings Inc.," published March 2, 2023).

Related Criteria

- Criteria | Structured Finance | ABS: Global Consumer ABS Methodology And Assumptions , March 31, 2022
- General Criteria: Environmental, Social, And Governance Principles In Credit Ratings , Oct. 10, 2021
- Criteria | Structured Finance | General: Global Framework For Payment Structure And Cash Flow Analysis Of Structured Finance Securities , Dec. 22, 2020
- Criteria | Structured Finance | Legal: U.S. Structured Finance Asset Isolation And Special-Purpose Entity Criteria , May 15, 2019
- Criteria | Structured Finance | General: Counterparty Risk Framework: Methodology And Assumptions , March 8, 2019
- Criteria | Structured Finance | General: Incorporating Sovereign Risk In Rating Structured Finance Securities: Methodology And Assumptions , Jan. 30, 2019
- Criteria | Structured Finance | General: Global Framework For Assessing Operational Risk In

Structured Finance Transactions , Oct. 9, 2014

- General Criteria: Global Investment Criteria For Temporary Investments In Transaction Accounts , May 31, 2012
- General Criteria: Principles Of Credit Ratings , Feb. 16, 2011
- Criteria | Structured Finance | General: Methodology For Servicer Risk Assessment , May 28, 2009

Related Research

- Economic Outlook U.S. Q2 2023: Still Resilient, Downside Risks Rise, March 27, 2023
- Global Structured Finance 2023 Outlook, Jan. 11, 2023
- S&P Global Ratings Expects The Russia-Ukraine Conflict To Have Limited Direct Impact On Global Structured Finance, March 3, 2022
- Global Credit Conditions Special Update, Feb. 8, 2022