



# SpringCastle Funding Asset-Backed Notes 2014-A

## Investor Presentation

# Springleaf Financial Services

September 2014

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*We present Pretax Core Earnings as "non-GAAP financial measures" in this presentation. This measure is derived on the basis of methodologies other than in accordance with accounting principles generally accepted in the United States of America ("GAAP"). Please refer to the Appendix hereto for the quantitative reconciliations from push-down accounting basis to historical / pretax core earnings.*

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# Executive Summary




- **Proposed refinancing of original SpringCastle transaction (April 2013)**
- **Seasoned Pool of Assets: 9.3 years**
- **Markedly Improved Performance following servicer transfer to Springleaf Sept. 2013**
  - Portfolio fully migrated to Springleaf centralized servicing in 5 months
  - Defaults declined from 11.6% to 7.6% from original 2013-A issuance to today
  - Delinquencies also declined by 4%
  - Refreshed FICO migrated upwards (637 versus 629 at 2013-A issuance)
- **Springleaf (NYSE: LEAF)**
  - \$4 bil. approx. market cap
  - \$4 bil. approx. pro-forma liquidity following recently-announced real estate asset sales
- **SCFT 2014-A: Low Class A leverage and resilient structure**
  - Debt to equity ratio for Class A of 1.4x affords a 70+% breakeven net loss
  - Compares favorably to other non-prime asset classes e.g. auto where D/E ratios can reach 4-7x for the senior tranche and de-lever less rapidly
- **SCFT 2014-A: Kroll rated (Class A rated AA); Wells Fargo strong back-up servicer**

# SCFT 2014-A Transaction Timing and Participants

- SCFT 2014-A will pre-market the week of September 8, with formal announcement slated for Monday, September 15<sup>th</sup>
- Settlement is expected to take place on October 3

September						
Su	Mo	Tu	We	Th	Fr	Sa
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

October						
Su	Mo	Tu	We	Th	Fr	Sa
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

-  Holiday - US Markets Closed
-  Key Transaction Dates
-  ABS East Conference

Week	Activity
8-Sep	Pre-Market Transaction
15-Sep	Announce Transaction (9/15) Launch/Price Transaction (9/16-17)
29-Sep	Settle Transaction (10/3)
24-Nov	First payment date (11/25)

## SCFT 2014-A Transaction Participants

Co-Issuers:	SpringCastle America Funding, LLC SpringCastle Credit Funding, LLC SpringCastle Finance Funding, LLC
Servicer and Administrator:	Springleaf Finance, Inc.
Loan Trustees:	Wilmington Trust National Association
Back-up Servicer:	Wells Fargo Bank, National Association
Indenture Trustee and Custodian:	U.S. Bank National Association
Paying Agent and Note Registrar:	Wells Fargo Bank, National Association

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# Program Comparison

- The key differences between the SpringCastle Funding Trust (“SCFT”) and Springleaf Funding Trust (“SLFT”) consumer loan programs are summarized in the table below:

	<b>SpringCastle Funding Trust</b>	<b>Springleaf Funding Trust</b>
<b>Assets</b>	<ul style="list-style-type: none"> <li>Personal consumer loans originated by HSBC and acquired by SpringCastle Joint Venture (Springleaf, New Residential and Blackstone)</li> <li>Closed-end and revolving loans</li> <li>~9yr seasoned portfolio</li> </ul>	<ul style="list-style-type: none"> <li>Personal consumer loans originated by Springleaf</li> <li>Closed-end loans</li> <li>New originations</li> </ul>
<b>Servicing Model</b>	<ul style="list-style-type: none"> <li>Centralized servicing out of London, KY servicing facility</li> <li>Wells Fargo as back-up servicer</li> </ul>	<ul style="list-style-type: none"> <li>Branch servicing</li> <li>Wells Fargo as back-up servicer</li> </ul>
<b>Structure</b>	<ul style="list-style-type: none"> <li>Amortizing</li> <li>Senior/subordinate, sequential paydown</li> <li>Fixed rate notes</li> </ul>	<ul style="list-style-type: none"> <li>Revolving period</li> <li>Senior/subordinate, sequential paydown</li> <li>Fixed rate notes</li> </ul>

# Collateral Attributes as of August 31, 2014

- The underlying collateral of SCFT 2014-A includes PULs of 67.06% and PHLs of 32.94%

PULs	
<b>PUL</b> - unsecured revolving or closed-end loans including non-real estate consumer loans, side loans or check note loans	
Avg Principal Balance	\$7,582
Revolving Loans	60.49%
Closed-End Loans	39.51%
Wtd Avg Coupon	20.63%

PHLs	
<b>PHL</b> - revolving or closed-end secured loans evidenced by mortgage or deed of trust filed against the borrowers home. Property is not foreclosed upon nor is the lien monitored	
Avg Principal Balance	\$16,481
Revolving Loans	16.39%
Closed-End Loans	83.61%
Wtd Avg Coupon	12.91%



# Collateral Stratifications as of August 31, 2014

- A summary of the SCFT 2014-A collateral is shown below as of the August 31, 2014 Cut-Off Date:

	Aggregate Loans	PUL Loans	PHL Loans
Aggregate Current Principal Balance (\$)	2,737,242,150.82	1,835,590,191.87	901,651,958.95
% of Current Principal Balance	100.00%	67.06%	32.94%
Number of Loans	295,633	242,095	53,538
Average Principal Balance (\$)	9,258.92	7,582.11	16,841.35
Range of Principal Balances (\$)	0.00 to 79,438.00	0.00 to 43,800.00	0.00 to 79,438.00
Aggregate Credit Limit on Revolving Loans (\$) <sup>(1)</sup>	1,632,696,241.00	1,449,330,016.00	183,366,225.00
Aggregate Open to Buy on Revolving Loans (\$) <sup>(1)</sup>	375,135,401.19	339,446,143.00	35,689,258.19
Weighted Average Coupon	18.09%	20.63%	12.91%
Range of Coupons	0.000% to 37.650%	0.000% to 37.650%	0.000% to 28.150%
Weighted Average Margin on Variable Loans <sup>(2)</sup>	16.03%	16.29%	12.57%
Weighted Average Ceiling on Variable Loans <sup>(2)</sup>	24.64%	24.89%	22.27%
Weighted Average Months Since Origination	111	111	113
Range of Months Since Origination	61 to 449	61 to 449	79 to 303
Non-Zero Weighted Average Current FICO Score <sup>(3)</sup>	637	640	631
Range of Current FICO Scores <sup>(3)</sup>	405 to 830	405 to 830	412 to 825
% by Principal Balance of Revolving Loans <sup>(4)</sup>	45.96%	60.49%	16.39%
% by Principal Balance of Closed-end Loans <sup>(5)</sup>	50.64%	37.03%	78.33%
% by Principal Balance of Fixed Rate Loans	89.56%	85.50%	97.83%
% by Principal Balance of Variable Rate Loans	10.44%	14.50%	2.17%
% by Principal Balance of Active EZ Pay (as of the Cut-off Date) <sup>(6)</sup>	23.14%	24.33%	20.71%
<b>Top 5 State Concentration</b>			
	NC (10.77%)	NC (9.19%)	NC (13.99%)
	PA (7.03%)	PA (6.91%)	NY (9.49%)
	OH (6.61%)	FL (6.88%)	OH (7.47%)
	NY (6.55%)	OH (6.19%)	PA (7.27%)
	FL (5.91%)	CA (5.14%)	IN (5.18%)

1) Statistics shown for revolving loans with open credit limit status

2) Excludes variable interest rate accounts where the rate information is unavailable

3) FICO Scores are shown for portfolio comparative purposes only using FICO Scores obtained by Springleaf as of May 2014

4) Statistics shown for revolving loans that are not 90+ Days Past Due

5) Statistics shown for closed-end loans that are not 90+ Days Past Due

6) Active EZ Pay status as of the Cut-Off Date

# Collateral Comparison

- Statistical pool characteristics for SCFT 2014-A (as of August 31, 2014) are similar to those of the SCFT 2013-A notes initially issued (April 2013):

	SCFT 2014-A	As of Time of Acquisition
<b>Current Aggregate Principal Balance (\$)</b>	2,737,242,151	4,026,678,141
<b>Number of Loans</b>	295,633	423,998
<b>Average Principal Balance (\$)</b>	9,259	9,497
<b>Aggregate Credit Limit on Revolving Loans (\$)<sup>(1)</sup></b>	1,632,696,241	2,391,364,617
<b>Aggregate Open to Buy on Revolving Loans(\$)<sup>(1)</sup></b>	375,135,401	342,271,294
<b>Utilization Percentage</b>	77.02%	85.69%
<b>Weighted Average Coupon</b>	18.09%	18.32%
<b>Weighted Average Months Since Origination</b>	111	93
<b>Non-Zero Weighed Average Updated FICO Score<sup>(2)</sup></b>	637	629
<b>Percentage by Principal Balance of Revolving Loans<sup>(3)</sup></b>	45.96%	77.77%
<b>Percentage by Principal Balance of Closed-end Loans<sup>(4)</sup></b>	50.64%	22.23%
<b>Top 5 State Concentration</b>		
	NC (10.77%)	NC (10.00%)
	PA (7.03%)	PA (6.89%)
	OH (6.61%)	NY (6.63%)
	NY (6.55%)	OH (6.59%)
	FL (5.91%)	FL (5.74%)
<b>Percentage of Current Principal Balance</b>		
<b>PUL</b>	67.06%	68.80%
<b>PHL</b>	32.94%	31.20%

1) Statistics shown for revolving loans with open credit limit status

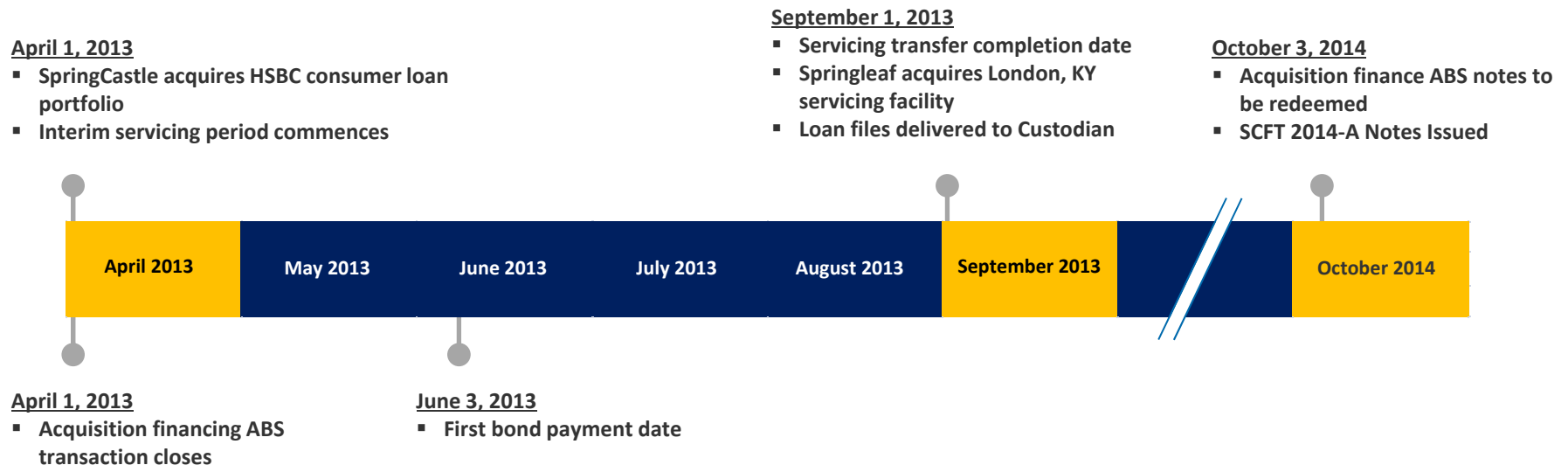
2) FICO Scores are shown for portfolio comparative purposes only using FICO Scores obtained by Springleaf as of May 2014

3) Statistics shown for revolving loans that are not 90+ Days Past Due

4) Statistics shown for closed-end loans that are not 90+ Days Past Due

# Portfolio History

- In April of 2013, Springleaf acquired HSBC's consumer loan portfolio which at the time had an unpaid principal balance of \$3.9 billion
  - SpringCastle Acquisition LLC, a joint venture between Springleaf Financial, Inc., New Residential and Blackstone, was set up specifically for the acquisition of the HSBC consumer loan portfolio
  - The notes issued in SCFT 2013-A were used to finance the acquisition of the HSBC consumer loan portfolio
  - **Portfolio previously serviced by HSBC as run-off portfolio whereas Springleaf has been taking a more active roll in account management, servicing and collections**
  
- Servicing transferred from HSBC to newly acquired Springleaf site in London, KY from HSBC as scheduled in September of 2013



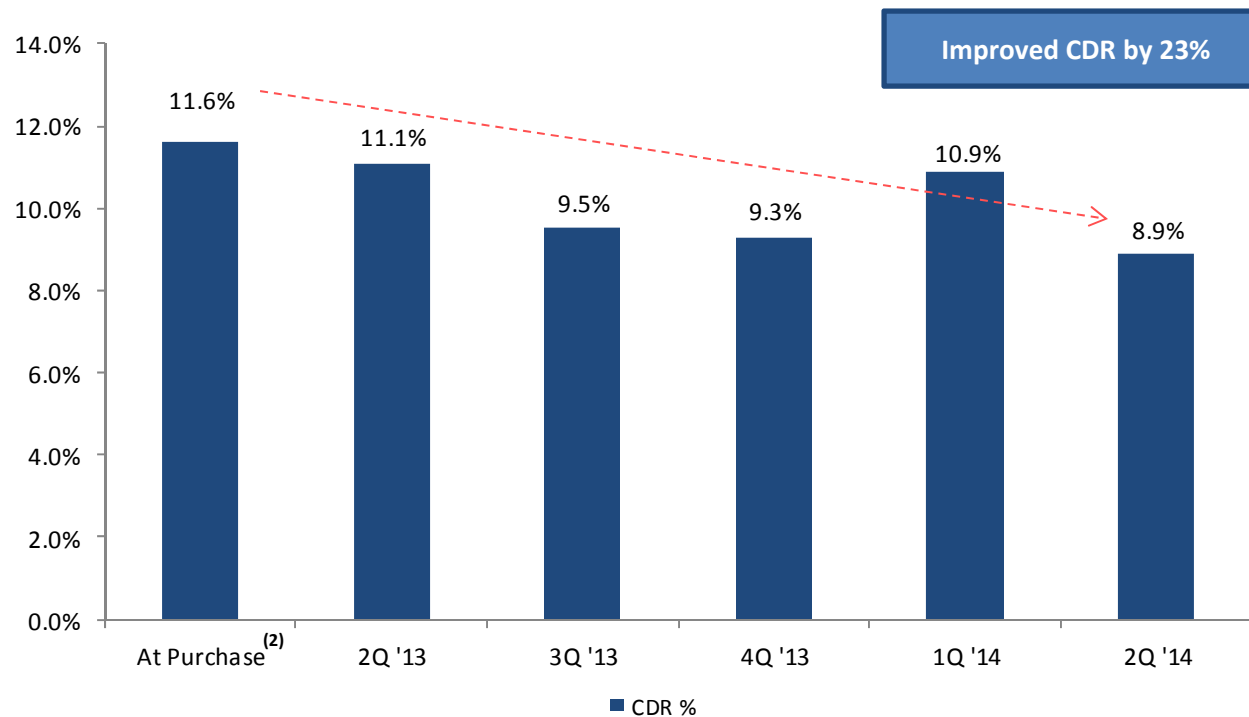
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# Performance Improvement Since Servicing Transfer

- Since the portfolio acquisition, Springleaf has driven SpringCastle's defaults down significantly through the implementation of active account management and movement to Springleaf collection procedures

## Average Conditional Default Rate <sup>(1)</sup>

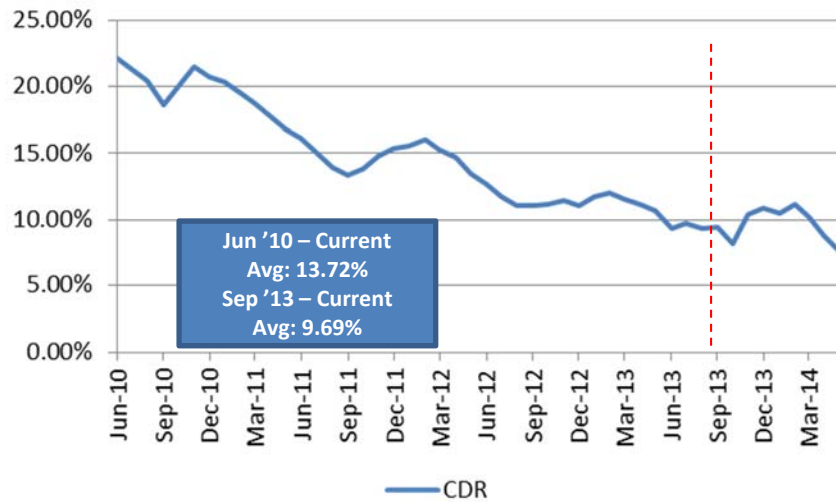


1) Average balances based on Principal Balance

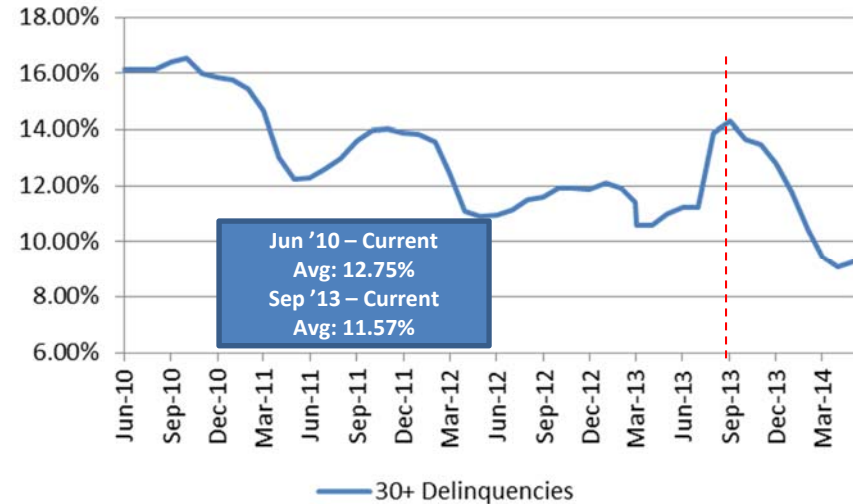
2) At purchase represents date at time of settlement on April 1, 2013

# Portfolio Performance Data as of May 31, 2014

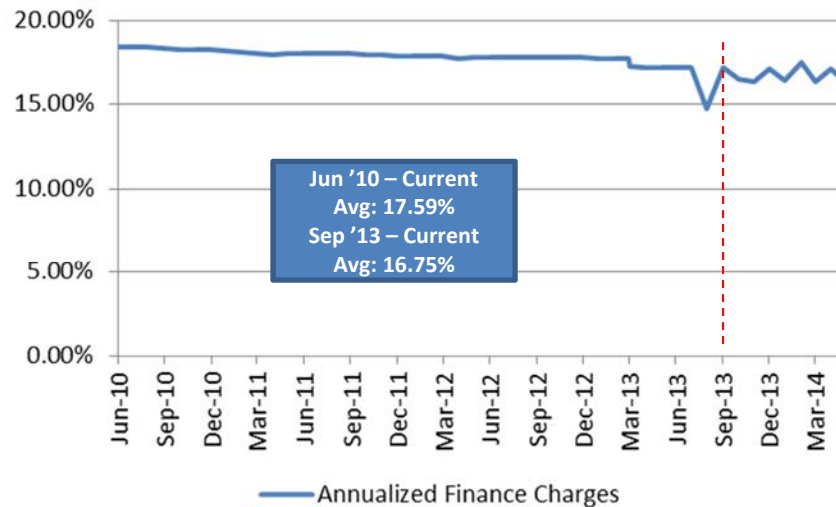
## Constant Default Rate



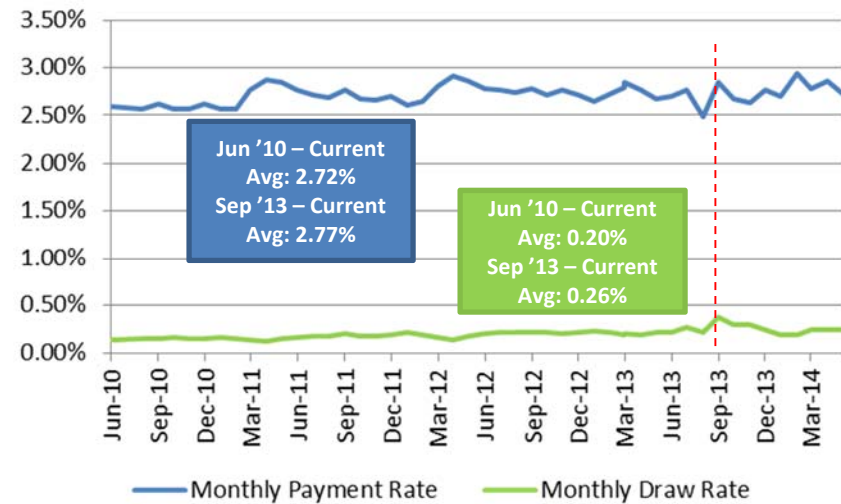
## 30+ Day Delinquencies (% of Principal Balance)



## Annualized Finance Charges



## MPR and Monthly Draws



----- Servicer Transfer Completion (September 2013)

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# SCFT 2014-A Note Summary

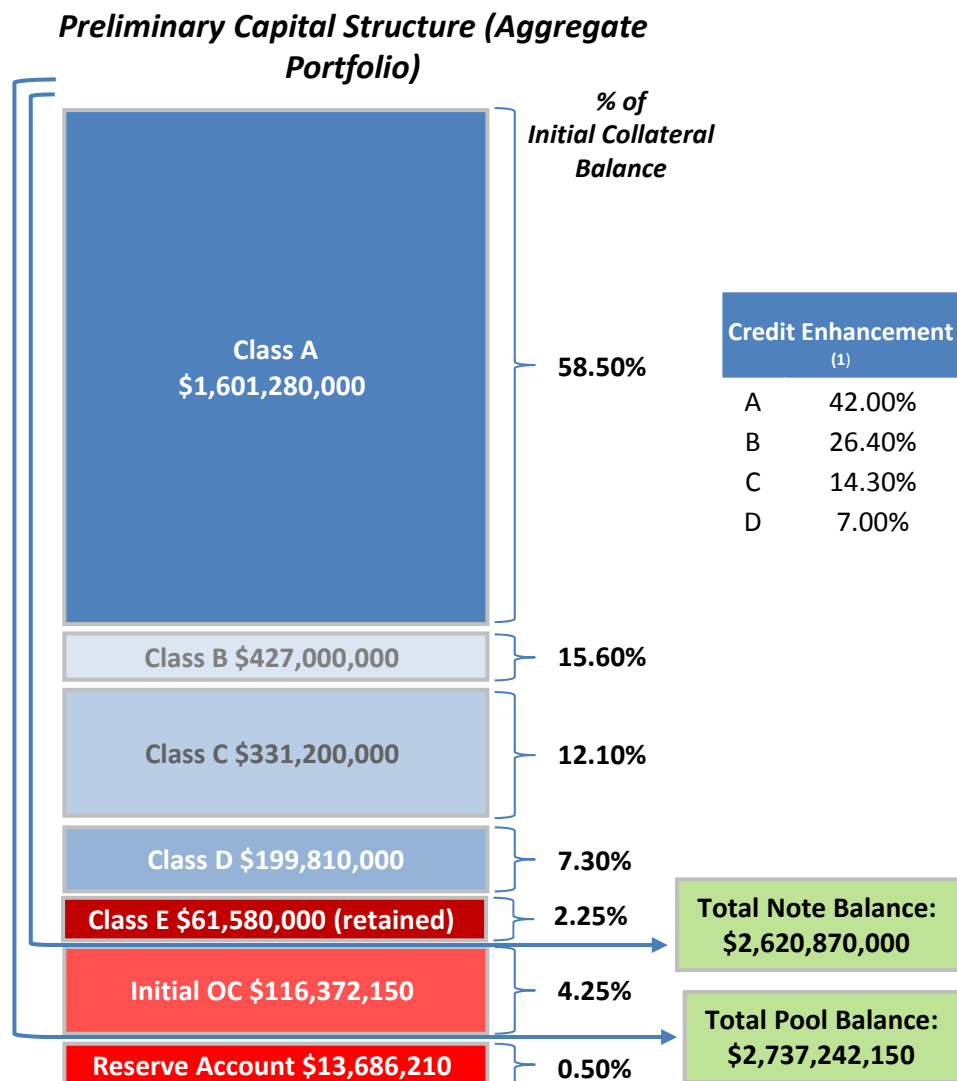
- Total collateral balance will total \$2,737,242,151 as of the August 31, 2014 cutoff date

	Class A Notes	Class B Notes	Class C Notes	Class D Notes	Class E Notes
Note Balance	\$1,601,280,000	\$427,000,000	\$331,200,000	\$199,810,000	\$61,580,000
% of Collateral Balance	58.50%	15.60%	12.10%	7.30%	2.25%
Expected Rating (Kroll)	AA	A	BBB	BB	B
WAL (to clean up call)	1.74 Years	5.26 Years	7.08 Years	7.14 Years	7.14 Years
Principal Window	1--49	49--78	78--85	85--85	85--85
Expected Maturity Date	11/25/2018	4/25/2021	11/25/2021	11/25/2021	11/25/2021
Legal Final Maturity Date	5/25/2023	10/25/2027	10/25/2033	4/25/2034	4/25/2035
Interest Accrual Basis	30 / 360	30 / 360	30 / 360	30 / 360	30 / 360
Interest Rate Type	Fixed	Fixed	Fixed	Fixed	Fixed
Interest Payment Frequency	Monthly	Monthly	Monthly	Monthly	Monthly
Distribution Date	25 <sup>th</sup>	25 <sup>th</sup>	25 <sup>th</sup>	25 <sup>th</sup>	25 <sup>th</sup>
First Interest Payment Date	25-Nov-14	25-Nov-14	25-Nov-14	25-Nov-14	25-Nov-14
Offering Type	144A / Reg S	144A / Reg S	144A / Reg S	144A	Not Offered
ERISA Eligible	Yes	Yes	Yes	No	



# Credit Enhancement Summary

- The Notes will amortize in order of seniority
- Credit enhancement for the Class A Notes will consist of the following:
  - i. **Subordination:** Each class of subordinate notes will remain locked-out from receiving principal payments until all the then senior most outstanding notes have been paid in full according to the priority of payments
  - ii. **Overcollateralization:** Overcollateralization will represent approximately 4.25% of the initial collateral balance. The required overcollateralization will equal the lesser of the initial overcollateralization and 8.50% of the current collateral balance. However, in no event will the required overcollateralization be less than 2.50% of the initial collateral balance
  - iii. **Reserve Account:** The Reserve Account will initially be funded at 0.50% of the initial collateral balance and will be maintained at a target amount of 0.50% of the current outstanding principal balance subject to a floor of 0.15% of the initial collateral balance
  - iv. **Excess Spread:** Approximately 10.16% per annum
- Total Class A Initial Hard Credit Enhancement (% of Assets): 42.00%<sup>(1)</sup>



1) Percent of Initial Collateral Balance

# Structure Comparison to Prior SCFT & SLFT

- SCFT 2014-A has favorable structural and credit enhancement features when compared to prior SpringCastle and Springleaf Consumer Loan ABS transactions

	<u>SCFT 2014-A</u>	<u>SCFT 2013-A</u>	<u>SLFT 2014-A</u>
<b>Structure</b>	Sequential Pay Amortizer	Sequential Pay Amortizer	Sequential Pay Revolving
<b>Ratings Attachment Range</b>	'AA' to 'B'	Not Rated	'AA' to 'BB' (Kroll)
<b>Rating Agencies</b>	Kroll	N/A	S&P / Kroll
<b>Forms of Credit Enhancement</b>	Subordination Overcollateralization Reserve Account Excess Spread	Subordination Overcollateralization Reserve Account Excess Spread	Subordination Overcollateralization Reserve Account Excess Spread
<b>Ratings and Initial Hard Credit Enhancement</b>			
<b>Class A</b>	AA - 42.00%	NR - 42.70%	A/AA - 23.40%
<b>Class B</b>	A - 26.40%	NR - 33.00%	BBB/A - 17.20%
<b>Class C</b>	BBB - 14.30%	N/A	BB/BBB - 14.20%
<b>Class D</b>	BB - 7.00%	N/A	B/BB - 9.10%
<b>Class E</b>	B - 4.75%	N/A	N/A
<b>Estimated Initial Excess Spread (p.a.)</b>	10.16%	10.20%	19.25%

# Modeling Assumptions and Breakeven Summary

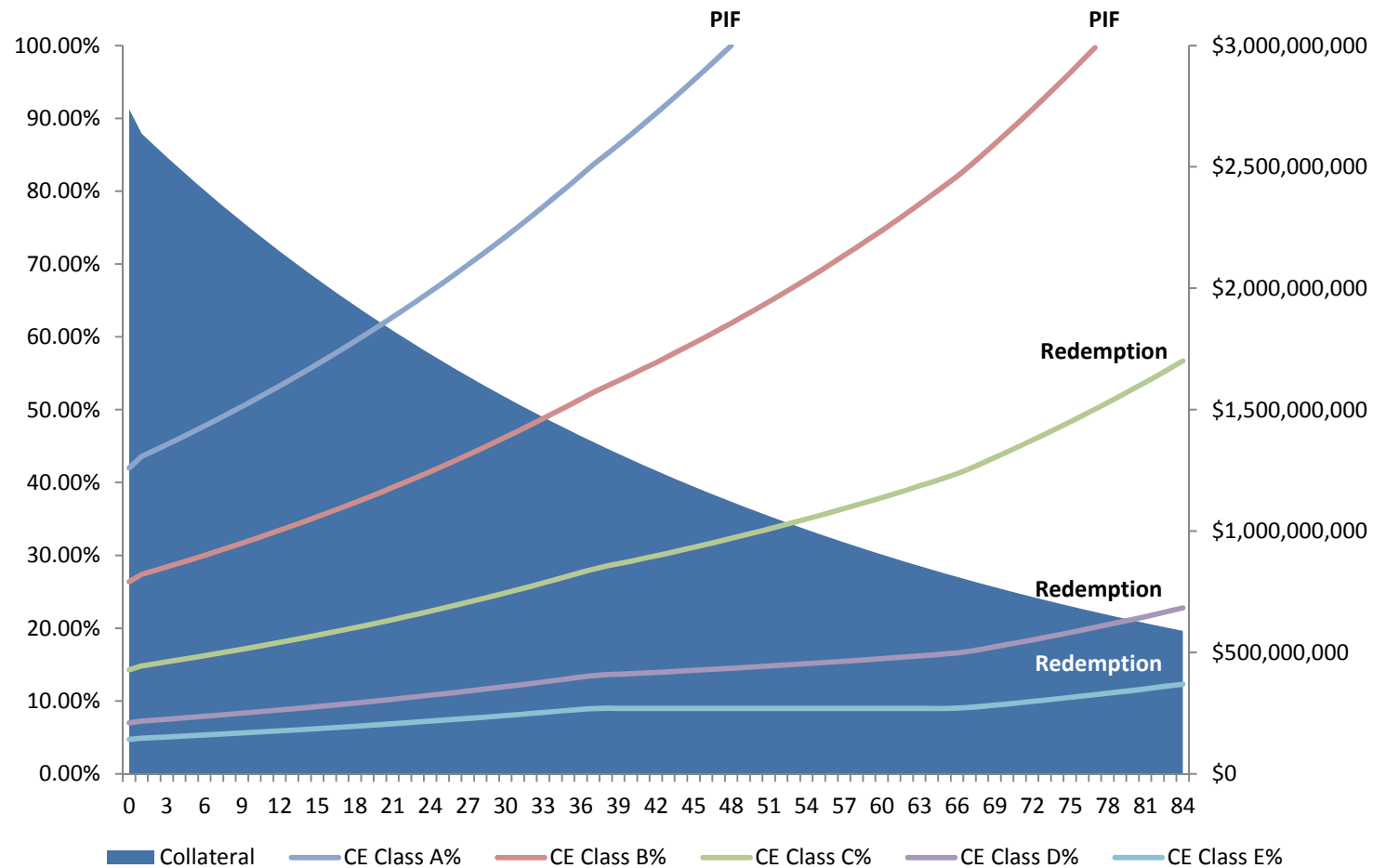
Replines					Base Case Assumption			
Product	Total Balance	% of Total	APR	Term (months)	CPR	CDR	Recovery Rate	Delinquency Rate
PUL-Revolving	\$ 1,826,962,438.08	66.74%	20.640%	223	11.85%	8.10%	9.00%	4.85%
PUL-Closed End	\$ 8,627,753.79	0.32%	18.187%	223	65.85%	25.50%	9.00%	22.95%
PHL-Revolving	\$ 311,927,236.76	11.40%	14.421%	223	8.05%	7.65%	9.00%	6.70%
PHL-Closed End	\$ 589,724,722.19	21.54%	12.106%	223	16.40%	9.15%	9.00%	9.75%
<b>Total</b>	<b>\$ 2,737,242,150.82</b>	<b>100.00%</b>	<b>18.085%</b>	<b>223</b>	<b>12.57%</b>	<b>8.33%</b>	<b>9.00%</b>	<b>6.17%</b>

- **Company Base Case Loss to Maturity: 35.71%**

Kroll Breakeven Loss		
Note	Kroll Cumulative Breakeven Loss	Multiple of Company Base Case Loss to Maturity
A	70.26%	<b>1.97 x</b>
B	61.02%	<b>1.71 x</b>
C	51.77%	<b>1.45 x</b>
D	44.38%	<b>1.24 x</b>

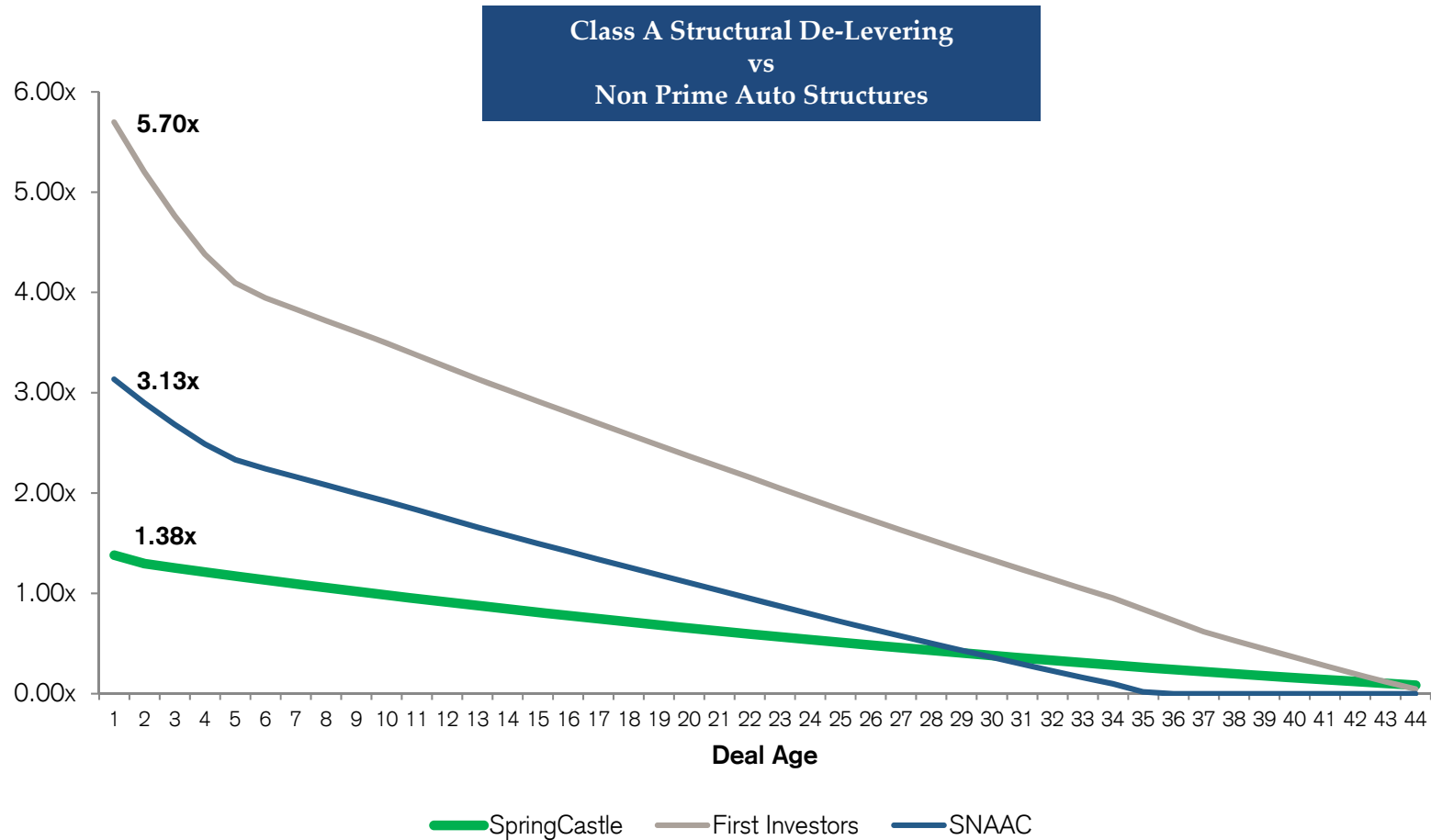
# Credit Enhancement Profile (% of Current Balance)

- The chart below shows the declining pool balance and increasing credit enhancement of each class of notes as the assets pay down in the aggregate portfolio



# Structural De-Leveraging

- Robust Class A Hard Enhancement Results in Low Leverage ABS Structure, Beginning with a 1.4x D/E Ratio [Class A / (Subs+Equity)]



# SCFT 2014-A Priority of Payments

**On each payment date, available funds will be applied as follows:**

- 1) To the Indenture Trustee, Paying Agent, Note Registrar, Loan Trustee, the Back-up Servicer (expenses only) and Custodian, the accrued and unpaid fees (Subject to a \$200k cap)
- 2) To the Back-up Servicer, the accrued and unpaid Back-up Servicing Fee
- 3) To the Servicer and Administrator, the accrued and unpaid Servicing Fee and Administration Fee
- 4) To the Advance Reserve Account, the Advance Reserve Account Shortfall Amount
- 5) To the Class A Noteholders, the accrued and unpaid interest on the Class A Notes
- 6) To the Principal Distribution Account, the First Priority Principal Payment
- 7) To the Class B Noteholders, the accrued and unpaid Senior Interest on the Class B Notes
- 8) To the Principal Distribution Account, the Second Priority Principal Payment
- 9) To the Class B Noteholders, the accrued and unpaid Subordinated Interest on the Class B Notes
- 10) To the Class C Noteholders, the accrued and unpaid Senior Interest on the Class C Notes
- 11) To the Principal Distribution Account, the Third Priority Principal Payment
- 12) To the Class C Noteholders, the accrued and unpaid Subordinated Interest on the Class C Notes
- 13) To the Class D Noteholders, the accrued and unpaid Senior Interest on the Class D Notes
- 14) To the Principal Distribution Account, the Fourth Priority Principal Payment
- 15) To the Class D Noteholders, the accrued and unpaid Subordinated Interest on the Class D Notes
- 16) To the Class E Noteholders, the accrued and unpaid Senior Interest on the Class E Notes
- 17) To the Principal Distribution Account, the Fifth Priority Principal Payment
- 18) To the Class E Noteholders, the accrued and unpaid Subordinated Interest on the Class E Notes
- 19) To the Reserve Account, the Required Reserve Account Amount
- 20) To the Principal Distribution Account, the Regular Principal Payment Amount
- 21) To the Indenture Trustee, Paying Agent, Note Registrar, Loan Trustee, the Back-up Servicer and Custodian, any fees and reasonable expenses not paid in First Priority (item 1 listed above)
- 22) To the Allocation Agent, payment to the Co-Issuers

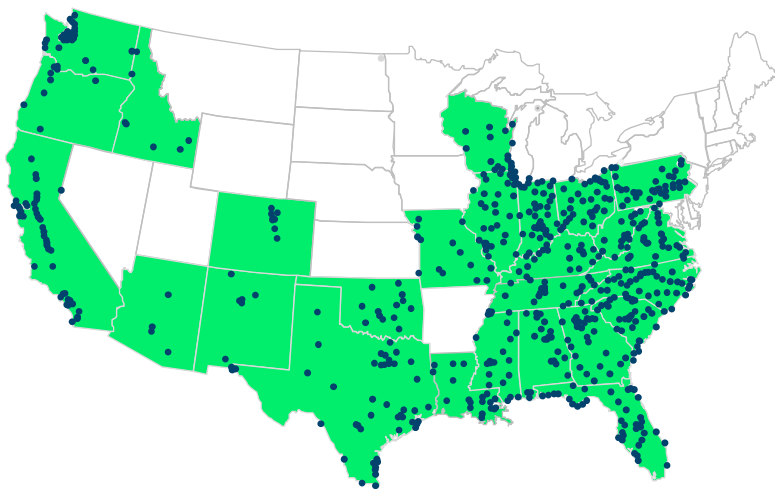
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# Springleaf Overview

- Announced agreement to sell approximately \$7.2 billion of real estate mortgage receivables
- Total pretax net gain of approximately \$575 to \$625 million
- \$1.2 billion committed back-up liquidity lines (currently undrawn)
- Pro Forma 6/30/14 net leverage<sup>(1)</sup> of 2.0x (net of cash)
- ~\$4 billion market capitalization

## Nationwide Footprint



## Overview

- ✓ 90+ year history
- ✓ Responsible alternatives for borrowers
- ✓ Fixed rate and fully amortizing loans
- ✓ Level monthly payments, no balloons or prepayment penalties
- ✓ Over 825 branches across 26 states; 72% have been open since 1991

1) Net leverage reflects Total Debt, net of Cash to Total Equity ratio.



# Centralized Servicing Facility in London, KY

## London, Kentucky Centralized Servicing Center

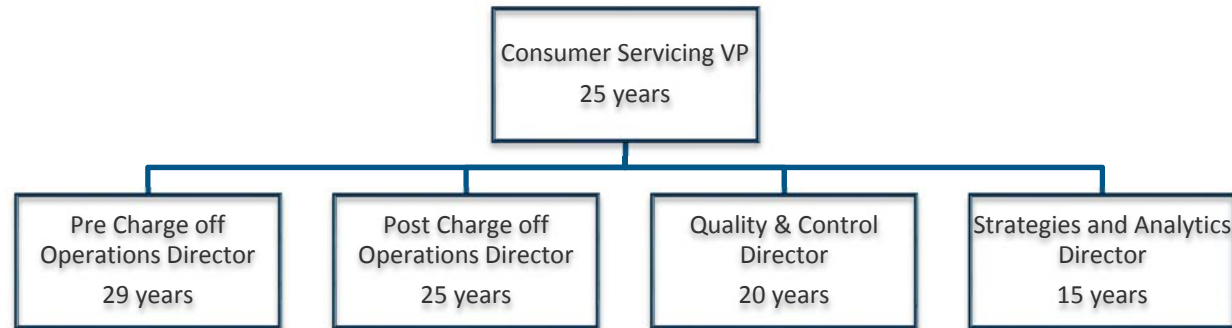
- Springleaf took ownership of the HSBC operations center in 3Q '13
- 48,000 Square Foot facility on 15.6 acres / 500 workstations with expansion opportunity
- Current Staffing – 281 FTE with low annualized attrition at 20%
- Current Receivables managed – ~\$2.9 billion
- Fully integrated on common servicing platform with Springleaf service center in Evansville, IN and branch network

- On-boarded 3rd party servicer  
Advanced Call Center Technologies  
(ACT) in Sacramento, CA
- ACT provided live access to Springleaf platform in 4Q '13 to improve staffing flexibility and serve as a business continuity partner



# Organizational Design and Flexibility

## London Servicing Center: Management Structure



### Quality

- Tenured senior management team with an average of 20+ years of experience
- Department and Team Manager average tenure of 16 and 14 years, respectively
- Organization designed to focus on data driven decisions
- Strong quality and control framework
- Ability to acquire or “borrow” branch talent

### Flexibility

- London staff have experience servicing multiple products (unsecured consumer, auto, real estate, retail finance, credit card)
- All Springleaf loan types are housed and serviced on the same system
- Data and telephone networks in London are fully integrated with Springleaf
- Common dialer platform (Aspect) with blended agent capability allows for efficiency
  - Center is staffed to a level of ~570 gross delinquent accounts per collector
- Predictive loss modeling allows for the segmentation and prioritization of work

# Back-up Servicing Arrangement

- Consistent with SLFT transactions, Wells Fargo Bank, NA (AA- / Aa3 / AA- / AA (H)) will act as warm back-up servicer for the transaction
- Wells Fargo has duties / obligations based on a multi-step transition plan which is divided into 2 periods:
  - Pre-Transfer Period (business as usual):
    - ❖ Review servicing procedures and systems and adopt such changes or modifications to their systems
    - ❖ Ensure ongoing system compatibility with Springleaf and continue to monitor the transaction through the receipt of monthly loan tapes
    - ❖ Receives quarterly fiscal statements from Servicer
    - ❖ Meets at least annually with Servicer to discuss material changes to the servicing procedures and processes
  - Servicing Transfer Period (occurrence of a Servicer Default or Servicer Termination):
    - ❖ Upon the occurrence of a servicer termination event, Wells Fargo, at the direction of the Indenture Trustee, will take over responsibility for servicing, collections, and payment processing
- Wells Fargo's prior experience with the asset class through its consumer loan business, its scale of servicing operations, and its experience in assuming the role of successor servicer in numerous securitization transactions will minimize transaction disruption from a servicer default



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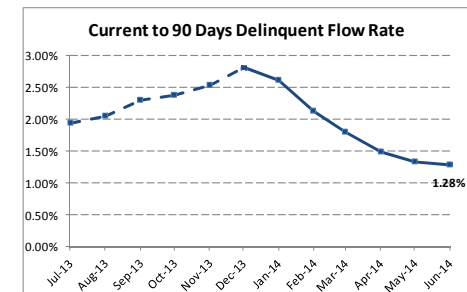
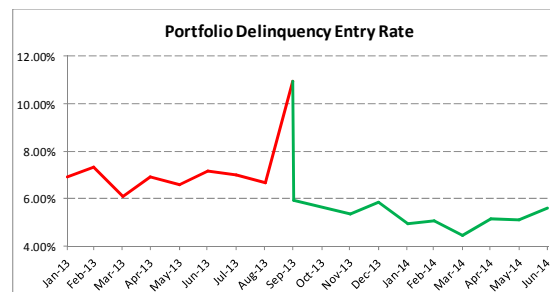
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# Portfolio Transition – Experience, Observations and Performance Trends

- Migrated the HSBC Portfolio with balances of roughly \$3.4B and over 350,000 loans at the time of servicing transfer (9/13)
- Encountered no significant operations disruptions
  - Call center went live on September 3, 2013 and immediately began to field servicing calls and perform outbound collections (dialer and manual)
  - Month 1 Inbound call volume spike handled at a significant multiple of prior HSBC observed volume (quickly returned to forecasted levels)
- Significant operational changes were made with limited long-term performance effect on the portfolio:
  - Servicing system change
  - New statement format and information
  - Lockbox address change; automated payments transferred
  - Retraining of existing personnel in the London facility
- **After one-month increase in roll rates, performance quickly rebounded then evolved to a sustained level of improvement compared to HSBC results**

## Roll-Rate Trends- Pre and Post Service Transfer

Roll Rate Averages	Jan - Aug	Sept	Oct - Jun	Variance
Entry Rate	6.83%	10.93%	5.26%	1.57%
1-29 to Worse	18.27%	32.42%	20.42%	-2.15%
30 to Worse	41.75%	49.53%	35.13%	6.61%
60 to Worse	55.35%	58.59%	48.26%	7.09%
90 to Worse	65.71%	65.40%	59.18%	6.53%
120 to Worse	71.83%	72.67%	67.52%	4.31%
150 to Worse	47.79%	16.18%	39.13%	8.66%



# Portfolio Transitions – Operational Enhancements

## Enhancements to control technology and strategy are helping to build a best-in-class serving platform

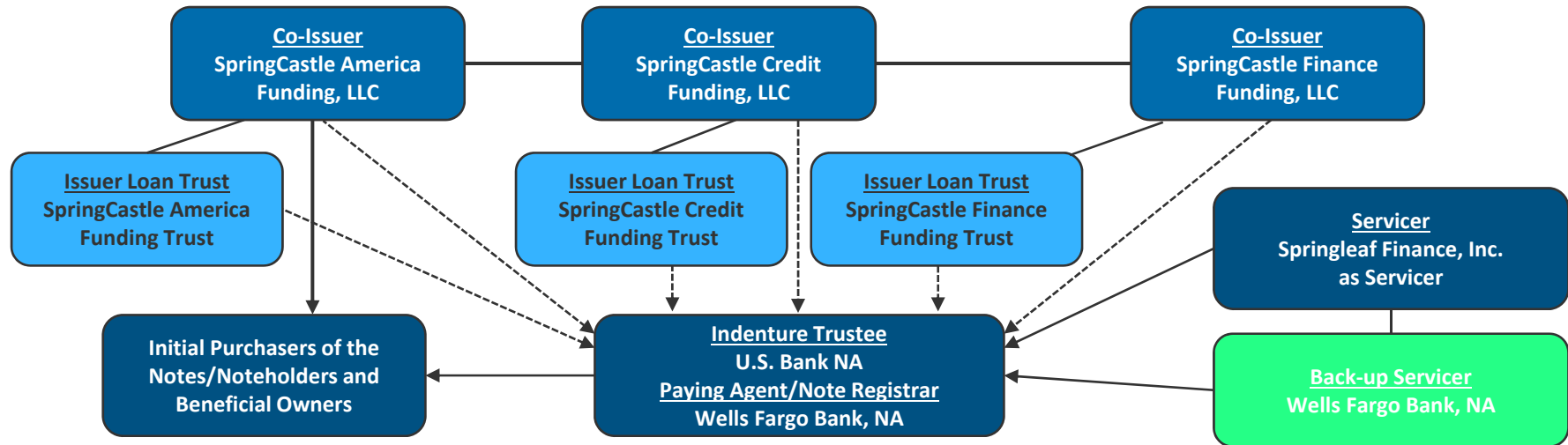
- Control
  - Policy & Procedure Testing
  - Centralized Quality Listening Program
  - Complaint Resolution Team
  - Root Cause Analysis
  - Customer Experience Surveys
  - Vendor Management and Debt Sales Governance
- Data and Technology
  - Improved Dialer technology and enhancements to call delivery
  - Enhanced direct mail and email, along with the introduction of text messaging
  - Upgrades to proprietary collection queuing system to improve workflow
  - New vendor relationships for unique data elements and batch skip tracing
- Strategy
  - Established centralized analytics and testing team
  - Capacity Planning and Modeling
  - Deployed account ownership model to increase associate accountability
  - Developed and deployed predictive loss models
  - Built daily reporting on portfolio / operations / collector performance
  - Provided associates with improved and targeted concessionary offers
  - Negotiated increased pricing in forward flow agreements on accounts sold post charge off



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# Legal Structure



- As part of the acquisition of the HSBC consumer loan portfolio and the related acquisition financing, on April 1, 2013 the Issuer Loan Trusts acquired legal title to the applicable loan portfolio and the Co-Issuers acquired all beneficial interest in the applicable loan portfolio
  - As part of the refinancing through SCFT 2014-A, the portfolio will remain with the Co-Issuers and the Issuer Loan Trusts who will issue new rated notes via a new Indenture
- The Co-Issuers and the Issuer Loan Trustees pledge their right, title and interest in the applicable loan portfolio to the Indenture Trustee to secure the Notes
  - Though not reflected in the Transaction Diagram, the physical loan files with respect to those loans for which physical loan files exist, were delivered to U.S. Bank National Association in its capacity as custodian under a custodial agreement.
- The Servicer services the loans and remits collections to the Indenture Trustee. In the event that the Servicer is terminated or resigns, the Back-up Servicer will service the loans.
- On each payment date, the Paying Agent uses the remittance from the Servicer (or the Back-up Servicer, if applicable) to make payments on the Notes pursuant to the Priority of Payments described in this presentation.