Presale Report
Carvana Auto Receivables Trust 2023-N3

DBRS Morningstar
September 6, 2023

Contents

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Ratings

Class	Amount ($)	Coupon (%)	Rating*	Rating Action
A	143,374,000	[TBD]	AAA (sf)	New Rating – Provisional
B	36,590,000	[TBD]	AA (high) (sf)	New Rating – Provisional
C	32,857,000	[TBD]	A (high) (sf)	New Rating – Provisional
D	38,084,000	[TBD]	BBB (high) (sf)	New Rating – Provisional
E	31,661,000	[TBD]	BB (high) (sf)	New Rating – Provisional
Total	**282,566,000**			

*See Appendix C for Scope and Meaning of Financial Obligations

Executive Summary

DBRS, Inc. (DBRS Morningstar) assigned provisional ratings to Carvana Auto Receivables Trust 2023-N3 (CRVNA 2023-N3 or the Issuer) as listed above. The CRVNA 2023-N3 transaction will represent a securitization of a portfolio of motor vehicle retail installment sales contracts originated by Carvana, LLC (the Originator or Carvana). Founded in 2012 originally by DriveTime Automotive Group Inc. (DriveTime), Carvana began originations in 2013. Carvana is a leading used-vehicle retailer in the United States, using an e-commerce platform to facilitate the sale and financing of used vehicles. Initially launched in Atlanta in 2012, as of June 30, 2023, Carvana has expanded to over 300 metropolitan markets across the United States. Since inception through June 30, 2023, the company has purchased, reconditioned, sold, and delivered approximately 1.6 million vehicles to customers through its website.

This will be Carvana's 24th securitization since 2019. The four transactions sponsored by Carvana in 2019 consisted of a full credit spectrum of receivables. Starting In 2020, Carvana split out shelfs with CRVNA 2020-NP1 which was the first transaction consisting almost entirely of nonprime obligors with a Carvana Deal Score (CDS) of 49 or lower and CRVNA 2020-P1 which represented the first prime transaction with a CDS of 50 or higher. So far, in 2023, Carvana issued three prime transactions, CRVNA 2023-P1, CRVNA 2023-P2, and CRVNA 2023-P3 and two non-prime transactions, CRVNA 2023-N1 and CRVNA 2023-N2. The CRVNA 2023-N3 issuance will be the ninth asset-backed securities (ABS) transaction sponsored by Carvana that consists almost entirely of nonprime automobile receivables. Bridgecrest Credit Company, LLC (Bridgecrest) will be the Servicer of the loans for and Vervent Inc. will act as the Backup Servicer.

The transaction will be structured as a Rule 144A and Reg S transaction offering five classes of notes: Class A, Class B, Class C, Class D, and Class E (collectively, the Notes). Credit enhancement for Classes A through D will consist of overcollateralization (OC), subordination, a reserve account, and excess spread. Credit enhancement for Class E will consist of OC, a reserve account, and excess spread. The initial OC is expected to be 5.40% of the initial Pool Balance and will build to a target equal to the greater of 11.10%

of the current Pool Balance and 1.25% of the initial Pool Balance. The reserve account will equal 1.25% of the initial Pool Balance, funded at inception, and will be nondeclining. Interest on the Notes is payable monthly and at a fixed rate. Principal on the Notes will initially be paid sequentially.

Transaction Parties and Relevant Dates

Issuing Entity:	Carvana Auto Receivables Trust 2023-N3
Grantor Trust:	Carvana Auto Receivables Grantor Trust 2023-N3
Depositor:	Carvana Receivables Depositor LLC
Originator, Sponsor, and Administrator:	Carvana, LLC
Servicer:	Bridgecrest Credit Company, LLC
Owner Trustee and Grantor Trust Trustee:	BNY Mellon Trust of Delaware (rated AA (high), Stable trend/R-1 (high), Stable trend by DBRS Morningstar)
Indenture Trustee, Collateral Custodian, and Paying Agent:	Computershare Trust Company, N.A. (rated BBB, Stable trend/R-2 (middle), Stable trend by DBRS Morningstar)
Account Bank:	Wells Fargo Bank, N.A. (rated AA, Stable trend/R-1 (high), Stable trend by DBRS Morningstar)
Backup Servicer:	Vervent Inc.
Closing Date:	On or about September 19, 2023
Cut-Off Date:	September 3, 2023
Distribution Date:	10th of each month (or next business day)
First Distribution Date:	October 10, 2023
Final Scheduled Distribution Date:	Class A Notes: September 10, 2027 Class B Notes: May 10, 2028 Class C Notes: December 10, 2029 Class D Notes: December 10, 2029 Class E Notes: September 10, 2030

Rating Rationale

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

- Transaction capital structure, proposed ratings, and form and sufficiency of available credit enhancement.
    - Credit enhancement is in the form of OC, subordination, a fully funded reserve fund, and excess spread. Credit enhancement levels are sufficient to support the DBRS Morningstar-projected cumulative net loss (CNL) assumption under various stress scenarios.
- The ability of the transaction to withstand stressed cash flow assumptions and repay investors according to the terms in which they have invested. For this transaction, the ratings address the payment of timely interest on a monthly basis and principal by the legal final maturity date.
- The transaction parties' capabilities with regard to originating, underwriting, and servicing.
    - DBRS Morningstar performed an operational review of Carvana and Bridgecrest and considers the entities to be an acceptable originator and servicer, respectively, of auto loans.
- The operational history of Carvana and the strength of the overall company and its management team.
    - Company management has considerable experience in the consumer lending business.
    - Carvana has a technology-driven platform that focuses on providing the customer with high-level experience, selection, and value. Its website and smartphone app provide the consumer with vehicle search and discovery (currently showing more than 37,000 vehicles online); the ability to trade or sell vehicles almost instantaneously; and real-time, personalized financing.

Carvana has developed underwriting policies and procedures for use across the lending platform that leverages technology where appropriate to validate customer identity, income, employment, residency, creditworthiness, and proper insurance coverage.

- Carvana has developed multiple proprietary risk models to support various aspects of its vertically integrated automotive lending business. All proprietary risk models used in Carvana's lending business are regularly monitored and tested. The risk models are updated from time to time to adjust for new performance data, changes in customer and economic trends, and additional sources of third-party data.

- The credit quality of the collateral, which includes Carvana-originated loans with Deal Scores of 49 or lower.
    - As of the Cut-Off Date, the collateral pool for the transaction is primarily composed of receivables due from nonprime obligors with a nonzero weighted-average (WA) FICO score of 574, a WA Carvana Deal Score of 25, a WA annual percentage rate of 21.95%, and a WA loan-to-value ratio of 101.83%.
        - Approximately 42.66%, 33.31%, and 24.03% of the pool include loans with Carvana Deal Scores greater than or equal to 30, between 10 and 29, and between 0 and 9, respectively.
        - Of the collateral balance, 0.82% is composed of obligors with FICO scores greater than 750, 34.17% consists of FICO scores between 601 and 750, and 65.01% is from obligors with FICO scores less than or equal to 600 or with no FICO score.
    - DBRS Morningstar analyzed the performance of Carvana's auto loan and retail installment contract originations and static pool vintage loss data broken down by Deal Score to determine a projected CNL expectation for the CRVNA 2023-N3 pool.
- The DBRS Morningstar CNL assumption is 15.15% based on the Cut-Off Date pool composition.
- The transaction assumptions consider DBRS Morningstar's baseline macroeconomic scenarios for rated sovereign economies, available in its commentary *Baseline Macroeconomic Scenarios for Rated Sovereigns June 2023 Update*, published on June 30, 2023. These baseline macroeconomic scenarios replace DBRS Morningstar's moderate and adverse Coronavirus Disease (COVID-19) pandemic scenarios, which were first published in April 2020.
- Carvana's financial condition as reported in its annual report on Form 10-K filed as of February 23, 2023.
- The legal structure and expected presence of legal opinions, which will address the true sale of the assets to the Issuer, the nonconsolidation of the special-purpose vehicle with Carvana, that the trust has a valid first-priority security interest in the assets, and consistency with the DBRS Morningstar *Legal Criteria for U.S. Structured Finance*.

Company Description

Carvana is an Arizona-based company that was founded in 2012 as a subsidiary of DriveTime and commenced full operations in January 2013. Carvana then completed a spinoff from DriveTime and became an independent company in November 2014, and successfully completed an initial public offering (IPO) in April 2017 (New York Stock Exchange: CVNA). Although Carvana and DriveTime have been separately operating companies since 2014, both companies continue to use Bridgecrest as their servicing platforms. Carvana's owners include Ernest Garcia II (largest shareholder of Carvana and Chairman of DriveTime), Ernie Garcia III (Chairman and Chief Executive Officer of Carvana), several pre-IPO investors, and public shareholders.

Led by a management team with extensive backgrounds in automotive retail, consumer credit, e-commerce, and data analytics, Carvana employs thousands of employees, including a specialized team dedicated to underwriting/verification activities. The company has experienced no management turnover in the past 12 months.

Carvana uses an e-commerce platform for selling used cars through its website, Carvana.com. Carvana's customers can complete all phases of a used-vehicle purchase transaction, including financing their purchase, trading in their current vehicle, and purchasing complementary products such as vehicle service contracts and Guaranteed Asset Protection waiver coverage. Pricing with respect to the vehicle, financing, and ancillary products are all "no haggle" and are determined programmatically. Carvana originates across the full credit spectrum, and its portfolio has a WA FICO in the mid-650s. Carvana uses a wide range of marketing channels, including television, radio, search engine marketing, and print. Carvana directly finances between 70% and 80% of its retail unit sales.

Carvana operates in markets across the Northeast, Midwest, and southern regions of the U.S., as well as in California. Carvana's infrastructure across its footprint includes inspection and reconditioning centers, hubs, and vending machines. From the launch of its first market in January 2013 through March 31, 2023, Carvana purchased, reconditioned, sold, and delivered approximately 1.5 million vehicles to customers through its website, generating approximately $41.7 billion in revenue. Carvana's sales have grown as it increased penetration in its current footprint and added new markets. As of March 31, 2023, Carvana's in-house distribution network services over 300 metropolitan markets, and Carvana plans to continue to expand its network into additional markets. Since launching its first market in 2013, Carvana grew organically across the U.S., adding two markets in 2014; six in 2015; 12 in 2016; 23 in 2017; 41 in 2018; 61 in 2019; 120 in 2020, 45 in 2021 and five in 2022.

Carvana employs a full-time quality control (QC) team to review randomly selected transactions monthly to confirm compliance with Carvana's transaction verification policies and procedures. Additionally, a sample of first payment default accounts are reviewed for underwriting quality on a monthly basis. Carvana's QC team works closely with Operations Management to retrain and remediate any concerns identified as part of the QC review process. Carvana uses various committee structures to mitigate business risks that include a first pay default committee, weekly pricing committee, and monthly loan performance committee. Carvana currently leverages outside counsel and auditors to conduct regular reviews for compliance with laws such as the Truth in Lending Act (TILA), Reg Z, etc. Fair lending audits are performed twice annually, and TILA audits are done monthly.

Carvana has an operational review with the servicer, Bridgecrest, held monthly. Carvana reports no material litigation or regulatory/state investigations.

Carvana has developed multiple proprietary risk models to support various aspects of its vertically integrated automotive lending business. All proprietary risk models used in Carvana's lending business are regularly monitored and tested. The risk models are updated from time to time to adjust for new performance data, changes in customer and economic trends, and additional sources of third-party data.

Originations and Underwriting

As of June 30, 2023, Carvana has originated more than $25 billion of auto loans since its inception with a managed portfolio of approximately $12.8 billion. Carvana has originated over $10 billion of auto loans with Deal Scores of 49 or lower. While the proposed CRVNA 2023-N3 securitized pool is made up almost entirely of nonprime collateral, Carvana originates across the full credit spectrum, and the company's overall portfolio has a WA FICO in the mid-650s.

Carvana has a technology-driven platform that focuses on providing its customers with superior experience and quality selection and value. Its website and smartphone app provide the consumer with vehicle search and discovery (currently showing more than 37,000 vehicles online); the ability to quickly trade or sell vehicles; and real-time, personalized financing. Using patented imaging technology, Carvana provides a 360-degree interactive exterior and interior tour of each vehicle with transparency to the customers through annotation of material defects. This technology-based platform allows the consumer to purchase a car within minutes, without having to leave the website/app.

Carvana has developed underwriting policies and procedures for use across the lending platform that leverage technology where appropriate to validate customer identity, income, employment, residency, creditworthiness, and proper insurance coverage. Customers may submit a prequalification application in order to receive precise, conditionally approved financing offers on all vehicles in Carvana's available inventory. The application captures basic customer identity, contact, and income information that enables Carvana to obtain data about the customer from its credit data partners. Carvana generally provides offers of credit subject to underwriting to all applicants provided they have gross income of at least $10,000 per year, are 18 years of age, and are not in active bankruptcy.

Once customers complete the prequalification process, they can browse the entire Carvana inventory and filter vehicles that meet their down payment and monthly budgets. Precise monthly payment and down payment terms are calculated specifically for each customer and are displayed next to every vehicle. Customers can select ancillary products (e.g., guaranteed auto protection), enroll in autopay, choose a delivery method and delivery date, add a trade-in, upload a driver's license, and finalize a desired down payment/term/monthly combination.

Carvana uses proprietary algorithmic-based technologies to assess credit risk, control deal structures, perform underwriting, optimize pricing, maintain compliance, and monitor portfolio performance. Its systems were designed to be dynamic, flexible, and largely automated, which allows for precise, rapid, and iterative improvements to be made in response to the latest portfolio performance data, regulatory changes, and macroeconomic trends. Carvana uses several proprietary scoring models:

1. The CarvanaScore, the proprietary credit risk model that Carvana uses, was launched in 2017 and has been refined several times throughout the years. Carvana is currently on CarvanaScore 7.0, which began phasing in starting July 2023 and incorporates an additional credit bureau as well as upgraded modeling techniques.
2. The Deal Score model is Carvana's most predictive model with respect to loan performance and is calculated after origination, using CarvanaScore and deal structure characteristics. Used primarily for internal and external reporting, it ranges from a scale of 0 to 100 (higher Deal Score indicates lower expected risk) and predicts the likelihood of severe delinquency in the first 12 months from origination.
3. The FraudScore model is used to flag accounts for additional scrutiny by Carvana's verifications team. Developed and validated exclusively on Carvana loans, it triggers additional verification work for high-risk accounts and predicts a variety of negative early outcomes, including first payment default and early repossession. Experian, LexisNexis, and Carvana proprietary data are key attributes.

The FICO and CarvanaScore are primarily used as pricing and deal structure inputs, while the Deal Score predicts loan performance and FraudScore is used for fraud detection and verification purposes.

Carvana has established a centralized Verification Process in which every order placed in the Purchase Process is verified by a team of specialized employees at its headquarters in Tempe, Arizona. In accordance with Carvana's policies and procedures, all orders must successfully pass verification tests related to identity, income, employment, insurance, and residency prior to delivery of the vehicle and origination of the loan.

Manual income verification is required for applicants with risk scores below a certain cut-off score. Applicants with a score above the cut-off score may pass if income estimates from third-party data sources corroborate their stated income. While virtually every aspect of determining financing is automated, every underwriting case is manually approved for funding/vehicle delivery by a team of risk assessors dedicated to underwriting activities.

Carvana mitigates fraud risk through the use of its proprietary FraudScore model, which combines credit and alternative data obtained from data partners, details of the customer's order, and other proprietary data to score orders based on the risk of fraud. FraudScore highlights orders for additional review and diligence by specially trained members of Carvana's verifications team. Carvana's Red Flags process involves comparison of information provided by the customer in the application with information obtained from data partners to detect inconsistencies, which must be evaluated and cleared through research using vendor tools or additional documentation provided by the customer.

The Carvana logistics network consists of 17 inspection and reconditioning centers, hubs that serve as distribution waypoints for vehicles, and vending machines. Carvana offers two methods for acquisition of the vehicle: pickup at any of its 38 car vending machine locations across the U.S. or home delivery using its fulfillment network. For obligors who opt for the delivery option, once a purchase has been made, Carvana transports the vehicle to the location of the consumer who made the purchase. The vehicle is delivered by a Carvana-uniformed employee in a branded, custom single-car hauler, and any outstanding paperwork is completed, including the execution of title application and other documents needed.

Every Carvana purchase comes with a seven-day money-back guarantee, which allows the customer to return the vehicle within seven days of purchase. If a vehicle is returned, the associated retail installment contract is voided and any accrued interest is waived.

Servicing and Collections

Bridgecrest (an affiliate of DriveTime and servicer for all DriveTime loans) services all auto loans originated by Carvana. After completing a sale, each auto loan is automatically added to the Servicer's loan-servicing database, which provides the Servicer's collections staff with up-to-date activity reports of customers with past-due accounts, among other capabilities. Bridgecrest's early detection of a customer's delinquent status as well as its commitment to working directly with its customers allows the Servicer to identify and address payment problems quickly and to manage credit losses.

Bridgecrest currently uses two collection centers. The two domestic call centers are located in Mesa, Arizona (headquarters), and Dallas. Bridgecrest also uses two third-party offshore partners for certain collection services. As of June 30, 2023, Bridgecrest has approximately 1,200 full-time employees in its servicing/collections team, which includes teams dedicated to solely servicing Carvana accounts.

Bridgecrest uses an industry-standard servicing system commonly used for auto loans and provides the Servicer with the transparency and tools necessary to effectively and efficiently service its loan portfolio. Daily queues of delinquent accounts are set for each collector to manage based on the customer's delinquency status. The Servicer also uses an automated dialer and messaging system to enhance collection efficiency.

Bridgecrest uses a dialer initiative for one to 16 days-past-due accounts. The dialer teams are located in the Dallas and Mesa centers, as well as in third-party centers in Barbados. The current phone/collections system has been integrated between the centers, so that they can interact seamlessly to service these accounts.

Bridgecrest continues to make improvements to its servicing operations and call center management to further enhance operational effectiveness. Early-stage collections talk-off strategies were refined to focus on promise-to-pay results and a text message strategy was deployed to enforce promise-to-pay dates. Also, Bridgecrest refined its auto-dialer strategies to limiting reference calls, reducing the number of calls per account but increasing the overall total number of accounts called. The New Customer Unit was enhanced and grown to focus on early-stage delinquencies and work more closely with customers who go delinquent in the first 90 days since origination. Finally, Bridgecrest also encourages sales personnel to sign up new customers for automated clearing house recurring payments at loan origination.

Bridgecrest has centralized collections activities and supports customer payments made by electronic methods, mail, phone, or online. It also has an agreement with CheckFreePay to allow cash payers to pay at CheckFreePay locations.

Bridgecrest may grant extensions on a loan subject to the limitations set forth in the Servicing Agreement. Bridgecrest uses extensions to provide customers with temporary relief during difficult financial times. A limit of three months can be extended in any rolling 12-month period, and a maximum of six months over the life of the loan. If Bridgecrest extends the borrower's final payment date beyond the last day of the collections period immediately preceding the latest Final Scheduled Distribution Date on the Notes or extends the final payment date for more than six months past the original final date, the loan will be required to be purchased from the Issuer.

Repossession/Remarketing

Bridgecrest employs a recovery team that uses an extensive network of qualified third-party repossession agents throughout the country. These agents are assigned repossession rights to recover the vehicles at Bridgecrest's direction and to transport recovered vehicles to vehicle auctions. Bridgecrest will sell all repossessed vehicles in a commercially reasonable manner as determined in its good faith and reasonable judgment. Bridgecrest may sell repossessed vehicles at auction or to affiliates, in accordance with the terms of the Sale and Servicing Agreement, for resale. Bridgecrest uses its vehicle acquisition and sales expertise in representing vehicles at auction to maximize the recovery value of repossessed vehicles. Bridgecrest may elect not to repossess a vehicle if, in its good faith and reasonable judgment, it determines that the proceeds ultimately recoverable with respect to such receivable would be increased by forbearance, in which case such receivable shall constitute a defaulted receivable.

Charge-Offs

Pursuant to its policies and procedures, the servicer will charge off receivables at the earlier of the date on which the servicer has repossessed and liquidated the related financed vehicle or the end of the calendar month in which more than 10% of any monthly payment is in excess of 120 days past due.

Regulatory Activities

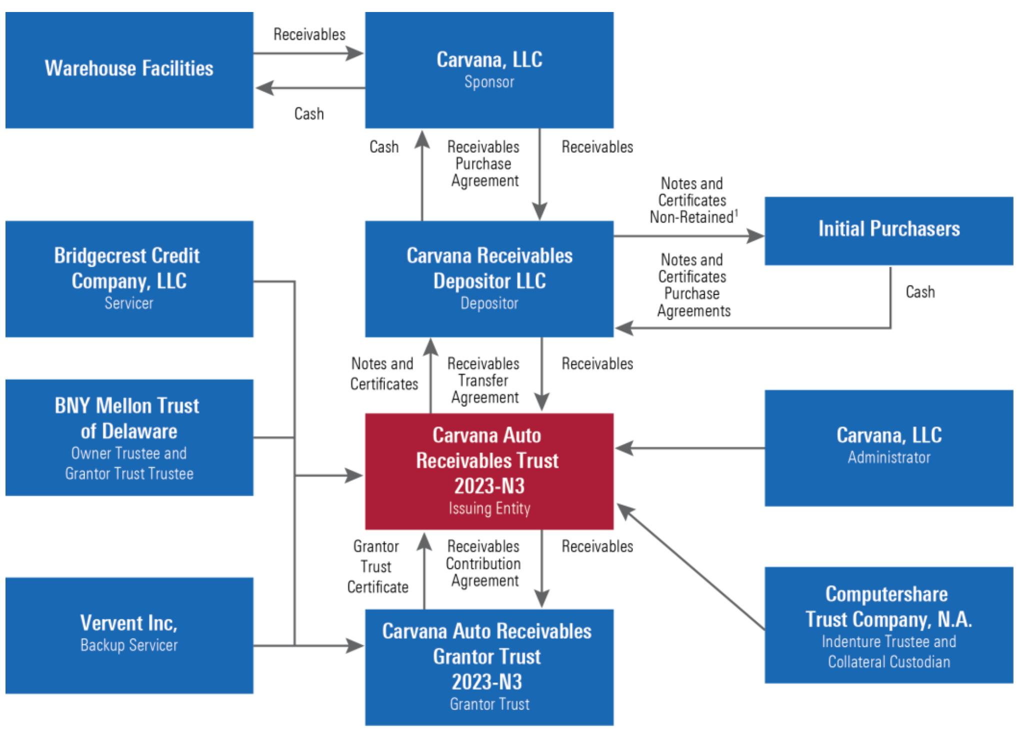
Carvana initially relied upon DriveTime's regulatory compliance expertise and advice of outside counsel. Since spinning off from DriveTime, Carvana has developed a team of experienced legal staff, including dedicated compliance counsel. Carvana continues to seek counsel from and arrange for regulatory compliance audits with outside counsel.

Carvana was subject to three investigations, one in California and two in North Carolina. In all the matters, Carvana reached a settlement with the related parties.

Bridgecrest is generally subject to routine Consumer Financial Protection Bureau review under the large participant rule that went into effect in August 2015. In addition, Bridgecrest comes under review from various state and federal authorities in the regular course of business. There are no pending general information requests that are expected to have a material effect on Bridgecrest's operations.

Transaction Structure

Carvana will sell a pool of receivables consisting of motor vehicle retail installment contracts originated by Carvana to Carvana Receivables Depositor LLC pursuant to the Receivables Purchase Agreement. Carvana Receivables Depositor LLC will sell the receivables to the Issuing Entity, which will transfer receivables to the Grantor Trust in exchange for the Grantor Trust Certificate pursuant to the Receivables Contribution Agreement. Carvana Receivables Depositor LLC will use the net proceeds from the sale of the Notes and the Certificates to pay Carvana for the receivables. The diagram below depicts the ownership and relationships among the transaction parties.



1 The Class XS Notes are not being offered hereby.

Priority of Payments

The Distribution Dates will be on the 10th day of each month commencing in October 2023 (or the next business day). On each Distribution Date, the Indenture Trustee shall make distributions allocated in the following order of priority:

1. The Servicing Strip Amount (equal to 1/12th of 2.50% of the Pool Balance as of the first day of that Collection Period);
2. Pro rata, (A) to the Backup Servicer if it becomes the Successor Servicer, any unpaid indemnity amounts due, plus any unpaid transition expenses due in respect of the transfer of servicing not to exceed $150,000 in the calendar year it becomes the Successor Servicer; (B) to each of the Indenture Trustee, Owner Trustee, Grantor Trust Trustee, Administrator, Collateral Custodian, and Independent Accountant, any fees, expenses and indemnity amounts due not to exceed, in any calendar year, $125,000 to the Indenture Trustee and Collateral Custodian, $75,000 to the Grantor Trust Trustee and Owner Trustee, $9,000 to the Independent Accountant; and (C) to the Hired Rating Agencies, not to exceed $45,000 in any calendar year;
3. To the Backup Servicer, the Backup Servicing Fee;
4. To the Class A Notes accrued and unpaid interest on the Class A Notes;
5. Principal of the Notes (other than the Class XS Notes) in the amount by which the aggregate principal amount of the Class A Notes exceeds the Pool Balance as of the last day of the related Collection Period;
6. To the Class B Notes, accrued and unpaid interest on the Class B Notes;
7. Principal of the Notes (other than the Class XS Notes) in the amount by which the aggregate principal amount of the Class A and Class B Notes exceeds the Pool Balance as of the last day of the related Collection Period less any amounts allocated to pay principal of the Notes under clause (5) above;
8. To the Class C Notes, accrued and unpaid interest on the Class C Notes;
9. Principal of the Notes (other than the Class XS Notes) in the amount by which the aggregate principal amount of the Class A, Class B, and Class C Notes exceeds the Pool Balance as of the last day of the related Collection Period less any amounts allocated to pay principal of the Notes under clauses (5) and (7) above;
10. To the Class D Notes, accrued and unpaid interest on the Class D Notes;
11. Principal of the Notes (other than the Class XS Notes) in the amount by which the aggregate principal amount of the Class A, Class B, Class C, and Class D Notes exceeds the Pool Balance as of the last day of the related Collection Period less any amounts allocated to pay principal of the Notes under clauses (5), (7), and (9) above;
12. To the Class E Notes, accrued and unpaid interest on the Class E Notes;
13. Principal of the Notes (other than the Class XS Notes) in the amount by which the aggregate principal amount of the Class A, Class B, Class C, Class D, and Class E Notes exceeds the Pool Balance as of the last day of the related Collection Period less any amounts allocated to pay principal of the Notes under clauses (5), (7), (9), and (11) above;
14. To the Reserve Account, the amount, if any, necessary to fund the Reserve Account up to the required amount;
15. Principal to the Notes (other than the Class XS Notes) in an amount equal to the Noteholders' Regular Principal Distributable Amount;

16. Pro rata, to the Backup Servicer, Indenture Trustee, Owner Trustee, Grantor Trust Trustee, Administrator, Collateral Custodian, Independent Accountant, and the Hired Rating Agencies, certain administrative fees, expenses and indemnity amounts, to the extent not paid under clauses (1) and (2) above; and
17. To the holders of the Certificates, any remaining amount

Payment of Principal

Principal on the Notes will initially be paid sequentially as follows:

1. To the Class A Noteholders, until paid in full;
2. To the Class B Noteholders, until paid in full;
3. To the Class C Noteholders, until paid in full;
4. To the Class D Noteholders, until paid in full; and
5. To the Class E Noteholders, until paid in full.

Servicer Termination Events

The Servicing Agreement contains the following Servicer Termination Events:

1. Any failure by the Servicer to deposit in the Collection Account any proceeds of or payment on or relating to the collateral required to be deposited by the servicer, which failure shall continue unremedied for five Business Days;
2. Any failure by the Servicer to observe or perform in any material respect any other covenant or agreement of the Servicer in the Servicing Agreement which failure (A) materially and adversely affects the Noteholders or the Certificateholders and (B) continues unremedied for 60 days after discovery of the failure or receipt of a written notice thereof from the Indenture Trustee or the Requisite Noteholders by the servicer;
3. Any representation or warranty made by the Servicer in the Servicing Agreement or any other transaction document shall prove to have been incorrect or false in any material respect when made, and such breach continues unremedied for 60 days after discovery of the breach or receipt of a written notice thereof from the Indenture Trustee or the Requisite Noteholders by the Servicer; and
4. Certain events of bankruptcy, insolvency, or receivership of the Servicer or actions by the Servicer indicating its insolvency, reorganization pursuant to bankruptcy proceedings, or inability to pay its obligations.

Events of Default Under the Indenture

The Indenture contains the following Events of Default under the Indenture:

1. A default in the payment of interest on any note of the Controlling Class for five Business Days;
2. A default in the payment of principal of any class of Notes and accrued but unpaid interest due on any class of Notes on the related Final Scheduled Distribution Date;
3. A material default in the observance or performance of any other covenant or agreement of the Issuing Entity made in the Indenture, not cured for a period of 60 consecutive days after written notice;

4. Any representation or warranty made by the Issuing Entity having been incorrect in any material respect as of the time made, not cured for a period of 60 consecutive days after written notice; and
5. Certain events of bankruptcy, insolvency, receivership, or liquidation of the Issuing Entity or its property.

Upon the occurrence and during the continuance of an Event of Default, the Indenture Trustee will, at the direction of the holders of a majority of the controlling class, accelerate the Notes. At any time after a declaration of acceleration of the Notes and before a judgment or decree for payment of the money due has been obtained, the Requisite Noteholders may and the Indenture Trustee shall, if directed in writing by the Requisite Noteholders, rescind and annul such declaration and its consequences if certain conditions specified in the Indenture are satisfied. Upon the occurrence of an Event of Default, the Indenture Trustee may exercise certain remedies under the Indenture, including selling the trust estate if certain other conditions specified in the Indenture are satisfied.

Credit Enhancement

Credit enhancement for CRVNA 2023-N3 will consist of OC, subordination, reserve accounts, and available excess spread.

Overcollateralization

Initial OC will be 5.40% and will build to a target equal to the greater of 11.10% of the current Pool Balance and 1.25% of the initial Pool Balance.

Subordination

Subordination for the Class A Notes will initially be 46.60% and consists of the Class B, C, D, and E Notes. Subordination for the Class B Notes will initially be 34.35% and represents the Class C, D, and E Notes. Subordination for the Class C Notes will initially be 23.35% and represents the Class D and E Notes. Subordination for the Class D Notes will be 10.60% and represents the Class E Notes.

Reserve Account

A fully funded nondeclining reserve account will equal 1.25% of the initial Pool Balance for the benefit of Classes A through E.

Excess Spread

Initial available excess spread in the transaction is estimated to equal approximately 11.69% per year based on the WA annual percentage rate of 21.95% less the 2.50% Servicing Fee, Backup Servicing Fee, and other fees, and an assumed WA note rate of 7.76%.

Collateral

The Notes will be backed by approximately $298 million in nonprime automobile loan contracts secured by new and used automobiles, light-duty trucks, vans, and minivans. The CRVNA 2023-N3 pool is as of the September 03, 2023, cut-off date. The collateral in the pool represents most of Carvana's originations from Q1 2022 through Q2 2023. Approximately 96.59% of the collateral pool represents originations from Q4 2022 through Q2 2023. The CRVNA 2023-N3 pool characteristics are as follows.

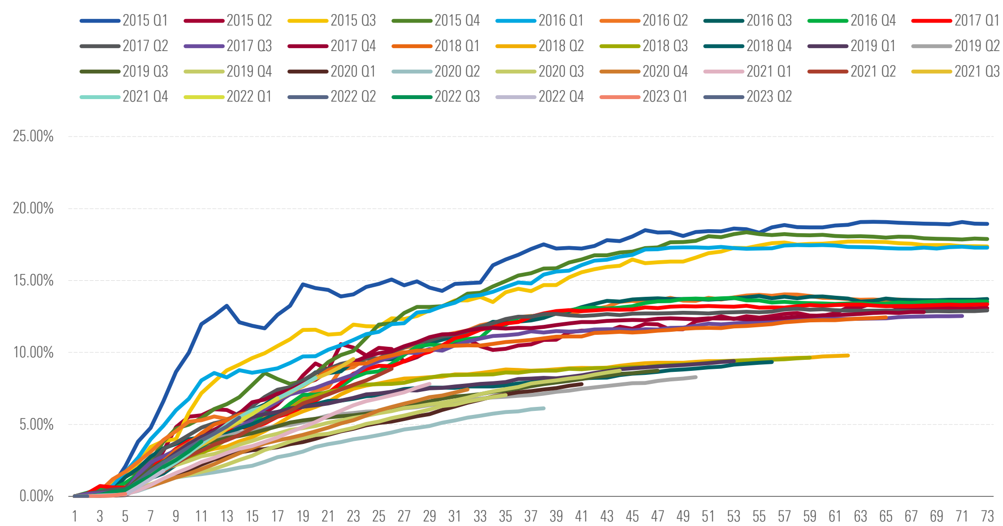
	CRVNA 2023-N3	**CRVNA 2023-N2**	**CRVNA 2023-N1**	**CRVNA 2022-N1**	**CRVNA 2021-N4**	**CRVNA 2021-N3**	**CRVNA 2021-N2**	**CRVNA 2021-N1**	**CRVNA 2020-NP1**[1]	**CRVNA 2019-4**[1]
Cut-Off Date	03-Sep-23	5-Jul-23	15-Apr-23	26-Feb-22	27-Nov-21	21-Aug-21	9-May-21	7-Mar-21	29-Feb-20	23-Dec-19
Principal Balance ($)	298,695,861	181,272,267	517,052,275	375,000,000	460,000,002	420,000,002	400,000,003	400,000,003	348,517,015	380,000,003
Average Principal Balance ($)	24,052	22,934	21,965	22,957	21,047	21,003	19,113	17,860	17,428	18,545
WA APR (%)	21.95	21.93	20.92	18.05	18.82	18.60	19.19	19.27	19.20	13.59
WA Original Term (months)	72	72	72	72	72	71	71	71	71	70
WA Remaining Term (months)	71	70	69	70	70	70	70	70	69	69
WA Seasoning (months)	2	2	3	1	2	1	1	1	2	1
New Vehicle (%)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Used Vehicle (%)	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Nonzero WA Original FICO Score	574	573	578	584	578	579	569	571	554	634
WA LTV (%)	101.8	101.4	100.8	100.0	101.0	101.0	99.0	102.0	102.0	99.0
Top State Concentrations (%)										
State 1	TX 13.5	TX 12.9	TX 13.7	TX 10.7	TX 10.9	TX 11.7	TX 10.9	TX 9.8	TX 12.6	TX 11.7
State 2	PA 7.1	PA 7.4	FL 7.8	CA 7.6	CA 7.0	GA 7.7	CA 7.2	CA 8.0	GA 8.7	CA 7.8
State 3	GA 6.7	CA 7.2	PA 7.5	FL 7.1	FL 6.9	FL 7.1	FL 6.6	FL 7.5	FL 6.9	GA 7.6
FICO Scores (%)										
No Score	2.1	2.5	3.2	4.0	4.8	5.1	5.9	5.3	5.4	2.9
<= 650	86.0	85.9	83.7	83.5	84.8	83.2	83.9	84.8	86.4	57.8
651-700	8.6	8.3	9.3	9.2	8.1	8.5	7.1	7.5	6.4	13.7
>=701	3.3	3.3	3.8	3.3	2.3	3.2	3.2	2.5	1.9	25.5
Carvana Deal Score (%)										
0 to 9	24.0	24.4	21.7	23.9	22.1	25.0	26.6	25.9	18.1	40.0[2]
10 to 19	12.1	14.7	13.9	13.2	13.8	13.8	14.1	18.1	22.9	
20 to 29	21.2	21.7	16.6	14.9	16.2	15.6	16.0	15.4	20.6	
30 to 39	22.7	18.1	19.6	17.9	17.6	16.9	16.9	16.8	18.4	
40 to 49	19.9	21.1	28.2	30.1	30.2	28.7	26.4	23.8	20.0	60.0[3]
> 49	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	

1 Based on each transaction’s respective statistical cut-off date.
2 Aggregate percentage of total pool balance of deal scores 0 to 39.
3 Aggregate percentage of total pool balance of deal scores 40 or greater.

Cash Flow Analysis

DBRS Morningstar analyzed Carvana's historical static pool credit loss data for its auto loan program since 2015, broken out by Carvana's internal credit scores. Given that Carvana's performance history dates back to 2015 initially with limited originations, DBRS Morningstar used fitted loss curve analysis.

Exhibit 1 Annual CNL % for Loans with Deal Scores of 49 or Lower



Source: DBRS Morningstar.

DBRS Morningstar used loss timing curves to forecast losses on vintages that have not yet experienced their full level of losses. DBRS Morningstar then applied the projected loss levels for each bucket within the portfolio based on the percentage of collateral from the respective bucket within the proposed pool. The DBRS Morningstar expected loss assumption is 15.15%.

DBRS Morningstar assumed a recovery rate assumption of 35.00% based on observed recovery performance on the Carvana portfolio for the loans with Deal Scores of 49 or lower. In addition, DBRS Morningstar assumed a three-month recovery lag in its cash flow analysis. Further, DBRS Morningstar applied front-loaded, middle-loaded, and back-loaded loss timing curves to each class of Notes. DBRS Morningstar also typically assumes the maximum fees and expenses considered in the waterfall in each cash flow stress scenario. The stress scenario cash flows have demonstrated that the Notes paid timely interest and ultimate principal by their respective legal final maturity dates. Please refer to Appendix A for additional cash flow assumption details.

Legal Structure and Opinions

On the Closing Date, the counsel to Carvana is expected to render opinions indicating true sale of the assets from the Transferor to the Issuer as well as the enforceability of the documents against the Originator, the Transferor, the Issuer, and the assets of the Issuer. The counsel to Carvana is also expected to render an opinion stating that the Indenture and the pledges and grants thereunder create a valid security interest in the Contract Assets for securing payment of the Issuer's obligations and that the creditors of the Originator or its affiliates cannot successfully look to the assets of the Issuer for satisfaction of their claims. In addition, the CRVNA 2023-N3 transaction structure, representation and warranties, and 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 (%)	Hard Credit Enhancement (%)	Coupon (%)	Multiple Range (x)	DBRS Morningstar Multiple (x)	Rating	Constraining Scenario
A	143,374,000	48.00	53.25	[TBD]	2.50-4.00	3.35	AAA (sf)	Mid
B	36,590,000	12.25	41.00	[TBD]	2.25-3.50	3.14	AA (sf) (high)	Front
C	32,857,000	11.00	30.00	[TBD]	2.00-3.00	2.50	A (sf) (high)	Front
D	38,084,000	12.75	17.25	[TBD]	1.50-2.25	1.99	BBB (high) (sf)	Front
E	31, 661,000	10.60	6.65	[TBD]	1.25-1.75	1.57	BB (high) (sf)	Back
Total	**282,566,000**							

	Initial	Target	Floor	Model Assumptions	
OC (%)	5.40	11.10	1.25	**DBRS Morningstar Expected Loss (%)**	15.15
Reserve Account (%)[1]	1.25	1.25	1.25	**Recovery Rate (%)**	35.00
				Recovery Lag (Months)	3
				Voluntary Prepay Speed (ABS, %)	0.90

1 The Reserve Account will be calculated as a percentage of the initial Pool Balance as of the Cut-Off Date and will be for the benefit of Classes A through E.

Replines

Name	Principal ($)	Index	APR (%)	Original Term (months)	Remaining Term (months)
1	33,543.65	Fixed	20.74	68	44
2	109,967.16	Fixed	21.48	71	56
3	3,615,176.58	Fixed	23.45	72	70
4	913,899.84	Fixed	23.28	75	74
5	98,228.65	Fixed	22.57	71	59
6	1,285,964.26	Fixed	23.30	72	69
7	390,089.52	Fixed	24.18	75	74
8	2,840.43	Fixed	25.00	72	7
9	109,984.90	Fixed	21.90	71	56
10	2,734,295.29	Fixed	22.60	72	69
11	869,670.33	Fixed	22.05	75	74
12	11,710.12	Fixed	23.49	72	47
13	163,040.16	Fixed	17.45	71	56
14	2,521,283.43	Fixed	21.96	72	69
15	695,683.13	Fixed	20.28	75	74
16	12,650.06	Fixed	27.90	36	33
17	156,898.12	Fixed	17.78	71	57
18	2,723,030.68	Fixed	20.40	72	69
19	513,303.78	Fixed	20.03	75	74
20	3,909.46	Fixed	21.00	75	9
21	19,736.81	Fixed	21.57	60	20
22	28,146.70	Fixed	27.08	43	35
23	130,619.76	Fixed	23.90	65	46

Name	Principal ($)	Index	APR (%)	Original Term (months)	Remaining Term (months)
24	1,173,816.47	Fixed	22.30	68	44
25	52,234,077.62	Fixed	24.06	71	56
26	13,511,518.25	Fixed	23.45	72	70
27	12,324.17	Fixed	21.75	75	74
28	40,955.87	Fixed	24.01	71	59
29	39,931.48	Fixed	27.35	72	69
30	107,043.88	Fixed	18.51	75	74
31	923,098.60	Fixed	21.74	72	7
32	25,932,612.79	Fixed	23.17	71	56
33	7,306,045.65	Fixed	22.51	72	69
34	4,915.48	Fixed	22.49	75	74
35	13,362.58	Fixed	21.98	72	47
36	98,660.22	Fixed	22.11	71	56
37	165,729.31	Fixed	16.00	72	69
38	1,415,124.63	Fixed	21.23	75	74
39	45,595,204.45	Fixed	22.25	36	33
40	12,339,154.71	Fixed	21.51	71	57
41	4,986.60	Fixed	19.79	72	69
42	21,877.25	Fixed	21.99	75	74
43	6,029.35	Fixed	21.99	75	9
44	137,868.11	Fixed	18.00	60	20
45	1,715,831.59	Fixed	19.55	43	35
46	47,607,735.94	Fixed	21.21	65	46
47	15,002,941.76	Fixed	20.55	70	57
48	16,954.79	Fixed	10.60	72	70
49	57,606.59	Fixed	23.13	75	74
50	66,373.87	Fixed	21.17	72	6
51	192,732.36	Fixed	15.42	70	20
52	2,469,757.52	Fixed	18.05	43	34
53	41,891,011.97	Fixed	20.10	62	43
54	11,446,904.23	Fixed	19.54	70	58
Total	**298,695,860.91**		**21.95**	**72**	**71**

Loss Timing Curves	Front Curve (%)	Middle Curve (%)	Back Curve (%)
Year 1	45	30	20
Year 2	40	50	35
Year 3	10	15	25
Year 4	5	5	10
Year 5	0	0	10

Senior Transaction Fees[2]		
Servicing Fee (%)	2.50	per annum
Transition Expense ($)	150,000	occurs in Month 1
Trustee, Custodian, & Others Fee ($)	254,000	per annum
Backup Servicing Fee ($)[3]	2,750	per month

2 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.
3 Fees for the first payment period will be $2,475.

Appendix B – Environmental, Social, and Governance (ESG) Considerations

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**
	Passed-through Environmental credit considerations	Does this rating depend to a large extent on the creditworthiness of another rated issuer which is impacted by environmental factors (see respective ESG checklist for such issuer)?	**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/or 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 financial penalties or losses to the issuer?	**N**	**N**
	Passed-through Social credit considerations	Does this rating depend to a large extent on the creditworthiness of another rated issuer which is impacted by social factors (see respective ESG checklist for such 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**
		Corporate / Transaction Governance	**N**	**N**
	Passed-through Governance credit considerations	Does this rating depend to a large extent on the creditworthiness of another rated issuer which is impacted by governance factors (see respective ESG checklist for such issuer)?	**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, 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 impact 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/396929/dbrs-morningstar-criteria-approach-to-environmental-social-and-governance-risk-factors-in-credit-ratings.

Appendix C—Scope and Meaning of Financial Obligations

DBRS Morningstar credit ratings on the Class A, Class B, Class C, Class D, and Class E Notes address the credit risk associated with the identified financial obligations in accordance with the relevant transaction documents. For Information on the 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 that are not financial obligations.

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 September 6, 2023. Subsequent information may result in material changes to the rating assigned herein and/or the contents of this report.

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