



1700 G Street NW, Washington, DC 20552

September 14, 2017

Thomas P. Brown
Paul Hastings, LLP
55 Second Street, 24th Floor
San Francisco, CA 94105

Dear Mr. Brown

This letter is in response to a Request for a No-Action Letter (“Request”), filed with the Consumer Financial Protection Bureau (“Bureau”) by Upstart Network, Inc. (“Upstart”). Bureau staff has considered and grants Upstart’s Request, and accordingly issues this No-Action Letter (“No-Action Letter”) pursuant to the Bureau’s Policy on No-Action Letters.¹

Staff has no present intention to recommend initiation of an enforcement or supervisory action against Upstart with regard to application of the Equal Credit Opportunity Act (ECOA)² and its implementing regulation, Regulation B,³ to Upstart’s automated model for underwriting applicants for unsecured non-revolving credit, as that model is described in the Request and confidential Model Risk Management & Compliance Plan (“Compliance Plan”). This staff intention is subject to the statements and commitments set forth in the Request, the Compliance Plan, and Appendix A to this No-Action Letter.

This No-Action Letter will expire three years after its issuance. Upstart may seek to renew the No-Action Letter. This No-Action Letter and a copy of the Request will be published on the Bureau’s web site.

¹ See Bureau of Consumer Financial Protection Policy on No-Action Letters, 81 FR 8686 (Feb. 22, 2016).

² 15 U.S.C. §§ 1691 *et seq.*

³ 12 CFR part 1002.

We look forward to a continued dialogue with Upstart and thank you for your interest in the Bureau's No-Action Letter program

Sincerely,

A handwritten signature in black ink, appearing to read "Christopher M. D'Angelo".

Christopher M. D'Angelo
Associate Director for Supervision, Enforcement & Fair Lending
Consumer Financial Protection Bureau

Appendix A – Standard Recitals Applicable to the No-Action Letter to Upstart Network, Inc. dated September 14, 2017

This No-Action Letter does not mean that the Bureau will not conduct supervisory activities or engage in an enforcement investigation to evaluate Upstart's compliance with the terms of this No-Action Letter or to evaluate other matters. This No-Action Letter is limited to Upstart's automated model for underwriting applicants for unsecured non-revolving credit, as described in the Request and Compliance Plan, and it does not pertain to: (i) Upstart's use of its automated model in a different manner; (ii) Upstart's offer or provision of different products or services, or with respect to other provisions or applications of these or other statutes and regulations, or with respect to other aspects of Upstart's automated model; or (iii) any person other than Upstart.

This No-Action Letter is based on the facts stated and factual representations made in the Request and Compliance Plan, and is contingent on the correctness of such facts and factual representations. This No-Action Letter is conditioned on the commitments in the Request and Compliance Plan.

This No-Action Letter does not constitute a determination by the Bureau or its staff about, nor is it an interpretation of, nor a grant of any exception, waiver, safe harbor, or similar treatment respecting the statutes and rules identified in the Request, or their application to the product's aspects in question, nor does it otherwise constitute an official expression of the Bureau's views. This No-Action Letter should not be viewed as an interpretation, waiver, safe harbor, or the like, nor should it be viewed as binding on the Bureau. Staff is not necessarily in agreement with any legal or policy analysis, any interpretation of data, or any other matter, set forth in the Request or Compliance Plan. This No-Action Letter is not issued by or on behalf of any other government agency or any other person, and is not intended to be honored or deferred to in any way by any court or any other government agency or person.

This No-Action Letter is subject to modification or revocation at any time at the discretion of Bureau staff for any reason, including that: the facts and representations in the Request or Compliance Plan appear to be materially inaccurate or uncertain; Upstart fails to satisfy conditions or violates limitations specified in this No-Action Letter, the Request, or the Compliance Plan; the product or any of its material features, terms, or conditions, is altered; or the staff determines that such modification or revocation is appropriate to protect consumers or is otherwise in the public interest. This No-Action Letter becomes inapplicable upon failure to adhere to the affirmations or undertakings made in the Request or Compliance Plan, or stated as conditions of the issuance of this No-Action Letter. To the extent that the facts and representations in the Request or Compliance Plan are materially inaccurate, or Upstart fails to satisfy conditions or violates

limitations specified in this No-Action Letter, and in other similar circumstances, the No-Action Letter is by its own terms inapplicable (even without modification or revocation) and the staff may recommend initiating a retrospective enforcement or supervisory action if appropriate. Unless there is a reason not to do so in a particular case, staff plans to communicate with Upstart regarding the grounds for potential revocation or modification in advance of a revocation or modification, and permit an opportunity to respond. When staff revokes or modifies a No-Action Letter, staff intends to do so in writing and plans to make revocations and modifications public.