

## IMPORTANT NOTICE

### **THIS OFFERING IS AVAILABLE ONLY TO INVESTORS MEETING THE QUALIFICATIONS DESCRIBED IN THE ATTACHED MEMORANDUM**

**IMPORTANT:** You must read the following before continuing. The following applies to the offering memorandum following this page (this “Memorandum”), and you are therefore advised to read this carefully before reading, accessing or making any other use of this Memorandum. In accessing this Memorandum, you agree to be bound by the following terms and conditions, including any modifications to them any time you receive any information from us as a result of such access.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION, AND THE SECURITIES MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT OF 1933, AS AMENDED, AND APPLICABLE STATE OR LOCAL SECURITIES LAWS. THE ACQUISITION AND TRANSFER OF THE SECURITIES ARE SUBJECT TO ANY ADDITIONAL RESTRICTIONS DESCRIBED IN THIS MEMORANDUM.

EXCEPT AS SET FORTH IN THIS MEMORANDUM, THIS MEMORANDUM MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORIZED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OF 1933, AS AMENDED, OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

**Confirmation of Your Representation:** In order to be eligible to view this Memorandum or make an investment decision with respect to the Notes offered therein, investors must be Qualified Institutional Buyers (“QIBs”) (within the meaning of Rule 144A under the Securities Act). This Memorandum is being sent at your request and by accepting the e-mail and accessing this Memorandum, you shall be deemed to have represented to us that (1) you and any customers you represent are QIBs and (2) you consent to delivery of such offering documents by electronic transmission.

You are reminded that this Memorandum has been delivered to you on the basis that you are a person into whose possession this Memorandum may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorized to, deliver this Memorandum to any other person.

The materials relating to the offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and the initial purchasers, or any affiliates of the initial purchasers, are licensed brokers or dealers in that jurisdiction, the offering shall be deemed to be made by the initial purchasers, or any such affiliates, on behalf of the issuer in such jurisdiction.

This Memorandum has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently neither the initial purchasers nor any person who controls the initial purchasers nor any director, officer, employee nor agent of the initial purchasers or affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between the version of this Memorandum distributed to you in an electronic format and the hard copy version available to you on request from the initial purchasers.

# OFFERING MEMORANDUM

\$300,000,000

## OPORTUN ISSUANCE TRUST 2022-3, Issuer

\$194,674,000 7.451% Asset Backed Fixed Rate Notes, Class A, Series 2022-3  
\$44,209,000 8.533% Asset Backed Fixed Rate Notes, Class B, Series 2022-3  
\$30,248,000 10.147% Asset Backed Fixed Rate Notes, Class C, Series 2022-3  
\$30,869,000 12.397% Asset Backed Fixed Rate Notes, Class D, Series 2022-3

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OPORTUN, INC., Sponsor and Seller  
OPORTUN DEPOSITOR, LLC, Depositor  
PF SERVICING, LLC, Servicer and Administrator

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THIS OFFERING MEMORANDUM (THIS “**MEMORANDUM**”) IS NOT TO BE SHOWN OR GIVEN TO ANY PERSON OTHER THAN THE INTENDED RECIPIENT AND IS NOT TO BE PRINTED OR REPRODUCED IN ANY MANNER WHATSOEVER. FAILURE TO COMPLY WITH THIS DIRECTIVE CAN RESULT IN A VIOLATION OF THE SECURITIES ACT OF 1933, AS AMENDED (THE “**SECURITIES ACT**”).

THE ISSUER WILL HAVE NO SIGNIFICANT ASSETS AVAILABLE TO MAKE PAYMENT ON THE ASSET BACKED FIXED RATE NOTES, CLASS A, SERIES 2022-3 (THE “**CLASS A NOTES**”), THE ASSET BACKED FIXED RATE NOTES, CLASS B, SERIES 2022-3 (THE “**CLASS B NOTES**”), THE ASSET BACKED FIXED RATE NOTES, CLASS C, SERIES 2022-3 (THE “**CLASS C NOTES**”) AND THE ASSET BACKED FIXED RATE NOTES, CLASS D, SERIES 2022-3 (THE “**CLASS D NOTES**”) AND, TOGETHER WITH THE CLASS A NOTES, THE CLASS B NOTES AND THE CLASS C NOTES, THE “**SERIES 2022-3 NOTES**”) OTHER THAN THOSE PLEDGED AS COLLATERAL FOR THE SERIES 2022-3 NOTES UNDER THE INDENTURE. SEE “**RISK FACTORS**.”

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For a discussion of certain risk factors relating to the transaction, see “*Risk Factors*” beginning on page 24 herein.

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THE SERIES 2022-3 NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OR THE SECURITIES LAWS OF ANY OTHER JURISDICTION. THE SERIES 2022-3 NOTES OFFERED UNDER THIS MEMORANDUM ARE BEING INITIALLY SOLD TO THE INITIAL PURCHASERS AND THEN REOFFERED AND RESOLD ONLY TO “QUALIFIED INSTITUTIONAL BUYERS” AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT (“QIBs”) IN TRANSACTIONS MEETING THE REQUIREMENTS OF RULE 144A. THE SERIES 2022-3 NOTES ARE SUBJECT TO RESTRICTIONS ON TRANSFER AND MAY NOT BE REOFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT AS DESCRIBED HEREIN UNDER “**NOTICE TO INVESTORS**.” EACH PURCHASER OF A SERIES 2022-3 NOTE WILL BE DEEMED TO HAVE MADE CERTAIN REPRESENTATIONS AND AGREED TO THE TRANSFER RESTRICTIONS AS DESCRIBED HEREIN UNDER “**TRANSFER RESTRICTIONS**” AND “**NOTICE TO INVESTORS**.” PROSPECTIVE PURCHASERS ARE HEREBY NOTIFIED THAT THE SELLER OF THE SERIES 2022-3 NOTES MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A.

This Memorandum does not contain complete information about the Series 2022-3 Notes. Additional information is contained in the Indenture and other Transaction Documents (as defined herein).

The Series 2022-3 Notes offered under this Memorandum will be offered by Jefferies LLC, Goldman Sachs & Co. LLC and J.P. Morgan Securities LLC (the “**Initial Purchasers**”) when, as and if issued by the Issuer, subject to the prior sale or withdrawal, cancellation or modification of the offer without notice, and the right of the Initial Purchasers to reject any orders, in whole or in part, in negotiated transactions or otherwise at varying prices to be determined at the time of sale. It is expected that delivery of the Series 2022-3 Notes offered under this Memorandum will be made through the facilities of The Depository Trust Company on or about November 3, 2022 against payment therefor in immediately available funds. Payments of principal and interest will be made to the extent described herein from Available Funds (as defined herein) on the 8th day of each month (or on the next succeeding Business Day), beginning December 8, 2022.

Initial Purchasers

Jefferies

Goldman Sachs & Co. LLC

J.P. Morgan

THE DATE OF THIS MEMORANDUM IS OCTOBER 31, 2022.

\$300,000,000

**OPORTUN ISSUANCE TRUST 2022-3,**  
**Issuer**

\$194,674,000 7.451% Asset Backed Fixed Rate Notes, Class A, Series 2022-3  
 \$44,209,000 8.533% Asset Backed Fixed Rate Notes, Class B, Series 2022-3  
 \$30,248,000 10.147% Asset Backed Fixed Rate Notes, Class C, Series 2022-3  
 \$30,869,000 12.397% Asset Backed Fixed Rate Notes, Class D, Series 2022-3

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OPORTUN, INC., Sponsor and Seller  
 OPORTUN DEPOSITOR, LLC, Depositor  
 PF SERVICING, LLC, Servicer and Administrator

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**Notes – Summary Information**

<b><u>Designation</u></b>	<b><u>Class A Notes</u></b>	<b><u>Class B Notes</u></b>	<b><u>Class C Notes</u></b>	<b><u>Class D Notes</u></b>
Type <sup>(1)</sup>	Senior	Subordinate	Subordinate	Subordinate
Note Size (\$)	\$194,674,000	\$44,209,000	\$30,248,000	\$30,869,000
Note Size (%) <sup>(2)</sup>	62.75%	14.25%	9.75%	9.95%
Placement	144A	144A	144A	144A
Interest Payment Type	Fixed	Fixed	Fixed	Fixed
Interest Rate (per annum)	7.451%	8.533%	10.147%	12.397%
Payment Frequency	Monthly	Monthly	Monthly	Monthly
First Payment Date	December 8, 2022	December 8, 2022	December 8, 2022	December 8, 2022
Accrual Basis	30/360	30/360	30/360	30/360
Expected Weighted Average Life <sup>(3)</sup>	0.61 years	1.68 years	2.22 years	2.35 years
Pricing Benchmark	Interpolated I Curve	Interpolated I Curve	Interpolated I Curve	Interpolated I Curve
Ratings (DBRS)	AA (low) (sf)	A (low) (sf)	BBB (low) (sf)	BB (sf)
Expected Principal Payment Window <sup>(3)(4)</sup>	1-17 months	17-24 months	24-28 months	28-28 months
Legal Final Payment Date (Maturity Date)	January 8, 2030	January 8, 2030	January 8, 2030	January 8, 2030
Rule 144A CUSIP	68378P AA3	68378P AB1	68378P AC9	68378P AD7
Rule 144A ISIN	US68378PAA30	US68378PAB13	US68378PAC95	US68378PAD78

<sup>(1)</sup> The Class B Notes will be subordinate to the Class A Notes, the Class C Notes will be subordinate to the Class A Notes and the Class B Notes, and the Class D Notes will be subordinate to the Class A Notes, the Class B Notes and the Class C Notes, in each case to the extent described herein. See “*Description of the Notes—Credit Enhancement—Subordination.*”

<sup>(2)</sup> Calculated as a percentage of the Outstanding Receivables Balance, as of the Cut-Off Date.

<sup>(3)</sup> Assumes a base case CPR of 30% and that the Issuer exercises its optional redemption on the first Payment Date after the Outstanding Receivables Balance is less than 15% of the Initial Outstanding Receivables Balance (as hereafter defined). See “*Description of the Notes—Optional Redemption*” and “*The Receivables—Maturity and Prepayment Assumptions.*”

<sup>(4)</sup> This assumes that a Rapid Amortization Event does not occur.

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## IMPORTANT NOTICE

This Memorandum is strictly confidential and has been prepared by the Issuer solely for use in connection with the offering of the Series 2022-3 Notes described herein. Potential investors are urged to review this Memorandum in its entirety. The obligations of the parties with respect to the transactions contemplated in this Memorandum are set forth in and will be governed by certain documents described in this Memorandum, and all of the statements and information in this Memorandum are qualified in their entirety by reference to such documents.

See “*Glossary*” and “*Index of Terms*” for the definitions of certain capitalized terms used herein.

The Series 2022-3 Notes sold to QIBs in reliance on Rule 144A of the Securities Act (“**Rule 144A**”) will be initially represented by a global note for each class (each, a “**Global Note**” and collectively, the “**Global Notes**”), in fully registered form, without interest coupons, deposited with a custodian for, and registered in the name of a nominee of The Depository Trust Company (“**DTC**”).

Beneficial interests in the Global Notes will trade and settle as described under “*Description of the Notes—Book-Entry Registration*” and Annex I. Beneficial interests in each such Global Note will be shown on, and transfer thereof will be effected only through, records maintained by DTC and its direct and indirect participants, including Clearstream Banking, société anonyme (“**Clearstream**”) and the Euroclear System (“**Euroclear**”). Beneficial interests in any Global Note may be acquired in minimum denominations of \$100,000 (or, in the case of the Class D Notes, \$500,000) and in integral multiples of \$1,000 in excess thereof.

The Issuer expects that delivery of the Series 2022-3 Notes will be made to investors more than two business days after the expected pricing date. Pursuant to Rule 15c6-1 under the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”), trades in the secondary market are generally required to settle in two business days, unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade Series 2022-3 Notes prior to the second business day preceding the settlement date will be required, by virtue of the fact that the Series 2022-3 Notes are expected to initially settle more than two business days after the pricing date, to specify an alternate settlement arrangement at the time of any such trade to prevent a failed settlement. Purchasers of the Series 2022-3 Notes who wish to trade the Series 2022-3 Notes prior to the second business day preceding the settlement date should consult their advisors.

**THE SERIES 2022-3 NOTES WILL REPRESENT LIMITED OBLIGATIONS OF THE ISSUER AND WILL NOT REPRESENT INTERESTS IN OR OBLIGATIONS OF THE SELLER, THE DEPOSITOR, THE SERVICER, THE ADMINISTRATOR, THE BACK-UP SERVICER, THE INDENTURE TRUSTEE, THE DEPOSITOR LOAN TRUSTEE, THE OWNER TRUSTEE, THE INITIAL PURCHASERS OR ANY OF THEIR RESPECTIVE AFFILIATES. THE SERIES 2022-3 NOTEHOLDERS GENERALLY WILL ONLY HAVE RECOURSE TO THE ASSETS OF THE ISSUER THAT ARE PLEDGED TO THE INDENTURE TRUSTEE AS PART OF THE TRUST ESTATE AND AVAILABLE TO THE SERIES 2022-3 NOTES. SEE “*RISK FACTORS*.”**

**THE CLASS A NOTES, THE CLASS B NOTES AND THE CLASS C NOTES (OR ANY INTEREST THEREIN) MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED TO ANY PERSON UNLESS SUCH PERSON (AND ANY FIDUCIARY ACTING ON SUCH PERSON’S BEHALF) REPRESENTS, WARRANTS AND COVENANTS THAT EITHER (I) IT IS NOT AN “EMPLOYEE BENEFIT PLAN” AS DEFINED IN SECTION 3(3) OF**

THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED (“ERISA”), WHICH IS SUBJECT TO TITLE I OF ERISA, A “PLAN” DESCRIBED IN SECTION 4975 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE “CODE”), WHICH IS SUBJECT TO SECTION 4975 OF THE CODE, AN ENTITY DEEMED TO HOLD PLAN ASSETS OF ANY OF THE FOREGOING (EACH OF THE FOREGOING A “BENEFIT PLAN INVESTOR”), OR A GOVERNMENTAL OR OTHER PLAN SUBJECT TO APPLICABLE LAW THAT IS SUBSTANTIALLY SIMILAR TO SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE (“SIMILAR LAW”) OR (II) (A) ITS PURCHASE AND HOLDING OF THE CLASS A NOTES, THE CLASS B NOTES OR THE CLASS C NOTES (OR ANY INTEREST THEREIN), AS APPLICABLE, WILL NOT RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE (OR, A VIOLATION OF SIMILAR LAW), AND (B) IT ACKNOWLEDGES AND AGREES THAT THE CLASS A NOTES, THE CLASS B NOTES OR THE CLASS C NOTES, AS APPLICABLE, ARE NOT ELIGIBLE FOR ACQUISITION BY BENEFIT PLAN INVESTORS OR GOVERNMENTAL OR OTHER PLANS SUBJECT TO SIMILAR LAW AT ANY TIME THAT THE CLASS A NOTES, THE CLASS B NOTES OR THE CLASS C NOTES, AS APPLICABLE, HAVE BEEN CHARACTERIZED AS OTHER THAN INDEBTEDNESS FOR APPLICABLE LOCAL LAW PURPOSES OR ARE RATED BELOW INVESTMENT GRADE. EACH PURCHASER OR TRANSFEREE (AND ANY FIDUCIARY ACTING ON BEHALF OF A PURCHASER OR TRANSFEREE) OF A SERIES 2022-3 CLASS A, CLASS B OR CLASS C GLOBAL NOTE (OR ANY INTEREST THEREIN) SHALL BE DEEMED TO HAVE REPRESENTED THAT IT MEETS THE FOREGOING REQUIREMENTS.

THE CLASS D NOTES (OR ANY INTEREST THEREIN) MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED TO ANY PERSON UNLESS SUCH PERSON (AND ANY FIDUCIARY ACTING ON SUCH PERSON’S BEHALF) REPRESENTS, WARRANTS AND COVENANTS THAT IT IS NOT A BENEFIT PLAN INVESTOR OR A GOVERNMENTAL OR OTHER PLAN SUBJECT TO SIMILAR LAW.

EACH PROSPECTIVE OWNER OF A BENEFICIAL INTEREST IN A CLASS D NOTE (OR A PARTICIPANT IN A CLASS D NOTE) SHALL UPON ACCEPTING A BENEFICIAL INTEREST (INCLUDING A PARTICIPATION INTEREST) IN THE CLASS D NOTE, BE DEEMED TO MAKE ALL OF THE CERTIFICATIONS, REPRESENTATIONS AND WARRANTIES SET FORTH IN A TRANSFEREE CERTIFICATION THAT IS ATTACHED AS AN EXHIBIT TO THE INDENTURE AND THIS MEMORANDUM. *SEE “CERTAIN U.S. FEDERAL INCOME TAX CONSEQUENCES” AND “NOTICE TO INVESTORS.”*

NOTWITHSTANDING ANYTHING TO THE CONTRARY HEREIN, NO TRANSFER OF A BENEFICIAL INTEREST IN A CLASS D NOTE SHALL BE EFFECTIVE AND ANY ATTEMPTED TRANSFER SHALL BE VOID AB INITIO, UNLESS, PRIOR TO AND AS A CONDITION OF SUCH TRANSFER, THE PROSPECTIVE TRANSFEREE OF THE BENEFICIAL INTEREST (INCLUDING THE INITIAL TRANSFEREE OF THE BENEFICIAL INTEREST) AND ANY SUBSEQUENT TRANSFEREE OF THE BENEFICIAL INTEREST IN SUCH NOTE, PROVIDE CERTAIN TAX REPRESENTATIONS AND WARRANTIES, IN WRITING SUBSTANTIALLY IN THE FORM OF A TRANSFEREE CERTIFICATION THAT IS ATTACHED AS AN EXHIBIT TO THE INDENTURE AND THIS MEMORANDUM, TO THE INDENTURE TRUSTEE AND THE TRANSFER AGENT AND REGISTRAR AND ANY OF THEIR RESPECTIVE SUCCESSORS OR ASSIGNS. *SEE “CERTAIN U.S. FEDERAL INCOME TAX CONSEQUENCES” AND “NOTICE TO INVESTORS.”*

THE SERIES 2022-3 NOTES OFFERED UNDER THIS MEMORANDUM ARE BEING OFFERED PURSUANT TO AVAILABLE EXEMPTIONS FROM REGISTRATION UNDER THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS, AND HAVE NOT BEEN AND WILL NOT BE REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR OTHER REGULATORY AUTHORITY. THE RESALE OR TRANSFER OF THE SERIES 2022-3 NOTES IS RESTRICTED BY THE TERMS THEREOF AND BY THE TERMS OF THE INDENTURE. ANY PURCHASER OF A GLOBAL NOTE WILL BE DEEMED TO HAVE MADE CERTAIN REPRESENTATIONS AND AGREED TO THE TRANSFER RESTRICTIONS. SEE “*RISK FACTORS—RESTRICTIONS ON TRANSFER; LACK OF LIQUIDITY*,” “*PLAN OF DISTRIBUTION*,” “*TRANSFER RESTRICTIONS*” AND “*NOTICE TO INVESTORS*.” BECAUSE OF THE RESTRICTIONS ON TRANSFER, AN ACTIVE SECONDARY MARKET FOR THE SERIES 2022-3 NOTES IS UNLIKELY TO DEVELOP, AND INVESTORS SHOULD BE AWARE THAT THEY MAY BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THEIR INVESTMENT FOR AN INDEFINITE PERIOD.

NO SERIES 2022-3 NOTE MAY BE SOLD WITHOUT DELIVERY OF A FINAL OFFERING MEMORANDUM. IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE ISSUER AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. SEE “*RISK FACTORS*” FOR A DESCRIPTION OF CERTAIN FACTORS RELATING TO AN INVESTMENT IN THE SERIES 2022-3 NOTES OFFERED HEREBY. THE SERIES 2022-3 NOTES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR OTHER REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THIS MEMORANDUM IS NOT INTENDED TO FURNISH LEGAL, REGULATORY, TAX OR ACCOUNTING ADVICE TO ANY PROSPECTIVE PURCHASER OF THE SERIES 2022-3 NOTES. THIS MEMORANDUM SHOULD BE REVIEWED BY EACH PROSPECTIVE PURCHASER AND ITS LEGAL, REGULATORY, TAX AND ACCOUNTING ADVISORS.

NEITHER THE ISSUER NOR ANY OTHER PERSON OR ENTITY IS MAKING ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, TO ANY OFFEREE OR PURCHASER OF THE SERIES 2022-3 NOTES REGARDING THE LEGALITY OF ANY INVESTMENT THEREIN BY SUCH OFFEREE OR PURCHASER UNDER APPLICABLE LEGAL INVESTMENT OR SIMILAR LAWS. PROSPECTIVE INVESTORS WHOSE INVESTMENT AUTHORITY IS SUBJECT TO LEGAL RESTRICTIONS SHOULD CONSULT THEIR OWN LEGAL ADVISORS TO DETERMINE WHETHER AND TO WHAT EXTENT THE SERIES 2022-3 NOTES CONSTITUTE LEGAL INVESTMENTS FOR THEM.

NO PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS OTHER THAN THOSE CONTAINED IN THIS MEMORANDUM AND, IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON. THIS MEMORANDUM DOES NOT CONSTITUTE AN OFFER TO SELL, OR A SOLICITATION OF AN OFFER TO BUY, ANY SECURITIES IN ANY JURISDICTION WHERE, OR TO ANY PERSON TO WHOM, IT IS UNLAWFUL TO MAKE SUCH OFFER OR SOLICITATION IN SUCH JURISDICTION.

THIS MEMORANDUM AND ANY OTHER DOCUMENTS OR OTHER INFORMATION PROVIDED BY THE ISSUER OR THE INITIAL PURCHASERS RELATING TO THE



**POSSIBLE PURCHASE OF THE SERIES 2022-3 NOTES ARE SOLELY FOR THE EVALUATION PURPOSES OF THE RECIPIENT AND SUCH OF ITS EMPLOYEES, AGENTS AND CONSULTANTS AS HAVE A NEED TO KNOW ITS CONTENTS FOR PURPOSES OF EVALUATING SUCH POSSIBLE PURCHASE. BY ACCEPTING THIS MEMORANDUM, THE RECIPIENT AGREES THAT ALL INFORMATION CONTAINED HEREIN WILL BE TREATED CONFIDENTIALLY AND WILL NOT BE DISCLOSED TO ANY OTHER PERSON WITHOUT THE SPECIFIC PRIOR WRITTEN APPROVAL OF THE ISSUER, THE SELLER, THE DEPOSITOR, THE SERVICER, THE ADMINISTRATOR AND THE INITIAL PURCHASERS. ANY USE OF THIS MEMORANDUM FOR ANY PURPOSE OTHER THAN TO EVALUATE AN INVESTMENT IN THE SERIES 2022-3 NOTES OFFERED HEREBY AS DESCRIBED HEREIN IS NOT AUTHORIZED, AND ALL COPIES HEREOF SHALL BE PROMPTLY RETURNED TO THE INITIAL PURCHASERS BY THE RECIPIENT UPON ANY TERMINATION OF ITS CONSIDERATION OF ITS POSSIBLE PURCHASE OF THE SERIES 2022-3 NOTES. BY ACCEPTING THIS MEMORANDUM, THE RECIPIENT AGREES THAT THIS MEMORANDUM SHALL NOT BE USED FOR ANY SUCH OTHER PURPOSE, AND THAT ALL SUCH COPIES SHALL BE SO RETURNED.**

**ALL OF THE STATEMENTS IN THIS MEMORANDUM WITH RESPECT TO THE BUSINESS OF THE SPONSOR, THE ISSUER, THE SELLER, THE DEPOSITOR AND THE SERVICER, THE ADMINISTRATOR, AND THE FINANCIAL AND OTHER INFORMATION REGARDING THE SPONSOR, THE ISSUER, THE SELLER, THE DEPOSITOR, THE SERVICER, THE ADMINISTRATOR AND THE RECEIVABLES ARE BASED ON INFORMATION FURNISHED ON BEHALF OF THE SPONSOR, THE ISSUER, THE SELLER, THE DEPOSITOR, THE SERVICER AND THE ADMINISTRATOR. WHILE THE INFORMATION SET FORTH HEREIN HAS BEEN OBTAINED FROM SOURCES BELIEVED TO BE RELIABLE, NEITHER THE INITIAL PURCHASERS NOR ANY OF THEIR DIRECTORS, OFFICERS, EMPLOYEES, REPRESENTATIVES OR CONTROLLING PERSONS EITHER OFFERS AN OPINION AS TO, OR ASSUMES ANY RESPONSIBILITY FOR, THE ADEQUACY, ACCURACY OR COMPLETENESS OF ANY INFORMATION CONTAINED HEREIN OR FOR THE OMISSION OF ANY INFORMATION RELATING HERETO, AND NONE OF THE FOREGOING PERSONS SHALL BE LIABLE FOR ANY LOSS OR DAMAGES OF ANY KIND RESULTING FROM THE USE OF THE INFORMATION CONTAINED HEREIN OR OTHERWISE SUPPLIED. THE INITIAL PURCHASERS ASSUME NO RESPONSIBILITY FOR THE PERFORMANCE OF ANY OBLIGATIONS OF THE SPONSOR, THE ISSUER, THE SELLER, THE DEPOSITOR, THE SERVICER, THE ADMINISTRATOR OR ANY OTHER PERSONS DESCRIBED IN THIS MEMORANDUM OR FOR THE DUE EXECUTION, VALIDITY OR ENFORCEABILITY OF THE NOTES, INSTRUMENTS OR DOCUMENTS DELIVERED IN CONNECTION WITH THE SERIES 2022-3 NOTES OR FOR THE VALUE OR VALIDITY OF ANY COLLATERAL OR SECURITY INTERESTS PLEDGED IN CONNECTION THEREWITH.**

**BY ACCEPTING DELIVERY OF THIS MEMORANDUM, PROSPECTIVE INVESTORS WILL BE DEEMED TO HAVE ACKNOWLEDGED THE NEED TO CONDUCT THEIR OWN THOROUGH INVESTIGATION AND TO EXERCISE THEIR OWN DUE DILIGENCE BEFORE CONSIDERING AN INVESTMENT IN THE SERIES 2022-3 NOTES. NONE OF THE SPONSOR, THE ISSUER, THE INDENTURE TRUSTEE, THE DEPOSITOR LOAN TRUSTEE, THE OWNER TRUSTEE, THE SELLER, THE DEPOSITOR, THE SERVICER, THE ADMINISTRATOR, THE BACK-UP SERVICER OR THE INITIAL PURCHASERS ASSUMES RESPONSIBILITY FOR, OR MAKES ANY REPRESENTATION WHATSOEVER AS TO THE ADVISABILITY OF, PURCHASING THE SERIES 2022-3 NOTES. PROSPECTIVE INVESTORS MAY NOT CONSTRUE THE CONTENTS OF THIS MEMORANDUM AS INVESTMENT, TAX**

**OR LEGAL ADVICE. THIS MEMORANDUM, AS WELL AS THE NATURE OF THE INVESTMENT, SHOULD BE REVIEWED BY EACH PROSPECTIVE INVESTOR AND ITS INVESTMENT, TAX OR OTHER ADVISORS, ITS ACCOUNTANTS AND ITS LEGAL COUNSEL.**

**NEITHER THE DELIVERY OF THIS MEMORANDUM AT ANY TIME NOR ANY SALE MADE HEREUNDER SHALL, UNDER ANY CIRCUMSTANCES, IMPLY THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE SPONSOR, THE ISSUER, THE SERVICER, THE ADMINISTRATOR, THE SELLER OR THE DEPOSITOR SINCE THE DATE HEREOF OR THAT THE INFORMATION CONTAINED HEREIN IS CORRECT AS OF ANY DATE SUBSEQUENT TO THE DATE HEREOF. THIS MEMORANDUM WILL NOT BE UPDATED OR OTHERWISE REVISED TO REFLECT INFORMATION THAT SUBSEQUENTLY BECOMES AVAILABLE OR FOR CIRCUMSTANCES EXISTING OR CHANGES OCCURRING AFTER THE DATE HEREOF, INCLUDING CHANGES IN GENERAL ECONOMIC OR INDUSTRY CONDITIONS.**

**THIS MEMORANDUM CONTAINS SUMMARIES OF CERTAIN DOCUMENTS. THE SUMMARIES DO NOT PURPORT TO BE COMPLETE AND ARE QUALIFIED IN THEIR ENTIRETY BY REFERENCE TO SUCH DOCUMENTS, COPIES OF WHICH ARE AVAILABLE TO PROSPECTIVE INVESTORS UPON REQUEST.**

**THE INITIAL PURCHASERS MAY FROM TIME TO TIME ACT AS UNDERWRITERS FOR PUBLIC OFFERINGS OF, OR MAKE A MARKET FOR, SECURITIES OF THE SPONSOR, THE ISSUER, THE SELLER, THE DEPOSITOR, THE SERVICER, THE ADMINISTRATOR OR AFFILIATES THEREOF.**

#### **EU SECURITIZATION REGULATION AND UK SECURITIZATION REGULATION**

**NONE OF THE SELLER, THE ISSUER, THE DEPOSITOR, THE SPONSOR OR ANY OTHER PARTY TO THE TRANSACTION DESCRIBED IN THIS MEMORANDUM WILL RETAIN A MATERIAL NET ECONOMIC INTEREST IN THE SECURITIZATION TRANSACTION CONSTITUTED BY THE ISSUE OF THE SERIES 2022-3 NOTES, OR TAKE ANY OTHER ACTION, IN A MANNER PRESCRIBED BY (A) REGULATION (EU) 2017/2402 (AS AMENDED FROM TIME TO TIME, THE “EU SECURITIZATION REGULATION”) OR (B) REGULATION (EU) 2017/2402, AS IT FORMS PART OF UK DOMESTIC LAW BY VIRTUE OF THE EUROPEAN UNION (WITHDRAWAL) ACT 2018 (AS AMENDED, THE “EUWA”), AND AS AMENDED BY THE SECURITIZATION (AMENDMENT) (EU EXIT) REGULATIONS 2019 (AS FURTHER AMENDED FROM TIME TO TIME, THE “UK SECURITIZATION REGULATION”). IN PARTICULAR, NO SUCH PARTY WILL TAKE OR REFRAIN FROM TAKING ANY ACTION THAT MAY BE REQUIRED BY ANY PROSPECTIVE INVESTOR OR SERIES 2022-3 NOTEHOLDER FOR THE PURPOSES OF ITS COMPLIANCE WITH ANY REQUIREMENT OF THE EU SECURITIZATION REGULATION OR THE UK SECURITIZATION REGULATION. IN ADDITION, THE ARRANGEMENTS DESCRIBED UNDER “CREDIT RISK RETENTION” HAVE NOT BEEN STRUCTURED WITH THE OBJECTIVE OF ENABLING OR FACILITATING COMPLIANCE BY ANY PERSON WITH ANY REQUIREMENT OF THE EU SECURITIZATION REGULATION OR THE UK SECURITIZATION REGULATION.**

**CONSEQUENTLY, THE SERIES 2022-3 NOTES MAY NOT BE A SUITABLE INVESTMENT FOR ANY PERSON THAT IS NOW OR MAY IN THE FUTURE BE SUBJECT**

**TO ANY REQUIREMENT OF THE EU SECURITIZATION REGULATION OR THE UK SECURITIZATION REGULATION.**

**FOR ADDITIONAL INFORMATION REGARDING THE EU SECURITIZATION REGULATION AND THE UK SECURITIZATION REGULATION, SEE “REQUIREMENTS FOR CERTAIN EUROPEAN AND UK REGULATED INVESTORS AND AFFILIATES.”**

**NOTICE TO RESIDENTS OF THE UNITED KINGDOM**

**THIS MEMORANDUM AND ANY OTHER DOCUMENTATION PROVIDED BY THE ISSUER, THE SPONSOR, THE SELLER, THE DEPOSITOR, THE SERVICER, THE ADMINISTRATOR OR THE INITIAL PURCHASERS RELATING TO THE SERIES 2022-3 NOTES (SUCH DOCUMENTS BEING REFERRED TO IN THIS PARAGRAPH AND THE FOLLOWING PARAGRAPH AS “OTHER SERIES 2022-3 DOCUMENTATION”) MAY ONLY BE COMMUNICATED OR CAUSED TO BE COMMUNICATED IN THE UNITED KINGDOM (THE “UK”) TO PERSONS HAVING PROFESSIONAL EXPERIENCE IN MATTERS RELATING TO INVESTMENTS AND QUALIFYING AS INVESTMENT PROFESSIONALS UNDER ARTICLE 19(5) (INVESTMENT PROFESSIONALS) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005, AS AMENDED (THE “ORDER”), OR TO PERSONS FALLING WITHIN ARTICLE 49(2)(A) TO (D) (“HIGH NET WORTH COMPANIES, UNINCORPORATED ASSOCIATIONS ETC.”) OF THE ORDER OR WHO OTHERWISE FALL WITHIN AN EXEMPTION SET FORTH IN THE ORDER, SUCH THAT SECTION 21(1) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (AS AMENDED (THE “FSMA”) DOES NOT APPLY TO THE ISSUER OR TO ANY OTHER PERSON TO WHOM THIS MEMORANDUM AND ANY OTHER SERIES 2022-3 DOCUMENTATION MAY OTHERWISE LAWFULLY BE COMMUNICATED OR CAUSED TO BE COMMUNICATED (ALL SUCH PERSONS TOGETHER BEING REFERRED TO IN THIS PARAGRAPH AS “RELEVANT PERSONS”).**

**NEITHER THIS MEMORANDUM NOR ANY OTHER SERIES 2022-3 DOCUMENTATION OR THE SERIES 2022-3 NOTES ARE OR WILL BE AVAILABLE TO PERSONS IN THE UK WHO ARE NOT RELEVANT PERSONS AND THIS MEMORANDUM AND ANY OTHER SERIES 2022-3 DOCUMENTATION MUST NOT BE ACTED ON OR RELIED ON BY PERSONS IN THE UK WHO ARE NOT RELEVANT PERSONS. ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THIS MEMORANDUM AND ANY OTHER SERIES 2022-3 DOCUMENTATION RELATES IS AVAILABLE IN THE UK ONLY TO RELEVANT PERSONS AND WILL BE ENGAGED IN ONLY WITH RELEVANT PERSONS IN THE UK. THE COMMUNICATION OF THIS MEMORANDUM AND ANY OTHER SERIES 2022-3 DOCUMENTATION TO ANY PERSON IN THE UK OTHER THAN RELEVANT PERSONS IS UNAUTHORIZED AND MAY CONTRAVENE THE FSMA.**

**EACH INITIAL PURCHASER HAS REPRESENTED AND AGREED THAT: (A) IT HAS ONLY COMMUNICATED OR CAUSED TO BE COMMUNICATED AND WILL ONLY COMMUNICATE OR CAUSE TO BE COMMUNICATED AN INVITATION OR INDUCEMENT TO ENGAGE IN INVESTMENT ACTIVITY (WITHIN THE MEANING OF SECTION 21 OF THE FSMA) RECEIVED BY IT IN CONNECTION WITH THE ISSUE OR SALE OF THE NOTES IN CIRCUMSTANCES IN WHICH SECTION 21(1) OF THE FSMA DOES NOT APPLY TO THE ISSUER; AND (B) IT HAS COMPLIED AND WILL COMPLY WITH ALL APPLICABLE PROVISIONS OF THE FSMA WITH RESPECT TO ANYTHING DONE BY IT IN RELATION TO THE SERIES 2022-3 NOTES IN, FROM OR OTHERWISE INVOLVING THE UK.**

**ANY DISTRIBUTOR SUBJECT TO THE FCA HANDBOOK PRODUCT INTERVENTION AND PRODUCT GOVERNANCE SOURCEBOOK (THE “UK MIFIR PRODUCT GOVERNANCE RULES”) THAT IS OFFERING, SELLING OR RECOMMENDING THE OFFERED NOTES IS RESPONSIBLE FOR UNDERTAKING ITS OWN TARGET MARKET ASSESSMENT IN RESPECT OF THE OFFERED NOTES AND DETERMINING APPROPRIATE DISTRIBUTION CHANNELS. NONE OF THE ISSUER, THE DEPOSITOR, THE SELLER, THE SPONSOR OR ANY INITIAL PURCHASER MAKES ANY REPRESENTATIONS OR WARRANTIES AS TO A DISTRIBUTOR’S COMPLIANCE WITH THE UK MIFIR PRODUCT GOVERNANCE RULES.**

**THE SERIES 2022-3 NOTES ARE NOT INTENDED TO BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO, AND SHOULD NOT BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO, ANY RETAIL INVESTOR IN THE UK. FOR THESE PURPOSES, A RETAIL INVESTOR MEANS A PERSON WHO IS ONE (OR MORE) OF THE FOLLOWING: (I) A RETAIL CLIENT, AS DEFINED IN POINT (8) OF ARTICLE 2 OF REGULATION (EU) NO 2017/565, AS IT FORMS PART OF UK DOMESTIC LAW BY VIRTUE OF THE EUWA; OR (II) A CUSTOMER WITHIN THE MEANING OF THE PROVISIONS OF THE FSMA AND ANY RULES OR REGULATIONS MADE UNDER THE FSMA TO IMPLEMENT DIRECTIVE (EU) 2016/97 AS AMENDED, WHERE THAT CUSTOMER WOULD NOT QUALIFY AS A PROFESSIONAL CLIENT, AS DEFINED IN POINT (8) OF ARTICLE 2(1) OF REGULATION (EU) NO 600/2014, AS IT FORMS PART OF UK DOMESTIC LAW BY VIRTUE OF THE EUWA; OR (III) NOT A QUALIFIED INVESTOR (“UK QUALIFIED INVESTOR”) AS DEFINED IN ARTICLE 2 OF REGULATION (EU) 2017/1129 (AS AMENDED), AS IT FORMS PART OF UK DOMESTIC LAW BY VIRTUE OF THE EUWA (THE “UK PROSPECTUS REGULATION”). CONSEQUENTLY NO KEY INFORMATION DOCUMENT REQUIRED BY REGULATION (EU) NO 1286/2014 (AS AMENDED), AS IT FORMS PART OF UK DOMESTIC LAW BY VIRTUE OF THE EUWA (THE “UK PRIIPS REGULATION”) FOR OFFERING OR SELLING THE SERIES 2022-3 NOTES OR OTHERWISE MAKING THEM AVAILABLE TO RETAIL INVESTORS IN THE UK HAS BEEN PREPARED AND THEREFORE OFFERING OR SELLING THE SERIES 2022-3 NOTES OR OTHERWISE MAKING THEM AVAILABLE TO ANY RETAIL INVESTOR IN THE UK MAY BE UNLAWFUL UNDER THE UK PRIIPS REGULATION.**

#### **NOTICE TO RESIDENTS OF THE EUROPEAN ECONOMIC AREA**

**THE SERIES 2022-3 NOTES ARE NOT INTENDED TO BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO, AND SHOULD NOT BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO, ANY RETAIL INVESTOR IN THE EUROPEAN ECONOMIC AREA (THE “EEA”). FOR THESE PURPOSES, A RETAIL INVESTOR MEANS A PERSON WHO IS ONE (OR MORE) OF: (I) A RETAIL CLIENT AS DEFINED IN POINT (11) OF ARTICLE 4(1) OF DIRECTIVE 2014/65/EU (AS AMENDED, “MIFID II”), (II) A CUSTOMER WITHIN THE MEANING OF DIRECTIVE (EU) 2016/97 (AS AMENDED, THE “INSURANCE DISTRIBUTION DIRECTIVE”), WHERE THAT CUSTOMER WOULD NOT QUALIFY AS A PROFESSIONAL CLIENT AS DEFINED IN POINT (10) OF ARTICLE 4(1) OF MIFID II OR (III) NOT A QUALIFIED INVESTOR AS DEFINED IN REGULATION (EU) 2017/1129 (AS AMENDED, THE “EU PROSPECTUS REGULATION”). CONSEQUENTLY NO KEY INFORMATION DOCUMENT REQUIRED BY REGULATION (EU) NO 1286/2014 (AS AMENDED, THE “EU PRIIPS REGULATION”) FOR OFFERING OR SELLING THE SERIES 2022-3 NOTES OR OTHERWISE MAKING THEM AVAILABLE TO RETAIL INVESTORS IN THE EEA HAS BEEN PREPARED AND THEREFORE OFFERING OR SELLING THE SERIES**

**2022-3 NOTES OR OTHERWISE MAKING THEM AVAILABLE TO ANY RETAIL INVESTOR IN THE EEA MAY BE UNLAWFUL UNDER THE EU PRIIPS REGULATION.**

**ANY DISTRIBUTOR SUBJECT TO MIFID II THAT IS OFFERING, SELLING OR RECOMMENDING THE OFFERED NOTES IS RESPONSIBLE FOR UNDERTAKING ITS OWN TARGET MARKET ASSESSMENT IN RESPECT OF THE OFFERED NOTES AND DETERMINING ITS OWN DISTRIBUTION CHANNELS FOR THE PURPOSES OF THE MIFID II PRODUCT GOVERNANCE RULES UNDER COMMISSION DELEGATED DIRECTIVE (EU) 2017/593 (AS AMENDED, THE “DELEGATED DIRECTIVE”). NONE OF THE ISSUER, THE SELLER, THE DEPOSITOR, THE SPONSOR OR ANY INITIAL PURCHASER MAKES ANY REPRESENTATIONS OR WARRANTIES AS TO A DISTRIBUTOR’S COMPLIANCE WITH THE DELEGATED DIRECTIVE.**

**AVAILABLE INFORMATION**

To permit compliance with Rule 144A under the Securities Act in connection with the sales of any class of Series 2022-3 Notes, the Issuer will be required under the Transaction Documents, for so long as any such class of Series 2022-3 Notes is a “restricted security” within the meaning of Rule 144(a)(3) under the Securities Act, to provide, upon request of a holder of Series 2022-3 Notes, to such holder and any prospective purchaser designated by such holder, the information which is required to be delivered under Rule 144A(d)(4) under the Securities Act if at the time of the request the Issuer is not subject to Section 13 or Section 15(d) of the Exchange Act. Any such request should be addressed to Oportun Issuance Trust 2022-3 at c/o Wilmington Savings Fund Society, FSB, 500 Delaware Avenue, 11th Floor, Wilmington, Delaware 19801, with a copy to the Administrator at 2 Circle Star Way, San Carlos, California 94070.

The Depositor has furnished a Form ABS-15G to the SEC pursuant to Rule 15Ga-2 of the Exchange Act. The Form ABS-15G is available on the SEC’s website at <http://www.sec.gov> under the Depositor’s CIK number, 0001857141. Notwithstanding the foregoing, this Memorandum does not incorporate by reference any documents, portions of documents, exhibits or other information that is deemed to have been filed with the SEC.

**REPORTS TO NOTEHOLDERS**

Unless and until definitive Series 2022-3 Notes are issued, monthly reports, containing unaudited information concerning the Issuer and prepared by the Servicer, will be sent on behalf of the Issuer only to DTC or its nominee as registered holder of the Series 2022-3 Notes, pursuant to the Indenture. See “*Description of the Notes—Book-Entry Registration*” and “*Description of the Indenture—Reports to Noteholders*.” Such reports will not constitute financial statements prepared in accordance with GAAP. The owners of beneficial interests in the Series 2022-3 Notes (the “**Note Owners**”) may, upon furnishing to the Indenture Trustee a written request for such reports and a certification that such Person is a Note Owner, obtain copies of such report by paying postage and reproduction costs or access such report through the Indenture Trustee’s website.

**FORWARD-LOOKING STATEMENTS**

This Memorandum contains forward-looking statements, particularly in the section entitled “*Risk Factors*.” These forward-looking statements can generally be identified by the use of future tense, dates or terms such as “believe,” “expect,” “estimate,” “anticipate,” “intend,” “may,” “might,” “will,” “would,” “project,” and “predict,” or similar words and phrases. Because these statements involve risks and uncertainties, actual results or events may differ significantly from the results or events predicted or anticipated by these statements. Accordingly, you should not place undue reliance on these statements.

These statements speak only as of the date of this Memorandum or, in the case of any document incorporated by reference, the date of that document. The risks and uncertainties attributable to these forward-looking statements may adversely affect the distributions to be made on, or the yield of, the Series 2022-3 Notes. Many of these risks and uncertainties are discussed under the “Risk Factors” section herein. You should carefully review and consider such Risk Factors, in addition to the other information provided herein.

## SUMMARY OF MEMORANDUM

*The following summary highlights selected information, is qualified in its entirety by reference to the detailed information appearing elsewhere in this Memorandum and in the Transaction Documents and does not contain all of the information you need to make your investment decision. To understand all of the terms of the offering described herein, read the entire Memorandum. Certain capitalized terms used in this summary are defined in the Glossary or elsewhere in this Memorandum. A listing of the pages on which the terms are defined is found in the “Index of Terms.”*

Securities Issued..... Asset Backed Fixed Rate Notes, Series 2022-3 (the “**Series 2022-3 Notes**”).

The Series 2022-3 Notes will be issued in four classes, Class A with an initial principal balance of \$194,674,000 (the “**Class A Notes**”), Class B with an initial principal balance of \$44,209,000 (the “**Class B Notes**”), Class C with an initial principal balance of \$30,248,000 (the “**Class C Notes**”) and Class D with an initial principal balance of \$30,869,000 (the “**Class D Notes**”). The Class A Notes will bear interest at a fixed rate equal to 7.451% per annum (the “**Class A Note Rate**”), the Class B Notes will bear interest at a fixed rate equal to 8.533% per annum (the “**Class B Note Rate**”), the Class C Notes will bear interest at a fixed rate equal to 10.147% per annum (the “**Class C Note Rate**”) and the Class D Notes will bear interest at a fixed rate equal to 12.397% per annum (the “**Class D Note Rate**”). See “*Description of the Notes—Determination of Monthly Interest.*”

The Series 2022-3 Notes will be issued by the Issuer pursuant to the Indenture, dated as of the Closing Date (the “**Indenture**”), between the Issuer and the Indenture Trustee. The Series 2022-3 Notes will be offered for purchase in minimum denominations of \$100,000 (or, in the case of the Class D Notes, \$500,000) and in integral multiples of \$1,000 in excess thereof. As used herein, “**Notes**” means any one of the notes issued by the Issuer under the Indenture, executed and authenticated by the Indenture Trustee substantially in the form attached to the Indenture. A “**Noteholder**” means, with respect to any Note, the holder of record of such Note, a “**Series 2022-3 Noteholder**” means a holder of record of a Series 2022-3 Note, a “**Class A Noteholder**” means a holder of record of a Class A Note, a “**Class B Noteholder**” means a holder of record of a Class B Note, a “**Class C Noteholder**” means a holder of record of a Class C Note and a “**Class D Noteholder**” means a holder of record of a Class D Note. See “*Description of the Notes—General.*”

The Issuer will also issue the Certificates, which are not being offered under this Memorandum. See “*Description of the Notes—Certificates.*”

Issuer..... Oportun Issuance Trust 2022-3, a Delaware statutory trust formed by the Depositor (the “**Issuer**”). See “*The Issuer.*” The Issuer is governed by a short-form trust agreement, dated as of October 4, 2022, as will be amended and restated pursuant to an amended and restated trust agreement, dated as of the Closing Date (the “**Trust Agreement**”), among

	the Depositor, the Owner Trustee, the Administrator, and WTNA, as certificate registrar (the “ <b>Certificate Registrar</b> ”).
Seller .....	<p>Oportun, Inc., a Delaware corporation (the “<b>Seller</b>”), is a wholly-owned subsidiary of Oportun Financial Corporation, a Delaware corporation (“<b>Oportun Financial</b>”) currently listed on the Nasdaq Global Select Market under the ticker symbol “OPRT.” See “<i>Seller’s Consumer Loan Business—Overview.</i>”</p> <p>Pursuant to the Receivables Purchase Agreement, dated as of the Closing Date, among the Seller, the Depositor and the Depositor Loan Trustee (the “<b>Purchase Agreement</b>”), the Seller will transfer Loans and Related Rights to the Depositor (or with respect to legal title to such Loans and Related Rights, to the Depositor Loan Trustee for the benefit of the Depositor). See “<i>Description of the Purchase Agreement.</i>”</p>
Depositor.....	<p>Oportun Depositor, LLC, a bankruptcy-remote, special purpose Delaware limited liability company (the “<b>Depositor</b>”), wholly-owned by the Seller. See “<i>The Depositor.</i>” Pursuant to the Receivables Transfer Agreement, dated as of the Closing Date, among the Depositor, the Depositor Loan Trustee and the Issuer (the “<b>Transfer Agreement</b>”), the Depositor (or with respect to legal title, the Depositor Loan Trustee for the benefit of the Depositor) will transfer the Loans and Related Rights to the Issuer. See “<i>Description of the Transfer Agreement.</i>”</p>
Sponsor .....	Oportun, Inc., a Delaware corporation (the “ <b>Sponsor</b> ”). The Sponsor will provide a guaranty of certain obligations of the Servicer (the “ <b>Performance Guaranty</b> ”).
Originators .....	The Seller is currently the primary originator of the Receivables, although some Receivables may be originated indirectly through Oportun, LLC, an affiliate of the Seller, as described herein. As described under “ <i>Seller’s Consumer Loan Business—Pathward Partnership,</i> ” in August 2021, the Seller launched a partnership with Pathward, N.A. (formerly known as MetaBank, N.A.) (“ <b>Pathward</b> ”), a national bank, pursuant to which Pathward originates personal loans in certain states outside of the Seller’s current state-licensed footprint. Loans originated by Pathward may be sold to the Seller for further transfer to the Depositor and the Depositor Loan Trustee for the benefit of the Depositor and, in turn, the Issuer. See “ <i>Risk Factors—Pathward Partnership.</i> ”
Servicer .....	Pursuant to the Servicing Agreement, dated as of the Closing Date, among the Issuer, PF Servicing, LLC (“ <b>PF Servicing</b> ”), as Servicer (the “ <b>Servicer</b> ”), and the Indenture Trustee (the “ <b>Servicing Agreement</b> ”), the Servicer will be responsible for servicing the Receivables transferred to the Issuer pursuant to the Transfer Agreement. The Servicer is owned 100% by the Seller. Upon the occurrence of a Servicer Default, the Servicer may, and under certain circumstances shall, be replaced. See “ <i>The Servicer</i> ” and “ <i>Description of the Servicing Agreement.</i> ”



Administrator .....	PF Servicing will serve as administrator of the Issuer (in such capacity, the “ <b>Administrator</b> ”), providing administrative and ministerial services for the Issuer as provided in the Trust Agreement. See “ <i>The Administrator</i> ” and “ <i>Description of the Trust Agreement</i> .”
Back-Up Servicer.....	Systems & Services Technologies, Inc. (“ <b>SST</b> ”) will act as the back-up servicer (in such capacity, the “ <b>Back-Up Servicer</b> ”). Pursuant to the Back-Up Servicing Agreement, dated as of the Closing Date, among the Back-Up Servicer, the Servicer, the Issuer and the Indenture Trustee (the “ <b>Back-Up Servicing Agreement</b> ”), the Back-Up Servicer (or a successor thereto appointed pursuant to the Back-Up Servicing Agreement) will be required to service the Receivables (within fifteen calendar days of notice of termination of the Servicer and notice of appointment to the Back-Up Servicer, or such later date as may be agreed by the Indenture Trustee and the Back-Up Servicer, and once it has received the necessary information to do so) upon the termination of PF Servicing as Servicer. See “ <i>Back-Up Servicer</i> ,” “ <i>Description of the Servicing Agreement—Servicer Termination</i> ” and “ <i>Risk Factors—Termination of PF Servicing as Servicer</i> .”
Indenture Trustee .....	Wilmington Trust, National Association, a national banking association with trust powers, will act as indenture trustee (in such capacity, the “ <b>Indenture Trustee</b> ”) under the Indenture for the benefit of the Noteholders and any other Person including the Indenture Trustee to which any Secured Obligations are payable (the “ <b>Secured Parties</b> ”). See “ <i>The Indenture Trustee</i> .”
Owner Trustee.....	Wilmington Savings Fund Society, FSB, a federal savings bank (“ <b>WSFS</b> ”), will serve as the owner trustee for the Issuer (in such capacity, the “ <b>Owner Trustee</b> ”) pursuant to the Trust Agreement. Pursuant to the terms of the Trust Agreement, legal title to the Transferred Assets will be vested in the name of the Owner Trustee on behalf of the Issuer.
Depositor Loan Trustee.....	WSFS will serve as the depositor loan trustee for the Depositor (in such capacity, the “ <b>Depositor Loan Trustee</b> ”) pursuant to the Depositor Loan Trust Agreement, dated as of the Closing Date, between the Depositor and the Depositor Loan Trustee (the “ <b>Depositor Loan Trust Agreement</b> ”), and will hold legal title to the Loans and Related Rights otherwise owned by the Depositor for the benefit of the Depositor.
Initial Purchasers.....	Jefferies LLC, Goldman Sachs & Co. LLC and J.P. Morgan Securities LLC (the “ <b>Initial Purchasers</b> ”).
Closing Date.....	On or about November 3, 2022 (the “ <b>Closing Date</b> ”).
Payment Dates .....	The eighth (8th) day of each month (or, if such eighth (8th) day is not a Business Day, the next Business Day) (each, a “ <b>Payment Date</b> ”) commencing December 8, 2022 (the “ <b>First Payment Date</b> ”). See “ <i>Description of the Notes—Monthly Payments</i> .”

Interest Period .....	From (and including) the Closing Date to (but excluding) the First Payment Date, and thereafter from (and including) each Payment Date to (but excluding) the following Payment Date (each, an “ <b>Interest Period</b> ”). Interest will accrue on each class of Series 2022-3 Notes during each Interest Period at the applicable fixed rate specified for such class of Series 2022-3 Notes under “ <i>Notes – Summary Information</i> ” on page i of this Memorandum on the basis of a 360-day year consisting of twelve 30-day months. See “ <i>Description of the Notes—Determination of Monthly Interest.</i> ”
Legal Final Payment Date.....	January 8, 2030 (the “ <b>Legal Final Payment Date</b> ”).
Trust Estate .....	The property of the Issuer pledged to the Indenture Trustee pursuant to the Indenture for the benefit of the Series 2022-3 Noteholders as well as the other Secured Parties, will include the following: (i) certain unsecured and secured consumer loans originated by the Seller, Oportun, LLC or Pathward existing after the Cut-Off Date that will be conveyed, sold and/or assigned on the Closing Date, directly or indirectly, to the Depositor and the Depositor Loan Trustee for the benefit of the Depositor and, in turn, by the Depositor and the Depositor Loan Trustee for the benefit of the Depositor to the Issuer (the “ <b>Loans</b> ”); (ii) all rights to payment under the Loans (the “ <b>Receivables</b> ”); (iii) all Collections thereon received after the Cut-Off Date; (iv) all Related Security; (v) one or more trust accounts (the “ <b>Trust Accounts</b> ”) that have been or will be established and maintained by the Indenture Trustee pursuant to the Indenture, all monies from time to time deposited therein and all money, instruments, investment property, and other property from time to time credited thereto or on deposit therein; (vi) all certificates and instruments, if any, representing or evidencing any or all of the Trust Accounts or the funds on deposit therein from time to time; (vii) all investments made at any time and from time to time with moneys in the Trust Accounts; (viii) the Purchase Agreement, the Transfer Agreement and the Servicing Agreement; (ix) all accounts, chattel paper, commercial tort claims, deposit accounts, documents, general intangibles, goods, instruments, investment property, letter-of-credit rights, letters of credit, money, and oil, gas, and other minerals; (x) all additional property that may from time to time be subjected to the grant and pledge made by the Issuer or by anyone on its behalf; (xi) all present and future claims, demands, causes and choses in action and all payments on or under the foregoing; and (xii) all proceeds of every kind and nature whatsoever in respect of any or all of the foregoing. The foregoing assets are hereinafter collectively referred to as the “ <b>Trust Estate.</b> ” See “ <i>Description of the Indenture.</i> ”
The Receivables .....	<p>The Receivables will consist of rights to payment under certain Loans, including Unsecured Loans and Secured Personal Loans. The Secured Personal Loans are secured, at least partially, by an automobile title. See “<i>Seller’s Consumer Loan Business—Secured Personal Loans.</i>”</p> <p>Each Loan was or will be (i) originated by the Seller in connection with a consumer loan made to an Obligor by the Seller, (ii) acquired by the Seller from its wholly-owned subsidiary, Oportun, LLC, or (iii) originated by</p>

Pathward and sold to the Seller. See “*The Receivables*” and “*Loan Originations*.”

The Seller will make in the Purchase Agreement certain representations and warranties regarding the Loans and the Receivables, including, but not limited to, a representation that the Receivables are or will be Eligible Receivables on the date of transfer to the Depositor and the Depositor Loan Trustee for the benefit of the Depositor. Pursuant to the Transfer Agreement, the Depositor and the Depositor Loan Trustee for the benefit of the Depositor will assign such representations and warranties to the Issuer. For a description of the eligibility requirements, see “*Description of the Purchase Agreement—Certain Representations and Warranties*.”

On the Closing Date, the Issuer will acquire and pledge Eligible Receivables with an aggregate Outstanding Receivables Balance as of the Cut-Off Date of at least \$310,237,849 (the “**Initial Outstanding Receivables Balance**”). See “*The Receivables*.”

The statistical information relating to the Receivables presented in this Memorandum is based on the Receivables as of the close of business on September 21, 2022 (the “**Statistical Calculation Date**”). Potential purchasers should note that the Receivables owned by the Issuer on the Closing Date will include Receivables originated after the Statistical Calculation Date. The characteristics of the Receivables may vary from those prevailing on the Statistical Calculation Date as a result of, among other factors, payments received by or on behalf of Obligor. The addition of Receivables in the Receivables Pool that are not include in the Statistical Pool, as well as the payment activity with respect to the Statistical Pool after the Statistical Calculation Date and the exclusion of certain Receivables that are not Eligible Receivables, will cause the aggregate characteristics of the Receivables as of the Closing Date, including the composition of the Receivables and of the Obligor thereof, to vary from the characteristics of the Statistical Pool described herein. On the Closing Date, the Seller will (i) sell to the Depositor (and, with respect to legal title, to the Depositor Loan Trustee on behalf of the Depositor) additional Receivables, and subsequently transfer such additional Receivables to the Issuer, with an aggregate principal balance equal to the amount of such amortization and/or prepayments or removal of ineligible Receivables from the Statistical Calculation Date to the Closing Date for the Receivables, or (ii) deposit cash equal to the difference between such amount into the Collection Account (or take any combination of the actions described in clauses (i) and (ii)). Any such cash deposit shall be included in Available Funds and will be available for distribution on the first Payment Date as described under “*Description of the Notes—Monthly Payments*” below. Nevertheless, the Issuer does not believe that the characteristics of such Receivables as of the Closing Date will vary materially from the information presented herein with respect to the Receivables as of the Statistical Calculation Date. There will be no material permissible differences between the eligibility criteria used for identifying such Receivables as of the Statistical Calculation Date and those eligibility criteria applied on the Closing Date. See “*The*

*Receivables.” However, the statistical distribution of the characteristics of the Receivables Pool likely will vary over time and may vary significantly. See “Risk Factors—Composition , Characteristics and Rates of Return of the Receivables Will Change.”*

Eligible Receivable ..... **“Eligible Receivable”** means each Receivable: (a) that was originated in compliance with all applicable requirements of law (including without limitation all laws, rules and regulations relating to truth in lending, fair credit billing, fair credit reporting, fair debt collection practices and privacy) and which complies with all applicable requirements of law (other than non-compliance that has no adverse effect on the obligations of the Obligor and creates no financial liability or other loss, cost or expense for the Depositor, the Depositor Loan Trustee or the Issuer as their assignee and does not have any other Material Adverse Effect); (b) with respect to which all consents, licenses, approvals or authorizations of, or registrations or declarations with, any governmental authority required to be obtained, effected or given by the Seller, Oportun, LLC, PF Servicing or Pathward in connection with the creation or the execution, delivery, performance and servicing of such Receivable (other than non-compliance that has no adverse effect on the obligations of the Obligor and creates no financial liability or other loss, cost or expense for the Depositor, the Depositor Loan Trustee or the Issuer as their assignee and does not have any other Material Adverse Effect); (c) as to which, at the time of the sale of such Receivable (i) by the Seller to the Depositor and the Depositor Loan Trustee for the benefit of the Depositor, (ii) by Oportun, LLC to the Seller or (iii) by Pathward to the Seller, in each case as applicable, the party selling such Receivable was the sole owner thereof and had good and marketable title thereto free and clear of all Liens and, following such sale, good and marketable title to such Receivables was vested in the party purchasing such Receivable free and clear of all Liens of the selling party; (d) that is the legal, valid and binding payment obligation of the Obligor thereof enforceable against such Obligor in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, receivership, conservatorship or other laws, regulations and administrative orders now or hereafter in effect, affecting the rights of creditors generally and except as such enforcement may be limited by general principles of equity (whether considered in a proceeding at law or in equity), and is not subject to any right of rescission, setoff, counterclaim or defense (including the defense of usury) or to any repurchase obligation or return right; (e) the related Loan of which is an Unsecured Loan or a Secured Personal Loan; (f) that is not secured by any Titled Asset that is in the process of being repossessed; (g) the related Loan of which constitutes a “general intangible,” “instrument,” “chattel paper,” “promissory note” or “account”, in each case under and as defined in Article 9 of the UCC of all applicable jurisdictions; (h) that was established in accordance with the Credit and Collection Policies in the regular and ordinary course of the business of the Seller, Oportun, LLC or Pathward, as applicable; (i) that is denominated and payable in Dollars, is only payable in the United States of America and each Obligor in respect of which are residents of, and have provided a billing address in, the United States of America; (j) that is not, on the Closing Date, a Delinquent Receivable; (k) that has an original and

remaining term to maturity of no more than sixty-six (66) months; (l) that has an Outstanding Receivables Balance less than or equal to \$14,900 (in the case of Unsecured Loans) or \$20,900 (in the case of Secured Personal Loans); (m) that has an annual percentage rate that is less than or equal to 36.0%; (n) that is not evidenced by a judgment or has been reduced to judgment; (o) that is not a Defaulted Receivable; (p) that has not been identified by the Seller as having been originated under circumstances involving suspected fraud (without subsequently being cleared by the Seller) or confirmed fraud (including circumstances involving identity theft), in each case in a manner consistent with the Credit and Collection Policies; (q) that is not a revolving line of credit; (r) the terms of which have not been modified or waived except as permitted under the Credit and Collection Policies or the Transaction Documents; (s) that has no Obligor thereon that is either (x) a governmental authority or (y) a Person subject to Sanctions; (t) that has no Obligor thereon that is the Obligor of a Defaulted Receivable; (u) the assignment of which (i) by the Seller to the Depositor and the Depositor Loan Trustee for the benefit of the Depositor, (ii) by Oportun, LLC to the Seller, (iii) by Pathward to the Seller or (iv) by the Depositor and the Depositor Loan Trustee for the benefit of the Depositor to the Issuer, in each case as applicable, does not contravene or conflict with any law, rule or regulation or any contractual or other restriction, limitation or encumbrance, and the sale or assignment of which does not require the consent of the Obligor thereof; (v) the related Loan of which provides for repayment in full of the principal balance thereof in equal installments not less frequently than monthly; (w) as to which the proceeds of the related Loan are fully disbursed, there is no requirement for future advances under such Loan and none of the Seller, Oportun, LLC nor Pathward has any further obligations under such Loan; (x) as to which the Servicer (as custodian) is in possession of a full and complete Receivable File in physical or electronic format; with respect to Receivable Files in electronic format, such possession may be through use of an electronic document repository provided by a third-party vendor; (y) that represents the undisputed, bona fide transaction created by the lending of money by the Seller, Oportun, LLC or Pathward, as applicable, in the ordinary course of business and completed in accordance with the terms and provision contained in the related Loan; (z) the related Loan of which was not originated by Pathward in Colorado, Connecticut, Georgia (unless the original loan amount was greater than \$3,000), Iowa, Maine, New York, Vermont, West Virginia or the District of Columbia; and (aa) the related Loan of which, if originated in Illinois, has a MAPR of less than 36.0%.

Rapid Amortization Event ..... A “**Rapid Amortization Event**” means the occurrence of any one of the following events (whatever the reason for such Rapid Amortization Event and whether it shall be voluntary or involuntary): (i) a Cumulative Default Ratio Amortization Event; or (ii) a Servicer Default or an Event of Default. See “*Description of the Indenture—Rapid Amortization Event.*”

A “**Cumulative Default Ratio Amortization Event**” shall have occurred on any Payment Date if the Cumulative Default Ratio for such Payment Date exceeds the percentage set forth opposite such Payment Date on

Annex II hereto. The “**Cumulative Default Ratio**” means, with respect to any Payment Date, the fraction, expressed as a percentage, the numerator of which is the Cumulative Default Amount for such Payment Date and the denominator of which is the Initial Outstanding Receivables Balance. The “**Cumulative Default Amount**” means, with respect to any Payment Date, the sum of the Outstanding Receivables Balance of all Receivables that became Defaulted Receivables from the Cut-Off Date through the end of the related Monthly Period, less the sum of the aggregate amount of all Recoveries received with respect to the Defaulted Receivables from the Cut-Off Date through the end of the related Monthly Period.

The Required Noteholders may waive any Rapid Amortization Event and its consequences. Upon the occurrence and continuance of a Rapid Amortization Event not waived by the Required Noteholders, the payments of principal on the Notes are increased to the extent of Available Funds from the Regular Principal Distribution Amount to all remaining available amounts at such step in the priority of payments as described in “*Description of the Notes—Monthly Payments.*”

Monthly Interest..... The amount of monthly interest payable on the Class A Notes on each Payment Date will be determined as of each Determination Date and will be an amount equal to the product of (i)(A) for the First Payment Date, a fraction, the numerator of which is the actual number of days in the related Interest Period and the denominator of which is 360, and (B) for any Payment Date thereafter, one-twelfth, times (ii) the Class A Note Rate, times (iii) the outstanding principal balance of the Class A Notes as of the immediately preceding Payment Date (after giving effect to any payments of principal on such preceding Payment Date) or, with respect to the First Payment Date, as of the Closing Date (the “**Class A Monthly Interest**”). In addition to the Class A Monthly Interest, an amount equal to the sum of (i) the amount of any unpaid Class A Deficiency Amount, as defined below, plus (ii) an amount equal to the product (such product being herein called the “**Class A Additional Interest**”) of (A) one-twelfth, times (B) a rate equal to the Class A Note Rate, times (C) any Class A Deficiency Amount, as defined below (or the portion thereof which has not theretofore been paid to the Class A Noteholders), will also be payable to the Class A Noteholders. The “**Class A Deficiency Amount**” for any Determination Date shall be equal to the excess, if any, of (x) the sum of (i) the Class A Monthly Interest and the Class A Additional Interest, in each case for the Interest Period ended immediately prior to the preceding Payment Date, plus (ii) any Class A Deficiency Amount for the preceding period, over (y) the amount actually paid in respect thereof on the preceding Payment Date; *provided, however*, that the Class A Deficiency Amount on the first Determination Date shall be zero.

The amount of monthly interest payable on the Class B Notes on each Payment Date will be determined as of each Determination Date and will be an amount equal to the product of (i)(A) for the First Payment Date, a fraction, the numerator of which is the actual number of days in the related Interest Period and the denominator of which is 360, and (B) for any

Payment Date thereafter, one-twelfth, times (ii) the Class B Note Rate, times (iii) the outstanding principal balance of the Class B Notes as of the immediately preceding Payment Date (after giving effect to any payments of principal on such preceding Payment Date) or, with respect to the First Payment Date, as of the Closing Date (the “**Class B Monthly Interest**”). In addition to the Class B Monthly Interest, an amount equal to the sum of (i) the amount of any unpaid Class B Deficiency Amount, as defined below, plus (ii) an amount equal to the product (such product being herein called the “**Class B Additional Interest**”) of (A) one-twelfth, times (B) a rate equal to the Class B Note Rate, times (C) any Class B Deficiency Amount, as defined below (or the portion thereof which has not theretofore been paid to the Class B Noteholders), will also be payable to the Class B Noteholders. The “**Class B Deficiency Amount**” for any Determination Date shall be equal to the excess, if any, of (x) the sum of (i) the Class B Monthly Interest and the Class B Additional Interest, in each case for the Interest Period ended immediately prior to the preceding Payment Date, plus (ii) any Class B Deficiency Amount for the preceding period, over (y) the amount actually paid in respect thereof on the preceding Payment Date; *provided, however*, that the Class B Deficiency Amount on the first Determination Date shall be zero.

The amount of monthly interest payable on the Class C Notes on each Payment Date will be determined as of each Determination Date and will be an amount equal to the product of (i)(A) for the First Payment Date, a fraction, the numerator of which is the actual number of days in the related Interest Period and the denominator of which is 360, and (B) for any Payment Date thereafter, one-twelfth, times (ii) the Class C Note Rate, times (iii) the outstanding principal balance of the Class C Notes as of the immediately preceding Payment Date (after giving effect to any payments of principal on such preceding Payment Date) or, with respect to the First Payment Date, as of the Closing Date (the “**Class C Monthly Interest**”). In addition to the Class C Monthly Interest, an amount equal to the sum of (i) the amount of any unpaid Class C Deficiency Amount, as defined below, plus (ii) an amount equal to the product (such product being herein called the “**Class C Additional Interest**”) of (A) one-twelfth, times (B) a rate equal to the Class C Note Rate, times (C) any Class C Deficiency Amount, as defined below (or the portion thereof which has not theretofore been paid to the Class C Noteholders), will also be payable to the Class C Noteholders. The “**Class C Deficiency Amount**” for any Determination Date shall be equal to the excess, if any, of (x) the sum of (i) the Class C Monthly Interest and the Class C Additional Interest, in each case for the Interest Period ended immediately prior to the preceding Payment Date, plus (ii) any Class C Deficiency Amount for the preceding period, over (y) the amount actually paid in respect thereof on the preceding Payment Date; *provided, however*, that the Class C Deficiency Amount on the first Determination Date shall be zero.

The amount of monthly interest payable on the Class D Notes on each Payment Date will be determined as of each Determination Date and will be an amount equal to the product of (i)(A) for the First Payment Date, a fraction, the numerator of which is the actual number of days in the related

Interest Period and the denominator of which is 360, and (B) for any Payment Date thereafter, one-twelfth, times (ii) the Class D Note Rate, times (iii) the outstanding principal balance of the Class D Notes as of the immediately preceding Payment Date (after giving effect to any payments of principal on such preceding Payment Date) or, with respect to the First Payment Date, as of the Closing Date (the “**Class D Monthly Interest**” and, together with the Class A Monthly Interest, the Class B Monthly Interest and the Class C Monthly Interest, the “**Monthly Interest**”). In addition to the Class D Monthly Interest, an amount equal to the sum of (i) the amount of any unpaid Class D Deficiency Amount, as defined below, plus (ii) an amount equal to the product (such product being herein called the “**Class D Additional Interest**” and, together with the Class A Additional Interest, the Class B Additional Interest and the Class C Additional Interest, the “**Additional Interest**”) of (A) one-twelfth, times (B) a rate equal to the Class D Note Rate, times (C) any Class D Deficiency Amount, as defined below (or the portion thereof which has not theretofore been paid to the Class D Noteholders), will also be payable to the Class D Noteholders. The “**Class D Deficiency Amount**” for any Determination Date shall be equal to the excess, if any, of (x) the sum of (i) the Class D Monthly Interest and the Class D Additional Interest, in each case for the Interest Period ended immediately prior to the preceding Payment Date, plus (ii) any Class D Deficiency Amount for the preceding period, over (y) the amount actually paid in respect thereof on the preceding Payment Date; *provided, however*, that the Class D Deficiency Amount on the first Determination Date shall be zero. The Class D Deficiency Amount together with the Class A Deficiency Amount, the Class B Deficiency Amount and the Class C Deficiency Amount are collectively referred to as the “**Deficiency Amount**.”

Monthly Interest (in addition to any Deficiency Amount and Additional Interest) will be distributed to the Series 2022-3 Noteholders as described in “*Description of the Notes—Monthly Payments*” herein.

See “*Description of the Notes—Determination of Monthly Interest*.”

Credit Enhancement..... Credit enhancement for the Series 2022-3 Notes will be provided by excess interest, overcollateralization, the Reserve Account and subordination.

*Excess Interest.* It is anticipated that more interest and other fees will be paid by the Obligor on the Receivables each month than is necessary to pay interest accrued on the Series 2022-3 Notes each month and the monthly fees, expenses and indemnity amounts of the Indenture Trustee, the Collateral Trustee, the Securities Intermediary, the Depositary Bank, the Certificate Registrar, the Depositor Loan Trustee, the Owner Trustee, the Back-Up Servicer and the Servicer, resulting in excess interest (“**Excess Spread**”). The Excess Spread will be available to offset or help offset any losses on the Receivables, to replenish the Reserve Account and to make principal payments on the Notes.



Prior to the occurrence of a Rapid Amortization Event, Excess Spread not otherwise applied to offset or help offset losses on the Receivables, to make principal payments on the Notes or to replenish the Reserve Account will be distributed on the Certificates on each Payment Date. See “*Description of the Notes—Monthly Payments—Collection Account and Reserve Account.*” If a Rapid Amortization Event has occurred, any Excess Spread will instead be used to make additional principal payments to the Noteholders. See “*Description of the Notes—Monthly Payments.*”

*Overcollateralization.* The overcollateralization represents the amount by which the Outstanding Receivables Balance of the Receivables, together with any amount on deposit in the Collection Account, exceeds the outstanding principal amount of the Series 2022-3 Notes. On the Closing Date, the overcollateralization amount is expected to be approximately \$10,237,849, or approximately 3.30% of the Initial Outstanding Receivables Balance.

The “**Required Overcollateralization Amount**” is, as of any date of determination, the greater of (a) 11.5% of the Outstanding Receivables Balance as of the end of the preceding Monthly Period and (b) 1.0% of the Outstanding Receivables Balance as of the Cut-Off Date. On each Payment Date, principal will be distributed, to the extent of Available Funds, in an amount necessary to meet or exceed the Required Overcollateralization Amount.

Losses on the Receivables, to the extent exceeding any Excess Spread or amounts available in the Reserve Account, will decrease the level of overcollateralization available for the Series 2022-3 Notes.

See “*Description of the Notes—Credit Enhancement.*” See also “*Risk Factors—Credit Enhancement Limitations.*”

*Reserve Account.* The Notes will have the benefit of a Reserve Account established as described under “*Description of the Notes—Trust Accounts.*” On the Closing Date, an amount equal to 0.25% of the aggregate initial principal balance of the Series 2022-3 Notes will be deposited in the Reserve Account, and on each Payment Date thereafter while the Series 2022-3 Notes are outstanding (after giving effect to any repayment of principal on such Payment Date), Available Funds, to the extent available therefor, will be deposited to increase the amounts credited to the Reserve Account to an amount equal to 0.25% of the aggregate outstanding principal balance of the Series 2022-3 Notes (the “**Reserve Account Requirement**”) as specified in clause (xi) under “*Description of the Notes—Monthly Payments—Collection Account and Reserve Account.*” On any Payment Date, amounts in the Reserve Account will be available to the extent that amounts available in the Collection Account are not sufficient, to provide for payment of the amounts specified in clauses (i) – (x) under “*Description of the Notes—Monthly Payments—Collection Account and Reserve Account,*” generally consisting of Trustee, Back-Up Servicer and Successor Servicer Fees and Expenses, the Servicing Fee, interest payments on the Notes and certain

principal payments on the Notes. Upon the occurrence and continuance of an Event of Default, all amounts credited to the Reserve Account will become Available Funds for the next Payment Date.

The Reserve Account is subject to a minimum balance equal to the Reserve Account Requirement. Amounts in the Reserve Account will be replenished as specified in clause (xi) under “*Description of the Notes—Monthly Payments—Collection Account and Reserve Account.*” On each Payment Date, any amount in the Reserve Account in excess of the Reserve Account Requirement will be distributed as part of Available Funds. Upon the occurrence and continuance of an Event of Default, all amounts credited to the Reserve Account will be Available Funds for the next occurring Payment Date.

*Subordination.* Interest on the Class B Notes for any Payment Date will not be paid until interest (including any Class A Deficiency Amount and Class A Additional Interest) on the Class A Notes for such Payment Date has been paid in full and until payment of principal in the amount of the First Priority Principal Distribution Amount is paid on the Class A Notes for such Payment Date, interest on the Class C Notes for any Payment Date will not be paid until interest (including any Class B Deficiency Amount and Class B Additional Interest) on the Class B Notes for such Payment Date has been paid in full and until payment in the amount of the Second Priority Principal Distribution Amount is paid on the Class A Notes and the Class B Notes for such Payment Date, and interest on the Class D Notes for any Payment Date will not be paid until interest (including any Class C Deficiency Amount and Class C Additional Interest) on the Class C Notes for such Payment Date has been paid in full and until payment in the amount of the Third Priority Distribution Amount is paid on the Class A Notes, the Class B Notes and the Class C Notes for such Payment Date. See “*Description of the Notes—Monthly Payments—Collection Account and Reserve Account.*”

Principal payments on the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes are also made sequentially, with the effect that the Class A Notes must be paid principal and interest in full before the Class B Notes receive any payments of principal, the Class B Notes must be paid principal and interest in full before the Class C Notes receive any payments of principal, and the Class C Notes must be paid principal and interest in full before the Class D Notes will receive any payments of principal. See “*Description of the Notes—Monthly Payments*” and “*Description of the Notes—Credit Enhancement—Subordination.*”

Certificates .....	<p>Pursuant to the Trust Agreement, the Issuer will issue certificates (the “<b>Certificates</b>”), that are not being offered under this Memorandum, that will represent the beneficial interest in the Issuer. See “<i>Description of the Notes—Certificates.</i>” Payments to the holders of the Certificates (the “<b>Certificateholders</b>”) will be subordinated to payments owing to the Noteholders to the extent described herein. See “<i>Description of the Notes—Monthly Payments</i>” and “<i>Description of the Notes—Credit Enhancement—Subordination.</i>” Any information in this Memorandum related to the Certificates is presented solely to provide Noteholders with a better understanding of the Series 2022-3 Notes. The Depositor will be the initial holder of the Certificates; however, the Certificates may be transferred in whole or in part after the Closing Date in accordance with the terms of the Trust Agreement and subject to the restrictions described under “<i>Credit Risk Retention.</i>”</p>
Monthly Payments .....	<p>On or before each Note Transfer Date, the Servicer shall provide to the Indenture Trustee a written report, and the Indenture Trustee, acting in accordance with such report, shall withdraw on the related Payment Date, to the extent of the funds credited to the relevant accounts, the amounts required to be withdrawn from the Collection Account and the Reserve Account as follows:</p> <p><i>Collection Account and Reserve Account.</i> The sum (without duplication) of: (a) any Collections received by the Servicer during each Monthly Period and deposited into the Collection Account no later than the third Business Day following the end of such Monthly Period; (b) any amounts on deposit in the Reserve Account in excess of the Reserve Account Requirement; (c) other amounts in the Reserve Account, but only to the extent necessary (after giving effect to clauses (a) and (b) above) to increase the balance of Available Funds to an amount sufficient to pay the amounts required to be paid or distributed pursuant to clauses (i) – (x) below; (d) on any Payment Date after the occurrence and during the continuance of an Event of Default, all amounts in the Reserve Account; and (e) all other amounts held in the Collection Account and the Reserve Account on the earliest of (i) the date on which there is an optional redemption of the Notes as described under “<i>Description of the Notes—Optional Redemption,</i>” (ii) the Legal Final Payment Date for any class of Notes then outstanding, or (iii) a Payment Date on which such amounts, together with all other Available Funds, would be sufficient to pay the entire outstanding amount of the Notes when applied as described below (collectively, the “<b>Available Funds</b>”), shall be distributed on such Payment Date in the following priority to the extent of funds available therefor:</p> <ul style="list-style-type: none"> <li>(i) <i>first</i>, an amount equal to the Trustee, Back-Up Servicer and Successor Servicer Fees and Expenses for such Payment Date (plus the Trustee, Back-Up Servicer and Successor Servicer Fees and Expenses due but not paid on any prior Payment Date) shall be set aside and paid to the Indenture Trustee, the Collateral Trustee, the Securities Intermediary, the Depository Bank, the Certificate Registrar, the Owner Trustee, the Depositor Loan</li> </ul>

Trustee, the Back-Up Servicer and the successor Servicer, if any (distributed on a *pari passu* and *pro rata* basis) on such Payment Date;

- (ii) *second*, if PF Servicing is the Servicer, an amount equal to the Servicing Fee for such Payment Date (plus any Servicing Fee due but not paid on any prior Payment Date) shall be paid to the Servicer on such Payment Date;
- (iii) *third*, an amount equal to the Class A Monthly Interest for such Payment Date, plus the amount of any Class A Deficiency Amount for such Payment Date, plus the amount of any Class A Additional Interest for such Payment Date (the “**Class A Required Interest Distribution**”) shall be paid to the Class A Noteholders on such Payment Date;
- (iv) *fourth*, an amount equal to (a) on any Payment Date prior to the Legal Final Payment Date of the Class A Notes, the lesser of (x) the remaining Available Funds and (y) an amount not less than zero equal to the excess of (I) the outstanding principal amount of the Class A Notes prior to any payments on such Payment Date over (II) the Outstanding Receivables Balance as of the end of the related Monthly Period; and (b) on any Payment Date on or after the Legal Final Payment Date of the Class A Notes, the outstanding principal amount of the Class A Notes (the “**First Priority Principal Distribution Amount**”) shall be paid to the Class A Noteholders on such Payment Date;
- (v) *fifth*, an amount equal to the Class B Monthly Interest for such Payment Date, plus the amount of any Class B Deficiency Amount for such Payment Date, plus the amount of any Class B Additional Interest for such Payment Date (the “**Class B Required Interest Distribution**”) shall be paid to the Class B Noteholders on such Payment Date;
- (vi) *sixth*, an amount equal to (a) on any Payment Date prior to the Legal Final Payment Date of the Class B Notes, the lesser of (x) the remaining Available Funds and (y) an amount not less than zero equal to the excess of (I) the outstanding principal amount of the Class A Notes and the Class B Notes prior to any payments on such Payment Date, less the First Priority Principal Distribution Amount over (II) the Outstanding Receivables Balance as of the end of the related Monthly Period; and (b) on any Payment Date on or after the Legal Final Payment Date of the Class B Notes, the outstanding principal amount of the Class B Notes (the “**Second Priority Principal Distribution Amount**”) shall be paid to the Class A Noteholders (until paid in full) and any remaining amounts shall be paid to the Class B Noteholders on such Payment Date;

- (vii) *seventh*, an amount equal to the Class C Monthly Interest for such Payment Date, plus the amount of any Class C Deficiency Amount for such Payment Date, plus the amount of any Class C Additional Interest for such Payment Date (the “**Class C Required Interest Distribution**”) shall be paid to the Class C Noteholders on such Payment Date;
- (viii) *eighth*, an amount equal to (a) on any Payment Date prior to the Legal Final Payment Date of the Class C Notes, the lesser of (x) the remaining Available Funds and (y) an amount not less than zero equal to the excess of (I) the outstanding principal amount of the Class A Notes, the Class B Notes and the Class C Notes prior to any payments on such Payment Date, less the sum of the First Priority Principal Distribution Amount and the Second Priority Principal Distribution Amount over (II) the Outstanding Receivables Balance as of the end of the related Monthly Period; and (b) on any Payment Date on or after the Legal Final Payment Date of the Class C Notes, the outstanding principal amount of the Class C Notes (the “**Third Priority Principal Distribution Amount**”) shall be paid to the Class A Noteholders (until paid in full), then to the Class B Noteholders (until paid in full) and then to the Class C Noteholders on such Payment Date;
- (ix) *ninth*, an amount equal to the Class D Monthly Interest for such Payment Date, plus the amount of any Class D Deficiency Amount for such Payment Date, plus the amount of any Class D Additional Interest for such Payment Date (the “**Class D Required Interest Distribution**”) shall be paid to the Class D Noteholders on such Payment Date; the Class A Required Interest Distribution, the Class B Required Interest Distribution, the Class C Required Interest Distribution and the Class D Required Interest Distribution are collectively referred to as the “**Required Interest Distribution**”);
- (x) *tenth*, an amount equal to (a) on any Payment Date prior to the Legal Final Payment Date of the Class D Notes, the lesser of (x) the remaining Available Funds and (y) an amount not less than zero equal to the excess of (I) the outstanding principal amount of the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes prior to any payments on such Payment Date, less the sum of the First Priority Principal Distribution Amount, the Second Priority Principal Distribution Amount and the Third Priority Principal Distribution Amount over (II) the Outstanding Receivables Balance as of the end of the related Monthly Period; and (b) on any Payment Date on or after the Legal Final Payment Date of the Class D Notes, the outstanding principal amount of the Class D Notes (the “**Fourth Priority Principal Distribution Amount**”) shall be paid to the Class A Noteholders (until paid in full), then to the Class B Noteholders (until paid in full), then to the Class C Noteholders (until paid in full) and then to the Class D Noteholders on such Payment Date;

- (xi) *eleventh*, to the Reserve Account, the amount, if any, necessary to increase the amounts credited thereto to the Reserve Account Requirement for such Payment Date;
- (xii) *twelfth*, an amount equal to (a) so long as a Rapid Amortization Event has not occurred, an amount, not less than zero, equal to the lesser of (a) the remaining Available Funds and (b) the excess of (A) the outstanding principal amount of the Series 2022-3 Notes prior to any payments on such Payment Date, less the sum of the First Priority Principal Distribution Amount, the Second Priority Principal Distribution Amount, the Third Priority Principal Distribution Amount and the Fourth Priority Principal Distribution Amount over (B) the excess of the Outstanding Receivables Balance of all Eligible Receivables over the Required Overcollateralization Amount (each determined as of the end of such Monthly Period) and (b) if a Rapid Amortization Event shall have occurred and be continuing, all remaining Available Funds (the “**Regular Principal Distribution Amount**”) shall be paid to the Class A Noteholders (until paid in full), then to the Class B Noteholders (until paid in full), then to the Class C Noteholders (until paid in full) and then to the Class D Noteholders (until paid in full);
- (xiii) *thirteenth*, an amount equal to the lesser of (A) the remaining Available Funds (determined as of the end of such Monthly Period) and (B) any unreimbursed fees, expenses and indemnity amounts (including, without limitation, any Transition Costs not paid pursuant to clause (i) above) of the Indenture Trustee, the Collateral Trustee, the Securities Intermediary, the Depository Bank, the Certificate Registrar, the Owner Trustee, the Depositor Loan Trustee, the Back-Up Servicer and any successor Servicer, shall be set aside and paid thereto (distributed on a *pari passu* and *pro rata* basis) on the related Payment Date; and
- (xiv) *fourteenth*, the balance, if any, shall be released to the Issuer, free and clear of the lien of the Indenture, for distribution on the Certificates pursuant to the Trust Agreement.

See “*Description of the Notes—Monthly Payments.*”

Servicing Fee .....	The Servicing Fee with respect to any Monthly Period during which PF Servicing or any Affiliate acts as Servicer shall be an amount equal to the product of (i) 5.00%, (ii) one-twelfth and (iii) the aggregate Outstanding Receivables Balance as of the last day of the immediately prior Monthly Period (provided, that the Servicing Fee for the First Payment Date shall be based upon the actual number of days in the first Monthly Period and assuming a 30-day month), and for any Monthly Period during which any other successor Servicer acts as Servicer, the Servicing Fee shall be an amount equal to (A) if SST acts as successor Servicer, the amount reflected on the fee schedule attached to the Back-Up Servicing Agreement (and attached hereto as Exhibit A), or (B) if any other successor Servicer acts
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	<p>as Servicer, the Servicing Fee shall be an amount equal to the product of (i) the current market rate for servicing receivables similar to the Receivables, (ii) one-twelfth and (iii) the aggregate Outstanding Receivables Balance as of the last day of the immediately prior Monthly Period (the “<b>Servicing Fee</b>”). On each Payment Date, the Servicing Fee will be paid as described under “<i>Description of the Servicing Agreement—Servicing Compensation and Payment of Expenses</i>” and “<i>Description of the Notes—Monthly Payments—Collection Account and Reserve Account</i>.”</p>
Trustee, Back-Up Servicer and Successor Servicer Fees and Expenses ....	<p>Each of the Indenture Trustee, the Collateral Trustee, the Securities Intermediary, the Depositary Bank, the Certificate Registrar, the Owner Trustee, the Depositor Loan Trustee, the Back-Up Servicer and the successor Servicer, if any, shall be entitled to compensation and reimbursement for expenses and indemnity amounts incurred by it in connection with the performance of its duties under the Transaction Documents. Such amounts shall be paid from Collections and distributed to the Indenture Trustee, the Collateral Trustee, the Securities Intermediary, the Depositary Bank, the Certificate Registrar, the Owner Trustee, the Depositor Loan Trustee, the Back-Up Servicer, and the successor Servicer to the extent provided in “<i>Description of the Notes—Monthly Payments—Collection Account and Reserve Account</i>.” Amounts paid at the top of the priority of payments described in “<i>Description of the Notes—Monthly Payments—Collection Account and Reserve Account</i>” are limited to the Trustee, Back-Up Servicer and Successor Servicer Fees and Expenses. Amounts due and owing to the Indenture Trustee, the Collateral Trustee, the Securities Intermediary, the Depositary Bank, the Certificate Registrar, the Owner Trustee, the Depositor Loan Trustee, the Back-Up Servicer and any successor Servicer in excess of the Trustee, Back-Up Servicer and Successor Servicer Fees and Expenses due on a Payment Date for the immediately preceding Monthly Period will be subordinated to the payment of principal and Monthly Interest on the Series 2022-3 Notes for such Payment Date but will be reimbursable as Trustee, Back-Up Servicer and Successor Servicer Fees and Expenses at the top of the priority of payments on subsequent Payment Dates if not paid on the current Payment Date, subject to any limitations on payment in the definition of Trustee, Back-Up Servicer and Successor Servicer Fees and Expenses.</p>
Optional Redemption .....	<p>The Series 2022-3 Notes shall be subject to redemption by the Issuer, at its option, in accordance with the terms of the Indenture, on any Payment Date on or after the date on which the Outstanding Receivables Balance is less than 15% of the Initial Outstanding Receivables Balance.</p> <p>The amount necessary to effect such redemption will be equal to the sum of (a) the outstanding principal amount of the Series 2022-3 Notes not then owned by the Issuer, plus (b) accrued and unpaid interest on the Series 2022-3 Notes through the day preceding the Payment Date on which the redemption occurs, plus (c) any other amounts payable to the Series 2022-</p>

3 Noteholders pursuant to the Transaction Documents, plus (d) any other amounts due and owing by the Issuer or the Servicer to the other Secured Parties (other than the Certificateholders) pursuant to the Transaction Documents, minus (e) the amounts, if any, on deposit on such Payment Date in the Reserve Account and the Collection Account for the payment of the foregoing amounts.

Unless otherwise consented to by the holders of 100% of the outstanding Certificates, in order to effect the redemption of the Series 2022-3 Notes as described above, the Issuer will be required to make a distribution on the Certificates in connection with a redemption of the Notes in an amount equal to the sum of (i) the amount by which the Outstanding Receivables Balance of the Receivables exceeds the outstanding principal amount of the Series 2022-3 Notes (calculated as though the Notes were not redeemed on such Payment Date), (ii) the amount distributable on the Certificates on the Payment Date on which the redemption occurs (calculated as though the Notes were not redeemed on such Payment Date), plus (iii) any other amounts due and owing to the holders of the outstanding Certificates pursuant to the Transaction Documents, in each case without duplication and net of amounts payable in connection with the redemption of the Notes.

See “*Description of the Notes—Optional Redemption.*”

Credit Under the Community  
Reinvestment Act.....

The Seller is certified by the U.S. Department of the Treasury as a Community Development Financial Institution (“**CDFI**”). The Seller has been a certified CDFI since 2009. To maintain certification, all certified CDFIs are required to submit an annual certification report demonstrating continued compliance with the CDFI certification requirements. Such designations are typically granted to financial institutions providing credit and financial services to underserved markets and low-income communities. The Law Offices of Paul Soter, counsel to the Seller and the Issuer, will deliver its opinion to the Indenture Trustee and the Initial Purchasers that, based on the assumptions and limitations set forth in the opinion, investors in the Series 2022-3 Notes who are insured depository institutions subject to the Community Reinvestment Act (the “**CRA**”) should be able to use their investments in the Series 2022-3 Notes for CRA credit on the same basis as direct or indirect loans to a CDFI or purchases of obligations of a CDFI. See “*Risk Factors—Credit Under the Community Reinvestment Act*” and “*Seller’s Consumer Loan Business—Overview.*”

Tax Status .....

Orrick, Herrington & Sutcliffe LLP, special tax counsel to the Issuer, will deliver its opinion to the Issuer that, assuming compliance with all provisions of the Indenture and the other Transaction Documents, and based on certain representations and covenants and the facts set forth in this Memorandum, under existing law and based on the assumptions and qualifications set forth in the opinion, (i) the Class A Notes and the Class B Notes issued on the Closing Date (other than any Class A Notes or Class B Notes beneficially owned by the Issuer or a person treated as the same



	<p>person as the Issuer for U.S. federal income tax purposes) will be characterized as debt for U.S. federal income tax purposes, (ii) although not free from doubt, the Class C Notes issued on the Closing Date (other than any Class C Notes beneficially owned by the Issuer or a person treated as the same person as the Issuer for U.S. federal income tax purposes) will be characterized as debt for U.S. federal income tax purposes, (iii) the Class D Notes issued on the Closing Date (other than any Class D Notes beneficially owned by the Issuer or a person treated as the same person as the Issuer for U.S. federal income tax purposes) should be characterized as debt for U.S. federal income tax purposes, and (iv) although not free from doubt, the Issuer will not be classified as an association or a publicly traded partnership taxable as a corporation for U.S. federal income tax purposes. Under the Transaction Documents, the Issuer agrees and each Series 2022-3 Noteholder and Note Owner, by acquiring an interest in a Series 2022-3 Note, agrees or will be deemed to agree to treat the Series 2022-3 Notes as debt for U.S. federal, state and local income and franchise tax purposes. See “<i>Certain U.S. Federal Income Tax Consequences</i>” for additional information concerning the application of federal income tax laws.</p>
ERISA Considerations .....	<p>The Class A Notes, the Class B Notes and the Class C Notes may be acquired directly or indirectly by, on behalf of, or with the assets of an employee benefit plan or other retirement arrangement which is subject to Title I of ERISA and/or Section 4975 of the Code, provided certain conditions are satisfied. The Class D Notes are not eligible for investment by such plans. Fiduciaries of benefit plans are urged to carefully review the matters discussed in this Memorandum and to consult with their own legal and financial advisors before making an investment decision. See “<i>Certain Considerations for ERISA and other U.S. Employee Benefit Plans.</i>”</p>
Certain Investment Considerations.....	<p>The Issuer is not registered or required to be registered as an “investment company” under the Investment Company Act of 1940, as amended (the “<b>Investment Company Act</b>”). In determining that the Issuer is not required to be registered as an investment company, the Issuer is relying on the exception from the definition of “investment company” set forth in Rule 3a-7 under the Investment Company Act, although other exceptions or exclusions may be available to the Issuer. The Issuer is not a “covered fund” as defined in the final regulations issued December 10, 2013 implementing the “Volcker Rule” (Section 619 of the Dodd-Frank Wall Street Reform and Consumer Protection Act).</p>
Ratings .....	<p>The Sponsor expects that the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes will receive the ratings set forth under “<i>Notes – Summary Information</i>” on page i from DBRS, Inc. (“<b>DBRS</b>”), a nationally recognized statistical rating organization hired by the Sponsor to assign ratings on the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes.</p>

The ratings of the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes will address the likelihood of the timely payment of interest and the ultimate payment of principal on the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes by the Legal Final Payment Date. The ratings of the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes should be evaluated independently from similar ratings on other types of securities. A credit rating is not a recommendation to buy, sell or hold securities, does not address market value or investor suitability, and may be subject to revision or withdrawal at any time by the assigning rating organization.

Other nationally recognized statistical rating organizations not hired by the Sponsor may rate the Class A Notes, the Class B Notes, the Class C Notes or the Class D Notes at any time. A rating on the Class A Notes, the Class B Notes, the Class C Notes or the Class D Notes by a non-hired nationally recognized statistical rating organization could be different than the rating assigned to the Class A Notes, the Class B Notes, the Class C Notes or the Class D Notes by DBRS.

See “*Risk Factors—Reduction, Withdrawal or Qualification of the Ratings on the Notes; Unsolicited Ratings.*”

Credit Risk Retention..... Pursuant to the SEC’s credit risk retention rules, 17 C.F.R. Part 246 (“**Regulation RR**”), the Seller, as sponsor, is required to retain an economic interest in the credit risk of the Receivables, either directly or through a majority-owned affiliate. The Seller intends to satisfy this obligation through the retention by the Depositor, the Seller’s “majority-owned affiliate” (as defined in Regulation RR), of an “eligible horizontal residual interest” (as defined in Regulation RR) in an amount equal to at least 5%, as of the Closing Date, of the fair value of all “ABS interests” (as defined in Regulation RR) in the Issuer, including the Notes and the Certificates. The eligible horizontal residual interest retained by the Depositor will consist of a portion of the Certificates.

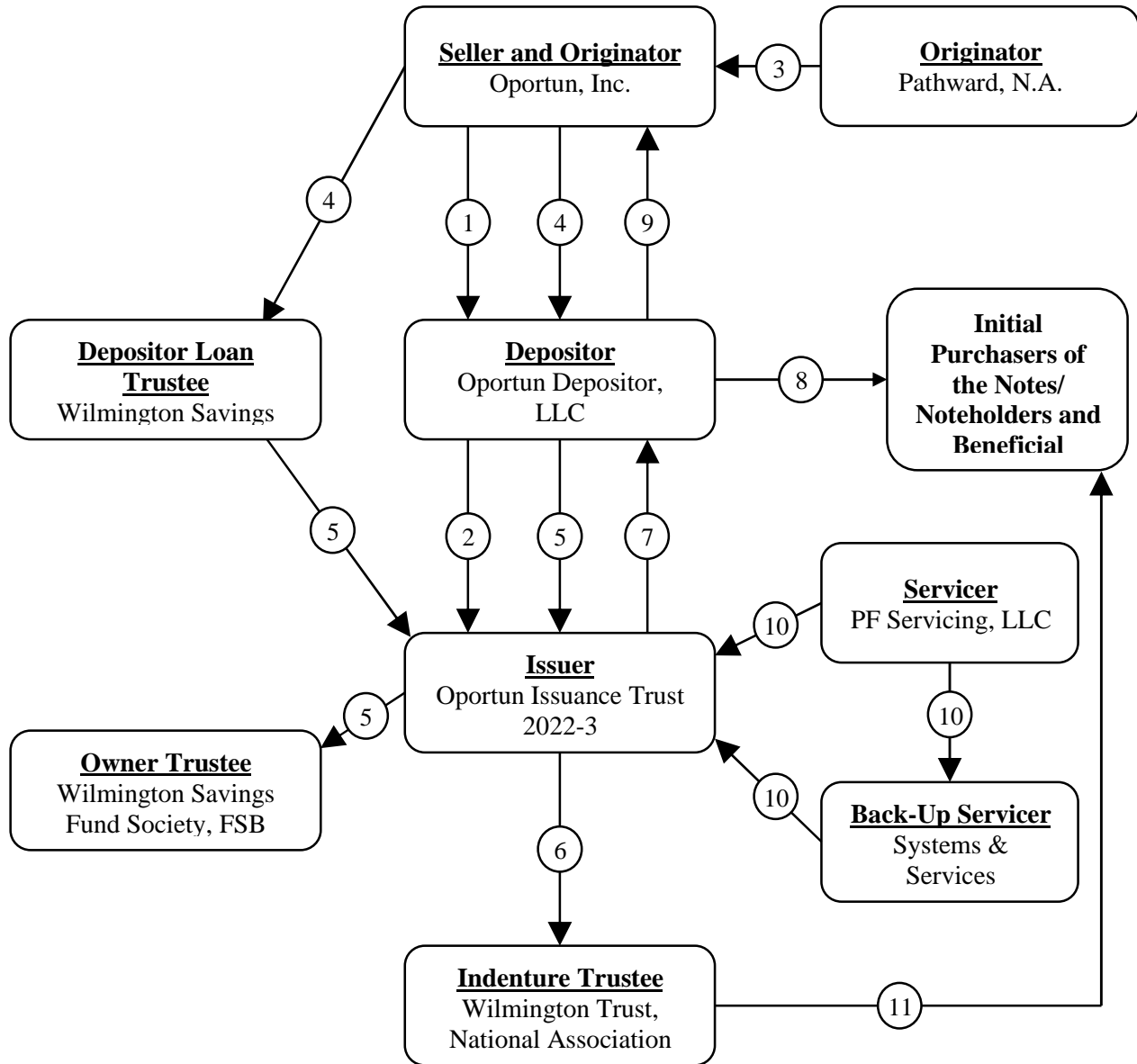
The Seller expects the fair value of the Certificates to be approximately \$32,686,412, which is approximately 9.9% of the aggregate fair value of all “ABS interests” in the Issuer, including the Notes and the Certificates, and the Seller expects the fair value of the portion of the Certificates to be retained by the Depositor for purposes of compliance with Regulation RR to be approximately \$16,463,355, representing 5.0% of the aggregate fair value of all such “ABS interests” in the Issuer. For a description of the valuation methodology used to calculate the fair value of the Notes and the Certificates set forth in the preceding sentence, see “*Credit Risk Retention.*”

The Depositor does not intend to transfer or hedge the portion of the retained economic interest that is intended to satisfy the requirements of Regulation RR except as permitted under Regulation RR. The Depositor may in the future transfer or hedge any portion of the economic interest retained by it on the Closing Date exceeding the portion required to be retained for purposes of compliance with Regulation RR.

Global Notes ..... The Series 2022-3 Notes will be represented by one or more global notes (each a “**Global Note**”) in fully registered form, without interest coupons, registered in the name of a nominee of The Depository Trust Company (“**DTC**”). The Global Notes will trade and settle as described under “*Description of the Notes—Book-Entry Registration.*” Beneficial interests in the Global Notes will be shown on, and transfer thereof will be effected only through, records maintained by DTC and its direct and indirect participants. See “*Risk Factors—Book-Entry Registration.*”

Investor Suitability and  
Restrictions on Transfer ..... The Series 2022-3 Notes have not been and will not be registered under the Securities Act or the securities laws of any jurisdiction. The Series 2022-3 Notes offered under this Memorandum are being sold initially to the Initial Purchasers and then reoffered and resold only to QIBs in transactions meeting the requirements of Rule 144A. The Series 2022-3 Notes are subject to restrictions on transfer and may not be reoffered, resold, pledged or otherwise transferred except as described herein. Because of these restrictions on transfer, a purchaser of the Series 2022-3 Notes should expect to bear the financial risk of its investment for an indefinite period. See “*Risk Factors—Restrictions on Transfer; Lack of Liquidity,*” “*Transfer Restrictions*” and “*Notice to Investors.*”

## TRANSACTION DIAGRAM



1. The Seller is the sole member of the Depositor.
2. The Depositor forms the Issuer.
3. Loans originated by Pathward have been or will be sold to the Seller for further transfer to the Depositor and the Depositor Loan Trustee for the benefit of the Depositor and, in turn, the Issuer, as described below.
4. The Seller sells the beneficial interest in the Purchased Assets to the Depositor and legal title to the Purchased Assets to the Depositor Loan Trustee for the benefit of the Depositor on the Closing Date. For further detail, see “*Description of the Purchase Agreement*” in this Memorandum.
5. The Depositor conveys all of the beneficial interest in the Transferred Assets to the Issuer and the Depositor Loan Trustee for the benefit of the Depositor conveys legal title to the Transferred Assets to the Issuer on the Closing Date. For further detail, see “*Description of the Transfer Agreement*” and “*Description of the Trust*”.

*Agreement*” in this Memorandum. Pursuant to the terms of the Trust Agreement, legal title to the Transferred Assets will be vested in the name of the Owner Trustee on behalf of the Issuer.

6. The Issuer pledges the Transferred Assets and certain other assets of the Issuer to the Indenture Trustee to secure the Notes. For further detail, see “*Description of the Indenture*” in this Memorandum.
7. On the Closing Date, the Issuer transfers the Notes and the Certificate to the Depositor in consideration for the Transferred Assets. The Certificate will be retained by the Depositor or an affiliate thereof; however, the Certificate may be transferred in whole or in part after the Closing Date in accordance with the terms of the Trust Agreement and subject to the limitations described under “*Credit Risk Retention*” in this Memorandum. For further detail, see “*Description of the Transfer Agreement*” in this Memorandum.
8. The Depositor sells the Notes (other than any Notes retained by the Depositor or conveyed to an affiliate of the Depositor) to the Initial Purchasers in return for cash.
9. On the Closing Date, the Depositor on behalf of itself and the Depositor Loan Trustee transfers to the Seller the cash from the sale of the Notes (other than any Notes retained by the Depositor or conveyed to an affiliate of the Depositor) as partial consideration for the Purchased Assets. For further detail, see “*Description of the Transfer Agreement*” in this Memorandum.
10. Pursuant to the Servicing Agreement, the Servicer will be responsible for servicing the Receivables transferred to the Issuer pursuant to the Transfer Agreement. The Servicer is owned 100% by the Seller. Upon the occurrence of a Servicer Default, the Servicer may, and under certain circumstances shall, be replaced. In the event that the Servicer is terminated after a Servicer Default or resigns (other than in connection with an assignment permitted under the terms of the Servicing Agreement), the Back-up Servicer will service the Receivables. See “*The Servicer*,” “*Description of the Servicing Agreement*,” “*Back-Up Servicer*” and “*Description of the Servicing Agreement—Servicer Termination*.”
11. On each Payment Date, the Indenture Trustee uses Collections and other available amounts to make payments on the Notes pursuant to the payment priorities described under “*Description of the Notes—Monthly Payments*.”

## RISK FACTORS

Investment in the Series 2022-3 Notes offered hereby involves certain risks. In addition to the other information contained in this Memorandum, prospective investors should carefully consider the following risk factors before purchasing the Series 2022-3 Notes. The following discussion of possible risks is not meant to be an exhaustive list of the risks associated with the purchase of Series 2022-3 Notes and does not necessarily reflect the relative importance of the various risks. The order in which these considerations are presented is not intended to represent the magnitude of the risks discussed. Additional risk factors relating to an investment in the Series 2022-3 Notes are described throughout this Memorandum, whether or not specifically designated as risk factors. Additional risks and uncertainties not presently known or that the Issuer currently believes to be immaterial may also adversely affect the Notes or the business of parties to the Transaction Documents, particularly in light of the ongoing military conflict between Russia and Ukraine, the fast-changing nature of the COVID-19 pandemic, continued outbreaks of infection (including from COVID-19 variants), and vaccination rates and boosters, and the related impacts to economic and operating conditions. There can be no assurance that other risk factors will not become material in the future.

### **Restrictions on Transfer; Lack of Liquidity**

The Notes offered under this Memorandum are being offered in a private placement to QIBs in compliance with Rule 144A. The Notes will not be registered under the Securities Act or the securities laws of any jurisdiction. Consequently, the Notes are not transferable other than pursuant to an exemption under the Securities Act and in accordance with the laws of each applicable jurisdiction and subject to the restrictions described herein. See “*Transfer Restrictions*” and “*Notice to Investors*.”

There is currently no secondary market for the Notes. The Initial Purchasers intend, but are under no obligation, to make a secondary market in the Notes offered under this Memorandum solely to facilitate transfers among QIBs and may discontinue such market-making activities at any time without notice. There can be no assurance that a secondary market for the Notes will develop or, if it does develop, that it will continue or be sufficiently liquid to permit the resale of the Notes. Because of the restrictions on transfers of the Notes, purchasers must be able to bear the risks of their investment in the Notes for an indefinite period of time.

Events in the global financial markets including those described in the risk factors captioned “—*Social and Economic Factors and Other External Events*” and “—*Adverse impacts and risks of the COVID-19 pandemic on transaction parties, the Receivables and the Notes*”; the failure, acquisition or government seizure of major financial institutions; the establishment of government initiatives such as the government bailout programs for financial institutions and assistance programs designed to increase credit availability, support economic activity and facilitate renewed consumer lending; disrupted credit markets; the devaluation of currencies by foreign governments; the slowing growth or recession in the United States and many world economies; the rating agency downgrade of U.S. Treasury bonds and other debt instruments backed by the full faith and credit of the U.S., together with similar downgrades of United Kingdom (the “UK”) and other European Union sovereign debt; the abandonment of the Euro by a country’s involuntary or voluntary exit from the European Union, such as the UK’s discontinuation of its membership in the European Union, have caused, or may in the future cause, a significant reduction in liquidity in the secondary market for asset-backed securities, which could adversely affect the market value of the Notes or limit the ability of an investor to resell its Notes. There can be no assurance that the uncertainty relating to the sovereign debt of various countries or the exit from the European Union by the UK or other European Union members will not lead to further disruption of the credit markets in the U.S. and/or deterioration in general economic conditions. If U.S. Treasury bonds and other debt instruments backed by the full faith

and credit of the U.S. are further downgraded, the market price and/or the marketability of the Notes could be adversely affected.

As a result, no assurance can be given that the Notes may be sold by a purchaser thereof at any time or at acceptable prices. Therefore, an investment in the Notes should only be made by investors who are able to hold such Notes to maturity notwithstanding the possibility that the Notes may experience a severe reduction in value while held.

No registration rights will be granted to any purchaser of the Notes and no Noteholder may register the Notes under the Securities Act or any state securities laws. Any resale of the Notes made in reliance on Rule 144A must satisfy the applicable conditions of Rule 144A. Accordingly, no Note or any interest or participation therein can be reoffered, resold, pledged or otherwise transferred unless it is sold to a QIB in compliance with Rule 144A and in accordance with the terms of the Indenture. As a result of the transfer restrictions imposed to comply with the Securities Act, investors must be prepared to bear the risk of holding the Notes for as long as such Notes are outstanding.

Each beneficial owner of a book-entry Note (and any fiduciary acting on its behalf), by acceptance of such Note, will be deemed to represent and warrant that (A) it is a “qualified institutional buyer” (as such term is defined under Rule 144A), (B) with respect to a Class A Note, Class B Note or Class C Note, either (i) it is not a Benefit Plan Investor or a governmental or other plan subject to Similar Law or (ii) (a) the purchase and holding of the Class A Note, Class B Note or Class C Note (or any interest therein), as applicable, will not give rise to a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or a violation of Similar Law and (b) it acknowledges and agrees that the Class A Notes, the Class B Notes or the Class C Notes, as applicable, are not eligible for acquisition by Benefit Plan Investors or governmental or other plans subject to Similar Law at any time that the Class A Notes, the Class B Notes or the Class C Notes, as applicable, have been characterized as other than indebtedness for applicable local law purposes or are rated below investment grade, and (C) with respect to a Class D Note, it is not a Benefit Plan Investor or a governmental or other plan subject to Similar Law. See “*Notice to Investors*” herein. The Notes will be issued as Definitive Notes only under the limited circumstances specified in the Indenture. See “*Description of the Notes—Definitive Notes*” and “*Certain Considerations for ERISA and Other U.S. Employee Benefit Plans*.”

### **Limited Assets**

The Issuer does not have, nor is it expected in the future to have, any significant assets other than the Loans and Related Rights and amounts on deposit in certain accounts held by the Indenture Trustee on behalf of the Noteholders. Generally, no Noteholder will have recourse for payment of its Notes to any assets of the Issuer other than the Trust Estate or to any assets of the Seller, the Depositor, the Servicer, the Administrator, the Indenture Trustee or any of their affiliates. The Notes represent obligations solely of the Issuer, and none of the Seller, the Depositor, the Servicer, the Administrator, the Indenture Trustee or any of their affiliates is obligated to make any payments on the Notes or make any of their respective assets available to make payments on the Notes. Consequently, Noteholders must generally rely upon the Receivables and Collections thereon for the payment of principal of and interest on the Notes. Should the Notes not be paid in full on a timely basis, Noteholders may not look to, or draw upon, any assets of the Seller, the Depositor, the Servicer, the Administrator, the Indenture Trustee or any of their affiliates to satisfy their claims. See “*Description of the Indenture—Pledge of the Trust Estate*.”

## **Pathward Partnership**

As described under “*Seller’s Consumer Loan Business—Pathward Partnership*,” in August 2021, the Seller launched a partnership with Pathward, a national bank, pursuant to which Pathward originates personal loans in certain states outside of the Seller’s current state-licensed footprint.

Loans originated by Pathward under the Pathward Program will be transferred on the Closing Date, indirectly, to the Depositor and the Depositor Loan Trustee for the benefit of the Depositor and, in turn to the Issuer, becoming part of the Trust Estate.

Because the Pathward Program launched within the last two years, there is limited origination, underwriting or servicing experience with respect to such loans. While loans originated by Pathward under the Pathward Program are underwritten and serviced using policies and processes that are substantially the same as those applicable to the Unsecured Loans originated by the Seller, these policies and procedures are subject to Pathward’s approval, and such policies and processes could differ, including as described under “*Risk Factors—Modifications to the Credit and Collection Policy*.” Receivables originated by Pathward under the Pathward Program are subject to the same eligibility criteria applicable to the Receivables originated by the Seller; however, there can be no guarantee that the Loans originated by Pathward under the Pathward Program will be of the same credit quality as, or will otherwise have characteristics that are consistent with, the Receivables originated by the Seller in general.

Originations under the Pathward Program have initially occurred on a “mobile-first” basis without physical locations. The Seller and Pathward may introduce physical locations over time in some or all of the states where Loans will be originated under the Pathward Program.

The Pathward Program has an initial term of five years, ending in 2025, subject to automatic renewal for successive terms of two years unless Pathward or the Seller elects to terminate. In addition, upon the occurrence of certain early termination events, the Seller or Pathward may terminate the Pathward Program upon written notice to the other party. If the Pathward Program were to terminate, including as the result of the Seller electing not to renew, without the Seller having an alternative arrangement in place, the Seller may not be able to originate or market loans in the states previously covered by the Pathward Program.

Certain of the risks described in this Memorandum in the context of the Seller and its current consumer loan business relating to the origination of unsecured personal loans could also apply to Pathward and its business.

## **Credit Enhancement Limitations**

Credit enhancement for the Notes will be provided by overcollateralization, Excess Spread, the Reserve Account and subordination, with respect to a class of Notes, of each other class of Notes of a lower priority as described herein. Greater than expected losses on the Receivables would have the effect of reducing, and could eliminate, the protection against losses afforded by overcollateralization, Excess Spread and the Reserve Account. If such protection is eliminated, the Noteholders may incur a loss on their investment in the Notes. See “*Description of the Notes—Credit Enhancement*.”

## **Subordination of Class B Notes, Class C Notes and Class D Notes**

The Class B Notes are subordinated to the Class A Notes and, therefore, are more likely to suffer the consequences of delinquent payments and losses on the Receivables than the Class A Notes. The Class C Notes are subordinated to the Class A Notes and the Class B Notes and, therefore, are more likely to



suffer the consequences of delinquent payments and losses on the Receivables than the Class A Notes and the Class B Notes. The Class D Notes are subordinated to the Class A Notes, the Class B Notes and the Class C Notes and, therefore, are more likely to suffer the consequences of delinquent payments and losses on the Receivables than the Class A Notes, the Class B Notes and the Class C Notes.

Interest on the Class B Notes for any Payment Date will not be paid until interest (including any Class A Deficiency Amount and Class A Additional Interest) on the Class A Notes for such Payment Date has been paid in full and until payment of principal in the amount of the First Priority Principal Distribution Amount is paid on the Class A Notes for such Payment Date, interest on the Class C Notes for any Payment Date will not be paid until interest (including any Class B Deficiency Amount and Class B Additional Interest) on the Class B Notes for such Payment Date has been paid in full and until payment in the amount of the Second Priority Principal Distribution Amount is paid on the Class A Notes and the Class B Notes for such Payment Date, and interest on the Class D Notes for any Payment Date will not be paid until interest (including any Class C Deficiency Amount and Class C Additional Interest) on the Class C Notes for such Payment Date has been paid in full and until payment in the amount of the Third Priority Distribution Amount is paid on the Class A Notes, the Class B Notes and the Class C Notes for such Payment Date.

Principal payments on the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes will be paid sequentially, with the effect that the Class A Notes must be paid principal and interest in full before the Class B Notes receive any payments of principal, the Class B Notes must be paid principal and interest in full before the Class C Notes receive any payments of principal, and the Class C Notes must be paid principal and interest in full before the Class D Notes will receive any payments of principal. See “*Description of the Notes—Monthly Payments.*” The subordination arrangement could result in delays or reductions in interest or principal payments on the Class B Notes even as payment is made in full on the Class A Notes, on the Class C Notes even as payment is made in full on the Class A Notes and the Class B Notes, and on the Class D Notes even as payment is made in full on the Class A Notes, the Class B Notes and the Class C Notes.

**Failure to pay interest on the Class B Notes, the Class C Notes and the Class D Notes is not an Event of Default if more senior Notes remain outstanding**

The Indenture provides that failure to pay interest on a class of Notes is an Event of Default only if no class of Notes more senior to such class of Notes remain outstanding. See “*Description of the Indenture—Event of Default.*”

**Your Notes may not be repaid on their Legal Final Payment Date**

The Sponsor expects that final payment of each class of the Notes will occur on or prior to its Legal Final Payment Date. Failure to make final payment of a class of the Notes on or prior to its Legal Final Payment Date would constitute an Event of Default under the Indenture. However, no assurance can be given that sufficient funds will be available to pay any class of Notes in full on or prior to its Legal Final Payment Date. If sufficient funds are not available, final payment of a class of the Notes could occur later than its Legal Final Payment Date or you could suffer a loss on your investment.

**Exercise of Remedies in Event of Default May Result in Losses**

Generally, during an Event of Default, and subject to the rights of Noteholders to direct remedies, the Indenture Trustee is authorized to cause the sale of the Receivables. However, the Indenture Trustee may not find a purchaser for the Receivables. Also, the net proceeds of a sale of the Receivables (after payment of expenses and fees) plus other assets of the Issuer may not equal the principal amount of the

Notes plus accrued interest on the Notes. In particular, in a higher overall interest rate environment, the value of the Receivables that have a fixed rate of interest may be reduced.

Noteholders may suffer a loss if the Indenture Trustee is unable to find a purchaser or purchasers willing to pay sufficient prices for the Receivables. The exercise of other remedies by the Indenture Trustee may result in expenses that could reduce the amounts available to pay the Notes in full.

### **Underwriting and Related Risks**

In processing requests for credit, the Seller relied and will rely on a proprietary credit risk model, which is a statistical model built using third-party alternative data, credit bureau data, customer application data and the Seller's credit experience gained through monitoring the performance of its customers over time. This model is built using forms of artificial intelligence ("A.I."), such as machine learning. In deciding whether to extend credit to customers, the Seller relied and will rely heavily on its proprietary credit risk model, the information furnished by or on behalf of its credit customers, and its ability to validate such information. If the Seller's proprietary credit risk model fails to adequately predict the creditworthiness of the applicants, or if any portion of the information pertaining to the prospective customer is false, inaccurate, outdated or incomplete (whether by fraud, negligence or otherwise), and the Seller's systems do not detect such errors, inaccuracies or incompleteness, or any or all of the other components of the credit decision process described herein fail, increased delinquencies and losses on the Receivables could occur. See "*Underwriting—Credit Evaluation.*"

The Seller's reliance on its credit risk model and other models to manage many aspects of its business, including valuation, pricing, collections management, marketing targeting models, fraud prevention, liquidity and capital planning, direct mail and telesales, may prove in practice to be less predictive than expected for a variety of reasons, including as a result of errors in constructing, interpreting or using the models or the use of inaccurate assumptions (including failures to update assumptions appropriately in a timely manner, or the use of A.I.). The Seller relies on its credit risk model and other models to develop and manage new products and services with which it has limited development or operating experience as well as new geographies where the Seller has not historically operated. The Seller's assumptions may be inaccurate, and its models may not be as predictive as expected for many reasons, in particular because they often involve matters that are inherently difficult to predict and beyond the Seller's control, such as macroeconomic conditions, credit market volatility, inflation and interest rate environment, and they often involve complex interactions between a number of dependent and independent variables and factors. The errors or inaccuracies in the Seller's models may be material and could lead the Seller to make wrong or sub-optimal decisions in managing its business, and increased delinquencies and losses on the Receivables could occur as a result.

Additionally, if the Seller makes errors in the development, validation or implementation of any of the underwriting models or tools, the consumer loans that are originated based upon such models and tools may experience higher delinquencies and losses. Moreover, if future performance of the Receivables differs from past experience (driven by factors including, but not limited to, macroeconomic factors, policy actions by regulators, lending by other institutions, reliability of data used in the underwriting process, and changes in origination channels, such as entry into new markets or increased originations through the Seller's mobile channel, new strategic partnerships, lead aggregators or other new channels), which experience has informed the development of the underwriting procedures employed by the Seller, delinquencies and losses on the Receivables could increase. Additionally, the use of A.I. in credit models is relatively new and its impact from a regulatory standpoint is unproven, and any negative regulatory action based upon this could have an adverse impact on the Seller's business. See "*Underwriting—Credit Evaluation.*"

If the Seller is unable to access certain third-party data used in its credit risk model, or access to such data is limited, the Seller's ability to accurately evaluate potential customers may be compromised, and the Seller may be unable to effectively predict probable credit losses inherent in its loan portfolio, which could increase delinquencies and losses on the loans. Third-party data sources include credit bureau data and other alternative data sources. Such data is electronically obtained from third parties and is aggregated by the Seller's risk engine to be used in its credit risk model to score applicants and make credit decisions and in the Seller's verification processes to confirm customer reported information. Credit and other information that the Seller receives from third parties about a customer may also be inaccurate or may not accurately reflect the customer's creditworthiness, which may adversely affect the Seller's loan pricing and approval process, resulting in mispriced loans or incorrect approvals or denials of loans. In addition, this information may not always be complete, up-to-date or properly evaluated. For example, in some cases, information from third parties has a lag, such as credit reports that do not reflect delinquencies until the end of the month during which a borrower becomes 30 days delinquent, or where a customer may have lost his or her job in the course of applying or shortly after receiving a loan. In response to the economic impact of COVID-19, regulators may require banks and other lenders to not report negative performance data to the credit bureaus. As a result, credit bureau data may prove less reliable in predicting credit risk for borrowers. As a result of any of these events, increased delinquencies and losses on the Receivables could occur. See "*Underwriting—Credit Evaluation.*"

Fraud is prevalent in the financial services industry and is likely to increase as perpetrators become more sophisticated. Despite the efforts of the Seller, the risk of fraudulent or other malicious activities and human error or malfeasance cannot be eliminated entirely and will evolve as new and emerging technology is deployed. In addition, expanding into other product and service offerings, such as Secured Personal Loans, may introduce additional opportunities for fraudulent activity not previously experienced by the Seller. Also, the Seller continues to develop and expand its mobile origination channel, which involves the use of internet and telecommunications technologies (including mobile devices) to offer its products and services. These mobile technologies may be more susceptible to the fraudulent activities of organized criminal, perpetrators of fraud, hackers, terrorists and others.

Originations under the Pathward Program are occurring on a "mobile-first" basis without physical locations, potentially increasing reliance on these mobile technologies.

The Seller is subject to the risk of fraudulent activity associated with customers and third parties handling customer information and has been subject to fraudulent activity in the past. Third parties have, and the Seller expects that they will likely continue to attempt to commit fraud by, among other things, fraudulently obtaining loans or creating fictitious accounts using stolen identities or personal information and making transactions with stolen financial instruments. Third parties may also seek to engage in abusive schemes or fraud attacks that are often difficult to detect and may be deployed at a scale that would otherwise not be possible in physical transactions. Risks associated with each of these include theft of funds and other monetary loss, the effects of which could be compounded if not detected quickly. Fraudulent activity may not be detected until well after it occurs and the severity and potential impact may not be fully known for a substantial period of time after it has been discovered. Measures to detect and reduce the risk of fraud and abusive behavior are complex, require continuous monitoring and enhancements, and the Seller's resources, technologies and fraud prevention tools may be insufficient to accurately detect and prevent fraud. The level of fraud losses on loans originated by the Seller, including on the Receivables, could increase if fraudulent activity were to significantly increase. The Seller will be required to repurchase fraudulent Receivables from the Issuer as described under "*Description of the Purchase Agreement—Repurchase Payments.*" Nonetheless, significant increases in fraudulent activity could subject the Seller to significant costs and liabilities, require it to change its business practices, cause the Seller to incur significant remediation costs, lead to loss of confidence in, or decreased use of, the Seller's products and services, divert the attention of management from the operation of the Seller's business, negatively impact

the Seller's brand and reputation, result in litigation (including class action litigation), or lead to regulatory intervention, which could increase the Seller's costs and also negatively impact its business.

In August 2020, the Seller implemented a nationwide annual percentage rate ("APR") cap of 36% for all newly originated loans. Receivables with APRs above 36% are not eligible for inclusion in the Receivables Pool. The Seller continues to evaluate its underwriting practices and in the future, may make additional changes, including due to changing economic conditions, regulatory requirements and industry practices. Any of these changes could result in the Seller holding a loan portfolio with a different risk profile from its current risk profile. Additionally, a change in the Seller's strategy or underwriting and servicing practices may reduce its credit spread and may increase its exposure to interest rate risk, default risk and liquidity risk, all of which could adversely affect the Seller's business, results of operations and financial condition.

Similar risks to those described above could also apply to the underwriting of loans originated by Pathward under the Pathward Program, as such loans are underwritten using policies and processes that are substantially the same as those applicable to the Unsecured Loans originated by the Seller. However, such policies and processes are established by Pathward and could differ in material ways from those of the Seller, including as described under "*Risk Factors—Modifications to the Credit and Collection Policy*," and any differences could increase any of the risks described above or introduce new risks. See "*Risk Factors—Pathward Partnership*."

### **Periods of Rapid Growth of the Seller and the Servicer; New Origination Channels; New Products; Strategic Transactions**

The Seller was established in 2005 and began making loans in 2006. The Servicer was established in 2009. Since their establishment, the Seller and the Servicer have experienced periods of rapid growth, including rapid growth in their business and operations in recent periods, and recent growth rates, which has placed significant demands on the management, operational, risk management, technology, marketing, compliance and finance and accounting infrastructure, and has resulted in increased expenses, a trend that is expected to continue as business continues to grow. In addition, the Seller and the Servicer are required to continuously develop and adapt their systems and infrastructure in response to the increasing sophistication of the consumer financial services market, evolving fraud and information security landscape, and regulatory developments relating to existing and planned business operations. Should the Seller or the Servicer be unable to maintain at least their current level of operations using cash flow from originating and servicing operations, other sales of assets to special purpose subsidiaries for the purpose of sponsoring asset-backed securitizations, or other debt and equity raises, there could be an adverse effect on the Seller's or the Servicer's business operations and on their ability to perform their obligations under the Transaction Documents. Further, if the Seller continues to experience periods of rapid growth, including in connection with the launch of the Pathward Program, the acquisition of Digit referred to below or otherwise, it could experience difficulty with, among other things, effectively managing the growth of its business, increasing the volume of loans originated through its current channels and other channels in development, managing loan loss rates, continuing to improve its credit risk model or effectively maintaining and scaling its risk and compliance management controls and procedures, any of which events could have an adverse effect on the Seller's business operations and on its ability to perform its obligations under the Transaction Documents. Additionally, such rapid growth means that receivables originated to new customers will likely increase as a percentage of the Seller's overall originations and of the Receivables owned by the Issuer, and such new customer receivables, on average, have not historically performed as well as the Seller's portfolio of renewal receivables. See "*Risk Factors—Loan Renewals*."

As described herein, in addition to the retail stores, the Seller has both a mobile origination channel, which permits applicants to apply for loans online, as well as a telesales channel, where a customer can

apply over the phone. In both cases, an applicant can complete the loan agreement electronically, or in paper form if such applicant chooses to sign at a retail location. Applicants can receive loan proceeds via ACH directly into their bank account or via check. In connection with its mobile origination channel, the Seller utilizes underwriting standards that are based on those used for other Receivables originated by the Seller. Additionally, the Seller has in place policies and procedures to address inherent differences associated with this program, as compared to its existing physical origination program, such as disbursement, collection, fraud, technology, privacy, security and legal considerations. Further, such policies and procedures of the Seller have evolved and may continue to evolve over time as the Seller's experience with the mobile origination channel grows. Originations under the Pathward Program are occurring on a "mobile-first" basis without physical locations, potentially increasing reliance on these mobile technologies.

The Seller also uses additional marketing strategies and programs, including digital advertising and affiliate marketing, as well as retail and digital sources of leads, including retail referral partners and lead aggregators. For example, the Seller entered into a strategic partnership with DoEx Dollar Express, Inc. ("**DoEx**"). The Seller also entered into a second strategic partnership with Barri Financial, which is similar to the partnership with DoEx. In addition, the Seller recently entered into a digital-only partnership with Sezzle, a Buy Now Pay Later solution. The Seller continues to evaluate further strategic partnerships and may enter into additional similar partnerships in the future. See "*Loan Originations—New Channels.*"

In August 2021, the Seller launched a partnership with Pathward, a national bank, under which Pathward originates personal loans capped at a 36% APR available to low- and moderate-income consumers with limited or no credit history, eventually in approximately 30 states outside of the Seller's current state-licensed footprint. See "*Seller's Consumer Loan Business—Pathward Partnership.*"

In April 2020, the Seller launched its Secured Personal Loan product involving installment loans secured by an automobile title. Secured Personal Loans are currently offered in Arizona, California, Florida, New Jersey and Texas. The Seller may also offer Secured Personal Loans in additional states in the future. See "*Seller's Consumer Loan Business—Secured Personal Loans.*"

While it is expected that loans originated or acquired through any of these channels would be underwritten and serviced using policies and processes that are substantially the same as those applicable to the Unsecured Loans originated by the Seller, to the extent the Seller originates or acquires new loans through any of these new channels, and such loans are acquired by the Issuer, it is possible that such loans and the related Receivables could perform worse than loans originated through the Seller's established origination channels.

The Seller is, and intends in the future to continue, developing and adding new financial products and services, either itself or through its affiliates or through partners, such as credit cards, savings, digital banking and investing products and services. For example, the Seller launched a credit card issued by WebBank and has credit card customers in 45 states as of June 30, 2022. The Seller may not always be successful in developing new financial products and services. The Seller's other products and services may be available or offered to customers who may also have loans that would constitute eligible collateral in this transaction. However, such other products and services originated by the Seller will not be eligible for sale by the Seller to the Depositor and the Depositor Loan Trustee for the benefit of the Depositor and, in turn, to the Issuer, or for use by the Issuer as collateral for the Notes.

In addition, the Seller continues to evaluate acquisitions and other strategic corporate transactions that it believes could contribute to the growth and success of the company, and from time to time, the Seller has consummated and may in the future consummate such transactions. Such transactions can demand substantial financial and other resources. Any such transactions entered into by the Seller may not always

be successful and could adversely affect the Seller's business, results of operations and financial condition. For example, on December 22, 2021, Oportun Financial completed the acquisition of Hello Digit, Inc. ("Digit"), a digital banking platform that provides savings, digital banking and investing products and services. The Seller believes that there are significant benefits and synergies that may be realized through combining the platform, product and service offerings of the Seller and Digit. However, the efforts to realize these benefits and synergies will be a complex process and may disrupt existing operations if not implemented in a timely and efficient manner. Failure to achieve the anticipated benefits of the acquisition could adversely affect the Seller's results of operations, cash flows and financial condition. In addition, as the Seller integrates the businesses post-closing, it may continue to be required to devote significant attention and resources to successfully align both business practices and operations. In addition, any such acquisition or other transaction could result in changes to the origination or servicing aspects of the Seller's business.

### **Marketing and Brand Success**

If the Seller fails to successfully promote and maintain its brand or if it incurs substantial expenses in an unsuccessful attempt to promote and maintain its brand, the Seller may lose existing customers to competitors or be unable to attract new customers, which in turn could result in reduced originations and harm the Seller's business, results of operations and financial condition. For example, at the height of the COVID-19 pandemic, the Seller reduced its marketing spend. This decrease in marketing, in addition to the impact of the COVID-19 pandemic, resulted in a decreased demand for the Seller's products, which, combined with its credit tightening, decreased originations.

In the future, the Seller intends to continue to dedicate significant resources to its marketing efforts, including with respect to loans originated under the Pathward Program and its ability to attract qualified customers depends in large part on the success of these marketing efforts and the success of the marketing channels the Seller uses to promote its products. In the past, the Seller marketed primarily through word of mouth at its retail locations and direct mail. More recently, and in the future, the Seller expects to focus its marketing efforts on direct mail, radio, television, print, online display, video, digital advertising, search engine optimization, search engine marketing, social media, events and other grassroots activities, as well as retail and digital sources of leads, such as lead aggregators and retail referral partners. The marketing channels that the Seller employs may become more crowded and saturated by other lenders or the methodologies, policies and regulations applicable to marketing channels may change, which may decrease the effectiveness of the Seller's marketing campaigns, which may reduce originations and adversely affect the Seller's results of operations.

### **Loan Renewals**

In marketing its lending services and designing the features of its loan products, the Seller undertakes to develop a repeat customer base that returns to the Seller for new loans after the customers' existing loans are paid off. The Seller's repeat loan rates may decline or fluctuate as a result of pricing changes, the Seller's expansion into new products and markets or because customers are able to obtain alternative sources of funding based on their credit history with the Seller, and new customers in the future may not be as loyal as the current customer base. If the Seller's repeat loan rates decline, including for reasons related to the Seller's rapid growth or the COVID-19 pandemic, the Seller may experience reduced origination volume and inconsistent operating results from its existing customer base.

In addition, while receivables originated to new customers have historically performed in line with the Seller's expectations, these receivables, on average, have not historically performed as well as the Seller's portfolio of renewal receivables. Due in part to the Seller's rapid growth, over time, receivables originated to new customers are expected to increase as a percentage of overall Receivables owned by the

Issuer and to exceed the Seller's historic proportion of such receivables. See *"Risk Factors—Periods of Rapid Growth of the Seller and the Servicer; New Origination Channels; New Products."*

### **Competition in the Consumer Lending Market**

The industries in which the Seller competes are highly competitive and increasingly dynamic as emerging technologies continue to enter into the marketplace. Technological advances and heightened e-commerce activities have increased consumers' accessibility to products and services, which has intensified the desirability of offering loans to consumers through digital-based solutions. The Seller primarily competes with other consumer finance companies, technology platforms, neobanks, challenger banks, credit card issuers, financial technology companies and financial institutions, as well as payday lenders and pawn shops. Many of the Seller's competitors operate with different business models, such as online marketplace lenders, lending through third-party retail locations such as check cashing and money transmitter stores, lending as a service, lending through partners or point-of-sale lending, have different cost structures or participate selectively in different market segments. The Seller may also face competition from companies that have not previously competed in the consumer lending market for customers with little or no credit history. For example, it is possible that the companies commonly referred to as "challenger banks" offering low-cost digital only deposit accounts may also begin to offer lending products catered to low- and middle-income customers. Many of the Seller's current or potential competitors have significantly more financial, technical, marketing and other resources than it does and may be able to devote greater resources to the development, promotion, sale and support of their platforms and distribution channels. In addition, the Seller's potential competitors also include, smaller, earlier-stage companies with more versatile technology platforms, increased operational efficiencies, and greater brand recognition than it does. The Seller faces competition in areas such as compliance capabilities, financing terms, promotional offerings, fees, approval rates, speed and simplicity of loan origination, ease-of-use, marketing expertise, service levels, products and services, technological capabilities and integration, customer service, brand and reputation. The Seller's competitors may also have longer operating histories, lower financing costs or costs of capital, more extensive customer bases, more diversified products and customer bases, operational efficiencies, more versatile technology platforms, greater brand recognition and brand loyalty and broader customer and partner relationships than the Seller has. Current or potential competitors may also acquire one of the Seller's existing competitors or form strategic alliances with one of its competitors. The Seller's current and potential competitors may decide to modify their pricing and business models to compete more directly with the Seller's model. These competitive pressures could adversely affect the ability of the Seller to originate Receivables and to fulfill its obligations under the Transaction Documents.

In addition, the Seller has launched its Secured Personal Loan product and has limited experience underwriting and originating Secured Personal Loans, the Servicer has limited experience servicing Secured Personal Loans, the Seller has limited experience originating or marketing loans outside of its current footprint or through the Pathward Program. The Seller may face increased competition with respect to these programs. See *"Risk Factors—Periods of Rapid Growth of the Seller and the Servicer; New Origination Channels; New Products,"* *"—Limited Experience Originating and Servicing Secured Personal Loans"* and *"—New Markets."*

### **Profitability of the Seller and the Servicer**

The Seller and the Servicer, collectively with their consolidated affiliates, have incurred net losses in the past and may incur net losses in the future for a number of reasons, including the other risks described in this Memorandum, and unforeseen expenses, difficulties, complications and delays, and other unknown events. Should the Seller or the Servicer be unable to achieve or sustain profitability, there could be an adverse effect on the Seller's or the Servicer's business operations and on their ability to perform their obligations under the Transaction Documents.

## Liquidity and Capital Resources

The ability of the Seller and its affiliates to maintain existing operations depends upon the availability of sufficient liquidity. The Seller has obtained funding for new originations primarily by (1) selling other receivables to the Depositor, which in turn transfers such receivables to three special purpose statutory trusts that issued asset-backed securities in transactions that are currently in their revolving periods, (2) selling other receivables to two other special purpose subsidiaries that issued asset-backed securities in transactions that are currently in their revolving periods, and (3) selling other receivables to a special purpose subsidiary, which in turn transfers such receivables to a special purpose statutory trust under a personal loan warehouse facility (the “**PLW Facility**”). These transactions are amended from time to time, and the Seller may enter into similar additional transactions in the future. It is not expected that the purchase commitments of the entities described above will be sufficient to fund the Seller’s intended growth in origination volume during the tenor of the Notes. Accordingly, the Seller and its affiliates have engaged in, and may in the future need to engage in, equity, debt or convertible debt financings to secure additional funds, including in the near term, in order to support its desired level of growth in its lending operations. For example, Oportun Financial recently obtained a \$150 million senior secured term loan from certain investment funds. Debt financings, if available, may involve covenants restricting the Seller’s operations or ability to incur additional debt.

The Seller’s ability to raise additional funds through future securitization transactions, whole loan sales or other debt or equity transactions, and to do so on economically favorable terms, depends on a variety of factors, some of which are beyond its control. Some of these factors include:

- conditions in the securities and finance markets generally;
- the Seller’s creditworthiness or (if necessary) the credit rating of any securities it may issue;
- economic conditions;
- conditions in the markets for securitized instruments, or other debt or equity instruments;
- the credit quality and performance of the Seller’s customer receivables;
- the Seller’s overall sales performance and profitability;
- the Seller’s ability to adequately service its financial assets;
- the Seller’s ability to meet debt covenant requirements; and
- prevailing interest rates.

There is no assurance that these sources of capital will continue to be available in the future on terms favorable to the Seller or at all, particularly in light of capital markets volatility stemming from the COVID-19 pandemic and current uncertain outlook for the U.S. economy.

If such special purpose subsidiaries of the Seller are unable to purchase new receivables from the Seller for any reason, and the Seller is unable to arrange new or alternative methods of financing on favorable terms, the Seller may have to curtail its origination of receivables, which could have a material adverse effect on the Seller’s business, financial condition, operating results and cash flow, which in turn could have a material adverse effect on its ability to meet its obligations under the Transaction Documents (including repurchasing certain Receivables sold to the Issuer upon the discovery of the Seller’s breach of a representation or warranty made with respect to such Receivables), and may also result in retail location or other operational closures or affect the willingness of Obligor to make scheduled payments on the



Receivables, which could materially affect the delinquencies and losses on the Receivables. See “*Risk Factors—Retail Network*.”

### **Retail Network**

For the six months ended June 30, 2022, approximately 15.3% of the Seller’s customers (as a percentage of total number of payments) made payments in the Seller’s retail locations. In addition, many customers apply for loans at the Seller’s retail locations. While the Seller has seen increased adoption and use of its mobile origination channel and out-of-store payment alternatives, such as third-party bill payment option, ACH and online payments, should one or more of the Seller’s retail locations become unavailable for any reason, including as a result of localized weather events or natural, man-made or environmental disasters, epidemics, pandemics or other disruptions, the Seller’s ability to conduct business and collect payments from customers on a timely basis may be adversely affected, which could result in lower loan originations, higher delinquencies and increased losses. Although the Seller has seen increased adoption and use of its mobile origination channel and out-of-store payment alternatives, and the Seller expects that trend will continue, there can be no assurance that the number of Obligor that make payments at the Seller’s retail locations or in cash, or otherwise conduct their business with the Seller at retail locations, will not increase in the future over current levels. Originations under the Pathward Program are initially occurring on a “mobile-first” basis without physical locations, although in the future, a network of retail locations may be established in those states where the Seller is not currently operating.

During the COVID-19 pandemic, nearly all of the retail locations remained open subject to local health orders. However, no assurance can be given that the Seller will not have to close retail locations as a result of a worsening of the pandemic, local health orders or due to other reasons, nor can the Seller predict the level of disruption which will occur to its employee’s ability to provide customer support and service.

In addition, because the Seller’s business requires it to receive a significant amount of cash in its retail locations, the Seller is subject to the risk of theft (including by employees) and cash shortages due to employee errors. Although the Seller has implemented various procedures and programs to reduce these risks, maintains insurance coverage for theft and provides security measures for its employees and facilities, there can be no assurances that theft and employee error will not occur. The Seller has experienced theft and attempted theft in the past. Material occurrences of theft and employee error could result in increased delinquencies and losses on the Receivables.

### **Termination of PF Servicing as Servicer**

If PF Servicing is removed as Servicer, the Back-Up Servicer, pursuant to the Back-Up Servicing Agreement, has agreed to service the Receivables (upon receipt of sufficient information). See “*Description of the Servicing Agreement—Servicer Termination*.” Such servicing transfer will result in a transfer of the day-to-day responsibility of posting payments, collections and loan enforcement from PF Servicing to its successor. Industry experience has shown that such a servicing transfer, however well planned, may result in an increase in delinquencies and losses with respect to the Receivables due to delays incurred during transition, changes in personnel and other factors associated with such transfers. In particular, with respect to collection of the Receivables at the Seller’s retail locations, substantial disruption could occur to servicing and collections as a result of the replacement of PF Servicing as Servicer. Although the Back-Up Servicer intends to employ some of the Servicer’s retail location employees, there can be no assurance that all required personnel will choose to accept employment. At the time of a servicing transfer, it is also possible that a closure of multiple locations could occur, for example, as a result of financial difficulties or bankruptcy of the Seller or PF Servicing. In such a bankruptcy proceeding, it is possible that retail location leases could be rejected by the debtor and access to the retail locations would not be granted

to the Back-Up Servicer or other successor Servicer, unless it could make its own arrangements with the relevant landlords. There may be other reasons that the Back-Up Servicer may not have access to PF Servicing's facilities and systems upon its termination, which may negatively impact the ability of the Back-Up Servicer to service the Receivables. Additionally, a significant portion of PF Servicing's collection activities are conducted in Spanish, and although the Back-Up Servicer intends to utilize the two contact centers in Mexico and any other contact centers then in place, there can be no assurance that Collections with respect to the Receivables will not be materially and adversely affected by any change in Servicer. The servicing transfer will also result in higher servicing costs, which will be payable prior to any payments of principal or interest on the Series 2022-3 Notes. PF Servicing's appointment as Servicer may be terminated under the circumstances described in "*Description of the Servicing Agreement—Servicer Termination*" and "*Description of the Servicing Agreement—Servicer Default*."

## **Social and Economic Factors and Other External Events**

The ability of the Obligors to make payments on the Receivables, as well as the prepayment experience thereon, will be affected by a variety of social and economic factors. Economic factors include rising interest rates, unemployment levels, commodity prices, housing markets, gas prices, energy costs, upward adjustments in living costs and other fixed monthly expenses, major medical expenses, death, divorce, immigration policies, government shutdowns, delays in tax refunds, significant tightening of credit markets and the rate of inflation and consumer perceptions of economic conditions generally. Social factors include changes in consumer confidence levels and attitudes toward incurring debt and changing attitudes regarding the stigma of personal bankruptcy. Economic conditions may also be impacted by terrorist acts against the United States or other nations or the commencement of hostilities between the United States and a foreign nation or nations, civil or social unrest, or by global or localized economic or political conditions, prolonged or recurring government shutdowns, conflicts or wars, regional hostilities, including the ongoing military conflict between Russia and Ukraine and the prospect or occurrence of more widespread conflicts, social upheaval, fiscal and monetary policies, sanctions, trade wars and tariffs, safety concerns related to travel and tourism, limitations on travel and mobility, disruptions in air travel and other forms of travel, weather events and natural, man-made or environmental disasters, national or localized outbreaks of a highly contagious or epidemic disease or pandemics and any related quarantines. See "*Risk Factors—Geographic Concentration*." The Issuer is unable to determine and has no basis to predict whether or to what extent these social or economic factors will affect the rate of collection on the Receivables.

The ongoing military conflict between Russia and Ukraine, together with the related financial and economic sanctions that have been imposed by the U.S., the UK, the EU and other countries, has led to economic uncertainty and market disruptions. The broader consequences of this conflict are difficult to predict at this time, but may include further sanctions, regional instability and geopolitical shifts, an increase in cyberattacks, heightened regulatory scrutiny related to sanctions compliance, increased inflation, further increases or fluctuations in commodity and energy prices, decreases in global travel, further disruptions to the global supply chain and the availability of certain natural resources and other adverse effects on macroeconomic conditions.

After years of historically low inflation, consumer prices in the United States are experiencing steep increases. The general effects of inflation on the economy of the United States can be wide ranging, evidenced by rising wages and rising costs of consumer goods and necessities. If an obligor's income growth fails to keep pace with the rising costs of necessary goods, then such obligor may have less funds available to make towards their outstanding loan balance. The long-term effects of inflation on the general economy and on any individual obligor is unclear, and in certain cases, rising inflation may affect an obligor's ability to repay its outstanding loan balance, thereby reducing the amount available for distribution on the Notes.

Additionally, unstable real estate values, resetting of adjustable rate mortgages to higher interest rates, increased regulation in the financial industry, political gridlock on United States federal budget matters, rating agency downgrades of U.S. Treasury bonds and other debt instruments backed by the full faith and credit of the United States, the sovereign debt crisis and continuing political and economic instability in the United States, China and the EU and other locations in the world, the COVID-19 pandemic and other factors have impaired access to consumer credit, consumer confidence and disposable income in the United States, and may affect delinquencies and defaults on the Receivables, although the severity or duration of these effects are unknown.

Interest rates have been rising recently and may continue to rise, which increases the Seller's interest expense, which may in turn adversely affect the Seller's results of operations. Rising interest rates may also make it difficult for the Seller to extend the maturity of or refinance its existing indebtedness or obtain new indebtedness with similar terms, and any failure to do so may have a material adverse effect on its business. Any reduction in the Seller's interest rate spread could have an adverse effect on the Seller's business, results of operations, cash flows, and financial condition.

Changes in prevailing interest rates may affect payment performance and prepayment rates of Receivables.

There can be no assurance that factors contributing to an uncertain economic climate, such as those described in the prior paragraphs, will not result in increased delinquencies and defaults with respect to consumer receivables in the future. Such adverse economic conditions may also materially impair the ability of the Issuer, the Sponsor, the Seller, the Depositor, the Servicer, the Administrator, the Back-Up Servicer and the Indenture Trustee to meet their respective obligations under the Transaction Documents. The occurrence of any increased delinquencies or defaults with respect to the Receivables or material impairment of the ability of the above-referenced parties to meet their respective obligations under the Transaction Documents increases the likelihood that Noteholders will experience losses with respect to the Notes.

In addition, many of the Seller's new customers have limited or no credit history. Such customers have historically been, and may in the future become, affected by adverse macroeconomic conditions. The cost to service the Seller's loans may also increase without a corresponding increase in the Seller's interest on loans. Such factors could increase the likelihood that Noteholders will experience losses with respect to the Notes in the event of weakening macroeconomic conditions.

Failures by Obligor to pay the principal of and interest on their Receivables on schedule or an increase in deferments or forbearances could affect the timing and amount of Available Funds for any Monthly Period and the payment of principal of and interest on the Notes. The effect of these factors, including the effect on the timing and amounts of Available Funds for any Monthly Period and the payment of principal of and interest on the Notes is difficult to predict.

An economic downturn may also be accompanied by decreased consumer demand for automobiles, and declining values of vehicles securing outstanding Secured Personal Loans, which would weaken collateral coverage for Secured Personal Loans and increase the amount of loss in the event of default by the related Obligor. Significant increases in the inventory of used vehicles during periods of economic slowdown or recession may also depress the prices at which repossessed vehicles may be sold or delay the timing of these sales. Consequently, if a vehicle securing a Secured Personal Loan is repossessed while the used car auction market is depressed, the sale proceeds for such vehicle may be lower than expected, resulting in increased losses that may result in losses on the Notes.

## **Adverse impacts and risks of the COVID-19 pandemic on transaction parties, the Receivables and the Notes**

The ongoing pandemic caused by a novel strain of coronavirus (and variant strains) (“**COVID-19**”) has caused significant disruptions in the United States economy and various world economies, including more recently, a constrained labor market, supply chain disruptions, inflation and rising interest rates in the United States. In addition, many individual borrowers have experienced or may experience financial hardship, making it difficult, if not impossible, to meet debt payment obligations without temporary assistance. The Seller actively monitors key economic metrics and its loan portfolio to manage early warning signs of financial hardship among its customer base.

As a result of COVID-19 (including variant strains) and Seller’s adoption of a remote-first work environment, substantially all of the Seller’s corporate non-retail employees in the United States are working remotely. The contact centers utilized by the Seller and the Servicer (either owned or through outsourcing partners) are also located in various jurisdictions within four countries. While the Seller has adopted a remote-first work environment, if a significant percentage of the Seller’s or the Servicer’s workforce is unable to work effectively as a result of the COVID-19 pandemic, including because of illness, quarantines, ineffective remote work arrangements or technology, utility or other failures or limitations, their operations may be adversely impacted. Remote working may also result in consumer or employee privacy, information technology security and fraud concerns, as well as increased exposure to potential regulatory or civil claims. Additionally, if any of the critical vendors used by the Seller or the Servicer are adversely impacted by the COVID-19 pandemic and unable to deliver services to them, their operations may be adversely impacted.

Similar to relief options the Seller has previously offered to customers impacted by natural disasters such as hurricanes and wildfires, it is offering payment relief options to customers impacted by the COVID-19 pandemic, including emergency hardship programs, reduced payment plans, late fee waivers and other customer accommodations. As of the Statistical Calculation Date, approximately 0.004% of the Receivables in the Statistical Pool were in active deferral status under the Emergency Hardship Deferral program. While the percentage of the Seller’s owned portfolio balance in active deferral status under the Emergency Hardship Deferral program has significantly declined since early 2020, there can be no assurance that Obligor inquiries related to relief options offered by the Seller and the Servicer will not increase in the future, either as a result of COVID-19 or a future emergency or disruption in the economy.

To the extent that ongoing outbreaks of COVID-19 adversely affect the U.S. and world economies and/or adversely affects the businesses, operations, and/or financial condition of transaction parties, it may also have the effect of increasing the likelihood and/or magnitude of other risks and risk factors described throughout this Memorandum.

## **Delinquency and Loan Loss Experience**

Although the Seller has calculated and presented herein its delinquency and net loss experience with respect to its and its subsidiaries’ receivables portfolio, there can be no assurance that future results will be consistent with past performance with respect to the Receivables. The recent developments regarding the COVID-19 outbreak are a good example of this uncertainty, as there is no comparable event in the Seller’s history, so it is unclear the extent and length of the impact of the events on the net losses of Seller’s portfolio, or the actions being taken to adjust to a quickly changing environment. A portion of the Receivables were originated subsequent to certain periods presented in the net loss and delinquency tables. In addition, there can be no assurance that the future delinquency or loan loss experience of the Issuer with respect to the Receivables will be better or worse than that set forth herein with respect to the Seller’s

receivable portfolio. See “*Risk Factors—Composition, Characteristics and Rates of Return on the Receivables Will Change*” and “*The Receivables*.”

### **Electronic Record-Keeping**

The Seller has implemented an electronic documentation and signature process, which allows the Seller to originate consumer loans in electronic form. The electronic documentation and signature process were previously primarily used only in the mobile origination channel. However, in the last few years, the Seller has expanded the capability for use throughout the Seller’s retail locations and it is now the primary way that customers review and sign loan documents at retail locations.

A significant portion of the Receivables have been originated in electronic form by the Seller. PF Servicing, as the Servicer, will maintain custody of the Loans in electronic form through its own technology system, and through third-party vendors retained by the Seller and Servicer to retain the original (or authoritative copy) of the electronically signed Loans. If this process does not perform as expected, the Servicer may encounter difficulties in servicing such Receivables, which could result in delays or reductions in payments on the Notes. It is also possible that Obligor could assert additional legal challenges to the enforceability of Receivables that are in electronic form. If any such challenges were successful, there could be delays or reductions in payments on the Notes.

The Seller’s use of electronic documentation may entail greater risks than would paper-based loan origination processes, including risks regarding the sufficiency of notice for compliance with consumer protection laws, risks that borrowers may challenge the authenticity of the borrower’s signature and/or the loan documents, risks that a court may not enforce electronically signed loan documents and risks that, despite controls, unauthorized changes are made to the electronic loan documents. If any of those factors or other issues relating to electronic documentation were to cause any Receivables, or any of the terms of the Receivables, to be unenforceable against the borrowers, or impair the Servicer’s, or any successor Servicer’s, ability to service the Receivables, the performance of the Notes could be adversely affected.

### **Geographic Concentration**

The geographic concentration of the Receivables Pool may expose the Notes to an increased risk of loss due to risks associated with certain regions. Certain regions of the United States from time to time will experience weaker economic conditions and higher unemployment and, consequently, will experience higher rates of delinquency and loss than on similar loans nationally. In addition, natural, man-made or environmental disasters, epidemics or pandemics in specific geographic regions may result in higher rates of delinquency and loss in those areas. A significant portion of the Receivables Pool is comprised of Receivables originated in certain states, and within the states where the Seller operates, originations are generally more concentrated in and around metropolitan areas and other population centers. Therefore, economic conditions, natural, environmental or man-made disasters, pandemics, epidemics or other factors affecting these states or areas in particular could adversely impact the delinquency and default experience of the Receivables and could result in reduced or delayed payments on the Notes. For example, there may be COVID-19 outbreaks in certain geographical areas that are more severe than in others, and accordingly the adverse impact of the COVID-19 pandemic on the Receivables Pool may be more significant due to such concentrations. See the risk factors captioned “—*Social and Economic Factors and Other External Events*” and “—*Adverse impacts and risks of the COVID-19 pandemic on transaction parties, the Receivables and the Notes*.” Further, the concentration of the Receivables Pool in one or more counties, cities or states would have a disproportionate effect on Noteholders if governmental authorities in any of those locations make changes to relevant laws (such as debt collection standards or other consumer credit regulatory requirements or expectations) or take action (such as actions described in “*Risk Factors—*

*Consumer Protection Laws and Contractual Restrictions*”) against the Seller or take action affecting the Servicer’s ability to service the Receivables.

As of the Statistical Calculation Date, originations in California, Texas, Florida, Illinois, New Jersey, Arizona, Nevada and North Carolina comprised approximately 40.82%, 26.25%, 9.86%, 4.94%, 3.66%, 2.92%, 2.30% and 1.06%, respectively, of the Statistical Pool (based on Outstanding Receivables Balances). The Statistical Pool also includes loans originated in 33 additional states, each representing less than 1% of the Statistical Pool (based on Outstanding Receivables Balances).

The geographic concentration of the Receivables Pool will likely change after the Closing Date as a result of repayments of the Receivables, charge-offs or otherwise, including in a manner that may adversely affect Noteholders. See *“Risk Factors—Composition, Characteristics and Rates of Return on the Receivables Will Change.”*

### **Natural Disasters, Epidemics and Pandemics May Affect Borrowers**

From time to time epidemics, pandemics, extreme weather conditions and other natural events, such as hurricanes, tornadoes, floods, drought, wildfires, mudslides, earthquakes and other extreme conditions, strike certain areas of the United States and may adversely affect borrowers located in those areas. The ultimate impact of any such events on borrowers and their related Receivables cannot be fully predicted. No assurance can be given as to the effect of natural disasters, epidemics or pandemics on the rate of delinquencies and losses on the loans made to borrowers in areas that are affected by such natural disasters, epidemics or pandemics. In addition, the Seller is unable to predict the effect of natural disasters, epidemics or pandemics on the economy in affected areas. The full economic impact of natural disasters, epidemics or pandemics is uncertain but may materially affect the ability of borrowers to make payments on their loans and the ability of the Servicer to collect loan payments from impacted borrowers. Any adverse impact as a result of natural disasters, epidemics or pandemics could reduce payments to the Noteholders.

### **Collectability of the Loans**

A customer’s ability or willingness to repay a loan can be negatively impacted by increases in his or her payment obligations to other lenders or as a result of unemployment, general economic conditions or other factors. If a customer defaults on a loan, the Servicer may be unable to collect the amount of the loan. In addition, the Servicer’s ability to adequately service the loans is dependent upon its ability to grow and appropriately hire and train customer service and collections staff and expand existing and open new contact centers as loan receivables increase. Further, the Seller’s Unsecured Loans that are included in the transaction are not secured by any collateral, not guaranteed or insured by any third party and not backed by any governmental authority in any way. The Servicer is therefore limited in its ability to collect on the loans if a customer is unwilling or unable to repay.

The Receivables relating to the Seller’s Unsecured Loans included in the transaction are unsecured and are therefore dischargeable in bankruptcy. If an Obligor sought protection under federal or state bankruptcy or debtor relief laws, a court could reduce or discharge completely the Obligor’s obligations to repay amounts due on its Receivable. As a result, all or a portion of the Receivable would be written off as uncollectible, and no payments would be received in respect of such written off portion. It is possible that a higher percentage of Obligors will seek protection under bankruptcy or debtor relief laws as a result of financial and economic disruptions related to the outbreak of COVID-19 than is reflected in the Seller’s historical loss and delinquency experience. See the risk factor captioned *“—Adverse impacts and risks of the COVID-19 pandemic on transaction parties, the Receivables and the Notes.”* Noteholders could suffer

a loss if no funds were available from credit enhancement or other sources to cover these written off amounts.

Additionally, there is a risk that following the date of a loan application, a customer may have defaulted on, or become delinquent in the payment of, a pre-existing debt obligation, taken on additional debt, lost his or her job or other sources of income, either as a result of COVID-19 or otherwise, or experienced other adverse financial events. Additional debt may adversely affect a customer's creditworthiness generally, and could result in financial distress, insolvency, or bankruptcy. None of the Seller, the Issuer or the Servicer receives any notification if a customer incurs additional debt.

If the Seller experiences an unexpected significant increase in the number of customers who fail to repay their loans or an increase in the principal amount of the loans that are not repaid, if the Servicer fails to adequately service and collect amounts owed in respect of the Receivables or if there is an unexpected, significant increase in the number of customers who successfully discharge their loans in a bankruptcy action, there could be a material adverse effect on the Seller's and the Servicer's operations and on collection activity with respect to the Receivables, and consequently, on payments to the Noteholders.

In November 2021, the Seller voluntarily implemented the call limitations set forth in Regulation F, 12 CFR Part 1006 ("**Regulation F**"), which is not applicable to creditors such as the Seller who are collecting their own debts. If the Seller did not correctly estimate the impact of a reduced calling strategy or if the Seller is unable to employ alternative means of engaging severely delinquent members and collecting on defaulted loans, the effectiveness of its efforts to collect on defaulted loans may be impacted.

### **Limited Experience Originating and Servicing Secured Personal Loans**

In April 2020, the Seller launched its Secured Personal Loan product involving installment loans secured by an automobile title, as described under "*Seller's Consumer Loan Business—Secured Personal Loans*." Secured Personal Loans are currently offered in Arizona, California, Florida, New Jersey and Texas. The Seller may also offer Secured Personal Loans in additional states in the future. While Secured Personal Loans require additional documentation and processes around the related Titled Assets, the Seller otherwise expects Secured Personal Loans to be underwritten and serviced using policies and processes that are substantially the same as those applicable to the Unsecured Loans originated by the Seller. Secured Personal Loans that become significantly past due, typically at 55 days past due, will be reviewed for involuntary repossession and will typically be assigned for involuntary repossession at 75 days past due. The Seller has limited experience underwriting and originating Secured Personal Loans, and the Servicer has limited experience servicing Secured Personal Loans and limited experience with respect to involuntary and voluntary repossession activity. As a result, it is possible that the Secured Personal Loans and the related Receivables could perform worse than projected, and worse than Unsecured Loans.

### **Collateral Securing Secured Personal Loans**

The Secured Personal Loans are secured, at least partially, by a lien on one or more Titled Assets. As of the Statistical Calculation Date, approximately 4.40% of the Receivables in the Statistical Pool were Secured Personal Loans, with the remainder being Unsecured Loans.

The Seller, in connection with selling the Loans to the Depositor and the Depositor Loan Trustee for the benefit of the Depositor, will assign to the Depositor and the Depositor Loan Trustee for the benefit of the Depositor, the Related Rights for such Loans, including the Seller's security interest in each Titled Asset, which the Depositor and the Depositor Loan Trustee for the benefit of the Depositor, in turn, will assign to the Issuer. The Issuer, in turn, will grant a security interest in its interest in such Loans and Related Rights to the Indenture Trustee.

Many of the Secured Personal Loans will be made in amounts that equal or exceed the value of the related Titled Assets. As a result, there can be no assurance that the value of any Titled Asset with respect to a Secured Personal Loan will be sufficient to repay the principal balance of a Secured Personal Loan in the event of a default by the related Obligor. Even if the value of the applicable Titled Asset is greater than the principal balance of the related Secured Personal Loan at origination, the rate of depreciation of the Titled Asset may exceed the rate at which such Loan amortizes, resulting in a reduction in the Loan Obligor's equity in the Titled Asset, which may increase the likelihood that the Obligor will default in their payment obligations. Further, market conditions for used cars, an economic downturn or other factors could negatively impact resale values and, in turn, decrease the potential recovery amount for a Titled Asset securing a Secured Personal Loan. See "*Risk Factors—Social and Economic Factors and Other External Events.*"

The Seller has limited experience underwriting and originating Secured Personal Loans. While the Seller collects additional information regarding the vehicle being used as collateral for a Secured Personal Loan, including pictures of the vehicle from the customer, documentation of the vehicle's value (based on the most recently published Kelley Blue Book guide) and confirmation of clean title from a third party national database, the Seller conducts limited additional diligence around such collateral. For example, the Seller does not conduct a vehicle inspection. As a result, the value assigned to a vehicle by the Seller in connection with underwriting a Secured Personal Loan may be inaccurate, as a result of insufficient information on the vehicle, customer fraud or otherwise, and Noteholders should not rely on the Titled Asset relating to a Secured Personal Loan as a material source of Recoveries in the event the related Receivable becomes a Defaulted Receivable.

The Seller requires the Obligor on a Secured Personal Loan to obtain insurance for the related Titled Asset, but does not verify at origination whether any such insurance is obtained or remains in place during the term of the loan. The Seller does not force-place insurance. Neither the Issuer nor the Indenture Trustee will be named additional insured or loss payee. As a result, any damage to a Titled Asset may significantly reduce the amount of Recoveries in respect of the related Receivable.

In addition, the security interest in the collateral securing Secured Personal Loans is typically a perfected first priority security interest effected by noting the lien on the corresponding certificate of title or by filing with the relevant state governmental authority. However, due to governmental efforts to mitigate the spread or resurgence of COVID-19, including full and partial closures of DMVs and filing offices, the perfection of liens with respect to certain Secured Personal Loans may be delayed. If the security interest in collateral securing a Secured Personal Loan is unperfected for any reason, including a failure on the part of the Seller to so perfect such security interest, the security interest could be subordinate to interests of other parties in the collateral the Seller's ability to recover the Titled Assets could be inhibited.

The security interests of the Issuer and the Indenture Trustee in the Titled Assets securing any Secured Personal Loans pledged as part of the Trust Estate may be unperfected because the lien certificates or certificates of title relating to the Titled Assets will not be amended or reissued to identify the Issuer or the Indenture Trustee as the new secured party. In the absence of such an amendment or reissuance, the Issuer and the Indenture Trustee may not have a perfected security interest in such Titled Assets.

Additionally, even if the Seller has such a first priority perfected security interest, and such interest is conveyed to the Issuer and the Indenture Trustee, the Issuer and the Indenture Trustee could lose the priority of its security interest in the Titled Asset for a Secured Personal Loan due to, among other things, liens for repairs or storage of the Titled Asset or for unpaid taxes of an Obligor.

The Servicer has limited experience servicing Secured Personal Loans and limited experience with respect to involuntary repossession activity. The Servicer's repossession activities may not result in the



realization of sufficient or expected liquidation proceeds. Further, repossession is generally used only as a last resort after all other collection efforts to resolve the delinquency of a Secured Personal Loan are exhausted. The Servicer may elect not to repossess the Titled Assets relating to a delinquent Secured Personal Loan that is otherwise eligible for repossession, or in some cases, the Servicer may be prohibited from undertaking repossession activity. For example, in connection with the COVID-19 pandemic, many consumer finance companies that provide loans secured by automobiles and other vehicles, including the Servicer, temporarily suspended involuntary repossessions in some or all of the states in which they operated due to the effects of the COVID-19 pandemic, and many states introduced temporary moratoriums or other prohibitions on repossession activity. While the Servicer has resumed involuntary repossession activity, it is possible that repossession activity could be temporarily suspended again in the future in the case of a resurgence of COVID-19 or other emergency.

As a consequence of the foregoing, Noteholders should not rely on the Titled Asset relating to a Secured Personal Loan as a material source of Recoveries in the event the related Receivable becomes a Defaulted Receivable. Even if the Issuer (or the Servicer on its behalf) elects to attempt to repossess the Titled Asset relating to a Secured Personal Loan, it might not be able to realize sufficient liquidation proceeds, or any liquidation proceeds, on the Titled Asset. As a result, Noteholders may suffer a loss on their investment in the Notes.

### **Changes in Legal Collections**

Historically, the Servicer has utilized the small claims process as a collection tool for Unsecured Loans, focused on delinquent customers who had the ability to repay their loans. Very delinquent customers were informed of the Servicer's legal collections process and that continuing to not make a payment may result in legal action. Legal action was generally pursued in (1) certain counties in California, Florida and Texas with higher origination volumes and (2) when it was believed that such customers have the ability but not the willingness to repay their loans. Based on the Servicer's experience in small claims court, most of these cases result in loan resolutions after a case has been filed and before a judgment is rendered. In August 2020, in response to inquiries from consumer advocacy groups, the Servicer made a commitment to the dismissal of all pending small claims court filings, temporary suspension of all new small claims filings and a commitment to reduce legal filing rates by at least 60% in the future. See "*Risk Factors—Potential Negative Publicity or Public Perception.*" The Servicer temporarily suspended its legal collections process, and may in the future resume legal collections. If resumed, the Servicer currently expects that it may further reduce its use of the legal collections process as a collection tool, but there can be no assurances that such a reduction will occur.

If the Servicer is unable to employ alternative means of engaging severely delinquent Obligor, the effectiveness of the Servicer's efforts to collect on Defaulted Receivables may be adversely impacted. As a result of the foregoing, the risk of loss to investors in the Notes may be higher.

### **Texas Franchise Tax**

Under the Texas Tax Code, certain taxable entities that are part of an affiliated group engaged in a unitary business are required to file a combined group report based on the combined group's business in lieu of individual reports. Additionally, each member of the combined group is jointly and severally liable for the Texas franchise tax of the combined group. As the Issuer may be included in the Seller's combined group (or possibly the combined group of the holder of any Series 2022-3 Notes re-characterized as equity interests in the Issuer for tax purposes) for these purposes, the Issuer may be jointly and severally liable for the combined Texas franchise tax liability of the Seller's combined group, which would include Oportun Financial and all of the members of its affiliated group included in the combined group report (or such other combined group of the holder of any re-characterized Series 2022-3 Notes). While the Seller expects to be

able to satisfy any such tax liability, if the Seller and the members of its affiliated group included in the combined group report (or members of such other combined group of the holder of any re-characterized Series 2022-3 Notes) are unable to pay part or all of their allocable portions of the combined Texas franchise tax liability, including any interest and penalties, for any year or years, the financial condition of the Issuer could be adversely affected. In the context of the business of the Seller and the members of its affiliated group included in the combined group report, under current state law, the Texas franchise tax will be no more than 0.75% of 70%, or 0.525%, of the group's gross revenue apportioned to the State of Texas. See "*Description of the Notes—Monthly Payments*" and "*Description of the Indenture—Event of Default*."

## **Consumer Protection Laws and Contractual Restrictions**

Federal and state consumer protection laws impose requirements and place restrictions on creditors and require certain disclosures in connection with extensions of credit and collections on unsecured and secured consumer loans and protection of sensitive customer data obtained in the origination and servicing thereof. Certain of these laws provide that claims and defenses raised by an Obligor as to the originating lender survive assignments to third parties. Any violation of such laws or any litigation alleging such a violation with respect to a Loan could give rise to claims and defenses by an Obligor, or a group of similarly situated Obligors, against the Issuer, the Depositor, the Indenture Trustee, the Seller, Oportun, LLC, Pathward, the Servicer and certain other parties, or subject them to claims for damages enforcement actions. The federal and state consumer protection laws, rules and regulations applicable to the solicitation and advertising for, underwriting of, granting, servicing and collection of the Loans, and the protection of sensitive customer data, frequently provide for administrative penalties, as well as civil (and in some cases, criminal) liability resulting from their violation. Failure by the Seller, Oportun, LLC, Pathward, the Servicer, the Administrator, the Depositor or the Issuer to comply with these laws and regulatory requirements could, among other things, limit the Servicer's ability to collect the Receivables, subject the Seller, Oportun, LLC, Pathward, the Servicer, the Administrator, the Depositor and/or the Issuer to damages, revocation of required licenses, class action lawsuits, administrative enforcement actions, rescission rights held by investors in securities offerings and civil and criminal liability.

The provisions of the Loans do not deviate materially from one another other than the interest rates charged and information specific to the Obligor. Thus, many Obligors may be similarly situated in so far as the provisions of their respective contractual obligations. Accordingly, allegations of violations of the provisions of applicable federal or state consumer protection laws could potentially result in a large class of claimants asserting claims against the Seller, Oportun, LLC, Pathward, the Servicer, the Administrator, the Depositor and/or the Issuer. There is no assurance that such claims will not be asserted against the Seller, Oportun, LLC, Pathward, the Servicer, the Administrator, the Depositor and/or the Issuer in the future. To the extent it is determined that the Loans were not originated in accordance with all applicable laws, the Seller may be obligated to repurchase from the Issuer any Receivable that fails to comply with such legal requirements. There can be no assurance, however, that the Seller will have adequate resources to make such repurchases. See "*Certain Legal Aspects of the Receivables*."

Furthermore, neither the Indenture Trustee nor any other party not affiliated with the Seller will be responsible for determining whether a Receivable was an Eligible Receivable at closing or at the time of its subsequent acquisition. As a result, the Noteholders may not be able effectively to discover any non-Eligible Receivables or enforce the Seller's repurchase obligation if such a discovery is made.

Additionally, Congress, the states and regulatory agencies, as well as local municipalities, could further regulate the consumer credit industry in ways that make it more difficult or costly for the Seller to originate or otherwise acquire additional loans, or for the Servicer to collect payments on the Receivables. For instance, bills have been introduced in the U.S. House of Representatives, the U.S. Senate and in several states in recent years proposing various usury caps and other provisions that could otherwise greatly restrict

the rates and fees that lenders, including the Seller, Pathward and other banks and lenders, can charge customers, or limit fees and charges, for late and returned payments. Further, changes in the regulatory application or judicial interpretation of the laws and regulations applicable to financial institutions also could impact the manner in which the Seller conduct its business. The regulatory environment in which financial institutions operate has become increasingly complex, and following the financial crisis of 2008, and more recently in connection with the COVID-19 pandemic, supervisory efforts to apply relevant laws, regulations and policies have become more intense. For example, California and New York recently have indicated that they will increase consumer protection efforts at the state level, and several states have passed or are proposing comprehensive privacy and data security laws. See “—*Compliance with Regulations Regarding Confidential Customer Information.*”

In California, the Seller currently operates under a pilot program that was promulgated by the California State Legislature in September 2010 and which has been modified and extended through January 1, 2028. The pilot program allows greater flexibility in interest rates and fees for certain loans while also requiring enhanced disclosures and other protections for borrowers. See “—*Litigation.*”

As set forth in further detail below in this Memorandum, there has been litigation that has been successful in challenging the contention that a bank acting as a loan’s lender was the true lender and asserting that the party providing the source of loan financing or marketing, purchasing and servicing the loan, was instead the true lender. Certain regulators may also challenge the status of a bank as a loan’s true lender. In connection with loans originated by Pathward, in the event of any recharacterization of Pathward’s status as a true lender, any affected Loans may not be enforceable, could be subject to offset and may further result in fines, penalties, damages, compliance costs or related operational burdens that may adversely affect the Loans and the Notes. See “—*Litigation and Regulatory Actions Involving State Usury, Licensing and ‘True Lender’ Doctrine*” in this Memorandum.

## **State Licensing**

The Seller is licensed in each state in which it originates personal loans. In addition, the Seller is licensed in each state where required in connection with the services the Seller provides to Pathward under the Pathward Program. The Servicer is licensed, or will become licensed before commencing such services, in each state where required, and as required, in connection with its servicing activities. Although the Seller and the Servicer intend to obtain such additional licenses, there is no assurance that they will be able to obtain and maintain the proper licenses. For example, the California Debt Collectors Licensing Act (the “DCLA”) requires the licensing of persons who service or collect consumer debt, including installment loans (a “DCLA License”). This requirement took effect on January 1, 2022. In connection with the DCLA, the Seller filed an application on behalf of itself, the Servicer and other servicing-related affiliates for a DCLA License as required by December 31, 2021, and the application is currently pending. While the Seller, Servicer and their affiliates are permitted by law to continue to operate while the application is pending, and the Seller and the Servicer currently have no reason to believe the application for the DCLA License will not be approved, there is no assurance that such DCLA License will ultimately be received. A failure to obtain any required licenses, including the DCLA License, could adversely affect the Seller’s or the Servicer’s ability to perform their obligations under the Transaction Documents. As the Seller, the Servicer or any of their affiliates apply for, and obtain, additional state licenses, they will be subject to review and/or examination by additional state regulators, which could bring additional scrutiny and regulatory risk.

Neither the Depositor nor the Issuer is licensed to hold or service loans in any state. The transaction structure described in this Memorandum presumes that a state regulator either will conclude that no licensing in respect of the Depositor’s or the Issuer’s ownership of the Loans is required or accept the Depositor Loan Trustee and the Owner Trustee as the holders of legal title to the Loans which are otherwise

owned by the Depositor and the Issuer, respectively, as described in this Memorandum. State regulators may, however, take a different view and require licensing of additional transaction parties and no assurance can be given in that regard.

If a regulator were to adopt the view that the Seller or the Servicer is required to have additional licenses, or that licensing of additional transaction parties was or will be required, this would result in administrative burden, cost and, potentially, penalties or even an invalidation of the affected Loans or related Receivables. For example, a state regulator could determine that the Seller or the Servicer does not possess the required licenses to provide the services for the Pathward Program. The penalties for failure to obtain requisite licenses vary from jurisdiction to jurisdiction, but if a regulator were to assess monetary penalties and/or require licensing for the Issuer and/or the Depositor, then delays in payments on the Notes could occur and/or the ability of the Issuer to make payments on the Notes could be adversely affected.

See “*Certain Legal Aspects of the Receivables—Consumer Protection Laws.*”

### **Litigation and Regulatory Actions Involving State Usury, Licensing and “True Lender” Doctrine**

Currently, the Seller originates loans directly and acquires loans originated in Nevada by Oportun, LLC. The Seller and Oportun, LLC are licensed in each state where they originate personal loans. As described under “*Seller’s Consumer Loan Business—Pathward Partnership*,” in August 2021, the Seller launched a partnership with Pathward, a national bank, pursuant to which Pathward originates personal loans capped at a 36% APR in certain states outside of the Seller’s current state-licensed footprint. When originating loans under the Pathward Program, Pathward will be contracting for interest and fees (as applicable) based on federal law, specifically Section 85 of the National Bank Act and under Pathward’s home state of South Dakota. Section 85 permits a national bank such as Pathward to charge, on a nationwide basis, interest on the loans it originates at rates permitted by its home state, notwithstanding any contrary usury laws of other states.

The interest rates charged to Obligor under the Pathward Program and that form the basis of payments on the loans originated under the Pathward Program are based upon legal principles including (i) the application of federal law to enable a bank that originates the loans to export the interest rates of the jurisdiction where it is located, and preempt conflicting state laws, (ii) the application of common law “choice of law” principles based upon factors such as the loan document’s terms and where the loan transaction is completed to provide uniform rates to obligors, and (iii) the application of principles that allow the transferee of a loan to continue to collect interest as provided in the loan document. Certain states have no statutory interest rate limitations on personal consumer loans, while other jurisdictions impose a maximum rate on such loans. In some jurisdictions, the maximum rate may be lower than the rates applicable to the loans originated under the Pathward Program. If the laws of such jurisdictions were found to govern any of such loans with rates higher than that jurisdiction’s maximum rate, those loans could be in violation of such laws. This could result in such loans being unenforceable or reduce or extinguish the principal and/or interest (paid or to be paid) on the loans or result in fees, damages and penalties. If any of such loans are ultimately transferred to the Issuer, any of such developments could result in delays in payments or losses on your Notes.

In May 2015, the United States Court of Appeals for the Second Circuit decided the case of *Madden v. Midland Funding, LLC*, 786 F.3d 246 (2d Cir. 2015), cert. denied, 136 S.Ct. 2505 (June 27, 2016). There, a defaulted and charged off credit card loan made by a national bank was assigned to an unaffiliated non-bank debt collector which attempted to collect the loan and to continue to charge interest at the rate contracted for by the national bank. The obligor filed suit claiming, among other things, that the rate charged by the non-bank entity exceeded the maximum interest rates allowable under New York usury law. The Second Circuit ruled that federal preemption generally applicable to national banks did not apply to

non-bank assignees if the assignee was not acting on behalf of the bank, if the bank no longer had an interest in the loan or did not significantly interfere with the bank's exercise of its federal banking powers, and therefore did not preempt state interest rate limitations that might apply to the non-bank assignees. In November 2015, the defendant in the *Madden* case filed a petition for a writ of certiorari with the United States Supreme Court for further review of the Second Circuit's decision. On March 21, 2016, the Supreme Court requested that the Solicitor General file a brief setting forth the government's position on whether the Supreme Court should hear the case. On May 24, 2016, the Solicitor General filed its brief recommending that the petition for a writ of certiorari be denied, although the Solicitor General's brief concluded that the Second Circuit's decision was incorrect as a matter of law. On June 27, 2016, the Supreme Court denied the petition, thus allowing the Second Circuit decision to stand. The Second Circuit's decision is binding on Federal courts in the Second Circuit which includes the states of Connecticut and Vermont. On February 27, 2017, on remand, the District Court issued an opinion addressing defendants' motion for summary judgment and plaintiff's motion for class certification. On the summary judgment motion, the Court applied New York usury law and rejected application of Delaware law pursuant to the cardholder agreement. The Court concluded that applying Delaware law would violate a fundamental public policy of New York. The Court held that plaintiff could not assert a direct usury claim under New York law, but could use the alleged violation of New York's criminal usury law as a basis for asserting claims under the federal Fair Debt Collection Practices Act ("**FDCPA**") and New York General Business Law Section 349 ("**GBL**"). The Court also granted plaintiff's motion for class certification, certifying a class of New York state borrowers with similar claims under the FDCPA and GBL. On March 1, 2019, the parties filed for approval of a settlement agreement of remaining claims in the *Madden* litigation. The Court approved the settlement on September 10, 2019 and the case is now concluded. These *Madden* decisions could result in similar actions or decisions in other jurisdictions, which if decided similarly, could adversely affect loans originated to borrowers in states outside the Second Circuit. See also *Eul v. Transworld Systems*, 2017 WL 1178537 (N.D. Ill., March 30, 2017) (where the court suggested that preemption may not apply both because the court found *Madden*'s holding to be persuasive and because plaintiffs allege a non-bank lender was the true lender, but ultimately determined that only the true lender issue was relevant to the outcome of the case because, even absent preemption as a result of *Madden*, Illinois state law permitted an assignee to charge rates permissible for the original lender).

In June 2019, a complaint was filed in the United States District Court for the Western District of New York (*Petersen, et al. v. Chase Card Funding, LLC, et al.*, No. 1:19-cv-00741-LJV (W.D.N.Y. June 6, 2019)) seeking class action status for plaintiffs against certain defendants affiliated with a national bank that have acted as special purpose entities in securitization transactions sponsored by the bank. The complaint alleges that the defendants' acquisition, collection and enforcement of the bank's credit card receivables violated New York's civil usury law and, that, as in *Madden*, the defendants, as non-bank entities, are not entitled to the benefit of federal preemption of state usury law. The complaint seeks a judgment declaring the receivables unenforceable, monetary damages and other legal and equitable remedies, such as disgorgement of all sums paid in excess of the usury limit. Defendants moved to dismiss. On September 21, 2020, the court granted the defendant's motion to dismiss and concluded that the National Bank Act expressly preempted plaintiff's claims (*Petersen, et al. v. Chase Card Funding, LLC, et al.*, No. 1:19-cv-00741-LJV (W.D.N.Y. Sep. 21, 2020)). With that said, the court distinguished its case from *Madden* in that the defendant retained rights in the underlying accounts and had not sold them outright. While the plaintiffs initially appealed to the Second Circuit, they withdrew their appeal on November 20, 2020. Therefore, there can be no assurance as to how this resolution will affect usury or related risks for the loans originated under the Pathward Program.

Also in June 2019, a complaint was filed in the United States District Court for the Eastern District of New York (*Cohen, et al. v. Capital One Funding, LLC et al.*, No. 19-03479 (E.D.N.Y. June 12, 2019)) seeking class action status for plaintiffs against certain defendants affiliated with a national bank that have

acted as special purpose entities in securitization transactions sponsored by the bank. The complaint alleges that the defendants' acquisition, collection and enforcement of the bank's credit card receivables violated New York's civil usury law and that, as in *Madden*, the defendants, as non-bank entities, are not entitled to the benefit of federal preemption of state usury law. The complaint seeks a judgment declaring the receivables unenforceable, monetary damages and other legal and equitable remedies, such as disgorgement of all sums paid in excess of the usury limit. Defendants moved to dismiss. On September 28, 2020, the court granted the defendant's motion to dismiss and concluded that the National Bank Act expressly preempted plaintiff's claims (*Cohen, et al. v. Capital One Funding, LLC et al.*, No. 19-03479 (E.D.N.Y. Sep. 28, 2020)). With that said, the court distinguished its case from *Madden* in that the defendant retained rights in the underlying accounts and had not sold them outright. While the plaintiffs initially appealed to the Second Circuit, they withdrew their appeal on December 2, 2020. Therefore, there can be no assurance as to how this resolution will affect usury or related risks for loans originated under the Pathward Program.

In November 2019, the Office of the Comptroller of the Currency (the "OCC") proposed amendments to certain federal banking regulations applicable to national banks subject to the OCC's jurisdiction, such as Pathward. In June 2020, the OCC finalized its rule, which took effect on August 3, 2020. The rule clarifies that when a bank transfers a loan, the interest permissible before the transfer continues to be permissible after the transfer. Certain state Attorneys General filed a lawsuit in the Northern District of California challenging the validity of the OCC's rule. The Attorneys General asked the court to declare the rule unlawful and set aside the codified regulation. In February 2022, the district court rejected the challenge and affirmed the valid-when-made rule as proper exercise of the agency's rule-making authority. The plaintiffs had until April 11, 2022 to file any appeal of the district court's decision. No federal circuit court of appeal has yet ruled on the valid-when-made rules. Notwithstanding the foregoing, there can be no assurance that (i) the OCC's rule will withstand any other judicial scrutiny or (ii) the rule will be given effect by courts and regulators in a manner that actually mitigates usury and related risks relating to the origination of loans under the Pathward Program.

If an Obligor, a group of similarly situated Obligors, regulator or government agency were to successfully bring claims with respect to one or more Loans originated under the Pathward Program for state usury law violations, or a state regulator or government agency were to assert that Loans originated under the Pathward Program to Obligors in the state were subject to state limitations on interest rates and fees, and the rates on such Loans were greater than allowed under applicable state law, the Seller, the Depositor, the Servicer, the Issuer, or other prior owners or subsequent transferees of such Loans or recipients of proceeds from Collections on the Receivables could be subject to fines and penalties or claims for damages or disgorgement or regulatory enforcement actions, including the voiding of such Loans and repayment of principal and interest to the related Obligors. Such violations with respect to Loans originated under the Pathward Program and subsequently transferred to the Issuer or retained by the Seller and its affiliates could have a material adverse effect on the Issuer, the enforceability or collectability of such Loans, and the Seller's ability to perform its obligations under the Transaction Documents. In addition, in response to any such claims or proceedings, the Seller might decide to limit the maximum interest rate on all or some loans originated under the Pathward Program. These actions could adversely impact the Seller's ability to perform its obligations under the Transaction Documents.

The Seller believes that the Pathward Program is factually distinguishable from *Madden*. See "*Certain Legal Aspects of the Receivables*." However, there is no assurance that a court or regulator would conclude that the Pathward Program is sufficiently different from the facts in *Madden* to justify finding that the Loans originated under the Pathward Program continue to benefit from federal preemption of state usury limitations after such Loans are transferred by Pathward.

There has been (and continues to be) other litigation that challenges lending arrangements where a bank or other third-party has made a loan and then sells and assigns it to an entity that is engaged in assisting

with the origination and servicing of a loan. For example, in 2006 and 2007, a consumer 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 non-bank consumer lender who had the “predominant economic interest” in the loans. Accordingly, federal preemption did not apply, and the consumer lender was required to be licensed as a lender in West Virginia and to comply with the usury laws applicable in West Virginia. See *CashCall, Inc. v. Morrissey*, No. 12–1274, 2014 WL 2404300 (W. Va. May 30, 2014). Because the rates charged exceeded West Virginia’s usury laws and because the consumer lender was not licensed, the court found the loans to be unenforceable and entered penalties against the consumer lender. The United States Supreme Court declined to hear an appeal of this case in 2015.

In a lawsuit filed in December 2013, the CFPB alleged that the defendants in *Consumer Financial Protection Bureau v. CashCall, Inc., et al* (C.D. Cal August 31, 2016) had engaged in deceptive acts and practices by servicing and collecting loans that state licensing and state usury laws had rendered partially or wholly uncollectible. In its summary judgment ruling, the Court concluded that CashCall was the “true lender” because only CashCall had money at risk. The Court cited favorably the holding in *CashCall, Inc. v. Morrissey*, which held that the proper test for determining the “true lender” is the “predominant economic interest” of the parties. The United States Court of Appeals for the Ninth Circuit declined to hear an interlocutory appeal of the decision. On January 19, 2018, the Court rejected the CFPB’s motion to award a \$287 million judgment against CashCall but awarded a civil money penalty of \$10,283,886 to the CFPB. The CFPB appealed that ruling. On May 23, 2022, the Ninth Circuit issued an opinion affirming CashCall’s liability, vacating the civil money penalty with instructions for the District Court to reassess the penalty based on a conclusion that CashCall’s conduct was reckless for the period beginning in September 2013, vacating the denial of restitution, and remanding the matter to the District Court. The matter remains under consideration on remand.

In addition to the litigation referenced above several lawsuits and regulatory actions have brought under scrutiny the association between loan marketers and bank lenders. For example, in October 2015, the Maryland Court of Special Appeals ruled that a consumer lender (coincidentally CashCall, Inc.) 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.* (Ct. Sp. App. No. 1477 October 27, 2015). The CSBA imposes a licensing requirement on entities that engage in the “credit services business” which includes assisting Maryland residents in obtaining loans for compensation or other valuable consideration, and, among other restrictions, prohibits licensees from providing any assistance with loans (even from out of state banks) at rates higher than rates allowed by Maryland law. 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 and satisfied the compensation element by obtaining payment from the borrowers due to the inclusion of a royalty fee in the purchase price of the loans from the bank. The appellate court reinstated the state regulator’s cease and desist order and fine of \$1,000 for each of 5,651 loans made to Maryland borrowers with the assistance of CashCall. The holding in this case potentially impacts loans made in Maryland by a bank with the assistance of an entity that is not licensed under or exempt from licensing under, or that is not otherwise in compliance with, the CSBA. On June 23, 2016, Maryland’s highest court affirmed the decision. The court agreed that CashCall had received compensation which required licensing because it received an “origination fee” and had the exclusive right to collect payments on the loans. In so holding, the court found the arrangement “rendered CashCall the de facto lender.” Furthermore, in January 2021, the Maryland Commissioner of Financial Regulation (“**Maryland 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.*; Case No. CFR-FY2017-0033. The Maryland 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 Maryland Commissioner also asserts that defendants violated the Maryland Collection Agency Licensing Act by soliciting and collecting consumer claims without a license. The Maryland 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 Maryland Commissioner's claims against the bank are completely preempted by Section 27 of the Federal Deposit Insurance Act. *Salazar v. Fortiva Financial, LLC, et al.*; Case 1:21-cv-00866 (ELH). On September 15, 2021, the Maryland Commissioner moved to remand the matter back to the agency for further administrative action. On October 15, 2021, defendants filed their opposition to the motion. 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. However, the applicability of state licensing requirements to marketplace lending programs continues to evolve and remains a subject of regulatory attention which could impose additional licensing and compliance requirements on the Seller or its affiliates and adversely affect the enforceability or collectability of loans originated under the Pathward Program.

In addition, in 2017 the administrator of the Colorado Uniform Consumer Credit Code (the "**Colorado Administrator**") filed state court actions against two online platforms each marketing loans on behalf of a bank making the loans. The platforms removed the cases to federal court and the Colorado Administrator requested and the federal court remanded both cases back to state court. The Colorado Administrator contended that the platform operators of the lending platforms (Avant, LLC and Marlette Funding, LLC) rather than the originating banks were the "creditors" of the loans and that the federal preemption of Colorado interest rate limitations afforded to the originating banks did not apply. Relatedly, the Colorado Administrator contended that the online lending platforms had collected payments of finance, extension and delinquency charges on certain loans owned by nonbanks that are not permitted under Colorado law, including the UCCC or are outside of the state's notice periods. Lastly, the Colorado Administrator contended that for the loans owned by nonbanks, the loan agreements between Colorado residents and Cross River Bank are required to choose Colorado law as the governing law, and that the provisions choosing states law other than Colorado are impermissible under the UCCC. The Colorado Administrator sought (i) the refund of certain excess finance and other charges that exceed amounts permitted by the UCCC for the loans owned by nonbanks, (ii) preliminary and permanent injunction of engaging in such activities going forward as well as enforcing non-Colorado choice of law provisions, (iii) related restitution and civil penalties, and (iv) interest and costs. Separately, the two originating banks filed actions against the Colorado Administrator in Colorado federal court seeking a declaratory judgment that Colorado law is preempted by federal law. The Colorado Administrator filed motions to dismiss both actions. The federal court dismissed both actions. One of the banks appealed the dismissal to the United States Court of Appeals for the Tenth Circuit. Both banks filed a motion to intervene in the state court litigation and this motion was granted by the Colorado State District Court in August 2018. In November 2018, the Colorado Administrator amended its complaints to add new allegations against securitization trusts holding loans originated by the originating banks through the online lending platforms, naming, as parties to the lawsuits, national banks in their capacity as trustees for such securitization trusts. The Colorado administrator's new allegations against the securitization trusts mirror certain allegations raised against the lending platforms themselves, including that the trusts, acting as "creditors" under state law, have charged interest and fees in excess of amounts permissible under Colorado law. Among other things, the suit sought from the online platforms and the trustee defendants the refund to borrowers of all excess finance and delinquency charges as well as civil penalties in accordance with Colorado law. In April 2019, the court denied the trustees' motion to dismiss in the case pending against Marlette. In June 2020, the District Court for the City and County of Denver, Colorado issued a decision on the Colorado administrator's motion for determination of law concluding that, although Cross River Bank, an FDIC-



insured, New Jersey state-chartered bank, can originate loans with interest rates that exceed Colorado's rate caps, those rates do not carry with the loans when they are purchased by the non-bank entity, Marlette. Based on the decision, Marlette must abide by the state's rate caps under the Colorado Consumer Credit Code. The court found that the Section 27 authority that gives Cross River Bank interest rate exportation authority did not apply to non-banks and accordingly Marlette does not enjoy federal preemption of Colorado law. However, in August 2020, the Colorado Administrator entered into an Assurance of Discontinuance ("AOD") with Avant and Marlette, including Cross River Bank as Marlette's partner bank. The AOD establishes a "safe harbor" that permits each bank and its fintech partner to continue to offer closed-end consumer loans to Colorado residents.

On June 1, 2022, a putative class action lawsuit was filed in federal court in the Western District of Texas, alleging that persons received high interest rate loans through Opportunity Financial, LLC ("OppFi") that exceeded the usury limits in violation of Texas usury laws. There is no affiliation between OppFi and the Seller or its affiliates. The suit asserts statutory claims under Texas law, claims of unjust enrichment, and violation of the federal Racketeer Influenced and Corrupt Organizations Act and also seeks a declaratory judgment that the loans are unconscionable, void and unenforceable. *Michael v. Opportunity Financial, LLC* (W.D. Tex. (Austin) No. 1:22-cv-00529 June 1, 2022). The suit alleges that OppFi is the true lender with the predominant economic interest in the loans, that its originating bank, FinWise Bank, is not the real party in interest to the loans and that OppFi devised a "rent-a-bank scheme" in an attempt to evade Texas law. The complaint alleges that the interest rate on the loans in question is 130% and in excess of the 30% usury limit in Texas. The complaint further asserts that the loan's arbitration clause is void and unenforceable. This case is in its early stages. There can be no assurance as to the outcome of this litigation.

In April 2016, a putative class action lawsuit was filed in federal court in New York, alleging that persons received loans, through the LendingClub online marketplace lending platform, that exceeded usury limits in violation of state usury and consumer protection laws and the federal Racketeer Influenced and Corrupt Organizations Act. *Bethune v. LendingClub Corporation, et al.* (SDNY No. 1:16-cv-02578 April 6, 2016). The suit essentially alleges that LendingClub is the true lender, that its originating bank partner, WebBank, is not a real party in interest to the loans and that the loans pass through WebBank solely to create the "illusion" that a bank originated the loans. In January 2017, the court granted the defendants' motion to require individual arbitration of the claims asserted in the case, and the case has since been dismissed.

On June 27, 2018 Attorneys General of 20 states and the District of Columbia authored a letter to members of Congress opposing pending federal legislation that would provide federal preemption of usury laws, overriding the *Madden* decision and finding that the named lender is the true lender for the loan. In early June 2016, the New York Department of Financial Services (the "DFS") sent letters to 28 different marketplace lending companies requesting information about their online lending activities and demanded "immediate compliance" with New York licensing requirements for debt collection, money transmission and mortgage lending activities. In March 2018, DFS sent requests to a number of marketplace companies requesting that they complete a survey regarding their online lending activities to consumers and businesses in New York. Proposals have been introduced in the New York Legislature that would seek to require new state licensing and regulation of marketplace lending platforms and purchasers of loans. On July 11, 2018 the DFS submitted a report on online lending to the Governor of that state. The DFS report challenges the theory of federal preemption and recommends lowering the state's usury rate and imposing additional licensing requirements for online lenders.

On June 5, 2020, the District of Columbia Attorney General filed a lawsuit in the Superior Court for the District of Columbia against Elevate Credit Inc., an online marketplace lending platform, for marketing and providing loans to District of Columbia residents that allegedly exceed the District of Columbia's 24% usury limit. The Attorney General's complaint alleges that Elevate offers short-term loans

originated by two state-chartered banks with interest rates between 99% and 251%. The Attorney General's complaint alleges that Elevate is the "true lender" of the Elevate platform loans, as Elevate directs and controls funding of the loans, has the "predominant economic interest" in the loans, including a 96% interest in the receivables generated by the platform loans, and assumes the risk of "bad" loans. The Attorney General's complaint asks the court to permanently enjoin Elevate from violating District of Columbia law, to find the loans void and unenforceable, and for payment of civil penalties and restitution. Elevate removed the case to the United States District Court for the District of Columbia in July 2020. The Attorney General moved to remand the case to the District of Columbia Superior Court on August 3, 2020. On July 15, 2021, the district court granted the Attorney General's remand motion, holding it had no jurisdiction because there is not complete preemption. On February 8, 2022, the DC OAG announced a settlement with Elevate Credit in which Elevate Credit agreed to refund at least \$3.75 million to borrowers and pay a \$450,000 penalty to the District of Columbia.

On September 3, 2020, the California Department of Financial Protection and Innovation (f/k/a the California Department of Business Oversight) ("**DFPI**") launched an investigation into whether an auto title lender, Wheels Financial Group, LLC, which does business as LoanMart, is evading California's interest rate caps through its partnership with CCBank, a Utah-chartered bank. California caps interest rates on most loans made by state-licensed lenders at about 36%. The DFPI is seeking to ascertain whether LoanMart's arrangement with CCBank is a direct effort to evade California's laws governing interest rate caps. On December 14, 2021, the DFPI entered into a consent order which prohibits that company from marketing or servicing automobile title loans of less than \$10,000 with rates greater than 36 percent in California for the next twenty-one months.

In March 2022, OppFi filed a complaint in state court against the DFPI seeking declaratory and injunctive relief to prevent it from taking action against the lending program between OppFi and FinWise Bank. *Opportunity Financial, LLC v. Hewlett*, No. 22STCV08163 (L.A. Cty. Super. Ct.). In April 2022, the Department filed a Cross-Complaint against OppFi alleging violations of the California Financing Law and the California Consumer Financial Protection Law. The Cross-Complaint seeks injunctive relief, voiding of loans made to California borrowers, restitution, disgorgement, removal of negative credit reporting, penalties of at least \$100 million, and other relief. OppFi filed a demurrer to the Cross-Complaint, which was denied by the court on September 30, 2022. The case is in its early stages. There can be no assurance as to the outcome of this litigation.

In July 2020, the OCC proposed a rule that would determine when a national bank, such as Pathward, or a federal savings association makes a loan and is the "true lender" in the context of a partnership between a bank and a third party. The OCC issued a final rule in October 2020 which became effective in December 2020. The final rule did not differ from the proposed rule in any relevant manner. The final rule resolved the uncertainty related to true lender by specifying that a national bank or federal savings association makes a loan and is the "true lender" if, as of the date of origination, it (1) is named as the lender in the loan agreement or (2) funds the loan. Several state Attorneys General filed a lawsuit on January 5, 2021 challenging the OCC's final "true lender" rule. On March 25, 2021, Democratic U.S. senators introduced a joint resolution to disapprove the final true-lender rule under the Congressional Review Act ("**CRA**"), which authorizes an incoming Congress to review rules issued during the last 60 days of the previous Congress. A Democratic congressman introduced a parallel resolution in the House of Representatives on March 26, 2021. A CRA resolution requires simple majority approval in both the Senate and the House and either the approval of the President or an override vote by a two-thirds majority in both houses. The final rule was repealed by Congress under the CRA and signed into law by President Biden in June 2021. Following the repeal, the OCC may not issue any substantially similar rule without subsequent statutory authorization. The FDIC has not proposed a similar rule.

On April 5, 2021, the District of Columbia Attorney General filed a lawsuit in the Superior Court for the District of Columbia against OppFi, an online marketplace lending platform, for marketing and providing consumer loans to District of Columbia residents that allegedly exceed the District of Columbia's 24% usury limit. The Attorney General's complaint alleges that OppFi offers short-term loans originated by a state-chartered bank, FinWise Bank, with interest rates up to 198%. The Attorney General's complaint alleges that OppFi rather than FinWise is the "true lender" of the OppFi platform loans, as OppFi directs and controls funding of the loans, has the "predominant economic interest" in the loans, including 100% of all profits generated by the platform loans, and assumes the risk of "bad" loans. The Attorney General's complaint asks the court to permanently enjoin OppFi from violating District of Columbia law, to find the loans void and unenforceable, and for payment of civil penalties and restitution. The parties made a joint filing on May 6, 2021, in which the Attorney General indicated that it will move to remand, and OppFi indicated that it will move to dismiss. On June 4, the Attorney General filed a motion to remand. On November 30, 2021, the DC OAG announced a settlement in the OppFi case in which OppFi agreed to refund more than \$1.5 million to borrowers, waive \$640,000 of interest, and pay a \$250,000 penalty to the District of Columbia.

Some states, such as Illinois and Maine have enacted legislation relating to true lender theories. Illinois enacted legislation (SB 1792, in relevant part, the "**Predatory Loan Prevention Act**") which became effective immediately on March 23, 2021, notwithstanding the authority it gives the Illinois Department of Financial and Professional Regulation ("**IDFPR**") to adopt regulations. The law extends the 36% "all-in" MAPR finance charge cap of the federal Military Lending Act to "any person or entity that offers or makes a loan to a consumer in Illinois" unless made by a statutorily exempt entity. The Predatory Loan Prevention Act provides that any loan made in excess of a 36% MAPR is considered null and void, and no entity has the "right to collect, attempt to collect, receive, or retain any principal, fee, interest, or charges related to the loan." Each violation of the law is subject to a fine of up to \$10,000. While the Illinois law exempts banks, the law also contains an anti-evasion provision that negates the exemption for third parties that assist in bank lending in Illinois, if the third party maintains the predominant economic interest in the loans. There can be no assurance as to how this new legislation will be applied. The FAQs provided by the State of Illinois with respect to this legislation includes grandfathering provisions for loans issued prior to the March 23, 2021 effective date. On May 14, 2021, the IDFPR published proposed regulations in the Illinois Register and requested comments within 45 days. On April 22, 2022, the IDFPR issued final regulations which were effective August 1, 2022. Maine recently updated its Consumer Credit Code to include a statutory "true lender" test, providing that an entity which is a purported agent or service provider is a "lender" subject to certain requirements of the Consumer Credit Code if the person, among other things: (i) has the predominant economic interest in a loan; (ii) brokers, arranges, or facilitates a loan and has the right to purchase the loan; or (iii) based on the totality of the circumstances, appears to be the lender, and the transaction is structured to evade certain statutory requirements. Me. Rev. Stat. § 2-702 (effective on or around October 18, 2021). Under the new statute, if the deemed lender violates the provisions, and lends in excess of the permissible state rate, the borrower is not obligated to pay the debt and may recover amounts previously paid on it. There can be no assurance as to how this new legislation will be applied. In addition, it is possible that other states may follow suit, instituting similar statutory "true lender" tests, which may impact the risk of true lender litigation in certain jurisdictions, as well as the tests applied by courts and regulators in determining the true lender. While such provisions provide additional clarity with respect to jurisdictional requirements, they may also result in increased usury and licensing risk. Further, other states may take different paths to promulgate similar "true lender" restrictions, and if not through a legislative path, impacted parties may have little to no advance notice of new restrictions and compliance obligations.

It is possible that litigation or regulatory actions similar to those described above could be undertaken in the future by Obligor or regulators in connection with the Pathward Program and may have success in challenging Pathward's status as the true lender of the loans originated under the Pathward

Program and sold to the Seller or its affiliates, and in such instances, Oportun, the Depositor or the Issuer may be recharacterized by a court or a regulatory agency to be the lender and therefore obligated to comply with state lender licensing, state usury and other consumer protection requirements. The Issuer and certain prior owners of the loans originated under the Pathward Program are not expected to hold such licenses in each relevant jurisdiction. The Seller has a contractual arrangement with Pathward in which Pathward acts as the direct lender to Obligor for the loans originated under the Pathward Program, then sells and assigns certain of such loans to the Seller. If the Seller, the Depositor or the Trust or other prior unlicensed owners of the loans originated under the Pathward Program were recharacterized as the lender of such loans, such a recharacterization could render such loans void or voidable, unenforceable in accordance with their terms or subject to rescission, disgorgement or reduction of principal or interest (paid or to be paid) in whole or in part or subject to damages, fines, and/or penalties. In addition, such entity could be subject to claims by Obligor as well as enforcement actions by regulators.

Loans originated by Pathward in Colorado, Connecticut, Georgia (unless the original loan amount was greater than \$3,000), Iowa, Maine, New York, Vermont, West Virginia and the District of Columbia will not be eligible for inclusion in the Trust Estate.

The above description of federal and state consumer protection laws and recent cases filed or decided is not intended to be exhaustive.

## **Litigation**

Due to the consumer-oriented nature of the Seller's and the Servicer's industry and the application of certain laws and regulations, industry participants are regularly named as defendants in litigation alleging violations of federal and state laws and regulations and consumer law torts, including fraud. The complexity of the laws related to Secured Personal Loans regarding vehicle titling and repossession may enhance the risk of consumer litigation. Further, the origination of loans under the Pathward Program may increase the risk of "true lender" and similar litigation, as described under "*Risk Factors—Litigation and Regulatory Actions Involving State Usury, Licensing and 'True Lender' Doctrine.*" Many of these actions involve alleged violations of consumer protection laws. No assurance is given that liability for any such violations could not arise after the Closing Date. Any litigation could also increase the regulatory scrutiny on the Seller's and the Servicer's compliance with applicable consumer protection laws and regulations or result in possible regulatory enforcement actions against the Seller or the Servicer. A significant judgment or regulatory enforcement action against the Seller, the Servicer or the Issuer in connection with any litigation or otherwise could have a material adverse effect on the Seller's, the Servicer's and/or the Issuer's financial condition, results of operations or ability to perform its obligations under the Transaction Documents. See "*Seller's Consumer Loan Business—Litigation.*"

Except where prohibited by the Military Lending Act as described under "*Certain Legal Aspects of the Receivables—Servicemembers Civil Relief Act and Military Lending Act,*" the Seller's direct loan agreements currently contain an arbitration provision, which includes a class action waiver. The enforceability of arbitration provisions in consumer contracts has been challenged by consumers and some regulators and has not consistently been upheld by state and federal courts. The United States Supreme Court has upheld such provisions twice in the past seven years, but no assurance is given that they will continue to do so. The Seller's arbitration provision is intended, on the one hand, to avert or deter class actions against the Seller, and on the other hand, to comply with applicable federal case law, and has been amended several times over the past several years to reflect decisions of the United States Supreme Court and other courts. To that end, the Seller's arbitration provision is designed to be substantively fair and customer-friendly, to prevent any credible allegation of overreaching. In addition, it contains a bilateral exclusion for small claims court actions.

The legislation in California that extended the pilot program discussed under “*Risk Factors—Consumer Protection Laws and Contractual Restrictions*” also prohibits lenders from requiring arbitration as a condition of providing credit. In order to meet this requirement and to further ensure its arbitration provisions are fair and customer-friendly, the Seller has added an “opt out” provision to its arbitration clauses in all states in which it issues consumer loans allowing customers 60 days to notify Seller of their desire to opt out of the arbitration clause. In California, for loans originated under the Pilot Program for Increased Access to Responsible Small Dollar Loans (California Financial Code Section 22365), customers may decline to sign the arbitration agreement.

Litigation is subject to uncertainty, and there can be no assurance that litigation will not have a material adverse effect on the business, results of operations, financial position or cash flows of the Seller.

### **Potential Negative Publicity or Public Perception**

Negative publicity about the Seller and the Servicer’s industry or their business, including the terms of the consumer loans, effectiveness of the proprietary credit risk model, privacy and security practices, originations, marketing, servicing and collections practices or other business initiatives, litigation, regulatory compliance and the experience of customers, even if inaccurate, could adversely affect the Seller and the Servicer’s reputation and confidence in their business or lead to changes in the Seller or Servicer’s business practices. The Seller regularly engages with media outlets and consumer advocates and has previously, and in the future may, respond to inquiries by modifying its business practices or policies to better align with its mission. Despite the Seller’s responsiveness to the inquiries, certain consumer advocates and media outlets chose to highlight, and have continued to highlight, the very past practices that the Seller and the Servicer had already modified. In addition, the proliferation of social media may increase the likelihood that negative public opinion will impact the Seller and the Servicer’s reputation and business. A favorable reputation is very important to attracting new customers and retaining existing customers.

Consumer advocacy groups, politicians and certain government and media reports have, in the past, advocated governmental action to prohibit or severely restrict the dollar amount, interest rate, or other terms of consumer loans, particularly “small dollar” loans and those with short terms. The consumer groups and media reports typically focus on the cost to a consumer for this type of loan, which may be higher than the interest typically charged by issuers to consumers with more historical creditworthiness; for example, some groups are critical of loans with APRs greater than 36%. The consumer groups, public officials and government and media reports frequently characterize these short-term consumer loans as predatory or abusive toward consumers. While the Seller announced the implementation of a nationwide APR cap of 36% for all newly originated loans in August 2020, until such previously originated loans are paid-off, a portion of its portfolio will consist of loans with APRs greater than 36%. However, Receivables with APRs above 36% are not eligible for inclusion in the Receivables Pool. If the negative characterization of short-term consumer loans becomes associated with this remaining portion of the Seller’s portfolio, or there are other critiques of its business practices or loan terms, even if inaccurate, demand for the Seller’s consumer loans could significantly decrease, and it could be less likely that (i) investors will purchase loans or asset-backed securities, or (ii) existing lenders will extend or renew lines of credit, any of which could adversely affect results of operations and financial condition.

Negative perception of the Seller’s consumer loans, loan origination, marketing, servicing and collections practices or other activities may also result in the Seller being subject to more restrictive laws and regulations and potential investigations, enforcement actions and lawsuits. If there are changes in the laws affecting any of the Seller’s consumer loans, or the marketing and servicing of such loans, or if the Seller becomes subject to such investigations, enforcement actions and lawsuits, the Seller’s financial condition and results of operations would be adversely affected. Entry by the Seller or its affiliates into the banking business or new origination channels, such as the Pathward Program, as well as into new products,

such as the Secured Personal Loan product, credit cards, or the Digit products, could lead to negative publicity or draw additional scrutiny.

Harm to the Seller or Servicer's reputation can also arise from many other sources, including employee or former employee misconduct, misconduct by outsourced service providers or other counterparties, their failure (or their partners) to meet minimum standards of service and quality, and inadequate protection of customer information and compliance failures and claims. The Seller's reputation may also be harmed if it fails to maintain its certification as a CDFI.

Negative publicity or public perception could subject the Seller or the Servicer to increased regulatory scrutiny and/or litigation, as discussed above, which could lead to changes in the Seller or Servicer's business practices or have a material adverse effect on the Seller's, the Servicer's and/or the Issuer's financial condition, results of operations or ability to perform its obligations under the Transaction Documents.

### **Changes in Terms of Receivables**

The Servicer may, subject to the limitations set forth in the Credit and Collection Policies, change various Receivable terms, other fees and the required monthly minimum payment. The changes may be voluntary on the part of the Servicer or may be required by law or market conditions. This could result in reduction of Collections on the Receivables and delays or reductions of payments on the Notes. See *"Servicing Standards."*

### **Servicer System Failure**

The Servicer depends on its loan servicing and collection facilities, and in particular on its computer hardware and software systems, and on long-distance and on local and international Internet Service Provider (ISP) access to transmit and process information among its various facilities. The Servicer uses a standard program to prepare and store off-site backups of its main system applications and data files on a routine basis. The Servicer has a contingency plan and has designed its systems in a manner that will allow recovery. However, the plan may not prevent a systems failure or allow the Servicer to timely resolve any systems failures. Also, a natural or man-made disaster, calamity, or other significant event that causes long-term damage to any of these facilities or to the facilities of its other service providers or the Indenture Trustee or that interrupts the Servicer's telecommunications networks or other systems could have a material adverse effect on its operations and on collection activity with respect to the Receivables, and consequently, on payments to the Noteholders. See *"The Servicer—Systems."*

### **Reliance on Third Parties**

As discussed under *"Loan Originations"*, *"Underwriting"* and *"The Servicer,"* the third-party service providers, strategic partners and other third parties utilized by the Seller and the Servicer perform significant functions in connection with the origination and servicing of Receivables. The Seller also relies on facilities and services supplied by third parties, including data center facilities, cloud storage services and bill payment services, among others. The expansion by the Seller or its affiliates into new channels, products or markets may introduce additional third-party service providers, strategic partners and other third parties on which the Seller or its affiliates may become reliant. For example, in connection with the Seller's Secured Personal Loan product, the Seller and the Servicer work with third parties that provide information and/or services in connection with valuation, title management and title processing, repossessions and remarketing. Should economic or geopolitical conditions, natural, environmental or man-made disasters, intentional acts of terrorism, computer hacking or similar events affect one or more of these third parties, or if one or more of these third parties were to become insolvent, go into insolvency

proceedings or experience some other disruption, the Seller or the Servicer could experience difficulties in originating or servicing Receivables, Collections on the Receivables could be lost or delayed and there could be delays or reductions in payments on the Notes. See “*Risk Factors—Insolvency Risks Generally.*”

The CFPB issued guidance stating that institutions under its supervision may be held responsible for the actions of the companies with which they contract. Additionally, the OCC has issued similar guidance for institutions under its supervision, which apply to Pathward. Accordingly, the Seller’s or the Servicer’s, or any successor Servicer’s, ability to fulfill their obligations under the Transaction Documents could be adversely impacted to the extent that the Seller’s or the Servicer’s, or any successor Servicer’s, third-party service providers fail to comply with the legal requirements applicable to the particular products or services being offered by such third-party service providers.

The CFPB, the OCC and other regulators have also issued regulatory guidance that has focused on the need for financial institutions to perform increased due diligence and ongoing monitoring of relationships with third-party service providers. If regulators conclude that the Seller or the Servicer, or any successor Servicer, has not met the heightened standards for oversight of their third-party service providers, they could be subject to enforcement actions, civil monetary penalties, supervisory orders to cease and desist or other remedial actions, which could have an adverse effect on the Seller’s or the Servicer’s, or a successor Servicer’s, ability to fulfill their obligations under the Transaction Documents and there could be delays or reductions in payments on the Notes.

In some cases, third-party service providers are the sole source, or one of a limited number of sources, of the services they provide to the Seller or the Servicer. Most of the Seller’s and the Servicer’s agreements with third-party service providers are terminable on little or no notice, and if their current third-party service providers were to stop providing services to them on acceptable terms, the Seller or the Servicer may be unable to procure alternatives from other third-party service providers in a timely and efficient manner on acceptable terms or at all. If any third-party service provider fails to provide the services required by the Seller or the Servicer, or any successor Servicer, fails to meet contractual requirements, including compliance with applicable laws and regulations, fails to maintain adequate data privacy and electronic security systems, or suffers a cyber-attack or other security breach, the Seller or the Servicer, or any successor Servicer, could be subject to regulatory enforcement actions and suffer economic and reputational harm, which could have an adverse effect on the Seller’s or the Servicer’s, or a successor Servicer’s, ability to originate or service Receivables and fulfill their obligations under the Transaction Documents, and there could be delays or reductions in payments on the Notes.

The establishment of the Pathward Program leaves the Seller reliant on the loan origination activities of Pathward in the states to be covered by the Pathward Program. If Pathward fails to comply with the terms of the Pathward Program, or if Pathward fails to comply with applicable law in connection with the origination of loans under the Pathward Program, the Seller or the Servicer could be subject to regulatory action or economic or reputational harm, and there could be an adverse impact on the collectability of Receivables originated under the Pathward Program. Further, if the Pathward Program were to terminate without the Seller having an alternative arrangement in place, the Seller may not be able to originate or market loans in the states previously covered by the Pathward Program.

The duties, actions and obligations of each of the Indenture Trustee, the Collateral Trustee, the Securities Intermediary, the Depositary Bank, the Certificate Registrar, the Owner Trustee, the Depositor Loan Trustee, the Servicer, the Administrator and the Back-Up Servicer, are limited to such duties, actions and obligations specifically set forth in the Transaction Documents and no implied covenants, duties or obligations are read into the Transaction Documents. None of the foregoing transaction parties has any duty or obligation to take any additional action unless specifically directed to take such action and satisfactorily indemnified therefor. Additionally, certain of the duties and obligations of such parties are

dependent upon receipt of information from other parties. Any failure of one party to timely and accurately deliver any information, or perform its duties and obligations, could prevent another party from being able to fulfill its duties and obligations.

### **Obligations of the Seller, the Depositor and the Servicer**

The Seller, the Depositor and the Servicer have obligations arising from representations and warranties, and certain other contractual obligations related to the sale or servicing of the Receivables, including the obligation of the Seller or the Depositor to repurchase Receivables in certain limited circumstances, the obligation of the Servicer to service the Receivables and the obligation of the Seller and the Servicer to provide indemnification under certain circumstances. In the event of any financial or other inability of any of the Seller, the Depositor or the Servicer, or any successor Servicer, to fulfill its obligations in respect of the Receivables, payments on the Notes could be adversely affected. The Depositor, in particular, will have limited assets, and there can be no assurance it will have adequate resources to make such repurchases. There can be no assurance that the Back-Up Servicer will be able to fulfill its obligations or effectively service the Receivables if it becomes the successor Servicer. See “*Risk Factors—Termination of PF Servicing as Servicer*,” “*Description of the Purchase Agreement—Repurchase Payments*” and “*Description of the Transfer Agreement—Certain Representations and Warranties; Depositor Repurchases*.”

### **Noteholder Control Limitations**

Less than 100% of the Noteholders (or the Required Noteholders) may consent to certain amendments or waivers, take certain actions, or direct certain actions to be taken, under the Transaction Documents. Additionally, certain provisions of the Transaction Documents may be amended, and certain actions may be taken without the consent of the Noteholders. See “*Description of the Indenture—Amendments*.” In such instances, the interests of every Noteholder may not be fully protected.

The Indenture is not qualified under the Trust Indenture Act of 1939 (the “**TIA**”). In the event that the Indenture should in the future be amended to become qualified under the TIA, the provisions of the Indenture expressly exclude the applicability of Section 316(a)(1) of the TIA, which would permit the holders of a majority in principal amount of the indenture securities to take or direct certain actions. See “*Description of the Indenture—Acts of Noteholders*.”

### **Security Interests**

The Seller, in connection with selling the rights under the installment loans and related Receivables to the Depositor and the Depositor Loan Trustee for the benefit of the Depositor, will assign the rights under the Loans, the Receivables and any Related Security to the Depositor, who will assign its rights under the Loans and the Related Rights to the Issuer, who in turn will grant a security interest in its interest in the rights under the Loans and Related Rights to the Indenture Trustee. The Seller represents and warrants in the Purchase Agreement that its assignment to the Depositor and the Depositor Loan Trustee for the benefit of the Depositor constitutes a valid sale to the Depositor and the Depositor Loan Trustee for the benefit of the Depositor of all right, title and interest of the Seller in the Loans and Related Rights and that, in the event such assignment were to be characterized as a loan instead of a sale, the Depositor and the Depositor Loan Trustee for the benefit of the Depositor have a first priority perfected security interest in such Loans and Related Rights. The Depositor represents and warrants in the Transfer Agreement that the assignment by the Depositor and the Depositor Loan Trustee for the benefit of the Depositor to the Issuer constitutes a valid sale to the Issuer of all right, title and interest of the Depositor and the Depositor Loan Trustee in the Loans and Related Rights and that, in the event such assignment were to be characterized as a loan instead of a sale, the Issuer has a first priority perfected security interest in such Loans and Related Rights.



The Issuer has warranted in the Indenture that the Indenture constitutes a valid grant to the Indenture Trustee of a security interest in all legal right, title and interest of the Issuer to the Trust Estate, subject to Permitted Encumbrances, and that, to the extent the UCC applies, once financing statements are filed, the Issuer has taken and will take all actions that are required under applicable law to perfect the Indenture Trustee's interest in the Trust Estate.

Pathward assigns its rights under the Loans and Related Rights originated by it to the Seller for further transfer to the Depositor and the Depositor Loan Trustee for the benefit of the Depositor and, in turn, the Issuer, and Pathward has agreed in the program documents governing the Pathward Program that its assignment to the Seller constitutes a sale to the Seller of all right, title and interest of Pathward in the Loans and Related Rights originated by it and that, in the event such assignment were to be characterized as a loan instead of a sale, the Seller will have a perfected security interest in such Loans and Related Rights.

If any of the representations and warranties of the Seller, the Depositor, the Issuer or Pathward, as applicable, regarding security interests were found not to be true, however, payments on the Notes could be delayed or reduced. In addition, the Transaction Documents permit Permitted Encumbrances to have priority over the Indenture Trustee's perfected security interest in the Loans and the Related Rights. If any of these Permitted Encumbrances were to arise, or if other interests in the Loans or the Related Rights were found to have priority over those of the Indenture Trustee, there could be delays or reductions in payments on the Notes. Furthermore, if a bankruptcy trustee for the Seller or the Servicer, or a receiver or conservator for Pathward, were to argue that any of its administrative expenses relate to the Loans and the Related Rights or the Transaction Documents, those expenses could be paid from collections on the Loans and the Related Rights before the Indenture Trustee receives any payments, which could result in delays or reductions in payments on the Notes.

In the event the representations and warranties of the Seller relating to the perfection of security interests in a Receivable and its Related Security are breached, then such Receivable will not be considered an Eligible Receivable and, upon the expiration of the applicable cure period, may be required to be repurchased by the Seller. See "*Description of Purchase Agreement—Repurchase Payments.*" In the event the representations and warranties of the Depositor regarding the Depositor and the Depositor Loan Trustee for the benefit of the Depositor and the perfection of security interests in a Receivable and its Related Security are breached, then upon the expiration of the applicable cure period, such Receivable may be required to be repurchased by the Depositor. See "*Description of the Transfer Agreement—Certain Representations and Warranties; Depositor Repurchases.*" There can be no assurance, however, that such a breach will be discovered or that the Seller or the Depositor will agree to or have the funds to make such a repurchase.

### **Insolvency Risks Generally**

The Seller will represent that each transfer of Loans and Related Rights to the Depositor and the Depositor Loan Trustee for the benefit of the Depositor will be a sale, so that the Depositor and the Depositor Loan Trustee for the benefit of the Depositor will be the owner of the Loans and Related Rights. Nonetheless, if the Seller were to go into bankruptcy, and a party in interest (including the Seller itself) were to assert that the transfer of the Loans and Related Rights by the Seller to the Depositor and the Depositor Loan Trustee for the benefit of the Depositor was not a sale, delays in distributions on the Notes could result. If a court were to adopt such a position and conclude that such transfer was the grant of a security interest in the Loans and Related Rights to secure a borrowing by the Seller, then delays or reductions in distributions on, or other losses with respect to, the Notes could result.

The Seller, the initial Servicer, the Depositor and the Issuer have each taken steps to minimize the risk that, in the event the Seller or the initial Servicer were to become the debtor in a bankruptcy case, a

court would order that the assets and liabilities of the Depositor or the Issuer be substantively consolidated with those of the Seller or the initial Servicer. The Depositor has been established as a separate, special purpose limited liability company whose organizational documents limit the nature of its business, activities, and operations. The Issuer has been established as a separate special purpose statutory trust whose organizational documents limit the nature of its business, activities, and operations. If a party in interest (including the Seller or the initial Servicer itself) were to take the position that the assets and liabilities of the Depositor or the Issuer should be substantively consolidated with those of the Seller or the initial Servicer, delays in payments on the Notes could result. If a court were to adopt such position, then delays or reductions in payments on, or other losses with respect to, the Notes could result.

Should the Seller go into bankruptcy, there could be other adverse effects that could result in delays or reductions in distributions on, or other losses with respect to, the Notes. These adverse effects could include, but may not be limited to, one or more of the following. The parties may be prohibited (unless authorization is obtained from the court) from taking any action to enforce any obligations of the Seller under any Transaction Document or to collect any amount owing by the Seller under any Transaction Document. In addition, with the authorization of the bankruptcy court, the Seller may be able to repudiate any of the Transaction Documents to which it is a party. Such a repudiation would excuse the Seller from performing any of its obligations, and the rights of the Depositor or the Issuer under the Transaction Documents may be limited or eliminated. Such a repudiation could also excuse the other parties to the Transaction Documents from performing any of their obligations. In particular, the Seller may be able to repudiate its obligation to repurchase Loans or Related Rights, as required by the Transaction Documents.

The Servicer will be permitted to commingle collections on the Loans and the Related Rights with its own funds for up to two Business Days (or, with respect to payments made at retail locations, three Business Days) before they are transferred to the Collection Account. In the event the Servicer goes into bankruptcy, the Indenture Trustee may not have a perfected or priority interest in any collections that have not been transferred to the Collection Account at the time of the commencement of the bankruptcy. The Servicer may not be required to transfer to the Collection Account any collections that are in its possession or under its control at the time it goes into bankruptcy.

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

If the Servicer were to go into bankruptcy, it may stop performing its functions as servicer. Alternatively, the Servicer may take the position that unless the amount of its compensation is increased or the terms of its obligations are otherwise altered, it will stop performing its functions as servicer. The Servicer may also have the power, with the approval of the court, to assign its rights and obligations as servicer to a third-party without the consent, and even over the objection, of the parties, and without complying with the requirements of the applicable documents.

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

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

It is possible that a period of adverse economic conditions resulting in high defaults and delinquencies on the Loans and the Related Rights will pose a potential insolvency risk to the Servicer if its servicing compensation is less than its cost of servicing.

The occurrence of any of these events could result in delays or reductions in distributions on, or other losses with respect to, the Notes.

Similar issues could arise if the Seller or the Servicer, or any of their affiliates (including Oportun, LLC), is designated by the Secretary of the Treasury as systemically important and then subjected to a receivership as set forth in the “orderly liquidation authority” provisions of Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “**Dodd-Frank Act**”).

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

As discussed under “*Underwriting*” and “*The Servicer*,” the third-party service providers utilized by the Seller and the Servicer perform significant functions in connection with the origination and servicing of Receivables. Should one or more third-party service providers become insolvent or go into insolvency proceedings, the Seller or the Servicer could experience difficulties in originating or servicing Receivables and there could be delays or reductions in payments on the Notes.

As discussed under “*Loan Originations*,” the Seller acquires certain Loans and Related Rights from Oportun, LLC, a Delaware limited liability company that is a wholly-owned subsidiary that originates consumer loans in Nevada under the Seller’s brand, and may, in the future, originate consumer loans under the Seller’s brand in other markets. It is the Seller’s intention, and the Seller will represent, that each such acquisition is a sale, so that the Seller will be the owner of the Loans and Related Rights. No opinion to this effect has been sought or delivered. If Oportun, LLC were to go into bankruptcy or other insolvency proceedings, and a party in interest (including Oportun, LLC itself) were to assert that the transfer of the Loans and Related Rights by Oportun, LLC to the Seller was not a sale, delays in distributions on the Notes could result. If a court were to adopt such a position and conclude that such transfer was the grant of a security interest in the Loans and Related Rights to secure a borrowing by Oportun, LLC, then delays or reductions in distributions on, or other losses with respect to, the Notes could result.

Pathward has transferred or will transfer the Loans and Related Rights to the Seller. Each transfer of receivables by Pathward to the Seller is intended by the parties to be a sale. Pathward is a national bank, and its deposits are insured by the FDIC. If certain events were to occur involving Pathward’s financial condition or the propriety of its actions, the FDIC could be appointed as conservator or receiver for Pathward and, in that capacity, could exercise broad powers over Pathward and its assets, obligations, and operations. The FDIC or other interested parties could take the position that any of these transfers constitutes only the grant of a security interest under applicable law, that Pathward continues to own the receivables, and that the FDIC as conservator or receiver for Pathward should control the receivables. Should the FDIC’s position prevail, then the Issuer may not own some or all of the Loans and Related Rights originated by Pathward. The FDIC could take other action as conservator or receiver for Pathward, including assigning, terminating or otherwise modifying Pathward’s contractual obligations, including those governing the Pathward Program. If any of these events were to occur, payments to on the Notes could be accelerated, delayed, or reduced. There may also be delays in payments on the Notes while these issues are being resolved by the FDIC or a court, and there also may be other possible effects of a conservatorship, receivership, or insolvency of Pathward that could result in losses on the Notes.

As discussed under “*The Servicer—Payment Processing*,” Loomis collects cash from the Servicer’s servicing operations and Bank of America credits such amounts to the Servicer Account prior to Bank of America’s actual receipt of such amounts. Should Loomis go into bankruptcy or otherwise fail to perform

its obligations, Bank of America may reverse such credits, which could result in delays or reductions in payments on the Notes. Also as discussed under “*The Servicer—Payment Processing*,” the Seller accepts customer payments via ACH payments and via third-party bill payment services. If an ACH processor or a provider of third-party bill payment services were to go into bankruptcy or insolvency or otherwise fail to perform its obligations while collections are in its possession or under its control, there may be delays or reductions in payments on the Notes. An increase in the use of ACH payments and third-party bill payment services, including as a result of the COVID-19 pandemic, the Seller opening in new markets on a “mobile-first” basis without any retail locations, the closing of retail locations, the expansion of the Seller’s partnerships such as the DoEx partnership or otherwise could increase the risk of such delays or reductions.

## **Yield Considerations**

The yield to investors of Notes will be sensitive to the rate and timing of principal payments thereon. The outstanding principal balance of the Notes will be reduced by a portion of Collections, which could subject investors to reinvestment risk, especially if a Rapid Amortization Event occurs or the Receivables prepay more quickly than expected.

All of the Receivables may be prepaid, in whole or in part, at any time without penalty. The rate and timing of prepayment on the Receivables may be influenced by a variety of economic, social and other factors. In addition, the Seller is obligated to repurchase Receivables as a result of breaches of representations and warranties as to the characteristics of the Receivables as of the Closing Date or as of such earlier date as specified therein and the Servicer is obligated to purchase from the Trust Receivables in limited circumstances due to certain servicing errors. See “*The Receivables—Maturity and Prepayment Assumptions*.”

Accordingly, the rate and timing of prepayment on the Receivables may be influenced by the Seller, as well as a variety of economic, social and other factors and therefore cannot be accurately predicted. Moreover, many other factors will affect the amount and timing of payments of principal on the Notes, including (i) the payment of principal on the Notes on an accelerated basis (as described under “*Description of the Indenture—Event of Default*”), (ii) whether and when the Issuer elects to redeem the Notes (as described under “*Description of the Notes—Optional Redemption*”) and (iii) the remaining term of the Receivables. Therefore, no assurance can be given as to the level of payments and prepayments that the Receivables will experience or the extent to which the Notes will experience any accelerated principal payments.

Investors are urged to consider that the yield to maturity of the Notes purchased at a discount or premium will be more sensitive to the rate and timing of payments of principal thereon. Noteholders should consider, in the case of any such Notes purchased at a discount, the risk that a slower than anticipated rate of principal payments could result in an actual yield that is lower than the anticipated yield, and, in the case of any such Notes purchased at a premium, the risk that a faster than anticipated rate of principal payments could result in an actual yield that is lower than the anticipated yield. The Noteholders will bear all the reinvestment risks relating to payments and prepayments on the Receivables and resulting from distributions of principal on the Notes. These reinvestment risks include the possibility that the Noteholders may not be able to reinvest distributions of principal in alternative comparable investments having similar yields. No representation is made as to the anticipated rate of payments or prepayments of, rate and timing of losses on or repurchases of the Receivables, the occurrence of a Rapid Amortization Event or the resulting yield to maturity of the Notes.

## **Servicer Account Commingling Risk**

The Servicer is required to transfer Collections credited to the Servicer Account to the Collection Account (which is an account of the Indenture Trustee containing no property other than Collections) within two Business Days (or, with respect to payments made at retail locations, three Business Days) of the date such Collections were credited to the Servicer Account. The initial Servicer may commingle such Collections in the Servicer Account with proceeds of other consumer loans that are the property of the Seller, other wholly-owned subsidiaries of the Seller or Pathward prior to transferring such Collections to the Collection Account. Relative rights of the owners of the funds in the Servicer Account will be reflected in an intercreditor agreement (the “**Intercreditor Agreement**”). See “*Description of the Notes—Deposit of Collections into Trust Accounts.*” Pending transfer to the Collection Account, such commingled Collections will be credited to the Servicer Account, which is an account of the initial Servicer with Bank of America subject to control rights of the Indenture Trustee. The Indenture Trustee may not have a perfected or priority interest in any Collections that have not been transferred to the Collection Account, and thus payments on the Notes could be delayed or reduced if the Servicer were to go into bankruptcy, become insolvent, or fail to perform its obligations under the Transaction Documents. See “*Risk Factors—Insolvency Risks.*”

## **Composition, Characteristics and Rates of Return on the Receivables Will Change**

This Memorandum describes only the characteristics of the Statistical Pool as of the Statistical Calculation Date. Due to amortization and/or prepayments of the Receivables during the period from the Statistical Calculation Date to the Closing Date, and the exclusion of any ineligible Receivables, on the Closing Date, the Seller will (i) sell to the Depositor (and, with respect to legal title, to the Depositor Loan Trustee on behalf of the Depositor) additional Receivables, which will subsequently transfer such additional Receivables to the Issuer, with an aggregate principal balance equal to the amount of such amortization and/or prepayments or removal of ineligible Receivables from the Statistical Calculation Date to the Closing Date for the Receivables, or (ii) deposit cash equal to the difference between such amount into the Collection Account (or take any combination of the actions described in clauses (i) and (ii)). Any such cash deposit shall be included in Available Funds and will be available for distribution on the first Payment Date as described under “*Description of the Notes—Monthly Payments*” below. As a result of the foregoing, the Receivables sold to the Issuer on the Closing Date may have characteristics that differ somewhat from the characteristics of the Receivables in the Statistical Pool, although the Receivables must satisfy the eligibility criteria described in “*Description of the Purchase Agreement.*”

The characteristics of the Receivables Pool will continue to change from time to time, as a result of inclusion of Receivables in the Receivables Pool that are not described in the Statistical Pool, prepayments, scheduled amortization, delinquencies and defaults, and other factors. As a result of any of the foregoing, there could be changes in the composition of the Receivables Pool owned by the Issuer adversely affect the levels of Excess Spread, depletes amounts available in the Reserve Account or increase the probability of loss. To the extent that a disproportionately large number of Obligor of Receivables with high interest rates prepay or default in the payment of their Receivables, the yield on the Receivables Pool may be lower than expected. If an investor purchases a Note, such investor must not assume that the characteristics of the Receivables sold to the Issuer on the Closing Date will be identical to the characteristics of the Statistical Pool, or that the characteristics of the Receivables Pool will not change over time. See “*The Receivables.*”

## **Book-Entry Registration**

The Notes initially will be represented by one or more Global Notes registered in the name of Cede & Co. (“**Cede**”) as a nominee of DTC and will not be registered in the names of the owners of the beneficial

interests of such Notes (“**Note Owners**”) or their nominees. Issuance of the Notes as Global Notes may reduce the liquidity of such Notes in the secondary trading market since investors may be unwilling to purchase Notes for which they cannot obtain definitive physical securities representing such investors’ interests, except in certain circumstances described under “*Description of the Notes—Definitive Notes.*”

Since transactions in Notes represented by Global Notes will be effected only through DTC, direct or indirect participants in DTC’s book-entry system or certain banks, the ability of a Note Owner to pledge its interest in the Notes to persons or entities that do not participate in the DTC system, or otherwise to take actions in respect of such Notes, may be limited due to lack of a physical security representing such Note Owner’s interest in such Notes.

Additionally, Note Owners of the Notes may experience some delay in their receipt of distributions of interest on and principal of the Global Notes since distributions may be required to be forwarded by the Indenture Trustee to DTC and, in such case, DTC will be required to credit such distributions to the accounts of its participants which thereafter will be required to credit them to the accounts of the applicable Note Owners either directly or indirectly through indirect participants. See “*Description of the Notes—Book-Entry Registration.*”

### **Vulnerability of Information Technology Infrastructure**

The Servicer uses information technology and telephony systems to manage its credit portfolio, including management of Collections. These systems are subject to damage or interruption from:

- power loss, computer system failures and internet, telecommunications or data network failures;
- operator negligence or improper operation by, or supervision of, employees;
- physical and electronic loss of data or security breaches, misappropriation and similar events;
- computer viruses;
- intentional acts of vandalism, terrorism, cyber-terrorism, cyber-crime, computer hacking and similar events; and
- hurricanes, earthquakes, tornadoes, fires, floods, epidemics or pandemics and other natural disasters.

In addition, the software that the Servicer has developed to use in daily operations may contain undetected errors that could cause the system to fail or cause the information provided to the customer or contained in the Servicer’s system to be incorrect. Any failure of the Servicer’s systems due to any of these causes, if it is not supported by the Servicer’s disaster recovery plan, could cause an interruption in operations. Though the Servicer has implemented contingency and disaster recovery processes in the event of one or several technology failures, any unforeseen failure, interruption or compromise of these systems or security measures could affect its collection of the Receivables. In addition, incorrect information resulting from errors has previously caused and could cause the Servicer or the Seller to not be in compliance with applicable regulatory requirements. Noncompliance with applicable regulatory requirements, if not remediated, could result in fines, returns of overcharged amounts and/or potential litigation.

The Pathward Program could leave the Seller and its affiliates exposed to similar errors, failures or other issues arising as a result of the interaction between Pathward's information technology infrastructure and the Seller's.

The risk of possible failures, interruptions or errors may not be adequately addressed, and any of such events could occur, resulting in reduced Collections or delay or reductions in distributions to Noteholders. See "*The Servicer—Systems.*"

### **Security Breaches of Confidential Customer Information**

The Seller and Servicer are increasingly dependent on information technology systems and infrastructure, including mobile and cloud-based technologies, to operate their business. In the ordinary course of business, the Seller and Servicer collect, process, transmit and store large amounts of sensitive information, including the personal information, credit information and other sensitive data of customers and potential customers. It is critical that the Seller and Servicer do so in a secure manner to maintain the confidentiality, integrity and availability of such sensitive information. The Seller also has arrangements in place with certain of its third-party vendors that require the Seller to share consumer information. The Seller has also outsourced elements of its operations (including elements of its information technology infrastructure) to third parties, and as a result, the Seller manages a number of third-party vendors who may have access to the Seller's computer networks or confidential information. In addition, many of those third parties may in turn subcontract or outsource some of their responsibilities to third parties. As a result, the Seller's information technology systems, including the functions of third parties that are involved or have access to those systems, is very large and complex. While all information technology operations are inherently vulnerable to inadvertent or intentional security breaches, incidents, attacks and exposures, the size, complexity, accessibility and distributed nature of the Seller's information technology systems, and the large amounts of sensitive information stored on those systems, make such systems potentially vulnerable to unintentional or malicious, internal and external attacks on the Seller's technology environment. Potential vulnerabilities can be exploited from inadvertent or intentional actions of the Seller's employees, third-party vendors, business partners, or by malicious third parties. Attacks of this nature are increasing in frequency, levels of persistence, sophistication and intensity, and are being conducted by sophisticated and organized groups and individuals with a wide range of motives (including, but not limited to, industrial espionage) and expertise, including organized criminal groups, "hacktivists," nation states and others. In addition to the extraction of sensitive information, such attacks could include the deployment of harmful malware, ransomware, denial-of-service attacks, social engineering and other means to affect service reliability and threaten the confidentiality, integrity and availability of information and systems. In addition, the prevalent use of mobile devices increases the risk of data security incidents. Significant disruptions of the Seller's or its third-party vendors' and/ or business partners' information technology systems or other similar data security incidents could adversely affect the Seller's business operations and result in the loss, misappropriation, or unauthorized access, use or disclosure of, or the prevention of access to, sensitive information, which could result in financial, legal, regulatory, business and reputational harm to the Seller. The automated nature of the Seller's business may make it attractive targets for hacking and potentially vulnerable to computer malware, physical or electronic break-ins and similar disruptions. Despite efforts to ensure the integrity of the Seller's systems, it is possible that the Seller may not be able to anticipate or to implement effective preventive measures against all security breaches of these types, in which case there would be an increased risk of fraud or identity theft, and the Seller or the Servicer may experience losses on, or delays in the collection of amounts owed on, a fraudulently induced loan.

While the Seller regularly monitors data flow inside and outside the company, techniques used to obtain unauthorized access or to sabotage systems change frequently and are difficult to detect. As a result, the Seller and its third-party hosting facilities may be unable to anticipate these techniques or to implement

adequate preventative measures. Any event that leads to unauthorized access, use or disclosure of personal information, including but not limited to personal information regarding the Seller's customers, loan applicants, and employees, could disrupt its business, harm the Seller's reputation, compel it to comply with applicable federal and/or state breach notification laws and foreign law equivalents, subject the Seller or Servicer to litigation, regulatory investigation and oversight, mandatory corrective action, require the Seller and Servicer to verify the correctness of database contents, or otherwise subject the Seller or Servicer to liability under laws, regulations and contractual obligations, including those that protect the privacy and security of personal information. This could result in increased costs for the Seller and Servicer, and result in significant legal and financial exposure and/or reputational harm. In particular, these mandatory disclosures regarding a security breach are costly to implement and often lead to widespread negative publicity, which may cause the Seller's customers to lose confidence in the effectiveness of the Seller's data security measures. In addition, any failure or perceived failure by the Seller, Servicer or their vendors to comply with the Seller's privacy, confidentiality, or data security-related legal or other obligations to third parties, or any security incidents or other inappropriate access events that result in the unauthorized access, release or transfer of sensitive information, which could include personally identifiable information, may result in governmental investigations, enforcement actions, regulatory fines, litigation, or public statements against the Seller by advocacy groups or others and could cause third parties, to lose trust or the Seller could be subject to claims by third parties that have breached the Seller's privacy- and confidentiality-related obligations, which could harm the Seller's business and prospects. Moreover, cybersecurity experts are warning about a growing use of COVID-19-related themes by malicious cyber actors. At the same time, the surge of in teleworking has increased the use of potentially vulnerable services, such as virtual private networks, amplifying the threat to individuals and organizations. Cybercriminals are targeting individuals and organizations with COVID-19-related cyberattacks.

Like other financial services firms, the Seller has been and continues to be the subject of actual or attempted unauthorized access, mishandling or misuse of information, computer viruses or malware, and cyber-attacks that could obtain confidential information, destroy data, disrupt or degrade service, sabotage systems or cause other damage, distributed denial of service attacks, data breaches and other infiltration, exfiltration or other similar events.

The Seller and the Servicer also face indirect technology, cybersecurity and operational risks relating to the customers, clients and other third parties with whom the Seller does business with or upon whom the Seller relies to facilitate or enable the Seller's business activities, including vendors, payment processors, and other parties who have access to confidential information due to the Seller's agreements with them. In addition, any security compromise in the Seller and Servicer's industry, whether actual or perceived, or information technology system disruptions, natural disasters, terrorism, war and telecommunication and electrical failures, could interrupt the Seller and Servicer's business or operations, harm the Seller's reputation, erode customer confidence, negatively affect Seller's ability to attract new customers or subject the Seller and Servicer to third-party lawsuits, regulatory fines or other action or liability.

The Seller's retail locations also process physical customer loan documentation that contain confidential customer information, including financial and personally identifiable information. The Seller also retains physical records in various storage locations outside of its retail locations. The loss or theft of customer information and data from retail locations or other storage locations could subject the Seller to additional regulatory scrutiny, possible civil litigation and possible financial liability, which could have an adverse effect on its results of operations, financial condition, liquidity and ability to collect on the loans for such customers.

The Seller maintains errors, omissions, and cyber liability insurance policies covering certain security and privacy damages. However, the Seller cannot be certain that its coverage will continue to be



available on economically reasonable terms or will be available in sufficient amounts to cover one or more large claims, or that the insurer will not deny coverage as to any future claim. The successful assertion of one or more large claims against the Seller that exceed available insurance coverage, or the occurrence of changes in the Seller's insurance policies, including premium increases or the imposition of large deductible or co-insurance requirements, could have an adverse effect on the Seller's business, financial condition and results of operations.

The establishment of the Pathward Program could leave the Seller and its affiliates exposed to additional information security risks arising as a result of the interaction between Pathward's information technology infrastructure and the Seller's, and the sharing between them of confidential customer information.

### **Compliance with Regulations Regarding Confidential Customer Information**

There are federal, state and foreign laws regarding privacy and the storing, sharing, use, disclosure and protection of personally identifiable information and sensitive data. Specifically, cybersecurity and data privacy issues, particularly with respect to personally identifiable information, are increasingly subject to legislation and regulations to protect the privacy and security of personal information that is collected, processed and transmitted. For example, in June 2018, California enacted the California Consumer Privacy Act (the "CCPA"), which broadly defines personal information and took effect on January 1, 2020. The CCPA gives California residents expanded privacy rights and protections and provides for civil penalties for CCPA violations, in addition to providing for a private right of action for data breaches. In November 2020, California voters approved the adoption of the California Privacy Rights Act (the "CPRA"), that amended the CCPA to create new and additional privacy rights and obligations in California and approved the creation of the California Privacy Protection Agency to enforce the relevant laws. Whereas the Seller has implemented the CCPA, several other states are working to pass comprehensive privacy laws and compliance with current and future customer privacy data protection and information security laws and regulations could result in higher compliance, technical or operating costs for the Seller and the Servicer. Further, any violations of these laws and regulations, such as the CPRA, may require the Seller and the Servicer to change their business practices or operational structure, address legal claims and sustain monetary penalties and/or other harms to the Seller's and the Servicer's business.

The Seller and/or the Servicer could also be adversely affected if new legislation or regulations are adopted or if existing legislation or regulations are modified or interpreted such that they would be required to alter systems or implement changes to business practices or privacy policies. For example, on April 21, 2021, the United States Court of Appeals for the Eleventh Circuit issued an opinion in *Hunstein v. Preferred Collection and Management Services, Inc.*, holding that a debt collector's transmittal of the plaintiff's personal information to the vendor used to generate and send collection letters violated the federal Fair Debt Collections Practices Act's (the "FDCPA") provision which generally prohibits a debt collector from communicating with anyone other than the debtor in connection with the collection of any debt without the debtor's consent. The Eleventh Circuit of Appeals has subsequently issued an opinion stating that the entire court will rehear this matter *en banc* and vacated all prior orders issued by the Eleventh Circuit. In September 2022, the Eleventh Circuit *en banc* held the plaintiff failed to allege a concrete harm that would provide standing to pursue his claims in federal court and the case was dismissed. Even though the case was dismissed, Article III standing is not required in state court and similar cases could be filed. Although the Seller does not utilize third-party debt collectors and the Servicer collects its own debts, and as a result is not directly subject to the requirements of the FDCPA, including those at issue in *Hunstein*, certain states in which the Seller and the Servicer operate have state laws that either incorporate the FDCPA's provisions and apply them to lenders collecting their own debts, or include similar provisions which apply to lenders collecting their own debts. None of the states in the Eleventh Circuit have such provisions in their laws. However, if other courts were to decide cases similar to *Hunstein* are filed with different fact patterns or in

a different court, the Seller and the Servicer could determine that changes to their business practices, policies and procedures are necessary, including the arrangements the Seller and Servicer have in place with certain of its third-party vendors that require the Seller to share consumer information. These changes could adversely affect the Servicer's ability to collect on the Receivables and as a result, the Seller and the Servicer's results of operations and financial condition could be negatively impacted, and payments on the Notes could be delayed or reduced.

In addition, an increase in third-party arrangements, including, for example, with lead aggregators and retail referral partners, could lead to increased complexity around compliance by the Seller or its affiliates with these laws or regulations.

## **Financial Regulatory Reform**

The Dodd-Frank Act was signed into law on July 21, 2010. Although the Dodd-Frank Act generally took effect on July 22, 2010, many provisions did not take effect for some time or required implementing regulations to be issued. Some of these implementing regulations still have not been issued. The Dodd-Frank Act is extensive and significant legislation that, among other things:

- created a framework for the liquidation of certain bank holding companies and other nonbank financial companies, defined as “covered financial companies,” in the event such a company is in default or in danger of default and the resolution of such a company under other applicable law would have serious adverse effects on financial stability in the United States, and also for the liquidation of certain of their respective subsidiaries, defined as “covered subsidiaries,” in the event such a subsidiary is, among other things, in default or in danger of default and the liquidation of such subsidiary would avoid or mitigate serious adverse effects on the financial stability or economic conditions of the United States;
- created a new framework for the regulation of over-the-counter derivatives activities;
- strengthened the regulatory oversight of securities and capital markets activities by the U.S. Securities and Exchange Commission (the “SEC”); and
- created the CFPB, an agency responsible for administering and enforcing the laws and regulations for consumer financial products and services.

The Dodd-Frank Act impacts the offering, marketing and regulation of consumer financial products and services offered by financial institutions, which could include the Seller, the Servicer and their affiliates, including the Issuer. The CFPB has supervision, examination and enforcement authority over the consumer financial products and services offered by certain non-depository institutions and large insured depository institutions. The CFPB recently announced plans to use a dormant provision of the Dodd-Frank Act to expand its supervisory authority over entities it reasonably believes pose risks of consumer harm. The CFPB also has broad rulemaking and enforcement authority over providers of credit, savings and payment services and products and authority to prevent “unfair, deceptive or abusive acts or practices.” Recently, the CFPB updated its examination manual to provide that discrimination in consumer finance markets, including credit, servicing, collections, consumer reporting, payments, remittances and deposits, would be considered “unfair” under the Unfair, Deceptive, or Abusive Acts or Practices standards. The CFPB has the authority to write regulations under federal consumer financial protection laws, and to enforce those laws against and examine large insured depository institutions and certain non-depository institutions for compliance with applicable laws, including, among others, the Truth in Lending Act, Equal Credit Opportunity Act, Electronic Fund Transfer Act, and Fair Debt Collection Practices Act.

The CFPB could implement rules that restrict the Seller or Servicer's effectiveness in servicing its financial products and services. For example, on October 5, 2017, the CFPB issued a final rule regarding Payday, Vehicle Title and Certain High-Cost Installment Loans (the "**Final Rule**"). Most of the provisions applicable to the Receivables in the Final Rule were supposed to be effective August 19, 2019, although the date was delayed due to litigation over the rule and a stay put in place by the U.S. District Court for the Western District of Texas. In September 2021, the U.S. District Court for the Western District of Texas upheld the payment provisions in the Final Rule and established a June 13, 2022 effective date. However, in October 2021, the U.S. Court of Appeals for the Fifth Circuit ruled to further delay the effective date while the lower court opinion is being appealed. Finally, certain portions of the Final Rule were rescinded and the remaining provisions relating to notices in connection with payments would only apply to that portion of the Seller's portfolio with an APR greater than 36% (a population that continues to decrease given the self-imposed 36% APR cap implemented by the Seller in July 2020). While compliance with these provisions will not create a material burden on the Seller, there are parts of the Final Rule that are vague and, if misinterpreted by the Seller, could create potential regulatory exposure. There is no certainty that the Final Rule or any subsequent CFPB rulemaking regarding longer-term loans will not have a substantial impact on the Seller's business by causing increased compliance costs and litigation exposure, or by causing the Seller to alter or cease offering affected loan products or services.

There continues to be uncertainty as to how the CFPB's strategies and priorities, including in both its examination and enforcement processes, will impact the Seller's businesses and performance of the receivables going forward. Actions by the CFPB could result in requirements to alter or cease offering affected loan products and services, making them potentially less attractive and restricting the Seller's ability to offer them. The agency's powers are broad and vest substantial discretion in a single director appointed by the President and confirmed by the Senate. The current Director of the CFPB, Rohit Chopra, has taken an aggressive view of prohibited conduct and responsible parties, which could lead to unanticipated and novel liability as to each of the Seller, the Servicer and their affiliates and the Issuer.

On December 13, 2021, in an action brought by the CFPB, the U.S. District Court for the District of Delaware denied a motion to dismiss filed by a securitization trust by holding that the trust is a "covered person" under the Dodd-Frank Act because it engages in the servicing of loans, even if through servicers and subservicers. *CFPB v. Nat'l Collegiate Master Student Loan Trust*, No. 1:17-cv-1323-SB (D. Del.). While the court did not decide whether the trust could be held liable for the conduct of the servicer at this stage of the case, the CFPB's pleadings reflect that the agency intends to make that argument in that case; the case remains pending, and the trust is seeking an interlocutory appeal to the Third Circuit Court of Appeals. The CFPB may rely on the denial of this motion to dismiss as precedent in investigating and bringing enforcement actions against other trusts and securitization vehicles in the future. On February 11, 2022, the case was stayed pending the defendant's interlocutory appeal to the Third Circuit Court of Appeals and possible consideration of, among other matters, whether the securitization trust is a "covered person" within the meaning of the Dodd-Frank Act. On April 29, 2022, the Third Circuit Court of Appeals granted permission for this interlocutory appeal to be heard. If resolved in favor of the securitization trust, the CFPB may not be able to proceed directly against the securitization trust in this matter.

The CFPB also recently issued a Compliance Bulletin stating its position that automobile loan holders and servicers are responsible for ensuring that their repossession-related practices, and the practices of their service providers, do not violate the law, and the CFPB also described its intention to hold loan holders and servicers liable for unfair, deceptive, or abusive acts or practices related to the repossession of automobiles. It is possible that the CFPB may bring enforcement actions against a securitization trusts holding Secured Personal Loan, such as the issuing entity, and servicers in the future.

Depending on how the CFPB functions and its areas of focus, it could increase the compliance costs for the Seller and Servicer, potentially delay the Seller's ability to respond to marketplace changes,

result in requirements to alter products and services that would make them less attractive to consumers and impair the ability of the Seller to offer products and services profitably or prevent the Seller from offering its current products altogether. The CFPB is authorized to pursue administrative proceedings or litigation for violations of federal consumer financial laws. In these proceedings, the CFPB can obtain consent orders (which can include orders for restitution or rescission of contracts, as well as other kinds of affirmative relief) and monetary penalties ranging from \$6,623 per day for minor violations of federal consumer financial laws (including the CFPB's own rules) to \$31,616 per day for reckless violations and \$1,264,622 per day for knowing violations. In addition, the CFPB has indicated that companies are expected to review and monitor consent orders issued by the CFPB against other companies and modify their practices accordingly. As a result, while the Seller believes that the Seller's practices are in material compliance with federal consumer protection laws, there is no certainty that any such modifications to the Seller's practices will not have a substantial impact on the Seller's business by causing increased compliance costs and litigation exposure, or by causing the Seller to alter or cease offering affected loan products or services. Also, where a company has violated Title X of the Dodd-Frank Act or CFPB regulations under Title X, the Dodd-Frank Act empowers state attorneys general and state regulators to bring civil actions for the kind of cease and desist orders available to the CFPB. The California Consumer Financial Protection Law, effective as of January 1, 2021, expands the jurisdiction of and reorganizes the existing state regulator to have broad authority over providers of financial services and products and gives the regulator broad enforcement authority against covered persons with respect to unfair, deceptive or abusive act and discrimination violations. In addition, on November 3, 2020, California approved the CPRA, that amends the CCPA to create new and additional privacy rights and obligations in California and creates the California Privacy Protection Agency to enforce the laws. Whereas the Seller has implemented the CCPA, compliance with other current and future customer privacy data protection and information security laws and regulations could result in higher compliance, technical or operating costs. The Dodd-Frank Act also increases the regulation of the securitization markets. For example, the rules applicable to the Seller described under "*Credit Risk Retention*" were required under the Dodd-Frank Act. The Dodd-Frank Act also gives broader powers to the SEC to regulate credit rating agencies and adopt regulations governing these organizations and their activities. The SEC has also issued final rules, which generally became effective in June 2015, that require issuers or underwriters of rated asset-backed securities to file with the SEC a form that includes the findings and conclusions of reports of third-party due diligence providers, and for third-party due diligence providers and rating agencies to comply with certain other filing and information requirements relating to the third-party due diligence providers' due diligence services, findings and conclusions, including certain agreed-upon procedure reviews. Compliance with the implementing regulations under the Dodd-Frank Act or the oversight of the SEC or CFPB may impose costs on, create operational constraints for, or place limits on pricing with respect to finance companies such as the Seller, the Servicer, the Issuer and their respective affiliates. Some of the regulations required by the Dodd-Frank Act have not been finalized. As such, in many respects, the ultimate impact of the Dodd-Frank Act and its effects on the financial markets and their participants will not be fully known for an extended period of time. Until all of the implementing regulations are issued, no assurance can be given that these new requirements imposed by the Dodd-Frank Act will not have a significant impact on marketability of asset-backed securities such as the Notes, on the servicing of the Loans and Receivables, and on the operating results, regulation and supervision of the Seller, the Servicer, the Issuer and/or their respective affiliates.

On March 3, 2021, the Seller received a Civil Investigative Demand (such demand, the "**Initial CID**" and each such demand, a "**CID**") from the CFPB. The stated purpose of the CID is to determine whether small-dollar lenders or associated persons, in connection with lending and debt-collection practices, have not been in compliance with certain federal consumer protection laws over which the CFPB has jurisdiction. The Seller has received additional information requests in the form of CIDs from the CFPB (the "**Additional CIDs**", and together with the Initial CID, the "**Oportun CID**"), related to the Initial CID. The information requests in the Initial CID, as well as the Additional CIDs, are focused on the Seller's

legal collection practices from 2019 to 2021 and hardship treatments offered during the COVID-19 pandemic. On September 15, 2022, the Seller received a Notice and Opportunity to Respond and Advise (“NORA”) letter from the staff of the CFPB in connection with the Oportun CID, stating that it is considering whether to recommend that the CFPB take legal action against the Seller based on alleged violations focused on the Seller’s failure to timely dismiss certain lawsuits and the hardship treatments offered during the COVID-19 pandemic, including credit reporting related thereto. On October 14, 2022, the Seller provided the CFPB with its written response to the NORA letter disputing the allegations.

The Seller is cooperating fully with the CFPB with respect to this matter. While the Seller believes that its business practices have been in full compliance with applicable laws, because the CFPB has broad authority to determine what it views as potentially unfair, deceptive or abusive acts or practices at this time, the Seller is unable to predict the ultimate outcome of this pending CFPB matter.

In addition, Digit received a CID from the CFPB in June 2020. The CID was disclosed and discussed during the acquisition process. The stated purpose of this CID is to determine whether Digit, in connection with offering its products or services, misrepresented the terms, conditions, or costs of the products or services in a manner that is unfair, deceptive, or abusive. While the Seller believes that Digit’s business practices were in full compliance with applicable laws, in the interest of resolving this matter, on August 11, 2022, Digit agreed to a consent order with the CFPB resolving such CID. In connection with such consent order, Digit agreed to implement a redress and compliance plan to pay at least \$68,145 in consumer redress to consumers who may have been harmed and paid a \$2.7 million civil penalty to the CFPB.

Other federal or state regulators could launch a similar investigation or join the CFPB in its investigation. In addition, actions by the CFPB could result in requirements to alter or cease offering affected financial products and services, making them less attractive and restricting the ability of the Seller or the Servicer to offer them. The CFPB could also implement rules that restrict the effectiveness of the Servicer in servicing the financial products and services. Future actions by the CFPB (or other regulators) against the Seller, the Servicer, or their competitors that discourage the use of their services or restrict their business activities could result in reputational harm and adversely affect the business of the Seller. If the CFPB changes regulations that were adopted in the past by other regulators and transferred to the CFPB by the Dodd-Frank Act or modifies through supervision or enforcement past regulatory guidance or interprets existing regulations in a different or stricter manner than they have been interpreted in the past by the Seller, the Servicer, the industry or other regulators, compliance costs and litigation exposure could increase materially. If future regulatory or legislative restrictions or prohibitions are imposed that affect the ability of the Seller to offer certain of its products or that require the Seller or the Servicer to make significant changes to their business practices, and if they are unable to develop compliant alternatives with acceptable returns, the business of the Seller or the Servicer could be adversely affected.

See “*The Servicer—Servicing Standards*” and “*Risk Factors—Adverse impacts and risks of the COVID-19 pandemic on transaction parties, the Receivables and the Notes*” and “*—Changes in Legal Collections.*”

### **Credit Under the Community Reinvestment Act**

The Seller is certified by the U.S. Department of the Treasury as a CDFI. The Seller has been a certified CDFI since 2009. See “*Seller’s Consumer Loan Business—Overview.*” To maintain certification, all certified CDFIs are required to submit an annual certification report demonstrating continued compliance with the CDFI certification requirements. While the Seller currently intends to maintain its certification, there can be no assurance that the Seller will maintain its certification as a CDFI. In addition, there can be no assurance that the CDFI program will not be discontinued at some point in the future. If

the Seller were to lose its certification, if the Seller were to decide not to continue to maintain its certification or if the CDFI program were to be discontinued, investors in the Series 2022-3 Notes may not be able to use their investments in the Series 2022-3 Notes for credit under the Community Reinvestment Act. In June 2020, the OCC published a final rule modifying its Community Reinvestment Act regulations. However, in August 2021, the OCC proposed rescinding the final rule in favor of working with the FDIC and the Federal Reserve Board to revise the requirements. The comment period ended on October 29, 2021. On December 14, 2021, the OCC issued a final rule rescinding its 2020 Community Reinvestment Act regulations, replacing it with a rule based on joint standards of the federal banking regulators. The new rule took effect on January 1, 2022 (with certain notice requirements subject to a separate April 1, 2022 effective date). The OCC, the FDIC and the Federal Reserve Board issued a joint proposal on May 5, 2022 to revise the existing Community Reinvestment Act regulations. There can be no assurances that the investors in the Series 2022-3 Notes will have the ability to continue using their investments in the Series 2022-3 Notes for credit under the Community Reinvestment Act as the new standards are interpreted going forward.

### **Modifications to the Credit and Collection Policies**

The Seller or the Servicer may choose to modify the Credit and Collection Policies at any time, and there are no restrictions on the Seller's or the Servicer's ability to make such modifications except the Servicer has covenanted not to modify the Credit and Collection Policy in any manner that could be reasonably expected to result in a Material Adverse Effect. Major changes to credit policy require approval from both the internal Credit Risk and Pricing Committee and the Credit Risk and Finance Committee of the Board of Directors. Modifications to the Credit and Collection Policies could alter the policies by which the Servicer services the Receivables, including the policies by which the Servicer determines whether to change the terms of the Receivables owned by the Issuer. If these types of modifications were to occur, it could result in worse performance of the Receivables. Additionally, modifications to the Credit and Collection Policies, or other changes to the Seller's underwriting policies and procedures, could also change the standards and procedures by which the Seller originates new Receivables. If these types of modifications were to occur and the Issuer were to acquire Receivables that were originated based on standards and procedures which incorporated such modifications, they could adversely impact the performance of the Receivables Pool or result in the Issuer acquiring Receivables that are of lower credit quality than the Receivables previously acquired by the Issuer. In the event that the performance of the Receivables Pool deteriorates or the Issuer acquires Receivables of a lower credit quality, it could adversely affect the performance of the Notes.

In addition, Pathward may require modifications to the Credit and Collection Policies as they apply to loans originated under the Pathward Program, and Pathward may be unable or unwilling to approve modifications proposed by the Seller that the Seller may think are beneficial, in either case as a result of Pathward's own regulatory requirements or otherwise. No assurances can be given that any modification that the Seller or the Servicer would be required to make, or that they are unable to make when desired, as a result of the foregoing will not adversely affect the performance of Receivables originated by Pathward. Further, while it is expected that loans originated under the Pathward Program will be underwritten and serviced using policies and processes that are substantially the same as those applicable to the Unsecured Loans originated by the Seller, no assurances can be given that the Credit and Collection Policies will be, or will remain, uniform with respect to the origination, underwriting and servicing of loans originated by the Seller or by Pathward under the Pathward Program, and any differences may result in material differences in the performance of the Receivables relating to such loans. See "*Risk Factors—Pathward Partnership.*"

## Potential Conflicts of Interest Relating to the Initial Purchasers

The Initial Purchasers and their respective affiliates, officers, members and employees will engage in various activities in relation to the offering and otherwise that may be inconsistent with or contrary to the interest of investors in the Notes, including the activities described below. Each of the Initial Purchasers is part of a global investment banking, securities and investment management firm that provides a wide range of financial services to a substantial and diversified client base. As such, they actively make markets in and trade financial instruments for their own account and for the accounts of customers. These activities include, among other things, executing large block trades and taking long and short positions directly and indirectly, through derivative instruments or otherwise. These activities may also include buying or selling credit protection in respect of the Notes, implementing objectives or investment strategies that are inconsistent with or contrary to those of investors in the Notes, and/or hedging any exposure to the Notes on the Closing Date or any time in the future. The securities and instruments in which the Initial Purchasers take positions, or expect to take positions, may include the Notes or the Certificates, or similar securities or products. Market making is an activity where an entity buys and sells on behalf of customers, or for its own account, to satisfy the expected demand of customers. By its nature, market making involves facilitating transactions among market participants that have differing views of securities and instruments. As a result, holders of the Notes should expect that the Initial Purchasers will take positions that are inconsistent with, or adverse to, the investment objectives of investors in the Notes.

The Initial Purchasers may from time to time perform investment banking services for, solicit investment banking business from, or conduct trading or investing in any of the securities of, any person named in this Memorandum. The Initial Purchasers and/or their employees or customers may from time to time have a long or short position in the Notes. These long or short positions may be as a result of any market making activities with respect to the Notes. The Initial Purchasers and/or their employees or customers may from time to time enter into hedging positions with respect to the Notes. Additionally, as of the Closing Date, a special purpose statutory trust is being provided with warehouse financing, with respect to other receivables originated by the Seller and/or Pathward, sold to a special purpose subsidiary of the Seller and subsequently transferred to such special purpose statutory trust, under the PLW Facility that is being provided by the Initial Purchasers or affiliates thereof. As discussed under “*Use of Proceeds*,” the Seller will apply all or a portion of the net proceeds from the sale of the Series 2022-3 Notes that are used to purchase the Loans and Related Rights from the Seller to permit the special purpose statutory trust that participates in the PLW Facility to pay down the warehouse financing being provided under the PLW Facility by the Initial Purchasers or affiliates thereof.

As a result of the various financial market activities of the Initial Purchasers, including acting as a research provider, investment advisor, market maker or principal investor, holders of the Notes should expect that personnel affiliated with the Initial Purchasers will have and express research or investment views and make recommendations that are inconsistent with, or adverse to, the objectives of investors in the Notes.

The Initial Purchasers and their affiliates may purchase Notes or Certificates at any time, including on or after the Closing Date, either for their own account or in connection with market making and may sell such Notes or Certificates at a later date, but are under no obligation to purchase any Notes other than as required under the Note Purchase Agreement. If any Initial Purchaser becomes a holder of a Note or Certificate, through market-making activity or otherwise, any actions that it takes in its capacity as a holder of the Note or Certificate, including voting, providing consents or otherwise, will not necessarily be aligned with the interests of other holders of Notes. To the extent any Initial Purchaser makes a market in any Note (which it is under no obligation to do), it would expect to receive income from the spreads between its bid and offer prices for the Notes. In connection with any such activity, it will have no obligation to take, refrain from taking or cease taking any action with respect to these transactions and activities based on the potential

effect on an investor in the Notes. The price at which an Initial Purchaser may be willing to purchase a Note, if it makes a market, will depend on market conditions and other relevant factors and may be significantly lower than the issue price for the Notes and significantly lower than the price at which it may be willing to sell the Notes.

Furthermore, a completed offering may enhance the ability of an Initial Purchaser to assist clients and counterparties in transactions related to the Notes or Certificates and in similar transactions (including assisting clients in additional purchases and sales of the Notes or Certificates and hedging transactions). The Initial Purchasers will derive fees and other revenues from these transactions. In addition, participating in a successful offering and providing related services to clients may enhance the relationships of the Initial Purchasers with various parties, facilitate additional business development, and enable it to obtain additional business and to generate additional revenue. Except to the extent expressly required by applicable law, investors should not expect any of the Initial Purchasers to (1) restrict their activities in any way or require them to provide it with any information whatsoever about, or derived from, such activities, or (2) account to it for, or disclose to it, any charges or other remuneration made or received by it in connection with such activities.

### **Potential Conflicts of Interest Relating to the Seller and the Servicer**

The Seller will sell Receivables to the Depositor and the Depositor Loan Trustee for the benefit of the Depositor, who will transfer them to the Issuer. The Issuer has engaged and is expected to continue to engage the Servicer to service such Receivables. The interests of these parties may not be aligned with the interests of the Noteholders. Even in cases where interests are generally aligned, the Servicer's or the Seller's determination regarding a particular course of action may differ significantly from that of a Noteholder's. While the Seller's sale of Receivables and its related obligations are subject to the terms of the Purchase Agreement, and the servicing of the Receivables by the Servicer is subject to the terms of the Servicing Agreement and the standards described under "*Servicing Standards*" herein, neither the Seller nor the Servicer is under any obligation to act in the best interests of the Noteholders when such interests conflict with its own, and either may take actions without regard to the interests of the Noteholders or in a manner that may be adverse to the interests of the Noteholders.

### **There May Be a Conflict of Interest Among Classes of Notes**

As described elsewhere in this Memorandum, the Required Noteholders or another specified percentage of Noteholders are entitled to make certain decisions with regard to, among other things, treatment of defaults by the servicer, exercising rights and remedies following an Event of Default (including directing the liquidation of the Trust Estate), consenting to certain amendments to the Transaction Documents and certain other matters. In the case of voting by the Required Noteholders, the holders of a majority (by aggregate principal amount) of the most senior class of the Series 2022-3 Notes outstanding (initially the Class A Notes) will make the decisions on such matters. In the case of votes by holders of all of the Notes, the outstanding principal balance of the Class A Notes will generally be substantially greater than the outstanding principal balance of the Class B Notes, the Class C Notes and the Class D Notes. Consequently, the Class A Noteholders will frequently have the ability to determine whether and what actions should be taken. In these cases of votes of holders of all the Notes, the Class B Noteholders, the Class C Noteholders and the Class D Noteholders will generally need the concurrence of the Class A Noteholders to cause actions to be taken.

Because the holders of different classes of Notes may have varying interests when it comes to these matters, a Noteholder may find that courses of action determined by other Noteholders do not reflect such Noteholder's interests but that such Noteholder is nonetheless bound by the decisions of these other



Noteholders. You have no recourse if the Noteholders vote and you disagree with the result of the vote on these matters.

### **The Notes May Not Be Suitable for All Investors**

The Notes are not suitable investments for all investors. In particular, an investor should not purchase the Notes unless such investor understands the structure, including the priority of payments, and prepayment, credit, liquidity and market risks associated with the Notes. The Notes are complex securities. An investor should possess, either alone or together with financial, tax and legal advisors, the expertise to analyze the prepayment, reinvestment, default and market risk, the tax consequences of an investment and the interaction of these factors.

As described in more detail in this Memorandum, the yields to maturity and the aggregate amount and timing of distributions on the Notes are subject to variability from period to period and over the lives of the Notes, and such variability may be material. The interaction of the factors described in this Memorandum and other factors that may affect the Notes and their combined effects on the Notes are not possible to predict with meaningful certainty and are likely to change from time to time. As a result, an investment in the Notes involves substantial risks and uncertainties and should be considered only by sophisticated institutional investors with substantial investment experience with similar types of securities and who have conducted an appropriate analysis of the Notes. Prospective investors must be able to bear the risk of loss (including total loss) on their investment in the Notes.

### **Structuring Tables are Based Upon Assumptions and Models**

The decrement tables appearing under “*The Receivables—Maturity and Prepayment Assumptions*” have been prepared on the basis of the modeling assumptions set forth under “*The Receivables—Maturity and Prepayment Assumptions*” in this Memorandum. The model used in this Memorandum for prepayments does not purport to be an historical description of prepayment experience or a prediction of the anticipated rate of prepayment of any pool of Receivables, including the Receivables Pool. It is highly unlikely that the Receivables will prepay at the rates specified. The prepayment assumption is for illustrative purposes only. For these reasons, the actual weighted average lives of the Notes may differ from the weighted average lives shown in the decrement tables.

### **Reduction, Withdrawal or Qualification of the Ratings on the Notes; Potential Conflicts of Interest; Unsolicited Ratings**

The ratings on the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes are not a recommendation to purchase, hold or sell the Class A Notes, the Class B Notes, the Class C Notes or the Class D Notes and do not address market value or investor suitability. The ratings reflect DBRS’ assessment of the likelihood of repayment of the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes. The assignment of a credit rating to a class of Notes should not be interpreted to mean that there is no risk, or a reduced risk, of loss on that class. Further, no credit rating should be interpreted to be an indication of the expected return on a class of Notes. There can be no assurance that the Class A Notes, the Class B Notes, the Class C Notes or the Class D Notes will perform as expected or that the rating on any such class will not be reduced, withdrawn or qualified in the future as a result of a change of circumstances, deterioration in the performance of the Receivables, errors in analysis or otherwise, including as a result of a failure by the Seller to comply with its obligation to post information provided to DBRS on a website that is accessible by rating agencies that have not been hired by the Sponsor to rate the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes. None of the Seller, the Issuer or any of their affiliates will have any obligation to replace or supplement any credit enhancement or to take any other action to maintain any ratings on the Class A Notes, the Class B Notes, the Class C Notes or

the Class D Notes. Prospective investors in the Notes are urged to make their own evaluation of the creditworthiness of the Notes and not to rely solely on the ratings of the Notes.

A rating agency may have a conflict of interest where, as is the case with the ratings of the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes by DBRS, the sponsor or the issuer of a security pays the fee charged by such rating agencies for their rating services, and that this conflict is particularly acute because arrangers of asset-backed securities transactions provide repeat business to such a rating agency. Under SEC rules relating to rating agency conflicts of interest, information conveyed to DBRS hired by the Sponsor or the Issuer in connection with this transaction is required to be made available to other nationally recognized statistical rating organizations. Any such nationally recognized statistical rating organization may use this information to issue whatever rating is, in its opinion, warranted.

Had the Sponsor selected alternative nationally recognized statistical rating organizations to rate the Notes, there can be no assurances as to the ratings that such other nationally recognized statistical rating organizations would have assigned to the Notes.

In addition, a non-hired nationally recognized statistical rating organization could choose to provide an unsolicited rating on the Class A Notes, the Class B Notes, the Class C Notes or the Class D Notes, without notice to or from the Seller or the Issuer, and such unsolicited rating could be lower than the rating provided by DBRS, and none of the Seller, the Depositor, the Issuer or the Initial Purchasers is obligated to inform Noteholders if an unsolicited rating is issued after the date of this Memorandum. Non-hired nationally recognized statistical rating organizations may have different methodologies, criteria, models and requirements. If the ratings on the Class A Notes, the Class B Notes, the Class C Notes or the Class D Notes are reduced, withdrawn or qualified, or if the Class A Notes, the Class B Notes, the Class C Notes or the Class D Notes receive an unsolicited rating from a non-hired nationally recognized statistical rating organization that is lower than the other ratings of the Class A Notes, the Class B Notes, the Class C Notes or the Class D Notes, it could adversely affect the market value and/or marketability of the Class A Notes, the Class B Notes, the Class C Notes or the Class D Notes.

Furthermore, DBRS could cease to qualify as a nationally recognized statistical rating organization for purposes of the federal securities law, which could have an adverse effect on the market value or liquidity of the Notes.

Additionally, the nationally recognized statistical rating organizations have been and may continue to be under scrutiny by federal and state legislative and regulatory bodies for their role in the financial crisis and such scrutiny and any actions such legislative and regulatory bodies may take as a result thereof may also have an adverse effect on the price that a subsequent purchaser would be willing to pay for the Notes and your ability to resell your Notes.

### **Considerations Under the Investment Company Act of 1940**

The Issuer has not registered with the SEC as an investment company pursuant to the Investment Company Act of 1940, as amended (the “**Investment Company Act**”), in reliance on the exception from the definition of “investment company” set forth in Rule 3a-7 under the Investment Company Act, although other exceptions or exclusions may be available to the Issuer. Counsel for the Issuer will opine, in connection with the sale of the Notes, that the Issuer is not at the time of such sale an investment company required to be registered under the Investment Company Act (assuming, for the purposes of such opinion, the accuracy and completeness of all representations and warranties made or deemed to be made by purchasers of the Notes and the equity owners of the Issuer and compliance by the Issuer with its representations and covenants in the Indenture, among other things). No opinion or no-action position has

been requested of the SEC. Accordingly, investors in the Notes will not be accorded the protections of the Investment Company Act because the Issuer will not be registered thereunder.

If the SEC or a court of competent jurisdiction were to find that the Issuer is required, but has failed, to register as an investment company, in violation of the Investment Company Act, possible consequences include, but are not limited to, the following: (i) the SEC could apply to a district court to enjoin the violation; (ii) investors could sue the Issuer and recover any damages caused by the violation of the registration requirement of the Investment Company Act; and (iii) any contract to which the Issuer is party that is made in violation, or whose performance involves a violation, of the Investment Company Act would be unenforceable by any party to the contract unless a court were to find that under the circumstances enforcement would produce a more equitable result than nonenforcement and would not be inconsistent with purposes of the Investment Company Act. Should the Issuer be subjected to any or all of the foregoing, there could be a material adverse effect on the Issuer and the Noteholders.

### **Original Issue Discount on the Notes**

The Series 2022-3 Notes may be, and it is anticipated that the Class B Notes, the Class C Notes and the Class D Notes will be, issued with original issue discount (“**OID**”) for U.S. federal income tax purposes. A U.S. holder generally will be required to accrue OID on a current basis as ordinary income and pay tax accordingly, even before such U.S. holder receives cash attributable to that income and regardless of such U.S. holder’s method of tax accounting. For further discussion of the computation and reporting of OID, see “*Certain U.S. Federal Income Tax Consequences—Tax Consequences to U.S. Holders—Original Issue Discount on the Series 2022-3 Notes*” in this Memorandum.

### **Certain Adverse Tax Consequences if the Class D Notes Are Re-characterized as Equity**

Special tax counsel to the Issuer will issue an opinion as of the Closing Date that, when issued, the Class D Notes (other than any Class D Notes beneficially owned by the Issuer or a person treated as the same person as the Issuer for U.S. federal income tax purposes) should be characterized as debt for U.S. federal income tax purposes. Consequently, there will be some uncertainty as to the proper characterization of the Class D Notes for U.S. federal income tax purposes. If the Internal Revenue Service successfully contended that the Class D Notes (or any other Class of the Series 2022-3 Notes) were not characterized as debt for U.S. federal income tax purposes, the Issuer would be treated as a partnership, and holders of such Notes would be treated as partners in the Issuer. The allocation of partnership items could result in the holders of the Series 2022-3 Notes that are characterized as equity interests in the Issuer receiving income in timing and amounts different than expected and could result in the imposition of U.S. withholding tax on amounts allocated (or on purchase price paid on disposition) to Non-U.S. Holders of the Series 2022-3 Notes that are characterized as equity interests in the Issuer or cause such Non-U.S. Holders to be deemed to be engaged in a U.S. trade or business. Further, a tax-exempt U.S. Holder of such a Series 2022-3 Note could be treated as receiving unrelated business taxable income from the Issuer. Additionally, if the IRS successfully asserted that the Issuer should have been withholding tax on amounts allocated to Non-U.S. Holders of the Series 2022-3 Notes, the Issuer would be liable for such tax, and may additionally owe penalties and interest, which could adversely affect the Issuer, the Issuer’s ability to perform its obligations under the Transaction Documents and holders of the Series 2022-3 Notes. Additionally, if the Issuer were re-characterized as a “publicly traded partnership” taxable as a corporation, the Issuer could be subject to U.S. federal income tax at corporate rates on its taxable income. This characterization of the Issuer could cause the amount of cash flow available to Note Owners to be substantially reduced, and also result in the Note Owners of the reclassified Notes recognizing income and other tax items with respect to their Notes that differ significantly, in amount, timing and character, from that recognized were such Notes treated as debt for U.S. federal income tax purposes. In addition, amounts distributed to Non-U.S. Holders of the Series 2022-3 Notes could be subject to U.S. withholding tax. To protect against characterization as a

taxable entity, the Issuer intends to impose certain tax restrictions on the Class D Notes. However, if these restrictions are not observed, then the Issuer could become subject to an entity level income tax. For further discussion, see “*Certain U.S. Federal Income Tax Consequences—Certain Tax Characterizations*” in this Memorandum.

**Changes in U.S. Tax Legislation Could Adversely Affect the Business, Financial Condition and Results of Operations of the Issuer, the Depositor, the Seller or Their Affiliates**

Congress periodically considers various legislative proposals for tax reform that could result in significant changes to the U.S. tax rules. It is possible that one or more proposals currently being considered or future tax reform proposals could be enacted that would have an adverse impact on the business, financial condition and results of operations of the Issuer, the Depositor, the Seller or their affiliates, or an adverse impact on you. The timing and details of any tax reform legislation, as well as the impact it may have on the Issuer, the Depositor, the Seller or their affiliates, or on you, remain unclear. You should consult your tax advisors regarding the possible effects of these proposals on an investment in the Series 2022-3 Notes.

**Combination or “Layering” of Multiple Risk Factors May Significantly Increase the Risk of Loss on the Notes**

Although the various risks discussed in this Memorandum are generally described separately, prospective investors in the Notes should consider the potential effects of the interplay of multiple risk factors. Where more than one significant risk factor is present, the risk of loss to an investor may be significantly increased. In considering the potential effects of layered risks, the investor should carefully review the descriptions of the Receivables and the Notes.

## THE ISSUER

The Issuer is a Delaware statutory trust formed by the Depositor on October 4, 2022. The Issuer is governed by a short-form trust agreement, dated as of October 4, 2022, as will be amended and restated pursuant to an amended and restated trust agreement, dated as of the Closing Date, among the Depositor, the Owner Trustee, the Administrator, and the Certificate Registrar (the “**Trust Agreement**”).

The Issuer will not engage in any activity other than (i) authorizing and approving the issuance of the Notes pursuant to the Indenture and, in connection therewith, determining the terms and provisions of such Notes and of the issuance and sale thereof, (ii) receiving payments and proceeds with respect to the assets in the Trust Estate and either investing or distributing those payments and proceeds, (iii) making deposits to and withdrawals from accounts established under the Indenture, (iv) executing, delivering, authenticating and issuing the Certificates pursuant to the Trust Agreement, (v) acquiring the Loans, Receivables and related property from the Depositor and the Depositor Loan Trustee for the benefit of the Depositor pursuant to the Transfer Agreement, and holding, selling and financing Loans, Receivables and related property, (vi) assigning, granting a security interest in, granting, transferring and pledging the Trust Estate pursuant to the Indenture and holding, managing and distributing to the Certificateholders or the Noteholders pursuant to the terms of the Trust Agreement and the Transaction Documents any portion of the Trust Estate released from the lien of and remitted to the Issuer pursuant to the Indenture, (vii) making payments on the Notes and distributions on the Certificates, (viii) executing and delivering the Transaction Documents to which the Issuer is to be a party and performing its obligations and exercising its rights thereunder, (ix) subject to compliance with the Transaction Documents, engaging in such other activities as may be required in connection with conservation of the Trust Estate and the making of payments to the Noteholders and distributions on the Certificates, and (x) from time to time, performing such obligations and exercising and enforcing such rights and pursuing such remedies as may be appropriate by virtue of the Issuer being party to any of the Transaction Documents and agreements contemplated in clauses (i) through (ix) above.

The principal offices of the Issuer are in Wilmington, Delaware, in care of Wilmington Savings Fund Society, FSB, as Owner Trustee, at the address listed under “*The Owner Trustee*” below.

## THE DEPOSITOR

The Depositor is a Delaware limited liability company formed on March 24, 2021. It is a bankruptcy remote special purpose vehicle that is wholly-owned by the Seller. The Depositor has been organized for limited purposes, which include, without limitation, purchasing loans and receivables (such as the Loans and Receivables) and entering into financing transactions with respect thereto, and any activities incidental to and necessary or convenient for the accomplishment of such purposes. The Depositor may serve as depositor in connection with other asset-backed securities transactions sponsored by the Seller or its affiliates. The Seller is currently the sole member of the Depositor.

The principal executive offices of the Depositor are located at 2 Circle Star Way, Room 322, San Carlos, California 94070. The telephone number of such office is (650) 434-7754.

## SELLER’S CONSUMER LOAN BUSINESS

### Overview

The following is a brief description of the Seller’s consumer loan business, including a general description of the underwriting and servicing policies and procedures customarily and currently employed by the Seller and the Servicer with respect to the Receivables, as set forth in the Credit and Collection Policies in effect as of the Closing Date.

The Seller, a Delaware corporation, was founded in 2005 as Progress Financial Corporation, and made its first unsecured consumer installment loan in 2006. In January 2015, the Seller changed its name to Oportun, Inc. The Seller is a financial technology company and digital banking platform driven by its mission to provide inclusive, affordable financial services that empower its members to build a better future. The Seller's responsibly designed products seek to solve the financial health challenges facing a majority of people in the United States who are underserved by traditional, mainstream financial institutions, mainly due to their lack of established credit history, FICO scores, financial health, and relevant banking products that are affordable or suitable. In December 2021, Oportun Financial, the Seller's Parent, acquired Digit, a digital banking platform that provides automated savings, banking and investing tools through partners. The Seller's acquisition of Digit further expands its A.I. capabilities to provide additional products and services that serve to address its members' financial health needs. In order to serve its customers, the Seller leverages its A.I.-driven technology for use in its credit underwriting process and digital banking platform. In developing its own approach to credit underwriting over time, the Seller has developed credit risk models using machine learning and billions of data points. The Seller has also relied in part on its deep data-driven understanding of its customers and over 16 years of proprietary consumer insights to identify the data the Seller believes is the most predictive of credit performance of its customers. This underwriting approach differs in material ways from the underwriting process used by banks and other financial institutions that rely mainly on information available from credit bureaus.

The Seller is certified by the U.S. Department of the Treasury as a Community Development Financial Institution ("CDFI"). The Seller has been a certified CDFI since 2009. To maintain certification, all certified CDFIs are required to submit an annual certification report demonstrating continued compliance with the CDFI certification requirements. Such designations are typically granted to financial institutions providing credit and financial services to underserved markets and low-income communities. The Law Offices of Paul Soter, counsel to the Seller and the Issuer, will deliver its opinion to the Indenture Trustee and the Initial Purchasers that, based on the assumptions and limitations set forth in the opinion, investors in the Series 2022-3 Notes who are insured depository institutions subject to the Community Reinvestment Act (the "CRA") should be able to use their investments in the Series 2022-3 Notes for CRA credit on the same basis as direct or indirect loans to a CDFI or purchases of obligations of a CDFI.

As of June 30, 2022, the Seller had disbursed more than 5.6 million loans since it began loan operations with an aggregate principal amount representing over \$14.0 billion of credit extended. Since inception, the Seller has helped over one million customers who did not have a FICO score begin establishing a credit history. For the six months ended, June 30, 2022, the Seller had aggregate originations of \$878.2 million with a managed principal balance of approximately \$3.2 billion, as of June 30, 2022. The original size of each individual loan made by the Seller and that is outstanding as of June 30, 2022, ranges from approximately \$300 to \$21,200. The original size of each loan is a function of a customer's requested borrowing amount, ability to pay and the Seller's risk assessment of the customer. The average loan size for unsecured personal loans originated during the three months ended June 30, 2022 was approximately \$4,118. As of June 30, 2022, the weighted average APR was approximately 32.2% and the weighted average original term was approximately 36 months, for loans in the Seller's owned portfolio. In August 2020, the Seller implemented a nationwide APR cap of 36% for all newly originated loans. Receivables with APRs above 36% are not eligible for inclusion in the Receivables Pool.

In addition to growing its portfolio of unsecured installment consumer loans, the Seller has expanded beyond its unsecured consumer installment loans into other financial services that a significant portion of its customers already use, such as Secured Personal Loans (secured by Titled Assets) and credit cards. The Seller will be testing and evaluating opportunities to provide a broader suite of financial products and services as well as loan origination and acquisition channels. However, except as described below, such other products and services originated by the Seller will not be eligible for sale by the Seller to the Depositor and the Depositor Loan Trustee for the benefit of the Depositor and, in turn, by the Depositor and the

Depositor Loan Trustee for the benefit of the Depositor to the Issuer nor for use by the Issuer as collateral for the Notes.

### **Secured Personal Loans**

In April 2020, the Seller launched an installment loan product secured by an automobile title (“**Secured Personal Loan**”). The Seller currently offers Secured Personal Loans in Arizona, California, Florida, New Jersey and Texas. Secured Personal Loans are capped at an APR of under 36%, have fixed payments and do not have any prepayment penalties or balloon payments. Secured Personal Loans generally range in size from \$2,525 to \$20,000 with terms of 21 to 64 months. In line with its responsible lending approach, the Seller also reports payment history on Secured Personal Loans to nationwide credit bureaus, helping its customers establish credit history. The Seller’s Secured Personal Loan product will generally be originated, underwritten and serviced in the same manner as the Seller’s Unsecured Loans, except as described further below.

### **Pathward Partnership**

In August 2021, the Seller launched a partnership with Pathward, N.A. (formerly known as MetaBank, N.A.) (“**Pathward**”), a national bank, under which Pathward originates personal loans capped at a 36% APR available to low- and moderate-income consumers with limited or no credit history in certain states outside of the Seller’s current state-licensed footprint (the “**Pathward Program**”). The partnership has an initial term of five years, ending in 2025, subject to automatic renewal for successive terms of two years unless Pathward or the Seller elects to terminate. In addition, upon the occurrence of certain early termination events, the Seller or Pathward may terminate the Pathward Program upon written notice to the other party. The Pathward Program does not provide for the origination of Secured Personal Loans.

Pathward is a subsidiary of Meta Financial Group, Inc. (“**Meta Financial**”), a South Dakota-based financial holding company currently listed on the Nasdaq Global Select Market under the ticker symbol “CASH.” Pathward was founded in 1954 and Meta Financial was incorporated and went public in 1993.

Pursuant to the partnership, the Seller and Pathward have entered into a loan program agreement, Pathward has engaged Oportun to provide marketing, underwriting, and other services in connection with the origination by Pathward of unsecured personal loans meeting certain eligibility criteria established by the Pathward Program. All program materials, including marketing materials and channels, underwriting guidelines, collection policies, third-party risk management programs, and compliance guidelines, require approval by Pathward and Pathward receives reports and conduct audits to monitor and oversee the Pathward Program and the Seller’s performance. A portion of the loans originated under the Pathward Program will be allocated either to be retained by Pathward or purchased by the Seller up to \$150 million maximum retained loan amount, after which all originated loans are allocated for purchase. In addition to an implementation fee and interest on the retained loans at a required rate, Pathward will receive a loan trailing risk retention fee based on a percentage of collections on Pathward Program loans purchased by the Seller and a bank origination fee based on the annual originated balance of loans; compensation to Pathward is subject to monthly minimums that increase over time. Such loan trailing risk retention fee is not payable out of Collections on the Trust Estate.

Originations under the Pathward Program have initially occurred on a “mobile-first” basis without physical locations. The Seller and Pathward may introduce physical locations over time in some or all of the states where Loans will be originated under the Pathward Program.

Loans originated by Pathward in Colorado, Connecticut, Georgia (unless the original loan amount was greater than \$3,000), Iowa, Maine, New York, Vermont, West Virginia and the District of Columbia will not be eligible for inclusion in the Trust Estate.

### **Seller's Acquisition of Digit**

On December 22, 2021, Oportun Financial, the Seller's Parent, completed its acquisition of Hello Digit, Inc. ("**Digit**"), a digital banking platform that provides automated savings, banking and investing tools. Digit members can keep and integrate their existing bank accounts into the platform, or they can make Digit their primary banking relationship by opening new accounts via Digit's bank partner. By acquiring Digit, the Seller further expands its A.I. and digital capabilities, adding to its services to provide members a holistic offering built to address their financial needs.

### **Litigation**

The Seller is routinely involved, and may in the future be involved, in various standard corporate and consumer legal proceedings, both continuing and discontinued, arising in the ordinary course of business. As of the date of this Memorandum, the Seller believes that there are no threatened or pending proceedings against the Seller that could be reasonably expected to have a material adverse effect on the Seller, the Noteholders or the Trust Estate.

## **LOAN ORIGINATIONS**

The Seller currently originates consumer receivables through an omni-channel distribution model, primarily involving the Seller's mobile platform, retail network, contact centers, direct mail marketing, radio advertising, digital advertising, lending as a service, lending through partners and other marketing vehicles. The Seller's current loan portfolio is comprised of receivables originated in 42 states. In the future, due to increased digital initiatives, the Seller expects to continue the expansion of its mobile origination platform. In addition, the Seller expects to continue to expand through the use of strategic partnerships, as well as via a retail presence in some states and a mobile-first approach without an initial retail presence in certain states.

In Nevada, the Seller acquires consumer loans and the related receivables from Oportun, LLC ("**Oportun, LLC**"), a Delaware limited liability company and wholly-owned subsidiary of the Seller. Oportun, LLC originates consumer loans in Nevada under the Seller's brand using the same underwriting processes and procedures used by the Seller, as described herein, before selling such loans to the Seller pursuant to a purchase and sale agreement (the "**Oportun, LLC Sale Agreement**"). Oportun, LLC may, in the future, originate consumer loans in other markets under the Seller's brand using the same underwriting processes and procedures used by the Seller before selling such loans to the Seller pursuant to the Oportun, LLC Sale Agreement. Loans originated by Oportun, LLC and the related receivables are serviced by the Servicer using the same servicing policies and procedures used to service the loans and related receivables originated directly by the Seller, as described herein.

The Seller currently originates Secured Personal Loans in Arizona, California, Florida, New Jersey and Texas. In addition, also as described above, in August 2021, the Seller launched the Pathward Program. The Pathward Program does not provide for the origination of Secured Personal Loans. Pursuant to the Pathward Program, Unsecured Loans are originated by Pathward and, unless retained by Pathward, the Seller subsequently purchases a portion of those loans. Loans sold to Seller will be held by Pathward for no less than 3 business days and no more than 15 business days.



All loans originated under the Pathward Program are underwritten and serviced using policies and processes that are substantially the same as those applicable to the Unsecured Loans originated by the Seller, except where noted. Secured Personal Loans require additional documentation around the Titled Assets.

## **Mobile**

The Seller offers a mobile origination channel that provides convenience to prospective borrowers in all states in which it currently operates. The Seller's customers can apply via a mobile phone, tablet, or computer. Through the Seller's mobile origination channel, customers can complete a loan application, pre-qualify in seconds without impacting their credit score and may upload their documents for verification. If approved, customers can select their loan amount and term, e-sign their loan documents, and have their loan proceeds deposited directly into their bank account via ACH. The Seller continues to invest in its digital acquisition channels and capabilities and plans to continue expanding its mobile platform.

## **Retail Network**

As of June 30, 2022, the Seller operated 205 retail locations located in California, Texas, Illinois, Nevada, Utah, Arizona, Florida, New Mexico and New Jersey, and may in the future expand its retail footprint in states where it currently operates using a mobile-first approach without an initial retail presence. The Seller utilizes both a 'stand-alone' format and a co-location format. Stand-alone retail locations are independent retail locations where the Seller is the only tenant and are generally located in places that tend to have a high density of customer traffic, such as malls, shopping centers, and business districts. The Seller's co-location format is a booth located inside or rented from supermarkets.

The Seller's retail locations are staffed by member loyalty representatives ("MLRs"), store team leaders ("STLs"), regional managers (including assistant district managers ("ADMs"), district managers ("DMs") and territory directors ("TDs")). STLs and MLRs are responsible for soliciting customers, taking applications, collecting supporting loan documents, disbursing loans and taking customer payments. MLRs do not make credit decisions, rather all credit decisions are made on a centralized basis using the Seller's proprietary risk system. MLRs report to either a STL or a regional manager, who is responsible for managing loan originations and servicing for a retail location. ADMs report to a DM and are responsible for managing several retail locations. DMs are responsible for a district comprising of multiple retail locations, and work with individual ADMs, STLs and MLRs to optimize the performance of each of the Seller's retail locations. TDs supervise a region and may have multiple DMs under their direct supervision.

Given the rapid adoption and satisfaction with the Seller's out-of-store experience, including its mobile origination channel, contact centers and third-party payment options, the Seller regularly reviews, and from time to time has consolidated portions of its retail location footprint. In the future, the Seller may further consolidate or expand its retail location footprint. The Seller will continue to serve customers in all of its current markets across all states.

The Seller expects that originations under the Pathward Program will initially only occur on a "mobile-first" basis without physical locations, although in the future, a network of retail locations may be established in those states.

In addition to reaching members through direct marketing channels, the Seller leverages its proprietary credit scoring and underwriting model to enable it to serve consumers by partnering with other brands via its Lending as a Service model through the use of strategic partnerships. For example, in August 2020, the Seller announced a strategic partnership with DoEx Dollar Express, Inc. ("DoEx"), a provider of financial products and services, including, among others, bill paying, check cashing and money transfer services. Under the partnership, DoEx provides loan origination services, including marketing, using

Seller-approved materials; collecting information and assisting consumers with the Seller's loan application and loan document execution; and certain customers can receive loan proceeds at a DolEx location. Additionally, DolEx accepts payments from Obligor on the Receivables. As of June 30, 2022, the partnership included 199 stores in Arizona, Florida, Illinois and Texas. The Seller will underwrite, originate and service all loans made pursuant to this partnership. In addition, in July 2021, the Seller entered into a second lending as a service partnership with Barri Financial Group and as of June 30, 2022 the partnership included 85 stores in Texas. The Seller may enter into additional similar partnerships in the future.

### **Direct Mail Marketing**

Since 2009, the Seller has utilized direct mail marketing. Direct mail campaigns leverage the Seller's advanced data analytics capabilities, which allow the Seller to target credit invisibles or consumers the Seller believes were mis-scored. The Seller's direct mail targeting process leverages list sources from numerous credit bureaus, alternative data and machine learning models developed by making use of billions of data points to drive response from potential credit qualified customers. The Seller sends direct mail to its potential customers when it enters a new territory. The Seller uses this strategy to accelerate the initial rate of loan production in new markets. Direct mail recipients are invited to go to one of the Seller's retail locations, contact the Seller's contact centers, or access the Seller's mobile origination channel through the Seller's website to apply for a loan or complete an application for the firm offer of credit, in the case of a prescreen.

### **Digital and Broadcast Advertising**

The Seller uses digital and broadcast advertising to encourage potential customers to visit the Seller's website on their mobile phones or call the Seller's toll-free number to speak to one of the Seller's agents in its contact centers. The Seller's digital advertising efforts include paid and unpaid search, e-mail marketing, and paid display advertisements. The Seller also uses lead aggregators to drive traffic to its website. In addition, the Seller has used radio advertising in its major markets and television advertising on a limited basis.

### **Contact Centers**

The Seller's loan-origination staff operate from its contact centers in Mexico. The Seller also uses third-party contact centers in Colombia and Jamaica for its loan-origination activities, and recently opened an additional third-party contact center in the Philippines. Loan-origination staff members are primarily engaged in marketing the Seller's products and assisting customers through the loan process, including application initiation, pre-approval, application follow-up, loan approval notification, and disclosure of terms and conditions.

### **New Channels**

The Seller regularly tests additional marketing strategies and programs and expects at any point in time to have a variety of small tests of new marketing initiatives underway. The Seller takes a data-driven approach to these test-and-learn initiatives and does not scale them past testing until there is a proven track record for both credit performance and marketing efficiency.

### **Loan Renewals**

In marketing its lending services and designing the features of its loan products, the Seller undertakes to develop a repeat customer base that returns to the Seller for new loans after the customers' existing loans are paid off. For the Receivables included in the Statistical Pool, as of the Statistical

Calculation Date, the average original loan size to new customers is approximately \$3,218, and the average original loan size for renewal customers is approximately \$5,072. For loans to repeat customers, the payment history on the applicant's prior loan is taken into consideration in underwriting the requested new loan.

The Seller's "Good Customer Program" allows certain of its best performing, low-risk customers to apply for and, if successfully re-underwritten, receive a renewal loan prior to repaying in full the balance of their existing loan. In order to be eligible for the Good Customer Program, a customer must have made substantial progress in repaying their existing loan by (i) repaying at least 40% of the original loan balance, (ii) being in current (non-delayed) status on the existing loan and (iii) generally making timely payments throughout the term of the existing loan. In accordance with the Seller's current policy of allowing a customer to only have one loan outstanding, the new loan proceeds are used to pay off the existing loan and the excess amount is distributed to the customer.

## **UNDERWRITING**

The following is a brief description of the underwriting policies and procedures used by the Seller as of the Closing Date to underwrite its loans.

### **Loan Application**

The Seller's loan applications are supported by its proprietary technology platform that feeds application information from various geographies and channels into a centralized processing system. Across all channels, loan applications are gathered and processed entirely digitally.

The Seller has a two-step loan application process. The Seller first gathers basic information from the prospective customer and pre-qualifies such prospective customer without impacting his or her FICO score. Applicants can provide their information in person either in the Seller's retail locations or at one of the Seller's strategic partner locations, such as DoEx, over the phone, or online via their mobile phone, tablet or computer. Applicants who are pre-qualified are then asked to complete a full application, which takes approximately five to eight minutes. Once the loan application is completed, the loan origination system applies the Seller's proprietary credit risk model to automatically reach a credit decision on the loan application.

All underwriting is automated and centralized, and employees at the Seller's retail locations, partner locations and contact centers have no discretion over loan approval, size or terms.

The Seller uses its proprietary credit risk model to evaluate the creditworthiness of an applicant as well as his or her ability to pay the loan while meeting regular financial obligations and living expenses.

Upon completion of an application, the Seller gathers: (1) data about the applicant from credit bureaus, (2) customer information collected throughout the application process, (3) payment history on previous loans with the Seller, if it exists, and (4) information from numerous other alternative data sources. Data sources include public records, alternative financial services usage data, utility information, and transactional data from banks and other sources, among others. Once the data are aggregated, the Seller's system calculates the scores used in the final underwriting decision. The complete data aggregation and scoring process takes only a few seconds once an application has been submitted.

Under the Seller's ability-to-pay framework, the Seller estimates cash flow for each prospective customer based upon a customer's verified income, living expenses, regular financial obligations and other

debt obligations. Loan amounts are determined by the applicant's cash flow and overall creditworthiness, as well as a pledge of collateral for Secured Personal Loans.

Customers who are pre-qualified are asked to provide their documents for verification if the Seller is not able to identify them electronically. Customers who the Seller is not able to approve are mailed an adverse action letter explaining the reasons for having been declined.

Documents which can verify such information include government-issued photo IDs for proof of identity, employment paystubs or bank statements for proof of income, and utility bills or bank statements (or other accepted documentation) for proof of address. The Seller also uses proprietary data derived from third-party sources to complete the verification process. Applicants are allowed to bring their verification documents to one of the Seller's retail locations or partner locations in order to complete their application or to upload their documents. The MLR will, in addition to inspecting the documents on premises, scan and send the documents to the Seller's verification group based in the Seller's contact centers. If the customer has uploaded his or her documents online, such customer information is also sent to the verification group for review and verification.

The verification group independently reviews and verifies the authenticity of each submitted customer document (if not verified electronically through other sources), according to documented credit policies. Upon completion of the verification group's review and reference checks (where applicable), the application receives a final decision.

For approved applicants, in retail locations, they can view and sign the final loan disbursement document package ("**Document Package**"), which includes the truth in lending loan disclosure statement and promissory note, or, in the case of a Secured Personal Loan, a note and security agreement, which includes an arbitration clause (that is operative except when prohibited by law), privacy notice, credit education document (that educates the customer on the importance of good credit and paying on time), and other disclosures for customers including payment options available to the customer. The majority of retail applications are signed electronically using a device supplied by the Seller. Alternatively, if the customer prefers, the MLR in a retail location can print the Document Package for the customer to review and sign. For Unsecured Loan applicants applying online, the Document Package can be signed electronically on the applicant's own device (mobile phone, tablet or computer) or the applicant can choose to go to the retail store to sign the Document Package, in either paper form or electronically.

With respect to Loans originated by the Seller, once the Document Package is signed, customers in a retail location can choose to have their loan proceeds disbursed via a check printed directly at the respective retail location or via ACH directly into the customer's bank account. The Seller previously offered its customers in six states a reloadable Visa® debit card marketed under the trade name "Ventiva" (the Ventiva card was issued by Pathward and was co-branded by the Seller) through which a customer's loan could be disbursed. In December 2020, the Seller discontinued the Ventiva card program. For customers applying online, other than as described below, the loan proceeds are disbursed via ACH, or may choose to have funds sent via a check mailed to them. In addition, if the customer applied online, but is in a region where the Seller has a retail location, the customer also has the option of going to a store and receiving their loan proceeds via a check instead. For check disbursements, the Seller prints the check directly at the respective retail location for customer pickup. In the near term, the Seller expects to offer the ability to deposit funds directly to a customer's bank account same day using the customer's personal debit card. Customers applying at a partner location, such as a DoEx or Barri location, may receive their loan proceeds in cash from the partner under its money transmitter licenses, may receive funds via ACH or if the customer prefers not to receive cash, they can choose to go to one of Seller's retail locations where the loan will be disbursed via check or ACH, as described above.

In cases where the customer resides in a region where the Seller only has an online presence, the customer may request that their loan proceeds be sent via a mailed check or ACH directly into the customer's bank account.

For loans originated under the Pathward Program, customers may request that Pathward disburse their loan proceeds via ACH directly into the customer's bank account or via check.

## **Credit Evaluation**

The Seller relies on its proprietary credit risk model to determine whether to extend credit to applicants. Any material changes to score cut-offs or underwriting criteria require the consent of the members of the Seller's internal Credit Risk and Pricing Committee, which is chaired by the Seller's Chief Credit Officer and includes the Chief Executive Officer, the Chief Operations Officer and General Manager, Personal and Auto Loans, the General Manager of Credit Card, the Chief Financial Officer, the SVP Public Affairs and Impact, and the General Counsel and Chief Risk Officer. Major changes to credit policy also require approval from the Credit Risk and Finance Committee of the Board of Directors.

In order for an applicant to qualify for credit, the Seller must determine whether an applicant has the financial ability to repay the loan. Income and employment are verified through paystubs, bank statements, calls to the applicant's employer, public benefit statements or through other databases. The applicant must have sufficient free cash flow in accordance with credit policy after the prospective loan payment to be approved. For new applicants, the Seller also requires a government issued photo identification and proof of address, except where the applicant's identity and address are validated electronically. Returning customers are required to provide updated documentation if information has changed from a previous application. The Seller leverages its credit risk model and employs the same ability to repay analysis for loans originated under the Pathward Program.

The Seller's scoring model is an empirically derived decision tree with more than 1,000 end nodes built using the credit experience the Seller has gained through tracking over one million customers over the Seller's business history. Data elements evaluated for the scoring model are gathered from several different sources including the credit bureaus, information collected throughout the application process and other alternative data sources. Once the data is aggregated, the system calculates the scores which are used in the decision tree. The complete scoring process takes only a few seconds after data is submitted. The scoring model is upgraded from time to time as new data elements and other information become available and refinements to the model are made.

The decision tree incorporates the following scores and measurements to make an Approve/Decline decision:

- Free Cash Flow Measurement – measuring ability to pay.
- Stability and willingness to pay – as measured by the Seller's internal proprietary Alternative Data Score (“**ADS Score**”).
- Performance on other credit metrics (if any) – VantageScore and other bureau information:
  - VantageScore (tri-bureau competitor to FICO) and other bureau information.

- Proprietary custom attribute bureau scoring model (“**PF Score**”) developed to evaluate applicants with thin credit profiles.
- Other credit bureau attributes may be taken into consideration.
- Delinquency on the applicant’s prior loan is taken into consideration for returning customers.
- References verified (if required) – If references cannot be automatically verified, verify reference contact information by calling at least two references for higher risk applicants. Lower risk and medium risk applicants may not have references gathered and/or verified.

The system determines loan amounts based upon the applicant’s free cash flow and their overall creditworthiness. Applicants can generally choose a loan amount lower than the assigned loan amount. Only applicants that have both sufficient free cash flow and acceptable risk scores will be approved for larger loan amounts. Applicants that are deemed to be higher risk will be approved for a lower loan amount, regardless of their free cash flow. Applicants that have low free cash flow will be approved for a lower loan amount regardless of their risk scores. Generally, loan size and term are correlated to ensure relatively constant loan payments, with smaller loans having shorter terms, and larger loans having longer terms.

The Seller and Oportun, LLC previously originated certain consumer loans under a program, referred to the “Access Loan” program, intended to make credit available to select borrowers who did not qualify for credit under the Seller’s principal loan origination program (such loans, “**Access Loans**”). The Access Loans were identified on the Seller’s, the Servicer’s or, if applicable, Oportun, LLC’s books as “Access Loans” as of the date of origination and were sold to a third party under a whole loan sale arrangement. The “Access Loan” program was terminated in August 2020. Since then, a subset of what would have been considered Access Loans have been originated as part of the Seller’s normal underwriting process. These receivables will be eligible for inclusion in this transaction and, as a result, losses may be slightly higher than they would have been if the “Access Loan” program and the related whole loan sale arrangement had not been terminated, in which case such receivables would not have been available for inclusion in this transaction.

## **Loan Amounts**

As of the Statistical Calculation Date, original loan amounts for the Receivables included in the Statistical Pool ranged from approximately \$300 to \$21,200. For the Receivables included in the Statistical Pool, as of the Statistical Calculation Date, the average original loan size to new customers is approximately \$3,218, and the average original loan size for renewal customers is approximately \$5,072. For certain low risk customers, the largest Unsecured Loan amount the Seller currently offers is approximately \$11,400 and the largest Secured Personal Loan amount is approximately \$20,300. In some instances, Unsecured Loans from customers in the Seller’s Good Customer Program may slightly exceed the Seller’s largest loan amount of \$11,400 due to remaining incremental interest from a customer’s prior loan. The Seller’s loan amounts have been increased over time as historical performance data sets for customers have become larger due to the growth of the Seller’s loan portfolio.

## **Secured Personal Loans**

In April 2020, the Seller launched an installment loan product secured by an automobile title (“**Secured Personal Loan**”). The Seller’s Secured Personal Loan product is originated, underwritten and serviced in the same manner as the Seller’s Unsecured Loans, except as described further below. The Seller

currently offers Secured Personal Loans in Arizona, California, Florida, New Jersey and Texas. The Pathward Program does not provide for the origination of Secured Personal Loans. The Seller's Secured Personal Loan originations are supported by a staff that primarily operates from Frisco, Texas.

Applications for the Seller's Secured Personal Loan product are supported by the same proprietary technology platform that feeds application information into a centralized processing system. Customers interested in a Secured Personal Loan are asked to provide additional information about the vehicle being used as collateral, which includes the title. Secured Personal Loan applicants must have a vehicle within the Seller's make/model, age and mileage limits (maximum of 25 years, 250,000 miles). Customers submit pictures of the vehicle during the application process. In addition, the Seller retains documentation of the vehicle's value (for example, currently such documentation is the value set forth in the most recently published Kelley Blue Book guide, but the Seller may use a comparable industry-standard guide in the future instead of or in addition to Kelley Blue Book). All Secured Personal Loans are reviewed utilizing a third-party national database that is connected to the state departments of motor vehicles to ensure that the vehicle's title is unencumbered. Currently, Secured Personal Loan applicants must go to a retail store to sign the Document Package, either in paper form or electronically. The Seller is exploring ways in which Secured Personal Loan applicants may sign the Document Package remotely in the future. The Document Package for Secured Personal Loans also includes certain forms required by the state department of motor vehicles. The Seller has processes to place its lien on the title as soon as possible after receipt of title and loan documentation.

Depending on the risk evaluation and overall creditworthiness, applicants may be offered a Secured Personal Loan if they do not qualify for an Unsecured Loan. Applicants that are approved for both a Secured Personal Loan and an Unsecured Personal Loan will typically be approved for a Secured Personal Loan with a higher loan amount and lower rate than the Unsecured Loan. Loan amounts for Secured Personal Loans are based on the wholesale value of the vehicle and the applicant's risk tier. The Seller's policy generally caps the maximum loan-to-value ("LTV") at 150% of the vehicle value; however, qualifying applicants may be offered both an Unsecured Loan and Secured Personal Loan. In such cases, only one loan will be originated. For those applicants approved for both an Unsecured Loan and a Secured Personal Loan, the Secured Personal Loan amount may take into consideration both the collateral value and the approved Unsecured Loan amount as an additional factor. In these cases, this may result in LTVs above 150% due to the Unsecured Loan amount that would have been approved without any collateral.

## **Interest and Fees**

### *Unsecured Loans*

All Unsecured Loans in Arizona, California, Idaho, Missouri, Nevada, Utah and Wisconsin, as well as all loans in Texas greater than \$1,480 originated on or after September 2, 2021 (greater than \$1,460 originated on or after September 3, 2020 and greater than \$1,400 for loans originated prior to September 3, 2020 and on or after September 6, 2018) and loans in New Mexico originated after January 1, 2018 but before June 23, 2022 that are greater than \$5,000, and loans in New Mexico originated after June 23, 2022 that are greater than \$10,000 bear simple interest, and the origination fee is capitalized as part of the principal balance at the time the loan is disbursed. Loans in New Mexico originated before January 1, 2018 greater than \$2,500 bear simple interest and the origination fee is capitalized as part of the balance. Loans in Texas less than or equal to \$1,480 originated on or after September 2, 2021 (less than or equal to \$1,460 originated on or after September 3, 2020 and less than or equal to \$1,400 for loans originated prior to September 3, 2020 and on or after September 6, 2018), bear simple interest, and the origination fee is collected in equal installments over the life of the loan. Loans in New Mexico, originated after June 23, 2022 for less than \$10,000, originated after January 1, 2018, for less than \$5,000, originated before January 1, 2018 for less than or equal to \$2,500, and loans in New Jersey, and loans in Wisconsin booked after

September 1, 2022 bear simple interest and do not feature an origination fee. Loans in Florida bear simple interest and include a documentary stamp tax and credit investigation fee. Loans in Illinois bear simple interest, and the origination fee was collected in equal installments over the life of the loan until February 10, 2021, after which the origination fee was no longer charged. All loans are fully amortizing and typically require bi-weekly, semi-monthly payments, or in the case of Florida monthly payments or just monthly payments in New Jersey, whichever schedule coincides with a customer's wage payments. Where an origination fee is permitted, Seller charges an origination fee equal to 8% of the loan amount subject to state limitations. For all loans in all states where origination fees are charged, the origination fee is earned in full at the time of origination, except where prohibited by law.

In all states except New Jersey, the Seller charges late fees if the payment is between 7 and 15 days delinquent depending on the state mandated grace period. Late fees are generally between \$5 and \$15, although some states cap the fee at the lesser of a fixed amount and percentage of the payment. The Seller does not charge more than one late fee per delinquent installment payment. The Seller does not charge more than two late fees in a rolling 30-day period for loans originated in Florida or loans of \$2,500 or less originated in California.

The Servicer has discretion to waive such late fees in accordance with the Credit and Collection Policies.

#### *Secured Personal Loans*

All Secured Personal Loans, which are currently offered in Arizona, California, Florida, New Jersey and Texas, bear simple interest and have an APR cap of 36%. For Secured Personal Loans offered in California and Texas, the origination fee is capitalized as part of the principal balance at the time the loan is disbursed. All such loans are fully amortizing and typically require bi-weekly or semi-monthly payments or in the case of Florida monthly payments, as elected by the customer to allow flexibility to schedule payments to coincide with the customer's wage payments. Similar to the Seller's Unsecured Loans, the Secured Personal Loans do not have any prepayment penalties or balloon payments. Secured Personal Loans generally range in size from \$2,525 to \$20,000 with terms of 21 to 64 months. Texas Secured Personal Loans range in size from \$2,525 to \$18,000. Secured Personal Loans of up to \$20,900 will be eligible for inclusion in the Receivables Pool. In line with its responsible lending approach, the Seller also reports payment history on Secured Personal Loans to nationwide credit bureaus, helping its customers establish credit history. For California Secured Personal Loans less than \$5,000, the Seller charges an origination fee of \$75, and for California Secured Personal Loans equal to or greater than \$5,000, an origination fee of 6% of the loan amount is charged. For Texas Secured Personal Loans, the Seller charges an origination fee of \$100. Secured Personal Loans offered in Florida include a documentary stamp tax and credit investigation fee. Secured Personal Loans offered in Arizona of \$10,000 or less include an origination fee of 5% of the loan amount up to \$150. For Arizona Secured Personal Loans over \$10,000, the origination fee is 6% of the loan amount. New Jersey Secured Personal Loans do not have an origination fee.

The Seller periodically reviews loan size, terms and pricing parameters and makes adjustments to optimize profitability and to increase customer satisfaction. All changes in the Seller's loan amount assignment strategy must be approved by both the internal Credit Risk and Pricing Committee and, for material changes, the Credit Risk and Finance Committee of the Board of Directors of the Seller.

#### *Pathward Program Loans*

Pathward Program loans bear simple interest, and the APR is capped at 36%. Origination fees are charged at 7%, up to a maximum of \$300 and are capitalized as part of the principal balance at the time the



loan is disbursed. All such loans are fully amortizing and allow for bi-weekly, semi-monthly or monthly payments, whichever coincides with a customer's wage payments. Late fees are charged if payment is not received within six (6) days, as permitted by applicable law, of \$10 for loans less than \$1,000 and \$15 for loans of \$1,000 or more.

### **Modifications of Credit and Collection Policy**

Historically, the Seller has modified the underwriting policies and procedures from time to time in order to comply with state and federal legal requirements and in other manners designed to enhance its loan business. In addition, as the Seller identifies new processes and tools that may increase the accuracy and effectiveness of the servicing and collection process, the Seller may implement such processes and tools. Historically, the Seller has produced and consistently updated written policies and procedures detailing the loan underwriting process and procedures, and such policies and procedures are included as part of the Credit and Collection Policies. There can be no assurance that the Credit and Collection Policies will not change materially over time after the Closing Date. Moreover, the Seller may modify the Credit and Collection Policies without Noteholder consent. See *"Risk Factors—Modifications to the Credit and Collection Policies."*

### **THE SERVICER**

PF Servicing, LLC ("**PF Servicing**" or the "**Servicer**"), a wholly-owned subsidiary of the Seller, will act as Servicer of the Receivables. In certain circumstances, PF Servicing may be removed as Servicer, in which case the Back-Up Servicer may be appointed as the successor Servicer. See *"Description of the Servicing Agreement—Servicer Termination."* The performance of PF Servicing as Servicer for the Issuer under the Servicing Agreement will be guaranteed by the Seller.

PF Servicing employs a credit and collections strategy that includes first payment reminder calls, manual and dialer-based calls, collection letters, text message campaigns (when the customer has agreed to receive SMS), and a legal collections staff that manages the legal collections process.

PF Servicing's collection activities are performed by dedicated collection staff located in the in-house contact centers in Mexico. PF Servicing's collection activities are also performed through outsourced contact centers in Colombia and Jamaica. In addition, the Seller recently opened an additional third-party contact center in the Philippines. PF Servicing utilizes a compliance approved third-party predictive dialer system and text message campaigns that have the capacity to contact thousands of delinquent customers per day. The Servicer may open additional contact centers in Mexico, Colombia, Jamaica, the Philippines or other countries as its managed portfolio grows.

PF Servicing's customer service personnel update customer account information (e.g., phone numbers, addresses), enter updated billing information, handle disputes and complaints and process payments in person in retail locations or over the phone (via ACH). The customer service department may also offer additional services or products to customers after resolving their problems, such as encouraging the customer to sign up for recurring ACH payments.

### **Systems**

In connection with Unsecured Loans and Secured Loans, the Seller and PF Servicing utilize the following programs and systems in its loan origination, underwriting and servicing activities:

The Seller and PF Servicing utilize proprietary loan origination and workflow management systems to facilitate the production and servicing of loans. These systems are accessed securely by MLRs at retail

locations, contact center staff, customer service representatives, application verifiers and collectors. The systems enable them to facilitate the loan origination, underwriting, disbursement and servicing processes. The Seller employs a team of software and quality assurance engineers who are continuously building and improving its systems.

The key software modules underlying the workflow management system are the Risk Engine, Financial Accounting & Reporting Engine and Servicing Systems, as described below.

- Risk Engine – Automated, analytics-based decision model for approval and credit line assignment. It includes regional segmentation and third-party integrations to credit bureaus, address verification services, and other external data sources to aid in the risk assessment.
- Financial Accounting & Reporting Engine (the “FE”) – Loan system of record that calculates principal, interest and late fees in compliance with applicable state lending laws. The set rates cannot be overridden or altered during the origination process. It includes an amortization table for each product offering and loan type.
- Servicing System – Supports payments, collections efforts, customer service, contact management and third-party phone number support.

The Seller and Servicer use the same systems in connection with the Pathward Program.

The Seller’s loan origination and servicing systems are designed to be highly available, resilient, scalable and secure. Supporting systems are deployed in a hybrid cloud environment that is hosted by data center and cloud service providers that are N+1 compliant, including Amazon Web Services, a subsidiary of a publicly traded company and a provider of highly scalable, secure and available cloud services, and Equinix, Inc., a publicly traded data center company.

The Seller’s and the Servicer’s IT services and applications are deployed across multiple data centers using network, telephony, server, storage, database and end user services hardware and operating systems. Infrastructure is designed to be load balanced across multiple sites and automatically scale up and down to meet peaks in demand and maintain good application performance. Mission critical applications and production databases are backed up on a daily basis. In the event of a catastrophic disaster affecting one of the Seller’s or the Servicer’s hosting facilities, production databases can be restored from a backup to minimize disruption of service. Furthermore, additional measures for operational recovery include real-time replication of production databases for quick failover.

All business-critical systems and networks are monitored 24/7 by a security operations center to provide threat management services designed to proactively detect a threat before an impact occurs. For operation management, the Seller has developed a virtual 24/7 network operations center that proactively monitors critical networks, systems, databases and applications for issues and availability. Additional monitoring tools are in place to monitor performance of the network, applications and voice quality of contact center VOIP solutions.

The Seller has a Business Continuity Plan (“BCP”). The BCP is intended to prepare the Seller in the event of an extended service outage either in multiple retail sites or its main “hubs.” It covers various vulnerabilities, including natural disasters, which would affect its data centers, headquarters or retail locations. In addition to the recovery steps and communication protocols, the plan outlines roles and responsibilities for both command and control functions as well as members of its data recovery team.

## Payment Processing

Loan payments due from customers are set according to an amortization schedule. All loans are fully amortizing and require bi-weekly or semi-monthly payments (or monthly for Florida, New Jersey and Pathward Program loans) to coincide with a customer's wage payments. The Seller does not typically bill its customers, and accepts payments in the following ways:

- in its retail locations with the assistance of a MLR (except in regions where the Seller is operating on a mobile-only basis);
- via recurring ACH or one-time ACH payments from a customer's bank account, which can be set up automatically via the phone with an agent or IVR (Interactive Voice Response) or on the Oportun website, at any time through the lifecycle of the loan (including in collections to pay a delinquent account); or
- via third-party bill payment services, including (i) at MoneyGram outlets, and at 7-Eleven, CVS, strategic partner locations such as DolEx, Family Dollar, Kroger and Walmart stores, (ii) online bill-pay features of customers' personal bank accounts and (iii) through a third-party service which allows a customer to pay via debit card, online or through the use of Apple Pay.

For the six months ended June 30, 2022, 60.1% of customer payments were made via ACH (recurring and one-time), 15.3% were made in retail locations, and 24.6% were made via third-party bill payment services. If there is an issue with payments processing through any such channels, the Seller or the Servicer could experience difficulties in servicing the Receivables and there could be delays or reductions in payments on the Notes. The use of out-of-store payment options has increased over time, and if that trend continues, including as the result of the COVID-19 pandemic, the Seller opening in new markets on a "mobile-first" basis without any retail locations, the recently announced closing of retail locations, the expansion of the DolEx partnership (or the addition or expansion of similar partnerships) or otherwise, the risk of such difficulties could increase. See "*Risk Factors—Third-Party Service Providers.*"

The Servicer utilizes a tightly monitored process for handling customer payments. Central to this process is the Servicer's use of payment automation tools through its partnerships with Loomis Armored US, Inc. ("**Loomis**") and Bank of America, the Servicer's commercial bank. Loomis is a division of Loomis AB, a leading international provider of cash handling services, and provides the Servicer with smart safes as well as cash pickup, transport and deposit services. In addition, the Servicer's proprietary servicing system, which records customer payments in real time, and its reconciliation processes create a checks-and-balances system to reduce opportunities for human error, fraud or theft. For the twelve months ended June 30, 2022, the Servicer processed approximately \$2.3 billion of customer payments and incurred 0.002% shrinkage.

Upon receipt by a MLR of a cash payment by a customer at a retail location, the payment information is entered into the Servicer's servicing system, which generates a receipt. Customers are informed at the time of loan disbursement to always expect a receipt after making a payment. The cash collected is inserted by the MLR into the bill feeder of a Loomis smart safe located in the retail location. Each smart safe is connected via the internet to Loomis's computer system. The smart safe counts the money and reports electronically to Loomis the amount deposited. At approximately midnight of every Business Day, Loomis's computer system generates a report of all the day's cash payments received in the Servicer's smart safes. This report is transmitted electronically the following day to the Servicer's bank, Bank of America, which at midnight of such day credits the total payment amount to the Servicer Account. Loomis assumes contractual responsibility for amounts deposited into its respective safes.

Loomis retrieves smart safe deposits at retail locations on a cycle of one to three times a week, depending on payment volume. Approximately 97% of these deposits relate to cash payments that already have been credited to the Servicer Account and therefore are retained by Loomis. The remainder includes checks, money orders, coins or currency not accepted by the bill feeder, which are deposited by Loomis into the Servicer Account. The Servicer's accounting team performs daily reconciliations between deposit amounts reported by Loomis and payment amounts entered into the Servicer's servicing system by the MLRs.

All payments that are received via debit card, ACH and third-party providers are transmitted via ACH to the Servicer Account at Bank of America and are reconciled on a daily basis by the Servicer's accounting team. As another check against potential misplaced funds, the Servicer makes reminder calls to customers approximately one to three days after a missed payment. Any discrepancies as to reports of payment are researched and, if applicable, addressed with retail employees.

### **Subservicing**

PF Servicing may delegate all or a portion of its duties as Servicer to one or more subservicers, contractors or agents (which may include Affiliates of PF Servicing) after the Closing Date. Notwithstanding any such delegation of a duty, PF Servicing will remain obligated and liable for the performance of such duty as if it were performing such duty. Any subservicer retained by PF Servicing will be reimbursed by PF Servicing for certain expenditures that it makes, generally to the same extent PF Servicing would be reimbursed under the Servicing Agreement and Indenture.

Currently PF Servicing conducts collection activities from its (i) two contact centers in Mexico, and (ii) fully outsourced contact centers in Colombia and Jamaica, and additionally, the Seller recently opened a new third-party contact center in the Philippines. Employees of PF Servicing's Mexican subsidiaries as well as third-party agents at these servicing centers review electronically transmitted application materials, telephonically service loans and provide customer assistance to the customer base of the Seller. PF Servicing may open additional contact centers in Mexico, Colombia, Jamaica, the Philippines or other countries as its managed portfolio grows.

### **SERVICING STANDARDS**

The following is a brief description of the servicing policies and procedures used by the Servicer as of the Closing Date to service the Receivables. As described above, the Credit and Collection Policy is subject to modifications. See *"Underwriting—Modifications of Credit and Collection Policies"* and *"Risk Factors—Modifications to the Credit and Collection Policies"* in this Memorandum. Additionally, in the event that the Back-Up Servicer becomes Successor Servicer, it will not be required to follow these servicing policies and procedures. See *"Risk Factors—Modifications to the Credit and Collection Policies"* and *"Risk Factors—Termination of PF Servicing as Servicer."*

The Servicer's credit policies and procedures are maintained by the Chief Credit Officer and the collection policies and procedures are maintained by the Chief Operations Officer. Material changes to policies and procedures are reviewed by in-house regulatory counsel and then subsequently approved by the Seller's internal Credit Risk and Pricing Committee. Any material changes to score cut-offs or underwriting criteria require the consent of the Seller's internal Credit Risk and Pricing Committee. Major changes to credit policy require approval from both the internal Credit Risk and Pricing Committee and the Credit Risk and Finance Committee of the Board of Directors. See *"Seller's Consumer Loan Business—Overview."*

The Servicer employs a range of efforts to service the loans, including credit education during origination, payment reminder calls, manual and dialer-based calls, collection letters, text message campaigns (when the customer has agreed to receive SMS), and in the past has pursued legal efforts in California, Florida and Texas. In the future, the Servicer may restart its legal efforts or expand the states in which it pursues legal action. Repayment performance of customers is reported to credit bureaus, which bolsters collection efforts but also helps customers with consistent repayment histories build good credit.

As part of its commitment to assisting customers build financial stability, the Seller launched a hardship program to help customers who have been unable to keep their loan current due to circumstances beyond their control, which could include as a result of social or economic factors, localized weather events or natural, man-made or environmental disasters. The hardship program is intended to assist customers who are experiencing a short-term hardship and will be able to make payments within the foreseeable future. For customers who meet the qualifying criteria and demonstrate a willingness to work with PF Servicing, PF Servicing will temporarily halt collections activities on the loan, including phone calls, letters and legal activity. Late fees will be waived during the program enrollment. Normal delinquency aging and charge-off policies continue to apply for accounts in the hardship program. The Seller also utilized payment deferrals under other circumstances, such as for customers who are not otherwise enrolled in the Seller's hardship program.

For certain hardships, the Seller may allow the customer to defer one to four payments. In addition, the Seller has an emergency hardship program pursuant to which customers facing temporary financial difficulty as the result of an Emergency will be allowed to defer payments, in one-month increments (an **"Emergency Hardship Deferral"** or **"EHD"**). For an initial EHD, customers less than 30 days past due will be brought current and have one additional month of payments deferred which will result in the customer ending the deferral period in current status. Following such initial EHD, any subsequent EHDs granted to these customers (assuming the customer has not made any payments) will result in the customer ending the deferral period in the same delinquency status that they were in when the each subsequent EHD was granted. Customers more than 30 days past due at the time the EHD is granted may have one month of payments deferred resulting in the customer ending the deferral period in the same delinquency status that they were in when each of the EHDs were granted. This treatment applies regardless of whether such EHD is an initial EHD or a subsequent EHD. EHDs will result in an extension of the final scheduled payment(s) so that no balloon payment is due upon maturity. However, an EHD results in increased interest collected on the loan and agents will disclose this information to customers. The Seller will not charge a fee in connection with EHDs. Customers receiving an EHD will be automatically enrolled in the Seller's Hardship Program. The Seller and the Servicer believe that the rapid implementation of emergency hardship programs and reduced payment plans have been effective in providing impacted customers sufficient time to return to repayment status. The Seller and the Servicer consider Emergency Hardship Deferrals, granted in one-month increments, for borrowers who continue to be impacted by the pandemic. Such Receivables will be eligible for sale by the Seller to the Depositor and the Depositor Loan Trustee for the benefit of the Depositor, and in turn, to the Issuer. As of the Statistical Calculation Date, approximately 0.004% of the Receivables in the Statistical Pool were in active deferral status under the Emergency Hardship Deferral program.

The Servicer currently offers a one-time rewrite to certain severely delinquent customers who have experienced a life-changing event impacting their ability to pay (a **"Rewrite"**). The rewrite program was implemented in the third quarter of 2008 and amended in 2020 to include an emergency rewrite (an **"Emergency Rewrite"**) for those customers seeking a lower payment as a result of a local or wide-spread emergency such as a natural disaster, government shutdown or pandemic (each, an **"Emergency"**). In the case of both a Rewrite and an Emergency Rewrite, when a loan is rewritten, the customer signs a new loan document with a principal balance equal to the balance of the original loan and the original loan is paid in full. The rewritten loan will have a longer term than the remaining term of their original loan, thereby

providing the customer with a lower, more manageable payment amount. For certain large balance loans, after the original loan is paid in full, a portion of the principal balance of the rewritten loan may be waived in order to achieve such lower, more manageable payment amount. No money is disbursed to the customer when a loan is rewritten. In order to qualify for a Rewrite, the customer must make one full payment before a lower payment structure is offered. Any Rewrites that miss their first two full payments are charged off at the end of the month upon reaching 30 days delinquent. In order to qualify for an Emergency Rewrite, the customer must first make a good-faith payment or otherwise demonstrate the ability to pay consistent with FFIEC Uniform Retail Credit Classification and Account Management Policy. Emergency Rewritten Loans that fail to make the first two-months of payments are charged-off at the end of the month upon reaching 60 days delinquent. Emergency Rewritten Loans to (i) returning customers and (ii) on accounts with no prior loan and with life of loan payments greater than or equal to 6 months of regular payments will be charged-off at the end of the month upon reaching 120 days delinquent. Performance of rewrites is tracked based upon original loan vintage, so low rewrite activity does not materially distort charge-off tracking.

In addition to the rewrite program, in August 2022, the Servicer implemented a loan modification program to supplement the existing rewrite program. Any loan modified under the loan modification program will be subject to the criteria applicable to Eligible Receivables at the time of its modification. The loan modification program helps customers who can no longer afford their current loan payment and will also help good customers who have experienced a life event (e.g., loss of job, reduced job hours, injury, family emergency) to get back on track. A delinquent customer can qualify for a loan modification by making one payment to demonstrate his willingness to make a commitment to pay on a regular and recurring basis (a “willingness payment”). Alternatively, a delinquent customer who has been making consistent regular payments (at least three) without being able to pay the full amount past due may also qualify. The loan modification results in a resetting of the contractual delinquency status of the loan to current. The term of the loan may be extended and/or the interest rate may be lowered if the customer desires a lower payment. The customer does not need to sign a new agreement. Loan modifications for those customers that had been making consistent regular payments prior to the loan modification will be charged-off at the standard 120-day charge-off policy. All other modified loans where customers missed their first two payments are charged-off at the end of the month immediately upon reaching 30 days delinquent if the customers missed their first two full payments (same policy as the existing rewrite program). A loan can only be modified every twelve months or two times throughout the life of the loan.

For customers experiencing temporary difficulties who prefer to keep making payments at a reduced level, rather than obtaining a deferral or Emergency Hardship Deferral, the Servicer introduced a short-term modification option, which operates much like a deferral and allows the Servicer to make temporary payment reductions of up to six months’ worth of payments through a combination of a temporary reduction in interest rate and an extended term (a “**Temporary Reduction in Payment Plan**”). At the end of the payment reduction period, the loan will revert to the original regular payment and interest rate. To be eligible for a Temporary Reduction in Payment Plan, a customer must be current or less than 60 days delinquent. In general, a customer must make one good faith payment at the reduced level to enter the program, although in the case of a customer who is seeking the Temporary Reduction in Payment Plan as a result of being impacted by an Emergency (an “**Emergency Temporary Reduction in Payment Plan**”), no good faith payment will be required.

In addition, subject to the Credit and Collection Policies and the terms of the Transaction Documents, the Servicer may waive, modify or vary any term of any Receivable or consent to the postponement of strict compliance with any such term or in any manner grant indulgence to any Obligor if, in the Servicer’s reasonable determination, such waiver, modification, postponement or indulgence is not materially adverse to the collectability of amounts due on such Receivable.

The collection action(s) taken with respect to any delinquent loan depend upon a number of factors including the borrower's payment history.

PF Servicing's legal collections process focuses on delinquent customers who have the ability to repay their loans. While currently not engaging with its legal collections process, in the event that it does in the future, PF Servicing will only pursue certain accounts for legal action with (1) higher loan balances and (2) when it is believed that such customers are employed and can pay their loans. If resumed, PF Servicing may extend its legal collections process to other states and will utilize an outside law firm to file lawsuits. Based on PF Servicing's experience in small claims court, many of these cases result in loan resolutions after a case has been filed and before a judgment is rendered.

Litigation is generally used only as a last resort after all other collection efforts to resolve the delinquency are exhausted.

The Seller serves a population that many times has no credit profile or a thin credit profile. Because a typical customer has little or no debt, bankrupt borrowers represent approximately 1.9% of the balances that are charged off. Once PF Servicing receives a bankruptcy notice, the loan is marked as bankrupt in the Servicer's servicing system and all collection activities are ceased. To date, PF Servicing has not taken any special actions to collect on bankrupt accounts post-bankruptcy filing, though it retains the right to file claims on behalf of the Seller and is planning to engage a third-party law firm to file proof claims and service/sell on behalf of the Seller.

Consistent with its charge-off policy, the Seller evaluates its loan portfolio and will charge a loan off at the earlier of when the loan is determined to be uncollectible or 120 or more days delinquent at month-end. As a result of the COVID-19 pandemic and based upon the Seller's analysis of loan performance following natural disasters or other emergencies, more loans have been determined to be uncollectible prior to reaching 120 days contractually past due, resulting in higher charge-offs. Rewritten loans that become 30 or more days delinquent and on which the first two scheduled payments are not made are charged-off. As a result of the Seller's A.I.-driven credit models that enable it to originate loans with low and stable loss rates, the Seller has achieved net charge-off rates ranging between 7.0% and 9.0% from 2011 to 2019, and a 9.8% net charge-off rate for 2020. Due to credit tightening in response to the COVID-19 pandemic and government stimulus payments the net charge-off rate decreased to 6.8% in 2021. However, the Seller anticipates this rate will return to levels consistent with performance in pre-pandemic years. As of June 30, 2022, the percentage of loans with borrowers who were 30 days delinquent or greater or 60 days delinquent or greater was approximately 4.3% and 2.5%, respectively. Emergency Rewritten Loans that fail to make the first two-months of payments are charged-off at the end of the month upon reaching 60 days delinquent, other than Emergency Rewritten Loans to (i) returning customers and (ii) on accounts with no prior loan and with life of loan payments greater than or equal to 6 months of regular payments which will be charged-off at the end of the month upon reaching 120 days delinquent. For all loans, the Seller continues to make post-charge-off recovery efforts. Additionally, the Seller works with its customers after they experience financial hardships in order to help them re-establish their regular payment habits through its rewrite and loan modification programs.

In May 2019, the Seller began a program to sell certain charged-off loans to a third-party debt purchaser who was evaluated to ensure alignment with the Seller's mission and values. The Seller may, from time to time, consider similar programs in the future, including programs involving the sale of confirmed bankrupt accounts. Pursuant to the Servicing Agreement, the Servicer, either directly or through an affiliate (which may be the Sponsor) may purchase from the Issuer and then sell, or cause to be sold, Receivables relating to charged-off loans (or, if applicable, Receivables relating to confirmed bankrupt accounts) to such third-party debt purchasers. The Servicer (or the applicable affiliate) may undertake certain repurchase obligations to a third-party debt purchaser with respect to such charged-off loans (or

confirmed bankrupt accounts). In connection with such undertaking, the Servicer (or the applicable affiliate) will be entitled to retain a small percentage of the gross purchase price payable by the third-party debt purchaser, with the remainder of the purchase price constituting Recoveries that will be paid to the Issuer. There is no guarantee that any of the programs will continue for any period of time after the Closing Date, or that the Seller will be successful in establishing additional similar programs in the future.

### **Secured Personal Loans**

PF Servicing's collection activities for Secured Personal Loans are primarily performed by dedicated collection staff located in Frisco, Texas.

With respect to early-stage collections, the Servicer employs a similar range of efforts and strategies as those described above to service the Secured Personal Loans. This includes credit education during origination, payment reminder calls, manual and dialer-based calls, collection letters, text message campaigns (when the customer has agreed to receive SMS), and accommodations for customers experiencing a temporary hardship.

The collection action(s) taken with respect to any delinquent loan depend upon a number of factors including the borrower's payment history, and, in the case of a Secured Personal Loan, the nature and estimated value of the Titled Assets and the reason for the current inability of the borrower to make timely payments. In the case of a Secured Personal Loan, the Titled Assets may be voluntarily or involuntarily repossessed. Secured Personal Loans that become significantly past due, typically at 55 days past due, will be reviewed for repossession. Repossession can also occur when the Servicer possesses information that the collateral is at risk or the customer has violated the terms of the note, such as in cases of fraud.

If the customer has no means to continuing paying the loan and wishes to voluntarily surrender the vehicle, the Servicer will request or accept a voluntary surrender of the vehicle and, whenever possible, obtain a voluntary surrender agreement from the customer documenting their intent to voluntarily turn over the vehicle. The customer will be instructed to voluntarily surrender their vehicle to a repossession agent near their residence, who is in the Servicer's repossession network, or the Servicer will offer to have the repossession agent come to the customer's residence to take possession of the vehicle. In the event of a voluntary surrender, applicable state required notices will be provided to the customer.

While not legally required in all states, the Servicer will send a cure notice in all cases of involuntary repossession to give all customers the opportunity to avoid an involuntary repossession. Some states statutorily mandate the notice, with specific timing and delivery requirements that must be adhered to. The cure notice provides an opportunity to bring an account current or make payment arrangements to avoid repossession. Customers must bring their account current to avoid a repossession assignment.

In general, the Servicer will assign accounts for involuntary repossession at 75 days past due. Repossession assignments may be initiated earlier for circumstances of default, such as when the first two payments due on a modified loan become delinquent, or upon a determination that the vehicle is at risk. Under no circumstance will a repossession assignment be scheduled prior to the expiration of the cure period.

If an account becomes a bankrupt or SCRA account prior to repossession or while "out for repossession," the repossession assignment will be immediately cancelled, and no repossession-related fees will be assessed to the account. Prior to a repossession assignment, the value of the vehicle and remaining balance of the loan will be reviewed to determine if repossession and subsequent sale are cost-effective remedies that will reduce losses.



The Servicer will contract, directly or indirectly, with third-party repossession agents to provide repossession services and will conduct diligent vendor and complaint management reviews to ensure repossession agents act professionally and courteously toward customers.

After repossession, the Servicer will send customers a notice, as required and in accordance with state law, advising of the right to regain possession of the vehicle through reinstatement or redemption. Subject to any state-specific requirements, such notice will advise the customer of amounts to be paid, as well as the time, manner and place of the proposed vehicle sale.

Customers will be afforded an opportunity to regain possession of their vehicle through reinstatement (payment of all past due amounts and fees) or redemption (payoff of account balance in full, including all fees). Customers will always be able to redeem, and if reinstatement is offered, to reinstate, the vehicle prior to the sale by making the required payment. While not required in all states, the Servicer will offer reinstatement to maximize customers' opportunity to retrieve their vehicle in the case of involuntary or voluntary repossession. The Servicer offers reinstatement once in any 12-month period, but no more than twice in the life of a loan to the extent permitted or not restricted by state law.

Reinstatement may not be offered in the case the collateral is at risk, to the extent allowed by state law. Except as may be required by state law, the Servicer will not allow reinstatement after a customer's account balance has been accelerated due to charge-off.

In the event the Servicer is aware of the vehicle location but is unable to gain possession by "self-help" means lawfully or without breach of the peace, where the vehicle valuation justifies the additional costs, the Servicer will seek a court order to recover the vehicle.

To mitigate the severity of losses, the Servicer will sell repossessed vehicles (after the expiration of any reinstatement or redemption period) at private sale auctions, unless otherwise required to hold a vehicle out from sale or required to conduct a public vehicle sale. All sales will be conducted in a commercially reasonable manner for the resale of vehicles in a recognized market and in conformity with industry practices of other creditors disposing of repossessed vehicles.

The Servicer will evaluate what, if any, reconditioning and repair to the vehicle is necessary or desirable to increase the anticipated recovery amount from the vehicle sale. Factors that will be considered are the circumstances of the sale, the outstanding loan balance, the fair market value of the vehicle, and the anticipated increase in value after vehicle reconditioning.

The Servicer will work with its service providers to set a sale price and floor price consistent with pricing that is current in the market at the time of sale and intended to maximize recovery.

The Servicer requires and reviews sales reports from its remarketing providers, itemizing the gross and net sales amounts and all fees associated with reconditioning and sale of the vehicle. Sale proceeds will be applied to the customer's account and reduce the deficiency balance, if any, as permitted by and in accordance with state law. Sale expenses will only be passed to the customer in accordance with the state law.

Following a vehicle sale, customers are provided a written notice of their account balance itemizing credits resulting from sale proceeds and charges resulting from repossession and remarketing activity. Any resulting surplus from the sale is promptly returned to customers; any deficiency balance remains due and owing. The Servicer will utilize the same methods to collect deficiency balances as for charged-off unsecured loans, with a dedicated recoveries team calling customers and/or references to obtain payments on the remaining balance. Tools such as settlements will be offered to customers under similar guidelines

for unsecured loans. In the future the Servicer may also utilize legal collections strategies, third-party debt collection agencies and/or sell the remaining balances to vetted third-party servicers, similar to previous asset sales.

For Secured Personal Loans where the Titled Asset has been repossessed, the loan will be charged off upon the earliest of the end of the month upon reaching 120 days delinquent, the month-end when the sale proceeds are received or the end of the month in which the repossession collateral has been in inventory for more than 90 days.

Similar to litigation, repossession is generally used only as a last resort after all other collection efforts to resolve the delinquency are exhausted. The Servicer may elect not to repossess the Titled Assets relating to a delinquent Secured Personal Loan that is otherwise eligible for repossession, or in some cases, the Servicer may be prohibited from undertaking repossession activity. For example, in connection with the COVID-19 pandemic, many consumer finance companies that provide loans secured by automobiles and other vehicles, including the Servicer, temporarily suspended involuntary repossessions in some or all of the states in which they operated due to the effects of the COVID-19 pandemic, and many states introduced temporary moratoriums or other prohibitions on repossession activity. While the Servicer has resumed involuntary repossession activity, it is possible that repossession activity could be temporarily suspended again in the future in the case of a resurgence of COVID-19 or other emergency.

## THE RECEIVABLES

The statistical information presented in this Memorandum concerning the Receivables is based on the Outstanding Receivables Balances of the Receivables described herein as of the Statistical Calculation Date (the “**Statistical Pool**”), which is the close of business on September 21, 2022. The statistical characteristics as of the Cut-Off Date of the Receivables transferred to the Issuer on the Closing Date (the “**Receivables Pool**”) will vary from the characteristics of the Receivables in the Statistical Pool. The addition of Receivables in the Receivables Pool that are not include in the Statistical Pool, as well as the payment activity with respect to the Statistical Pool after the Statistical Calculation Date and the exclusion of certain Receivables that are not Eligible Receivables, will cause the aggregate characteristics of the Receivables as of the Closing Date, including the composition of the Receivables and of the Obligors thereof, to vary from the characteristics of the Statistical Pool described herein. On the Closing Date, the Seller will (i) sell to the Depositor (and, with respect to legal title, to the Depositor Loan Trustee on behalf of the Depositor) additional Receivables, and subsequently transfer such additional Receivables to the Issuer, with an aggregate principal balance equal to the amount of such amortization and/or prepayments or removal of ineligible Receivables from the Statistical Calculation Date to the Closing Date for the Receivables, or (ii) deposit cash equal to the difference between such amount into the Collection Account (or take any combination of the actions described in clauses (i) and (ii)). Any such cash deposit shall be included in Available Funds and will be available for distribution on the first Payment Date as described under “*Description of the Notes—Monthly Payments*” below. Nevertheless, the Issuer does not believe that the characteristics of the Receivables Pool as of the Cut-Off Date will differ materially from the characteristics of the Statistical Pool as of the Statistical Calculation Date. However, the statistical distribution of the characteristics of the Receivables Pool likely will vary over time and may vary significantly. See “*Risk Factors—Composition , Characteristics and Rates of Return of the Receivables Will Change.*”

The Receivables in the Statistical Pool are comprised of loan repayments owing under unsecured and secured personal loans.

As of the Statistical Calculation Date, the Receivables in the Statistical Pool ranged in original size from approximately \$300 to \$21,200, with terms ranging from approximately 6 to 64 months. The Seller

charges fixed rates of interest on its loans, determined on a sliding scale based upon the amount disbursed. As of the Statistical Calculation Date, these rates ranged from approximately 6.000% to 36.000% with a weighted average of approximately 29.471%. Generally, loan size and term are correlated to ensure relatively constant loan payments. As of the Statistical Calculation Date, approximately 4.40% of the Receivables in the Statistical Pool were Secured Personal Loans, with the remainder being Unsecured Loans.

## Composition of the Statistical Pool

The following tables present certain statistical information regarding the composition of the Loans pursuant to which Receivables comprising the Statistical Pool were originated, as of the Statistical Calculation Date.

Due to rounding, the sum of the principal balances shown in any table may not equal the aggregate principal balance of the Statistical Pool, and the sum of the percentages of aggregate principal balance of the Statistical Pool shown in any table may not equal 100.00%.

### Distribution of Loans in the Statistical Pool by Outstanding Receivables Balance as of the Statistical Calculation Date

Outstanding Receivables Balance Range	Number of Loans	Outstanding Receivables Balance	% of Total Outstanding Receivables Balance	Weighted Average Original Term (in months) <sup>(1)</sup>	Weighted Average Age (in months) <sup>(1)</sup>	Renewal % <sup>(2)</sup>	Weighted Average Interest Rate <sup>(1)</sup>
\$0.01 - \$1,000.00	9,655	\$6,082,060	2.17%	15	3	48.17%	26.311%
\$1,000.01 - \$2,000.00	9,865	\$14,715,370	5.26%	22	3	55.90%	29.537%
\$2,000.01 - \$3,000.00	9,689	\$24,144,051	8.62%	27	2	61.95%	31.510%
\$3,000.01 - \$4,000.00	6,856	\$23,573,661	8.42%	31	2	70.36%	31.612%
\$4,000.01 - \$5,000.00	4,527	\$20,344,953	7.27%	35	3	69.01%	30.335%
\$5,000.01 - \$6,000.00	6,477	\$35,812,678	12.79%	38	2	70.01%	29.201%
\$6,000.01 - \$7,000.00	5,880	\$37,500,984	13.39%	40	2	65.30%	29.212%
\$7,000.01 - \$8,000.00	4,070	\$30,707,397	10.97%	45	2	90.02%	30.245%
\$8,000.01 - \$9,000.00	3,181	\$26,856,789	9.59%	46	2	94.53%	29.300%
\$9,000.01 - \$10,000.00	2,974	\$28,206,394	10.07%	48	1	98.25%	28.546%
\$10,000.01 - \$11,000.00	2,126	\$22,108,943	7.90%	50	1	97.84%	27.834%
\$11,000.01 - \$12,000.00	385	\$4,422,695	1.58%	52	1	93.47%	27.875%
\$12,000.01 - \$13,000.00	110	\$1,377,092	0.49%	54	1	74.56%	25.867%
\$13,000.01 - \$14,000.00	58	\$782,785	0.28%	57	1	80.88%	24.726%
\$14,000.01 - \$15,000.00	28	\$410,908	0.15%	60	2	74.81%	23.783%
\$15,000.01 - \$16,000.00	31	\$479,352	0.17%	61	2	67.62%	24.591%
\$16,000.01 - \$17,000.00	29	\$480,512	0.17%	61	2	55.27%	24.011%
\$17,000.01 - \$18,000.00	35	\$616,680	0.22%	59	2	54.32%	22.729%
\$18,000.01 - \$19,000.00	34	\$619,744	0.22%	60	1	58.60%	22.510%
\$19,000.01 - \$20,000.00	22	\$432,806	0.15%	61	2	54.44%	23.073%
\$20,000.01 - \$21,000.00	16	\$326,531	0.12%	61	1	56.45%	22.532%
<b>Total:</b>	<b>66,048</b>	<b>\$280,002,385</b>	<b>100.00%</b>	<b>39</b>	<b>2</b>	<b>77.32%</b>	<b>29.471%</b>

(1) Weighted Average Original Term, Weighted Average Age and Weighted Average Interest Rate each represents a weighted average by Outstanding Receivables Balance.

(2) Renewal % represents the percentage of Receivables that are renewal Receivables by Outstanding Receivables Balance.

**Distribution of Loans in the Statistical Pool by Original Receivables Balance  
as of the Statistical Calculation Date**

<b>Original Receivables Balance Range <sup>(1)</sup></b>	<b>Number of Loans</b>	<b>Outstanding Receivables Balance</b>	<b>% of Total Outstanding Receivables Balance</b>	<b>Weighted Average Original Term (in months) <sup>(2)</sup></b>	<b>Weighted Average Age (in months) <sup>(2)</sup></b>	<b>Renewal % <sup>(3)</sup></b>	<b>Weighted Average Interest Rate <sup>(2)</sup></b>
\$0.01 - \$1,000.00	6,493	\$3,693,923	1.32%	14	2	55.58%	26.509%
\$1,000.01 - \$2,000.00	10,345	\$12,676,554	4.53%	20	2	56.83%	28.661%
\$2,000.01 - \$3,000.00	10,025	\$22,584,680	8.07%	27	2	58.82%	31.305%
\$3,000.01 - \$4,000.00	7,405	\$23,400,222	8.36%	30	2	71.00%	31.797%
\$4,000.01 - \$5,000.00	4,689	\$19,473,481	6.95%	34	2	67.43%	30.964%
\$5,000.01 - \$6,000.00	5,692	\$29,664,708	10.59%	38	2	71.69%	29.993%
\$6,000.01 - \$7,000.00	7,040	\$43,012,132	15.36%	38	2	62.20%	29.038%
\$7,000.01 - \$8,000.00	4,027	\$29,124,430	10.40%	45	2	88.02%	30.110%
\$8,000.01 - \$9,000.00	3,539	\$28,440,728	10.16%	46	3	90.71%	29.190%
\$9,000.01 - \$10,000.00	3,294	\$30,074,282	10.74%	47	2	98.46%	28.696%
\$10,000.01 - \$11,000.00	2,615	\$26,556,604	9.48%	50	1	98.03%	27.665%
\$11,000.01 - \$12,000.00	492	\$5,485,856	1.96%	51	1	94.20%	27.758%
\$12,000.01 - \$13,000.00	128	\$1,561,790	0.56%	53	1	77.44%	25.907%
\$13,000.01 - \$14,000.00	59	\$762,322	0.27%	57	1	84.15%	24.641%
\$14,000.01 - \$15,000.00	23	\$319,047	0.11%	60	2	77.96%	24.894%
\$15,000.01 - \$16,000.00	41	\$623,544	0.22%	60	2	60.98%	24.361%
\$16,000.01 - \$17,000.00	26	\$425,620	0.15%	61	2	53.44%	24.326%
\$17,000.01 - \$18,000.00	21	\$366,589	0.13%	59	2	56.96%	23.666%
\$18,000.01 - \$19,000.00	51	\$908,775	0.32%	59	2	58.36%	21.996%
\$19,000.01 - \$20,000.00	13	\$248,661	0.09%	61	1	53.10%	25.442%
\$20,000.01 - \$21,000.00	22	\$438,995	0.16%	62	2	59.08%	21.382%
Greater than or equal to \$21,000.01	8	\$159,441	0.06%	61	2	61.13%	23.367%
<b>Total:</b>	<b>66,048</b>	<b>\$280,002,385</b>	<b>100.00%</b>	<b>39</b>	<b>2</b>	<b>77.32%</b>	<b>29.471%</b>

- (1) Original Receivables Balance of any Loan represents the Outstanding Receivables Balance of such Loan as of the date it was originally entered into.
- (2) Weighted Average Original Term, Weighted Average Age and Weighted Average Interest Rate each represents a weighted average by Outstanding Receivables Balance.
- (3) Renewal % represents the percentage of Receivables that are renewal Receivables by Outstanding Receivables Balance.

**Distribution of Loans in the Statistical Pool by Interest Rate  
as of the Statistical Calculation Date**

<b>Interest Rate Range</b>	<b>Number of Loans</b>	<b>Outstanding Receivables Balance</b>	<b>% of Total Outstanding Receivables Balance</b>	<b>Weighted Average Original Term (in months) <sup>(1)</sup></b>	<b>Weighted Average Age (in months) <sup>(1)</sup></b>	<b>Renewal % <sup>(2)</sup></b>	<b>Weighted Average Interest Rate <sup>(1)</sup></b>
Less than or equal to 15.000%	598	\$4,052,151	1.45%	53	8	89.66%	14.975%
15.001% - 20.000%	782	\$3,421,404	1.22%	44	5	68.23%	19.090%
20.001% - 25.000%	7,449	\$20,917,863	7.47%	43	2	76.92%	23.888%
25.001% - 30.000%	31,348	\$127,258,680	45.45%	37	2	74.41%	28.019%
30.001% - 35.000%	19,673	\$101,158,041	36.13%	41	2	78.47%	31.906%
35.001% - 36.000%	6,198	\$23,194,247	8.28%	39	2	87.78%	35.918%
<b>Total:</b>	<b>66,048</b>	<b>\$280,002,385</b>	<b>100.00%</b>	<b>39</b>	<b>2</b>	<b>77.32%</b>	<b>29.471%</b>

(1) Weighted Average Original Term, Weighted Average Age and Weighted Average Interest Rate each represents a weighted average by Outstanding Receivables Balance.

(2) Renewal % represents the percentage of Receivables that are renewal Receivables by Outstanding Receivables Balance.

**Distribution of Loans in the Statistical Pool by Days Delinquent  
as of the Statistical Calculation Date**

<b>Days Delinquent Range</b>	<b>Number of Loans</b>	<b>Outstanding Receivables Balance</b>	<b>% of Total Outstanding Receivables Balance</b>	<b>Weighted Average Original Term (in months) <sup>(1)</sup></b>	<b>Weighted Average Age (in months) <sup>(1)</sup></b>	<b>Renewal % <sup>(2)</sup></b>	<b>Weighted Average Interest Rate <sup>(1)</sup></b>
0	61,697	\$267,601,166	95.57%	39	2	77.87%	29.518%
1 - 29	4,351	\$12,401,220	4.43%	36	4	65.34%	28.461%
<b>Total:</b>	<b>66,048</b>	<b>\$280,002,385</b>	<b>100.00%</b>	<b>39</b>	<b>2</b>	<b>77.32%</b>	<b>29.471%</b>

(1) Weighted Average Original Term, Weighted Average Age and Weighted Average Interest Rate each represents a weighted average by Outstanding Receivables Balance.

(2) Renewal % represents the percentage of Receivables that are renewal Receivables by Outstanding Receivables Balance.

**Distribution of Loans in the Statistical Pool by Age  
as of the Statistical Calculation Date**

Age Range (in months)	Number of Loans	Outstanding Receivables Balance	% of Total Outstanding Receivables Balance	Weighted Average Original Term (in months) <sup>(1)</sup>	Weighted Average Age (in months) <sup>(1)</sup>	Renewal % <sup>(2)</sup>	Weighted Average Interest Rate <sup>(1)</sup>
0	18,524	\$91,960,877	32.84%	41	0	83.49%	29.543%
1 - 5	39,579	\$162,443,514	58.02%	39	2	75.44%	29.548%
6 - 10	5,868	\$18,730,552	6.69%	37	7	61.89%	29.102%
11 - 15	1,817	\$5,612,432	2.00%	37	12	77.31%	30.222%
16 - 20	96	\$439,013	0.16%	53	19	98.46%	16.974%
21 - 25	125	\$647,705	0.23%	57	23	98.68%	15.887%
26 - 30	35	\$159,615	0.06%	56	26	99.81%	16.042%
31 - 35	3	\$6,375	*	44	33	67.08%	27.995%
Greater than or equal to 36	1	\$2,304	*	42	41	100.00%	28.820%
<b>Total:</b>	<b>66,048</b>	<b>\$280,002,385</b>	<b>100.00%</b>	<b>39</b>	<b>2</b>	<b>77.32%</b>	<b>29.471%</b>

(1) Weighted Average Original Term, Weighted Average Age and Weighted Average Interest Rate each represents a weighted average by Outstanding Receivables Balance.

(2) Renewal % represents the percentage of Receivables that are renewal Receivables by Outstanding Receivables Balance.

\* Greater than zero but less than 0.005%.

**Distribution of Loans in the Statistical Pool by Original Term  
as of the Statistical Calculation Date**

Original Term Range (in months) <sup>(1)</sup>	Number of Loans	Outstanding Receivables Balance	% of Total Outstanding Receivables Balance	Weighted Average Original Term (in months) <sup>(2)</sup>	Weighted Average Age (in months) <sup>(2)</sup>	Renewal % <sup>(3)</sup>	Weighted Average Interest Rate <sup>(2)</sup>
Less than or equal to 6	1	\$245	*	6	2	100.00%	23.040%
7 - 12	500	\$330,926	0.12%	12	2	55.62%	25.816%
13 - 18	10,580	\$8,270,247	2.95%	14	2	56.46%	26.912%
19 - 24	8,248	\$14,139,339	5.05%	21	3	60.09%	29.844%
25 - 30	10,748	\$29,415,144	10.51%	27	2	65.36%	30.737%
31 - 36	10,061	\$42,566,984	15.20%	33	2	64.53%	30.406%
37 - 42	10,026	\$56,751,565	20.27%	39	2	69.83%	29.588%
43 - 48	9,284	\$67,803,870	24.22%	45	2	89.66%	29.029%
49 - 54	5,114	\$45,635,929	16.30%	50	1	94.23%	30.196%
55 - 60	1,361	\$13,261,798	4.74%	56	3	89.36%	24.869%
61 - 64	125	\$1,826,339	0.65%	62	2	64.08%	24.757%
<b>Total:</b>	<b>66,048</b>	<b>\$280,002,385</b>	<b>100.00%</b>	<b>39</b>	<b>2</b>	<b>77.32%</b>	<b>29.471%</b>

(1) Original Term represents the number of months to maturity of a Loan as of the date it was originally entered into.

(2) Weighted Average Original Term, Weighted Average Age and Weighted Average Interest Rate each represents a weighted average by Outstanding Receivables Balance.

(3) Renewal % represents the percentage of Receivables that are renewal Receivables by Outstanding Receivables Balance.

\* Greater than zero but less than 0.005%.

**Distribution of Loans in the Statistical Pool by State  
as of the Statistical Calculation Date**

<b>State <sup>(1)</sup></b>	<b>Number of Loans</b>	<b>Outstanding Receivables Balance</b>	<b>% of Total Outstanding Receivables Balance</b>	<b>Weighted Average Original Term (in months) <sup>(2)</sup></b>	<b>Weighted Average Age (in months) <sup>(2)</sup></b>	<b>Renewal % <sup>(3)</sup></b>	<b>Weighted Average Interest Rate <sup>(2)</sup></b>
California	23,724	\$114,287,197	40.82%	43	2	85.16%	30.882%
Texas	15,427	\$73,513,765	26.25%	39	2	84.18%	26.699%
Florida	7,197	\$27,613,382	9.86%	33	1	58.83%	27.573%
Illinois	3,632	\$13,844,332	4.94%	40	2	79.84%	35.126%
New Jersey	2,482	\$10,256,454	3.66%	36	1	63.65%	29.350%
Arizona	2,116	\$8,165,121	2.92%	37	2	78.71%	31.185%
Nevada	1,458	\$6,448,748	2.30%	41	2	86.64%	31.019%
North Carolina	1,191	\$2,973,242	1.06%	34	4	42.79%	28.826%
Virginia	1,036	\$2,599,922	0.93%	34	4	48.29%	28.998%
Pennsylvania	867	\$1,943,968	0.69%	32	4	11.01%	28.225%
Utah	437	\$1,884,123	0.67%	41	2	83.21%	31.036%
Indiana	521	\$1,396,774	0.50%	34	4	53.41%	28.701%
Michigan	543	\$1,199,327	0.43%	32	4	41.15%	28.934%
Tennessee	432	\$1,189,464	0.42%	35	4	37.88%	28.748%
Arkansas	484	\$1,130,378	0.40%	33	4	49.80%	29.220%
Washington	421	\$1,077,640	0.38%	33	4	42.78%	28.527%
Kentucky	404	\$1,042,997	0.37%	34	4	44.62%	29.128%
Ohio	422	\$935,646	0.33%	32	4	15.58%	28.336%
Alabama	360	\$798,589	0.29%	33	4	41.94%	29.222%
South Carolina	328	\$750,381	0.27%	33	4	44.97%	29.139%
Oregon	297	\$736,616	0.26%	33	4	44.08%	29.022%
Louisiana	281	\$686,258	0.25%	34	4	38.66%	28.955%
Oklahoma	259	\$644,012	0.23%	33	4	42.48%	28.359%
Georgia	143	\$616,113	0.22%	37	3	17.15%	28.976%
New Mexico	176	\$568,164	0.20%	34	2	81.52%	35.533%
Wisconsin	159	\$536,809	0.19%	36	2	66.80%	33.086%
Mississippi	199	\$465,092	0.17%	32	4	38.16%	28.378%
Kansas	140	\$403,824	0.14%	35	4	48.23%	28.560%
Minnesota	177	\$402,128	0.14%	32	4	13.38%	27.815%
Missouri	134	\$331,801	0.12%	34	2	67.96%	32.131%
Rhode Island	88	\$254,349	0.09%	35	4	27.40%	28.922%
Nebraska	100	\$253,972	0.09%	34	4	39.40%	28.666%
New Hampshire	98	\$237,579	0.08%	33	4	60.89%	29.807%
South Dakota	72	\$171,796	0.06%	33	4	47.98%	28.477%
Delaware	62	\$170,161	0.06%	36	4	46.88%	28.401%
Idaho	41	\$130,248	0.05%	36	2	73.93%	30.386%
Montana	55	\$119,881	0.04%	33	4	47.73%	28.935%
North Dakota	37	\$105,885	0.04%	35	4	40.61%	29.091%
Alaska	27	\$59,040	0.02%	32	4	14.03%	28.502%
Hawaii	19	\$50,141	0.02%	32	3	5.17%	28.463%
Wyoming	2	\$7,067	*	37	4	0.00%	30.322%
<b>Total:</b>	<b>66,048</b>	<b>\$280,002,385</b>	<b>100.00%</b>	<b>39</b>	<b>2</b>	<b>77.32%</b>	<b>29.471%</b>

(1) State represents the State within the United States in which the Loan was originally executed.

(2) Weighted Average Original Term, Weighted Average Age and Weighted Average Interest Rate each represents a weighted average by Outstanding Receivables Balance.

(3) Renewal % represents the percentage of Receivables that are renewal Receivables by Outstanding Receivables Balance.

\* Greater than zero but less than 0.005%.



**Distribution of Loans in the Statistical Pool by ADS Score  
as of the Statistical Calculation Date**

<b>ADS Score Range <sup>(1)</sup></b>	<b>Number of Loans</b>	<b>Outstanding Receivables Balance</b>	<b>% of Total Outstanding Receivables Balance</b>	<b>Weighted Average Original Term (in months) <sup>(2)</sup></b>	<b>Weighted Average Age (in months) <sup>(2)</sup></b>	<b>Renewal % <sup>(3)</sup></b>	<b>Weighted Average Interest Rate <sup>(2)</sup></b>
Unavailable	12,082	\$55,473,227	19.81%	40	1	99.89%	29.810%
191 - 500	341	\$397,341	0.14%	29	4	2.15%	27.448%
501 - 600	2,879	\$4,178,954	1.49%	29	4	20.22%	28.625%
601 - 700	15,415	\$38,534,514	13.76%	32	3	36.91%	29.460%
701 - 800	21,715	\$94,158,353	33.63%	38	2	65.95%	29.684%
801 - 900	12,733	\$80,741,798	28.84%	44	2	95.84%	29.151%
901 - 1,000	883	\$6,518,197	2.33%	47	3	100.00%	28.214%
<b>Total:</b>	<b>66,048</b>	<b>\$280,002,385</b>	<b>100.00%</b>	<b>39</b>	<b>2</b>	<b>77.32%</b>	<b>29.471%</b>

- (1) ADS Score means the credit score for an Obligor referred to as the “Alternative Data Score” determined by the Seller in accordance with its proprietary scoring method.
- (2) Weighted Average Original Term, Weighted Average Age and Weighted Average Interest Rate each represents a weighted average by Outstanding Receivables Balance.
- (3) Renewal % represents the percentage of Receivables that are renewal Receivables by Outstanding Receivables Balance.

**Distribution of Loans in the Statistical Pool by PF Score  
as of the Statistical Calculation Date**

<b>PF Score Range <sup>(1)</sup></b>	<b>Number of Loans</b>	<b>Outstanding Receivables Balance</b>	<b>% of Total Outstanding Receivables Balance</b>	<b>Weighted Average Original Term (in months) <sup>(2)</sup></b>	<b>Weighted Average Age (in months) <sup>(2)</sup></b>	<b>Renewal % <sup>(3)</sup></b>	<b>Weighted Average Interest Rate <sup>(2)</sup></b>
Unavailable	6,421	\$21,610,202	7.72%	37	3	64.03%	29.595%
108 - 400	31	\$45,336	0.02%	29	3	100.00%	29.558%
401 - 500	671	\$1,122,701	0.40%	29	2	97.86%	30.288%
501 - 600	6,045	\$14,375,414	5.13%	32	2	92.27%	30.140%
601 - 700	20,433	\$66,919,056	23.90%	36	2	80.15%	29.814%
701 - 800	23,058	\$115,878,974	41.38%	40	2	72.03%	29.373%
801 - 900	9,016	\$57,532,538	20.55%	43	2	84.61%	29.067%
901 - 1,000	373	\$2,518,164	0.90%	45	2	97.64%	28.863%
<b>Total:</b>	<b>66,048</b>	<b>\$280,002,385</b>	<b>100.00%</b>	<b>39</b>	<b>2</b>	<b>77.32%</b>	<b>29.471%</b>

- (1) PF Score means the credit score for an Obligor referred to as the “PF Score” determined by the Seller in accordance with its proprietary scoring method.
- (2) Weighted Average Original Term, Weighted Average Age and Weighted Average Interest Rate each represents a weighted average by Outstanding Receivables Balance.
- (3) Renewal % represents the percentage of Receivables that are renewal Receivables by Outstanding Receivables Balance.

**Distribution of Loans in the Statistical Pool by VantageScore  
as of the Statistical Calculation Date**

<b>VantageScore Range <sup>(1)</sup></b>	<b>Number of Loans</b>	<b>Outstanding Receivables Balance</b>	<b>% of Total Outstanding Receivables Balance</b>	<b>Weighted Average Original Term (in months) <sup>(2)</sup></b>	<b>Weighted Average Age (in months) <sup>(2)</sup></b>	<b>Renewal % <sup>(3)</sup></b>	<b>Weighted Average Interest Rate <sup>(2)</sup></b>
Unavailable	6,364	\$21,484,685	7.67%	41	4	54.06%	25.788%
301 - 400	4	\$9,845	*	31	1	9.60%	29.662%
401 - 500	490	\$1,142,919	0.41%	33	2	78.21%	30.383%
501 - 600	17,224	\$52,061,915	18.59%	35	2	76.15%	30.122%
601 - 700	35,073	\$164,345,478	58.69%	40	2	80.21%	29.764%
701 - 800	6,835	\$40,664,280	14.52%	42	2	79.54%	29.367%
801 - 850	58	\$293,263	0.10%	40	1	58.38%	30.208%
<b>Total:</b>	<b>66,048</b>	<b>\$280,002,385</b>	<b>100.00%</b>	<b>39</b>	<b>2</b>	<b>77.32%</b>	<b>29.471%</b>

- (1) VantageScore is the credit score for an Obligor referred to as a “VantageScore” calculated and reported by any one of Equifax Inc., Experian plc, or TransUnion. The information presented in the table above reflects the VantageScore ranges of the Statistical Pool under the version of VantageScore referred to as “VantageScore 3.0.”
- (2) Weighted Average Original Term, Weighted Average Age and Weighted Average Interest Rate each represents a weighted average by Outstanding Receivables Balance.
- (3) Renewal % represents the percentage of Receivables that are renewal Receivables by Outstanding Receivables Balance.
- \* Greater than zero but less than 0.005%.

**Distribution of Loans in the Statistical Pool by Product Type  
as of the Statistical Calculation Date**

<b>Product Type</b>	<b>Number of Loans</b>	<b>Outstanding Receivables Balance</b>	<b>% of Total Outstanding Receivables Balance</b>	<b>Weighted Average Original Term (in months) <sup>(1)</sup></b>	<b>Weighted Average Age (in months) <sup>(1)</sup></b>	<b>Renewal % <sup>(2)</sup></b>	<b>Weighted Average Interest Rate <sup>(1)</sup></b>
Unsecured Loans	64,562	\$267,690,572	95.60%	39	2	78.63%	29.620%
Secured Personal Loans	1,486	\$12,311,813	4.40%	49	2	48.70%	26.228%
<b>Total:</b>	<b>66,048</b>	<b>\$280,002,385</b>	<b>100.00%</b>	<b>39</b>	<b>2</b>	<b>77.32%</b>	<b>29.471%</b>

- (1) Weighted Average Original Term, Weighted Average Age and Weighted Average Interest Rate each represents a weighted average by Outstanding Receivables Balance.
- (2) Renewal % represents the percentage of Receivables that are renewal Receivables by Outstanding Receivables Balance.

**Distribution of Loans in the Statistical Pool by Renewal Status  
as of the Statistical Calculation Date**

<b>Renewal Status</b>	<b>Number of Loans</b>	<b>Outstanding Receivables Balance</b>	<b>% of Total Outstanding Receivables Balance</b>	<b>Weighted Average Original Term (in months) <sup>(1)</sup></b>	<b>Weighted Average Age (in months) <sup>(1)</sup></b>	<b>Renewal % <sup>(2)</sup></b>	<b>Weighted Average Interest Rate <sup>(1)</sup></b>
New	21,520	\$63,514,398	22.68%	34	3	0.00%	29.286%
Renewal	44,528	\$216,487,987	77.32%	41	2	100.00%	29.525%
<b>Total:</b>	<b>66,048</b>	<b>\$280,002,385</b>	<b>100.00%</b>	<b>39</b>	<b>2</b>	<b>77.32%</b>	<b>29.471%</b>

(1) Weighted Average Original Term, Weighted Average Age and Weighted Average Interest Rate each represents a weighted average by Outstanding Receivables Balance.

(2) Renewal % represents the percentage of Receivables that are renewal Receivables by Outstanding Receivables Balance.

**Distribution of Loans in the Statistical Pool by Pathward Loans  
as of the Statistical Calculation Date**

<b>Pathward Loans <sup>(1)</sup></b>	<b>Number of Loans</b>	<b>Outstanding Receivables Balance</b>	<b>% of Total Outstanding Receivables Balance</b>	<b>Weighted Average Original Term (in months) <sup>(2)</sup></b>	<b>Weighted Average Age (in months) <sup>(2)</sup></b>	<b>Renewal % <sup>(3)</sup></b>	<b>Weighted Average Interest Rate <sup>(2)</sup></b>
No	56,983	\$257,580,146	91.99%	40	2	80.66%	29.531%
Yes	9,065	\$22,422,240	8.01%	33	4	38.90%	28.785%
<b>Total:</b>	<b>66,048</b>	<b>\$280,002,385</b>	<b>100.00%</b>	<b>39</b>	<b>2</b>	<b>77.32%</b>	<b>29.471%</b>

(1) Partnership with Pathward, N.A. (formerly known as MetaBank, N.A.) ("Pathward"), a national bank pursuant to which Pathward originates personal loans in certain states outside the Seller's current state-licensed footprint.

(2) Weighted Average Original Term, Weighted Average Age and Weighted Average Interest Rate each represents a weighted average by Outstanding Receivables Balance.

(3) Renewal % represents the percentage of Receivables that are renewal Receivables by Outstanding Receivables Balance.

## **Delinquency and Default Experience of Sponsor and its Subsidiaries**

The following tables set forth the historical delinquency and default experience with respect to all receivables related to Unsecured Loans originated by the Sponsor and its subsidiaries (“**Sponsor Group Receivables**”) for each of the periods or at each of the dates shown, as applicable. Historical delinquency and default experience with respect to Secured Personal Loans is not reflected. There can be no assurance that the delinquency and default experience for the Issuer with respect to the Receivables will be similar to the historical experience set forth below. Additionally, since the percentage of the Issuer owned Receivables that are originated to new customers is expected to increase and to exceed the Seller’s historical origination rate of such receivables, delinquencies and defaults may be higher than the historical experience set forth below. See “*Risk Factors—Loan Renewals.*” Moreover, there can be no assurances that (1) Receivables originated by Pathward in states where the Seller and the Servicer have limited experience operating or do not currently operate will have the same delinquency and default experience as those originated by the Seller or the Sponsor Group Receivables generally or (2) Receivables relating to Secured Personal Loans originated by the Seller will have the same delinquency and default experience as Receivables relating to Unsecured Loans or the same delinquency and default experience as the Sponsor Group Receivables generally.

# **Delinquency Experience of Sponsor Group Receivables <sup>(1)</sup>**

Date	Number of Loans	Total Outstanding Receivables Balance	30-59 Days Delinquent		
			Number of Loans	Outstanding Receivables Balance	% of Total Outstanding Receivables Balance
8/31/2022	856,141	\$3,062,858,507	27,310	\$68,405,759	2.2%
6/30/2022	862,841	\$3,010,165,713	23,002	\$52,826,629	1.8%
3/31/2022	820,087	\$2,709,399,142	21,572	\$46,834,183	1.7%
12/31/2021	775,807	\$2,451,538,326	20,267	\$40,999,353	1.7%
9/30/2021	685,573	\$2,073,963,007	12,485	\$24,861,683	1.2%
6/30/2021	628,560	\$1,833,618,868	9,805	\$20,538,981	1.1%
3/31/2021	617,362	\$1,812,885,119	9,740	\$23,815,107	1.3%
12/31/2020	638,177	\$1,881,177,439	12,665	\$30,983,539	1.6%
9/30/2020	623,840	\$1,828,750,979	12,434	\$31,011,589	1.7%
6/30/2020	676,503	\$1,931,096,037	14,420	\$32,522,834	1.7%
3/31/2020	776,868	\$2,172,206,360	19,508	\$37,812,696	1.7%
12/31/2019	793,008	\$2,192,086,616	22,720	\$41,775,613	1.9%
9/30/2019	745,032	\$2,015,312,409	20,327	\$35,946,339	1.8%
6/30/2019	710,839	\$1,885,211,674	17,073	\$29,141,137	1.5%
3/31/2019	699,676	\$1,810,337,113	17,213	\$29,948,028	1.7%
12/31/2018	695,721	\$1,782,916,858	20,560	\$34,441,187	1.9%
9/30/2018	642,539	\$1,615,815,149	16,177	\$25,970,834	1.6%
6/30/2018	607,070	\$1,487,479,887	13,521	\$21,271,520	1.4%
3/31/2018	586,431	\$1,388,214,895	13,290	\$20,648,846	1.5%
12/31/2017	582,969	\$1,343,263,320	14,856	\$22,358,775	1.7%
9/30/2017	535,577	\$1,191,638,862	11,941	\$18,371,910	1.5%
6/30/2017	498,481	\$1,085,739,250	10,087	\$15,524,619	1.4%
3/31/2017	487,985	\$1,027,471,833	10,350	\$15,898,489	1.5%
12/31/2016	492,031	\$1,025,472,262	12,181	\$17,528,355	1.7%
9/30/2016	449,547	\$905,763,981	9,651	\$12,838,235	1.4%
6/30/2016	416,503	\$803,949,844	8,547	\$10,418,225	1.3%
3/31/2016	401,210	\$720,562,924	7,765	\$9,137,703	1.3%
12/31/2015	403,816	\$708,640,557	10,151	\$11,628,164	1.6%
9/30/2015	367,564	\$607,107,085	8,720	\$9,696,065	1.6%
6/30/2015	331,928	\$517,917,948	7,403	\$7,712,195	1.5%
3/31/2015	307,353	\$453,506,564	6,205	\$6,376,885	1.4%
12/31/2014	296,420	\$437,122,374	7,160	\$7,494,116	1.7%
9/30/2014	253,190	\$351,528,079	6,381	\$6,349,994	1.8%
6/30/2014	223,760	\$291,444,749	5,493	\$5,210,302	1.8%
3/31/2014	202,908	\$253,578,769	4,359	\$3,983,706	1.6%
12/31/2013	197,554	\$253,371,009	5,230	\$4,996,068	2.0%
9/30/2013	171,236	\$214,774,615	4,124	\$3,699,076	1.7%
6/30/2013	152,918	\$177,829,459	3,188	\$2,693,869	1.5%
3/31/2013	143,847	\$158,387,619	2,945	\$2,497,087	1.6%
12/31/2012	143,915	\$160,873,320	4,100	\$3,305,290	2.1%
9/30/2012	133,652	\$133,202,366	3,442	\$2,458,401	1.8%
6/30/2012	122,883	\$105,509,462	2,760	\$1,806,610	1.7%
3/31/2012	116,116	\$95,316,852	2,636	\$1,758,527	1.8%
12/31/2011	114,346	\$102,114,547	3,120	\$2,270,998	2.2%
9/30/2011	93,771	\$81,256,791	2,559	\$1,679,051	2.1%
6/30/2011	79,262	\$62,731,742	2,150	\$1,251,264	2.0%
3/31/2011	67,275	\$50,717,342	1,663	\$1,065,040	2.1%
12/31/2010	59,041	\$48,090,305	1,681	\$1,110,906	2.3%
9/30/2010	40,783	\$33,138,085	867	\$524,943	1.6%
6/30/2010	26,582	\$19,966,420	571	\$284,498	1.4%
3/31/2010	18,204	\$11,965,853	478	\$241,618	2.0%
12/31/2009	14,177	\$9,497,786	413	\$196,519	2.1%
9/30/2009	10,318	\$6,419,323	397	\$186,689	2.9%
6/30/2009	8,589	\$5,121,407	347	\$156,432	3.1%
3/31/2009	8,362	\$4,966,394	376	\$201,405	4.1%
12/31/2008	8,511	\$5,294,690	397	\$226,465	4.3%
9/30/2008	7,937	\$4,912,189	344	\$194,551	4.0%

(1) The Total Outstanding Receivables Balance and the Outstanding Receivables Balance include Access Loans, which slightly increased certain of these numbers.

**Delinquency Experience of Sponsor Group Receivables <sup>(1)</sup> (continued)**

Date	60-89 Days Delinquent			90-119 Days Delinquent		
	Number of Loans	Outstanding Receivables Balance	% of Total Outstanding Receivables Balance	Number of Loans	Outstanding Receivables Balance	% of Total Outstanding Receivables Balance
8/31/2022	22,336	\$52,173,488	1.7%	17,532	\$38,840,127	1.3%
6/30/2022	18,673	\$41,143,821	1.4%	16,101	\$33,276,402	1.1%
3/31/2022	18,036	\$36,187,018	1.3%	14,300	\$28,087,404	1.0%
12/31/2021	14,408	\$28,696,531	1.2%	12,226	\$23,090,136	0.9%
9/30/2021	9,359	\$18,490,791	0.9%	7,289	\$13,957,486	0.7%
6/30/2021	6,879	\$14,713,578	0.8%	4,591	\$10,748,596	0.6%
3/31/2021	7,032	\$16,882,217	0.9%	5,900	\$14,253,144	0.8%
12/31/2020	8,785	\$21,240,449	1.1%	7,018	\$17,264,089	0.9%
9/30/2020	8,585	\$20,185,283	1.1%	6,381	\$13,725,237	0.8%
6/30/2020	9,450	\$19,878,196	1.0%	9,622	\$19,610,027	1.0%
3/31/2020	13,982	\$25,698,981	1.2%	11,734	\$21,232,068	1.0%
12/31/2019	15,167	\$26,703,804	1.2%	12,312	\$21,085,491	1.0%
9/30/2019	14,190	\$24,442,952	1.2%	11,153	\$18,332,451	0.9%
6/30/2019	12,468	\$21,221,118	1.1%	9,399	\$15,468,438	0.8%
3/31/2019	11,879	\$20,098,658	1.1%	10,402	\$17,116,391	0.9%
12/31/2018	12,715	\$20,815,584	1.2%	10,293	\$16,127,194	0.9%
9/30/2018	11,440	\$17,742,360	1.1%	9,194	\$13,600,394	0.8%
6/30/2018	9,695	\$14,576,517	1.0%	7,723	\$11,195,120	0.8%
3/31/2018	9,462	\$13,462,315	1.0%	7,972	\$11,322,458	0.8%
12/31/2017	10,008	\$14,570,582	1.1%	8,030	\$11,417,388	0.8%
9/30/2017	8,426	\$13,062,890	1.1%	6,973	\$10,383,971	0.9%
6/30/2017	7,308	\$10,998,934	1.0%	5,828	\$8,234,001	0.8%
3/31/2017	8,142	\$11,489,153	1.1%	6,496	\$8,680,915	0.8%
12/31/2016	8,211	\$11,233,704	1.1%	6,654	\$8,258,277	0.8%
9/30/2016	7,309	\$9,255,563	1.0%	6,096	\$7,185,088	0.8%
6/30/2016	6,440	\$7,491,540	0.9%	4,672	\$5,132,325	0.6%
3/31/2016	6,220	\$7,168,566	1.0%	5,378	\$5,849,044	0.8%
12/31/2015	8,000	\$8,878,952	1.3%	5,940	\$6,307,323	0.9%
9/30/2015	7,045	\$7,526,385	1.2%	5,323	\$5,462,011	0.9%
6/30/2015	5,559	\$5,685,002	1.1%	3,931	\$3,868,265	0.7%
3/31/2015	4,900	\$5,109,896	1.1%	3,802	\$3,904,316	0.9%
12/31/2014	5,549	\$5,596,994	1.3%	4,026	\$3,958,228	0.9%
9/30/2014	4,849	\$4,617,709	1.3%	3,508	\$3,262,799	0.9%
6/30/2014	3,871	\$3,445,399	1.2%	3,048	\$2,753,853	0.9%
3/31/2014	3,272	\$3,082,910	1.2%	2,822	\$2,571,679	1.0%
12/31/2013	3,472	\$3,131,710	1.2%	2,824	\$2,540,073	1.0%
9/30/2013	2,920	\$2,550,336	1.2%	2,433	\$2,011,151	0.9%
6/30/2013	2,652	\$2,185,174	1.2%	1,995	\$1,620,534	0.9%
3/31/2013	2,432	\$2,047,960	1.3%	2,204	\$1,711,071	1.1%
12/31/2012	3,071	\$2,396,460	1.5%	2,458	\$1,723,681	1.1%
9/30/2012	2,790	\$1,866,994	1.4%	2,186	\$1,379,455	1.0%
6/30/2012	2,578	\$1,676,810	1.6%	1,978	\$1,244,952	1.2%
3/31/2012	2,094	\$1,498,029	1.6%	1,936	\$1,344,490	1.4%
12/31/2011	2,366	\$1,662,864	1.6%	1,919	\$1,270,202	1.2%
9/30/2011	2,050	\$1,271,905	1.6%	1,476	\$869,151	1.1%
6/30/2011	1,798	\$1,080,356	1.7%	1,085	\$627,953	1.0%
3/31/2011	1,445	\$932,487	1.8%	986	\$630,714	1.2%
12/31/2010	1,034	\$641,795	1.3%	654	\$405,533	0.8%
9/30/2010	635	\$369,304	1.1%	413	\$223,379	0.7%
6/30/2010	396	\$204,023	1.0%	283	\$133,874	0.7%
3/31/2010	262	\$134,337	1.1%	200	\$104,558	0.9%
12/31/2009	283	\$138,125	1.5%	170	\$82,781	0.9%
9/30/2009	248	\$97,270	1.5%	201	\$82,923	1.3%
6/30/2009	291	\$137,819	2.7%	194	\$97,220	1.9%
3/31/2009	263	\$146,399	2.9%	195	\$111,901	2.3%
12/31/2008	297	\$168,670	3.2%	215	\$121,643	2.3%
9/30/2008	262	\$148,563	3.0%	166	\$91,533	1.9%

(1) The Total Outstanding Receivables Balance and the Outstanding Receivables Balance include Access Loans, which slightly increased certain of these numbers.

**Default Experience of Sponsor Group Receivables**  
(Dollars in Millions)

**Quarterly Vintage**

	<u>Q4 2020</u>	<u>Q1 2021</u>	<u>Q2 2021</u>	<u>Q3 2021</u>	<u>Q4 2021</u>	<u>Q1 2022</u>	<u>Q2 2022</u>
Aggregate Original Receivables Balance	\$454.9	\$324.7	\$400.5	\$617.8	\$793.2	\$734.6	\$816.2

**Yearly Vintage**

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Aggregate Original Receivables Balance	\$10.2	\$15.7	\$73.6	\$162.2	\$243.6	\$347.5

**Yearly Vintage**

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Aggregate Original Receivables Balance	\$566.1	\$864.2	\$1,130.3	\$1,390.7	\$1,775.4	\$2,049.0	\$1,352.7	\$2,136.2

**Cumulative Net Principal Defaults  
as a Percentage of Total Original Receivables Balance**

<b>Months of Seasoning</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>Q1 2022</b>
1	0.0%	0.0%	0.0%	0.0%
2	0.0%	0.0%	0.0%	0.0%
3	0.0%	0.0%	0.0%	0.0%
4	0.0%	0.0%	0.0%	0.1%
5	0.2%	0.2%	0.3%	0.4%
6	1.1%	0.9%	1.8%	2.2%
7	1.9%	1.4%	3.0%	
8	2.7%	1.9%	4.1%	
9	3.4%	2.4%	5.1%	
10	4.1%	2.9%		
11	4.8%	3.4%		
12	5.4%	3.8%		
13	6.0%	4.3%		
14	6.5%	4.7%		
15	7.1%	5.1%		
16	7.6%	5.4%		
17	8.0%	5.7%		
18	8.4%	5.9%		
19	8.8%	6.3%		
20	9.1%	6.5%		
21	9.3%	6.7%		
22	9.6%			
23	9.8%			
24	9.9%			
25	10.1%			
26	10.2%			
27	10.3%			
28	10.4%			
29	10.5%			
30	10.5%			
31	10.5%			
32	10.5%			
33	10.5%			
34				
35				
36				



**Cumulative Net Principal Defaults  
as a Percentage of Total Original Receivables Balance (continued)**

<b>Months of Seasoning</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
1	0.0%	0.0%	0.0%	0.0%	0.0%
2	0.0%	0.0%	0.0%	0.0%	0.0%
3	0.0%	0.0%	0.0%	0.0%	0.0%
4	0.0%	0.0%	0.0%	0.0%	0.0%
5	0.2%	0.2%	0.2%	0.2%	0.2%
6	0.9%	1.0%	0.9%	0.9%	1.0%
7	1.6%	1.7%	1.6%	1.6%	1.7%
8	2.2%	2.3%	2.2%	2.2%	2.4%
9	2.8%	2.9%	2.9%	2.8%	3.2%
10	3.3%	3.4%	3.4%	3.4%	3.8%
11	3.7%	3.9%	4.0%	3.9%	4.4%
12	4.1%	4.3%	4.5%	4.4%	5.0%
13	4.4%	4.7%	5.0%	4.9%	5.6%
14	4.7%	5.0%	5.4%	5.3%	6.1%
15	5.0%	5.4%	5.8%	5.7%	6.6%
16	5.2%	5.7%	6.2%	6.1%	7.0%
17	5.4%	5.9%	6.5%	6.4%	7.5%
18	5.6%	6.2%	6.8%	6.7%	7.8%
19	5.7%	6.4%	7.1%	7.0%	8.2%
20	5.8%	6.5%	7.3%	7.3%	8.5%
21	5.9%	6.7%	7.5%	7.5%	8.8%
22	5.9%	6.8%	7.6%	7.6%	9.0%
23	6.0%	6.9%	7.7%	7.8%	9.2%
24	6.0%	7.0%	7.8%	7.9%	9.4%
25	6.0%	7.0%	7.9%	8.0%	9.6%
26	6.1%	7.1%	8.0%	8.1%	9.7%
27	6.1%	7.1%	8.1%	8.2%	9.8%
28	6.1%	7.2%	8.1%	8.3%	9.9%
29	6.1%	7.2%	8.1%	8.3%	10.0%
30	6.1%	7.2%	8.1%	8.4%	10.1%
31	6.1%	7.2%	8.1%	8.4%	10.1%
32	6.1%	7.2%	8.1%	8.4%	10.1%
33	6.1%	7.2%	8.1%	8.4%	10.1%
34	6.1%	7.2%	8.1%	8.4%	10.2%
35	6.1%	7.2%	8.1%	8.4%	10.2%
36	6.0%	7.2%	8.1%	8.4%	10.2%

**Cumulative Net Principal Defaults  
as a Percentage of Total Original Receivables Balance (continued)**

<b>Months of Seasoning</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
1	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
3	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
4	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
5	0.1%	0.1%	0.2%	0.2%	0.2%	0.2%
6	1.3%	1.0%	1.2%	1.3%	1.0%	0.9%
7	3.2%	1.9%	2.1%	2.1%	1.7%	1.5%
8	4.6%	2.8%	3.1%	3.0%	2.4%	2.1%
9	5.8%	3.6%	3.9%	3.7%	3.0%	2.7%
10	6.6%	4.2%	4.6%	4.3%	3.5%	3.2%
11	7.4%	4.7%	5.1%	4.8%	3.9%	3.6%
12	8.1%	5.0%	5.5%	5.1%	4.3%	4.0%
13	8.4%	5.2%	5.9%	5.4%	4.6%	4.3%
14	8.7%	5.4%	6.1%	5.7%	4.9%	4.6%
15	8.8%	5.4%	6.3%	5.9%	5.1%	4.8%
16	8.9%	5.5%	6.3%	6.0%	5.3%	5.0%
17	8.9%	5.5%	6.4%	6.1%	5.4%	5.2%
18	8.9%	5.5%	6.4%	6.2%	5.5%	5.3%
19	8.9%	5.5%	6.4%	6.2%	5.5%	5.4%
20	8.9%	5.5%	6.4%	6.2%	5.6%	5.4%
21	8.9%	5.4%	6.4%	6.2%	5.6%	5.5%
22	8.9%	5.4%	6.4%	6.2%	5.6%	5.5%
23	8.9%	5.4%	6.4%	6.2%	5.6%	5.6%
24	8.8%	5.4%	6.4%	6.2%	5.6%	5.6%
25	N/A	N/A	N/A	N/A	5.6%	5.6%
26	N/A	N/A	N/A	N/A	5.6%	5.6%
27	N/A	N/A	N/A	N/A	5.6%	5.6%
28	N/A	N/A	N/A	N/A	5.6%	5.6%
29	N/A	N/A	N/A	N/A	5.6%	5.6%
30	N/A	N/A	N/A	N/A	5.6%	5.6%
31	N/A	N/A	N/A	N/A	5.5%	5.6%
32	N/A	N/A	N/A	N/A	5.5%	5.6%
33	N/A	N/A	N/A	N/A	5.5%	5.6%
34	N/A	N/A	N/A	N/A	5.5%	5.6%
35	N/A	N/A	N/A	N/A	5.5%	5.5%
36	N/A	N/A	N/A	N/A	5.5%	5.5%

## Maturity and Prepayment Assumptions

All the Receivables are prepayable by the Obligor without penalty. See “*Risk Factors—Yield Considerations*.” If prepayments are received on the Receivables, the actual weighted average life of the Receivables may be shorter than the scheduled weighted average life (*i.e.*, the weighted average life assuming that payments will be made as scheduled and that no prepayments will be made). For this purpose, the term “prepayments” includes:

- voluntary prepayments by Obligor;
- liquidations due to default; and
- purchases of Receivables by the Seller as a result of specified breaches of representations, warranties or covenants.

“**Weighted Average Life**” or “**WAL**” refers to the average amount of time from the date of issuance of a security until each dollar of principal of the security is repaid to the investor. The weighted average lives of the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes will be influenced by (among other things) the rate at which principal payments (including scheduled payments and prepayments) are made on the Receivables. Principal payments on Receivables may be in the form of scheduled payments or prepayments (for this purpose, the term “prepayment” includes prepayments and liquidations due to a default). The prepayment methodology used in this Memorandum, the constant prepayment rate or “**CPR**,” represents an assumed annualized rate of prepayment relative to the then outstanding balance on a pool of Receivables. The CPR assumes that a fraction of the outstanding Receivable pool is prepaid on each Payment Date, which implies that each Receivable in the Receivable pool is equally likely to prepay. This fraction, expressed as a percentage, is annualized to arrive at the CPR for the Initial Hypothetical Receivables (discussed below). The CPR measures prepayments based on the Outstanding Receivables Balance on the previous Payment Date. The CPR further assumes that each Receivable will be either paid as scheduled or prepaid in full. The actual weighted average life of the Receivables may be increased by any rewrites or re-ages of the Receivables. See “*Servicing Standards*.” Any reinvestment risks resulting from a faster or slower incidence of prepayment of Receivables will be borne by the Noteholders. See also “*Description of the Notes—Optional Redemption*” regarding the Issuer’s right to elect to redeem the Notes.

The “**Initial Hypothetical Receivables**” is a pool of loans equal to those Receivables as of the Statistical Calculation Date. The table below represents the Initial Hypothetical Receivables that have been further segregated into 59 hypothetical receivables pools having the characteristics set forth in the table below.

<b>Hypothetical Receivables Pool Number</b>	<b>Unpaid Principal Balance</b>	<b>Original Principal Balance</b>	<b>Interest Rate</b>	<b>Original Loan Term (months)</b>	<b>Loan Age (months)</b>	<b>Renewal Flag</b>
1	\$3,504.98	\$5,058.78	26.330%	8	2	No
2	\$4,582.22	\$6,388.99	28.868%	10	3	No
3	\$154,626.02	\$216,784.66	24.719%	12	3	No
4	\$2,512,294.91	\$3,347,620.05	25.252%	13	3	No
5	\$1,096,208.01	\$1,419,368.89	27.938%	16	3	No
6	\$380,811.82	\$460,460.36	27.455%	18	4	No
7	\$2,827,785.97	\$3,514,787.27	28.050%	19	4	No
8	\$2,265,941.04	\$2,688,946.46	30.065%	22	3	No
9	\$1,158,442.68	\$1,356,683.00	29.446%	24	4	No
10	\$6,260,111.53	\$7,070,901.10	29.378%	25	3	No
11	\$4,084,073.08	\$4,592,705.81	31.270%	28	3	No
12	\$945,305.89	\$1,067,301.02	29.986%	30	4	No
13	\$4,992,274.17	\$5,468,815.63	30.726%	31	3	No
14	\$8,888,677.62	\$9,214,883.64	29.432%	34	2	No
15	\$2,850,136.76	\$3,054,663.98	29.588%	36	3	No
16	\$12,443,952.81	\$13,074,293.27	29.315%	37	2	No
17	\$5,617,171.03	\$5,811,844.06	30.678%	40	2	No
18	\$912,024.61	\$951,385.18	30.225%	42	2	No
19	\$3,602,137.91	\$3,700,226.89	31.006%	43	2	No
20	\$2,667,381.78	\$2,770,220.65	30.078%	46	3	No
21	\$1,496,643.02	\$1,563,638.07	26.000%	47	3	No
22	\$2,414,393.58	\$2,518,745.31	27.948%	49	3	No
23	\$464,275.50	\$469,706.53	27.886%	52	1	No
24	\$40,400.11	\$40,964.75	25.292%	54	3	No
25	\$329,829.63	\$346,151.57	21.531%	55	3	No
26	\$684,279.19	\$698,975.70	23.613%	57	2	No
27	\$548,679.08	\$554,408.30	22.914%	60	1	No
28	\$504,045.27	\$524,168.31	26.181%	61	1	No
29	\$222,875.43	\$223,931.87	24.682%	64	1	No
30	\$271.95	\$408.65	23.040%	6	2	Yes
31	\$2,748.12	\$4,032.51	29.885%	8	1	Yes
32	\$9,954.63	\$13,885.29	32.440%	9	3	Yes
33	\$191,244.53	\$231,078.22	26.217%	12	2	Yes
34	\$3,005,802.36	\$3,460,554.13	26.294%	13	1	Yes
35	\$1,715,991.24	\$1,941,412.03	28.970%	16	1	Yes
36	\$452,183.46	\$505,117.21	29.494%	18	2	Yes
37	\$2,745,584.29	\$3,115,670.97	29.554%	19	2	Yes
38	\$4,715,192.98	\$5,189,955.17	30.757%	22	2	Yes
39	\$1,953,198.25	\$2,123,391.83	30.628%	24	2	Yes
40	\$9,051,269.98	\$9,717,426.58	30.667%	25	2	Yes
41	\$9,932,902.50	\$10,564,836.53	31.367%	28	2	Yes
42	\$2,317,812.91	\$2,500,642.59	31.344%	30	3	Yes
43	\$10,837,621.89	\$11,686,082.99	31.410%	31	3	Yes
44	\$15,261,619.14	\$15,740,863.21	30.419%	34	1	Yes
45	\$4,333,160.34	\$4,576,634.24	30.012%	36	2	Yes
46	\$17,580,213.51	\$18,270,647.20	29.684%	37	2	Yes
47	\$19,165,385.75	\$20,173,317.28	29.755%	40	3	Yes
48	\$7,161,014.23	\$7,485,346.96	28.441%	42	2	Yes
49	\$23,540,942.24	\$24,191,081.65	29.248%	43	2	Yes
50	\$33,744,774.86	\$34,593,471.58	28.959%	46	2	Yes
51	\$10,073,646.93	\$10,482,788.68	28.217%	48	2	Yes
52	\$25,273,076.37	\$25,791,715.97	29.934%	49	1	Yes
53	\$21,002,847.10	\$21,238,364.53	30.936%	52	1	Yes
54	\$1,368,834.96	\$1,382,091.11	28.562%	54	1	Yes
55	\$7,812,420.91	\$7,919,456.84	28.180%	55	1	Yes
56	\$4,094,396.33	\$4,692,660.07	20.101%	57	8	Yes
57	\$1,224,239.88	\$1,303,084.52	22.170%	60	4	Yes
58	\$943,641.37	\$974,271.51	24.880%	61	2	Yes
59	\$352,990.76	\$364,605.53	22.441%	64	2	Yes

In addition, the following assumptions have been used in preparing the tables below:

- all prepayments on the Receivables each month are made in full at the specified monthly CPR and there are no defaults, losses or repurchases, commencing in November 2022, assuming approximately 100% of total forecasted collections for November 2022 will be received after the Cut-Off Date;
- payments on the Receivables are made once a month on the last day of each month, whether or not such day is a Business Day, and each month has 30 days, commencing in November 2022, assuming approximately 100% of total forecasted collections for November 2022 will be received after the Cut-Off Date;
- the initial principal amounts of the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes are equal to \$194,674,000, \$44,209,000, \$30,248,000 and \$30,869,000, respectively;
- interest accrues on the Class A Notes at 7.664% per annum, the Class B Notes at 8.533% per annum, the Class C Notes at 10.147% per annum and the Class D Notes at 12.397% per annum, and Monthly Interest is calculated as the product of (i)(A) for the First Payment Date, a fraction, the numerator of which is the actual number of days in the related Interest Period (based on a 30-day month) and the denominator of which is 360, and (B) for any Payment Date thereafter, one-twelfth (1/12), (ii) the related note rate and (iii) outstanding principal balance of the related class of notes as of the immediately preceding Payment Date (after giving effect to any payments of principal on such Payment Date) or with respect to the First Payment Date, as of the Closing Date;
- payments on the Notes are made on the 8th day of each month commencing in December 2022 whether or not such day is a Business Day;
- the Reserve Account is funded with an initial deposit of \$750,000 on the Closing Date and operates as described under “*Description of the Notes—Reserve Account*”;
- the Cut-Off Date is October 31, 2022;
- the Series 2022-3 Notes are purchased on November 3, 2022;
- the Issuer does not exercise its optional redemption (except for purposes of the “WAL to Optional Redemption (years)” specified in the table below, which assumes that the Issuer exercises its optional redemption on the first Payment Date following the date on which the Outstanding Receivables Balance is less than 15% of the Initial Outstanding Receivables Balance);
- the Servicer receives a monthly servicing fee on each Payment Date equal to the product of (i) 5.00%, (ii) the aggregate Outstanding Receivables Balance as of the first day of the related Monthly Period (or, in the case of the First Payment Date, the Cut-Off Date), and (iii) (A) for the First Payment Date, a fraction, the numerator of which is the actual number of days from and including the assumed Closing Date (November 3, 2022) to and including November 30, 2022 (based on a 30-day month) and the denominator of which is 360, and (B) for any Payment Date thereafter, one-twelfth (1/12);

- the Back-Up Servicer receives a monthly fee equal to \$7,500;
- the Indenture Trustee receives a monthly fee equal to \$2,100;
- the Depositor Loan Trustee receives an annual fee equal to \$12,000, payable on each November Payment Date commencing in 2023;
- the Owner Trustee receives an annual fee equal to \$12,000, payable on each November Payment Date commencing in 2023;
- all other fees and expenses are assumed to be zero;
- the Required Overcollateralization Amount is the greater of 11.5% of the then Outstanding Receivables Balance and 1.0% of the Initial Outstanding Receivables Balance; and
- no Rapid Amortization Event and no Event of Default has occurred.

The tables below were created relying on the assumptions listed above. The tables indicate the percentages of the original principal amounts of the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes, respectively, that would be outstanding on the assumed purchase date of the Series 2022-3 Notes and after each of the listed Payment Dates if certain percentages of CPR are assumed. The tables also indicate the corresponding weighted average life of the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes, respectively, if the same percentages of CPR are assumed.

The foregoing assumptions are known as the “modeling assumptions.” Since the tables below were prepared on the basis of the modeling assumptions, there will be discrepancies between the characteristics of the actual Receivables and the characteristics of the Receivables assumed in preparing the tables. Any of the discrepancies may have an effect upon the percentages of the initial principal balance for the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes outstanding and the weighted average lives of the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes set forth in the tables. In addition, since the actual Receivables have characteristics which differ from those assumed in preparing the tables set forth below, the related weighted average life may be longer or shorter than indicated in the tables.

**Percent of Original Principal Amount at Various CPR Percentages**  
**Class A Notes**

<b>Date</b>	<b>10% CPR</b>	<b>20% CPR</b>	<b>30% CPR</b>	<b>40% CPR</b>	<b>50% CPR</b>
Nov 03, 2022	100%	100%	100%	100%	100%
Dec 08, 2022	93	92	90	88	86
Jan 08, 2023	87	84	81	77	73
Feb 08, 2023	80	76	71	66	60
Mar 08, 2023	74	68	62	56	49
Apr 08, 2023	67	61	55	48	40
May 08, 2023	63	56	49	41	33
Jun 08, 2023	59	51	43	35	26
Jul 08, 2023	54	46	38	29	19
Aug 08, 2023	50	42	32	23	13
Sep 08, 2023	46	37	27	17	7
Oct 08, 2023	42	32	22	12	2
Nov 08, 2023	38	28	18	7	0
Dec 08, 2023	34	24	13	3	0
Jan 08, 2024	30	20	9	0	0
Feb 08, 2024	27	16	5	0	0
Mar 08, 2024	23	12	1	0	0
Apr 08, 2024	19	8	0	0	0
May 08, 2024	15	4	0	0	0
Jun 08, 2024	12	*	0	0	0
Jul 08, 2024	8	0	0	0	0
Aug 08, 2024	4	0	0	0	0
Sep 08, 2024	1	0	0	0	0
Oct 08, 2024	0	0	0	0	0
WAL to Maturity (years)	0.87	0.73	0.61	0.52	0.44
WAL to Optional Redemption (years)	0.87	0.73	0.61	0.52	0.44
Principal Window to Maturity	Dec22-Oct24	Dec22-Jul24	Dec22-Apr24	Dec22-Jan24	Dec22-Nov23

\* Greater than zero but less than 0.5%

**Percent of Original Principal Amount at Various CPR Percentages**  
**Class B Notes**

<b>Date</b>	<b>10% CPR</b>	<b>20% CPR</b>	<b>30% CPR</b>	<b>40% CPR</b>	<b>50% CPR</b>
Nov 03, 2022	100%	100%	100%	100%	100%
Dec 08, 2022	100	100	100	100	100
Jan 08, 2023	100	100	100	100	100
Feb 08, 2023	100	100	100	100	100
Mar 08, 2023	100	100	100	100	100
Apr 08, 2023	100	100	100	100	100
May 08, 2023	100	100	100	100	100
Jun 08, 2023	100	100	100	100	100
Jul 08, 2023	100	100	100	100	100
Aug 08, 2023	100	100	100	100	100
Sep 08, 2023	100	100	100	100	100
Oct 08, 2023	100	100	100	100	100
Nov 08, 2023	100	100	100	100	88
Dec 08, 2023	100	100	100	100	68
Jan 08, 2024	100	100	100	94	49
Feb 08, 2024	100	100	100	76	32
Mar 08, 2024	100	100	100	59	16
Apr 08, 2024	100	100	87	43	2
May 08, 2024	100	100	72	28	0
Jun 08, 2024	100	100	56	14	0
Jul 08, 2024	100	86	42	1	0
Aug 08, 2024	100	71	28	0	0
Sep 08, 2024	100	57	14	0	0
Oct 08, 2024	89	43	2	0	0
Nov 08, 2024	75	30	0	0	0
Dec 08, 2024	60	17	0	0	0
Jan 08, 2025	46	5	0	0	0
Feb 08, 2025	33	0	0	0	0
Mar 08, 2025	20	0	0	0	0
Apr 08, 2025	8	0	0	0	0
May 08, 2025	0	0	0	0	0
WAL to Maturity (years)	2.21	1.94	1.68	1.44	1.23
WAL to Optional Redemption (years)	2.21	1.94	1.68	1.44	1.23
Principal Window to Maturity	Oct24-May25	Jul24-Feb25	Apr24-Nov24	Jan24-Aug24	Nov23-May24



**Percent of Original Principal Amount at Various CPR Percentages**  
**Class C Notes**

<b>Date</b>	<b>10% CPR</b>	<b>20% CPR</b>	<b>30% CPR</b>	<b>40% CPR</b>	<b>50% CPR</b>
Nov 03, 2022	100%	100%	100%	100%	100%
Dec 08, 2022	100	100	100	100	100
Jan 08, 2023	100	100	100	100	100
Feb 08, 2023	100	100	100	100	100
Mar 08, 2023	100	100	100	100	100
Apr 08, 2023	100	100	100	100	100
May 08, 2023	100	100	100	100	100
Jun 08, 2023	100	100	100	100	100
Jul 08, 2023	100	100	100	100	100
Aug 08, 2023	100	100	100	100	100
Sep 08, 2023	100	100	100	100	100
Oct 08, 2023	100	100	100	100	100
Nov 08, 2023	100	100	100	100	100
Dec 08, 2023	100	100	100	100	100
Jan 08, 2024	100	100	100	100	100
Feb 08, 2024	100	100	100	100	100
Mar 08, 2024	100	100	100	100	100
Apr 08, 2024	100	100	100	100	100
May 08, 2024	100	100	100	100	83
Jun 08, 2024	100	100	100	100	65
Jul 08, 2024	100	100	100	100	48
Aug 08, 2024	100	100	100	83	33
Sep 08, 2024	100	100	100	66	18
Oct 08, 2024	100	100	100	50	6
Nov 08, 2024	100	100	86	36	0
Dec 08, 2024	100	100	70	23	0
Jan 08, 2025	100	100	54	10	0
Feb 08, 2025	100	90	40	0	0
Mar 08, 2025	100	74	27	0	0
Apr 08, 2025	100	59	15	0	0
May 08, 2025	95	45	3	0	0
Jun 08, 2025	77	30	0	0	0
Jul 08, 2025	60	16	0	0	0
Aug 08, 2025	43	3	0	0	0
Sep 08, 2025	28	0	0	0	0
Oct 08, 2025	13	0	0	0	0
Nov 08, 2025	1	0	0	0	0
Dec 08, 2025	0	0	0	0	0
WAL to Maturity (years)	2.78	2.53	2.26	1.99	1.72
WAL to Optional Redemption (years)	2.74	2.49	2.22	1.96	1.68
Principal Window to Maturity	May25-Dec25	Feb25-Sep25	Nov24-Jun25	Aug24-Feb25	May24-Nov24

**Percent of Original Principal Amount at Various CPR Percentages**  
**Class D Notes**

<b>Date</b>	<b>10% CPR</b>	<b>20% CPR</b>	<b>30% CPR</b>	<b>40% CPR</b>	<b>50% CPR</b>
Nov 03, 2022	100%	100%	100%	100%	100%
Dec 08, 2022	100	100	100	100	100
Jan 08, 2023	100	100	100	100	100
Feb 08, 2023	100	100	100	100	100
Mar 08, 2023	100	100	100	100	100
Apr 08, 2023	100	100	100	100	100
May 08, 2023	100	100	100	100	100
Jun 08, 2023	100	100	100	100	100
Jul 08, 2023	100	100	100	100	100
Aug 08, 2023	100	100	100	100	100
Sep 08, 2023	100	100	100	100	100
Oct 08, 2023	100	100	100	100	100
Nov 08, 2023	100	100	100	100	100
Dec 08, 2023	100	100	100	100	100
Jan 08, 2024	100	100	100	100	100
Feb 08, 2024	100	100	100	100	100
Mar 08, 2024	100	100	100	100	100
Apr 08, 2024	100	100	100	100	100
May 08, 2024	100	100	100	100	100
Jun 08, 2024	100	100	100	100	100
Jul 08, 2024	100	100	100	100	100
Aug 08, 2024	100	100	100	100	100
Sep 08, 2024	100	100	100	100	100
Oct 08, 2024	100	100	100	100	100
Nov 08, 2024	100	100	100	100	94
Dec 08, 2024	100	100	100	100	84
Jan 08, 2025	100	100	100	100	74
Feb 08, 2025	100	100	100	99	64
Mar 08, 2025	100	100	100	88	55
Apr 08, 2025	100	100	100	79	47
May 08, 2025	100	100	100	69	40
Jun 08, 2025	100	100	92	60	33
Jul 08, 2025	100	100	81	51	27
Aug 08, 2025	100	100	70	43	22
Sep 08, 2025	100	91	60	36	17
Oct 08, 2025	100	80	51	29	13
Nov 08, 2025	100	70	44	24	10
Dec 08, 2025	89	60	36	19	6
Jan 08, 2026	79	51	30	15	4
Feb 08, 2026	68	43	24	11	1
Mar 08, 2026	56	35	19	7	0
Apr 08, 2026	46	27	14	4	0
May 08, 2026	37	21	10	1	0
Jun 08, 2026	29	16	6	0	0
Jul 08, 2026	21	10	2	0	0
Aug 08, 2026	15	6	0	0	0
Sep 08, 2026	10	3	0	0	0
Oct 08, 2026	5	0	0	0	0
Nov 08, 2026	1	0	0	0	0
Dec 08, 2026	0	0	0	0	0
WAL to Maturity (years)	3.48	3.27	3.05	2.79	2.51
WAL to Optional Redemption (years)	2.85	2.60	2.35	2.10	1.76
Principal Window to Maturity	Dec25-Dec26	Sep25-Oct26	Jun25-Aug26	Feb25-Jun26	Nov24-Mar26

The Receivables will not have the characteristics assumed above, and there can be no assurance that (a) the Receivables will prepay at any of the rates shown in the tables or at any other particular rate or will prepay proportionately or (b) the principal on the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes, and the weighted average lives of the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes will be as calculated above. Because the rate of distributions of principal of the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes will be a result of the actual amortization (including prepayments) of the Receivables, which will include Receivables that have remaining terms to stated maturity shorter or longer than those assumed, the weighted average lives of the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes will differ from those set forth above, even if all of the Receivables prepay at the indicated constant prepayment rates.

## **CERTAIN LEGAL ASPECTS OF THE RECEIVABLES**

### **Consumer Protection Laws**

The Seller is licensed to make Unsecured Loans in California, Texas, Illinois, Arizona, Missouri, New Mexico, Florida, Idaho, Wisconsin and New Jersey and is licensed to make Secured Personal Loans in Arizona, California, Florida, New Jersey and Texas. In Nevada, the Seller's wholly-owned subsidiary, Oportun, LLC, is licensed to make consumer installment loans. In Utah, a license is not required, rather, as required, the Seller has filed a Consumer Credit Notification. Each state has consumer lending statutes that provide specific requirements regarding permitted loan pricing, fees and terms. In California, the Seller is licensed under the California Financing Law, California Financial Code Section 22000, as a consumer finance lender, has a license application pending under the California Debt Collectors Licensing Act (California Financial Code Section 100000 *et seq.*) and operates under the Pilot Program for Increased Access to Responsible Small Dollar Loans (California Financial Code Section 22365 *et seq.*) and is regulated by the DFPI. In Texas, the Seller is licensed to make consumer loans under the Texas Finance Code, Chapter 342, Subchapters E and F, and the Texas Office of Consumer Credit Commissioner ("OCCC") is the Seller's state regulator. In Illinois, the Seller is licensed to make consumer loans under the Consumer Installment Loan Act, 205 ILCS 670, and the IDFPR is its regulator. In Nevada, Oportun, LLC is licensed to make consumer installment loans under the Nevada Installment Loan and Finance Act, NRS Chapter 675, and is regulated by the Nevada Financial Institutions Division. In Utah, the Seller has filed a Consumer Credit Notification Form under the Utah Consumer Credit Code, Title 70C, which authorizes it to make loans to consumers, and is regulated by the Utah Department of Financial Institutions. In Arizona, the Seller is licensed by the Arizona Department of Insurance and Financial Institutions as a Consumer Lender, under Ariz. Rev. Stat., 6-600, *et seq.* In Missouri, the Seller is licensed by the Missouri Division of Finance as a Consumer Installment Lender, under Mo. Stat. §§ 408.500 *et seq.* In New Mexico, the Seller is licensed by the New Mexico Division of Financial Institutions as a Small Loan Company Business, under the New Mexico Small Loan Act of 1955, N.M. Stat §§ 58-15-1, *et seq.* In Florida, the Seller is licensed by the Florida Office of Financial Regulation as a Consumer Lender, under the Consumer Finance Act, Fla. Stat. Chapter 516. In Idaho, the Seller is licensed by the Idaho Department of Finance, Consumer Finance Bureau, as a Regulated Lender under Idaho Code §28-46-301. In Wisconsin, the Seller is licensed by the Wisconsin Department of Financial Institutions, as a Loan Company under the Licensed Lender Provisions, Wis. Stat. § 138.09. In New Jersey, the Seller is licensed by the New Jersey Department of Banking and Insurance as a Consumer Lender under the New Jersey Consumer Finance Licensing Act, NJ ST §§ 17-11C-1, *et seq.* and the NJ DOBI Regulations, NJ ADC § 3:17-8.1, *et seq.*

The Seller currently maintains 34 licenses in the 42 states in which it operates. The Seller will obtain and maintain all necessary licenses to originate direct loans in the states in which it lends directly, and the licenses necessary to provide origination services, acquire and service the loans originated under the Pathward Program. The Seller complies with all applicable state law requirements that apply to Seller's activities.

The Seller is subject to applicable state and federal regulations relating to the business of extending credit to borrowers, acquiring loans and providing origination and loan servicing services, including the federal Consumer Credit Protection Act, Federal Trade Commission Act, Title 6, the Alabama Consumer Credit Act and Small Loan Act, the Alaska Small Loans Act, Chapter 5 of the Arizona Revised Statutes, Arkansas Collection Agency Act, the California Financial Code and Fair Debt Collection Practices Act, the Delaware Licensed Lenders Act, the Illinois Consumer Installment Loan Act, the Indiana Uniform Consumer Credit Code and Collection Agencies Code, the Kansas Uniform Consumer Credit Code, the Kentucky Consumer Loan Act and Loan Broker Provisions, the Louisiana Consumer Credit Law, the Michigan Regulatory Loan Act of 1963, Credit Reform Act and the Consumer Financial Services Act, the Minnesota Regulated Loan Act, the Mississippi Small Loans Regulatory Law, the Montana Consumer Loan Act; the Nebraska Installment Loan Act and Collection Agency Act, the Nevada Installment Loan and Finance Act, the New Hampshire Small Loans, Title Loans and Payday Loans Chapter, the North Carolina Consumer Finance Act, Loan Broker Act and Collections Agencies Article, the North Dakota Money Brokers Act and Collections Agencies Chapter, the Ohio Small Loan Act, the Oklahoma Uniform Consumer Credit Code, the Oregon Consumer Finance Act, the Pennsylvania Consumer Discount Company Act and Regulations, the Rhode Island Small Loan Lenders Provisions and Licensed Activities Provisions and Fair Debt Collections Practices, the Texas Finance Code and the Texas Debt Collection Practices Act, the South Carolina Consumer Protection Code and Consumer Finance Law, the South Dakota Money Lending Licenses Act and Administrative Rules and Contract Provisions, the Tennessee Industrial Loan and Thrift Companies Act, the Utah Consumer Credit Code, the Vermont Licensed Lenders Act; the Virginia Consumer Finance Act, the Washington Consumer Loan Act and Collection Agency Act, the Wyoming Uniform Consumer Credit Code and Collection Agency Statute, the Missouri Consumer Installment Loan Provisions, the New Mexico Small Loan Act, the Idaho Credit Code, the Florida Consumer Finance Act, the Wisconsin Licensed Lender Provisions and Consumer Act, New Jersey Consumer Finance Licensing Act, Chapter 443B of the Hawaii Revised Statutes, anti-money laundering requirements (the Bank Secrecy Act and The USA PATRIOT Act), the Equal Credit Opportunity Act, the Fair Debt Collection Practices Act, the Fair Credit Reporting Act, privacy laws (the Gramm-Leach-Bliley Act, the Right to Financial Privacy Act and the state privacy laws), the Electronic Fund Transfer Act, the Servicemembers Civil Relief Act, the Telephone Consumer Protection Act, the Truth in Lending Act, Military Lending Act, anti-discrimination and fair lending laws, laws relating to servicing procedures or maximum charges and rates of interest, and other similar laws.

The Seller's Legal and Compliance team reviews the Seller's loans, policies and procedures (as does the Seller's external compliance counsel in certain instances) to ensure compliance with applicable regulatory laws and regulations. The Seller has built its systems and processes with controls in place in order to permit its policies and procedures to be followed on a consistent basis. For example, loan pricing terms are programmed into the Seller's loan origination software and all loan documentation is computer generated, so there is no need or opportunity for manual intervention. Each loan is also reviewed during the document audit process to check for proper execution of the loan documents.

In addition, it is the Seller's policy to keep abreast of and provide its input, if appropriate, on the changing regulatory environment and new laws that may impact the Seller's business. The Seller receives updated materials from third parties, including law firms, industry trade groups and news services, and attends seminars on regulatory issues and compliance best practices. Where appropriate, Seller works closely with consumer compliance counsel to track changes in federal and state laws applicable to its business. As a part of its compliance program, the Seller routinely reviews its loans, policies and procedures to ensure compliance with applicable regulatory laws and regulations, and has its policies and procedures periodically reviewed and approved by independent third parties, including its outside regulatory counsel.

For most states in which it currently operates, the Seller is required to complete an annual report (or its equivalent) and submit it to the regulator. In all states, the Seller is generally subject to examination

by the regulator. These exams have generally taken place approximately every one to two years since the Seller has started doing business in the respective state. The examinations principally involve the review of a sample of loan files and marketing materials for compliance with both state and federal law and a review of other materials such as advertising materials and customer complaints. Since its inception, the Seller has only had one formal citation issued as a result of an examination, which was received in 2020. The Seller remediated the issues raised in the citation which impacted only a small number of loans, none of which are included in the Statistical Pool and none of which are anticipated to be included in the Receivables Pool.

The Seller has been certified as a CDFI by the U.S. Department of the Treasury since 2009. To maintain certification, all certified CDFIs are required to submit an annual certification report demonstrating continued compliance with the CDFI certification requirements.

Currently, the Seller originates loans directly and acquires loans originated in Nevada by Oportun, LLC. The Seller and Oportun, LLC are licensed in each state where they originate personal loans. As described under “*Seller’s Consumer Loan Business—Pathward Partnership*,” in August 2021, the Seller launched a partnership with Pathward, a national bank, pursuant to which Pathward originates personal loans capped at a 36% APR in certain states outside of the Seller’s current state-licensed footprint. When originating loans under the Pathward Program, Pathward will be contracting for interest and fees (as applicable) based on federal law, specifically Section 85 of the National Bank Act and under Pathward’s home state of South Dakota. Section 85 permits a national bank such as Pathward to charge, on a nationwide basis, interest on the loans it originates at rates permitted by its home state, notwithstanding any contrary usury laws of other states. There has been litigation that has been successful in challenging the contention that a bank acting as a loan’s lender was the true lender and asserting that the party providing the source of loan financing or marketing, purchasing and servicing the loan, was instead the true lender. Certain regulators may also challenge the status of a bank as a loan’s true lender. In connection with loans originated by Pathward, in the event of any recharacterization of Pathward’s status as a true lender, any affected Loans may not be enforceable, could be subject to offset and may further result in fines, penalties, damages, compliance costs or related operational burdens that may adversely affect the Loans and the Notes. See “*Risk Factors—Litigation and Regulatory Actions Involving State Usury, Licensing and ‘True Lender’ Doctrine*” in this Memorandum.

The Seller believes that the Pathward Program is factually distinguishable from the *Madden* case described under “*Risk Factors—Litigation and Regulatory Actions Involving State Usury, Licensing and ‘True Lender’ Doctrine*.” Under the Pathward Program, the Seller will pay to Pathward a loan trailing risk retention fee that is dependent on the Obligor’s payments on the loans originated under the Pathward Program. Such loan trailing risk retention fee is not payable out of Collections on the Trust Estate. Therefore, a portion of Pathward’s expected revenue from originating loans under the Pathward Program is tied to the terms and performance of loans. In addition, Pathward exercises a significant degree of oversight and control of the Pathward Program, including as to the Seller’s regulatory and underwriting guideline compliance, AML/BSA/OFAC practices, compliance management system, third party management, complaint management and security controls and practices.

### **Servicemembers Civil Relief Act and Military Lending Act**

Under the terms of the Servicemembers Civil Relief Act, as amended, a person who enters active military service after the origination of a loan (including a person who was in reserve status and is called to active duty after origination of the loan), such as the incurrence of a revolving credit, may be entitled to:

- (a) a reduction in the interest rate on such obligation and a cap at 6% (including fees) per annum for the duration of the military service on such obligation;

- (b) a stay of proceedings aimed at collecting such debt when delinquent; and
- (c) an extension of the maturity date of the loan, or to have the payments lowered and the payment schedule adjusted.

The Servicemembers Civil Relief Act applies to members of the Army, Navy, Air Force, Marines, National Guard, Reserves, Coast Guard, officers of the National Oceanic and Atmospheric Administration and officers of the U.S. Public Health Service assigned to duty with the military. Application of the Servicemembers Civil Relief Act would adversely affect, for an indeterminate period of time, the ability of the Servicer to collect the full amounts of interest and principal on certain Receivables during the Obligor's period of active duty status, and, under certain circumstances, after active duty status has been completed. Interest at a rate in excess of 6% that would have otherwise been incurred but for the Servicemembers Civil Relief Act is forgiven. Because the Servicemembers Civil Relief Act applies to Obligor's who enter military service after origination of the Receivables, no information can be provided as to the number of Receivables that may be affected by the Servicemembers Civil Relief Act.

Regulations implementing the Military Lending Act (the "MLA") became effective on October 1, 2015, with compliance mandatory for loans originated by the Seller on or after October 3, 2016. Under the terms of the MLA, "covered borrowers" are entitled to certain protections when becoming obligated on a consumer credit transaction. These protections include: a limit on the Military Annual Percentage Rate (which for the Seller is the same as the APR) of 36%, certain required disclosures before origination, a prohibition on charging prepayment penalties and a prohibition on arbitration agreements (the "MLA Protections"). "Covered borrower" is defined as a "covered member" or a dependent. "Covered member" means a member of the armed forces who is serving on active military duty. Pursuant to the MLA, a company that originates loans is permitted to rely on a credit report from a nationwide credit reporting agency to conclusively determine whether an applicant is a covered borrower (the "MLA Safe Harbor"). The Seller has a compliance program in place with respect to the MLA in reliance on the MLA Safe Harbor. While the Seller believes it is in compliance with the provisions of the MLA, evolving application or interpretation of the new regulation could cause the Seller to make adjustments in its policies and procedures or determine that its compliance program is insufficient. If the Seller made a loan to a covered borrower without providing the required MLA Protections, and the MLA Safe Harbor was deemed not to apply, such loan could be deemed void. While the Seller has not historically tracked the percentage of military members in its borrower population and cannot predict the military status of future loan applicants, based on its experience receiving a low number of requests under the Servicemembers Civil Relief Act and the Seller's experience under the MLA thus far, the Seller believes that the MLA is unlikely to have a significant impact on its business. See *"Risk Factors—Consumer Protection Laws and Contractual Restrictions."*

## THE INDENTURE TRUSTEE

Wilmington Trust, National Association ("WTNA") (formerly called M & T Bank, National Association), a national banking association with trust powers incorporated in 1995, will serve as the Indenture Trustee. WTNA's principal place of business is located at 1100 North Market Street, Wilmington, Delaware 19890. WTNA is an affiliate of Wilmington Trust Company, and both WTNA and Wilmington Trust Company are subsidiaries of Wilmington Trust Corporation. Since 1998, Wilmington Trust Company has served as trustee in numerous asset-backed securities transactions involving all asset classes, including consumer loans.

WTNA is subject to various legal proceedings that arise from time to time in the ordinary course of business. WTNA does not believe that the ultimate resolution of any of these proceedings will have a material adverse effect on its services as Indenture Trustee.

WTNA has provided the above two paragraphs and none of the Seller, the Issuer, the Depositor, the Administrator, the Servicer, the Back-Up Servicer or the Initial Purchasers has verified the accuracy of such information. Other than the above two paragraphs, WTNA has not participated in the preparation of, and is not responsible for, any other information contained in this Memorandum.

WTNA is the Indenture Trustee under the Indenture for the benefit of the Noteholders and any other Person including the Indenture Trustee to which any Secured Obligations are payable (the “**Secured Parties**”). The Issuer, the Seller, the Depositor, the Administrator, the Servicer, the Back-Up Servicer and their respective affiliates may from time to time enter into normal banking and trustee relationships with the Indenture Trustee and its affiliates. The Indenture Trustee, the Sponsor, the Issuer, the Seller, the Depositor, the Servicer, the Administrator and any of their respective affiliates may hold Series 2022-3 Notes in their own names. In addition, for purposes of meeting the legal requirements of certain local jurisdictions, the Indenture Trustee shall have the power to appoint a co-trustee or separate trustees of all or part of the Trust Estate. In the event of such appointment, all rights, powers, duties and obligations conferred or imposed upon the Indenture Trustee by the Indenture shall be conferred or imposed upon the Indenture Trustee and such separate trustee or co-trustee jointly, or, in any jurisdiction in which the Indenture Trustee shall be incompetent or unqualified to perform certain acts, singly upon such separate trustee or co-trustee who shall exercise and perform such rights, powers, duties and obligations solely at the direction of the Indenture Trustee.

The Indenture Trustee may, after giving 60 days’ prior written notice to the Issuer and the Servicer, resign at any time, in which event the initial Servicer or the Issuer (at the expense of the Issuer) will be obligated to appoint a successor trustee. The Issuer may also remove the Indenture Trustee if (i) the Indenture Trustee ceases to be eligible to continue as such under the Indenture; (ii) if a court or federal or state bank regulatory agency having jurisdiction in the premises in respect of the Indenture Trustee shall have entered a decree or order granting relief or appointing a receiver, liquidator, assignee, custodian, trustee, conservator, sequestrator (or similar official) for the Indenture Trustee or for any substantial part of the Indenture Trustee’s property, or ordering the winding-up or liquidation of the Indenture Trustee’s affairs or the Indenture Trustee consents to the appointment of or taking possession by a receiver, liquidator, assignee, custodian, trustee, conservator, sequestrator (or other similar official) for the Indenture Trustee or for any substantial part of the Indenture Trustee’s property, or makes any assignment for the benefit of creditors or fails generally to pay its debts as such debts become due or takes any corporate action in furtherance of any of the foregoing, although this provision may not be enforceable; or (iii) if the Indenture Trustee is otherwise incapable of acting as Indenture Trustee. In such circumstances, the initial Servicer or the Issuer will be obligated to appoint a successor Indenture Trustee. Any resignation or removal of the Indenture Trustee and appointment of a successor Indenture Trustee does not become effective until acceptance of the appointment by the successor trustee.

WTNA will also act as securities intermediary and depository bank under the Indenture (in such capacities, the “**Securities Intermediary**” and the “**Depository Bank**,” respectively) and as Certificate Registrar pursuant to the terms of the Trust Agreement.

### **THE OWNER TRUSTEE**

Wilmington Savings Fund Society, FSB (“**WSFS**”), a federal savings bank, will serve as the Owner Trustee for the Issuer pursuant to the Trust Agreement.

WSFS Financial Corporation is a multi-billion-dollar financial services company. Its primary subsidiary, WSFS, is the oldest and largest locally-headquartered bank and trust company headquartered in Delaware and the Greater Philadelphia region. As of June 30, 2022, WSFS Financial Corporation had \$20.6 billion in assets on its balance sheet and \$60.3 billion in assets under management and administration. WSFS operates from 121 offices, 94 of which are banking offices, located in Pennsylvania (62), Delaware

(39), New Jersey (18), Virginia (1) and Nevada (1) and provides comprehensive financial services including commercial banking, retail banking, cash management and trust and wealth management. Other subsidiaries or divisions include Arrow Land Transfer, Cash Connect®, Cypress Capital Management, LLC, NewLane Finance®, Powdermill® Financial Solutions, West Capital Management®, WSFS Institutional Services®, WSFS Mortgage®, WSFS Wealth® Investments, and The Bryn Mawr Trust Company of Delaware. Serving the Greater Delaware Valley since 1832, WSFS is one of the ten oldest banks in the United States continuously operating under the same name. WSFS Financial Corporation is traded on the NASDAQ under the ticker symbol WSFS. WSFS has been acting as owner trustee in asset-backed and mortgage-backed securities issuances since 1999. As of June 30, 2022, WSFS is acting as owner trustee for several hundred issuances and acts as trustee under pooling and servicing agreements or indentures for several hundred issuances.

WSFS's corporate trust office is located at 500 Delaware Avenue, 11th Floor; Wilmington, Delaware 19801. At the date of this Memorandum, there are no legal proceedings pending, or to the best of the Owner Trustee's knowledge, contemplated by governmental authorities, against the Owner Trustee or any property of the Owner Trustee that would be material to holders of the Notes or the Certificates issued by the Issuer.

Other than the above three paragraphs, WSFS has not participated in the preparation of, and is not responsible for, any other information contained herein.

As compensation for its duties under the Trust Agreement, the Owner Trustee will be entitled to such compensation and indemnity as is described in "*The Trust Agreement—Compensation of the Owner Trustee; Indemnification of the Owner Trustee*" in this Memorandum.

For a description of the roles and responsibilities of the Owner Trustee, see "*The Trust Agreement*" in this Memorandum. For information regarding the Owner Trustee's resignation, removal and replacement see "*The Trust Agreement—Resignation or Removal of the Owner Trustee*" below, in this Memorandum.

### **THE DEPOSITOR LOAN TRUSTEE**

WSFS will serve as Depositor Loan Trustee pursuant to the Depositor Loan Trust Agreement and will hold legal title to the Loans and Related Rights otherwise owned by the Depositor for the benefit of the Depositor. At the date of this Memorandum, there are no legal proceedings pending, or to the best of the Depositor Loan Trustee's knowledge, contemplated by governmental authorities, against the Depositor Loan Trustee or any property of the Depositor Loan Trustee that would be material to holders of the Notes or the Certificates issued by the Issuer. WSFS is providing the foregoing information at the Depositor's request in order to assist the Depositor with the preparation of this Memorandum. Otherwise, WSFS, as the Depositor Loan Trustee, has not participated in the preparation of this Memorandum or any other disclosure document and assumes no responsibility for its contents.

For a description of the roles and responsibilities of the Depositor Loan Trustee and for information regarding the compensation, resignation, removal and replacement of the Depositor Loan Trustee, see "*Description of the Depositor Loan Trust Agreement*" in this Memorandum.

### **THE ADMINISTRATOR**

Pursuant to the Trust Agreement, PF Servicing will act as Administrator and cause the Issuer to perform the duties and obligations of the Issuer under the Indenture and the other Transaction Documents. Notwithstanding such engagement, the Issuer will remain liable for all such covenants, duties and obligations. The compensation for the performance of the Administrator's obligations under the Trust Agreement is included in the Servicing Fee that is payable to PF Servicing.



PF Servicing may resign as Administrator by providing the Certificateholders with at least sixty (60) days' prior written notice. The Required Certificateholders may remove PF Servicing as Administrator without cause by providing the Administrator with at least sixty (60) days' prior written notice. In addition, the Depositor may remove PF Servicing as Administrator, effective immediately upon notice, if: (i) the Administrator fails to duly observe or perform any of its duties under the Trust Agreement, and, after written notice of such default, such failure continues unremedied for sixty (60) days (or, if such default cannot be cured in such time, does not provide within 60 days, assurance of cure as shall be reasonably satisfactory to the Depositor) or (ii) an insolvency event occurs with respect to the Administrator.

No such resignation or removal of the Administrator described above will be effective until (i) a successor Administrator has been appointed by the Required Certificateholders and (ii) such successor Administrator has agreed in writing to be bound by the terms of the Trust Agreement.

### **BACK-UP SERVICER**

Systems & Services Technologies, Inc. will act as the back-up servicer (in such capacity, the **"Back-Up Servicer"**). Pursuant to the Back-Up Servicing Agreement, dated as of the Closing Date, among the Back-Up Servicer, the Servicer, the Issuer and the Indenture Trustee (the **"Back-Up Servicing Agreement"**), the Back-Up Servicer (or a successor thereto appointed pursuant to the Back-Up Servicing Agreement) will be required to service the Receivables (within fifteen calendar days of notice of termination of the Servicer and notice of appointment to the Back-Up Servicer, or such later date as may be agreed by the Indenture Trustee and the Back-Up Servicer, and once it has received the necessary information to do so) upon the termination of PF Servicing as Servicer. See *"Description of the Servicing Agreement—Servicer Termination"* and *"Risk Factors—Termination of PF Servicing as Servicer."*

The Back-Up Servicer shall indemnify and hold harmless the Issuer and the Indenture Trustee, on behalf of the Noteholders (collectively, the **"Back-Up Servicer Indemnified Parties"**), from and against any loss, liability, expense, damage or injury suffered or sustained solely by reason of such Back-Up Servicer's gross negligence in the performance of (or failure to perform) its duties or obligations under the Back-Up Servicing Agreement or willful misconduct including any judgment, award, settlement, reasonable attorneys' fees and other costs or expenses reasonably incurred in connection with the defense of any actual action, proceeding or claim; *provided, however*, that the Back-Up Servicer shall not indemnify the Back-Up Servicer Indemnified Parties if such acts or omissions were attributable directly or indirectly to negligence or willful misconduct by such Back-Up Servicer Indemnified Party.

The Indenture Trustee may with the consent of 66⅔% or more of the holders of the aggregate principal balance of the Series 2022-3 Notes outstanding, or shall at the direction of 66⅔% or more of the holders of the aggregate principal balance of the Series 2022-3 Notes outstanding, nominate any Person acceptable to the Indenture Trustee (the **"Nominee"**) to replace SST as Back-Up Servicer but only if such replacement is for cause or a Servicer Default or any Event of Default has occurred and is continuing. Any early termination fees due to the Back-Up Servicer as a result of any such termination effected without cause shall be an expense of the Issuer payable as Trustee, Back-Up Servicer and Successor Servicer Fees and Expenses.

### **USE OF PROCEEDS**

The net proceeds from the sale of the Series 2022-3 Notes will be used by the Depositor to purchase the Loans and Related Rights from the Seller and to make the initial deposit to the Reserve Account. The Seller will apply all or a portion of such proceeds paid to it to permit the special purpose statutory trust that participates in the PLW Facility to pay down the warehouse financing being provided under the PLW Facility by the Initial Purchasers or affiliates thereof.

## MATURITY CONSIDERATIONS

The Indenture provides that payments of principal will be made on the Series 2022-3 Notes on each Payment Date until the Series 2022-3 Termination Date, to the extent of funds available therefor. In some instances, Receivables modified as described under “*Servicing Standards*” may have final maturity dates beyond the Legal Final Payment Date.

If a Rapid Amortization Event occurs, the average life and maturity of the Series 2022-3 Notes could be significantly reduced. No prepayment premium will be payable on account of any prepayment of the Series 2022-3 Notes, and any reinvestment risk will be borne by the Series 2022-3 Noteholders. See “*Risk Factors—Yield Considerations*.”

## CERTIFICATES

Pursuant to the Trust Agreement, the Issuer will also issue the Certificates, which are not being offered under this Memorandum, that will represent the beneficial interest in the Issuer. WTNA will serve as certificate registrar pursuant to the terms of the Trust Agreement. Payments to the Certificateholders will be subordinated to payments owing to the Noteholders to the extent described herein. See “*Description of the Notes—Monthly Payments*” and “*Description of the Notes—Credit Enhancement—Subordination*.” Any information in this Memorandum related to the Certificates is presented solely to provide Noteholders with a better understanding of the Series 2022-3 Notes. The Depositor will be the initial holder of the Certificates; however, the Certificates may be transferred in whole or in part after the Closing Date in accordance with the terms of the Trust Agreement and subject to the restrictions described under “*Credit Risk Retention*.”

## DESCRIPTION OF THE NOTES

The Series 2022-3 Notes will be issued pursuant to the Indenture on the Closing Date in four classes: the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes. The following summary of the Series 2022-3 Notes does not purport to be complete and is subject to, and is qualified in its entirety by reference to, all of the provisions of the Indenture.

### General

The Series 2022-3 Notes offered and sold by the Initial Purchasers to QIBs in reliance on Rule 144A will be issued in the form of a single global note for each class (each, a “**Global Note**” and collectively, the “**Global Notes**”), in fully registered form, without interest coupons, deposited with a custodian for, and registered in the name of a nominee of DTC.

Global Notes will trade and settle as described under “*Description of the Notes—Book-Entry Registration*” and in Annex I. Beneficial interests in each such Global Note will be shown on, and transfer thereof will be effected only through, records maintained by DTC and its direct and indirect participants, including Clearstream Banking, société anonyme (“**Clearstream**”) and Euroclear System (“**Euroclear**”). Beneficial interests in any Global Note may be acquired in minimum denominations of \$100,000 (or, in the case of the Class D Notes, \$500,000) and in integral multiples of \$1,000 in excess thereof.

The Global Notes will be deposited upon issuance with the Indenture Trustee as a custodian for DTC and registered in the name of Cede & Co. (“**Cede**”), as nominee of DTC, in each case for credit to an account of a direct or indirect participant in DTC as described below.

The Global Notes may be transferred, in whole and not in part, only to another nominee of DTC or to a successor of DTC or its nominee. Beneficial interests in the Global Notes may not be exchanged for Definitive Notes except in the limited circumstances described in “*Description of the Notes—Definitive Notes.*”

The Series 2022-3 Notes, and interests or participations therein, will be subject to certain restrictions on transfer and will bear a restrictive legend as described under “*Notice to Investors.*” In addition, transfer of beneficial interests in the Global Notes will be subject to the applicable rules and procedures of DTC and its direct or indirect participants (including, if applicable, those of Euroclear and Clearstream), which may change from time to time. See “*Description of the Notes—Book-Entry Registration.*”

## **Book-Entry Registration**

The information in this section concerning DTC and DTC’s book-entry system and Clearstream and Euroclear has been provided by DTC, Clearstream or Euroclear, as applicable. The Issuer has not independently verified the accuracy of this information.

The Series 2022-3 Notes will be held through DTC in the U.S. and Clearstream or Euroclear in Europe. Note Owners who are participants with one of these systems may hold beneficial interests in the Series 2022-3 Notes directly with such system. In the case of Note Owners who are not participants with one of these systems, such Note Owners may hold beneficial interests in the Series 2022-3 Notes indirectly through organizations which are participants.

Clearstream and Euroclear will hold omnibus positions on behalf of the Clearstream participants and the Euroclear participants, respectively, through participants’ securities accounts in Clearstream’s and Euroclear’s names on the books of their respective depositories (collectively called the “**depositories**”) which in turn will hold such positions in participants’ securities accounts in the depositories’ names on the books of DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”). DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“**Direct Participants**”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly-owned subsidiary of the Depository Trust & Clearing Corporation (“**DTCC**”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is only available to others such as both U.S. and non-U.S. securities brokers and dealers (who may include the Initial Purchasers), banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“**Indirect Participants**”). The DTC Rules applicable to its participants are on file with the SEC. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com) and [www.dtc.org](http://www.dtc.org).

Transfers between DTC participants will occur in accordance with DTC rules. Transfers between Clearstream participants and Euroclear participants will occur in the ordinary way in accordance with their applicable rules and operating procedures.

Cross-market transfers between persons holding directly or indirectly through DTC, on the one hand, and directly or indirectly through Clearstream participants or Euroclear participants, on the other, will be effected through DTC in accordance with DTC rules on behalf of the relevant European international clearing system by such system's depository; however, such cross-market transactions will require delivery of instructions to the relevant European international clearing system by the counterparty in such system in accordance with its rules and procedures and within its established deadlines (European time). The relevant European international clearing system will, if the transaction meets its settlement requirements, deliver instructions to its depository to take action to effect final settlement on its behalf by delivering or receiving securities in DTC, and making or receiving payment in accordance with normal procedures for same-day funds settlement applicable to DTC. Clearstream participants and Euroclear participants may not deliver instructions directly to their system's depositories.

Because of time-zone differences, credits of securities in Clearstream or Euroclear as a result of a transaction with a DTC participant will be made during the subsequent securities settlement processing, dated the Business Day following the DTC settlement date, and such credits for any transactions in such securities settled during such processing will be reported to the relevant Clearstream participant or Euroclear participant on such Business Day. Cash received in Clearstream or Euroclear as a result of sales of securities by or through a Clearstream participant or a Euroclear participant to a DTC participant will be received with value on the DTC settlement date but will be available in the relevant Clearstream or Euroclear cash account only as of the Business Day following settlement in DTC.

Purchases of securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the securities on DTC's records. The ownership interest of each actual purchaser of each security ("**Beneficial Owners**") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in securities, except in the event that use of the book-entry system for the securities is discontinued.

To facilitate subsequent transfers, all securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede, or such other name as may be requested by an authorized representative of DTC. The deposit of securities with DTC and their registration in the name of Cede or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Neither DTC nor Cede (nor any other DTC nominee) will consent or vote with respect to the securities unless authorized by a Direct Participant in accordance with DTC's procedures. Under its usual procedures, DTC mails an omnibus proxy to the Issuer as soon as possible after the record date. The omnibus proxy assigns Cede's consenting or voting rights to those Direct Participants to whose accounts the securities are credited on the record date (identified in a listing attached to the omnibus proxy).

Principal and interest payments on the Series 2022-3 Notes will be made to Cede, or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Issuer and Indenture Trustee on each payable date in accordance with their respective holdings shown on DTC's records. Payments by participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such participant and not of DTC, the Indenture Trustee or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Issuer or the Indenture Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

Although DTC, Clearstream and Euroclear have agreed to the procedures set forth in this section in order to facilitate transfers of the Series 2022-3 Notes among participants of DTC, Clearstream and Euroclear, they are under no obligation to perform or continue to perform such procedures and their performance may be discontinued at any time.

Beneficial Owners that are not Direct Participants or Indirect Participants but desire to purchase, sell or otherwise transfer ownership of, or other interests in, Global Notes may do so only through participants. In addition, Beneficial Owners will receive all distributions of principal of the interest on the Series 2022-3 Notes from the Indenture Trustee through the participants who in turn will receive them from DTC. Under a book-entry format, Beneficial Owners may experience some delay in their receipt of payments, since such payments will be forwarded by the Indenture Trustee to Cede, as nominee for DTC. DTC will forward such payments to its Direct Participants, which thereafter will forward them to Indirect Participants or Beneficial Owners. It is anticipated that the only "Series 2022-3 Noteholder" will be Cede, as nominee of DTC. Beneficial Owners will not be recognized by the Indenture Trustee as Series 2022-3 Noteholders, as such term is used in the Indenture, and Beneficial Owners will only be permitted to exercise the rights of Series 2022-3 Noteholders indirectly through the participants who in turn will exercise the rights of Series 2022-3 Noteholders through DTC.

Under the rules, regulations and procedures creating and affecting DTC and its operations, DTC is required to make book-entry transfers among participants on whose behalf it acts with respect to the Series 2022-3 Notes and is required to receive and transmit distributions of principal and interest on the Global Notes. Direct Participants and Indirect Participants with which Beneficial Owners have accounts with respect to the Global Notes similarly are required to make book-entry transfers and receive and transmit such payments on behalf of their respective Beneficial Owners. Accordingly, although Beneficial Owners will not possess the Series 2022-3 Notes, the Beneficial Owners will receive payments and will be able to transfer their interests, subject to the restrictions described herein.

Because DTC can only act on behalf of Direct Participants, who in turn act on behalf of Indirect Participants and certain banks, the ability of a Beneficial Owner to pledge the Series 2022-3 Notes to Persons or entities that do not participate in the DTC system, or otherwise take actions in respect of the Series 2022-3 Notes, may be limited due to the lack of a physical certificate for the Series 2022-3 Notes and the restrictions on transfer under applicable law.

DTC has advised the Issuer that it will take any action permitted to be taken by a Series 2022-3 Noteholder under the Indenture only at the direction of one or more Direct Participants to whose account with DTC the Series 2022-3 Notes are credited. Additionally, DTC may take conflicting actions with respect to other interests to the extent that such actions are taken on behalf of participants whose holdings include such interests.

Except as required by law, none of the Sponsor, the Seller, the Issuer, the Depositor, the Servicer, the Administrator or the Indenture Trustee will have any liability for any aspect of the records relating to or payments made on account of beneficial ownership interests of the Series 2022-3 Notes held by DTC's nominee, or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

According to DTC, the foregoing information with respect to DTC has been provided for informational purposes only and is not intended to serve as a representation, warranty, or contract modification of any kind.

Clearstream is a company with limited liability incorporated under the laws of Luxembourg. Clearstream holds securities for its participating organizations and facilitates the clearance and settlement of securities transactions between Clearstream participants through electronic book-entry changes in accounts of Clearstream participants, thereby eliminating the need for physical movement of certificates. Transactions may be settled by Clearstream in multiple currencies, including Dollars. Clearstream provides to its participants, among other things, services for safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Clearstream also deals with domestic securities markets in various countries through established depository and custodial relationships. Clearstream is registered as a professional depository in Luxembourg, and as such is subject to regulation by the Commission de Surveillance du Secteur Financier. Clearstream's participants are world-wide financial institutions, including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations and may include the Initial Purchasers. Clearstream's U.S. participants are limited to securities brokers and dealers and banks. Indirect access to Clearstream is also available to other institutions that clear through or maintain a custodial relationship with a Clearstream participant, either directly or indirectly.

Euroclear was created in 1968 to hold securities for participants of Euroclear and to clear and settle transactions between Euroclear participants through simultaneous electronic book-entry delivery against payment, thereby eliminating the need for physical movement of notes. Euroclear is the marketing name for the Euroclear System, Euroclear plc, Euroclear Bank S.A./N.V. and their affiliates.

Euroclear participants include banks (including central banks), securities brokers and dealers and other professional financial intermediaries and may include the Initial Purchasers. Indirect access to Euroclear is also available to other firms that clear through or maintain a custodial relationship with a Euroclear participant, either directly or indirectly.

Securities clearance accounts and cash accounts with Euroclear are governed by the Terms and Conditions Governing Use of Euroclear and the related Operating Procedures of Euroclear and applicable Belgian law. These rules and laws govern transfers of securities and cash within Euroclear, withdrawal of securities and cash from Euroclear, and receipts of payments with respect to securities in Euroclear. All securities in Euroclear are held on a fungible basis without attribution of specific certificates to specific securities clearance accounts. Euroclear acts under these rules and laws only on behalf of Euroclear participants and has no record of or relationship with persons holding through Euroclear participants.

Clearstream and Euroclear have established an electronic bridge between their two systems across which their respective participants may settle trades with each other.

Distributions with respect to Global Notes held through Clearstream or Euroclear will be credited to the cash accounts of Clearstream participants or Euroclear participants in accordance with the relevant system's rules and procedures, to the extent received by its depository. Such distributions will be subject to tax reporting in accordance with relevant United States tax laws and regulations. See "*Certain U.S. Federal Income Tax Consequences*." Clearstream or Euroclear, as the case may be, will take any other action permitted to be taken by a Series 2022-3 Noteholder under the Indenture on behalf of a Clearstream participant or Euroclear participant only in accordance with its relevant rules and procedures and subject to its depository's ability to effect such actions on its behalf through DTC.

## **Definitive Notes**

Notes issued in fully registered, certificated form to persons other than DTC or its nominee (or a successor clearing agency or its nominee) are referred to herein as "**Definitive Notes**."

The Series 2022-3 Notes will be initially issued in book-entry form and will be issued as Definitive Notes to Note Owners or their nominees, rather than to DTC or its nominee, only if:

- the Issuer advises the Indenture Trustee in writing that DTC is no longer willing or able to discharge properly its responsibilities as depository with respect to the Series 2022-3 Notes, and the Issuer is not able to locate a qualified successor;
- to the extent permitted by law, the Issuer, at its option, advises the Indenture Trustee in writing that it elects to terminate the book-entry system through DTC with respect to the Series 2022-3 Notes; or
- after the occurrence of a Servicer Default or Event of Default, Note Owners representing at least a majority of the aggregate outstanding principal amount of the Series 2022-3 Notes advise the Indenture Trustee and DTC in writing that the continuation of a book-entry system through DTC (or a successor thereto) is no longer in the best interest of the Note Owners.

Upon the occurrence of any event described in the immediately preceding paragraph, DTC will be required to notify all applicable Note Owners through participants of the availability through DTC of Definitive Notes. Upon surrender by DTC of the definitive instrument representing the Series 2022-3 Notes and the receipt of instructions for re-registration, the Issuer will execute and the Indenture Trustee will authenticate the Series 2022-3 Notes as Definitive Notes, and thereafter the Indenture Trustee will recognize the registered holders of those Definitive Notes as Series 2022-3 Noteholders under the Indenture.

Distribution of principal and Monthly Interest on the Series 2022-3 Notes will thereafter be made by the Indenture Trustee directly to the holders of the Definitive Notes in accordance with the procedures set forth in "*Description of the Notes—Monthly Payments*." Payments of principal and Monthly Interest on each Payment Date will be made to holders in whose names the Definitive Notes were registered at the close of business on the related Record Date. Such distributions will be made by wire transfer in immediately available funds to the account designated by such Series 2022-3 Noteholder.

Subject to the terms of the Indenture, the holder of any Definitive Note may transfer the same in whole or in part, in an amount equivalent to an authorized denomination, by surrendering at the office or agency maintained by the Transfer Agent and Registrar, which shall initially be the Indenture Trustee, for such purpose at its principal place of business in Wilmington, Delaware, such Definitive Note with the form

of transfer endorsed on it duly completed and executed by, or accompanied by a written instrument of transfer in form satisfactory to the Issuer and the Transfer Agent and Registrar by, the holder thereof and accompanied by a certificate substantially in the form required by the Indenture. In exchange for any Definitive Note properly presented for transfer, the Issuer shall execute and the Indenture Trustee shall promptly authenticate and deliver or cause to be executed, authenticated and delivered in compliance with applicable law, to the transferee at such office, or send by mail (at the risk of the transferee) to such address as the transferee may request, Definitive Notes for the same aggregate principal amount as was transferred. In the case of the transfer of any Definitive Note in part, the Issuer shall execute and the Indenture Trustee shall promptly authenticate and deliver or cause to be authenticated and delivered to the transferor at such office, or send by mail (at the risk of the transferor) to such address as the transferor may request, Definitive Notes for the aggregate principal amount that was not transferred. No transfer of any Definitive Note shall be made unless the request for such transfer is made by the Series 2022-3 Noteholder at such office. Neither the Issuer nor the Indenture Trustee shall be liable for any delay in delivery of transfer instructions and each may conclusively rely on, and shall be protected in relying on, such instructions. Upon the issuance of Definitive Notes to Series 2022-3 Note Owners, the Indenture Trustee shall recognize the holders of the Definitive Notes as Series 2022-3 Noteholders.

### **Determination of Monthly Interest**

Interest will accrue on the Series 2022-3 Notes from the Closing Date and will be payable on each Payment Date until the Series 2022-3 Termination Date. See “*Description of the Notes—Termination.*”

The amount of monthly interest payable on the Class A Notes on each Payment Date will be determined as of each Determination Date and will be an amount equal to the product of (i)(A) for the First Payment Date, a fraction, the numerator of which is the actual number of days in the related Interest Period and the denominator of which is 360, and (B) for any Payment Date thereafter, one-twelfth, times (ii) the Class A Note Rate, times (iii) the outstanding principal balance of the Class A Notes as of the immediately preceding Payment Date (after giving effect to any payments of principal on such preceding Payment Date) or, with respect to the First Payment Date, as of the Closing Date (the “**Class A Monthly Interest**”). The “**Class A Note Rate**” is equal to 7.451% per annum.

In addition to the Class A Monthly Interest, an amount equal to the sum of (i) the amount of any unpaid Class A Deficiency Amount, as defined below, plus (ii) an amount equal to the product (such product being herein called the “**Class A Additional Interest**”) of (A) one-twelfth, times (B) a rate equal to the Class A Note Rate, times (C) any Class A Deficiency Amount, as defined below (or the portion thereof which has not theretofore been paid to the Class A Noteholders), will also be payable to the Class A Noteholders. The “**Class A Deficiency Amount**” for any Determination Date shall be equal to the excess, if any, of (x) the sum of (i) the Class A Monthly Interest and the Class A Additional Interest, in each case for the Interest Period ended immediately prior to the preceding Payment Date, plus (ii) any Class A Deficiency Amount for the preceding period, over (y) the amount actually paid in respect thereof on the preceding Payment Date; *provided, however*, that the Class A Deficiency Amount on the first Determination Date shall be zero.

The amount of monthly interest payable on the Class B Notes on each Payment Date will be determined as of each Determination Date and will be an amount equal to the product of (i)(A) for the First Payment Date, a fraction, the numerator of which is the actual number of days in the related Interest Period and the denominator of which is 360, and (B) for any Payment Date thereafter, one-twelfth, times (ii) the Class B Note Rate, times (iii) the outstanding principal balance of the Class B Notes as of the immediately preceding Payment Date (after giving effect to any payments of principal on such preceding Payment Date) or, with respect to the First Payment Date, as of the Closing Date (the “**Class B Monthly Interest**”). The “**Class B Note Rate**” is equal to 8.533% per annum.



In addition to the Class B Monthly Interest, an amount equal to the sum of (i) the amount of any unpaid Class B Deficiency Amount, as defined below, plus (ii) an amount equal to the product (such product being herein called the “**Class B Additional Interest**”) of (A) one-twelfth, times (B) a rate equal to the Class B Note Rate, times (C) any Class B Deficiency Amount, as defined below (or the portion thereof which has not theretofore been paid to the Class B Noteholders), will also be payable to the Class B Noteholders. The “**Class B Deficiency Amount**” for any Determination Date shall be equal to the excess, if any, of (x) the sum of (i) the Class B Monthly Interest and the Class B Additional Interest, in each case for the Interest Period ended immediately prior to the preceding Payment Date, plus (ii) any Class B Deficiency Amount for the preceding period, over (y) the amount actually paid in respect thereof on the preceding Payment Date; *provided, however*, that the Class B Deficiency Amount on the first Determination Date shall be zero.

The amount of monthly interest payable on the Class C Notes on each Payment Date will be determined as of each Determination Date and will be an amount equal to the product of (i)(A) for the First Payment Date, a fraction, the numerator of which is the actual number of days in the related Interest Period and the denominator of which is 360, and (B) for any Payment Date thereafter, one-twelfth, times (ii) the Class C Note Rate, times (iii) the outstanding principal balance of the Class C Notes as of the immediately preceding Payment Date (after giving effect to any payments of principal on such preceding Payment Date) or, with respect to the First Payment Date, as of the Closing Date (the “**Class C Monthly Interest**”). The “**Class C Note Rate**” is equal to 10.147% per annum.

In addition to the Class C Monthly Interest, an amount equal to the sum of (i) the amount of any unpaid Class C Deficiency Amount, as defined below, plus (ii) an amount equal to the product (such product being herein called the “**Class C Additional Interest**”) of (A) one-twelfth, times (B) a rate equal to the Class C Note Rate, times (C) any Class C Deficiency Amount, as defined below (or the portion thereof which has not theretofore been paid to the Class C Noteholders), will also be payable to the Class C Noteholders. The “**Class C Deficiency Amount**” for any Determination Date shall be equal to the excess, if any, of (x) the sum of (i) the Class C Monthly Interest and the Class C Additional Interest, in each case for the Interest Period ended immediately prior to the preceding Payment Date, plus (ii) any Class C Deficiency Amount for the preceding period, over (y) the amount actually paid in respect thereof on the preceding Payment Date; *provided, however*, that the Class C Deficiency Amount on the first Determination Date shall be zero.

The amount of monthly interest payable on the Class D Notes on each Payment Date will be determined as of each Determination Date and will be an amount equal to the product of (i)(A) for the First Payment Date, a fraction, the numerator of which is the actual number of days in the related Interest Period and the denominator of which is 360, and (B) for any Payment Date thereafter, one-twelfth, times (ii) the Class D Note Rate, times (iii) the outstanding principal balance of the Class D Notes as of the immediately preceding Payment Date (after giving effect to any payments of principal on such preceding Payment Date) or, with respect to the First Payment Date, as of the Closing Date (the “**Class D Monthly Interest**” and, together with the Class A Monthly Interest, the Class B Monthly Interest and the Class C Monthly Interest, the “**Monthly Interest**”). The “**Class D Note Rate**” is equal to 12.397% per annum.

In addition to the Class D Monthly Interest, an amount equal to the sum of (i) the amount of any unpaid Class D Deficiency Amount, as defined below, plus (ii) an amount equal to the product (such product being herein called the “**Class D Additional Interest**” and, together with the Class A Additional Interest, the Class B Additional Interest and the Class C Additional Interest, the “**Additional Interest**”) of (A) one-twelfth, times (B) a rate equal to the Class D Note Rate, times (C) any Class D Deficiency Amount, as defined below (or the portion thereof which has not theretofore been paid to the Class D Noteholders), will also be payable to the Class D Noteholders. The “**Class D Deficiency Amount**” for any Determination Date shall be equal to the excess, if any, of (x) the sum of (i) the Class D Monthly Interest and the Class D

Additional Interest, in each case for the Interest Period ended immediately prior to the preceding Payment Date, plus (ii) any Class D Deficiency Amount for the preceding period, over (y) the amount actually paid in respect thereof on the preceding Payment Date; *provided, however*, that the Class D Deficiency Amount on the first Determination Date shall be zero. The Class D Deficiency Amount together with the Class A Deficiency Amount, the Class B Deficiency Amount and the Class C Deficiency Amount are collectively referred to as the “**Deficiency Amount**.” Monthly Interest (in addition to any Deficiency Amount and Additional Interest) will be distributed to the Series 2022-3 Noteholders as described in “*Description of the Notes—Monthly Payments*” herein.

## **Credit Enhancement**

Credit enhancement for the Series 2022-3 Notes will be provided by excess interest, overcollateralization, the Reserve Account and subordination.

*Excess Interest.* It is anticipated that more interest and other fees will be paid by the Obligors on the Receivables each month than is necessary to pay interest accrued on the Series 2022-3 Notes each month and the monthly fees, expenses and indemnity amounts of the Indenture Trustee, the Collateral Trustee, the Securities Intermediary, the Depository Bank, the Certificate Registrar, the Depositor Loan Trustee, the Owner Trustee, the Back-Up Servicer and the Servicer, resulting in excess interest (“**Excess Spread**”). The Excess Spread will be available to offset or help offset any losses on the Receivables, to replenish the Reserve Account and to make principal payments on the Notes.

Prior to the occurrence of a Rapid Amortization Event, Excess Spread not otherwise applied to offset or help offset losses on the Receivables, to make principal payments on the Notes or to replenish the Reserve Account will be distributed on the Certificates on each Payment Date. See “*Description of the Notes—Monthly Payments—Collection Account and Reserve Account*.” If a Rapid Amortization Event has occurred, any Excess Spread will instead be used to make additional principal payments to the Noteholders. See “*Description of the Notes—Monthly Payments*.”

*Overcollateralization.* The overcollateralization represents the amount by which the Outstanding Receivables Balance of the Receivables, together with any amount on deposit in the Collection Account, exceeds the outstanding principal amount of the Series 2022-3 Notes. On the Closing Date, the overcollateralization amount is expected to be approximately \$10,237,849, or approximately 3.30% of the Initial Outstanding Receivables Balance.

The “**Required Overcollateralization Amount**” is, as of any date of determination, the greater of (a) 11.5% of the Outstanding Receivables Balance as of the end of the preceding Monthly Period and (b) 1.0% of the Outstanding Receivables Balance as of the Cut-Off Date. On each Payment Date, principal will be distributed, to the extent of Available Funds, in an amount necessary to meet or exceed the Required Overcollateralization Amount.

Losses on the Receivables, to the extent exceeding any Excess Spread or amounts available in the Reserve Account, will decrease the level of overcollateralization available for the Series 2022-3 Notes.

*Reserve Account.* The Notes will have the benefit of a Reserve Account established as described under “*Description of the Notes—Trust Accounts*.” On the Closing Date, an amount equal to 0.25% of the aggregate initial principal balance of the Series 2022-3 Notes will be deposited in the Reserve Account, and on each Payment Date thereafter while the Series 2022-3 Notes are outstanding (after giving effect to any repayment of principal on such Payment Date), Available Funds, to the extent available therefor, will be deposited to increase the amounts credited to the Reserve Account to an amount equal to 0.25% of the aggregate outstanding principal balance of the Series 2022-3 Notes (the “**Reserve Account Requirement**”)

as specified in clause (xi) under “*Description of the Notes—Monthly Payments—Collection Account and Reserve Account.*” On any Payment Date, amounts in the Reserve Account will be available to the extent that amounts available in the Collection Account are not sufficient, to provide for payment of the amounts specified in clauses (i) – (x) under “*Description of the Notes—Monthly Payments—Collection Account and Reserve Account.*” generally consisting of Trustee, Back-Up Servicer and Successor Servicer Fees and Expenses, the Servicing Fee, interest payments on the Notes and certain principal payments on the Notes. Upon the occurrence and continuance of an Event of Default, all amounts credited to the Reserve Account will become Available Funds for the next Payment Date.

The Reserve Account is subject to a minimum balance equal to the Reserve Account Requirement. Amounts in the Reserve Account will be replenished as specified in clause (xi) under “*Description of the Notes—Monthly Payments—Collection Account and Reserve Account.*” On each Payment Date, any amount in the Reserve Account in excess of the Reserve Account Requirement will be distributed as part of Available Funds.

*Subordination.* Interest on the Class B Notes for any Payment Date will not be paid until interest (including any Class A Deficiency Amount and Class A Additional Interest) on the Class A Notes for such Payment Date has been paid in full and until payment of principal in the amount of the First Priority Principal Distribution Amount is paid on the Class A Notes for such Payment Date, interest on the Class C Notes for any Payment Date will not be paid until interest (including any Class B Deficiency Amount and Class B Additional Interest) on the Class B Notes for such Payment Date has been paid in full and until payment in the amount of the Second Priority Principal Distribution Amount is paid on the Class A Notes and the Class B Notes for such Payment Date, and interest on the Class D Notes for any Payment Date will not be paid until interest (including any Class C Deficiency Amount and Class C Additional Interest) on the Class C Notes for such Payment Date has been paid in full and until payment in the amount of the Third Priority Distribution Amount is paid on the Class A Notes, the Class B Notes and the Class C Notes for such Payment Date. See “*Description of the Notes—Monthly Payments—Collection Account and Reserve Account.*”

Principal payments on the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes are also made sequentially, with the effect that the Class A Notes must be paid principal and interest in full before the Class B Notes receive any payments of principal, the Class B Notes must be paid principal and interest in full before the Class C Notes receive any payments of principal, and the Class C Notes must be paid principal and interest in full before the Class D Notes will receive any payments of principal.

Distributions will not be made on the Certificates on any Payment Date unless all interest and principal on the Series 2022-3 Notes due on such Payment Date has been paid in full. See “*Description of the Notes—Monthly Payments.*”

Losses on the Receivables, to the extent exceeding any Excess Spread or amounts available in the Reserve Account, will decrease the level of overcollateralization available for the Series 2022-3 Notes. See “*Risk Factors—Credit Enhancement Limitations.*”

## **Certificates**

Pursuant to the Trust Agreement, the Issuer will issue certificates (the “**Certificates**”), that are not being offered under this Memorandum, that will represent the beneficial interest in the Issuer. Payments to the holders of the Certificates (the “**Certificateholders**”) will be subordinated to payments owing to the Noteholders to the extent described herein. See “*Description of the Notes—Monthly Payments*” and “*Description of the Notes—Credit Enhancement—Subordination.*” Any information in this Memorandum related to the Certificates is presented solely to provide Noteholders with a better understanding of the

Series 2022-3 Notes. The Depositor will be the initial holder of the Certificates; however, the Certificates may be transferred in whole or in part after the Closing Date in accordance with the terms of the Trust Agreement and subject to the restrictions described under “*Credit Risk Retention*.”

## **Trust Accounts**

On or prior to the Closing Date, the following segregated accounts relating to Series 2022-3 shall be established in the name of the Issuer for the benefit of the Indenture Trustee on behalf of the Secured Parties (the “**Trust Accounts**”): the “**Collection Account**” and the “**Reserve Account**.” The Indenture Trustee shall be the entitlement holder of and shall have a security interest in all monies, instruments, securities and other property on deposit from time to time in the Trust Accounts and the proceeds thereof. Initially, the Collection Account and the Reserve Account will each be established with WTNA, as Securities Intermediary. Except for the Servicer’s limited, revocable right to withdraw funds from certain Trust Accounts for the purposes of carrying out its duties, the Trust Accounts are under the sole dominion and control of the Indenture Trustee. Generally, interest and earnings (net of losses and investment expenses) accrued on funds on deposit in the Trust Accounts (“**Investment Earnings**”) shall be treated as Collections.

## **Deposit of Collections into Trust Accounts**

The Issuer shall cause, or shall cause the Servicer under the Servicing Agreement to cause, all Collections due and to become due, as the case may be, to be transferred to the Collection Account as promptly as possible after the date of receipt by the Servicer of such Collections, but in no event later than the second Business Day (or, with respect to payments made at retail locations, the third Business Day) following such date of receipt. Relative rights of the owners of the funds in the Servicer Account will be reflected in the Intercreditor Agreement. See “*Risk Factors—Servicer Account Commingling Risk*.”

## **Monthly Payments**

On or before each Note Transfer Date, the Servicer shall provide to the Indenture Trustee a written report, and the Indenture Trustee, acting in accordance with such report, shall withdraw on the related Payment Date, to the extent of the funds credited to the relevant accounts, the amounts required to be withdrawn from the Collection Account and the Reserve Account as follows:

### Collection Account and Reserve Account

The sum (without duplication) of: (a) any Collections received by the Servicer during each Monthly Period and deposited into the Collection Account no later than the third Business Day following the end of such Monthly Period; (b) any amounts on deposit in the Reserve Account in excess of the Reserve Account Requirement; (c) other amounts in the Reserve Account, but only to the extent necessary (after giving effect to clauses (a) and (b) above) to increase the balance of Available Funds to an amount sufficient to pay the amounts required to be paid or distributed pursuant to clauses (i) – (x) below; (d) on any Payment Date after the occurrence and during the continuance of an Event of Default, all amounts in the Reserve Account; and (e) all other amounts held in the Collection Account and the Reserve Account on the earliest of (i) the date on which there is an optional redemption of the Notes as described under “*Description of the Notes—Optional Redemption*,” (ii) the Legal Final Payment Date for any class of Notes then outstanding, or (iii) a Payment Date on which such amounts, together with all other Available Funds, would be sufficient to pay the entire outstanding amount of the Notes when applied as described below (collectively, the “**Available Funds**”), shall be distributed on such Payment Date in the following priority to the extent of funds available therefor:

(i) *first*, an amount equal to the Trustee, Back-Up Servicer and Successor Servicer Fees and Expenses for such Payment Date (plus the Trustee, Back-Up Servicer and Successor Servicer Fees and Expenses due but not paid on any prior Payment Date) shall be set aside and paid to the Indenture Trustee, the Collateral Trustee, the Securities Intermediary, the Depositary Bank, the Certificate Registrar, the Owner Trustee, the Depositor Loan Trustee, the Back-Up Servicer and the successor Servicer, if any (distributed on a *pari passu* and *pro rata* basis) on such Payment Date;

(ii) *second*, if PF Servicing is the Servicer, an amount equal to the Servicing Fee for such Payment Date (plus any Servicing Fee due but not paid on any prior Payment Date) shall be paid to the Servicer on such Payment Date;

(iii) *third*, an amount equal to the Class A Monthly Interest for such Payment Date, plus the amount of any Class A Deficiency Amount for such Payment Date, plus the amount of any Class A Additional Interest for such Payment Date (the “**Class A Required Interest Distribution**”) shall be paid to the Class A Noteholders on such Payment Date;

(iv) *fourth*, an amount equal to (a) on any Payment Date prior to the Legal Final Payment Date of the Class A Notes, the lesser of (x) the remaining Available Funds and (y) an amount not less than zero equal to the excess of (I) the outstanding principal amount of the Class A Notes prior to any payments on such Payment Date over (II) the Outstanding Receivables Balance as of the end of the related Monthly Period; and (b) on any Payment Date on or after the Legal Final Payment Date of the Class A Notes, the outstanding principal amount of the Class A Notes (the “**First Priority Principal Distribution Amount**”) shall be paid to the Class A Noteholders on such Payment Date;

(v) *fifth*, an amount equal to the Class B Monthly Interest for such Payment Date, plus the amount of any Class B Deficiency Amount for such Payment Date, plus the amount of any Class B Additional Interest for such Payment Date (the “**Class B Required Interest Distribution**”) shall be paid to the Class B Noteholders on such Payment Date;

(vi) *sixth*, an amount equal to (a) on any Payment Date prior to the Legal Final Payment Date of the Class B Notes, the lesser of (x) the remaining Available Funds and (y) an amount not less than zero equal to the excess of (I) the outstanding principal amount of the Class A Notes and the Class B Notes prior to any payments on such Payment Date, less the First Priority Principal Distribution Amount over (II) the Outstanding Receivables Balance as of the end of the related Monthly Period; and (b) on any Payment Date on or after the Legal Final Payment Date of the Class B Notes, the outstanding principal amount of the Class B Notes (the “**Second Priority Principal Distribution Amount**”) shall be paid to the Class A Noteholders (until paid in full) and any remaining amounts shall be paid to the Class B Noteholders on such Payment Date;

(vii) *seventh*, an amount equal to the Class C Monthly Interest for such Payment Date, plus the amount of any Class C Deficiency Amount for such Payment Date, plus the amount of any Class C Additional Interest for such Payment Date (the “**Class C Required Interest Distribution**”) shall be paid to the Class C Noteholders on such Payment Date;

(viii) *eighth*, an amount equal to (a) on any Payment Date prior to the Legal Final Payment Date of the Class C Notes, the lesser of (x) the remaining Available Funds and (y) an amount not less than zero equal to the excess of (I) the outstanding principal amount of the Class A Notes, the Class B Notes and the Class C Notes prior to any payments on such Payment Date, less the sum of the First Priority Principal Distribution Amount and the Second Priority Principal

Distribution Amount over (II) the Outstanding Receivables Balance as of the end of the related Monthly Period; and (b) on any Payment Date on or after the Legal Final Payment Date of the Class C Notes, the outstanding principal amount of the Class C Notes (the “**Third Priority Principal Distribution Amount**”) shall be paid to the Class A Noteholders (until paid in full), then to the Class B Noteholders (until paid in full) and then to the Class C Noteholders on such Payment Date;

(ix) *ninth*, an amount equal to the Class D Monthly Interest for such Payment Date, plus the amount of any Class D Deficiency Amount for such Payment Date, plus the amount of any Class D Additional Interest for such Payment Date (the “**Class D Required Interest Distribution**”) shall be paid to the Class D Noteholders on such Payment Date; the Class A Required Interest Distribution, the Class B Required Interest Distribution, the Class C Required Interest Distribution and the Class D Required Interest Distribution are collectively referred to as the “**Required Interest Distribution**”);

(x) *tenth*, an amount equal to (a) on any Payment Date prior to the Legal Final Payment Date of the Class D Notes, the lesser of (x) the remaining Available Funds and (y) an amount not less than zero equal to the excess of (I) the outstanding principal amount of the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes prior to any payments on such Payment Date, less the sum of the First Priority Principal Distribution Amount, the Second Priority Principal Distribution Amount and the Third Priority Principal Distribution Amount over (II) the Outstanding Receivables Balance as of the end of the related Monthly Period; and (b) on any Payment Date on or after the Legal Final Payment Date of the Class D Notes, the outstanding principal amount of the Class D Notes (the “**Fourth Priority Principal Distribution Amount**”) shall be paid to the Class A Noteholders (until paid in full), then to the Class B Noteholders (until paid in full), then to the Class C Noteholders (until paid in full) and then to the Class D Noteholders on such Payment Date;

(xi) *eleventh*, to the Reserve Account, the amount, if any, necessary to increase the amounts credited thereto to the Reserve Account Requirement for such Payment Date;

(xii) *twelfth*, an amount equal to (a) so long as a Rapid Amortization Event has not occurred, an amount, not less than zero, equal to the lesser of (a) the remaining Available Funds and (b) the excess of (A) the outstanding principal amount of the Series 2022-3 Notes prior to any payments on such Payment Date, less the sum of the First Priority Principal Distribution Amount, the Second Priority Principal Distribution Amount, the Third Priority Principal Distribution Amount and the Fourth Priority Principal Distribution Amount over (B) the excess of the Outstanding Receivables Balance of all Eligible Receivables over the Required Overcollateralization Amount (each determined as of the end of such Monthly Period) and (b) if a Rapid Amortization Event shall have occurred and be continuing, all remaining Available Funds (the “**Regular Principal Distribution Amount**”) shall be paid to the Class A Noteholders (until paid in full), then to the Class B Noteholders (until paid in full), then to the Class C Noteholders (until paid in full) and then to the Class D Noteholders (until paid in full);

(xiii) *thirteenth*, an amount equal to the lesser of (A) the remaining Available Funds (determined as of the end of such Monthly Period) and (B) any unreimbursed fees, expenses and indemnity amounts (including, without limitation, any Transition Costs not paid pursuant to clause (i) above) of the Indenture Trustee, the Collateral Trustee, the Securities Intermediary, the Depositary Bank, the Certificate Registrar, the Owner Trustee, the Depositor Loan Trustee, the Back-Up Servicer and any successor Servicer, shall be set aside and paid thereto (distributed on a *pari passu* and *pro rata* basis) on the related Payment Date; and

(xiv) *fourteenth*, the balance, if any, shall be released to the Issuer, free and clear of the lien of the Indenture, for distribution on the Certificates pursuant to the Trust Agreement.

### **Optional Redemption**

The Series 2022-3 Notes shall be subject to redemption by the Issuer, at its option, in accordance with the terms of the Indenture, on any Payment Date on or after the date on which the Outstanding Receivables Balance is less than 15% of the Initial Outstanding Receivables Balance.

The amount necessary to effect such redemption will be equal to the sum of (a) the outstanding principal amount of the Series 2022-3 Notes not then owned by the Issuer, plus (b) accrued and unpaid interest on the Series 2022-3 Notes through the day preceding the Payment Date on which the redemption occurs, plus (c) any other amounts payable to the Series 2022-3 Noteholders pursuant to the Transaction Documents, plus (d) any other amounts due and owing by the Issuer or the Servicer to the other Secured Parties (other than the Certificateholders) pursuant to the Transaction Documents, minus (e) the amounts, if any, on deposit on such Payment Date in the Reserve Account and the Collection Account for the payment of the foregoing amounts.

Unless otherwise consented to by the holders of 100% of the outstanding Certificates, in order to effect the redemption of the Series 2022-3 Notes as described above, the Issuer will be required to make a distribution on the Certificates in connection with a redemption of the Notes in an amount equal to the sum of (i) the amount by which the Outstanding Receivables Balance of the Receivables exceeds the outstanding principal amount of the Series 2022-3 Notes (calculated as though the Notes were not redeemed on such Payment Date), (ii) the amount distributable on the Certificates on the Payment Date on which the redemption occurs (calculated as though the Notes were not redeemed on such Payment Date), plus (iii) any other amounts due and owing to the holders of the outstanding Certificates pursuant to the Transaction Documents, in each case without duplication and net of amounts payable in connection with the redemption of the Notes.

### **Termination**

Except as otherwise provided in the Indenture, the right of the Series 2022-3 Noteholders to receive payments from the Issuer will terminate on the first Business Day following the Series 2022-3 Termination Date.

### **No Petition**

The Indenture Trustee, by entering into the Indenture, and each Series 2022-3 Noteholder, by accepting a Series 2022-3 Note, will covenant and agree that they will not, prior to the date which is one year and one day after payment in full of the last maturing Series 2022-3 Note and the termination of the Indenture, institute against the Issuer, or join in any institution against the Issuer of, any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings, or other proceedings, under any United States federal or state bankruptcy or similar law in connection with any obligations relating to the Series 2022-3 Notes, the Indenture or the Transaction Documents.

### **CREDIT RISK RETENTION**

Pursuant to the SEC's credit risk retention rules, 17 C.F.R. Part 246 ("**Regulation RR**"), the Seller, as sponsor, is required to retain an economic interest in the credit risk of the Receivables, either directly or through a majority-owned affiliate. The Seller intends to satisfy this obligation through the retention by the Depositor, the Seller's "majority-owned affiliate" (as defined in Regulation RR), of an "eligible

horizontal residual interest” (as defined in Regulation RR) in an amount equal to at least 5%, as of the Closing Date, of the fair value of all “ABS interests” (as defined in Regulation RR) in the Issuer, including the Notes and the Certificates. The eligible horizontal residual interest retained by the Depositor will consist of a portion of the Certificates.

Based on the assumptions provided below, the expected fair values of the Notes and the Certificates on the assumed Closing Date, prepared for purposes of compliance with Regulation RR, are estimated to be as follows:

	<b>Approximate Fair Value <sup>(1)</sup></b>	<b>Approximate Fair Value (as a Percentage of Total Fair Value) <sup>(1)</sup></b>
Class A Notes	\$194,672,851	59.1%
Class B Notes	\$43,916,602	13.3%
Class C Notes	\$29,330,118	8.9%
Class D Notes	\$28,661,113	8.7%
Certificates	\$32,686,412	9.9%
<b>Total</b>	<b>\$329,267,097</b>	<b>100.0%</b>

(1) Due to rounding, numbers and percentages presented in this table may not add up precisely to the totals provided.

The Seller has determined the fair value of the Notes and the Certificates in accordance with the fair value assessment described in the FASB Accounting Standards Codification 820, Fair Value Measurements and Disclosures (“ASC 820”), under generally accepted accounting principles. Under ASC 820, fair value of the Notes and the Certificates generally would be the price that would be received by the Seller in a sale of the Notes and the Certificates, respectively, in an orderly transaction between unaffiliated market participants. Under ASC 820, buyers and sellers are both assumed to be knowledgeable and possess a reasonable understanding of the asset using all available information. Additionally, both the buyer and the seller are assumed to be able and willing to transact without an external force specifically compelling them to do so. For example, forced sales, forced liquidations and distress sales are not considered to be “orderly transactions.”

ASC 820 establishes a fair value hierarchy with the following three levels, where Level 1 is the highest priority because it is the most objective and Level 3 is the lowest priority because it is the most subjective:

- Level 1: fair value is calculated using observable inputs that reflect quoted prices for identical assets or liabilities in active markets;
- Level 2: fair value is calculated using inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly or indirectly; and
- Level 3: fair value is calculated using unobservable inputs, such as the sponsor’s data.

The Seller believes that the fair value of the Notes should be categorized within Level 2 of the fair value hierarchy assessment, reflecting the use of inputs derived from prices for similar instruments. The Seller believes that the fair value of the Certificates should be categorized within Level 3 of the fair value hierarchy assessment, reflecting the use of data not observable in the market and reflecting the Seller’s



judgment regarding the assumptions market participants would use in pricing the Certificates in a hypothetical sale.

The fair value of the Class A Notes is assumed to equal the product of the initial principal amount thereof and 99.99941%, the fair value of the Class B Notes is assumed to equal the product of the initial principal amount thereof and 99.33860%, the fair value of the Class C Notes is assumed to equal the product of the initial principal amount thereof and 96.96548%, the fair value of the Class D Notes is assumed to equal the product of the initial principal amount thereof and 92.84756%, and interest will accrue on the Notes based on the following per annum interest rates:

<b>Class</b>	<b>Interest Rate</b>
Class A Notes	7.451%
Class B Notes	8.533%
Class C Notes	10.147%
Class D Notes	12.397%

To calculate the fair value of the Certificates, the Seller used a discounted cash flow method, which is calculated using the forecasted cash flows payable on the Certificates and discounts the value of those cash flows to a present value using a rate intended to reflect a hypothetical market yield. The Seller used an internal model to project future interest payments and principal payments on the Receivables to be sold to the Issuer on the Closing Date, the interest and principal payments on each class of Notes, the Servicing Fee and other expenses of the Issuer, including fees payable to the Indenture Trustee and the Back-Up Servicer. The resulting net cash flows on the Certificates are discounted to their present value using an expected market yield which takes into account the first loss exposure of such cash flows and the credit risk of the Receivables.

In connection with the discounted cash flow calculation described above and after considering the Seller's actual historical performance of its previous securitized portfolios of consumer installment loans, prepayment, delinquency and default assumptions used in structuring the Notes, the composition of the Receivables Pool to be sold to the Issuer, general macroeconomic conditions and other factors discussed below, the Seller made the assumptions described under "*The Receivables—Maturity and Prepayment Assumptions*" (to the extent not inconsistent with the assumptions below) as well as the following additional assumptions:

- the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes will be paid interest at the applicable "Interest Rate" listed above, and Monthly Interest is calculated as the product of (i)(A) for the First Payment Date, a fraction, the numerator of which is the actual number of days in the related Interest Period (based on a 30-day month) and the denominator of which is 360, and (B) for any Payment Date thereafter, one-twelfth (1/12), (ii) the related note rate and (iii) outstanding principal balance of the related class of notes as of the immediately preceding Payment Date (after giving effect to any payments of principal on such Payment Date) or with respect to the First Payment Date, as of the Closing Date;
- interest and principal payments on the Receivables are calculated using the hypothetical pools and related pool characteristics described under "*The Receivables—Maturity and Prepayment Assumptions*;"

- the Receivables prepay at a rate of 30% CPR (this assumption used to calculate the fair value of the Certificates is one of the various prepayment scenarios presented in the table set forth in “*The Receivables—Maturity and Prepayment Assumptions*”);
- the Receivables experience a cumulative net loss rate of 8.56% at a 100% loss severity and 0 month recovery lag, calculated by multiplying 102.45%, with the timing curve presented in the table below:

<b>Monthly Period</b>	<b>Cumulative Net Loss Timing Curve (as a percentage of the cumulative net loss amount)</b>
1	0.0%
2	0.1%
3	0.2%
4	0.4%
5	2.8%
6	12.9%
7	21.9%
8	30.9%
9	39.5%
10	47.4%
11	54.7%
12	61.4%
13	67.6%
14	73.3%
15	78.3%
16	82.9%
17	86.6%
18	90.0%
19	92.9%
20	95.1%
21	97.1%
22	98.8%
23	100.0%

- the Issuer does not exercise its option to redeem the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes;
- all funds on deposit in the Reserve Account are released and distributable on the Certificates upon the payment in full of the Notes; and
- projected cash flows related to the Certificates are discounted at a discount rate of 15%, which reflects an expected market yield derived from qualitative factors that take into account the first loss exposure of the Certificate cash flows and credit risk of the Receivables, and the rate of return that third-party investors would require to purchase residual interests similar to the Certificates.

The Seller developed the discount rate, cumulative net loss on the Receivables and loss timing curve based on the following additional factors:

- Discount rate— due to the lack of an actively traded market in residual interests similar to the Certificates, this rate reflects a determination by the Seller based on, among other items, discount rate assumptions for securitization transactions with similarly-structured residual interests and qualitative factors that consider the subordinate nature of the first-loss exposure.
- Cumulative net losses— the cumulative net loss assumption and the shape of the cumulative net loss curve reflect a determination by the Seller based on, among other items, the composition of the Receivables Pool, and experience with similar receivables originated by the Seller. Default and recovery rate estimates are included in the cumulative net loss assumption.

Based upon the foregoing inputs and assumptions, on the Closing Date, the fair value of the Certificates is expected to be approximately \$32,686,412, which is approximately 9.9% of the aggregate fair value of all “ABS interests” in the Issuer, including the Notes and the Certificates, and the fair value of the portion of the Certificates to be retained by the Depositor for purposes of compliance with Regulation RR is expected to be approximately \$16,463,355, representing 5.0% of the aggregate fair value of all such “ABS interests” in the Issuer. The Seller believes that the inputs and assumptions that could have a material impact on the fair value calculation, or that would be material to an evaluation of the Seller’s fair value calculation, are described above. A differing opinion regarding the appropriate inputs and assumptions could materially change the determination of the fair value of the Certificates. Further, the actual characteristics of the Receivables to be transferred to the Issuer on the Closing Date differ from the assumptions described above (for example, the use of hypothetical pools rather than the individual characteristics of each Receivable) and the actual performance of the Receivables is likely to differ from the assumed performance (such as the actual timing and amount of net losses on the Receivables). Consequently, the present value of the projected cash flows on the Certificates is expected to vary somewhat from the discounted actual cash flows on the Certificates, and you should not assume that the fair value of the Certificates will be equal to or greater than the present value of the actual cash flows on the Certificates. The Seller is required under Regulation RR to disclose the above fair value determinations, including the descriptions of the related inputs and assumptions. Such information is intended to allow potential investors to analyze the amount of the Seller’s retained economic interest in the transactions described herein. Therefore, the fair value determinations and such inputs and assumptions disclosed above should only be used for such purpose and should not be relied upon as a prediction of the performance of the Notes.

The Seller will recalculate the fair value of the Notes and the Certificates following the Closing Date to reflect the issuance of the Notes and any material changes in the methodology or inputs and assumptions described above. The fair value of the Certificates to be held by the Depositor for purposes of compliance with Regulation RR, as a percentage of the sum of the fair value of the Notes and the Certificates and as a dollar amount, in each case, as of the Closing Date, will be included in the first monthly report delivered to Noteholders after the Closing Date, together with a description of any material changes in the method or inputs and assumptions used to calculate the fair value of the Notes and the Certificates (in each case, unless otherwise previously disclosed).

As described under “*Description of the Notes—Monthly Payments*,” distributions on the Certificates on any Payment Date are subordinated to all payments of principal and interest on the Notes by, and other expenses of, the Issuer. In accordance with the requirements for an “eligible horizontal residual interest” under Regulation RR, on any Payment Date on which the Issuer has insufficient funds to make all of the distributions described under “*Description of the Notes—Monthly Payments*”, any resulting shortfall will, through operation of the priority of payments, reduce distributions on the Certificates on such Payment Date prior to any reduction in the amounts payable for interest on, or principal of, any class of

Notes. The material terms of the Notes are described in this Memorandum under “*Description of the Notes*,” and the other material terms of the amounts distributable on the Certificates are described under “*The Certificates*,” “*Description of the Notes—Monthly Payments*” and “*Description of the Notes—Credit Enhancement—Subordination*.”

The Depositor does not intend to transfer or hedge the portion of the retained economic interest that is intended to satisfy the requirements of Regulation RR except as permitted under Regulation RR. The Depositor may in the future transfer or hedge any portion of the economic interest retained by it on the Closing Date exceeding the portion required to be retained for purposes of compliance with Regulation RR.

None of the Initial Purchasers (i) has independently verified any of the statements under this “*Credit Risk Retention*” section or (ii) is responsible for making any representation concerning (a) the accuracy or completeness of the fair value determination, (b) the fair value of the Certificates or the Notes or (c) any assumptions or other variables used to determine any such fair value.

For the avoidance of doubt, in no event shall the Indenture Trustee have any responsibility to monitor or enforce compliance with, or be charged with knowledge of, Regulation RR or any other risk retention regulations, nor shall it be liable to any investor or any other party whatsoever for any violation of such regulations or any similar provisions in effect or the breach of any terms of any Transaction Document in connection therewith.

## **DESCRIPTION OF THE INDENTURE**

The following summary, together with the information under the caption “*Description of the Notes*” is a summary of the material terms of the Indenture. The summary describes the terms of the Indenture as it is to be originally executed. The Indenture may be amended. The summary does not purport to be complete and is qualified in its entirety by reference to the provisions of the Indenture. The Indenture establishes the terms of the Notes and the Certificates, sets forth various covenants and agreements of the Issuer relating thereto, default and remedy provisions, and responsibilities and duties of the Indenture Trustee, among other things.

### **Pledge of the Trust Estate**

The Issuer will grant to the Indenture Trustee at the Closing Date, for the benefit of the Indenture Trustee and the Secured Parties, to secure the Secured Obligations, a continuing Lien on and security interest in all of the Issuer’s right, title and interest in, to and under the following property whether then owned or thereafter acquired, then existing or thereafter created and wherever located: (a) the Receivables and related Loans; (b) all Collections thereon received after the Cut-Off Date; (c) all Related Security; (d) the Trust Accounts that have been or will be established and maintained pursuant to the Indenture, all monies from time to time deposited therein and all money, instruments, investment property, and other property from time to time credited thereto or on deposit therein; (e) all certificates and instruments, if any, representing or evidencing any or all of the Trust Accounts or the funds on deposit therein from time to time; (f) all investments made at any time and from time to time with moneys in the Trust Accounts; (g) the Purchase Agreement, the Transfer Agreement and the Servicing Agreement; (h) all accounts, chattel paper, commercial tort claims, deposit accounts, documents, general intangibles, goods, instruments, investment property, letter-of-credit rights, letters of credit, money, and oil, gas, and other minerals; (i) all additional property that may from time to time be subjected to the grant and pledge made by the Issuer or by anyone on its behalf; (j) all present and future claims, demands, causes and choses in action and all payments on or under the foregoing; and (k) all proceeds of every kind and nature whatsoever in respect of any or all of the foregoing.

## Event of Default

An “**Event of Default**” means any one of the following events (whatever the reason for such Event of Default and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body):

(i) default in the payment of any interest on the Series 2022-3 Notes the most senior Class of Notes then outstanding on any Payment Date, and such default shall continue (and shall not have been waived by the Required Noteholders) for a period of five (5) Business Days after receipt of notice thereof from the Indenture Trustee;

(ii) default in the payment of the principal of or any installment of the principal of any class of Series 2022-3 Notes when the same becomes due and payable on the Legal Final Payment Date;

(iii) the filing of a decree or order for relief by a court having jurisdiction in the premises in respect of the Issuer, the Depositor, the Seller, Oportun, LLC, the Servicer or any substantial part of the Trust Estate in an involuntary case under any applicable federal or state bankruptcy, insolvency or other similar law now or hereafter in effect, or appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official of the Issuer or for any substantial part of the Trust Estate, or ordering the winding-up or liquidation of the Issuer’s affairs, and such decree or order shall remain unstayed and in effect for a period of sixty (60) consecutive days;

(iv) the commencement by the Issuer, the Depositor, the Seller, Oportun, LLC or the Servicer of a voluntary case under any applicable federal or state bankruptcy, insolvency or other similar law now or hereafter in effect, or the consent by the Issuer to the entry of an order for relief in an involuntary case under any such law, or the consent by the Issuer to the appointment of or taking possession by a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official of the Issuer or for any substantial part of the Trust Estate, or the making by the Issuer of any general assignment for the benefit of creditors, or the failure by the Issuer generally to pay its debts as such debts become due, or the taking of action by the Issuer in furtherance of any of the foregoing;

(v) either (w) a failure on the part of the Issuer duly to observe or perform any other covenants or agreements of the Issuer set forth in the Indenture, (x) a failure on the part of the Depositor duly to observe or perform any other covenants or agreements of the Depositor set forth in the Transfer Agreement, (y) a failure on the part of the Seller duly to observe or perform any other covenants or agreements of the Seller set forth in the Purchase Agreement or (z) a failure on the part of the Servicer duly to observe or perform any other covenants or agreements of the Servicer set forth in the Servicing Agreement, which failure, in any such case, has a material adverse effect on the interests of the Series 2022-3 Noteholders (as reasonably determined by the Required Noteholders) and which continues unremedied for a period of thirty (30) days after the date on which notice of such failure, requiring the same to be remedied, shall have been given by registered or certified mail to the Issuer, the Depositor, the Seller or the Servicer, as applicable, by the Indenture Trustee, or to the Issuer, the Seller or the Servicer, as applicable, and the Indenture Trustee by the Required Noteholders;

(vi) either (w) any representation, warranty or certification made by the Issuer in the Indenture or in any certificate delivered pursuant to the Indenture shall prove to have been

inaccurate when made or deemed made, (x) any representation, warranty or certification made by the Depositor in the Transfer Agreement or in any certificate delivered pursuant to the Transfer Agreement shall prove to have been inaccurate when made or deemed made or (y) any representation, warranty or certification made by the Seller in the Purchase Agreement or in any certificate delivered pursuant to the Purchase Agreement shall prove to have been inaccurate when made or deemed made and, in any such case, such inaccuracy has a material adverse effect on the Series 2022-3 Noteholders (as reasonably determined by the Required Noteholders) and which continues unremedied for a period of thirty (30) days after the date on which a notice specifying such incorrect representation or warranty and requiring the same to be remedied, shall have been given by registered or certified mail to the Issuer or the Seller, as applicable, by the Indenture Trustee, or to the Issuer or the Seller, as applicable, and the Indenture Trustee by the Required Noteholders;

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

(viii) the Issuer shall have become subject to regulation by the SEC as an “investment company” under the Investment Company Act of 1940, as amended;

(ix) the Issuer shall become taxable as an association or a publicly traded partnership taxable as a corporation for U.S. federal income tax purposes; or

(x) a lien shall be filed pursuant to Section 430 or Section 6321 of the Code with regard to the Issuer and such lien shall not have been released within thirty (30) days.

If and whenever an Event of Default (other than in clause (iii) and (iv) above) has occurred and is continuing, the Indenture Trustee may, and at the written direction of the Required Noteholders shall, cause the principal amount of all Series 2022-3 Notes outstanding to be immediately due and payable at par, together with interest thereon. If an Event of Default with respect to the Issuer specified in clause (iii) or (iv) above shall occur, all unpaid principal of and accrued interest on all the Series 2022-3 Notes outstanding shall *ipso facto* become and be immediately due and payable without any declaration or other act on the part of the Indenture Trustee or any Series 2022-3 Noteholder. If an Event of Default shall have occurred and be continuing, the Indenture Trustee may exercise from time to time any rights and remedies available to it under applicable law and under the Indenture. Any amounts obtained by the Indenture Trustee on account of or as a result of the exercise by the Indenture Trustee of any right shall be held by the Indenture Trustee as additional collateral for the repayment of the Secured Obligations and shall be applied in accordance with the priority of payments described in “*Description of the Notes—Monthly Payments.*” The acceleration of the Series 2022-3 Notes may be rescinded under certain circumstances by the Required Noteholders and, prior to acceleration, the Required Noteholders may waive any Default or Event of Default and its consequences (except a Default in payment of principal of any Series 2022-3 Note).

### **Rapid Amortization Event**

A “**Rapid Amortization Event**” means the occurrence of any of the following events (whatever the reason for such Rapid Amortization Event and whether it shall be voluntary or involuntary):

- (i) a Cumulative Default Ratio Amortization Event; or
- (ii) a Servicer Default or an Event of Default.

A “**Cumulative Default Ratio Amortization Event**” shall have occurred on any Payment Date if the Cumulative Default Ratio for such Payment Date exceeds the percentage set forth opposite such Payment Date on Annex II hereto. The “**Cumulative Default Ratio**” means, with respect to any Payment Date, the fraction, expressed as a percentage, the numerator of which is the Cumulative Default Amount for such Payment Date and the denominator of which is the Initial Outstanding Receivables Balance. The “**Cumulative Default Amount**” means, with respect to any Payment Date, the sum of the Outstanding Receivables Balance of all Receivables that became Defaulted Receivables from the Cut-Off Date through the end of the related Monthly Period, less the sum of the aggregate amount of all Recoveries received with respect to the Defaulted Receivables from the Cut-Off Date through the end of the related Monthly Period.

The Required Noteholders may waive any Rapid Amortization Event and its consequences. Upon the occurrence and continuance of a Rapid Amortization Event not waived by the Required Noteholders, the payments of principal on the Notes are increased to the extent of Available Funds from the Regular Principal Distribution Amount to all remaining available amounts at such step in the priority of payments as described in “*Description of the Notes—Monthly Payments.*”

### **Reports to Noteholders**

On or before each Payment Date, the Indenture Trustee shall make available electronically to each Series 2022-3 Noteholder, with respect to each Series 2022-3 Noteholder’s interest a statement prepared by the Servicer and delivered to the Indenture Trustee on the preceding Determination Date and setting forth, among other things, the following information:

- (i) the amount of Collections (including a breakdown of Finance Charges vs. principal Collections) received during the related Monthly Period;
- (ii) the amount of Available Funds on deposit in the Collection Account and, if applicable, the Reserve Account on the related Payment Date;
- (iii) the Reserve Account Requirement and the balance in the Reserve Account on the related Payment Date;
- (iv) the amount of Trustee, Back-Up Servicer and Successor Servicer Fees and Expenses, Monthly Interest, Deficiency Amounts and Additional Interest, respectively;
- (v) the amount of the Servicing Fee for such Payment Date;
- (vi) the total amount to be distributed to the Class A Noteholders, the Class B Noteholders, the Class C Noteholders and the Class D Noteholders on such Payment Date;
- (vii) the outstanding principal balance of the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes as of the end of the day on the Payment Date;
- (viii) the aggregate amount of Receivables that became Defaulted Receivables during the related Monthly Period; and
- (ix) the aggregate Outstanding Receivables Balance of Receivables which were 1-29 days, 30-59 days, 60-89 days, and 90-119 days delinquent, respectively, as of the end of the preceding Monthly Period.

To the extent the Servicer provides such information to the Indenture Trustee, the Indenture Trustee will make such information available to each Series 2022-3 Noteholder via the Indenture Trustee's Internet Website. The Indenture Trustee's Internet Website will initially be located at [www.wilmingtontrustconnect.com](http://www.wilmingtontrustconnect.com) or at such other address as the Indenture Trustee shall notify the parties to the Indenture from time to time. For assistance with regard to this service, investors may call the Indenture Trustee at (866) 829-1928.

The Indenture Trustee makes no representations or warranties as to the accuracy or completeness of, and may disclaim responsibility for, any information made available by the Indenture Trustee.

The Indenture Trustee may require registration and the acceptance of a disclaimer in connection with providing access to the Indenture Trustee's Internet Website. The Indenture Trustee shall not be liable for the dissemination of information made in accordance with the Indenture. In addition, the Indenture Trustee shall be entitled to rely on but shall not be responsible for the content or accuracy of any information provided by the Servicer.

To the extent required by the Code or the Treasury regulations thereunder, on or before January 31 of each calendar year, the Indenture Trustee shall distribute to each Person who at any time during the preceding calendar year was a Series 2022-3 Noteholder, a statement prepared by the Servicer containing the information required to be contained in the regular monthly report to Series 2022-3 Noteholders, as set forth in subclauses (v) and (vi) above, aggregated for such calendar year, and a statement prepared by the initial Servicer or the Issuer with such other customary information (consistent with the treatment of the Series 2022-3 Notes as debt) required by applicable tax law to be distributed to the Series 2022-3 Noteholders. Such obligations of the Indenture Trustee shall be deemed to have been satisfied to the extent that substantially comparable information shall be provided by the Indenture Trustee pursuant to any requirements of the Code as from time to time in effect.

Unless and until Definitive Notes are issued, monthly reports, containing unaudited information concerning the Issuer and prepared by the Servicer, will be sent on behalf of the Issuer only to DTC or its nominee as registered holder of the Series 2022-3 Notes, pursuant to the Indenture. See "*Description of the Notes—Book-Entry Registration.*" Such reports will not constitute financial statements prepared in accordance with GAAP. The Note Owners may obtain such reports by furnishing to the Indenture Trustee a written request and a certification that such person is a Note Owner and by paying postage and reproduction costs.

## **Amendments**

Without the consent of the Series 2022-3 Noteholders, and, if the Certificateholders', the Servicer's, the Administrator's or the Back-Up Servicer's (including as successor Servicer) rights and/or obligations are materially and adversely affected thereby, with the consent of the Required Certificateholders, the Servicer, the Administrator or the Back-Up Servicer, as applicable, the Issuer and the Indenture Trustee, when authorized by an Administrator Order, at any time and from time to time, may enter into one or more indenture supplements or amendments to the Indenture, in form satisfactory to the Indenture Trustee, for any of the following purposes: (a) to correct or amplify the description of any property at any time subject to the lien of the Indenture, or better to assure, convey and confirm unto the Indenture Trustee any property subject or required to be subjected to the lien of the Indenture, or to subject to the lien of the Indenture additional property; (b) to evidence the succession, in compliance with the applicable provisions of the Indenture, of another Person to the Issuer, and the assumption by any such successor of the covenants of the Issuer in the Indenture and in the Series 2022-3 Notes; (c) to add to the covenants of the Issuer for the benefit of any Secured Parties or to surrender any right or power conferred upon the Issuer in the Indenture; (d) to convey, transfer, assign, mortgage or pledge to the Indenture Trustee any property or assets as security



for the Secured Obligations and to specify the terms and conditions upon which such property or assets are to be held and dealt with by the Indenture Trustee and to set forth such other provisions in respect thereof as may be required by the Indenture or as may, consistent with the provisions of the Indenture, be deemed appropriate by the Issuer and the Indenture Trustee, or to correct or amplify the description of any such property or assets at any time so mortgaged, pledged, conveyed and transferred to the Indenture Trustee; (e) to cure any ambiguity, or correct or supplement any provision of the Indenture which may be inconsistent with any other provision of the Indenture or the final offering memorandum for the Series 2022-3 Notes; (f) to make any other provisions of the Indenture with respect to matters or questions arising under the Indenture; *provided, however*, that such action shall not adversely affect the interests of any Series 2022-3 Noteholder in any material respect without consent being provided as set forth in the following paragraph; (g) to evidence and provide for the acceptance of appointment under the Indenture by a successor Indenture Trustee with respect to the Series 2022-3 Notes or to add to or change any of the provisions of the Indenture as shall be necessary and permitted to provide for or facilitate the administration of the trusts under the Indenture by more than one trustee pursuant to the requirements of the Indenture; or (h) to modify, eliminate or add to the provisions of the Indenture to such extent as shall be necessary to effect the qualification of the Indenture under the TIA or under any similar federal statute hereafter enacted and to add to the Indenture such other provisions as may be expressly required by the TIA; *provided, however*, that no amendment or supplement shall be permitted if it would adversely affect the tax characterization of any outstanding Series 2022-3 Notes or result in a taxable event to any Series 2022-3 Noteholder unless such Series 2022-3 Noteholder's consent is obtained. See "*Risk Factors—Noteholder Control Limitations.*"

The Issuer and the Indenture Trustee, when authorized by an Administrator Order, also may, with the consent of the Required Noteholders and, if the Certificateholders', the Servicer's, the Administrator's or the Back-Up Servicer's (including as successor Servicer) rights and/or obligations are materially and adversely affected thereby, the Required Certificateholders, the Servicer, the Administrator or the Back-Up Servicer, as applicable, enter into one or more indenture supplements or amendments to the Indenture for the purpose of adding any provisions to, or changing in any manner or eliminating any of the provisions of, the Indenture or of modifying in any manner the rights of the Series 2022-3 Noteholders under the Indenture; *provided, however*, that no such indenture supplement or amendment shall, without the consent of the Required Noteholders and without the consent of the Series 2022-3 Noteholder of each outstanding Series 2022-3 Note affected thereby (and in the case of clause (iii) below, the consent of each Secured Party): (i) change the date of payment of any installment of principal of or interest on, or any premium payable upon the redemption of, any Series 2022-3 Note or reduce in any manner the principal amount thereof, the interest rate thereon or the redemption price with respect thereto, modify the provisions of the Indenture relating to the application of Collections on, or the proceeds of the sale of, the Trust Estate to payment of principal of, or interest on, the Series 2022-3 Notes, or change any place of payment where, or the coin or currency in which, any Series 2022-3 Note or the interest thereon is payable; (ii) change the Noteholder voting requirements with respect to any Transaction Document; (iii) impair the right to institute suit for the enforcement of the provisions of the Indenture requiring the application of funds available therefor, as provided therein, to the payment of any such amount due on the Series 2022-3 Notes on or after the respective due dates thereof (or, in the case of redemption, on or after the redemption date); (iv) reduce the percentage of the aggregate outstanding principal amount of the Series 2022-3 Notes, the consent of the Series 2022-3 Noteholders of which is required for any such indenture supplement or amendment, or the consent of the Series 2022-3 Noteholders of which is required for any waiver of compliance with certain provisions of the Indenture or certain defaults thereunder and their consequences provided for in the Indenture; (v) modify or alter the provisions of the Indenture regarding the voting of Series 2022-3 Notes held by the Issuer, the Seller or an Affiliate of the foregoing; (vi) reduce the percentage of the aggregate outstanding principal amount of the Series 2022-3 Notes, the consent of the Series 2022-3 Noteholders of which is required to direct the Indenture Trustee to sell or liquidate the Trust Estate pursuant to the Indenture if the proceeds of such sale would be insufficient to pay the principal amount and accrued but unpaid interest on the outstanding Series 2022-3 Notes; (vii) modify any provision described in this paragraph, except to

increase any percentage specified herein or to provide that certain additional provisions of the Indenture cannot be modified or waived without the consent of the Series 2022-3 Noteholder of each outstanding Series 2022-3 Note affected thereby; (viii) modify any of the provisions of the Indenture in such manner as to affect in any material respect the calculation of the amount of any payment of interest or principal due on any Series 2022-3 Note on any Payment Date (including the calculation of any of the individual components of such calculation), to alter the application of Collections or to affect the rights of the Series 2022-3 Noteholders to the benefit of any provisions for the mandatory redemption of the Series 2022-3 Notes contained in the Indenture; or (ix) permit the creation of any lien ranking prior to or on a parity with the Lien of the Indenture with respect to any part of the Trust Estate for the Series 2022-3 Notes (except for Permitted Encumbrances) or, except as otherwise permitted or contemplated in the Indenture, terminate the lien of the Indenture on any such collateral at any time subject hereto or deprive any Secured Party of the security provided by the lien of the Indenture; *provided, further*, that no amendment will be permitted if it would cause any Series 2022-3 Noteholder or Certificateholder to recognize gain or loss for U.S. federal income tax purposes, unless such Series 2022-3 Noteholder's or Certificateholder's consent is obtained as described above.

### **Acts of Noteholders**

Wherever in the Indenture a provision is made that an action may be taken or a notice, demand or instruction given by Series 2022-3 Noteholders, such action, notice or instruction may be taken or given by any Series 2022-3 Noteholder, unless such provision requires a specific percentage of Series 2022-3 Noteholders. Notwithstanding anything in the Indenture to the contrary, so long as any other Person is a Series 2022-3 Noteholder, none of the Seller, the Issuer or any Affiliate controlled by the Seller or controlling the Seller shall have any right to vote with respect to any Series 2022-3 Note.

The Indenture is not qualified under the TIA. Moreover, the Indenture expressly provides that whether or not the Indenture is required to be qualified under the TIA, the provisions of Section 316(a)(1) of the TIA (regarding the power of holders of a majority in principal amount of Series 2022-3 Notes to direct the time, manner and place of conducting any proceeding for any remedy available to the Indenture Trustee, or exercising any trust or power conferred on the Indenture Trustee, or to consent to the waiver of any past default or its consequences) shall be excluded from the Indenture. See “*Risk Factors—Noteholder Control Limitations*.”

The ownership of Series 2022-3 Notes shall be proved by the Note Register. Any request, demand, authorization, direction, notice, consent, waiver or other action by the holder of any such Series 2022-3 Notes shall bind such Noteholder and the holder of every Series 2022-3 Note and every subsequent holder of such Series 2022-3 Notes issued upon the registration thereof or in exchange therefor or in lieu thereof, in respect of anything done, omitted or suffered to be done by the Indenture Trustee, the Servicer or the Issuer in reliance thereon, whether or not notation of such action is made upon such Series 2022-3 Note. Until such time as Definitive Notes are issued as described under “*Description of the Notes—Definitive Notes*,” Cede will be the sole Series 2022-3 Noteholder and, therefore, a beneficial owner's ability to make or give any request, demand, authorization, direction, consent, waiver or other action must be exercised through Cede and DTC as described in “*Description of the Notes—Book-Entry Registration*.”

### **Indemnification**

The Issuer shall fully indemnify, defend and hold harmless the Indenture Trustee (and any predecessor Indenture Trustee) and its directors, officers, agents and employees from and against any and all loss, liability, claim, expense, damage or injury suffered or sustained of whatever kind or nature regardless of their merit, demanded, asserted, or claimed directly or indirectly relating to any acts, omissions or alleged acts or omissions arising out of the activities of the Indenture Trustee pursuant to the Indenture

and any other Transaction Document to which it is a party or any transaction contemplated thereby, including but not limited to any judgment, award, settlement, reasonable attorneys' fees and other costs or expenses incurred in connection with the defense of any actual or threatened action, proceeding or claim; *provided, however*, that the Issuer shall not indemnify the Indenture Trustee or its directors, officers, employees or agents if such acts, omissions or alleged acts or omissions constitute negligence or willful misconduct by the Indenture Trustee. The indemnity provided therein shall (i) survive the termination of the Indenture and the resignation and removal of the Indenture Trustee, (ii) apply to the Indenture Trustee (including (a) in its capacity as Agent and as Certificate Registrar and (b) WTNA, as Securities Intermediary and Depositary Bank) and (iii) apply to WTNA, in its capacity as Collateral Trustee.

### **Certain Covenants of Issuer**

Pursuant to the Indenture, the Issuer covenants that, among other things, subject to specified exceptions and limitations, (i) it will take all actions to maintain, in favor of the Indenture Trustee, for the benefit of the Secured Parties, a first priority perfected security interest in the Trust Estate, subject to Permitted Encumbrances; (ii) except as permitted by the Indenture, it will not create any Adverse Claim upon the Trust Estate; (iii) it will notify the Indenture Trustee promptly after becoming aware of any Event of Default; and (iv) it will use commercially reasonable efforts to enforce its rights under the Purchase Agreement, the Transfer Agreement and the other Transaction Documents.

### **DESCRIPTION OF THE PURCHASE AGREEMENT**

The Receivables will be purchased by the Depositor (or with respect to legal title, the Depositor Loan Trustee for the benefit of the Depositor) from the Seller on the Closing Date pursuant to the Purchase Agreement. The following summary describes certain terms of the Purchase Agreement as it is to be originally executed. This summary does not purport to be complete and is qualified in its entirety by reference to the provisions of the Purchase Agreement.

### **Purchase of Receivables**

Under the Purchase Agreement, on the Closing Date, the Seller will sell and assign to the Depositor (or with respect to legal title, the Depositor Loan Trustee for the benefit of the Depositor), without recourse except as specifically provided in the Purchase Agreement, all of its right, title and interest in (i) each Loan identified under the Purchase Agreement, (ii) all Receivables related thereto and all Collections received thereon after the Cut-Off Date, (iii) all Related Security, (iv) all Recoveries relating thereto, and (v) all proceeds of the foregoing (collectively the “**Purchased Assets**”).

In connection with the Purchase Agreement, the Seller shall mark conspicuously its internal records to reflect the sale to the Depositor (or with respect to legal title, the Depositor Loan Trustee for the benefit of the Depositor) of the Purchased Assets sold to the Depositor (or with respect to legal title, the Depositor Loan Trustee for the benefit of the Depositor) pursuant to the Purchase Agreement. The Servicer, acting as custodian, will maintain records of the sold Loans in a secure location operated by a third-party service provider. In the case of any Loans which are executed by the Obligors as electronic copies only, an electronic copy will be retained in electronic storage and will be identified as the property of the Depositor or its transferee.

### **Certain Representations and Warranties**

Pursuant to the Purchase Agreement, the Seller will represent and warrant to the Depositor and the Depositor Loan Trustee for the benefit of the Depositor, among other things, that as of Closing Date, (i) the Seller is duly organized and validly existing and in good standing under the laws of the state of its

organization, has all requisite power and authority to own its properties and conduct its business as presently conducted; (ii) the Seller is duly qualified to do business and is in good standing as a foreign entity (or is exempt from such requirements) in each state where the failure to be qualified would have a material adverse effect on the conduct of the Seller's business; (iii) the performance of its obligations under the Purchase Agreement, and the consummation of the transactions provided therein have been duly authorized by all requisite action on the part of the Seller and such agreement constitutes the valid and legally binding obligation of the Seller, enforceable against it in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, receivership, conservatorship or other laws, regulations and administrative orders now or hereafter in effect, affecting the rights of creditors generally and except as such enforcement may be limited by general principles of equity (whether considered in a proceeding at law or in equity); (iv) no transaction contemplated by the Purchase Agreement will violate any statute or any order, rule or regulation of any federal or state court or governmental agency or body having jurisdiction over it; and (v) the Seller is not the subject of any Sanctions, is not located in a Sanctioned Country, has not funded or facilitated any activities of or business with any Person that, at the time of such funding or facilitation, is the subject or the target of Sanctions, and has not funded or facilitated any activities of or business in any Sanctioned Country.

The Seller makes certain representations and warranties regarding the Loans and the Receivables, including the Loans and the Receivables originated by Oportun, LLC and transferred to the Seller, in the Purchase Agreement. Such representations and warranties include, with respect to each Loan and Receivable transferred, that, among other things, each such Receivable is an Eligible Receivable and that, immediately prior to such transfer, the Seller is the sole owner of each Receivable being sold free from any Lien other than those released at or prior to the Closing Date.

The Seller consents under the Purchase Agreement to the transfer and assignment, under the Transfer Agreement, by the Depositor and the Depositor Loan Trustee for the benefit of the Depositor to the Issuer of the rights and remedies of the Depositor and the Depositor Loan Trustee with respect to such representations and warranties. Without limiting the foregoing, the Issuer, as the assignee of the Depositor and Depositor Loan Trustee for the benefit of the Depositor, will have the right to directly enforce the Seller's representations and warranties and the Seller's obligation to repurchase Ineligible Receivables as described below under “—*Repurchase Payments*.”

### **Certain Covenants**

The Seller covenants pursuant to the Purchase Agreement that it shall (i) within 30 days after any change in its name, identity or corporate structure which would make a financing statement seriously misleading within the meaning of Section 9-506 of the UCC, give the Depositor, the Depositor Loan Trustee, the Issuer and the Indenture Trustee (as assignees of the Depositor) notice of such change and file such financing statements or amendments as may be necessary to continue the perfection of the interest of the Depositor and the Depositor Loan Trustee for the benefit of the Depositor in the Purchased Assets; (ii) from time to time, execute and deliver any documents reasonably requested by the Depositor, the Depositor Loan Trustee, the Issuer or the Indenture Trustee (as assignees of the Depositor) in order to evidence, perfect and maintain the ownership or the security interest of the Depositor and the Depositor Loan Trustee for the benefit of the Depositor in the Purchased Assets; and (iii) treat the purchase of Purchased Assets by the Depositor and the Depositor Loan Trustee for the benefit as a sale or secured financing for tax and financial accounting purposes (as required by GAAP) and as a sale for all other purposes (including, without limitation, legal and bankruptcy purposes) on all relevant books, records, tax returns, financial statements and other applicable documents.

## **Repurchase Payments**

In the event that any representation relating to eligibility and perfection made by the Seller in respect of any transferred Loan or Receivable is not true and correct on the applicable date of sale in any material respect (a **“Repurchase Event”** and any Receivable as to which a Repurchase Event applies, an **“Ineligible Receivable”**), then the Seller will be obligated to pay to the Issuer, as assignee of the Depositor and the Depositor Loan Trustee for the benefit of the Depositor, an amount equal to the outstanding principal amount of such Ineligible Receivable plus all accrued and unpaid Finance Charges and other amounts then owing with respect to the related Loan at the time of repurchase (any such payment, a **“Repurchase Payment”**) within five (5) Business Days of the date the Seller or the Servicer receives knowledge or notice of the breach. With respect to any Receivable failing to satisfy clause (p) of the definition of **“Eligible Receivable,”** such Receivable will be deemed to be an Ineligible Receivable, and the related Repurchase Event will be deemed to occur, on the earlier of (i) the date such Receivable is identified by the Seller as having been originated under circumstances involving confirmed fraud in a manner consistent with the Credit and Collection Policies and (ii) if a Receivable is identified by the Seller as having been originated under circumstances involving suspected fraud, sixty (60) days following such determination unless such Receivable has been determined by the Seller to be clear of suspected fraud, in each case in a manner consistent with the Credit and Collection Policies.

The repurchase obligation of the Seller to repurchase such Ineligible Receivable shall constitute the sole remedy against the Seller with respect to a Repurchase Event.

## **Indemnification**

Under the Purchase Agreement, the Seller has also agreed to indemnify the Depositor and the Depositor Loan Trustee (and their respective assignees) and their respective officers, directors, agents and employees (each, a **“Purchase and Sale Indemnified Party”**) from and against any and all claims, losses and liabilities, including, without limitation, reasonable attorneys’ fees and disbursements (all of the foregoing being collectively referred to as **“Purchase and Sale Indemnified Amounts”**), awarded against or incurred by any of them arising out of or resulting from the Seller’s failure to perform its obligations under the Purchase Agreement excluding, however, (x) Purchase and Sale Indemnified Amounts to the extent resulting from gross negligence or willful misconduct on the part of such Purchase and Sale Indemnified Party or (y) Purchase and Sale Indemnified Amounts to the extent related to a default on any Receivable by the related Obligor. Such indemnity will survive the execution, delivery, performance and termination of the Purchase Agreement.

## **DESCRIPTION OF THE TRANSFER AGREEMENT**

The Receivables will be purchased by the Issuer from the Depositor (or with respect to legal title, the Depositor Loan Trustee for the benefit of the Depositor) on the Closing Date pursuant to the Transfer Agreement. The following summary describes certain terms of the Transfer Agreement as it is to be originally executed. This summary does not purport to be complete and is qualified in its entirety by reference to the provisions of the Transfer Agreement.

### **Transfer of Receivables**

Under the Transfer Agreement, on the Closing Date, the Depositor (or with respect to legal title, the Depositor Loan Trustee for the benefit of the Depositor) will sell and assign to the Issuer, without recourse except as specifically provided in the Transfer Agreement, all of its right, title and interest in (i) each Loan identified under the Transfer Agreement, (ii) all Receivables related thereto and all Collections

received thereon after the Cut-Off Date, (iii) all Related Security, (iv) all Recoveries relating thereto, and (v) all proceeds of the foregoing (collectively the “**Transferred Assets**”).

### **Certain Representations and Warranties; Depositor Repurchases**

As described above under “*Description of the Purchase Agreement—Certain Representations and Warranties*,” the Seller makes certain representations and warranties to the Depositor and the Depositor Loan Trustee for the benefit of the Depositor, which are transferred and assigned, under the Transfer Agreement, by the Depositor and the Depositor Loan Trustee for the benefit of the Depositor to the Issuer. In addition, in connection with the sale of Transferred Assets to the Issuer on the Closing Date, the Depositor will represent to the Issuer that (i) it has taken no action which would cause such representations and warranties of the Seller to be false in any material respect as of such date, (ii) at the time of sale of any Receivable, the Depositor and the Depositor Loan Trustee for the benefit of the Depositor were, together, the sole owner thereof and had good and marketable title thereto free and clear of all Liens, and (iii) that the assignment by the Depositor and the Depositor Loan Trustee for the benefit of the Depositor to the Issuer constitutes a valid sale to the Issuer of all right, title and interest of the Depositor and the Depositor Loan Trustee in the Transferred Assets, and upon the transfer of such Receivables, the Issuer shall have a first priority perfected security interest in such Transferred Assets. In the event that any such representation made by the Depositor in respect of any transferred Receivable is not true and correct on the applicable date of sale in any material respect (a “**Depositor Repurchase Event**”), then the Depositor will be obligated to pay to the Issuer an amount equal to the outstanding principal amount of such Receivable plus all accrued and unpaid Finance Charges and other amounts then owing with respect to the related Loan at the time of repurchase. The repurchase obligation of the Depositor to repurchase such a Receivable shall constitute the sole remedy against the Depositor with respect to a Depositor Repurchase Event. The Depositor will have limited assets, and there can be no assurance it will have adequate resources to make such repurchases.

### **DESCRIPTION OF THE SERVICING AGREEMENT**

The Servicer will be responsible for servicing and administering the Receivables in accordance with the Servicer’s policies and procedures for servicing loans comparable to the loans with respect to the Receivables. The following summary describes certain terms of the Servicing Agreement as it is to be originally executed. This summary does not purport to be complete and is qualified in its entirety by reference to the provisions of the Servicing Agreement.

#### **Servicing Compensation and Payment of Expenses**

The Servicing Fee with respect to any Monthly Period during which PF Servicing or any Affiliate acts as Servicer shall be an amount equal to the product of (i) 5.00%, (ii) one-twelfth and (iii) the aggregate Outstanding Receivables Balance as of the last day of the immediately prior Monthly Period (provided, that the Servicing Fee for the First Payment Date shall be based upon the actual number of days in the first Monthly Period and assuming a 30-day month), and for any Monthly Period during which any other successor Servicer acts as Servicer, the Servicing Fee shall be an amount equal to (A) if SST acts as successor Servicer, the amount reflected on the fee schedule attached to the Back-Up Servicing Agreement (and attached hereto as Exhibit A), or (B) if any other successor Servicer acts as Servicer, the Servicing Fee shall be an amount equal to the product of (i) the current market rate for servicing receivables similar to the Receivables, (ii) one-twelfth and (iii) the aggregate Outstanding Receivables Balance as of the last day of the immediately prior Monthly Period (the “**Servicing Fee**”). The Servicing Fee shall be paid by the cash flows from the Trust Estate and in no event shall the Indenture Trustee be liable therefor. The Servicing Fee shall be payable to the Servicer solely to the extent amounts are available for distribution in respect thereof pursuant to the Indenture. See “*Description of the Notes—Monthly Payments—Collection Account and Reserve Account*.”

## **Servicer Default**

The occurrence of any one or more of the following events shall constitute a Servicer default (each, a “**Servicer Default**”):

(a) failure by the Servicer to make any payment, transfer or deposit under the Servicing Agreement or any other Servicer Transaction Document or to provide its report to the Indenture Trustee to make such payment, transfer or deposit or any withdrawal on or before the date occurring two (2) Business Days after the date such payment, transfer or deposit or such instruction or notice is required to be made or given, as the case may be, under the terms of the Servicing Agreement or any other Servicer Transaction Document (or in the case of a payment, transfer, deposit or instruction to be made or given with respect to any Interest Period, by the related Payment Date);

(b) failure on the part of the Servicer to duly observe or perform any other covenants or agreements of the Servicer set forth in the Servicing Agreement or any other Servicer Transaction Document, which failure continues unremedied for a period of thirty (30) days after the earlier of discovery by the Servicer or the date on which written notice of such failure, requiring the same to be remedied, shall have been given to the Servicer by the Indenture Trustee or the Issuer; or the Servicer shall assign its duties under the Servicing Agreement, except as permitted by the Servicing Agreement;

(c) any representation, warranty or certification made by the Servicer in the Servicing Agreement or any other Servicer Transaction Document or in any certificate delivered pursuant to the Servicing Agreement or any other Servicer Transaction Document shall prove to have been incorrect when made and which continues unremedied for a period of 30 days after the date on which the Servicer has actual knowledge thereof or on which written notice thereof, requiring the same to be remedied, shall have been given to the Servicer by the Indenture Trustee or the Issuer;

(d) the Servicer shall become the subject of any event of bankruptcy or shall voluntarily suspend payment of its obligations;

(e) at any time that PF Servicing is the Servicer, any event of default (which has not been waived or cured within ten (10) Business Days) under any indenture, credit or loan agreement or other agreement or instrument of any kind pursuant to which indebtedness of PF Servicing or the Seller in an aggregate principal amount in excess of \$5,000,000 is outstanding or by which the same is evidenced, shall have occurred and be continuing;

(f) at any time that PF Servicing is the Servicer, a final judgment or judgments for the payment of money in excess of \$5,000,000 in the aggregate shall have been rendered against the Issuer, PF Servicing or the Seller and the same shall have remained unsatisfied and in effect, without stay of execution, for a period of 30 consecutive days after the period for appellate review shall have elapsed; or

(g) at any time that PF Servicing is the Servicer, a Change in Control shall have occurred and be continuing.

## **Indemnification by Servicer**

The initial Servicer will indemnify and hold harmless the Indenture Trustee, the Back-Up Servicer, the successor Servicer, the Issuer (together with their respective successors and permitted assigns) and each of their respective agents, officers, members and employees (collectively, the “**Servicer Indemnified Parties**”), from and against any loss, liability, expense, damage or injury suffered or sustained solely by reason of any breach by the initial Servicer of any of its representations, warranties or covenants contained

in the Servicing Agreement or any failure by the initial Servicer to perform any duty or obligation of the initial Servicer contained in the Servicing Agreement or any other Transaction Document, including any judgment, award, settlement, reasonable attorneys' fees and other costs or expenses reasonably incurred in connection with the defense of any actual action, proceeding or claim; *provided, however*, that the initial Servicer shall not indemnify a Servicer Indemnified Party if such acts or omissions were attributable directly to negligence or willful misconduct by such Servicer Indemnified Party.

The successor Servicer shall indemnify and hold harmless the Issuer and the Indenture Trustee, on behalf of the Noteholders (together with their respective successors and permitted assigns) (collectively, the “**Successor Servicer Indemnified Parties**”), from and against any loss, liability, expense, damage or injury suffered or sustained solely by reason of such successor Servicer's negligence in the performance of (or failure to perform) its duties or obligations under the Servicer Transaction Documents or willful misconduct or breach by the successor Servicer of any of its representations or warranties contained in the Servicing Agreement, including any judgment, award, settlement, reasonable attorneys' fees and other costs or expenses reasonably incurred in connection with the defense of any actual action, proceeding or claim; *provided, however*, that the successor Servicer shall not indemnify the Successor Servicer Indemnified Parties if such acts or omissions were attributable directly or indirectly to negligence or willful misconduct by such Successor Servicer Indemnified Party. Any indemnification pursuant to this paragraph shall be had only from the assets of the successor Servicer and shall not be payable from Collections except to the extent such Collections are released to the successor Servicer in accordance with the Indenture in respect of the Servicing Fee. The provisions of such indemnity shall run directly to and be enforceable by such Successor Servicer Indemnified Parties.

The Issuer will indemnify, defend and hold harmless the successor Servicer and its officers, directors, employees, representatives and agents, from and against and reimburse the successor Servicer for any and all claims, expenses, obligations, liabilities, losses, damages, injuries (to person, property, or natural resources), penalties, stamp or other similar taxes, actions, suits, judgments, reasonable costs and expenses (including reasonable attorneys' and agent's fees and expenses) of whatever kind or nature regardless of their merit, demanded, asserted or claimed against the successor Servicer directly or indirectly relating to, or arising from, claims against the successor Servicer by reason of its participation in the transactions contemplated hereby, including without limitation all reasonable costs required to be associated with claims for damages to persons or property, and reasonable attorneys' and consultants' fees and expenses and court costs except to the extent caused by the successor Servicer's negligence or willful misconduct.

## **Servicer Termination**

The Indenture Trustee may, and upon the direction of the Required Noteholders or in the case of a Servicer Default of the type described in paragraph (d) of the definition of Servicer Default (a “**Specified Servicer Default**”), shall, after the occurrence of a Servicer Default appoint the Back-Up Servicer as the successor Servicer pursuant to the Back-Up Servicing Agreement. The Back-Up Servicer is expected to promptly following notice of appointment as successor Servicer begin its transition process, but is not required to take over servicing until fifteen (15) calendar days of notice of termination of the Servicer and notice of appointment to the Back-Up Servicer, or such later date as may be agreed by the Indenture Trustee and the Back-Up Servicer, and once it has received the necessary information to do so. See “*Risk Factors—Retail Network*” and “*Risk Factors—Termination of PF Servicing as Servicer*.” See also “*Description of the Notes—Monthly Payments*.”

If (x) the Back-Up Servicer, on the date of its appointment as successor Servicer or at any time following such appointment, fails or is unable to perform the duties of the Servicer under the Servicing Agreement or has previously resigned or otherwise been terminated as Back-Up Servicer, or (y) any other



Person designated successor Servicer in accordance with the Servicing Agreement resigns, fails or is unable to perform the duties of the Servicer thereunder following its appointment as successor Servicer, the Indenture Trustee may with the consent of the Required Noteholders, and upon the direction of the Required Noteholders shall, appoint as Servicer any Person to succeed the then current Servicer pursuant to the conditions set forth in the Servicing Agreement. Notwithstanding the occurrence of the transition date for the Back-Up Servicer to perform the duties of the Servicer under the Servicing Agreement, the Back-Up Servicer shall not be obliged to complete the transfer of servicing and assume the role of successor Servicer for so long as the Servicer (or any other person on its behalf) has failed to provide sufficient information to begin servicing the majority of the Loans, Receivables and Related Security.

## **DESCRIPTION OF THE TRUST AGREEMENT**

The following summary describes certain terms of the Trust Agreement as it is to be originally executed. This summary does not purport to be complete and is qualified in its entirety by reference to the provisions of the Trust Agreement.

### **Formation of the Trust; Activities**

The Issuer is a statutory trust formed under the laws of the State of Delaware pursuant to the Trust Agreement for transactions described herein.

The purpose for which the Issuer is formed is to engage, from time to time, solely in a program of acquiring the Transferred Assets pursuant to the Transfer Agreement and issuing Notes under the Indenture and related activities. Without limiting the generality of the foregoing, the Issuer has the power and authority to: (i) authorize and approve the issuance of the Notes pursuant to the Indenture and, in connection therewith, determine the terms and provisions of such Notes and of the issuance and sale thereof; (ii) receive payments and proceeds with respect to the assets in the Trust Estate and either invest or distribute those payments and proceeds; (iii) make deposits to and withdrawals from accounts established under the Indenture; (iv) execute, deliver, authenticate and issue the Certificates pursuant to the Trust Agreement; (v) acquire the Loans, Receivables and related property from the Depositor and the Depositor Loan Trustee for the benefit of the Depositor pursuant to the Transfer Agreement, and hold, sell and finance the Loans, Receivables and related property; (vi) assign, grant a security interest in, grant, transfer and pledge the Trust Estate pursuant to the Indenture and hold, manage and distribute to the Certificateholders or the Noteholders pursuant to the terms of the Trust Agreement and the Transaction Documents any portion of the Trust Estate released from the lien of and remitted to the Issuer pursuant to the Indenture; (vii) make payments on the Notes and distributions on the Certificates; (viii) execute and deliver the Transaction Documents to which the Issuer is to be a party and perform its obligations and exercise its rights thereunder; (ix) subject to compliance with the Transaction Documents, to engage, from time to time, in such other activities as may be required in connection with conservation of the assets in the Trust Estate and the making of payments to the Noteholders and distributions on the Certificates; and (x) perform such obligations and exercise and enforce such rights and pursue such remedies as may be appropriate by virtue of the Issuer being party to any of the Transaction Documents and agreements contemplated in clauses (i) through (ix) above.

The Issuer will not engage in any business or activities other than in connection with, or relating to, the purposes specified in the Trust Agreement.

### **Compensation of the Owner Trustee; Indemnification of the Owner Trustee**

Subject to the priority of payments as described in “*Description of the Notes—Monthly Payments*” in this Memorandum, the Issuer will (i) pay to the Owner Trustee an initial fee in the amount of \$3,500 on

or before the Closing Date, (ii) pay to the Owner Trustee an initial annual fee in the amount of \$12,000 on or before the Closing Date, (iii) pay to the Owner Trustee on the Payment Date occurring in November of each calendar year, beginning in November 2023, a fee for acting as Owner Trustee in an amount equal to \$12,000, and (iv) reimburse the Owner Trustee for all other reasonable out-of-pocket costs and expenses (including reasonable fees and expenses of outside counsel) incurred by it in connection with its acting as Owner Trustee of the Issuer. Amounts payable to the Owner Trustee described in the foregoing sentence shall be payable from amounts designated for payment to the Owner Trustee pursuant to the priority of payments described in “*Description of the Notes—Monthly Payments*” in this Memorandum or from other amounts available to the Issuer as set forth in the Trust Agreement that are not subject to the lien of the Indenture.

The Issuer will assume liability for and indemnify the Owner Trustee (in its individual capacity and as the Owner Trustee) and its officers, directors, successors, assigns, legal representatives, agents and servants (the “**Owner Trustee Indemnified Parties**”), from and against any and all liabilities, obligations, losses, damages, penalties, taxes (other than income taxes), claims, actions, suits, investigations, proceedings, costs, expenses or disbursements (including reasonable out-of-pocket legal fees and expenses, including reasonable out-of-pocket legal fees and expenses in connection with the enforcement of their rights under the Trust Agreement) of any kind and nature whatsoever which may be imposed on, incurred by or asserted against an Owner Trustee Indemnified Party (whether or not also indemnified against by any other person) relating to or arising out of (i) the Trust Agreement or any other related documents or the enforcement of any of the terms thereof, the administration of the Issuer and the assets of the Issuer or the action or inaction of the Owner Trustee under the Trust Agreement, (ii) any action or inaction taken by the Owner Trustee on behalf of the Issuer in accordance with the Trust Agreement, and (iii) the manufacture, purchase, acceptance, nonacceptance, rejection, ownership, delivery, lease, possession, use, operation, condition, sale, return or other disposition of any property (including any strict liability, any liability without fault and any latent and other defects, whether or not discoverable), except, in any such case, to the extent that any such liabilities, obligations, losses, damages, penalties, taxes, claims, actions, suits investigations, proceedings, costs, expenses or disbursements are the result of (a) the willful misconduct or gross negligence of either of the Owner Trustee or such Owner Trustee Indemnified Party (as determined by a court of competent jurisdiction), (b) the inaccuracy of any representation or warranty of the Owner Trustee or such Owner Trustee Indemnified Party contained in the Trust Agreement, or (c) taxes, fees or other charges on, based on or measured by, any fees commissions or compensation received by the Owner Trustee. The indemnification set forth in the Trust Agreement will survive termination of Trust Agreement or resignation or removal of the Owner Trustee. To the fullest extent permitted by applicable law, in no event will the Owner Trustee be held liable for any punitive, special, indirect or consequential damages resulting from any action taken or omitted to be taken by it or its designees thereunder or in connection therewith regardless of whether such losses or damages were foreseeable.

### **Resignation or Removal of the Owner Trustee**

The Administrator may appoint a successor Owner Trustee by written instrument upon the occurrence of (a) the bankruptcy, insolvency or dissolution of the Owner Trustee, (b) the occurrence of the date of resignation of the Owner Trustee, (c) the delivery to the Owner Trustee of the instrument or instruments of removal referred to in the Trust Agreement (or, if such instruments specify a later effective date of removal, the occurrence of such later date), or (d) the failure of the Owner Trustee to satisfy the eligibility requirements set forth in the Trust Agreement.

In addition, the Owner Trustee may resign at any time without cause by giving at least thirty (30) days’ prior written notice to the Depositor, the holders of the Certificates, the Administrator and the Indenture Trustee. In addition, the Administrator may at any time remove the Owner Trustee without cause by an instrument in writing delivered to the Owner Trustee. No such removal or resignation will become

effective until a successor Owner Trustee, however appointed, becomes vested as Owner Trustee. If no successor has been appointed within thirty (30) days of such resignation or removal, the Owner Trustee, at the expense of the Trust, the Administrator or any of the holders of the Certificates may petition any court of competent jurisdiction for the appointment of a successor.

## DESCRIPTION OF THE DEPOSITOR LOAN TRUST AGREEMENT

The Depositor will enter into a Depositor Loan Trust Agreement with Wilmington Savings Fund Society, FSB as the Loan Trustee (in such capacity, the “**Depositor Loan Trustee**”). The following summary describes certain terms of the Depositor Loan Trust Agreement as it is to be originally executed. This summary does not purport to be complete and is qualified in its entirety by reference to the provisions of the Depositor Loan Trust Agreement.

The Depositor Loan Trust Agreement provides that the Depositor Loan Trustee will hold legal title to the Purchased Assets for the benefit of the Depositor. The sole role of the Depositor Loan Trustee under the Depositor Loan Trust Agreement is to hold legal title to the Purchased Assets and any other material obligation or liability is disclaimed and indemnified by the Issuer, other than those arising from the willful misconduct or gross negligence of the Depositor Loan Trustee (as determined by a court of competent jurisdiction). Under the Depositor Loan Trust Agreement, the Depositor Loan Trustee or any successor thereto may resign at any time without cause by giving at least sixty (60) days’ prior written notice, such resignation to be effective upon the acceptance of the trust created by the Depositor Loan Trust Agreement by a qualified successor. In certain limited circumstances, the Depositor Loan Trustee may resign immediately and need not take any action pending appointment of a successor.

The Depositor Loan Trustee will be entitled to receive (i) an initial fee in the amount of \$3,500, which shall be payable on or before the Closing Date, (ii) an initial annual fee in the amount of \$12,000, which shall be payable on or before the Closing Date, (iii) an annual fee in an amount equal to \$12,000 as compensation for its activities under the Depositor Loan Trust Agreement, which shall be paid on the Payment Date in November of each calendar year, commencing in November 2023, in accordance with the priority of payments described in “*Description of the Notes—Monthly Payments*” in this Memorandum, and (iv) reimbursement for all other reasonable expenses, charges, and other disbursements and those of its attorneys, agents, and employees incurred in and about the administration and execution of the Depositor Loan Trust Agreement in accordance with the priority of payments described in “*Description of the Notes—Monthly Payments*” in this Memorandum on each Payment Date.

Pursuant to the Depositor Loan Trust Agreement, the Issuer will indemnify and hold harmless and otherwise reimburse the Depositor Loan Trustee (in its individual and trustee capacities) and its officers, directors, employees and agents from and against any and all liabilities, obligations, losses, damages, penalties, claims, actions, suits, reasonable out-of-pocket costs and expenses or disbursements (including, without limitation, reasonable out-of-pocket legal fees and expenses, including reasonable out-of-pocket legal fees and expenses in connection with the enforcement of its rights under the Depositor Loan Trust Agreement) of any kind and nature whatsoever which may be imposed on, incurred by or asserted against the Depositor Loan Trustee in any way relating to or arising out of the Depositor Loan Trust Agreement, any other Transaction Document or any document relating to the Depositor Loan Trust Agreement, or the performance or enforcement of any of the terms of any provision thereof, or in any way relating to or arising out of the administration of the Trust Estate or the action or inaction of the Depositor Loan Trustee under the Depositor Loan Trust Agreement, except only in the case of willful misconduct or gross negligence on the part of the Depositor Loan Trustee in the performance of its duties thereunder (as determined by a court of competent jurisdiction). To the fullest extent permitted by applicable law, in no event will the Depositor Loan Trustee or its directors, officers, agents and employees be held liable for any punitive, special, indirect, incidental or consequential damages (including, without lost profits, regardless of the form and whether or

not foreseeable), resulting from any action taken or omitted to be taken by it or them thereunder or in connection therewith even if advised of the possibility of such losses or damages and regardless of the form of the action. Any such amounts payable to the Depositor Loan Trustee will be paid solely from funds paid pursuant to the priority of payments set forth under “*Description of the Notes—Monthly Payments*” in this Memorandum.

## **CERTAIN U.S. FEDERAL INCOME TAX CONSEQUENCES**

The following discussion summarizes certain U.S. federal income tax consequences of the ownership and disposition of any class of Series 2022-3 Notes, by Note Owners unrelated to the Issuer who purchase such class of Series 2022-3 Notes for cash on the Closing Date at the “issue price” (*i.e.*, the first price at which a substantial amount of such class of Series 2022-3 Notes is sold other than to bond houses, brokers or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The summary does not purport to deal with all U.S. federal income tax consequences or with special rules that are applicable to certain categories of Note Owners such as dealers in securities or foreign currency, banks, other financial institutions, insurance companies, real estate investment trusts, regulated investment companies, tax exempt entities, persons that hold the Series 2022-3 Notes as a position in a “straddle,” or as part of a synthetic security or “hedge,” “conversion transaction” or other integrated investment, persons that have a “functional currency” other than the U.S. dollar, pass-through entities and investors in pass-through entities, certain U.S. expatriates, taxpayers subject to the alternative minimum tax, or traders in securities that elect to use a mark-to-market method of accounting. In addition, this summary generally is limited to investors who will hold the Series 2022-3 Notes as “capital assets” (generally, property held for investment) within the meaning of Section 1221 of the Internal Revenue Code of 1986, as amended (the “**Code**”). This discussion does not address any U.S. estate or gift tax considerations or any foreign, state or local tax considerations. Prospective investors are encouraged to consult their own tax advisors in determining the U.S. federal, state, local, foreign, alternative minimum, estate and gift and any other tax consequences to them of the purchase, ownership and disposition of the Series 2022-3 Notes.

The following summary is based upon the Code, the Treasury regulations promulgated thereunder and judicial or ruling authority, in effect and available on the date hereof, all of which are subject to change, which change may be retroactive. Moreover, there are no cases or Internal Revenue Service (“**IRS**”) rulings on many of the issues discussed below and no ruling on any of the issues discussed below will be sought from the IRS. The opinions of counsel (described below) are not binding on the IRS or the courts.

For purposes of this discussion, “**U.S. Holder**” means a Note Owner that is for U.S. federal income tax purposes a citizen or resident of the United States, a corporation (or other entity treated as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the United States, any state thereof, or the District of Columbia, an estate the income of which is subject to U.S. federal income taxation regardless of its source, or a trust with respect to which a U.S. court is able to exercise primary supervision over its administration and one or more U.S. persons have the authority to control all of its substantial decisions, or an electing trust in existence on August 20, 1996 and treated as a domestic trust on that date. “**Non-U.S. Holder**” for purposes of this discussion means a Note Owner that is not a U.S. Holder or an entity or arrangement treated as a partnership for U.S. federal income tax purposes.

If a partnership (including an entity or arrangement treated as a partnership for U.S. federal income tax purposes) holds Series 2022-3 Notes, the tax treatment of a partner will generally depend on the status of the partner and on the activities of the partnership. Partnerships and partners of partnerships considering purchasing Series 2022-3 Notes should consult their tax advisors.

Notwithstanding the rules described below, it should be noted that certain accrual method taxpayers that are required to prepare certified financial statements or file financial statements with certain regulatory or governmental agencies may be required to recognize income, gain or loss with respect to the Series 2022-3 Notes at the time that such income, gain or loss is recognized on such financial statements instead of under the rules described below.

Under the Transaction Documents, the Issuer agrees and each Series 2022-3 Noteholder and Note Owner, by acquiring an interest in a Series 2022-3 Note, agrees or will be deemed to agree to treat the Series 2022-3 Notes as debt for U.S. federal, state and local income and franchise tax purposes. Orrick, Herrington & Sutcliffe LLP, special tax counsel to the Issuer, will deliver its opinion to the Issuer that, assuming compliance with all provisions of the Indenture and the other Transaction Documents, and based on certain representations and covenants and the facts set forth in this Memorandum, under existing law and based on the assumptions and qualifications set forth in the opinion, (i) the Class A Notes and the Class B Notes issued on the Closing Date (other than any Class A Notes or Class B Notes beneficially owned by the Issuer or a person treated as the same person as the Issuer for U.S. federal income tax purposes) will be characterized as debt for U.S. federal income tax purposes, (ii) although not free from doubt, the Class C Notes issued on the Closing Date (other than any Class C Notes beneficially owned by the Issuer or a person treated as the same person as the Issuer for U.S. federal income tax purposes) will be characterized as debt for U.S. federal income tax purposes, (iii) the Class D Notes issued on the Closing Date (other than any Class D Notes beneficially owned by the Issuer or a person treated as the same person as the Issuer for U.S. federal income tax purposes) should be characterized as debt for U.S. federal income tax purposes, and (iv) although not free from doubt, the Issuer will not be classified as an association or a publicly traded partnership taxable as a corporation for U.S. federal income tax purposes. If any of the Series 2022-3 Notes were not characterized as debt for U.S. federal income tax purposes, certain adverse consequences could occur for the Issuer and holders of the Series 2022-3 Notes, including holders that are Non-U.S. Holders or tax-exempt entities. See “*Certain Tax Characterizations*” below in this Memorandum. The discussion below assumes that the characterization of the Series 2022-3 Notes as debt for U.S. federal income tax purposes is correct.

The U.S. Department of the Treasury and the IRS have issued Treasury regulations under Section 385 of the Code that address the debt or equity treatment of instruments held by certain parties related to the issuing entity. In particular, in certain circumstances, a note that otherwise would be treated as debt is treated as stock for U.S. federal income tax purposes during periods in which the note is held by an applicable related party (meaning a member of an “expanded group” that includes the issuing entity (or its owner(s)) generally based on a group of corporations or controlled partnerships connected through 80% direct or indirect ownership links). Under these Treasury regulations, any Series 2022-3 Notes treated as stock could result in adverse tax consequences to such related party Series 2022-3 Noteholder, including that U.S. federal withholding taxes could apply to distributions on the Series 2022-3 Notes. If the Issuer were to become liable for any such withholding or failure to so withhold, the resulting impositions could reduce the cash flow that would otherwise be available to make payments on all Series 2022-3 Notes. In addition, when a re-characterized Series 2022-3 Note is acquired by a beneficial owner that is not an applicable related party, that Series 2022-3 Note is generally treated as reissued for U.S. federal income tax purposes and thus may have tax characteristics differing from Series 2022-3 Notes of the same class that were not previously held by a related party. As a result of considerations arising from these rules, the Trust Agreement will provide restrictions on certain potential holders of the Certificates if they are related to a Series 2022-3 Noteholder. As a result, the Issuer does not expect that these Treasury regulations will apply to any of the Series 2022-3 Notes. However, the Treasury regulations are complex and have not yet been applied by the IRS or any court. In addition, the IRS has reserved certain portions of the Treasury regulations pending its further consideration. Prospective investors are urged to consult their tax advisors regarding the possible effects of the new rules.

## Tax Consequences to U.S. Holders

**Stated Interest.** The stated interest on the Series 2022-3 Notes will constitute “qualified stated interest” (generally, interest payable based upon a single fixed rate or certain variable rates that is payable unconditionally at least annually) and, as a result, such stated interest will be includible as ordinary income by each U.S. Holder either at the time such payments are received or accrued, depending on whether the U.S. Holder is a cash or accrual basis taxpayer.

**Original Issue Discount on the Series 2022-3 Notes.** It is anticipated that the Class B Notes, the Class C Notes and the Class D Notes will be, but that none of the other Series 2022-3 Notes offered hereunder will be, issued with more than a *de minimis* amount of discount (generally less than 1/4% of the principal amount of the related class of Series 2022-3 Notes multiplied by its weighted average life to maturity taking into account the prepayment assumption discussed below) for purposes of the rules governing OID that are set forth in the Code and the Treasury regulations promulgated thereunder. With respect to any class of Series 2022-3 Notes offered hereunder that is issued at a greater than *de minimis* discount, each U.S. Holder of such class will be required to accrue and include such OID (generally, the excess of (a) the sum of all payments (other than payments with respect to qualified stated interest) required to be made on such class over (b) its issue price) in gross income as ordinary income over the term of such class on a constant yield basis. As a result, OID must be included in income in advance of the receipt of cash representing that income regardless of the U.S. Holder’s normal method of tax accounting. The amount of OID includable in income with respect to each Series 2022-3 Note that is issued with OID is the sum of the daily portions of OID for each day on which the U.S. Holder held such Series 2022-3 Note during the taxable year. In the case of a debt instrument (such as a Series 2022-3 Note) as to which the repayment of principal may be accelerated as a result of the prepayment of other obligations securing the debt instrument, OID accruals are determined under Section 1272(a)(6) of the Code by taking into account (i) a reasonable prepayment assumption (generally, the assumption used to price the debt offering), and (ii) adjustments in the accrual of OID when prepayments do not conform to the prepayment assumption. If this provision applies to a class of Series 2022-3 Notes, the amount of OID that will accrue in any given “accrual period” may either increase or decrease depending upon the actual prepayment rate. Information reports or returns to the IRS and the Series 2022-3 Noteholders regarding OID, if any, will be based on the assumption that the Receivables will prepay at a rate equal to 30% CPR. However, no representation is made regarding the actual prepayment rates for the Receivables. See “*The Receivables—Maturity and Prepayment Assumptions.*” Accordingly, U.S. Holders are advised to consult their own tax advisors regarding the impact of any prepayments of the Receivables (and the OID rules) if a class of Series 2022-3 Notes offered hereunder is issued with OID. In the case of a Series 2022-3 Note purchased with *de minimis* OID, generally a portion of such OID is taken into income by a U.S. Holder upon each principal payment on the Series 2022-3 Note. Such portion equals the *de minimis* OID times a fraction the numerator of which is the amount of the principal payment made and the denominator of which is the stated principal amount of the Series 2022-3 Note.

A U.S. Holder may elect to include in gross income all interest that accrues on the holder’s Series 2022-3 Note, including stated interest and OID, using the constant yield method described above. Generally, this election will apply only to the Series 2022-3 Note for which the holder makes such election. The holder may not revoke this election without the consent of the IRS.

**Bond Premium.** Generally, if a U.S. Holder acquires a Series 2022-3 Note for an amount that exceeds the sum of all remaining amounts then payable under the Series 2022-3 Note (other than qualified stated interest), the U.S. Holder may elect to treat such excess as “amortizable bond premium.” The election allows the U.S. Holder to amortize such premium (as an offset to interest income), using a constant-yield method, over the remaining term of the Series 2022-3 Note. Such election, once made, generally applies to all bonds held or subsequently acquired by the U.S. Holder on or after the first taxable year to which the

election applies and may not be revoked without the consent of the IRS. A U.S. Holder that elects to amortize such premium must reduce its tax basis in the Series 2022-3 Note by the amount of the premium amortized during its holding period. With respect to a U.S. Holder that does not elect to amortize bond premium, the amount of bond premium is included in the U.S. Holder's U.S. federal income tax basis in the Series 2022-3 Note.

***Sale or Other Disposition.*** If a U.S. Holder sells or otherwise disposes of a Series 2022-3 Note in a taxable transaction, the U.S. Holder will recognize gain or loss in an amount equal to the difference between the amount realized on the sale or other taxable disposition (less any amount attributable to accrued but unpaid interest, which will be taxable as ordinary income if not previously included in gross income) and the U.S. Holder's adjusted U.S. federal income tax basis in the Series 2022-3 Note at that time. The adjusted U.S. federal income tax basis of a Series 2022-3 Note to a particular U.S. Holder generally will equal the amount the U.S. Holder paid for the Series 2022-3 Note, increased by, if applicable, any accrued OID previously included by such U.S. Holder in income with respect to the Series 2022-3 Note and decreased by the amount of amortizable bond premium (if any) previously deducted with respect to such Series 2022-3 Note and by the amount of principal payments previously received by such U.S. Holder with respect to such Series 2022-3 Note. Any such gain or loss generally will be capital gain or loss if the Series 2022-3 Note was held as a capital asset. Any such gain or loss would be long-term capital gain or loss if the holder's holding period exceeded one year, which long-term capital gain, in the case of a noncorporate U.S. Holder, currently is subject to tax at a lower maximum rate than ordinary income. The deductibility of capital losses is subject to limitations.

***Backup Withholding and Information Reporting.*** In general, information reporting will apply to payments of interest (including OID, if any) on the Series 2022-3 Notes and to the proceeds from the sale or other disposition of a Series 2022-3 Note (including a redemption or retirement), and backup withholding may apply to such payments if the U.S. Holder fails to provide the appropriate intermediary with a correct taxpayer identification number, certified under penalties of perjury, as well as certain other information, or certification of exempt status, or the U.S. Holder fails to report full dividend and interest income (including OID, if any) or otherwise fails to comply with applicable requirements of the backup withholding rules.

Backup withholding is not an additional tax. Any amount withheld under the backup withholding rules is allowable as a credit against the U.S. Holder's U.S. federal income tax liability (and the U.S. Holder may be entitled to a refund), as long as the U.S. Holder timely provides certain information to the IRS.

### **Additional Tax on Net Investment Income**

An additional 3.8% tax is imposed on the "net investment income" of certain United States citizens and resident aliens, and on the undistributed "net investment income" of certain estates and trusts. Among other items, "net investment income" would generally include gross income from interest (including OID, if any), and net gain from the sale, redemption, exchange, retirement or other taxable disposition of a Series 2022-3 Note, less certain deductions.

### **Tax Consequences to Non-U.S. Holders of the Series 2022-3 Notes**

***Payments of Interest.*** Subject to the discussions below regarding FATCA and backup withholding, payments of interest (including OID, if any), on the Series 2022-3 Notes to any Non-U.S. Holder will not be subject to U.S. federal withholding tax if that interest is not effectively connected with the Non-U.S. Holder's conduct of a U.S. trade or business or, if required by an applicable income tax treaty, is not attributable to a United States permanent establishment maintained by the Non-U.S. Holder and such person (i) does not own, actually or constructively, 10% or more of the total voting power or capital or profits interest, as applicable, of the Issuer (or the entity treated as the Issuer for U.S. federal income tax purposes),

(ii) is not a controlled foreign corporation related, directly or indirectly, to the Issuer, (iii) is not a bank receiving interest on a loan entered into in the ordinary course of business, and (iv) the Non-U.S. Holder certifies to the applicable withholding agent on IRS Form W-8BEN or Form W-8BEN-E (or other applicable form), under penalties of perjury, that the Non-U.S. Holder is not a U.S. person and provides the Non-U.S. Holder's name, address and applicable foreign tax identification number.

If a Non-U.S. Holder does not satisfy the requirements described above, payments of interest on the Series 2022-3 Notes made to the U.S. Holder will be subject to U.S. federal withholding tax at a 30% rate, unless the Non-U.S. Holder provides the withholding agent with a properly executed IRS Form W-8BEN or Form W-8BEN-E (or successor form) claiming an exemption from (or a reduction of) withholding under the benefit of an applicable income tax treaty, or the payments of interest are effectively connected with the Non-U.S. Holder's conduct of a trade or business in the United States or, if required by an applicable income tax treaty, are attributable to a United States permanent establishment maintained by the Non-U.S. Holder and the Non-U.S. Holder meets the certification requirements described below. (See "*Certain U.S. Federal Income Tax Consequences—Tax Consequences to Non-U.S. Holders—Income or Gain Effectively Connected With a U.S. Trade or Business*").

***Sale or Other Disposition.*** Subject to the discussions below regarding FATCA and backup withholding, a Non-U.S. Holder will not be subject to U.S. federal income tax on gain realized on the sale, exchange, retirement or other taxable disposition of a Series 2022-3 Note unless (i) such Non-U.S. Holder is an individual who is present in the United States for 183 days or more in the taxable year of the disposition and certain other conditions are met or (ii) such gain is effectively connected with the conduct by such Non-U.S. Holder of a trade or business in the United States or, if required by an applicable income tax treaty, is attributable to a United States permanent establishment maintained by the Non-U.S. Holder.

If the Non-U.S. Holder is described in (i) above, the Non-U.S. Holder will be subject to a flat 30% U.S. federal income tax (or lower applicable income tax treaty rate) on the gain derived from the sale or other disposition. If the Non-U.S. Holder is described in (ii) above, the Non-U.S. Holder generally will be subject to U.S. federal income tax in the same manner as a U.S. Holder. Prospective investors are urged to consult their tax advisors regarding the application of the withholding regulations to payments on or with respect to the Series 2022-3 Notes.

***Income or Gain Effectively Connected With a U.S. Trade or Business.*** If a Non-U.S. Holder is engaged in trade or business in the United States, and if interest on, or gain on the sale, redemption, exchange, retirement or other taxable disposition of, a Series 2022-3 Note is effectively connected with the conduct of that trade or business or, if required by an applicable income tax treaty, is attributable to a permanent establishment the Non-U.S. Holder maintains in the United States, the Non-U.S. Holder will be exempt from U.S. withholding tax but will be subject to regular U.S. federal income tax on such interest or gain generally in the same manner as if the Non-U.S. Holder were a U.S. Holder. To establish an exemption from U.S. withholding tax, the Non-U.S. Holder must provide to the applicable withholding agent a properly completed and executed IRS Form W-8ECI or applicable substitute form. In addition to regular U.S. federal income tax, if the Non-U.S. Holder is a corporation, it may be subject to U.S. branch profits tax at a 30% rate, unless an applicable income tax treaty provides for a lower rate.

***Information Reporting and Backup Withholding.*** Payments to a Non-U.S. Holder of interest (including OID, if any), and amounts withheld from such payments, if any, generally will be required to be reported to the IRS and to the Non-U.S. Holder. Copies of these information returns may also be made available to the tax authorities of the country in which the Non-U.S. Holder resides under the provisions of a specific treaty or agreement. Backup withholding generally will not apply to payments of interest if the Non-U.S. Holder certifies as to the Non-U.S. Holder's non-U.S. status under penalties of perjury or otherwise establishes an exemption, provided that neither the Issuer nor the withholding agent has actual



knowledge or reason to know that the Non-U.S. Holder is a United States person or that the conditions of any other exemptions are not in fact satisfied.

The payments of the proceeds of the disposition of the Series 2022-3 Notes (including redemption or retirement) to or through the U.S. office of a U.S. or foreign broker will be subject to information reporting and backup withholding unless the Non-U.S. Holder provides the certification described above under “*Certain U.S. Federal Income Tax Consequences—Tax Consequences to Non-U.S. Holders—Payments of Interest*” or otherwise establishes an exemption. The proceeds of a disposition of a Series 2022-3 Note effected outside the United States to or through a foreign office of a broker generally will not be subject to backup withholding or information reporting. However, if that broker is a United States person, a controlled foreign corporation for U.S. federal income tax purposes, a foreign person 50% or more of whose gross income from all sources for certain periods is effectively connected with a trade or business in the United States, or a foreign partnership that is engaged in the conduct of a trade or business in the United States or that has one or more partners that are United States persons who in the aggregate hold more than 50% of the income or capital interests in the partnership, information reporting requirements will apply unless that broker has documentary evidence in its files of the Non-U.S. Holder’s non-U.S. status and has no actual knowledge to the contrary or unless the Non-U.S. Holder otherwise establishes an exemption.

Non-U.S. Holders are urged to consult their tax advisors regarding the application of information reporting and backup withholding to their particular situation, the availability of an exemption, and the procedure for obtaining such an exemption, if available. Backup withholding is not an additional tax. Any amounts withheld from a payment to the Non-U.S. Holder under the backup withholding rules may be allowed as a credit against its U.S. federal income tax liability, if any, and may entitle the Non-U.S. Holder to a refund, provided the Non-U.S. Holder timely furnishes the required information to the IRS.

## **FATCA**

Sections 1471 through 1474 of the Code (“**FATCA**”) impose a 30% withholding tax on certain types of payments, including U.S. source interest, made to foreign financial institutions, unless the foreign financial institution enters into an agreement with the U.S. Treasury Department to, among other things, undertake to identify accounts held by certain U.S. persons or U.S.-owned entities, annually report certain information about such accounts, and withhold 30% on payments to account holders whose actions prevent it from complying with these and other reporting requirements, or unless the foreign financial institution is otherwise exempt from those requirements. In addition, FATCA imposes a 30% withholding tax on the same types of payments, including U.S. source interest, to a non-financial foreign entity unless the entity certifies that it does not have any substantial U.S. owners or the entity furnishes identifying information regarding each substantial U.S. owner. Foreign financial institutions located in jurisdictions that have an intergovernmental agreement with the United States governing FATCA may be subject to different rules. In many cases, non-U.S. beneficial owners may be able to indicate their exemption from, or compliance with, FATCA by providing a properly executed and applicable IRS Form W-8 to the applicable withholding agent certifying as to such status under FATCA; however, it is possible that additional information and diligence requirements will apply in order for a holder to establish an exemption from withholding under FATCA to the applicable withholding agent. Prospective investors should nonetheless consult their own tax advisors regarding FATCA and its effect on them.

## **Certain Tax Characterizations**

If any of the Series 2022-3 Notes were not characterized as debt for U.S. federal income tax purposes, the Issuer would be treated as a partnership, and holders of such Notes would be treated as partners in the Issuer. A partnership would annually file Form 1065, U.S. Return of Partnership Income, and comply with the requirements of subchapter K and the other provisions of the Code that apply to U.S.

federal tax partnerships and the partners of such partnerships. In general, a partnership is not subject to U.S. federal income tax; rather, the partners are required separately to take into account their allocable share of the income, gains, losses, deductions and credits of the partnership. The allocation of these items could result in the holders of the Series 2022-3 Notes that are characterized as equity interests in the Issuer receiving income in timing and amounts different than expected and could result in the imposition of U.S. withholding tax on amounts allocated (or on purchase price paid on disposition) to Non-U.S. Holders of the Series 2022-3 Notes that are characterized as equity interests in the Issuer or cause such Non-U.S. Holders to be deemed to be engaged in a U.S. trade or business. Further, a tax-exempt U.S. Holder of a re-characterized Series 2022-3 Note could be treated as receiving unrelated business taxable income from the Issuer. Additionally, if the IRS successfully asserted that the Issuer should have been withholding tax on amounts allocated to Non-U.S. Holders of the Series 2022-3 Notes, the Issuer would be liable for such tax, and may additionally owe penalties and interest, which could adversely affect the Issuer, the Issuer's ability to perform its obligations under the Transaction Documents and holders of the Series 2022-3 Notes.

If the Issuer were re-characterized as a "publicly traded partnership" taxable as a corporation, the Issuer could be subject to U.S. federal income tax at corporate rates on its taxable income. This characterization of the Issuer could cause the amount of cash flow available to Note Owners to be substantially reduced, and also result in the Note Owners of the reclassified Notes recognizing income and other tax items with respect to their Notes that differ significantly, in amount, timing and character, from that recognized were such Notes treated as debt for U.S. federal income tax purposes. In addition, amounts distributed to Non-U.S. Holders of the Series 2022-3 Notes could be subject to U.S. withholding tax.

To protect against characterization as a taxable entity, the Issuer intends to limit the number of beneficial owners for U.S. federal income tax purposes of the Class D Notes. The Class D Notes will be issued in the minimum denomination of \$500,000 and prospective beneficial owners thereof will be deemed to have made certain representations and covenants set out below. The Issuer intends that if beneficial interests in the Class D Notes are held in amounts that are no less than the minimum denomination for the Class D Notes, and if the representations from the owners of beneficial interests in the Class D Notes are adhered to, then there will be no more than 61 beneficial owners of the Class D Notes for U.S. federal income tax purposes. A prospective owner of a beneficial interest in the Class D Notes, as applicable, must represent, warrant and covenant, as to the items described below. If these representations and covenants are not complied with, or the minimum denomination for the Class D Notes is not observed, with the result that there are over 100 holders of the Class D Notes and the Certificates, then the Issuer could become subject to an entity level income tax.

No transfer of a beneficial interest in a Class D Note will be effective unless the transferee (including the initial transferee) represents and warrants that:

(i) Either (a) it is not and will not become for U.S. federal income tax purposes a partnership, subchapter S corporation, or grantor trust (each such entity a "**Flow-through Entity**") or (b) if it is or becomes a Flow-through Entity, then (I) none of the direct or indirect beneficial owners of any of the interests in such Flow-through Entity has or ever will have more than 50% of the value of its interest in such Flow-through Entity attributable to the beneficial interest of such Flow-through Entity in such Note, other interest (direct or indirect) in the Issuer, or any interest created under the Indenture and (II) it is not and will not be a principal purpose of the arrangement involving the Flow-through Entity's beneficial interest in any such Note to permit any entity to satisfy the 100-partner limitation of Section 1.7704-1(h)(1)(ii) of the Treasury Regulations necessary for such entity not to be classified as a publicly traded partnership for U.S. federal income tax purposes.

(ii) It is not acquiring any beneficial interest in such Note through an “established securities market” or a “secondary market (or the substantial equivalent thereof),” each within the meaning of Section 7704(b) of the Code and the Treasury Regulations promulgated thereunder.

(iii) It will not cause any beneficial interest in such Note to be traded or otherwise marketed on or through an “established securities market” or a “secondary market (or the substantial equivalent thereof),” each within the meaning of Section 7704(b) of the Code, and the Treasury Regulations promulgated thereunder, including, without limitation, an interdealer quotation system that regularly disseminates firm buy or sell quotations.

(iv) Its beneficial interest in such Note is not and will not be in an amount that is less than the minimum denomination for such Note set forth in the Indenture, and it does not and will not hold any beneficial interest in such Note on behalf of any Person whose beneficial interest in such Note is in an amount that is less than the minimum denomination for such Notes set forth in the Indenture. It will not sell, transfer, assign, participate, or otherwise dispose of any beneficial interest in such Note or enter into any financial instrument or contract the value of which is determined by reference in whole or in part to such Note, in each case, if the effect of doing so would be that the beneficial interest of any Person in such Note would be in an amount that is less than the minimum denomination for such Note set forth in the Indenture.

(v) It will not transfer any beneficial interest in such Note (directly, through a participation thereof, or otherwise) unless, prior to the transfer, the transferee of such beneficial interest shall have executed and delivered to the Indenture Trustee and the Transfer Agent and Registrar, and any of their respective successors or assigns, a transferee certification as required in the Indenture, a form of which is attached as Exhibit B to this Memorandum.

(vi) It will not use such Note as collateral for the issuance of any securities that could cause the Issuer to become subject to taxation as a corporation or a publicly traded partnership taxable as a corporation for U.S. federal income tax purposes, provided that it may engage in any repurchase transaction (repo) the subject matter of which is such Note, provided the terms of such repurchase transaction are generally consistent with prevailing market practice and that such repurchase transaction would not cause the Issuer to be otherwise classified as a corporation or publicly traded partnership for U.S. federal income tax purposes.

(vii) It will not take any action that could cause, and will not omit to take any action, which omission could cause, the Issuer to become taxable as a corporation for U.S. federal income tax purposes.

Each such transferee of a beneficial interest (including the initial transferee) in a Class D Note will have to provide the Indenture Trustee and the Transfer Agent and Registrar with representations substantially in the form of the transferee certification attached as an exhibit to the Indenture and this Memorandum, and upon accepting a beneficial interest in the Class D Note, will be deemed to have made all of the certifications, representations and warranties set forth in such transferee certification. Investors in the Class D Notes are advised to consult their tax advisors with respect to an investment in such Notes.

Investors in the Series 2022-3 Notes are advised to consult their tax advisors with respect to an investment in such Notes.

## CERTAIN CONSIDERATIONS FOR ERISA AND OTHER U.S. EMPLOYEE BENEFIT PLANS

### Class A Notes, Class B and Class C Notes

Subject to the following discussion, the Class A Notes, the Class B Notes and the Class C Notes may be acquired by pension, profit-sharing or other employee benefit plans, as well as individual retirement accounts, Keogh plans and other plans that are subject to Title I of the Employee Retirement Income Security Act of 1974, as amended (“**ERISA**”), Section 4975 of the Code or any entity deemed to hold plan assets of any of the foregoing (each a “**Benefit Plan Investor**”), as well as by governmental plans (as defined in Section 3(32) of ERISA) and church plans (as defined in Section 3(33) of ERISA) (collectively, with Benefit Plan Investors, referred to as “**Plans**”). Section 406 of ERISA and Section 4975 of the Code prohibit a Benefit Plan Investor from engaging in certain transactions with Persons that are “parties in interest” under ERISA or “disqualified persons” under the Code with respect to such Benefit Plan Investor. A violation of these “prohibited transaction” rules may result in an excise tax or other penalties and liabilities under ERISA and the Code for such Persons or the fiduciaries of the Benefit Plan Investor. In addition, Title I of ERISA also requires fiduciaries of a Benefit Plan Investor subject to ERISA to make investments that are prudent, diversified and in accordance with the governing plan documents. The prudence of a particular investment must be determined by the responsible fiduciary by taking into account the particular circumstances of the Benefit Plan Investor and all of the facts and circumstances of the investment, including, but not limited to, the matters discussed under “*Risk Factors*” and the fact that in the future there may be no market in which such fiduciary will be able to sell or otherwise dispose of the Class A Notes, the Class B Notes or the Class C Notes should it purchase them. Employee benefit plans that are governmental plans and certain church plans (as defined in Section 3 of ERISA) are not subject to Section 406 of ERISA or Section 4975 of the Code. However, such plans may be subject to similar restrictions under applicable state, local or other law (“**Similar Law**”).

Certain transactions involving the Issuer might be deemed to constitute prohibited transactions under ERISA and the Code with respect to a Benefit Plan Investor that purchased the Class A Notes, the Class B Notes or the Class C Notes if assets of the Issuer were deemed to be assets of the Benefit Plan Investor. Under a regulation issued by the United States Department of Labor, as modified by Section 3(42) of ERISA (the “**Regulation**”), the assets of the Issuer would be treated as plan assets of a Benefit Plan Investor for the purposes of ERISA and the Code only if the Benefit Plan Investor acquired an “equity interest” in the Issuer and none of the exceptions to plan assets contained in the Regulation were applicable. An equity interest is defined under the Regulation as an interest other than an instrument which is treated as indebtedness under applicable local law and which has no substantial equity features. Although there is little guidance on the subject, assuming the Class A Notes, the Class B Notes and the Class C Notes constitute debt for local law purposes, the Issuer believes that, at the time of their issuance, the Class A Notes, the Class B Notes and the Class C Notes should not be treated as an equity interest in the Issuer for purposes of the Regulation. This determination is based in part upon the traditional debt features of the Class A Notes, the Class B Notes and the Class C Notes, including the reasonable expectation of purchasers of the Class A Notes, the Class B Notes and the Class C Notes that the Class A Notes, the Class B Notes and the Class C Notes will be repaid when due, as well as the absence of conversion rights, warrants and other typical equity features. The debt treatment of the Class A Notes, the Class B Notes and the Class C Notes for ERISA purposes could change if the Issuer incurs losses. This risk of recharacterization is enhanced for the Class B Notes, which are subordinated to the Class A Notes, and the Class C Notes, which are subordinated to the Class A Notes and the Class B Notes. In the event of a withdrawal or downgrade to below investment grade of the rating of the Class A Notes, the Class B Notes or the Class C Notes or characterization of the Class A Notes, the Class B Notes or the Class C Notes as other than indebtedness under applicable local law, the subsequent acquisition of the Class A Notes, the Class B Notes or the Class C Notes, as applicable, by Benefit Plan Investors or Plans subject to Similar Law is prohibited.

However, without regard to whether the Class A Notes, the Class B Notes and the Class C Notes are treated as an equity interest in the Issuer for purposes of the Regulation, the acquisition or holding of the Class A Notes, the Class B Notes and the Class C Notes by or on behalf of a Benefit Plan Investor could be considered to give rise to a prohibited transaction if the Issuer, the Seller, the Servicer, the Administrator, the Back-Up Servicer, the Indenture Trustee, the Initial Purchasers or any of their affiliates is or becomes a party in interest or a disqualified person with respect to such Benefit Plan Investor. Furthermore, because the Class A Notes, the Class B Notes and the Class C Notes are secured by the Receivables, the holding of the Receivables by or on behalf of a Benefit Plan Investor in the event the Indenture Trustee exercises its rights as a secured party with respect to the Receivables could be considered to give rise to a prohibited transaction if any Obligor or its affiliates is or becomes a party in interest or disqualified person with respect to such Benefit Plan Investor. In either of these events, certain exemptions from the prohibited transaction rules could be applicable to the purchase and holding of the Class A Notes, the Class B Notes and the Class C Notes by a Benefit Plan Investor depending on the type and circumstances of the plan fiduciary making the decision to acquire such Class A Notes, the Class B Notes or Class C Notes and the relationship of the party in interest to the Benefit Plan Investor. Included among these exemptions are: Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code for certain transactions between a Benefit Plan Investor and persons who are parties in interest solely by reason of providing services to the Benefit Plan Investor or being affiliated with such service providers; Prohibited Transaction Class Exemption (“PTCE”) 96-23, regarding transactions effected by “in-house asset managers;” PTCE 95-60, regarding investments by insurance company general accounts; PTCE 91-38, regarding investments by bank collective investment funds; PTCE 90-1, regarding investments by insurance company pooled separate accounts; and PTCE 84-14, regarding transactions effected by “qualified professional asset managers.” Even if the conditions specified in one or more of these exemptions are met, the scope of the relief provided by these exemptions might or might not cover all acts which might be construed as prohibited transactions. There can be no assurance that any of these, or any other exemption, will be available with respect to any particular transaction involving the Class A Notes, the Class B Notes or the Class C Notes, and prospective purchasers that are Benefit Plan Investors should consult with their legal advisors regarding the applicability of any such exemption.

By acquiring a Class A Note, Class B Note or Class C Note, each purchaser and transferee (and if the purchaser or transferee is a Plan, its fiduciary) will be deemed to represent and warrant that either (i) it is not acquiring the Class A Note, Class B Note or Class C Note, as applicable, with the assets of a Benefit Plan Investor or a governmental or other plan subject to Similar Law or (ii) (a) its purchase and holding of the Class A Notes, the Class B Notes or the Class C Notes (or any interest therein), as applicable, will not result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or a violation of Similar Law, and (b) it acknowledges and agrees that the Class A Notes, the Class B Notes or the Class C Notes, as applicable, are not eligible for acquisition by Benefit Plan Investors or governmental or other plans subject to Similar Law at any time that the Class A Notes, the Class B Notes or the Class C Notes, as applicable, have been characterized as other than indebtedness for applicable local law purposes or are rated below investment grade.

#### **Class D Notes**

The Class D Notes may not be acquired by or held by, on behalf of, or with plan assets of any Benefit Plan Investor or governmental or other plan subject to Similar Law. By acquiring a Class D Note, each purchaser and transferee (and if the purchaser or transferee is a Plan, its fiduciary) will be deemed to represent and warrant that it is not acquiring the Class D Note with the assets of a Benefit Plan Investor or a governmental or other plan subject to Similar Law.

## CERTAIN INVESTMENT CONSIDERATIONS

The Issuer is not registered or required to be registered as an “investment company” under the Investment Company Act. In determining that the Issuer is not required to be registered as an investment company, the Issuer is relying on the exception from the definition of “investment company” set forth in Rule 3a-7 under the Investment Company Act, although other exceptions or exclusions may be available to the Issuer. The Issuer is not a “covered fund” as defined in the final regulations issued December 10, 2013 implementing the “Volcker Rule” (Section 619 of the Dodd-Frank Wall Street Reform and Consumer Protection Act).

## LEGAL INVESTMENT CONSIDERATIONS

The appropriate characterization of the Series 2022-3 Notes under various legal investment restrictions, and thus the ability of investors subject to legal restrictions to purchase any Series 2022-3 Notes, is subject to significant interpretive uncertainties. Accordingly, investors whose investment authority is subject to legal restrictions should consult their own legal advisors to determine whether and to what extent the Series 2022-3 Notes constitute legal investments for them. No representations are made as to the proper characterization of any Series 2022-3 Notes for legal investment or other purposes, or as to the ability of particular investors to purchase any Series 2022-3 Notes under applicable legal investment restrictions.

## REQUIREMENTS FOR CERTAIN EUROPEAN AND UK REGULATED INVESTORS AND AFFILIATES

Regulation (EU) 2017/2402 of the European Parliament and of the Council of December 12, 2017 (as amended from time to time, the “**EU Securitization Regulation**”), places certain conditions on investments in or other exposures to a “securitisation” (as defined in the EU Securitization Regulation) (the “**EU Diligence Requirements**”) by “institutional investors”, defined in the EU Securitization Regulation to include (a) a credit institution or an investment firm as defined in and for purposes of Regulation (EU) No 575/2013, as amended, known as the Capital Requirements Regulation (the “**CRR**”), (b) an insurance undertaking or a reinsurance undertaking as defined in Directive 2009/138/EU, as amended, known as Solvency II, (c) an alternative investment fund manager (AIFM) as defined in Directive 2011/61/EU that manages and/or markets alternative investment funds in the EU, (d) an undertaking for collective investment in transferable securities (“**UCITS**”) management company, as defined in Directive 2009/65/EU, as amended, known as the UCITS Directive, or an internally managed UCITS, which is an investment company that is authorized in accordance with that Directive and has not designated a management company for its management, and (e) with certain exceptions, an institution for occupational retirement provision, falling within the scope of Directive (EU) 2016/2341, or an investment manager or an authorized entity appointed by such an institution for occupational retirement provision as provided for in that Directive. Pursuant to Article 14 of the CRR, the EU Due Diligence Requirements also apply to investments by certain consolidated affiliates, wherever established or located, of institutions regulated under the CRR (such affiliates, together with all such institutional investors, “**EU Affected Investors**”). The EU Securitization Regulation is directly applicable in member states of the European Union (the “**EU**”) and will be applicable in any non-EU states of the European Economic Area (the “**EEA**”) in which it has been implemented.

With respect to the UK, relevant UK-established or UK-regulated persons are subject to the restrictions and obligations of the EU Securitization Regulation as it forms part of UK domestic law as “retained EU law” by virtue of the European Union (Withdrawal) Act 2018 (as amended, the “**EUWA**”), and as amended by the Securitization (Amendment) (EU Exit) Regulations 2019 (as further amended from time to time the

**“UK Securitization Regulation”**, and together with the EU Securitization Regulation, the **“Securitization Regulations”**).

Article 5 of the UK Securitization Regulation places certain conditions on investments in or other exposures to a “securitisation position” (as defined in the UK Securitization Regulation) (the **“UK Due Diligence Requirements”** and, together with the EU Due Diligence Requirements, the **“Due Diligence Requirements”** (and references in this Memorandum to “the applicable Due Diligence Requirements” shall mean such Due Diligence Requirements to which a particular Affected Investor is subject)) by an “institutional investor”, defined in the UK Securitization Regulation to include (a) an insurance undertaking as defined in section 417(1) of the FSMA; (b) a reinsurance undertaking as defined in section 417(1) of the FSMA; (c) an occupational pension scheme as defined in section 1(1) of the Pension Schemes Act 1993 that has its main administration in the UK, or a fund manager of such a scheme appointed under section 34(2) of the Pensions Act 1995 that, in respect of activity undertaken pursuant to that appointment is authorized for the purposes of section 31 of the FSMA; (d) an AIFM as defined in regulation 4(1) of the Alternative Investment Fund Managers Regulations 2013 which markets or manages AIFs (as defined in regulation 3 of those Regulations) in the UK; (e) a management company as defined in section 237(2) of the FSMA; (f) a UCITS as defined by section 236A of the FSMA, which is an authorized open ended investment company as defined in section 237(3) of the FSMA; (g) a CRR firm as defined by Article 4(1)(2A) of the CRR as it forms part of UK domestic law by virtue of the EUWA (the **“UK CRR”**); and (h) an FCA investment firm as defined by Article 4(1)(2AB) of the UK CRR. The UK Due Diligence Requirements also apply to investments by certain consolidated affiliates, wherever established or located, of such CRR firms (such affiliates, together with all such institutional investors, **“UK Affected Investors”** and, together with EU Affected Investors, **“Affected Investors”**).

Although the Sponsor or an affiliate is required to retain an economic interest in the transaction in accordance with Regulation RR (as described in *“Credit Risk Retention”* in this Memorandum), none of the Seller, the Issuer, the Sponsor, the initial Servicer, the Administrator nor any of their respective affiliates is obligated to retain a material net economic interest in the securitization described in this Memorandum for purposes of any Securitization Regulations or to take or refrain from taking any other action in order to facilitate compliance by any Affected Investor with any applicable Due Diligence Requirements.

Failure by an Affected Investor to comply with any applicable Due Diligence Requirements with respect to an investment in the Series 2022-3 Notes offered by this Memorandum may result in the imposition of a penalty regulatory capital charge on that investment or of other regulatory sanctions. Noncompliance of the transaction described in this Memorandum and any other changes to the regulation or regulatory treatment of the Series 2022-3 Notes for some or all investors may negatively impact the regulatory position of Affected Investors and have an adverse impact on the value and liquidity of the Series 2022-3 Notes offered by this Memorandum. Prospective investors should analyze their own regulatory position, and are encouraged to consult with their own investment and legal advisors, regarding application of and compliance with the applicable requirements of the Due Diligence Requirements or other applicable regulations and the suitability of the Series 2022-3 Notes for investment.

## **PLAN OF DISTRIBUTION**

The Seller, the Depositor and the Initial Purchasers will enter into a Note Purchase Agreement, to be dated on or prior to the Closing Date (the **“Note Purchase Agreement”**), which will provide for the Initial Purchasers’ purchase of the Series 2022-3 Notes offered under this Memorandum.

The Note Purchase Agreement also provides that all the Series 2022-3 Notes offered hereby and sold to the Initial Purchasers may be resold by the Initial Purchasers only to QIBs in transactions meeting the requirements of Rule 144A.

The Initial Purchasers have the sole right to reject orders, in whole or in part, and to withdraw, cancel or modify the offer without notice. On the Closing Date, payment of the purchase price of the Series 2022-3 Notes to be purchased by the Initial Purchasers will be required to be made in immediately available funds. Under the terms of the Note Purchase Agreement, the Initial Purchasers will receive underwriting discounts and compensation and be reimbursed for certain costs of issuance incurred by it in connection with this offering. In addition, the Seller and the Depositor have agreed to indemnify the Initial Purchasers against certain liabilities, including liabilities under the Securities Act and Exchange Act, or to contribute to payments that the Initial Purchasers may be required to make in respect thereof.

The Series 2022-3 Notes are not deposits, are not insured by the FDIC, are not guaranteed by the Initial Purchasers or any of their affiliates, and are not otherwise an obligation or responsibility of the Initial Purchasers or any of their affiliates.

The Initial Purchasers and their affiliates have business relationships with the Issuer, the Depositor, the Sponsor, the Seller, the initial Servicer, the Administrator and their affiliates. In the ordinary course of business, the Initial Purchasers and their affiliates have engaged and may in the future engage, in financial advisory, lending, investing and investment banking transactions with the Issuer, the Depositor, the Sponsor, the Seller, the initial Servicer, the Administrator and their affiliates.

One or more of the Initial Purchasers have entered into an understanding with the Seller pursuant to which one or more of the Initial Purchasers may, in the future, purchase or place additional series of notes representing interests in pools of receivables on behalf of the Seller or its affiliates. However, the Initial Purchasers are not obligated to participate in any such future note issuances. Additionally, as of the Closing Date, a special purpose trust is being provided with warehouse financing, with respect to other receivables originated by the Seller and/or Pathward, sold to a special purpose subsidiary of the Seller and subsequently transferred to such special purpose trust, under the PLW Facility that is being provided by the Initial Purchasers or affiliates thereof. As discussed under “*Use of Proceeds*,” the Seller will apply all or a portion of the net proceeds from the sale of the Series 2022-3 Notes that are used to purchase the Loans and Related Rights from the Seller to permit the special purpose trust that participates in the PLW Facility to pay down the warehouse financing being provided under the PLW Facility by the Initial Purchasers or affiliates thereof.

The Series 2022-3 Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States except in certain transactions exempt from the registration requirements of the Securities Act.

The Issuer expects that delivery of the Series 2022-3 Notes will be made to investors more than two business days after the expected pricing date. Pursuant to Rule 15c6-1 under the Exchange Act, trades in the secondary market are generally required to settle in two business days, unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade Series 2022-3 Notes prior to the second business day preceding the settlement date will be required, by virtue of the fact that the Series 2022-3 Notes are expected to initially settle more than two business days after the pricing date, to specify an alternate settlement arrangement at the time of any such trade to prevent a failed settlement. Purchasers of the Series 2022-3 Notes who wish to trade the Series 2022-3 Notes prior to the second business day preceding the settlement date should consult their advisors.

The Series 2022-3 Notes will constitute a new series with no established trading market. The Issuer does not intend to list the Series 2022-3 Notes on any national securities exchange. The Initial Purchasers have advised the Depositor that they currently intend to make a market in the Series 2022-3 Notes offered under this Memorandum. However, the Initial Purchasers are not obligated to do so, and any market-making activities with respect to the Series 2022-3 Notes offered under this Memorandum may be



discontinued at any time without notice. In addition, such market making activity will be subject to the limits imposed by the Securities Act and the Exchange Act. Accordingly, no assurance can be given as to the liquidity of or the trading market for the Series 2022-3 Notes. Please refer to the section in this Memorandum entitled “*Risk Factors—Restrictions on Transfer; Lack of Liquidity.*”

In connection with the offering, the Initial Purchasers may over-allot or engage in covering transactions, stabilizing transactions and penalty bids. Over-allotment involves sales of the Series 2022-3 Notes in excess of the principal amount of Series 2022-3 Notes to be purchased by the Initial Purchasers in this offering, which creates a short position for the Initial Purchasers. Covering transactions involve purchases of the Series 2022-3 Notes in the open market after the distribution has been completed in order to cover short positions. Stabilizing transactions consist of certain bids or purchases of Series 2022-3 Notes made for the purpose of preventing or retarding a decline in the market price of the Series 2022-3 Notes while the offering is in progress. Penalty bids permit an Initial Purchaser to reclaim a selling concession from a dealer when such Initial Purchaser, in covering syndicate short positions or making stabilizing purchases, repurchases Series 2022-3 Notes originally sold by the dealer. These activities may cause the price of the Class A Notes to be higher than the price that would otherwise exist in the open market in the absence of such transactions.

For so long as any of the Series 2022-3 Notes are “restricted securities” within the meaning of Rule 144(a)(3) under the Securities Act, the Issuer and the Indenture Trustee agree to reasonably cooperate with each other to provide to any Series 2022-3 Noteholders and to any prospective purchaser of Series 2022-3 Notes designated by such Series 2022-3 Noteholder upon the request of such Series 2022-3 Noteholder or prospective purchaser, any information required to be provided to such holder or prospective purchaser to satisfy the condition set forth in Rule 144A(d)(4) under the Securities Act if at the time of the request the Issuer is not subject to Section 13 or Section 15(d) of the Exchange Act.

By accepting delivery of this Memorandum, prospective investors will be deemed to have acknowledged the need to conduct their own thorough investigations and to exercise their own due diligence before considering an investment in the Series 2022-3 Notes.

## **United Kingdom**

Each Initial Purchaser has represented and agreed that: (a) it has not offered, sold or otherwise made available, and will not offer, sell or otherwise make available, any Series 2022-3 Notes to any retail investor in the UK, (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Series 2022-3 Notes in, from or otherwise involving the UK and (c) it has only communicated or caused to be communicated and it will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of the Series 2022-3 Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Sponsor, the Seller, the Servicer, the Depositor or the Issuer.

For purposes of this provision:

(a) a retail investor means a person who is one (or more) of the following: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97 (as amended), where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of

the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 (as amended) as it forms part of domestic law by virtue of the EUWA; and

(b) the expression “offer” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Series 2022-3 Notes to be offered so as to enable an investor to decide to purchase or subscribe to the Series 2022-3 Notes.

### **European Economic Area**

Each Initial Purchaser has represented and agreed that it has not offered, sold or otherwise made available, and will not offer, sell or otherwise make available, any Series 2022-3 Notes to any retail investor in the EEA. For the purposes of this provision:

(a) the expression “retail investor” means a person who is one (or more) of the following: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**MIFID II**”), (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MIFID II or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended); and

(b) the expression “offer” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Series 2022-3 Notes to be offered so as to enable an investor to decide to purchase or subscribe the Series 2022-3 Notes.

### **TRANSFER RESTRICTIONS**

Any purchaser of the Series 2022-3 Notes must be able to bear the economic risk of the investment for an indefinite period of time because the Series 2022-3 Notes have not been registered under the Securities Act. The Issuer is not required to register the Series 2022-3 Notes under the Securities Act hereafter and any Series 2022-3 Note or any interest or participation therein cannot be reoffered, resold, pledged or otherwise transferred unless it is sold to a QIB in a transaction meeting the requirements of Rule 144A and whom the transferor has notified that it may be relying on the exemption from the registration requirements of the Securities Act provided by Rule 144A in compliance with the Indenture and all applicable securities laws of any State of the United States or any other applicable jurisdiction, subject in each of the above cases to any requirement of law that the disposition of the seller’s property or the property of an investment account or accounts be at all times within the seller’s or account’s control, and unless the Issuer and the Transfer Agent and Registrar receive the certifications of the transferor set forth in the Indenture and any requested opinions of counsel to which the Issuer or the Indenture Trustee may be entitled under the Indenture.

Each purchaser of an interest in the Series 2022-3 Notes will be deemed to have represented and agreed to the representations and agreements set forth under the section entitled “*Notice to Investors*.” The holder, and each subsequent holder, of any Series 2022-3 Note will be required to notify any transferee from it of the resale restrictions set forth above. Set forth herein under “*Notice to Investors*” are the restrictive legends which will appear on each Series 2022-3 Note. The form of the legends may be used to notify transferees of the foregoing restrictions on transfer.

### **NOTICE TO INVESTORS**

The Series 2022-3 Notes have not been registered under the Securities Act and may not be offered for resale or resold except pursuant to exemptions discussed above in “*Transfer Restrictions*.” Accordingly,

the Initial Purchasers are offering the Series 2022-3 Notes only to QIBs in transactions meeting the requirements of Rule 144A.

In addition, as discussed in “*Transfer Restrictions*” above, the Series 2022-3 Notes may not be reoffered, resold, pledged or otherwise transferred by any purchaser or holder except pursuant to the exemptions from registration and other requirements outlined in that section.

By accepting delivery of this Memorandum, each prospective purchaser of Series 2022-3 Notes (and any fiduciary acting on behalf of a prospective purchaser) will be deemed to have represented and agreed as follows:

(1) Such offeree acknowledges that this Memorandum is personal to such offeree and does not constitute an offer to any other Person or to the public generally to subscribe for or otherwise acquire the Series 2022-3 Notes other than pursuant to Rule 144A. Distribution of this Memorandum, or disclosure of any of its contents, to any Person other than such offeree and those Persons, if any, retained to advise such offeree with respect thereto and other Persons meeting the requirements of Rule 144A, is unauthorized, and any disclosure of any of its contents, without the prior written consent of the Issuer, is prohibited.

(2) Such offeree agrees to make no photocopies of this Memorandum or any documents referred to herein and, if such offeree does not purchase any Series 2022-3 Notes or the offering is terminated, to return this Memorandum and all documents referred to herein to the Initial Purchasers.

(3) Such offeree (i) is a QIB, (ii) is aware that the sale to it is being made in reliance on Rule 144A and (iii) is acquiring such Series 2022-3 Notes for its own account or for the account of a QIB.

(4) The Series 2022-3 Notes are being offered only in a transaction not involving any public offering in the United States within the meaning of the Securities Act, the Series 2022-3 Notes have not been and will not be registered under the Securities Act, and that, if in the future the purchaser decides to offer, resell, pledge or otherwise transfer such Series 2022-3 Notes, such Series 2022-3 Notes may be offered, sold, pledged or otherwise transferred only to a Person that is a QIB in a transaction meeting the requirements of Rule 144A and whom the transferor has notified that it may be relying on the exemption from the registration requirements of the Securities Act provided by Rule 144A, in compliance with the Indenture and all applicable securities laws of any State of the United States or any other jurisdiction, subject to any requirement of law that the disposition of the seller’s property or the property of an investment account or accounts be at all times within the seller’s or account’s control. The holder will, and each subsequent holder is required to, notify any transferee of the resale restrictions set forth above.

(5) All Series 2022-3 Notes will bear a legend to the following effect unless the Issuer determines otherwise in compliance with applicable law:

THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), OR THE SECURITIES LAWS OF ANY OTHER JURISDICTION. THIS NOTE MAY BE OFFERED, SOLD, PLEDGED OR TRANSFERRED ONLY TO A PERSON THAT IS A QUALIFIED INSTITUTIONAL BUYER (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT (“RULE 144A”)) IN TRANSACTIONS MEETING THE REQUIREMENTS OF RULE 144A, IN COMPLIANCE WITH THE INDENTURE AND ALL APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR ANY OTHER APPLICABLE JURISDICTION, SUBJECT TO ANY REQUIREMENT OF LAW THAT THE DISPOSITION OF THE SELLER’S PROPERTY OR THE PROPERTY OF AN INVESTMENT ACCOUNT OR ACCOUNTS

BE AT ALL TIMES WITHIN THE SELLER'S OR ACCOUNT'S CONTROL. THE HOLDER WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY TRANSFEREE FROM IT OF THE RESALE RESTRICTIONS SET FORTH ABOVE.

(6) All Class A Notes, Class B Notes and Class C Notes will bear a legend to the following effect unless the Issuer determines otherwise in compliance with applicable law:

BY ACQUIRING THIS NOTE (OR ANY INTEREST HEREIN), EACH PURCHASER OR TRANSFEREE (AND ANY FIDUCIARY ACTING ON BEHALF OF A PURCHASER OR TRANSFEREE) SHALL BE DEEMED TO REPRESENT AND WARRANT THAT EITHER (I) IT IS NOT AN "EMPLOYEE BENEFIT PLAN" AS DEFINED IN SECTION 3(3) OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("ERISA"), WHICH IS SUBJECT TO TITLE I OF ERISA, A "PLAN" AS DESCRIBED IN SECTION 4975 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE"), WHICH IS SUBJECT TO SECTION 4975 OF THE CODE, AN ENTITY DEEMED TO HOLD PLAN ASSETS OF ANY OF THE FOREGOING (EACH OF THE FOREGOING, A "BENEFIT PLAN INVESTOR"), OR A GOVERNMENTAL OR OTHER PLAN SUBJECT TO APPLICABLE LAW THAT IS SUBSTANTIALLY SIMILAR TO SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE ("SIMILAR LAW") OR (II) (A) ITS PURCHASE AND HOLDING OF THIS NOTE (OR ANY INTEREST HEREIN) WILL NOT RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE, OR A VIOLATION OF SIMILAR LAW, AND (B) IT ACKNOWLEDGES AND AGREES THAT THIS NOTE IS NOT ELIGIBLE FOR ACQUISITION BY BENEFIT PLAN INVESTORS OR GOVERNMENTAL OR OTHER PLANS SUBJECT TO SIMILAR LAW AT ANY TIME THAT THIS NOTE HAS BEEN CHARACTERIZED AS OTHER THAN INDEBTEDNESS FOR APPLICABLE LOCAL LAW PURPOSES OR IS RATED BELOW INVESTMENT GRADE.

(7) All Class D Notes will bear a legend to the following effect unless the Issuer determines otherwise in compliance with applicable law:

BY ACQUIRING THIS NOTE (OR ANY INTEREST HEREIN), EACH PURCHASER OR TRANSFEREE (AND ANY FIDUCIARY ACTING ON BEHALF OF A PURCHASER OR TRANSFEREE) SHALL BE DEEMED TO REPRESENT AND WARRANT THAT IT IS NOT AN "EMPLOYEE BENEFIT PLAN" AS DEFINED IN SECTION 3(3) OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("ERISA"), WHICH IS SUBJECT TO TITLE I OF ERISA, A "PLAN" AS DESCRIBED IN SECTION 4975 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE"), WHICH IS SUBJECT TO SECTION 4975 OF THE CODE, AN ENTITY DEEMED TO HOLD PLAN ASSETS OF ANY OF THE FOREGOING (EACH OF THE FOREGOING, A "BENEFIT PLAN INVESTOR"), OR A GOVERNMENTAL OR OTHER PLAN SUBJECT TO APPLICABLE LAW THAT IS SUBSTANTIALLY SIMILAR TO SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE.

NOTWITHSTANDING ANYTHING TO THE CONTRARY HEREIN, NO TRANSFER OF A BENEFICIAL INTEREST IN THIS NOTE SHALL BE EFFECTIVE, AND ANY ATTEMPTED TRANSFER SHALL BE VOID AB INITIO, UNLESS, PRIOR TO AND

AS A CONDITION OF SUCH TRANSFER, THE PROSPECTIVE TRANSFEREE OF THE BENEFICIAL INTEREST (INCLUDING THE INITIAL TRANSFEREE OF THE BENEFICIAL INTEREST) AND ANY SUBSEQUENT TRANSFEREE OF THE BENEFICIAL INTEREST IN THIS NOTE, REPRESENT AND WARRANT, IN WRITING, SUBSTANTIALLY IN THE FORM OF A TRANSFEREE CERTIFICATION THAT IS ATTACHED AS AN EXHIBIT TO THE INDENTURE AND THE OFFERING MEMORANDUM, TO THE INDENTURE TRUSTEE AND THE TRANSFER AGENT AND REGISTRAR AND ANY OF THEIR RESPECTIVE SUCCESSORS OR ASSIGNS THAT:

(I) EITHER (A) IT IS NOT AND WILL NOT BECOME FOR U.S. FEDERAL INCOME TAX PURPOSES A PARTNERSHIP, SUBCHAPTER S CORPORATION OR GRANTOR TRUST (EACH SUCH ENTITY A “FLOW-THROUGH ENTITY”) OR (B) IF IT IS OR BECOMES A FLOW-THROUGH ENTITY, THEN (I) NONE OF THE DIRECT OR INDIRECT BENEFICIAL OWNERS OF ANY OF THE INTERESTS IN SUCH FLOW-THROUGH ENTITY HAS OR EVER WILL HAVE MORE THAN 50% OF THE VALUE OF ITS INTEREST IN SUCH FLOW-THROUGH ENTITY ATTRIBUTABLE TO THE BENEFICIAL INTEREST OF SUCH FLOW-THROUGH ENTITY IN THIS NOTE, OTHER INTEREST (DIRECT OR INDIRECT) IN THE ISSUER, OR ANY INTEREST CREATED UNDER THE INDENTURE AND (II) IT IS NOT AND WILL NOT BE A PRINCIPAL PURPOSE OF THE ARRANGEMENT INVOLVING THE FLOW-THROUGH ENTITY’S BENEFICIAL INTEREST IN THIS NOTE TO PERMIT ANY ENTITY TO SATISFY THE 100-PARTNER LIMITATION OF SECTION 1.7704-1(h)(1)(ii) OF THE TREASURY REGULATIONS NECESSARY FOR SUCH ENTITY NOT TO BE CLASSIFIED AS A PUBLICLY TRADED PARTNERSHIP FOR U.S. FEDERAL INCOME TAX PURPOSES.

(II) IT IS NOT ACQUIRING ANY BENEFICIAL INTEREST IN THIS NOTE THROUGH AN “ESTABLISHED SECURITIES MARKET” OR A “SECONDARY MARKET (OR THE SUBSTANTIAL EQUIVALENT THEREOF),” EACH WITHIN THE MEANING OF SECTION 7704(b) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED, AND THE TREASURY REGULATIONS PROMULGATED THEREUNDER.

(III) IT WILL NOT CAUSE ANY BENEFICIAL INTEREST IN THIS NOTE TO BE TRADED OR OTHERWISE MARKETED ON OR THROUGH AN “ESTABLISHED SECURITIES MARKET” OR A “SECONDARY MARKET (OR THE SUBSTANTIAL EQUIVALENT THEREOF),” EACH WITHIN THE MEANING OF SECTION 7704(b) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED, AND THE TREASURY REGULATIONS PROMULGATED THEREUNDER, INCLUDING, WITHOUT LIMITATION, AN INTERDEALER QUOTATION SYSTEM THAT REGULARLY DISSEMINATES FIRM BUY OR SELL QUOTATIONS.

(IV) ITS BENEFICIAL INTEREST IN THIS NOTE IS NOT AND WILL NOT BE IN AN AMOUNT THAT IS LESS THAN THE MINIMUM DENOMINATION FOR THIS NOTE SET FORTH IN THE INDENTURE, AND IT DOES NOT AND WILL NOT HOLD ANY BENEFICIAL INTEREST IN THIS NOTE ON BEHALF OF ANY PERSON WHOSE BENEFICIAL INTEREST IN THIS NOTE IS IN AN AMOUNT THAT IS LESS THAN THE MINIMUM DENOMINATION FOR THIS NOTE SET FORTH IN THE INDENTURE. IT WILL NOT SELL, TRANSFER, ASSIGN,

PARTICIPATE, OR OTHERWISE DISPOSE OF ANY BENEFICIAL INTEREST IN THIS NOTE OR ENTER INTO ANY FINANCIAL INSTRUMENT OR CONTRACT THE VALUE OF WHICH IS DETERMINED BY REFERENCE IN WHOLE OR IN PART TO THIS NOTE, IN EACH CASE, IF THE EFFECT OF DOING SO WOULD BE THAT THE BENEFICIAL INTEREST OF ANY PERSON IN THIS NOTE WOULD BE IN AN AMOUNT THAT IS LESS THAN THE MINIMUM DENOMINATION FOR THIS NOTE SET FORTH IN THE INDENTURE.

(V) IT WILL NOT TRANSFER ANY BENEFICIAL INTEREST IN THIS NOTE (DIRECTLY, THROUGH A PARTICIPATION THEREOF, OR OTHERWISE) UNLESS, PRIOR TO THE TRANSFER, THE TRANSFEREE OF SUCH BENEFICIAL INTEREST SHALL HAVE EXECUTED AND DELIVERED TO THE INDENTURE TRUSTEE AND THE TRANSFER AGENT AND REGISTRAR, AND ANY OF THEIR RESPECTIVE SUCCESSORS OR ASSIGNS, A TRANSFEREE CERTIFICATION SUBSTANTIALLY IN THE FORM ATTACHED AS AN EXHIBIT TO THE INDENTURE AND THE OFFERING MEMORANDUM.

(VI) IT WILL NOT USE THIS NOTE AS COLLATERAL FOR THE ISSUANCE OF ANY SECURITIES THAT COULD CAUSE THE ISSUER TO BECOME SUBJECT TO TAXATION AS A CORPORATION OR A PUBLICLY TRADED PARTNERSHIP TAXABLE AS A CORPORATION FOR U.S. FEDERAL INCOME TAX PURPOSES, PROVIDED THAT IT MAY ENGAGE IN ANY REPURCHASE TRANSACTION (REPO) THE SUBJECT MATTER OF WHICH IS THIS NOTE, PROVIDED THE TERMS OF SUCH REPURCHASE TRANSACTION ARE GENERALLY CONSISTENT WITH PREVAILING MARKET PRACTICE AND THAT SUCH REPURCHASE TRANSACTION WOULD NOT CAUSE THE ISSUER TO BE OTHERWISE CLASSIFIED AS A CORPORATION OR PUBLICLY TRADED PARTNERSHIP FOR U.S. FEDERAL INCOME TAX PURPOSES.

(VII) IT WILL NOT TAKE ANY ACTION THAT COULD CAUSE, AND WILL NOT OMIT TO TAKE ANY ACTION, WHICH OMISSION COULD CAUSE, THE ISSUER TO BECOME TAXABLE AS A CORPORATION FOR U.S. FEDERAL INCOME TAX PURPOSES.

(VIII) IT ACKNOWLEDGES THAT THE ISSUER AND INDENTURE TRUSTEE WILL CONCLUSIVELY RELY ON THE TRUTH AND ACCURACY OF THE FOREGOING REPRESENTATIONS AND WARRANTIES, AND AGREES THAT IF IT BECOMES AWARE THAT ANY OF THE FOREGOING MADE BY IT OR DEEMED TO HAVE BEEN MADE BY IT ARE NO LONGER ACCURATE, IT SHALL PROMPTLY NOTIFY THE ISSUER AND THE INDENTURE TRUSTEE IN WRITING.

(8) All Class B Notes, Class C Notes and Class D Notes will bear a legend to the following effect unless the Issuer determines otherwise in compliance with applicable law:

THIS NOTE HAS BEEN ISSUED WITH ORIGINAL ISSUE DISCOUNT ("OID") FOR UNITED STATES FEDERAL INCOME TAX PURPOSES. THE ISSUE PRICE, AMOUNT OF OID, ISSUE DATE AND YIELD TO MATURITY OF THIS NOTE MAY BE OBTAINED BY WRITING TO THE INDENTURE TRUSTEE AT 1100 N. MARKET STREET, WILMINGTON, DE 19890, ATTENTION: CORPORATE TRUST ADMINISTRATION.

(9) Such offeree has received a copy of this Memorandum and:

(a) it has been afforded an opportunity to request from the Issuer and to receive, and it has received, all additional information it considers necessary to verify the accuracy and completeness of the information contained herein;

(b) it has not relied on the Initial Purchasers or any person affiliated with the Initial Purchasers in connection with its investigation of the accuracy of such information of its investment decision;

(c) neither the Issuer nor the Initial Purchasers nor any person representing the Issuer or the Initial Purchasers has made any representation to such offeree with respect to the offering or sale of any Series 2022-3 Notes, other than as contained in this Memorandum; and

(d) it has read and agreed to the matters stated in this section of this Memorandum.

(10) The Series 2022-3 Notes will be evidenced by Global Notes, and that the transfer of any beneficial interest in such a Global Note will be subject to the restrictions and certification requirements set forth in the Indenture and described in this Memorandum under “*Description of the Notes—General*,” “*Description of the Notes—Book-Entry Registration*,” “*Transfer Restrictions*” and “*Notice to Investors*.”

(11) The Issuer, the Initial Purchasers and others will rely on the representations and agreements set forth herein, and such offeree agrees that if any of such representations and agreements herein cease to be accurate and complete, such offeree will notify the Issuer and the Initial Purchasers promptly in writing.

(12) If such offeree is acquiring any Series 2022-3 Notes as a fiduciary or agent for one or more investor accounts, it has sole investment discretion with respect to each such account and it has full power to make the foregoing representations and agreements with respect to each such account.

(13) With respect to the Class A Notes, the Class B Notes and the Class C Notes, either (i) it is not a Benefit Plan Investor or a governmental or other plan subject to Similar Law, or (ii) (a) the purchase and holding of the Note (or any interest therein) will not give rise to a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or a violation of Similar Law and (b) it acknowledges and agrees that the Class A Notes, the Class B Notes or the Class C Notes, as applicable, are not eligible for acquisition by Benefit Plan Investors or governmental or other plans subject to Similar Law at any time that the Class A Notes, the Class B Notes or the Class C Notes, as applicable, have been characterized as other than indebtedness for applicable local law purposes or are rated below investment grade.

(14) With respect to the Class D Notes, it is not a Benefit Plan Investor or a governmental or other plan subject to Similar Law.

*Because of the foregoing restrictions, prospective purchasers are advised to consult legal counsel prior to making an investment in the Series 2022-3 Notes or making any offer, resale, pledge or transfer of the Series 2022-3 Notes.*

## LEGAL MATTERS

Certain legal matters relating to the issuance of the Series 2022-3 Notes will be passed upon by Orrick, Herrington & Sutcliffe LLP. The federal income tax matters described under “*Certain U.S. Federal Income Tax Consequences*” will be passed upon for the Issuer by Orrick, Herrington & Sutcliffe LLP. Mayer Brown LLP will act as counsel for the Initial Purchasers.

## RATINGS

The Sponsor expects that the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes will receive the ratings set forth under “*Notes – Summary Information*” on page i from DBRS, Inc. (“**DBRS**”), a nationally recognized statistical rating organization hired by the Sponsor to assign ratings on the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes.

The ratings of the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes will address the likelihood of the timely payment of interest and the ultimate payment of principal on the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes by the Legal Final Payment Date. The ratings of the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes should be evaluated independently from similar ratings on other types of securities. A credit rating is not a recommendation to buy, sell or hold securities, does not address market value or investor suitability, and may be subject to revision or withdrawal at any time by the assigning rating organization.

Other nationally recognized statistical rating organizations not hired by the Sponsor may rate the Class A Notes, the Class B Notes, the Class C Notes or the Class D Notes at any time. A rating on the Class A Notes, the Class B Notes, the Class C Notes or the Class D Notes by a non-hired nationally recognized statistical rating organization could be different than the rating assigned to the Class A Notes, the Class B Notes, the Class C Notes or the Class D Notes by DBRS.

See “*Risk Factors—Reduction, Withdrawal or Qualification of the Ratings on the Notes; Unsolicited Ratings.*”



## GLOSSARY

**“ADS Score”** means the credit score for an Obligor referred to as the “Alternative Data Score” determined by the Seller in accordance with its proprietary scoring method.

**“Adverse Claim”** means a Lien on any Person’s assets or properties in favor of any other Person (including any UCC financing statement or any similar instrument filed against such Person’s assets or properties), other than a Permitted Encumbrance.

**“Affiliate”** means, with respect to any Person, any other Person directly or indirectly controlling, controlled by, or under direct or indirect common control with, such Person. A Person shall be deemed to control another Person if the controlling Person possesses, directly or indirectly, the power to direct or cause the direction of the management or policies of the controlled Person, whether through ownership of voting stock, by contract or otherwise.

**“Business Day”** means any day that DTC is open for business at its office in New York City and any day other than a Saturday, Sunday or other day on which banking institutions or trust companies in the States of California, Delaware, Florida, Illinois, Missouri, New York or Texas are authorized or obligated by law, executive order or governmental decree to be closed.

**“Change in Control”** means any of the following:

- (a) the failure of Oportun Financial to, directly or indirectly through its subsidiaries, own 100% of the equity interest of the Seller; or
- (b) the failure of the Seller to, directly or indirectly through its subsidiaries, own 100% of the equity interest of the initial Servicer and Oportun, LLC.

**“Collateral Trustee”** means Wilmington Trust, National Association, as collateral trustee under the Intercreditor Agreement.

**“Collections”** means, with respect to any Receivable, all cash collections and other cash proceeds of such Receivable made by or on behalf of Obligors, including, without limitation, all principal, Finance Charges and cash proceeds of Related Security with respect to such Receivable and any deemed Collections in each case, received after the Cut-Off Date; *provided, however*, that, if not otherwise specified, the term “Collections” shall refer to the Collections on all the Receivables collectively together with any Investment Earnings and any other funds received with respect to the Trust Estate.

**“Control Agreement”** means the deposit account control agreement, among the initial Servicer, the Collateral Trustee, the Seller and Bank of America, N.A., relating to the Servicer Account.

**“Credit and Collection Policies”** means the Seller’s and the Servicer’s credit and collection policy or policies relating to Loans and Receivables and referred to in the Servicing Agreement, as the same is amended, supplemented or otherwise modified and in effect from time to time in accordance with the Servicing Agreement; *provided, however*, if the Servicer is any Person other than the initial Servicer, “Credit and Collection Policies” shall refer to the collection policies of such Servicer as they relate to receivables of a similar nature to the Receivables.

**“Cut-Off Date”** means the close of business on October 31, 2022.

**“Default”** means any occurrence that is, or with notice or lapse of time or both would become, an Event of Default, a Servicer Default or a Rapid Amortization Event.

**“Defaulted Receivable”** means a Receivable as to which any of the following has occurred: (i) any scheduled payment, or part thereof, remains unpaid for 120 days or more past the due date for such payment determined by reference to the contractual payment terms, as amended, of such Receivable; (ii) if relating to a Secured Personal Loan where the Titled Asset has been repossessed, the month-end when the sale proceeds are received; (iii) the Servicer has been notified that the Obligor thereon has died or is suffering or has suffered an Event of Bankruptcy or (iv) consistent with the Credit and Collection Policies, such Receivable would be written off as uncollectible.

**“Delinquent Receivable”** means a Receivable (other than a Defaulted Receivable) as to which all or any part of a scheduled payment remains unpaid for thirty (30) days or more from the due date for such payment.

**“Determination Date”** means the third Business Day prior to each Note Transfer Date.

**“Dollars”** and the symbol “\$” mean the lawful currency of the United States.

**“Eligible Receivable”** means each Receivable:

(a) that was originated in compliance with all applicable requirements of law (including without limitation all laws, rules and regulations relating to truth in lending, fair credit billing, fair credit reporting, fair debt collection practices and privacy) and which complies with all applicable requirements of law (other than non-compliance that has no adverse effect on the obligations of the Obligor and creates no financial liability or other loss, cost or expense for the Depositor, the Depositor Loan Trustee or the Issuer as their assignee and does not have any other Material Adverse Effect);

(b) with respect to which all consents, licenses, approvals or authorizations of, or registrations or declarations with, any governmental authority required to be obtained, effected or given by the Seller, Oportun, LLC, Pathward or PF Servicing in connection with the creation or the execution, delivery, performance and servicing of such Receivable (other than non-compliance that has no adverse effect on the obligations of the Obligor and creates no financial liability or other loss, cost or expense for the Depositor, the Depositor Loan Trustee or the Issuer as their assignee and does not have any other Material Adverse Effect);

(c) as to which, at the time of the sale of such Receivable (i) by the Seller to the Depositor and the Depositor Loan Trustee for the benefit of the Depositor, (ii) by Oportun, LLC to the Seller or (iii) by Pathward to the Seller, in each case as applicable, the party selling such Receivable was the sole owner thereof and had good and marketable title thereto free and clear of all Liens and, following such sale, good and marketable title to such Receivables was vested in the party purchasing such Receivable free and clear of all Liens of the selling party;

(d) that is the legal, valid and binding payment obligation of the Obligor thereof enforceable against such Obligor in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, receivership, conservatorship or other laws, regulations and administrative orders now or hereafter in effect, affecting the rights of creditors generally and except as such enforcement may be limited by general principles of equity (whether considered in a proceeding at law or in equity), and is not subject to any right of rescission, setoff, counterclaim or defense (including the defense of usury) or to any repurchase obligation or return right;

(e) the related Loan of which is an Unsecured Loan or a Secured Personal Loan;

- (f) that is not secured by any Titled Asset that is in the process of being repossessed;
- (g) the related Loan of which constitutes a “general intangible,” “instrument,” “chattel paper,” “promissory note” or “account”, in each case under and as defined in Article 9 of the UCC of all applicable jurisdictions;
- (h) that was established in accordance with the Credit and Collection Policies in the regular and ordinary course of the business of the Seller, Oportun, LLC or Pathward, as applicable;
- (i) that is denominated and payable in Dollars, is only payable in the United States of America and each Obligor in respect of which are residents of, and have provided a billing address in, the United States of America;
- (j) that is not, on the Closing Date, a Delinquent Receivable;
- (k) that has an original and remaining term to maturity of no more than sixty-six (66) months;
- (l) that has an Outstanding Receivables Balance less than or equal to \$14,900 (in the case of Unsecured Loans) or \$20,900 (in the case of Secured Personal Loans);
- (m) that has an APR that is less than or equal to 36.0%;
- (n) that is not evidenced by a judgment or has been reduced to judgment;
- (o) that is not a Defaulted Receivable;
- (p) that has not been identified by the Seller as having been originated under circumstances involving suspected fraud (without subsequently being cleared by the Seller) or confirmed fraud (including circumstances involving identity theft), in each case in a manner consistent with the Credit and Collection Policies;
- (q) that is not a revolving line of credit;
- (r) the terms of which have not been modified or waived except as permitted under the Credit and Collection Policies or the Transaction Documents;
- (s) that has no Obligor thereon that is either (x) a governmental authority or (y) a Person subject to Sanctions;
- (t) that has no Obligor thereon that is the Obligor of a Defaulted Receivable;
- (u) the assignment of which (i) by the Seller to the Depositor and the Depositor Loan Trustee for the benefit of the Depositor, (ii) by Oportun, LLC to the Seller, (iii) by Pathward to the Seller or (iv) by the Depositor and the Depositor Loan Trustee for the benefit of the Depositor to the Issuer, in each case as applicable, does not contravene or conflict with any law, rule or regulation or any contractual or other restriction, limitation or encumbrance, and the sale or assignment of which does not require the consent of the Obligor thereof;
- (v) the related Loan of which provides for repayment in full of the principal balance thereof in equal installments not less frequently than monthly;

(w) as to which the proceeds of the related Loan are fully disbursed, there is no requirement for future advances under such Loan and none of the Seller, Oportun, LLC nor Pathward has any further obligations under such Loan;

(x) as to which the Servicer (as custodian) is in possession of a full and complete Receivable File in physical or electronic format; with respect to Receivable Files in electronic format, such possession may be through use of an electronic document repository provided by a third-party vendor;

(y) that represents the undisputed, bona fide transaction created by the lending of money by the Seller, Oportun, LLC or Pathward, as applicable, in the ordinary course of business and completed in accordance with the terms and provision contained in the related Loan;

(z) the related Loan of which was not originated by Pathward in Colorado, Connecticut, Georgia (unless the original loan amount was greater than \$3,000), Iowa, Maine, New York, Vermont, West Virginia or the District of Columbia; and

(aa) the related Loan of which, if originated in Illinois, has a MAPR of less than 36.0%.

**“Finance Charges”** means any finance, interest, late, servicing or similar charges or fees owing by an Obligor pursuant to the Loans plus all Recoveries.

**“GAAP”** means those principles of accounting set forth in pronouncements of the Financial Accounting Standards Board, the American Institute of Certified Public Accountants or which have other substantial authoritative support and are applicable in the circumstances as of the date of a report, as such principles are from time to time supplemented and amended, and with respect to determinations or calculations to be made by a Person other than a successor Servicer, applied on a basis consistent with the most recent audited financial statements of Oportun Financial before the Closing Date.

**“Indebtedness”** means, with respect to any Person, such Person’s (i) obligations for borrowed money, (ii) obligations representing the deferred purchase price of property other than accounts payable arising in the ordinary course of such Person’s business on terms customary in the trade, (iii) obligations, whether or not assumed, secured by Liens on or payable out of the proceeds or production from, property now or hereafter owned or acquired by such Person, (iv) obligations which are evidenced by notes, acceptances, or other instruments, (v) capitalized lease obligations and (vi) obligations of another Person of a type described in clauses (i) through (v) above, for which such Person is obligated pursuant to a guaranty, put or similar arrangement.

**“Lien”** means any mortgage or deed of trust, pledge, hypothecation, assignment, deposit arrangement, lien, charge, claim, security interest, easement or encumbrance, or preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever (including any lease or title retention agreement, any financing lease having substantially the same economic effect as any of the foregoing, and the filing of, or agreement to give, any financing statement perfecting a security interest under the UCC or comparable law of any jurisdiction).

**“Loan”** means any promissory note or other loan documentation originally entered into between the Seller, Oportun, LLC or Pathward and an Obligor in connection with consumer loans made by the Seller, Oportun, LLC or Pathward to such Obligor in the ordinary course of its business and acquired, directly or indirectly, by the Depositor and the Depositor Loan Trustee for the benefit of the Depositor for further transfer by the Depositor and the Depositor Loan Trustee for the benefit of the Depositor to the Issuer.

“**MAPR**” means in respect of any Receivable or Receivables, the military annual percentage rate thereof, as determined under the Illinois Predatory Loan Prevention Act, 815 ILCS 123/15.

“**Material Adverse Effect**” means any event or condition which would have a material adverse effect on (i) the collectability of any material portion of the Receivables, (ii) the condition (financial or otherwise), businesses or properties of the Issuer, the Depositor, the Servicer, Oportun, LLC or the Seller, (iii) the ability of the Issuer, the Depositor, Oportun, LLC or the Seller to perform its respective obligations under the Transaction Documents or the ability of the Servicer to perform its obligations under the Servicer Transaction Documents or (iv) the interests of the Indenture Trustee or any Secured Party in the Trust Estate or under the Transaction Documents.

“**Monthly Period**” means the period from and including the first day of a calendar month to and including the last day of such calendar month; *provided, however*, that the first Monthly Period shall be the period from and including the Closing Date to and including November 30, 2022; *provided further, however*, that, solely for purposes of allocating Collections received on the Receivables, the first Monthly Period shall be deemed to commence on the Cut-Off Date.

“**Note Register**” means the register maintained pursuant to the Indenture, providing for the registration of the Series 2022-3 Notes and transfers and exchanges thereof.

“**Note Transfer Date**” means the Business Day immediately prior to each Payment Date.

“**Obligor**” means, with respect to any Receivable, the Person or Persons obligated to make payments with respect to such Receivable, including any guarantor thereof.

“**OFAC**” means, the U.S. Department of the Treasury’s Office of Foreign Assets Control.

“**Original Receivables Balance**” means, with respect to any Receivable, an amount equal to the original principal balance of such Receivable at origination.

“**Outstanding Receivables Balance**” means, as of any date with respect to any Receivable, an amount equal to the outstanding principal balance for such Receivable; *provided, however*, that if not otherwise specified, the term “Outstanding Receivables Balance” shall refer to the Outstanding Receivables Balance of all Receivables collectively.

“**Permitted Encumbrance**” means (a) with respect to the Issuer or the Depositor, any item described in clause (i), (iv), (vi) or (vii) of the following, and (b) with respect to the Seller, any item described in clauses (i) through (vii) of the following:

(i) Liens for taxes and assessments that are not yet due and payable or that are being contested in good faith and for which reserves have been established, if required in accordance with GAAP;

(ii) Liens of or resulting from any judgment or award, the time for the appeal or petition for rehearing of which shall not have expired, or in respect of which the Seller shall at any time in good faith be prosecuting an appeal or proceeding for a review and with respect to which adequate reserves or other appropriate provisions are being maintained in accordance with GAAP;

(iii) Liens incidental to the conduct of business or the ownership of properties and assets (including mechanics’, carriers’, repairers’, warehousemen’s and statutory landlords’ liens and liens to secure the performance of leases) and Liens to secure statutory obligations, surety or

appeal bonds or other Liens of like general nature incurred in the ordinary course of business and not in connection with the borrowing of money, *provided* in each case, the obligation secured is not overdue, or, if overdue, is being contested in good faith by appropriate actions or proceedings and with respect to which adequate reserves or other appropriate provisions are being maintained in accordance with GAAP;

(iv) Liens in favor of the Indenture Trustee, or otherwise created by the Issuer, the Depositor, the Seller or the Indenture Trustee pursuant to the Transaction Documents, and the interests of mortgagees and loss payees under the terms of any Loan;

(v) Liens that, in the aggregate do not exceed \$250,000 (such amount not to include Permitted Encumbrances under clauses (i) through (iv) or (vi)) and which, individually or in the aggregate, do not materially interfere with the rights under the Transaction Documents of the Indenture Trustee or any Series 2022-3 Noteholder in any of the Receivables;

(vi) any Lien created in favor of the Issuer, the Depositor or the Seller in connection with the purchase of any Receivables by the Issuer, the Depositor or the Seller and covering such Receivables, the related Loans with respect to which are sold to the Seller, the Depositor or the Issuer pursuant to the Transaction Documents; and

(vii) any Lien created in favor of the Seller or an Affiliate of the Seller in connection with the purchase of any Receivables by the Seller or such Affiliate and covering such Receivables, the related Loans with respect to which are sold by Pathward to the Seller or such affiliate under the Pathward Program.

**“Person”** means any corporation, limited liability company, natural person, firm, joint venture, partnership, trust, unincorporated organization, enterprise, government or any department or agency of any government.

**“PF Score”** means the credit score for an Obligor referred to as the “PF Score” determined by the Seller in accordance with its proprietary scoring method.

**“Purchase Price”** means the amount payable by the Issuer to the Depositor and by the Depositor to the Seller for the Loans and Related Rights purchased and sold pursuant to the Purchase Agreement and the Transfer Agreement.

**“Receivable”** means the indebtedness of any Obligor under a Loan that is listed on the applicable Receivables Schedule, whether constituting an account, chattel paper, an instrument, a general intangible, payment intangible, promissory note or otherwise, and shall include (i) the right to payment of such indebtedness and any interest or finance charges and other obligations of such Obligor with respect thereto (including, without limitation, the principal amount of such indebtedness, periodic finance charges, late fees and returned check fees), and (ii) all proceeds of, and payments or Collections on, under or in respect of any of the foregoing. If a Loan is refinanced, the original Receivable shall be deemed collected and cease to be a Receivable for purposes of the Transaction Documents upon payment in accordance with the Purchase Agreement with respect thereto.

**“Receivable File”** means, with respect to a Receivable, the Loans or other records and the note related to such Receivable; *provided* that such Receivable File may be created in electronic format, or converted to microfilm or other electronic media.

**“Receivables Schedule”** means the schedule of Loans on file with the Depositor as indicated in the Purchase Agreement and the schedule of Loans on file with the Issuer as indicated in the Transfer Agreement, in each case reflecting the Loans sold thereunder.

**“Record Date”** means, with respect to any Payment Date, the last Business Day of the preceding Monthly Period.

**“Recoveries”** means, with respect to any period, all Collections (net of expenses) received during such period in respect of a Receivable after it became a Defaulted Receivable.

**“Related Rights”** means, with respect to any Loan, (i) all Receivables related thereto and all Collections received thereon after the Cut-Off Date, (ii) all Related Security, (iii) all Recoveries relating thereto, and (iv) all proceeds of the foregoing.

**“Related Security”** means, with respect to any Receivable, all guaranties, indemnities, insurance and other agreements (including the related Receivable File) or arrangement and other collateral of whatever character from time to time supporting or securing payment of such Receivable or otherwise relating to such Receivable.

**“Required Certificateholders”** means the holders of Certificates representing a percentage interest in excess of 50% of the Certificates outstanding.

**“Required Noteholders”** means the holders of the most senior class of Series 2022-3 Notes outstanding, voting together, representing in excess of 50% of the aggregate principal balance of such class of Series 2022-3 Notes outstanding or, if the Notes have been paid in full, the Required Certificateholders.

**“Rewritten Receivable”** means (i) any Receivable which replaces an existing Receivable due and (ii) any Receivable which is modified using criteria consistent with the re-write provisions of the Credit and Collection Policies, and in either case, which does not involve the receipt of any new funds by such Obligor.

**“Sanctioned Country”** means a country or territory that is the subject or the target of Sanctions, currently including, without limitation, Iran, North Korea, Sudan and Syria.

**“Sanctions”** means any sanctions administered or enforced by the U.S. Government (including, without limitation, OFAC, the U.S. Department of the Treasury or the U.S. Department of State and including, without limitation, the designation as a “specially designated national” or “blocked person”), the United Nations Security Council, the European Union, Her Majesty’s Treasury, or other relevant sanctions authority.

**“Secured Personal Loan”** means a Loan that is, as of the date of the origination thereof, at least partially secured by a lien on one or more Titled Assets.

**“Secured Obligations”** means (i) all principal and interest, at any time and from time to time, owing by the Issuer on the Series 2022-3 Notes (including any Series 2022-3 Note held by the Seller, the Servicer, the Parent or any Affiliate of any of the foregoing), (ii) all amounts distributable to the Certificateholders and (iii) all costs, fees, expenses, indemnity and other amounts owing or payable by, or obligations of, the Issuer to any Person (other than any Affiliate of the Issuer) under the Indenture or the other Transaction Documents.

**“Series 2022-3 Termination Date”** means the earliest to occur of (a) the Payment Date on which the Series 2022-3 Notes, plus all other amounts due and owing to the Series 2022-3 Noteholders, are paid in full, (b) the Legal Final Payment Date and (c) the Indenture termination date.

**“Servicer Account”** means the deposit account in the name of the initial Servicer, maintained at Bank of America and set forth in the Servicing Agreement.

**“Servicer Transaction Documents”** means collectively, the Indenture, the Servicing Agreement, the Back-Up Servicing Agreement and the Intercreditor Agreement, as applicable.

**“Titled Asset”** shall mean an automobile, light-duty truck, SUV or van for which, under applicable state law, a certificate of title is issued and any security interest therein is required to be perfected by notation on such certificate of title or recorded with the relevant governmental authority that issued such certificate of title.

**“Transaction Documents”** means, collectively, the Indenture, the Series 2022-3 Notes, the Servicing Agreement, the Back-Up Servicing Agreement, the Purchase Agreement, the Transfer Agreement, the Trust Agreement, the Depositor Loan Trust Agreement, the Oportun, LLC Sale Agreement, the Note Purchase Agreement, the Performance Guaranty, the Intercreditor Agreement, the Control Agreement and any agreements of the Issuer relating to the issuance or the purchase of any of the Series 2022-3 Notes.

**“Transfer Agent and Registrar”** means the transfer agent and registrar set forth in the Indenture.

**“Transition Costs”** means all reasonable costs and expenses incurred by the Back-Up Servicer in connection with a transfer of servicing.

**“Trustee, Back-Up Servicer and Successor Servicer Fees and Expenses”** means, for any Payment Date, (i) the amount of accrued and unpaid fees (including, without limitation, the Servicing Fee of any successor Servicer), expenses and indemnity amounts (but, as to expenses and indemnity amounts prior to an Event of Default, not in excess of the limit specified in the Indenture) of each of the Trustee (including in its capacity as agent), the Securities Intermediary, the Depositary Bank, the Collateral Trustee, the Owner Trustee, the Certificate Registrar, the Depositor Loan Trustee, the Back-Up Servicer and any successor Servicer (including, without limitation, SST as successor Servicer), and (ii) the Transition Costs (but not in excess of the limit specified in the Indenture), if applicable.

**“UCC”** means, with respect to any jurisdiction, the Uniform Commercial Code as the same may, from time to time be enacted and in effect in such jurisdiction.

**“Unsecured Loan”** means a Loan that is, as of the date of the origination thereof, not secured by any collateral pursuant to the terms of the applicable loan agreement.

**“VantageScore”** means the credit score for an Obligor referred to as a “VantageScore 3.0” calculated and reported by Experian plc.



## INDEX OF TERMS

Set forth below is a list of the defined terms used in this Memorandum and the pages on which the definitions of such terms may be found.

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## **ANNEX I**

### **Global Clearance, Settlement and Tax Documentation Procedures**

Except in certain limited circumstances, the Series 2022-3 Notes will be available only in book-entry form. Investors in the Global Notes may hold those Global Notes through any of DTC, Clearstream, or Euroclear. The Global Notes will be tradable as home market instruments in both the European and U.S. domestic markets. Initial settlement and all secondary trades will settle in same-day funds.

Secondary market trading between investors holding Global Notes through Clearstream and Euroclear will be conducted in the ordinary way in accordance with their normal rules and operating procedures and in accordance with conventional eurobond practice – i.e., seven calendar day settlement.

Secondary market trading between investors holding Global Notes through DTC will be conducted according to the rules and procedures applicable to U.S. corporate debt obligations.

Secondary cross-market trading between Clearstream or Euroclear and DTC participants holding notes will be effected on a delivery-against-payment basis through the respective depositories of Clearstream and Euroclear (in such capacity) and as DTC participants.

Non-U.S. holders (as described below) of Global Notes will be subject to U.S. withholding taxes unless such holders meet certain requirements and deliver appropriate U.S. tax documents to the securities clearing organizations or their participants.

#### **Initial Settlement**

All Global Notes will be held in book-entry form by DTC in the name of Cede & Co. as nominee of DTC. Investors' interests in the Global Notes will be represented through financial institutions acting on their behalf as direct and indirect participants in DTC. As a result, Clearstream and Euroclear will hold positions on behalf of their participants through their respective depositories, which in turn will hold such positions in accounts as DTC participants.

Investors electing to hold their Global Notes through DTC (other than through accounts at Clearstream or Euroclear) will follow the settlement practices applicable to U.S. corporate debt obligations. Investor securities custody accounts will be credited with their holdings against payment in same-day funds on the settlement date.

Investors electing to hold their Global Notes through Clearstream or Euroclear accounts will follow the settlement procedures applicable to conventional eurobonds in registered form. Global Notes will be credited to the securities custody accounts on the settlement date against payment for value on the settlement date.

#### **Secondary Market Trading**

Because the purchaser determines the place of delivery, it is important to establish at the time of the trade where both the purchaser's and seller's accounts are located to ensure that settlement can be made on the desired value date.

*Trading between DTC Participants.* Secondary market trading between DTC participants (other than the depositories for Clearstream and Euroclear) will be settled using the procedures applicable to U.S. corporate debt obligations in same-day funds.



*Trading between Clearstream participants and/or Euroclear participants.* Secondary market trading between Clearstream participants and/or Euroclear participants will be settled using the procedures applicable to conventional eurobonds in same-day funds.

*Trading between DTC seller and Clearstream participants or Euroclear purchaser.* When Global Notes are to be transferred from the account of a DTC participant (other than the depositories for Clearstream and Euroclear, respectively) to the account of a Clearstream participant or a Euroclear participant, the purchaser will send instructions to Clearstream at least one business day prior to the settlement date. Clearstream or Euroclear, as the case may be, will instruct their respective depositories, to receive the Global Notes against payment. Payment will then be made by the respective depositories, as the case may be, to the DTC participant's account against delivery of the Global Notes. After settlement has been completed, the Global Notes will be credited to the respective clearing system and by the clearing system, in accordance with its usual procedures, to the Clearstream participant's or Euroclear participant's account. Credit for the Global Notes will appear the next day (European time) and the cash debit will be back-valued to, and the interest on the Global Notes will accrue from, the value date (which would be the preceding day when settlement occurred in New York). If settlement is not completed on the intended value date (i.e., the trade fails), the Clearstream or Euroclear cash debit will be valued instead as of the actual settlement date.

Clearstream participants and Euroclear participants will need to make available to the respective clearing systems the funds necessary to process same-day funds settlement. The most direct means of doing so is to pre-position funds for settlement, either from cash on hand or existing lines of credit, as they would for any settlement occurring within Clearstream or Euroclear. Under this approach, they may take on credit exposure to Clearstream or Euroclear until the Global Notes are credited to their accounts one day later.

As an alternative, if Clearstream or Euroclear has extended a line of credit to them, Clearstream participants or Euroclear participants can elect not to pre-position funds and allow that credit line to be drawn upon to finance settlement. Under this procedure, Clearstream participants or Euroclear participants purchasing Global Notes would incur overdraft charges for one day, assuming they cleared the overdraft when the Global Notes were credited to their accounts. However, interest on the Global Notes would accrue from the value date. Therefore, in many cases the investment income on the Global Notes earned during that one-day period may substantially reduce or offset the amount of such overdraft charges, although this result will depend on each Clearstream participant's or Euroclear participant's particular cost of funds.

Since the settlement is taking place during New York business hours, DTC participants can employ their usual procedures for sending Global Notes to the respective European depository for the benefit of Clearstream participants or Euroclear participants. The sale proceeds will be available to the DTC seller on the settlement date. Thus, to the DTC participant a cross-market transaction will settle no differently from a trade between two DTC participants.

*Trading between Clearstream or Euroclear seller and DTC purchaser.* Due to time zone differences in their favor, Clearstream participants and Euroclear participants may employ their customary procedures for transactions in which Global Notes are to be transferred by the respective clearing system, through the respective European depository, to another DTC participant. The seller will send instructions to Clearstream or Euroclear at least one business day prior to the settlement date. In these cases, Clearstream or Euroclear will instruct the respective European depository, as appropriate, to credit the Global Notes to the DTC participant's account against payment. The payment will then be reflected in the account of the Clearstream participant or Euroclear participant the following day, and receipt of the cash proceeds in the Clearstream participant's or Euroclear participant's account would be back-valued to the value date (which would be the preceding day, when settlement occurred in New York). If the Clearstream participant or Euroclear participant has a line of credit with its respective clearing system and elects to draw

on such line of credit in anticipation of receipt of the sale proceeds in its account, the back-valuation may substantially reduce or offset any overdraft charges incurred over that one-day period. If settlement is not completed on the intended value date (i.e., the trade fails), receipt of the cash proceeds in the Clearstream participant's or Euroclear participant's account would instead be valued as of the actual settlement date.

### **Certain U.S. Federal Income Tax Documentation Requirements**

A beneficial owner of Global Notes holding securities through Clearstream or Euroclear (or through DTC if the holder has an address outside the U.S.) will be subject to the 30% U.S. withholding tax that generally applies to payments of interest (including original issue discount) on registered debt issued by U.S. Persons, and may be subject to U.S. withholding tax under FATCA, unless (i) each clearing system, bank or other financial institution that holds participants' securities in the ordinary course of its trade or business in the chain of intermediaries between such beneficial owner and the U.S. entity required to withhold tax complies with applicable certification requirements and (ii) such beneficial owner takes appropriate steps to obtain an exemption or reduced tax rate. See "*Certain U.S. Federal Income Tax Consequences*" in this Memorandum.

## ANNEX II

### Cumulative Default Ratios

<b>Payment Date</b>	<b>Cumulative Default Ratio</b>
December 2022	3.125%
January 2023	3.750%
February 2023	5.000%
March 2023	8.000%
April 2023	11.000%
May 2023	13.000%
June 2023	15.000%
July 2023	16.500%
August 2023	18.000%
September 2023	19.000%
October 2023	20.000%
November 2023	20.500%
December 2023	21.000%
January 2024	21.500%
February 2024	22.000%
March 2024	22.500%
April 2024	23.000%
May 2024 and thereafter	23.500%

## **EXHIBIT A**

### **SYSTEMS & SERVICES TECHNOLOGIES, INC.**

#### **FEE SCHEDULE**

#### **I. FEES**

1. One-Time Account Set-up Fee: \$3,500
2. Monthly Back-Up Servicer Fee: \$7,500 per Monthly Period
3. Back-Up Servicer Termination Fees:

Should the Back-Up Servicer be terminated without cause with respect to its obligations under the Back-Up Servicing Agreement, the Back-Up Servicer shall receive a termination fee based upon the following schedule of length of appointment calculated from the date of the Back-Up Servicing Agreement:

- i. if terminated during the first 6 months, an amount equal to \$22,500; or
- ii. if terminated between 7 to 12 months, an amount equal to \$15,000; or
- iii. if terminated subsequent to 12 months, an amount equal to \$7,500.

4. Successor Servicing Fee:<sup>(1)</sup>

One-Time Activation Fee: <sup>(2)</sup>	\$4.00 per Serviced Receivable
Monthly Servicing Fee: <sup>(2)</sup>	\$7.15 per Serviced Receivable per Monthly Period
Monthly Minimum Fee:	\$7,500 per Monthly Period

5. Successor Servicer Termination Fees<sup>(1)</sup>

Should the Back-Up Servicer assume the role of successor Servicer and subsequently be terminated without cause with respect to its obligations (in whole or in material part), the Back-Up Servicer (in its role as successor Servicer) shall receive a termination fee based upon the following schedule of length of servicing calculated from the date of receipt of the servicing transfer:

- i. if terminated during the first 6 months, an amount equal to 4 times the initial Monthly Servicing Fee; or
- ii. if terminated between 7 to 12 months, an amount equal to 2 times the fourth Monthly Servicing Fee; or
- iii. if terminated subsequent to 12 months, an amount equal to 1 times the most recent Monthly Servicing Fee;

- iv. plus, in all cases, a termination fee of \$2.00 per Serviced Receivable on the date such termination became effective.

## **II. EXPENSES**

### **1. Back-Up Servicing Expenses**

The Back-Up Servicer shall be reimbursed for all costs and expenses incurred in connection with the satisfaction of its back-up servicing duties, including, but not limited to, due diligence of the Servicer at its servicing facility.

### **2. Transfer**

The Back-Up Servicer shall be reimbursed for all out-of-pocket expenses incurred in relation to its activation as successor Servicer and the related transfer of Receivables Files to the Back-Up Servicer. These expenses may include, but are not limited to, any mailing expenses associated with the servicing transfer notice to Obligors, freight and file shipping, and travel and lodging expenses to the extent required.

### **3. Successor Servicing<sup>(1)</sup>**

The Back-Up Servicer shall be reimbursed for out-of-pocket expenses including, but not limited to, those associated with correspondence, statement and mailing costs (including set-up expenses assessed by any print vendor), bank charges (*e.g.* lockbox processing fees, wire transfers, ACH items originated, payment exceptions, return deposit items, stop files processed), credit card processing, travel, and legal proceedings related to obligor bankruptcies. The Back-Up Servicer shall also be reimbursed for any out-of-pocket expenses related to any applicable regulatory compliance audits or attestations undertaken for the Issuer.

## **III. ADMINISTRATIVE FEES / SERVICING CHARGES<sup>(1)</sup>**

The Back-Up Servicer (in its role as successor Servicer) shall receive 50% of all administrative fees, including, but not limited to, extension processing fees, NSF fees, ACH/EFT fees, debit/credit card processing fees or other administrative fees or similar charges allowed by applicable law that are paid or payable by the obligor, and late charges collected by the Back-Up Servicer (in its role as successor Servicer) during any Monthly Period.

Additionally, the Back-Up Servicer (in its role as successor Servicer) shall receive an administrative fee equal to 3% of the funds advanced thereby to cover reimbursable expenses during any Monthly Period.

In the event the Back-Up Servicer (in its role as successor Servicer) files insurance claims in connection with any Loan, it shall receive \$25.00 per filing.

## NOTES

- (1) These items shall only apply to the Back-Up Servicer's performance of successor Servicer duties.
- (2) The Back-Up Servicer (in its role as successor Servicer) shall receive a Monthly Servicing Fee for each "Serviced Receivable" for any full or partial Monthly Period where it functions as the successor Servicer.

"Serviced Receivable" means, at any time, any Receivable other than: (i) fully satisfied Receivable; or (ii) a Defaulted Receivable; *provided, however*, that any Defaulted Receivable that is (A) subject to litigation (other than bankruptcy) or (B) less than 180 days past due and a payment has been received in 120 days, shall continue to accrue a Monthly Servicing Fee.

## EXHIBIT B

### FORM OF TRANSFeree CERTIFICATION FOR CLASS D NOTES

Wilmington Trust, National Association,  
as Indenture Trustee, Transfer Agent and Registrar  
1100 N. Market Street  
Wilmington, DE 19890  
Attention: Corporate Trust Administration

Oportun Issuance Trust 2022-3  
c/o Wilmington Savings Fund Society, FSB  
500 Delaware Avenue, 11th Floor  
Wilmington, Delaware 19801  
Attention: Oportun Issuance Trust 2022-3

PF Servicing, LLC  
as Administrator  
2 Circle Star Way  
San Carlos, California 94070  
Attention: Secretary

Reference is hereby made to the Indenture, dated as of November [•], 2022 (as the same may be amended, restated, modified or supplemented from time to time, the “Indenture”), by and between OPORTUN ISSUANCE TRUST 2022-3, a Delaware statutory trust, as issuer (the “Issuer”) and WILMINGTON TRUST, NATIONAL ASSOCIATION, a national banking association with trust powers, as Indenture Trustee, as Securities Intermediary and as Depositary Bank. Capitalized terms used but not defined herein are used as defined in the Indenture and if not in the Indenture then such terms shall have the meanings assigned to them in Rule 144A (“Rule 144A”) under the United States Securities Act of 1933, as amended (the “Securities Act”).

This letter relates to U.S.\$[•] aggregate principal amount of Class D Notes which are held in the name of [NAME OF TRANSFEROR] (the “Transferor”) and is intended to facilitate the transfer of Class D Notes (or an interest therein) to [NAME OF TRANSFeree] (the “Transferee”).

In connection with such transfer:

- (a) the Transferee hereby certifies that such transfer has been effected in accordance with the transfer restrictions set forth in the Indenture;
- (b) the Transferee does hereby make the following representations and warranties:
  - (i) The Class D Notes will bear the legend(s) substantially similar to those set forth in this clause (b) unless the Issuer determines otherwise in compliance with applicable Law.

(ii) It will provide notice to each Person to whom it proposes to transfer any interest in the Class D Notes of the transfer restrictions and representations set forth in the Indenture, including the exhibits thereto.

(iii) Either (a) it is not and will not become, for U.S. federal income tax purposes, a partnership, subchapter S corporation or grantor trust (each such entity a “Flow-through Entity”) or (b) if it is or becomes a Flow-through Entity, then (I) none of the direct or indirect beneficial owners of any of the interests in such Flow-through Entity has or ever will have more than 50% of the value of its interest in such Flow-through Entity attributable to the beneficial interest of such flow-through entity in the Class D Notes, other interest (direct or indirect) in the Issuer, or any interest created under the Indenture and (II) it is not and will not be a principal purpose of the arrangement involving the flow-through entity’s beneficial interest in any Class D Note to permit any entity to satisfy the 100-partner limitation of Section 1.7704-1(h)(1)(ii) of the Treasury Regulations necessary for such entity not to be classified as a publicly traded partnership for U.S. federal income tax purposes.

(iv) It is not acquiring any beneficial interest in a Class D Note through an “established securities market” or a “secondary market (or the substantial equivalent thereof),” each within the meaning of Section 7704(b) of the Code.

(v) It will not cause any beneficial interest in the Class D Note to be traded or otherwise marketed on or through an “established securities market” or a “secondary market (or the substantial equivalent thereof),” each within the meaning of Section 7704(b) of the Code, including, without limitation, an interdealer quotation system that regularly disseminates firm buy or sell quotations.

(vi) Its beneficial interest in the Class D Notes is not and will not be in an amount that is less than the minimum denomination for the Class D Notes set forth in the Indenture, and it does not and will not hold any beneficial interest in the Class D Notes on behalf of any Person whose beneficial interest in the Class D Notes is in an amount that is less than the minimum denomination for the Class D Notes set forth in the Indenture. It will not sell, transfer, assign, participate, or otherwise dispose of any beneficial interest in the Class D Notes or enter into any financial instrument or contract the value of which is determined by reference in whole or in part to any Class D Notes, in each case, if the effect of doing so would be that the beneficial interest of any Person in a Class D Note would be in an amount that is less than the minimum denomination for the Class D Notes set forth in the Indenture.

(vii) It will not transfer any beneficial interest in the Class D Notes (directly, through a participation thereof, or otherwise) unless, prior to the transfer, the transferee of such beneficial interest shall have executed and delivered to the Transfer Agent and Registrar, and any of their respective successors or assigns, a transferee certification substantially identical to this certification.

(viii) It will not use the Class D Notes as collateral for the issuance of any securities that could cause the Issuer to become subject to taxation as a corporation or a publicly traded partnership taxable as a corporation for U.S. federal income tax purposes, provided that it may engage in any repurchase transaction (repo) the subject matter of which is a Class D Note, provided the terms of such repurchase transaction are generally consistent with prevailing market practice and that such repurchase transaction would not cause the Issuer to be otherwise classified as a corporation or publicly traded partnership for U.S. federal income tax purposes.



(ix) It will not take any action that could cause, and will not omit to take any action, which omission could cause, the Issuer to become taxable as a corporation for U.S. federal income tax purposes.

(x) It acknowledges that the Depositor, the Issuer and Indenture Trustee will conclusively rely on the truth and accuracy of the foregoing representations and warranties and agrees that if it becomes aware that any of the foregoing made by it or deemed to have been made by it are no longer accurate it shall promptly notify the Issuer and the Indenture Trustee in writing.

(xi) The provisions of this clause (b) and of the Indenture generally are intended to prevent the Issuer from being characterized as a “publicly traded partnership” within the meaning of Section 7704 of the Code, in reliance on Treasury Regulations Sections 1.7704-1(e) and (h).

(c) the Transferee will notify future transferees of these transfer restrictions.

For purposes hereof, the following capitalized terms have the following meanings:

“Code” means the Internal Revenue Code of 1986, as amended, and the rules and Treasury Regulations promulgated thereunder.

“Governmental Authority” means any government or political subdivision or any agency, authority, bureau, central bank, commission, department or instrumentality of any such government or political subdivision, or any court, tribunal, grand jury or arbitrator, in each case whether foreign or domestic.

“Law” means any law (including common law), constitution, statute, treaty, regulation, rule, ordinance, order, injunction, writ, decree or award of any Governmental Authority.

[THIS SPACE INTENTIONALLY LEFT BLANK]

Very truly yours,

**[NAME OF TRANSFEREE]**

By: \_\_\_\_\_

Name:

Title: