MORNINGSTAR | DBRS

Presale Report
Affirm Asset Securitization Trust 2023-X1

DBRS Morningstar
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Contents

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Rating Summary

Class	Amount ($)	Coupon (%)	Rating*	Rating Action
A	334,643,000	[TBD]	AAA (sf)	New Rating — Provisional
B	27,995,000	[TBD]	AA (sf)	New Rating — Provisional
C	23,439,000	[TBD]	A (sf)	New Rating — Provisional
D	20,616,000	[TBD]	BBB (sf)	New Rating — Provisional
Total	**406,693,000**			

Note: In addition to the Notes listed above, the Issuer will also issue Certificates.
* See Appendix C for Scope and Meaning of Financial Obligations.

Executive Summary

DBRS, Inc. (DBRS Morningstar) assigned provisional ratings to the Affirm Asset Securitization Trust 2023-X1 (Affirm 2023-X1, the Issuer, or the Trust) Class A Notes, Class B Notes, Class C Notes, and Class D Notes (together, the Notes). Affirm 2023-X1 represents the thirteenth rated term asset-backed security (ABS) transaction sponsored by Affirm, Inc. (Affirm) and is collateralized by point-of-sale unsecured consumer loans.

Affirm, Inc. (Affirm) was founded in 2012 in San Francisco as a modern financial services company with the goal of creating transparent financial products and services that empower consumers. Affirm maintains an omnichannel credit network (Affirm Platform) that facilitates the origination of point-of-sale unsecured consumer loans (Affirm Loans). As of June 30, 2023, Affirm partnered with more than 254,000 merchants and supported more than 16.5 million active consumers. Affirm has generated more than $44 billion in gross merchandise volume over the last three years. Affirm is led by an experienced management team averaging more than 20 years of industry experience. As of June 30, 2023, Affirm employed a staff of over 2,100 employees, including employees across its U.S. offices in San Francisco, New York, Chicago, Pittsburgh, and Toronto.

Affirm's core product, the point-of-sale unsecured consumer loan, is offered to finance online and in-store consumer purchases. All Affirm Loans are non-revolving, unsecured, fully amortizing, and fixed-term products with terms ranging from 30 days to 60 months, with fixed interest rates. Affirm Loans may also include point-of-sale unsecured consumer loans made on the Affirm Platform through the Pay in 4 program, previously known as the Split Pay program, directed at low average order value purchases (Pay in 4 Receivables), which loans (i) provide for either monthly or biweekly loan payments (ii) have a term of no more than three months and (iii) are all non-interest bearing. All of the loans securing the Notes will consist of interest bearing Affirm Loans and do not consist of any Pay in 4 Receivables.

Transaction Parties and Relevant Dates

Originators:	Cross River Bank, Celtic Bank, Affirm Loan Services LLC, Lead Bank
Issuer:	Affirm Asset Securitization Trust 2023-X1
Sponsor, Servicer, Seller, Custodian, and Administrator:	Affirm, Inc.
Owner Trustee, Indenture Trustee, Certificate Paying Agent, Collateral Agent, and Certificate Registrar:	Wilmington Trust National Association (rated AA (low) with a Negative trend and R-1 (middle) with a Stable trend by DBRS Morningstar)
Backup Servicer and Documentation Agent:	Nelnet Servicing, LLC d/b/a Firstmark Services
Statistical Cutoff Date:	October 20, 2023
Closing Date:	November 16, 2023
Monthly Payment Date:	Monthly, on the 15th of each month, or next business day
First Distribution Date:	January 16, 2024
Final Scheduled Payment Date:	Class A Notes: November 15, 2028 Class B Notes: November 15, 2028 Class C Notes: November 15, 2028 Class D Notes: November 15, 2028

Note: Various capitalized terms are used throughout this report. Please refer to the transaction documents for more information and/or definitions of those terms.

Credit enhancement consists of a fully funded Reserve Account (0.25% of the Initial Outstanding Amount of the Notes), overcollateralization, subordination in the form of the Class B Notes, Class C Notes, and Class D Notes, and excess spread. The Class A Notes, Class B Notes, Class C Notes, and Class D Notes will bear interest based on a fixed rate that will be determined at pricing.

Affirm is the Servicer, either directly or indirectly through partnership with several subservicers, and together with such subservicers manages 100% of Affirm's customer care, first-party collections, and third-party collections. Nelnet Servicing, LLC (Nelnet Servicing) d/b/a Firstmark Services is the Backup Servicer for the Affirm 2023-X1 transaction. All monthly payments are made into the Servicer Account, which is under the control of a third party. All funds are remitted to the Collection Account no later than three (3) business days.

Some courts have ruled that federal preemption of state usury rate caps does not apply in certain circumstances. Consequently, assignees of bank-originated loans are presented with some uncertainty in light of these rulings. The Sponsor has taken steps to insulate the transaction from any negative effects of current rulings; however, there is no absolute assurance that these developments will not affect the technology-driven lending industry and this securitization. Furthermore, it is not possible to accurately forecast if additional litigation and enforcement actions will be introduced in other states.

The Supreme Court ruled in 1980 that nationally chartered banks could charge the legal interest rates in their home states and "export" those rates to out-of-state customers, affirming over 100 years of statutory and case law. In the same year, the *Depository Institutions Deregulation and Monetary Control Act* (specifically Section 521) granted state-chartered banks the same right as nationally chartered banks to "export" their interest rates.

Affirm Loans in the pool will be originated by Affirm, through its subsidiary Affirm Loan Services LLC (ALS), Cross River Bank (CRB), Celtic Bank, and most recently Lead Bank, or another third-party

Originator (subject to Rating Agency Condition) (each an Originator and collectively, the Originators) and sold to Affirm. Affirm, CRB, Celtic Bank, and Lead Bank have entered into separate bank program agreements whereby CRB, Celtic Bank, and Lead Bank originate the loans facilitated through the Affirm Platform and Affirm markets and services these loans. In the wake of challenges to the exportation of state usury laws related to true lender issues, Affirm 2023-X1 has minimized the exposure to states with active litigation or has the necessary licenses to originate loans above the respective state usury cap.

States set their own maximum legal usury rates, but marketplace participants like Affirm are not licensed to issue loans in many states. Instead, they often rely on banks to originate the loans and export the rates on those loans. In the case of the initial pool, Affirm Loans in the pool have been originated by Affirm, utilizing state licenses and registrations through its subsidiary ALS, or through originating banks, CRB or Celtic Bank. Affirm partnered with CRB, a Federal Deposit Insurance Corporation (FDIC)-insured New Jersey state-chartered bank, Celtic Bank, a FDIC-insured Utah state-chartered bank, and Lead Bank, a FDIC-insured Missouri state-chartered bank, to originate the Affirm Loans they have marketed and serviced. Loans originated by CRB are all within the New Jersey state usury limit of 30%, loans originated by Celtic Bank are all within the Utah state usury limit of 36%, and loans originated by Lead Bank are originated below 36%. By partnering with an originating bank, Affirm (as Servicer) avoids certain regulatory and origination licensing requirements in states where that originating bank operates. In return, the originating bank facilitates lending for the Servicer and generates fees for their services.

ALS, CRB, Celtic Bank, and Lead Bank are the true lenders in the origination of the initial pool of loans. Affirm promotes the availability of credit, encourages the submission of applications, and facilitates the making of Affirm Loans. Underwriting policies and procedures are separately established and maintained by ALS, CRB, Celtic Bank, and Lead Bank. Once the loan is approved and accepted, ALS, CRB Celtic Bank, or Lead Bank will distribute a loan agreement to the borrower and ALS, CRB, Celtic Bank, or Lead Bank will extend the loan to the borrower. Generally, within one business day of a borrower's acceptance, ALS, CRB, Celtic Bank, or Lead Bank disburses loan proceeds directly to the merchant. In the case of each originating bank, CRB, Celtic Bank, or Lead Bank holds the loans for at least three days following the origination of the loans, at which time Affirm purchases the loans from CRB, Celtic Bank, or Lead Bank. Affirm will distribute a loan agreement to the borrower on CRB, Celtic Bank, or Lead Bank's behalf and CRB, Celtic Bank, or Lead Bank will extend the loan to the borrower. CRB, Celtic Bank, or Lead Bank earn an origination fee, a performance fee and accrued interest on the Affirm Loans for the period that it holds the Affirm Loans.

Rating Rationale

The provisional ratings on the Notes are based on DBRS Morningstar's review of the following considerations:

- The transaction's form and sufficiency of available credit enhancement.
    - Subordination, overcollateralization, amounts held in the Reserve Account, and excess spread create credit enhancement levels that are commensurate with the proposed ratings.

    - Transaction cash flows are sufficient to repay investors under all AAA (sf), AA (sf), A (sf), and BBB (sf) stress scenarios in accordance with the terms of the Affirm 2023-X1 transaction documents.
- The transaction assumptions consider DBRS Morningstar's baseline macroeconomic scenarios for rated sovereign economies, available in its commentary *Baseline Macroeconomic Scenarios For Rated Sovereigns September 2023 Update*, published on September 28, 2023. These baseline macroeconomic scenarios replace DBRS Morningstar's moderate and adverse COVID-19 pandemic scenarios, which were first published in April 2020.
- The experience, sourcing, and servicing capabilities of Affirm.
- The experience, underwriting, and origination capabilities of ALS, CRB, Celtic Bank, and Lead Bank.
- The ability of Nelnet Servicing to perform duties as a Backup Servicer.
- The annual percentage rate charged on the loans and CRB, Celtic Bank, and Lead Bank's status as the true lenders.
    - All loans in the initial pool included in Affirm 2023-X1 are originated by Affirm through its subsidiary ALS or by originating banks, CRB, Celtic Bank, and Lead Bank, New Jersey, Utah, and Missouri, respectively, state-chartered FDIC-insured banks.
    - Loans originated by ALS utilize state licenses and registrations and interest rates are within each state's respective usury cap.
    - Loans originated by CRB are all within the New Jersey state usury limit of 30.00%.
    - Loans originated by Celtic Bank are all within the Utah state usury limit of 36.00%.
    - Loans originated by Lead Bank are originated below 36.00%.
    - Loans may be in excess of individual state usury laws; however, CRB, Celtic Bank, and Lead Bank as the true lenders are able to export rates that preempt state usury rate caps.
    - The loan pool only includes loans made to borrowers in New York that have Contract Rates below the usury threshold.
    - Loans originated to borrowers in Iowa will be eligible to be included in the Receivables to be transferred to the Trust. These loans will be originated under the ALS entity using Affirm's state license in Iowa.
    - Loans originated to borrowers in West Virginia will be eligible to be included in the Receivables to be transferred to the Trust. Affirm has the required licenses and registrations that will enable it to operate the bank partner platform in West Virginia.
    - Affirm has obtained a supervised lending license from Colorado, permitting Affirm to facilitate supervised loans in excess of the Colorado annual rate cap of 12%, outside of the Assurance of Discontinuance's (AOD's) safe harbor. All loans originated on the Affirm Platform in Colorado have Contract Rates below the usury threshold.
    - Loans originated to borrowers in Vermont above the state usury cap will be eligible to be included in the Receivables to be transferred to the Trust. Affirm has the required licenses and registrations in the state of Vermont.
    - Loans originated to borrowers in Connecticut with a Contract Rate above the state usury cap will be ineligible to be included in the Receivables to be transferred to the Trust until Affirm obtains the required licenses and registrations in the state of Connecticut. Inclusion of these Receivables will be subject to Rating Agency Condition.

    - Under the loan sale agreement, Affirm is obligated to repurchase any loan if there is a breach of representation and warranty that materially and adversely affects the interests of the purchaser.
- The legal structure and expected legal opinions that will address the true sale of the unsecured consumer loans, the nonconsolidation of the Trust, and that the Trust has a valid perfected security interest in the assets and consistency with the DBRS Morningstar *Legal Criteria for U.S. Structured Finance*.

Considerations

Structural Features

- The transaction will have a sequential-pay structure. No principal will be allocated to the Class B Notes, Class C Notes and Class D until the Class A Notes are paid in full, no principal will be allocated to the Class C Notes and Class D Notes until the Class B Notes are paid in full, no principal will be allocated to the Class D Notes until the Class C Notes are paid in full.
- The Specified Overcollateralization Amount will be equal to the greater of (a) 6.30% of the outstanding Pool Balance. The Specified Overcollateralization Amount is intended to protect the Notes from losses on the portfolio in excess of those anticipated.
- Sequential amortization of the Notes, the Specified Overcollateralization Amount, the subordination of the Class B Notes, Class C Notes and Class D, and a Reserve Account are expected to create increasing credit enhancement over time for the Notes as a percentage of the outstanding Pool Balance.

Financial Condition

- Affirm is a Delaware corporation organized in 2012 and has completed multiple equity and convertible debt raises totaling over $4.9 billion. Affirm announced the closing of the initial public offering of its common stock on January 15, 2021.
- Financial stress could affect Affirm's ability to perform certain duties as Sponsor and Servicer, including fulfilling its loan repurchase obligations as a result of certain breaches of representations and warranties. DBRS Morningstar notes the following mitigating factors:
    - Since its inception, Affirm has steadily grown its business and has secured the confidence of several financial institutions and investors, raising significant debt and equity capital to fund operations and loan originations. It is expected that the company will be able to fund its growth and maintain its operations through its investors and other funding sources.
    - If Affirm (as Servicer) fails to perform certain obligations or upon certain events of bankruptcy or insolvency, Nelnet Servicing will assume all related duties of Affirm. Nelnet Servicing will act as Backup Servicer if Affirm (as Servicer) fails to perform certain obligations or upon certain events of bankruptcy or insolvency.
    - DBRS Morningstar has performed an operational risk assessment of Affirm and its subsidiaries and believes the company is an acceptable consumer loan servicer with an acceptable Backup Servicer. Affirm has an experienced management team, an adequate level of capital, and a sufficient balance sheet.

Litigation and Regulatory Environment

- The Supreme Court ruling in 1980 affirmed over 100 years of statutory and case law related to the federal preemption of state usury rate caps. However, some courts have challenged certain aspects of loans originated by a state-charted bank using exported interest rates. The penalty for violating state usury laws ranges from civil to criminal. Although statutory remedies vary among states, some common penalties include invalidation of a borrower's obligation to pay the difference between what the debtor was charged and what the state usury law says they should be charged. Generally, more severe penalties include nullification of a loan contract or an assessment of fines with sanctions depending on the obligor's state of occupancy. Moreover, limited defenses exist against usury claims. If the loan is determined to be usurious, the lender or purchaser of the loan can be held accountable.
- Challenges to loans originated by a state-chartered bank using exported interest rates may raise, among other issues, ascertaining who is (and is not) the true lender of the loan. There has been increased litigation and enforcement actions addressing these two issues over the last few years. Some of these circumstances involved marketplace participants like Affirm, CRB and Celtic Bank, and have raised questions about the validity of the bank partnership model. Recent court cases have challenged the federal preemption of state usury rate caps.
- In May 2015, the United States Court of Appeals for the Second Circuit (New York, Connecticut, and Vermont) ruled on *Madden v. Midland Funding, LLC*. In this case, a loan made by a national bank was assigned to a nonbank debt collector. The nonbank debt collector tried to collect on the loan at the interest rate agreed upon by the national bank. The borrower then filed a lawsuit claiming that the interest rate charged exceeded the New York State usury law. The Second Circuit concluded that nonbank assignees did not have the same power as a national bank and that nonbank assignees did not have the ability to charge the same interest rate as a national bank because they did not have an interest in the loans. The defendant requested that the case be taken to the Supreme Court, but the Supreme Court denied this request and decided that the Second Circuit's decision would ultimately stand. As a result of the ruling, it is possible that similar conclusions may be adopted in other jurisdictions.
  - The loan pool only includes loans made to borrowers in New York that have Contract Rates below the usury threshold.
  - Loans originated to borrowers in Vermont above the state usury cap will be eligible to be included in the Receivables to be transferred to the Trust. Affirm has acquired the required licenses and registrations in the state of Vermont.
  - Loans originated to borrowers in Connecticut with a Contract Rate above the state usury cap will be ineligible to be included in the Receivables to be transferred to the Trust until Affirm obtains the required licenses and registrations in the state of Connecticut. Inclusion of these Receivables will be subject to Rating Agency Condition.
- On January 27, 2017, the Colorado Administrator of the Uniform Consumer Credit Code filed separate complaints in Colorado state court against two online lending platforms that are licensed as supervised lenders in Colorado. The Colorado Administrator subsequently filed amended complaints on February 15, 2017. The Colorado Administrator contends that the platform operators of the lending platforms are the creditors of the loans made by CRB to Colorado state residents and owned by nonbanks and that the federal preemption of Colorado interest rate limitations afforded to CRB does

not apply. The Colorado Administrator seeks the refund of excess finance and other charges among other restitutions. On June 9, 2020, the court granted the Colorado Administrator's motion for "Determination of Law on Statutory Interpretation of Section 27," holding that the nonbank purchasers were prohibited by Colorado law from charging interest at rates in excess of those permitted by the state's interest caps for licensed lenders, that the banks could not export the rate they were permitted to charge under federal banking laws to nonbank purchasers, and that, in the circumstances presented by the litigation, Section 27 did not preempt Colorado's interest rate limits. Following that decision, the two online lending platforms entered into an Assurance of Discontinuance with the Colorado Administrator and the Colorado Attorney General on August 7, 2020, pursuant to which they agreed to various constraints on their relationships with their bank partners and certain additional license maintenance and periodic reporting requirements, as well as monetary remediation. Subject to the additional restrictions and requirements, however, they were permitted to continue operations in Colorado in connection with loans bearing interest in excess of Colorado's normal interest rate limits (but not bearing interest at rates corresponding to an annual percentage rate in excess of 36%.

  - Affirm has obtained a supervised lending license from Colorado, permitting Affirm to facilitate supervised loans in excess of the Colorado annual rate cap of 12%, outside of the AOD's safe harbor. All loans originated on the Affirm Platform in Colorado have Contract Rates below the usury threshold.

- In October 2015, the Maryland Court of Special Appeals ruled that CashCall, Inc. (CashCall) was required to obtain a license under the state's Credit Services Business Act (CSBA). *Maryland Commissioner of Financial Regulation v. CashCall, Inc. et al*. The CSBA imposes a licensing requirement on entities that engage in the "credit services business" which includes assisting Maryland residents in obtaining loans and prohibits licensees from providing any assistance with loans (even from out of state banks) at rates higher than rates allowed by Maryland law for compensation or other valuable consideration. The appellate court ruled that CashCall was engaged in the credit services business due to its involvement in the marketing, and origination of such loans. The holding in this case potentially impacts loans made to Maryland borrowers by a bank with the assistance of an entity that is not licensed under the CSBA. On June 23, 2016, Maryland's highest court affirmed this ruling. In January 2021, the Maryland Commissioner of Financial Regulation (Commissioner) commenced an administrative proceeding against a Missouri state-chartered bank and its marketplace platform partners alleging that the bank engaged in unlicensed activities and therefore violated various Maryland licensing and credit-related statutes. *CFR v. Fortiva Financial, et al.* The Commissioner asserts that the bank and the other defendants violated several Maryland consumer protection laws by failing to be licensed or exempt from licensing in connection with personal loans made to Maryland consumers, including through in-store retail credit financing and store-branded credit card accounts. The Commissioner also asserts that defendants violated the Maryland Collection Agency Licensing Act by soliciting and collecting consumer claims without a license. The Commissioner seeks relief including a cease and desist order, penalties, restitution of all principal, interest and fees and a finding that the loans are unenforceable by defendants or their assigns. On April 5, 2021, defendants removed the proceeding to the U.S. District Court for the District of Maryland asserting that the Commissioner's claims against the bank are completely preempted by Section 27 of the Federal Deposit Insurance Act. On April 28, 2022, the District Court remanded the action to the agency on the grounds that it was not properly removable from the agency to federal court and further stated that defendants' argument concerning Section 27 preemption for usury claims against a state-chartered bank was unsubstantiated because the Commissioner's claims involved unlicensed lending, the case is still ongoing. *Salazar v. Fortiva Financial, LLC, et al*.

  - Affirm does not believe this litigation has merit with regard to the Affirm Loans as it does not operate as a credit services business.

- In *CashCall, Inc. v. Morrissey*, a payday lender purchased and serviced loans made to residents of West Virginia by a South Dakota bank. The West Virginia Attorney General challenged this arrangement in court. The highest court in West Virginia found that the true lender in this arrangement was the nonbank payday lender who had the predominant economic interest in the loans. Accordingly, federal preemption did not apply, and the payday lender was required to be licensed as a lender in West Virginia and to comply with the usury laws applicable in West Virginia. Because the rates charged exceeded West Virginia's usury laws and because the payday lender was not licensed, the court found the loans to be unenforceable and entered penalties against the payday lender.
  - Loans originated to borrowers in West Virginia will be eligible to be included in the Receivables to be transferred to the Trust. Affirm has the required licenses and registrations that will enable it to operate the bank partner platform in West Virginia.
- On June 5, 2020, the Attorney General of the District of Columbia (DC OAG) filed a complaint against a lending platform, Elevate Credit, Inc., alleging that the platform rather than two banks had the predominate economic interest in the loans, has therefore the lender of the loans, and violated applicable interest rate limitations. *District of Columbia v. Elevate Credit, Inc.* On July 2, 2020, Elevate Credit, Inc. removed the case to the United States District Court for the District of Columbia, citing the "complete preemption" federal-question removal doctrine. *District of Columbia v. Elevate Credit, Inc.* The DC OAG moved to remand the case to the District of Columbia Superior Court on August 3, 2020; on the same day, Elevate Credit, Inc. moved to dismiss DC OAG's case. On August 4, 2020, the court stayed the case pending a ruling on the motion to remand, which remains pending. On April 5, 2021, the Attorney General of the District of Columbia filed a complaint against another lending platform, alleging that it rather than a bank had the predominate economic interest in loans made through the platform, and was therefore the lender of the loans and had violated D.C. interest rate laws. The Attorney General seeks relief including penalties, restitution, and a finding that the loans are void and unenforceable. *District of Columbia v. Opportunity Financial, LLC*.
- Any change in regulatory developments could have a material adverse effect on Affirm's ability to effectively service the loans or to perform obligations in addition to potential adverse effects on the enforceability or collectability of the loans.

Alignment of Interests

- Affirm primarily utilizes external sources of funding. Affirm employs a hybrid funding model with passive allocation to various loan buyers and also retains loans both across various warehouse facilities and directly on its balance sheet.
- The Sponsor will retain an economic interest in the credit risk of the loan pool through the Depositor, retaining an "eligible horizontal residual interest" in an amount equal to at least 5% of the aggregate fair value of the Notes and the Certificates on the Closing Date (Regulation RR).

Representations & Warranties

- Outside the securitization, when loans are originated, CRB, Celtic Bank, Lead Bank, and ALS (as Originators) and Affirm (as Servicer) make certain representations and warranties regarding the characteristics of the loans and the process by which they were originated. If a breach of a representation or warranty is discovered, each party must cure the breach.
- Within the ABS transaction, Affirm is the Sponsor. This entity is providing representations and warranties regarding their legal status and abilities to perform obligations in the securitization as well as the characteristics of the loans. Furthermore, the Sponsor has indemnified the Trust and the Indenture Trustee for any breach of those representations and warranties.

Sponsor

Affirm was founded in 2012 by Max Levchin, the founding Chief Technology Officer of PayPal, Nathan Gettings, co-founder of Palantir, and Jeffrey Kaditz, with a vision of creating a modern financial services company and network based on trust and transparency.

Affirm first developed and launched a no-fee point-of-sale unsecured consumer loan product in August 2014. Since then, Affirm has improved access to these Affirm Loans through increasing its merchant base, continuously innovating underwriting and fraud identification models, and providing multiple channels of delivery. As of June 30, 2023, Affirm partnered with approximately 254,000 merchants and supported approximately 16.5 million active consumers. Affirm has generated approximately $44 billion in gross merchandise volume over the last three years.

Affirm provides access to point-of-sale consumer installment loans through the Affirm Platform, which includes partnering and integrating with retail merchants (except, in the case of Affirm Anywhere Loans, where no merchant partnership or integration exists) and originating through third-party banks, providing access for consumers to obtain Affirm Loans. All Affirm Loans are non-revolving, unsecured, fully amortizing, and fixed-term products with terms ranging from approximately 30 days to 60 months, with fixed interest rates. A portion of the initial pool of Receivables consists of non-interest bearing Affirm Loans. Affirm Loans may also include point-of-sale unsecured consumer loans made on the Affirm Platform through the Pay in 4 program directed at low average order value purchases (Pay in 4 Receivables), which loans (i) provide for either monthly or biweekly loan payments (ii) have a term of no more than three months and (iii) are all non-interest bearing.

Affirm’s core product, the point-of-sale unsecured consumer loan, is offered to finance online and in-store consumer purchases. Each core loan application requires the potential borrowers to provide their first and last name, mobile phone number, date of birth, email address, and last four digits of their social security number. In certain cases, Affirm asks for additional information such as address confirmation, full social security number, bank account data, income data, or answers to knowledge-based questions about the potential borrower, which may be used for credit or identity verification purposes.

Originators

Affirm Loans are originated by three bank partners, CRB, Celtic Bank, and Lead Bank, and by ALS, a subsidiary of Affirm. Except in the case of ALS, each Originator and Affirm has or will have entered into certain agreements where Affirm markets and services Affirm Loans and CRB, Celtic Bank, and Lead Bank originate such Affirm Loans and earn an origination fee, a performance fee, and accrued interest on the Affirm Loans for the period that it holds the Affirm Loans.

CRB, Celtic Bank, and Lead Bank focus on deposits, originating loans, and also operate as a third party for marketplace lending platforms to originate loans. CRB, Celtic Bank, and Lead Bank currently have relationships with a number of different marketplace lenders including Upstart, Freedom Financial, Marlette Funding, Kabbage, and Square Capital.

CRB, Celtic Bank, and Lead Bank are required to put in place measures to control, monitor, and supervise the operation of the Affirm Loan program, including origination of the Affirm Loans. CRB, Celtic Bank, and Lead Bank's participation in the program is subject to oversight by its regulatory agencies, and under each respective bank program agreements, Affirm has agreed to submit to any examination that may be required by any such regulatory agency that has audit and examination authority over CRB, Celtic Bank, and Lead Bank.

CRB, Celtic Bank, and Lead Bank will make certain representations and warranties with respect to the Affirm Loans.

Servicer

Affirm acts as the servicer for all Affirm Loans. As of June 30, 2023, Affirm serviced approximately $8.7 billion of loans, driven by repeated consumer engagement.

Affirm partners with several subservicers to manage portions of its customer care, first-party collections, and third-party collections. All subservicers are trained with Affirm materials and on Affirm systems and are subject to Affirm's policies and procedures. Customer care and collections agents receive extensive training from Affirm certified trainers, including classroom training and monitored on-the-job training. Classroom training includes training on Affirm's values, products, tools, and contact handling procedures. Agents must complete a certification process once they have completed the required training. On-the-job training includes one week of monitoring, daily team meetings to discuss new trends, and ongoing service-level review and coaching. Agents must also complete annual compliance training.

Affirm operates a champion challenger model across its subservicers. Affirm actively monitors vendor performance through weekly business review calls and extensive key performance indicators monitoring. Quarterly vendor reviews are performed by Affirm quality control (QC), vendor management, and training staff. All calls are 100% recorded and Affirm QC performs weekly call monitoring and calibrations. All dialer strategies are created daily by Affirm and transmitted to the subservicers.

Affirm may add, remove, or change subservicers from time to time. Affirm may also choose to bring in-house certain functions, such as customer outreach, currently performed by subservicers.

Affirm leverages email to communicate payment notices and email along with SMS to provide customer payment reminders and sends out payment reminders on manual pay accounts at both three days prior to and on the payment due date. Affirm utilizes behavioral scoring models that take into account prior payment behavior, product and borrower history to determine delinquent account contact strategies. Customer contact is made via SMS, email, phone, and letters depending on stage of delinquency and behavioral scoring. SMS and email payment reminders are sent at one to 15 days past due. Outbound calling typically starts at 15 days past due with increasing urgency of contact and messaging with delinquency aging.

Backup Servicer

Nelnet Servicing d/b/a Firstmark Services is the Backup Servicer and the Documentation Agent under the Backup Servicing Agreement. Firstmark is a subsidiary of Nelnet, Inc. (Nelnet; rated BBB (low) with a Stable trend by DBRS Morningstar). Nelnet provides, through its subsidiaries, loan servicing that includes application processing, underwriting, fund disbursement, customer service, account maintenance, federal reporting and billing, payment processing, default aversion, claim filing, and delinquency servicing services. Nelnet is one of the nation's largest servicers of private or consumer loans, with approximately $22 billion principal balance outstanding for Nelnet's consumer loan portfolio as of June 30, 2023 (on a pro-forma basis).

Underwriting

Loan underwriting involves three processes performed in sequential order: identity verification, fraud screens, and credit underwriting. The credit scoring model analyzes certain characteristics of an applicant which may include, but not limited to:

- Features of a borrower's credit profile (e.g., trade history length, FICO score, current and prior delinquencies, number of creditor inquiries in a specified period of time);
- A borrower's prior repayment history with Affirm, as well as repayment performance with other creditors;
- Historical consumer credit performance specific to a given merchant channel; and
- Current credit utilization.

Based on an applicant's creditworthiness and other characteristics of the loan, the model assigns a score against which approval and declination decisions are made. In addition, an applicant must satisfy several criteria, which are outlined below.

- The following applicant policy requirements must be met or the application is declined:
- Must be at least 18 or 19 years old if billing address is in Alabama;
- Phone number must be in the United States, Puerto Rico, the Virgin Islands, Guam, or American Samoa (applicant will be declined if Affirm is unable to confirm phone number);

- No matches to the OFAC or other sanctions lists;
- Email address used is not a disposable email address (i.e., with a domain that is on Affirm's list of disposable email domains);
- Cart amount with merchant or in-store must be less than or equal to $50,000;
- Not currently in bankruptcy; and
- No loans with Affirm that have previously been charged off.

After determining the applicant's credit limit, the system compares it to the total amount the applicant (or existing user/customer) has borrowed less any payments made. If the amount an applicant owes is equal to or greater than their credit limit, the applicant is declined. Several factors will go into determining the applicant's credit limit including their FICO score; stated income (where present); debt-to-income ratio (where present); and other information reported by the consumer reporting agencies, the requested loan terms, and merchant.

Merchant Approval Process

Affirm uses the following process for assessing new merchants and monitoring existing merchants for performance and risk exposure, which may include factors such as dispute rates, customer complaints, and publicly available data. When considering a new merchant partnership, Affirm will first evaluate the category of goods and/or services offered by a new merchant partner. Affirm will not offer financing for the following types of merchandise or services:

- Illegal items, activities, or transactions;
- Ammunition, firearms, certain firearm parts or accessories, and certain weapons or knives regulated under applicable law;
- Narcotics, steroids, controlled substances, quasi pharmaceuticals, or drug paraphernalia;
- Currency in any form, including virtual and digital currency;
- Stolen goods including, but not limited to, digital or virtual goods; or
- Other businesses or business practices as outlined in Affirm's prohibited business policy, which may be updated as new business types are identified.

If a prospective merchant offers merchandise or services that may exceed Affirm's risk management tolerances, Affirm conducts due diligence and establishes risk controls or terminates the merchant relationship, as appropriate. For its direct to consumer products, Affirm uses restricted merchant category codes and merchant identification codes to bar transactions with unauthorized merchants from authorization.

Collateral

The following table is a comparison of certain characteristics of the consumer loans backing Affirm 2023-X1 as of the Statistical Cutoff Date. As of the Closing Date, the Affirm Loans are expected to have a Pool Balance of at least approximately $434,037,693.

	Total
Number of Loans	531,217
Total Original Principal Balance ($)	570,787,228
Average Original Principal Balance ($)	1,074
Minimum Original Principal Balance ($)	69
Maximum Original Principal Balance ($)	20,158
Total Outstanding Principal Balance ($)	433,011,057
Average Outstanding Principal Balance ($)	815
Minimum Outstanding Principal Balance ($)	25
Maximum Outstanding Principal Balance ($)	20,000
WA Original Term (Months)	27
WA Remaining Term (Months)	21
WA Seasoning (Months)	5
WA Interest Rate (%)	24.42
WA Credit Score*	686

*WA Credit Score does not include 381 loans without a FICO score.

Outstanding Principal Balance ($)	**Loans**	**Loans (%)**	**Prin. Bal ($)**	**Prin. Bal (%)**	**WA Credit Score**	**WA Orig. Term**	**WA Rem. Term**	**WA Rate (%)**
0.00 to 249.99	132,473	24.94	22,604,251	5.22	647	18	10	26.62
250.00 to 499.99	175,628	33.06	61,495,496	14.20	652	20	15	26.88
500.00 to 749.99	65,737	12.37	39,956,014	9.23	661	23	17	26.64
750.00 to 999.99	36,528	6.88	31,686,421	7.32	670	25	19	26.01
1,000.00 to 1,499.99	43,204	8.13	52,604,607	12.15	679	27	21	25.38
1,500.00 to 1,999.99	25,434	4.79	44,132,248	10.19	690	29	24	24.47
2,000.00 to 2,499.99	15,569	2.93	34,722,816	8.02	697	29	24	23.94
2,500.00 to 2,999.99	10,780	2.03	29,557,237	6.83	703	31	25	23.39
3,000.00 to 3,999.99	13,457	2.53	46,262,399	10.68	707	31	26	22.59
4,000.00 or greater	12,407	2.34	69,989,568	16.16	726	31	27	20.72
Total	**531,217**	**100.00**	**433,011,057**	**100.00**	**686**	**27**	**21**	**24.42**

Original Term	**Loans**	**Loans (%)**	**Prin. Bal ($)**	**Prin. Bal (%)**	**WA Credit Score**	**WA Orig. Term**	**WA Rem. Term**	**WA Rate (%)**
18	319,486	60.14	152,042,533	35.11	671	18	14	25.82
24	144,832	27.26	129,554,958	29.92	677	24	19	25.72
36	56,292	10.60	129,350,282	29.87	709	36	30	21.89
48	10,607	2.00	22,063,284	5.10	704	48	41	22.08
Total	**531,217**	**100.00**	**433,011,057**	**100.00**	**686**	**27**	**21**	**24.42**

Affirm Loan Grade	**Loans**	**Loans (%)**	**Prin. Bal ($)**	**Prin. Bal (%)**	**WA Credit Score**	**WA Orig. Term**	**WA Rem. Term**	**WA Rate (%)**
A	177,617	33.44	209,607,245	48.41	714	30	25	21.08
B	172,109	32.40	109,161,766	25.21	668	23	18	26.91
C	133,379	25.11	92,312,730	21.32	652	24	19	27.75
D	45,658	8.59	18,749,879	4.33	642	20	15	29.75
E	2,454	0.46	3,179,439	0.73	648	21	17	31.83
Total	**531,217**	**100.00**	**433,011,057**	**100.00**	**686**	**27**	**21**	**24.42**

Credit Score at Origination	Loans	Loans (%)	Prin. Bal ($)	Prin. Bal (%)	WA Credit Score	WA Orig. Term	WA Rem. Term	WA Rate (%)
No Credit Score	381	0.07	133,856	0.03	0	20	16	28.61
550 to 599	49,893	9.39	16,740,115	3.87	582	20	16	28.86
600 to 649	183,091	34.47	98,816,297	22.82	630	24	19	28.55
650 to 699	187,441	35.29	162,891,401	37.62	674	27	21	25.89
700 to 749	75,520	14.22	93,351,196	21.56	722	29	23	22.43
750 to 799	27,335	5.15	45,081,469	10.41	771	30	25	16.96
800 >=	7,556	1.42	15,996,723	3.69	817	31	25	12.03
Total	**531,217**	**100.00**	**433,011,057**	**100.00**	**686**	**27**	**21**	**24.42**

Term and Grade	Loans	Loans (%)	Prin. Bal ($)	Prin. Bal (%)	WA Credit Score	WA Orig. Term	WA Rem. Term	WA Rate (%)
18 A	74,377	14.00	43,862,679	10.13	712	18	14	20.63
18 B	132,277	24.90	61,706,855	14.25	664	18	14	27.08
18 C	69,524	13.09	29,503,896	6.81	643	18	14	28.52
18 D	42,163	7.94	15,543,761	3.59	639	18	14	29.73
18 E	1,145	0.22	1,425,342	0.33	646	18	15	32.47
24 A	56,699	10.67	56,105,783	12.96	704	24	19	22.71
24 B	27,647	5.20	24,029,069	5.55	665	24	19	27.30
24 C	56,764	10.69	46,081,425	10.64	652	24	19	28.20
24 D	2,413	0.45	1,584,585	0.37	650	24	15	30.26
24 E	1,309	0.25	1,754,097	0.41	650	24	19	31.32
36 A	36,890	6.94	89,097,272	20.58	725	36	30	20.03
36 B	11,964	2.25	22,862,812	5.28	680	36	30	26.41
36 C	6,649	1.25	16,147,044	3.73	670	36	30	25.11
36 D	789	0.15	1,243,154	0.29	660	36	28	29.90
48 A	9,651	1.82	20,541,511	4.74	706	48	41	22.14
48 B	221	0.04	563,029	0.13	692	48	37	11.40
48 C	442	0.08	580,366	0.13	671	48	26	26.33
48 D	293	0.06	378,378	0.09	666	48	27	28.15
Total	**531,217**	**100.00**	**433,011,057**	**100.00**	**686**	**27**	**21**	**24.42**

Interest Rate (%)	Loans	Loans (%)	Prin. Bal ($)	Prin. Bal (%)	WA Credit Score	WA Orig. Term	WA Rem. Term	WA Rate (%)
0.001 to 5.000	1,083	0.20	3,645,182	0.84	690	35	30	4.75
5.001 to 10.000	5,948	1.12	14,517,151	3.35	779	32	25	9.37
10.001 to 15.000	33,887	6.38	43,346,603	10.01	736	29	24	12.72
15.001 to 20.000	51,803	9.75	53,264,141	12.30	718	28	23	17.39
20.001 to 25.000	67,493	12.71	70,305,956	16.24	704	28	23	22.79
25.001 to 26.000	5,186	0.98	7,875,730	1.82	730	30	26	25.25
26.001 to 27.000	11,164	2.10	10,765,675	2.49	709	29	21	26.54
27.001 to 28.000	30,220	5.69	20,659,686	4.77	681	27	18	27.71
28.001 to 29.000	29,826	5.61	17,696,891	4.09	682	25	19	28.85
29.001 to 30.000	267,628	50.38	151,950,494	35.09	648	24	19	29.51
30.001 to 36.000	26,979	5.08	38,983,549	9.00	654	24	21	33.14
Total	**531,217**	**100.00**	**433,011,057**	**100.00**	**686**	**27**	**21**	**24.42**

Geographic Origination*	Loans	Loans (%)	Prin. Bal ($)	Prin. Bal (%)	WA Credit Score	WA Orig. Term	WA Rem. Term	WA Rate (%)
California	48,478	9.13	43,473,163	10.04	691	27	22	25.10
Texas	53,322	10.04	43,418,429	10.03	682	27	21	25.70
Florida	39,043	7.35	33,386,289	7.71	684	27	21	25.93
New York	28,991	5.46	24,439,621	5.64	690	26	21	15.29
Georgia	20,262	3.81	15,936,753	3.68	681	26	21	26.34
North Carolina	20,202	3.80	15,344,504	3.54	684	26	21	26.11
Pennsylvania	19,899	3.75	14,866,560	3.43	684	26	21	25.87
Colorado	12,779	2.41	14,538,244	3.36	697	29	23	11.71
Ohio	19,548	3.68	14,078,271	3.25	681	27	21	26.27
Illinois	17,113	3.22	13,096,393	3.02	684	26	21	25.87
Virginia	15,172	2.86	12,459,642	2.88	689	27	22	25.33
New Jersey	12,177	2.29	11,100,002	2.56	691	26	21	24.96
Washington	11,501	2.17	10,156,946	2.35	692	28	23	25.02
Michigan	13,778	2.59	9,991,922	2.31	683	26	21	26.34
Tennessee	13,033	2.45	9,863,246	2.28	682	27	21	26.24
Arizona	11,891	2.24	9,506,888	2.20	684	27	22	25.94
Massachusetts	8,753	1.65	9,302,326	2.15	694	28	22	20.83
Maryland	10,355	1.95	8,607,881	1.99	687	26	21	25.40
Indiana	11,358	2.14	8,079,104	1.87	679	26	21	26.47
South Carolina	9,602	1.81	7,330,885	1.69	683	26	21	25.89
Missouri	9,796	1.84	7,255,746	1.68	683	27	21	26.14
Alabama	9,973	1.88	7,248,069	1.67	681	26	21	26.52
Louisiana	8,322	1.57	6,198,654	1.43	682	26	21	26.14
Kentucky	8,987	1.69	6,064,644	1.40	680	26	21	26.58
Wisconsin	7,544	1.42	5,581,950	1.29	683	27	21	26.01
Oklahoma	7,406	1.39	5,449,961	1.26	679	26	21	26.62
Connecticut	6,063	1.14	5,291,734	1.22	691	27	22	11.68
Minnesota	5,842	1.10	4,968,102	1.15	690	27	22	25.50
Nevada	5,559	1.05	4,892,405	1.13	685	27	22	25.82
Oregon	5,962	1.12	4,878,040	1.13	690	27	22	25.25
Arkansas	6,320	1.19	4,609,605	1.06	681	26	21	26.41
Other**	52,186	9.82	41,595,078	9.61	686	27	22	25.46
Total	**531,217**	**100.00**	**433,011,057**	**100.00**	**686**	**27**	**21**	**24.42**

*Based on the billing addresses of the borrowers as of the respective dates of origination of the loans.
**States in Other category each make up less than 1.000% of the aggregate outstanding balance.

Top Merchants	Loans	Loans (%)	Prin. Bal ($)	Prin. Bal (%)
Merchant 1	316,173	59.52	155,283,466	35.86
Merchant 2	94,824	17.85	39,774,482	9.19
Merchant 3	7,444	1.40	14,690,406	3.39
Merchant 4	7,427	1.40	10,156,759	2.35
Merchant 5	6,065	1.14	9,323,808	2.15
Merchant 6	3,863	0.73	7,727,925	1.78
Merchant 7	3,111	0.59	6,275,635	1.45
Merchant 8	2,103	0.40	5,608,823	1.30
Merchant 9	1,092	0.21	4,716,145	1.09
Merchant 10	1,510	0.28	3,983,033	0.92
Merchant 11	2,287	0.43	3,854,179	0.89
Merchant 12	2,650	0.50	3,131,019	0.72
Merchant 13	1,661	0.31	3,038,931	0.70
Merchant 14	841	0.16	2,985,960	0.69
Merchant 15	1,236	0.23	2,956,626	0.68
Merchant 16	779	0.15	2,939,207	0.68
Merchant 17	721	0.14	2,721,418	0.63
Merchant 18	706	0.13	2,632,460	0.61
Merchant 19	1,472	0.28	2,472,173	0.57
Merchant 20	848	0.16	2,305,223	0.53
Merchant 21	520	0.10	2,176,686	0.50
Other*	73,884	13.91	144,256,694	33.31
Total	**531,217**	**100.00**	**433,011,057**	**100.00**

*Merchants in Other category each make up less than 1.000% of the aggregate outstanding balance.

Merchant Type	Loans	Loans (%)	Prin. Bal ($)	Prin. Bal (%)	WA Credit Score	WA Orig. Term	WA Rem. Term	WA Rate (%)
E-Commerce Merchant	316,173	59.52	155,283,466	35.86	666	27	21	26.04
General Merchandise	95,264	17.93	40,872,893	9.44	656	21	16	27.41
Travel	23,525	4.43	40,272,790	9.30	688	19	14	25.25
Furniture / Homewares	15,887	2.99	32,217,994	7.44	708	30	24	22.23
Jewelry	9,820	1.85	31,850,499	7.36	720	30	24	20.19
Aftermarket Auto	15,697	2.95	27,632,972	6.38	697	27	22	24.33
Consumer Electronics	16,939	3.19	24,510,010	5.66	696	27	22	24.39
Sporting Goods and Outdoors	10,905	2.05	23,196,886	5.36	703	33	27	20.03
Apparel	6,514	1.23	12,514,537	2.89	712	30	24	22.58
Music	6,364	1.20	10,002,025	2.31	710	30	25	21.70
Other	3,132	0.59	7,954,678	1.84	714	33	28	22.51
Partner	1,759	0.33	5,622,297	1.30	711	24	20	24.91
Education	1,875	0.35	4,754,020	1.10	729	32	27	22.04
Professional Services	1,414	0.27	3,697,531	0.85	714	34	29	23.77
Other Lifestyle	1,105	0.21	2,143,619	0.50	713	28	23	22.67
Tractors and Power Equipment	794	0.15	2,126,347	0.49	712	32	26	22.96
Motorcycles & Powersports	1,056	0.20	1,991,736	0.46	694	29	24	24.52
Medical Equipment	968	0.18	1,907,237	0.44	699	33	28	22.10
Tools	630	0.12	1,587,584	0.37	714	31	24	22.37
Marine	432	0.08	1,064,800	0.25	708	30	24	24.65
Accessories	405	0.08	738,025	0.17	705	24	19	22.06
Beauty	207	0.04	515,351	0.12	721	30	26	22.50
Construction	304	0.06	362,317	0.08	698	30	22	23.07
Wellness	26	0.00	142,147	0.03	731	30	29	19.66
Ticketing	22	0.00	49,296	0.01	735	30	26	15.98
Total	**531,217**	**100.00**	**433,011,057**	**100.00**	**686**	**27**	**21**	**24.42**

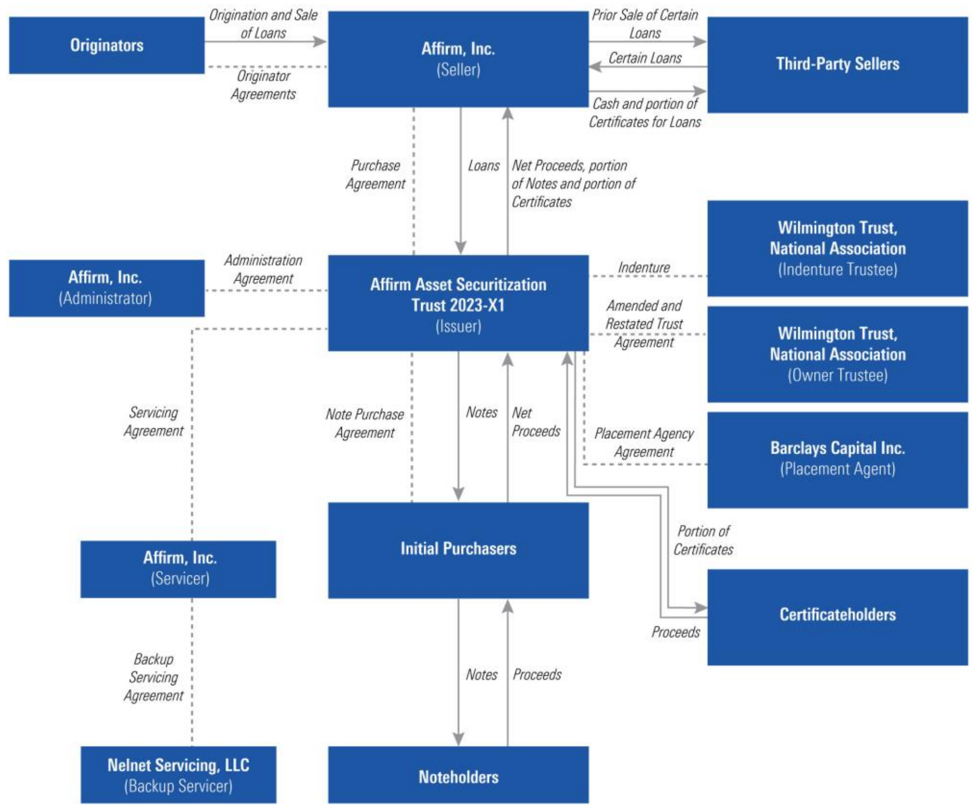
Affirm Collateral Comparison

The following table is a comparison of certain characteristics of the consumer loans backing Affirm 2023-X1, Affirm 2023-B, and Affirm 2022-X1, as of each respective Statistical Cutoff Date.

	Affirm 2023-X1			Affirm 2023-B			Affirm 2022-X1		
	Non-Interest Bearing	**Interest Bearing**	**Total**	**Non-Interest Bearing**	**Interest Bearing**	**Total**	**Non-Interest Bearing**	**Interest Bearing**	**Total**
Number of Loans	NA	531,217	531,217	107,845	2,066,925	2,174,770	NA	310,994	310,994
Total Original Principal Balance ($)	NA	570,787,228	570,787,228	144,515,901	933,910,582	1,078,426,483	NA	461,802,838	461,802,838
Average Original Principal Balance ($)	NA	1,074	1,074	1,340	452	496	NA	1,485	1,485
Minimum Original Principal Balance ($)	NA	69	69	26	25	25	NA	100	100
Maximum Original Principal Balance ($)	NA	20,158	20,158	20,000	20,000	20,000	NA	20,000	20,000
Total Outstanding Principal Balance ($)	NA	433,011,057	433,011,057	85,239,171	697,845,225	783,084,395	NA	365,795,723	365,795,723
Average Outstanding Principal Balance ($)	NA	815	815	790	338	360	NA	1,176	1,176
Min. Outstanding Principal Balance ($)	NA	25	25	25	25	25	NA	25	25
Max. Outstanding Principal Balance ($)	NA	20,000	20,000	20,000	19,310	20,000	NA	18,622	18,622
WA Original Term (Months)	NA	27	27	11	13	13	NA	26	26
WA Remaining Term (Months)	NA	21	21	7	11	10	NA	21	21
WA Seasoning (Months)	NA	5	5	3	2	2	NA	5	5
WA Interest Rate (%)	NA	24.42	24.42	0.00	26.88	23.95	NA	24.29	24.29
WA Credit Score	NA	686	686	733	666	674	NA	688	688

Transaction Structure

Structural Summary



Source: DBRS Morningstar.

Dates

- Date of Issuance is on or about November 16, 2023.
- Statistical Cutoff Date means the close of business on October 20, 2023.
- Monthly Payment Date will be the 15th day of each month or the next business day, commencing January 16, 2024.
- Final Scheduled Payment Date means November 15, 2028.

Available Funds

Available Funds for a Monthly Payment Date will include all amounts collected on the Receivables or otherwise deposited into the Collection Account in the related Collection Period and all amounts on deposit in the Reserve Account in excess of the Specified Reserve Account Balance.

Priority of Payments Summary

On each Monthly Payment Date, prior to the acceleration of the Notes, Available Funds will be applied in the following order of priority:

1. To the Indenture Trustee and the Owner Trustee, pro rata, including (x) fees and (y) expenses and indemnities, up to a maximum aggregate amount of $150,000 per year;
2. Pro rata, to the Servicer (or any Successor Servicer), all Servicing Fees due, and to the Backup Servicer, all Backup Servicer Fees due;
3. To the Class A Noteholders, the Class A Interest Distribution Amount ;
4. To the Class A Noteholders, on or after the Class A Final Scheduled Payment Date, an amount equal to the Outstanding Amount of the Class A Notes;
5. First Priority Principal Distribution Amount, if any;
6. To the Class B Noteholders, the Class B Interest Distribution Amount ;
7. To the Class B Noteholders, on or after the Class B Final Scheduled Payment Date, an amount equal to the Outstanding Amount of the Class B Notes;
8. Second Priority Principal Distribution Amount, if any
9. To the Class C Noteholders, the Class C Interest Distribution Amount ;
10. To the Class C Noteholders, on or after the Class C Final Scheduled Payment Date, an amount equal to the Outstanding Amount of the Class C Notes;
11. Third Priority Principal Distribution Amount, if any
12. To the Class D Noteholders, the Class D Interest Distribution Amount ;
13. To the Class D Noteholders, on or after the Class D Final Scheduled Payment Date, an amount equal to the Outstanding Amount of the Class D Notes
14. Fourth Priority Principal Distribution Amount, if any;
15. To the Reserve Account, the amount, if any, necessary to cause the amount in the Reserve Account to equal the Specified Reserve Account Balance;
16. To the Principal Distribution Allocation, the Regular Principal Distribution Amount;
17. Pro rata, to the Indenture Trustee, the Owner Trustee, the Administrator and any successor servicer, based upon the amounts due to each such party, the Subordinate Transaction Fees (including amounts not paid on a prior Monthly Payment Date);
18. To any other parties as the Administrator has identified, any remaining expenses of the Trust; and
19. To the Certificateholders, all remaining Available Funds.

Priority of Payments Defined Terms

First Priority Principal Payment

With respect to any Monthly Payment Date, an amount not less than zero equal to the excess of (a) the Class A Note Balance prior to any distributions on such Monthly Payment Date over (b) the Pool Balance as of the end of the related Collection Period; provided, however, that on or after the Class A Final

Scheduled Payment Date, the First Priority Distribution Amount shall not be less than the amount that is necessary to reduce the Class A Note Balance to zero.

Second Priority Principal Payment

With respect to any Monthly Payment Date, an amount not less than zero equal to the excess of (a) (i) the sum of the Class A Note Balance and the Class B Note Balance prior to any distributions on such Monthly Payment Date minus (ii) the First Priority Principal Distribution Amount for such Monthly Payment Date, over (b) the Pool Balance as of the end of the related Collection Period; provided, however, that on or after the Class B Final Scheduled Payment Date, the Second Priority Principal Distribution Amount shall not be less than the amount that is necessary to reduce the Class B Note Balance to zero.

Third Priority Principal Payment

With respect to any Monthly Payment Date, an amount not less than zero equal to the excess of (a) (i) the sum of the Class A Note Balance, the Class B Note Balance and the Class C Note Balance prior to any distributions on such Monthly Payment Date minus (ii) the First Priority Principal Distribution Amount for such Monthly Payment Date minus (iii) the Second Priority Principal Distribution Amount for such Monthly Payment Date, over (b) the Pool Balance as of the end of the related Collection Period; provided, however, that on or after the Class C Final Scheduled Payment Date, the Third Priority Principal Distribution Amount shall not be less than the amount that is necessary to reduce the Class C Note Balance to zero.

Fourth Priority Principal Payment

With respect to any Monthly Payment Date, an amount not less than zero equal to the excess of (a) (i) the sum of the Class A Note Balance, the Class B Note Balance, the Class C Note Balance and Class D Note Balance prior to any distributions on such Monthly Payment Date minus (ii) the First Priority Principal Distribution Amount for such Monthly Payment Date minus (iii) the Second Priority Principal Distribution Amount for such Monthly Payment Date minus (iv) the Third Priority Principal Distribution Amount for such Monthly Payment Date, over (b) the Pool Balance as of the end of the related Collection Period; provided, however, that on or after the Class D Final Scheduled Payment Date, the Fourth Priority Principal Distribution Amount shall not be less than the amount that is necessary to reduce the Class D Note Balance to zero.

Regular Priority Principal Payment

1. Prior to an Acceleration Trigger Event, an amount not less than zero, equal to the excess of (x) the excess of (i) the Outstanding Amount of the Notes prior to any distributions on such Monthly Payment Date over (ii) the Pool Balance as of the end of the related Collection Period minus the Specified Overcollateralization Amount for such Monthly Payment Date over (y) the sum of the First Priority Principal Distribution Amount, Second Priority Principal Distribution Amount, Third Priority Principal Distribution Amount and the Fourth Priority Principal Distribution Amount; and
2. Following an Acceleration Trigger Event, the lesser of (x) the Outstanding Amount of the Notes prior to any distributions on such Monthly Payment Date minus the sum of the First Priority Principal

Distribution Amount, Second Priority Principal Distribution Amount, Third Priority Principal Distribution Amount and the Fourth Priority Principal Distribution Amount with respect to such Monthly Payment Date, and (y) all remaining Available Funds; provided, however, that on or after the Final Scheduled Payment Date for the Notes, the Regular Principal distribution Amount shall not be less than the amount that is necessary to reduce the Outstanding Amount of the Notes to zero.

Senior Transaction Fees
Means (i) the Indenture Trustee Fee, (ii) the Owner Trustee Fee, and (iii) any other fees, expenses or indemnities, including, all fees and expenses with respect to tax reporting services for the Issuer, that do not exceed, $150,000 per annum.

Subordinate Transaction Fees
Any fees, expenses and indemnities owed to the Indenture Trustee, Owner Trustee, Servicer and Backup Servicer, in each case, that are not payable as Senior Transaction Fees, Servicing Fees or Backup Servicing Fees, as applicable.

Specified Overcollateralization Amount
An amount equal to the greater of (i) $2,033,465 or (ii) 6.30% of the outstanding Pool Balance.

Acceleration Trigger Event
An Acceleration Trigger Event will occur if, as of the end of any Collection Period, the Cumulative Default Rate exceeds the percentage set forth in Appendix A. All Available Funds not needed for payment of the Senior Transaction Fees, Servicing Fees, Backup Servicing Fees or Note interest, or to replenish the balance in the Reserve Account to the Specified Reserve Account Balance will be used to pay principal of the Notes, sequentially, until the Outstanding Amount has been reduced to zero. In addition, no distributions will be made to the Certificateholders until the Outstanding Amount of the Notes has been paid in full.

Events of Default

The transaction will include standard Events of Default, which contain cure periods and call for acceleration of the Principal Balance of the Notes. Events of Default include the following:

- A default in the performance of any covenant or agreement of the Issuer in the Indenture, or any representation or warranty of the Issuer in the Indenture or in any certificate or other writing having been incorrect in any material respect as of the time when made, such default or breach having a material adverse effect on the holders of the Notes and such default shall continue or not be cured, or the circumstance or condition in respect of which such misrepresentation or warranty was incorrect will not have been eliminated or cured, within 30 days after which notice to the Issuer was provided by the Indenture Trustee or by holders of at least 25% of the Outstanding Amount of the Notes
- An Insolvency Event involving the Issuer;

- A default for five business days or more in the payment of any interest on the Controlling Class of Notes when the same becomes due;
- A default in the payment of the principal of any Class A Note on the Class A Final Scheduled Payment Date;
- A default in the payment of the principal of any Class B Note on the Class B Final Scheduled Payment Date;
- A default in the payment of the principal of any Class C Note on the Class C Maturity Final Scheduled Payment Date; or
- A default in the payment of the principal of any Class D Note on the Class D Final Scheduled Payment Date.

Servicer Termination Events

The transaction will include the following Servicer Termination Events:

- Failure by the Servicer to deposit, or to deliver to the Owner Trustee or Indenture Trustee for deposit, any Collections, which failure continues for five Business Days after the earlier of (1) the date on which the Servicer receives written notice of the failure, requiring the same to be remedied, from the Owner Trustee, the Indenture Trustee or the holders of at least a majority of the Outstanding Amount of the Controlling Class, or (2) the date on which a responsible person of the Servicer obtains actual knowledge of the failure;
- Failure by the Servicer to deliver the Monthly Report by the related Monthly Reporting Date and such failure is not cured within five business days;
- Failure by the Servicer (including in its capacity as Custodian) to fulfill its duties under certain Transaction Documents (other than pursuant to the immediately preceding bullet point), or any representation or warranty of the Servicer made in the Transaction Documents is incorrect in any material respect when made, which, in either case, has a material adverse effect on the Trust or Noteholders and continues for 30 days after the earlier of (1) the date on which the Servicer receives written notice thereof, requiring the same to be remedied, from the Owner Trustee, the Indenture Trustee or the holders of at least a majority of the Outstanding Amount of the Controlling Class, or (2) the date on which a responsible person of the Servicer obtains actual knowledge thereof; and
- Insolvency Event of the Servicer.

Event of Default Priority of Payments Summary

On each Distribution Date following acceleration of the Notes due to an Event of Default that has not been rescinded or annulled, all Available Funds will be distributed in the following order of priority:

1. To the Indenture Trustee and the Owner Trustee, all amounts due, including fees, expenses, and indemnities;
2. To the Servicer, all unpaid Servicing Fees, and to the Backup Servicer, all unpaid Backup Servicer Fees, pro rata;
3. To the Class A Noteholders, pro rata, all interest (including any overdue interest, and any interest thereon) then due on the Class A Notes;
4. To the Class A Noteholders, pro rata, an amount sufficient to reduce the Outstanding Amount of the Class A Notes to zero;

5. To the Class B Noteholders, pro rata, all interest (including any overdue interest, and any interest thereon) then due on the Class B Notes;
6. To the Class B Noteholders, pro rata, an amount sufficient to reduce the Outstanding amount of the Class B Notes to zero;
7. To the Class C Noteholders, pro rata, all interest (including any overdue interest, and any interest thereon) then due on the Class C Notes;
8. To the Class C Noteholders, pro rata, an amount sufficient to reduce the Outstanding Amount of the Class C Notes to zero;
9. To the Class D Noteholders, pro rata, all interest (including any overdue interest, and any interest thereon) then due on the Class D Notes;
10. To the Class D Noteholders, pro rata, an amount sufficient to reduce the Outstanding amount of the Class D Notes to zero
11. To the parties identified by the Administrator, any remaining expenses of the Trust; and
12. To the Certificateholders, any remaining amounts.

Credit Enhancement

Credit enhancement will consist of the Reserve Account, overcollateralization, and subordination. The following table shows initial overcollateralization and initial credit enhancement as of the Closing Date.

	Balance ($)	**Balance (%)***	**Initial Credit Enhancement (%)***
Class A	334,643,000	77.10	23.13
Class B	27,995,000	6.45	16.68
Class C	23,439,000	5.40	11.28
Class D	20,616,000	4.75	6.53
Total Note Balance	**406,693,000**	**93.70**	
Initial Overcollateralization	27,344,693	6.30	
Reserve Account*	1,016,733	0.23	

* Reserve Account is 0.25% of the Initial Outstanding Amount of the Notes.

Reserve Account

The Reserve Account will be funded on the Closing Date with an amount equal to $1,016,733, which is approximately 0.25% of the Initial Outstanding Amount of the Notes. The amount required to be on deposit in the Reserve Account (Specified Reserve Account Balance) will equal $1,016,733 (which is approximately 0.25% of the Initial Outstanding Amount of the Notes).

Overcollateralization

Overcollateralization is the amount by which the Pool Balance an exceeds (y) the aggregate Outstanding Amount of the Notes. The initial overcollateralization for the Notes will be approximately 6.30% of the Initial Pool Balance as of the Closing Date. The Specified Overcollateralization Amount will be equal to the greater of (a) $2,033,465 or (b) 6.30% of the outstanding Pool Balance.

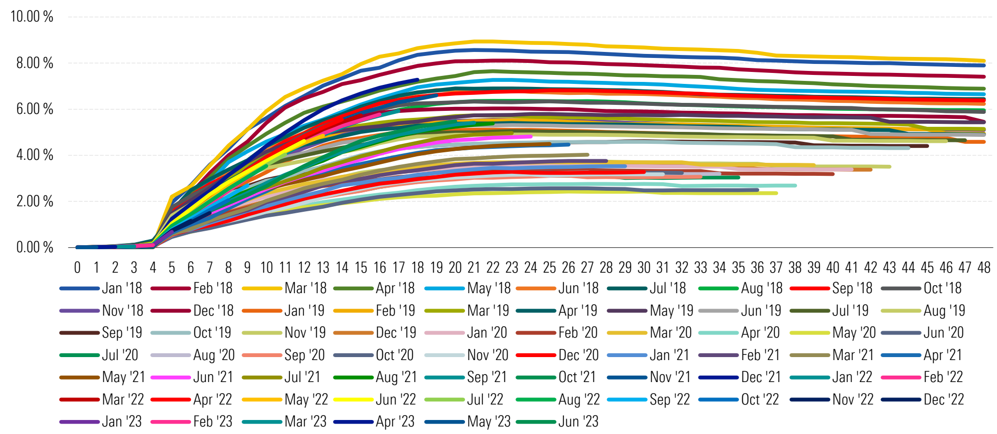
Cash Flow Analysis

DBRS Morningstar incorporates a stressed cash flow analysis in its rating process. In the cash flow modeling analysis, several inputs were stressed in order to test whether the transaction cash flows could withstand potential performance and liquidity deterioration of the collateral at the requested rating levels of AAA(sf), AA (sf), A (sf), and BBB (sf). Different assumptions were made for each term bucket (18, 24, 36 and 48 months), loan grade (A, B, C, D, and E), and rate type (interest bearing), including different loss timing curves and different prepayment curves.

DBRS Morningstar developed separate expected case default curves based on Affirm's historical performance as well as proxy data from peers in the consumer loan space. Three loss timing curves were modeled to assess the sensitivity of the transaction structure to the timing of defaults, including a front-loaded scenario, a evenly spread scenario, and a back-loaded scenario. The timing of defaults reflects the potential for various economic conditions and applies a high level of stress on the transaction’s cash flows to test the resilience of the Notes. The below shows the historical performance for the Affirm Loans.

Affirm Cumulative Net Losses

Total Portfolio (Monthly Vintages) [1]



1 Includes only deal eligible loans for the Affirm 2023-X1 transaction.

In addition to the loss timing curves, prepayment curves were modeled to assess the sensitivity of the transaction structure to the timing of prepayments. While faster-than-expected prepayments may lower the credit risk of the transaction because the securitization trust is exposed to a shorter period of default risk, at the same time, faster prepayments may lower the amount of excess spread generated by the underlying collateral, thus reducing the amount of credit enhancement available to absorb losses. The expected-case CNL assumption includes an additional stress due to the potential impact of the coronavirus pandemic for Affirm 2023-X1, resulting in an expected loss rate of 5.58%.

The Affirm Loans are exposed to a return period after the sale of the good. Upon the event of a return, Affirm will deposit amounts into the Collection Account in satisfaction of the outstanding principal amount of such Affirm Loan. In the event that Affirm is unable to repurchase such returned receivable and does not receive reimbursement from the merchant, the transaction would not benefit from any cashflow. DBRS Morningstar assessed historical return levels and average level of portfolio exposure to loans within the return window to assess the exposure to dilution. In addition DBRS used the DBRS CLO Insight Model to assess stressed default rates assuming the worst case merchant and industry exposure giving consideration to the concentration limits present in the structure. Given this potential risk, DBRS Morningstar applies a dilution stress of 1.03%, 0.89%, 0.78%, and 0.65% for the AAA (sf), AA (sf), A (sf) and BBB (sf) rating levels, respectively, as a haircut to the receivables balance at the beginning of the Amortization Period.

Breakeven cash flow stress analysis demonstrated the maximized cumulative defaults (until the first dollar of Note defaults) while keeping all other AAA (sf), AA (sf), A (sf), and BBB (sf) assumptions the same. Based upon the most constraining cash flow scenario, the Affirm 2023-X1 transaction is able to withstand cumulative defaults of approximately 28.12% for AAA (sf), 22.64% for AA (sf), 17.85% for A (sf), and 15.02% for BBB (sf). This represents multiples of approximately 5.04x for AAA (sf), 4.06x for AA (sf), 3.20x for A (sf), and 2.69x for BBB (sf) of the DBRS Morningstar expected-case CNL rate expectation for the Affirm 2023-X1 pool.

Legal Structure and Opinions

Affirm 2023-X1 is a special-purpose entity structured to be bankruptcy remote by restricting the Issuer's operations so that it does not engage in business with, or incur liabilities to, any other entity which may bring bankruptcy proceedings against the Issuer.

DBRS Morningstar expects to receive an opinion of counsel to the effect that the transfer of the loans to the Trust constitutes a true sale and that the Trust assets will not be consolidated with those of Affirm in the event of bankruptcy. Additionally, DBRS Morningstar expects to receive an opinion of counsel that the Trustee has a perfected security interest in the Trust assets.

DBRS Morningstar expects to receive an opinion of counsel to the effect that the Notes will be treated as debt for federal income tax purposes rather than as an interest in the loans and other assets of the Trust, or as an equity interest in the Issuer.

The Issuer intends to treat this transaction as a financing, reflecting the Notes as its indebtedness for tax and financial accounting purposes. In addition, the Affirm 2023-X1 transaction structure, representations and warranties, as well as documentation were reviewed for consistency with the DBRS Morningstar *Legal Criteria for U.S. Structured Finance*.

Appendix A — Cash Flow Details

Capital Structure								
Class	Size ($)	Collateral (%)[1]	Hard Credit Enhancement (%)[1]	Coupon (%)	Methodology Multiple Range (x)	Target Multiple (x)	Rating*	Constraining Scenario
A	334,643,000	77.10	23.13	[TBD]	3.00 – 5.25	4.65	AAA (sf)	Front Curve
B	27,995,000	6.45	16.68	[TBD]	2.50 – 4.25	3.65	AA (sf)	Front Curve
C	23,439,000	5.40	11.28	[TBD]	2.00 – 3.25	2.80	A (sf)	Front Curve
D	20,616,000	4.75	6.53	[TBD]	1.75 – 2.50	2.25	BBB (sf)	Front Curve
Total	**406,693,000**	**93.70**						
OC[1]	27,344,693	6.30						

1 Calculated based off of Initial Adjusted Pool Balance of $434,037,693.
* See Appendix C for Scope and Meaning of Financial Obligations.

	Initial	Target
Overcollateralization Amount (%)[2, 3]	6.30	6.30
Reserve Account (%)[4]	0.25	0.25

2 Initial Overcollateralization is calculated as a percentage of the Initial Adjusted Pool Balance.
3 Specified Overcollateralization Amount is calculated as a percentage of the outstanding Pool Balance.
4 Reserve Account is 0.25% of the initial Outstanding Amount of the Notes (which rounds to (0.23)% of the Pool Balance).

Model Assumptions	
DBRS Morningstar Expected Net Loss (%)	5.58
Recovery Rate (%)	5.0
Recovery Lag (Months)	3.0

Voluntary Prepay Speeds (CPR %)	
	Interest Bearing
AAA (sf)	26.00
AA (sf)	24.00
A (sf)	22.00
BBB (sf)	20.00

Triggers

Cumulative Default Rate Acceleration Event Trigger Thresholds

Period	Level (%)	Period	Level (%)	Period	Level (%)
1	0.26%	14	8.59%	27 and thereafter	12.00
2	0.26%	15	9.18%		
3	0.26%	16	9.44%		
4	0.78%	17	9.70%		
5	1.30%	18	9.96%		
6	1.82%	19	10.21%		
7	2.34%	20	10.47%		
8	2.86%	21	10.72%		
9	3.63%	22	10.96%		
10	4.67%	23	11.20%		
11	5.69%	24	11.43%		
12	6.67%	25	11.66%		
13	7.66%	26	11.87%		

Loss Timing Curves (%)				
<=2 years	**Front-Loaded Curve**	**Middle- Loaded Curve**	**Back-Loaded Curve**	**Constant Curve**
Months 1-6	77	55	30	50
Months 7-12	23	45	70	50
<=2 years	**Front-Loaded Curve**	**Middle- Loaded Curve**	**Back-Loaded Curve**	**Constant Curve**
Months 1-6	77	55	30	50
Months 7-12	23	45	70	50

Dilution Stress Assumptions (%)	
	Dilution Stress
AAA (sf)	1.03
AA (sf)	0.89
A (sf)	0.78
BBB (sf)	0.65

Transaction Fees and Expenses[5]		
Servicing Fee Rate (%)	2.00	per annum
Senior Transaction Fees ($)	150,000 (cap)	per annum
Indenture Trustee Fee ($)	2,000	per month
Owner Trustee Fee ($)	750	per month
Trustee Tax Reporting Fee ($)	4,500	per annum
Backup Servicing Fee ($)	2,500	per month

5 DBRS Morningstar typically assumes the maximum fees and expenses considered in the waterfall. DBRS Morningstar runs the maximum fees and expenses in the earliest period possible.

Appendix B — Environmental, Social and Governance (ESG) Consideration

Environmental, Social and Governance (ESG) Checklist

ESG Factor		ESG Credit Consideration Applicable to the Credit Analysis:	Y/N	Extent of the Effect on the ESG Factor on the Credit Analysis: Relevant (R) or Significant (S)*
Environmental		**Overall:**	**N**	**N**
	Emissions, Effluents, and Waste	Do the costs or risks result in a higher default risk or lower recoveries for the securitized assets?	N	N
	Carbon and GHG Costs	Do the costs or risks related to GHG emissions result in higher default risk or lower recoveries of the securitized assets?	N	N
		Are there potential benefits of GHG-efficient assets on affordability, financeability, or future values (recoveries)?	N	N
		Carbon and GHG Costs:	N	N
	Climate and Weather Risks	Are the securitized assets in regions exposed to climate change and adverse weather events affecting expected default rates, future valuations, and/or recoveries?	N	N
Social		**Overall:**	**N**	**N**
	Social Impact of Products and Services	Do the securitized assets have an extraordinarily positive or negative social impact on the borrowers and society, and do these characteristics of these assets result in different default rates and/or recovery expectations?	N	N
		Does the business model or the underlying borrower(s) have an extraordinarily positive or negative effect on their stakeholders and society, and does this result in different default rates and/or recovery expectations?	N	N
		Considering changes in consumer behavior or secular social trends: does this affect the default and/or loss expectations for the securitized assets?	N	N
		Social Impact of Products and Services:	N	N
	Human Capital and Human Rights	Are the originator, servicer, or underlying borrower(s) exposed to staffing risks and could this have a financial or operational effect on the structured finance issuer?	N	N
		Is there unmitigated compliance risk due to mis-selling, lending practices, or work-out procedures that could result in higher default risk and/or lower recovery expectations for the securitized assets?	N	N
		Human Capital and Human Rights:	N	N
	Product Governance	Does the originator's, servicer's, or underlying borrower(s)' failure to deliver quality products and services cause damage that may result in higher default risk and/or lower recovery expectations for the securitized assets?	N	N
	Data Privacy and Security	Does the originator's, servicer's, or underlying borrower(s)' misuse or negligence in maintaining private client or stakeholder data result in the risk of financial penalties or losses to the issuer?	N	N
Governance		**Overall:**	**N**	**N**
	Corporate / Transaction Governance	Does the transaction structure affect the assessment of the credit risk posed to investors due to a lack of appropriate independence of the issuer from the originator and/or other transaction parties?	N	N
		Considering the alignment of interest between the transaction parties and noteholders: does this affect the assessment of credit risk posed to investors because the alignment of interest is inferior or superior to comparable transactions in the sector?	N	N
		Does the lack of appropriately defined mechanisms in the structure on how to deal with future events affect the assessment of credit risk posed to investors?	N	N
		Considering how the transaction structure provides for timely and appropriate performance and asset reporting: does this affect the assessment of credit risk posed to investors because it is inferior or superior to comparable transactions in the sector?	N	N
		Consolidated ESG Criteria Output:	**N**	**N**

* A **Relevant Effect** means that the impact of the applicable ESG risk factor has not changed the rating or rating trend on the issuer.
A **Significant Effect** means that the impact of the applicable ESG risk factor has changed the rating or trend on the issuer.

Environmental

There were no Environmental factors that had a relevant or significant effect on the credit analysis. For more details about which Environmental factors could have an effect on the credit analysis, please refer to the checklist above.

Social

There were no Social factors that had a relevant or significant effect on the credit analysis. For more details about which Social factors could have an effect on the credit analysis, please refer to the checklist above.

Governance

There were no Governance factors that had a relevant or significant effect on the credit analysis. For more details about which Governance factors could have an effect on the credit analysis, please refer to the checklist above.

The above ESG discussion relates to credit risk factors that could affect the issuer's credit profile and, therefore, the rating(s) of the Notes. They are separate from ESG sustainability factors, which are generally outside the scope of this analysis. A description of how DBRS Morningstar considers ESG factors within the DBRS Morningstar analytical framework can be found in the *DBRS Morningstar Criteria: Approach to Environmental, Social, and Governance Risk Factors in Credit Ratings* at https://www.dbrsmorningstar.com/research/416784/dbrs-morningstar-criteria-approach-to-environmental-social-and-governance-risk-factors-in-credit-ratings.

Appendix C — Scope and Meaning of Financial Obligations

DBRS Morningstar's credit rating on the Class A, Class B, Class C, and Class D Notes addresses the credit risk associated with the identified financial obligations in accordance with the relevant transaction documents. For Information on the associated financial obligations, please refer to the corresponding press release published for this credit rating action.

DBRS Morningstar's credit rating does not address non-payment risk associated with contractual payment obligations contemplated in the applicable transaction document(s) that are not financial obligations. The associated contractual payment obligation that is not a financial obligation is related to interest on any unpaid Monthly Interest Amount for each of the rated notes.

DBRS Morningstar's long-term credit ratings provide opinions on risk of default. DBRS Morningstar considers risk of default to be the risk that an issuer will fail to satisfy the financial obligations in accordance with the terms under which a long-term obligation has been issued. The DBRS Morningstar short-term debt rating scale provides an opinion on the risk that an issuer will not meet its short-term financial obligations in a timely manner.

Notes:
All figures are in U.S. dollars unless otherwise noted.

This report is based on information as of November 6, 2023. Subsequent information may result in material changes to the rating assigned herein and/or the contents of this report.

About DBRS Morningstar

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We rate more than 4,000 issuers and nearly 60,000 securities worldwide, providing independent credit ratings for financial institutions, corporate and sovereign entities, and structured finance products and instruments. Market innovators choose to work with us because of our agility, transparency, and tech-forward approach.

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