RFS Asset Securitization V, LLC, Series 2022-2

$100 Million Note Issuance

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Executive Summary

This report summarizes Kroll Bond Rating Agency's (KBRA) analysis of RFS Asset Securitization V, LLC Series 2022-2 ("RFS 2022-2" or the "Series 2022-2 Notes"), a small business loan and merchant cash advance ABS transaction. This report is based on information as of October 26, 2022. The ratings listed below are preliminary ratings and subsequent information may result in assigned ratings that differ from the preliminary ratings. This report does not constitute a recommendation to buy, hold, or sell securities.

Rated Notes					
Class	Initial Amount ($)[(1)]	Interest Rate	Final Scheduled Payment Date	Initial Credit Enhancement (%)[(2)]	KBRA Preliminary Rating
Class A	60,329,000	TBD	Oct 15, 2027	41.80%	AAA (sf)
Class B	9,045,000	TBD	Oct 15, 2027	33.00%	AA (sf)
Class C	12,230,000	TBD	Oct 15, 2027	21.10%	A (sf)
Class D	9,609,000	TBD	Oct 15, 2027	11.75%	BBB (sf)
Class E	8,787,000	TBD	Oct 15, 2027	3.20%	BB (sf)
Total	100,000,000				

[1] The notes are expandable and may increase up to a combined about of $500.0 million during the revolving period.
[2] Initial credit enhancement includes O/C, subordination and the respective reserve account for each series.

Rapid Financial Services, LLC ("RFS" or the "Company") is the Sponsor, Seller, and Servicer for RFS 2022-2. RFS was founded in 2009, headquartered in Bethesda, Maryland and employs 287 employees as of September 30, 2022. The Company uses proprietary risk models to assess applicants for qualification, loan sizing and risk-adjusted pricing and has funded over $3.0 billion to more than 45,000 businesses. The Company sources new Loan Receivables and Factored Receivables through direct marketing, lead buy, strategic partnerships and broker channels. RFS's notable strategic partnerships include Office Depot and Worldpay.

RFS 2022-2 represents the Company's fourth offering of asset-backed securities sponsored by RFS, each of which were rated by KBRA. RFS 2022-2 is collateralized by business loans ("Loan Receivables") made to small-and medium-sized businesses ("Merchants"), future receivables purchased from Merchants at a discounted purchase price ("Factored Receivables") and Line of Credits ("LOCs") (Loan Receivables, Factored Receivables and LOCs are collectively referred to as "Receivables"). A Factored Receivable is also commonly referred to as a Merchant Cash Advance ("MCA"). The concentration limits allow for up to 20% LOCs.

RFS Asset Securitization V, LLC (the "Issuer") will issue five classes of Series 2022-2 Notes totaling $100 million initially. The proceeds of the sale of the Series 2022-2 Notes will also be used to purchase receivables, fund the reserve account and pay related fees and expenses. The Series 2022-2 Notes are "expandable" term notes such that at any time during the Revolving Period, the Issuer may periodically issue additional Notes, up to a maximum amount of $500 million, as long as certain conditions are met, including receipt of Rating Agency Confirmation. The consent of existing noteholders will not be required for these additional issuances. As such, additional note issuances may dilute the control and voting rights of existing noteholders.

The transaction features a revolving period (the "Revolving Period"), which will end on the earlier of (i) the close of business in September 30, 2025 approximately 36 months after the initial closing date and (ii) the date on which a Rapid Amortization Event has occurred. During the Revolving Period, the Seller may transfer additional Receivables to the Issuer, who will purchase such additional Receivables so long as (a) the Issuer and the Receivables satisfy all conditions set forth in the transaction documents and (b) a Rapid Amortization Event has not occurred and is not continuing. The Issuer may elect to redeem the Series 2022-2 Notes in whole or in part on any payment date on or after the payment date in October 2024. Additionally, the transaction features a partial Call Option, whereby up to 30% of the notes may be redeemed for 103% of par for the first 12 months or 101% of par for the second 11 months, such a call would be applied pro-rata between the notes.

Credit enhancement will consist of overcollateralization, subordination (except for the Class E Notes), excess spread, a reserve account (funded at closing) and the excess funding account.

The Company offers Loans, MCAs and LOCs to Merchants operating in a wide array of industries throughout the United States. To qualify for funding, these businesses generally have a minimum of $10,000 in revenue in the most recent three months and must have at least twelve months of operating history. RFS utilizes their data analytics team and a proprietary scoring model to assess creditworthiness and predict the credit performance of potential customers.

As of August 31, 2022 (the "Statistical Cutoff Date"), the statistical pool of receivables (the "Statistical Pool") had an aggregate outstanding receivables balance of approximately $102.8 million. The Statistical Pool is expected to be representative of the actual Receivables that will be transferred by the Seller to the Issuer on the closing date.

The transaction parties for the RFS 2022-2 transaction are listed below:

Transaction Parties	
Issuer	RFS Asset Securitization V, LLC
Sponsor, Seller, and Servicer	Rapid Financial Services, LLC
Originators	Rapid Financial Services, LLC Small Business Financial Solutions, LLC
Indenture Trustee	U.S. Bank Trust Company, National Association
Custodian	U.S. Bank National Association
Backup Servicer	Vervent, Inc.
Administrator	CBIZ MHM, LLC
Initial Purchaser	Guggenheim Securities, LLC

<table>
<tr><th colspan="2">Key Credit Considerations</th></tr>
<tr><td>Experienced Servicer and Management Team
RFS was founded in 2009, is headquartered in Bethesda, MD and also has an office in Detroit, MI. RFS has provided over $3.0 billion in financing since inception to over 45,000 businesses nationwide. As the successor to Rapid Advance, LLC, which was founded in 2005, RFS has a history of operations and managing a portfolio through the 2008 financial crisis and COVID-19 pandemic. The senior management team, collectively, has over 50 years of experience leading and managing financial companies. The Company employs over 260 people with offices in Bethesda, MD and Detroit, MI. The Management section in this report provides more details on RFS's management team.</td><td>+</td></tr>
<tr><td>Financial Strength and Funding Sources
The Company has had positive operating profits for the past five years. EBITDA for the YTD ended June 30, 2022 was $36.4 million. RFS had total shareholders' equity of $169.2 million as of June 30, 2022 . As of June 30, 2022, the Company had no subordinated debt.</td><td>+</td></tr>
<tr><td>Transaction Structure
The transaction benefits from credit enhancement levels that are sufficient to withstand KBRA's rating stresses. Credit enhancement is comprised of overcollateralization, subordination of junior note classes (except for Class E Notes), a cash reserve account and excess spread.

<u>Overcollateralization</u>: Initial and required overcollateralization ("O/C") is 2.70% of the current outstanding balance of the receivables.

<u>Subordination</u>: Each junior class of Notes will be subordinated in right of payment to each class of Notes that is senior.

<u>Reserve Account</u>: A non-declining reserve account funded on the closing date with an amount equal to 0.50% of the aggregate balance of the Series 2022-2 Notes divided by 97.30%.

<u>Excess Spread</u>: The weighted average receivables yield at origination of the Statistical Pool is approximately 40.67%, which results in excess spread in excess of the coupons of the Notes, monthly fees and expenses. Weighted average excess spread is generally equal to the sum of collections minus the return of the funded amounts of receivables, charged-off receivables, fees and interest (pursuant to the priority of payments) divided by the outstanding balance of all eligible receivables.

<u>Priority of Payments</u>: During the Revolving Period, interest will be paid sequentially to the Notes, and no principal payments will be made. During the amortization period, interest and principal will still be paid to the Notes sequentially, and interest will be paid before principal payments.</td><td>+</td></tr>
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Rapid Amortization Events: The occurrence of any of the following events will be a Rapid Amortization Event as of any Payment Date on or after the January 2023 payment date: ▪ the three-month weighted average calculated receivables yield on such payment date is less than 22.50%; ▪ the three-month weighted average excess spread on such payment date is less than 4.00%; ▪ the three-month average delinquency ratio on such payment date is greater than 15.00%. Refer to the Transaction Structure section of this report for additional Rapid Amortization Events.	
Trigger Efficacy The transaction includes rapid amortization events tied to yield, excess spread and delinquent collateral. KBRA believes the yield, excess spread and delinquency trigger levels are wide relative to issuer performance data in the wake of COVID-19. As a result, rapid amortization may not occur until substantive performance degradation has occurred. ▪ Calculated Receivables Yield: Annualized yield computed using the expected collection period, the funded amount, the RTR Amount and assuming (i) no prepayments or defaults and (ii) monthly scheduled payments are received at an 80.00% Performance Ratio. The Calculated Receivables Yield is 40.67% as of the statistical cut-off date, and never dropped below 39.77% in the Series 2018-1 transaction during the pandemic prior to rapid amortization occurring, yet the Series 2022-2 trigger level is set at 22.50%. Receivables yield of receivables sold to the trust can decrease materially prior to an amortization trigger being tripped. ▪ Excess Spread: Monthly collections minus transactions fees, interest on the notes and monthly charge-offs divided by the receivables balance. Annualized excess spread dropped to a low of 19.40% for Series 2018-1 prior to rapid amortization, yet the Series 2022-2 trigger level is set at 4.00%. ▪ Delinquency Ratio: Is equal to receivables with a Missed Payment Factor greater than one; divided by the receivables balance. The 3-month delinquency ratio in the Series 2018-1 transaction was at 11.05% prior to rapid amortization, yet the Series 2022-2 Delinquency ratio trigger is set at 15.00%. ▪ Partial Call Feature: The transaction allows for up to 30.00% of the notes to be redeemed within the first 2 years. The ability to redeem part of the notes may allow the issuer more flexibility to delay rapid amortization due to deteriorating asset performance which would otherwise be triggered in times of stress by the Delinquency, Excess Spread and Yield Triggers noted above. The Series 2018-1 breached a rapid amortization due to an asset deficiency. The partial call feature would allow the sponsor to partially pay down the notes and potentially cure an asset deficiency.	-
Performance Data KBRA analyzed RFS's static pool performance dating back to 2015. Greater weight was placed on these recent years since there were more originations and these receivables provided a better representation of the originations to be sold to the trust during the revolving period. Since the receivables in the pool have short repayment or remittance terms, KBRA was able to analyze full vintage performance, which included receivables originated prior to and during the pandemic. While small business credit performance throughout the pandemic was influenced by federal aid to small businesses, default rates for RFS portfolio receivables increased by roughly 1.25x – 1.5x times throughout the pandemic. Further detail on KBRA's assumptions is provided in the Cash Flow Analysis section of this report.	+
Revolving Period The transaction features a 36-month revolving period, during which time no payments of principal of the Notes will be made unless the Issuer elects to prepay the Notes in full or in part on or after the payment date in October 2024 during the Call Period. Additionally, during the Revolving Period, if certain triggers are breached or other events occur that cause a Rapid Amortization Period, principal will be paid sequentially on the Notes. Otherwise, the amortization period begins on the November 2025 payment date. During the Revolving Period cash flow from principal collections may be reinvested to purchase additional receivables, based on certain eligibility requirements. The existence of the	-

Revolving Period adds uncertainty to the portfolio composition and could allow the portfolio to become more concentrated, migrate to higher risk loans and vary from the closing date. The Receivables in the transaction are subject to certain concentration limits that, when exceeded, will be excluded from the pool balance, which will require the Issuer to maintain additional credit enhancement for the Series 2022-2 Notes. These concentration limits include industry and state concentrations, receivable balance, years in business, delinquency status, material modifications, and Credit Grade. The pool must also maintain certain thresholds for weighted averaged RTR, yield, weighted average FICO, and Performance Ratio (which is a metric that shows the variance between actual cumulative collections received the expected cumulative collections). A failure to cure a deficiency related to exceeding such thresholds will result in a Rapid Amortization Event. Further detail on the Concentration Limits are provided in the Transaction Structure section of this report.	
Factored Receivables are Not Unconditional Agreements to Repay Under each Factored Receivables Agreement (FRSA), the Business does not unconditionally agree to "repay" the purchased amount. RFS purchases, at a discount and in a lump sum payment, a specified percentage of the business's future receivables that arise from the sale of goods and services in exchange. These purchase transactions are not loans or extensions of credit, but rather "true sales" of a portion of a Factored Receivables where RFS, as purchaser, bears the risk of loss. Each of these purchase transactions is evidenced by a FRSA, pursuant to which RFS receives a specified remittance amount on a daily or weekly basis, which remittance amount may be adjusted from time to time so that the minimum remittance amount is comparable to the percentage of future receivables actually purchased. If the Business fails to deliver the expected receivables or ceases operations, the Company has no recourse against the Business for absolute repayment of any shortfall absent a breach of the FRSA.	**-**
Factored Receivables: Undefined Collection Period and Periodic Collection Amount Factored Receivables are contracts, which unlike traditional loans, contain no set term, maturity date or minimum periodic payment amounts. As of the Statistical Cut-off Date, approximately 4.4% of the portfolio balance is in the form of Factored Receivables, some of which are non-straight line receivables ("Variable Payment Receivables"), however up to 30% of the portfolio could contain Variable Payment Receivables where the Seller expects to receive a varying amount of collections during each period. Further, RFS estimates an expected collection period for the FRSAs at the time of origination. For such Variable Payment Receivables, the amount that the Merchant owes per payment period for Factored Receivables are based on a percentage of sales, which fluctuates with the Merchant's sales volume. In the case of Variable Payment Receivables, RFS and therefore the securitization is entitled to receive only a fixed percentage of the Merchant's receivables if and to the extent such receivables actually exist. If a Merchant has low sales, the Originator's percentage thereof will equal a low amount of remitted receivables. If the Merchant's customers elect to pay for the Merchant's goods or services with cash, fewer purchased receivables will be remitted.	**-**
Loan Receivables Originated by RFS Loan Receivables are repayment obligations where funds are advanced to a Merchant and the Merchant must repay the funds advanced plus fees in fixed amounts at regular intervals (typically daily or weekly). The Federal Government does not regulate the maximum fees charged on commercial loan transactions. However, many states have laws that specify the maximum legal interest rate that may be charged, and some states require that entities making commercial loans are licensed. If the Loan Receivables were found to be governed by the laws of a state other than as identified by the Company, and such other state has a usury law that prohibits amounts charged for the subject Loan Receivables, the obligations of those Merchants to pay all or a portion of the Loan Receivables could be found to be unenforceable RFS's principal place of business is Maryland and most Loan Receivables are governed by the State of Maryland. Maryland does not have a licensing requirement or an interest rate limit applicable to loans extended to corporations or for loans of more than $15,000 made for business purposes.	**-/+**

Because the Merchants agree, per the terms of the applicable Loan Agreement, that the laws of the State of Maryland or their state, if more permissive than Maryland law, will govern their loan, state usury laws that otherwise would be applicable to the loans made in particular states should not apply to the Loan Receivables originated by the Originators.	
Business Originated by Funding Partners RFS originates new Loan Receivables, Factored Receivables and LOCs through funding partners and through direct sales. Historically more than 60% of originations were through the funding partner channel. The Company sources prospective customers through relationships with third-party independent advisors, brokers or companies ("Partners") that offer a variety of services to small businesses. Partner sourced receivables carry greater risk than inside sales products due to potentially incomplete or inaccurate information, misaligned incentives between the Partner and RFS and less oversight of compliance with regulatory requirements. To mitigate this risk, RFS factors this inherent risk into its underwriting scoring process. RFS also monitors Partners, based on deal quality, conversion and losses. Additionally, a portion of Referral Partners are also syndication participants ("Syndication Participants"), that have the option to purchase a participation interest of up to 50% in the receivables originated by RFS, which helps align the interests of RFS and the Partner, mitigating the quality control risk of Partner sourced receivables. RFS has active relationships with over 700 Partners and, based on aggregate funded amounts as of June 2022, no single Partner was responsible for more than 3% of RFS's total aggregate funded amount. Additionally, KBRA believes there will be no recourse to the Issuer in the event that RFS fails to pay a Partner amounts owed based on its participation interest, as RFS is the sole obligor under such syndication agreements.	**-/+**
Portfolio Expected Remaining Term The original contractual or expected term of each individual Loan Receivable and/or Factored Receivable originated by the Company to be included in the pooled receivables ranges from less than 1 month to 24 months. As of Statistical Cutoff Date, the pool has an initial weighted average remaining expected collection period of approximately 11.6 months. The remaining expected collection period is estimated using an approximation for non-straight-line receivables at the time of origination, even though RFS expects to receive varying amounts of collections each period for these receivables. The transaction includes restrictions when adding additional receivables that such receivable has an underwritten expected collection period no more than 19 months. In addition, Concentration Limits restrict 19+ month receivables (receivables with an expected collection period of greater than 19 months) to 10% of the Series Pool Balance. The shorter remaining term allows for less time for an obligor default to occur. KBRA recognizes the tenor of the collateral could create potential stress or affordability issues for the obligors due to the high cost of financing and short-term nature of the Factored Receivables and Loan Receivables. KBRA has addressed this concern in its analysis of the historical performance of the Factored Receivables and Loan Receivables and in the cash flow analysis (see Cash Flow Analysis).	**+/-**
Portfolio Diversity The portfolio is currently diversified across geographic locations and industries. The three largest states based on outstanding receivables balance include Florida (12.6%), Texas (10.4%) and California (7.5%) which represent approximately 30.6% of the total portfolio. All other states are each less than 6.9%. The three largest industry concentrations based on outstanding receivable balance in the transaction include building construction general contractors and operative builders (17.5%), eating and drinking places (11.9%) and Miscellaneous Retail (8.4%). All other merchant industry concentrations are less than 7.2% as of August 31, 2022. The diversity of RFS's managed pool benefited RFS 2018-1 throughout the COVID-19 pandemic. Strict lockdown measures which varied by state would have otherwise created difficulty on collecting payments if the portfolio was concentrated in states with tighter restrictions. By having a diverse collateral pool and high touch servicing practice, RFS was able to maintain high collection levels. As noted in the Revolving Period Key Credit Consideration and the Transaction Structure section of this report, the receivables are also subject to certain other concentration limits, which include state and industry limits, receivable balance, years in business, delinquency status, material modifications, and credit grade.	**+**

Eligible Collateral The Statistical Pool does not contain Receivables that have received a modification and 2.1% of Receivables that have a Missed Payment Factor equivalent of 31 to 60 days past due. Up to 15.0% of the pool can compose of Receivables that have been materially modified, which include receivables that have a reduction in repayment amount or are granted an extension on term, and up to 15.0% of the pool can be up to 60 days past due, respectively. KBRA considered this risk in the development of its base case charge-off expectations. KBRA also assumes the pool will have the worst-case credit grade mix and lowest repayment amount ("RTR Amount") allowable by the concentration limits.	-
Operational Intensity related to Factored Receivables Servicing of Factored Receivables is considered more specialized than servicing typical small business loans as it entails working with credit card processors, handling daily payment remittance and working with merchants who need to be constantly evaluated since the contracts contain no fixed payment amounts or maturities. RFS has demonstrated its ability to service this product for more than 14 years. Additionally, most of the Factored Receivables require daily or weekly payments, which provides a higher frequency of insight and awareness into the financial health of the underlying merchants and may allow for faster reaction time to work out a potential problem situation. Lastly, Vervent, which will act as the backup servicer, has direct experience working with the various products in the portfolio.	-/+
Refinanced Loan and Factored Receivables Merchants who have a Loan Receivable or Factored Receivable balance are actively solicited for a new Receivable once fully paid off or can apply for and be considered for a new Receivable once they have repaid 50% or more of the RTR Amount of the original Receivable. Each Receivable originated after the initial Receivable contract with a Merchant is considered a "renewal". For renewal originations, RFS analyzes the payment or remittance history of the prospective Merchant's prior RFS Loan Receivable or Factored Receivable, length of relationship, and trends in cash flow, stability, bureau attribute trends, and ACH payment performance. Additionally, every renewal is provided additional funds (no renewal for the purpose of simply extending the actual or estimated term of the previous obligation). Due to the additional data available to RFS to make their underwriting decision, renewals generally perform better than similar products to new customers. KBRA views renewals, that are originated according to RFS's current credit policy as a credit positive. Performance data has demonstrated that renewal Loan and Factored Receivable have performed better than similar products for new customers. This performance is considered in RFS's Loss Estimation Model ("LEM") and was considered in KBRA's loss assumptions.	+
Experienced Back-Up Servicer RFS will be the primary Servicer and is responsible for all collections and payment processing activities including when the receivable is charged off. If RFS is terminated as Servicer, Vervent will act as the Back-Up Servicer. Performance could be negatively impacted while servicing responsibilities are transferred to the Back-Up Servicer. Duties of the Backup Servicer include data mapping, transition plan development and monthly reporting obligations. Vervent has extensive experience as a servicer, with an experienced management team, a large global staff, and owns loan service centers, offices and data centers around the world. Vervent has been the back-up servicer for several other small business loan and merchant cash advance securitizations. KBRA views Vervent as a credit positive for the transaction.	+
Guarantees The Loan Receivables require a personal guarantee from business owners who sign the Business Loan and Security Agreement (LSA) and Factored Receivables purchased under a Future Receivables Sale Agreement (FRSA), and the LOCs require a performance guarantee from the business owner. The LSAs require a personal guarantee of full repayment and performance from business owners that sign the LSA. The FRSA's performance guarantee imposes liability on the business owner only if there is a breach of the specific representations and warranties listed in the FRSA. The Merchant represents that	+

during the term of the agreement they will not: i) sell the Future Receivables to another entity, ii) change its business location without prior consent of the purchaser or close its business for renovation, iii) change or add credit card processors, iv) take action to intentionally discourage the use of payment cards, v) undertake a change in ownership or control, vi) take any action to cause the future receivables to be settled in a different bank account; among other covenants. As a result, the following will <u>not</u> cause a breach of a representation and trigger a claim under the performance guarantee: Merchant going out of business, declaring bankruptcy or failure to generate and remit the purchased receivables due to a slow down as a result of an a) act of God, b) deconstruction of the Merchant's business, c) death of the owner, d) the owner becoming seriously ill or disabled and can no longer work or e) a decline in business caused by market or other forces despite the Merchant's good faith efforts to succeed. The personal guarantee from the guarantor under the LSA is unlimited and without condition. As of the Statistical Cutoff Date approximately 81.6% of the Statistical Pool is comprised of Loan Receivables and only 4.4% of the pool is comprised of MCA. LOCs represent 14.0% of the Statistical Pool as of the Statistical Cutoff Date.	
Regulatory Environment for Alternative Financial Services Platforms The alternative or specialty financial services industry is a high-growth, high-profile sector that has attracted the attention of various regulators. Although there have been few statutory or regulatory requirements imposed specifically on alternative or specialty financial service companies to date, the Company's business may become subject to additional or different regulations in the future. <u>Business Loans Considered Consumer Loans:</u> Although Merchants agree that they are entering into a commercial transaction and that the proceeds of the Loan Receivables will be used solely for commercial purposes and will not be used for personal, family, or household purposes, if the Loan Receivables are deemed not to constitute business loans, RFS could become subject to the purview of the CFPB and other additional federal and state regulatory agencies. Such additional regulatory scrutiny and potential additional regulation could impose specific statutory liability on creditors who fail to comply with the provisions of applicable laws and regulations. There have been several recent noteworthy state law developments. California, New York, Utah and Virginia will soon require loan "providers" to furnish certain consumer-like disclosures to prior to the consummation of commercial financing transactions. The Company believes that a violation of these laws does not impair the validity of the loans or expose the assignee to liability per opinion of counsel, however KBRA notes the continued regulatory scrutiny in the industry. <u>Factored Receivables classified as Loans:</u> It is generally believed that as long as a Factored Receivable does not require the merchant to "repay absolutely" the cash advance, the Factored Receivable should not be considered a loan. However, if a Factored Receivable is determined to be an unconditional promise to pay, a court may re-characterize it as a loan. The Factored Receivable agreements are "purchase agreements" which clearly state the Merchant is selling the right to future receivables to RFS in exchange for the transfer of funds and both parties agree that the purchase agreement shall not be "be construed as a loan from the Company to the Merchant" and that the Factored Receivable does not have an interest rate. KBRA anticipates that regulatory scrutiny will continue and may increase in the future but believes that the Company is proactively seeking to address any regulatory concerns and promote transparency in its lending platform operations.	**-/+**
Third Party Due Diligence Review CBIZ MHM, LLC will be engaged as the Administrator to provide certain reporting services both monthly and annually, including a data file review of a sample of 100 Receivables (consisting of the 50 largest receivables and 50 receivables chosen in the Administrator's judgement) from the Servicer's month-end data file, and compare, confirm or calculate 18 data fields with reference to the source documents or the Servicer's operating system, as applicable. If the sample error rate of any of the data fields exceeds 4%, then in the following month the Administrator will review 200 Receivables consisting of the 100 largest receivables and the other 100 receivables based on judgment. If the sample error rate still exceeds 4%, then the Administrator will notify various transaction parties of a data integrity discrepancy, and a Receivable File Discrepancy Event will occur which constitutes an Event of Default under the Indenture.	**+**

Third party review and verification of data should contribute to higher quality reporting and identifies potential errors and will result in an acceleration of the repayment of the notes if data and reporting errors are prevalent.	
Lack of UCC Filing The Originator is authorized, but not required, to file a UCC-1 financing statements to perfect its security interests. In certain instances, RFS will only file a UCC-1 if risk factors become present including an event of default by the Merchant. As a result, the Originator's security interest under the Factoring Agreement or Loan Agreement may be unperfected or subject to the prior liens of other creditors, which could impact the recovery on the receivables. However, under the Servicing Agreement, the Servicer will file a UCC-1 statement to protect the purchased receivables and the security interest in the personal property of the Merchant if a Receivable becomes 60 days delinquent based on a Missed Payment Factor greater than (a) 44 for Daily Pay Receivables, (b) 8 for Weekly Pay Receivables, and (c) 4 for Bi-Weekly Pay Receivables.	**-**
Macroeconomic Factors From mid-2020 through Q3 2021, most consumer finance sectors experienced positive credit performance owing to tighter origination standards through the early part of the pandemic, increased personal savings rates and reduced consumer debt burdens. Credit performance was influenced by a strong labor market pre-pandemic, low interest rate environment, and widespread borrower assistance programs, including federally mandated mortgage and student loan forbearance options. In addition, several rounds of government stimulus meaningfully contributed to positive credit performance. While RFS 2022-2 may include Receivables made to businesses that were more resilient during the pandemic, as these businesses were able to maintain sufficient revenue and cashflow to pass underwriting requirements and credit performance has improved recently, consumer credit performance is beginning to show weaker year-over-year metrics as credit trends normalize toward pre-pandemic levels. All meaningful borrower relief programs have ended, with the exception of federal student loan forbearance which is scheduled to expire on December 31, 2022 and most issuers have reverted to pre-pandemic origination practices. Inflationary pressures and rising interest rates weigh on consumer balance sheets. While the tight labor markets should help to hamper the pace and magnitude of any credit deterioration, declining savings rates indicate that wage increases are not keeping up with inflation, and that consumers are accessing savings built up during the pandemic to support expenses. Furthermore, the Fed’s efforts to fight inflation are increasing the probability of an economic slowdown and higher unemployment. These factors, were considered in KBRA’s rating analysis, which assumed losses will increase to higher levels over the term of the subject securitization.	**+/-**

Transaction Summary

The chart below displays the characteristics of the collateral pool and credit enhancement structure of RFS 2022-2 compared to the prior RFS 2022-1 and RFS 2021-1 transactions.

	RFS 2022-2	RFS 2022-1	RFS 2021-1
Transaction Date	11/2/2022[1]	6/29/2022	7/28/2021
Collateral Stratification			
Initial Pool Size (as of statistical cutoff date)	$105,036,423	$212,572,448	$115,366,726
Average Original Receivables Balance per Receivable	$50,297	$58,282	$49,289
Weighted Average Original Expected Term (months)	13.7	14.8	13.1
Weighted Average RTR Ratio	1.32x	1.32x	1.33x
Weighted Average Calculated Receivables Yield at Origination	40.67%	37.39%	43.53%
Weighted Average Credit Score	683	685	676
Weighted Average Time in Business (years)	13.5	13.5	13.0
Weighted Average Performance Ratio/Collection Variance Ratio	99.5%	98.9%	102.6%
Percentage of Advance Receivable / MCA	4.4%	3.6%	5.5%
Percentage of Loan	81.6%	91.9%	94.5%
Percentage of LOCs	14.0%	4.5%	0.0%
Concentration Limits			
Maximum Percentage of Non-Straight Line Receivables in Pool	30.0%	30.0%	30.0%
Minimum Total Receivables Weighted Average Perfomance Ratio/Collection Variance Ratio	80.0%	80.0%	80.0%
Minimum Total Receivables Weighted Average RTR Ratio	1.250	1.215	1.215
Minimum Total Receivables Weighted Average Yield	22.50%	22.50%	22.50%
FICO Distribution			
Less than 500	0.42%	0.29%	0.32%
500 to 549	1.41%	1.35%	1.55%
550 to 599	5.96%	6.97%	9.76%
600 to 649	19.58%	18.59%	20.18%
650 to 699	33.59%	30.68%	32.44%
700 to 749	25.08%	26.01%	23.99%
750 to 799	12.17%	14.04%	9.80%
800 to 850	1.78%	2.07%	1.93%
Industry Diversification			
Industry 1	Construction: 17.50%	Construction: 14.65%	Construction: 14.75%
Industry 2	Eating and Drinking: 11.88%	Eating and Drinking: 10.65%	Health Services: 9.42%
Industry 3	Miscellaneous Retail: 8.35%	Health Services: 7.90%	Miscellaneous Retail: 8.68%
Geographic Concentration			
State 1	FL: 12.64%	FL: 12.89%	TX: 10.69%
State 2	TX: 10.44%	TX: 10.00%	FL: 10.33%
State 3	CA: 7.51%	CA: 7.95%	NY: 7.37%
Initial Note Balance			
Class A	$60,329,000	$63,157,000	$63,157,000
Class B	$9,045,000	$11,316,000	$11,316,000
Class C	$12,230,000	$11,316,000	$11,316,000
Class D	$9,609,000	$9,211,000	$9,211,000
Class E	$8,787,000	$5,000,000	$5,000,000
Total [2]	$100,000,000	$100,000,000	$100,000,000
Credit Enhancement (% of Initial Collateral Amount)			
Overcollateralization	2.70%	5.00%	5.00%
Reserve Account	0.50%	0.50%	0.50%
% Total Initial Credit Enhancement			
AAA (sf)	41.80%	40.50%	40.50%
AA (sf)	33.00%	29.75%	29.75%
A (sf)	21.10%	19.00%	19.00%
BBB (sf)	11.75%	10.25%	10.25%
BB (sf)	3.20%	5.50%	5.50%
KBRA Base Case Cumulative Charge-Off Rate Expectation			
KBRA Base Case Charge-Off Rate	8.24%	8.84%	8.84%

(1) Expected Closing Date; Collateral stratification as of August 31, 2022.

(2) Total Initial Note Balance is only reflective of additional Series issuances since transaction closing for RFS 2022-1.

Key Changes from RFS 2022-1 Notes Issuance

Since the RFS 2022-1 closing date, KBRA has had additional follow up meetings to discuss operating changes, originations and the current regulatory environment for the Company. EBITDA for the fiscal year ended December 31, 2021 was $105.0 million and is $36.4 million as of YTD June 30, 2022. Aside from this, KBRA notes no significant changes to operations and no new material litigation since the closing of the Series 2022-1 Notes on June 29, 2022.

<table>
<tr><th colspan="2">Company</th></tr>
<tr><td>Operational Improvement</td><td>RFS has continued to grow its team and streamline operations to 287 employees as of September 30, 2022. This growth is notable considering a number of other originators faced headwinds over the last few years in the face of the COVID-19 crisis. The Company has also grown its EBITDA from approximately $4.2 million in 2019, to $105.0 million in EBITDA for the fiscal year ended December 31, 2021 and is $36.4 million as of YTD June 30, 2022.</td></tr>
<tr><th colspan="2">Collateral</th></tr>
<tr><td>Increase in Line of Credit Product</td><td>The RFS 2022-2 collateral pool as of the cutoff date has a higher concentration of LOC Receivables compared to RFS 2022-1 (14.0% vs 4.5%).</td></tr>
<tr><td>Hurricane Ian Impacted Collateral</td><td>With regards to any receivables that are in designated disaster areas under the Federal Emergency Management Agency (FEMA), the transaction will add the following to the definition of Eligible Receivables:
1) If Receivable relates to a Merchant located in any zip code in the FEMA/Hurricane Ian impacted areas (“Hurricane Ian Impacted Merchant”), such Receivable will only be included in the transaction if the applicable Merchant’s business with respect to such Receivable, as of the related Transfer Date, is (i) open for business and (ii) re-underwritten (if originated prior to December 1, 2022) or underwritten by RFS or the Originator to confirm that such Receivable an Eligible Receivable (as determined by RFS or the Originator on such transfer date).
2) If Receivable relates to a Hurricane Ian Merchant and was originated prior to 12/1/22, such Receivable will only be included in the transaction if RFS or the Originator has (i) received on time payments in respect of such Receivable since the latter of (a) the date of origination and (b) September 28, 2022 and (ii) such Receivable was originated at least 60 days before the related transfer date.</td></tr>
<tr><th colspan="2">Transaction Structure</th></tr>
<tr><td>Change In Indenture Trustee</td><td>The Indenture Trustee has changed from U.S. Bank, National Association. to U.S. Bank Trust Company, National Association.</td></tr>
<tr><td>Change in Concentration Limits</td><td>Concentration limits for Series 2022-2 vary from those in Series 2022-1 in terms of credit grade, origination loan size, and origination loan term. However, it still maintains adequate diversification, allows the Company greater flexibility when originating, and is expected to have a credit neutral effect on the transaction.

Changes in concentration limits are as follows:
<table>
<tr><th>Concentration Limit</th><th>Series 2022-2</th><th>Series 2021-1 & 2022-1</th></tr>
<tr><td>Receivables with a Risk Tier of 1 is equal to at least</td><td>2.00%</td><td>6.00%</td></tr>
<tr><td>Receivables with a Risk Tier of 1 or 2 is equal to at least</td><td>12.00%</td><td>14.50%</td></tr>
<tr><td>Merchants with outstanding Receivables balances > $75,000</td><td>55.00%</td><td>50.00%</td></tr>
<tr><td>Maximum LOC*</td><td>20.00%</td><td>10.00%</td></tr>
<tr><td>Maximum 19-24 month Receivables*</td><td>5.00%</td><td>10.00%</td></tr>
<tr><td>No receivables that cause the weighted average RTR Ratio to be belov</td><td>1.250</td><td>1.215</td></tr>
<tr><td>Max Risk Tier for LOC</td><td>8</td><td>6</td></tr>
<tr><td>Min Credit Score for LOC</td><td>450</td><td>550</td></tr>
<tr><td>Max WA Risk Tier for LOC</td><td>4.40</td><td>N/A</td></tr>
</table>
*In Series 2021-1 and 2022-1, the maximum concentration limit for 19-24 month Receivables and LOC were a combined 10%. For Series 2022-2, they each have their own distinct limit of 10.00%.</td></tr>
</table>

KBRA assumed the worst-case pool distribution when running cashflows. More information on Series 2022-2 concentration limits is detailed in the Transaction Structure section.

Credit Enhancement

Credit enhancement for the notes is greater for the Series 2022-2 than that for the Series 2022-1. This is driven from the KBRA's lower expected charge-off rate. Credit enhancement differences are show in the table below.

Deal Name	RFS 2022-2	RFS 2022-1	Difference
% of Total Initial Credit Enhancement			
AAA (sf)	41.80%	40.50%	1.30%
AA (sf)	33.00%	29.75%	3.25%
A (sf)	21.10%	19.00%	2.10%
BBB (sf)	11.75%	10.25%	1.50%
BB (sf)	3.20%	5.50%	-2.30%
Credit Enhancement (% of Initial Collateral Amount)			
Overcollateralization	2.70%	5.00%	-2.30%
Reserve Account	0.50%	0.50%	0.00%
KBRA Base Case Cumulative Net Loss Expectation			
Mid Point of KBRA Base Case Loss Range	8.24%	8.84%	-0.60%

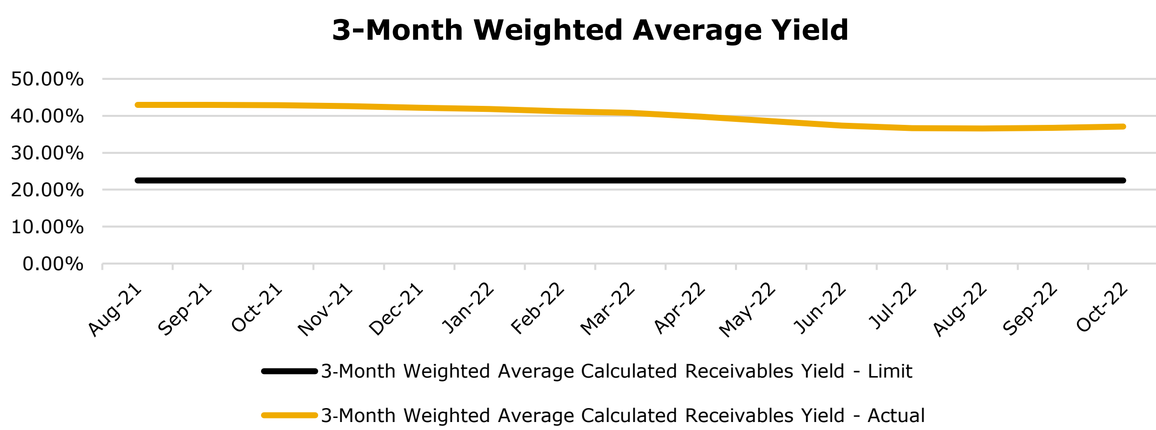
The lower KBRA base case loss is primarily driven by reduced assumptions by credit tier due to improved and/or stable performance by Risk Tier.

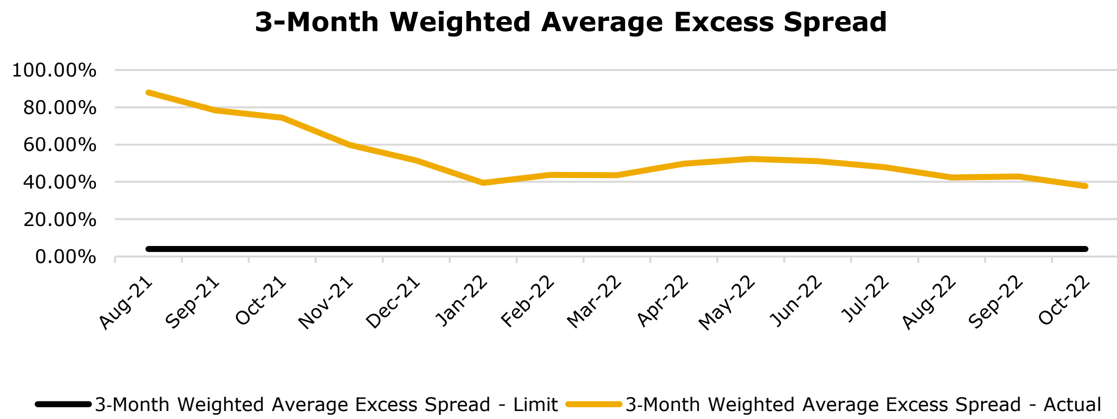
Performance of RFS Asset Securitization II LLC

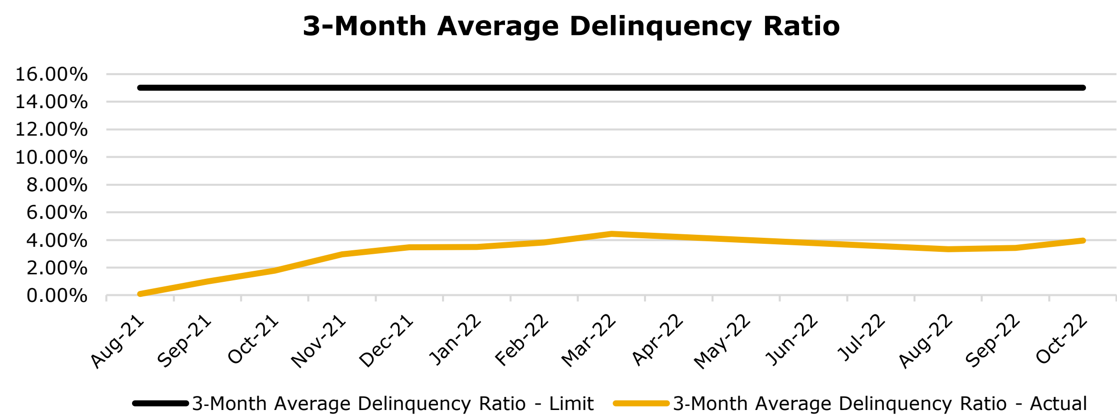
KBRA has outstanding ratings on RFS Asset Securitization II LLC. To date, timely interest distributions have been made to each of the outstanding notes through the October 2022 distribution date, and credit support levels have increased since closing.

Performance Triggers

Below are charts tracking the three-month weighted average calculated receivables yield, weighted average excess spread, and average delinquency ratio against their respective triggers.







KBRA Process

In performing the rating review, KBRA utilized its General Global ABS Rating Methodology for Asset Backed Securities, as well as its Global Structured Finance Counterparty Methodology and ESG Global Rating Methodology. Within the General Global ABS Rating Methodology, the transaction falls within Category 1 – Financial Assets, which typically relates to transactions that are backed by pools of consumer or commercial financial obligations owed by diverse obligors with payment terms that fully pay interest and principal on the Asset-Backed Securities.

KBRA's general methodology incorporates an analysis of: (1) the underlying collateral pool, (2) the platform's historical static pool data, segmented by characteristics including credit quality and product type, (3) the proposed capital structure for the transaction, (4) KBRA's operational review of the platform and servicer, and (5) the legal structure, transaction documents, and legal opinions.

KBRA considered its operational review of RFS which was conducted at their Bethesda, Maryland headquarters as well as periodic business update calls with the Company over the past few years. Operative agreements and legal opinions will be reviewed prior to closing.

Sponsor, Seller and Servicer

The following overview is based on information provided by RFS.

Company Overview

Rapid Financial Services, LLC, a Delaware limited liability company ("RFS" or the "Seller") and Small Business Financial Solutions, LLC, a Delaware limited liability company ("SBFS", together with RFS, the "Company") is a specialty financial services company that uses its proprietary risk scoring models, transactional data, and technology systems to provide capital to small and medium-sized businesses. RFS was founded in 2009, is headquartered in Bethesda, MD and also has an office in Detroit, MI. RFS has provided over $3.0 billion in financing since inception to over 45,000 businesses nationwide.

In 2013, Rockbridge Growth Equity LLC ("Rockbridge") invested in RFS to develop a world class technology platform for small business financing. Rockbridge is a Detroit based private equity firm focused on bringing technology investment to high growth, middle market financial services businesses. Since the investment, the Company has replaced and enhanced its underwriting and operational workflows, credit modeling and risk-based pricing engine, Loan Receivables and Factored Receivables system of record, partner channel systems and integrations, and built a direct sales and marketing operation based in Detroit. The result has been scalable growth, streamlined operations, decreased costs per acquisition, and improved risk prediction.

As of September 30, 2022, he Company employees 287 people with offices in Bethesda, MD and Detroit, MI. The Company has positive operating profit for the past 5 years. EBITDA for the YTD ended June 30, 2022 was $36.4 million. RFS had total shareholders' equity of $169.2 million as of June 30, 2022. As of June 30, 2022, the Company had no subordinated debt.

Management

Jeremy Brown, Chairman and Co-founder
Mr. Brown founded RFS and was the Company's CEO until 2015, after which he assumed the role of executive chairman. He has over 30 years of management experience running small and mid-sized businesses in various industries. Before co-founding RFS, Mr. Brown served as COO of a national audiovisual service company, the CEO of a commercial construction contractor, and president of a retail computer company.

Will Tumulty, Chief Executive Officer
Mr. Tumulty joined RFS as CEO in 2015. He has 20 years of experience in the banking and payments industry and has held management positions in marketing, operations and IT at Capital One and AccountNow. In 2006, Mr. Tumulty founded Ready Financial Group, Inc., a prepaid debit card and online payment service, and served as president and CEO until the firm was acquired by Green Dot in 2015.

Mark Cerminaro, Chief Revenue Officer
Mr. Cerminaro is RFS's Chief Revenue Officer and joined the Company in 2007. He oversees business development, third-party relationship management, and partnership sales efforts. Prior to joining the Company, Mr. Cerminaro was a financial advisor and associate branch manager at Morgan Stanley. He was named a 2016 40 Under 40 award winner by the Commercial Finance Association, an award that recognizes finance professional and service providers in the industry.

Joseph Looney, Chief Operation Officer and General Counsel
Mr. Looney has served as COO and General Counsel of RFS since 2007. Mr. Looney oversees the Company's legal and compliance functions. Prior to joining the Company, he was a partner at Hudson Cook, LLP where he specialized in financial services compliance.

Bogdan Nastea, Chief Technology Officer
Mr. Nastea has served as Chief Technology Officer of RFS since 2012. Prior to joining RFS, Mr. Nastea worked on Accenture led government contracts and ran technology for multiple firms, including State Ventures LLC from February 2010 to December 2012.

Young Kim, Chief Financial Officer
Mr. Kim joined RFS in 2016 after serving as Vice President and Controller at CW Capital Asset Management from 2011 to 2016. He also served in various management roles at Fannie Mae and Freddie Mac between 2001 and 2011. Mr. Kim's career experience includes over 15 years in the financial services industry and seven years in audit and financial consulting roles with Deloitte and PricewaterhouseCoopers. Mr. Kim is a CPA.

Terry Thornton, Chief Credit Officer
Mr. Thornton joined RFS in January 2018 as Vice President of Credit and Analysis. He previously worked at Capital One for 23 years in various Credit Risk Management, Credit Talent Development, and Marketing roles.

Origination

RFS originates Loan Receivables, Factored Receivables and LOCs through the following channels:

RFS provides loans and receivable factoring to small and medium size businesses that operate in all 50 U.S. states and the District of Colombia. RFS's core market is businesses with less than $10 million in annual sales in all industries consistent with the RFS credit policy and underwriting guidelines.

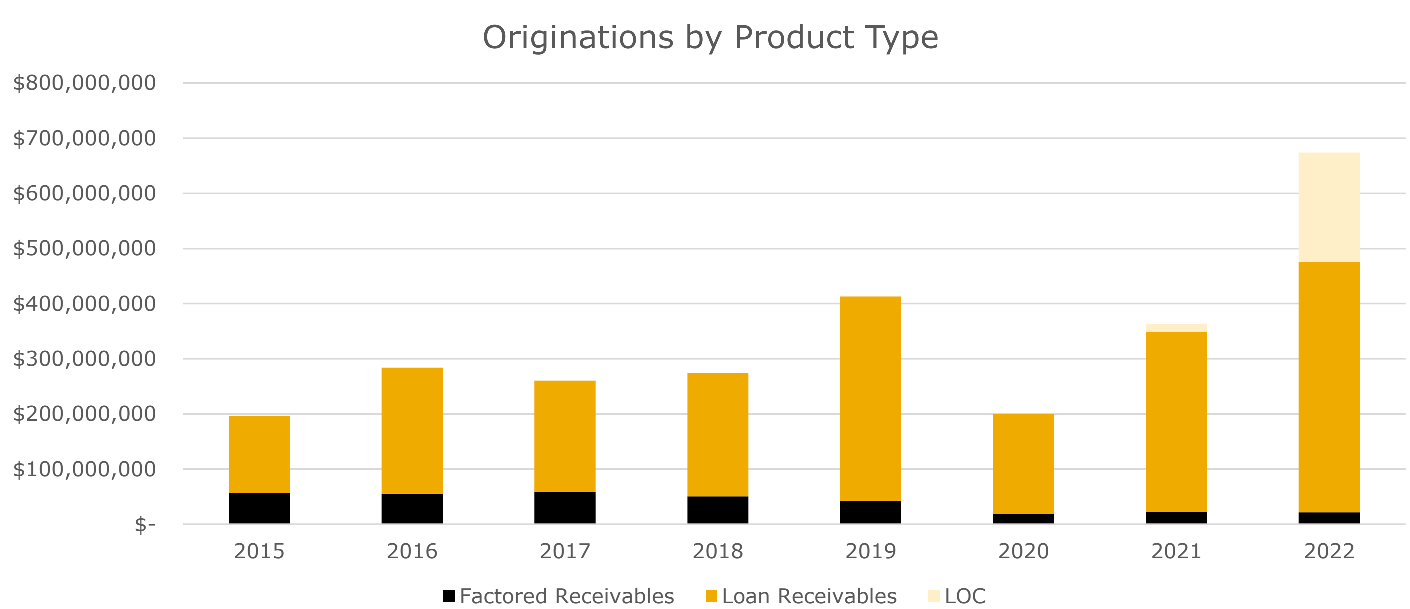
RFS originates new Receivables through three primary origination channels:

- **Funding Partners:** RFS originates the majority of its new Loan and Factored Receivables through funding partners and direct sales. RFS has been originating through their funding partner channel since 2007. In the funding partner channel, the Company sources prospective customers through relationships with third-party independent advisors/brokers ("Brokers" or "Partners"), which operate principally in the merchant acquisition, credit card processing and equipment leasing verticals. Partners submit applications to RFS via an online portal that feeds into the RFS Platform, through e-mail, and through application programming interface connectivity. To become a Partner, the Partner must sign an agreement with RFS and receive training. As of the Statistical Cutoff Date, RFS had active agreements with over 700 Partners with no single partner accounting for more than 3% of originations.
- **Direct Sales:** RFS's marketing department solicits Merchants through multiple acquisition channels, including search engine marketing and search engine optimization, TV advertisements, direct mail, referral partners, display advertisements on Facebook and other social media websites, and retargeting prior RFS customers.
- **Repeat Merchant Customer:** RFS also originates Loan and Factored Receivables through its existing Merchant base. When a Merchant that has previously received a Loan or Factored Receivable from RFS returns for a repeat product, including Merchants initially acquired via a funding partner, RFS's internal sales team typically interacts directly with the Merchant to help facilitate the process.

Merchants with an outstanding Loan Receivable or Factored Receivable may be considered for a renewal. The proceeds of the new Loan or Factored Receivable may be applied to repay or satisfy the outstanding RTR Amount of the existing Loan or Factored Receivable before any proceeds are remitted to the Merchant. In order to be approved for a renewal, merchant must requalify based on its current credit and underwriting standards and meet specific criteria, such as a minimum of 50% of the RTR amount of an existing Loan or Factored Receivable must be paid down or remitted.

Originations

RFS underwrites, processes and services all of the Loan and Factored Receivables on its platform regardless of acquisition channel. RFS's portfolio is comprised of these Loan and Factored Receivables and it conducts business in all 50 states. The table below summarizes the breakdown of each product that RFS has originated since 2015 through September 30, 2022.



Participation Arrangements

RFS may enter into participation agreements (the "Master Syndication Agreements") with various third parties (the "Syndication Participants"). Under the Master Syndication Agreements, the Syndication Participants may request to participate and provide funds to RFS equal to a portion of the aggregate Loan or Receivables purchase made under the applicable Merchant Agreement. Such requests are generally required to be received by RFS prior to the origination of the applicable Receivable. If a Syndication Participant requests to participate and RFS approves, the Syndication Participant will have a participation interest related to a specified percentage of such Syndicated Receivable. The portion of the Syndicated Receivables sold to Syndicated Participants will not be reflected in the Series 2022-2 Adjusted Pool Balances and the Issuer has no obligation to pay any amounts to the Syndication Participants.

Underwriting

RFS takes into account all available information when evaluating a Merchant's eligibility for each of its products. RFS's underwriting process verifies the identity of the applicant, assesses the applicant's intent and ability to repay, and makes an offer that RFS believes is within the Merchant's ability to repay at an appropriate risk-based price.

RFS utilizes a two-step process for underwriting: Upfront Underwriting and Backend Underwriting

Upfront Underwriting: RFS performs upfront underwriting upon receipt of an application from a Merchant. In this process RFS:

- reviews the submission form, associated businesses, nature of the business, age of the business, general geographic location, revenue, entity type, prior RFS funding history, prior repayment history and prior approvals or declines;
- generates a risk score based on personal credit history, business credit history, bank statements and application data and reviews a personal credit report for recent derogatory events to assess business revenue and cash management;
- reviews bank statements data for sufficiency of revenue and to check for auto decline items in respect of personal bank accounts, such as excessive negative bank balances, concentration of revenue or inconsistency in revenue, or pre-existing balances with other lenders or competitors;
- performs background checks on the Merchant;
- completes bank statement analysis to assess income accuracy;
- analyzes credit card statements (if provided by Merchant).

RFS's proprietary risk models use a combination of business, business owner, and product attributes to optimize underwriting decisions. RFS's RAM model assesses the riskiness of the Merchant based solely on the attributes of the owner and Merchant's business (the product features are not taken into account). Then a Loss Estimation Model ("LEM") uses the combination of RAM credit score, prior relationship history with the obligor and specific product features to determine a loss estimate.

The LEM Score can range from 0 to 100% and is an estimated rate of default, however the Company categorizes each of their originations into 10 Risk Tiers by LEM Score.

Once a LEM Score is determined from the model, certain hard-cut business rules and other requirements to determine product eligibility options for merchants. These rules include minimum time in business, thresholds on funding size, term and certain other restrictions.

Backend Underwriting: Prior to funding, RFS performs backend underwriting upon receipt of a signed Merchant Agreement. Backend underwriting consists of the following:

- review the file, analyze any new documentation provided, and request additional information if any underwriting concerns are not addressed;
- confirm conditions precedent to funding have been satisfied;
- perform an additional background check to determine if any new adverse filings have been made since the date of the offer and analyze any new documents provided;
- potentially conduct reference calls and a funding call to make the customer aware of their payment obligations after funding;
- complete any additional missing items and submit the file to a manager for final review and initiation of the funding.

Servicing

RFS will act as the servicer of the Pooled Receivables and the Related Security pursuant to the servicing agreements. The Company, through its predecessor, has been servicing its Factored Receivables since first originating the product in

2005 and has been servicing its Loans since these were introduced in 2010. RFS's collections representatives, which consist of about 30 personnel, are responsible for contacting Merchants who have missed one or more payments or are in default of their Merchant Agreement. Collections representatives will work with Merchants who have missed one or more payments to try to maintain a business relationship in an effort to enhance the collectability of the Receivables.

The Merchant's operating account used by RFS to underwrite the Loan, or Factored Receivable is required to be the designated Merchant bank account used for the ACH debit process. RFS will either debit the Merchant's bank account daily or weekly depending on the receivable's payment frequency.

Delinquency Collections and Recoveries
RFS segments the servicing for In Risk accounts based on consecutive days of non-payment by the Merchant. Each segment has a specific strategy that is utilized to return the Merchant to paying in accordance with the terms of the applicable Agreement.

I) Stage one of the collections cycle covers loans and factored receivables for which there have been 1 to 16 days of non-payment by the Merchant. In this stage, RFS focuses on understanding the cause of the missed payments and returning the Merchant to compliance with the automated cash management platform, restarting payments and making up any payments that were missed. If payments were missed due to hardship, unanticipated variables in sales volume or other influences, and the Merchant is unable to return to its scheduled payments plan, the collection agent can request a temporary adjustment to the payment amount or frequency in an effort to reestablish compliance with the Merchant Agreement.

II) Stage two of the collections cycle covers loans and factored receivables for which there have been 17 to 30 days of non-payment by a Merchant. In stage two, assuming RFS has identified a breach, RFS seeks to collect a single payment from the delinquent Merchant to demonstrate a good faith intention to repay the amounts due. A collection agent then works with the Merchant to find a longer term solution to the delinquency either through adjustments to the payment frequency or amount, a change in the method by which collection is obtained, or other strategies that will return the Merchant to compliance with the original terms of the Merchant Agreement.

III) Stage three of the collections cycle covers loans and factored receivables for which there have been 31 to 60 days of non-payment by the Merchant. In this stage, collection agents contact the delinquent Merchant and its owners to negotiate a repayment plan, if there has been a breach. Third party information services are utilized to identify the most effective method of communication. Advanced skip tracing and broader calling plans may be utilized.

Any receivables for which no payment has been received for more than 60 days are categorized as "charged-off" pursuant to the Credit Policy and included in stage four of the collections cycle. RFS seeks to maximize recovery by offering a longer payment period or other terms to maximize the recoveries. RFS will, in many instances, reach a settlement with a Merchant that materially affects the original payment terms by, for example, agreeing to accept less than the full RTR Amount owing under a Merchant Agreement or accepting an extended repayment period. Under the Transaction Documents, the Issuer can sell any Charged-Off Receivables to the Servicer or a wholly owned subsidiary thereof subject to the satisfaction of certain conditions.

Regulatory

RFS is subject to extensive federal, state and local regulation. Although merchants agree that they are entering into a commercial transaction and that the proceeds of the loans will be used solely for business purposes, if the loans are deemed not to constitute business loans, RFS could become subject to the purview of the CFPB and other additional federal and state regulatory agencies. In addition, changes in laws or regulations could subject RFS to additional licensing, registration and other regulatory requirements in the future or could adversely affect its operations. RFS's current policies and procedures have been reviewed by its internal legal and compliance staff with advice from external regulatory compliance counsel.

Collateral Summary

Collateral Overview

RFS offers three product types: Loan Receivables, LOC, and Factored Receivables, (which are also known as merchant cash advances). The primary difference between Loan Receivables and MCA Receivables is whether periodic payment amounts are fixed or variable.

Loan Receivables

Loan Receivables are comprised of Term Loan Receivables and Line of Credit (“LOC”) Receivables. Each Term Loan Receivable is a non-revolving, fixed-rate business loan made to a borrower by the Originator. Each Term Loan Receivable has a term of up to 24 months and provides for scheduled daily, weekly or bi-weekly payments. The Term Loan Receivables will be fully amortizing loans and will require equal scheduled loan payments over their terms.

At origination, RFS will provide a Merchant with a funded amount, and the Merchant is expected to pay RFS a Repayment Amount (“RTR Amount”). The RTR rate is multiplied by the funded amount to determine the RTR Amount. For instance, if the funded amount is $100 and the RTR rate is 1.30x, the RTR Amount is $130. Daily, weekly, or bi-weekly payments on the Term Loans are fixed and determined using the RTR amount and Term Loan original term.

Loan Receivables are secured by a pledge from the related Merchant of a security interest in all of the Merchant’s business assets. The Loan Agreement authorizes the Originator to file a UCC-1 financing statement to perfect its security interest. Each Loan Agreement provides for a personal guarantee of payment and performance of all contractual covenants by the applicant.

Line of Credit Receivables

Each LOC Receivable is a revolving line of credit, fixed rate business loan made to a borrower by the Originator. A LOC Receivable will have a principal amount outstanding and accrued but unpaid interest outstanding. Each LOC Receivable provides for scheduled weekly payments that are re-calculated at the time of each draw and provides for payment of the then outstanding balance over six, nine or 12 months from the date of the most recent draw. There is no fixed term for the LOC Agreement. RFS performs a credit evaluation at the time of each draw.

An LOC Receivable is a Loan Receivable that can be prepaid without penalty (i.e., the Merchant will not owe the full RTR Amount, just the current month’s interest payment) and with respect to which the Merchant may make additional Draws in the Originator’s discretion to the extent provided in the related LOC Agreement. Upon the commencement of a Rapid Amortization Event, no further draws will be permitted under the LOC Agreements. These draws increase the total outstanding principal amount of the LOC Receivables held by the Issuer, as the Issuer purchases the additional amount represented by the draw with Principal Proceeds.

Factored Receivables

RFS also provides Merchants with funding in the form of Factored Receivables by purchasing a specified amount of a Merchant's future payment receivables that arise from the sale of goods and services in exchange for a discounted purchase price paid in a lump sum up front. These are not considered loans but rather "true sales" of a portion of a Merchant's future receivables. RFS, as purchaser of the future receivables, bears the risk of loss.

Similar to Term Loans, Factored have initial funded amounts and RTR Amounts; however, Factored Receivables do not have a stated term or fixed periodic payments. RFS estimates a collection period for it to receive the RTR Amount, and instead of receiving fixed payments, RFS is owed a specified percentage of the Merchant’s daily or weekly sales under the agreement.

RFS as Originator has the right to file one or more UCC-1 financing statements to evidence its security interest in receivables, in the event of breaches of specified representations, warranties or covenants under the Factoring Agreement, to perfect its security interest in collateral.

In each Factoring Agreement, the Merchant represents and agrees that the transaction is a sale transaction and not a loan and that the Merchant will not use any amount advanced for personal, family or household purposes.

Collateral Composition of Statistical Pool:
The table below summarizes the characteristics of the total Statistical Pool as of the Statistical Cutoff Date.

RFS 2022-2 Summary (As of 8/31/2022)	
Number of Receivables	2,789
Number of Obligors	2,536
Average Number of Receivables per Obligor	1.10
Pool Outstanding Receivables Balance	$105,036,423
Percentage of Total Outstanding Receivables Balance	100.00%
Average Outstanding Receivables Balance per Receivable	$37,661
Maximum Outstanding Receivables Balance per Receivable	$576,585
Average Outstanding Receivables Balance per Obligor	$41,418
Maximum Outstanding Receivables Balance per Obligor	$729,444
Aggregate Original Receivables Balance	$140,278,524
Average Original Receivables Balance per Receivable	$50,297
Average Original Receivables Balance per Obligor	$55,315
Weighted Average Original Expected Collection Period (months)	13.7
Weighted Average Remaining Expected Collection Period (months)	11.6
Weighted Average Age (months)	2.0
Weighted Average RTR Ratio	1.32
Weighted Average Calculated Receivables Yield at Origination	40.67%
Weighted Average Credit Score	683
Weighted Average Time In Business (years)	12.6
Weighted Average Performance Ratio	99.5%

The collateral pool is diversified across industries and states.

Collateral Strats by Industry								
Industry	Number of Receivables	Pool Outstanding Receivables Balance ('000s)	Average Outstanding Receivables Balance	% of Pool Outstanding Receivables Balance	Weighted Average Time in Business (years)	Weighted Average FICO	Weighted Average RTR	Weighted Average Risk Tier (Decile)
Building Construction General Contractors And Operative Builders	484	$18,384	$37,983	17.50%	11.6	684	1.30	5.4
Eating And Drinking Places	317	$12,483	$39,380	11.88%	11.1	679	1.34	6.4
Miscellaneous Retail	217	$8,774	$40,432	8.35%	14.0	694	1.31	5.5
Health Services	220	$7,481	$34,005	7.12%	11.4	687	1.34	5.9
Personal Services	255	$7,277	$28,537	6.93%	11.0	669	1.34	6.5
Business Services	175	$6,843	$39,102	6.51%	12.8	685	1.31	6.0
United States Postal Service	119	$5,278	$44,350	5.02%	9.7	696	1.33	5.5
Automotive Repair, Services, And Parking	156	$5,108	$32,746	4.86%	15.1	664	1.34	6.4
Construction Special Trade Contractors	105	$4,110	$39,139	3.91%	13.7	671	1.34	7.0
Wholesale Trade-durable Goods	70	$3,588	$51,256	3.42%	13.8	683	1.32	5.8
Rubber And Miscellaneous Plastics Products	75	$3,507	$46,756	3.34%	16.6	697	1.31	5.5
Motor Freight Transportation And Warehousing	88	$3,441	$39,106	3.28%	9.3	700	1.38	6.5
Food Stores	59	$2,303	$39,033	2.19%	11.2	673	1.32	6.4
Home Furniture, Furnishings, And Equipment Stores	38	$2,098	$55,211	2.00%	16.4	684	1.33	5.8
Local And Suburban Transit And Interurban Highway Passenger Transportation	58	$1,706	$29,413	1.62%	10.7	680	1.30	5.3
Other Industries	353	$12,656	$35,853	12.05%	15.0	683	1.30	5.3
Total	2,789	$105,036	$37,661	100.00%	12.6	683	1.32	5.9

Collateral Strats by State								
State	Number of Receivables	Pool Outstanding Receivables Balance ('000s)	Average Outstanding Receivables Balance	% of Pool Outstanding Receivables Balance	Weighted Average Time in Business (years)	Weighted Average FICO	Weighted Average RTR	Weighted Average Risk Tier (Decile)
Florida	329	$13,280	$40,365	12.64%	11.5	688	1.32	6.0
Texas	277	$10,964	$39,580	10.44%	10.2	679	1.33	6.3
California	222	$7,890	$35,540	7.51%	13.5	692	1.32	5.7
New York	153	$7,216	$47,161	6.87%	11.6	693	1.31	6.0
Georgia	175	$6,265	$35,802	5.96%	10.2	684	1.34	5.8
Illinois	130	$4,038	$31,060	3.84%	13.3	681	1.30	5.8
North Carolina	113	$3,902	$34,529	3.71%	9.7	667	1.30	6.1
Colorado	98	$3,684	$37,594	3.51%	9.8	684	1.31	5.3
Ohio	91	$3,347	$36,775	3.19%	15.3	672	1.31	5.9
Virginia	77	$2,918	$37,900	2.78%	15.2	687	1.36	6.2
Maryland	59	$1,974	$33,460	1.88%	11.0	681	1.31	6.2
Arizona	75	$2,574	$34,320	2.45%	10.3	664	1.34	6.4
Massachusetts	67	$2,292	$34,210	2.18%	12.5	692	1.32	5.2
Tennessee	50	$2,279	$45,572	2.17%	9.6	679	1.33	6.7
South Carolina	67	$2,359	$35,213	2.25%	14.1	673	1.31	5.4
Indiana	51	$2,083	$40,844	1.98%	16.2	661	1.33	6.8
Washington	48	$1,293	$26,932	1.23%	12.9	684	1.33	5.6
Louisiana	59	$2,792	$47,326	2.66%	11.9	671	1.29	4.6
Minnesota	38	$1,465	$38,542	1.39%	14.3	712	1.32	5.2
Alabama	64	$1,830	$28,594	1.74%	10.3	662	1.35	7.1
Other States	546	$20,593	$37,716	19.61%	15.8	686	1.32	5.5
Total	2,789	$105,036	$37,661	100.00%	12.6	683	1.32	5.9

The receivables in the pool generally have an original term between 3 to 19 months.

Collateral Strats by Original Expected Term (months)								
Original Expected Collection Period (months)	Number of Receivables	Outstanding Principal Balance	Average Outstanding Principal Balance	Percentage of Outstanding Principal Balance	Weighted Average Time in Business (years)	Weighted Average FICO	Weighted Average RTR	Weighted Average Risk Tier (Decile)
3.001 to 6.000	57	$1,182	$20,733	1.13%	9.2	680	1.20	3.5
6.001 to 9.000	325	$7,959	$24,489	7.58%	12.7	675	1.23	5.1
9.001 to 13.000	1,621	$51,379	$31,696	48.91%	11.1	679	1.31	5.5
13.001 to 16.000	218	$10,808	$49,579	10.29%	13.0	679	1.33	6.3
16.001 to 19.000	568	$33,709	$59,347	32.09%	14.8	692	1.36	6.4
Total	2,789	$105,036	$37,661	100.00%	12.6	683	1.32	5.9

The weighted average remaining term is 13.7 months.

Collateral Strats by Remaining Expected Term (months)								
Remaining Expected Collection Period (months)	Number of Receivables	Outstanding Principal Balance	Average Outstanding Principal Balance	Percentage of Outstanding Principal Balance	Weighted Average Time in Business (years)	Weighted Average FICO	Weighted Average RTR	Weighted Average Risk Tier (Decile)
3.000 or less	386	$3,318	$8,596	3.16%	12.4	686	1.26	4.9
3.001 to 6.000	394	$8,471	$21,500	8.06%	12.0	677	1.27	5.0
6.001 to 9.000	605	$18,874	$31,196	17.97%	11.4	672	1.30	5.7
9.001 to 12.000	794	$32,386	$40,788	30.83%	11.9	684	1.32	5.6
12.001 to 15.000	205	$12,457	$60,765	11.86%	11.4	677	1.33	6.3
15.001 to 18.000	334	$24,003	$71,865	22.85%	14.8	695	1.35	6.3
18.001 to 19.000	71	$5,528	$77,860	5.26%	14.7	680	1.39	6.9
Total	2,789	$105,036	$37,661	100.00%	12.6	683	1.32	5.9

The pool has a weighted average LEM risk tier of 5.

Collateral Strats by Risk Tier								
Risk Tier	Number of Receivables	Outstanding Principal Balance	Average Outstanding Principal Balance	Percentage of Outstanding Principal Balance	Weighted Average Time in Business (years)	Weighted Average FICO	Weighted Average RTR	Weighted Average Risk Tier (Decile)
Risk Tier 1	146	$5,374	$36,809	5.12%	15.9	724	1.19	1.7
Risk Tier 2	384	$12,588	$32,781	11.98%	15.3	720	1.25	2.5
Risk Tier 3	468	$17,522	$37,441	16.68%	15.4	704	1.29	3.5
Risk Tier 4	347	$15,914	$45,860	15.15%	13.7	698	1.30	4.5
Risk Tier 5	355	$16,189	$45,604	15.41%	11.8	692	1.34	5.5
Risk Tier 6	328	$14,260	$43,475	13.58%	9.8	677	1.36	6.4
Risk Tier 7	249	$7,357	$29,547	7.00%	10.8	641	1.36	7.5
Risk Tier 8	244	$7,428	$30,441	7.07%	9.1	627	1.39	8.4
Risk Tier 9	158	$4,789	$30,308	4.56%	9.7	618	1.44	9.5
Risk Tier 10	110	$3,615	$32,867	3.44%	8.6	598	1.43	10.0
Total	2,789	$105,036	$37,661	100.00%	12.6	683	1.32	5.9

Approximately 78% of Merchants have been in business for at least five years.

Collateral Strats by Time in Business (years)

Time in Business (years)	Number of Receivables	Pool Outstanding Receivables Balance ('000s)	Average Outstanding Receivables Balance	% of Pool Outstanding Receivables Balance	Weighted Average Time in Business (years)	Weighted Average FICO	Weighted Average RTR	Weighted Average Risk Tier (Decile)
1.00 to 1.99	13	$349	$26,828	0.33%	1.8	649	1.35	8.4
2.00 to 2.99	171	$5,606	$32,785	5.34%	2.5	680	1.31	8.1
3.00 to 3.99	225	$7,095	$31,533	6.75%	3.5	670	1.34	7.5
4.00 to 4.99	257	$9,625	$37,452	9.16%	4.5	679	1.35	6.3
5.00 to 9.99	940	$33,913	$36,077	32.29%	7.3	683	1.33	5.7
10.00 or greater	1,183	$48,449	$40,954	46.13%	20.4	686	1.31	5.3
Total	2,789	$105,036	$37,661	100.00%	12.6	683	1.32	5.9

The current pool has a high mix of Receivables with a Performance Ratio of at least 90%.

Collateral Strats by Performance Ratio

Performance Ratio	Number of Receivables	Pool Outstanding Receivables Balance ('000s)	Average Outstanding Receivables Balance	% of Pool Outstanding Receivables Balance	Weighted Average Time in Business (years)	Weighted Average FICO	Weighted Average RTR	Weighted Average Risk Tier (Decile)
39.99% or less	3	$211	$70,321	0.20%	11.1	627	1.34	6.2
40.00% to 49.99%	7	$251	$35,866	0.24%	17.5	721	1.32	5.3
50.00% to 59.99%	13	$509	$39,190	0.49%	13.0	661	1.31	5.5
60.00% to 69.99%	19	$881	$46,359	0.84%	10.3	677	1.38	6.9
70.00% to 79.99%	47	$1,524	$32,418	1.45%	8.2	665	1.34	6.8
80.00% to 89.99%	70	$2,023	$28,895	1.93%	9.7	652	1.36	6.9
90.00% to 99.99%	216	$4,088	$18,924	3.89%	10.9	658	1.32	6.7
100.00% or greater	2,410	$95,380	$39,577	90.81%	12.8	685	1.32	5.8
Not Applicable	4	$170	$42,450	0.16%	14.1	632	1.35	6.1
Total	2,789	$105,036	$37,661	100.00%	12.6	683	1.32	5.9

New customers consist of 64.4% of the current pool. The remainder are existing customers.

Collateral Strats by Renewal Status

Renewal Status	Number of Receivables	Pool Outstanding Receivables Balance ('000s)	Average Outstanding Receivables Balance	% of Pool Outstanding Receivables Balance	Weighted Average Time in Business (years)	Weighted Average FICO	Weighted Average RTR	Weighted Average Risk Tier (Decile)
Existing Customer	983	$37,391	$38,038	35.60%	13.1	664	1.33	6.1
New Customer	1,806	$67,645	$37,456	64.40%	12.3	693	1.32	5.8
Total	2,789	$105,036	$37,661	100.00%	12.6	683	1.32	5.9

About 86% of the receivables have an RTR rate ranging from 1.20x to 1.49x. The pool has a weighted average RTR of 1.32x.

Collateral Strats by RTR Ratio

RTR Ratio	Number of Receivables	Pool Outstanding Receivables Balance ('000s)	Average Outstanding Receivables Balance	% of Pool Outstanding Receivables Balance	Weighted Average Time in Business (years)	Weighted Average FICO	Weighted Average RTR	Weighted Average Risk Tier (Decile)
Less than 1.10	6	$289,555	$48,259	0.28%	24.3	767	1.08	1.4
1.10 to 1.20	208	$9,730,450	$46,781	9.26%	14.3	710	1.16	3.3
1.20 to 1.30	900	$37,369,121	$41,521	35.58%	14.0	697	1.26	4.6
1.30 to 1.40	1,057	$34,274,862	$32,427	32.63%	11.8	675	1.35	6.0
1.40 to 1.50	515	$18,329,429	$35,591	17.45%	10.7	664	1.44	7.7
1.50 to 1.60	102	$4,991,180	$48,933	4.75%	10.8	645	1.52	8.6
1.60 to 1.70	1	$51,826	$51,826	0.05%	6.9	653	1.64	8.4
Total	2,789	$105,036	$37,661	100.00%	6.9	653	1.64	8.4

About 81.7% of the Statistical Cutoff Date pool are Loan Receivables, 4.4% are Factored Receivables and 14.0% are LOC.

Collateral Strats by Product Type

Product Type	Number of Receivables	Pool Outstanding Receivables Balance ('000s)	Average Outstanding Receivables Balance	% of Pool Outstanding Receivables Balance	Weighted Average Time in Business (years)	Weighted Average FICO	Weighted Average RTR	Weighted Average Risk Tier (Decile)
Loan	2,084	$85,758	$41,150	81.65%	12.3	682	1.32	6.2
MCA	164	$4,577	$27,906	4.36%	14.4	638	1.36	6.6
Line of Credit	541	$14,702	$27,176	14.00%	13.4	703	1.31	3.5
Total	2,789	$105,036	$37,661	100.00%	12.6	683	1.32	5.9

The pool has limits of up to 15.0% and 15.0% that can consist of Receivables that have been materially modified and that are up to 60 days past due, respectively. About 2.1% of the pool is in a delinquency status and no receivables have been modified.

Collateral Strats by Delinquency Status

Delinquency Status	Number of Receivables	Pool Outstanding Receivables Balance ('000s)	Average Outstanding Receivables Balance	% of Pool Outstanding Receivables Balance	Weighted Average Time in Business (years)	Weighted Average FICO	Weighted Average RTR	Weighted Average Risk Tier (Decile)
Current	2,720	$102,802	$37,795	97.87%	12.6	683	1.32	5.9
31-60 Days Past Due	69	$2,234	$32,381	2.13%	10.7	675	1.38	6.8
Total	2,789	$105,036	$37,661	100.00%	12.6	683	1.32	5.9

KBRA Comparative Analytic Tool (KCAT)

The table below summarizes the structure of this transaction as compared to the recent NFAS2, LLC (NFAS2 2022-1), CPC Asset Securitization I, LLC (CPC 2022-1), and Kapitus Asset Securitization LLC (Kapitus 2022-2) which were also rated by KBRA.

Deal Name	RFS 2022-2	NFAS2 2022-1	CPC 2022-1	Kapitus 2022-2
Transaction Date	11/2/2022 [(1)]	9/22/2022	9/14/2022	7/8/2022
Collateral Stratification				
Initial Pool Size (as of statistical cutoff date)	$105,036,423	$176,215,044	$155,009,723	$284,920,618
Average Original Receivables Balance per Receivable	$50,297	$37,994	$83,495	$45,918
Weighted Average Original Expected Term (months)	13.7	10.6	15.2	16.4
Weighted Average RTR Ratio	1.32x	1.35x	1.27x	1.35x
Weighted Average Calculated Receivables Yield at Origination	40.67%	53.71%	40.60%	37.27%
Weighted Average Credit Score	683	674	725	699
Weighted Average Time in Business (years)	13.5	8.2	13.5	14.3
Weighted Average Performance Ratio/Collection Variance Ratio	99.5%	94.0%	99.60%	97.96%
Percentage of Advance Receivable / MCA	4.4%	19.0%	25.1%	--
Percentage of Loan	81.6%	89.0%	74.9%	--
Percentage of LOCs	14.0%	--	--	--
Concentration Limits				
Maximum Percentage of Non-Straight Line Receivables in Pool	30.0%	--	40.0%	50.0%
Minimum Total Receivables Weighted Average Performance Ratio/Collection Variance Ratio	80.0%	80.0%	80.0%	80.0%
Minimum Total Receivables Weighted Average RTR Ratio	1.250	1.260	1.215	1.120
Minimum Total Receivables Weighted Average Yield	22.5%	30.0%	22.5%	15.5%
FICO Distribution				
Less than 500	0.42%	--	--	--
500 to 549	1.41%	Less than 549: 2.52%	--	0.37%
550 to 599	5.96%	7.48%	0.45%	3.22%
600 to 649	19.58%	23.08%	5.86%	15.65%
650 to 699	33.59%	32.78%	26.03%	32.89%
700 to 749	25.08%	24.08%	36.19%	29.31%
750 to 799	12.17%	9.07%	23.34%	13.64%
800 to 850	1.78%	0.99%	8.14%	4.91%
Industry Diversification				
Industry 1	Construction: 17.50%	General Contractors-Single-Family Houses: 9.24%	Construction - Specialty: 14.15%	Plumbing, Heating, Air-Conditioning: 5.56%
Industry 2	Eating and Drinking: 11.88%	Trucking, Except Local: 5.98%	Services-Other: 12.96%	Eating Places: 4.60%
Industry 3	Miscellaneous Retail: 8.35%	Plumbing, Heating, Air-Conditioning: 4.16%	Construction - Commercial: 8.59%	Offices and Clinics of Doctors of Medicine: 3.97%
Geographic Concentration				
State 1	FL: 12.64%	CA: 13.59%	CA: 13.82%	CA: 12.78%
State 2	TX: 10.44%	TX: 11.86%	TX: 11.61%	TX: 11.31%
State 3	CA: 7.51%	FL: 9.59%	FL: 9.43%	FL: 10.68%
Initial Note Balance				
Class A	$60,329,000	$91,185,000	$42,875,000	$50,022,000
Class B	$9,045,000	$15,461,000	$4,050,000	$6,189,000
Class C	$12,230,000	$11,973,000	$3,075,000	$3,789,000
Class D	$9,609,000	$6,381,000	--	--
Class E	$8,787,000	--	--	--
Total [(2)]	$100,000,000	$125,000,000	$50,000,000	$60,000,000
Credit Enhancement (% of Initial Collateral Amount)				
Overcollateralization	2.70%	5.00%	0.00%	5.00%
Reserve Account	0.50%	0.50%	0.50%	0.50%
% Total Initial Credit Enhancement				
AAA (sf)	41.80%	--	--	--
AA (sf)	33.00%	31.20%	--	21.30%
A+ (sf)	--	--	--	--
A (sf)	21.10%	19.45%	14.75%	11.50%
BBB+ (sf)	--	--	--	--
BBB (sf)	11.75%	10.35%	8.50%	5.50%
BBB- (sf)	--	5.50%	--	--
BB+ (sf)	--	--	--	--
BB (sf)	3.20%	--	0.50%	--
BB- (sf)	--	--	--	--
KBRA Base Case Cumulative Charge-Off Rate Expectation				
KBRA Base Case Charge-Off Rate	8.24%	8.43%	7.29%	7.04%

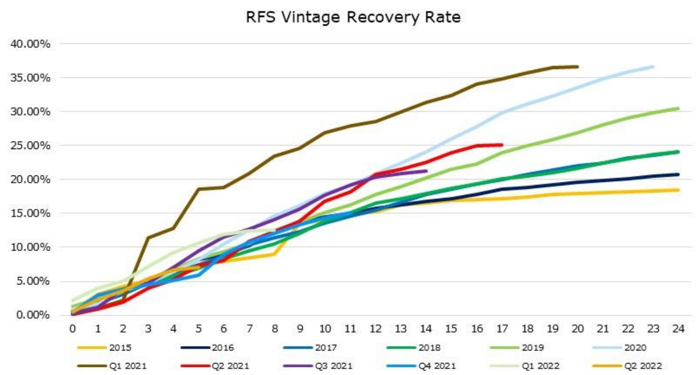
(1) Expected Closing Date; Collateral stratification as of August 31, 2022.

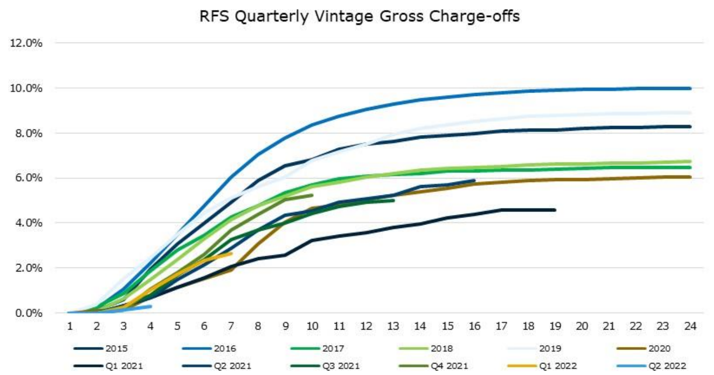
(2) Total Initial Note Balance is only reflective of additional Series issuances since transaction closing for CPC 2022-1 and Kapitus 2022-2.

The KCAT for RFS 2022-2 is also available here.

Historical Performance

Gross Defaults and Recovery
RFS scores its Loan Receivables, Factored Receivables and LOC's using its proprietary underwriting model. These receivables are segmented into LEM Risk Tier 1 through 10, with the LEM Risk Tier 1 being the highest credit worthy Merchants. Below are charts showing RFS's gross losses and recoveries for quarterly vintages from Q1 2015 to Q2 2022.



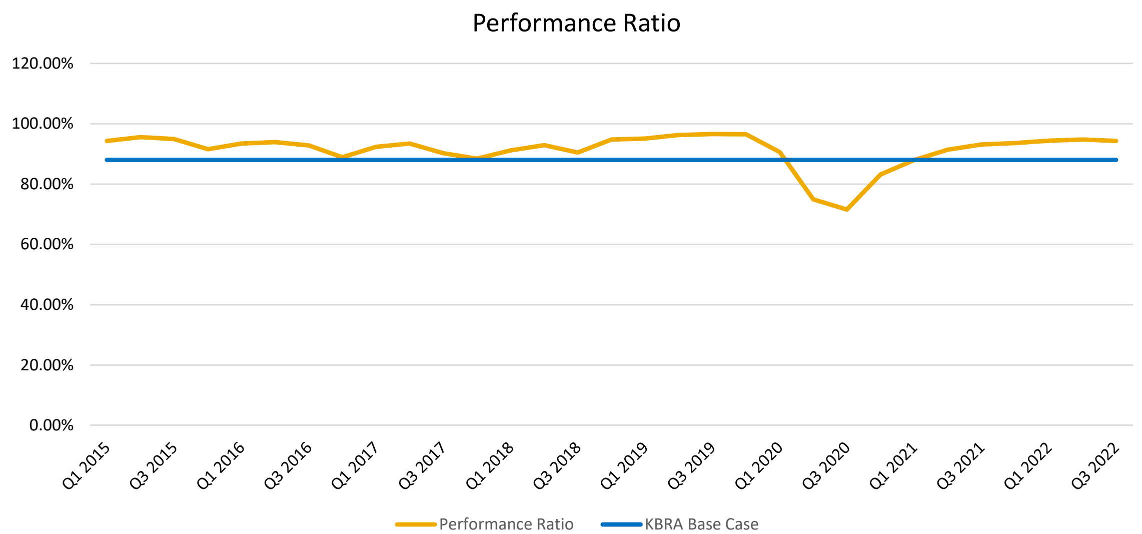


Asset Performance Measures:
RFS uses the Performance Ratio and Missed Payment Factor ("MPF") concepts to evaluate performance of its Loan Receivables and Factored Receivables.

The Performance Ratio is a metric that shows how close or how far the actual cumulative amount of collections received are to the expected cumulative amount of collections at that point. The formula below shows how the Performance Ratio is calculated.

Performance Ratio = (Cumulative Actual $ Collected) / (Cumulative Expected $)

Based on this formula, if the Performance Ratio is less than a value of 1, the actual amount of collections is less than what was expected to be collected at that point. If the Performance Ratio is greater than a value of 1, the actual amount of collections is greater than what was expected to be collected at that point. KBRA analyzed the Company's historical Performance Ratio since 2015 and a base case of 88% was assumed, which was haircut at various levels depending on KBRA's rating of the notes as described in the Cash Flow Analysis section. The Performance Ratio dropped in 2020 during the peak of the COVID-19 lockdowns but has since risen to earlier levels.



The other performance metric is the Missed Payment Factor. The MPF is a fraction with the numerator being the total past due amount of scheduled loan payments with respect to a Loan Receivable or expected receivables with respect to a Factored Receivable and the denominator being the expected or projected daily or weekly amount. This measure quantifies how many payments the customer is either ahead or behind.

MPF = CUMULATIVE AMOUNT PAST DUE / EXPECTED PMT

MPF >0 = Merchant is behind on payment
MPF < 0 = Merchant has paid more than expected

The MPF is designed to account for slow paying receivables, which removes them from the pool through MPF eligibility criteria and also contributes to the Delinquency Ratio for the transaction. If the MPF is greater than a value of 0, the Merchant is behind on payments. If the MPF is less than a value of 0, the Merchant has paid more than expected. The more negative or positive the MPF, illustrates the magnitude of how far ahead or behind the Merchant is on scheduled payments.

KBRA Loss Expectation

KBRA has analyzed RFS's historical static pool performance loss data since 2015. Greater weight was placed on these recent years since there were significantly more originations which provided a better representation of the current pool. Since the receivables are short term, KBRA was also able to analyze performance of nearly full vintages throughout the COVID-19 pandemic and considered the amount of receivables that fully paid, rolled into delinquency status, or charged-off when creating assumptions. KBRA examined data on receivables cash collections and the variance of this data segmented by RFS's LEM Risk Tier in order to develop a KBRA base case loss expectation per KBRA's Global General Rating Methodology for Asset-Backed Securities.

KBRA assigned a gross loss rate to each LEM Risk Tier and renewal customers and new customers. A worst-case pool mix was created based on the eligibility criteria, and this resulted in a base case gross loss rate of 9.70%.

KBRA Indicative CGL			
LEM Score Risk Tier	KBRA Base Case	Balance ('000s)*	% of Pool *
Risk Tier 1	1.75%	2,055	2.00%
Risk Tier 2	3.50%	10,277	10.00%
Risk Tier 3	4.50%	11,819	11.50%
Risk Tier 4	6.50%	13,361	13.00%
Risk Tier 5	8.00%	13,875	13.50%
Risk Tier 6	9.00%	14,388	14.00%
Risk Tier 7	11.25%	13,361	13.00%
Risk Tier 8	15.25%	11,305	11.00%
Risk Tier 9	20.00%	8,736	8.50%
Risk Tier 10	22.00%	3,597	3.50%
Total	9.70%	102,775	100.00%

*Worst Case based on Concentration Limits

Cash Flow Analysis

KBRA performed cash modeling on RFS 2022-2 to determine whether the proposed enhancement levels are sufficient to support the ratings for each class of Notes under KBRA's stressed cash flow scenarios. Our analysis includes various timing of losses, recovery timing, expected term, and a base case performance ratio. In addition, the performance ratio was given various haircuts based on the KBRA Rating scale shown below. The KBRA base case losses modeled also did not incorporate prepayments. The multiples shown in the cash flow modeling results below are compared to the KBRA base case net loss rate of 8.24%, which includes a recovery rate of 15.00%.

KBRA Stresses	
KBRA Rating	Performance Ratio (haircut to base case)
AAA	11.00%
AA	9.00%
A	7.00%
BBB	5.00%
BB	4.00%
B	2.00%

Under these assumptions, the cash flow stresses resulted in the following coverage of the base case cumulative net loss assumption:

Cash Flow Modeling Results			
Class	Breakeven CGL	Breakeven CNL	Breakeven CNL Multiple
Class A	53.31%	45.31%	5.50x
Class B	45.44%	38.62%	4.69x
Class C	35.13%	29.86%	3.62x
Class D	27.25%	23.16%	2.81x
Class E	20.04%	17.03%	2.07x

Scenario/Sensitivity Analysis

The ratings assigned to the RFS 2022-2 transaction will be monitored through the life of the transaction. If performance of the transaction, including losses, differs meaningfully from the expected levels, KBRA may consider making a rating change.

The table below illustrates the potential for downgrade of each investment grade rated class if the expected cumulative net loss levels exceed initial expectations based upon the leverage in the transaction currently. KBRA notes that this transaction is structured to de-lever which may result in more stability in the ratings. 'Stable' means a downgrade is unlikely. 'Moderate' means a potential downgrade of up to one rating category is possible. 'Severe' indicates a multi-category downgrade is possible.

In addition to providing insight into the risk of rating migration, the table also indicates which scenarios may cause particular classes to default. Any scenario that indicates 'Default' for a class means that our cash flow projection indicated a default in the payment of principal under that scenario.

		Class and Rating Sensitivity			
CNL Increase	Resulting CNL	Class A	Class B	Class C	Class D
Current Base Case CNL	8.24%	Stable	Stable	Stable	Stable
10%	9.06%	Stable	Stable	Stable	Stable
20%	9.89%	Stable	Stable	Stable	Stable
30%	10.71%	Stable	Stable	Stable	Moderate
40%	11.54%	Stable	Stable	Moderate	Severe
50%	12.36%	Stable	Moderate	Severe	Severe
60%	13.18%	Moderate	Severe	Severe	Severe
70%	14.01%	Severe	Severe	Severe	Severe
80%	14.83%	Severe	Severe	Severe	Severe
130%	18.95%	Severe	Severe	Severe	Severe
190%	23.90%	Severe	Severe	Severe	Default

It should be noted that many factors, including economic stress, market conditions and servicing operations can impact the performance of the loan pool and influence rating decisions, both positively and negatively.

ESG Considerations

Environmental Factors

Geographic Risk
High state concentration leaves the collateral pool susceptible to adverse economic conditions, regional recessions and natural disasters which may negatively affect loan performance or collections. Certain states are vulnerable to natural disasters such as earthquakes, wildfires, and hurricanes. The occurrence of such an event may cause increased voluntary or involuntary delinquencies for loans in the transaction. The portfolio is currently diversified across geographic locations and industries, as described in the Portfolio Concentration Key Credit Consideration.

Governance Factors

Management Experience
Historical performance data, which includes payment rates, charge-offs, and recoveries, are important considerations used to predict future performance of the underlying assets. The Company was founded in 2010 and has over 10 years of operating history. The Company has a stable management team with a high degree of experience. The Company operates a traditional business model with transparent business processes as further discussed in Experienced and Stable Management Team Key Credit Consideration.

Loan Servicing and Collections
Servicing and collection efforts on consumer loans is a highly regulated process governed by applicable state and federal laws such as the Fair Debt Collection Practices Act ("FDCPA"), among many others. Failure to collect fairly and protect non-public personal information may result in fines, reputational harm, and changes to business practices. The company indicated that it maintains, regularly reviews and updates policies and procedures regarding collection practices upon default and reporting to credit bureaus. A summary of the company's servicing and collection efforts can be found in the Servicing & Collections section.

Transaction Structure
Transaction structure is an important governance factor in structured finance transactions as many structural aspects, such as adherence to representations and warranties, compliance with origination standards and eligibility criteria, reporting of collateral performance, and segregation and application of cashflows, require parties to act in good faith and certify the accuracy of such information. Failure to do so could impact actual performance and KBRA's ratings. KBRA considers various aspects of the transaction structure in its analysis, including, but not limited to, the bankruptcy remoteness of collateral, perfection of collateral security interests, how loans are underwritten and serviced, and the transaction waterfall, as well as the operative documents and key parties involved in effectuating transaction functions. KBRA considers these structural features, credit enhancement, transaction documents, and the capabilities of key parties during the course of our credit analysis and ratings assignment process. A summary of the transaction's structure can be found in the Transaction Structure section.

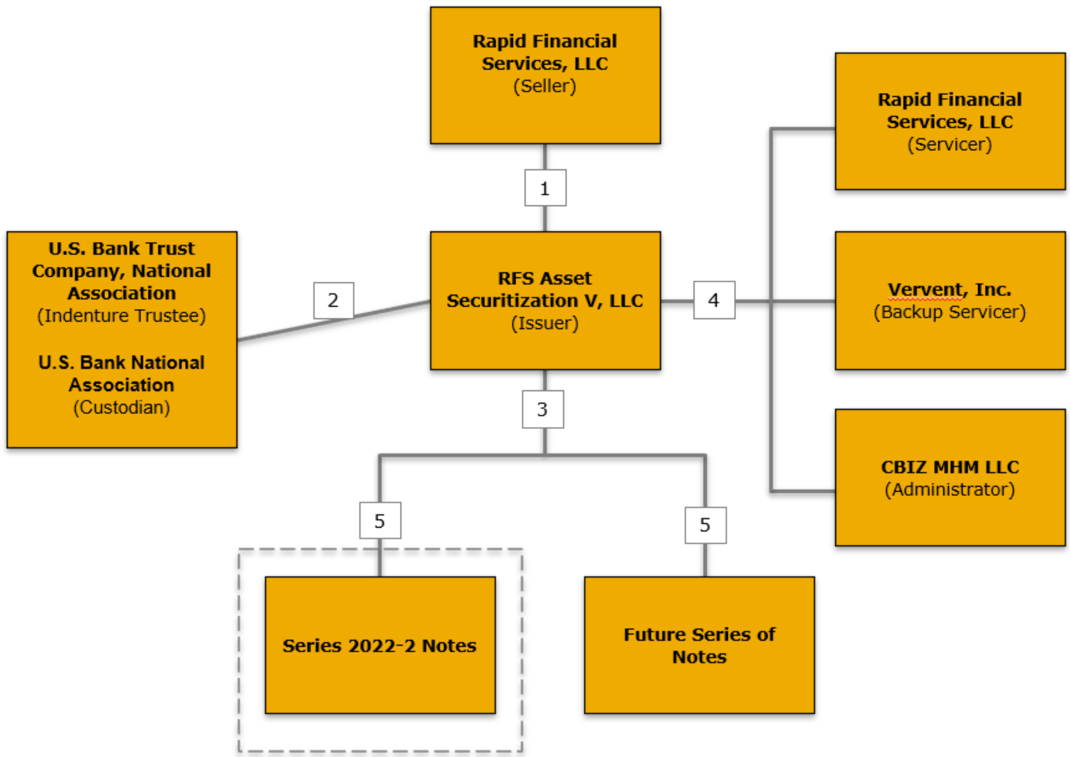
Regulatory and Compliance Policies
The Company has an experienced compliance and legal department that manages legal and regulatory risks and compliance with applicable laws. This department helps identify weaknesses in and evaluates the effectiveness of Company controls enabling adherence to regulatory requirements. The Company also maintains a compliance training program for staff that includes companywide training for all employees and specialized training for certain business functions.

Transaction Structure

Legal Structure

Transaction Structure

The Notes are newly issued asset-backed securities collateralized by a revolving pool of receivables. The following diagram illustrates the basic securitization structure:



1. On the Closing Date, the Seller will transfer Loan Receivables and Factored Receivables to the Issuer for cash available from the sale of the Series 2022-2 Notes or as a contribution of capital to the Issuer. From time to time, the Seller will transfer Receivables to the Issuer in exchange for cash available from payments on the Receivables owned by the Issuer or from the issuances of series of notes or otherwise as contributions to capital of the Issuer.

2. The Issuer pledges the Receivables it acquires from the Seller and certain other assets to the Indenture Trustee to secure its notes, including the Series 2022-2 Notes.

3. The Issuer issues the Series 2022-2 Notes and from time to time in the future may issue additional Series 2022-2 Notes and other Series of Notes to investors.

4. The Servicer services the Receivables and remits amounts received with respect to the Receivables received from the Merchants to the collection account. The Backup Servicer will provide certain services in respect of reports generated by the Servicer and other matters and, in the event that the Servicer is terminated after a Servicer Default, will agree at the request of the Indenture Trustee at the direction of the Requisite Noteholders or at the request of the Requisite Noteholders to act as the successor servicer.

5. Collections on the Receivables allocated to the Series 2022-2 Notes will be used to make payments on the Series 2022-2 Notes and during the revolving period to purchase additional Receivables from the Seller, in each case pursuant to the payment priorities described in the offering document.

For further details, see the respective offering document.

Additional Issuances	The Notes are "expandable" term notes such that at any time during the Revolving Period, the Issuer may periodically issue additional Series 2022-2 Notes, subject to the following conditions: 1. such issuance does not cause the maximum issuance amount of each class to exceed the maximum class amounts as described in the transaction documents; 2. the Rating Agency Condition for the Series 2022-2 Notes is satisfied; 3. the Issuer and the Receivables to be acquired by the Issuer in connection with such issuance satisfy all conditions set forth in the Transaction Documents; and 4. at the time of such issuance a Rapid Amortization Event has not occurred and is not continuing. Each additional issuance of Notes will have the same terms as the corresponding Class of Series 2022-2 Notes issued on the closing date, including the same Note Rate, Legal Final Payment Date and CUSIP.
Optional Call Period	With respect to up to 30% of the Series 2022-2 Notes, pro rata to each class, (a) at 103% of their outstanding principal amount plus accrued interest on any payment date prior to but excluding the Payment Date in November 2023, (b) at 101% of their outstanding principal amount plus accrued interest on any Payment Date on or after the Payment Date in November 2023 and prior to but excluding the Payment Date in October 2024 and (c) in whole or in part at par plus accrued on any Payment Date on or after the Payment Date in October 2024
Revolving Period End Date	October 2025
Legal Final Payment Date	October 2027
Priority of Payments	Available funds for each month will be applied in the following order: 1. To pay the Indenture Trustee, the Custodian and the Administrator up to the respective caps 2. To pay the Servicing Fee 3. To pay the Backup Servicing fee up to a specified cap 4. To pay interest to the Notes in sequential order 5. To cure an Asset Deficiency during the Revolving Period, if applicable 6. During the Revolving Period, to the Reserve Account, a deposit amount, if any, that will bring the account to its required amount 7. To pay principal on the Notes in sequential order during the amortization period 8. To pay remaining transaction party fees (other than the Backup Servicer) on a pro rata basis without regard to any fee caps 9. To the Backup Servicer, any portion of the backup servicing fee not paid due to the operation of the annual fee limit, and 10. Any remaining amounts to the Issuer

Rapid Amortization Events	The following events will be automatic "Rapid Amortization Events" with respect to the Series 2022-2 Notes:
	
	▪ the occurrence of any of the following events as of any payment date on or after the January 2023 payment date:
	    ▪ the three-month weighted average Calculated Receivables Yield on such payment date is less than 22.50%;
	    ▪ the three-month weighted average Excess Spread on such payment date is less than 4.00%; or
	    ▪ the three-month average Delinquency Ratio on such payment date is greater than 15.00%;
	▪ a Series 2022-2 Asset Deficiency shall occur and continue beyond the later of (a) 31 calendar days or (b) the next Payment Date following the 31st calendar day; provided, however, that so long as a Series 2022-2 Asset Deficiency has occurred and is continuing (i) no Receivables can be transferred to the Issuer and (ii) no excess cashflow can be released to the Issuer unless or until such Series 2022-2 Asset Deficiency is cured
	▪ the amount on deposit in the Reserve Account is less than the Required Reserve Account amount for five or more business days;
	▪ a Servicer Default occurs;

	▪ an Event of Default with respect to the Series 2022-2 Notes occurs under the transaction documents; or ▪ either the Seller or the Servicer suffers certain specified bankruptcy or insolvency events.
Events of Default	The occurrence of any of the following events will constitute an "Event of Default" under the indenture: ▪ failure to pay interest when due for five business days; ▪ failure to pay principal when due; ▪ failure by the Issuer to observe or perform any covenant or agreement in the transaction documents and that failure has a materially and adverse effect on holders of the Notes and continues or is not cured within the required cure period; ▪ the receipt by the Issuer of a final determination that it will be treated as an association or a publicly traded partnership taxable as a corporation for federal income tax purposes; ▪ the Issuer is an "investment company" within the meaning of the Investment Company Act; ▪ certain bankruptcy or insolvency events occur with respect to the Issuer; ▪ the Indenture Trustee fails to have a valid and perfected first priority security interest in the collateral and such failure continues for five business days; ▪ the occurrence of a Receivables File Discrepancy Event; or ▪ any of the transaction documents ceases for any reason to be in full force and effect other than in accordance with its terms.
Excess Concentration	The Receivables are subject to certain concentration limits that, when exceeded, will be excluded from the Series 2022-2 Adjusted Pool Balance which will require the Issuer to maintain additional credit enhancement for the Notes. Such concentration limits are based on the amounts, without duplication, in excess of the following limits, determined as a percentage of the aggregate outstanding receivables balance of Eligible Receivables (collectively, the "Series 2022-2 Excess Concentration Amounts"). For more details on the excess concentration limits see Appendix A.
Material Modifications	A Material Modification means, with respect to any Loan Receivable, a reduction in the Amount Owed, extension of the term, reduction in, or change in frequency of, required payments or an extension of scheduled payment dates (other than temporary modifications made in accordance with the Credit Policies) or a reduction in the outstanding balance; provided that such modifications are not Material Modifications based on customary collection practices followed by Servicer if there is no change to the reporting of the contractual obligations of the Merchant at the time of original funding.
Funded Amount	The Funded Amount, with respect to a Receivable, is The funds provided by the Seller to a Merchant pursuant to a Merchant Agreement and identified as either the "Purchase Price" or "Amount of Loan" or for LOC Receivables, the principal balance of such LOC Receivables outstanding from time to time
Outstanding Receivables Balance	The Outstanding Receivables Balance, as of any date, is described below i) Term Loan Receivable – the original Funded Amount less payments received and allocated by the Servicer to such Funded Amount ii) Factored Receivables – the original Funded Amount less collected receivables allocated by the Servicer to such Funded Amount iii) Line of Credit – the principal balance of such LOC Receivables outstanding from time to time The amount of payments or collected receivables allocated to the Funded Amount of a Receivable is determined by dividing the total payments or collections received on such Receivable as of the applicable determination date by the related RTR Ratio applicable to such Receivable The Outstanding Receivables Balance of Charged-Off Receivables or Sub-Performing Receivables will be zero.
Series 2022-2 Required Reserve Account Amount	The Series 2022-2 Required Reserve Account Amount will be: i) On the Closing Date of the Series 2022-2 Notes, 0.50% of the aggregate initial principal amount of the Series 2022-2 Notes divided by 97.30%

	ii) On the closing date of each additional issuance of Series 2022-2 Notes, 0.50% of the aggregate initial principal balance of such additional Series 2022-2 Notes divided by 97.30%
Charged-Off Receivable	means a Receivable that (x) has a Missed Payment Factor (i) in the case of a Daily Pay Receivable, higher than 66, (ii) in the case of a Weekly Pay Receivable, higher than 12, or (iii) in the case of a Bi-Weekly Pay Receivable, higher than 6, (y) consistent with the Credit Policieis, has or should have been written off by the Servicer
Eligible Merchant	Criteria for an "Eligible Merchant" means a Merchant that satisfies each of the following criteria: ▪ is domiciled in the United States; ▪ is not a Governmental Authority; ▪ is not subject to any proceedings under the Bankruptcy Code or under any other applicable bankruptcy, insolvency or similar law now or hereafter in effect; ▪ is not an employee or affiliate of the issuer or the seller or an employee of an affiliate of the Issuer or the Seller; ▪ is a not a natural person (other than in the case of a sole proprietorship or general partnership); ▪ any "additional merchant eligibility criteria" specified in any indenture supplement.
Weighted Average Excess Spread	The Weighted Average Excess spread is a ratio equal to a fraction: (a) the numerator of which is the excess, if any, of the sum of (i) all collections on the Receivables during the Collection Period excluding collections that are principal payments or payments constituting fees from Merchants, plus all recoveries collecting during the Collection Period with respect to Charged-Off Receivables; less (b) the sum of the amounts due and payable on the immediately following Payment Date per clauses (i) through (iv) of the Priority of Payments, plus the aggregate Outstanding Receivables Balance (immediately prior to becoming a Charged Off Receivable) of all Receivables that became Charged Off Receivables during the Collection Period; and the denominator is the average daily Outstanding Receivables Balance of all Eligible Receivables during the related Collection Period
Missed Payment Factor	The Missed Payment Factor is a metric equal to (i) the total past due amount of Scheduled Payments in respect of Loan Receivables or (B) expected receivable receipts in respect of a Factored Receivable, divided by (ii) the required daily, weekly or bi-weekly Scheduled Payment in respect of such Receivable, determined without giving effect to any temporary modifications of such required Scheduled Payment then applicable to such Receivable or any other re-aging of such Receivable;; provided, however, that for Variable Payment Receivables, the amount relating to clauses (i) and (ii) above will be based on the implied payment for the related payment frequency of such Receivable based on the Amount sold and the estimated original term of such Receivable at the time of origination.
Delinquency Ratio	"Delinquency Ratio" means, as of any Determination Date, the percentage equivalent of a fraction (a) the numerator of which is the aggregate Outstanding Receivables Balance of all Receivables that had a Missed Payment Factor greater than (i) with respect to Daily Pay Receivables, 22 as of such Determination Date; (ii) with respect to Weekly Pay Receivables, 4 as of such Determination Date; (iii) with respect to Bi-Weekly Pay Receivables, 2 as of such Determination Date and (b) the denominator of which is the Pool Outstanding Receivables Balance as of such Determination Date.
Performance Ratio	The Performance Ratio is a fraction with (a) the numerator of which is the aggregate amount of Collections received by the Servicer, as of such date, with respect to such Receivable and (b) the denominator of which is the total Collections expected to be paid by such date (taking into consideration the amount of time needed to process a payment) with respect to such Receivable based on the Expected Collection Period for such Receivable determined as of the Original Funding Date of such Receivable (and not adjusted thereafter) provided that no Receivable is included in this calculation during the first 15 days after origination.
Servicer Defaults	The occurrence of any of the following events will constitute a "Servicer Default" under the servicing agreement:

	▪ the Servicer fails to make any payment, transfer or deposit to the Indenture Trustee on the date that payment, transfer or deposit was due and such failure shall continue for five business days; ▪ any representation or warranty made by the Servicer in the servicing agreement or in any statement or certificate at any time given by the Servicer in writing pursuant to the transaction documents is incorrect when made and such inaccuracy has a material and adverse effect on the interests of the holders of the Notes and such inaccuracy is not cured for a period of 30 consecutive days; ▪ any failure by the Servicer to comply with any of its agreements or covenants contained in the transaction documents and such failure has a material and adverse effect on the interests of the holders of the Notes and such failure is not cured for a period of 30 consecutive days; ▪ certain bankruptcy or insolvency events shall have occurred with respect to the Servicer; ▪ with respect to any other Series of Notes outstanding, any additional servicer default specified in the related indenture supplement; ▪ the occurrence of any of the following events as of any Payment Date beginning with the January 2023 Payment Date: A. three-month weighted average Excess Spread on such payment date is less than 4%; or B. the three-month weighted average Delinquency Ratio on such payment date is greater than 15.00%.
Transaction Amendment Process	The transaction's indenture may be amended without noteholders consent, provided that such amendment does not in any material respect adversely affect the interest of any noteholder and the Rating Agency Condition is satisfied. Further, if the Rating Agency Condition is satisfied, Additional Servicer Defaults can be modified or waived without noteholders' consent. "Rating Agency Condition" means, with respect to the Series 2022-2 Notes and any event or circumstance subject to such condition, the delivery to the Rating Agency of written notice of such event or circumstance (i) at least ten (10) Business Days prior to the occurrence of such event or circumstance or (ii) in the case of a proposed change related to an additional issuance of Notes, at least ten (10) Business Days prior to the effectiveness thereof and the Rating Agency has issued a written notice that such action will not result in a downgrade or withdrawal of its rating assigned to any of the Series 2022-2 Notes.
Representations and Warranties	For more detailed information regarding the representations, warranties and enforcement mechanisms available under the transaction documents, please see KBRA's RFS Asset Securitization V, LLC, Series 2022-2 Representations and Warranties Disclosure available here.

Appendix A

RFS 2022-2 Excess Concentration	
Concentration test	**RFS 2022-2**
Merchants located in California	25.00%
Merchants located in New York	25.00%
Merchants located in Florida	25.00%
Merchants located in Texas	25.00%
Merchants located in any other single state	15.00%
Merchants with outstanding Receivables balances greater than \$75,000(1)	55.00%
Merchants with outstanding Receivables balances greater than \$125,000(1)	30.00%
Merchants with outstanding Receivables balances greater than \$400,000(1)	5.00%
Merchants with outstanding Receivables balances greater than \$600,000(1)	0.00%
Merchants in business for less than 1 year	1.00%
Merchants in business for less than 2 years	10.00%
Merchants in business for less than 3 years	20.00%
Merchants in business for less than 4 years	40.00%
Merchant businesses in highest concentration industry(2)	25.00%
Merchant businesses in highest 2 concentration industries(2)	40.00%
Merchant businesses in highest 5 concentration industries(2)	65.00%
Merchant businesses in highest 10 concentration industries(2)	90.00%
Receivables that are 13+ month Receivables	47.50%
Receivables with an Expected Collection Period greater than 24 months (12 months from the latest Draw for LOC Receivables)	0.00%
Variable Payment Receivables	30.00%
Receivables that are 19+ Receivables	5.00%
Receivables that are LOC Receivables	20.00%
Receivables that are approximately 31 to 60 days delinquent, based on a Missed Payment Factor of greater than (a) 22 for Daily Pay Receivables; (b) 4 for Weekly Pay Receivables; and (c) 2 for Bi-Weekly Pay Receivables	15.00%
Receivables that are approximately 61 or more days delinquent, based on a Missed Payment Factor greater than (a) 44 for Daily Pay Receivables; (b) 8 for Weekly Pay Receivables; and (c) 4 for Bi-Weekly Pay Receivables	0.00%
Receivables that are subject to Material Modifications	15.00%
Receivables with a Risk Tier of 1 is equal to at least	2.00%
Receivables with a Risk Tier of 1 or 2 is equal to at least	12.00%
Receivables with a Risk Tier of 1, 2 or 3 is equal to at least	23.50%
Receivables with a Risk Tier of 1, 2, 3 or 4 is equal to at least	36.50%
Receivables with a Risk Tier of 1, 2, 3, 4 or 5 is equal to at least	50.00%
Receivables with a Risk Tier of 1, 2, 3, 4, 5 or 6 is equal to at least	64.00%
Receivables with a Risk Tier of 7, 8, 9 or 10 is equal to no more than	36.00%
Receivables with a Risk Tier of 8, 9, or 10 is equal to no more than	23.00%
Receivables with a Risk Tier of 9 or 10 is equal to no more than	12.00%
Receivables with a Risk Tier of 10 is equal to no more than	3.50%
LOC Receivables with a Risk Tier higher than 8	0.00%
Receivables that cause the weighted average Performance Ratio to be below 80.00%	0.00%
Receivables that cause the weighted average RTR Ratio to be below 1.250	0.00%
Receivables that cause the weighted average Calculated Receivables Yield to be below 22.50%	0.00%
LOC Receivables that cause the weighted average Credit Score to be below 625	0.00%
LOC Receivables with a Credit Score below 450	0.00%
Receivables that cause the average outstanding Merchant balance to exceed \$55,000	0.00%
Receivables that cause the weighted average LOC Risk Tier of Receivables to exceed 4.40	0.00%

(1)Represents participation interest owed by Seller.

(2)Industries are classified by two digit SIC industry code. For purposes of this test, Receivables relating to Merchants in unclassified industries will be counted as a single industry.