

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 10-K

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2021

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____ to _____

Commission File Number 001-39050

OPORTUN FINANCIAL CORPORATION

(Exact Name of Registrant as Specified in its Charter)

Delaware _____ State or Other Jurisdiction of Incorporation or Organization	45-3361983 _____ I.R.S. Employer Identification No.
2 Circle Star Way San Carlos, CA _____ Address of Principal Executive Offices	94070 _____ Zip Code

(650) 810-8823

Registrant's Telephone Number, Including Area Code
Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.0001 par value per share	OPRT	Nasdaq Global Select Market

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Smaller reporting company

Accelerated filer

Emerging growth company

Non-accelerated filer

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes No

The aggregate market value of the common stock held by non-affiliates of the registrant, based on the closing price of a share of common stock on June 30, 2021 as reported by the Nasdaq Global Select Market on such date was approximately \$321.5 million. Shares of the registrant's common stock held by each executive officer, director and holder of 5% or more of the outstanding common stock have been excluded in that such persons may be deemed to be affiliates. This calculation does not reflect a determination that certain persons are affiliates of the registrant for any other purpose.

The number of shares of registrant's common stock outstanding as of February 22, 2022 was 32,018,365.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's definitive Proxy Statement related to the Annual Meeting to be filed subsequently are incorporated by reference into Part III of this Form 10-K.

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Forward-Looking Statements

This Annual Report on Form 10-K, including the documents referenced herein, contains forward-looking statements, within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, concerning our business, operations and financial performance and condition, as well as our plans, objectives and expectations for our business operations and financial performance and condition. Any statements contained herein that are not statements of historical facts are forward-looking statements. In some cases, you can identify forward-looking statements by terminology such as “aim,” “anticipate,” “assume,” “believe,” “contemplate,” “continue,” “could,” “due,” “estimate,” “expect,” “goal,” “intend,” “may,” “objective,” “plan,” “predict,” “potential,” “positioned,” “seek,” “should,” “target,” “will,” “would,” and other similar expressions that are predictions of or indicate future events and future trends, or the negative of these terms or other comparable terminology, although not all forward-looking statements contain these words. These forward-looking statements include, but are not limited to, statements about:

- our ability to increase the volume of loans we make;
- our ability to manage our net charge-off rates;
- our acquisition of Hello Digit, Inc. ("Digit"), including the anticipated integration of the acquired business and potential benefits and related synergies of the acquisition;
- our expectations and management of future growth, including expanding our markets served, member base and product and service offerings, including our digital banking services;
- our ability to successfully adjust our proprietary credit risk models and products in response to changing macroeconomic conditions and fluctuations in the credit market;
- our expectations regarding our costs and seasonality;
- our ability to successfully build our brand and protect our reputation from negative publicity;
- our ability to expand our digital capabilities for origination and increase the volume of loans originated through our digital channels;
- our ability to increase the effectiveness of our marketing efforts;
- our ability to grow market share in existing markets or any new markets we may enter;
- our ability to continue to expand our demographic focus;
- our ability to maintain or expand our relationships with our current partners, including bank partners, and our plans to acquire additional partners using our Lending as a Service model;
- our ability to maintain the terms on which we lend to our borrowers;
- our plans for and our ability to successfully maintain our diversified funding strategy, including warehouse facilities, whole loan sales and securitization transactions;
- our ability to successfully manage our interest rate spread against our cost of capital;
- our ability to manage fraud risk;
- our expectations regarding the sufficiency of our cash to meet our operating and cash expenditures;
- our ability to effectively estimate the fair value of our Fair Value Loans and Fair Value Notes;
- our ability to effectively secure and maintain the confidentiality of the information provided and utilized across our systems;
- our ability to successfully compete with companies that are currently in, or may in the future enter, the markets in which we operate;
- our ability to attract, integrate and retain qualified employees;
- the impact of macroeconomic conditions on our business, including the impact of the COVID-19 pandemic;
- our ability to effectively manage and expand the capabilities of our contact centers, outsourcing relationships and other business operations abroad; and
- our ability to successfully adapt to complex and evolving regulatory environments

Forward-looking statements are based on our management’s current expectations, estimates, forecasts, and projections about our business and the industry in which we operate and on our management’s beliefs and assumptions. In addition, statements that “we believe” and similar statements reflect our beliefs and opinions on the relevant subject. These statements are based upon information available to us as of the date of this Annual Report on Form 10-K, and while we believe such information forms a reasonable basis for such statements, such information may be limited or incomplete, and our statements should not be read to indicate we have conducted exhaustive inquiry into, or review of, all potentially available relevant information. We anticipate that subsequent events and developments may cause our views to change. Forward-looking statements do not guarantee future performance or development and involve known and unknown risks, uncertainties, and other factors that are in some cases beyond our control. Factors that may cause actual results to differ materially from current expectations include, among other things, those listed under the heading “Risk Factors” and elsewhere in this report. We also operate in a rapidly changing environment and new risks emerge from time to time. It is not possible for our management to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or

combination of factors, may cause actual results to differ materially from those contained in, or implied by, any forward-looking statements. As a result, any or all of our forward-looking statements in this report may turn out to be inaccurate. Furthermore, if the forward-looking statements prove to be inaccurate, the inaccuracy may be material.

You should read this report with the understanding that our actual future results, levels of activity, performance and achievements may be materially different from what we expect, particularly given the uncertainties caused by the COVID-19 pandemic.

These forward-looking statements speak only as of the date of this report. Except as required by law, we assume no obligation to update or revise these forward-looking statements for any reason, even if new information becomes available in the future. We qualify all of our forward-looking statements by these cautionary statements.

Summary of Risk Factors

Investing in our common stock involves risks. See [Item 1A](#), “Risk Factors” in this Annual Report on Form 10-K for a discussion of the following principal risks and other risks that make an investment in our common stock speculative or risky:

Risks Related to Our Business

- The global COVID-19 pandemic has and may continue to adversely impact our business operations, financial performance and results of operations.
- We have experienced rapid growth in recent periods and our recent growth rates may not be indicative of future growth. If we fail to manage our growth effectively, our results of operations may suffer.
- Our results of operations and future prospects depend on our ability to retain existing, and attract new, members.
- We are, and intend in the future to continue, developing new financial products and services, and our failure to accurately predict their demand or growth could have an adverse effect on our business.
- The success and growth of our business depends upon our ability to continuously innovate and develop new products and technologies.
- If we do not compete effectively in our target markets, our results of operations could be harmed.
- Our risk management efforts may not be effective, which may expose us to market risks that harm our results of operations.
- We rely extensively on models in managing many aspects of our business. If our models contain errors or are otherwise ineffective, our business could be adversely affected.
- Our business may be adversely affected by disruptions in the credit markets and changes to interest rates on our borrowings.
- We have elected the fair value option and we use estimates in determining the fair value of our loans and our asset-backed notes. If our estimates prove incorrect, we may be required to write down the value of these assets or write up the value of these liabilities, which could adversely affect our results of operations.
- If we are unable to collect payment and service the loans we make to members, our net charge-off rates may exceed expected loss rates, and our business and results of operations may be harmed.
- Our quarterly results are likely to fluctuate significantly and may not fully reflect the underlying performance of our business.
- Our results of operations and financial condition have been and may be adversely affected by economic conditions and other factors that we cannot control.
- Negative publicity or public perception of our company or our industry could adversely affect our reputation, business, and results of operations.
- Competition for our highly skilled employees is intense, and we may not be able to attract and retain the employees we need to support the growth of our business.
- If we lose the services of any of our key management personnel, our business could suffer.
- Our success and future growth depend on our branding and marketing efforts.
- We may fail to realize all of the anticipated benefits of the Digit acquisition, and the merger or those benefits may take longer to realize than expected.
- Any acquisitions, strategic investments, entries into new businesses, joint ventures, divestitures, and other transactions could fail to achieve strategic objectives, disrupt our ongoing operations or result in operating difficulties, liabilities and expenses, harm our business, and negatively impact our results of operations.
- Fraudulent activity could negatively impact our business, operating results, brand and reputation and require us to take steps to reduce fraud risk.
- Security breaches and incidents impacting members’ confidential information that we store may harm our reputation, adversely affect our results of operations, and expose us to liability.
- Any significant disruption in our computer systems may impair the availability of our websites, applications, products or services, or otherwise harm our business.
- We may change our corporate strategies or underwriting and servicing practices, which may adversely affect our business.
- We are, and intend in the future to continue, expanding into new geographic regions, and our failure to comply with applicable laws or regulations, or accurately predict demand or growth, related to these geographic regions could have an adverse effect on our business.
- We are exposed to geographic concentration risk.
- Our proprietary credit risk models rely in part on the use of third-party data to assess and predict the creditworthiness of our members, and if we lose the ability to license or use such third-party data, or if such third-party data contain inaccuracies, it may harm our results of operations.
- Our current level of interest rate spread may decline in the future. Any material reduction in our interest rate spread could adversely affect our results of operations.
- A deterioration in the financial condition of counterparties, including financial institutions, could expose us to credit losses, limit access to liquidity or disrupt our business operations.

- Our vendor relationships subject us to a variety of risks, and the failure of third parties to comply with legal or regulatory requirements or to provide various services that are important to our operations could have an adverse effect on our business.
- Our mission to provide inclusive, affordable financial services that empower our members to build a better future may conflict with the short-term interests of our stockholders.
- If we cannot maintain our corporate culture as we grow, we could lose the innovation, collaboration and focus on the mission that contribute to our business.
- Our international operations and offshore service providers involve inherent risks which could result in harm to our business.

Risks Related to Our Intellectual Property

- It may be difficult and costly to protect our intellectual property rights, and we may not be able to ensure their protection
- We have been, and may in the future be, sued by third parties for alleged infringement of their proprietary rights.
- Our credit risk models, A.I. capabilities, and internal systems rely on software that is highly technical, and if it contains undetected errors, our business could be adversely affected.
- Some aspects of our business processes include open source software, and any failure to comply with the terms of one or more of these open source licenses could negatively affect our business.

Risks Related to Our Industry and Regulation

- The financial services industry is highly regulated. Changes in regulations or in the way regulations are applied to our business could adversely affect our business.
- Litigation, regulatory actions and compliance issues could subject us to significant fines, penalties, judgments, remediation costs and/or requirements resulting in increased expenses.
- Internet-based and electronic signature-based loan origination processes may give rise to greater risks than paper-based processes.
- The CFPB has broad authority to regulate consumer financial services, creating uncertainty as to how the agency's actions or the actions of any other new agency could impact our business.
- The collection, storage, use, disclosure, and other processing of personal information could give rise to liabilities as a result of existing or new governmental regulation, conflicting legal requirements or differing views of personal privacy rights.
- Our business is subject to the regulatory framework applicable to registered investment advisers, including regulation by the SEC.
- Our bank partnership products may lead to regulatory risk and may increase our regulatory burden.
- Anti-money laundering, anti-terrorism financing and economic sanctions laws could have adverse consequences for us.

Risks Related to Our Indebtedness

- We have incurred substantial debt and may issue debt securities or otherwise incur substantial debt in the future, which may adversely affect our financial condition and negatively impact our operations.
- A breach of early payment triggers or covenants or other terms of our agreements with lenders could result in an early amortization, default, and/or acceleration of the related funding facilities.
- Our securitizations and whole loan sales may expose us to certain risks, and we can provide no assurance that we will be able to access the securitization or whole loan sales market in the future, which may require us to seek more costly financing.

PART I

Item 1. Business

Company Overview

We are a financial technology company and digital banking platform driven by our mission to provide inclusive, affordable financial services that empower our members to build a better future. By intentionally designing our products to help solve the financial health challenges facing a majority of people in the U.S., we are focused on realizing our vision to deliver a complete set of financial solutions that meet the needs of hardworking people, from borrowing and saving to banking, investing and more. We believe our business is well positioned for significant growth and the expansion of our track-record of profitability.

Financial Health in America

According to a January 2022 survey by Bankrate, more than half of all Americans do not have enough savings to cover an unplanned expense of \$1,000. In 2021, the Financial Health Network reported that two-thirds of U.S. households struggle with spending, saving, borrowing and planning. In addition, our research shows that while 90% of U.S. consumers believe financial health is important, 57% of those consumers do not want to think about money.

Our digital banking platform is designed to address these societal issues with a comprehensive set of financial services that help people, even those who are not well served by mainstream financial institutions, access credit and automatically budget, save, and invest, without impacting their ability to meet daily spending needs. By applying artificial intelligence ("A.I.") to automate their financial health, we believe we have a compelling suite of products and services that addresses the very real needs of the vast majority of people living in the U.S.

Serving our Members' Financial Needs

Our members are among the hundreds of millions of hardworking Americans who are not well served by mainstream financial products. We take a holistic approach to serving our members and view it as our purpose to responsibly meet their current capital needs, help grow our members' financial profiles, increase their financial awareness and put them on a path to a financially healthy life. We believe our strong Net Promoter® Score ("NPS") score, 79 for our personal loans and 70 for our digital banking products, demonstrates our success in providing our members with effective and easy to use solutions. Our members access our products primarily through our website, the Digit mobile application, as well as through our Lending as a Service partners.

Credit Products—Since our founding in 2005, we have extended more than \$12.0 billion in responsible credit through more than 4.9 million loans and credit cards, and helping nearly 1.0 million people who came to Oportun without a FICO® score to begin establishing a credit history. According to a study commissioned by us on the credit options available to people with little or no credit history, the Financial Health Network found that Oportun loans are, on average, six times less expensive than other options and up to 25 times less expensive as compared to online-only installment products. In addition, the study found that our unsecured personal loan product has helped borrowers save more than \$2.0 billion in interest and fees. While many of the people who come to us are not well served by mainstream financial institutions due to limited credit history, we use A.I. and billions of proprietary data points to score 100% of our loan applicants and offer our members responsibly designed and affordable credit products that are often otherwise unavailable to them, including personal loans and credit cards.

Digital Banking Products—With our acquisition of Digit on December 22, 2021, we believe we now have a strong competitive advantage over other fintechs and neobanks. As a combined company, we can now offer access to a comprehensive suite of digital banking products, offered either directly or through partners, including savings and investing powered by A.I. and tailored to each member's goals to make achieving financial health automated. Digit began with a savings product with the intent to apply A.I. to make financial health effortless for everyone. Following the success of the initial savings product, Digit has now expanded its products and services to include bank account and investment products, available through partners. Since 2015, Digit members have saved over \$7.2 billion towards their rainy day fund and other savings goals and paid down more than \$330.0 million in debt. See [Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations](#) and Note [6. Acquisition](#), in the accompanying Notes to the Consolidated Financial Statements for further discussion of the Digit acquisition.

Lending as a Service—In addition to reaching members through direct marketing channels, we leverage our proprietary credit scoring and underwriting model to enable us to serve consumers by partnering with other brands. Our first strategic partner for this Lending as a Service model was DolEx Dollar Express, Inc. ("DolEx"). In this partnership, DolEx markets loans and enters borrower applications into Oportun's system, and Oportun underwrites, originates and services the loans. In July 2021, we signed our second Lending as a Service partner, Barri Financial Group, which we launched in several locations in October 2021. In January of 2022, we announced a partnership with Sezzle, a leading provider of Buy Now Pay Later ("BNPL") financing options. When deployed, Oportun's responsible lending product will be available as a checkout option, through Sezzle, for larger purchases, which we believe will allow us to reach more new members.

Our Digital Banking Platform

Consistent with our mission of financial inclusion, we have designed our digital banking platform to provide integrated products and services that are financially responsible and lower cost compared to market alternatives. Our application of A.I., specifically machine learning, is designed to address the shortcomings of the modern banking system. Since our inception, we have utilized alternative data sets to rapidly build, test and develop our underwriting, pricing, marketing, fraud and servicing models, and with the acquisition of Digit, we now offer machine learning capabilities that help members identify the right amount of money to put towards savings and investments each day. We believe this gives us a strong competitive

advantage and an unparalleled suite of digital banking products, which allow us to offer a lower cost option to millions of people in the U.S.

Through the development and utilization of our sophisticated underwriting models, we are able to assess credit risk more effectively compared to other companies and traditional scoring models. We ingest over 8.4 billion data points into our risk model development using traditional (e.g., credit bureau data) and alternative (e.g., transactional information, public records) data. This helps us to score 100% of the applicants who come to us seeking to borrow money, enabling us to serve more people while minimizing risk. In comparison, incumbent financial institutions relying on traditional credit bureau-based and in some cases qualitative underwriting and/or legacy systems and processes either decline or inaccurately underwrite loans due to their inability to properly evaluate applicants' credit.

Our fully centralized and automated digital underwriting platform powers our ability to successfully preapprove borrowers in seconds. As a result, our credit products, including unsecured personal loans, credit cards, and secured personal loans, are a significant differentiator from other lenders and other digital banking companies. Most fintech platforms are focused on borrowers with more established credit histories and higher incomes and are not able to match our ability to effectively manage credit risk among people who may face challenges with aspects of their financial health.

The evolution of our proprietary risk model enables us to underwrite more applicants and make more credit available to new and returning borrowers, while maintaining consistent credit quality. The continuous development and rapid deployment of our credit models enabled by machine learning creates a virtuous cycle that increases our member base and our alternative data set, improving our underwriting tools and ability to grow profitably.

In addition to the challenge of capital access, millions of people in the U.S. have a difficult time trying to save and manage money. Through our digital banking products, we help our members reach their financial goals and improve their financial health by automating away the guess-work and stress of money management. We meet our members where they are, connecting directly to their checking account to analyze spending and income patterns, regardless of whether their bank account is through Digit's partner bank or another bank. We apply algorithms to this data, along with generalized principles of responsible finance and behavioral psychology, to make personalized money allocation decisions on a daily basis for each of our members.

The algorithms behind our digital banking products intelligently utilize the nuances in transaction data to classify income and expenses with up to 95% accuracy. We classify financial obligations, credit, bills and paychecks based on historical data to forecast a future financial picture for each member. We employ continuous learning to update these models with the most recent financial data, so we do not miss new trends in spending habits or income changes (e.g., new employers, subscription services, insurers, side jobs, sales, etc.). With more than 660 million algorithmic transfers over the last 5+ years based on billions of data points, Digit has built an A.I. engine with a long track record of making financial health effortless for members. This serves as a major competitive advantage in delivering new types of personalized but scalable financial services. Our technology, member-centric culture and effective use of data and analytics enable us to efficiently help our members overcome financial challenges.

Our Strategy

We seek to expand our financial services to help a growing number of responsible, hardworking members to borrow, save, bank and invest through our digital banking platform and thus make financial health effortless for them. Our specific objectives are to (1) grow our members, both by organic acquisition and by extending the lifetime of our existing member relationships, (2) increase the number of products that our members use and drive higher engagement of multi-product relationships, and (3) enhance our platform capabilities across all core functions to better serve our members. Our strategy to achieve these objectives is to (a) invest in our member acquisition channels, especially digital and partner channels, (b) enhance our credit and digital banking products, and (c) provide these complementary product categories with a unified and integrated mobile-first experience powered by A.I. Our ability to comprehensively address our members' most pressing financial needs effortlessly and at attractive pricing will lead to increased lifetime value as members take advantage of our multiple product offerings.

Invest in member acquisition channels – To expand our member base, we plan to invest in scaling our marketing capabilities via brand marketing (including online and broadcast media) and direct marketing (including paid and organic online advertising and social media as well as offers made through our Digit mobile application) for our credit products and digital banking services. In addition, our origination partnerships with WebBank for credit cards and MetaBank, N.A. for personal loans allow us to reach new members across the nation, mainly through our digital marketing capabilities. We have significant opportunity to take market share as we increase awareness of Oportun's superior value proposition to members in markets we entered through these partnerships. In addition to our direct-to-consumer channels, we reach incremental members through our Lending as a Service product offering. By entering Lending as a Service partnerships with other companies, we create new proprietary channels through which to offer our lending products and financial services and acquire new members, multiplying our membership growth potential. We plan to add additional Lending as a Service partners in the future, both with retail origination capabilities, similar to DoEx and Barri Financial, and fully digital platforms such as Sezzle, a leader in the buy-now-pay-later space. We will also seek to market our digital banking products to former Oportun borrowers who successfully repaid their loans and intend to market our credit products to former Digit members.

Enhance our credit and digital banking products – We leverage machine learning to rapidly build and test strategies across the member lifecycle, including through targeted digital marketing, underwriting, pricing, fraud and member servicing. We believe that as we scale our suite of digital banking products and services, we will further improve member loyalty and increase member lifetime value. We also expect to continue to derive actionable insights to further drive growth of our secured personal loan and credit card products that are still early in their market adoption lifecycle. Additionally, we will continue to invest significantly in our artificial intelligence capabilities to expand the functionality and efficiency of our products.

Provide a unified and integrated mobile experience – In order for all members and potential members to be made aware of and offered our full range of products, we are developing a single acquisition funnel for our products to increase member conversion and decrease cost of member acquisition. This affords the broadest possible opportunity to sustain long-term relationships with our members. Our digital banking platform enables us to have frequent and in some cases daily engagement with our members through the benefit of our budgeting and money management tools. We plan to invest in increased content and functionality to further increase our members' engagement. This will strengthen our relationships with our members and enable us to become their preferred provider of credit and digital banking products. We believe this will result in higher member lifetime value as members extend their relationships with us and utilize more of our products. We will continue to invest in further enhancements to serve more of our members' needs, continue to build lasting and durable relationships with them and improve their financial health.

Our Products

Our financial products allow us to meet our members where they are and assist them with their overall financial health, resulting in opportunities to present multiple relevant products to our members. Our credit products include personal loans, secured personal loans and credit cards. Our digital banking products include, automated savings, as well as a digital bank account and long-term investing and retirement savings available through partners.

Consumers are able to become members and access our products through our digital banking app—the Digit app—and the Oportun.com website, which are our primary channels for onboarding and serving members. Our personal loan products are also available over the phone or through our retail and Lending as a Service partner locations. We help potential and current members become aware of our product offerings through brand marketing (including online and broadcast media and outdoor advertising, including the physical presence of retail locations in some of the communities we serve) and direct marketing (including SMS/text, email, mail and offers made available through our digital banking app).

Credit Products

Personal Loans - Personal loans allow our consumers a fast and convenient way to address pressing financial needs (for example an unplanned car repair) as well as planned purchases and personal growth opportunities (such as a deposit on a home rental). Our competitive differentiation in personal loans comes from our segment focus, our technology, data, and A.I.-driven approach to delivering personal loans, and the way we tailor our product designs and borrowers experience to meet and exceed the expectations of our target members. This product is currently the majority of our revenue and profitability, and continues to have significant opportunity for growth, benefiting from category growth as well as growth in our brand awareness outside of our historical regional operating footprint (leveraging our partnership with MetaBank, N.A.).

Our personal loan is a simple-to-understand, affordable, unsecured, fully amortizing installment loan with fixed payments throughout the life of the loan. We charge fixed interest rates on our loans, which vary based on the amount disbursed and applicable state law, with a cap of 36% annual percentage rate ("APR") in all cases. As of December 31, 2021, for all active loans in our portfolio and at time of disbursement, the weighted average term and APR at origination was 35 months and 32.4%, respectively. The average loan size for loans we originated in 2021 was \$3,357. Our loans do not have prepayment penalties or balloon payments, and range in size from \$300 to \$11,000 with terms of 11 to 52 months. Generally, loan payments are structured on a bi-weekly or semi-monthly basis to coincide with our members' receipt of their income. As part of our underwriting process, we only approve loans that meet our ability-to-pay criteria. As of December 31, 2021, we originate unsecured personal loans in 12 states through state licenses and in 26 states through our partnership with MetaBank, N.A.

Secured Personal Loans - In April 2020, we launched a personal installment loan product secured by an automobile, which we refer to as secured personal loans. This product allows our borrowers to access larger loan sizes than they can with an unsecured loan, which is critical if the need they are facing exceeds our unsecured lending limits for that member. Our secured personal loans business has significant growth potential as we expand geographic and channel availability and make more of our members aware of the product. Our competitive differentiation in secured personal loans comes from leveraging the member base, application flow, and business platform we have already built for unsecured personal loans – we underwrite borrowers seeking a personal loan for both an unsecured and secured loan, allowing them to choose the offer that fits best for them.

Our secured personal loans range in size from \$2,525 to \$20,000 with terms ranging from 21 to 64 months. The average loan size for secured personal loans we originated in 2021 was \$7,003. As of December 31, 2021, for all active loans in our portfolio and at time of disbursement, the weighted average term and APR at origination was 46 months and 29.6%, respectively. As part of our underwriting process, we verify income for all applicants and only approve loans that meet our ability-to-pay criteria. Our secured personal loans are currently offered in California, Texas and Florida, and we are in the process of expanding to other states.

Credit Cards - We launched the Oportun® Visa® Credit Card, issued by WebBank, Member FDIC, in December 2019, and offer credit cards in 45 states as of December 31, 2021. This product has the advantage of being an "everyday, in your pocket" product, easily usable for small ticket purchases. Additionally we are finding that it's a great additional Oportun product for applicants that first came to us for a personal loan – they appreciate the opportunity to further build their credit and benefit from the convenience of a credit card. Our competitive differentiation will increasingly come from cross-selling credit cards to borrowers that first came to us for personal loans or our digital banking products. Credit lines for our credit cards range in size from \$300 to \$1,000 with an APR between 24.9% to 29.9%. The average APR of the outstanding credit card receivables was 29.8% as of December 31, 2021. The average credit line for credit cards activated in 2021 was \$898.

Digital Banking Products

With the acquisition of Digit on December 22, 2021, we now offer a variety of digital banking products. Digit is a digital financial health platform that offers personalized and automated savings, investing and banking tools. Members integrate their existing bank accounts into the platform or they can make Digit their primary banking relationship through a bank partner. Members set goals for savings or investing through the

Digit application or use the application to help manage their debt. Then, our A.I. engine analyzes their income and spending patterns to find the optimal amount that can safely be applied towards their goals and automatically transfers the necessary funds over time to achieve those goals. One proof point of the success of this A.I.-driven approach is the 660 million algorithmic transfers completed in the last 5+ years.

We believe that the mainstream banking industry focuses on serving more affluent borrowers and has not built core deposit products to effectively serve the needs of everyday consumers. Despite the fact that free savings accounts are available at every corner bank, most underserved people in the U.S. have not been successful in their savings goals. We see this market failure as an opening, and our competitive advantage is to leverage A.I. and mobile to deliver better banking products to everyday consumers, to help them actually succeed with their saving, daily budget management, and spend management goals. Additionally, our digital banking platform will allow us to have as frequent as daily engagement with our members through the benefit of our budgeting and money management tools. This will enhance our relationship with our members and allow us to be a preferred provider of other financial services and credit products. The financial result will be higher revenue as members extend their relationships with us, use more credit products and choose to pay for additional financial services. We will continue to invest in and evolve our digital banking platform to further improve our ability to serve our members and continue to build lasting and durable relationships with them.

Digit Savings – Our Digit Savings product is designed to understand a member’s cash flows and save a calculated amount on a regular basis to effortlessly achieve savings goals. Digit’s savings product utilizes machine learning to analyze a member’s transaction activity and build forecasts of the member’s future cash flows to make small, frequent savings decisions according to the member’s financial goals in a personalized manner. According to a January 2022 survey by Bankrate, more than half of all Americans do not have enough savings to cover an unplanned expense of \$1,000. After one year using the automated savings product, members have been able to increase their liquid savings by approximately 50%. Since 2015 Digit has helped members save \$7.2 billion and pay down more than \$330.0 million in debt.

Digit Direct – Our Digit Direct product offers a full checking account, through a bank partner, that intelligently organizes and budgets a member’s money across bills, savings, and spending. The bank account with a brain™, Digit Direct leverages the same A.I. engine used for our savings product to automatically identify and organize recurring bills and guides spending to ensure members’ savings goals are met, and that members know exactly what they can safely spend. This is on top of what members can expect from a traditional checking account, including a physical and virtual debit card to use for purchases and ATM withdrawals and checks. According to a BMM population survey in October 2019, 90% of U.S. consumers think that being financial healthy is important but 57% do not want to think about money. Our product allows our busy members to get back to living their lives without stressing about money management.

Digit Investing and Digit Retirement – Our Digit investment and retirement products are a longer-term savings solution via an A.I.-driven portfolio allocation into low-cost investments based upon risk-tolerance. According to Financial Health Network “Financial Health Pulse: 2021 U.S. Trends Report”, 57% of U.S. consumers are not confident about their long-term financial goals. Our long-term investment solutions automatically allocate our members’ savings into low-cost risk-adjusted portfolios held in brokerage accounts or tax-advantaged IRAs. Since 2020, Digit members have invested \$36 million into long-term goals through low-cost ETF portfolios. The investment accounts, offered through a broker-dealer partner, include a general investing account and a retirement account for our members’ longer term goals, utilizing smart recommendations to invest savings in risk-adjusted portfolios.

Lending as a Service

Beyond our core direct-to-consumer lending business, we believe that we can leverage our proprietary credit scoring and underwriting model to partner with other consumer brands. Our first strategic partner for this Lending as a Service model was DolEx. In this partnership, DolEx markets loans and enters borrower applications into Oportun’s system, and Oportun underwrites, originates and services the loans. In July 2021, we signed Barri Financial Group as a Lending as a Service partner and we launched in several of their locations in October 2021. In January of 2022, we announced our first all-digital Lending as a Service partnership with Sezzle, a leading provider of BNPL financing options. When deployed, Oportun will be available as a checkout option, through Sezzle, for larger purchases, which we believe will allow us to reach more new members. We believe we will be able to offer Lending as a Service to additional partners, and expand our membership base.

Our Competition

In consumer finance, we compete with other consumer finance companies, credit card issuers, financial technology companies and financial institutions, as well as other nonbank lenders serving consumers who do not have access to mainstream credit, including online marketplace lenders, point-of-sale lending, payday lenders, and auto title lenders and pawn shops focused on underserved borrowers. We may also face competition from companies that have not previously competed in the consumer lending market for borrowers with limited credit history. For example, we are already seeing that the companies commonly referred to as “challenger banks” offering low-cost digital-only deposit accounts are beginning to offer lending products catered to underserved borrowers. In addition, it is possible that, in competitive reaction to the challenger banks, traditional banks may introduce new approaches to small-dollar lending. While the consumer lending market is competitive, we believe that we can serve our target market with products that lead to better outcomes for consumers because they cost significantly less than other products used to fulfill similar borrowing needs and their responsible design supports consumer financial health. On the contrary, the offerings of payday, auto title and pawn lenders, for example, are provided at rates that are too expensive relative to the borrowers’ ability to pay, are often structured in a way that forces borrowers to become overextended, and typically lack the personalized touch that is essential to cultivating the trust of our target member base. Few banks or traditional financial institutions lend to individuals who have limited credit history. Those individuals that do have a credit score, but have a relatively limited credit history, also typically face constrained access and low approval rates for credit products.

The principal competitive factors in our sector include member approval parameters (often described informally as “credit box”), price, flexibility of loan terms offered, member convenience and member satisfaction. We believe our technology, responsible construction of our products, A.I.-enabled digital platform and superior member value proposition allow us to compete favorably on each of these factors. Going forward,

however, our competition could include large traditional financial institutions that have more substantial financial resources than we do, and which can leverage established distribution and infrastructure channels. Additionally, new companies are continuing to enter the financial technology space and could deploy innovative solutions that compete for our members. See “Risk Factors - If we do not compete effectively in our target markets, our results of operations could be harmed” and “Risk Factors - Competition for our highly skilled employees is intense, and we may not be able to attract and retain the employees we need to support the growth of our business.”

In digital banking, we compete with traditional banks, both large and small, as well as other Fintech companies offering mobile-centric digital banking propositions. Currently most consumers continue to bank primarily with traditional banks. However, in the last several years, Fintech companies with digital banking propositions have grown their member bases significantly, especially with underserved consumers. We are already seeing some competitive reactions from traditional banks to this potential disruption. For example a number of larger banks have in the last year introduced more consumer-centric approaches to overdraft, as well as up-to-two-day-early access to payroll deposits. While the digital banking market is competitive, we observe that so far most of the competitive tactics have centered on intuitive low-friction mobile experiences, and reduction or elimination in overdraft fees. Our strategy is to differentiate by harnessing AI to enable members to actually achieve better financing outcomes – to succeed in their savings goals, better manage their monthly budgets, and improve their financial health.

Seasonality

See [Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations](#) for discussion of Seasonality.

Regulations and Compliance

We are subject to various federal, state and local regulatory regimes related to the financial services that we provide. These laws and regulations, among other things, impose licensing and qualifications requirements; require various disclosures and consents; mandate or prohibit certain terms and conditions for various financial products; prohibit discrimination based on certain prohibited bases; prohibit unfair, deceptive or abusive acts or practices; require us to submit to examinations by federal, state and local regulatory regimes; and require us to maintain various policies, procedures and internal controls.

We are subject to examination, supervision and regulation by each state in which we are licensed and are regulated by the Consumer Financial Protection Bureau (CFPB). In addition to the CFPB, other state and federal agencies have the ability to regulate aspects of our business. For example, the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Dodd-Frank Act”), as well as many state statutes provide a mechanism for state attorneys general to investigate us. In addition, the Federal Trade Commission has jurisdiction to investigate aspects of our business. Federal consumer protection laws that these regulators may enforce include laws related to the use of credit reports and credit reporting accuracy, data privacy and security, disclosure of applicable loan terms, anti-discrimination laws, laws protecting members of the military, laws governing payments, including recurring ACH payments and laws regarding electronic signatures and disclosures. Digit Advisors is registered as an investment adviser under the Investment Advisers Act of 1940, as amended (the “Advisers Act”), and is subject to regulation by the SEC.

We are also subject to inspections, examinations, supervision and regulation by applicable agencies in each state in which we do business. Many states have laws and regulations that are similar to the federal consumer protection laws referred to above, but the degree and nature of such laws and regulations vary from state to state. State laws also further dictate what state licenses we need to conduct business and also regulate how we conduct our business activities.

In addition, as a result of our bank partnerships, prudential bank regulators with supervisory authority over our partners have the ability to regulate aspects of our business.

We are subject to the USA PATRIOT Act, Office of Foreign Assets Control, Bank Secrecy Act, Anti-Money Laundering laws, and Know-Your-Customer requirements and certain state money transmitter laws.

In October 2021, we announced the decision to voluntarily withdraw our previously filed application with the Office of the Comptroller of the Currency (the “OCC”) to obtain a national bank charter through the establishment of a national bank. As previously announced, our intent is to amend elements of the application to reflect the changes in our business and refile with the OCC for a national banking charter; provided, that it is possible that we could establish or acquire a banking entity in a different form, or choose not to pursue a bank charter. In the future, if we decide to pursue and are successful in obtaining a banking charter, we will be regulated by the Federal Reserve and the FDIC, and depending upon the type of charter, the OCC.

The laws and regulations applicable to us are continuing to evolve through legislative and regulatory action and judicial and regulatory interpretation and we monitor these areas closely. We regularly review our consumer contracts, consumer-facing content, policies, procedures and processes to ensure compliance with applicable laws and regulations. We have built our systems and processes with controls in place in order to ensure compliance with applicable laws. In addition to ensure proper controls are in place, we have a compliance management system that leverages the five key control components of governance, compliance program risk assessments, policies, procedures and training, member complaint monitoring and internal compliance audits.

For more information with respect to the regulatory framework affecting our business, see “Risk Factors – Risks Related to our Industry and Regulation.”

Information Technology, Infrastructure and Security

Technology Infrastructure

Our applications, including our proprietary workflow management system that handles loan and credit card application, document verification, loan disbursement and servicing, as well as our systems that handle that our automated savings, investing and banking tools are architected to be highly available, resilient, scalable, and secure. Supporting systems are managed in a cloud environment hosted by industry-leading cloud service providers that are N+2 compliant.

Cloud-Native Technologies and Scalable Cloud Architecture

We utilize various facets of cloud capabilities to deliver a world-class experience for our members. Utilizing a combination of serverless, Kubernetes and EC2 technologies, we provide a highly available and scalable platform to run our various workloads with minimal overhead.

Critical services in the cloud are deployed across multiple availability zones within a region to ensure that we have the necessary scalability and availability to support our service-level objectives. Service design is vetted against current industry best practices to ensure that as the cloud evolves, we are taking advantage of current feature sets surrounding availability and scalability.

Cybersecurity

Our information security program governs how we safeguard the confidentiality, integrity, and availability of our data and systems. We also believe that operating a secure business must span people, process, and technology and as such build security awareness in our corporate communications and training efforts. We continuously monitor our environment in real-time using tools designed to detect security events and ensure our network security with a secure, private cloud network. We also encrypt sensitive personally identifiable information and engage with third parties to audit our information security program and to perform regular penetration tests of our web applications and cloud environments.

Disaster Recovery and Preparedness

Infrastructure is in place and designed to support redundancy across our mission critical systems. Disaster recovery and business continuity plans, and tests have been completed, which help to ensure our ability to recover in the event of a disaster or other unforeseen event. In the event of a catastrophic disaster affecting one of our hosting facilities, we can restore production databases to minimize disruption of service. Furthermore, additional measures for operational recovery include real-time replication of production databases for quick failover. In the event of database restores, we perform data consistency checks to validate the integrity of the data recovery process. A comprehensive business impact analysis is performed annually detailing the maximum tolerable downtime for all mission critical functions.

Across our infrastructure, a robust and holistic monitoring-and-alerting practice allows for awareness and detection capabilities ensuring faster incident response and resolution time, limiting the risk of unplanned events, such as downtime or security threats.

Our Intellectual Property

We protect our intellectual property through a combination of trademarks, trade dress, domain names, copyrights and trade secrets, as well as contractual provisions, confidentiality procedures, non-disclosure agreements with third parties, employee disclosure and invention assignment agreements and other contractual rights. We currently have no patent applications on our proprietary risk model, underwriting process or loan approval decision making process because applying for a patent would require us to publicly disclose such information, which we regard as trade secrets. We may pursue such protection in the future to the extent we believe it will be beneficial.

We have trademark rights in our name, our logo, and other brand indicia, and have trademark registrations for select marks in the United States and many other jurisdictions around the world. We will pursue additional trademark registrations to the extent we believe it will be beneficial. We also have registered domain names for websites that we use in our business. We may be subject to third party claims from time to time with respect to our intellectual property. See "[Item 3. Legal Proceedings](#)" for more information.

In addition to the protection provided by our intellectual property rights, we enter into confidentiality and intellectual property rights agreements with our employees, consultants, contractors and business partners. Under such agreements, our employees, consultants and contractors are subject to invention assignment provisions designed to protect our proprietary information and ensure our ownership in intellectual property developed pursuant to such agreements.

Our People

At Oportun, we are building a community of employees, partners, and members who support each other on the path to new opportunities, because we believe that when we work together, we can make life better. Our welcoming and inclusive company culture is grounded in our core values - service, excellence, care, innovation, courage, and empowerment – and our people strategies are committed to fostering a culture which encourages and empowers our employees to live our core values every day.

- *Employee Engagement* – We conduct an annual engagement survey as a means of measuring employee engagement and satisfaction, as well as a tool for improving our people strategies for the year ahead. Approximately 80% of our employees participated in our 2021

employee engagement survey, of which 81% reported that they were satisfied with Oportun as a place to work and 85% reported that they were proud to work at Oportun. The results are shared with our employees and reviewed by senior leadership to identify areas of progress and areas for improvement. The feedback is prioritized into actions and activities in response to this feedback to drive meaningful improvements in employee engagement.

- *Diversity and Inclusion* – The majority of Oportun employees identify as women or members of an underrepresented group and the majority of Oportun’s leadership team identifies as either women or members of an underrepresented group. We define the leadership team as Directors, Senior Directors, Vice Presidents and above, inclusive of the Board of Directors. In 2020, we launched a global diversity, equity, and inclusion (DEI) initiative to actively assess and build on the progress we have made as an organization, including establishing a DEI council comprising a representative group of employees. Our people are encouraged to engage with and support one another through our seven employee-organized employee resource groups, including the Asian Pacific Islanders, Black Professionals @ Oportun, (dis)Ability, Oportun Latinx & Allies (hOLA), True Colors, Self-Enablement & Empowerment Network (SEEN), Veteran's ERG (VERGE), and Women's Initiative Network (WIN). Digit employees have also organized resource groups in the following communities: Asian, black, South Asian, Latinx, people with children/main caregivers of children, LGBTQ+ and women. In 2021, we implemented company-wide diversity, inclusion and belonging training and our leadership teams participated in facilitated workshops focused on improving diversity and inclusion and addressing unconscious bias. We are committed to fostering a culture of diversity, equity and inclusion; providing comprehensive training and leadership development programs; and continuing to increase diverse representation at every level of the Company. This focus also extends to our Board. Currently, two-thirds of our Board identifies as women or members of an underrepresented group.
- *Health, Safety and Wellness* – The health, safety, and wellness of our employees are vital to our success. Our health and safety management system incorporates processes to proactively assess risks to the health and safety of our employees and the community, as well as tracking compliance, incidents, inspections, and corrective actions. We also require employees to participate in extensive training every year on health and safety topics such as physical security, injury and illness prevention, and security incident reporting. We have taken additional measures during the COVID-19 pandemic, including providing information resources, daily health screening, testing, plexiglass barriers, and supplemental sick leave for employees with possible COVID-19 symptoms. We have also expanded the delivery of mental health and wellness resources, including by increasing the frequency of live webinars and partnering with providers to make mental health counseling and overall wellness tools.
- *Total Rewards* - To attract and retain talent, we offer competitive compensation and non-financial benefits everywhere we operate. We benchmark market practices, and regularly review our compensation against the market to ensure it remains competitive. These benefits are tailored to the markets in which our employees are located. In addition to salaries, our benefits programs include annual bonuses, equity awards, a 401(k) plan, healthcare and insurance benefits, flexible spending accounts, paid time off, family leave, family care resources, and tools to promote mental health and wellness. In 2021, we transitioned to a remote-first policy that permits most of our employees to work remotely should their roles allow. To support our remote-first culture, we actively encourage personal well-being through initiatives, including wellness days for employees to take time to rest and recharge, engagement programs (speaker events, employee resource groups, virtual events, etc.), and recognition programs.

We had 2,729 full-time and 313 part-time employees worldwide as of December 31, 2021. This includes 746 corporate employees in the United States, of which 326 employees are dedicated to technology, risk, analytics, A.I. and data science.

Available Information

Our website address is www.oportun.com. Our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and amendments to reports filed pursuant to Section 13(a) and 15(d) of the Exchange Act, are filed with the SEC. The SEC maintains a website that contains our filings at www.sec.gov.

These reports are also available free of charge through our website, www.investor.oportun.com, as soon as reasonably practicable after we file them with, or furnish them to, the SEC.

We announce material information to the public through a variety of means, including filings with the SEC, press releases, public conference calls, our websites (www.oportun.com and www.digit.co), the investor relations section of our website (investor.oportun.com), as well as social media, including our LinkedIn pages (<https://www.linkedin.com/company/oportun/> and <https://www.linkedin.com/company/digit-co/>), Twitter accounts (@Oportun and @hellodigit) and Instagram account (@hellodigit). The information on our website is not incorporated by reference into this report. The website addresses listed above are provided for the information of the reader and are not intended to be active links.

Item 1A. Risk Factors

Investing in our common stock involves a high degree of risk. Any of the following risks could have an adverse effect on our business, results of operations and financial condition. The following risks could cause the trading price of our common stock to decline, which would cause you to lose all or part of your investment. You should carefully consider these risks, all of the other information in this report, including our consolidated financial statements, the notes thereto and the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations", and general economic and business risks before making a decision to invest in our common stock. While we believe the risks described below include all material risks currently known by us, it is possible that these may not be the only ones we face. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also impair our business operations.

Risks Related to Our Business

The global COVID-19 pandemic has and may continue to adversely impact our business operations, financial performance and results of operations.

The COVID-19 pandemic and health and safety measures taken by governments and private industry in response to the pandemic have significantly impacted worldwide economic activity and continue to create economic uncertainty. The extent to which the spread of COVID-19 (including its variant strains) impacts our business, results of operations, and financial condition will depend on developments that continue to be highly uncertain and difficult to predict. Concerns over the economic impact of the COVID-19 pandemic have caused extreme volatility in financial and other capital markets which has and may continue to adversely impact our stock price as well as our ability to access capital markets. If funds become unavailable, we cannot be sure that we will be able to maintain the necessary levels of funding to retain current levels of originations without incurring higher funding costs, a reduction in the term of funding instruments or increasing the rate of whole loan sales or be able to access funding at all. If we are unable to arrange financing on favorable terms, we may not be able to grow our business as planned and we may have to further curtail our originations and reduce credit lines to cardholders.

The COVID-19 pandemic has adversely affected our business in a number of ways, including a decreased demand for our products during certain parts of the pandemic, which, has in turn decreased originations at those times. Actions we have taken or may take in the future intended to assist members impacted by COVID-19 may negatively impact our results of operations. For instance, we have and are continuing to offer payment relief options to members impacted by COVID-19, including hardship programs, reduced payment plans, late fee waivers and other borrower accommodations. There can be no assurance that inquiries related to payment relief options will not increase in the future, either as a result of COVID-19 or a future emergency or disruption in the economy. Legal, regulatory and media concerns about the lending industry in general, or our practices, during the COVID-19 pandemic could result in additional restrictions affecting the conduct of our business in the future either due to regulatory requirements or made voluntarily due to reputational or other pressures.

While the majority of our retail locations remained functional during the COVID-19 pandemic, we have had to temporarily alter our operations during parts of the pandemic to comply with local health orders, including reducing opening hours or closing certain retail locations. These alterations have at times negatively affected, and if we are required to reinstate them in the future, could negatively affect in the future, our ability to attract new members, conduct business and collect payments from members, which could result in increased delinquencies and losses. In addition, changes in consumer behavior and health concerns may continue to impact demand for our loans and traffic at our retail locations. We are taking precautions to protect the safety and well-being of our employees and members. However, no assurance can be given that the steps being taken will be deemed to be adequate or appropriate.

Our adoption of remote working arrangements for our corporate and many of our contact center employees may result in consumer or employee privacy, IT security, and fraud concerns, as well as increase our exposure to potential regulatory or civil claims. While most of our operations can be performed remotely and are operating effectively at present, there is no guarantee that this will continue or that we will continue to be as effective while working remotely. Many employees may have additional personal needs to attend to (such as looking after children as a result of school closures and mandated quarantines or a family member who becomes sick), and employees may become sick themselves and be unable to work. As conditions improve and restrictions are lifted, we plan to resume in-person activities, travel and events, which may lead to additional costs or disruptions to our business and operations.

The ultimate extent of the impact of the COVID-19 pandemic on our business and results of operations remains highly uncertain and will depend on future developments that cannot be predicted, including the scope and duration of the pandemic, vaccine adoption or rollout globally, resurgence of infection rates from COVID-19 (including its variant strains), vaccine efficacy, vaccination as a condition of employment, governmental stimulus and tax credits, and timing of the global recovery. Additionally, if any of our critical vendors are adversely impacted by the COVID-19 pandemic and unable to deliver services to us, our operations may be adversely impacted.

We have experienced rapid growth in recent periods and our recent growth rates may not be indicative of future growth. If we fail to manage our growth effectively, our results of operations may suffer.

We have experienced rapid growth in our business and operations in recent periods, and our recent growth rates, which has placed significant demands on our management, operational, risk management, technology, marketing, compliance and finance and accounting infrastructure, and has resulted in increased expenses, a trend that we expect to continue as our business continues to grow. In addition, we are required to continuously develop and adapt our 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. Overall revenue growth

depends on a number of factors, including on our ability to increase the origination volume of our products and services, attract new and retain existing members, build our brand, achieve the anticipated benefits and synergies from the Digit acquisition, expand our workforce, while managing our business systems and operations to support future growth. If we are unable to accomplish these tasks, our revenue growth may be harmed.

Further, many economic and other factors outside of our control, including general economic and market conditions, pandemics, consumer and commercial credit availability, inflation, unemployment, and consumer debt levels, may adversely affect our ability to sustain revenue growth consistent with recent history.

Our results of operations and future prospects depend on our ability to retain existing, and attract new, members.

We operate in a rapidly changing and highly competitive industry and our results of operations and future prospects depend on, among other things, continued growth of our member base, our ability to increase the activity of our members, including by using additional products or services we offer, and our ability to attract members in a cost-effective manner. Our member retention rates may decline or fluctuate due to pricing changes, our expansion into new products and markets, our members' ability to obtain alternative funding sources based on their credit history with us, and new members we acquire in the future may be less loyal than our current member base.

In particular, it is important that we continue to ensure that our members with loans remain loyal to us and we continue to extend loans to members who have successfully repaid their previous loans. As of December 31, 2021 and 2020, members with repeat loans comprised 76% and 85%, respectively, of our Owned Principal Balance at End of Period. If our repeat loan rates decline, we may not realize consistent or improved operating results from our existing member base.

We are, and intend in the future to continue, developing new financial products and services, and our failure to accurately predict their demand or growth could have an adverse effect on our business.

We are, and intend in the future to continue, developing new financial products and services. We intend to continue investing significant resources in developing new tools, features, services, products and other offerings. New initiatives are inherently risky, as each involves unproven business strategies and new financial products and services with which we have limited or no prior development or operating experience.

We can provide no assurance that we will be able to develop, commercially market and achieve acceptance of our new products and services, including products offered by Digit. Our development efforts with respect to these initiatives could distract management from current operations and could divert capital and other resources from other growth initiatives important to our business. In addition, our investment of resources to develop new products and services may either be insufficient, result in expenses that are excessive considering revenue originated from these new products and services, or may not be able to attract new members or retain existing members. We have previously invested resources to develop and launch new products and services and subsequently decided to discontinue these products and services in order to strategically realign our resources. If we are not able to effectively implement new technology-driven products and services as quickly as our competitors or be successful in marketing these products and services to our members and strategic partners, demand for our products and services may decrease and our business, results of operations and future prospects could be materially and adversely affected. In addition, the borrower profile of members using our new products and services may not be as attractive as existing members with credit products, which may lead to higher levels of delinquencies or defaults than we have historically experienced. Failure to accurately predict demand or growth with respect to our new products and services could adversely impact our business, and these new products and services may not become profitable, and even if they are profitable, operating margins of some new products may not be as high as the margins we have experienced historically or we may not be able to achieve target margins.

The success and growth of our business depends upon our ability to continuously innovate and develop new products and technologies.

The financial services industry is undergoing rapid technological changes, with frequent introductions of new technology-driven products and services. Developing and incorporating new technologies, including A.I., into our products and services may require significant investment, take considerable time, and ultimately may not be successful. We may not be able to effectively implement new technology-driven products and services as quickly as competitors or be successful in marketing these products and services to our members. Furthermore, our technology may become obsolete or uncompetitive, and there is no guarantee that we will be able to successfully develop, obtain or use new technologies to adapt our models and systems.

As with many disruptive innovations, new technologies present risks and challenges that could affect their adoption, and therefore our business. A.I. and related technologies are subject to public debate and heightened regulatory scrutiny. Any negative publicity or negative public perception of A.I. could negatively impact demand for our products and services or hinder our ability to attract new members and strategic partners. The regulatory framework for A.I. and machine learning technologies is evolving and remains uncertain. It is possible that new laws and regulations will be adopted, or existing laws and regulations may be interpreted in new ways, that would affect our business, products and services and the way in which we use A.I., including with respect to fair lending laws. Our success will depend on our ability to develop and incorporate new technologies and adapt to technological changes and evolving industry standards. If we are unable to do so in a timely or cost-effective manner, our business could be harmed.

If we do not compete effectively in our target markets, our results of operations could be harmed.

The industries in which we compete are highly competitive, continuously changing, highly innovative, and increasingly subject to regulatory scrutiny and oversight. Our current and potential future competition primarily includes other consumer finance companies, credit card issuers, financial technology companies, technology platforms, neobanks, challenger banks, and financial institutions, as well as payday lenders and pawn

shops. We may compete with others in the market who may in the future provide offerings similar or are competitive with ours, particularly companies who may provide lending, money management and other services through a platform similar to our platform.

Many of our current or potential competitors have significantly more financial, technical, marketing, access to low-cost capital, and other resources than we do and may be able to devote greater resources to the development, promotion, sale and support of their platforms and distribution channels. As such, many of our competitors can leverage their size, robust networks, financial wherewithal, brand awareness, pricing power and technological assets to compete with us. To the extent new entrants gain market share, the use of our products and services would decline. Our long-term success depends on our ability to compete effectively against existing and potential competitors that seek to provide banking and financial technology products and services. If we fail to compete effectively against these competitors, our revenues, results of operations, prospects for future growth and overall business will be materially and adversely affected.

Our risk management efforts may not be effective, which may expose us to market risks that harm our results of operations.

We could incur substantial losses and our business operations could be disrupted if we are unable to effectively identify, monitor and mitigate financial risks, such as credit risk, interest rate risk, prepayment risk and liquidity risk, as well as operational risks. Our risk management policies, procedures and models may not be sufficient to identify all of the risks we are exposed to, mitigate the risks we have identified or identify additional risks that arise in the future.

As our loan mix changes and as our product offerings evolve, including by the addition of the Digit products, our risk management strategies may not always adapt to such changes. Some of our methods of managing risk are based upon our use of observed historical market behavior and management's judgment. Other of our methods for managing risk depend on the evaluation of information regarding markets, members or other matters that are publicly available or otherwise accessible to us. While we employ a broad and diversified set of risk monitoring and risk mitigation techniques, those techniques and the judgments that accompany their application cannot anticipate every economic and financial outcome or the timing of such outcomes. If our risk management efforts are ineffective, we could suffer losses that could harm our business, financial condition, and results of operations.

We rely extensively on models in managing many aspects of our business. If our models contain errors or are otherwise ineffective, our business could be adversely affected.

Our ability to attract members and to build trust in our credit products is significantly dependent on our ability to effectively evaluate a member's creditworthiness and likelihood of default. In deciding whether to extend credit to prospective members, we rely heavily on our proprietary credit risk models, which are statistical models built using third-party alternative data, credit bureau data, application data and our credit experience gained through monitoring the performance of our members over time. These models are built using forms of A.I., such as machine learning. If our credit risk models fail to adequately predict the creditworthiness of our members or their ability to repay their loans due to programming or other errors, or if any portion of the information pertaining to the potential member is incorrect, incomplete or becomes stale (whether by fraud, negligence or otherwise), and our systems do not detect such errors, inaccuracies or incompleteness, or any of the other components of our credit decision process described herein fails, we may experience higher than forecasted loan losses. Also, if we are unable to access certain third-party data used in our credit risk models, or access to such data is limited, our ability to accurately evaluate potential members may be compromised. Credit and other information that we receive from third parties about a member may also be inaccurate or may not accurately reflect the member's creditworthiness, which may adversely affect our loan pricing and approval process, resulting in mispriced loans, incorrect approvals or denials of loans. In addition, this information may not always be complete, up-to-date or properly evaluated. As a result, these methods may not predict future risk exposures, which could be significantly greater than the historical measures or available information indicate.

Our reliance on our credit risk models and other models in other aspects of our business, including valuation, pricing, collections management, marketing targeting models, fraud prevention, liquidity and capital planning, direct mail and telesales, and savings and investing algorithms may prove in practice to be less predictive than we expect 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). We rely on our credit risk models and other models to develop and manage new products and services, including our digital banking platform, with which we have limited development or operating experience, as well as new geographies. Our assumptions may be inaccurate, and our 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 our control, such as macroeconomic conditions, credit market volatility and interest rate environment, and human behavior, and they often involve complex interactions between a number of dependent and independent variables and factors. In particular, even if the general accuracy of our valuation models is validated, valuations are highly dependent upon the reasonableness of our assumptions and the predictability of the relationships that drive the results of the models. The errors or inaccuracies in our models may be material and could lead us to make wrong or sub-optimal decisions in managing our business.

Additionally, if we make errors in the development, validation or implementation of any of the models or tools we use to underwrite the loans that we then securitize or sell to investors, those investors may experience higher delinquencies and losses. We may also be subject to liability to those investors if we misrepresented the characteristics of the loans sold because of those errors. Moreover, future performance of our members' loans could differ from past experience because of macroeconomic factors, policy actions by regulators, lending by other institutions or reliability of data used in the underwriting process. To the extent that past experience has influenced the development of our underwriting procedures and proves to be inconsistent with future events, delinquency rates and losses on loans could increase. Errors in our models or tools and an inability to effectively forecast loss rates could also inhibit our ability to sell loans to investors or draw down on borrowings under our warehouse and other debt facilities, which could limit new origination growth and harm our financial performance. Additionally, the use of A.I. is relatively new and the regulatory

framework is evolving and remains uncertain. Any negative regulatory or public scrutiny based upon this could adversely affect our business, reputation, and financial performance.

Our business may be adversely affected by disruptions in the credit markets and changes to interest rates on our borrowings.

We depend on securitization transactions, loan warehouse facilities and other forms of debt financing, as well as whole loan sales, in order to finance the principal amount of most of the loans we make to our members. See more information about our outstanding debt in [Note 9, Borrowings](#) to the Notes to the Consolidated Financial Statements. However, there is no assurance that these sources of capital will continue to be available in the future on terms favorable to us or at all. The availability of debt financing and other sources of capital depends on many factors, some of which are outside of our control. Further, current market conditions may make it difficult to extend the maturity of or refinance our existing indebtedness or obtain new indebtedness with similar terms and any failure to do so could have a material adverse effect on our business. The debt capital available to us in the future, if available at all, may bear a higher interest rate and may be available only on terms and conditions less favorable than those of our existing debt and such debt may need to be incurred in a rising interest rate environment. Events of default or breaches of financial, performance or other covenants, as a result of the underperformance of certain pools of loans underpinning our securitizations or other debt facilities, could reduce or terminate our access to funding from institutional investors. Such events could also result in default rates at a higher interest rate and therefore increase our cost of capital. In addition, our ability to access future capital may be impaired because our interests in our financed pools of loans are “first loss” interests and so these interests will only be realized to the extent all amounts owed to investors or lenders and service providers under our securitizations and debt facilities are paid in full. In the event of a sudden or unexpected shortage or restriction on the availability of funds, we cannot be sure that we will be able to maintain the necessary levels of funding to retain current levels of originations without incurring higher funding costs, a reduction in the term of funding instruments or increasing the rate of whole loan sales, or be able to access funding at all. If we are unable to arrange financing on favorable terms, we may not be able to grow our business as planned and we may have to curtail new originations and reduce credit lines to cardholders.

In July 2017, the United Kingdom’s Financial Conduct Authority, which regulates the London Interbank Offered Rate (“LIBOR”), announced that it will no longer persuade or compel banks to submit LIBOR rates after 2021. At the end of 2021, the ICE Benchmark Administration, the administrator for LIBOR, ceased publishing one-week and two-month U.S. dollar LIBOR and will cease publishing all remaining U.S. dollar LIBOR tenors in mid-2023. Other regulators have suggested reforming or replacing other benchmark rates. These may be replaced by the Secured Overnight Financing Rate or other benchmark rates over the next several years. Uncertainty as to the nature of such phase out and selection of an alternative reference rate, together with disruption in the financial markets, could increase in the cost of our credit facilities which are currently tied to LIBOR. Changes in interest rates on our variable rate debt could adversely affect our interest expense, results of operations, and cash flows.

We have elected the fair value option and we use estimates in determining the fair value of our loans and our asset-backed notes. If our estimates prove incorrect, we may be required to write down the value of these assets or write up the value of these liabilities, which could adversely affect our results of operations.

Our ability to measure and report our financial position and results of operations is influenced by the need to estimate the impact or outcome of future events on the basis of information available at the time of the issuance of the financial statements. We use estimates, assumptions, and judgments when certain financial assets and liabilities are measured and reported at fair value. Fair values and the information used to record valuation adjustments for certain assets and liabilities are based on quoted market prices and/or other observable inputs provided by independent third-party sources, when available. During periods of market disruption, including periods of significantly rising or high interest rates, rapidly widening credit spreads or illiquidity, it may be difficult to value certain assets if trading becomes less frequent or market data becomes less observable. In such cases, certain asset valuations may require significant judgment, and may include inputs and assumptions that require greater estimation, including credit quality, liquidity, interest rates, and other relevant inputs. If actual results differ from our judgments and assumptions, then it may have an adverse impact on the results of operations and cash flows. Management has processes in place to monitor these judgments and assumptions, including review by our internal valuation committee, but these processes may not ensure that our judgments and assumptions are correct.

We use estimates and assumptions in determining the fair value of our Fair Value Loans and Fair Value Notes. Our Fair Value Loans represented 81% of our total assets and Fair Value Notes represented 71% of our total liabilities as of December 31, 2021. Our Fair Value Loans are determined using Level 3 inputs and Fair Value Notes are determined using Level 2 inputs. Changes to these inputs could significantly impact our fair value measurements. Valuations are highly dependent upon the reasonableness of our assumptions and the predictability of the relationships that drive the results of our valuation methodologies. In addition, a variety of factors such as changes in the interest rate environment and the credit markets, changes in average life, higher than anticipated delinquency and default levels or financial market illiquidity, may ultimately affect the fair values of our loans receivable and asset-backed notes. Material differences in these ultimate values from those determined based on management’s estimates and assumptions may require us to adjust the value of certain assets and liabilities, including in a manner that is not comparable to others in our industry, which could adversely affect our results of operations.

If we are unable to collect payment and service the loans we make to members, our net charge-off rates may exceed expected loss rates, and our business and results of operations may be harmed.

Our unsecured personal loans and credit card receivables, which comprise a significant portion of our overall portfolio, are not secured by any collateral, not guaranteed or insured by any third party and not backed by any governmental authority in any way. We are therefore limited in our ability to collect on these loans if a member is unwilling or unable to repay them for any reason.

Our ability to adequately service our loans is dependent on our ability to grow and appropriately train our customer service and collections staff, our ability to expand our servicing capabilities as the number of our loans increase, our ability to contact our members when they default, and our ability to leverage technologies to service and collect amounts owed with respect to loans. Additionally, our customer service and collections staff are dependent upon maintaining adequate information technology, telephony, and internet connectivity such that they can complete their job functions. Since the onset of the pandemic, we have moved the majority of our contact center staff to remote working environments and continue to operate the contact centers in accordance with local social distancing orders. If a significant percentage of our contact center workforce is unable to work as a result of the COVID-19 pandemic, including because of illness, quarantines, ineffective remote work environments or technology, utility, or other failures or limitations, our ability to collect payment may be adversely affected.

In November, 2021 we voluntarily implemented the call limitations set forth in Regulation F, 12 CFR Part 1006 (“Regulation F”), which is not applicable to creditors such as us who are collecting their own debts. If we did not correctly estimate the impact of a reduced calling strategy, the effectiveness of our efforts to collect on defaulted loans may be impacted. Additionally, in August 2020, we changed our small claims filing practices, we dismissed all pending small claims court filings and suspended all new legal collection actions and have not restarted legal collections programs. If we are unable to employ alternative means of engaging severely delinquent members and collecting on defaulted loans, the effectiveness of our efforts to collect on defaulted loans may be impacted. Because our net charge-off rate depends on the collectability of the loans, if we experience an unexpected significant increase in the number of members who fail to repay their loans or an increase in the principal amount of the loans that are not repaid, our revenue and results of operations could be adversely affected. Furthermore, personal unsecured loans and credit card debt are generally dischargeable in bankruptcy. If we experience an unexpected, significant increase in the number of members who successfully discharge their debt in a bankruptcy action, our revenue and results of operations could be adversely affected.

We incorporate our estimate of lifetime loan losses in our measurement of fair value for our Fair Value Loans. While this evaluation process uses historical and other objective information, the classification of loans and the forecasts and establishment of loan losses and fair value are also dependent on our subjective assessment based upon our experience and judgment. Given the unprecedented nature of the COVID-19 pandemic and its impact on the economy, the amount of subjective assessment and judgment applied to develop our forecasts has increased materially, since no directly corresponding historical data set exists. Our methodology for establishing our fair value is based on the guidance in Accounting Standards Codification, 820 and 825, and, in part, on our historic loss experience. If member behavior changes as a result of economic conditions and if we are unable to predict how the unemployment rate and general economic uncertainty may affect our estimate of lifetime loan losses, the fair value may be reduced for our Fair Value Loans, which will decrease Net Revenue. Our calculations of fair value are estimates, and if these estimates are inaccurate, our results of operations could be adversely affected. Neither state regulators nor federal regulators regulate our calculations of fair value, and unlike traditional banks, we are not subject to periodic review by bank regulatory agencies of our loss estimates or our calculations of fair value. In addition, because our debt financings include delinquency triggers as predictors of losses, increased delinquencies or losses may reduce or terminate the availability of debt financings to us.

Our quarterly results are likely to fluctuate significantly and may not fully reflect the underlying performance of our business.

Our quarterly results of operations are likely to vary significantly in the future and period-to-period comparisons of our results of operations may not be meaningful, due to factors such as our election of the fair value option and the evolving and uncertain duration of the COVID-19 pandemic. Accordingly, the results for any one quarter are not necessarily an indication of future performance. Our quarterly financial results may fluctuate due to a variety of factors, some of which are outside of our control and, as a result, may not fully reflect the underlying performance of our business. Factors that may cause fluctuations in our quarterly financial results include:

- loan volumes, loan mix and the channels through which our loans are originated;
- the effectiveness of our direct marketing and other marketing channels;
- the timing and success of new products and origination channels;
- the amount and timing of operating expenses and capital expenditures, including those related to member acquisition, development of new products and services, and maintenance and expansion of our business, operations and infrastructure;
- net charge-off rates;
- adjustments to the fair value of our Fair Value Loans and Fair Value Notes;
- our cost of borrowing money and access to the capital markets; and
- general economic, industry, and market conditions.

In addition, we experience significant seasonality in demand for our loans, which is generally lower in the first quarter. The seasonal slowdown is primarily attributable to high loan demand around the holidays in the fourth quarter and the general increase in our members’ available cash flows in the first quarter, including cash received from tax refunds, which temporarily reduces their borrowing needs. While our growth has obscured this seasonality from our overall financial results, we expect our results of operations to continue to be affected by such seasonality in the future. However, the impact of the COVID-19 pandemic has and may continue to disrupt the seasonal trends our business has otherwise consistently experienced.

Our results of operations and financial condition have been and may be adversely affected by economic conditions and other factors that we cannot control.

Uncertainty and negative trends in general economic conditions in the United States and abroad have historically created a difficult operating environment for our business and can negatively impact demand for our products and services. Many factors, including factors that are beyond our control, may impact our results of operations or financial condition, demand for our products and services, the quality of our loan portfolio, and/or affect our members’ willingness or capacity to make payments on their loans with us. Many factors, including factors that are beyond our control,

may result in higher default rates by our members, a decline in the demand for our products, and potentially impact our ability to make accurate credit assessments or lending decisions. These factors include: general economic conditions, unemployment levels, housing markets, immigration patterns and policies, energy costs, inflation, government shutdowns, delays in tax refunds, significant tightening of credit markets, and interest rates, as well as events such as natural disasters, acts of war, terrorism, pandemics or adverse health developments, social unrest, and catastrophes. Our business was adversely impacted by the COVID-19 pandemic and we recorded a net loss of \$45.1 million for the year ended December 31, 2020. We also experienced net losses prior to 2017. As our business grows and we increase our product and service offerings, we intend to continue to expend significant funds, and we may not be able to generate sufficient revenue to offset our higher operating expenses.

In particular, our members with credit products may be particularly negatively impacted by worsening economic conditions that place financial stress on these members resulting in loan defaults or charge-offs. In addition, major medical expenses, divorce, death, or other issues that affect our members could affect our members' willingness or ability to make payments on their loans. Our business is currently heavily concentrated on consumer lending and, as a result, we are more susceptible to fluctuations and risks particular to U.S. consumer credit than a company with a more diversified lending portfolio. If our members default under a loan receivable held directly by us, we will experience loss of principal and anticipated interest payments, which could adversely affect our cash flow from operations. The cost to service our loans may also increase without a corresponding increase in our interest on loans.

Decreases in consumer demand for automobiles and declining values of vehicles securing outstanding secured personal loans would weaken collateral coverage for secured personal loans and increase the amount of loss in the event of default. Significant increases in the inventory of used vehicles 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 higher than expected losses.

If aspects of our business, including the quality of our loan portfolio or our members' ability to pay, are significantly affected by economic changes or any other conditions in the future, we cannot be certain that we will adequately adapt our business to such changes, so our business would be adversely affected.

Negative publicity or public perception of our company or our industry could adversely affect our reputation, business, and results of operations.

Negative publicity about our industry or our company, including the terms of the consumer loans, effectiveness of the proprietary credit risk model, privacy and security practices, originations, marketing, servicing and collections, use of A.I. and other business practices or initiatives, litigation, regulatory compliance and the experience of members, even if inaccurate, could adversely affect our reputation and the confidence in our brands and business model or lead to changes in our business practices. We regularly engage with media outlets and consumer advocates and have previously, and in the future, may respond to inquiries by modifying our business practices or policies to better align with our mission. Despite our responsiveness to the inquiries, certain media outlets and consumer advocates chose to and have continued to highlight the very past practices that we had already modified. The proliferation of social media may increase the likelihood that negative public opinion will impact our reputation and business. Our reputation is very important to attracting new members and retaining existing members. While we believe that we have a good reputation and that we provide members with a superior experience, there can be no assurance that we will continue to maintain a good relationship with members.

In addition, negative perception may result in our 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 our products, or our marketing and servicing, or if we become subject to such investigations, enforcement actions and lawsuits, our financial condition and results of operations would be adversely affected. Entry into new products, as well as into the banking business or new origination channels, such as bank partnerships and other partnerships could lead to negative publicity or draw additional scrutiny.

Harm to our reputation can also arise from many other sources, including employee or former employee misconduct, misconduct by outsourced service providers or other counterparties, failure by us or our partners to meet minimum standards of service and quality, and inadequate protection of member information and compliance failures and claims. Our reputation may also be harmed if we fail to maintain our certification as a Community Development Financial Institution (CDFI).

Competition for our highly skilled employees is intense, and we may not be able to attract and retain the employees we need to support the growth of our business.

Competition for highly skilled personnel, particularly engineering and data analytics personnel, is extremely intense across the country and is likely to continue to increase, as more companies are offering remote or hybrid working arrangements. We have experienced and expect to continue to face difficulty identifying and hiring qualified personnel in many areas, especially as we pursue our growth strategy. We may not be able to hire or retain such personnel at compensation levels consistent with our existing compensation and salary structure. Many of the companies with which we compete for experienced employees have greater resources than we have and may be able to offer more attractive terms of employment. In particular, employee candidates, specifically in high-technology industries, often consider the value of any equity they may receive in connection with their employment, so significant volatility or a decline in the price of our stock may adversely affect our recruitment strategies. Additionally, changes to U.S. immigration policies, as well as restrictions on global travel due to public health crises requiring quarantines or other precautions to limit exposure to infectious diseases, may limit our ability to hire and/or retain talent.

In addition, we invest significant time and expense in training our employees, which increases their value to competitors who may seek to recruit them. If we fail to retain our employees, we could incur significant expenses in hiring and training their replacements and the quality of our services and our ability to serve our members could be adversely affected.

If we lose the services of any of our key management personnel, our business could suffer.

Our future success significantly depends on the continued service and performance of our key management personnel. Competition for these employees is intense and we may not be able to replace, attract and retain key personnel. We do not maintain key-man insurance for every member of our senior management team. The loss of the service of our senior management team or key team members, and the process to replace any of them, or the inability to attract additional qualified personnel as needed, all of which would involve significant time and expense, could harm our business.

Our success and future growth depend on our branding and marketing efforts.

If our marketing efforts are not successful or if we are unsuccessful in developing our brand marketing campaigns, our ability to attract and retain members, attract new strategic partners and grow our business may be negatively impacted. In the future, we intend to continue to dedicate significant resources to our marketing efforts, particularly as we develop our brands. If any of our current marketing channels becomes less effective, if we are unable to continue to use any of these channels, if the cost of using these channels significantly increases or if we are not successful in generating new channels, we may not be able to attract new members in a cost-effective manner or increase the activity of our existing members, including by using additional products or services we offer. If we are unable to recover our marketing costs through increases in the size, value or overall number of credit products we originate, or other product selection and utilization, it could have a material adverse effect on our business, financial condition, results of operations, and future prospects.

We may fail to realize all of the anticipated benefits of the Digit acquisition, and the merger or those benefits may take longer to realize than expected.

We believe that there are significant benefits and synergies that may be realized through combining the platform, product and service offerings of Oportun and Digit. However, the efforts to realize these benefits and synergies will be a complex process and may disrupt both companies' existing operations if not implemented in a timely and efficient manner. The full benefits of the acquisition, including anticipated growth opportunities, may not be realized as expected or may not be achieved within the anticipated time frame, or at all. Failure to achieve the anticipated benefits of the acquisition could adversely affect our results of operations or cash flows, cause dilution to our earnings per share, decrease or delay any accretive effect of the acquisition and negatively impact the price of our common stock.

In addition, as we integrate the businesses post-closing we will continue to be required to devote significant attention and resources to successfully align our business practices and operations. This process may disrupt the businesses and, if ineffective, would limit the anticipated benefits of the acquisition.

Any acquisitions, strategic investments, entries into new businesses, joint ventures, divestitures, and other transactions could fail to achieve strategic objectives, disrupt our ongoing operations or result in operating difficulties, liabilities and expenses, harm our business, and negatively impact our results of operations.

Our success will depend, in part, on our ability to grow our business. In some circumstances, we may determine to do so through the acquisition of complementary businesses and technologies rather than through internal development. The identification of suitable acquisition candidates can be difficult, time-consuming, and costly, and we may not be able to successfully complete identified acquisitions. We have previously acquired, and in the future, may acquire, complementary assets or businesses. The risks we face in connection with acquisitions include:

- diversion of management time and focus from operating our business to addressing acquisition integration challenges;
- utilization of our financial resources for acquisitions or investments that may fail to realize the anticipated benefits;
- inability of the acquired technologies, products or businesses to achieve expected levels of revenue, profitability, productivity or other benefits;
- coordination of technology, product development and sales and marketing functions and integration of administrative systems;
- transition of the acquired company's members to our systems;
- retention of employees from the acquired company;
- regulatory risks, including maintaining good standing with existing regulatory bodies or receiving any necessary approvals, as well as being subject to new regulators with oversight over an acquired business;
- acquisitions could result in dilutive issuances of equity securities or the incurrence of debt;
- cultural challenges associated with integrating employees from the acquired company into our organization;
- the need to implement or improve controls, procedures and policies at a business that prior to the acquisition may have lacked effective controls, procedures and policies;
- potential write-offs of loans or intangibles or other assets acquired in such transactions that may have an adverse effect on our results of operations in a given period;

- liability for activities of the acquired company before the acquisition, including patent and trademark infringement claims, violations of laws, commercial disputes, security weaknesses and incidents, tax liabilities and other known and unknown liabilities;
- assumption of contractual obligations that contain terms that are not beneficial to us, require us to license or waive intellectual property or increase our risk for liability; and
- litigation, claims or other liabilities in connection with the acquired company.

Our failure to address these risks or other problems encountered in connection with our future acquisitions and investments could cause us to fail to realize the anticipated benefits of these acquisitions or investments, cause us to incur unanticipated liabilities and harm our business generally.

Fraudulent activity could negatively impact our business, brand and reputation and require us to continue to take steps to reduce fraud risk.

Third parties have, and we expect 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 may not be effective in detecting and preventing fraud, particularly new and continually evolving forms of fraud or in connection with new or expanded product offerings. If these measures do not succeed, our business could be materially adversely impacted.

Despite our efforts, the possibility 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, including the increasing use of personal mobile and computing devices that are outside of our network and control environments. Additionally, increasing our product and service offerings may introduce opportunities for fraudulent activity that we have not previously experienced. Numerous and evolving fraud schemes and misuse of our products and services could subject us to significant costs and liabilities, require us to change our business practices, cause us to incur significant remediation costs, lead to loss of member confidence in, or decreased use of, our products and services, damage our reputation and brands, divert the attention of management from the operation of our business, result in litigation (including class action litigation), and lead to increased regulatory scrutiny and possibly regulatory investigations and intervention, all of which could have a material adverse impact on our business.

Security breaches and incidents impacting members' confidential information that we store may harm our reputation, adversely affect our results of operations, and expose us to liability.

In the ordinary course of our business, we collect, store, transmit and otherwise process large amounts of sensitive information relating to members and potential members, including non-public personal, bank account, and credit information. It is critical that we do so in a secure manner to maintain the confidentiality, integrity and availability of such sensitive information. We also collect, store, transmit and otherwise process certain sensitive, proprietary, and other information, including personal data and personal information relating to employees, trade secrets, intellectual property, confidential business information, and other confidential data. We have arrangements in place with certain of our third-party vendors that require us to share this information as permitted by law. We have also outsourced elements of our operations (including elements of our information technology infrastructure) to third parties, and as a result, we manage a number of third-party vendors who may have access to our computer networks or the information that we collect, process, transmit, and store. In addition, many of those third parties may in turn subcontract or outsource some of their responsibilities to third parties. As a result, our 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 our 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. We have been and continue 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, security breaches and incidents, and other infiltration, exfiltration or other similar events.

We cannot guarantee that our or our third-party providers' systems and networks have not been breached or that they do not contain exploitable defects or bugs that could result in a breach of or disruption to our systems and networks or the systems and networks of third parties that support us and our products and services. Potential vulnerabilities can be exploited from inadvertent or intentional actions of our employees, contractors, third-party vendors, business partners, or by malicious third parties. Attacks of this nature are increasing in their 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 unauthorized access to, or loss, extraction, disclosure, or other misuse of personal information, confidential information, or other 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. We have seen, and will continue to see, industry-wide vulnerabilities, such as the Log4j vulnerability reported in December 2021, which could affect our or other parties' systems. Significant disruptions of our, our third-party vendors' and/or business partners' information technology systems or other similar data security incidents could adversely affect our business operations and result in the loss, misappropriation, or unauthorized access, use or disclosure of, or the prevention of access to, personal information, confidential information, or other sensitive information, which could result in financial, legal, regulatory, business, and reputational harm to us. The automated nature of our business may make us 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 our systems, it is possible that we and the third parties who support our business and operations may not be able to anticipate or to implement effective preventive measures against all security breaches and incidents, in which case there would be an increased risk of fraud or identity theft, and we may experience losses on, or delays in the collection of amounts owed on, a fraudulently induced loan.

While we regularly monitor 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, we, our third-party hosting facilities and other service providers may be unable to anticipate these techniques or to implement adequate preventative measures. Any event that leads, or is believed to have led, to unauthorized access, to, or use, access, loss, corruption, disclosure or other processing of personal information, including but not limited to personal information regarding our members, potential members, loan applicants, and employees, could disrupt our business, harm our reputation, compel us to comply with applicable federal and/or state breach notification laws and foreign law equivalents, subject us to litigation, regulatory investigation and oversight, mandatory corrective action, require us to verify the correctness of database contents, or otherwise subject us 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 us, and result in significant legal and financial exposure and/or reputational harm. These mandatory disclosures regarding a security breach are costly to implement and often lead to widespread negative publicity, which may cause our members to lose confidence in the effectiveness of our data security measures. In addition, any failure or perceived failure by us or our vendors to comply with our privacy, confidentiality, or data security-related legal or other obligations to third parties, or any security breaches or incidents or other inappropriate access events that result in the unauthorized access, release or transfer of personal or sensitive information, which could include personally identifiable information, may result in governmental investigations, enforcement actions, regulatory fines, litigation, or public statements against us by advocacy groups or others and could cause third parties, to lose trust or subject us to claims by third parties that we have breached our privacy- and confidentiality-related obligations, which could harm our business and prospects. The COVID-19 pandemic has increased attack opportunities available to criminals, as they attempt to profit from disruptions and the resulting shift in companies and individuals working remotely and online, as well as the increase in electronic transfers and other online activity.

We also face indirect technology, cybersecurity and operational risks relating to the members, clients and other third parties with whom we do business or upon whom we rely on to facilitate or enable our business activities, including vendors, payment processors, and other parties who have access to confidential information due to our agreements with them. The establishment of bank partnerships could leave us exposed to additional information security risks arising from the interaction between our and any partners' information technology infrastructure, and the sharing between us of confidential member information. In addition, any security compromise in our industry, whether actual or perceived, or information technology system disruptions, natural disasters, terrorism, war and telecommunication and electrical failures, could interrupt our business or operations, harm our reputation, erode public confidence, negatively affect our ability to attract new members, or subject us to third-party claims, lawsuits, regulatory investigations, proceedings, fines or other action or liability.

We incur significant costs to detect and prevent security breaches and other security-related incidents, and we expect our costs will increase as we work to continuously improve our systems and processes to prevent future breaches and incidents. In the event of an actual or perceived breach or incident, we could be required to expend additional significant capital and other resources in an effort to prevent further breaches or incidents. Moreover, we could be required to expend significant capital and other resources to address the incident and any future security breach or incident.

Our retail locations also process physical member loan documentation that contain confidential information about our members, including financial and personally identifiable information. We retain physical records in various storage locations outside of our retail locations. The loss or theft of, or other unauthorized access to or use of, member information and data from our retail locations or other storage locations could subject us to additional regulatory scrutiny, possible civil litigation and possible financial liability and losses.

Further, any belief by members or others that a security breach or other incident has affected us or any of our service providers, even if a security breach or other incident has not affected us or any of our service providers or has not actually occurred, could have any or all of the foregoing impacts on us, including damage to our reputation. Even the perception of inadequate security may damage our reputation and negatively impact our ability to attract new members and retain existing members.

We cannot ensure that any provisions in our agreements with members or breach or other privacy- or security-related incident, would be enforceable or adequate or would otherwise protect us from any liabilities or damages with respect to any particular claim. We maintain errors, omissions, and cyber liability insurance policies covering certain security and privacy damages. However, we cannot be certain that our 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 us that exceed available insurance coverage, or the occurrence of changes in our insurance policies, including premium increases or the imposition of large deductible or co-insurance requirements, could have an adverse effect on our business, financial condition and results of operations.

Any significant disruption in our computer systems may impair the availability of our websites, applications, products or services, or otherwise harm our business.

Our computer systems, including those provided by third-party service providers and partners, may encounter service interruptions at any time due to system or software failure, natural disasters, severe weather conditions, health epidemics or pandemics, terrorist attacks, cyber-attacks, computer viruses, physical or electronic break-ins, technical errors, insider threats, power outages or other events. Any of these occurrences may interrupt the availability, or reduce or adversely affect the functionality of our websites, applications, products or services, including our ability to service our loans, process loan applications, and provide digital banking services to Digit members. We also rely on facilities, components, and

services supplied by third parties, including data center facilities and cloud storage services. Any interference or disruption of our technology and underlying infrastructure or our use of our third-party providers' services could materially and adversely affect our business, relationships with our members and our reputation. Also, as our business grows, we may be required to expand and improve the capacity, capability and reliability of our infrastructure. If we are not able to effectively address capacity constraints, upgrade our systems as needed and continually develop our technology and infrastructure to reliably support our business, our results of operations may be harmed.

In addition, the software that we have developed to use in our daily operations is highly complex and may contain undetected technical errors that could cause our computer systems to fail. For example, each loan that we make involves our proprietary automated underwriting process and depends on the efficient and uninterrupted operation of our computer systems, and all of our loans are underwritten using an automated underwriting process that does not require manual review, any failure of our computer systems involving our automated underwriting process and any technical or other errors contained in the software pertaining to our automated underwriting process could compromise our ability to accurately evaluate potential members, which would negatively impact our results of operations. While we have taken steps to prevent such activity from affecting our systems, if we are unable to prevent such activity, we may be subject to significant claims and liability, negative publicity and a loss of members, all of which may negatively affect our business.

Additionally, in the event of damage or interruption, our insurance policies may not adequately compensate us for any losses that we may incur. Our disaster recovery plan has not been tested under actual disaster conditions, and we may not have sufficient capacity to recover all data and services in the event of an outage. These factors could prevent us from processing or posting payments on the loans, damage our brand and reputation, divert our employees' attention, subject us to liability and cause members to abandon our business, any of which could adversely affect our business, results of operations and financial condition.

We may change our corporate strategies or underwriting and servicing practices, which may adversely affect our business.

As our business grows and evolves, we have, and may in the future, change certain aspects of our corporate strategies or any of our underwriting guidelines without notice to our stockholders. Any changes in strategy, underwriting or servicing practices could impact our business in any number of ways, including impacting our member mix, product and service offerings, risk profile of our loan portfolio, and operational and regulatory compliance requirements.

For example, in August 2020, we implemented a nationwide 36% APR cap for newly originated loans. We may also decide to modify our strategy with respect to whole loan sales, including increasing or decreasing the number of loans sold. We continue to evaluate our business strategies and underwriting and servicing practices and will continue to make additional changes to adapt to changing economic conditions, regulatory requirements and industry practices. Additionally, a change in our underwriting and servicing practices may reduce our credit spread and may increase our exposure to interest rate risk, default risk and liquidity risk, all of which could adversely affect our business, results of operations and financial condition.

We are, and intend in the future to continue, expanding into new geographic regions, and our failure to comply with applicable laws or regulations, or accurately predict demand or growth, related to these geographic regions could have an adverse effect on our business.

We intend to continue expanding into new geographic regions, including through strategic partnerships or a national bank charter. In addition, each of the new states where we do not currently operate may have different laws and regulations that apply to our products and services. As such, we expect to be subject to significant additional legal and regulatory requirements, including various federal and state consumer lending laws. We have limited experience in managing risks and the compliance requirements attendant to these additional legal and regulatory requirements in new geographies or related to strategic partnerships. The costs of compliance and any failure by us to comply with such regulatory requirements in new geographies could harm our business. If our partners decide to or are no longer able to provide their services, we could incur temporary disruptions in our loan transactions or we may be unable to do business in certain states or certain locations.

We are exposed to geographic concentration risk.

The geographic concentration of our loan originations may expose us 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 disasters or health epidemics or pandemics in specific geographic regions may result in higher rates of delinquency and loss in those areas. A significant portion of our outstanding receivables originated in certain states, and within the states where we operate, originations are generally more concentrated in and around metropolitan areas and other population centers. Therefore, economic conditions, natural, man-made disasters, health epidemics or pandemics or other factors affecting these states or areas in particular could adversely impact the delinquency and default experience of the receivables and could adversely affect our business. Further, the concentration of our outstanding receivables in one or more states would have a disproportionate effect on us if governmental authorities in any of those states take action against us or take action affecting how we conduct our business.

As of December 31, 2021, 49%, 27%, 7% and 6% of our Owned Principal Balance at End of Period related to members from California, Texas, Florida, and Illinois, respectively. If any of the events noted in these risk factors were to occur in or have a disproportionate impact in regions where we operate or plan to commence operations, it may negatively affect our business in many ways, including increased delinquencies and loan losses or a decrease in future originations.

Our proprietary credit risk models rely in part on the use of third-party data to assess and predict the creditworthiness of our members, and if we lose the ability to license or use such third-party data, or if such third-party data contain inaccuracies, it may harm our results of operations.

We rely on our proprietary credit risk models, which are statistical models built using third-party alternative data, credit bureau data, application data and our credit experience gained through monitoring the payment performance of our members over time. If we are unable to access certain third-party data used in our credit risk models, or our access to such data is limited, our ability to accurately evaluate potential members will be compromised, and we may be unable to effectively predict probable credit losses inherent in our loan portfolio, which would negatively impact our results of operations. 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 our risk engine to be used in our credit risk models to score applicants and make credit decisions and in our verification processes to confirm member reported information. Data from consumer reporting agencies and other information that we receive from third parties about a member may be inaccurate or may not accurately reflect the member's creditworthiness, which may cause us to provide loans to higher risk members than we intend through our underwriting process and/or inaccurately price the loans we make. We use numerous third-party data sources and multiple credit factors within our proprietary credit risk models, which helps mitigate, but does not eliminate, the risk of an inaccurate individual report. In addition, there are risks that the costs of our access to third-party data may increase or our terms with such third-party data providers could worsen. In recent years, well-publicized allegations involving the misuse or inappropriate sharing of personal information have led to expanded governmental scrutiny of practices relating to the safeguarding of personal information and the use or sharing of personal data by companies in the U.S. and other countries. That scrutiny has in some cases resulted in, and could in the future lead to, the adoption of stricter laws and regulations relating to the use and sharing of personal information. These types of laws and regulations could prohibit or significantly restrict our third-party data sources from sharing information, or could restrict our use of personal data when developing our proprietary credit risk models, or for fraud prevention purposes. These restrictions could also inhibit our development or marketing of certain products or services, or increase the costs of offering them to members or make the models less effective at predicting credit outcomes or preventing fraud.

We follow procedures to verify member's identity and address which are designed to minimize fraud. These procedures may include visual inspection of applicant identification documents to ensure authenticity, review of paystubs or bank statements for proof of income and employment, and review of analysis of information from credit bureaus, fraud detection databases and other alternative data sources for verification of identity, employment, income and other debt obligations. If any of the information that is considered in the loan review process is inaccurate, whether intentional or not, and such inaccuracy is not detected prior to loan funding, the loan may have a greater risk of default than expected. If any of our procedures are not followed, or if these procedures fail, fraud may occur. Additionally, there is a risk that following the date of the loan application, a member 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 or experienced other adverse financial events. Fraudulent activity or significant increases in fraudulent activity could also lead to regulatory intervention, negatively impact our results of operations, brand and reputation and require us to take additional steps to reduce fraud risk, which could increase our costs.

Our current level of interest rate spread may decline in the future. Any material reduction in our interest rate spread could adversely affect our results of operations.

We earn over 90% of our revenue from interest payments on the loans we make to our members. Financial institutions and other funding sources provide us with the capital to fund a substantial portion of the principal amount of our loans to members and charge us interest on funds that we borrow. In the event that the spread between the interest rate at which we lend to our members and the rate at which we borrow from our lenders decreases, our Net Revenue will decrease. We have capped the APR for newly originated loans at 36% since August 2020. The interest rates we charge to our members and pay to our lenders could each be affected by a variety of factors, including our ability to access capital markets, the volume of loans we make to our members, product mix, competition and regulatory limitations.

Market interest rate changes may adversely affect our business forecasts and expectations and are highly sensitive to many macroeconomic factors beyond our control, such as inflation, recession, the state of the credit markets, global economic disruptions, unemployment and the fiscal and monetary policies of the federal government and its agencies. Interest rate changes may require us to make adjustments to the fair value of our Fair Value Loans or Fair Value Notes, which may in turn adversely affect our results of operations. For instance, interest rates recently declined significantly. When interest rates fall, the fair value of our Fair Value Loans increases, which increases Net Revenue. In addition, decreasing interest rates also increase the fair value of our Fair Value Notes, which reduces Net Revenue. Because the duration and fair value of our loans and asset-backed notes are different, the respective changes in fair value did not fully offset each other resulting in a negative impact on Net Revenue. Any reduction in our interest rate spread could have an adverse effect on our business, results of operations and financial condition. We do not currently hedge our interest rate exposure associated with our debt financing or fair market valuation of our loans.

A deterioration in the financial condition of counterparties, including financial institutions, could expose us to credit losses, limit access to liquidity or disrupt our business operations.

We have entered into, and may in the future enter into, financing and derivative transactions with counterparties in the financial services industry, including brokers and dealers, commercial banks, investment banks, hedge funds, and other financial institutions. Furthermore, the operations of U.S. and global financial services institutions are interconnected, and a decline in the financial condition of one or more financial services institutions, or the perceived lack of creditworthiness of such financial institutions, may expose us to credit losses or defaults, limit access to liquidity or otherwise disrupt the operations of our business. As such, our financing and derivative transactions expose us to credit risk in the event of a default by the counterparty, which can be exacerbated during periods of market illiquidity.

Our vendor relationships subject us to a variety of risks, and the failure of third parties to comply with legal or regulatory requirements or to provide various services that are important to our operations could have an adverse effect on our business.

We have vendors that, among other things, provide us with key services, including financial, technology and other services to support our loan servicing and other activities. Our expansion into new channels, products or markets may introduce additional third-party service providers, strategic partners and other third parties on which we may become reliant. For example, in connection with the secured personal loan product, we work with third parties that provide information and/or services in connection with valuation, title management and title processing, repossessions, and remarketing. These types of third-party relationships are subject to increasingly demanding regulatory requirements and attention by our partner banks' federal bank regulators (the Federal Reserve Board, the OCC and the FDIC) and our consumer financial services regulators, including state regulators and the CFPB, which could increase the scope of management involvement and decreasing the benefit that we receive from using third-party vendors. We could be adversely impacted to the extent our vendors and partners fail to comply with the legal requirements applicable to the particular products or services being offered. Moreover, if our bank partners or their regulators conclude that we have not met the heightened standards for oversight of our third-party vendors, we could be subject to enforcement actions, civil monetary penalties, supervisory orders to cease and desist or other remedial actions.

In some cases, third-party vendors are the sole source, or one of a limited number of sources, of the services they provide to us. Most of our vendor agreements are terminable on little or no notice, and if our current vendors were to stop or were unable to continue providing services to us on acceptable terms, we may be unable to procure alternatives from other vendors in a timely and efficient manner on acceptable terms or at all. If any third-party vendor fails to provide the services we require, due to factors outside our control, we could be subject to regulatory enforcement actions, suffer economic and reputational harm and incur significant costs to resolve any such disruptions in service.

Our mission to provide inclusive, affordable financial services that empower our members to build a better future may conflict with the short-term interests of our stockholders.

Our mission is to provide inclusive, affordable financial services that empower our members to build a better future. Therefore, we have made and will continue to make decisions that we believe will benefit our members and therefore provide long-term benefits for our business, even if our decision negatively impacts our short-term results of operations. For example, we constrain the maximum interest rates we charge in order to further our goal of making our loans affordable for our target members. Our decisions may negatively impact our short-term financial results or not provide the long-term benefits that we expect and may adversely impact our business operations, results of operations, and financial condition.

If we cannot maintain our corporate culture as we grow, we could lose the innovation, collaboration and focus on the mission that contribute to our business.

We believe that a critical component of our success is our corporate culture and our deep commitment to our mission. We believe this mission-based culture fosters innovation, encourages teamwork and cultivates creativity. Our mission defines our business philosophy as well as the emphasis that we place on our members, our people and our culture and is consistently reinforced to and by our employees. As we continue to grow, including from the integration of employees and businesses acquired in connection with previous or future acquisitions, we may find it difficult to maintain these valuable aspects of our corporate culture and our long-term mission. We recently adopted a remote-first policy that permits most of our employees to work remotely should their roles allow. While we believe that most of our operations can be performed remotely, there is no guarantee that we will be as effective while working remotely because our team is dispersed and many employees may have additional personal needs to attend to or distractions in their remote work environment. Any failure to preserve our culture could negatively impact our future success, including our ability to attract and retain employees, encourage innovation and teamwork, and effectively focus on and pursue our mission and corporate objectives.

We are dependent on hiring an adequate number of hourly bilingual employees to run our business and are subject to government regulations concerning these and our other employees, including minimum wage laws.

Our workforce is comprised primarily of bilingual employees who work on an hourly basis. In certain areas where we operate, there is significant competition for hourly bilingual employees and the lack of availability of an adequate number of hourly bilingual employees could adversely affect our operations. In addition, we are subject to applicable rules and regulations relating to our relationship with our employees, including minimum wage and break requirements, health benefits, unemployment and sales taxes, overtime and working conditions and immigration status. We are from time to time subject to employment-related claims, including wage and hour claims. Further, legislated increases in minimum wage, as well as increases in additional labor cost components, such as employee benefit costs, workers' compensation insurance rates, and compliance costs and fines, would increase our labor costs, which could have an adverse effect on our business.

Misconduct by our employees could harm us by subjecting us to monetary loss, significant legal liability, regulatory scrutiny and reputational harm.

Our reputation is critical to maintaining and developing relationships with our existing and potential members and third parties with whom we do business. There is a risk that our employees could be accused of or engage in misconduct that adversely affects our business, including fraud, , redirection, misappropriation of member funds, improper execution of loan transactions, embezzlement and theft, disclosure of personal and business information and the failure to follow protocol when interacting with members that could lead us to suffer direct losses from the activity as well as serious reputational harm. Employee misconduct could also lead to regulatory sanctions and prompt regulators to allege or to determine based upon such misconduct that we have not established adequate supervisory systems and procedures to inform employees of applicable rules or to detect and deter violations of such rules. Misconduct by our employees, or even unsubstantiated allegations of misconduct, could harm our reputation and our business.

Our international operations and offshore service providers involve inherent risks which could result in harm to our business.

As of December 31, 2021, we had 1,582 employees related to three contact centers in Mexico. These employees provide certain English/Spanish bilingual support related to member-facing contact center activities, administrative and technology support of the contact centers and back-office support services. We have also engaged outsourcing partners in the United States that provide offshore member-facing contact center activities in Colombia and Jamaica, and may in the future include additional locations in other countries. In addition, our technology development center in India is staffed through outsourcing partners and our own employees. We have engaged vendors that utilize employees or contractors based outside of the United States. As of December 31, 2021, our outsourcing partners have provided us, on an exclusive basis, the equivalent of 652 full-time equivalents in Colombia, Jamaica, and India. These international activities are subject to inherent risks that are beyond our control, including:

- risks related to government regulation or required compliance with local laws;
- local licensing and reporting obligations;
- difficulties in developing, staffing and simultaneously managing a number of varying foreign operations as a result of distance, language and cultural differences;
- different, uncertain, overlapping or more stringent local laws and regulations;
- political and economic instability, tensions, security risks and changes in international diplomatic and trade relations;
- state or federal regulations that restrict offshoring of business operational functions or require offshore partners to obtain additional licenses, registrations or permits to perform services on our behalf;
- geopolitical events, including natural disasters, public health issues, epidemics or pandemics, acts of war, and terrorism;
- the impact of, and response of local governments to, the COVID-19 pandemic;
- compliance with applicable U.S. laws and foreign laws related to consumer protection, intellectual property, privacy, data security, corruption, money laundering, and export/trade control;
- misconduct by our outsourcing partners and their employees or even unsubstantiated allegations of misconduct;
- risks due to lack of direct involvement in hiring and retaining personnel; and
- potentially adverse tax developments and consequences.

Violations of the complex foreign and U.S. laws, rules and regulations that apply to our international operations and offshore activities of our service providers may result in heightened regulatory scrutiny, fines, criminal actions or sanctions against us, our directors, our officers or our employees, as well as restrictions on the conduct of our business and reputational damage.

If we discover a material weakness in our internal control over financial reporting that we are unable to remedy or otherwise fail to maintain effective internal control over financial reporting or disclosure controls and procedures, our ability to report our financial results on a timely and accurate basis and the market price of our common stock may be adversely affected.

We have developed our disclosure controls, internal control over financial reporting and other procedures to ensure information required to be disclosed by us in the reports that we will file with the Securities and Exchange Commission ("SEC") is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms, and information required to be disclosed in reports under the Exchange Act is accumulated and communicated to our principal executive and financial officers. To maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, we have expended and anticipate we will continue to expend significant resources, including accounting-related costs, and provide significant management oversight. Any failure to maintain the adequacy of our internal controls, or consequent inability to produce accurate financial statements on a timely basis, could increase our operating costs and could materially impair our ability to operate our business. Our current controls and any new controls that we develop may become inadequate because of changes in conditions in our business. If our internal controls are perceived as inadequate or we are unable to produce timely or accurate financial statements, investors may lose confidence in our operating results and our stock price could decline. In addition, if we are unable to continue to meet these requirements, we may not be able to remain listed on Nasdaq.

Section 404 of the Sarbanes-Oxley Act requires our management to certify financial and other information in our quarterly and annual reports and provide an annual management report on the effectiveness of our internal control over financial reporting. We are also required to have our independent registered public accounting firm attest to, and issue an opinion on, the effectiveness of our internal control over financial reporting. If we are unable to assert that our internal control over financial reporting is effective, or if, when required, our independent registered public accounting firm is unable to express an opinion on the effectiveness of our internal control over financial reporting, we could lose investor confidence in the accuracy and completeness of our financial reports, which could subject us to sanctions or investigations by the SEC or other regulatory authorities, adversely affect our ability to access the credit markets and sell additional equity and commit additional financial and management resources to remediate deficiencies.

Because we receive a significant amount of cash in our retail locations through member loan repayments, we may be subject to theft and cash shortages due to employee errors.

Since our business requires us to receive a significant amount of cash in each of our retail locations, we are subject to the risk of theft (including by or facilitated by employees) and cash shortages due to employee errors. Although we have implemented various procedures and programs to

reduce these risks, maintain insurance coverage for theft and provide security measures for our facilities, we cannot make assurances that theft and employee error will not occur. We have experienced theft and attempted theft in the past.

Our business is subject to the risks of natural disasters, public health crises and other catastrophic events, and to interruption by man-made problems.

A significant natural disaster, such as an earthquake, fire, hurricanes, flood or other catastrophic event (many of which are becoming more acute and frequent as a result of climate change), or interruptions by strikes, crime, terrorism, social unrest, cyber-attacks, pandemics or other public health crises, power outages or other man-made problems, could have an adverse effect on our business, results of operations and financial condition. For example, a significant natural disaster in Northern California or any other location in which we have offices or facilities or employees working remotely, could adversely affect our business operations, financial condition and future prospects, and our insurance coverage may be insufficient to compensate us for losses that may occur.

Our IT systems are backed up regularly to highly available, alternate data centers in a different region, and we have conducted disaster recovery testing of our mission critical systems. Despite any precautions we may take, however, the occurrence of a natural disaster or other unanticipated problems at our data centers could result in lengthy interruptions in our services. In addition, acts of war, terrorism, and other geopolitical unrest could cause disruptions in our business and lead to interruptions, delays or loss of critical data.

In addition, a large number of members make payments and apply for loans at our retail locations. If one or more of our retail locations becomes unavailable for any reason or other public health crisis, localized weather events, or natural or man-made disasters, our ability to conduct business and collect payments from members on a timely basis may be adversely affected, which could result in lower loan originations, higher delinquencies and increased losses. For example, during parts of the COVID-19 pandemic, we temporarily closed a few of our retail locations due to public health orders or other concerns, which we believe resulted in lower Aggregate Originations. While all of our retail locations are currently open, it is possible that we will have to temporarily close retail locations as necessary due to public health orders or other concerns relating to COVID-19 or other highly contagious disease. The closure of retail locations could further adversely affect our loan originations, member experience, results of operations and financial condition.

The aforementioned risks may be further increased if our business continuity plans prove to be inadequate and there can be no assurance that both personnel and non-mission critical applications can be fully operational after a declared disaster within a defined recovery time. If our personnel, systems, or primary data center facilities are impacted, we may suffer interruptions and delays in our business operations. In addition, to the extent these events impact our members or their ability to timely repay their loans, our business could be negatively affected.

We may not maintain sufficient business interruption or property insurance to compensate us for potentially significant losses, including potential harm to our business that may result from interruptions in our ability to provide our financial products and services.

Unfavorable outcomes in legal proceedings may harm our business and results of operations.

We have been, and may in the future become, subject to litigation, claims, investigations, legal and administrative cases and proceedings, whether civil or criminal, or lawsuits by governmental agencies or private parties, which may affect our results of operations.

If the results of any pending or future legal proceedings are unfavorable to us or if we are unable to successfully defend against third-party lawsuits, we may be required to pay monetary damages or fulfill our indemnification obligations or we may be subject to fines, penalties, injunctions or other censure. Even if we adequately address the issues raised by an investigation or proceeding or successfully defend a third-party lawsuit or counterclaim, we may have to devote significant financial and management resources to address these issues.

The enactment of tax reform legislation could adversely impact our financial position and results of operations.

Legislation or other changes in U.S. and international tax laws could increase our liability and adversely affect our after-tax profitability. For example, the Biden administration has proposed to levy a financial statement minimum tax, increase the U.S. taxation of our international business operations and impose a global minimum tax. Such proposed changes, as well as regulations and legal decisions interpreting and applying these changes, may have significant impacts on our effective tax rate, cash tax expenses and net deferred taxes in the future.

Risks Related to Our Intellectual Property

It may be difficult and costly to protect our intellectual property rights, and we may not be able to ensure their protection.

Our ability to offer our products and services to our members depends, in part, upon our proprietary technology. We may be unable to protect our proprietary technology effectively which would adversely affect our ability to compete with them. We rely on a combination of copyright, trade secret, trademark laws and other rights, as well as confidentiality procedures and contractual provisions to protect our proprietary technology, processes and other intellectual property and do not have patent protection. However, the steps we take to protect our intellectual property rights may be inadequate. For example, a third party may attempt to reverse engineer or otherwise obtain and use our proprietary technology without our consent. The pursuit of a claim against a third party for infringement of our intellectual property could be costly, and there can be no guarantee that

any such efforts would be successful. Our failure to secure, protect and enforce our intellectual property rights could adversely affect our brand and adversely impact our business.

We have been, and may in the future be, sued by third parties for alleged infringement of their proprietary rights.

Our proprietary technology, including our credit risk models and A.I. algorithms, may infringe upon claims of third-party intellectual property, and we may face intellectual property challenges from such other parties. The expansion of our suite of financial products and services may create additional trademark risk. We may not be successful in defending against any such challenges or in obtaining licenses to avoid or resolve any intellectual property disputes. If we are unsuccessful, such claim or litigation could result in a requirement that we pay significant damages or licensing fees, which would negatively impact our financial performance. We may also be obligated to indemnify parties or pay substantial legal settlement costs, including royalty payments, and to modify applications or refund fees. Even if we were to prevail in such a dispute, any litigation regarding our intellectual property could be costly and time consuming and divert the attention of our management and key personnel from our business operations.

Moreover, it has become common in recent years for individuals and groups to purchase intellectual property assets for the sole purpose of making claims of infringement and attempting to extract settlements from companies such as ours. Even in instances where we believe that claims and allegations of intellectual property infringement against us are without merit, defending against such claims is time consuming and expensive and could result in the diversion of time and attention of our management and employees. In addition, although in some cases a third party may have agreed to indemnify us for such costs, such indemnifying party may refuse or be unable to uphold its contractual obligations. In other cases, our insurance may not cover potential claims of this type adequately or at all, and we may be required to pay monetary damages, which may be significant.

Our credit risk models, A.I. capabilities, and internal systems rely on software that is highly technical, and if it contains undetected errors, our business could be adversely affected.

Our credit risk models, A.I. capabilities, and internal systems rely on internally developed software that is highly technical and complex. In addition, our models, A.I. capabilities, and internal systems depend on the ability of such software to store, retrieve, process and manage immense amounts of data. The software on which we rely has contained, and may now or in the future contain, undetected errors, bugs or other defects. Some errors may only be discovered after the code has been released for external or internal use. Errors, bugs or other defects within the software on which we rely may result in a negative experience for our members, result in errors or compromise our ability to protect member data or our intellectual property. Specifically, any defect in our credit risk models could result in the approval of unacceptably risky loans. Such defects could also result in harm to our reputation, loss of members, loss of revenue, adjustments to the fair value of our Fair Value Loans or Fair Value Notes, challenges in raising debt or equity, or liability for damages, any of which could adversely affect our business and results of operations.

Some aspects of our business processes include open source software, and any failure to comply with the terms of one or more of these open source licenses could negatively affect our business.

We incorporate open source software into processes supporting our business. Such open source software may include software covered by licenses like the GNU General Public License and the Apache License. The terms of various open source licenses have not been interpreted by U.S. courts, and there is a risk that such licenses could be construed in a manner that limits our use of the software, inhibits certain aspects of our systems and negatively affects our business operations.

Some open source licenses contain requirements that we make source code available at no cost for modifications or derivative works we create based upon the type of open source software we use. We may face claims from third parties claiming ownership of, or demanding the release or license of, such modifications or derivative works (which could include our proprietary source code or credit risk models) or otherwise seeking to enforce the terms of the applicable open source license. If portions of our proprietary credit risk models are determined to be subject to an open source license, or if the license terms for the open source software that we incorporate change, we could be required to publicly release the affected portions of our source code, re-engineer all or a portion of our model or change our business activities, any of which could negatively affect our business operations and our intellectual property rights.

In addition to risks related to license requirements, the use of open source software can lead to greater risks than the use of third-party commercial software, as open source licensors generally do not provide warranties or controls on the origin of the software. Use of open source software may also present additional security risks because the public availability of such software may make it easier for hackers and other third parties to determine how to breach our website and systems that rely on open source software.

Risks Related to Our Industry and Regulation

The financial services industry is highly regulated. Changes in regulations or in the way regulations are applied to our business could adversely affect our business.

We are subject to various federal, state and local regulatory regimes related to the financial services that we provide. The principal policy objectives of these regulatory regimes are to provide meaningful disclosures to consumers, to protect against unfair and deceptive practices and to prevent discrimination. Laws and regulations, among other things, impose licensing and qualifications requirements; require various disclosures and

consents; mandate or prohibit certain terms and conditions for various financial products; prohibit discrimination based on certain prohibited bases; prohibit unfair, deceptive or abusive acts or practices; require us to submit to examinations by federal, state and local regulatory regimes; and require us to maintain various policies, procedures and internal controls.

Federal and state agencies have broad enforcement powers over us, including powers to periodically examine and continuously monitor our operations and to investigate our business practices and broad discretion to deem particular practices unfair, deceptive, abusive or otherwise not in accordance with the law. State attorneys general have a variety of legal mechanisms at their disposal to enforce state and federal consumer financial laws. For example, Section 1042 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act") grants state attorneys general the ability to enforce the Dodd-Frank Act and regulations promulgated under the Dodd-Frank Act's authority and to secure remedies provided in the Dodd-Frank Act against entities within their jurisdiction. State attorneys general also have a variety of legal mechanisms at their disposal to enforce state and federal consumer financial laws have enforcement authority under state law with respect to unfair or deceptive practices. Generally, under these statutes, state attorneys general may conduct investigations, bring actions, and recover civil penalties or obtain injunctive relief against entities engaging in unfair, deceptive, or fraudulent acts. Attorneys general may also coordinate among themselves to enter into multi-state actions or settlements. Finally, several consumer financial laws like the Truth in Lending Act and Fair Credit Reporting Act grant enforcement or litigation authority to state attorneys general.

Changes in laws or regulations, or the regulatory application or interpretation of the laws and regulations applicable to us, could adversely affect our ability to operate in the manner in which we currently conduct business and operate in certain states, and may also make it more difficult or costly for us to originate additional loans, or for us to collect payments on our loans to members or otherwise operate our business by subjecting us, our service providers, or strategic partners, to additional licensing, registration and other regulatory requirements in the future.

Failure to comply with applicable laws and regulations could result in additional compliance requirements, limitations on our ability to collect or retain all or part of the principal of or interest on loans, fines or penalties, an inability to continue operations, modification in business practices, regulatory actions, loss of required licenses or registrations, potential impairment, voiding, or voidability of loans, rescission of contracts, civil and criminal liability and damage to our reputation. It could also result in a default or early amortization event under certain of our debt facilities and reduce or terminate availability of debt financing to us to fund originations. To the extent it is determined that any loan we make was not originated in accordance with all applicable laws as we are required to represent under our securitization and other debt facilities and in loan sales to investors, we could be obligated to repurchase for cash, or swap for qualifying assets, any such loan determined not to have been originated in compliance with legal requirements. We may not have adequate liquidity and resources to make such cash repurchases or swap for qualifying assets.

Litigation, regulatory actions and compliance issues could subject us to significant fines, penalties, judgments, remediation costs and/or requirements resulting in increased expenses.

In the ordinary course of business, we have been named as a defendant in various legal actions, including class actions and other litigation. Generally, this litigation arises from the claims of violation of do-not-call, credit reporting and collection laws, bankruptcy and unfair practices. The complexity of the laws related to secured personal loans regarding vehicle titling, lien placement and repossession may enhance the risk of consumer litigation. Further, the origination of loans through bank partnerships may increase the risk of litigation or regulatory scrutiny including based on the "true lender" theory that seeks to recharacterize a lending transaction. State legislation requiring licensure and state restrictions including fee and rate limits on bank partner loans may also reduce profitability and/or increase regulatory and litigation risk. Additionally, platforms offering banking services and products through partners have also been challenged by federal and state regulators on a variety of claims. All such legal and regulatory actions are inherently unpredictable and, regardless of the merits of the claims, legal and regulatory actions are often expensive, time-consuming, disruptive to our operations and resources, and distracting to management. In addition, certain of those actions include claims for indeterminate amounts of damages. Our involvement in any such matter also could cause significant harm to our reputation and divert management attention from the operation of our business, even if the matters are ultimately determined in our favor. If resolved against us, legal actions could result in excessive verdicts and judgments, injunctive relief, equitable relief, and other adverse consequences that may affect our financial condition and how we operate our business. We have in the past chosen to settle (and may in the future choose to settle) certain matters in order to avoid the time and expense of litigating them. Although none of the settlements has been material to our business, there is no assurance that, in the future, such settlements will not have a material adverse effect on our business.

In addition, a number of participants in the consumer financial services industry have been the subject of putative class action lawsuits, state attorney general actions and other state regulatory actions, federal regulatory enforcement actions, including actions relating to alleged unfair, deceptive or abusive acts or practices, violations of state licensing and lending laws, including state usury laws, actions alleging violations of the Americans with Disabilities Act, discrimination on the basis of race, ethnicity, gender or other prohibited bases, and allegations of noncompliance with various state and federal laws and regulations relating to originating and servicing consumer finance loans and other consumer financial services and products. The current regulatory environment, increased regulatory compliance efforts, and enhanced regulatory enforcement have resulted in significant operational and compliance costs and may prevent us from providing certain products and services. There is no assurance that these regulatory matters or other factors will not, in the future, affect how we conduct our business or adversely affect our business. In particular, legal proceedings brought under state consumer protection statutes or under several of the various federal consumer financial services statutes subject to the jurisdiction of the CFPB may result in a separate fine for each violation of the statute, which, particularly in the case of class action lawsuits, could result in damages substantially in excess of the amounts we earned from the underlying activities.

Some of our consumer financing agreements include arbitration clauses. If our arbitration agreements were to become unenforceable for any reason, we could experience an increase to our consumer litigation costs and exposure to potentially damaging class action lawsuits.

In addition, from time to time, through our operational and compliance controls, we identify compliance issues that require us to make operational changes and, depending on the nature of the issue, result in financial remediation to impacted members. These self-identified issues and voluntary remediation payments could be significant, depending on the issue and the number of members impacted, and could generate litigation or regulatory investigations that subject us to additional risk.

Internet-based and electronic signature-based loan origination processes may give rise to greater risks than paper-based processes.

We use the internet and internet-enabled mobile phones to obtain application information, distribute certain legally required notices to applicants for, and borrowers of, the loans, and to obtain electronically signed loan documents in lieu of paper documents with tangible borrower signatures. In addition, we have introduced the use of electronic signature-based loan origination processes with a tablet in our retail locations. These processes 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 their signature or of the loan documents, risks that a court of law 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 were to cause any loans, or any of the terms of the loans, to be unenforceable against the borrowers, our ability to service these loans could be adversely affected.

The CFPB has broad authority to regulate consumer financial services, creating uncertainty as to how the agency's actions or the actions of any other new agency could impact our business.

The CFPB has broad authority to create and modify regulations under federal consumer financial protection laws and regulations, such as the Truth in Lending Act and Regulation Z, the Equal Credit Opportunity Act and Regulation B, the Fair Credit Reporting Act, the Electronic Funds Transfer Act and Regulation E, and to enforce compliance with those laws. The CFPB is charged with the examination and supervision of certain participants in the consumer financial services market, including short-term, small dollar lenders, and larger participants in other areas of financial services. To assist in its enforcement, the CFPB maintains an online complaint system that allows consumers to log complaints with respect to various consumer finance products, including the lending products we offer. This system could inform future CFPB decisions with respect to its regulatory, enforcement or examination focus. The CFPB may also request reports concerning our organization, business conduct, markets and activities and conduct on-site examinations of our business on a periodic basis if the CFPB were to determine, through its complaint system, that we were engaging in activities that pose risks to consumers.

On March 3, 2021, we received a Civil Investigative Demand (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 failed to comply with certain federal consumer protection laws over which the CFPB has jurisdiction. We have received additional information requests related to the CID. The information requests are focused on our legal collection practices from 2019 to 2021 and hardship treatments offered to members during the COVID-19 pandemic.

Digit received a CID from the CFPB in June 2020. The CID was disclosed and discussed during the acquisition process. The stated purpose of the 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.

We are cooperating fully with the CFPB with respect to both of these matters and, although we believe that ours and Digit's business practices have been in full compliance with applicable laws, because the CFPB has broad authority to determine what it views as potential unfair, deceptive or abusive acts or practices, at this time, we are unable to predict the outcomes of these CFPB investigations.

Other federal or state regulators could launch similar investigations or join the CFPB in its investigations. 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 our ability to offer them. The CFPB could also implement rules that restrict our effectiveness in servicing our financial products and services. Future actions by the CFPB (or other regulators) against us or our competitors that discourage the use of our or their services or restrict our business activities could result in reputational harm and adversely affect our business. 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 us, the industry or other regulators, our compliance costs and litigation exposure could increase materially. If future regulatory or legislative restrictions or prohibitions are imposed that affect our ability to offer certain of our products or that require us to make significant changes to our business practices, and if we are unable to develop compliant alternatives with acceptable returns, our business could be adversely affected.

The collection, storage, use, disclosure, and other processing of personal information could give rise to liabilities as a result of existing or new governmental regulation, conflicting legal requirements or differing views of personal privacy rights.

We receive, transmit, store, and otherwise process a large volume of personally identifiable information and other sensitive data from members and potential members, and otherwise collect, store, use, disclose, and process other personal information, including that relating to employees. There are federal, state and foreign laws regarding privacy and the storing, sharing, use, disclosure and protection of personally identifiable information and sensitive data.

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, transmitted, stored or otherwise processed. In November

2021, federal banking regulators, including the Office of Comptroller of the Currency, Federal Reserve Board and the Federal Deposit Insurance Corporation, jointly announced a final rule that will require banking organizations to give notice to the regulators within 36 hours of a cyber incident. The rule extends to a bank's service providers, requiring us to notify our bank partners in the event of such an incident. The California Consumer Privacy Act (the "CCPA"), went into effect in January 2020, and the California Privacy Rights Act of 2020 (the "CPRA"), which replaces the CCPA and goes into effect in January 2023 but has a one-year look back period, place additional requirements on the handling of personal data for us and our third-party providers. The CCPA and CPRA also provide for civil penalties for violations, as well as a private right of action for data breaches, which may increase the likelihood and cost of data breach litigation. The potential effects of this legislation, including any regulations implemented by the legislation, are far-reaching, uncertain, and evolving, and may require us to modify our data processing practices and policies, restrict our products and services or certain features, and incur substantial costs and expenses in an effort to comply. Other state, federal, and foreign legislative and regulatory bodies have also implemented or may implement similar legislation regarding the handling of personal data. For example, the Commonwealth of Virginia enacted the Consumer Data Protection Act and the State of Colorado enacted the Colorado Privacy Act, both of which take effect January 1, 2023 and may impose obligations similar to or more stringent than those we may face under other data protection laws. Our failure, or the failure by our third-party providers or others with whom we do business, to comply with applicable laws or regulations or any other obligations relating to privacy, data protection or information security, or the perception that any of the foregoing has occurred, could damage our reputation and market reputation, harm our ability to obtain market adoption, discourage new and existing members and prospective members from using our products and services, require us to change our business practices or operational structure or result in fines, investigations, or proceedings by governmental agencies and private claims and litigation, any of which could adversely affect our business, financial condition and results of operations.

In addition, an increase in third-party arrangements, including, for example, with lead aggregators, bank partners, Lending as a Service partners and affiliate relationships including our acquisition of Digit could lead to increased complexity around our compliance obligations with respect to privacy, data protection and information security laws or regulations. We could also be adversely affected if new legislation or regulations are adopted or if existing legislation or regulations are modified such that we are required to alter our systems, products or services or require changes to our business practices or policies relating to privacy, data protection, or information security. Even if not subject to legal challenge, the perception of concerns relating to privacy, data protection and information security, whether or not valid, may harm our reputation and brand and adversely affect our business, financial condition, and results of operations. 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 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 *Hunstein* case resulted in a significant amount of litigation against debt collectors and creditors collecting their own debt. In a recent ruling, the Eleventh Circuit vacated the *Hunstein* decision pending an en banc hearing on the ruling set for February 2022. Depending on the outcome of the hearing, we could determine that changes to our business practices, policies, and procedures are necessary, including the arrangements we have in place with certain of our third-party vendors that require us to share consumer information. These changes could adversely affect our ability to collect and as a result, our results of operations and financial condition could be negatively impacted.

Our business is subject to the regulatory framework applicable to registered investment advisers, including regulation by the SEC.

We offer investment management services through Digit Advisors, LLC which provides automated investment advice regarding the selection of a portfolio of exchange traded funds through the Digit app. Digit Advisors is registered as an investment adviser under the Advisers Act, and is subject to regulation by the SEC.

Investment advisers are subject to the anti-fraud provisions of the Advisers Act and to fiduciary duties derived from these provisions, which apply to our relationships with our members who are advisory clients, as well as the funds we manage. These provisions and duties impose restrictions and obligations on us with respect to our dealings with our members, including for example restrictions on transactions with our affiliates. Our investment adviser has in the past and will in the future be subject to periodic SEC examinations. Our investment adviser is also subject to other requirements under the Advisers Act and related regulations primarily intended to benefit advisory clients. These additional requirements relate to matters including maintaining effective and comprehensive compliance programs, record-keeping and reporting and disclosure requirements. The Advisers Act generally grants the SEC broad administrative powers, including the power to limit or restrict an investment adviser from conducting advisory activities in the event such investment adviser fails to comply with federal securities laws. Additional sanctions that may be imposed for failure to comply with applicable requirements include the prohibition of individuals from associating with an investment adviser, the revocation of registrations and other censures and fines. Even if an investigation or proceeding did not result in a sanction or the sanction imposed against us or our personnel by a regulator were small in monetary amount, the adverse publicity relating to the investigation, proceeding or imposition of these sanctions could harm our reputation and cause us to lose existing members or fail to gain new members.

Our bank partnership products may lead to regulatory risk and may increase our regulatory burden.

We provide our credit card products through a bank partnership program with WebBank and we have bank partnership programs with Metabank, N.A., to offer unsecured installment loans and provide deposit accounts, debit card services and other transaction services to our members. State and federal agencies have broad discretion in their interpretation of laws and their interpretation of requirements related to bank partnership programs and may elect to alter standards or the interpretation of the standards applicable to these programs. In addition, as a result of our bank partnerships, prudential bank regulators with supervisory authority over our partners have the ability to regulate aspects of our business. There has also been significant recent government enforcement action and litigation challenging the validity of such arrangements for lending products, including disputes seeking to recharacterize lending transactions on the basis that the non-bank party rather than the bank is the "true lender" or "de facto lender", and in case law upholding the "valid when made" doctrine, which holds that federal preemption of state interest rate limitations are not applicable in the context of certain bank-non-bank partnership arrangements.

The uncertainty of the federal and state regulatory environments around bank partnership programs means that our efforts to launch products and services through bank partners may not ultimately be successful, or may be challenged by legislation or regulatory action. If the legal structure underlying our relationship with our bank partners were to be successfully challenged, we may be found to be in violation of state licensing requirements and state laws regulating interest rates. In the event of such a challenge or if our arrangements with our bank partners were to change or end for any reason, we would need to rely on an alternative bank relationship, find an alternative bank relationship, rely on existing state licenses, obtain new state licenses, pursue a national bank charter, and/or be subject to the interest rate limitations of certain states. In addition, adverse orders or regulatory enforcement actions against our bank partners, even if unrelated to our business, could impose restrictions on their ability to continue to extend credit or on current terms. Regulation by federal and state regulators may also subject us to increased compliance, legal and operational costs, and could subject our business model to scrutiny and otherwise increase our regulatory burden, or may limit our ability to expand the scope of our activities in a manner that could have a material adverse effect on us.

Anti-money laundering, anti-terrorism financing and economic sanctions laws could have adverse consequences for us.

We maintain a compliance program designed to enable us to comply with all applicable anti-money laundering and anti-terrorism financing laws and regulations, including the Bank Secrecy Act and the USA PATRIOT Act and U.S. economic sanctions laws administered by the Office of Foreign Assets Control. This program includes policies, procedures, processes and other internal controls designed to identify, monitor, manage and mitigate the risk of money laundering and terrorist financing and engaging in transactions involving sanctioned countries persons and entities. These controls include procedures and processes to detect and report suspicious transactions, perform member due diligence, respond to requests from law enforcement, and meet all recordkeeping and reporting requirements related to particular transactions involving currency or monetary instruments. No assurance is given that our programs and controls will be effective to ensure compliance with all applicable anti-money laundering and anti-terrorism financing laws and regulations, and our failure to comply with these laws and regulations could subject us to significant sanctions, fines, penalties and reputational harm.

We may have to constrain our business activities to avoid being deemed an investment company under the Investment Company Act.

The Investment Company Act of 1940, as amended (the "Investment Company Act") contains substantive legal requirements that regulate the way "investment companies" are permitted to conduct their business activities. We believe we have conducted, and we intend to continue to conduct, our business in a manner that does not result in our company being characterized as an investment company, including by relying on certain exemptions from registration as an investment company. We rely on guidance published by the SEC staff or on our analyses of such guidance to determine our qualification under these and other exemptions. To the extent that the SEC staff publishes new or different guidance with respect to these matters, we may be required to adjust our business operations accordingly. If we are deemed to be an investment company, we may attempt to seek exemptive relief from the SEC, which could impose significant costs and delays on our business. We may not receive such relief on a timely basis, if at all, and such relief may require us to modify or curtail our operations. If we are deemed to be an investment company, we may also be required to institute burdensome compliance requirements and our activities may be restricted.

We are subject to governmental export and import controls that could subject us to liability, impair our ability to compete in international markets and adversely affect our business.

Although our business does not involve the commercial sale or distribution of hardware, software or technology, in the normal course of our business activities we may from time to time ship general commercial equipment outside the United States to our subsidiaries or affiliates for their internal use. In addition, we may export, transfer or provide access to software and technology to non-U.S. persons such as employees and contractors, as well as third-party vendors and consultants engaged to support our business activities. In all cases, the sharing of software and/or technology is solely for the internal use of the company or for the use by business partners to provide services to us, including software development. However, such shipments and transfers may be subject to U.S. and foreign regulations governing the export and import of goods, software and technology. If we fail to comply with these laws and regulations, we and certain of our employees could be subject to significant sanctions, fines, penalties and reputational harm. Further, any change in applicable export, import or economic sanctions regulations or related legislation, shift in approach to the enforcement or scope of existing regulations or change in the countries, persons or technologies targeted by these regulations could adversely affect our business.

Risks Related to Our Indebtedness

We have incurred substantial debt and may issue debt securities or otherwise incur substantial debt in the future, which may adversely affect our financial condition and negatively impact our operations.

We have in the past incurred, and expect to continue to incur, substantial debt to fund our loan activities. We depend on securitization transactions, warehouse facilities, whole loan sales and other forms of debt financing in order to finance the growth of our business and the origination of most of the loans we make to our members. The incurrence of debt could have a variety of negative effects, including:

- default and foreclosure on our and our subsidiaries' assets if asset performance and our operating revenue are insufficient to repay debt obligations;
- mandatory repurchase obligations for any loans conveyed or sold into a debt financing or under a whole loan purchase facility if the representations and warranties we made with respect to those loans were not correct when made;

- acceleration of obligations to repay the indebtedness (or other outstanding indebtedness to the extent of cross default triggers), even if we make all principal and interest payments when due, if we breach any covenants that require the maintenance of certain financial ratios with respect to us or the loan portfolio securing our indebtedness or the maintenance of certain reserves or tangible net worth and do not obtain a waiver for such breach or renegotiate our covenant;
- our inability to obtain necessary additional financing if the debt security contains covenants restricting our ability to obtain such financing while the debt security is outstanding;
- our inability to obtain necessary additional financing if changes in the characteristics of our loans or our collection and other loan servicing activities change and cease to meet conditions precedent for continued or additional availability under our debt financings;
- diverting a substantial portion of cash flow to pay principal and interest on such debt, which would reduce the funds available for expenses, capital expenditures, acquisitions, and other general corporate purposes;
- creating limitations on our flexibility in planning for and reacting to changes in our business and in the industry in which we operate;
- defaults based on loan portfolio performance or default in our collection and loan servicing obligations could result in our being replaced by a third-party or back-up servicer and notification to our members to redirect payments;
- downgrades or revisions of agency ratings for our debt financing; and
- monitoring, administration and reporting costs and expenses, including legal, accounting and other monitoring reporting costs and expenses, required under our debt financings.

In addition, some of our credit facilities currently utilize a floating rate of interest linked to LIBOR. In July 2017, the U.K. announced the discontinuation of LIBOR which could result in interest rate increases under our credit facilities which could adversely affect our results of operations.

A breach of early payment triggers or covenants or other terms of our agreements with lenders could result in an early amortization, default, and/or acceleration of the related funding facilities.

The primary funding sources available to support the maintenance and growth of our business include, among others, asset-backed securitization, revolving debt facilities (including the Secured Financing facilities) and whole loan sale facilities. If we are unable to comply with various conditions precedent to availability under these facilities (including the eligibility of our loans), covenants and other specified requirements set forth in our agreements with our lenders, this could result in the early amortization, default and/or acceleration of our existing facilities. Such covenants and requirements include financial covenants, portfolio performance covenants and other events. For example, our securitizations contain collateral performance threshold triggers related to the three-month average annualized gross charge-off or net charge-off rate which, if exceeded, would lead to early amortization. To support our collateral requirements under our financing agreements, we use a random selection process to take loans off our warehouse line to pledge to our securitizations. An inability to originate enough loans to meet the collateral requirements in our financing arrangements, could result in the early amortization, default and/or acceleration of our existing facilities. Moreover, we currently act as servicer with respect to the unsecured consumer loans held by our subsidiaries. If we default in our servicing obligations or fail to meet certain financial covenants, an early amortization event or event of default could occur, and/or we could be replaced by our back-up servicer or another successor servicer. If we are replaced as servicer to these loans, there is no guarantee that the back-up services will be adequate. Any disruptions in services may cause the inability to collect and process repayments. For more information on covenants, requirements and events, see [Note 9, Borrowings](#) of the Notes to the Consolidated Financial Statements included elsewhere in this report.

During an early amortization period or if an event of default exists, principal and interest collections from the loans in our asset-backed facilities would be applied to repay principal under such facilities and principal collections would no longer be available on a revolving basis to fund purchases of newly originated loans. If an event of default exists under our revolving debt or loan sale facilities, the applicable lenders or purchasers' commitments to extend further credit or purchase additional loans under the related facility would terminate. If collections were insufficient to repay the amounts due under our securitizations and our revolving debt facilities, the applicable lenders, trustees and noteholders could seek remedies, including against the collateral pledged under such facilities. Any of these events would negatively impact our liquidity, including our ability to originate new loans, and require us to rely on alternative funding sources. If we were unable to arrange new or alternative methods of financing on favorable terms, we might have to curtail the origination of loans, and we may be replaced by our back-up servicer or another successor servicer.

Our securitizations and whole loan sales may expose us to certain risks, and we can provide no assurance that we will be able to access the securitization or whole loan sales market in the future, which may require us to seek more costly financing.

We have securitized, and may in the future securitize, certain of our loans to generate cash to originate new loans or pay our outstanding indebtedness. In each such transaction and in connection with our warehouse facilities, we sell and convey a pool of loans to a special purpose entity ("SPE"). Concurrently, each SPE issues notes or certificates pursuant to the terms of an indenture. The securities issued by the SPE are secured by the pool of loans owned by the SPE. In exchange for the sale of a portion of the pool of loans to the SPE, we receive cash, which are the proceeds from the sale of the securities. We also contribute a portion of the pool of loans in consideration for the equity interests in the SPE. Subject to certain conditions in the indenture governing the notes issued by the SPE (or the agreement governing the SPE's revolving loan), the SPE is permitted to purchase additional loans from us or distribute to us residual amounts received by it from the loan pool, which residual amounts are the cash amounts remaining after all amounts payable to service providers and the noteholders have been satisfied. We also have the ability to swap pools of loans with the SPE. Our equity interest in the SPE is a residual interest in that it entitles us as the equity owner of the SPE to residual cash flows, if any, from the

loans and to any assets remaining in the SPE once the notes are satisfied and paid in full (or in the case of a revolving loan, paid in full and all commitments terminated). As a result of challenging credit and liquidity conditions, the value of the subordinated securities we retain in our securitizations might be reduced or, in some cases, eliminated.

The securitization market is subject to changing market conditions, and we may not be able to access this market when we would otherwise deem appropriate. Further, other matters, such as (i) accounting standards applicable to securitization transactions and (ii) capital and leverage requirements applicable to banks and other regulated financial institutions holding asset-backed securities, could result in decreased investor demand for securities issued through our securitization transactions, or increased competition from other institutions that undertake securitization transactions. In addition, compliance with certain regulatory requirements may affect the type of securitizations that we are able to complete.

Asset-backed securities and the securitization markets were heavily affected by the Dodd-Frank Act and have also been a focus of increased regulation by the SEC. For example, the Dodd-Frank Act mandates the implementation of rules requiring securitizers or originators to retain an economic interest in a portion of the credit risk for any asset that they securitize or originate. Furthermore, sponsors are prohibited from diluting the required risk retention by dividing the economic interest among multiple parties or hedging or transferring the credit risk the sponsor is required to maintain. Rules relating to securitizations rated by nationally-recognized statistical rating agencies require that the findings of any third-party due diligence service providers be made publicly available at least five business days prior to the first sale of securities, which has led and will continue to lead us to incur additional costs in connection with each securitization. In addition, some of the regulations to be implemented under the Dodd-Frank Act relating to securitization have not yet been finalized. Any new rules or changes to the Dodd-Frank Act (or the current rules thereunder) could adversely affect our ability and our cost to access the asset-backed securities market.

If it is not possible or economical for us to securitize our loans in the future, we would need to seek alternative financing to support our operations and to meet our existing debt obligations, which may not be available on commercially reasonable terms, or at all. If the cost of such alternative financing were to be higher than our securitizations, we would likely reduce the fair value of our Fair Value Loans, which would negatively impact our results of operations.

The gain on sale generated by our whole loan sales and servicing fees earned on sold loans also represents a significant source of our earnings. Demand for our loans at the current premiums may be impacted by factors outside our control, including availability of loan pools, demand by investors for whole loan assets and attractiveness of returns offered by competing investment alternatives offered by other loan originators with more attractive characteristics than our loan pools and loan purchaser interest. In addition, currently 100% of our whole loan sales are to one third-party institutional investor. If this institutional investor were unable or unwilling to continue to purchase loans during the term of our agreement, we may choose not to or may be unable to replace the agreement with a favorable alternate whole loan sale opportunity. In that event, our revenue and liquidity may be negatively impacted, which may adversely affect our financial condition.

Our results of operations are affected by our ability to sell our loans for a premium over their net book value. Potential loan purchasers might reduce the premiums they are willing to pay, or even require a discount to principal balance, for the loans that they purchase during periods of economic slowdown or recession to compensate for any increased risks. A reduction in the sale price of the loans we sell under our whole loan sale program would likely result in a reduction in the fair value of our Fair Value Loans, which would negatively impact our results of operations. Any sustained decline in demand for our loans or increase in delinquencies, defaults or foreclosures may reduce the price we receive on future loan sales below our loan origination cost.

General Risk Factors

You may be diluted by the future issuance of additional common stock in connection with our equity incentive plans, acquisitions or otherwise.

Our amended and restated certificate of incorporation authorizes us to issue shares of common stock authorized but unissued and rights relating to common stock for the consideration and on the terms and conditions established by our Board in its sole discretion, whether in connection with acquisitions or otherwise. We have authorized 8,733,812 shares for issuance under our 2019 Equity Incentive Plan, 1,273,009 shares for issuance under our 2019 Employee Stock Purchase Plan, and 655,000 shares for issuance under our 2021 Inducement Equity Incentive Plan, subject to adjustment in certain events. Any common stock that we issue, including under our 2019 Equity Incentive Plan, our 2019 Employee Stock Purchase Plan or other equity incentive plans that we may adopt in the future, could dilute your percentage ownership.

The price of our common stock may be volatile, and you could lose all or part of your investment.

The trading price of our common stock has been and may continue to be volatile and will depend on a number of factors, including those described in this “Risk Factors” section, many of which are beyond our control and may not be related to our operating performance. These fluctuations could cause you to lose all or part of your investment in our common stock, because you might be unable to sell your shares at or above the price you paid. Factors that could cause fluctuations in the trading price of our common stock include the following:

- failure to meet quarterly or annual guidance with regard to revenue, margins, earnings or other key financial or operational metrics;
- fluctuations in the trading volume of our share or the size of our public float;
- price and volume fluctuations in the overall stock market from time to time;
- changes in operating performance and market valuations of similar companies;

- failure of financial analysts to maintain coverage of us, changes in financial estimates by any analysts who follow our company, or our failure to meet these estimates or the expectations of investors;
- speculation in the press or investment community
- any major change in our management;
- sales of shares of our common stock by us or our stockholders;
- actual or anticipated fluctuations in our results of operations;
- actual or perceived data security breaches or incidents impacting us or our third-party service providers;
- changes in prevailing interest rates;
- quarterly fluctuations in demand for our loans;
- actual or anticipated developments in our business or our competitors' businesses or the competitive landscape generally;
- developments or disputes concerning our intellectual property or other proprietary rights;
- litigation, government investigations and regulatory actions;
- passage of legislation or other regulatory developments that adversely affect us or our industry; and
- other general market, political and economic conditions.

If financial or industry analysts do not publish research or reports about our business, or if they issue an adverse or misleading opinion regarding our stock, our stock price and trading volume could decline.

The trading market for our common stock is influenced by the research and reports that industry or financial analysts publish about us or our business. We do not control these analysts or the content and opinions included in their reports. If any of the analysts who cover us issue an adverse or misleading opinion regarding our stock price, our stock price would likely decline. If one or more of these analysts cease coverage of our company or fail to publish reports on us regularly, we could lose visibility in the financial markets, which in turn could cause our stock price or trading volume to decline.

Our directors, officers, and principal stockholders have substantial control over our company, which could limit your ability to influence the outcome of key transactions, including a change of control.

Our directors, executive officers, and each of our 5% stockholders and their affiliates, in the aggregate, beneficially own a significant number of the outstanding shares of our common stock. As a result, these stockholders, if acting together, will be able to influence or control matters requiring approval by our stockholders, including the election of directors and the approval of mergers, acquisitions or other extraordinary transactions. They may also have interests that differ from yours, and they may vote in a way with which you disagree or which may be adverse to your interests. This concentration of ownership may have the effect of delaying, preventing or deterring a change of control of our company, could deprive our stockholders of an opportunity to receive a premium for their common stock as part of a sale of our company and might ultimately affect the market price of our common stock.

We may need to raise additional funds in the future, including through equity, debt, or convertible debt financings, to support business growth and those funds may not be available on acceptable terms, or at all.

We intend to continue to make investments to support our business growth and may require additional funds to respond to business challenges, including the need to develop new financial products and services, enhance our risk management model, improve our operating infrastructure, or acquire complementary businesses and technologies. Accordingly, we may need to engage in equity, debt or convertible debt financings to secure additional funds. If we raise additional funds by issuing equity securities or securities convertible into equity securities, our stockholders may experience dilution. Debt financing, if available, may involve covenants restricting our operations or our ability to incur additional debt. Any debt or additional equity financing that we raise may contain terms that are not favorable to us or our stockholders.

If we do not have sufficient capital, we may be unable to pursue certain opportunities and our ability to continue to support our growth and to respond to challenges could be impaired.

The requirements of being a public company may strain our resources, divert management's attention and affect our ability to attract and retain qualified Board members.

As a public company, we are subject to the reporting requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), the Sarbanes-Oxley Act, the Dodd-Frank Act, the listing standards of the Nasdaq Stock Market, and other applicable securities rules and regulations, including changes in corporate governance practices and the establishment and maintenance of effective disclosure and financial controls. Compliance with these rules and regulations increases our legal and financial compliance costs, makes some activities more difficult, time-consuming or costly and increases demand on our systems and resources.

In addition, changing laws, regulations and standards or interpretations thereof relating to corporate governance and public disclosure are creating uncertainty for public companies, increasing legal and financial compliance costs and making some activities more time-consuming. We

intend to invest resources to comply with evolving laws, regulations and standards, and this investment may result in increased general and administrative expenses and a diversion of management's time and attention. If our efforts to comply with new laws, regulations and standards differ from the activities intended by regulatory or governing bodies due to ambiguities related to their application and practice, regulatory authorities may initiate legal proceedings against us.

Certain of our market opportunity estimates, growth forecasts, and key metrics could prove to be inaccurate, and any real or perceived inaccuracies may harm our reputation and negatively affect our business.

Market opportunity estimates and growth forecasts, including those we have generated ourselves, are subject to significant uncertainty and are based on assumptions and estimates that may not prove to be accurate. The estimates and forecasts relating to the size and expected growth of our target market may prove to be inaccurate. It is impossible to offer every loan product, term or feature that every member wants, and our competitors may develop and offer loan products, terms or features that we do not offer. The variables that go into the calculation of our market opportunity are subject to change over time, and there is no guarantee that any particular number or percentage of the individuals covered by our market opportunity estimates will generate any particular level of revenues for us. Even if the markets in which we compete meet our size estimates and growth forecasts, our business could fail to grow at similar rates, if at all, for a variety of reasons outside of our control, including competition in our industry. Furthermore, in order for us to successfully address this broader market opportunity, we will need to successfully expand into new geographic regions where we do not currently operate. Our key metrics may differ from estimates published by third parties or from similarly titled metrics of our competitors due to differences in methodology. If investors or analysts do not perceive our metrics to be accurate representations of our business, or if we discover material inaccuracies in our metrics, our reputation, business, results of operations, and financial condition would be adversely affected.

Certain provisions in our charter documents and under Delaware law could limit attempts by our stockholders to replace or remove our Board, delay or prevent an acquisition of our company, and adversely affect the market price of our common stock.

Provisions in our amended and restated certificate of incorporation, and amended and restated bylaws may have the effect of delaying or preventing a change of control or changes in our Board. These provisions include the following:

- a classified Board with three-year staggered terms, which may delay the ability of stockholders to change the membership of a majority of our Board;
- our Board has the right to elect directors to fill a vacancy created by the expansion of the Board or the resignation, death or removal of a director, which prevents stockholders from being able to fill Board vacancies;
- our stockholders may not act by written consent or call special stockholders' meetings;
- our amended and restated certificate of incorporation prohibits cumulative voting in the election of directors, which limits the ability of minority stockholders to elect director candidates;
- stockholders must provide advance notice and additional disclosures in order to nominate individuals for election to the Board or to propose matters that can be acted upon at a stockholders' meeting, which may discourage or deter a potential acquiror from conducting a solicitation of proxies to elect the acquiror's own slate of directors or otherwise attempting to obtain control of our company; and
- our Board may issue, without stockholder approval, shares of undesignated preferred stock, which may make it possible for our Board to issue preferred stock with voting or other rights or preferences that could impede the success of any attempt to acquire us.

As a Delaware corporation, we are also subject to certain Delaware anti-takeover provisions. Under Delaware law, a corporation may not engage in a business combination with any holder of 15% or more of its capital stock unless the holder has held the stock for three years or, among other things, the Board has approved the transaction. Such provisions could allow our Board to prevent or delay an acquisition of our company.

Certain of our executive officers may be entitled, pursuant to the terms of their employment arrangements, to accelerated vesting of their stock options following a change of control of our company under certain conditions. In addition to the arrangements currently in place with some of our executive officers, we may enter into similar arrangements in the future with other officers. Such arrangements could delay or discourage a potential acquisition.

Any provision of our amended and restated certificate of incorporation or amended and restated bylaws or Delaware law that has the effect of delaying or deterring a potential acquisition could limit the opportunity for our stockholders to receive a premium for their shares of our common stock in connection with such acquisition, and could also affect the price that some investors are willing to pay for our common stock.

Our amended and restated certificate of incorporation provides that the Court of Chancery of the State of Delaware or the U.S. federal district courts will be the exclusive forums for substantially all disputes between us and our stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers or other employees.

Our amended and restated certificate of incorporation provides that the Court of Chancery of the State of Delaware is the sole and exclusive forum for the following types of actions or proceedings under Delaware statutory or common law: (1) any derivative action or proceeding brought on our behalf, (2) any action asserting a claim of breach of a fiduciary duty owed by any of our directors, officers or other employees to us or our

stockholders, (3) any action asserting a claim against us or any of our directors, officers or other employees arising pursuant to any provisions of the Delaware General Corporation Law, our amended and restated certificate of incorporation or our amended and restated bylaws, (4) any action to interpret, apply, enforce or determine the validity of our amended and restated certificate of incorporation or our amended and restated bylaws, or (5) any action asserting a claim against us or any of our directors, officers or other employees that is governed by the internal affairs doctrine. This provision would not apply to suits brought to enforce a duty or liability created by the Exchange Act or the rules and regulations thereunder. Furthermore, Section 22 of the Securities Act of 1933, as amended ("Securities Act"), creates concurrent jurisdiction for federal and state courts over all such Securities Act actions. Accordingly, both state and federal courts have jurisdiction to entertain such claims. To prevent having to litigate claims in multiple jurisdictions and the threat of inconsistent or contrary rulings by different courts, among other considerations, our amended and restated certificate of incorporation further provides that U.S. federal district courts will be the exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act. While the Delaware courts have determined that such choice of forum provisions are facially valid, a stockholder may nevertheless seek to bring a claim in a venue other than those designated in the exclusive forum provisions. In such instance, we would expect to vigorously assert the validity and enforceability of the exclusive forum provisions of our amended and restated certificate of incorporation. This may require significant additional costs associated with resolving such action in other jurisdictions, which could adversely affect our business and financial condition, and there can be no assurance that the provisions will be enforced by a court in those other jurisdictions.

These exclusive forum provisions may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers, or other employees, which may discourage lawsuits against us and our directors, officers and other employees. If a court were to find either exclusive-forum provision in our amended and restated certificate of incorporation to be inapplicable or unenforceable in an action, we may incur further significant additional costs associated with resolving the dispute in other jurisdictions, all of which could seriously harm our business.

Item 1B. Unresolved Staff Comments

None.

Item 2. Properties

Our corporate headquarters is located in San Carlos, California pursuant to a lease expiring in February 2026. We are currently subleasing a portion of our headquarters space to third parties. As of December 31, 2021, we leased additional facilities and office space in California, Texas, Mexico, and India. We also operate retail locations and co-locations across California, Illinois, Texas, Utah, Nevada, Arizona, New Mexico, New Jersey and Florida.

Item 3. Legal Proceedings

The information set forth under [Note 16. Leases, Commitments and Contingencies](#), in the accompanying Notes to the Consolidated Financial Statements is incorporated herein by reference. From time to time, we may bring or be subject to other legal proceedings and claims in the ordinary course of business, including legal proceedings with third parties asserting infringement of their intellectual property rights, consumer litigation, and regulatory proceedings. Other than as described in this report, we are not presently a party to any legal proceedings that, if determined adversely to us, we believe would individually or taken together have a material adverse effect on our business, financial condition, cash flows or results of operations.

Item 4. Mine Safety Disclosures

None.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Market Information and Stockholders

Oportun's common stock has been listed for trading on the Nasdaq Global Select Market since September 26, 2019 under the symbol "OPRT". As of February 22, 2022, we had 32,018,365 record holders of our common stock. This figure does not reflect the beneficial ownership of shares held in nominee name or held in trust by other entities. Therefore, the actual number of stockholders is greater than this number of registered stockholders of record.

Dividend Policy

We have never declared or paid any cash dividends on our capital stock, and we do not currently intend to pay any cash dividends on our capital stock in the foreseeable future. We currently intend to retain all available funds and any future earnings to support operations and to finance the growth and development of our business. Any future determination to pay dividends will be made at the discretion of our Board.

Stock Performance

As a "Smaller Reporting Company" as defined by Item 10 of Regulation S-K, the Company is not required to provide this information.

Issuer Purchases of Equity Securities

None.

Unregistered Sales of Equity Securities

In connection with the consideration for the acquisition of 100% of the outstanding stock of Digit, on December 22, 2021, we issued 3,522,182 shares of Company common stock and restricted stock to Digit stockholders. The restricted common stock is subject to transfer restrictions and a repurchase option by the Company. For information about the acquisition, see [Note 6, Acquisition](#), of the Notes to the Consolidated Financial Statements.

The issuance was made in reliance on the exemption from registration provided by Section 4(a)(2) of the Securities Act, as the transactions did not involve a public offering and the recipients of the securities in this transaction represented their intention to acquire the securities for investment only and not for sale in connection with any distribution thereof, and had adequate access to information about us, through their relationships with us or otherwise.

Use of Proceeds

None.

Item 6. Reserved

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

For more information about terms and abbreviations used in this report see the "[Glossary](#)" at the end of Part II of this report.

An index to our management's discussion and analysis follows:

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The following Management's Discussion and Analysis of Financial Condition and Results of Operations (this "MD&A") is intended to help the reader understand our results of operations and financial condition. This MD&A is provided as a supplement to, and should be read together with, our audited consolidated financial statements and the related notes thereto and other disclosures included elsewhere in this Annual Report on Form 10-K. Some of the information contained in this MD&A, including information with respect to our plans and strategy for our business, includes forward-looking statements that involve risks and uncertainties. You should review the information contained in Part I, Item 1A. "Risk Factors" of this Annual Report on Form 10-K for a discussion of important factors that could cause actual results to differ materially from the results described in or implied by the forward-looking statements contained in this MD&A.

Overview

We are a financial technology company and digital banking platform driven by our mission to provide inclusive, affordable financial services that empower our members to build a better future. By intentionally designing our products with our members in mind, we are focused on realizing our vision to deliver a complete set of financial solutions that meet the needs of hardworking people, from borrowing and banking to savings, investing and more. We take a holistic approach to serving our members and view it as our purpose to responsibly meet their current capital needs, help grow our members' financial profiles, increase their financial awareness and put them on a path to a financially healthy life. In our 16-year lending history, we have extended more than \$12.0 billion in responsible credit through more than 4.9 million loans and credit cards. We have been certified as a Community Development Financial Institution ("CDFI") by the U.S. Department of the Treasury since 2009.

With our acquisition of Hello Digit, Inc. ("Digit") on December 22, 2021, we believe we now have a strong competitive advantage over other fintechs and neobanks. As a combined company, we can now offer access to a comprehensive suite of digital banking products, offered either directly or through partners, including lending, savings and investing powered by A.I. and tailored to each member's goals. Digit began with a savings product and the intent to apply A.I. to make financial health effortless for everyone. Following the success of the initial savings product, Digit has now expanded its offering to bank account and investment products. Since 2015, Digit members have saved over \$7.2 billion towards their rainy day fund and other savings goals and paid down more than \$330.0 million in debt.

Our financial products allow us to meet our members where they are and assist them with their overall financial health, resulting in opportunities to present multiple relevant products to our members. Our credit products include personal loans, secured personal loans and credit cards. Our digital banking products include digital banking, automated savings, long-term investing and retirement savings. Consumers are able to become members and access our products through our digital banking app—the Digit app—and the Oportun.com website, which are our primary channels for onboarding and serving members. Our personal loan products are also available over the phone or through over 480 retail locations, which includes 258 of our Lending as a Service partner locations.

Credit Products

Personal Loans - Our personal loan is a simple-to-understand, affordable, unsecured, fully amortizing installment loan with fixed payments throughout the life of the loan. We charge fixed interest rates on our loans, which vary based on the amount disbursed and applicable state law, with a cap of 36% annual percentage rate ("APR") in all cases. As of December 31, 2021, for all active loans in our portfolio and at time of disbursement, the weighted average term and APR at origination was 35 months and 32.4%, respectively. The average loan size for loans we originated in 2021 was \$3,357. Our loans do not have prepayment penalties or balloon payments, and range in size from \$300 to \$11,000 with terms of 11 to 52 months. Generally, loan payments are structured on a bi-weekly or semi-monthly basis to coincide with our members' receipt of their income. As part of our underwriting process, we verify income for all applicants and only approve loans that meet our ability-to-pay criteria. As of December 31, 2021, we originate unsecured personal loans in 12 states through state licenses and in 26 states through our partnership with MetaBank, N.A.

Secured Personal Loans - In April 2020, we launched a personal installment loan product secured by an automobile, which we refer to as secured personal loans. Our secured personal loans range in size from \$2,525 to \$20,000 with terms ranging from 21 to 64 months. The average loan

size for secured personal loans we originated in 2021 was \$7,003. As of December 31, 2021, for all active loans in our portfolio and at time of disbursement, the weighted average term and APR at origination was 46 months and 29.6%, respectively. As part of our underwriting process, we verify income for all applicants and only approve loans that meet our ability-to-pay criteria. Our secured personal loans are currently offered in California, Texas and Florida, and we are in the process of expanding to other states.

Credit Cards - We launched Oportun® Visa® Credit Card, issued by WebBank, Member FDIC, in December 2019, and offer credit cards in 45 states as of December 31, 2021. Credit lines on our credit cards range in size from \$300 to \$1,000 with an APR between 24.9% to 29.9%. The average APR of the outstanding credit card receivables was 29.8% as of December 31, 2021. The average credit line for credit cards activated in 2021 was \$898.

Digital Banking Products

Digit Savings – Our Digit Savings product is designed to understand a member’s cash flows and save the right amount on a regular basis to effortlessly achieve savings goals.

Digit Direct – Our Digit Direct product offers intelligent budgeting across bills, savings and spending via a checking account, offered through a bank partner, and members can have Digit be their primary banking relationship.

Digit Investing and Digit Retirement – Our Digit investment and retirement products are a longer-term savings solution via an A.I.-driven portfolio allocation into low-cost investments based upon risk-tolerance. Our long-term investment solutions automatically allocates our members' savings into low-cost risk-adjusted portfolios held in brokerage accounts or tax-advantaged IRAs. Since 2020, our members have invested \$36 million into long-term goals through low-cost ETF portfolios. The investment products include a general investing account and a retirement account for our members’ longer term goals, utilizing smart recommendations to invest savings in risk-adjusted portfolios.

Lending as a Service

Beyond our core direct-to-consumer lending business, we believe that we can leverage our proprietary credit scoring and underwriting model to partner with other consumer brands. Our first strategic partner for this Lending as a Service model was DolEx Dollar Express, Inc. (“DolEx”). In this partnership, DolEx markets loans and enters borrower applications into Oportun’s system, and Oportun underwrites, originates and services the loans. In July 2021, we signed Barri Financial Group as a Lending as a Service partner, which we launched in several locations in October 2021. In January of 2022, we announced our first all-digital Lending as a Service partnership with Sezzle, a leading provider of Buy Now Pay Later (“BNPL”) financing options. When deployed, Oportun will be available as a checkout option, through Sezzle, for larger purchases, which we believe will allow us to reach more new members. We believe we will be able to offer Lending as a Service to additional partners, and expand our membership base.

Capital Markets Funding

To fund our growth at a low and efficient cost, we have built a diversified and well-established capital markets funding program, which allows us to partially hedge our exposure to rising interest rates or credit spreads by locking in our interest expense for up to three years. Over the past eight years, we have executed 17 bond offerings in the asset-backed securities market, the last 14 of which include tranches that have been rated investment grade. We issued two- and three-year fixed rate bonds which have provided us committed capital to fund future loan originations at a fixed Cost of Debt. We are also party to a whole loan sale program whereby we sell a percentage of our loans to a third-party financial institution. In addition to our whole loan sale program, we also have a \$600.0 million Personal Loan Warehouse facility with a term through September 2024 and a \$150.0 million Credit Card Warehouse facility with a term through December 2023 which also helps to fund our receivables growth.

Digit Acquisition

On December 22, 2021, we completed our acquisition of Digit. Digit is a digital banking platform that provides automated savings, investing and banking 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, Oportun further expands its A.I. and digital capabilities, adding to its services to provide consumers a holistic offering built to address their financial needs. The total consideration we provided for Digit was approximately \$205.3 million, comprised of \$73.2 million in equity and \$132.1 million in cash, subject to customary adjustments. The total consideration as reported herein differs from the amounts previously disclosed due to changes in the underlying value of the stock between the date the of the definitive agreement and the closing of the acquisition. The number of shares of Company common stock comprising the stock portion of the consideration was determined using the stock price as of the signing of the definitive agreement. We acquired 100% of the outstanding stock of Digit, and Digit is now our wholly-owned subsidiary. The cash consideration was funded with a \$116.0 million Acquisition Financing facility.

Digit started as a savings platform that connects to members’ checking accounts and analyzes their income and spending patterns to find amounts that can safely be set aside towards savings goals. Digit calculates these amounts by identifying upcoming bills and regular spending habits to ensure optimal amounts are flagged for savings and transferred to savings accounts. The funds in these saving accounts are owned by Digit members and are not the assets of the Company. Therefore, these funds are not included in the Consolidated Balance Sheets.

Retail Network Optimization

Consistent with our retail network optimization plan, during the first quarter of 2021, we closed 136 retail locations and reduced a portion of the employee workforce who managed and operated these retail locations. In addition, for the twelve months ended December 31, 2021, we incurred \$11.2 million in expenses related to the retail location closures. In the first quarter of 2021, we recognized \$1.6 million related to severance and

benefits related to the store closures which represents all severance and benefits related costs to be incurred related to the retail network optimization plan. The income statement impact for the twelve months ended December 31, 2021 was \$12.8 million and was recorded through General, administrative and other on the Consolidated Statements of Operations. As the initial retail network optimization plan was substantially completed in the third quarter, there were no significant expenses incurred for the three months ended December 31, 2021.

Key Financial and Operating Metrics

We monitor and evaluate the following key metrics in order to measure our current performance, develop and refine our growth strategies, and make strategic decisions.

For a presentation of the actual impact of the election of the fair value option for the periods presented in the financial statements included elsewhere in this report, please see the next section, "Non-GAAP Financial Measures". The Fair Value Pro Forma information is presented in that section because it is non-GAAP presentation.

The following table and related discussion set forth key financial and operating metrics for our operations as of and for the years ended December 31, 2021 and 2020. For similar financial and operating metrics and discussion of our 2020 results compared to our 2019 results, refer to Part II, Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations" of our Annual Report on Form 10-K for the year ended December 31, 2020 as filed with the SEC on February 23, 2021 (File No. 001-39050).

(in thousands of dollars, except CAC)	As of or for the Year Ended December 31,	
	2021	2020
Key Financial and Operating Metrics		
Members ⁽¹⁾	1,479,660	651,600
Products ⁽²⁾	1,545,463	651,600
Aggregate Originations	\$ 2,295,012	\$ 1,347,994
30+ Day Delinquency Rate	3.9 %	3.7 %
Annualized Net Charge-Off Rate	6.8 %	9.8 %
Return on Equity	8.9 %	(9.4)%
Adjusted Return on Equity	14.7 %	(3.0)%
Other Metrics		
Number of Loans Originated	753,474	449,362
Customer Acquisition Cost	\$ 155	\$ 199
Average Daily Principal Balance	\$ 1,756,170	\$ 1,701,665
Owned Principal Balance at End of Period	\$ 2,272,864	\$ 1,639,626
Managed Principal Balance at End of Period	\$ 2,583,462	\$ 1,895,410
Operating Efficiency	74.6 %	67.4 %
Adjusted Operating Efficiency	67.3 %	61.1 %

⁽¹⁾ The Member metric reported as of December 31, 2020 is our previously defined Active Customer metric.

⁽²⁾ Products presented as of December 31, 2020 represents one product per member as we did not have members with multiple products at that time.

See "[Glossary](#)" at the end of Part II of this report for formulas and definitions of our key performance metrics.

Members

Members as of December 31, 2021 grew to 1.5 million, as compared to 0.7 million as of December 31, 2020. This increase was primarily driven by the acquisition of Digit and its members, as well as the increase in application volume and the growth of our credit card and secured personal loan products due to investments in digital marketing, direct mail and referral programs.

Products

Products as of December 31, 2021, grew to 1.5 million, compared to the 0.7 million Products we had as of December 31, 2020. This increase was primarily driven by the acquisition of Digit and its four digital banking products: Digit Savings, Digit Investing, Digit Retirement and Digit Direct. Combined with Oportun's unsecured personal loans, secured personal loans and credit cards, these seven products comprise our product offerings.

Aggregate Originations

Aggregate Originations increased to \$2.30 billion for the year ended December 31, 2021 from \$1.35 billion for the year ended December 31, 2020, representing a 70.3% increase. The increase is primarily driven by an increased number of applications due to higher demand. We originated 753,474 and 449,362 loans for the years ended December 31, 2021 and 2020, respectively.

30+ Day Delinquency Rate

Our 30+ Day Delinquency Rate remained relatively flat at 3.9% and 3.7% as of December 31, 2021 and 2020, respectively, due to the effectiveness of our collections tools and payment options that have helped our borrowers manage through the pandemic as well as tighter underwriting criteria for loans originated since the pandemic began.

Annualized Net Charge-Off Rate

Annualized Net Charge-Off Rate for the years ended December 31, 2021 and 2020 was 6.8% and 9.8%, respectively. Net charge-offs decreased due to the overall improvement in the economy, the impact of stimulus payments to consumers as well as the effectiveness of our A.I.-driven underwriting models, collections tools and payment options that have helped our borrowers manage through the pandemic.

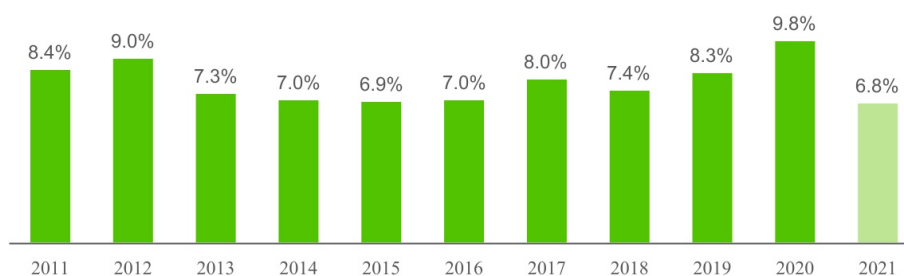
Return on Equity and Adjusted Return on Equity

For the year ended December 31, 2021 and 2020, Return on Equity was 8.9% and (9.4)%, respectively, and Adjusted Return on Equity was 14.7% and (3.0)%, respectively. The increases in Return on Equity and Adjusted Return on Equity are primarily due to higher net income. Net income was higher due to lower credit losses and increased fair value of our loan portfolio due to improved credit outlook. For a reconciliation of Return on Equity to Adjusted Return on Equity, see "Non-GAAP Financial Measures—Fair Value Pro Forma."

Historical Credit Performance

Our A.I.-driven credit models enable us to originate loans with low and stable loss rates. Our Annualized Net Charge-off Rate ranged between 7% and 9% from 2011 to 2019 and was 9.8% in 2020, a modest variance above this range during the pandemic. Due to credit tightening in response to the COVID-19 pandemic and government stimulus payments our Annualized Net Charge-Off Rate decreased to 6.8% in 2021. However, we anticipate this rate will return to levels consistent with performance in pre-pandemic years. Consistent with our charge-off policy, we evaluate our loan portfolio and charge a loan off at the earlier of when the loan is determined to be uncollectible or when loans are 120 days contractually past due or 180 days contractually past due in the case of credit cards.

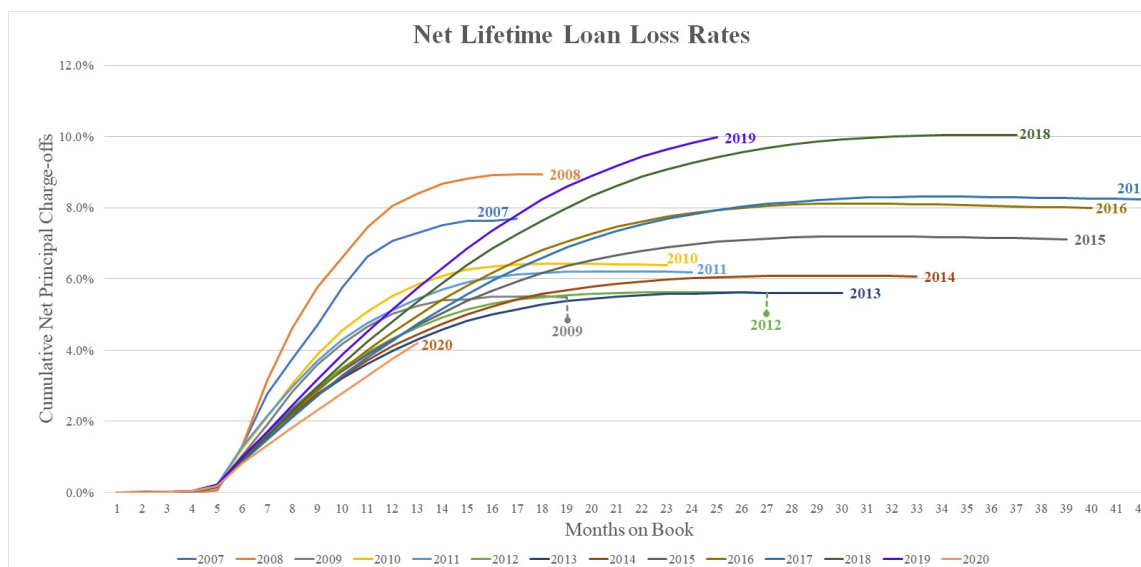
Annualized Net Charge-Off Rate



In addition to monitoring our loss and delinquency performance on an owned portfolio basis, we also monitor the performance of our loans by the period in which the loan was disbursed, generally years or quarters, which we refer to as a vintage. We calculate net lifetime loan loss rate by

vintage as a percentage of original principal balance. Net lifetime loan loss rates equal the net lifetime loan losses for a given year through December 31, 2021 divided by the total origination loan volume for that year.

The below chart and table shows our net lifetime loan loss rate for each annual vintage of our personal loan product since we began lending in 2006, excluding loans originated from July 2017 to August 2020 under a loan program for borrowers who did not meet the qualifications for our core loan origination program. 100% of those loans were sold pursuant to a whole loan sale agreement. We have managed to stabilize cumulative net loan losses since the financial crisis that started in 2008. We even achieved a net lifetime loan loss rate of 5.5% during the peak of the recession in 2009. The evolution of our credit models has allowed us to increase our average loan size and commensurately extend our average loan terms. Cumulative net lifetime loan losses for the 2015, 2016, 2017, and 2018 vintages increased partially due to the delay in tax refunds in 2017 and 2019, the impact of natural disasters such as Hurricane Harvey, and the longer duration of the loans. The 2018 and 2019 vintages are increasing due to the COVID-19 pandemic.



	Year of Origination													
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Dollar weighted average original term for vintage in months	9.3	9.9	10.2	11.7	12.3	14.5	16.4	19.1	22.3	24.2	26.3	29.0	30.0	32.0
Net lifetime loan losses as of December 31, 2021 as a percentage of original principal balance	7.7 %	8.9 %	5.5 %	6.4 %	6.2 %	5.6 %	5.6 %	6.1 %	7.1 %	8.0 %	8.2 %	10.0 %*	10.0 %*	4.2 %*
Outstanding principal balance as of December 31, 2021 as a percentage of original amount disbursed	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	0.1 %	1.6 %	14.3 %	51.8 %

* Vintage is not yet fully mature from a loss perspective.

Seasonality

Our quarterly results of operations may not necessarily be indicative of the results for the full year or the results for any future periods. Our business is highly seasonal, and the fourth quarter is typically our strongest quarter in terms of loan originations. For the three months ended December 31, 2021, our business exhibited growth in originations and revenue and improved profitability. Prior to the pandemic, we historically experienced a seasonal decline in credit performance in the fourth quarter primarily attributable to competing demand of our borrowers' available cash flow around the holidays. General increases in our borrowers' available cash flow in the first quarter, including from cash received from tax refunds, temporarily reduces our borrowers' borrowing needs. We experienced this seasonal trend in 2021, consistent with years prior to the COVID-19 pandemic. The economic impact of COVID-19 disrupted these seasonal trends in March 2020 and for the remainder of 2020.

Results of Operations

The following tables and related discussion set forth our Consolidated Statements of Operations for the years ended December 31, 2021 and 2020. For a discussion regarding our operating and financial data for the year ended December 31, 2020, as compared to the same period in 2019, refer to Part II, Item 7. "Management's Discussion and Analysis of Financial Condition and Results of Operations" of our Annual Report on Form 10-K for the year ended December 31, 2020, as filed with the SEC on February 23, 2021 (File No. 001-39050).

(in thousands of dollars)	Years Ended December 31,	
	2021	2020
Revenue		
Interest income	\$ 575,839	\$ 545,466
Non-interest income	50,943	38,268
Total revenue	626,782	583,734
Less:		
Interest expense	47,669	58,368
Total net decrease in fair value	(48,632)	(190,306)
Net revenue	530,481	335,060
Operating expenses:		
Technology and facilities	139,564	129,795
Sales and marketing	116,882	89,375
Personnel	115,833	106,446
Outsourcing and professional fees	57,931	47,067
General, administrative and other	37,480	20,471
Total operating expenses	467,690	393,154
Income (loss) before taxes	62,791	(58,094)
Income tax expense (benefit)	15,377	(13,012)
Net income (loss)	\$ 47,414	\$ (45,082)

Total revenue

(in thousands of dollars)	Year Ended December 31,		2021 vs. 2020 Change	
	2021	2020	\$	%
Revenue				
Interest income	\$ 575,839	\$ 545,466	\$ 30,373	5.6 %
Non-interest income	50,943	38,268	12,675	33.1 %
Total revenue	\$ 626,782	\$ 583,734	\$ 43,048	7.4 %
Percentage of total revenue:				
Interest income	91.9 %	93.4 %		
Non-interest income	8.1 %	6.6 %		
Total revenue	100.0 %	100.0 %		

Interest income. Total interest income increased by \$30.4 million, or 5.6%, from \$545.5 million for 2020 to \$575.8 million for 2021. The increase is primarily attributable to growth in our Average Daily Principal Balance, which grew from \$1.70 billion for 2020 to \$1.76 billion for 2021, an increase of 3.2%. The increase is due to growth in our portfolio as a result of higher application volume due to increased demand and due to 2020 originations being depressed as a result of the COVID-19 pandemic. Interest income was also favorably impacted by an increase in portfolio yield of 72 basis points in the year ended December 31, 2021 compared to the year ended December 31, 2020 due to growth in originations to new members who generally receive higher APRs than returning members.

Non-interest income. Total non-interest income increased by \$12.7 million, or 33.1%, from \$38.3 million for 2020 to \$50.9 million for 2021. This increase is primarily due to increased gain on loans sold of \$6.4 million, or 31.7% under our whole loan sale programs due to an increase in loans sold resulting from higher origination volume. The increase in non-interest income is also due to \$4.2 million of increased fees related to our credit card portfolio, \$3.0 million increase related to MetaBank, N.A. documentation fees and \$0.9 million attributed to Digit subscription income for the last ten days of 2021 after the acquisition, partially offset by decreased servicing fees of \$2.0 million for the year ended December 31, 2021, due to the reduction in our serviced portfolio of sold loans due to lower sale volume since the onset of the COVID-19 pandemic and our decision to sell 10% versus 15% of originated loans.

See [Note 2, Summary of Significant Accounting Policies](#), and [Note 13, Revenue](#), of the Notes to the Consolidated Financial Statements included elsewhere in this report for further discussion on our interest income, non-interest income and revenue.

Interest expense

(in thousands of dollars)	Year Ended December 31,				2021 vs. 2020 Change			
	2021		2020		\$	%		
Interest expense	\$	47,669	\$	58,368	\$	(10,699)	(18.3)	%
Percentage of total revenue		7.6	%	10.0	%			
Cost of Debt		3.1	%	4.1	%			
Leverage as a percentage of Average Daily Principal Balance		88.5	%	83.8	%			

Interest expense. Interest expense decreased by \$10.7 million, or 18.3%, from \$58.4 million for 2020 to \$47.7 million for 2021. We financed approximately 88.5% of our loans receivable through debt for 2021 as compared to 83.8% for 2020, and our Average Daily Debt Balance increased from \$1.43 billion to \$1.55 billion for 2021, an increase of 9.0%. We have continued to improve our Cost of Debt as we have been able to refinance at lower interest rates and increase the size of our securitizations. In 2022, we expect our interest expense to increase as we borrow to fund our portfolio growth and interest rates increase.

See [Note 2, Summary of Significant Accounting Policies](#), and [Note 9, Borrowings](#), in the Notes to the Consolidated Financial Statements included in this report for further information on our Interest expense and our Secured Financing and asset-backed notes.

Total net decrease in fair value

Net decrease in fair value reflects changes in fair value of Fair Value Loans and Fair Value Notes on an aggregate basis and is based on a number of factors, including benchmark interest rates, credit spreads, remaining cumulative charge-offs and borrower payment rates. Increases in the fair value of loans increase Net Revenue. Conversely, decreases in the fair value of loans decrease Net Revenue. Increases in the fair value of asset-backed notes decrease Net Revenue. Decreases in the fair value of asset-backed notes increase Net Revenue. We also have derivative instruments related to our bank partnership program with MetaBank, N.A. Changes in the fair value of the derivative instrument are reflected in the total fair value mark-to-market adjustment below.

(in thousands of dollars)	Year Ended December 31,				2021 vs. 2020 Change		
	2021		2020		\$	%	
Fair value mark-to-market adjustment:							
Fair value mark-to-market adjustment on fair value loans	\$	57,044	\$	(25,548)	\$	82,592	*
Fair value mark-to-market adjustment on asset-backed notes		15,408		2,137		13,271	*
Fair value mark-to-market adjustment on derivatives		(3,097)		—		(3,097)	
Total fair value mark-to-market adjustment		69,355		(23,411)		92,766	*
Charge-offs, net of recoveries on loans receivable at fair value		(119,413)		(166,895)		47,482	*
Excess interest - credit card performance fee		1,426		—		1,426	*
Total net decrease in fair value	\$	(48,632)	\$	(190,306)	\$	141,674	*
Percentage of total revenue:							
Fair value mark-to-market adjustment		11.1	%	(4.0)	%		
Charge-offs, net of recoveries on loans receivable at fair value		(19.1)	%	(28.6)	%		
Total net decrease in fair value		(8.0)	%	(32.6)	%		
Discount rate		6.94	%	6.85	%		
Remaining cumulative charge-offs		9.60	%	10.03	%		
Average life in years		0.86		0.80			

* Not meaningful

Net decrease in fair value. Net decrease in fair value for 2021 was \$48.6 million. This amount represents a total fair value mark-to-market increase of \$69.4 million, and \$119.4 million of charge-offs, net of recoveries on Fair Value Loans. The total fair value mark-to-market adjustment consists of a \$57.0 million mark-to-market adjustment on Fair Value Loans due to (a) a decrease in remaining cumulative charge-offs from 10.03% as of December 31, 2020 to 9.60% as of December 31, 2021 due to improving credit trends, (b) an increase in average life from 0.80 years as of December 31, 2020 to 0.86 years as of December 31, 2021, partially offset by (c) an increase in the discount rate from 6.85% as of December 31, 2020 to 6.94% as of December 31, 2021 caused by higher interest rates. The \$15.4 million mark-to-market adjustment on Fair Value Notes is due to rising rates and widening asset-backed securitization spreads. In 2022, we expect net decrease in fair value to be lower due to faster growth in new loans leading to increased losses.

Charge-offs, net of recoveries

(in thousands of dollars)	Year Ended December 31,		2021 vs. 2020 Change	
	2021	2020	\$	%
Total charge-offs, net of recoveries	\$ 119,413	\$ 166,895	\$ (47,482)	(28.5) %
Average Daily Principal Balance	1,756,170	1,701,665	54,505	3.2 %
Annualized Net Charge-Off Rate	6.8 %	9.8 %		

Charge-offs, net of recoveries.

Our Annualized Net Charge-Off Rate decreased to 6.8% for the year ended December 31, 2021 from 9.8% for the year ended December 31, 2020. Net charge-offs for the year ended December 31, 2021 decreased primarily due to the overall improvement in the economy, the impact of stimulus payments to consumers as well as the effectiveness of our A.I.-driven underwriting models, collections tools and payment options that have helped our borrowers manage through the pandemic. Consistent with our charge-off policy, we evaluate our loan portfolio and charge a loan off at the earlier of when the loan is determined to be uncollectible or when loans are 120 days contractually past due or 180 days contractually past due in the case of credit cards. In 2022, we expect growth in new loan originations and our loan portfolio overall to lead to higher charge-offs.

Operating expenses

Operating expenses consist of technology and facilities, sales and marketing, personnel, outsourcing and professional fees and general, administrative and other expenses. Operating expenses include \$50.1 million and \$21.9 million related to new products for the years ended December 31, 2021 and 2020, respectively.

Technology and facilities

Technology and facilities expense is the largest segment of our operating expenses, representing the costs required to build our A.I.-enabled digital platform, and consisting of three components. The first component comprises costs associated with our technology, engineering, information security, cybersecurity, platform development, maintenance, and end user services, including fees for software licenses, consulting, legal and other services as a result of our efforts to grow our business, as well as personnel expenses. The second includes rent for retail and corporate locations, utilities, insurance, telephony costs, property taxes, equipment rental expenses, licenses and fees and depreciation and amortization. Lastly, the third category includes all software licenses, subscriptions, and technology service costs to support our corporate operations, excluding sales and marketing.

(in thousands of dollars)	Year Ended December 31,		2021 vs. 2020 Change	
	2021	2020	\$	%
Technology and facilities	\$ 139,564	\$ 129,795	\$ 9,769	7.5 %
Percentage of total revenue	22.3 %	22.2 %		

Technology and facilities. Technology and facilities expense increased by \$9.8 million, or 7.5%, from \$129.8 million for 2020 to \$139.6 million for 2021. The increase is primarily due to \$7.9 million service costs related to higher usage of software and cloud services, \$3.5 million of increased depreciation commensurate with growth in internally developed software, \$2.1 million in usage of India off-shoring services and other temporary contractors to supplement staffing related to new product investment and \$3.4 million increase in salaries and benefits due to the increase in headcount. These increases were partially offset by the \$3.7 million lower impairment charge related to fixed assets and system development costs associated with our direct auto product recorded in 2020 that were not present in 2021, \$1.8 million lower office rent associated with retail locations that were closed as a result of the retail network optimization plan earlier in 2021 and \$1.4 million lower expense due to higher capitalization of internally developed software in 2021 compared to 2020.

Sales and marketing

Sales and marketing expenses consist of two components and represent the costs to acquire our members. The first component is comprised of the expense to acquire a member through various paid marketing channels including direct mail, digital marketing and brand marketing. The second component is comprised of the costs associated with our telesales, lead generation and retail operations, including personnel expenses, but excluding costs associated with retail locations.

(in thousands of dollars, except CAC)	Year Ended December 31,		2021 vs. 2020 Change	
	2021	2020	\$	%
Sales and marketing	\$ 116,882	\$ 89,375	\$ 27,507	30.8 %
Percentage of total revenue	18.6 %	15.3 %		
Customer Acquisition Cost (CAC)	\$ 155	\$ 199	\$ (44)	(22.1) %

Sales and marketing. Sales and marketing expenses to acquire our members increased by \$27.5 million, or 30.8%, from \$89.4 million for 2020 to \$116.9 million for 2021. To grow our Aggregate Originations, we increased our investment in marketing initiatives by \$33.8 million across various

marketing channels, including direct mail, digital advertising, lead aggregators and our referral programs. This increase was partially offset by \$8.0 million lower personnel-related costs as a result of the implementation of our retail network optimization plan that began in the first quarter of 2021. As a result of our increased number of loans originated during the year ended December 31, 2021, our CAC decreased by 22.1%, from \$199 for the year ended December 31, 2020 to \$155 for the year ended December 31, 2021.

Personnel

Personnel expense represents compensation and benefits that we provide to our employees, and include salaries, wages, bonuses, commissions, related employer taxes, medical and other benefits provided and stock-based compensation expense for all of our staff with the exception of our telesales, lead generation, and retail operations which are included in sales and marketing expense and technology which is included in technology and facilities expense.

(in thousands of dollars)	Year Ended December 31,		2021 vs. 2020 Change	
	2021	2020	\$	%
Personnel	\$ 115,833	\$ 106,446	\$ 9,387	8.8 %
Percentage of total revenue	18.5 %	18.2 %		

Personnel. Personnel expense increased by \$9.4 million, or 8.8%, from \$106.4 million for 2020 to \$115.8 million for 2021, primarily driven by a \$9.5 million increase in compensation expense due to a 14.2% increase in U.S. headcount and merit increases.

Outsourcing and professional fees

Outsourcing and professional fees consist of costs for various third-party service providers and contact center operations, primarily for the sales, customer service, collections and store operation functions. Our contact centers located in Mexico and our third-party contact centers located in Colombia and Jamaica provide support for the business including application processing, verification, customer service and collections. We utilize third parties to operate the contact centers in Colombia and Jamaica and include the costs in outsourcing and other professional fees. Professional fees also include the cost of legal and audit services, credit reports, recruiting, cash transportation, collection services and fees and consultant expenses. Direct loan origination expenses related to application processing are expensed when incurred. In addition, outsourcing and professional fees include any financing expenses, including legal and underwriting fees, related to our Fair Value Notes.

(in thousands of dollars)	Year Ended December 31,		2021 vs. 2020 Change	
	2021	2020	\$	%
Outsourcing and professional fees	\$ 57,931	\$ 47,067	\$ 10,864	23.1 %
Percentage of total revenue	9.2 %	8.1 %		

Outsourcing and professional fees. Outsourcing and professional fees increased by \$10.9 million, or 23.1%, from \$47.1 million for 2020 to \$57.9 million for 2021. The increase is primarily attributable to \$11.3 million in debt financing fees and expenses related to asset-backed securitizations, \$5.4 million increase in credit report expense due to higher application volume and \$4.6 million of higher professional service costs related to credit card and bank partnership programs and expenses associated with our bank charter application. These increases were partially offset by a \$5.3 million decrease related to ceasing legal collection on defaulted loans beginning in August 2020, \$2.9 million lower outsourced service costs due to the decline in contact center outsourced headcount that was needed as a result of the uncertainty around the COVID-19 pandemic and \$1.5 million in lower legal fees.

General, administrative and other

General, administrative and other expense includes non-compensation expenses for employees, who are not a part of the technology and sales and marketing organization, which include travel, lodging, meal expenses, political and charitable contributions, office supplies, printing and shipping. Also included are franchise taxes, bank fees, foreign currency gains and losses, transaction gains and losses, debit card expenses, litigation reserve, expenses associated with our retail network optimization plan and acquisition-related costs.

(in thousands of dollars)	Year Ended December 31,		2021 vs. 2020 Change	
	2021	2020	\$	%
General, administrative and other	\$ 37,480	\$ 20,471	\$ 17,009	83.1 %
Percentage of total revenue	6.0 %	3.5 %		

General, administrative and other. General, administrative and other expense increased by \$17.0 million, or 83.1%, from \$20.5 million for 2020 to \$37.5 million for 2021, primarily due to our retail network optimization expenses of \$11.2 million related to the retail location closures and \$1.6 million related to severance and benefits related to the retail location closures. The increase was also attributable to \$10.0 million of transaction and integration related expenses as a result of the Digit acquisition and a \$3.3 million impairment charge recognized on a right-of-use asset related to our leased office space in San Carlos, California due to management's decision to move toward a remote-first work environment. These increases were partially offset by an \$8.8 million decrease in litigation reserve relative to prior year and decreases in travel expenses due to travel restrictions and remote working arrangements resulting from the COVID-19 pandemic.

Income taxes

Income taxes consist of U.S. federal, state and foreign income taxes, if any. For the years ended December 31, 2021 and 2020 we recognized tax expense (benefit) attributable to U.S. federal, state and foreign income taxes.

(in thousands of dollars)	Year Ended December 31,				2021 vs. 2020 Change			
	2021		2020		\$	%		
Income tax expense (benefit)	\$	15,377	\$	(13,012)	\$	28,389	218.2	%
Percentage of total revenue		2.5		(2.2)				%
Effective tax rate		24.5		22.4				%

Income tax expense (benefit). Income tax expense increased by \$28.4 million or 218.2%, from a benefit of \$13.0 million for 2020 to an expense of \$15.4 million for 2021, primarily as a result of a pretax loss for the year ended December 31, 2020.

See [Note 2, Summary of Significant Accounting Policies](#), and [Note 14, Income Taxes](#), of the Notes to the Consolidated Financial Statements included elsewhere in this report for further discussion on our income taxes.

Fair Value Estimate Methodology for Loans Receivable at Fair Value

Summary

Fair value is an electable option under GAAP to account for any financial instruments, including loans receivable and debt. It differs from amortized cost accounting in that loans receivable and debt are recorded on the balance sheet at fair value rather than on a cost basis. Under the fair value option credit losses are recognized through income as they are incurred rather than through the establishment of an allowance and provision for losses. The fair value of instruments under this election is updated at the end of each reporting period, with changes since the prior reporting period reflected in the Consolidated Statements of Operations as net decrease in fair value which impacts Net Revenue. Changes in interest rates, credit spreads, realized and projected credit losses and cash flow timing will lead to changes in fair value and therefore impact earnings. These changes in the fair value of the Fair Value Loans may be partially offset by changes in the fair value of the Fair Value Notes, depending upon the relative duration of the instruments.

Fair Value Estimate Methodology for Loans Receivable at Fair Value

We calculate the fair value of Fair Value Loans using a model that projects and discounts expected cash flows. The fair value is a function of:

- Portfolio yield;
- Average life;
- Prepayments (or principal payment rate for our credit card receivables);
- Remaining cumulative charge-offs; and
- Discount rate.

Portfolio yield is the expected interest and fees collected from the loans as an annualized percentage of outstanding principal balance. Portfolio yield is based upon (a) the contractual interest rate, reduced by expected delinquencies and interest charge-offs and (b) late fees, net of late fee charge-offs based upon expected delinquencies. Origination fees are not included in portfolio yield since they are generally capitalized as part of the loan's principal balance at origination.

Average life is the time-weighted average of expected principal payments divided by outstanding principal balance. The timing of principal payments is based upon the contractual amortization of loans, adjusted for the impact of prepayments, Good Customer Program refinances, and charge-offs.

Prepayments are the expected remaining cumulative principal payments that will be repaid earlier than contractually required over the life of the loan, divided by the outstanding principal balance. For credit card receivables we estimate principal payment rates which are the expected amount and timing of principal payments over the life of the receivable.

Remaining cumulative charge-offs is the expected net principal charge-offs over the remaining life of the loans, divided by the outstanding principal balance.

Discount rate is the sum of the interest rate and the credit spread. The interest rate is based upon the interpolated LIBOR/swap curve rate that corresponds to the average life. The credit spread is based upon the credit spread implied by the whole loan purchase price at the time the flow sale agreement was entered into, updated for observable changes in the fixed income markets, which serve as a proxy for how a whole loan buyer would adjust their yield requirements relative to the originally agreed price.

Our internal valuation committee includes members from our risk, legal, finance, capital markets and operations departments and provides governance and oversight over the fair value pricing and related financial statement disclosures. Additionally, this committee provides a challenge of the assumptions used and outputs of the model, including the appropriateness of such measures and periodically reviews the methodology and process to determine the fair value pricing. Any significant changes to the process must be approved by the committee.

It is also possible to estimate the fair value of our loans using a simplified calculation. The table below illustrates a simplified calculation to aid investors in understanding how fair value may be estimated using the last eight quarters:

- Subtracting the servicing fee from the weighted average portfolio yield over the remaining life of the loans to calculate net portfolio yield;
- Multiplying the net portfolio yield by the weighted average life in years of the loans receivable, which is based upon the contractual amortization of the loans and expected remaining prepayments and charge-offs to calculate net cash flow;
- Subtracting the remaining cumulative charge-offs from the net portfolio yield to calculate the net cash flow;
- Subtracting the product of the discount rate and the average life from the net cash flow to calculate the gross fair value premium as a percentage of loan principal balance; and
- Subtracting the accrued interest and fees as a percentage of loan principal balance from the gross fair value premium as a percentage of loan principal balance to calculate the fair value premium as a percentage of loan principal balance.

The table below reflects the application of this methodology for the eight quarters since January 1, 2020, on loans held for investment. The data for the three months ended December 31, 2021 in the table below represents all of our credit products. The data for the three months ended September 30, 2021 in the table below represents our secured and unsecured loan portfolio. For prior quarters, the data in the table below represents only our unsecured personal loan portfolio which was the primary driver of fair value during those periods.

	Three Months Ended							
	Dec 31, 2021	Sep 30, 2021	Jun 30, 2021	Mar 31, 2021	Dec 31, 2020	Sep 30, 2020	Jun 30, 2020	Mar 31, 2020
Weighted average portfolio yield over the remaining life of the loans	30.14 %	30.35 %	30.28 %	30.25 %	30.17 %	30.50 %	30.78 %	30.74 %
Less: Servicing fee	(5.00) %	(5.00) %	(5.00) %	(5.00) %	(5.00) %	(5.00) %	(5.00) %	(5.00) %
Net portfolio yield	25.14 %	25.35 %	25.28 %	25.25 %	25.17 %	25.50 %	25.78 %	25.74 %
Multiplied by: Weighted average life in years	0.859	0.761	0.769	0.778	0.796	0.775	0.797	0.903
Pre-loss cash flow	21.60 %	19.26 %	19.43 %	19.64 %	20.03 %	19.75 %	20.54 %	23.25 %
Less: Remaining cumulative charge-offs	(9.60) %	(7.53) %	(7.59) %	(8.60) %	(10.03) %	(10.61) %	(12.73) %	(14.56) %
Net cash flow	12.00 %	11.73 %	11.84 %	11.04 %	10.00 %	9.14 %	7.81 %	8.69 %
Less: Discount rate multiplied by average life	(5.96) %	(4.96) %	(5.03) %	(5.17) %	(5.45) %	(6.07) %	(7.04) %	(11.54) %
Gross fair value premium (discount) as a percentage of loan principal balance	6.04 %	6.77 %	6.81 %	5.87 %	4.55 %	3.07 %	0.77 %	(2.85) %
Less: Accrued interest and fees as a percentage of loan principal balance	(1.03) %	(0.90) %	(0.87) %	(0.92) %	(1.06) %	(1.15) %	(1.35) %	(1.11) %
Fair value premium (discount) as a percentage of loan principal balance	5.01 %	5.87 %	5.94 %	4.95 %	3.49 %	1.92 %	(0.58) %	(3.96) %
Discount Rate	6.94 %	6.52 %	6.54 %	6.65 %	6.85 %	7.84 %	8.84 %	12.78 %

The illustrative table included above is designed to assist investors in understanding the impact of our election of the fair value option.

Non-GAAP Financial Measures

We believe that the provision of non-GAAP financial measures in this report, including Fair Value Pro Forma information, Adjusted EBITDA, Adjusted Net Income, Adjusted EPS, Adjusted Operating Efficiency and Adjusted Return on Equity, can provide useful measures for period-to-period comparisons of our core business and useful information to investors and others in understanding and evaluating our operating results. However, non-GAAP financial measures are not calculated in accordance with United States generally accepted accounting principles, or GAAP, and should not be considered as an alternative to any measures of financial performance calculated and presented in accordance with GAAP. There are limitations related to the use of these non-GAAP financial measures versus their most directly comparable GAAP measures, which include the following:

- Other companies, including companies in our industry, may calculate these measures differently, which may reduce their usefulness as a comparative measure.
- These measures do not consider the potentially dilutive impact of stock-based compensation.
- During the last three quarters of 2020 we excluded COVID-19 related expenses in our adjustments to derive Adjusted Net Income and Adjusted EBITDA. As of January 1, 2021, COVID-19 expenses are no longer being excluded from Adjusted Net Income or Adjusted EBITDA because our business practices have been updated to operate in the current environment.
- Although depreciation and amortization are non-cash charges, the assets being depreciated and amortized may have to be replaced in the future and Adjusted EBITDA does not reflect cash capital expenditure requirements for such replacements or for new capital expenditure requirements.
- Although the fair value mark-to-market adjustment is a non-cash adjustment, it does reflect our estimate of the price a third party would pay for our Fair Value Loans or our Fair Value Notes.
- Adjusted EBITDA does not reflect tax payments that may represent a reduction in cash available to us.

Reconciliations of non-GAAP to GAAP measures can be found below.

Fair Value Pro Forma

We previously elected the fair value option to account for all Fair Value Loans held for investment and all Fair Value Notes issued on or after January 1, 2018. In order to facilitate comparisons to prior periods, we have provided below unaudited financial information for the year ended December 31, 2020 on a pro forma basis, or the Fair Value Pro Forma, as if we had elected the fair value option since our inception for all loans originated and held for investment and all asset-backed notes issued. Upon adoption of ASU 2019-05, effective January 1, 2020, we elected the fair value option on all remaining loans that had previously been measured at amortized cost. Accordingly, for the years ended December 31, 2021 and 2020, we did not have any loans receivable measured at amortized cost. Therefore, there are no Fair Value Pro Forma adjustments related to assets or revenue as of and for the years ended December 31, 2021 and 2020. As of January 1, 2021, we no longer have any Fair Value Pro Forma adjustments as there are no longer any amortized cost balances. However, on a Fair Value Pro Forma basis, the year ended December 31, 2020 includes Fair Value Pro Forma adjustments related to our asset-backed notes at amortized cost.

Fair Value Pro Forma Consolidated Statements of Operations Data:

(in thousands)	Year Ended December 31, 2021 ⁽¹⁾	Year Ended December 31, 2020			Period-to-period Change in FVFP ⁽¹⁾	
	As Reported	As Reported	FV Adjustments	FV Pro Forma	\$	%
Revenue:						
Interest income	\$ 575,839	\$ 545,466	\$ —	\$ 545,466	\$ 30,373	5.6 %
Non-interest income	50,943	38,268	—	38,268	12,675	33.1 %
Total revenue	626,782	583,734	—	583,734	43,048	7.4 %
Less:						
Interest expense	47,669	58,368	(889)	57,479	(9,810)	(17.1)%
Net decrease in fair value	(48,632)	(190,306)	667	(189,639)	141,007	74.4 %
Net revenue	530,481	335,060	1,556	336,616	193,865	57.6 %
Operating expenses:						
Technology and facilities	139,564	129,795	—	129,795	9,769	7.5 %
Sales and marketing	116,882	89,375	—	89,375	27,507	30.8 %
Personnel	115,833	106,446	—	106,446	9,387	8.8 %
Outsourcing and professional fees	57,931	47,067	—	47,067	10,864	23.1 %
General, administrative and other	37,480	20,471	—	20,471	17,009	83.1 %
Total operating expenses	467,690	393,154	—	393,154	74,536	19.0 %
Income (loss) before taxes	62,791	(58,094)	1,556	(56,538)	119,329	211.1 %
Income tax expense (benefit)	15,377	(13,012)	682	(12,330)	27,707	224.7 %
Net income (loss)	\$ 47,414	\$ (45,082)	\$ 874	\$ (44,208)	\$ 91,622	207.3 %

⁽¹⁾ Beginning in 2021 we are no longer including any Fair Value Pro Forma adjustments because all loans originated and held for investment and asset-backed notes issued are recorded at fair value. Therefore, the year ended December 31, 2021 is presented on a GAAP basis and the year ended December 31, 2020 includes Fair Value Pro Forma adjustments related to our asset-backed notes at amortized cost.

Fair Value Pro Forma Consolidated Balance Sheet Data:

(in thousands)	December 31, 2021 ⁽¹⁾	December 31, 2020			Period-to-period Change in FVFP ⁽¹⁾	
	As Reported	As Reported	FV Adjustments	FV Pro Forma	\$	%
Cash and cash equivalents	\$ 130,959	\$ 136,187	\$ —	\$ 136,187	\$ (5,228)	(3.8)%
Restricted cash	62,001	32,403	—	32,403	29,598	91.3 %
Loans receivable	2,386,807	1,696,526	—	1,696,526	690,281	40.7 %
Other assets	366,858	143,935	—	143,935	222,923	154.9 %
Total assets	2,946,625	2,009,051	—	2,009,051	937,574	46.7 %
Total debt	2,159,687	1,413,694	—	1,413,694	745,993	52.8 %
Other liabilities	183,057	128,729	682	129,411	53,646	41.5 %
Total liabilities	2,342,744	1,542,423	682	1,543,105	799,639	51.8 %
Total stockholder's equity	603,881	466,628	(682)	465,946	137,935	29.6 %
Total liabilities and stockholders' equity	\$ 2,946,625	\$ 2,009,051	\$ —	\$ 2,009,051	\$ 937,574	46.7 %

⁽¹⁾ Beginning in 2021 we are no longer including any Fair Value Pro Forma adjustments because all loans originated and held for investment and asset-backed notes issued are recorded at fair value. Therefore, the balances as of December 31, 2021 are presented on a GAAP basis and the balances as of December 31, 2020 include Fair Value Pro Forma adjustments related to our asset-backed notes at amortized cost.

Adjusted EBITDA

Adjusted EBITDA is a non-GAAP financial measure defined as our net income (loss), adjusted for the impact of our election of the fair value option and further adjusted to eliminate the effect of certain items as described below. We believe that Adjusted EBITDA is an important measure because it allows management, investors and our Board to evaluate and compare our operating results, including our return on capital and operating efficiencies, from period-to-period by making the adjustments described below. In addition, it provides a useful measure for period-to-period comparisons of our business, as it removes the effect of taxes, certain non-cash items, variable charges and timing differences.

- We believe it is useful to exclude the impact of income tax expense (benefit), as reported, because historically it has included irregular income tax items that do not reflect ongoing business operations.
- We believe it is useful to exclude the impact of depreciation and amortization and stock-based compensation expense because they are noncash charges.
- We believe it is useful to exclude the impact of certain non-recurring charges, such as expenses associated with a litigation reserve, our retail network optimization plan, impairment charges and acquisition and integration related expenses because these items do not reflect ongoing business operations. During the last three quarters of 2020 we excluded COVID-19 expenses in our adjustments to derive Adjusted EBITDA. As of January 1, 2021, COVID-19 expenses are no longer being excluded from Adjusted EBITDA because our business practices have been updated to operate in the current environment.
- We also reverse origination fees for Fair Value Loans, net. We recognize the full amount of any origination fees as revenue at the time of loan disbursement in advance of our collection of origination fees through principal payments. As a result, we believe it is beneficial to exclude the uncollected portion of such origination fees, because such amounts do not represent cash that we received.
- We also reverse the fair value mark-to-market adjustment because it is a non-cash adjustment as shown in the table below.

Components of Fair Value Mark-to-Market Adjustment - Fair Value Pro Forma (in thousands)	Year Ended December 31,	
	2021	2020
Fair value mark-to-market adjustment on Fair Value Loans	\$ 57,044	\$ (25,548)
Fair value mark-to-market adjustment on asset-backed notes	15,408	2,804
Fair value mark-to-market adjustment on derivatives	(3,097)	—
Total fair value mark-to-market adjustment - Fair Value Pro Forma	\$ 69,355	\$ (22,744)

The following table presents a reconciliation of net income (loss) to Adjusted EBITDA for the years ended December 31, 2021 and 2020 as if the fair value option had been in place since inception for all loans held for investment and all asset-backed notes:

Adjusted EBITDA (in thousands)	Year Ended December 31,	
	2021	2020
Net income (loss)	\$ 47,414	\$ (45,082)
Adjustments:		
Fair Value Pro Forma net income adjustment ⁽¹⁾	—	874
Income tax expense (benefit)	15,377	(12,330)
COVID-19 expenses ⁽²⁾	—	4,632
Depreciation and amortization	23,714	20,220
Impairment ⁽³⁾	3,324	3,702
Stock-based compensation expense	18,857	19,488
Litigation reserve	—	8,750
Retail network optimization expenses	12,828	—
Acquisition and integration related expenses	10,648	—
Origination fees for Fair Value Loans, net	(15,836)	(900)
Fair value mark-to-market adjustment	(69,355)	22,744
Adjusted EBITDA ⁽⁴⁾	\$ 46,971	\$ 22,098

⁽¹⁾ Beginning in 2021 we are no longer including any Fair Value Pro Forma adjustments because all loans originated and held for investment and asset-backed notes issued are recorded at fair value.

⁽²⁾ As of January 1, 2021, COVID-19 expenses are no longer being excluded from Adjusted EBITDA because our business practices have been updated to operate in the current environment.

⁽³⁾ The impairment charge in 2021 was recognized on a right-of-use asset related to our leased office space in San Carlos, California due to management's decision to move toward a remote-first work environment. The impairment charge in 2020 was recognized on fixed assets and system development costs associated with our direct auto product.

⁽⁴⁾ For the year ended December 31, 2021, Adjusted EBITDA includes a pre-tax impact of \$28.8 million, related to the launch of new products and services (such as secured personal loans, credit card, bank partnership and expenses associated with our bank charter application). For the year ended December 31, 2020, Adjusted EBITDA included a pre-tax impact of \$18.2 million related to the launch of new products and services (such as direct auto and credit card).

Adjusted Net Income (Loss)

We define Adjusted Net Income (Loss) as our net income (loss), adjusted for the impact of our election of the fair value option, and further adjusted to exclude income tax expense (benefit), stock-based compensation expenses and certain non-recurring charges. We believe that Adjusted Net Income (Loss) is an important measure of operating performance because it allows management, investors, and our Board to evaluate and compare our operating results, including our return on capital and operating efficiencies, from period to period.

- We believe it is useful to exclude the impact of income tax expense (benefit), as reported, because historically it has included irregular tax items that do not reflect our ongoing business operations.
- We believe it is useful to exclude the impact of certain non-recurring charges, such as expenses associated with a litigation reserve, our retail network optimization plan, impairment charges and acquisition and integration related expenses, because these items do not reflect ongoing business operations. During the last three quarters of 2020 we excluded COVID-19 related expenses in our adjustments to derive Adjusted Net Income. As of January 1, 2021, COVID-19 expenses are no longer being excluded from Adjusted Net Income because our business practices have been updated to operate in the current environment.
- We believe it is useful to exclude stock-based compensation expense because it is a non-cash charge.
- We include the impact of normalized statutory income tax expense by applying the income tax rate noted in the table.

The following table presents a reconciliation of net income (loss) to Adjusted Net Income (Loss) for the years ended December 31, 2021 and 2020 as if the fair value option had been in place since inception for all loans held for investment and all asset-backed notes:

Adjusted Net Income (Loss) (in thousands)	Year Ended December 31,	
	2021	2020
Net income (loss)	\$ 47,414	\$ (45,082)
Adjustments:		
Fair Value Pro Forma net income adjustment ⁽¹⁾	—	874
Income tax expense (benefit)	15,377	(12,330)
COVID-19 expenses ⁽²⁾	—	4,632
Impairment ⁽³⁾	3,324	3,702
Stock-based compensation expense	18,857	19,488
Litigation reserve	—	8,750
Retail network optimization expenses	12,828	—
Acquisition and integration related expenses	10,648	—
Adjusted income (loss) before taxes	108,448	(19,966)
Normalized income tax expense (benefit)	29,715	(5,738)
Adjusted Net Income (Loss) ⁽⁴⁾	\$ 78,733	\$ (14,228)
Income tax rate ⁽⁵⁾	27.4 %	28.7 %

⁽¹⁾ Beginning in 2021 we are no longer including any Fair Value Pro Forma adjustments because all loans originated and held for investment and asset-backed notes issued are recorded at fair value.

⁽²⁾ As of January 1, 2021, COVID-19 expenses are no longer being excluded from Adjusted Net Income because our business practices have been updated to operate in the current environment.

⁽³⁾ The impairment charge in 2021 was recognized on a right-of-use asset related to our leased office space in San Carlos, California due to management's decision to move toward a remote-first work environment. The impairment charge in 2020 was recognized on fixed assets and system development costs associated with our direct auto product.

⁽⁴⁾ For the year ended December 31, 2021, Adjusted Net Income includes an after-tax impact of \$17.4 million, related to the launch of new products and services (such as secured personal loans, credit card, bank partnership and expenses associated with our prior bank charter application). For the year ended December 31, 2020, Adjusted Net Income includes an after-tax impact of \$14.2 million, related to the launch of new products and services (such as direct auto and credit card).

⁽⁵⁾ Income tax rate for the year ended December 31, 2021 is based on a normalized statutory rate and the year ended December 31, 2020, is based on the effective tax rate.

Adjusted Earnings Per Share ("Adjusted EPS")

Adjusted Earnings Per Share is a non-GAAP financial measure that allows management, investors and our Board to evaluate the operating results, operating trends and profitability of the business in relation to diluted adjusted weighted-average shares outstanding post initial public offering. In addition, it provides a useful measure for period-to-period comparisons of our business, as it considers the effect of conversion of all convertible preferred shares as of the beginning of each annual period.

The following table presents a reconciliation of Diluted EPS to Diluted Adjusted EPS for the years ended December 31, 2021 and 2020. For the reconciliation of net income (loss) to Adjusted Net Income (Loss), see the immediately preceding table “Adjusted Net Income (Loss).”

(in thousands, except share and per share data)	Year Ended December 31,	
	2021	2020
Diluted earnings (loss) per share	\$ 1.56	\$ (1.65)
Adjusted EPS		
Adjusted Net Income (Loss)	\$ 78,733	\$ (14,228)
Basic weighted-average common shares outstanding	28,191,610	27,333,271
Weighted average effect of dilutive securities:		
Stock options	1,375,915	—
Restricted stock units	755,669	—
Diluted adjusted weighted-average common shares outstanding	30,323,194	27,333,271
Adjusted Earnings (Loss) Per Share	\$ 2.60	\$ (0.52)

Adjusted Return on Equity

We define Adjusted Return on Equity as annualized Adjusted Net Income (loss) divided by average stockholders’ equity. Average stockholders’ equity is an average of the beginning and ending stockholders’ equity balance for each period. Before January 1, 2021, we previously defined Adjusted Return on Equity as annualized Adjusted Net Income divided by average Fair Value Pro Forma total stockholders’ equity. Average Fair Value Pro Forma stockholders’ equity is an average of the beginning and ending Fair Value Pro Forma stockholders’ equity balance for each period. We believe Adjusted Return on Equity is an important measure because it allows management, investors and our Board to evaluate the profitability of the business in relation to equity and how well we generate income from the equity available.

The following table presents a reconciliation of Return on Equity to Adjusted Return on Equity for the years ended December 31, 2021 and 2020. For the reconciliation of net income (loss) to Adjusted Net Income (Loss), see the immediately preceding table “Adjusted Net Income (Loss).”

(in thousands)	As of or for the Year Ended December 31,	
	2021	2020
Return on Equity	8.9 %	(9.4)%
Adjusted Return on Equity		
Adjusted Net Income (Loss)	\$ 78,733	\$ (14,228)
Fair Value Pro Forma average stockholders' equity ⁽¹⁾	\$ 535,255	\$ 476,474
Adjusted Return on Equity	14.7 %	(3.0)%

⁽¹⁾ Beginning in 2021 we are no longer including any Fair Value Pro Forma adjustments because all loans originated and held for investment and asset-backed notes issued are recorded at fair value. Therefore, the average stockholders’ equity amount as of December 31, 2021 reflects the average of the GAAP stockholders’ equity account as of December 31, 2020 and the GAAP stockholders’ equity account as of December 31, 2021.

Adjusted Operating Efficiency

We define Adjusted Operating Efficiency as total operating expenses adjusted to exclude stock-based compensation expense and certain non-recurring charges such as expenses associated with a litigation reserve, our retail network optimization plan, impairment charges and acquisition and integration related expenses divided by total revenue. During the last three quarters of 2020 we excluded COVID-19 related expenses in our adjustments to derive Adjusted Operating Efficiency. As of January 1, 2021, COVID-19 expenses are no longer being excluded from Adjusted Operating Efficiency because our business practices have been updated to operate in the current environment. We believe Adjusted Operating Efficiency is an important measure because it allows management, investors and our Board to evaluate how efficient we are at managing costs relative to revenue.

The following table presents a reconciliation of Operating Efficiency to Adjusted Operating Efficiency for the years ended December 31, 2021 and 2020:

(in thousands)	As of or for the Year Ended December 30,	
	2021	2020
Operating Efficiency	74.6 %	67.4 %
Adjusted Operating Efficiency		
Total revenue	\$ 626,782	\$ 583,734
Total operating expense	467,690	393,154
COVID-19 expenses ⁽¹⁾	—	(4,632)
Impairment ⁽²⁾	(3,324)	(3,702)
Stock-based compensation expense	(18,857)	(19,488)
Litigation reserve	—	(8,750)
Retail network optimization expenses	(12,828)	—
Acquisition and integration related expenses	(10,648)	—
Total adjusted operating expenses	\$ 422,033	\$ 356,582
Adjusted Operating Efficiency	67.3 %	61.1 %

⁽¹⁾ As of January 1, 2021, COVID-19 expenses are no longer being excluded from Adjusted Operating Efficiency because our business practices have been updated to operate in the current environment.

⁽²⁾ The impairment charge in 2021 was recognized on a right-of-use asset related to our leased office space in San Carlos, California due to management's decision to move toward a remote-first work environment. The impairment charge in 2020 was recognized on fixed assets and system development costs associated with our direct auto product.

Liquidity and Capital Resources

To date, we fund the majority of our operating liquidity and operating needs through a combination of cash flows from operations, securitizations, secured borrowings and whole loan sales. We may also utilize other sources in the future. Our material cash requirements relate to funding our lending activities, our debt service obligations, our operating expenses, and investments in the long-term growth of the company.

During 2021, available liquidity increased primarily due to increased borrowing capacity under secured financings, partially offset by a decrease in cash and cash equivalents. We generally target liquidity levels to support at least twelve months of our expected net cash outflows, including new originations, without access to new debt financing transactions or other capital markets activity. We expect the COVID-19 pandemic to continue to adversely impact our business, liquidity, and capital resources. Future decreases in cash flows from operations resulting from delinquencies, defaults, losses, would decrease the cash available for the capital uses described above. We may incur additional indebtedness or issue equity in order to meet our capital spending and liquidity requirements, as well as to fund growth opportunities that we may pursue.

Cash and cash flows

The following table summarizes our cash and cash equivalents, restricted cash and cash flows for the periods indicated:

(in thousands)	Year Ended December 31,	
	2021	2020
Cash, cash equivalents and restricted cash	\$ 192,960	\$ 168,590
Cash provided by (used in)		
Operating activities	163,447	152,869
Investing activities	(884,786)	16,379
Financing activities	745,709	(136,799)

Our cash is held for working capital purposes and originating loans. Our restricted cash represents collections held in our securitizations and is applied currently after month-end to pay interest expense and satisfy any amount due to whole loan buyer with any excess amounts returned to us.

Operating Activities

Our net cash provided by operating activities was \$163.4 million and \$152.9 million for the years ended December 31, 2021 and 2020, respectively. Cash flows from operating activities primarily include net income or losses adjusted for (i) non-cash items included in net income or loss, including depreciation and amortization expense, fair value adjustments, net, origination fees for loans at fair value, net, gain on loan sales, stock-based compensation expense, and deferred tax provision, net, (ii) originations of loans sold and held for sale, and proceeds from sale of loans and (iii) changes in the balances of operating assets and liabilities, which can vary significantly in the normal course of business due to the amount and timing of various payments.

Investing Activities

Our net cash provided by (used in) investing activities was \$884.8 million and \$16.4 million for the years ended December 31, 2021 and 2020, respectively. Our investing activities consist primarily of loan originations and loan repayments. We currently do not own any real estate. We invest in purchases of property and equipment and incur system development costs. Purchases of property and equipment, and capitalization of system development costs may vary from period to period due to the timing of the expansion of our operations, the addition of employee headcount and the development cycles of our system development. The change in our net cash provided by (used in) investing activities is primarily due to disbursements on originations of loans increasing by \$830.4 million while repayments of loan principal only increased by \$53.0 million for the year ended December 31, 2021 compared to the year ended December 31, 2020. The change our net cash provided by (used in) investing activities is also driven by our acquisition of Digit, net of acquirer's cash received of \$111.7 million.

Financing Activities

Our net cash provided by (used in) financing activities was \$745.7 million and \$(136.8) million for the years ended December 31, 2021 and 2020, respectively. For the year ended December 31, 2021, net cash provided by financing activities was primarily driven by the issuance of our Series 2021-A, 2021-B and 2021-C asset-backed securitizations and the borrowings under the Secured Financing facilities and Acquisition Financing. For the year ended December 31, 2020, net cash used in financing activities was primarily driven by repayments of borrowings of our Secured Financing facility and redemption of our Series 2017-A and 2017-B asset-backed notes, partially offset by borrowings on our Secured Financing facility.

Sources of Funds

Debt and Available Credit

Asset-Backed Securitizations

As of December 31, 2021, we had \$1.65 billion of outstanding asset-backed notes. During 2021, we issued \$1.38 billion of asset-backed securities with maturities ranging from 2 to 3 years. Our securitizations utilize special purpose entities (SPEs) which are also variable interest entities (VIEs) that meet the requirements to be consolidated in our financial statements. For more information regarding our asset-backed securitizations, see [Note 9, Borrowings](#) of the Notes to the Consolidated Financial Statements included elsewhere in this report.

Our ability to utilize our asset-backed securitization facilities as described herein is subject to compliance with various requirements including eligibility criteria for the loan collateral and covenants and other requirements. As of December 31, 2021, we were in compliance with all covenants and requirements of all our asset-backed notes.

Secured Financings

As of December 31, 2021, we had Secured Financing facilities with warehouse lines of \$750.0 million in the aggregate with undrawn capacity of \$352.0 million. Our ability to utilize our Secured Financing facilities as described herein is subject to compliance with various requirements, including eligibility criteria for collateral, concentration limits for our collateral pool, and covenants and other requirements.

Acquisition Financing

On December 20, 2021, Oportun RF, LLC, a wholly-owned subsidiary of the Company issued a \$116.0 million asset-backed floating rate variable funding note, and an asset-backed residual certificate, both of which are secured by certain residual cash flows from the Company's securitizations and guaranteed by Oportun, Inc. The note was used to fund the cash consideration paid for the acquisition of Digit and bears interest at a rate of one-month LIBOR plus 8.00%. The Acquisition Financing is structured to pay down based on an amortization schedule, with a final payment in October 2024.

As of December 31, 2021, we were in compliance with all covenants and requirements per the Secured Financing facilities and Acquisition Financing. For more information regarding our Secured Financing facilities and Acquisition Financing, see [Note 9, Borrowings](#) of the Notes to the Consolidated Financial Statements included elsewhere in this report.

Whole loan sales

As of December 31, 2021, we have a whole loan sale flow agreement with an institutional investor through March 4, 2022, in which we agreed to sell at least 10% of our personal loan originations, with an option to sell an additional 5%, subject to certain eligibility criteria and minimum and maximum volumes. The originations of loans sold and held for sale during the year ended December 31, 2021 was \$214.6 million. For further

information on the whole loan sale transactions, see [Note 5, Loans Held for Sale](#) of the Notes to the Consolidated Financial Statements included in this report.

Bank Partnership Program and Servicing Agreement

We entered into a bank partnership program with MetaBank, N.A. on August 11, 2020. In accordance with the agreements underlying the bank partnership program, Oportun has a commitment to purchase an increasing percentage of program loans originated by MetaBank based on thresholds specified in the agreements. Lending under the partnership was launched in August of 2021.

Contractual Obligations and Commitments

The material cash requirements for our contractual and other obligations primarily include those related our outstanding borrowings under our asset-backed notes, Acquisition Financing and Secured Financing, corporate and retail leases, and purchase commitments for technology used in the business. See [Note 9, Borrowings](#) and [Note 16, Leases, Commitments and Contingencies](#) of the Notes to the Consolidated Financial Statements included in this report for more information.

Liquidity Risks

We believe that our existing cash balance, anticipated positive cash flows from operations and available borrowing capacity under our credit facilities will be sufficient to meet our anticipated cash operating expense and capital expenditure requirements through at least the next 12 months. We do not have any significant unused sources of liquid assets. If our available cash balances are insufficient to satisfy our liquidity requirements, we will seek additional debt or equity financing. In a rising interest rate environment, our ability to issue additional equity or incur debt may be impaired and our borrowing costs may increase. If we raise additional funds through the issuance of additional debt, the agreements governing such debt could contain covenants that would restrict our operations and such debt would rank senior to shares of our common stock. The sale of equity may result in dilution to our stockholders and those securities may have rights senior to those of our common stock. We may require additional capital beyond our currently anticipated amounts and additional capital may not be available on reasonable terms, or at all.

Critical Accounting Policies and Significant Judgments and Estimates

Our Management's Discussion and Analysis of Financial Condition and Results of Operations is based on our consolidated financial statements, which have been prepared in accordance with GAAP. The preparation of these consolidated financial statements requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, expenses and the related disclosures. In accordance with GAAP, we base our estimates on historical experience and on various other assumptions that we believe are reasonable under the circumstances. Actual results may differ from these estimates under different assumptions or conditions.

While our significant accounting policies are more fully described in [Note 2, Summary of Significant Accounting Policies](#), in our Notes to the Consolidated Financial Statements included elsewhere in this report, we believe the following critical accounting policies affect the more significant estimates, assumptions and judgments we use to prepare our consolidated financial statements.

Fair Value of Loans Held for Investment

We elected the fair value option for our Fair Value Loans. We primarily use a discounted cash flow model to estimate fair value based on the present value of estimated future cash flows. This model uses inputs that are not observable but reflect our best estimates of the assumptions a market participant would use to calculate fair value. The following describes the primary inputs that require significant judgment:

- *Remaining Cumulative Charge-offs* - Remaining cumulative charge-offs are estimates of the principal payments that will not be repaid over the life of a loan held for investment. Remaining cumulative loss expectations are adjusted to reflect the expected principal recoveries on charged-off loans. Remaining cumulative loss expectations are primarily based on the historical performance of our loans but also incorporate adjustments based on our expectations of future credit performance and are quantified by the remaining cumulative charge-off rate.
- *Remaining Cumulative Prepayments* - Remaining cumulative prepayments are estimates of the principal payments that will be repaid earlier than contractually required over the life of a loan held for investment. Remaining cumulative prepayment rates are primarily based on the historical performance of our loans but also incorporate adjustments based on our expectations of future borrower behavior and refinancings through our Good Customer Program. For credit card receivables we estimate the principal payment rate which is the amount of principal we expect to get repaid each month.
- *Average Life* - Average life is the time weighted average of the estimated principal payments divided by the principal balance at the measurement date. The timing of estimated principal payments is impacted by scheduled amortization of loans, charge-offs, and prepayments.
- *Discount Rates* - The discount rates applied to the expected cash flows of loans held for investment reflect our estimates of the rates of return that investors would require when investing in financial instruments with similar risk and return characteristics. Discount rates are based on our estimate of the rate of return likely to be received on new loans. Discount rates for aged loans are adjusted to reflect the market relationship between interest rates and remaining time to maturity.

We developed an internal model to estimate the fair value of Fair Value Loans. To generate future expected cash flows, the model combines receivable characteristics with assumptions about borrower behavior based on our historical loan performance. These cash flows are then discounted

using a required rate of return that management estimates would be used by a market participant.

We test the fair value model by comparing modeled cash flows to historical loan performance to ensure that the model is complete, accurate and reasonable for our use. We also engaged a third party to create an independent fair value estimate for the Fair Value Loans, which provides a set of fair value marks using our historical loan performance data and whole loan sale prices to develop independent forecasts of borrower behavior. Their model used these assumptions to generate expected cash flows which were then aggregated and compared to actual cash flows within an acceptable range.

Our internal valuation committee provides governance and oversight over the fair value pricing calculations and related financial statement disclosures. Additionally, this committee provides a challenge of the assumptions used and outputs of the model, including the appropriateness of such measures and periodically reviews the methodology and process to determine the fair value pricing. Any significant changes to the process must be approved by the committee.

As discussed above, our fair value model uses inputs that are not observable but reflect our best estimates of the assumptions a market participant would use to calculate fair value. For a summary of how these inputs have changed over the last eight quarters since January 1, 2020, refer to Fair Value Estimate Methodology for Loans Receivable at Fair Value in [Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations"](#). For more information regarding the potential impact that changes in these inputs might have on our "Net increase (decrease) in fair value" on our Consolidated Statements of Operations, please refer to [Item 7A, "Quantitative and Qualitative Disclosures About Market Risk"](#) included elsewhere in this report.

Business Combination

Under the acquisition method of accounting, we recognize tangible and identifiable intangible assets acquired and liabilities assumed based on their estimated fair values. We record the excess of the fair value of the purchase consideration over the value of net assets acquired as goodwill. The accounting for business combinations requires us to make significant estimates and assumptions, especially with respect to intangible assets. Critical estimates in valuing developed technology, member relationships and other identifiable intangible assets include future cash flows that we expect to generate from the acquired assets and the appropriate discount rate. If the subsequent actual results and updated projections of the underlying business activity change compared with the assumptions and projections used to develop these values, we could experience impairment charges which could be material. In addition, we have estimated the economic lives of certain acquired assets and these lives are used to calculate depreciation and amortization expense. If our estimates of economic lives change, depreciation or amortization expenses could be accelerated or slowed.

Recently Issued Accounting Pronouncements

See [Note 2, Summary of Significant Accounting Policies](#), of the Notes to the Consolidated Financial Statements included elsewhere in this report for a discussion of recent accounting pronouncements and future application of accounting standards.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

Market risk represents the risk of loss that may impact our financial position due to adverse changes in financial market prices, credit performance of loans and interest rates. Certain unobservable inputs may (in isolation) have either a directionally consistent or opposite impact on the fair value of the financial instrument for a given change in that input. When multiple inputs are used within the valuation techniques for loans, a change in one input in a certain direction may be offset by an opposite change from another input. We recorded a fair value mark-to-market adjustment related to our Fair Value Loans and Fair Value Notes of \$69.4 million for the year ended December 31, 2021, an increase of approximately \$92.8 million compared to the prior year.

Credit Performance Sensitivity

In a strong economic climate, credit losses may decrease due to low unemployment and rising wages, which will increase the fair value of our Fair Value Loans, which increases Net Revenue. In a weak economic climate, credit losses may increase due to high unemployment and falling wages, which will decrease the fair value of our Fair Value Loans, which decreases Net Revenue.

The following table presents estimates at December 31, 2021. Actual results could differ materially from these estimates:

Remaining Cumulative Charge-Offs	Projected percentage change in the fair value of our Fair Value Loans	Projected change in net fair value recorded in earnings (\$ in thousands)
120% of expected	(1.8) %	\$ (41,779)
110% of expected	(0.9) %	\$ (21,126)
100% of expected	— %	\$ —
90% of expected	1.0 %	\$ 21,612
80% of expected	1.9 %	\$ 43,724

Market Rate and Interest Rate Sensitivity

The fair values of our Fair Value Loans are estimated using a discounted cash flow methodology, where the discount rate considers various inputs such as the price that we can sell loans to a third party in a non-public market, market conditions such as interest rates, and credit spreads. The discount rates may change due to expected loan performance. We charge fixed rates on our loans and the average life of our loan portfolio is approximately 0.9 years. The fair value of fixed rate loans will generally change when interest rates change, because interest rates will impact the discount rate the market uses to value our loans. As of December 31, 2021, we had \$1.65 billion of fixed-rate asset-backed notes outstanding with an average life of 1.9 years. Our borrowing cost does not vary with interest rates for our asset-backed notes, but the fair value will generally change when interest rates change, because interest rates will impact the discount rate the market uses to value our notes.

As of December 31, 2021, we had \$357.0 million of outstanding borrowings under our Personal Loan Warehouse facility. The interest rate of the PLW is 1-month LIBOR plus a spread of 2.17% and the maximum borrowing amount is \$600.0 million. As of December 31, 2021, we had \$41.0 million of outstanding borrowings under our Credit Card Warehouse facility. The interest rate on the Secured Financing - CCW facility is LIBOR, with a floor of 1.00%, plus 6.00% on the first \$18.8 million of principal outstanding and LIBOR, with a floor of 0.00%, plus 3.41% on the remaining outstanding principal balance and the maximum borrowing amount is \$150.0 million. As of December 31, 2021, we had \$116.0 million outstanding under our Acquisition Financing. The interest rate of the Acquisition Financing is 1-month LIBOR plus a spread of 8.00%. Changes in interest rates in the future will likely affect our borrowing costs of our Secured Financing facilities and Acquisition Financing. While not carried at fair value on the Consolidated Balance Sheets, we do not expect changes in interest rates to impact our Secured Financings or Acquisition Financing facility.

In a strong economic climate, interest rates may rise, which will decrease the fair value of our Fair Value Loans, which reduces Net Revenue. Rising interest rates will also decrease the fair value of our Fair Value Notes, which increases Net Revenue. Conversely, in a weak economic climate, interest rates may fall, which will increase the fair value of our Fair Value Loans, which increases Net Revenue. Decreasing interest rates will also increase the fair value of our Fair Value Notes, which reduces Net Revenue. Because the duration and fair value of our loans and asset-backed notes are different, the respective changes in fair value will not fully offset each other.

The following table presents estimates at December 31, 2021. Actual results could differ materially from these estimates:

Change in Interest Rates	Projected percentage change in the fair value of our Fair Value Loans	Projected percentage change in the fair value of our Fair Value Notes	Projected change in net fair value recorded in earnings (\$ in thousands)
-100 Basis Points	0.8 %	1.7 %	\$ (9,537)
-50 Basis Points	0.4 %	0.8 %	\$ (4,725)
-25 Basis Points	0.2 %	0.4 %	\$ (2,349)
Basis Interest Rate	— %	— %	\$ —
+25 Basis Points	(0.2) %	(0.4) %	\$ 2,344
+50 Basis Points	(0.4) %	(0.8) %	\$ 4,661
+100 Basis Points	(0.8) %	(1.6) %	\$ 9,237

Prepayment Sensitivity

In a strong economic climate, borrowers' incomes may increase which may lead them to prepay their loans more quickly. In a weak economic climate, borrowers' incomes may decrease which may lead them to prepay their loans more slowly. The availability of government stimulus payments to consumers during a weak economy may cause prepayments to increase. Additionally, changes in the eligibility requirements for our Good Customer Program, which allows borrowers with existing loans to take out a new loan and use a portion of the proceeds to pay-off their existing loan, could impact prepayment rates. In the future, we may introduce new products or features that could impact the prepayment behavior of our existing loans. Increased competition may also lead to increased prepayment, if our borrowers take out a loan from another lender to refinance our loan.

The following table presents estimates at December 31, 2021. Actual results could differ materially from these estimates:

Remaining Cumulative Prepayments	Projected percentage change in the fair value of our Fair Value Loans	Projected change in net fair value recorded in earnings (\$ in thousands)
120% of expected	(0.1) %	\$ (1,836)
110% of expected	— %	\$ (906)
100% of expected	— %	\$ —
90% of expected	— %	\$ 876
80% of expected	0.1 %	\$ 1,712

Foreign Currency Exchange Risk

All of our revenue and substantially all of our operating expenses are denominated in U.S. dollars. Our non-U.S. dollar operating expenses in Mexico and India made up 6.5% of total operating expenses in 2021. All of our interest income is denominated in U.S. dollars and is therefore not subject to foreign currency exchange risk.

Item 8. Financial Statements and Supplementary Data

Report of Independent Registered Public Accounting Firm

To the stockholders and the Board of Directors of Oportun Financial Corporation

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Oportun Financial Corporation and subsidiaries (the "Company") as of December 31, 2021 and 2020, the related consolidated statements of operations, changes in stockholders' equity, and cash flows, for each of the two years in the period ended December 31, 2021, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and 2020, and the results of its operations and its cash flows for each of the two years in the period ended December 31, 2021, in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2021, based on criteria established in Internal Control — Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated March 1, 2022, expressed an unqualified opinion on the Company's internal control over financial reporting.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matters communicated below are matters arising from the current-period audit of the financial statements that were communicated or required to be communicated to the audit committee and that (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Loans Receivable at Fair Value — Refer to Notes 2 and 15 to the financial statements

Critical Audit Matter Description

The Company's loans receivable at fair value were at \$2,387 million as of December 31, 2021. The loans receivable at fair value were valued as Level 3 financial instruments. Level 3 financial instruments are valued utilizing pricing inputs that are unobservable and significant to the entire fair value measurement. The Company estimates the fair value of the Level 3 loans receivable using a discounted cash flow model based on estimated future cash flows, which considers various inputs that require significant judgment. The model uses inputs that are not observable and inherently judgmental and reflect management's best estimates of the assumptions a market participant would use to calculate fair value.

We identified loans receivable at fair value as a critical audit matter because of the subjective process in determining significant inputs, assumptions, and judgments used to estimate the fair value. Auditing management's assessment of loans receivable at fair value involved exercising subjective and complex judgments, required specialized skills and knowledge, and required an increased extent of audit effort, including obtaining audit evidence of the data sources used to estimate fair value and understanding the assumptions applied and the nature of significant inputs utilized.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to the valuation of loans receivable at fair value included the following, among others:

- We tested the effectiveness of management's controls covering the overall estimate and the review of the accuracy and completeness of the underlying loan data utilized in the model calculations.
- We subjected the significant unobservable inputs to sensitivity analyses to evaluate changes in the fair value that would result from changes in the assumptions.
- We tested the accuracy and completeness of the significant unobservable inputs used in the valuation of loans receivable at fair value by detail testing the segmentation of the portfolio and underlying payment history and historical performance of the loans.
- With the assistance of our fair value specialists, we developed independent estimates of the loans receivable at fair value and compared our estimates to the Company's estimates.
- We performed a retrospective review of management's ability to accurately estimate the loans receivable at fair value by comparing modeled monthly cash flows to actual past performance.

Business Combination — Refer to Note 6 to the financial statements

Critical Audit Matter Description

The Company completed the acquisition of Hello Digit, Inc. for \$205.3 million on December 22, 2021. The Company accounted for the acquisition under the acquisition method of accounting for business combinations. Accordingly, the purchase price was allocated to the assets acquired and liabilities assumed based on their respective fair values. The final valuation of assets and liabilities recognized as of the acquisition date included approximately \$84 million of acquired intangible assets and \$104 million of goodwill with total net assets acquired of \$17 million. Of the identified intangible assets acquired, the most significant were the developed technology of \$48.5 million and the member relationship intangible assets of \$34.5 million. Management, with the assistance of a valuation specialist, estimated the fair value of developed technology and member relationship intangible assets using the income approach, which determines the fair value as the present value of forecasted future cash flows. The determination of fair value of the assets involves significant estimates and assumptions related to forecasted future cash flows and the selection of the discount rate.

Given the nature of future expected cash flows and the discount rate utilized in the process to determine the fair value of developed technology and member relationship intangible assets, performing audit procedures to evaluate the reasonableness of these future expected cash flows and the discount rate assumptions required a high degree of auditor judgment and an increased extent of effort, including the need to involve our fair value specialists.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to the valuation of developed technology and member relationship intangible assets from the Hello Digit, Inc. acquisition including the following, among others:

- We tested the effectiveness of the controls over the Company's valuation process, including controls over future expected cash flows and the discount rate.
- We evaluated the reasonableness of the future expected cash flows utilized in determining fair values of developed technology and member relationship intangible assets, tested the accuracy and completeness of significant data underlying those future expected cash flows and assumptions, and made inquiries of management regarding the basis for their key judgments.
- With the assistance of our fair value specialists, we evaluated the methodologies and calculations used by management to determine the fair value of developed technology and member relationship intangible assets by:
 - Evaluating the reasonableness of the valuation techniques utilized by management's third-party valuation specialists to value the identified intangibles.
 - Testing the mathematical accuracy of the valuation model and calculations.
 - Testing certain valuation assumptions, including the discount rate, by evaluating management's underlying source information and evaluating such estimates for reasonableness.

/s/ Deloitte & Touche LLP

San Francisco, CA
March 1, 2022

We have served as the Company's auditor since 2010.

OPORTUN FINANCIAL CORPORATION
Consolidated Balance Sheets
(in thousands, except share and per share data)

	December 31,	
	2021	2020
Assets		
Cash and cash equivalents	\$ 130,959	\$ 136,187
Restricted cash	62,001	32,403
Loans receivable at fair value	2,386,807	1,696,526
Interest and fees receivable, net	20,916	15,426
Capitalized software and other intangibles, net	131,181	27,483
Goodwill	104,014	—
Right of use assets - operating	38,403	46,820
Other assets	72,344	54,206
Total assets	\$ 2,946,625	\$ 2,009,051
Liabilities and stockholders' equity		
Liabilities		
Secured financing	\$ 393,889	\$ 246,385
Asset-backed notes at fair value	1,651,706	1,167,309
Acquisition financing	114,092	—
Lease liabilities	47,699	49,684
Other liabilities	135,358	79,045
Total liabilities	2,342,744	1,542,423
Stockholders' equity		
Common stock, \$0.0001 par value - 1,000,000,000 shares authorized at December 31, 2021 and December 31, 2020; 32,276,419 shares issued and 32,004,396 shares outstanding at December 31, 2021; 27,951,286 shares issued and 27,679,263 shares outstanding at December 31, 2020	6	6
Common stock, additional paid-in capital	526,338	436,499
Retained earnings	83,846	36,432
Treasury stock at cost, 272,023 and 272,023 shares at December 31, 2021 and December 31, 2020	(6,309)	(6,309)
Total stockholders' equity	603,881	466,628
Total liabilities and stockholders' equity	\$ 2,946,625	\$ 2,009,051

See Notes to the Consolidated Financial Statements.

OPORTUN FINANCIAL CORPORATION
Consolidated Statements of Operations
(in thousands, except share and per share data)

	Year Ended December 31,	
	2021	2020
Revenue		
Interest income	\$ 575,839	\$ 545,466
Non-interest income	50,943	38,268
Total revenue	<u>626,782</u>	<u>583,734</u>
Less:		
Interest expense	47,669	58,368
Net decrease in fair value	(48,632)	(190,306)
Net revenue	<u>530,481</u>	<u>335,060</u>
Operating expenses:		
Technology and facilities	139,564	129,795
Sales and marketing	116,882	89,375
Personnel	115,833	106,446
Outsourcing and professional fees	57,931	47,067
General, administrative and other	37,480	20,471
Total operating expenses	<u>467,690</u>	<u>393,154</u>
Income (loss) before taxes	62,791	(58,094)
Income tax expense (benefit)	15,377	(13,012)
Net income (loss)	<u>\$ 47,414</u>	<u>\$ (45,082)</u>
Net income (loss) attributable to common stockholders	\$ 47,414	\$ (45,082)
Share data:		
Earnings (loss) per share:		
Basic	\$ 1.68	\$ (1.65)
Diluted	\$ 1.56	\$ (1.65)
Weighted average common shares outstanding:		
Basic	28,191,610	27,333,271
Diluted	30,323,194	27,333,271

See Notes to the Consolidated Financial Statements.

OPORTUN FINANCIAL CORPORATION
Consolidated Statements of Changes in Stockholders' Equity
(in thousands, except share data)

For the Years Ended December 31, 2021 and 2020

	Convertible Preferred and Common Stock Warrants		Common Stock			Retained Earnings	Treasury Stock	Total Stockholders' Equity
	Shares	Par Value	Shares	Par Value	Additional Paid-in Capital			
Balance – January 1, 2021	—	\$ —	27,679,263	\$ 6	\$ 436,499	\$ 36,432	\$ (6,309)	\$ 466,628
Issuance of common stock upon exercise of stock options	—	—	240,047	—	3,272	—	—	3,272
Stock-based compensation expense	—	—	—	—	19,888	—	—	19,888
Vesting of restricted stock units, net of shares withheld	—	—	562,904	—	(6,502)	—	—	(6,502)
Issuance of equity on business acquisition	—	—	3,522,182	—	73,181	—	—	73,181
Net income	—	—	—	—	—	47,414	—	47,414
Balance – December 31, 2021	—	\$ —	32,004,396	\$ 6	\$ 526,338	\$ 83,846	\$ (6,309)	\$ 603,881
Balance – January 1, 2020	23,512	\$ 63	27,003,157	\$ 6	\$ 418,299	\$ 76,679	\$ (6,119)	\$ 488,928
Issuance of common stock upon exercise of stock options	—	—	58,722	—	216	—	—	216
Stock-based compensation expense	—	—	—	—	19,488	—	—	19,488
Issuance of common stock upon exercise of warrants	(23,512)	(63)	10,972	—	253	—	(190)	—
Vesting of restricted stock units, net of shares withheld	—	—	606,412	—	(1,757)	—	—	(1,757)
Cumulative effect of adoption of ASU 2019-05	—	—	—	—	—	4,835	—	4,835
Net loss	—	—	—	—	—	(45,082)	—	(45,082)
Balance – December 31, 2020	—	\$ —	27,679,263	\$ 6	\$ 436,499	\$ 36,432	\$ (6,309)	\$ 466,628

See Notes to the Consolidated Financial Statements.

OPORTUN FINANCIAL CORPORATION
Consolidated Statements of Cash Flow
(in thousands)

	Year Ended December 31,	
	2021	2020
Cash flows from operating activities		
Net income (loss)	\$ 47,414	\$ (45,082)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization	27,112	20,220
Fair value adjustment, net	48,632	190,306
Origination fees for loans receivable at fair value, net	(15,836)	(900)
Gain on loan sales	(26,750)	(20,308)
Stock-based compensation expense	18,857	19,488
Deferred tax provision, net	16,451	(14,464)
Other, net	30,567	18,001
Originations of loans sold and held for sale	(214,598)	(188,521)
Proceeds from sale of loans	242,015	208,385
Changes in operating assets and liabilities:		
Interest and fee receivable, net	(8,231)	(4,010)
Other assets	(23,913)	(9,926)
Other liabilities	21,727	(20,320)
Net cash provided by operating activities	<u>163,447</u>	<u>152,869</u>
Cash flows from investing activities		
Originations of loans	(1,842,211)	(1,011,845)
Repayments of loan principal	1,107,850	1,054,821
Capitalization of system development costs	(26,477)	(21,772)
Acquisition of Digit, net of acquirer's cash received	(111,652)	—
Other, net	(12,296)	(4,825)
Net cash provided by (used in) investing activities	<u>(884,786)</u>	<u>16,379</u>
Cash flows from financing activities		
Borrowings under secured financing	1,291,795	469,000
Borrowings under asset-backed notes and acquisition financing	1,479,332	40,244
Payments of secured financing	(1,144,996)	(284,006)
Repayment of asset-backed notes	(875,007)	(360,001)
Other, net	(2,183)	(495)
Net payments related to stock-based activities	(3,232)	(1,541)
Net cash provided by (used in) financing activities	<u>745,709</u>	<u>(136,799)</u>
Net increase in cash and cash equivalents and restricted cash	24,370	32,449
Cash and cash equivalents and restricted cash, beginning of period	168,590	136,141
Cash and cash equivalents and restricted cash, end of period	<u>\$ 192,960</u>	<u>\$ 168,590</u>
Supplemental disclosure of cash flow information		
Cash and cash equivalents	\$ 130,959	\$ 136,187
Restricted cash	62,001	32,403
Total cash and cash equivalents and restricted cash	<u>\$ 192,960</u>	<u>\$ 168,590</u>
Cash paid for income taxes, net of refunds	\$ 3,884	\$ 2,829
Cash paid for interest	\$ 46,831	\$ 57,140
Cash paid for amounts included in the measurement of operating lease liabilities	\$ 17,603	\$ 16,244
Supplemental disclosures of non-cash investing and financing activities		
Right of use assets obtained in exchange for operating lease obligations	\$ 12,392	\$ 8,826
Net issuance of stock related to Digit acquisition	\$ 73,181	\$ —
Non-cash investment in capitalized assets	\$ 2,103	\$ 550
Non-cash financing activities	\$ 33	\$ —

See Notes to the Consolidated Financial Statements.

1. Organization and Description of Business

Oportun 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. Oportun Financial Corporation (together with its subsidiaries, "Oportun" or the "Company") takes a holistic approach to serving its members and view it as the Company's purpose to responsibly meet their current capital needs, help grow its members' financial profiles, increase their financial awareness and put them on a path to a financially healthy life. With its acquisition of Hello Digit, Inc. ("Digit") on December 22, 2021, the Company can now offer access to a comprehensive suite of digital banking products, offered either directly or through partners, including lending, savings and investing powered by A.I. and tailored to each member's goals to make achieving financial health automated. The Company's credit products include personal loans, secured personal loans and credit cards. Our digital banking products include digital banking, automated savings, long-term investing and retirement savings. The Company is headquartered in San Carlos, California. The Company has been certified by the United States Department of the Treasury as a Community Development Financial Institution ("CDFI") since 2009.

Segments

Segments are defined as components of an enterprise for which discrete financial information is available and evaluated regularly by the chief operating decision maker ("CODM") in deciding how to allocate resources and in assessing performance. The Company's Chief Executive Officer and the Company's Chief Financial Officer are collectively considered to be the CODM. The CODM reviews financial information presented on a consolidated basis for purposes of allocating resources and evaluating financial performance. The Company's operations constitute a single reportable segment.

2. Summary of Significant Accounting Policies

Basis of Presentation - The Company meets the SEC's definition of a "Smaller Reporting Company", and therefore qualifies for the SEC's reduced disclosure requirements for smaller reporting companies. The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP"). These statements reflect all normal, recurring adjustments that are, in management's opinion, necessary for the fair presentation of results. The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. All intercompany accounts and transactions have been eliminated in consolidation. Certain prior-period financial information has been reclassified to conform to current period presentation.

Use of Estimates - The preparation of the consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of income and expenses during the reporting period. These estimates are based on information available as of the date of the consolidated financial statements; therefore, actual results could differ from those estimates and assumptions.

Business Combinations - The Company accounts for business combinations using the acquisition method of accounting which requires the fair values of the assets acquired and the liabilities assumed to be recognized in the consolidated financial statements. Assets acquired and liabilities assumed in a business combination are recognized at their estimated fair value as of the acquisition date. Determining fair value of identifiable assets, particularly intangibles, and liabilities acquired requires management to make estimates, which are based on all available information and in some cases assumptions with respect to the timing and amount of future revenues and expenses associated with an asset or liability. The excess purchase price over the fair value of assets acquired and liabilities assumed is recorded as goodwill. The allocation of fair values may be subject to adjustment after the initial allocation for up to a one-year period, with the corresponding offset to goodwill. Acquisition-related costs, such as legal and consulting fees, are recognized separately from the business combination and are expensed as incurred.

Consolidation and Variable Interest Entities - The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. The Company's policy is to consolidate the financial statements of entities in which it has a controlling financial interest. The Company determines whether it has a controlling financial interest in an entity by evaluating whether the entity is a voting interest entity or variable interest entity ("VIE") and if the accounting guidance requires consolidation.

VIEs are entities that, by design, either (i) lack sufficient equity to permit the entity to finance its activities without additional subordinated financial support from other parties, or (ii) have equity investors that do not have the ability to make significant decisions relating to the entity's operations through voting rights, or do not have the obligation to absorb the expected losses, or do not have the right to receive the residual returns of the entity. The Company determines whether it has a controlling financial interest in a VIE by considering whether its involvement with the VIE is significant and whether it is the primary beneficiary of the VIE based on the following:

- The Company has the power to direct the activities of the VIE that most significantly impact the entity's economic performance;
- The aggregate indirect and direct variable interests held by us have the obligation to absorb losses or the right to receive benefits from the entity that could be significant to the VIE; and
- Qualitative and quantitative factors regarding the nature, size, and form of the Company's involvement with the VIE.

Foreign Currency Re-measurement - The functional currency of the Company's foreign subsidiaries is the U.S. dollar. Monetary assets and liabilities of these subsidiaries are re-measured into U.S. dollars from the local currency at rates in effect at period-end and nonmonetary assets and liabilities are re-measured at historical rates. Revenue and expenses are re-measured at average exchange rates in effect during each period. Foreign currency gains and losses from re-measurement and transaction gains and losses are recorded as general, administrative and other expense in the Consolidated Statements of Operations.

Concentration of Credit Risk - Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of loans receivable at fair value.

As of December 31, 2021, 49%, 27%, 7% and 6% of the owned principal balance related to borrowers from California, Texas, Florida and Illinois, respectively. Owned principal balance related to borrowers from each of the remaining states of operation continues to be at or below 3%. As of December 31, 2020, 56%, 26%, 5% and 5% of the owned principal balance related to borrowers from California, Texas, Illinois and Florida, respectively, and the owned principal balance related to borrowers from each of the remaining states was at or below 3%.

Cash and Cash Equivalents - Cash and cash equivalents consist of unrestricted cash balances and short-term, liquid investments with a maturity date of three months or less at the time of purchase. Digit's savings platform connects to members' checking accounts and analyzes their income and spending patterns to find amounts that can safely be set aside towards savings goals. Digit calculates these amounts by identifying upcoming bills and regular spending habits to ensure optimal amounts are flagged for savings and transferred to savings accounts. The funds in these saving accounts are owned by Digit members and are not the assets of the Company. Therefore, these funds are not included in the Consolidated Balance Sheets.

Restricted Cash - Restricted cash represents cash held at a financial institution as part of the collateral for the Company's Secured Financing, asset-backed notes and loans designated for sale.

Loans Receivable at Fair Value - The Company elected the fair value option for all loans receivable held for investment. Under fair value accounting, direct loan origination fees are taken into income immediately and direct loan origination costs are expensed in the period the loan originates. In addition, the Company recognizes annual fees on credit card receivables into income immediately upon activation of the credit card by the credit card holder and subsequent annual fees when billed upon the anniversary of the credit card account. Loans are charged off at the earlier of when loans are determined to be uncollectible or when loans are 120 days contractually past due, or 180 days contractually past due in the case of credit cards. Recoveries are recorded when cash is received on loans that had been previously charged off. The Company estimates the fair value of the loans using a discounted cash flow model, which considers various unobservable inputs such as remaining cumulative charge-offs, remaining cumulative prepayments or principal payment rates for our credit card receivables, average life and discount rate. The Company re-evaluates the fair value of loans receivable at the close of each measurement period. Changes in fair value are recorded in "Net decrease in fair value" in the Consolidated Statements of Operations in the period of the fair value changes.

Fair Value Measurements - The Company follows applicable guidance that establishes a fair value measurement framework, provides a single definition of fair value and requires expanded disclosure summarizing fair value measurements. Such guidance emphasizes that fair value is a market-based measurement, not an entity-specific measurement. Therefore, a fair value measurement should be determined based on the assumptions that market participants would use in pricing an asset or liability.

Fair value guidance establishes a three-level hierarchy for inputs used in measuring the fair value of a financial asset or financial liability.

- Level 1 financial instruments are valued based on unadjusted quoted prices in active markets for identical assets or liabilities, accessible by the Company at the measurement date.
- Level 2 financial instruments are valued using quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or models using inputs that are observable or can be corroborated by observable market data of substantially the full term of the assets or liabilities.
- Level 3 financial instruments are valued using pricing inputs that are unobservable and reflect the Company's own assumptions that market participants would use in pricing the asset or liability.

Loans Held for Sale - Loans held for sale are recorded at the lower of cost or fair value, until the loans are sold. Loans held for sale are sold within four days of origination. Cost of loans held for sale is inclusive of unpaid principal plus net deferred origination costs.

Derivatives - Derivative financial instruments are recognized as either assets or liabilities in the consolidated balance sheet at fair value. Changes in fair value and settlements of derivative instruments are reflected in earnings as a component of "net decrease in fair value" in the Consolidated Statements of Operations. The Company does not use derivative instruments for trading or speculative purposes. Based on the agreements entered into with MetaBank, N.A., for all loans originated and retained by MetaBank, MetaBank receives a fixed interest rate. Oportun bears the risk of credit loss and has the benefit of any excess interest proceeds after satisfying various obligations under the agreements.

Goodwill - Goodwill represents the excess of the purchase price over the fair value of identifiable net assets acquired. The Company performs impairment testing for goodwill annually or more frequently if an event or change in circumstances indicates that goodwill may be impaired. The Company first assesses qualitative factors to determine if it is more likely than not that the fair value of the reporting unit is less than its carrying value. If the Company concludes the fair value is less than its carrying value a quantitative test is performed. The Company performs a quantitative goodwill impairment test by determining the fair value of the reporting unit and comparing it to the carrying value of the reporting unit. If the fair

value of the reporting unit is greater than the reporting unit's fair value, then the carrying value of the reporting unit is deemed to be recoverable. If the carrying value of the reporting unit is greater than the reporting unit's fair value, goodwill is impaired and written down to the reporting unit's fair value.

Intangible Assets other than Goodwill - At the time intangible assets are initially recognized, a determination is made with regard to each asset as it relates to its useful life. We have determined that each of our intangible assets has a finite useful life with the exception of certain trade names, which we have determined have indefinite lives.

Intangible assets with a finite useful life are amortized on a straight-line basis over their estimated useful lives. Intangible assets with a finite useful life are presented net of accumulated amortization on the Consolidated Balance Sheets. The Company reviews the intangible assets with finite useful lives for impairment at least annually and whenever changes in circumstances indicate their carrying amounts may not be recoverable. Impairment is indicated if the sum of undiscounted estimated future cash flows is less than the carrying value of the respective asset. Impairment is permanently recognized by writing down the asset to the extent that the carrying value exceeds the estimated fair value.

For indefinite-lived intangible assets, we review for impairment at least annually and whenever events occur or circumstances change that would indicate the assets are more likely than not to be impaired. We first complete an annual qualitative assessment to determine whether it is necessary to perform a quantitative impairment test. If the qualitative assessment indicates that the assets are more likely than not to have been impaired, we proceed with the fair value calculation of the assets. If the fair value is less than the carrying value, an impairment loss will be recognized in an amount equal to the difference and the indefinite life classification will be evaluated to determine whether such classification remains appropriate.

Fixed Assets - Fixed assets are stated at cost, less accumulated depreciation. Depreciation is calculated using the straight-line method over the estimated useful lives of the respective assets, which is generally three years for computer and office equipment and furniture and fixtures, and three to five years for purchased software, vehicles and leasehold improvements. When assets are sold or retired, the cost and related accumulated depreciation are removed from the accounts and any resulting gain or loss, if any, is included in the Consolidated Statements of Operations. Maintenance and repairs are charged to the Consolidated Statements of Operations as incurred.

The Company does not own any buildings or real estate. The Company enters into term leases for its corporate offices, call center and store locations. Leasehold improvements are capitalized and depreciated over the lesser of their physical life or lease term of the building.

Systems Development Costs - The Company capitalizes software developed or acquired for internal use, and these costs are included in Capitalized software and other intangibles, net on the Consolidated Balance Sheets. The Company has internally developed its proprietary Web-based technology platform, which consists of application processing, credit scoring, loan accounting, servicing and collections, debit card processing, data and analytics and digital banking services.

The Company capitalizes its costs to develop software when preliminary development efforts are successfully completed; management has authorized and committed project funding; and it is probable the project will be completed and the software will be used as intended. Costs incurred prior to meeting these criteria, together with costs incurred for training and maintenance, are expensed as incurred. When the software developed for internal use has reached its technological feasibility, such costs are amortized on a straight-line basis over the estimated useful life of the assets, which is generally three years. Costs incurred for upgrades and enhancements that are expected to result in additional functionality are capitalized and amortized over the estimated useful life of the upgrades.

The Company acquired developed technology with its acquisition of Digit. Developed technology is included in capitalized software. Such costs are amortized on a straight-line basis over the estimated useful life of the assets, which was determined to be seven years.

Impairment - The Company reviews long-lived assets, including fixed assets, right of use assets and system development costs, for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be fully recoverable. An impairment loss is recognized when estimated undiscounted future cash flows expected to result from the use of the asset and its eventual disposition are less than its carrying amount. The Company determined that there were no events or changes in circumstances that indicated our long-lived assets were impaired for the years ended December 31, 2021 and 2020, except as disclosed in [Note 7, Capitalized Software, Other Intangibles and Goodwill](#).

Asset-Backed Notes at Fair Value - The Company elected the fair value option to account for all asset-backed notes. The Company calculates the fair value of the asset-backed notes using independent pricing services and broker price indications, which are based on quoted prices for identical or similar notes, which are Level 2 input measures. The Company re-evaluates the fair value of the asset-backed notes at the close of each measurement period. Changes in fair value are recorded in Net decrease in fair value in the Consolidated Statements of Operations in the period of the fair value changes.

Acquisition Financing - The Acquisition Financing is an asset-backed note carried at amortized cost. The Company reports issuance costs associated with the financing on its balance sheet as a direct reduction in the carrying amount of the note, and they are amortized over the life of the note using the effective interest method. The Acquisition Financing was used to fund the cash component of the purchase price for the Digit acquisition and, as a result, the interest payments are recorded to General, administrative and other in the Consolidated Statements of Operations.

Revenue Recognition - The Company's primary sources of revenue consist of interest and non-interest income.

Interest Income

Interest income includes interest and fees on loans. Generally, the Company's loans require semi-monthly or biweekly borrower payments of interest and principal. Fees on loans include billed late fees offset by charged-off fees and provision for uncollectible fees. The Company charges borrowers a late fee if a scheduled installment payment becomes delinquent. Depending on the loan, late fees are assessed when the loan is eight to 16 days delinquent. Late fees are recognized when they are billed. When a loan is charged off, uncollected late fees are also written off. For Loans Receivable at Fair Value, interest income includes (i) billed interest and late fees, plus (ii) origination fees recognized at loan disbursement, less (iii) charged-off interest and late fees, less (iv) provision for uncollectible interest and late fees. Additionally, direct loan origination expenses are recognized in operating expenses as incurred. For Loans Receivable at Fair Value, loan origination fees and costs are recognized when incurred.

Interest income on our personal loan receivables is recognized based upon the amount the Company expects to collect from its borrowers. When a loan becomes delinquent for a period of 90 days or more, interest income continues to be recorded until the loan is charged off. Delinquent loans are charged off at month-end during the month it becomes 120 days' delinquent. For personal loans receivable, the Company mitigates the risk of income recorded for loans that are delinquent for 90 days or more by establishing a 100% provision and the provision for uncollectible interest and late fees is offset against interest income. Previously accrued and unpaid interest is also charged off in the month the Company receives a notification of bankruptcy, a judgment or mediated agreement by the court, or loss of life, unless there is evidence that the principal and interest are collectible.

Interest income on our credit card receivables is recognized on the current balance on the account, inclusive of outstanding principal balance plus previously unpaid interest and fees, at the end of the monthly billing cycle. Delinquent credit card accounts, including unpaid interest and fees are charged off at month-end during the month they become 180 days contractually past due.

Non-Interest Income

Non-interest income includes gain on loan sales, servicing fees, debit card income, sublease income and other income.

Gain on Loan Sales - The Company recognizes a gain on sale from the difference between the proceeds received from the purchaser and the carrying value of the loans on the Company's books. The Company sells a certain percentage of new loans twice weekly.

A transfer of a financial asset, a group of financial assets, or a participating interest in a financial asset is accounted for as a sale if all of the following conditions are met:

- The financial assets are isolated from the transferor and its consolidated affiliates as well as its creditors.
- The transferee or beneficial interest holders have the right to pledge or exchange the transferred financial assets.
- The transferor does not maintain effective control of the transferred assets.

For the years ended December 31, 2021 and 2020 all of the Company's loan sales met the requirements for sale treatment. The Company records the gain on the sale of a loan at the sale date in an amount equal to the proceeds received less outstanding principal, accrued interest, late fees and net deferred origination costs.

Servicing Fees - The Company retains servicing rights on sold loans. Servicing fees comprise the 5.0% per annum servicing fee based upon the average daily principal balance of loans sold that the Company earns for servicing loans sold to a third-party financial institution. The servicing fee compensates the Company for the costs incurred in servicing the loans, including providing customer services, receiving borrower payments and performing appropriate collection activities. Management believes the fee approximates a market rate and accordingly has not recognized a servicing asset or liability.

Documentation Fees - MetaBank, N.A. pays the Company on a monthly basis documentation fees as compensation for its role in facilitation of loan originations by MetaBank. The documentation fees are equivalent to loan origination fees charged by MetaBank to its borrowers. Documentation fees to which the Company expects to be entitled are variable consideration because loan volume originated over the contractual term is not known at the contract's inception. The transaction fee is determined each time a loan is issued based on that loan's initial principal amount and is recognized when performance is complete and upon the successful origination of a borrower's loan.

Debit card income is the revenue from interchange fees when borrowers use our reloadable debit card for purchases as well as the associated card user fees.

Sublease income is the rental income from subleasing a portion of our headquarters.

Other income includes marketing incentives paid directly to us by the merchant clearing company based on transaction volumes, subscription revenue on our digital banking products, interest earned on cash and cash equivalents and restricted cash, and gain (loss) on asset sales.

Interest expense - Interest expense consists of interest expense associated with the Company's asset-backed notes and Secured Financing, and it includes origination costs as well as fees for the unused portion of the Secured Financing facility. The Company elected the fair value option for all asset-backed notes. Accordingly, all origination costs for such asset-backed notes at fair value are expensed as incurred.

Income Taxes - The Company accounts for income taxes under the asset and liability method. Under this method, deferred tax assets and liabilities are determined based on the difference between the consolidated financial statement and tax basis of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. Valuation allowances are established when necessary to reduce deferred tax assets to an amount that is more likely than not to be realized.

The Company evaluates uncertain tax positions by reviewing against applicable tax law all positions taken by the Company with respect to tax years for which the statute of limitations is still open. A tax benefit from an uncertain tax position may be recognized when it is more likely than not that the position will be sustained upon examination, including resolutions of any related appeals or litigation processes, based on the technical merits. The Company recognizes interest and penalties related to the liability for unrecognized tax benefits, if any, as a component of the Income tax expense line in the accompanying Consolidated Statements of Operations.

Stock-Based Compensation - The Company accounts for stock-based employee awards based on the fair value of the award which is measured at grant date. Accordingly, stock-based compensation cost is recognized in operating expenses in the Consolidated Statements of Operations over the requisite service period. The fair value of stock options granted or modified is estimated using the Black-Scholes option pricing model. The Company accounts for forfeitures as they occur and does not estimate forfeitures as of the award grant date.

The Company granted restricted stock units ("RSUs") to employees that vest upon the satisfaction of time-based criterion of up to four years and previously some included a performance criterion, a liquidity event in connection with an initial public offering or a change in control. These RSUs were not considered vested until both criteria were met and provided that the participant was in continuous service on the vesting date. Compensation cost for awards with performance criteria, measured on the grant date, was recognized when both the service and performance conditions were probable of being achieved. For grants and awards with just a service condition, the Company recognizes stock-based compensation expenses using the straight-line basis over the requisite service period net of forfeitures. For grants and awards with both service and performance conditions, the Company recognizes expenses using the accelerated attribution method.

As a result of shares vesting as part of the Company's stock-based plans shares are surrendered to the Company to satisfy the tax withholding obligations and the Company pays the associated payroll taxes and the shares go back to the plan for future use.

Treasury Stock - Treasury stock is reported at cost, and no gain or loss is recorded on stock repurchase transactions. Repurchased shares are held as treasury stock until they are retired or re-issued. The Company did not retire or re-issue any treasury stock for the years ended December 31, 2021 and 2020.

Basic and Diluted Earnings per Share - Basic earnings per share is computed by dividing net income per share available to common stockholders by the weighted average number of common shares outstanding for the period and excludes the effects of any potentially dilutive securities. The Company computes earnings per share using the two-class method required for participating securities. The Company considers all series of convertible preferred stock to be participating securities due to their noncumulative dividend rights. As such, net income allocated to these participating securities which includes participation rights in undistributed earnings, are subtracted from net income to determine total undistributed net income to be allocated to common stockholders. All participating securities are excluded from basic weighted-average common shares outstanding.

Diluted earnings per share reflects the potential dilution that could occur if securities or other contracts to issue common stock were exercised. It is computed by dividing net income attributable to common stockholders by the weighted-average common shares plus the effect of dilutive potential common shares outstanding during the period using the treasury stock method or the two-class method, whichever is more dilutive.

Recently Adopted Accounting Standards

Income Taxes - In December 2019, the FASB issued ASU 2019-12, *Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes*. This ASU is intended to simplify the accounting for income taxes by removing certain exceptions to the general principles of accounting for income taxes and to improve the consistent application of GAAP for other areas of accounting for income taxes by clarifying and amending existing guidance. The ASU is effective for fiscal years beginning after December 15, 2020. Early adoption is permitted. The Company adopted this ASU effective January 1, 2021 with no impact on its consolidated financial statements and disclosures.

3. Earnings (Loss) per Share

Basic and diluted earnings (loss) per share are calculated as follows:

(in thousands, except share and per share data)	Year Ended December 31,	
	2021	2020
Net income (loss)	\$ 47,414	\$ (45,082)
Net income (loss) attributable to common stockholders	\$ 47,414	\$ (45,082)
Basic weighted-average common shares outstanding	28,191,610	27,333,271
Weighted average effect of dilutive securities:		
Stock options	1,375,915	—
Restricted stock units	755,669	—
Diluted weighted-average common shares outstanding	30,323,194	27,333,271
Earnings (loss) per share:		
Basic	\$ 1.68	\$ (1.65)
Diluted	\$ 1.56	\$ (1.65)

The following common share equivalent securities have been excluded from the calculation of diluted weighted-average common shares outstanding because the effect is anti-dilutive for the periods presented:

	Year Ended December 31,	
	2021	2020
Stock options	2,038,022	4,369,664
Restricted stock units	19,073	2,280,829
Warrants	—	10,400
Total anti-dilutive common share equivalents	2,057,095	6,660,893

4. Variable Interest Entities

As part of the Company's overall funding strategy, the Company transfers a pool of designated loans receivable to wholly owned special-purpose subsidiaries, ("VIEs") to collateralize certain asset-backed financing transactions. The Company has determined that it is the primary beneficiary of these VIEs because it has the power to direct the activities that most significantly impact the VIEs' economic performance and the obligation to absorb the losses or the right to receive benefits from the VIEs that could potentially be significant to the VIEs. Such power arises from the Company's contractual right to service the loans receivable securing the VIEs' asset-backed debt obligations. The Company has an obligation to absorb losses or the right to receive benefits that are potentially significant to the VIEs because it retains the residual interest of each asset-backed financing transaction either in the form of an asset-backed certificate or as an uncertificated residual interest. Accordingly, the Company includes the VIEs' assets, including the assets securing the financing transactions, and related liabilities in its consolidated financial statements.

Each VIE issues a series of asset-backed securities that are supported by the cash flows arising from the loans receivable securing such debt. Cash inflows arising from such loans receivable are distributed monthly to the transaction's noteholders and related service providers in accordance with the transaction's contractual priority of payments. The creditors of the VIEs above have no recourse to the general credit of the Company as the primary beneficiary of the VIEs and the liabilities of the VIEs can only be settled by the respective VIE's assets. The Company retains the most subordinated economic interest in each financing transaction through its ownership of the respective residual interest in each VIE. The Company has no obligation to repurchase loans receivable that initially satisfied the financing transaction's eligibility criteria but subsequently became delinquent or defaulted loans receivable.

The following table represents the assets and liabilities of consolidated VIEs recorded on the Company's consolidated balance sheets:

(in thousands)	December 31,	
	2021	2020
Consolidated VIE assets		
Restricted cash	\$ 41,803	\$ 23,726
Loans receivable at fair value	2,267,205	1,580,061
Interest and fee receivable	19,869	14,191
Total VIE assets	<u>2,328,877</u>	<u>1,617,978</u>
Consolidated VIE liabilities		
Secured financing ⁽¹⁾	398,000	246,994
Asset-backed notes at fair value	1,651,706	1,167,309
Acquisition financing ⁽¹⁾	116,000	—
Total VIE liabilities	<u>\$ 2,165,706</u>	<u>\$ 1,414,303</u>

⁽¹⁾ Amounts exclude deferred financing costs. See Note 9, *Borrowings* for additional information.

5. Loans Held for Sale

Whole Loan Sale Program - In November 2014, the Company entered into a whole loan sale agreement with an institutional investor, which agreement was amended in March 2021 in which the term of the current agreement is set to expire on March 4, 2022. Pursuant to the agreement, the Company sells at least 10% of its personal loan originations, with an option to sell an additional 5%, subject to certain eligibility criteria and minimum and maximum volumes.

In addition, from July 2017 to August 2020, the Company was party to a separate whole loan sale arrangement with an institutional investor providing for a commitment to sell 100% of the Company's loans originated under its loan program for borrowers who do not meet the qualifications of the Company's core loan origination program. The Company chose not to renew the arrangement and allowed the agreement to expire on its terms on August 5, 2020.

The originations of loans sold and held for sale during the year ended December 31, 2021 was \$214.6 million and the Company recorded a gain on sale of \$26.8 million and servicing revenue of \$13.3 million. The originations of loans sold and held for sale during the year ended December 31, 2020 was \$188.5 million and the Company recorded a gain on sale of \$20.3 million and servicing revenue of \$15.3 million.

6. Acquisition

On December 22, 2021, the Company completed its acquisition of Digit. Digit is a digital banking platform that provides automated savings, investing and banking 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, Oportun has further expanded its A.I. and digital banking capabilities, adding to its services to provide consumers a holistic offering built to address their financial needs.

The total consideration the Company provided for Digit was approximately \$205.3 million, comprised of \$73.2 million in equity and \$132.1 million in cash, subject to customary adjustments. The Company acquired 100% of the voting interests of Digit.

(in thousands)	December 31,	
	2021	
Fair value of Oportun common stock issued to Digit stockholders ⁽¹⁾	\$	73,181
Cash paid to common and preferred stockholders, warrant holders, and vested option holders ⁽²⁾		132,151
Total purchase consideration ⁽³⁾	<u>\$</u>	<u>205,332</u>

⁽¹⁾ The fair value is based on 3,522,182 shares of Company common stock at \$20.72 per share, which represents the mid-point of the trading price of Oportun shares on December 22, 2021. The mid-point was used because the transaction closed during the trading day. \$0.2 million relates to replacement restricted stock units awarded to Digit unvested option holders.

⁽²⁾ \$1.3 million of the cash paid is being held in escrow as security for purpose of securing any amounts payable by the selling parties on account of indemnification obligations, purchase price adjustments, and other amounts payable under the merger agreement.

⁽³⁾ The total consideration as reported herein differs from the amounts previously disclosed due to changes in the underlying value of the stock between the date of the definitive agreement and the closing of the acquisition. The number of shares of Company common stock comprising the stock portion of the consideration was determined using the stock price as of the signing of the definitive agreement.

The acquisition has been accounted for as a business combination. The purchase consideration was allocated to the tangible and intangible assets and liabilities acquired and assumed as of the acquisition date, with the excess recorded to goodwill as shown below. The values assigned to the assets acquired and liabilities assumed are based on preliminary estimates of fair value available as of the date of this Annual Report on Form 10-K and may be adjusted during the measurement period of up to 12 months from the date of acquisition as further information becomes available. Any changes in the fair values of the assets acquired and liabilities assumed during the measurement period may result in adjustments to goodwill.

The following table summarizes the fair values of the assets acquired and liabilities assumed as of the acquisition date:

(in thousands)	December 22,	
	2021	
Goodwill	\$	104,014
Acquired intangible assets		35,300
Developed technology		48,500
Cash and cash equivalents		20,499
Other assets acquired and liabilities assumed, net		(2,981)
Total purchase consideration	\$	205,332

The goodwill of \$104.0 million arising from the acquisition consists largely of revenue synergies expected from combining the operations of the Company and Digit. The goodwill is not deductible for U.S. federal income tax purposes.

The Company recognized acquisition and integration related costs of approximately \$ 10.6 million in the year ended December 31, 2021 which are included in the General, administrative and other expense in the Consolidated Statements of Operations.

The table below summarizes the acquired intangible assets and developed technology, with estimated useful lives, as of the acquisition date:

	Estimated fair values (in thousands)	Estimated useful life (years)
Member relationships	\$ 34,500	7.0
Trade name	800	3.0
Developed technology	48,500	7.0
Total acquired intangibles and developed technology	\$ 83,800	

The fair values of the acquired intangibles and developed technology were determined using the following methodologies: We valued the developed technology using the multi-period excess earnings method under the income approach. Member relationships were valued using the with-and-without method under the income approach. Trade names were valued by applying the relief-from-royalty method under the income approach. The acquired intangibles and developed technology have a total weighted average amortization period of 7.0 years.

The unaudited pro forma information does not necessarily reflect the actual results of operations of the combined entities that would have been achieved, nor are they necessarily indicative of future results of operations. The unaudited pro forma information reflects certain adjustments that were directly attributable to the acquisition of Digit, including additional depreciation and amortization adjustments for the fair value of the assets acquired and liabilities assumed. The pro forma net loss for the year ended December 31, 2021 was adjusted to exclude nonrecurring acquisition-related costs of \$29.7 million. The pro forma net loss for the year ended December 31, 2020 was adjusted to include nonrecurring acquisition-related costs of \$29.7 million. Below is the unaudited pro forma financial information of the combined results of operations of the Company and Digit as if the acquisition occurred on January 1, 2020.

(in thousands)	December 31,			
	2021		2020	
Total revenues	\$	666,158	\$	623,973
Net income (loss) attributable to shareholders	\$	33,971	\$	(99,109)

For the year ended December 31, 2021, total net revenue of \$0.9 million from the Digit acquisition is included in the Company's Consolidated Statements of Operations.

7. Capitalized Software, Other Intangibles and Goodwill

Capitalized software, net consists of the following:

(in thousands)	December 31,			
	2021		2020	
Capitalized software, net:				
System development costs	\$	84,550	\$	55,943
Acquired developed technology		48,500		—
Less: Accumulated amortization		(45,433)		(28,524)
Total capitalized software, net	\$	87,617	\$	27,419

Capitalized software, net

Amortization of system development costs for years ended December 31, 2021 and 2020 was \$16.7 million and \$10.8 million, respectively. Amortization of acquired developed technology for the year ended December 31, 2021 was \$0.2 million and reflects 10 days of expense after the acquisition of Digit. There was no amortization for acquired developed technology for the year ended December 31, 2020. System development costs capitalized in the years ended December 31, 2021 and 2020 were \$28.6 million and \$21.7 million, respectively. Acquired developed technology was \$48.5 million and is related to the acquisition of Digit on December 22, 2021.

In November 2020, the Company decided to cease originating direct auto loans used to purchase a vehicle. Accordingly, the Company recorded an impairment charge of \$ 1.8 million related to system development costs and \$1.9 million related to fixed assets. The impairment loss was included in Technology and facilities on the Consolidated Statements of Operations for the year ended December 31, 2020.

Intangible Assets

The gross carrying amount and accumulated amortization, in total and by major intangible asset class are as follows:

(in thousands, except years)	December 31, 2021		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Member relationships	\$ 34,500	\$ (135)	\$ 34,365
Trademarks	6,364	(7)	6,356
Other	3,000	(157)	2,843
Total	<u>\$ 43,864</u>	<u>\$ (300)</u>	<u>\$ 43,564</u>

(in thousands, except years)	December 31, 2020		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Trademarks	\$ 64	\$ —	\$ 64
Total	<u>\$ 64</u>	<u>\$ —</u>	<u>\$ 64</u>

Amortization of intangible assets for the year ended December 31, 2021 was \$0.3 million. There were no intangible assets subject to amortization for the year ended December 31, 2020. Expected future amortization expense for intangible assets as of December 31, 2021 is as follows:

(in thousands)	Fiscal Years
2022	\$ 7,929
2023	7,929
2024	7,778
2025	4,929
Thereafter	14,637
Total	<u>\$ 43,200</u>

Goodwill

The table below presents changes to the carrying amount of goodwill:

(in thousands)	December 31, 2020	Goodwill Acquired	December 31, 2021
Goodwill	\$ —	\$ 104,014	\$ 104,014

The goodwill acquired during the twelve months ended December 31, 2021 is associated with the acquisition of Digit. There was no impairment for the periods presented.

8. Other Assets

Other assets consist of the following:

(in thousands)	December 31,	
	2021	2020
Fixed assets		
Computer and office equipment	\$ 13,658	\$ 11,182
Furniture and fixtures	8,553	11,072
Purchased software	2,073	1,992
Leasehold improvements	19,816	29,543
Total cost	44,100	53,789
Less: Accumulated depreciation	(34,185)	(37,939)
Total fixed assets, net	\$ 9,915	\$ 15,850
Other assets		
Loans Held for Sale	\$ 491	\$ 1,158
Prepaid expenses	25,355	17,241
Deferred tax assets	3,923	1,716
Current tax assets	13,330	7,457
Other	19,330	10,784
Total other assets	\$ 72,344	\$ 54,206

Fixed Assets

Depreciation and amortization expense for the years ended December 31, 2021 and 2020 was \$9.4 million and \$9.4 million, respectively.

9. Borrowings

The following table presents information regarding the Company's Secured Financing facilities:

Variable Interest Entity	December 31, 2021			
	Current Balance	Commitment Amount	Maturity Date	Interest Rate
(in thousands)				
Oportun CCW Trust ⁽¹⁾⁽²⁾	\$ 40,108	\$ 150,000	December 1, 2023	Variable ⁽¹⁾
Oportun PLW Trust	353,781	600,000	September 1, 2024	LIBOR (minimum of 0.00%) + 2.17%
Total secured financing	\$ 393,889	\$ 750,000		

⁽¹⁾ The interest rate on the Secured Financing - CCW facility is LIBOR (minimum of 1.00%) plus 6.00% on the first \$18.8 million of principal outstanding and LIBOR (minimum of 0.00%) plus 3.41% on the remaining outstanding principal balance.

⁽²⁾ The Credit Card Warehouse has an aggregate borrowing capacity of up to \$150.0 million; comprised of \$75.0 million committed purchase amount and \$75.0 million uncommitted purchase amount.

Variable Interest Entity	December 31, 2020			
	Current Balance	Commitment Amount	Maturity Date	Interest Rate
(in thousands)				
Oportun Funding V, LLC	\$ 246,385	\$ 400,000	October 1, 2021	LIBOR (minimum of 0.00%) + 2.45%

The Company elected the fair value option for all asset-backed notes issued on or after January 1, 2018. The following table presents information regarding asset-backed notes:

Variable Interest Entity	December 31, 2021					
	Initial note amount issued ^(a)	Initial collateral balance ^(b)	Current balance ^(a)	Current collateral balance ^(b)	Weighted average interest rate ^(c)	Original revolving period
(in thousands)						
Asset-backed notes recorded at fair value:						
Oportun Issuance Trust (Series 2021-C)	\$ 500,000	\$ 512,762	\$ 497,774	\$ 525,436	2.48 %	3 years
Oportun Issuance Trust (Series 2021-B)	500,000	512,759	498,487	521,174	2.05 %	3 years
Oportun Funding XIV, LLC (Series 2021-A)	375,000	383,632	374,363	391,325	1.79 %	2 years
Oportun Funding XIII, LLC (Series 2019-A)	279,412	294,118	281,082	299,310	3.46 %	3 years
Total asset-backed notes recorded at fair value	\$ 1,654,412	\$ 1,703,271	\$ 1,651,706	\$ 1,737,245		
Variable Interest Entity	December 31, 2020					
	Initial note amount issued ^(a)	Initial collateral balance ^(b)	Current balance ^(a)	Current collateral balance ^(b)	Weighted average interest rate ^(c)	Original revolving period
(in thousands)						
Asset-backed notes recorded at fair value:						
Oportun Funding XIII, LLC (Series 2019-A)	\$ 279,412	\$ 294,118	\$ 283,299	\$ 299,237	3.46 %	3 years
Oportun Funding XII, LLC (Series 2018-D)	175,002	184,213	178,182	187,570	4.50 %	3 years
Oportun Funding X, LLC (Series 2018-C)	275,000	289,474	279,171	294,710	4.39 %	3 years
Oportun Funding IX, LLC (Series 2018-B)	225,001	236,854	226,653	241,237	4.18 %	3 years
Oportun Funding VIII, LLC (Series 2018-A)	200,004	222,229	200,004	226,242	3.83 %	3 years
Total asset-backed notes recorded at fair value:	\$ 1,154,419	\$ 1,226,888	\$ 1,167,309	\$ 1,248,996		

^(a) Initial note amount issued includes notes retained by the Company as applicable. The current balances are measured at fair value for asset-backed notes recorded at fair value.

^(b) Includes the unpaid principal balance of loans receivable, cash, cash equivalents and restricted cash pledged by the Company.

^(c) Weighted average interest rate excludes notes retained by the Company.

The following table presents information regarding the Company's Acquisition Financing:

Variable Interest Entity	December 31, 2021			
	Current Balance	Original Balance	Maturity Date	Interest Rate
(in thousands)				
Oportun RF, LLC	\$ 114,092	\$ 116,000	October 01, 2024	LIBOR (minimum of 0.00%) + 8.00%

On March 8, 2021, the Company redeemed all \$200.0 million of outstanding Series 2018-A Notes, plus accrued and unpaid interest, and announced the issuance of \$375.0 million of two-year fixed-rate asset-backed notes by Oportun Funding XIV, LLC, a wholly-owned subsidiary of the Company and secured by a pool of its unsecured personal installment loans (the "2021-A Securitization"). The 2021-A Securitization included four classes of fixed-rate notes: Class A, Class B, Class C and Class D notes, which were priced with a weighted average interest rate of 1.79% per annum. The proceeds from this securitization were used to fund the redemption of 2018-A and paid down our Secured Financing facility.

On April 8, 2021, the Company redeemed all \$225.0 million of outstanding Series 2018-B Notes, plus the accrued and unpaid interest. The redemption price was funded by drawing upon our Secured Financing facility and using unrestricted cash.

On May 10, 2021, the Company announced the issuance of \$500.0 million of three-year fixed-rate asset-backed notes by Oportun Issuance Trust 2021-B, a wholly-owned subsidiary of the Company and secured by a pool of its unsecured and secured personal installment loans (the "2021-B Securitization"). The 2021-B Securitization included four classes of fixed-rate notes: Class A, Class B, Class C and Class D notes, which were priced with a weighted average fixed interest rate of 2.05% per annum.

On July 8, 2021, the Company redeemed all \$275.0 million of outstanding Series 2018-C Notes, plus the accrued and unpaid interest. The redemption was funded by drawing upon the Company's VFN facility, utilizing funds from the Company's 2021-B securitization transaction and using unrestricted cash.

On September 8, 2021, the Company closed on a Personal Loan Warehouse facility ("PLW"). In connection with the PLW facility, the Company's wholly-owned subsidiary Oportun PLW Trust entered into a Loan and Security Agreement to borrow up to \$600.0 million committed through September 2024. Borrowings under the PLW facility accrue interest at a rate equal to one-month LIBOR plus a spread of 2.17%. On

September 8, 2021, the Company's wholly-owned subsidiary, Oportun Funding V, LLC, as issuer under the Variable Funding Note Warehouse ("VFN") facility, terminated the VFN facility. Final payment was made on the VFN facility in the amount of \$219.0 million, plus the accrued and unpaid interest, which is the amount sufficient to satisfy and discharge Oportun Funding V, LLC's obligations under the VFN facility notes and the indenture. The final payment was funded by drawing upon the Company's PLW facility. Also on September 8, 2021, the Company redeemed all \$175.0 million of outstanding Series 2018-D Notes, plus the accrued and unpaid interest. The redemption was funded by drawing upon the Company's Personal Loan Warehouse facility.

On October 28, 2021, the Company announced the issuance of \$ 500.0 million of three-year fixed-rate asset-backed notes by Oportun Issuance Trust 2021-C, a wholly-owned subsidiary of the Company and secured by a pool of its unsecured and secured personal installment loans (the "2021-C Securitization"). The 2021-C Securitization included four classes of fixed-rate notes: Class A, Class B, Class C and Class D notes, which were priced with a weighted average fixed interest rate of 2.48% per annum.

On December 20, 2021, the Company closed on a \$150.0 million Credit Card Warehouse facility ("CCW") secured by credit card receivables. In connection with the CCW Facility, our wholly-owned subsidiary Oportun CCW Trust issued two-year variable funding asset-backed notes pursuant to the Indenture dated December 20, 2021. The interest rate is LIBOR, with a floor of 1.00%, plus 6.00% on the first \$18.8 million of principal outstanding and LIBOR, with a floor of 0.00%, plus 3.41% on the remaining outstanding principal balance.

On December 20, 2021, Oportun RF, LLC, a wholly-owned subsidiary of the Company issued a \$116.0 million asset-backed floating rate variable funding note (the "Acquisition Financing"), and an asset-backed residual certificate, both of which are secured by certain residual cash flows from the Company's securitizations and guaranteed by Oportun, Inc. The note and the certificate were issued pursuant to the Indenture dated as of December 20, 2021. The note was used to fund the cash consideration paid for the acquisition of Digit and bears interest at a rate of one-month LIBOR plus 8.00%. The Acquisition Financing is structured to pay down based on an amortization schedule, with a final payment in October 2024.

As of December 31, 2021 and 2020, the Company was in compliance with all covenants and requirements of the Secured Financing facilities, Acquisition Financing note and asset-backed notes.

10. Other Liabilities

Other liabilities consist of the following:

(in thousands)	December 31,	
	2021	2020
Accounts payable	\$ 8,343	\$ 1,819
Accrued compensation	36,417	32,681
Accrued expenses	36,464	17,830
Accrued interest	3,276	3,430
Amount due to whole loan buyer	14,062	6,781
Deferred tax liabilities	28,424	10,557
Current tax liabilities and other	8,372	5,947
Total other liabilities	\$ 135,358	\$ 79,045

11. Stockholders' Equity

Preferred Stock - The Board has the authority, without further action by the Company's stockholders, to issue up to 100,000,000 shares of undesignated preferred stock with rights and preferences, including voting rights, designated from time to time by the Board. There were no shares of undesignated preferred stock issued or outstanding as of December 31, 2021 or 2020.

Common Stock - As of December 31, 2021 and 2020, the Company was authorized to issue 1,000,000,000 shares of common stock with a par value of \$0.0001 per share. As of December 31, 2021, 32,276,419 and 32,004,396 shares were issued and outstanding, respectively, and 272,023 shares were held in treasury stock. As of December 31, 2020, 27,951,286 and 27,679,263 shares were issued and outstanding, respectively, and 272,023 shares were held in treasury stock.

Warrants - On June 9, 2020, 10,972 shares of common stock were issued in connection with the cashless exercise of the outstanding common stock warrants. No warrants were outstanding as of December 31, 2021 or 2020.

12. Equity Compensation and Other Benefits

2019 Equity Incentive Plan

We currently have one stockholder-approved plan from which we can issue stock-based awards, which was approved by our stockholders in fiscal year 2019 (the "2019 Plan"). The 2019 Plan became effective on September 25, 2019 and replaced the Amended and Restated 2005 Stock Option / Stock Issuance Plan and the 2015 Stock Option/Stock Issuance Plan (collectively, the "Previous Plans"). The Previous Plans solely exist to satisfy outstanding options previously granted under those plans. The 2019 Plan provides for the grant of incentive stock options ("ISOs"), nonstatutory stock options ("NSOs"), stock appreciation rights, restricted stock awards, restricted stock unit awards, performance-based awards, and other awards (collectively, "awards"). ISOs may be granted only to the Company's employees, including officers, and the employees of its affiliates. All other awards may be granted to the employees, including officers, non-employee directors and consultants and the employees and consultants of the Company's affiliates. The maximum number of shares of our common stock that may be issued under the 2019 Plan will not exceed 8,733,812 shares, of which, 1,576,892 were available for future awards as of December 31, 2021. The number of shares of the Company's common stock reserved for issuance under its 2019 Plan will automatically increase on January 1 of each year for the remaining term of the plan, by 5% of the total number of shares of its common stock outstanding on December 31 of the immediately preceding calendar year, or a lesser number of shares determined by the Board prior to the applicable January 1st. The shares available for issuance increased by 1,383,963 shares, on January 1, 2021, pursuant to the automatic share reserve increase provision.

2019 Employee Stock Purchase Plan

In September 2019, the Board adopted, and stockholders approved, the Company's 2019 Employee Stock Purchase Plan (the "ESPP"). The ESPP became effective on September 25, 2019. The purpose of the ESPP is to secure the services of new employees, to retain the services of existing employees and to provide incentives for such individuals to exert maximum efforts toward the Company's success and that of its affiliates. The ESPP includes two components. One component is designed to allow eligible U.S. employees to purchase common stock in a manner that may qualify for favorable tax treatment under Section 423 of the Code. In addition, purchase rights may be granted under a component that does not qualify for such favorable tax treatment when necessary or appropriate to permit participation by eligible employees who are foreign nationals or employed outside of the United States while complying with applicable foreign laws. The maximum aggregate number of shares of common stock that may be issued under the ESPP is 1,273,009 shares and as of December 31, 2021, no shares have been issued under the ESPP. The number of shares of the Company's common stock reserved for issuance under its ESPP will automatically increase on January 1 of each calendar year for the remaining term of the plan by the lesser of (1) 1% of the total number of shares of its capital stock outstanding on December 31 of the preceding calendar year, (2) 726,186 shares, and (3) a number of shares determined by the Board. The shares available for issuance increased by 276,792 shares, on January 1, 2021, pursuant to the automatic share reserve increase provision.

Generally, all regular employees, including executive officers, employed by the Company or by any of its designated affiliates, will be eligible to participate in the ESPP and may contribute, normally through payroll deductions, up to 15% of their earnings (as defined in the ESPP) for the purchase of common stock under the ESPP. Unless otherwise determined by the Board, common stock will be purchased for the accounts of employees participating in the ESPP at a price per share equal to the lower of (a) 85% of the fair market value of a share of the Company's common stock on the first date of an offering or (b) 85% of the fair market value of a share of the common stock on the date of purchase.

2021 Inducement Equity Incentive Plan

Effective December 30, 2021, the Company adopted the 2021 Inducement Equity Incentive Plan (the "2021 Inducement Plan"), pursuant to which the Company reserved 655,000 shares of its common stock to be used exclusively for grants of awards to individuals who were not previously employees or directors of the Company, as an inducement material to the individual's entry into employment with the Company within the meaning of Rule 5635(c)(4) of the Nasdaq Listing Rules. The maximum number of shares of our common stock that may be issued under the 2021 Inducement Plan will not exceed 655,000 shares, of which, 269,732 were available for future awards as of December 31, 2021. The 2021 Inducement Plan was approved by the Company's Board without stockholder approval in accordance with such rule.

Stock Options

The term of an option may not exceed 10 years as determined by the Board, and each option generally vests over a four-year period with 25% vesting on the first anniversary date of the grant and 1/36th of the remaining amount vesting at monthly intervals thereafter. Option holders are allowed to exercise unvested options to acquire restricted shares. Upon termination of employment, option holders have a period of up to three months in which to exercise any remaining vested options. The Company has the right to repurchase at the original purchase price any unvested but issued common shares upon termination of service. Unexercised options granted to participants who separate from the Company are forfeited and returned to the pool of stock options available for grant.

The Company estimates the fair value of stock options granted using the Black-Scholes option-pricing model. The fair value is then amortized ratably over the requisite service periods of the awards, which is generally the vesting period.

The fair value of stock option grants was estimated with the following assumptions:

	Year Ended December 31,	
	2021	2020
Expected volatility (employee)	62.5%	50.7%
Risk-free interest rate (employee)	0.9%	0.7%
Expected term (employee, in years)	6.1	6.1
Expected dividend	—%	—%

These assumptions are defined as follows:

- *Expected Volatility* - Since the Company does not have enough trading history to use the volatility of its own common stock, the option's expected volatility is estimated based on historical volatility of a peer group's common stock.
- *Risk-Free Interest Rate*- The risk-free interest rate is based on the U.S. Treasury zero-coupon issues in effect at the time of grant for periods corresponding with the expected term of the option.
- *Expected Term* - The option's expected term represents the period that the Company's stock-based awards are expected to be outstanding.
- *Expected Dividend* - The Company has no plans to pay dividends.

Stock Option Activity - A summary of the Company's stock option activity under the 2005 Plan, the 2015 Plan, and the 2019 Plan at December 31, 2021 is as follows:

(in thousands, except share and per share data)	Options Outstanding	Options Weighted-Average Exercise Price	Weighted Average Remaining Life (in years)	Aggregate Intrinsic Value
Balance – January 1, 2021	4,391,725	14.61	5.43	\$ 26,059
Options granted	260,792	21.23		
Options exercised	(240,047)	13.63		
Options canceled	(97,084)	25.75		
Options forfeited	(127,531)	20.98		
Balance – December 31, 2021	4,187,855	14.63	4.59	\$ 27,011
Options vested and expected to vest - December 31, 2021	4,187,855	14.63	4.59	\$ 27,011
Options vested and exercisable - December 31, 2021	3,437,729	13.48	3.79	\$ 26,315

Information on stock options granted, exercised and vested is as follows:

(in thousands, except per share data)	Year Ended December 31,	
	2021	2020
Weighted average fair value per share of options granted	\$ 12.11	\$ 9.10
Cash received from options exercised, net	3,272	216
Aggregate intrinsic value of options exercised	2,380	622
Fair value of shares vested	4,974	5,710

As of December 31, 2021 and 2020, the Company's total unrecognized compensation cost related to nonvested stock-based option awards granted to employees was, \$6.9 million and \$9.5 million, respectively, which will be recognized over a weighted-average vesting period of approximately 2.2 years and 2.6 years, respectively.

Restricted Stock Units

The Company's restricted stock units ("RSUs") vest upon the satisfaction of time-based criterion of up to four years. In most cases, the service-based requirement will be satisfied in installments as follows: 25% of the total number of RSUs awarded will have the service-based requirement satisfied during the month in which the 12-month anniversary of the vesting commencement date occurs, and thereafter 1/16th of the total award in a series of 12 successive equal quarterly installments or 1/4th of the total award in a series of three successive equal annual installments following the first anniversary of the initial service vest date.

Stock-based compensation cost for RSUs is measured based on the fair market value of the Company's common stock on the date of grant.

As part of the merger consideration for the Digit acquisition, 501,906 shares of the Company's restricted stock units were issued to certain Digit employees to replace the outstanding unvested stock options that were previously issued to the employees of Digit. The RSUs are subject to the same service-based requirements as the historical stock option grants. The Company awarded an additional 650,460 RSUs to certain Digit employees that vest upon satisfaction of time-based criterion of up to four years. For grants with a one-year vesting term, 50% will vest on the six-month anniversary of the vesting commencement date with the balance vesting in two successive equal quarterly installments thereafter. For grants with a two-year vesting term, 25% will vest on the six-month anniversary of the vesting commencement date with the balance vesting in six equal quarterly installments thereafter or 50% will vest on the twelve-month anniversary of the vesting commencement date with the balance vesting in four successive equal quarterly installments thereafter. For grants with a three-year vesting term, 16.667% will vest on the six-month anniversary of the vesting commencement date, with the balance vesting in ten successive equal quarterly installments thereafter. For grants with four-year vesting term, 12.5% will vest on the six-month anniversary of the vesting commencement date, with the balance vesting in 14 successive equal quarterly installments thereafter.

A summary of the Company's RSU activity under the 2015 Plan, 2019 Plan and 2021 Inducement Plan for the year ended December 31, 2021 is as follows:

	RSU Outstanding	Weighted Average Grant-Date Fair Value
Balance – January 1, 2021	2,702,472	18.82
Granted	1,837,662	20.95
Vested ⁽¹⁾	(862,708)	20.64
Forfeited	(323,093)	19.19
Balance – December 31, 2021	3,354,333	19.48
Expected to vest after December 31, 2021	3,354,333	19.48

⁽¹⁾The Company allows its Board of Directors to defer all or a portion of monetary remuneration paid to the Director. As of December 31, 2021, there were 10,120 restricted stock units vested for which the holders elected to defer delivery of the Company's shares.

As of December 31, 2021 and 2020, the Company's total unrecognized compensation cost related to nonvested restricted stock unit awards granted to employees was, \$54.1 million and \$37.2 million, respectively, which will be recognized over a weighted average vesting period of approximately 2.6 years and 2.9 years, respectively.

Stock-based Compensation - Total stock-based compensation expense included in the Consolidated Statements of Operations, net of amounts capitalized to system development costs is as follows:

(in thousands of dollars)	Year Ended December 31,	
	2021	2020
Technology and facilities	\$ 2,844	\$ 3,697
Sales and marketing	125	129
Personnel	15,888	15,662
Total stock-based compensation ⁽¹⁾	\$ 18,857	\$ 19,488

⁽¹⁾Amounts shown are net of \$1.0 million and \$1.0 million of capitalized stock-based compensation for the year ended December 31, 2021 and 2020, respectively.

Cash flows from the tax shortfalls or benefits for tax deductions resulting from the exercise of stock options in comparison to the compensation expense recorded for those options are required to be classified as cash from financing activities. The total income tax expense (benefit) recognized in the income statement for share-based compensation arrangements was \$(0.2) million and \$2.6 million for the years ended December 31, 2021 and 2020, respectively.

Retirement Plan

The Company maintains a 401(k) Plan, which enables employees to make pre-tax or post-tax deferral contributions to the participating employees account. Employees may contribute a portion of their pay up to the annual amount as set periodically by the Internal Revenue Service. The Company provides for an employer 401(k) contribution match of up to 4% of an employee's eligible compensation. The total amount contributed by the Company for the years ended December 31, 2021 and 2020 was \$3.7 million and \$2.9 million, respectively. All employee and employer contributions will be invested according to participants' individual elections. The Company remits employee contributions to plan with each bi-weekly payroll.

13. Revenue

Interest Income - Total interest income included in the Consolidated Statements of Operations is as follows:

(in thousands)	Year Ended December 31,	
	2021	2020
Interest income		
Interest on loans	\$ 566,155	\$ 538,544
Fees on loans	9,684	6,922
Total interest income	<u>\$ 575,839</u>	<u>\$ 545,466</u>

Non-interest Income - Total non-interest income included in the Consolidated Statements of Operations is as follows:

(in thousands)	Year Ended December 31,	
	2021	2020
Non-interest income		
Gain on loan sales	\$ 26,750	\$ 20,308
Servicing fees	13,253	15,264
Other income	10,940	2,696
Total non-interest income	<u>\$ 50,943</u>	<u>\$ 38,268</u>

14. Income Taxes

The following are the domestic and foreign components of the Company's income before taxes:

(in thousands)	Year Ended December 31,	
	2021	2020
Domestic	\$ 61,087	\$ (58,405)
Foreign	1,704	311
Income (loss) before taxes	<u>\$ 62,791</u>	<u>\$ (58,094)</u>

The provision for income taxes consisted of the following:

(in thousands)	Year Ended December 31,	
	2021	2020
Current		
Federal	\$ (1,394)	\$ (1,547)
State	(516)	2,207
Foreign	836	792
Total current	<u>\$ (1,074)</u>	<u>\$ 1,452</u>
Deferred		
Federal	11,005	(7,426)
State	5,372	(6,885)
Foreign	74	(153)
Total deferred	<u>\$ 16,451</u>	<u>\$ (14,464)</u>
Total provision (benefit) for income taxes	<u>\$ 15,377</u>	<u>\$ (13,012)</u>

Income tax expense (benefit) was \$15.4 million and \$(13.0) million for the years ended December 31, 2021 and 2020, which represents an effective tax rate of 24.5% and 22.4%, respectively.

A reconciliation of income tax expense with the amount computed by applying the statutory U.S. federal income tax rates to income before provision for income taxes is as follows:

(in thousands)	Year Ended December 31,	
	2021	2020
Income tax expense (benefit) computed at U.S. federal statutory rate	\$ 13,186	\$ (12,200)
State tax	4,646	(4,097)
Foreign rate differential	552	573
Federal tax credits	(1,962)	(1,795)
Share based compensation expense	(353)	2,525
Change in unrecognized tax benefit reserves	853	1,993
Net operating loss carryback tax rate differential	(172)	(1,532)
Return to provision adjustment	(2,812)	(277)
US Base Erosion Anti-Abuse Tax (BEAT)	—	1,333
Nondeductible acquisition costs	1,458	—
Other	(19)	465
Income tax expense	\$ 15,377	\$ (13,012)
Effective tax rate	24.5 %	22.4 %

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes, and operating losses and tax credit carryforwards.

The primary components of the Company's net deferred tax assets and liabilities are composed of the following:

(in thousands)	December 31,	
	2021	2020
Deferred tax assets:		
Accrued expenses and reserves	\$ 3,356	\$ 4,007
Leases	12,859	13,427
Share-based compensation	7,410	6,824
Depreciation and amortization	—	1,967
Fair value adjustment - Bonds Payable	—	2,372
CARES Act payroll taxes	536	1,001
Net operating loss & credit carryforward	23,916	1,537
Total deferred tax assets	\$ 48,077	\$ 31,135
Valuation allowance	\$ —	\$ —
Deferred tax liabilities:		
System development costs	\$ (22,323)	\$ (7,482)
Right of use assets	(10,353)	(12,653)
Depreciation and amortization	(7,112)	—
Fair value adjustment - Loans Receivable	(30,718)	(19,748)
Fair value adjustment - Bonds Payable	(1,838)	—
Other	(234)	(93)
Total deferred tax liabilities	(72,578)	(39,976)
Net deferred taxes	\$ (24,501)	\$ (8,841)

As provided for in the Tax Cuts and Jobs Act of 2017, our historical earnings were subject to the one-time transition tax and can now be repatriated to the U.S. with a de minimis tax cost. The Company continues to assert that both its historical and current earnings in its foreign subsidiaries are permanently reinvested and therefore no deferred taxes have been provided.

On December 22, 2021, the Company completed the acquisition of Digit, in which Digit became a wholly-owned subsidiary of the Company, triggering an ownership change under Section 382 of the Internal Revenue Code of 1986, as amended. This transaction was considered a stock acquisition for tax purposes. On the transaction date, Digit estimated a \$92.1 million federal net operating loss carryforward, all of which is available to offset future taxable income during the carryforward periods based on limitations under IRC Section 382. The Company also acquired state NOLs of \$76.1 million. The Company has not recorded a valuation allowance as it believes that it is more likely than not that the deferred tax assets acquired will be realized.

As of December 31, 2021, the Company had federal net operating loss carryforwards of \$91.0 million, of which \$16.6 million expires beginning in 2034 and \$74.4 million carries forward indefinitely. Additionally, the Company had state net operating loss carryforwards of \$ 84.3 million which are set to begin expiring in 2031. As of December 31, 2021, the Company had California research and development tax credit carryforwards of \$1.6 million, which are not subject to expiration.

The following table summarizes the activity related to the unrecognized tax benefits:

(in thousands)	Year Ended December 31,	
	2021	2020
Balance as of January 1,	\$ 3,927	\$ 1,933
Increases related to current year tax positions	680	563
Decreases related to current year tax positions	—	—
Increases related to prior year tax positions	638	1,431
Decreases related to prior year tax positions	(75)	—
Balance as of December 31,	\$ 5,170	\$ 3,927

Interest and penalties related to the Company's unrecognized tax benefits accrued as of December 31, 2021 and 2020 were \$0.4 million and \$0.3 million, respectively. The Company's policy is to recognize interest and penalties associated with income taxes in income tax expense. The Company expects to release \$0.4 million of uncertain tax positions within the next twelve months due to the expiration of various statute of limitations at the end of 2022. The total amount of unrecognized tax benefits, net of associated deferred tax benefit, that would impact the effective tax rate, if recognized, is \$3.3 million.

Due to the net operating loss carryforwards, the Company's United States federal and significant state returns are open to examination by the Internal Revenue Service and state jurisdictions for years ended December 31, 2012 and 2013, respectively, and forward. For Mexico, all tax years ended December 31, 2016 and forward remain open for examination by the Mexico taxing authorities. For India, all tax years remain open for examination by the India taxing authorities.

15. Fair Value of Financial Instruments

Financial Instruments at Fair Value

The Company elected the fair value option for all loans receivable held for investment ("Fair Value Loans"), and for all asset-backed notes (the "Fair Value Notes"). Loans that the Company designates for sale will continue to be accounted for as held for sale and recorded at the lower of cost or fair value until the loans receivable are sold. In connection with Oportun's agreement with Metabank, N.A., the Company recognizes a derivative instrument related to excess interest proceeds it expects to receive on loans retained by Metabank. Based on the agreement entered into with MetaBank, for all loans originated and retained by MetaBank, MetaBank receives a fixed interest rate. Oportun bears the risk of credit loss and has the benefit of any excess interest proceeds after satisfying various obligations under the agreement. The balance of the derivative instrument is not considered in the tables below as the balance is considered immaterial as of December 31, 2021.

The table below compares the fair value of loans receivable and asset-backed notes to their contractual balances as of the dates shown:

(in thousands)	December 31, 2021		December 31, 2020	
	Unpaid Principal Balance	Fair Value	Unpaid Principal Balance	Fair Value
Assets				
Loans receivable	\$ 2,272,864	\$ 2,386,807	\$ 1,639,626	\$ 1,696,526
Liabilities				
Asset-backed notes	\$ 1,654,412	\$ 1,651,706	\$ 1,154,419	\$ 1,167,309

The Company calculates the fair value of the Fair Value Notes using independent pricing services and broker price indications, which are based on quoted prices for identical or similar notes, which are Level 2 input measures.

The Company primarily uses a discounted cash flow model to estimate the fair value of Level 3 instruments based on the present value of estimated future cash flows. This model uses inputs that are inherently judgmental and reflect management's best estimates of the assumptions a market participant would use to calculate fair value. The following tables present quantitative information about the significant unobservable inputs used for the Company's Level 3 fair value measurements for Loans Receivable at Fair Value.

	December 31, 2021			December 31, 2020		
	Minimum	Maximum	Weighted Average ⁽³⁾	Minimum	Maximum	Weighted Average ⁽³⁾
Remaining cumulative charge-offs ⁽¹⁾	6.75%	51.86%	9.60%	7.83%	61.26%	10.03%
Remaining cumulative prepayments ⁽¹⁾⁽²⁾	—%	44.25%	32.47%	—%	38.92%	31.11%
Principal payment rate ⁽¹⁾⁽²⁾	—	—	18.07%	—	—	—
Average life (years)	0.22	1.51	0.86	0.17	1.29	0.80
Discount rate	6.90	8.35	6.94%	—	—	6.85%

⁽¹⁾ Figure disclosed as a percentage of outstanding principal balance.

⁽²⁾ Remaining cumulative prepayments are estimated to calculate fair value on the unsecured and secured loan receivables and principal payment rates are estimated on the credit card receivables.

⁽³⁾ Unobservable inputs were weighted by outstanding principal balance, which are grouped by risk (type of borrower, original loan maturity terms).

Fair value adjustments related to financial instruments where the fair value option has been elected are recorded through earnings for the years ended December 31, 2021 and 2020. Certain unobservable inputs may (in isolation) have either a directionally consistent or opposite impact on the fair value of the financial instrument for a given change in that input. When multiple inputs are used within the valuation techniques for loans, a change in one input in a certain direction may be offset by an opposite change from another input.

The Company developed an internal model to estimate the fair value of the Fair Value Loans. To generate future expected cash flows, the model combines receivable characteristics with assumptions about borrower behavior based on the Company's historical loan performance. These cash flows are then discounted using a required rate of return that management estimates would be used by a market participant.

The Company tested the unsecured personal loan fair value model by comparing modeled cash flows to historical loan performance to ensure that the model was complete, accurate and reasonable for the Company's use. The Company also engaged a third party to create an independent fair value estimate for the Fair Value Loans, which provides a set of fair value marks using the Company's historical loan performance data and whole loan sale prices to develop independent forecasts of borrower behavior. Their model generates expected cash flows which were then aggregated and compared to the Company's actual cash flows within an acceptable range.

The Company's internal valuation committee provides governance and oversight over the fair value pricing calculations and related financial statement disclosures. Additionally, this committee provides a challenge of the assumptions used and outputs of the model, including the appropriateness of such measures and periodically reviews the methodology and process to determine the fair value pricing. Any significant changes to the process must be approved by the committee.

The table below presents a reconciliation of loans receivable at fair value on a recurring basis using significant unobservable inputs:

(in thousands)	December 31,	
	2021	2020
Balance – beginning of period	\$ 1,696,526	\$ 1,882,088
Adjustment upon adoption of ASU 2019-05	—	43,323
Principal disbursements	2,052,280	1,215,872
Principal payments from borrowers	(1,276,058)	(1,230,729)
Gross charge-offs	(142,985)	(188,480)
Net increase (decrease) in fair value	57,044	(25,548)
Balance - end of period	\$ 2,386,807	\$ 1,696,526

As of December 31, 2021, the aggregate fair value of loans that are 90 days or more past due and in non-accrual status was \$3.5 million, and the aggregate unpaid principal balance for loans that are 90 days or more past due was \$20.7 million. As of December 31, 2020, the aggregate fair value of loans that are 90 days or more past due and in non-accrual status was \$2.3 million, and the aggregate unpaid principal balance for loans that are 90 days or more past due was \$14.8 million.

Financial Instruments Disclosed But Not Carried at Fair Value

The following table presents the carrying value and estimated fair values of financial assets and liabilities disclosed but not carried at fair value and the level within the fair value hierarchy:

(in thousands)	December 31, 2021				
	Carrying value	Estimated fair value	Estimated fair value		
			Level 1	Level 2	Level 3
Assets					
Cash and cash equivalents	\$ 130,959	\$ 130,959	\$ 130,959	\$ —	\$ —
Restricted cash	62,001	62,001	62,001	—	—
Loans held for sale (Note 5)	491	547	—	—	547
Liabilities					
Accounts payable	8,343	8,343	8,343	—	—
Secured financing (Note 9)	398,000	396,081	—	396,081	—
Acquisition financing (Note 9)	116,000	116,000	—	116,000	—

(in thousands)	December 31, 2020				
	Carrying value	Estimated fair value	Estimated fair value		
			Level 1	Level 2	Level 3
Assets					
Cash and cash equivalents	\$ 136,187	\$ 136,187	\$ 136,187	\$ —	\$ —
Restricted cash	32,403	32,403	32,403	—	—
Loans held for sale (Note 5)	1,158	1,158	—	—	1,158
Liabilities					
Accounts payable	1,819	1,819	1,819	—	—
Secured financing (Note 9)	246,994	245,077	—	245,077	—

The Company uses the following methods and assumptions to estimate fair value:

- *Cash, cash equivalents, restricted cash and accounts payable* - The carrying values of certain of the Company's financial instruments, including cash and cash equivalents, restricted cash and accounts payable, approximate Level 1 fair values of these financial instruments due to their short-term nature.
- *Loans held for sale* - The fair values of loans held for sale are based on a negotiated agreement with the purchaser.
- *Secured Financing and Acquisition Financing* - The fair value of the Secured financing - PLW has been calculated using discount rates based on the yields of comparable debt securities, which is a Level 2 input measure. As of December 31, 2021, the fair value of the Secured financing - CCW and the Acquisition Financing was par, because they were issued in December.

There were no transfers in or out of Level 3 assets and liabilities for the years ended December 31, 2021 and 2020.

16. Leases, Commitments and Contingencies

Leases - The Company's leases are primarily for real property consisting of retail locations and office space and have remaining lease terms of 10 years or less.

As a result of the retail network optimization plan, for the year ended December 31, 2021, we incurred \$ 12.8 million in expenses related to retail location closures. \$5.2 million of the expenses related to the retail location closures for the year ended December 31, 2021 relate to the accelerated amortization of right-of-use assets and the renegotiation of lease liabilities. The initial retail network optimization plan was substantially completed in the third quarter of 2021.

Most of the Company's existing lease arrangements are classified as operating leases. At the inception of a contract, the Company determines if the contract is or contains a lease. At the commencement date of a lease, the Company recognizes a lease liability equal to the present value of the lease payments and a right-of-use asset representing the Company's right to use the underlying asset for the duration of the lease term. The Company's leases include options to extend or terminate the arrangement at the end of the original lease term. The Company generally does not include renewal or termination options in its assessment of the leases unless extension or termination for certain assets is deemed to be reasonably certain. Variable lease payments and short-term lease costs were deemed immaterial. The Company's leases do not provide an explicit rate. The Company uses its contractual borrowing rate to determine lease discount rates.

As of December 31, 2021, maturities of lease liabilities, excluding short-term leases and leases on a month-to-month basis, were as follows:

(in thousands)	Operating Leases	
Lease expense		
2022	\$	14,927
2023		13,214
2024		11,142
2025		9,238
2026		3,387
Thereafter		706
Total lease payments		52,614
Imputed interest		(4,030)
Total leases	\$	48,584
Sublease income		
2022	\$	(896)
2023 and thereafter		—
Total lease payments		(896)
Imputed interest		11
Total sublease income	\$	(885)
Net lease liabilities	\$	47,699
Weighted average remaining lease term		3.9 years
Weighted average discount rate		4.01 %

As of December 31, 2020, maturities of lease liabilities, excluding short-term leases and leases on a month-to-month basis, were as follows:

(in thousands)	Operating Leases	
Lease expense		
2021	\$	15,788
2022		12,967
2023		10,881
2024		9,069
2025		6,989
Thereafter		1,641
Total lease payments		57,335
Imputed interest		(5,247)
Total leases	\$	52,088
Sublease income		
2021	\$	(1,594)
2022		(896)
2023 and thereafter		—
Total lease payments		(2,490)
Imputed interest		86
Total sublease income	\$	(2,404)
Net lease liabilities	\$	49,684
Weighted average remaining lease term		4.3 years
Weighted average discount rate		4.42 %

Rental expenses under operating leases for the years ended December 31, 2021 and 2020 were \$24.3 million and \$20.8 million, respectively.

Purchase Commitment - The Company has commitments to purchase information technology and communication services in the ordinary course of business, with various terms through 2023. These amounts are not reflective of the Company's entire anticipated purchases under the related agreements; rather, they are determined based on the non-cancelable amounts to which the Company is contractually obligated. The Company's purchase obligations are \$20.6 million in 2022, \$12.9 million in 2023, \$4.1 million in 2024, \$1.4 million in 2025, and \$0.0 million in 2026 and thereafter.

Credit Card Program and Servicing Agreement - On February 5, 2021, the Company entered into a Receivables Retention Facility Agreement, a Servicing Agreement and other related documents with WebBank, providing it with additional funding to expand its credit card product (the "Retention Facility"). Under the Retention Facility agreements, WebBank originated, funded and retained credit card receivables up to \$25.0 million, and further amended to temporarily increase the maximum size of the Retention Facility to \$38.5 million. The Company purchased any excess receivables originated above the maximum size of the facility, in addition to certain ineligible receivables and charged-off receivables. Upon the closing of the CCW and in connection with the termination of the Retention Facility, the Company drew \$41.0 million from the CCW to purchase such retained receivables.

Bank Partnership Program and Servicing Agreement - The Company entered into a bank partnership program with MetaBank, N.A. on August 11, 2020. In accordance with the agreements underlying the bank partnership program, Oportun has a commitment to purchase an increasing percentage of program loans originated by MetaBank based on thresholds specified in the agreements. Lending under the partnership was launched in August of 2021 and as of December 31, 2021, the Company has a commitment to purchase an additional \$2.5 million of program loans based on originations through December 31, 2021.

Whole Loan Sale Program - In November 2014, the Company entered into a whole loan sale agreement with an institutional investor, which agreement was amended in March 2021 in which the term of the current agreement is set to expire on March 4, 2022. Pursuant to this agreement, the Company has a commitment to sell to a third-party institutional investor 10% of its unsecured loan originations that satisfy certain eligibility criteria, and an additional 5% at the Company's sole option. For details regarding the whole loan sale program, refer to [Note 5, Loans Held for Sale](#).

Access Loan Sale Program - From July 2017 to August 2020, the Company was party to a separate whole loan sale arrangement with an institutional investor with a commitment to sell 100% of the loans originated pursuant to the Company's loan program for borrowers who do not meet the qualifications of its core loan origination program and service the sold loans. For details regarding this program, refer to [Note 5, Loans Held for Sale](#).

Unfunded Loan and Credit Card Commitments - Unfunded loan and credit card commitments at December 31, 2021 and 2020 were \$39.8 million and \$3.5 million, respectively. WebBank has a direct obligation to borrowers to fund such credit card commitments subject to the respective account agreements with such borrowers; however, pursuant to the Receivables Purchase Agreement between WebBank and Oportun, Inc., the Company has the obligation to purchase receivables from WebBank representing these unfunded amounts.

Litigation

Legal Proceedings Resolved in 2020 and 2021

On June 13, 2017, a complaint, captioned Atinar Capital II, LLC and James Gutierrez v. David Strohm, et. al., CGC 17-559515, was filed by plaintiffs James Gutierrez and Atinar Capital II, LLC (an LLC controlled by Gutierrez), in the Superior Court of the State of California, County of San Francisco, against certain of the Company's current and former directors and officers, and certain of the Company's stockholders alleging that the defendants breached their fiduciary duties, or aided and abetted such breaches, in connection with certain of the Company's convertible preferred stock financing rounds. In October 2020, the Company executed a settlement agreement and established an \$8.8 million litigation reserve. On November 17, 2020, Company paid \$5.8 million related to the settlement and the parties filed a stipulation of dismissal and order to dismiss all claims. As of December 31, 2020, the Company had a remaining liability of \$3.0 million within Other liabilities on the Consolidated Balance Sheets as of December 31, 2020 which was paid in January 2021. The income statement impact of \$8.8 million was recorded in General, administrative and other on the Consolidated Statements of Operations for the year ended December 31, 2020.

On January 2, 2018, a complaint, captioned Opportune LLP v. Oportun, Inc. and Oportun, LLC, Civil Action No. 4:18-cv-00007 ("the Opportune Lawsuit") was filed by plaintiff Opportune LLP in the United States District Court for the Southern District of Texas, against the Company and its wholly-owned subsidiary, Oportun, LLC. The complaint alleged various claims for trademark infringement, unfair competition, trademark dilution and misappropriation against the Company and Oportun, LLC and called for injunctive relief requiring the Company and Oportun, LLC to cease using its marks, as well as monetary damages related to the claims. On December 10, 2021, the Company executed a settlement agreement to resolve the Opportune Lawsuit and dismiss all claims. Pursuant to the terms of the settlement agreement, the Company paid the plaintiff \$8.5 million for the acquisition of any rights held by the plaintiff, and any associated goodwill, in the disputed trademarks necessary for Oportun to use the trademarks without any further threat of litigation. The Company capitalized the trademark rights based on the fair value at \$5.5 million. The remaining \$3.0 million had been reserved for in 2019 due to the ongoing negotiations; therefore, no expense was recorded for the year ended December 31, 2021. Of the remaining \$3.0 million, \$2.2 million had been recorded previously as an insurance recovery receivable, of which \$2.0 million was received in January 2022.

Regulatory Proceedings

On March 3, 2021, the Company received a Civil Investigative Demand (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 failed to comply with certain federal consumer protection laws over which the CFPB has jurisdiction. The Company has received additional information requests related to the CID. The information requests are focused on the Company's legal collection practices from 2019 to 2021 and hardship treatments offered to members during the COVID-19 pandemic.

Digit received a CID from the CFPB in June 2020. The CID was disclosed and discussed during the acquisition process. The stated purpose of the 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.

The Company, including Digit, are cooperating fully with the CFPB with respect to both of these matters and, although the Company believes that the business practices of the Company, including Digit, have been in full compliance with applicable laws, because the CFPB has broad authority to determine what it views as potential unfair, deceptive or abusive acts or practices, at this time, the Company is unable to predict the outcomes of these CFPB investigations.

From time to time, the Company may bring or be subject to other legal proceedings and claims in the ordinary course of business, including legal proceedings with third parties asserting infringement of their intellectual property rights, consumer litigation, and regulatory proceedings. The Company is not presently a party to any other legal proceedings that, if determined adversely to the Company, would individually or taken together have a material adverse effect on its business, financial condition, cash flows or results of operations.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures designed to provide reasonable assurance that information we are required to disclose in reports that we file or submit under the Exchange Act is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure and that such information is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms.

As of December 31, 2021, we carried out an evaluation of the effectiveness of our disclosure controls and procedures, as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act. This evaluation was conducted under the supervision of, and with the participation of our management, including our Chief Executive Officer and our Chief Financial Officer. Management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives and management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Based on our evaluation, our Chief Executive Officer and our Chief Financial Officer concluded that, as of December 31, 2021 our disclosure controls and procedures were effective to provide the reasonable assurance described above.

Management's Report on Internal Control Over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in Rule 13a-15(f) under the Exchange Act. Management has assessed the effectiveness of our internal control over financial reporting as of December 31, 2021 based on the criteria established in "Internal Control-Integrated Framework" (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO").

On December 22, 2021, we completed the acquisition of Digit. Accordingly, the acquired assets and liabilities of this entity are included in our consolidated balance sheet as of December 31, 2021 and the results of its operations and cash flows are reported in our Consolidated Statements of Operations and cash flows for the year ended December 31, 2021 from the date of acquisition. However, we have elected to exclude Digit from the scope of our internal control over financial reporting as of December 31, 2021. The financial position of the acquired company represented approximately 1.0% of our total assets, after excluding goodwill and intangible assets recorded, and 0.2% of net revenue of our consolidated financial statement amounts as of and for the year ended December 31, 2021.

As a result of this assessment, management concluded that, as of December 31, 2021, our internal control over financial reporting was effective in providing reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP.

Our independent registered public accounting firm, Deloitte & Touche LLP, has audited the consolidated financial statements included in this Annual Report on Form 10-K and, as part of their audit, has issued an audit report, included herein, on the effectiveness of our internal control over financial reporting. Their report is set forth below.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting identified in connection with the evaluation required by Rule 13a-15(d) and 15d-15(d) of Exchange Act that occurred during the quarter ended December 31, 2021 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Inherent Limitations on Effectiveness of Controls

Our management, including our Chief Executive Officer and Chief Financial Officer, does not expect that our disclosure controls and procedures or our internal controls over financial reporting will prevent all errors and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Our disclosure controls and procedures and our internal controls over financial reporting have been designed to provide reasonable assurance of achieving their objectives. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, have been detected. These inherent limitations include the realities that judgments in decision making can be faulty, and that breakdowns can occur because of a simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people or by management override of the controls. The design of any system of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions; over time, controls may become inadequate because of changes in conditions, or the degree of compliance with policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

Report of Independent Registered Public Accounting Firm

To the stockholders and the Board of Directors of Oportun Financial Corporation

Opinion on Internal Control over Financial Reporting

We have audited the internal control over financial reporting of Oportun Financial Corporation and subsidiaries (the “Company”) as of December 31, 2021, based on criteria established in Internal Control — Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2021, based on criteria established in Internal Control — Integrated Framework (2013) issued by COSO.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated financial statements as of and for the year ended December 31, 2021, of the Company and our report dated March 1, 2022, expressed an unqualified opinion on those financial statements.

As described in Management’s Report on Internal Control Over Financial Reporting, management elected to exclude Hello Digit, Inc. (“Digit”), which was acquired on December 22, 2021, from its assessment of internal control over financial reporting. The financial position of Digit represented approximately 1.0% of the Company’s total assets, after excluding goodwill and intangible assets recorded, and 0.2% of net revenue of the consolidated financial statement amounts as of and for the year ended December 31, 2021. Accordingly, our audit did not include the internal control over financial reporting at Digit.

Basis for Opinion

The Company’s management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management’s Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company’s internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control over Financial Reporting

A company’s internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Deloitte & Touche LLP

San Francisco, CA
March 1, 2022

Item 9B. Other Information

None.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections

None.

GLOSSARY

Terms and abbreviations used in this report are defined below.

Term or Abbreviation	Definition
30+ Day Delinquency Rate	Unpaid principal balance for our owned loans and credit card receivables that are 30 or more calendar days contractually past due as of the end of the period divided by Owned Principal Balance as of such date
Adjusted EBITDA	Adjusted EBITDA is a non-GAAP financial measure calculated as net income (loss), adjusted for the impact of our election of the fair value option and further adjusted to eliminate the effect of the following items: income tax expense (benefit), stock-based compensation expense, depreciation and amortization, certain non-recurring charges, origination fees for Fair Value Loans, net and fair value mark-to-market adjustments
Acquisition Financing	Asset-backed floating rate variable funding note and asset-backed residual certificate secured by certain residual cash flows of the Company's securitizations. The Acquisition Financing was used to fund the cash consideration for the Digit acquisition
Adjusted Earnings Per Share ("EPS")	Adjusted EPS is a non-GAAP financial measure calculated by dividing Adjusted Net Income by adjusted weighted-average diluted common shares outstanding
Adjusted Net Income	Adjusted Net Income is a non-GAAP financial measure calculated by adjusting our net income (loss), for the impact of our election of the fair value option, and further adjusted to exclude income tax expense (benefit), stock-based compensation expense, and certain non-recurring charges
Adjusted Operating Efficiency	Adjusted Operating Efficiency is a non-GAAP financial measure calculated by dividing adjusted total operating expenses (excluding stock-based compensation expense and certain non-recurring charges) by total revenue
Adjusted Return on Equity ("ROE")	Adjusted Return on Equity is a non-GAAP financial measure calculated by dividing annualized Adjusted Net Income by Average Fair Value Pro Forma total stockholders' equity
Aggregate Originations	Aggregate amount disbursed to borrowers and credit granted on credit cards during a specific period, including amounts originated by us or loans or accounts that were originated under a bank partnership program. Aggregate Originations exclude any fees in connection with the origination of a loan
Annualized Net Charge-Off Rate	Annualized loan and credit card principal losses (net of recoveries) divided by the Average Daily Principal Balance of owned loans and credit card receivables for the period
APR	Annual Percentage Rate
Asset-Backed Notes at Fair Value (or "Fair Value Notes")	All asset-backed notes issued by Oportun on or after January 1, 2018
Average Daily Debt Balance	Average of outstanding debt principal balance at the end of each calendar day during the period
Average Daily Principal Balance	Average of outstanding principal balance of owned loans and credit card receivables at the end of each calendar day during the period
Board	Oportun's Board of Directors
Cost of Debt	Annualized interest expense divided by Average Daily Debt Balance
Credit Card Warehouse (or "CCW")	Revolving credit card warehouse debt facility, collateralized by credit card accounts. Included as "Secured Financing" on the Consolidated Balance Sheets
Customer Acquisition Cost (or "CAC")	Sales and marketing expenses, which include the costs associated with various paid marketing channels, including direct mail, digital marketing and brand marketing and the costs associated with our telesales and retail operations divided by number of loans originated and new credit cards activated to new and returning borrowers during a period
Emergency Hardship Deferral	Any receivable that currently has one or more payments deferred and added at the end of the loan payment schedule in connection with a local or wide-spread emergency declared by local, state or federal government
Fair Value Loans (or "Loans Receivable at Fair Value")	All loans receivable held for investment that were originated on or after January 1, 2018. Upon the adoption of ASU 2019-05 as of January 1, 2020 all loans receivable held for investment are reported in this line item for all prospective reporting periods. Fair Value Loans include loans receivable on our unsecured and secured personal loan products and credit card receivable balances
Fair Value Pro Forma	In order to facilitate comparisons to periods prior to January 1, 2018, certain metrics included in this document have been shown on a pro forma basis, or the Fair Value Pro Forma, as if we had elected the fair value option since our inception for all loans originated and held for investment and all asset-backed notes issued
Fair Value Notes (or "Asset-Backed Notes at Fair Value")	All asset-backed notes issued by Oportun on or after January 1, 2018
FICO® score or FICO®	A credit score created by Fair Isaac Corporation
GAAP	Generally Accepted Accounting Principles
Leverage	Average Daily Debt Balance divided by Average Daily Principal Balance
Loans Receivable at Fair Value (or "Fair Value Loans")	All loans receivable held for investment that were originated on or after January 1, 2018. Upon the adoption of ASU 2019-05 as of January 1, 2020 all loans receivable held for investment are reported in this line item for all prospective reporting periods. Loans Receivable at Fair Value include loans receivable on our unsecured and secured personal loan products and credit card receivable balances
Managed Principal Balance at End of Period	Total amount of outstanding principal balance for all loans and credit card receivables, including loans sold, which we continue to service, at the end of the period. Managed Principal Balance at End of Period also includes loans and accounts originated under a bank partnership program that we service
Members	Members include borrowers with an outstanding loan or an active credit card owned or serviced by us at the end of a period or subscribers who are using our Digit Savings, Digit Direct, Digit Investing and/or Digit Retirement product. Members include borrowers whose loans or accounts were originated by us or under a bank partnership program that we service

Term or Abbreviation	Definition
Net Revenue	Net Revenue is calculated by subtracting interest expense from total revenue and adding the net increase (decrease) in fair value
Operating Efficiency	Total operating expenses divided by total revenue
Owned Principal Balance at End of Period	Total amount of outstanding principal balance for all loans and credit card receivables, excluding loans and receivables sold or loans retained by a bank partner, at the end of the period
Personal Loan Warehouse (or "PLW")	Revolving personal loan warehouse debt facility, collateralized by unsecured personal loans and secured personal loans that replaced the VFN facility. Included as "Secured Financing" on the Consolidated Balance Sheets
Portfolio Yield	Annualized interest income as a percentage of Average Daily Principal Balance
Principal Balance	Original principal balance reduced by principal payments received and principal charge-offs to date for our personal loans. Purchases and cash advances, reduced by returns and principal payments received and principal charge-offs to date for our credit cards
Products	Products refers to the number of personal loans and/or credit card accounts outstanding at the end of a period that have been originated by us or through one of our bank partners, as well as the number of digital banking products, including Digit Savings, Digit Direct, Digit Investing and Digit Retirement, that our Members are either subscribed to or have opted to use
Return on Equity	Annualized net income divided by average stockholders' equity for a period
Subsequent Fair Value Loans	All loans receivable held for investment, previously measured at amortized cost for which we elected the fair value option upon adoption of ASU 2019-05, effective January 1, 2020
Secured Financing	Asset-backed revolving debt facilities, including (1) the VFN facility which was collateralized by unsecured personal loans, terminated September 8, 2021 and replaced with the PLW facility that is collateralized by unsecured personal loans and secured personal loans and (2) the CCW facility that is collateralized by credit card accounts
Variable Funding Note Warehouse (or "VFN")	Asset-backed revolving debt facility, collateralized by unsecured personal loans, terminated on September 8, 2021. Formerly defined solely as "Secured Financing" on the Consolidated Balance Sheets
VIEs	Variable interest entities
Weighted Average Interest Rate	Annualized interest expense as a percentage of average debt

PART III

Item 10. Directors, Executive Officers and Corporate Governance

The information required by Item 10 with respect to executive officers is incorporated by reference to our Company's definitive proxy statement for the 2022 Annual Meeting of Stockholders, which will be filed with the SEC pursuant to Regulation 14A within 120 days of the Company's fiscal year ended December 31, 2021 (the "Proxy Statement").

Information required by Item 10 for matters other than executive officers is incorporated by reference to the Proxy Statement.

Code of Business Conduct.

Our Board of Directors adopted a Code of Business Conduct and Ethics that applies to all of our employees, officers, including our principal executive officer and principal financial and accounting officer, or persons performing similar functions and agents and representatives, including directors and consultants. The full text of our Code of Business Conduct and Ethics is posted on our website at www.oportun.com. We intend to disclose future amendments to certain provisions of our Code of Business Conduct and Ethics, or waivers of such provisions applicable to any principal executive officer and principal financial and accounting officer, or persons performing similar functions, and our directors, on our website identified above.

Item 11. Executive Compensation

The information required by Item 11 is incorporated by reference to the information presented in the Proxy Statement.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholders Matters

The information required by Item 12 is incorporated by reference to the information presented in the Proxy Statement.

Item 13. Certain Relationships and Related Transactions, and Director Independence

The information required by Item 13 is incorporated by reference to the information presented in the Proxy Statement.

Item 14. Principal Accounting Fees and Services

The information required by Item 14 is incorporated by reference to the information presented in the Proxy Statement.

PART IV

Item 15. Exhibits and Financial Statement Schedules

(a) (1) The following consolidated financial statements of Oportun, Inc. and its subsidiaries are included in PART II - Item 8:

Consolidated Balance Sheets, December 31, 2021 and 2020

Consolidated Statements of Operations, years ended December 31, 2021 and 2020

Consolidated Statements of Changes in Stockholders' Equity, years ended December 31, 2021 and 2020

Consolidated Statements of Cash Flow, years ended December 31, 2021 and 2020

Notes to the Consolidated Financial Statements

(2) Financial Statement Schedules:

All other schedules have been omitted because they are either not required or inapplicable.

(3) Exhibits:

Exhibits are listed in the Exhibit Index below.

Item 16. Form 10-K Summary

None.

Exhibit Index

Exhibit	Description	Incorporated by Reference				Filed Herewith
		Form	File No.	Exhibit	Filing Date	
2.1	Agreement and Plan of Reorganization, dated as of November 15, 2021, by and among Oportun Financial Corporation, Yosemite Merger Acquisition Corp., Yosemite Acquisition Sub, LLC, Hello Digit, Inc. and Shareholder Representative Services LLC.**	8-K	001-39050	2.1	11/16/2021	
3.1	Amended and Restated Certificate of Incorporation of Oportun Financial Corporation.	8-K	001-39050	3.1	9/30/2019	
3.2	Amended and Restated Bylaws of Oportun Financial Corporation.	8-K	001-39050	3.2	9/30/2019	
4.1	Form of Common Stock Certificate.	S-1/A	333-232685	4.1	9/16/2019	
4.2	Amended and Restated Investors' Rights Agreement, dated as of February 6, 2015, by and among the Oportun Financial Corporation and certain of its stockholders.	S-1	333-232685	4.2	7/17/2019	
4.3	Form of Registration Rights Agreement.					x
4.4	Description of the Company's Capital Stock.	10-K	001-39050	4.3	2/28/2020	
10.1+	Form of Indemnity Agreement between the Company and its directors and officers.	S-1	333-232685	10.1	7/17/2019	
10.2+	Amended and Restated 2005 Stock Option/Stock Issuance Plan and Form of Stock Option Grant Notice, Option Agreement and Form of Notice of Exercise.	S-1	333-232685	10.2	7/17/2019	
10.3+	2015 Stock Option/Stock Issuance Plan and Forms of Stock Option Grant Notice, Option Agreement, Notice of Exercise, Restricted Stock Unit Award Grant Notice and Restricted Stock Unit Award Agreement.	S-1	333-232685	10.3	7/17/2019	
10.4+	2019 Equity Incentive Plan and Forms of Award Notices and Agreements.	10-K	001-39050	10.4	2/23/2021	
10.5+	2019 Employee Stock Purchase Plan.	S-1/A	333-232685	10.5	9/16/2019	
10.6+	2021 Inducement Equity Incentive Plan and Form of Award Notice and Agreement.	S-8	333-261964	4.3	1/3/2022	
10.7+	Form of Executive Offer Letter by and between the Registrant and certain of its officers.	S-1	333-232685	10.6	7/17/2019	
10.8+	Executive Severance and Change in Control Policy.	S-1	333-232685	10.7	7/17/2019	
10.8	Sublease Agreement by and between Oportun, Inc. and TiVo Corporation, dated as of July 31, 2017.	S-1	333-232685	10.8	7/17/2019	
10.9.1^	Amended and Restated Purchase and Sale Agreement by and between Oportun, Inc. and ECL Funding LLC, dated as of June 29, 2018.	S-1	333-232685	10.9	7/17/2019	
10.9.2 ¥	Amendment No. 1 to Amended and Restated Purchase and Sale Agreement by and between Oportun, Inc. and ECL Funding LLC, dated as of December 1, 2018.	S-1/A	001-39050	10.9.2	9/16/2019	
10.9.3	Amendment No. 2 to Amended and Restated Purchase and Sale Agreement by and between Oportun, Inc. and ECL Funding LLC, dated as of February 1, 2019.	S-1/A	333-232685	10.9.3	9/16/2019	
10.9.4 ¥	Amendment No. 3 to Amended and Restated Purchase and Sale Agreement by and between Oportun, Inc. and ECL Funding LLC, dated as of September 12, 2019.	S-1/A	333-232685	10.9.4	9/16/2019	
10.9.5 ¥	Amendment No. 4 to Amended and Restated Purchase and Sale Agreement by and between Oportun, Inc. and ECL Funding LLC, dated as of January 31, 2020.	10-K	333-232685	10.2	2/28/2020	
10.10	Amendment No. 5 to Amended and Restated Purchase and Sale Agreement by and between Oportun, Inc. and ECL Funding LLC, dated as of March 5, 2021.	10-Q	001-39050	10.2	5/7/2021	
10.11.1	Base Indenture by and between Oportun Funding XIII, LLC and Wilmington Trust, National Association, dated as of August 1, 2019.	S-1/A	333-232685	10.17.1	9/16/2019	
10.11.2	Series 2019-A Supplement to Base Indenture by and between Oportun Funding XIII, LLC and Wilmington Trust, National Association, dated as of August 1, 2019.	S-1/A	333-232685	10.17.2	9/16/2019	

10.12.1	Base Indenture by and between Oportun Funding XIV, LLC and Wilmington Trust, National Association, dated as of March 8, 2021.	10-Q	001-39050	10.3.1	5/7/2021
10.12.2	Series 2021-A Supplement to Base Indenture by and between Oportun Funding XIV, LLC and Wilmington Trust, National Association, dated as of March 8, 2021.	10-Q	001-39050	10.3.2	5/7/2021
10.13	Indenture by and between Oportun Issuance Trust 2021-B, and Wilmington Trust, National Association, dated as of May 10, 2021.	10-Q	001-39050	10.1	8/6/2021
10.14	Indenture by and between Oportun Issuance Trust 2021-C, and Wilmington Trust, National Association, dated as of October 28, 2021.	10-Q	001-39050	10.3	11/4/2021
10.15.1	Base Indenture by and between Oportun Funding V, LLC and Deutsche Bank Trust Company Americas, dated as of August 4, 2015.	S-1	333-232685	10.17.1	7/17/2019
10.15.2	First Amendment to Base Indenture by and between Oportun Funding V, LLC and Wilmington Trust, National Association, dated as of May 25, 2016.	S-1	333-232685	10.17.2	7/17/2019
10.15.3	Second Amendment to Base Indenture by and between Oportun Funding V, LLC and Wilmington Trust, National Association, dated as of June 7, 2016.	S-1	333-232685	10.17.3	7/17/2019
10.15.4	Third Amendment to Base Indenture by and between Oportun Funding V, LLC and Wilmington Trust, National Association, dated as of August 1, 2017.	S-1	333-232685	10.17.4	7/17/2019
10.15.5	Fourth Amendment to Base Indenture by and between Oportun Funding V, LLC and Wilmington Trust, National Association, dated as of February 23, 2018.	S-1	333-232685	10.17.5	7/17/2019
10.15.6	Fifth Amendment to Base Indenture by and between Oportun Funding V, LLC and Wilmington Trust, National Association, dated as of December 10, 2018.	S-1	333-232685	10.17.6	7/17/2019
10.15.7	Series 2015 Supplement to Base Indenture by and between Oportun Funding V, LLC and Deutsche Bank Trust Company Americas, dated as of August 4, 2015.	S-1	333-232685	10.17.7	7/17/2019
10.15.8	First Amendment to the Series 2015 Supplement by and between Oportun Funding V, LLC and Deutsche Bank Trust Company Americas, dated as of November 23, 2015.	S-1	333-232685	10.17.8	7/17/2019
10.15.9	Second Amendment to the Series 2015 Supplement by and between Oportun Funding V, LLC and Wilmington Trust, National Association, dated as of August 1, 2017.	S-1	333-232685	10.17.9	7/17/2019
10.15.10	Third Amendment to the Series 2015 Supplement by and between Oportun Funding V, LLC and Wilmington Trust, National Association, dated as of December 10, 2018.	S-1	333-232685	10.17.10	7/17/2019
10.15.11	Sixth Amendment to Base Indenture by and between Oportun Funding V, LLC and Wilmington Trust, National Association, dated as of September 12, 2019.	S-1	333-232685	10.18.11	9/16/2019
10.15.12	Fourth Amendment to the Series 2015 Supplement by and between Oportun Funding V, LLC and Wilmington Trust, National Association, dated as of September 12, 2019.	S-1	333-232685	10.18.12	9/16/2019
10.15.13	Seventh Amendment to Base Indenture by and between Oportun Funding V, LLC and Wilmington Trust, National Association, dated as of November 4, 2019.	10-K	001-39050	10.1	2/28/2020
10.15.14	Eighth Amendment to Base Indenture by and between Oportun Funding V, LLC and Wilmington Trust, National Association, dated as of May 22, 2020.	8-K	001-39050	10.1	5/27/2020
10.15.15	Fifth Amendment to the Series 2015 Supplement by and between Oportun Funding V, LLC and Wilmington Trust, National Association, dated as of May 22, 2020.	8-K	001-39050	10.2	5/27/2020
10.15.16	Ninth Amendment to Base Indenture by and between Oportun Funding V, LLC and Wilmington Trust, National Association, dated as of June 22, 2020.	10-Q	001-39050	10.2	8/7/2020
10.15.17	Sixth Amendment to the Series 2015 Supplement by and between Oportun Funding V, LLC and Wilmington Trust, National Association, dated as of June 22, 2020.	10-Q	001-39050	10.2	8/7/2020
10.16.1 ¥	Receivables Retention Facility Agreement, dated February 5, 2021, by and between Oportun, Inc. and WebBank	10-K	001-39050	10.16.1	2/23/2021

10.16.2	¥	Amended and Restated Credit Card Program and Servicing Agreement, dated February 5, 2021, by and between Oportun, Inc. and WebBank	10-K	001-39050	10.16.2	2/23/2021	
10.17.1	¥	Letter Agreement to Retention Facility Agreement by and between WebBank and Oportun, Inc., dated as of July 28, 2021.	10-Q	001-39050	10.1.1	8/6/2021	
10.17.2	¥	Letter Agreement to Retention Facility Agreement by and between WebBank and Oportun, Inc., dated as of September 21, 2021.	10-Q	001-39050	10.1.2	8/6/2021	
10.17.3	¥	Letter Agreement to Retention Facility Agreement by and between WebBank and Oportun, Inc., dated as of October 29, 2021.	10-Q	001-39050	10.1.3	¥	11/4/2021
10.17.4	¥	Letter Agreement to Retention Facility Agreement by and between WebBank and Oportun, Inc., dated as of November 30, 2021.					x
10.18	¥	Loan and Security Agreement by and between Oportun PLW Trust, Oportun PLW Depositor, LLC, Oportun, Inc., the Lenders thereto, and Wilmington Trust, National Association, dated as of September 8, 2021.	10-Q	001-39050	10.2	¥	11/4/2021
10.19		Indenture between Oportun RF, LLC and Wilmington Trust, National Association, dated as of December 20, 2021.**					x
10.20		Indenture between CCW Trust and Wilmington Trust, National Association, dated as of December 20, 2021.**					x
21.1		List of Subsidiaries of Oportun Financial Corporation					x
23.1		Consent of Independent Registered Public Accounting Firm					x
24.1		Power of Attorney (incorporated by reference to the signature page to this Annual Report on Form 10-K)					x
31.1		Rule 13a-14(a)/15d-14(a) Certifications of the Chief Executive Officer and Director of Oportun Financial Corporation					x
31.2		Rule 13a-14(a)/15d-14(a) Certifications of the Chief Financial Officer and Chief Administrative Officer of Oportun Financial Corporation					x
32.1*		Section 1350 Certifications					x
101		Interactive data files pursuant to Rule 405 of Regulation S-T: (i) Consolidated Balance Sheets, (ii) Consolidated Statements of Operations, (iii) Consolidated Statements of Changes in Stockholders' Equity, (iv) Consolidated Statements of Cash Flows, and (v) Notes to the Consolidated Financial Statements					
104		Cover Page Interactive Data File in Inline XBRL format (included in Exhibit 101).					

* The certifications attached as Exhibit 32.1 that accompany this Annual Report on Form 10-K are not deemed filed with the Securities and Exchange Commission and are not to be incorporated by reference into any filing of the Registrant under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, whether made before or after the date of this Annual Report on Form 10-K, irrespective of any general incorporation language contained in such filing.

+ Management contract or compensatory plan.

^ Confidential treatment has been requested with respect to certain portions of this exhibit. Omitted portions have been filed separately with the Securities and Exchange Commission.

¥ Portions of this document constitute confidential information and have been omitted because they are not material and would be competitively harmful if publicly disclosed.

** Schedules and exhibits have been omitted pursuant to Item 601(b)(2) of Regulation S-K. The registrant agrees to furnish supplementally to the SEC a copy of any omitted schedule or exhibit upon request by the SEC.

The instance document does not appear in the interactive data file because its XBRL tags are embedded within the Inline XBRL document.

Signatures

OPORTUN FINANCIAL CORPORATION
(Registrant)

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, on March 1, 2022.

Date: March 1, 2022

By: /s/ Jonathan Coblentz

Jonathan Coblentz
Chief Financial Officer and Chief Administrative Officer
(Principal Financial and Accounting Officer)

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Raul Vazquez and Jonathan Coblentz, jointly and severally, his or her attorneys-in-fact, each with the power of substitution, for him or her in any and all capacities, to sign any amendments to this Annual Report on Form 10-K, and to file the same, with exhibits thereto and other documents in connection therewith with the Securities and Exchange Commission, hereby ratifying and confirming all that each of said attorneys-in-fact, or his substitute or substitutes, may do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

/s/ Raul Vazquez
Raul Vazquez
(President, Chief Executive Officer, and Director)
(Principal Executive Officer)
Date: March 1, 2022

/s/ Jonathan Coblentz
Jonathan Coblentz
(Chief Financial Officer and Chief Administrative Officer)
(Principal Financial and Accounting Officer)
Date: March 1, 2022

/s/ Aida M. Alvarez
Aida M. Alvarez
(Director)
Date: March 1, 2022

/s/ Roy Banks
Roy Banks
(Director)
Date: March 1, 2022

/s/ Jo Ann Barefoot
Jo Ann Barefoot
(Director)
Date: March 1, 2022

/s/ Ginny Lee
Ginny Lee
(Director)
Date: March 1, 2022

/s/ Louis P. Miramontes
Louis P. Miramontes
(Director)
Date: March 1, 2022

/s/ Carl Pascarella
Carl Pascarella
(Director)
Date: March 1, 2022

/s/ Sandra Smith
Sandra Smith
(Director)
Date: March 1, 2022

/s/ David Strohm
David Strohm
(Director)
Date: March 1, 2022

/s/ Frederic Welts
Frederic Welts
(Director)
Date: March 1, 2022

/s/ R. Neil Williams
R. Neil Williams
(Director)
Date: March 1, 2022

FORM OF REGISTRATION RIGHTS AGREEMENT

THIS REGISTRATION RIGHTS AGREEMENT (this “**Agreement**”) is made and entered into as of December 23, 2021 by and between Oportun Financial Corporation, a Delaware corporation (“**Parent**”), and the holders listed on Exhibit A attached to this Agreement and their respective assignees in accordance with Section 1.9 (each a “**Holder**”). This Agreement shall become effective at, and is contingent upon, the Closing.

RECITALS

WHEREAS, pursuant to that certain Agreement and Plan of Reorganization (the “**Merger Agreement**”) dated as of November 15, 2021, by and among Parent, Yosemite Merger Acquisition Corp., Inc., a Delaware corporation and a wholly owned subsidiary of Parent (“**Merger Sub I**”), Yosemite Acquisition Sub, LLC, a Delaware limited liability company and a wholly owned subsidiary of Parent (“**Merger Sub II**”), Hello Digit, Inc., a Delaware corporation (the “**Company**”), and Shareholder Representative Services LLC, solely in its capacity as the Securityholder Representative, Parent will acquire the Company through the merger of Merger Sub I with and into the Company, pursuant to which the Company would be the surviving corporation (the “**First Merger**”), and, immediately after the First Merger and as part of the same overall transaction, the surviving corporation of the First Merger would merge with and into Merger Sub II, pursuant to which Merger Sub II would be the surviving entity, all on the terms and conditions set forth in the Merger Agreement (such transactions being referred to herein, collectively, as the “**Acquisition**”). Capitalized terms not defined herein shall have the meaning ascribed to them in the Merger Agreement.

WHEREAS, as a condition and inducement to the willingness of the Company to enter into the Merger Agreement, the Company has required that Parent enter into this Agreement with the Holders.

AGREEMENT

1. Registration Rights. Parent covenants and agrees as follows:
 - 1.1 Definitions. For purposes of this Section 1:
 - (a) The term “Act” means the Securities Act of 1933, as amended.
 - (b) The term “1934 Act” shall mean the Securities Exchange Act of 1934, as amended.
 - (c) The terms “register,” “registered” and “registration” each refer to a registration effected by preparing and filing a registration statement or similar document in compliance with the Act, and the declaration or ordering of effectiveness of such registration statement or document.
 - (d) The term “Pro Rata Portion” means, with respect to a Holder, the percentage derived by dividing Registrable Securities (as defined below) held by such Holder by the Registrable Securities then outstanding (as defined below).
 - (e) The term “Registrable Securities” means, for each Holder, (i) the shares of Acquiror Common Stock issuable to Holder in the Acquisition pursuant to the Merger Agreement, and (ii) any shares of Acquiror Common Stock issued as a dividend or other distribution with respect to or in exchange for or in replacement of the stock referenced in clause “(i)” above; *provided, however*, that shares of Acquiror Common Stock held by Holder shall cease to be Registrable Securities (x) after a registration statement shall have been filed and become effective under the Securities Act and the shares of Acquiror Common Stock held by Holder shall have been disposed of in accordance with a registration statement, or (y) at such time as such Holder is eligible to sell such securities under Rule 144 without limitation as to volume, manner of sale or current public information.
 - (f) The number of shares of “Registrable Securities then outstanding” shall mean the aggregate number of shares of Acquiror Common Stock held by all Holders that are defined as “Registrable Securities” under this Agreement at any given time.
 - (g) The term “SEC” shall mean the Securities and Exchange Commission.
 - 1.2 Parent Registration. If (but without any obligation to do so) Parent proposes to register (including for this purpose a registration effected by the Company stockholder other than the Holders) for its own account, or the account of others, any of its capital stock or other securities under the Act in connection with the public offering of such securities solely for cash (other than a registration relating solely to the sale of securities to participants in a Parent stock plan, a registration on any form that does not include substantially the same information as would be required to be included in a registration statement

covering the sale of the Registrable Securities or a registration in which the only Acquiror Common Stock being registered is Acquiror Common Stock issuable upon conversion of debt securities that are also being registered or a registration relating solely to an SEC Rule 145 transaction) (a “**Permitted Registration**”), Parent shall, at such time that Parent’s board of directors makes such determination, promptly give each Holder written notice of such registration. Upon the written request of each Holder given within twenty (20) days after deemed receipt by such Holder of such notice by Parent in accordance with Section 2.5, Parent shall, subject to the provisions of Section 1.5, use its best efforts to cause to be registered under the Act all of the Registrable Securities that each such Holder has requested to be registered; provided however, that if Parent conducts a Permitted Registration, Parent shall have the ability to set the maximum offering size and each Holder shall only be entitled to register its Pro Rata Portion of the unallocated securities being registered on account of parties other than Parent.

- 1.3 Furnish Information. It shall be a condition precedent to the obligations of Parent to take any action pursuant to this Section 1 with respect to Registrable Securities that such Holder shall furnish to Parent such information regarding itself, Registrable Securities held by it, and the intended method of disposition of such securities as shall be reasonably required to effect the registration of such Holder’s Registrable Securities.
- 1.4 Obligations of Parent. Whenever required under this Section 1 to effect the registration of any Registrable Securities, Parent shall, as expeditiously as reasonably possible:
 - (a) Prepare and file with the SEC such amendments and supplements to such registration statement and the prospectus used in connection with such registration statement as may be necessary to comply with the provisions of the Act with respect to the disposition of all securities covered by such registration statement until the distribution described in such registration statement is completed, if earlier.
 - (b) Furnish to the Holders such numbers of copies of a prospectus, including a preliminary prospectus, in conformity with the requirements of the Act, and such other documents as they may reasonably request in order to facilitate the disposition of Registrable Securities owned by them.
 - (c) Use its best efforts to register and qualify the securities covered by such registration statement under such other securities or “blue sky” laws of such jurisdictions as shall be reasonably requested by the Holders; provided, that Parent shall not be required in connection therewith or as a condition thereto to qualify to do business or to file a general consent to service of process in any such states or jurisdictions, except as may be required by the Act.
 - (d) Cause all such Registrable Securities registered hereunder to be listed on a national exchange or trading system and each securities exchange on which similar securities issued by Parent are then listed.
 - (e) Provide a transfer agent and registrar for all Registrable Securities registered pursuant hereunder and a CUSIP number for all such Registrable Securities, in each case not later than the effective date of such registration.
- 1.5 Expenses of Parent Registration. Parent shall bear and pay all expenses incurred in connection with any registration, filing or qualification of Registrable Securities with respect to the registrations pursuant to Section 1.2 (which right may be assigned as provided in Section 1.8), including (without limitation) all registration, filing, and qualification fees and printers’ and accounting fees, the fees and expenses of counsel for the Company and one (1) counsel for all Holders who entered into a registration rights agreement on equal date hereof in connection with entry into the Merger Agreement (such expenses of counsel to the Holders shall not exceed twenty thousand dollars (\$20,000)), but excluding underwriting discounts and commissions relating to Registrable Securities.
- 1.6 Underwriting Requirements. If a registration statement for which Parent gives notice pursuant to Section 1.2 is for an underwritten offering, then Parent shall so advise the Holders. In such event, the right of any Holder’s Registrable Securities to be included in a registration pursuant to Section 1.2 shall be conditioned upon such Holder’s participation in such underwriting and the inclusion of such Holder’s Registrable Securities in the underwriting to the extent provided herein. If a Holder proposes to distribute its Registrable Securities through such underwriting, it shall enter into an underwriting agreement in customary form with the managing underwriter or underwriter(s) selected for such underwriting. Notwithstanding any other provision of this Agreement, if the managing underwriter(s) determine(s) in good faith that marketing factors require a limitation of the number of shares to be underwritten, then the managing underwriter(s) may exclude shares (including Registrable Securities) from the registration and the underwriting, and the number of shares that may be included in the registration and the underwriting shall be allocated first, to Parent, second, to security holders entitled to registration rights pursuant to a written agreement with Parent dated as of a prior date than the date

of this Agreement, third to each of the Holders pursuant to this Agreement based on the ratio of shares of Acquiror's Common Stock held by such security holder or Holders, as applicable, divided by the aggregate amount shares of Acquiror's Common Stock held by all such security holders and Holder being registered by such security holders or Holders at such time, and fourth, to any other securityholder. If any Holder disapproves of the terms of any such underwriting, such Holder may elect to withdraw therefrom by written notice to Parent and the underwriter, delivered at least twenty (20) business days prior to the effective date of the registration statement. Any Registrable Securities excluded or withdrawn from such underwriting shall be excluded and withdrawn from the registration. If a Holder is a venture capital fund, partnership or corporation, the affiliated venture capital funds, partners, retired partners and stockholders of such Holder, or the estates and family members of any such partners, stockholders and retired partners and any trusts for the benefit of any of the foregoing persons shall be deemed to be a single "Holder," and any pro rata reduction with respect to such "Holder" shall be based upon the aggregate amount of shares carrying registration rights owned by all entities and individuals included in such "Holder," as defined in this sentence.

1.7 Delay of Registration. No Holder shall have any right to obtain or seek an injunction restraining or otherwise delaying any such registration as the result of any controversy that might arise with respect to the interpretation or implementation of this Section 1.

1.8 Indemnification. In the event any Registrable Securities are included in a registration statement under this Section 1:

- (a) To the extent permitted by law, Parent will indemnify and hold harmless each Holder, any underwriter (as defined in the Act) for such Holder and each person, if any, who controls such Holder or underwriter within the meaning of the Act or the 1934 Act, against any losses, claims, damages or liabilities (joint or several) to which they may become subject under the Act, the 1934 Act or other federal or state law, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any of the following statements, omissions or violations (collectively a "Violation"): (i) any untrue statement or alleged untrue statement of a material fact contained in such registration statement, including any preliminary prospectus or final prospectus contained therein or any amendments or supplements thereto; (ii) the omission or alleged omission to state therein a material fact required to be stated therein, or necessary to make the statements therein not misleading; or (iii) any violation or alleged violation by Parent of the Act, the 1934 Act, any state securities law or any rule or regulation promulgated under the Act, the 1934 Act or any state securities law; and Parent will pay to each such Holder, underwriter or controlling person, as incurred, any legal or other expenses reasonably incurred by them in connection with investigating or defending any such loss, claim, damage, liability or action; provided, however, that the indemnity agreement contained in this subsection 1.8(a) shall not apply to amounts paid in settlement of any such loss, claim, damage, liability or action if such settlement is effected without the consent of Parent (which consent shall not be unreasonably withheld), nor shall Parent be liable in any such case for any such loss, claim, damage, liability or action to the extent that it arises out of or is based upon a Violation that occurs in reliance upon and in conformity with written information furnished by any such Holder, underwriter or controlling person expressly for use in connection with such registration.
 - (b) To the extent permitted by law, if Registrable Securities held by a Holder are included in the securities as to which such registration, qualification or compliance is being effected, each Holder will, severally and not jointly, indemnify and hold harmless Parent, each of its directors, each of its officers who has signed the registration statement, each person, if any, who controls Parent within the meaning of the Act, any underwriter, any other Holder selling securities in such registration statement and any controlling person of any such underwriter or other Holder, against any losses, claims, damages or liabilities (joint or several) to which any of the foregoing persons may become subject, under the Act, the 1934 Act or other federal or state law, insofar as such losses, claims, damages or liabilities (or actions in respect thereto) arise out of or are based upon any Violation, in each case to the extent (and only to the extent) that such Violation occurs in reliance upon and in conformity with written information furnished by such Holder expressly for use in connection with such registration; and each such Holder will pay, as incurred, any legal or other expenses reasonably incurred by any person intended to be indemnified pursuant to this subsection 1.8(b), in connection with investigating or defending any such loss, claim, damage, liability or action; provided, however, that the indemnity agreement contained in this subsection 1.8(b) shall not apply to amounts paid in settlement of any such loss, claim, damage, liability or action if such settlement is effected without the consent of the Holder, which consent shall not be unreasonably withheld; provided, that in no event (except in circumstances where Holder has been found liable for its own fraud by a court of competent jurisdiction) shall any indemnity under this subsection 1.8(b) exceed the net proceeds from the offering received by such Holder.
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- (c) Promptly after receipt by an indemnified party under this Section 1.8 of notice of the commencement of any action (including any governmental action), such indemnified party will, if a claim in respect thereof is to be made against any indemnifying party under this Section 1.8, deliver to the indemnifying party a written notice of the commencement thereof and the indemnifying party shall have the right to participate in, and, to the extent the indemnifying party so desires, jointly with any other indemnifying party similarly noticed, to assume the defense thereof with counsel mutually satisfactory to the parties; provided, however, that an indemnified party (together with all other indemnified parties that may be represented without conflict by one counsel) shall have the right to retain one separate counsel, with the fees and expenses to be paid by the indemnifying party, if representation of such indemnified party by the counsel retained by the indemnifying party would be inappropriate due to actual or potential differing interests between such indemnified party and any other party represented by such counsel in such proceeding. The failure to deliver written notice to the indemnifying party within a reasonable time of the commencement of any such action, if prejudicial to its ability to defend such action, shall relieve such indemnifying party of liability to the indemnified party under this Section 1.8 to the extent of such prejudice, but the omission to deliver written notice to the indemnifying party will not relieve it of any liability that it may have to any indemnified party otherwise than under this Section 1.8.
 - (d) If the indemnification provided for in this Section 1.8 is held by a court of competent jurisdiction to be unavailable to an indemnified party with respect to any loss, liability, claim, damage or expense referred to therein, then the indemnifying party, in lieu of indemnifying such indemnified party hereunder, shall contribute to the amount paid or payable by such indemnified party as a result of such loss, liability, claim, damage or expense in such proportion as is appropriate to reflect the relative fault of the indemnifying party on the one hand and of the indemnified party on the other in connection with the statements or omissions that resulted in such loss, liability, claim, damage or expense as well as any other relevant equitable considerations. The relative fault of the indemnifying party and of the indemnified party shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission to state a material fact relates to information supplied by the indemnifying party or by the indemnified party and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission; provided, however, that in no event shall any contribution by a Holder hereunder, when taken together with any indemnification by such Holder pursuant to Section 1.8(b), exceed the net proceeds from the offering received by such Holder, except in the case of willful fraud by such Holder.
 - (e) Notwithstanding the foregoing, to the extent that the provisions on indemnification and contribution contained in the underwriting agreement entered into in connection with the underwritten public offering are in conflict with the foregoing provisions, the provisions in the underwriting agreement shall control; provided, however, that to the extent the underwriting agreement does not address a matter addressed by this Agreement, the failure to address such matter shall not be deemed a conflict between the provisions of this Agreement and the underwriting agreement.
 - (f) The obligations of Parent and the Holders under this Section 1.8 shall survive the completion of any offering of Registrable Securities in a registration statement under this Section 1, and otherwise.
- 1.9 Assignment of Registration Rights. The rights to cause Parent to register Registrable Securities pursuant to this Section 1 may be assigned (but only with all related obligations) by a Holder to a transferee or assignee of such securities, provided: (a) Parent is, within a reasonable time after such transfer, furnished with written notice of the name and address of such transferee or assignee and the securities with respect to which such registration rights are assigned; (b) such transferee or assignee agrees in writing to be bound by and subject to the terms and conditions of this Agreement; (c) the transfer involves a transfer of at least fifty thousand (50,000) shares of Registrable Securities (as adjusted for dividends, splits, recapitalizations and the like); provided, however, that transfers or assignments to partners, limited partners, retired or former partners, members, former members, stockholders, parents, children, spouses, siblings, trusts or affiliates of a Holder shall be without restriction as to the minimum number of shares to be transferred; and (d) such assignment shall be effective only if immediately following such transfer, the further disposition of such securities by the transferee or assignee is restricted under the Act.
- 1.10 Termination of Registration Rights. No Holder shall be entitled to exercise any right provided for in Section 1, as to any particular Holder, after such time as all Registrable Securities held by such Holder may immediately be sold without registration and without any volume or manner of sale restrictions under Rule 144.
-

1.11 Limitations on Subsequent Registration Rights. From and after the date of this Agreement, so long as any Registrable Securities remain outstanding, Parent shall not, without the prior written consent of the Holders holding a majority of the Registrable Securities held by all Holders, enter into any agreement with any holder or prospective holder of any securities of Parent giving such holder or prospective holder any registration rights the terms of which are senior to or on parity with the registration rights granted to the Holders hereunder. This Section 1.11 will no longer be effective at such time as no Holder holds five percent or more of the Registrable Securities (calculated as of the date of this Agreement).

2. Miscellaneous.

1.1 Successors and Assigns. Except as otherwise provided herein, the terms and conditions of this Agreement shall inure to the benefit of and be binding upon the respective successors and assigns of the parties (including transferees of any shares of Registrable Securities). Nothing in this Agreement, express or implied, is intended to confer upon any party other than the parties hereto or their respective successors and assigns any rights, remedies, obligations or liabilities under or by reason of this Agreement, except as expressly provided in this Agreement.

1.2 Governing Law. This Agreement shall be governed by and construed under the laws of the State of Delaware without regard for conflicts of laws principles.

1.3 Counterparts. This Agreement may be executed in two or more counterparts, including counterparts transmitted by facsimile, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

1.4 Titles and Subtitles. The titles and subtitles used in this Agreement are used for convenience only and are not to be considered in construing or interpreting this Agreement.

1.5 Notices. All notices and other communications hereunder shall be in writing and shall be deemed given if delivered personally or by commercial messenger or courier service, or mailed by registered or certified mail (return receipt requested) or sent via email (with acknowledgment of receipt (including automatically generated delivery or read receipts)) to the parties at the following addresses (or at such other address for a party as shall be specified by like notice or, if specifically provided for elsewhere in this Agreement, by email):

(a) if to Parent, the Merger Subs, the First Step Surviving Corporation or the Surviving Entity, to:

Oportun Financial Corporation
2 Circle Star way,
San Carlos, CA 94070
Attention: General Counsel
Email: asklegal@oportun.com with a copy to: legal@oportun.com

with a copy (which shall not constitute notice) to:

Wilson Sonsini Goodrich & Rosati, Professional Corporation
One Market Plaza, Spear Tower, Suite 3300
San Francisco, California 94105
Attention: Robert Day; Patrick Sandor
E-mail: rday@wsgr.com; psandor@wsgr.com

(b) if to the Company (prior to the Closing), to:

Hello Digit, Inc.
100 Pine St., 22nd Floor
San Francisco, CA 94111
Attention: Ethan Bloch
Email: ethan@digit.co

with a copy (which shall not constitute notice) to:

Goodwin Procter LLP
Three Embarcadero Center
San Francisco, CA 94111
Attention: Alessandra Simons; David W. Van Horne Jr.
Email: asimons@goodwinlaw.com; dvanhorne@goodwinlaw.com

(c) if to the Securityholder Representative or, following the Closing, to the Holders, to:

Shareholder Representative Services LLC
950 17th Street, Suite 1400
Denver, CO 80202
Attention: Managing Director
Email: deals@srsacquiom.com
Telephone: (303) 648-4085

with a copy (which shall not constitute notice) to:

Goodwin Procter LLP
Three Embarcadero Center
San Francisco, CA 94111
Attention: Alessandra Simons; David W. Van Horne Jr.
Email: asimons@goodwinlaw.com; dvanhorne@goodwinlaw.com

- 1.6 Attorneys' Fees. If any dispute among the parties to this Agreement results in litigation, the prevailing party in such dispute shall be entitled to recover from the losing party all fees, costs and expenses of enforcing any right of such prevailing party under or with respect to this Agreement, including, without limitation, such reasonable fees and expenses of attorneys and accountants, that shall include, without limitation, all fees, costs and expenses of appeals.
- 1.7 Amendments and Waivers. This Agreement may be amended at any time by execution of an instrument in writing signed by Parent and the Holders holding at least a majority of the Registrable Securities from time to time outstanding.
- 1.8 Severability. If any of the provisions of this Agreement should, for any reason, be held by a court or other tribunal of competent jurisdiction to be illegal, invalid or unenforceable in any respect, such provisions shall be limited or eliminated to the minimum extent necessary so that this Agreement shall otherwise remain in full force and effect.
- 1.9 Aggregation of Stock. All shares of Registrable Securities held or acquired by affiliated entities or persons shall be aggregated together for the purpose of determining the availability of any rights under this Agreement.
- 1.10 Entire Agreement. This Agreement constitutes the full and entire understanding and agreement among the parties with regard to the subjects hereof.
- 1.11 Counterparts. This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same agreement and shall become effective when one or more counterparts have been signed by each of the parties and delivered to the other party, it being understood that all parties need not sign the same counterpart. The exchange of a fully executed Agreement (in counterparts or otherwise) by electronic transmission in .PDF format or by facsimile shall be sufficient to bind the parties to the terms and conditions of this Agreement.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties have executed this Registration Rights Agreement as of the date first above written.

PARENT:

OPORTUN FINANCIAL CORPORATION

By:

Name:

Title:

Address: 2 Circle Star Way, San Carlos, CA
94070

IN WITNESS WHEREOF, the parties have executed this Registration Rights Agreement as of the date first above written.

HOLDER:

By:

Name:

Title:

**EXHIBIT A
HOLDERS**

Certain information identified with brackets ([****]) has been excluded from this exhibit because such information is both (i) not material and (ii) competitively harmful if publicly disclosed

Execution Version

WebBank
215 S. State Street, Suite 1000
Salt Lake City, Utah 84111

November 30, 2021

Oportun, Inc.
Two Circle Star Way
San Carlos, California 94070

Re: Revised Temporary Adjustments to Program Arrangements

Ladies and Gentlemen:

This letter agreement (this "Letter") dated and effective as of the date first set forth above between WebBank ("Bank") and Oportun, Inc. ("Company") amends and supplements the (i) Amended and Restated Credit Card Program and Servicing Agreement between Bank and Company dated as of February 5, 2021 (as amended, restated, supplemented or otherwise modified from time to time, the "Program Agreement"), (ii) Receivables Sale Agreement between Bank and Company dated as of November 5, 2019, as amended by the First Amendment to Receivables Sale Agreement dated as February 5, 2021 (as further amended, restated, supplemented or otherwise modified from time to time, the "Sale Agreement"), and (iii) Receivables Retention Facility Agreement between Bank and Company dated as of February 5, 2021 (as amended, restated, supplemented or otherwise modified from time to time, the "Retention Agreement"). Any capitalized terms used in this Letter but not defined herein shall have the respective meanings set forth in the Program Agreement. Bank and Company are executing this Letter for the purpose of making certain modifications to the Program Documents.

1. Relation to the Agreements.

- a. Except as otherwise expressly stated in this Letter, nothing in this Letter shall alter, amend or waive any provision, term or condition of any of the Program Documents.
- b. The performance by Company of any obligation in this Letter shall be deemed to be performance with respect to participation in the Program. The rules of construction set forth in the Program Agreement shall apply to this Letter.
- c. This Letter supersedes and replaces, as of the date first set forth above, the terms of the letter agreement dated as of October 29, 2021 between Bank and Company
- d. The terms of this Letter shall remain in effect until the earlier of (i) December 31, 2021, or (ii) the closing of the new warehouse credit facility related to the Receivables (such earlier date, the "Letter Expiration Date"). The period between the date first set forth above and the Letter Expiration Date is referred to as the "Letter Effective Period."

2. Threshold Amount. During the Letter Effective Period, the "Threshold Amount" as defined in the Program Agreement is Thirty-Eight Million Five Hundred Thousand Dollars (\$38,500,000). Following the Letter Expiration Date, the Threshold Amount is [****].

Following the Letter Expiration Date, Bank will designate Accounts as Transferable Excess Accounts in order to reduce the total Receivables held by Bank (other than Receivables already designated as Transferable Excess Receivables) to an amount less than the Threshold Amount, using a methodology mutually agreed by the Parties.

3. Base Rate. During the Letter Effective Period:

a. the term “Overage Base Rate” shall mean the sum of (a) one month London Interbank Offered Rate as published by the St. Louis Federal Reserve Bank’s FRED (Federal Reserve Economic Database) online database (available at: <https://fred.stlouisfed.org/series/USD1MTD156N>) (the “LIBOR Rate”) and expressed as an annual percentage rate, on the last calendar day of the month with respect to which the Overage Base Rate is being calculated, plus (b) [****]; provided that, if the LIBOR Rate shall be less than [****], such rate shall be deemed [****] for purposes of this Agreement; and

b. the definition of “Base Rate Amount” in Section (j) of Schedule 14 to the Program Agreement is revised to state as follows:

“(j) The “Base Rate Amount” is equal to the sum of:

- (i) the product of (A) the Base Rate calculated for the month that had most recently ended on or before the Thursday of the preceding week, multiplied by (B) [****], multiplied by (C) seven divided by three hundred sixty-five (7/365); plus
- (ii) the product of (A) the Overage Base Rate calculated for the month that had most recently ended on or before the Thursday of the preceding week, multiplied by (B) [****], multiplied by (C) seven divided by three hundred sixty-five (7/365).

For the avoidance of doubt, any Transferable Receivables (other than Transferable Excess Receivables) that are sold by Bank during any week shall be considered in calculating the Weekly Receivables Balance for the days that such Receivables were owned by Bank.”

Following the Letter Expiration, the definition of “Base Rate Amount” will revert to the definition in effect prior to the Letter Effective Period.

4. Collateral Account. During the Letter Effective Period, the subsection captioned “Interest” in Section 27 of the Retention Agreement is revised to state as follows:

“*Interest.* The Collateral Account shall be a money market deposit account and shall bear interest as follows: (i) for the amounts held in the Collateral Account up to the sum of the Tier 1 Required Balance and the Tier 2 Required Balance, less the amount of any Letter of Credit (the “Level One Amount”), at [****], and (ii) for the amounts held in the Collateral Account in excess of the Level One Amount in an amount no greater than the Tier 3 Required Balance (the “Level Two Amount”), at [****], and (iii) for the amounts in excess of the sum of the Level One Amount and the Level Two Amount (the “Level Three Amount”), at a [****] interest rate. Interest shall be computed based on the average daily balance of the

Collateral Account during a month and credited to the Collateral Account, as property of Company, promptly following each month end.”

Following the Letter Expiration, the terms of the subsection will revert to the terms in effect prior to the Letter Effective Period.

5. **Sale of Transferable Excess Receivables.** During the Letter Effective Period:

a. if the total Receivables held by Bank (other than Receivables already designated as Transferable Excess Receivables) are equal to or greater than Thirty-Six Million Dollars (\$36,000,000.00) but less than the Threshold Amount, then at Company’s request Bank may offer to sell to Company Receivables (selected in a manner agreed by the Parties) in an amount (not to exceed Five Million Dollars (\$5,000,000.00)) requested by Company on the next Sale Date; and

b. to the extent that any Transferable Excess Receivables are offered for sale by Bank to Company, the Parties shall include additional Receivables (selected in a manner agreed by the Parties) in the sale in order to ensure that the offered Receivables total a minimum amount (not to exceed Five Million Dollars (\$5,000,000.00)) requested by Company.

[Signatures on following page]

Please sign below where indicated to confirm your review of and agreement with this Letter. By signing below, you represent that you have authority to bind Company to the terms of this Letter.

Very truly yours,

WebBank

By: /s/ Jason Lloyd

Name: Jason Lloyd

Title: President

Accepted and Agreed:

Oportun, Inc.

By: /s/ Jonathan Coblentz

Name: Jonathan Coblentz

Title: Chief Financial Officer

Oportun RF, LLC,
as Issuer

and

Wilmington Trust, National Association,
as Indenture Trustee, as Securities Intermediary and as Depositary Bank

INDENTURE

Dated as of December 20, 2021

Asset Backed Notes, Class A

Asset Backed Certificates

Exhibits A-E and Schedules 1-4 to this exhibit have been omitted pursuant to Item 601(a)(5) of Regulation S-K.

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INDENTURE, dated as of December 20, 2021, between OPORTUN RF, LLC, a Delaware limited liability company, as issuer (the “Issuer”) and WILMINGTON TRUST, NATIONAL ASSOCIATION, a national banking association with trust powers, as Indenture Trustee, as Securities Intermediary and as Depository Bank.

WITNESSETH:

WHEREAS, the Issuer has duly executed and delivered this Indenture to provide for the issuance of Securities, issuable as provided in this Indenture; and

WHEREAS, all things necessary to make this Indenture a legal, valid and binding agreement of the Issuer, enforceable in accordance with its terms, have been done, and the Issuer proposes to do all the things necessary to make the Securities, when executed by the Issuer and authenticated and delivered by the Indenture Trustee hereunder and duly issued by the Issuer, the legal, valid and binding obligations of the Issuer as hereinafter provided.

NOW, THEREFORE, for and in consideration of the premises and the receipt of the Securities by the Holders, it is mutually covenanted and agreed, for the equal and proportionate benefit of all Holders, as follows:

GRANTING CLAUSE

The Issuer hereby grants to the Indenture Trustee at the Closing Date, for the benefit of the Indenture Trustee, the Noteholders, the Certificateholders and any other Person to which any Secured Obligations are payable (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 now owned or hereafter acquired, now existing or hereafter created and wherever located: (a) all Underlying Certificates, and any and all monies due or to become due thereunder; (b) the Payment Account, each other Securities Account, and any other account maintained by the Indenture Trustee pursuant hereto (each such account, a “Trust Account”), 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; (c) 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; (d) all investments made at any time and from time to time with moneys in the Trust Accounts; (e) the Purchase Agreement; (f) 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, (g) all additional property that may from time to time hereafter be subjected to the grant and pledge made by the Issuer or by anyone on its behalf; (h) all present and future claims, demands, causes and choses in action and all payments on or under the foregoing; and (i) all proceeds of every kind and nature whatsoever in respect of any or all of the foregoing, including all proceeds of all of the foregoing and the conversion thereof, voluntary or involuntary, into cash or other liquid property, all cash proceeds, accounts, accounts receivable, notes, drafts, acceptances, chattel paper, checks, deposit accounts, insurance proceeds, investment property, rights to payment of any and every kind and other forms of obligations and receivables, instruments and other property which at any time constitute all or part of or are included in the proceeds of any of the foregoing (collectively, the “Trust Estate”).

The foregoing Grant is made in trust to secure the payment of principal of and interest on, and any other amounts owing in respect of, the Secured Obligations, equally and ratably without prejudice, priority or distinction except as set forth herein, and to secure compliance with the provisions of this Indenture, all as provided in this Indenture.

The Issuer hereby assigns to the Indenture Trustee all of the Issuer's power to authorize an amendment to the financing statement filed with the Delaware Secretary of State relating to the security interest granted to the Issuer by the Seller pursuant to the Purchase Agreement; provided, however, that the Indenture Trustee shall be entitled to all the protections of Article 11, including Sections 11.1(g) and 11.2(k), in connection therewith, and the obligations of the Issuer under Sections 8.2(i) and 8.3(j) shall remain unaffected.

The Indenture Trustee, for the benefit of the Secured Parties, hereby acknowledges such Grant, accepts the trusts under this Indenture in accordance with the provisions of this Indenture and the Lien on the Trust Estate conveyed by the Issuer pursuant to the Grant, declares that it shall maintain such right, title and interest, upon the trust set forth, for the benefit of all Secured Parties, subject to Sections 11.1 and 11.2, and agrees to perform its duties required in this Indenture in accordance with the terms of this Indenture.

DESIGNATION

(a) There are hereby created notes and subordinate residual certificates to be issued pursuant to this Indenture and such notes and subordinate residual certificates shall be substantially in the form of Exhibit C and E, respectively, hereto, executed by or on behalf of the Issuer and authenticated by the Indenture Trustee and designated generally Asset Backed Notes, Class A (the "Class A Notes" or the "Notes") and Asset Backed Certificates (the "Certificates" and, together with the Notes, the "Securities"). The Class A Notes shall be issued in minimum denominations of \$100,000 and integral multiples of \$1,000 in excess thereof, and the Certificates shall be issued in minimum percentage interests of 5% with no minimum incremental percentage interests in excess thereof.

(b) The Certificates shall be subordinate to the Class A Notes to the extent described herein.

ARTICLE 1.

DEFINITIONS AND INCORPORATION BY REFERENCE

Section 1.1. Definitions. Certain capitalized terms used herein (including the preamble and the recitals hereto) shall have the following meanings:

"2019-A Certificates" means the residual certificates issued by the 2019-A Issuer under the 2019-A Indenture and assigned CUSIP Number 68377F 108.

"2019-A Indenture" means the Base Indenture as supplemented by the Series 2019-A Supplement, each dated as of August 1, 2019, between the 2019-A Issuer, and Wilmington Trust, National Association, as trustee, securities intermediary and depository bank, as amended, restated, modified or supplemented from time to time.

"2019-A Issuer" means Oportun Funding XIII, LLC, a Delaware special purpose limited liability company.

"2019-A Transaction Documents" means the "Transaction Documents" as defined in the 2019-A Indenture.

"2021-A Certificates" means the residual certificates issued by the 2021-A Issuer under the 2021-A Indenture and assigned CUSIP Number 68377B 107.

“2021-A Indenture” means the Base Indenture as supplemented by the Series 2021-A Supplement, each dated as of March 8, 2021, between the 2021-A Issuer, and Wilmington Trust, National Association, as trustee, securities intermediary and depository bank, as amended, restated, modified or supplemented from time to time.

“2021-A Issuer” means Oportun Funding XIV, LLC, a Delaware special purpose limited liability company.

“2021-A Transaction Documents” means the “Transaction Documents” as defined in the 2021-A Indenture.

“2021-B Certificates” means the trust certificates issued by the 2021-B Issuer pursuant to the 2021-B Trust Agreement, representing the beneficial interest in the 2021-B Issuer and assigned CUSIP Number 68377G AE6.

“2021-B Indenture” means the Indenture, dated as of May 10, 2021, between the 2021-B Issuer, and Wilmington Trust, National Association, as indenture trustee, securities intermediary and depository bank, as amended, restated, modified or supplemented from time to time.

“2021-B Issuer” means Oportun Issuance Trust 2021-B, a Delaware statutory trust.

“2021-B Transaction Documents” means the “Transaction Documents” as defined in the 2021-B Indenture.

“2021-B Trust Agreement” means the Amended and Restated Trust Agreement relating to the 2021-B Issuer, dated as of May 10, 2021, among Oportun Depositor, LLC, as depositor, Wilmington Savings Fund Society, FSB, as owner trustee, and the PF Servicing, LLC, as administrator, as amended, restated, modified or supplemented from time to time.

“2021-C Certificates” means the trust certificates issued by the 2021-C Issuer pursuant to the 2021-C Trust Agreement, representing the beneficial interest in the 2021-C Issuer and assigned CUSIP Number 68377W 101.

“2021-C Indenture” means the Indenture, dated as of October 28, 2021, between the 2021-C Issuer, and Wilmington Trust, National Association, as indenture trustee, securities intermediary and depository bank, as amended, restated, modified or supplemented from time to time.

“2021-C Issuer” means Oportun Issuance Trust 2021-C, a Delaware statutory trust.

“2021-C Transaction Documents” means the “Transaction Documents” as defined in the 2021-C Indenture.

“2021-C Trust Agreement” means the Amended and Restated Trust Agreement relating to the 2021-C Issuer, dated as of October 28, 2021, among Oportun Depositor, LLC, as depositor, Wilmington Savings Fund Society, FSB, as owner trustee, and the PF Servicing, LLC, as administrator, as amended, restated, modified or supplemented from time to time.

“Additional Principal Payment Percentage” means, for any Payment Date, (a) if the Three-Month Average Underlying Loss Percentage for such Payment Date is less than or equal to 13.0%, 0.0%, (b) if the Three-Month Average Underlying Loss Percentage for such Payment Date is greater than 13.0% but less than or equal to 14.0%, 50.0%, (c) if the Three-Month Average Underlying Loss Percentage for such Payment Date is greater than 14.0% but less than

or equal to 15.0%, 75.0%, and (d) if the Three-Month Average Underlying Loss Percentage for such Payment Date is greater than 15.0%, 100.0%.

“Administration Fee” means the fee payable to the Administrator pursuant to the Administrative Services Agreement.

“Administrative Services Agreement” means the Administrative Services and Premises Agreement, dated as of the Closing Date, between the Issuer and the Administrator, as amended, supplemented or otherwise modified from time to time.

“Administrator” means Oportun, as administrator of the Issuer pursuant to the Administrative Services Agreement.

“Administrator Default” has the meaning specified in the Administrative Services Agreement.

“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.

“Agent” means any Transfer Agent and Registrar or Paying Agent.

“Alternative Rate” means, for any day, the sum of a per annum rate equal to the sum of (i) the rate set forth in the weekly statistical release designated as H.15(519), or any successor publication, published by the Federal Reserve Board (including any such successor, “H.15(519)”) for such day opposite the caption “Federal Funds (Effective)” and (ii) 0.50%. If on any relevant day such rate is not yet published in H. 15(519), the rate for such day will be the rate set forth in the daily statistical release designated as the Composite 3:30 p.m. Quotations for U.S. Government Securities, or any successor publication, published by the Federal Reserve Bank of New York (including any such successor, the “Composite 3:30 p.m. Quotations”) for such day under the caption “Federal Funds Effective Rate.” If on any relevant day the appropriate rate is not yet published in either H.15(519) or the Composite 3:30 p.m. Quotations, the rate for such day will be the arithmetic mean as determined by the Calculation Agent of the rates for the last transaction in overnight Federal funds arranged before 9:00 a.m. (New York time) on that day by each of three leading brokers of Federal funds transactions in New York City selected by the Calculation Agent.

“Amortization Schedule” means the schedule of Payment Dates and corresponding Scheduled Note Principal Amounts attached hereto as Schedule I.

“Applicable Margin” shall have the meaning set forth in the Fee Letter.

“Applicants” has the meaning specified in Section 4.2(b).

“Available Funds” means, with respect to any Monthly Period and the Payment Date related thereto, the sum of the following, without duplication: (a) any Underlying Payments received in respect of the Underlying Certificates on the Underlying Payment Date immediately

following such Monthly Period and deposited into the Payment Account on such Underlying Payment Date; and (b) any Investment Earnings received with respect to the Trust Estate.

“Available Tenor” means, as of any date of determination and with respect to the then-current Benchmark, as applicable, any tenor for such Benchmark (or component thereof) or payment period for interest calculated with reference to such Benchmark (or component thereof), as applicable, that is or may be used for determining the length of an Interest Period for any term rate or otherwise, for determining any frequency of making payments of interest calculated pursuant to this Indenture as of such date.

“Bankruptcy Code” means the United States Bankruptcy Code, Title 11, United States, as amended.

“Benchmark” means, initially, One-Month LIBOR; provided that if a Benchmark Transition Event, a Term SOFR Transition Event or an Early Opt-in Election, as applicable, and its related Benchmark Replacement Date have occurred with respect to One-Month LIBOR or the then-current Benchmark, then “Benchmark” means the applicable Benchmark Replacement to the extent that such Benchmark Replacement has replaced such prior benchmark rate pursuant to clause (b) or clause (c) of Section 5.13.

“Benchmark Replacement” means, for any Available Tenor, the first alternative set forth in the order below that can be determined by the Required Noteholders, in consultation with the Issuer, for the applicable Benchmark Replacement Date:

(1) the sum of: (a) Term SOFR and (b) the related Benchmark Replacement Adjustment;

(2) the sum of: (a) Daily Simple SOFR and (b) the related Benchmark Replacement Adjustment;

(3) the sum of: (a) the alternate benchmark rate that has been selected by the Required Noteholders and the Issuer as the replacement for the then-current Benchmark for the applicable Corresponding Tenor giving due consideration to (i) any selection or recommendation of a replacement benchmark rate or the mechanism for determining such a rate by the Relevant Governmental Body or (ii) any evolving or then-prevailing market convention for determining a benchmark rate as a replacement for the then-current Benchmark for dollar-denominated syndicated credit facilities at such time and (b) the related Benchmark Replacement Adjustment;

provided that, in the case of clause (1), such Unadjusted Benchmark Replacement is displayed on a screen or other information service that publishes such rate from time to time as selected by the Required Noteholders in their reasonable discretion; provided further that, notwithstanding anything to the contrary in this Indenture or in any other Transaction Document, upon the occurrence of a Term SOFR Transition Event, and the delivery of a Term SOFR Notice, on the applicable Benchmark Replacement Date the “Benchmark Replacement” shall revert to and shall be deemed to be the sum of (a) Term SOFR and (b) the related Benchmark Replacement Adjustment, as set forth in clause (1) of this definition (subject to the first proviso above).

If the Benchmark Replacement as determined pursuant to clause (1), (2) or (3) above would be less than the Floor, the Benchmark Replacement will be deemed to be the Floor for the purposes of this Indenture and the other Transaction Documents.

The Required Noteholders shall use commercially reasonable efforts to satisfy any applicable IRS guidance, including Proposed Treasury Regulation 1.1001-6 and any future

guidance, to the effect that a Benchmark Replacement will not result in a deemed exchange for U.S. federal income Tax purposes of any Class A Note hereunder.

“Benchmark Replacement Adjustment” means, with respect to any replacement of the then-current Benchmark with an Unadjusted Benchmark Replacement for any applicable Interest Period and Available Tenor for any setting of such Unadjusted Benchmark Replacement:

(1) for purposes of clauses (1) and (2) of the definition of “Benchmark Replacement,” the first alternative set forth in the order below that can be determined by the Required Noteholders:

(a) the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) as of the Reference Time such Benchmark Replacement is first set for such Interest Period that has been selected or recommended by the Relevant Governmental Body for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement for the applicable Corresponding Tenor; and

(b) the spread adjustment (which may be a positive or negative value or zero) as of the Reference Time such Benchmark Replacement is first set for such Interest Period that would apply to the fallback rate for a derivative transaction referencing the ISDA Definitions to be effective upon an index cessation event with respect to such Benchmark for the applicable Corresponding Tenor; and

(2) for purposes of clause (3) of the definition of “Benchmark Replacement,” the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected by the Required Noteholders and the Issuer for the applicable Corresponding Tenor giving due consideration to (i) any selection or recommendation of a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement by the Relevant Governmental Body on the applicable Benchmark Replacement Date and/or (ii) any evolving or then-prevailing market convention for determining a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement for dollar-denominated syndicated credit facilities at such time;

provided that, in the case of clause (1) above, such adjustment is displayed on a screen or other information service that publishes such Benchmark Replacement Adjustment from time to time as selected by the Required Noteholders in their reasonable discretion.

“Benchmark Replacement Conforming Changes” means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of “Business Day,” the definition of “Interest Period,” timing and frequency of determining rates and making payments of interest, timing of borrowing requests or prepayment, conversion or continuation notices, length of lookback periods, the applicability of breakage provisions, and other technical, administrative or operational matters) that the Required Noteholders, in consultation with the Issuer, decide may be appropriate to reflect the adoption and implementation of such Benchmark Replacement and to permit the administration thereof in a manner substantially consistent with market practice (or, if the Required Noteholders decide that adoption of any portion of such market practice is not administratively feasible or if the Required Noteholders determine that no market practice for the administration of such Benchmark Replacement exists, in such other manner of administration as the Required

Noteholders, in consultation with the Issuer, decide is reasonably necessary in connection with the administration of this Indenture and the other Transaction Documents).

“Benchmark Replacement Date” means the earliest to occur of the following events with respect to the then-current Benchmark:

(1) in the case of clause (1) or (2) of the definition of “Benchmark Transition Event,” the later of (a) the date of the public statement or publication of information referenced therein and (b) the date on which the administrator of such Benchmark (or the published component used in the calculation thereof) permanently or indefinitely ceases to provide all Available Tenors of such Benchmark (or such component thereof);

(2) in the case of clause (3) of the definition of “Benchmark Transition Event,” the first date on which such Benchmark (or the published component used in the calculation thereof) has been determined and announced by the regulatory supervisor for the administrator of such Benchmark (or component thereof) to be no longer representative; provided that such non-representativeness will be determined by reference to the most recent statement or publication referenced in such clause (3) and even if any Available Tenor of such Benchmark (or component thereof) continues to be provided on such date; or

(3) in the case of a Term SOFR Transition Event, the date that is thirty (30) days after the date a Term SOFR Notice is provided to the Noteholders and the Issuer pursuant to Section 5.13(c); or

(4) in the case of an Early Opt-in Election, the sixth (6th) Business Day after the date notice of such Early Opt-in Election is provided to the Noteholders, so long as the Issuer has not received, by 5:00 p.m. (New York City time) on the fifth (5th) Business Day after the date notice of such Early Opt-in Election is provided to the Noteholders, written notice of objection to such Early Opt-in Election from Noteholders comprising the Required Noteholders.

For the avoidance of doubt, (i) if the event giving rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination and (ii) the “Benchmark Replacement Date” will be deemed to have occurred in the case of clause (1) or (2) with respect to any Benchmark upon the occurrence of the applicable event or events set forth therein with respect to all then-current Available Tenors of such Benchmark (or the published component used in the calculation thereof).

“Benchmark Transition Event” means the occurrence of one or more of the following events with respect to the then-current Benchmark:

(1) a public statement or publication of information by or on behalf of the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that such administrator has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof), permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof);

(2) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in

the calculation thereof), the Federal Reserve Board, the NYFRB, an insolvency official with jurisdiction over the administrator for such Benchmark (or such component), a resolution authority with jurisdiction over the administrator for such Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for such Benchmark (or such component), which states that the administrator of such Benchmark (or such component) has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof) permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof); or

(3) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that all Available Tenors of such Benchmark (or such component thereof) are no longer, or as of a specified future date will no longer be, representative.

For the avoidance of doubt, a “Benchmark Transition Event” will be deemed to have occurred with respect to any Benchmark if a public statement or publication of information set forth above has occurred with respect to each then-current Available Tenor of such Benchmark (or the published component used in the calculation thereof).

“Benchmark Unavailability Period” means the period (if any) (x) beginning at the time that a Benchmark Replacement Date pursuant to clauses (1) or (2) of that definition has occurred if, at such time, no Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under any Transaction Document in accordance with Section 5.13 and (y) ending at the time that a Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under any Transaction Document in accordance with Section 5.13.

“Benefit Plan Investor” mean an “employee benefit plan” as defined in Section 3(3) of ERISA, which is subject to Title I of ERISA, a “plan” as described in Section 4975 of the Code, which is subject to Section 4975 of the Code, or an entity deemed to hold plan assets of any of the foregoing.

“Book-Entry Notes” means Notes in which beneficial interests are owned and transferred through book entries by a Clearing Agency as described in Section 2.16; provided that after the occurrence of a condition whereupon book-entry registration and transfer are no longer permitted and Definitive Notes are issued to the Note Owners, such Definitive Notes shall replace Book-Entry Notes.

“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, Florida, Illinois, Missouri, New York or Texas are authorized or obligated by Law to be closed.

“Calculation Agent” means the party designated as such by the Issuer from time to time, with the written consent of the Required Noteholders; initially, the Administrator. The compensation payable to the Administrator for the services performed by the Calculation Agent hereunder shall be included in the Administration Fee.

“Capitalized Lease” of a Person means any lease of property by such Person as lessee which would be capitalized on a balance sheet of such Person prepared in accordance with GAAP.

“Cash Equivalents” means (a) securities with maturities of one hundred twenty (120) days or less from the date of acquisition issued or fully guaranteed or insured by the United States government or any agency thereof, (b) certificates of deposit and eurodollar time deposits with maturities of one hundred twenty (120) days or less from the date of acquisition and overnight bank deposits of any commercial bank having capital and surplus in excess of \$500,000,000, (c) repurchase obligations of any commercial bank satisfying the requirements of clause (b) of this definition, having a term of not more than seven (7) days with respect to securities issued or fully guaranteed or insured by the United States government, (d) commercial paper of a domestic issuer rated at least A-1 or the equivalent thereof by Standard and Poor’s or P-1 or the equivalent thereof by Moody’s and in either case maturing within ninety (90) days after the day of acquisition, (e) securities with maturities of ninety (90) days or less from the date of acquisition issued or fully guaranteed by any state, commonwealth or territory of the United States, by any political subdivision or taxing authority of any such state, commonwealth or territory or by any foreign government, the securities of which state, commonwealth, territory, political subdivision, taxing authority or foreign government (as the case may be) are rated at least A by Standard & Poor’s or A by Moody’s, (f) securities with maturities of ninety (90) days or less from the date of acquisition backed by standby letters of credit issued by any commercial bank satisfying the requirements of clause (b) of this definition or, (g) shares of money market mutual or similar funds which invest exclusively in assets satisfying the requirements of clauses (a) through (f) of this definition.

“Certificateholder” means a Holder of a Certificate.

“Certificates” has the meaning specified in paragraph (a) of the Designation.

“Class A Additional Interest” has the meaning specified in Section 5.12(a).

“Class A Deficiency Amount” has the meaning specified in Section 5.12(a).

“Class A Monthly Interest” has the meaning specified in Section 5.12(a).

“Class A Note Rate” means, with respect to any Interest Period, a variable rate per annum equal to the sum of (i) the Benchmark applicable to such Interest Period (or if the Alternative Rate applies pursuant to Section 5.13, the Alternative Rate) plus (ii) the Applicable Margin.

“Class A Noteholder” means a Holder of a Class A Note.

“Class A Notes” has the meaning specified in paragraph (a) of the Designation.

“Clearing Agency” means an organization registered as a “clearing agency” pursuant to Section 17A of the Exchange Act or any successor provision thereto.

“Clearing Agency Participant” means a broker, dealer, bank, other financial institution or other Person for whom from time to time a Clearing Agency effects book-entry transfers and pledges of securities deposited with the Clearing Agency.

“Closing Date” means December 20, 2021.

“Code” means the Internal Revenue Code of 1986, as amended, and the rules and Treasury Regulations promulgated thereunder.

“Commission” means the U.S. Securities and Exchange Commission, and its successors.

“Consolidated Parent” means initially, Oportun Financial Corporation, a Delaware corporation, and any successor to Oportun Financial Corporation as the indirect or direct parent of Oportun, the financial statements of which are for financial reporting purposes consolidated with Oportun in accordance with GAAP, or if there is none, then Oportun.

“Contingent Liability” means any agreement, undertaking or arrangement by which any Person guarantees, endorses or otherwise becomes or is contingently liable upon (by direct or indirect agreement, contingent or otherwise, to provide funds for payment, to supply funds to, or otherwise to invest in, a debtor, or otherwise to assure a creditor against loss) the indebtedness, obligation or any other liability of any other Person (other than by endorsements of instruments in the course of collection), or guarantees the payment of dividends or other distributions upon the shares of any other Person. The amount of any Person’s obligation under any Contingent Liability shall (subject to any limitation set forth therein) be deemed to be the outstanding principal amount (or maximum outstanding principal amount, if larger) of the debt, obligation or other liability guaranteed thereby.

“Contractual Obligation” means, with respect to any Person, any provision of any security issued by that Person or of any indenture, mortgage, deed of trust, contract, undertaking, agreement or other instrument to which that Person is a party or by which it or any of its properties is bound or to which it or any of its properties is subject.

“Corporate Trust Office” means the principal office of the Indenture Trustee at which at any particular time its corporate trust business shall be administered, which office at the date of the execution of this Indenture is located at 1100 N. Market Street, Wilmington, DE 19890, Attention: Corporate Trust Administration.

“Corresponding Tenor” with respect to any Available Tenor means, as applicable, either a tenor (including overnight) or an interest payment period having approximately the same length (disregarding business day adjustment) as such Available Tenor.

“Credit Risk Retention Rules” means Regulation RR (17 C.F.R. Part 246), as such rule may be amended from time to time, and subject to such clarification and interpretation as have been provided by the Department of Treasury, the Federal Reserve System, the Federal Deposit Insurance Corporation, the Federal Housing Finance Agency, the Securities and Exchange Commission and the Department of Housing and Urban Development in the adopting release (79 F.R. 77601 et seq.) or by the staff of any such agency, or as may be provided by any such agency or its staff from time to time, in each case, as effective from time to time.

“Custody Account” means each of the First Priority Custody Account and the Second Priority Custody Account.

“Custody Agreement” means the Custody Agreement, dated as of December 20, 2021, between the Issuer and Wilmington Trust, National Association, as custodian, as amended, supplemented or otherwise modified from time to time.

“Daily Simple SOFR” means, for any day, SOFR, with the conventions for this rate (which may include a lookback) being established by the Required Noteholders in accordance with the conventions for this rate selected or recommended by the Relevant Governmental Body for determining “Daily Simple SOFR” for business loans; provided, that if the Required Noteholders decide that any such convention is not administratively feasible, then the Required Noteholders may establish another convention in their reasonable discretion.

“Default” means any occurrence that is, or with notice or lapse of time or both would become, an Event of Default, an Administrator Default or a Rapid Amortization Event.

“Definitive Notes” has the meaning specified in Section 2.16(i).

“Depository” means the Clearing Agency.

“Depository Agreement” means the agreement among the Issuer and the Clearing Agency.

“Determination Date” means the third Business Day prior to each Underlying Payment Date.

“Dollars” and the symbol “\$” mean the lawful currency of the United States.

“DTC” means The Depository Trust Company.

“Early Opt-in Election” means, if the then-current Benchmark is One-Month LIBOR, the occurrence of:

(1) a notification by the Required Noteholders or the Issuer to each of the other parties hereto that at least five currently outstanding dollar-denominated syndicated credit facilities at such time contain (as a result of amendment or as originally executed) a SOFR-based rate (including SOFR, a term SOFR or any other rate based upon SOFR) as a benchmark rate (and such syndicated credit facilities are identified in such notice and are publicly available for review), and

(2) the joint election by the Required Noteholders and the Issuer to trigger a fallback from One-Month LIBOR and the provision by the Issuer of written notice of such election to the Noteholders.

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended, and the rules and regulations promulgated thereunder.

“ERISA Affiliate” means, with respect to any Person, (i) any corporation which is a member of the same controlled group of corporations (within the meaning of Section 414(b) of the Code) as such Person; (ii) any trade or business (whether or not incorporated) under common control (within the meaning of Section 414(c) of the Code) with such Person; or (iii) any member of the same affiliated service group (within the meaning of Section 414(m) of the Code) as such Person.

“ERISA Event” means any of the following: (i) the failure to satisfy the minimum funding standard under Section 302 of ERISA or Section 412 of the Code with respect to any Pension Plan; (ii) the filing by the Pension Benefit Guaranty Corporation or a plan administrator of any notice relating to an intention to terminate any Pension Plan or Pension Plans or an event or condition which constitutes grounds under Section 4042 of ERISA for the termination of, or grounds to appoint a trustee to administer any Pension Plan; (iii) the complete withdrawal or partial withdrawal by any Person or any of its ERISA Affiliates from any Multiemployer Plan; (iv) any “reportable event” as defined in Section 4043 of ERISA or the regulations issued thereunder with respect to a Pension Plan (other than an event for which the 30-day notice period is waived), (v) the commencement of proceedings by the Pension Benefit Guaranty Corporation to terminate a Pension Plan or the treatment of a Pension Plan amendment as a termination under Section 4041 or 4041A of ERISA, or the termination of any Pension Plan (vi) the receipt by the Issuer, the Seller or any ERISA Affiliate of any notice concerning a determination that a Multiemployer Plan is, or is expected to be insolvent within the meaning of Title IV of ERISA; or (vii) the imposition of any liability under Title IV of ERISA, other than for Pension Benefit

Guaranty Corporation premiums due but not delinquent under Section 4007 of ERISA, upon any Person or any of its ERISA Affiliates with respect to a Pension Plan.

“Event of Bankruptcy” shall be deemed to have occurred with respect to a Person if:

(a) a Proceeding shall be commenced, without the application or consent of such Person, before any Governmental Authority, seeking the liquidation, reorganization, debt arrangement, dissolution, winding up, or composition or adjustment of debts of such Person, the appointment of a trustee, receiver, custodian, liquidator, assignee, sequestrator or the like for such Person or all or substantially all of its assets, or any similar action with respect to such Person under any Law relating to bankruptcy, insolvency, reorganization, winding up or composition or adjustment of debts, and in the case of any Person, such Proceeding shall continue undismissed, or unstayed and in effect, for a period of sixty (60) consecutive days; or an order for relief in respect of such Person shall be entered in an involuntary case under the federal bankruptcy Laws or other similar Laws now or hereafter in effect; or

(b) such Person shall (i) consent to the institution of (except as described in the proviso to clause (a) above) any Proceeding or petition described in clause (a) of this definition, or (ii) commence a voluntary Proceeding under any applicable bankruptcy, insolvency, reorganization, debt arrangement, dissolution or other similar Law now or hereafter in effect, or shall consent to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian, sequestrator (or other similar official) for such Person or for any substantial part of its property, or shall make any general assignment for the benefit of creditors, or shall fail to, or admit in writing its inability to, pay its debts generally as they become due, or, if a corporation or similar entity, its board of directors shall vote to implement any of the foregoing.

“Event of Default” has the meaning specified in Section 10.1.

“Exchange Act” means the Securities Exchange Act of 1934, as amended.

“FATCA” means the Foreign Account Tax Compliance Act provisions, sections 1471 through to 1474 of the Code (including any regulations or official interpretations issued with respect thereof or agreements thereunder and any amended or successor provisions).

“FATCA Withholding Tax” means any withholding or deduction required pursuant to FATCA.

“Federal Reserve Board” means the Board of Governors of the Federal Reserve System, or any entity succeeding to any of its principal functions.

“Fee Letter” shall mean that fee letter by and between Jefferies Funding LLC and the Issuer, dated December 20, 2021.

“Financial Covenants” means each of the Leverage Ratio Covenant, the Tangible Net Worth Covenant and the Liquidity Covenant.

“First Priority Custody Account” means the securities custody account separately established by the Issuer with Wilmington Trust, National Association pursuant to the Custody Agreement in which the Issuer maintains the percentage interest of each Underlying Certificate specified on Schedule 2 hereto.

“Fiscal Year” means any period of twelve consecutive calendar months ending on December 31.

“Fitch” means Fitch, Inc.

“Floor” means the benchmark rate floor, if any, provided in this Indenture initially (as of the execution of this Indenture, the modification, amendment or renewal of this Indenture or otherwise) with respect to One-Month LIBOR or Term SOFR.

“Flow-through Entity” has the meaning specified in Section 2.6(e)(iii).

“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, applied on a basis consistent with the most recent audited financial statements of Consolidated Parent before the Closing Date.

“Global Note” has the meaning specified in Section 2.19.

“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.

“Grant” means the Issuer’s grant of a Lien on the Trust Estate as set forth in the Granting Clause of this Indenture.

“Holder” means the Person in whose name a Note or Certificate is registered in the Register.

“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.

“Indenture” means this Indenture dated as of the Closing Date, between the Issuer and the Indenture Trustee, Securities Intermediary and Depository Bank, as amended, restated, modified or supplemented from time to time.

“Indenture Termination Date” has the meaning specified in Section 12.1.

“Indenture Trustee” means initially Wilmington Trust, National Association, acting in such capacity under this Indenture, and its successors and any corporation resulting from or surviving any consolidation or merger to which it or its successors may be a party and any successor trustee appointed in accordance with the provisions of this Indenture.

“Independent” means, when used with respect to any specified Person, that such Person (a) is in fact independent of the Issuer, any other obligor upon the Notes, the Seller and any Affiliate of any of the foregoing Persons, (b) does not have any direct financial interest or any material indirect financial interest in the Issuer, any such other obligor, the Seller or any Affiliate of any of the foregoing Persons and (c) is not connected with the Issuer, any such other obligor,

the Seller or any Affiliate of any of the foregoing Persons as an officer, employee, promoter, underwriter, trustee, partner, director or Person performing similar functions.

“Independent Certificate” means a certificate or opinion to be delivered to the Indenture Trustee under the circumstances described in, and otherwise complying with, the applicable requirements of Section 15.1, prepared by an Independent appraiser or other expert appointed by an Issuer Order and approved by the Indenture Trustee in the exercise of reasonable care, and such opinion or certificate shall state that the signer has read the definition of “Independent” in this Indenture and that the signer is Independent within the meaning thereof.

“Initial Purchaser” means Jefferies Funding LLC.

“Interest Period” means, with respect to any Payment Date, the period from and including the Payment Date immediately preceding such Payment Date (or, in the case of the first Payment Date, from and including the Closing Date) to but excluding such Payment Date.

“Investment Company Act” means the Investment Company Act of 1940, as amended.

“Investment Earnings” means all interest and earnings (net of losses and investment expenses) accrued on funds on deposit in the Trust Accounts.

“Issuer” has the meaning specified in the preamble of this Indenture.

“Issuer LLC Agreement” means the Amended and Restated Limited Liability Company Agreement of the Issuer, dated as of December 20, 2021, as further amended, supplemented or otherwise modified from time to time.

“Issuer Order” and “Issuer Request” means a written order or request signed in the name of the Issuer by any one of its Responsible Officers and delivered to the Indenture Trustee.

“Law” means any law (including common law), constitution, statute, treaty, regulation, rule, ordinance, order, injunction, writ, decree or award of any Governmental Authority.

“Legal Final Payment Date” means the latest Payment Date listed on the Amortization Schedule.

“Leverage Ratio” means, on any date of determination, the ratio of (i) Liabilities to (ii) Tangible Net Worth.

“Leverage Ratio Covenant” means that the Parent will have a maximum Leverage Ratio of 7.5:1.

“Liabilities” means, on any date of determination, the total liabilities which would appear on the balance sheet of the Parent and its Subsidiaries determined on a consolidated basis in accordance with GAAP.

“LIBOR” has the meaning assigned to such term in Section 5.12(b).

“LIBOR Determination Date” means, with respect to each Interest Period, the day that is two London Banking Days prior to the first day of such Interest Period.

“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

“Limited Guaranty” means the Limited Guaranty, dated as of December 20, 2021, between Oportun and the Indenture Trustee, as such agreement may be amended, supplemented or otherwise modified and in effect from time to time.

“Liquidity Covenant” means that the Seller will have a minimum liquidity of \$10,000,000, equal to unrestricted cash or Cash Equivalents.

“London Banking Day” means, for the purpose of determining One-Month LIBOR, any day that banking institutions in London, England are open for business other than a Saturday, Sunday or other day on which banking institutions in London, England trading in Dollar deposits in the London interbank market are authorized or obligated by law or executive order to be closed.

“Material Adverse Effect” means any event or condition which would have a material adverse effect on (i) the Underlying Certificates or Underlying Payments, (ii) the condition (financial or otherwise), businesses or properties of the Issuer or the Seller, (iii) the ability of the Issuer or the Seller to perform its respective obligations under the Transaction Documents or the ability of the Administrator to perform its obligations under the Administrative Services Agreement 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 December 31, 2021.

“Monthly Report” means a report substantially in the form attached as Exhibit D or in such other form as the Administrator may determine necessary or desirable (with prior consent of the Indenture Trustee); provided, however, that no such other agreed form shall serve to exclude information expressly required by this Indenture.

“Moody’s” means Moody’s Investors Service, Inc.

“Multiemployer Plan” means a “multiemployer plan” as defined in Section 4001(a)(3) of ERISA with respect to which the Seller, the Issuer or any of their respective ERISA Affiliates is making, is obligated to make, or has made or been obligated to make, contributions.

“Note Owner” means, with respect to a Book-Entry Note, the Person who is the beneficial owner of such Book-Entry Note, as reflected on the books of the Clearing Agency, or on the books of a Person maintaining an account with such Clearing Agency (directly or as an indirect participant, in accordance with the rules of such Clearing Agency).

“Note Principal Amount” means on any date of determination the then outstanding principal amount of the Notes.

“Note Purchase Agreement” means the agreement by and among the Initial Purchaser, Oportun and the Issuer, dated December 20, 2021, pursuant to which the Initial Purchaser agreed to purchase an interest in the Class A Notes from the Issuer, subject to the terms and conditions set forth therein, as amended, supplemented or otherwise modified from time to time.

“Note Rate” means the Class A Note Rate.

“Noteholder” means with respect to any Note, the holder of record of such Note.

“Notes” has the meaning specified in paragraph (a) of the Designation.

“NYFRB” means the Federal Reserve Bank of New York.

“NYFRB’s Website” means the website of the NYFRB at <http://www.newyorkfed.org>, or any successor source.

“Officer’s Certificate” means a certificate signed by any Responsible Officer of the Person providing the certificate.

“One-Month LIBOR” means, with respect to any day of determination, the composite London interbank offered rate for one-month Dollar deposits determined by the Calculation Agent for such day in accordance with the provisions of Section 5.13 (or if such day is not a London Banking Day, then the immediately preceding London Banking Day); provided that if One-Month LIBOR as so determined would be less than 0%, such rate shall be deemed to be 0% for the purposes of this Indenture.

“Opinion of Counsel” means one or more written opinions of counsel to the Issuer or the Seller who (except in the case of opinions regarding matters of organizational standing, power and authority, conflict with organizational documents, conflict with agreements other than Transaction Documents, qualification to do business, licensure and litigation or other Proceedings) shall be external counsel, satisfactory to the Indenture Trustee, which opinions shall comply with any applicable requirements of Section 15.1, and shall be in form and substance satisfactory to the Indenture Trustee, and shall be addressed to the Indenture Trustee. An Opinion of Counsel may, to the extent same is based on any factual matter, rely on an Officer’s Certificate as to the truth of such factual matter.

“Oportun” means Oportun, Inc., a Delaware corporation.

“Parent” means Oportun Financial Corporation.

“Paying Agent” means any paying agent appointed pursuant to Section 2.7 and shall initially be the Indenture Trustee.

“Payment Account” means the account established as such for the benefit of the Secured Parties pursuant to Section 5.3(c).

“Payment Date” means the second (2nd) Business Day immediately following each Underlying Payment Date, commencing on January 12, 2022.

“Pension Plan” means an “employee pension benefit plan” as described in Section 3(2) of ERISA (excluding a Multiemployer Plan) that is subject to Title IV of ERISA or Section 302 of ERISA or 412 of the Code, and in respect of which the Issuer, the Seller or any ERISA Affiliate thereof is, or at any time during the immediately preceding six (6) years was, an “employer” as defined in Section 3(5) of ERISA, or with respect to which the Issuer, the Seller or any of their respective ERISA Affiliates has any liability, contingent or otherwise.

“Perfection Representations” means the representations, warranties and covenants set forth in Schedule 3 attached hereto.

“Permitted Encumbrance” means (a) with respect to the Issuer, any item described in clause (i), (iv) or (vi) of the following, and (b) with respect to the Seller, any item described in clauses (i) through (vi) 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 Seller or the Indenture Trustee pursuant to the Transaction Documents;

(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 Noteholder or Certificateholder in any of the Trust Estate; and

(vi) any Lien created in favor of the Issuer or the Seller in connection with the purchase of the Underlying Certificates by the Issuer or the Seller and covering such Underlying Certificates.

“Permitted Investments” means book-entry securities, negotiable instruments or securities represented by instruments in bearer or registered form and that evidence:

(a) direct obligations of, and obligations fully guaranteed as to the full and timely payment by, the United States;

(b) demand deposits, time deposits or certificates of deposit of any depository institution or trust company incorporated under the Laws of the United States or any state thereof or the District of Columbia (or any domestic branch of a foreign bank) and subject to supervision and examination by federal or state banking or depository institution authorities (including depository receipts issued by any such institution or trust company as custodian with respect to any obligation referred to in clause (a) above or a portion of such obligation for the benefit of the holders of such depository receipts); provided that at the time of the investment or contractual commitment to invest therein (which shall be deemed to be made again each time funds are reinvested following each Payment Date), the commercial paper or other short-term senior unsecured debt obligations (other than such obligations the rating of which is based on the credit of a person other than such depository institution or trust company) of such depository institution

or trust company shall have a credit rating from a Rating Agency in the highest investment category granted thereby;

(c) commercial paper having, at the time of the investment or contractual commitment to invest therein, a rating from Fitch of “F2” or the equivalent thereof from Moody’s or Standard & Poor’s; or

(d) only to the extent permitted by Rule 3a-7 under the Investment Company Act, investments in money market funds having a rating from Fitch of “AA” or, to the extent not rated by Fitch, rated in the highest rating category by Moody’s, Standard & Poor’s or another Rating Agency.

Permitted Investments may be purchased by or through the Indenture Trustee or any of its Affiliates.

“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.

“Proceeding” means any suit in equity, action at law or other judicial or administrative proceeding.

“Purchase Agreement” means the Certificate Purchase Agreement, dated as of the Closing Date, among the Seller and the Issuer, as such agreement may be amended, supplemented or otherwise modified and in effect from time to time.

“QIB” has the meaning specified in Section 2.16(a)(i).

“Qualified Institution” means a depository institution or trust company:

(a) whose commercial paper, short-term unsecured debt obligations or other short-term deposits have a rating commonly regarded as “investment grade” by at least one Rating Agency, if the deposits are to be held in the account for 30 days or less, or

(b) whose long-term unsecured debt obligations have a rating commonly regarded as “investment grade” by at least one Rating Agency, if the deposits are to be held in the account more than 30 days.

“Rapid Amortization Event” has the meaning specified in Section 9.1.

“Rating Agency” means any nationally recognized statistical rating organization.

“Record Date” means, with respect to any Payment Date, the last Business Day of the preceding Monthly Period.

“Records” means all documents, books, records and other information in physical or electronic format (including, without limitation, computer programs, tapes, disks, punch cards, data processing software and related property and rights) maintained with respect to the Underlying Certificates.

“Redemption Date” means in the case of a redemption of the Notes, the Payment Date specified by Oportun or the Issuer pursuant to Section 14.1.

“Redemption Price” means an amount as set forth in Section 14.1(b) for the redemption of the Notes.

“Reference Time” with respect to any setting of the then-current Benchmark means (1) if such Benchmark is One-Month LIBOR, 11:00 a.m. (London time) on the day that is two London Banking Days preceding the date of such setting, and (2) if such Benchmark is not One-Month LIBOR, the time determined by the Required Noteholders in their reasonable discretion.

“Register” has the meaning specified in Section 2.6(a).

“Registered Certificates” has the meaning specified in Section 2.1.

“Registered Notes” has the meaning specified in Section 2.1.

“Relevant Governmental Body” means the Federal Reserve Board or the NYFRB, or a committee officially endorsed or convened by the Federal Reserve Board or the NYFRB, or any successor thereto.

“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 Class A Notes outstanding, voting together, representing in excess of 50% of the aggregate principal balance of the Class A Notes outstanding (or, if the Notes have been paid in full, the Required Certificateholders).

“Requirements of Law” means, as to any Person, the organizational documents of such Person and any Law applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

“Responsible Officer” means (i) with respect to any Person, the member, the Chairman, the President, the Controller, any Vice President, the Secretary, the Treasurer, or any other officer of such Person or of a direct or indirect managing member of such Person, who customarily performs functions similar to those performed by any of the above-designated officers and also, with respect to a particular matter any other officer to whom such matter is referred because of such officer’s knowledge of and familiarity with the particular subject and (ii) with respect to the Indenture Trustee, in any of its capacities hereunder, a Trust Officer.

“Restricted Global Notes” has the meaning specified in Section 2.16(a)(i).

“Retained Notes” means any Notes, or interests therein, beneficially owned by the Issuer or an entity which, for U.S. federal income tax purposes, is considered the same Person as the Issuer, until such time as such Notes are the subject of an opinion pursuant to Section 2.6(d) hereof.

“Rule 144A” has the meaning specified in Section 2.16(a)(i).

“Scheduled Note Principal Amount” means, for any Payment Date, the “Scheduled Note Principal Amount” specified therefor on the Amortization Schedule.

“Scheduled Principal Payment Amount” means, for any Payment Date, an amount equal to the excess of (a) the Note Principal Amount on such Payment Date over (b) the Scheduled Note Principal Amount for such Payment Date.

“Second Priority Custody Account” means the securities custody account separately established by the Issuer with Wilmington Trust, National Association pursuant to the Custody Agreement in which the Issuer maintains the percentage interest of each Underlying Certificate specified on Schedule 2 hereto.

“Secured Obligations” means (i) all principal and interest, at any time and from time to time, owing by the Issuer on the Notes (including any Note held by the Seller, 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.

“Secured Parties” has the meaning specified in the Granting Clause of this Indenture.

“Securities” has the meaning specified in paragraph (a) of the Designation.

“Securities Account” means each of (i) the Payment Account, (ii) the First Priority Custody Account, and (iii) the Second Priority Custody Account.

“Securities Act” means the Securities Act of 1933, as amended.

“Securities Intermediary” has the meaning specified in Section 5.3(e) and shall initially be Wilmington Trust, National Association, acting in such capacity under this Indenture.

“Seller” means Oportun.

“Similar Law” means applicable Law that is substantially similar to Section 406 of ERISA or Section 4975 of the Code.

“SOFR” means, with respect to any Business Day, a rate per annum equal to the secured overnight financing rate for such Business Day published by the SOFR Administrator on the SOFR Administrator’s Website on the immediately succeeding Business Day.

“SOFR Administrator” means the NYFRB (or a successor administrator of the secured overnight financing rate).

“SOFR Administrator’s Website” means the NYFRB’s website, currently at <http://www.newyorkfed.org>, or any successor source for the secured overnight financing rate identified as such by the SOFR Administrator from time to time.

“Solvent” means with respect to any Person that as of the date of determination both (A)(i) the then fair saleable value of the property of such Person is (y) greater than the total amount of liabilities (including Contingent Liabilities) of such Person and (z) not less than the amount that will be required to pay the probable liabilities on such Person’s then existing debts as they become absolute and matured considering all financing alternatives and potential asset sales reasonably available to such Person; (ii) such Person’s capital is not unreasonably small in relation to its business or any contemplated or undertaken transaction; and (iii) such Person does not intend to incur, or believe (nor should it reasonably believe) that it will incur, debts beyond its ability to pay such debts as they become due; and (B) such Person is “solvent” within the meaning given that term and similar terms under applicable Laws relating to fraudulent transfers and conveyances. For purposes of this definition, the amount of any Contingent Liability at any time shall be computed as the amount that, in light of all of the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability.

“Standard & Poor’s” means S&P Global Ratings.

“Subsidiary” of a Person means any other Person more than 50% of the outstanding voting interests of which shall at any time be owned or controlled, directly or indirectly, by such Person or by one or more other Subsidiaries of such Person or any similar business organization which is so owned or controlled.

“Supplement” means a supplement to this Indenture complying with the terms of Article 13 of this Indenture.

“Tangible Net Worth” means, on any date of determination, the total shareholders’ equity (including capital stock, additional paid-in capital and retained earnings after deducting treasury stock) which would appear on the balance sheet of the Parent and its Subsidiaries determined on a consolidated basis in accordance with GAAP, less the sum of (a) all notes receivable from officers and employees of the Parent and its Subsidiaries and from affiliates of the Parent, and (b) the aggregate book value of all assets which would be classified as intangible assets under GAAP, including, without limitation, goodwill, patents, trademarks, trade names, copyrights, and franchises.

“Tangible Net Worth Covenant” means that the Parent will have a minimum Tangible Net Worth of \$100,000,000.

“Tax Information” means information and/or properly completed and signed tax certifications and/or documentation sufficient to eliminate the imposition of or to determine the amount of any withholding of tax, including FATCA Withholding Tax.

“Tax Opinion” means with respect to any action or event, an Opinion of Counsel to the effect that, for United States federal income tax purposes, (a) such action or event will not adversely affect the tax characterization of the Notes issued to investors as debt, and (b) such action or event will not cause the Issuer to be classified as an association or publicly traded partnership, in each case, taxable as a corporation.

“Term SOFR” means, for the applicable Corresponding Tenor as of the applicable Reference Time, the forward-looking term rate based on SOFR that has been selected or recommended by the Relevant Governmental Body; provided that if Term SOFR as so determined would be less than 0%, such rate shall be deemed to be 0% for the purposes of this Indenture.

“Term SOFR Notice” means a notification by the Required Noteholders to the Noteholders and the Issuer of the occurrence of a Term SOFR Transition Event.

“Term SOFR Transition Event” means the determination by the Required Noteholders that (a) Term SOFR has been recommended for use by the Relevant Governmental Body, (b) the administration of Term SOFR is administratively feasible and (c) a Benchmark Transition Event or an Early Opt-in Election, as applicable, has previously occurred resulting in a Benchmark Replacement in accordance with Section 5.13 that is not Term SOFR. For the avoidance of doubt, the Required Noteholders shall not be required to deliver a Term SOFR Notice after a Term SOFR Transition Event and may do so in their sole discretion.

“Termination Date” means the earliest to occur of (a) the Payment Date on which the Notes, plus all other amounts due and owing to the Noteholders, are paid in full, (b) the Legal Final Payment Date and (c) the Indenture Termination Date.

“Three-Month Average Underlying Loss Percentage” means, for any Payment Date, the weighted average of the Underlying Monthly Loss Percentages over the previous three (3) Monthly Periods for all Underlying Certificates that were outstanding during such Monthly Periods.

“Transaction Documents” means, collectively, this Indenture, the Notes, the Purchase Agreement, the Note Purchase Agreement, the Limited Guaranty, the Administrative Services Agreement, the Custody Agreement and any agreements of the Issuer relating to the issuance or the purchase of any of the Notes.

“Transfer” has the meaning specified in Section 2.6(e).

“Transfer Agent and Registrar” has the meaning specified in Section 2.6 and shall initially, and so long as Wilmington Trust, National Association is acting as Indenture Trustee, be the Indenture Trustee.

“Trust Account” has the meaning specified in the Granting Clause to this Indenture, which accounts are under the sole dominion and control of the Indenture Trustee.

“Trust Estate” has the meaning specified in the Granting Clause of this Indenture.

“Trust Officer” means any officer within the Corporate Trust Office (or any successor group of the Indenture Trustee), including any Vice President, any Director, any Managing Director, any Assistant Vice President or any other officer of the Indenture Trustee customarily performing functions similar to those performed by any individual who at the time shall be an above-designated officer and is directly responsible for the day-to-day administration of the transactions contemplated herein.

“Trustee Fees and Expenses” means, for any Payment Date, the amount of accrued and unpaid fees, indemnity amounts and reasonable out-of-pocket expenses, not in excess of \$150,000 per calendar year for the Indenture Trustee (including in its capacity as Agent), the Securities Intermediary and the Depository Bank (or, if an Event of Default or other Rapid Amortization Event has occurred and is continuing, without limit).

“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.

“Unadjusted Benchmark Replacement” means the applicable Benchmark Replacement excluding the related Benchmark Replacement Adjustment.

“Underlying Certificates” means, collectively, the 2019-A Certificates, the 2021-A Certificates, the 2021-B Certificates and the 2021-C Certificates.

“Underlying Indenture” means the 2019-A Indenture, the 2021-A Indenture, the 2021-B Indenture or the 2021-C Indenture, as applicable.

“Underlying Issuer” means the 2019-A Issuer, the 2021-A Issuer, the 2021-B Issuer or the 2021-C Issuer, as applicable.

“Underlying Monthly Loss Percentage” means, for any Underlying Issuer, the “Monthly Loss Percentage” as defined in the applicable Underlying Indenture.

“Underlying Payment Date” means with respect to any Underlying Certificate, means the eighth (8th) day of each calendar month, or if such eighth (8th) day is not a Business Day, the next succeeding Business Day.

“Underlying Payments” means, with respect to any Underlying Certificates, any payments or distributions made in respect of such Underlying Certificates in accordance with the applicable Underlying Transaction Documents.

“Underlying Transaction Documents” means the 2019-A Transaction Documents, the 2021-A Transaction Documents, the 2021-B Transaction Documents or the 2021-C Transaction Documents, as applicable.

“U.S.” or “United States” means the United States of America and its territories.

“written” or “in writing” means any form of written communication, including, without limitation, by means of e-mail, telex or telecopier device.

Section 1.2. [Reserved].

Section 1.3. Cross-References. Unless otherwise specified, references in this Indenture and in each other Transaction Document to any Article or Section are references to such Article or Section of this Indenture or such other Transaction Document, as the case may be, and, unless otherwise specified, references in any Article, Section or definition to any clause are references to such clause of such Article, Section or definition.

Section 1.4. Accounting and Financial Determinations; No Duplication. Where the character or amount of any asset or liability or item of income or expense is required to be determined, or any accounting computation is required to be made, for the purpose of this Indenture, such determination or calculation shall be made, to the extent applicable and except as otherwise specified in this Indenture, in accordance with GAAP. When used herein, the term “financial statement” shall include the notes and schedules thereto. All accounting determinations and computations hereunder or under any other Transaction Documents shall be made without duplication.

Section 1.5. Rules of Construction. In this Indenture, unless the context otherwise requires:

- (i) “or” is not exclusive;
- (ii) the singular includes the plural and vice versa;
- (iii) reference to any Person includes such Person’s successors and assigns but, if applicable, only if such successors and assigns are permitted by this Indenture, and reference to any Person in a particular capacity only refers to such Person in such capacity;
- (iv) reference to any gender includes the other gender;
- (v) reference to any Requirement of Law means such Requirement of Law as amended, modified, codified or reenacted, in whole or in part, and in effect from time to time;
- (vi) “including” (and with correlative meaning “include”) means including without limiting the generality of any description preceding such term; and

(vii) with respect to the determination of any period of time, “from” means “from and including” and “to” means “to but excluding.”

Section 1.6. Other Definitional Provisions.

(a) All terms defined in this Indenture shall have the defined meanings when used in any certificate or other document made or delivered pursuant hereto unless otherwise defined therein. Capitalized terms used but not defined herein shall have the respective meaning given to such term in the Servicing Agreement.

(b) The words “hereof,” “herein” and “hereunder” and words of similar import when used in this Indenture shall refer to this Indenture as a whole and not to any particular provision of this Indenture; and Section, subsection, Schedule and Exhibit references contained in this Indenture are references to Sections, subsections, Schedules and Exhibits in or to this Indenture unless otherwise specified.

(c) Terms used herein that are defined in the New York Uniform Commercial Code and not otherwise defined herein shall have the meanings set forth in the New York Uniform Commercial Code, unless the context requires otherwise. Any reference herein to a “beneficial interest” in a security also shall mean, unless the context requires otherwise, a security entitlement with respect to such security, and any reference herein to a “beneficial owner” or “beneficial holder” of a security also shall mean, unless the context requires otherwise, the holder of a security entitlement with respect to such security. Any reference herein to money or other property that is to be deposited in or is on deposit in a securities account shall also mean that such money or other property is to be credited to, or is credited to, such securities account.

ARTICLE 2.

THE SECURITIES

Section 1.1. Designation and Terms of Securities. Subject to Sections 2.16 and 2.19, the Notes shall be issued in fully registered form (the “Registered Notes”), the Certificates shall be issued in definitive, fully registered form (the “Registered Certificates”), and Registered Notes and Registered Certificates shall be substantially in the form of exhibits with respect thereto attached hereto, with such appropriate insertions, omissions, substitutions and other variations as are required or permitted by this Indenture and may have such letters, numbers or other marks of identification and such restrictions, legends or endorsements placed thereon and shall bear, upon their face, the designation for such series to which they belong so selected by the Issuer, all as determined by the Responsible Officers executing such Securities, as evidenced by their execution of the Securities. Any portion of the text of any Security may be set forth on the reverse thereof, with an appropriate reference thereto on the face of the Security.

Section 1.2. [Reserved].

Section 1.3. [Reserved].

Section 1.4. Execution and Authentication.

(a) Each Security shall be executed by manual or facsimile signature by the Issuer. Securities bearing the manual or facsimile signature of the individual who was, at the time when such signature was affixed, authorized to sign on behalf of the Issuer shall not be rendered invalid, notwithstanding that such individual has ceased to be so authorized prior to the authentication and delivery of such Securities or does not hold such office at the date of such

Securities. No Securities shall be entitled to any benefit under this Indenture, or be valid for any purpose, unless there appears on such Security a certificate of authentication substantially in the form provided for herein, duly executed by or on behalf of the Indenture Trustee by the manual signature of a duly authorized signatory, and such certificate upon any Security shall be conclusive evidence, and the only evidence, that such Security has been duly authenticated and delivered hereunder.

(b) The Issuer shall execute and the Indenture Trustee shall authenticate and deliver the Securities having the terms specified herein, upon the receipt of an Issuer Order, to the purchasers thereof, the underwriters for sale or to the Issuer for initial retention by it. The Issuer shall execute and the Indenture Trustee shall authenticate and deliver each Global Note that is issued upon original issuance thereof, upon the receipt of an Issuer Order against payment of the purchase price therefor. The Issuer shall execute and the Indenture Trustee shall authenticate Book-Entry Notes that are issued upon original issuance thereof, upon the receipt of an Issuer Order, to a Clearing Agency or its nominee as provided in Section 2.16 against payment of the purchase price thereof.

(c) All Securities shall be dated and issued as of the date of their authentication.

Section 1.5. Authenticating Agent.

(a) The Indenture Trustee may appoint one or more authenticating agents with respect to the Securities which shall be authorized to act on behalf of the Indenture Trustee in authenticating the Securities in connection with the issuance, delivery, registration of transfer, exchange or repayment of the Securities. Whenever reference is made in this Indenture to the authentication of Securities by the Indenture Trustee or the Indenture Trustee's certificate of authentication, such reference shall be deemed to include authentication on behalf of the Indenture Trustee by an authenticating agent and a certificate of authentication executed on behalf of the Indenture Trustee by an authenticating agent. Each authenticating agent must be acceptable to the Issuer.

(b) Any institution succeeding to the corporate agency business of an authenticating agent shall continue to be an authenticating agent without the execution or filing of any paper or any further act on the part of the Indenture Trustee or such authenticating agent.

(c) An authenticating agent may at any time resign by giving written notice of resignation to the Indenture Trustee and to the Issuer. The Indenture Trustee may at any time terminate the agency of an authenticating agent by giving notice of termination to such authenticating agent and to the Issuer. Upon receiving such a notice of resignation or upon such a termination, or in case at any time an authenticating agent shall cease to be acceptable to the Indenture Trustee or the Issuer, the Indenture Trustee promptly may appoint a successor authenticating agent. Any successor authenticating agent upon acceptance of its appointment hereunder shall become vested with all the rights, powers and duties of its predecessor hereunder, with like effect as if originally named as an authenticating agent.

(d) The Issuer agrees to pay each authenticating agent from time to time reasonable compensation for its services under this Section 2.5.

(e) Pursuant to an appointment made under this Section 2.5, the Securities may have endorsed thereon, in lieu of the Indenture Trustee's certificate of authentication, an alternate certificate of authentication in substantially the following form:

This is one of the [notes/certificates] described in the Indenture.

[Name of Authenticating Agent],

as Authenticating Agent
for the Indenture Trustee,

By: _____
Responsible Officer

Section 1.6. Registration of Transfer and Exchange of Securities.

(a) The Indenture Trustee shall cause to be kept at the office or agency to be maintained by a transfer agent and registrar (the “Transfer Agent and Registrar”), in accordance with the provisions of Section 2.6(c), a register (the “Register”) in which, subject to such reasonable regulations as it may prescribe, the Transfer Agent and Registrar shall provide for the registration of the Securities and registrations of transfers and exchanges of the Securities as herein provided. The Indenture Trustee is hereby initially appointed Transfer Agent and Registrar for the purposes of registering the Securities and transfers and exchanges of the Securities as herein provided. If a Person other than the Indenture Trustee is appointed by the Issuer as Transfer Agent and Registrar, the Issuer will give the Indenture Trustee prompt written notice of the appointment of such Transfer Agent and Registrar and of the location, and any change in the location, of the Register, and the Indenture Trustee shall have the right to inspect the Register at all reasonable times and to obtain copies thereof, and the Indenture Trustee shall have the right to rely upon a certificate executed on behalf of the Transfer Agent and Registrar by a Responsible Officer thereof as to the names and addresses of the Holders of the Securities and the principal amounts or par values and number of such Securities. If any form of Note is issued as a Global Note, the Indenture Trustee may appoint a co-transfer agent and co-registrar in a European city. Any reference in this Indenture to the Transfer Agent and Registrar shall include any co-transfer agent and co-registrar unless the context otherwise requires. The Indenture Trustee shall be permitted to resign as Transfer Agent and Registrar upon thirty (30) days’ written notice to Administrator and the Issuer. In the event that the Indenture Trustee shall no longer be the Transfer Agent and Registrar, the Issuer shall appoint a successor Transfer Agent and Registrar.

(ii) Upon surrender for registration of transfer of any Security at any office or agency of the Transfer Agent and Registrar, if the requirements of Section 8-401(a) of the UCC are met, the Issuer shall execute, subject to the provisions of Section 2.6(b), and the Indenture Trustee shall authenticate and (unless the Transfer Agent and Registrar is different than the Indenture Trustee, in which case the Transfer Agent and Registrar shall) deliver and the Noteholder shall obtain from the Indenture Trustee, in the name of the designated transferee or transferees, one or more new Securities in authorized denominations of like aggregate principal amount or aggregate par value, as applicable.

(iii) All Securities issued upon any registration of transfer or exchange of Securities shall be valid obligations of the Issuer, evidencing the same debt, and entitled to the same benefits under this Indenture, as the Securities surrendered upon such registration of transfer or exchange.

(iv) At the option of any Holder of Registered Notes, Registered Notes may be exchanged for other Registered Notes in authorized denominations of like aggregate

principal amounts or aggregate par values in the manner specified herein, upon surrender of the Registered Notes to be exchanged at any office or agency of the Transfer Agent and Registrar maintained for such purpose. At the option of any Holder of Registered Certificates, Registered Certificates may be exchanged for other Registered Certificates of like percentage interests in the manner specified herein, upon surrender of the Registered Certificates to be exchanged at any office or agency of the Transfer Agent and Registrar maintained for such purpose.

(v) Whenever any Securities are so surrendered for exchange, if the requirements of Section 8-401(a) of the UCC are met, the Issuer shall execute and the Indenture Trustee shall authenticate and (unless the Transfer Agent and Registrar is different than the Indenture Trustee, in which case the Transfer Agent and Registrar shall) deliver and the Noteholders shall obtain from the Indenture Trustee, the Securities that the Noteholder making the exchange is entitled to receive. Every Security presented or surrendered for registration of transfer or exchange shall be accompanied by a written instrument of transfer in a form satisfactory to the Issuer duly executed by the Noteholder thereof or its attorney-in-fact duly authorized in writing.

(vi) The preceding provisions of this Section 2.6 notwithstanding, the Indenture Trustee or the Transfer Agent and Registrar, as the case may be, shall not be required to register the exchange of any Global Note for a Definitive Note or the transfer of or exchange any Security for a period of five (5) Business Days preceding the due date for any payment with respect to the Securities or during the period beginning on any Record Date and ending on the next following Payment Date.

(vii) No service charge shall be made for any registration of transfer or exchange of Securities, but the Transfer Agent and Registrar may require payment of a sum sufficient to cover any tax or governmental charge that may be imposed in connection with any transfer or exchange of Securities.

(viii) All Securities surrendered for registration of transfer and exchange shall be cancelled by the Transfer Agent and Registrar and disposed of. The Indenture Trustee shall cancel and destroy any Global Note upon its exchange in full for Definitive Notes and shall deliver a certificate of destruction to the Issuer. Such certificate shall also state that a certificate or certificates of each Clearing Agency to the effect referred to in Section 2.19 was received with respect to each portion of the Global Note exchanged for Definitive Notes.

(ix) Upon written request, the Issuer shall deliver to the Indenture Trustee or the Transfer Agent and Registrar, as applicable, Registered Notes and Registered Certificates in such amounts and at such times as are necessary to enable the Indenture Trustee to fulfill its responsibilities under this Indenture and the Securities.

(x) [Reserved].

(xi) Notwithstanding any other provision of this Section 2.6, the typewritten Note or Notes representing Book-Entry Notes may be transferred, in whole but not in part, only to another nominee of the Clearing Agency for such Notes, or to a successor Clearing Agency for such Notes selected or approved by the Issuer or to a nominee of such successor Clearing Agency, only if in accordance with this Section 2.6.

(xii) By its acceptance of a Class A Note, each Noteholder and Note Owner shall be deemed to have represented and warranted that, with respect to the Class A 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 Class A 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, 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, have been characterized as other than indebtedness for applicable local law purposes or are rated below investment grade.

(b) Registration of transfer of Registered Notes containing a legend relating to the restrictions on transfer of such Registered Notes (which legend is set forth in Section 2.16(d) of this Indenture relating to such Notes) shall be effected only if the conditions set forth in Section 2.6 have been satisfied.

Whenever a Registered Note containing the legend set forth in Section 2.16(d) is presented to the Transfer Agent and Registrar for registration of transfer, the Transfer Agent and Registrar shall promptly seek instructions from the Issuer regarding such transfer. The Transfer Agent and Registrar and the Indenture Trustee shall be entitled to receive written instructions signed by a Responsible Officer of the Issuer prior to registering any such transfer or authenticating new Registered Notes, as the case may be. The Issuer hereby agrees to indemnify the Transfer Agent and Registrar and the Indenture Trustee and to hold each of them harmless against any loss, liability or expense incurred without negligence or willful misconduct on their part arising out of or in connection with actions taken or omitted by them in reliance on any such written instructions furnished pursuant to this Section 2.6(b).

(c) The Transfer Agent and Registrar will maintain an office or offices or an agency or agencies where Securities may be surrendered for registration of transfer or exchange.

(d) Any Retained Notes may not be transferred to another Person for United States federal income tax purposes unless the transferor shall cause an Opinion of Counsel to be delivered to the Seller and the Trustee at such time stating that, although not free from doubt, such Notes will be characterized as debt for United States federal income tax purposes. In addition, if for tax or other reasons it may be necessary to track such Notes (e.g., if the Notes have original issue discount), tracking conditions such as requiring that such Notes be in definitive registered form may be required by the Issuer as a condition to such transfer.

(e) Notwithstanding anything to the contrary in this Indenture, no interest in the Certificates may be directly or indirectly sold, transferred, assigned, exchanged, participated or otherwise conveyed, pledged, hypothecated or rehypothecated or made the subject of a security interest (each such transaction for purposes of this Section 2.6(e), a “Transfer”) except to a Person who is a “United States person” for United States federal income tax purposes and only upon the prior delivery of a Tax Opinion to the Indenture Trustee with respect to such Transfer, and any Transfer in violation of these requirements shall be null and void ab initio.

Section 1.7. Appointment of Paying Agent

(a) The Paying Agent shall make payments to the Secured Parties from the appropriate account or accounts maintained for the benefit of the Secured Parties as specified in this Indenture pursuant to Articles 5 and 6. Any Paying Agent shall have the revocable power to withdraw funds from such appropriate account or accounts for the purpose of making distributions referred to above. The Indenture Trustee (or the Issuer or Oportun if the Indenture Trustee is the Paying Agent) may revoke such power and remove the Paying Agent, if the Paying Agent fails to perform its obligations under this Indenture in any material respect or for other good cause. The Paying Agent shall initially be the Indenture Trustee. The Indenture Trustee shall be permitted to resign as Paying Agent upon thirty (30) days' written notice to the Issuer with a copy to Oportun. In the event that the Indenture Trustee shall no longer be the Paying Agent, the Issuer or Oportun shall appoint a successor to act as Paying Agent (which shall be a bank or trust company).

(b) The Issuer shall cause each Paying Agent (other than the Indenture Trustee) to execute and deliver to the Indenture Trustee an instrument in which such Paying Agent shall agree with the Indenture Trustee that such Paying Agent will hold all sums, if any, held by it for payment to the Secured Parties in trust for the benefit of the Secured Parties entitled thereto until such sums shall be paid to such Secured Parties and shall agree, and if the Indenture Trustee is the Paying Agent it hereby agrees, that it shall comply with all requirements of the Code regarding the withholding of payments in respect of federal income taxes due from Note Owners or other Secured Parties (including in respect of FATCA and any applicable tax reporting requirements).

Section 1.8. Paying Agent to Hold Money in Trust

(a) The Issuer will cause each Paying Agent other than the Indenture Trustee to execute and deliver to the Indenture Trustee an instrument in which such Paying Agent shall agree with the Indenture Trustee (and if the Indenture Trustee acts as Paying Agent, it hereby so agrees), subject to the provisions of this Section, that such Paying Agent will:

(i) hold all sums held by it for the payment of amounts due with respect to the Secured Obligations in trust for the benefit of the Persons entitled thereto until such sums shall be paid to such Persons or otherwise disposed of as provided herein and pay such sums to such Persons as provided herein;

(ii) give the Indenture Trustee written notice of any default by the Issuer (or any other obligor under the Secured Obligations) of which it (or, in the case of the Indenture Trustee, a Trust Officer) has actual knowledge in the making of any payment required to be made with respect to the Securities;

(iii) at any time during the continuance of any such default, upon the written request of the Indenture Trustee, forthwith pay to the Indenture Trustee all sums so held in trust by such Paying Agent;

(iv) immediately resign as a Paying Agent and forthwith pay to the Indenture Trustee all sums held by it in trust for the payment of the Secured Obligations if at any time it ceases to meet the standards required to be met by an Indenture Trustee hereunder; and

(v) comply with all requirements of the Code with respect to the withholding from any payments made by it on any Secured Obligations of any applicable withholding taxes imposed thereon, including FATCA Withholding Tax (including

obtaining and retaining from Persons entitled to payments with respect to the Securities any Tax Information and making any withholdings with respect to the Securities as required by the Code (including FATCA) and paying over such withheld amounts to the appropriate Governmental Authority), comply with respect to any applicable reporting requirements in connection with any payments made by it on any Secured Obligations and any withholding of taxes therefrom, and, upon request, provide any Tax Information to the Issuer.

(b) The Issuer may at any time, for the purpose of obtaining the satisfaction and discharge of this Indenture or for any other purpose, cause to be delivered an Issuer Order directing any Paying Agent to pay to the Indenture Trustee all sums held in trust by such Paying Agent, such sums to be held by the Indenture Trustee upon the same trusts as those upon which the sums were held by such Paying Agent; and upon such payment by any Paying Agent to the Indenture Trustee, such Paying Agent shall be released from all further liability with respect to such money.

(c) Subject to applicable Laws with respect to escheat of funds, any money held by the Indenture Trustee, any Paying Agent or any Clearing Agency in trust for the payment of any amount due with respect to any Secured Obligation and remaining unclaimed for two years after such amount has become due and payable shall be discharged from such trust and be paid to the Issuer on Issuer Order; and the holder of such Secured Obligation shall thereafter, as an unsecured general creditor, look only to the Issuer for payment thereof (but only to the extent of the amounts so paid to the Issuer), and all liability of the Indenture Trustee, such Paying Agent or such Clearing Agency with respect to such trust money shall thereupon cease; provided, however, that the Indenture Trustee, such Paying Agent or such Clearing Agency, before being required to make any such repayment, may at the expense of the Issuer cause to be published once, in a newspaper published in the English language, customarily published on each Business Day and of general circulation in New York City and, if the related Notes have been listed on the Luxembourg Stock Exchange, and if the Luxembourg Stock Exchange so requires, in a newspaper customarily published on each Luxembourg business day and of general circulation in Luxembourg City, Luxembourg, notice that such money remains unclaimed and that, after a date specified therein, which shall not be less than thirty (30) days from the date of such publication, any unclaimed balance of such money then remaining will be repaid to the Issuer. The Indenture Trustee may also adopt and employ, at the expense of the Issuer, any other reasonable means of notification of such repayment.

Section 1.9. Private Placement Legend.

(a) In addition to any legend required by Section 2.16, each Class A Note shall bear a legend in substantially the following form:

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.

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.

(b) Each Certificate shall bear a legend in substantially the following form:

THIS CERTIFICATE 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 CERTIFICATE 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.

BY ACQUIRING THIS CERTIFICATE (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, 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.

Section 1.10. Mutilated, Destroyed, Lost or Stolen Securities.

(a) If (i) any mutilated Security is surrendered to the Transfer Agent and Registrar, or the Transfer Agent and Registrar receives evidence to its satisfaction of the destruction, loss or theft of any Security, and (ii) there is delivered to the Transfer Agent and Registrar, the Indenture Trustee, and the Issuer such security or indemnity as may, in their sole discretion, be required by them to hold the Transfer Agent and Registrar, the Indenture Trustee, and the Issuer harmless then, in the absence of written notice to the Indenture Trustee that such Security has been acquired by a protected purchaser, and provided that the requirements of Section 8-405 of the UCC (which generally permit the Issuer to impose reasonable requirements) are met, then the Issuer shall execute and the Indenture Trustee shall, upon receipt of an Issuer Order, authenticate and (unless the Transfer Agent and Registrar is different from the Indenture Trustee, in which case the Transfer Agent and Registrar shall) deliver (in compliance with applicable Law), in exchange for or in lieu of any such mutilated, destroyed, lost or stolen Security, a replacement Security of like tenor and aggregate principal balance or aggregate par value; provided, however, that if any such destroyed, lost or stolen Security, but not a mutilated Security, shall have become or within seven (7) days shall be due and payable or shall have been called for redemption, instead of issuing a replacement Security, the Issuer may pay such destroyed, lost or stolen Security when so due or payable without surrender thereof.

If, after the delivery of such replacement Security or payment of a destroyed, lost or stolen Security pursuant to the proviso to the preceding sentence, a protected purchaser of the original Security in lieu of which such replacement Security was issued presents for payment such original Security, the Issuer and the Indenture Trustee shall be entitled to recover such replacement Security (or such payment) from the Person to whom it was delivered or any Person taking such replacement Security from such Person to whom such replacement Security was delivered or any assignee of such Person, except a protected purchaser, and shall be entitled to recover upon the security or indemnity provided therefor to the extent of any loss, damage, cost or expense incurred by the Issuer or the Indenture Trustee in connection therewith.

(b) Upon the issuance of any replacement Security under this Section 2.10, the Transfer Agent and Registrar or the Indenture Trustee may require the payment by the Holder of such Security of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other reasonable expenses (including the fees and expenses of the Indenture Trustee and the Transfer Agent and Registrar) connected therewith.

(c) Every replacement Security issued pursuant to this Section 2.10 in replacement of any mutilated, destroyed, lost or stolen Security shall constitute an original additional Contractual Obligation of the Issuer, whether or not the mutilated, destroyed, lost or stolen Note shall be at any time enforceable by anyone and shall be entitled to all the benefits of this Indenture equally and proportionately with any and all other Security of like kind duly issued hereunder.

(d) The provisions of this Section 2.10 are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement or payment of mutilated, destroyed, lost or stolen Securities.

Section 1.11. Temporary Notes.

(a) Pending the preparation of Definitive Notes, the Issuer may request and the Indenture Trustee, upon receipt of an Issuer Order, shall authenticate and deliver temporary Notes. Temporary Notes shall be substantially in the form of Definitive Notes but may have variations that are not inconsistent with the terms of this Indenture as the officers executing such Notes may determine, as evidenced by their execution of such Notes.

(b) If temporary Notes are issued pursuant to Section 2.11(a) above, the Issuer will cause Definitive Notes to be prepared without unreasonable delay. After the preparation of Definitive Notes, the temporary Notes shall be exchangeable for Definitive Notes upon surrender of the temporary Notes at the office or agency of the Issuer to be maintained as provided in Section 8.2(b), without charge to the Noteholder. Upon surrender for cancellation of any one or more temporary Notes, the Issuer shall execute and at the request of the Issuer the Indenture Trustee shall authenticate and deliver in exchange therefor a like principal amount of Definitive Notes of authorized denominations. Until so exchanged, the temporary Notes shall in all respects be entitled to the same benefits under this Indenture as Definitive Notes.

Section 1.12. Persons Deemed Owners. Prior to due presentation of a Security for registration of transfer, the Issuer, the Indenture Trustee, the Paying Agent, the Transfer Agent and Registrar and any agent of any of them may treat a Person in whose name any Security is registered (as of any date of determination) as the owner of the related Security for the purpose of receiving payments of principal and interest, if any, on such Security and for all other purposes whatsoever whether or not such Security be overdue, and neither the Issuer, the Indenture Trustee, the Paying Agent, the Transfer Agent and Registrar nor any agent of any of them shall be affected by any notice to the contrary; provided, however, that in determining whether the requisite number of Holders of Securities have given any request, demand, authorization, direction, notice, consent or waiver hereunder, Securities owned by any of the Issuer, the Seller, the Parent or any Affiliate controlled by or controlling Oportun shall be disregarded and deemed not to be outstanding, except that, in determining whether the Indenture Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Securities which a Trust Officer in the Corporate Trust Office of the Indenture Trustee actually knows to be so owned shall be so disregarded. The foregoing proviso shall not apply if there are no Holders other than the Issuer or its Affiliates.

Section 1.13. Cancellation. All Securities surrendered for payment, registration of transfer, exchange or redemption shall, if surrendered to any Person other than the Indenture Trustee, be delivered to the Indenture Trustee and shall be promptly cancelled by the Indenture Trustee. The Issuer may at any time deliver to the Indenture Trustee for cancellation any Securities previously authenticated and delivered hereunder which the Issuer may have acquired in any manner whatsoever, and all Securities so delivered shall be promptly cancelled by the Indenture Trustee. No Securities shall be authenticated in lieu of or in exchange for any Securities cancelled as provided in this Section, except as expressly permitted by this Indenture. All cancelled Securities may be held or disposed of by the Indenture Trustee in accordance with its standard retention or disposal policy as in effect at the time unless the Issuer shall direct by an Issuer Order that they be destroyed or returned to it; provided that such Issuer Order is timely and the Securities have not been previously disposed of by the Indenture Trustee. The Registrar and Paying Agent shall forward to the Indenture Trustee any Securities surrendered to them for registration of transfer, exchange or payment.

Section 1.14. Release of Trust Estate. The Indenture Trustee shall (a) in connection any redemption of the Securities, release the Trust Estate from the Lien created by this Indenture upon receipt of an Officer's Certificate of the Issuer certifying that (i) the Redemption Price and all other amounts due and owing on the Redemption Date have been deposited into a Trust Account that is within the sole control of the Indenture Trustee, (ii) the distribution on the Certificates if and as required by Section 14.1(c) has been made in full, and (iii) such release is authorized and permitted under the Transaction Documents and (b) on or after the Indenture Termination Date, release any remaining portion of the Trust Estate from the Lien created by this Indenture, including any funds then on deposit in any Trust Account upon receipt of an Issuer Order accompanied by an Officer's Certificate of the Issuer meeting the applicable requirements of Section 15.1.

Section 1.15. Payment of Principal, Interest and Other Amounts.

(a) The principal of each of the Notes shall be payable at the times and in the amounts set forth in Section 5.15 and in accordance with Section 8.1.

(b) Each of the Notes shall accrue interest as provided in Section 5.12 and such interest shall be payable at the times and in the amounts set forth in Section 5.15 and in accordance with Section 8.1. The payments of amounts payable with respect to the Certificates shall be made at the times and in the amounts set forth in Section 5.15 and in accordance with Section 8.1.

(c) Any installment of interest, principal or other amounts, if any, payable on any Security which is punctually paid or duly provided for by the Issuer on the applicable Payment Date shall be paid to the Person in whose name such Security is registered at the close of business on any Record Date with respect to a Payment Date for such Security and such Person shall be entitled to receive the principal, interest or other amounts payable on such Payment Date notwithstanding the cancellation of such Security upon any registration of transfer, exchange or substitution of such Security subsequent to such Record Date, by wire transfer in immediately available funds to the account designated by the Holder of such Security, except that, unless Definitive Notes have been issued pursuant to Section 2.18, with respect to Notes registered on the Record Date in the name of the nominee of the Clearing Agency (initially, such nominee to be Cede & Co.), payment will be made by wire transfer in immediately available funds to the account designated by such nominee and except for the final installment of principal payable with respect to such Note on a Payment Date or on the Legal Final Payment Date (and except for the Redemption Price for any Note called for redemption pursuant to Section 14.1) which shall be payable as provided herein; except that, any interest payable at maturity shall be paid to the Person to whom the principal of such Note is payable. The funds represented by any such checks returned undelivered shall be held in accordance with Section 2.8.

Section 1.16. Book-Entry Notes.

(a) The Notes shall be delivered as Registered Notes representing Book-Entry Notes as provided in subsection (a)(i). For purposes of this Indenture, the term "Global Notes" refers to the Restricted Global Notes, as defined below.

(i) Restricted Global Notes. The Notes to be sold will be issued in book-entry form and represented by one permanent global Note in fully registered form without interest coupons (the "Restricted Global Notes"), substantially in the form attached hereto as Exhibit C, and will be either (x) retained by the Issuer or an Affiliate thereof or (y) offered and sold, only (1) by the Issuer to an institutional "accredited investor" within the meaning of Regulation D under the Securities Act in reliance on an exemption from the registration requirements of the Securities Act and (2) thereafter

only to a Person that is a qualified institutional buyer (“QIB”) as defined in Rule 144A under the Securities Act (“Rule 144A”) in accordance with subsection (c) hereof, and shall be deposited with a custodian for, and registered in the name of a nominee of DTC, duly executed by the Issuer and authenticated by the Indenture Trustee as provided in this Indenture for credit to the accounts of the subscribers at DTC. The initial principal amount of the Restricted Global Notes may from time to time be increased or decreased by adjustments made on the records of the custodian for DTC, DTC or its nominee, as the case may be, as hereinafter provided.

(b) The Class A Notes will be issuable and transferable in minimum denominations of \$100,000 and in integral multiples of \$1,000 in excess thereof.

(c) 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 Section 2.18 of this Indenture. Beneficial interests in the Global Notes may be transferred only (i) 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 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. Each transferee of a beneficial interest in a Global Note shall be deemed to have made the acknowledgments, representations and agreements set forth in subsection (d) hereof. Any such transfer shall also be made in accordance with the following provisions:

(i) Transfer of Interests Within a Global Note. Beneficial interests in a Global Note may be transferred to Persons who take delivery thereof in the form of a beneficial interest in the same Global Note in accordance with the transfer restrictions set forth in the foregoing paragraph of this subsection 2.16(c) and the transferee shall be deemed to have made the representations contained in subsection 2.16(d).

(d) Each transferee of a beneficial interest in a Global Note or of any Definitive Notes shall be deemed to have represented and agreed that:

(i) it (A) is a QIB, (B) is aware that the sale to it is being made in reliance on Rule 144A and (C) is acquiring the Notes for its own account or for the account of a QIB;

(ii) the Notes have not been and will not be registered under the Securities Act, and that, if in the future it decides to offer, resell, pledge or otherwise transfer such Notes, such 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 and it will notify any transferee of the resale restrictions set forth above;

(iii) the following legend will be placed on the Class A Notes 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.

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.

(iv) [Reserved].

(v) (A) in the case of Global Notes, the foregoing restrictions apply to holders of beneficial interests in such Notes (notwithstanding any limitations on such transfer restrictions in any agreement between the Issuer, the Indenture Trustee and the holder of a Global Note) as well as to Holders of such Notes and the transfer of any beneficial interest in such a Global Note will be subject to the restrictions and certification requirements set forth herein and (B) in the case of Definitive Notes, the transfer of any

such Notes will be subject to the restrictions and certification requirements set forth herein.

(vi) the Indenture Trustee, the Issuer, the Initial Purchasers or placement agents for the Notes and their Affiliates and others will rely upon the truth and accuracy of the foregoing representations and agreements and agrees that if any of the representations or agreements deemed to have been made by its purchase of such Notes cease to be accurate and complete, it will promptly notify the Issuer and the Initial Purchasers or placement agents for the Notes in writing;

(vii) if it is acquiring any 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; and

(viii) with respect to the Class A Notes, either (A) it is not a Benefit Plan Investor or a governmental or other plan subject to Similar Law, or (B) (1) 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 (2) it acknowledges and agrees that the Class A Notes, 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, have been characterized as other than indebtedness for applicable local law purposes or are rated below investment grade.

In addition, such transferee shall be responsible for providing additional information or certification, as reasonably requested by the Indenture Trustee or the Issuer, to support the truth and accuracy of the foregoing representations and agreements, it being understood that such additional information is not intended to create additional restrictions on the transfer of the Notes.

(e) For each of the Notes to be issued in registered form, the Issuer shall duly execute, and the Indenture Trustee shall, in accordance with Section 2.4 hereof, authenticate and deliver initially, one or more Global Notes that shall be registered on the Register in the name of a Clearing Agency or such Clearing Agency's nominee. Each Global Note registered in the name of DTC or its nominee shall bear a legend substantially to the following effect:

UNLESS THIS NOTE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY ("DTC"), A NEW YORK CORPORATION, TO OPORTUN RF, LLC OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY NOTE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. ("CEDE") OR SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT HEREON IS MADE TO CEDE OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL SINCE THE REGISTERED OWNER HEREOF, CEDE, HAS AN INTEREST HEREIN.

So long as the Clearing Agency or its nominee is the registered owner or holder of a Global Note, the Clearing Agency or its nominee, as the case may be, will be considered the sole owner or holder of the Notes represented by such Global Note for purposes of this Indenture and such Notes. Members of, or participants in, the Clearing Agency shall have no rights under this Indenture with respect to any Global Note held on their behalf by the Clearing Agency, and the

Clearing Agency may be treated by the Issuer, the Administrator, the Indenture Trustee, any Agent and any agent of such entities as the absolute owner of such Global Note for all purposes whatsoever. Notwithstanding the foregoing, nothing herein shall prevent the Issuer, the Administrator, the Indenture Trustee, any Agent and any agent of such entities from giving effect to any written certification, proxy or other authorization furnished by the Clearing Agency or impair, as between the Clearing Agency and its agent members, the operation of customary practices governing the exercise of the rights of a holder of any Note.

(f) [Reserved].

(g) Title to the Notes shall pass only by registration in the Register maintained by the Transfer Agent and Registrar pursuant to Section 2.6.

(h) Any typewritten Note or Notes representing Book-Entry Notes shall provide that they represent the aggregate or a specified amount of outstanding Notes from time to time endorsed thereon and may also provide that the aggregate amount of outstanding Notes represented thereby may from time to time be increased or reduced to reflect exchanges. Any endorsement of a typewritten Note or Notes representing Book-Entry Notes to reflect the amount, or any increase or decrease in the amount, or changes in the rights of Note Owners represented thereby, shall be made in such manner and by such Person or Persons as shall be specified therein or in the Issuer Order to be delivered to the Indenture Trustee pursuant to Section 2.4(b). The Indenture Trustee shall deliver and redeliver any typewritten Note or Notes representing Book-Entry Notes in the manner and upon instructions given by the Person or Persons specified therein or in the applicable Issuer Order. Any instructions by the Issuer with respect to endorsement or delivery or redelivery of a typewritten Note or Notes representing the Book-Entry Notes shall be in writing but need not comply with Section 13.3 hereof and need not be accompanied by an Opinion of Counsel.

(i) Unless and until definitive, fully registered Notes (“Definitive Notes”) have been issued to Note Owners initially issued as Book-Entry Notes pursuant to Section 2.18:

(i) the provisions of this Section 2.16 shall be in full force and effect with respect to each of the Notes;

(ii) the Issuer, the Seller the Paying Agent, the Transfer Agent and Registrar and the Indenture Trustee may deal with the Clearing Agency and the Clearing Agency Participants for all purposes of this Indenture (including the making of payments on the Notes and the giving of instructions or directions hereunder) as the authorized representatives of such Note Owners;

(iii) to the extent that the provisions of this Section 2.16 conflict with any other provisions of this Indenture, the provisions of this Section 2.16 shall control;

(iv) whenever this Indenture requires or permits actions to be taken based upon instructions or directions of Holders of such Notes evidencing a specified percentage of the outstanding principal amount of such Notes, the Clearing Agency shall be deemed to represent such percentage only to the extent that it has received instructions to such effect from Note Owners and/or their related Clearing Agency Participants owning or representing, respectively, such required percentage of the beneficial interest in such Notes and has delivered such instructions to the Indenture Trustee;

(v) the rights of Note Owners shall be exercised only through the Clearing Agency and their related Clearing Agency Participants and shall be limited to those established by Law and agreements between such Note Owners and the related Clearing

Agency and/or the Clearing Agency Participants. Pursuant to the Depository Agreement, unless and until Definitive Notes are issued pursuant to Section 2.18, the applicable Clearing Agencies or Foreign Clearing Agencies will make book-entry transfers among their related Clearing Agency Participants and receive and transmit payments of principal and interest on such Notes to such Clearing Agency Participants; and

(vi) Note Owners may receive copies of any reports sent to Noteholders pursuant to this Indenture, upon written request, together with a certification that they are Note Owners and payments of reproduction and postage expenses associated with the distribution of such reports, from the Indenture Trustee at the Corporate Trust Office.

Section 1.17. Notices to Clearing Agency. Whenever notice or other communication to the Noteholders is required under this Indenture, unless and until Definitive Notes shall have been issued to Note Owners pursuant to Section 2.18, the Indenture Trustee shall give all such notices and communications specified herein to be given to Holders of the Notes to the applicable Clearing Agency for distribution to the Holders of the Notes.

Section 1.18. Definitive Notes.

(a) Conditions for Exchange. If with respect to any of the Book-Entry Notes (i) (A) the Issuer advises the Indenture Trustee in writing that the Clearing Agency is no longer willing or able to discharge properly its responsibilities under the applicable Depository Agreement and (B) the Issuer is not able to locate a qualified successor, (ii) 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 the Clearing Agency with respect to any of the Notes or (iii) after the occurrence of an Event of Default, Note Owners representing beneficial interests aggregating not less than a majority of the portion of outstanding principal amount of the Notes advise the Indenture Trustee and the applicable Clearing Agency through the applicable Clearing Agency Participants in writing that the continuation of a book-entry system through the applicable Clearing Agency is no longer in the best interests of the Note Owners, the Indenture Trustee shall notify all Note Owners, through the applicable Clearing Agency Participants, of the occurrence of any such event and of the availability of Definitive Notes to Note Owners. Upon surrender to the Indenture Trustee of the typewritten Note or Notes representing the Book-Entry Notes by the applicable Clearing Agency, accompanied by registration instructions from the applicable Clearing Agency for registration, the Indenture Trustee shall issue the Definitive Notes. Neither the Issuer nor the Indenture Trustee shall be liable for any delay in delivery of such instructions and may conclusively rely on, and shall be protected in relying on, such instructions. Upon the issuance of Definitive Notes and upon the issuance of any Notes in definitive form in accordance with this Indenture, all references herein to obligations imposed upon or to be performed by the applicable Clearing Agency shall be deemed to be imposed upon and performed by the Indenture Trustee, to the extent applicable with respect to such Definitive Notes, and the Indenture Trustee shall recognize the Holders of the Definitive Notes as Noteholders hereunder.

(b) Transfer of Definitive Notes. Subject to the terms of this 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 Corporate Trust Office, such 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, if applicable, accompanied by a certificate substantially in the form of Exhibit B. 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 Holder 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, the Indenture Trustee shall recognize the Holders of the Definitive Notes as Noteholders.

Section 1.19. Global Note. As specified in Section 2.16, (i) the Notes may be initially issued in the form of a single temporary global note (the “Global Note”) in registered form, without interest coupons, in the denomination of the initial aggregate principal amount of the Notes, substantially in the form of Exhibit C. The provisions of this Section 2.19 shall apply to such Global Note. The Global Note will be authenticated by the Indenture Trustee upon the same conditions, in substantially the same manner and with the same effect as the Definitive Notes. The Global Note may be exchanged in the manner described herein.

Section 1.20. Tax Treatment. The Notes have been (or will be) issued with the intention that, the Notes will qualify under applicable tax Law as debt for U.S. federal income tax purposes and any entity acquiring any direct or indirect interest in any Note by acceptance of its Notes (or, in the case of a Note Owner, by virtue of such Note Owner’s acquisition of a beneficial interest therein) agrees to treat the Notes (or beneficial interests therein) for purposes of federal, state and local income and franchise taxes and any other tax imposed on or measured by income, as debt. Each Noteholder agrees that it will cause any Note Owner acquiring an interest in a Note through it to comply with this Indenture as to treatment as debt for such tax purposes. Notwithstanding the foregoing, to the extent the Issuer is treated as a partnership for federal, state or local income or franchise purposes and a Noteholder (or Note Owner, as applicable) is treated as a partner in such partnership, the Noteholders (and Note Owners, as applicable) agree that any tax, penalty, interest or other obligation imposed under the Code with respect to the income tax items arising from such partnership shall be the sole obligation of the Noteholder (or Note Owner, as applicable) to whom such items are allocated and not of such partnership.

Section 1.21. Duties of the Indenture Trustee and the Transfer Agent and Registrar. Notwithstanding anything contained herein to the contrary, neither the Indenture Trustee nor the Transfer Agent and Registrar shall be responsible for ascertaining whether any transfer of a Security complies with the terms of this Indenture, the registration provision of or exemptions from the Securities Act, applicable state securities Laws, ERISA or the Investment Company Act; provided that if a transfer certificate or opinion is specifically required by the express terms of this Indenture to be delivered to the Indenture Trustee or the Transfer Agent and Registrar in connection with a transfer, the Indenture Trustee or the Transfer Agent and Registrar, as the case may be, shall be under a duty to receive the same.

ARTICLE 3.

ISSUANCE OF SECURITIES; CERTAIN FEES AND EXPENSES

Section 1.1. Issuance.

(a) Subject to satisfaction of the conditions precedent set forth in subsection (b) of this Section 3.1, on the Closing Date, the Issuer will issue, (i) in accordance

with Section 2.16 hereof, the Class A Notes in the aggregate initial principal amount equal to \$116,000,000 and (ii) the Certificates constituting a subordinate residual interest in the Issuer..

(b) The Securities will be issued on the Closing Date pursuant to subsection (a) above, only upon satisfaction of each of the following conditions with respect to such initial issuance:

(i) the amount of each Class A Note shall be equal to or greater than \$100,000 (and in integral multiples of \$1,000 in excess thereof), and the percentage interest of each Certificate shall be equal to or greater than 5% (with no minimum incremental percentage interests in excess thereof);

(ii) such issuance and the application of the proceeds thereof shall not result in the occurrence of (1) an Administrator Default, a Rapid Amortization Event or an Event of Default, or (2) an event or occurrence, which, with the passing of time or the giving of notice thereof, or both, would become an Administrator Default, a Rapid Amortization Event or an Event of Default; and

(iii) all required consents have been obtained and all other conditions precedent to the purchase of the Notes under the Note Purchase Agreement shall have been satisfied.

(c) Upon receipt of the proceeds of such issuance by or on behalf of the Issuer, the Indenture Trustee shall, or shall cause the Transfer Agent and Registrar to, indicate in the Register the amount thereof.

(d) The Issuer shall not issue additional Securities.

Section 1.2. Certain Fees and Expenses. The Trustee Fees and Expenses, the Administration Fee and other fees, expenses and indemnity amounts owed to the Indenture Trustee, Securities Intermediary and Depository Bank, shall be paid by the cash flows from the Trust Estate and in no event shall the Indenture Trustee be liable therefor. The foregoing amounts shall be payable to the Indenture Trustee, Securities Intermediary and Depository Bank, as applicable, solely to the extent amounts are available for distribution in respect thereof pursuant to subsections 5.15(a)(i), (a)(ii) and (a)(viii), as applicable.

ARTICLE 4.

NOTEHOLDER LISTS AND REPORTS

Section 1.1. Issuer To Furnish To Indenture Trustee Names and Addresses of Noteholders and Certificateholders. The Issuer will furnish or cause the Transfer Agent and Registrar to furnish to the Indenture Trustee (a) not more than five (5) days after each Record Date a list, in such form as the Indenture Trustee may reasonably require, of the names and addresses of the Noteholders and Certificateholders as of such Record Date, (b) at such other times as the Indenture Trustee may request in writing, within thirty (30) days after receipt by the Issuer of any such request, a list of similar form and content as of a date not more than ten (10) days prior to the time such list is furnished; provided, however, that so long as the Indenture Trustee is the Transfer Agent and Registrar, no such list shall be required to be furnished. The Issuer will furnish or cause to be furnished by the Transfer Agent and Registrar to the Paying Agent (if not the Indenture Trustee) such list for payment of distributions to Noteholders and Certificateholders.

Section 1.2. Preservation of Information; Communications to Noteholders and Certificateholders.

(a) The Indenture Trustee shall preserve, in as current a form as is reasonably practicable, the names and addresses of the Noteholders and Certificateholders contained in the most recent list furnished to the Indenture Trustee as provided in Section 4.1 and the names and addresses of Noteholders and Certificateholders received by the Indenture Trustee in its capacity as Transfer Agent and Registrar. The Indenture Trustee may destroy any list furnished to it as provided in such Section 4.1 upon receipt of a new list so furnished.

(b) Noteholders and Certificateholders may communicate with other Noteholders and Certificateholders with respect to their rights under this Indenture or under the Securities. If holders of Securities evidencing in aggregate not less than (i) 20% of the outstanding principal balance of the Notes or (ii) a percentage interest in the Certificates of at least 15% (the "Applicants") apply in writing to the Indenture Trustee, and furnish to the Indenture Trustee reasonable proof that each such Applicant has owned a Security for a period of at least 6 months preceding the date of such application, and if such application states that the Applicants desire to communicate with other Noteholders or Certificateholders with respect to their rights under this Indenture or under the Securities and is accompanied by a copy of the communication which such Applicants propose to transmit, then the Indenture Trustee, after having been indemnified by such Applicants for its costs and expenses, shall within five (5) Business Days after the receipt of such application afford or shall cause the Transfer Agent and Registrar to afford such Applicants access during normal business hours to the most recent list of Noteholders and Certificateholders held by the Indenture Trustee and shall give the Issuer notice that such request has been made within five (5) Business Days after the receipt of such application. Such list shall be as of the most recent Record Date, but in no event more than forty-five (45) days prior to the date of receipt of such Applicants' request.

(c) Every Noteholder and Certificateholder, by receiving and holding a Security, agrees with the Issuer and the Indenture Trustee that neither the Issuer, the Indenture Trustee, the Transfer Agent and Registrar, nor any of their respective agents shall be held accountable by reason of the disclosure of any such information as to the names and addresses of the Noteholders and Certificateholders in accordance with this Section 4.2, regardless of the source from which such information was obtained.

Section 1.3. Reports by Issuer.

(a) The Issuer or the Administrator shall deliver to the Indenture Trustee, on the date, if any, the Issuer is required to file the same with the Commission, electronic copies of the annual reports and of the information, documents and other reports (or copies of such portions of any of the foregoing as the Commission may from time to time by rules and regulations prescribe) which the Issuer is required to file with the Commission pursuant to Section 13 or 15(d) of the Exchange Act;

(ii) the Issuer or the Administrator shall file with the Indenture Trustee and the Commission in accordance with rules and regulations prescribed from time to time by the Commission such additional information, documents and reports, if any, with respect to compliance by the Issuer with the conditions and covenants of this Indenture as may be required from time to time by such rules and regulations;

(iii) the Issuer or the Administrator shall supply to the Indenture Trustee (and the Indenture Trustee shall transmit by mail or make available on via a website to all Noteholders and Certificateholders) such summaries of any information, documents and reports required to be filed by the Issuer (if any) pursuant to clauses (i) and (ii) of this

Section 4.3(a) as may be required by rules and regulations prescribed from time to time by the Commission; and

(iv) the Administrator shall prepare and distribute any other reports required to be prepared by the Administrator under any Transaction Documents.

(b) Unless the Issuer otherwise determines, the fiscal year of the Issuer shall end on December 31 of each year.

Section 1.4. [Reserved].

Section 1.5. Reports and Records for the Indenture Trustee and Instructions.

(a) On each Determination Date the Administrator shall forward to the Indenture Trustee a Monthly Report prepared by the Administrator.

(b) On each Payment Date, the Indenture Trustee or the Paying Agent shall make available in the same manner as the Monthly Report to each Noteholder and Certificateholder of record of the outstanding Notes or Certificates, the Monthly Report with respect to such Notes or Certificates.

ARTICLE 5.

ALLOCATION AND APPLICATION OF UNDERLYING PAYMENTS

Section 1.1. Rights of Noteholders and Certificateholders. The Securities shall be secured by the entire Trust Estate, including the right to receive the Underlying Payments and other amounts at the times and in the amounts specified in this Article 5 to be deposited in the Trust Accounts or to be paid to the Noteholders or Certificateholders of such Notes or Certificates, as applicable. In no event shall the grant of a security interest in the entire Trust Estate be deemed to entitle any Noteholder to receive Underlying Payments or other proceeds of the Trust Estate in excess of the amounts described in Article 5.

Section 1.2. Collection of Money. Except as otherwise expressly provided herein, the Indenture Trustee may demand payment or delivery of, and shall receive and collect, directly and without intervention or assistance of any fiscal agent or other intermediary, all money and other property payable to or receivable by the Indenture Trustee pursuant to this Indenture. The Indenture Trustee shall apply all such money received by it as provided in this Indenture. Except as otherwise expressly provided in this Indenture, if any default occurs in the making of any payment or performance under any agreement or instrument that is part of the Trust Estate, the Indenture Trustee may, but shall not be obligated to, take such action as may be appropriate to enforce such payment or performance, including the institution and prosecution of appropriate Proceedings. Any such action shall be without prejudice to any right to claim a Default or Event of Default under this Indenture and any right to proceed thereafter as provided in Article 9.

Section 1.3. Establishment of Accounts.

(a) Securities Accounts. Each Securities Account shall be a securities account established and maintained with the Securities Intermediary. The Indenture Trustee shall be the entitlement holder of each Securities Account

(b) [Reserved].

(c) The Payment Account. The Indenture Trustee, for the benefit of the Secured Parties, shall establish and maintain in the State of New York or in the city in which the Corporate Trust Office is located, with a Qualified Institution, in the name of the Issuer for the benefit of the Indenture Trustee on behalf of the Secured Parties, a non-interest bearing segregated trust account (the "Payment Account") bearing a designation clearly indicating that the funds deposited therein are held in trust for the benefit of the Secured Parties. The Indenture Trustee shall be the entitlement holder of the Payment Account, and shall possess all right, title and interest in all moneys, instruments, securities and other property on deposit from time to time in the Payment Account and the proceeds thereof for the benefit of the Secured Parties. The Payment Account will be established with the Securities Intermediary. Funds on deposit in the Payment Account that are not both deposited and to be withdrawn within two Business Days shall be invested in Permitted Investments, in accordance with a direction from the Issuer pursuant to Section 5.3(e).

(d) [Reserved].

(e) Administration of the Securities Accounts.

(i) Funds on deposit in the Payment Account that are not both deposited and to be withdrawn on the same date shall be invested in Permitted Investments. Any such investment shall mature and such funds shall be available for withdrawal on or prior to the day immediately preceding the Payment Date on which such funds are to be allocated or applied hereunder.

(ii) Wilmington Trust, National Association is hereby appointed as the initial securities intermediary hereunder (the "Securities Intermediary") and accepts such appointment. The Securities Intermediary represents, warrants, and covenants, and the parties hereto agree, that at all times prior to the termination of this Indenture: (i) the Securities Intermediary shall be a bank that in the ordinary course of its business maintains securities accounts for others and is acting in that capacity hereunder; (ii) each Securities Account shall be an account maintained with the Securities Intermediary to which financial assets may be credited and the Securities Intermediary shall treat the Indenture Trustee as entitled to exercise the rights that comprise such financial assets; (iii) each item of property credited to a Securities Account shall be treated as a financial asset; (iv) the Securities Intermediary shall comply with entitlement orders originated by the Indenture Trustee without further consent by the Issuer or any other Person; (v) the Securities Intermediary waives any Lien on each Securities Account and all property credited to or on deposit in any Securities Account, and (vi) the Securities Intermediary agrees that its jurisdiction for purposes of Section 8-110 and Section 9-305(a)(3) of the UCC shall be New York.

(iii) The Securities Intermediary shall maintain for the benefit of the Secured Parties, possession or control of each other Permitted Investment (including any negotiable instruments, if any, evidencing such Permitted Investments) not credited to or deposited in a Trust Account (other than such as are described in clause (b) of the definition thereof); provided that no Permitted Investment shall be disposed of prior to its maturity date if such disposition would result in a loss.

(iv) Nothing herein shall impose upon the Securities Intermediary any duties or obligations other than those expressly set forth herein and those applicable to a securities intermediary under the UCC. The Securities Intermediary shall be entitled to all of the protections available to a securities intermediary under the UCC.

(v) At the end of each month, all interest and earnings (net of losses and investment expenses) on funds on deposit in the Payment Account shall be treated as Investment Earnings. If at the end of a month losses and investment expenses on funds on deposit in the Payment Account exceed interest and earnings on such funds during such month, losses and expenses to the extent of such excess will be allocated among the Noteholders and the Issuer as provided in Section 5.15. Subject to the restrictions set forth above, the Issuer, or a Person designated in writing by the Issuer, of which the Indenture Trustee shall have received written notification thereof, shall have the authority to instruct the Indenture Trustee with respect to the investment of funds on deposit in the Payment Account. Notwithstanding anything herein to the contrary, if the Issuer (or its designee) has not provided such direction, the funds in the Payment Account will remain uninvested. Neither the Indenture Trustee nor the Securities Intermediary shall have any responsibility or liability for any loss which may result from any investment or sale of investment made pursuant to this Indenture. Wilmington Trust, National Association (in any capacity hereunder) is hereby authorized, in making or disposing of any investment permitted by this Indenture, to deal with itself (in its individual capacity) or with any one or more of its affiliates, whether it or any such affiliate is acting as agent of Wilmington Trust, National Association (acting in any capacity hereunder) or for any third person or dealing as principal for its own account. The parties to the Transaction Documents acknowledge that Wilmington Trust, National Association (individually and in any capacity hereunder) is not providing investment supervision, recommendations, or advice.

(f) Wilmington Trust, National Association shall be the depository bank hereunder with respect to certain deposit accounts, which shall be non-interest bearing trust accounts, as may be established from time to time (the “Depository Bank”). For the avoidance of doubt, there currently is no such deposit account established hereunder.

(g) Qualified Institution. If, at any time, the institution holding any account established pursuant to this Section 5.3 ceases to be a Qualified Institution, the Indenture Trustee shall, within ten (10) Business Days, establish a new account or accounts, as the case may be, meeting the conditions specified above with a Qualified Institution, and shall transfer any cash or any investments to such new account or accounts, as the case may be.

(h) Each of the Securities Intermediary and the Depository Bank shall be entitled to all the same rights, privileges, protections, immunities and indemnities as are contained in Article 11 of this Indenture, all of which are incorporated into this Section 5.3 mutatis mutandis, in addition to any such rights, privileges, protections, immunities and indemnities contained in this Section 5.3; provided, however; that nothing contained in this Section 5.3 or in Article 11 shall (i) relieve the Securities Intermediary of the obligation to comply with entitlement orders as provided in Section 5.3(e) or (ii) relieve the Depository Bank of the obligation to comply with instructions directing disposition of the funds as provided in Section 5.3(f).

Section 1.4. Payments and Allocations.

(a) Underlying Payments in General. Until this Indenture is terminated pursuant to Section 12.1, the Issuer shall cause all Underlying Payments due and to become due, as the case may be, to be transferred to the Payment Account as promptly as possible after the date of receipt of such Underlying Payments (but in no event later than the Business Day of such receipt). All monies, instruments, cash and other proceeds received in respect of the Trust Estate pursuant to this Indenture shall be deposited in the Payment Account as specified herein and shall be applied as provided in this Article 5 and Article 6.

(b) [Reserved].

(c) [Reserved].

(d) [Reserved].

(e) Disqualification of Institution Maintaining Payment Account. Upon and after the establishment of a new Payment Account with a Qualified Institution, Oportun shall deposit or cause to be deposited all Underlying Payments as set forth in Section 5.3(a) into the new Payment Account, and in no such event shall deposit or cause to be deposited any Underlying Payments thereafter into any account established, held or maintained with the institution formerly maintaining the Payment Account (unless it later becomes a Qualified Institution or qualified corporate trust department maintaining the Payment Account). Any new Payment Account shall be subject to an account control agreement in favor of the Indenture Trustee, on behalf of each Secured Party.

Section 1.5. [Reserved].

Section 1.6. [Reserved].

Section 1.7. General Provisions Regarding Accounts. Subject to Section 11.1(c), the Indenture Trustee shall not in any way be held liable by reason of any insufficiency in any of the Trust Estate resulting from any loss on any Permitted Investment included therein except for losses attributable to the Indenture Trustee's failure to make payments on such Permitted Investments issued by the Indenture Trustee, in its commercial capacity as principal obligor and not as trustee, in accordance with their terms.

Section 1.8. [Reserved].

Section 1.9. [Reserved].

Section 1.10. [Reserved].

Section 1.11. [Reserved].

Section 1.12. Determination of Monthly Interest; LIBOR Notification.

(a) 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 fraction, the numerator of which is the actual number of days in the related Interest Period and the denominator of which is 360, 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) a fraction, the numerator of which is the actual number of days in the related Interest Period and the denominator of which is 360, 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 on each Payment Date. The "Class A Deficiency Amount" payable on each such Payment Date, as determined on the applicable 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.

(b) The interest rate on the Class A Notes is determined by reference to One-Month LIBOR, which is derived from the London interbank offered rate (“LIBOR”). LIBOR is intended to represent the rate at which contributing banks may obtain short-term borrowings from each other in the London interbank market. On March 5, 2021, the U.K. Financial Conduct Authority (“FCA”) publicly announced that: (a) immediately after December 31, 2021, publication of the 1-week and 2-month U.S. Dollar LIBOR settings will permanently cease; immediately after June 30, 2023, publication of the overnight and 12-month U.S. Dollar LIBOR settings will permanently cease; and immediately after June 30, 2023, the 1-month, 3-month and 6-month Dollar LIBOR settings will cease to be provided or, subject to the FCA’s consideration of the case, be provided on a synthetic basis and no longer be representative of the underlying market and economic reality they are intended to measure and that representativeness will not be restored. There is no assurance that dates announced by the FCA will not change or that the administrator of LIBOR and/or regulators will not take further action that could impact the availability, composition, or characteristics of LIBOR or the currencies and/or tenors for which LIBOR is published. Each party to this Indenture should consult its own advisors to stay informed of any such developments. Public and private sector industry initiatives are currently underway to identify new or alternative reference rates to be used in place of LIBOR. Upon the occurrence of a Benchmark Transition Event, a Term SOFR Transition Event or an Early Opt-in Election, Sections 5.13(b) and (c) provide the mechanisms for determining an alternative rate of interest. The Required Noteholders will promptly notify the Issuer and the Noteholders (with a copy to the Indenture Trustee and the Paying Agent), pursuant to Section 5.13(e), of any change to the reference rate upon which the interest rate on Class A Notes is based. The Noteholders, the Indenture Trustee and the Paying Agent do not warrant or accept any responsibility for, and shall not have any liability with respect to, the administration, submission, performance or any other matter related to LIBOR or with respect to any alternative or successor rate thereto, or replacement rate thereof (including, without limitation, (i) any such alternative, successor or replacement rate implemented pursuant to Section 5.13(b) or (c), whether upon the occurrence of a Benchmark Transition Event, a Term SOFR Transition Event or an Early Opt-in Election, and (ii) the implementation of any Benchmark Replacement Conforming Changes pursuant to Section 5.13(d), including without limitation, whether the composition or characteristics of any such alternative, successor or replacement reference rate will be similar to, or produce the same value or economic equivalence of, LIBOR or have the same volume or liquidity as did the London interbank offered rate prior to its discontinuance or unavailability. The Noteholders, the Indenture Trustee, the Paying Agent and their respective affiliates and/or other related entities may engage in transactions that affect the calculation of any successor or alternative rate (including any Benchmark Replacement) and/or any relevant adjustments thereto, in each case, in a manner adverse to the Issuer. The Required Noteholders may select information sources or services in their reasonable discretion to ascertain any Benchmark or any component thereof, in each case pursuant to the terms of this Indenture, and shall have no liability to the Issuer, any Noteholder or any other person or entity for damages of any kind, including direct or indirect, special, punitive, incidental or consequential damages, costs, losses or expenses (whether in tort, contract or otherwise and whether at law or in equity), for any error or calculation of any such rate (or component thereof) provided by any such information source or service.

Section 1.13. Determination of One-Month LIBOR.

- (a) Subject to clauses (b), (c), (d), (e) and (f) of this Section 5.13:

(i) On each LIBOR Determination Date, the Calculation Agent shall determine One-Month LIBOR on the basis of the rate for Dollar deposits for a period equal to one month which appears on Reuters Page LIBOR01 as of 11:00 a.m. (London time) on such date (or such other page as may replace such page on that service or other service or services as may be nominated by ICE Benchmark Administration Limited or any successor organization for the purpose of displaying London interbank offered rates of U.S. dollar deposits for a one-month period) and shall send to the Indenture Trustee, the Administrator, the Issuer and the Noteholders, by facsimile or e-mail, notification of One-Month LIBOR as so determined.

(ii) If on any date of determination described in clause (i) above, such rate does not appear on Reuters Page LIBOR01 (or such other page), then the Class A Note Rate shall be determined by the Calculation Agent by reference to the Alternative Rate and communicated to the Administrator and the Issuer, by facsimile or e-mail.

(b) Notwithstanding anything to the contrary herein or in any other Transaction Document, if a Benchmark Transition Event or an Early Opt-in Election, as applicable, and its related Benchmark Replacement Date have occurred prior to the Reference Time in respect of any setting of the then-current Benchmark, then (x) if a Benchmark Replacement is determined in accordance with clause (1) or (2) of the definition of "Benchmark Replacement" for such Benchmark Replacement Date, such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Transaction Document in respect of such Benchmark setting and subsequent Benchmark settings without any amendment to, or further action or consent of any other party to, this Indenture or any other Transaction Document and (y) if a Benchmark Replacement is determined in accordance with clause (3) of the definition of "Benchmark Replacement" for such Benchmark Replacement Date, such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Transaction Document in respect of any Benchmark setting at or after 5:00 p.m. (New York City time) on the fifth (5th) Business Day after the date notice of such Benchmark Replacement is provided to the Noteholders (with a copy to the Indenture Trustee and Paying Agent) without any amendment to, or further action or consent of any other party to, this Indenture or any other Loan Document so long as the Issuer has not received, by such time, written notice of objection to such Benchmark Replacement from Noteholders comprising the Required Noteholders.

(c) Notwithstanding anything to the contrary herein or in any other Transaction Document and subject to the proviso below in this paragraph, if a Term SOFR Transition Event and its related Benchmark Replacement Date have occurred prior to the Reference Time in respect of any setting of the then-current Benchmark, then the applicable Benchmark Replacement will replace the then-current Benchmark for all purposes hereunder or under any Transaction Document in respect of such Benchmark setting and subsequent Benchmark settings, without any amendment to, or further action or consent of any other party to, this Indenture or any other Transaction Document; provided that, this clause (c) shall not be effective unless the Required Noteholders has delivered to the Noteholders and the Issuer a Term SOFR Notice.

(d) In connection with the implementation of a Benchmark Replacement, the Required Noteholders will have the right to make Benchmark Replacement Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Transaction Document, any amendments implementing such Benchmark Replacement Conforming Changes will become effective without any further action or consent of any other party to this Indenture or any other Transaction Document; provided that no such amendment may adversely affect the rights, duties, immunities, protections or indemnification rights of the Indenture Trustee, Paying Agent, Registrar, Depository Bank or Securities Intermediary without its written consent.

(e) The Required Noteholders will promptly notify the Issuer and the Noteholders (with a copy to the Indenture Trustee and the Paying Agent) of (i) any occurrence of a Benchmark Transition Event, a Term SOFR Transition Event or an Early Opt-in Election, as applicable, (ii) the implementation of any Benchmark Replacement, (iii) the effectiveness of any Benchmark Replacement Conforming Changes and (iv) the commencement or conclusion of any Benchmark Unavailability Period. Any determination, decision or election that may be made by any Noteholder (or group of Noteholders) pursuant to this Section 5.13, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding absent manifest error and may be made in its or their sole discretion and without consent from any other party to this Indenture or any other Transaction Document, except, in each case, as expressly required pursuant to this Section 5.13.

(f) Upon the Issuer's receipt of notice of the commencement of a Benchmark Unavailability Period, the Issuer may revoke any request for an Advance to be made during any Benchmark Unavailability Period. During any Benchmark Unavailability Period or at any time that a tenor for the then-current Benchmark is not an Available Tenor, each Loan Rate shall be determined by the Calculation Agent by reference to the Alternative Rate and communicated to the Administrator and the Issuer, by facsimile or e-mail.

Section 1.14. [Reserved].

Section 1.15. Monthly Payments.

(a) On each Underlying Payment Date, the Issuer will deposit, or cause to be deposited, into the Payment Account all Underlying Payments received in respect of the Underlying Certificates on such Underlying Payment Date.

(b) On each Payment Date, the Indenture Trustee, acting in accordance with instructions provided by the Administrator in the form of the Monthly Report for such Payment Date, shall apply Available Funds on deposit in the Payment Account for payment to the following Persons in the following priority to the extent of funds available therefor:

(i) *first*, to the Indenture Trustee, the Securities Intermediary and the Depository Bank, on a *pari passu* and *pro rata* basis, an amount equal to the Trustee Fees and Expenses for such Payment Date (plus any Trustee Fees and Expenses due but not paid on any prior Payment Date);

(ii) *second*, to the Administrator, an amount equal to the Administration Fee for such Payment Date (plus any Administration Fee due but not paid on any prior Payment Date);

(iii) *third*, to the Class A Noteholders, on a *pari passu* and *pro rata* basis, an amount equal to the sum of (A) the Class A Monthly Interest for such Payment Date, (B) any Class A Deficiency Amount for such Payment Date and (C) any Class A Additional Interest for such Payment Date;

(iv) *fourth*, to the Class A Noteholders, on a *pari passu* and *pro rata* basis, (A) prior to the occurrence of a Rapid Amortization Event, an amount equal to the sum of (I) the Scheduled Principal Payment Amount for such Payment Date and (II) the product of all remaining Available Funds multiplied by the Additional Principal Payment Percentage for such Payment Date, and (B) following the occurrence of a Rapid Amortization Event, all remaining Available Funds until the outstanding principal amount of the Class A Notes has been reduced to zero;

(v) *fifth*, to the Indenture Trustee, the Securities Intermediary and the Depositary Bank, on a *pari passu* and *pro rata* basis, any unreimbursed fees, expenses and indemnity amounts payable thereto (including due to the limitations set forth in the definition of Trustee Fees and Expenses);

(vi) *sixth*, to the Class A Noteholders, on a *pari passu* and *pro rata* basis any other amounts (excluding the Note Principal Amount) payable thereto on such Payment Date pursuant to the Transaction Documents; and

(vii) *seventh*, the balance, if any, shall be distributed to the Certificateholders.

Section 1.16. Failure to Make a Deposit or Payment. The Indenture Trustee shall not have any liability for any failure or delay in making the payments or deposits described herein resulting from a failure or delay by the Issuer or the Administrator to make, or give instructions to make, such payment or deposit in accordance with the terms herein. If the Issuer or the Administrator fails to make, or give instructions to make, any payment, deposit or withdrawal required to be made or given by the Issuer or the Administrator at the time specified in this Indenture (including applicable grace periods), the Indenture Trustee shall make such payment, deposit or withdrawal from the applicable Trust Account without instruction from the Issuer or the Administrator. The Indenture Trustee shall be required to make any such payment, deposit or withdrawal hereunder only to the extent that the Indenture Trustee has sufficient information to allow it to determine the amount thereof. The Issuer or the Administrator shall, upon reasonable request of the Indenture Trustee, promptly provide the Indenture Trustee with all information necessary and in its possession to allow the Indenture Trustee to make such payment, deposit or withdrawal. Such funds or the proceeds of such withdrawal shall be applied by the Indenture Trustee in the manner in which such payment or deposit should have been made (or instructed to be made) by the Issuer or the Administrator.

ARTICLE 6.

DISTRIBUTIONS AND REPORTS

Section 1.1. Distributions.

(a) On each Payment Date, the Indenture Trustee shall distribute (in accordance with the Monthly Report delivered by the Administrator on or before the related Underlying Payment Date pursuant to subsection 2.09(a) of the Servicing Agreement) to each Noteholder of record on the immediately preceding Record Date (other than as provided in Section 12.5 respecting a final distribution), such Noteholder's *pro rata* share (based on the Note Principal Amount held by such Noteholder) of the amounts on deposit in the Payment Account that are payable to the Noteholders pursuant to Section 5.15 by wire transfer to an account designated by such Noteholders, except that, with respect to Notes registered in the name of the nominee of a Clearing Agency, such distribution shall be made in immediately available funds.

(b) Notwithstanding anything to the contrary contained in this Indenture, if the amount distributable in respect of principal on the Notes on any Payment Date is less than one dollar, then no such distribution of principal need be made on such Payment Date to the Noteholders.

Section 1.2. Monthly Report.

(a) On or before each Payment Date, the Indenture Trustee shall make available electronically to each Noteholder and Certificateholder, the Monthly Report prepared

by the Administrator and delivered to the Indenture Trustee on the preceding Determination Date and setting forth, among other things, the following information:

- (i) the amount of Underlying Payments received on the related Underlying Payment Date;
- (ii) the amount of Available Funds on deposit in the Payment Account on the related Underlying Payment Date;
- (iii) the amount of Trustee Fees and Expenses, Administration Fee, Class A Monthly Interest, Class A Deficiency Amounts and Additional Interest, respectively;
- (iv) the total amount to be distributed to the Class A Noteholders on such Payment Date; and
- (v) the outstanding principal balance of the Class A Notes as of the end of the day on the Payment Date.

On or before each Payment Date, to the extent the Administrator provides such information to the Indenture Trustee, the Indenture Trustee will make available the Monthly Report via the Indenture Trustee's Internet website and, with the consent or at the direction of the Issuer, such other information regarding the Securities and/or the Underlying Certificates as the Indenture Trustee may have in its possession, but only with the use of a password provided by the Indenture Trustee; provided, however, the Indenture Trustee shall have no obligation to provide such information described in this Section 6.2 until it has received the requisite information from the Issuer or the Administrator and the applicable Noteholder or Certificateholder has completed the information necessary to obtain a password from the Indenture Trustee. The Indenture Trustee will make no representation or warranties as to the accuracy or completeness of such documents and will assume no responsibility therefor.

(b) The Indenture Trustee's internet website shall be initially located at "www.wilmingtontrustconnect.com" or at such other address as shall be specified by the Indenture Trustee from time to time in writing to the Noteholders and Certificateholders. In connection with providing access to the Indenture Trustee's internet website, the Indenture Trustee may require registration and the acceptance of a disclaimer. The Indenture Trustee shall not be liable for information disseminated in accordance with this Indenture.

(c) Annual Tax Statement. 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 Noteholder or a Certificateholder, a statement prepared by the Administrator containing the information required to be contained in the regular monthly report to Noteholders and Certificateholders, as set forth in subclauses (v) and (vi) above, aggregated for such calendar year, and a statement prepared by Oportun or the Issuer with such other customary information (consistent with the treatment of the Notes as debt and the Certificates as equity for tax purposes) required by applicable tax Law to be distributed to the 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.

ARTICLE 7.

REPRESENTATIONS AND WARRANTIES OF THE ISSUER

Section 1.1. Representations and Warranties of the Issuer. The Issuer hereby represents and warrants to the Indenture Trustee and each of the Secured Parties that:

(a) Organization and Good Standing, etc. The Issuer has been duly organized and is validly existing and in good standing under the Laws of the State of Delaware, with power and authority to own its properties and to conduct its respective businesses as such properties are presently owned and such business is presently conducted. The Issuer is not organized under the Laws of any other jurisdiction or Governmental Authority. The Issuer is duly licensed or qualified to do business as a foreign entity in good standing in the jurisdiction where its principal place of business and chief executive office is located and in each other jurisdiction in which the failure to be so licensed or qualified would be reasonably likely to have a Material Adverse Effect.

(b) Power and Authority; Due Authorization. The Issuer has (a) all necessary power, authority and legal right to (i) execute, deliver and perform its obligations under this Indenture and each of the other Transaction Documents to which it is a party and (b) duly authorized, by all necessary action, the execution, delivery and performance of this Indenture and the other Transaction Documents to which it is a party and the borrowing, and the granting of security therefor, on the terms and conditions provided herein.

(c) No Violation. The consummation of the transactions contemplated by this Indenture and the other Transaction Documents and the fulfillment of the terms hereof will not (a) conflict with, result in any breach of any of the terms and provisions of, or constitute (with or without notice or lapse of time or both) a default under, (i) the organizational documents of the Issuer or (ii) any indenture, loan agreement, pooling and servicing agreement, receivables purchase agreement, mortgage, deed of trust, or other agreement or instrument to which the Issuer is a party or by which it or its properties is bound, (b) result in or require the creation or imposition of any Adverse Claim upon its properties pursuant to the terms of any such indenture, loan agreement, pooling and servicing agreement, receivables purchase agreement, mortgage, deed of trust, or other agreement or instrument, other than pursuant to the terms of the Transaction Documents, or (c) violate any Law applicable to the Issuer or of any Governmental Authority having jurisdiction over the Issuer or any of its respective properties.

(d) Validity and Binding Nature. This Indenture is, and the other Transaction Documents to which it is a party when duly executed and delivered by the Issuer and the other parties thereto will be, the legal, valid and binding obligation of the Issuer enforceable in accordance with their respective terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar Law affecting creditors' rights generally and by general principles of equity.

(e) Government Approvals. No authorization or approval or other action by, and no notice to or filing with, any Governmental Authority required for the due execution, delivery or performance by the Issuer of any Transaction Document to which it is a party remains unobtained or unfiled, except for the filing of the UCC financing statements.

(f) [Reserved].

(g) Margin Regulations. The Issuer is not engaged in the business of extending credit for the purpose of purchasing or carrying margin stock, and no proceeds with respect to the sale of the Notes, directly or indirectly, will be used for a purpose that violates, or

would be inconsistent with, Regulations T, U and X promulgated by the Federal Reserve Board from time to time.

(h) Perfection.

(i) On and after the Closing Date and each Payment Date, the Issuer shall be the owner of all of the Underlying Certificates and proceeds with respect thereto, free and clear of all Adverse Claims. Within the time required pursuant to the Perfection Representations, all financing statements and other documents required to be recorded or filed in order to perfect and protect the assets of the Trust Estate against all creditors (other than Secured Parties) of, and purchasers (other than Secured Parties) from, the Issuer and the Seller will have been duly filed in each filing office necessary for such purpose, and all filing fees and taxes, if any, payable in connection with such filings shall have been paid in full;

(ii) the Indenture constitutes a valid grant of a security interest to the Indenture Trustee for the benefit of the Secured Parties in all right, title and interest of the Issuer in the Underlying Certificates and all other assets of the Trust Estate, now existing or hereafter created or acquired. Accordingly, to the extent the UCC applies with respect to the perfection of such security interest, upon the filing of any financing statements described in Article 8 of the Indenture and the execution of the Transaction Documents, the Indenture Trustee shall have a first priority perfected security interest in such property and the proceeds thereof (to the extent provided in Section 9-315), subject to Permitted Encumbrances and, to the extent the UCC does not apply to the perfection of such security interest, all notices, filings and other actions required by all applicable Law have been taken to perfect and protect such security interest or lien against and prior to all Adverse Claims with respect to the Underlying Certificates and all other assets of the Trust Estate. Except as otherwise specifically provided in the Transaction Documents, neither the Issuer nor any Person claiming through or under the Issuer has any claim to or interest in the Payment Account; and

(iii) immediately prior to, and after giving effect to, the initial purchase of the Notes, the Issuer will be Solvent.

(i) Offices. The principal place of business and chief executive office of the Issuer is located at the address referred to in Section 15.4 (or at such other locations, notified to the Indenture Trustee in jurisdictions where all action required thereby has been taken and completed).

(j) Tax Status. The Issuer has filed all tax returns (federal, state and local) required to be filed by it and has paid or made adequate provision for the payment of all taxes (including all state franchise taxes), assessments and other governmental charges that have become due and payable (including for such purposes, the setting aside of appropriate reserves for taxes, assessments and other governmental charges being contested in good faith).

(k) Use of Proceeds. No proceeds of any Notes will be used by the Issuer to acquire any security in any transaction which is subject to Section 13 or 14 of the Exchange Act.

(l) Compliance with Applicable Laws; Licenses, etc.

(i) The Issuer is in compliance with the requirements of all applicable Laws of all Governmental Authorities, a breach of any of which, individually or in the aggregate, would be reasonably likely to have a Material Adverse Effect.

(ii) The Issuer has not failed to obtain any licenses, permits, franchises or other governmental authorizations necessary to the ownership of its properties or to the conduct of its business, which violation or failure to obtain would be reasonably likely to have a Material Adverse Effect.

(m) No Proceedings. Except as described in Schedule 4:

(i) there is no order, judgment, decree, injunction, stipulation or consent order of or with any court or other government authority to which the Issuer is subject, and there is no action, suit, arbitration, regulatory proceeding or investigation pending, or, to the knowledge of the Issuer, threatened, before or by any Governmental Authority, against the Issuer that, individually or in the aggregate, is reasonably likely to have a Material Adverse Effect; and

(ii) there is no action, suit, proceeding, arbitration, regulatory or governmental investigation, pending or, to the knowledge of the Issuer, threatened, before or by any Governmental Authority (A) asserting the invalidity of this Indenture, the Securities or any other Transaction Document, (B) seeking to prevent the issuance of the Securities pursuant hereto or the consummation of any of the other transactions contemplated by this Indenture or any other Transaction Document or (C) seeking to adversely affect the federal income tax attributes of the Issuer.

(n) Investment Company Act; Covered Fund. The Issuer is not an “investment company” within the meaning of the Investment Company Act and the Issuer relies 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), as amended.

(o) [Reserved].

(p) [Reserved].

(q) ERISA. (i) Each of the Issuer the Seller and their respective ERISA Affiliates is in compliance in all material respects with ERISA unless any failure to so comply could not reasonably be expected to have a Material Adverse Effect and (ii) no Lien exists in favor of the Pension Benefit Guaranty Corporation on any of the Underlying Certificates. No ERISA Event has occurred with respect to any Pension Plan that could reasonably be expected to have a Material Adverse Effect.

(r) Accuracy of Information. All information heretofore furnished by, or on behalf of, the Issuer to the Indenture Trustee or any of the Noteholders in connection with any Transaction Document, or any transaction contemplated thereby, was, at the time it was furnished, true and accurate in every material respect (without omission of any information necessary to prevent such information from being materially misleading).

(s) No Material Adverse Change. Since September 30, 2021 there has been no material adverse change in the Issuer’s (i) financial condition, business, operations or prospects or (ii) ability to perform its obligations under any Transaction Document.

(t) Subsidiaries. The Issuer has no Subsidiaries and does not own or hold, directly or indirectly, any equity interest in any Person, other than Permitted Investments;

provided that, for the avoidance of doubt, this clause (t) shall not prohibit the Issuer from owning any Underlying Certificate.

(u) Securities. The Securities have been duly and validly authorized, and, when executed and authenticated in accordance with the terms of the Indenture, and delivered to and paid for in accordance with the Note Purchase Agreement, will be duly and validly issued and outstanding and will be entitled to the benefits of the Indenture.

(v) Sales by the Seller. Each sale of Underlying Certificates by the Seller to the Issuer shall have been effected under, and in accordance with the terms of, the Purchase Agreement, including the payment by the Issuer to the Seller of an amount equal to the purchase price therefor as described in the Purchase Agreement, and each such sale shall have been made for “reasonably equivalent value” (as such term is used under Section 548 of the Federal Bankruptcy Code) and not for or on account of “antecedent debt” (as such term is used under Section 547 of the Federal Bankruptcy Code) owed by the Issuer to such Seller.

Section 1.2. Reaffirmation of Representations and Warranties by the Issuer. On the Closing Date and on each Business Day thereafter, the Issuer shall be deemed to have certified that all representations and warranties described in Section 7.1 hereof are true and correct on and as of such day as though made on and as of such day (except to the extent they relate to an earlier or later date, and then as of such earlier or later date).

ARTICLE 8.

COVENANTS

Section 1.1. Money for Payments To Be Held in Trust. At all times from the date hereof to the Indenture Termination Date, unless the Required Noteholders shall otherwise consent in writing, all payments of amounts due and payable with respect to any Securities that are to be made from amounts withdrawn from the applicable Payment Account shall be made on behalf of the Issuer by the Indenture Trustee or by another Paying Agent, and no amounts so withdrawn from such Payment Account for payments of such Securities shall be paid over to the Issuer except as provided in this Indenture.

Section 1.2. Affirmative Covenants of Issuer. At all times from the date hereof to the Indenture Termination Date, unless the Required Noteholders shall otherwise consent in writing, the Issuer shall:

(a) Payment of Notes. Duly and punctually pay or cause to be paid principal of (and premium, if any), interest and other amounts on and with respect to the Notes pursuant to the provisions of this Indenture. Principal, interest and other amounts shall be considered paid on the date due if the Indenture Trustee or the Paying Agent holds on that date money designated for and sufficient to pay all principal, interest and other amounts then due. Amounts properly withheld under the Code by any Person from a payment to any Noteholder or Certificateholder of interest, principal and/or other amounts shall be considered as having been paid by the Issuer to such Noteholder or Certificateholder for all purposes of this Indenture.

(b) Maintenance of Office or Agency. Maintain an office or agency (which may be an office of the Indenture Trustee, Transfer Agent and Registrar or co-registrar) where Securities may be surrendered for registration of transfer or exchange, and where, at any time when the Issuer is obligated to make a payment of principal and premium upon the Notes, the Notes may be surrendered for payment. The Issuer hereby initially appoints the Indenture Trustee to serve as its agent for the foregoing purposes. The Issuer will give prompt written notice to the Indenture Trustee of the location, and any change in the location, of such office or

agency. If at any time the Issuer shall fail to maintain any such required office or agency or shall fail to furnish the Indenture Trustee with the address thereof, such presentations and surrenders may be made at the Corporate Trust Office of the Indenture Trustee, and the Issuer hereby appoints the Indenture Trustee as its agent to receive all such presentations and surrenders.

The Issuer may also from time to time designate one or more other offices or agencies where the Securities may be presented or surrendered for any or all such purposes and may from time to time rescind such designations. The Issuer will give prompt written notice to the Indenture Trustee of any such designation or rescission and of any change in the location of any such other office or agency.

The Issuer hereby designates the Corporate Trust Office of the Indenture Trustee as one such office or agency of the Issuer.

(c) Compliance with Laws, etc. Comply in all material respects with all applicable Laws.

(d) Preservation of Existence. Preserve and maintain its existence rights, franchises and privileges in the jurisdiction of its incorporation or organization, and qualify and remain qualified in good standing as a foreign entity in the jurisdiction where its principal place of business and its chief executive office are located and in each other jurisdiction where the failure to preserve and maintain such existence, rights, franchises, privileges and qualifications would have a Material Adverse Effect.

(e) Custody of Underlying Certificates. Unless otherwise consented to by the Required Noteholders, deposit and maintain in the Custody Accounts the percentage interests of each Underlying Certificate specified on Schedule 2 hereto, in each case until the final distribution is made on such Underlying Certificate or such Underlying Certificate is released from the Lien of this Indenture.

(f) [Reserved].

(g) Reporting Requirements of The Issuer. Until the Indenture Termination Date, furnish to the Indenture Trustee:

(i) Financial Statements. In each case solely to the extent such information is not made available publicly on the Parent's website or through the Parent's filings with the Commission:

(A) as soon as available, and in any event within one hundred twenty (120) days after the end of each Fiscal Year of the Issuer, a copy of the annual unaudited report for such Fiscal Year of the Issuer including a copy of the balance sheet of the Issuer, in each case, as at the end of such Fiscal Year, together with the related statements of earnings and cash flows for such Fiscal Year;

(B) as soon as available and in any event within one hundred twenty (120) days after the end of each Fiscal Year of Consolidated Parent, a balance sheet of Consolidated Parent as of the end of such year and statements of income and retained earnings and of source and application of funds of Consolidated Parent, for the period commencing at the end of the previous Fiscal Year and ending with the end of such year, in each case setting forth comparative figures for the previous Fiscal Year, certified without material qualification by Deloitte & Touche LLP or other nationally recognized independent public accountants with expertise in the preparation of such reports, together with a certificate of such

accounting firm stating that in the course of the regular audit of the business of Consolidated Parent, which audit was conducted in accordance with GAAP (as then in effect), such accounting firm has obtained no knowledge that an Event of Default, Default or Rapid Amortization Event has occurred and is continuing, or if, in the opinion of such accounting firm, such an Event of Default, Default or Rapid Amortization Event has occurred and is continuing, a statement as to the nature thereof; and

(C) as soon as available and in any event within forty-five (45) days after the end of each fiscal quarter, quarterly balance sheets and quarterly statements of source and application of funds and quarterly statements of income and retained earnings of Consolidated Parent, certified by a Responsible Officer of Consolidated Parent (which certification shall state that such balance sheets and statements fairly present the financial condition and results of operations for such fiscal quarter, subject to year-end audit adjustments), delivery of which balance sheets and statements shall be accompanied by an Officer's Certificate of the Issuer to the effect that no Event of Default, Default or Rapid Amortization Event has occurred and is continuing.

For so long as Consolidated Parent is subject to the reporting requirements of Section 13(a) of the Exchange Act, its filing of the annual and quarterly reports required under the Exchange Act, on a timely basis, shall be deemed compliance with this Section 8.2(g)(i).

(ii) Notice of Default, Event of Default or Rapid Amortization Event. Immediately, and in any event within one (1) Business Day after the Issuer obtains knowledge of the occurrence of each Default, Event of Default or Rapid Amortization Event a statement of a Responsible Officer of the Issuer setting forth details of such Default, Event of Default or Rapid Amortization Event and the action which the Issuer proposes to take with respect thereto;

(iii) ERISA. Promptly after the filing or receiving thereof, copies of all reports and notices with respect to any ERISA Event which either (i) the Issuer, the Seller or any of their respective ERISA Affiliates files under ERISA with the Internal Revenue Service, the Pension Benefit Guaranty Corporation or the U.S. Department of Labor or (ii) the Issuer, the Seller or any of their respective ERISA Affiliates receives from the Internal Revenue Service, the Pension Benefit Guaranty Corporation or the U.S. Department of Labor. The Issuer shall give the Indenture Trustee and each Noteholder prompt written notice of any event that could result in the imposition of a Lien on the assets of the Issuer or any of its ERISA Affiliates under Section 430(k) of the Code or Section 303(k) or 4068 of ERISA; and

(iv) If a Responsible Officer of the Issuer shall have actual knowledge of the occurrence of an Administrator Default, notice thereof to the Indenture Trustee, which notice shall specify the action, if any, the Issuer is taking in respect of such default. If an Administrator Default shall arise from the failure of the Administrator to perform any of its duties or obligations under the Administrative Services Agreement, the issuer shall take all reasonable steps available to it to remedy such failure, including any action reasonably requested by the Indenture Trustee.

(v) On or before April 1, 2022 and on or before April 1 of each year thereafter, an Officer's Certificate of the Issuer stating, as to the Responsible Officer signing such Officer's Certificate, that:

(A) a review of the activities of the Issuer during such year and of performance under this Indenture has been made under such Responsible Officer's supervision; and

(B) to the best of such Responsible Officer's knowledge, based on such review, the Issuer has complied with all conditions and covenants under this Indenture throughout such year, or, if there has been a Default, Event of Default or Rapid Amortization Event specifying each such Default, Event of Default or Rapid Amortization Event known to such Responsible Officer and the nature and status thereof.

(h) [Reserved].

(i) Protection of Trust Estate. At its expense, perform all acts and execute all documents necessary and desirable at any time to evidence, perfect, maintain and enforce the title or the security interest of the Indenture Trustee in the Trust Estate and the priority thereof. The Issuer will prepare, deliver and authorize the filing of financing statements relating to or covering the Trust Estate sold to the Issuer and subsequently conveyed to the Indenture Trustee (which financing statements may cover "all assets" of the Issuer).

(j) Inspection of Records. Permit the Indenture Trustee, any one or more of the Notice Persons or their duly authorized representatives, attorneys or auditors to inspect the Records at such times as such Person may reasonably request. Upon instructions from the Indenture Trustee, the Required Noteholders or their duly authorized representatives, attorneys or auditors, the Issuer shall release any document related to the Underlying Certificates to such Person.

(k) Furnishing of Information. Provide such cooperation, information and assistance, and prepare and supply the Indenture Trustee with such data regarding the performance by the Issuer and Administrator of their respective obligations under the Transaction Documents, as may be reasonably requested by the Indenture Trustee or any Notice Person from time to time.

(l) [Reserved].

(m) [Reserved].

(n) Enforcement of Transaction Documents. Use commercially reasonable efforts to enforce all rights held by it under any of the Transaction Documents, shall not amend, supplement or otherwise modify any of the Transaction Documents and shall not waive any breach of any covenant contained thereunder without the prior written consent of the Required Noteholders. The Issuer shall take all actions necessary and desirable to enforce the Issuer's rights and remedies under the Transaction Documents. The Issuer agrees that it will not waive timely performance or observance by the Administrator or the Seller of their respective duties under the Transaction Documents if the effect thereof would adversely affect any of the Secured Parties.

(o) Separate Legal Entity. The Issuer hereby acknowledges that the Indenture Trustee and the Noteholders are entering into the transactions contemplated by this Indenture and the other Transaction Documents in reliance upon the Issuer's identity as a legal entity separate from any other Person. Therefore, from and after the date hereof, the Issuer shall take all reasonable steps to continue the Issuer's identity as a separate legal entity and to make it apparent to third Persons that the Issuer is an entity with assets and liabilities distinct from those of any other Person, and is not a division of any other Person. Without limiting the generality of

the foregoing and in addition to and consistent with the covenant set forth herein, the Issuer shall take such actions as shall be required in order to remain in compliance with Section 9(j)(iv) of the Issuer LLC Agreement.

(p) [Reserved].

(q) Income Tax Characterization. For purposes of U.S. federal income, state and local income and franchise taxes, unless otherwise required by the relevant Governmental Authority, the Issuer will treat the Notes as debt.

Section 1.3. Negative Covenants. So long as any Securities are outstanding, the Issuer shall not, unless the Required Noteholders shall otherwise consent in writing:

(a) Sales, Liens, etc. Except pursuant to, or as contemplated by, the Transaction Documents, the Issuer shall not sell, transfer, exchange, assign (by operation of law or otherwise) or otherwise dispose of, or create or suffer to exist voluntarily or, for a period in excess of thirty (30) days, involuntarily any Adverse Claims upon or with respect to any of its assets, including, without limitation, the Trust Estate, any interest therein or any right to receive any amount from or in respect thereof.

(b) Claims, Deductions. Claim any credit on, or make any deduction from the principal or interest payable in respect of, the Securities (other than amounts properly withheld from such payments under the Code or other applicable Law) or assert any claim against any present or former Noteholder or Certificateholder by reason of the payment of the taxes levied or assessed upon any part of the Trust Estate.

(c) Mergers, Acquisitions, Sales, Subsidiaries, etc. The Issuer shall not:

(i) be a party to any merger or consolidation, or directly or indirectly purchase or otherwise acquire all or substantially all of the assets or any stock of any class of, or any partnership or joint venture interest in, any other Person, except for Permitted Investments, or sell, transfer, assign, convey or lease any of its property and assets (or any interest therein) other than pursuant to, or as contemplated by, this Indenture or the other Transaction Documents;

(ii) make, incur or suffer to exist an investment in, equity contribution to, loan or advance to, or payment obligation in respect of the deferred purchase price of property from, any other Person, except for Permitted Investments or pursuant to the Transaction Documents;

(iii) create any direct or indirect Subsidiary or otherwise acquire direct or indirect ownership of any equity interests in any other Person other than pursuant to the Transaction Documents; or

(iv) enter into any transaction with any Affiliate except for the transactions contemplated by the Transaction Documents and other transactions upon fair and reasonable terms materially no less favorable to the Issuer than would be obtained in a comparable arm's length transaction with a Person not an Affiliate.

(d) Change in Business Policy. The Issuer shall not make any change in the character of its business which would have a Material Adverse Effect.

(e) Other Debt. Except as provided for herein, the Issuer shall not create, incur, assume or suffer to exist any Indebtedness whether current or funded, other than (i) the

Notes, (ii) Indebtedness of the Issuer representing fees, expenses and indemnities arising hereunder or under the Purchase Agreement for the purchase price of the Underlying Certificates under the Purchase Agreement and (iii) other Indebtedness permitted pursuant to Section 8.3(h).

(f) Certificate of Formation and Issuer LLC Agreement. The Issuer shall not amend its certificate of formation or the Issuer LLC Agreement unless the Required Noteholders have agreed to such amendment.

(g) Financing Statements. The Issuer shall not authorize the filing of any financing statement (or similar statement or instrument of registration under the Laws of any jurisdiction) or statements relating to the Trust Estate other than the financing statements authorized and filed in connection with and pursuant to the Transaction Documents.

(h) Business Restrictions. The Issuer shall not (i) engage in any business or transactions, or be a party to any documents, agreements or instruments, other than the Transaction Documents or those incidental to the purposes thereof, or (ii) make any expenditure for any assets (other than the Trust Estate) if such expenditure, when added to other such expenditures made during the same calendar year would, in the aggregate, exceed Ten Thousand Dollars (\$10,000); provided, however, that the foregoing will not restrict the Issuer's ability to pay servicing compensation as provided herein and, so long as no Default, Event of Default or Rapid Amortization Event shall have occurred and be continuing, the Issuer's ability to make payments or distributions legally made to the Issuer's members.

(i) ERISA Matters.

(i) To the extent applicable, the Issuer will not (A) engage or permit any of its respective ERISA Affiliates, in each case over which the Issuer has control, to engage in any prohibited transaction (as defined in Section 4975 of the Code and Section 406 of ERISA) for which an exemption is not available or has not previously been obtained from the U.S. Department of Labor; (B) fail to make, or permit the Seller, or any of its ERISA Affiliates, in each case over which the Issuer has control, to fail to make, any payments to any Multiemployer Plan that the Issuer, the Seller or any of their respective ERISA Affiliates is required to make under the agreement relating to such Multiemployer Plan or any Law pertaining thereto; (C) terminate, or permit the Seller, or any of its ERISA Affiliates, in each case over which the Issuer has control, to terminate, any Pension Plan so as to result in any liability to the Issuer, the Seller or any of their ERISA Affiliates; or (D) permit to exist any occurrence of any reportable event described in Title IV of ERISA with respect to a Pension Plan, if such prohibited transactions, failures to make payment, terminations and reportable events described in clauses (A), (B), (C) and (D) above would in the aggregate have a Material Adverse Effect.

(ii) The Issuer will not permit to exist any failure to satisfy the minimum funding standard (as described in Section 302 of ERISA and Section 412 of the Code) with respect to any Pension Plan.

(iii) The Issuer will not cause or permit, nor permit any of its ERISA Affiliates over which the Issuer has control, to cause or permit, the occurrence of an ERISA Event with respect to any Pension Plans that could result in a Material Adverse Effect.

(j) Name; Jurisdiction of Organization. The Issuer will not change its name or its jurisdiction of organization (within the meaning of the applicable UCC) without prior written notice to the Indenture Trustee. Prior to or upon a change of its name, the Issuer will make all filings (including filings of financing statements on form UCC-1) and recordings

necessary to maintain the perfection of the interest of the Indenture Trustee in the Trust Estate pursuant to this Indenture. The Issuer further agrees that it will not become or seek to become organized under the Laws of more than one jurisdiction. In the event that the Issuer desires to so change its jurisdiction of organization or change its name, the Issuer will make any required filings and prior to actually making such change the Issuer will deliver to the Indenture Trustee (i) an Officer's Certificate and an Opinion of Counsel confirming that all required filings have been made to continue the perfected interest of the Indenture Trustee in the Trust Estate in respect of such change and (ii) copies of all such required filings with the filing information duly noted thereon by the office in which such filings were made.

(k) Tax Matters. The Issuer 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.

(l) Accounts. The Issuer shall not maintain any bank accounts other than the Trust Accounts; provided, however, that the Issuer may maintain a general bank account to, among other things, receive and hold funds distributed to it, and to pay ordinary-course operating expenses, as applicable. The Issuer shall not add any additional Trust Accounts unless the Indenture Trustee (subject to Section 15.1 hereto) shall have consented thereto and received a copy of any documentation with respect thereto. The Issuer shall not terminate any Trust Accounts or close any Trust Accounts unless the Indenture Trustee shall have received at least thirty (30) days' prior notice of such termination and (subject to Section 15.1 hereto) shall have consented thereto.

Section 1.4. Further Instruments and Acts. The Issuer will execute and deliver such further instruments, furnish such other information and do such further acts as may be reasonably necessary or proper to carry out more effectively the purpose of this Indenture.

Section 1.5. [Reserved].

Section 1.6. Perfection Representations. The parties hereto agree that the Perfection Representations shall be a part of this Indenture for all purposes.

ARTICLE 9.

RAPID AMORTIZATION EVENTS AND REMEDIES

Section 1.1. Rapid Amortization Events. A "Rapid Amortization Event," wherever used herein, means any one of the following events):

(a) default in the payment of any interest on the Notes on any Payment Date, and such default shall continue (and shall not have been waived by the Required Noteholders) for a period of three (3) Business Days after receipt of notice thereof from the Indenture Trustee or the Required Noteholders;

(b) default in the payment of the principal of or any installment of the principal of the Notes when the same becomes due and payable, and such default shall continue (and shall not have been waived by the Required Noteholders) for a period of three (3) Business Days after receipt of notice thereof from the Indenture Trustee or the Required Noteholders;

(c) the Three-Month Average Underlying Loss Percentage shall have been greater than 13.0% on three (3) consecutive Payment Dates;

(d) a “Rapid Amortization Event” (as defined in the applicable Underlying Indenture) shall have occurred with respect to any Underlying Issuer;

(e) the failure of the Issuer to maintain any Financial Covenant;

(f) the failure of the Issuer to provide, or cause to be provided, the Monthly Report when due, which failure shall continue unremedied for a period of three (3) days after receipt of notice thereof from the Indenture Trustee or the Required Noteholders;

(g) 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 the other Transaction Documents, which failure has a material adverse effect on the interests of the 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 Seller by the Indenture Trustee, or to the Seller and the Indenture Trustee by the Required Noteholders;

(h) any representation, warranty or certification made by the Seller in the Purchase Agreement, in the other Transaction Documents or in any certificate delivered pursuant thereto shall prove to have been inaccurate when made or deemed made and such inaccuracy has a material adverse effect on the 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 Seller by the Indenture Trustee, or to the Seller and the Indenture Trustee by the Required Noteholders; or

(i) the occurrence of an Administrator Default that continues unremedied for a period of three (3) days after receipt of notice thereof from the Indenture Trustee or the Required Noteholders;

(j) the occurrence of an Event of Default;

The Required Noteholders may waive any Rapid Amortization Event and its consequences.

ARTICLE 10.

REMEDIES

Section 1.1. Events of Default. An “Event of Default,” wherever used herein, 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) the filing of a decree or order for relief by a court having jurisdiction in the premises in respect of the Issuer, the Seller, 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;

(ii) the commencement by the Issuer or the Seller 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;

(iii) a failure on the part of the Issuer duly to observe or perform any other covenants or agreements of the Issuer set forth in this Indenture or the other Transaction Documents, which failure has a material adverse effect on the interests of the 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 by the Indenture Trustee, or to the Issuer and the Indenture Trustee by the Required Noteholders;

(iv) any representation, warranty or certification made by the Issuer in this Indenture, in the other Transaction Documents or in any certificate delivered pursuant thereto shall prove to have been inaccurate when made or deemed made and such inaccuracy has a material adverse effect on the 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 by the Indenture Trustee, or to the Issuer and the Indenture Trustee by the Required Noteholders;

(v) the Indenture Trustee shall cease to have a first-priority perfected security interest in all or a material portion of the Trust Estate;

(vi) the Issuer shall have become subject to regulation by the Securities and Exchange Commission as an “investment company” under the Investment Company Act;

(vii) 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

(viii) 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.

Section 1.2. Rights of the Indenture Trustee Upon Events of Default.

(a) If and whenever an Event of Default (other than in clause (i) and (ii) of Section 10.1) shall have occurred and be continuing, the Indenture Trustee may, and at the written direction of the Required Noteholders shall, cause (x) the principal amount of all Notes outstanding to be immediately due and payable at par, together with interest thereon and (y) all remaining amounts payable on the Certificates to be immediately due and payable. If an Event of Default with respect to the Issuer specified in clause (i) or (ii) of Section 10.1 shall occur, all unpaid principal of and accrued interest on all the Notes outstanding and all remaining amounts payable 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 Noteholder or Certificateholder. 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 Section 10.4. 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 Article 5 hereof.

(b) If an Event of Default shall have occurred and be continuing, then at any time after such declaration of acceleration of maturity has been made and before a judgment or decree for payment of the money due has been obtained by the Indenture Trustee as hereinafter in this Article 10 provided, the Required Noteholders, by written notice to the Issuer and the Indenture Trustee, may rescind and annul such declaration and its consequences if:

(i) the Issuer has paid to or deposited with the Indenture Trustee a sum sufficient to pay

(A) all payments of principal of and interest on all Notes and all other amounts that would then be due hereunder or upon such Notes if the Event of Default giving rise to such acceleration had not occurred; and

(B) all sums paid by the Indenture Trustee hereunder and the reasonable compensation, expenses, disbursements of the Indenture Trustee and its agents and counsel; and

(ii) all Events of Default, other than the nonpayment of the principal of the Notes and amounts payable on the Certificates that have become due solely by such acceleration, have been cured or waived as provided in Section 10.6.

No such rescission shall affect any subsequent default or impair any right consequent thereto.

(c) Additional Remedies. In addition to any rights and remedies now or hereafter granted hereunder or under applicable Law with respect to the Trust Estate, the Indenture Trustee shall have all of the rights and remedies of a secured party under the UCC as enacted in any applicable jurisdiction.

Section 1.3. Collection of Indebtedness and Suits for Enforcement by Indenture Trustee.

(a) The Issuer covenants that if (i) default is made in the payment of any interest on any Note when the same becomes due and payable, and such default continues for a period of five (5) days, or (ii) default is made in the payment of the principal of any Note when the same becomes due and payable on the Legal Final Payment Date, the Issuer will pay to it, for the benefit of the Noteholders and Certificateholders, the whole amount then due and payable on the Notes and Certificates for principal, interest and other amounts, with interest upon the overdue principal, and, to the extent payment at such rate of interest shall be legally enforceable, upon overdue installments of interest, at the applicable Note Rate and in addition thereto such further amount as shall be sufficient to cover the costs and expenses of collection, including the reasonable compensation, expenses, disbursements and advances of the Indenture Trustee and its agents and counsel.

(b) If an Event of Default occurs and is continuing, the Indenture Trustee may (in its discretion) and, at the written direction of the Required Noteholders, shall proceed to protect and enforce its rights and the rights of the Secured Parties by such appropriate

Proceedings to protect and enforce any such rights, whether for the specific enforcement of any covenant or agreement in this Indenture or in aid of the exercise of any power granted herein, or to enforce any other proper remedy or legal or equitable right vested in the Indenture Trustee by this Indenture or by Law; provided, however, that the Indenture Trustee shall sell or otherwise liquidate the Trust Estate or any portion thereof only in accordance with Section 10.4(d) and Section 10.5.

(c) In any Proceedings brought by the Indenture Trustee (and also any Proceedings involving the interpretation of any provision of this Indenture), the Indenture Trustee shall be held to represent all the Secured Parties, and it shall not be necessary to make any such Person a party to any such Proceedings.

(d) In case there shall be pending, relative to the Issuer or any other obligor upon the Securities or any Person having or claiming an ownership interest in the Trust Estate, Proceedings under Title 11 of the United States Code or any other applicable federal or state bankruptcy, insolvency or other similar Law, or in case a receiver, assignee or trustee in bankruptcy or reorganization, liquidator, sequestrator or similar official shall have been appointed for or taken possession of the Issuer or its property or such other obligor or Person, or in case of any other comparable judicial Proceedings relative to the Issuer or other obligor upon the Securities, or to the creditors or property of the Issuer or such other obligor, the Indenture Trustee, irrespective of whether the principal or other amount of any Securities shall then be due and payable as therein expressed or by declaration or otherwise and irrespective of whether the Indenture Trustee shall have made any demand pursuant to the provisions of this Section, shall be entitled and empowered, by intervention in such Proceedings or otherwise:

(i) to file and prove a claim or claims for the whole amount of principal, interest and other amounts owing and unpaid in respect of the Securities and to file such other papers or documents as may be necessary or advisable in order to have the claims of the Indenture Trustee (including any claim for reasonable compensation to the Indenture Trustee and each predecessor Indenture Trustee, and their respective agents, attorneys and counsel, and for reimbursement of all expenses and liabilities incurred, and all advances made, by the Indenture Trustee and each predecessor Indenture Trustee, except as a result of negligence, bad faith or willful misconduct) and of the Secured Parties allowed in such Proceedings;

(ii) unless prohibited by applicable Law, to vote on behalf of the Secured Parties in any election of a trustee, a standby trustee or Person performing similar functions in any such Proceedings;

(iii) to collect and receive any moneys or other property payable or deliverable on any such claims and to distribute all amounts received with respect to the claims of the Secured Parties and of the Indenture Trustee on their behalf; and

(iv) to file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Indenture Trustee or the Secured Parties allowed in any judicial Proceedings relative to the Issuer, its creditors and its property;

and any trustee, receiver, liquidator, custodian or other similar official in any such Proceeding is hereby authorized by each of such Secured Parties to make payments to the Indenture Trustee, and, in the event that the Indenture Trustee shall consent to the making of payments directly to such Secured Parties, to pay to the Indenture Trustee such amounts as shall be sufficient to cover reasonable compensation to the Indenture Trustee, each predecessor Indenture Trustee and their respective agents, attorneys and counsel, and all other expenses and liabilities incurred, and all

advances made, by the Indenture Trustee and each predecessor Indenture Trustee except as a result of negligence, bad faith or willful misconduct.

(e) Nothing herein contained shall be deemed to authorize the Indenture Trustee to authorize or consent to or vote for or accept or adopt on behalf of any Secured Party any plan of reorganization, arrangement, adjustment or composition affecting the Securities or the rights of any Secured Party or to authorize the Indenture Trustee to vote in respect of the claim of any Secured Party in any such Proceeding except, as aforesaid, to vote for the election of a trustee in bankruptcy or similar Person.

(f) All rights of action and of asserting claims under this Indenture or under any of the Securities may be enforced by the Indenture Trustee without the possession of any of the Securities or the production thereof in any Proceedings relative thereto, and any such action or Proceedings instituted by the Indenture Trustee shall be brought in its own name as trustee of an express trust, and any recovery of judgment, subject to the payment of the expenses, disbursements and compensation of the Indenture Trustee, each predecessor Indenture Trustee and their respective agents and attorneys, shall be for the Secured Parties.

Section 1.4. Remedies. If an Event of Default shall have occurred and be continuing, the Indenture Trustee may and, at the written direction of the Required Noteholders, shall do one or more of the following:

(a) institute Proceedings in its own name and as trustee of an express trust for the collection of all amounts then payable under the Transaction Documents, enforce any judgment obtained, and collect from the Issuer and any other obligor under the Transaction Documents moneys adjudged due;

(b) subject to Section 10.5, institute Proceedings from time to time for the complete or partial foreclosure of this Indenture with respect to the Trust Estate;

(c) subject to the limitations set forth in clause (d) below and Section 10.5, exercise any remedies of a secured party under the UCC and take any other appropriate action to protect and enforce the rights and remedies of the Indenture Trustee and the Secured Parties; and

(d) subject to Section 10.5, sell the Trust Estate or any portion thereof or rights or interest therein, at one or more public or private sales called and conducted in any manner permitted by Law; provided, however, that the Indenture Trustee may not sell or otherwise liquidate the Trust Estate following an Event of Default unless:

(i) the Holders of 100% of the outstanding Notes direct such sale and liquidation,

(ii) the proceeds of such sale or liquidation distributable to the Noteholders are sufficient to discharge in full all amounts then due and unpaid with respect to all outstanding Notes for principal and interest and any other amounts due Noteholders, or

(iii) the Indenture Trustee determines that the proceeds of the Trust Estate will not continue to provide sufficient funds for the payment of principal of and interest on all outstanding Notes as such amounts would have become due if such Notes had not been declared due and payable and the Required Noteholders direct such sale and liquidation.

In determining such sufficiency or insufficiency with respect to clauses (d)(ii) and (d)(iii), the Indenture Trustee may, but need not, obtain and rely upon an opinion of an Independent

investment banking or accounting firm of national reputation as to the feasibility of such proposed action and as to the sufficiency of the Underlying Certificates in the Trust Estate for such purpose.

The Indenture Trustee may maintain a Proceeding even if it does not possess any of the Notes or does not produce any of them in the Proceeding, and any such Proceeding instituted by the Indenture Trustee shall be in its own name as trustee. All remedies are cumulative to the extent permitted by Law.

Section 1.5. Priority of Remedies Exercised Against the Underlying Certificates. Notwithstanding any other provision of this Indenture, if any remedies available under this Article X are to be exercised against the Trust Estate consisting of the Underlying Certificates, such remedies shall be exercised first against the Underlying Certificates in the First Priority Custody Account and shall only be exercised against the Underlying Certificates in the Second Priority Custody Account if the proceeds of exercising remedies against the Underlying Certificates in the First Priority Custody Account are insufficient to discharge in full all amounts then due and unpaid with respect to all outstanding Notes for principal and interest and any other amounts due Noteholders (such sufficiency being determined in accordance with Section 10.4(d)). For the avoidance of doubt, the agreement to exercise any such remedies against the Underlying Certificates in accordance with this Section 10.5, shall in no way mitigate, minimize, waive and/or otherwise affect the remedies available under this Article X.

Section 1.6. Waiver of Past Events. If an Event of Default shall have occurred and be continuing, prior to the declaration of the acceleration of the maturity of the Notes as provided in Section 10.2(a), the Required Noteholders may waive any past Default or Event of Default and its consequences except a Default in payment of principal of any of the Notes. In the case of any such waiver, the Issuer, the Indenture Trustee and the Holders of the Securities shall be restored to their former positions and rights hereunder, respectively; but no such waiver shall extend to any subsequent or other Default or impair any right consequent thereto.

Upon any such waiver, such Default shall cease to exist and be deemed to have been cured and not to have occurred, and any Event of Default arising therefrom shall be deemed to have been cured and not to have occurred, for every purpose of this Indenture; but no such waiver shall extend to any subsequent or other Default or Event of Default or impair any right consequent thereto.

Section 1.7. Limitation on Suits. No Noteholder or Certificateholder have any right to institute any Proceeding, judicial or otherwise, with respect to this Indenture, or for the appointment of a receiver or trustee, or for any other remedy hereunder, unless:

- (i) such Noteholder or Certificateholder previously has given written notice to the Indenture Trustee of a continuing Event of Default;
- (ii) the Holders of not less than 25% of the outstanding principal amount of all Notes (or, if all Notes have been paid in full, Certificateholders representing 25% of the Certificates) have made written request to the Indenture Trustee to institute such Proceeding in respect of such Event of Default in its own name as Indenture Trustee hereunder;
- (iii) such Noteholder has offered and provided to the Indenture Trustee indemnity satisfactory to it against the costs, expenses and liabilities to be incurred in complying with such request;

(iv) the Indenture Trustee for sixty (60) days after its receipt of such notice, request and offer of indemnity has failed to institute such Proceedings; and

(v) no direction inconsistent with such written request has been given to the Indenture Trustee during such sixty (60) day period by the Required Noteholders;

it being understood and intended that no one or more Noteholder or Certificateholder shall have any right in any manner whatever by virtue of, or by availing of, any provision of this Indenture to affect, disturb or prejudice the rights of any other Noteholder or Certificateholder or to obtain or to seek to obtain priority or preference over any other Noteholder or Certificateholder or to enforce any right under this Indenture, except in the manner herein provided.

In the event the Indenture Trustee shall receive conflicting or inconsistent requests and indemnity from two or more groups of Secured Parties, each representing less than the Required Noteholders, the Indenture Trustee shall proceed in accordance with the request of the greater majority of the outstanding principal amount or par value of the Notes, as determined by reference to such requests.

Section 1.8. Unconditional Rights of Holders to Receive Payment; Withholding Taxes

(a) Notwithstanding any other provision of this Indenture except as provided in Section 10.8(b) and (c), the right of any Noteholder or Certificateholder to receive payment of principal, interest or other amounts, if any, on the Securities, on or after the respective due dates expressed in the Securities or in this Indenture (or, in the case of redemption, on or after the Redemption Date), or to bring suit for the enforcement of any such payment on or after such respective dates, is absolute and unconditional and shall not be impaired or affected without the consent of the Noteholder or Certificateholder .

(b) Promptly upon request, each Noteholder or Certificateholder shall provide to the Indenture Trustee and/or the Issuer (or other person responsible for withholding of taxes, including but not limited to FATCA Withholding Tax, or delivery of information under FATCA) with the Tax Information.

(c) The Paying Agent shall (or if the Indenture Trustee is not the Paying Agent, the Indenture Trustee shall cause the Paying Agent to execute and deliver to the Indenture Trustee an instrument in which such Paying Agent shall agree with the Indenture Trustee that such Paying Agent shall) comply with the provisions of this Indenture applicable to it, comply with all requirements of the Code with respect to the withholding from any payments to Noteholders or Certificateholders, including FATCA Withholding Tax (including obtaining and retaining from Persons entitled to payments with respect to the Notes or Certificates any Tax Information and making any withholdings with respect to the Notes or Certificates as required by the Code (including FATCA) and paying over such withheld amounts to the appropriate Governmental Authority), comply with respect to any applicable reporting requirements in connection with any payments to Noteholders or Certificateholders, and, upon request, provide any Tax Information to the Issuer.

Section 1.9. Restoration of Rights and Remedies. If any Noteholder or Certificateholder has instituted any Proceeding to enforce any right or remedy under this Indenture and such Proceeding has been discontinued or abandoned for any reason or has been determined adversely to the Indenture Trustee or to such Noteholder or Certificateholder, then and in every such case the Issuer, the Indenture Trustee, the Noteholders and Certificateholders shall, subject to any determination in such Proceeding, be restored severally and respectively to their former positions hereunder, and thereafter all rights and remedies of the Indenture Trustee

and the Noteholders and Certificateholders shall continue as though no such Proceeding had been instituted.

Section 1.10. The Indenture Trustee May File Proofs of Claim. The Indenture Trustee is authorized to file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Indenture Trustee (including any claim for the reasonable compensation, expenses, disbursements and advances of the Indenture Trustee, its agents and counsel) and the Noteholders and Certificateholders allowed in any judicial Proceedings relative to the Issuer (or any other obligor upon the Securities), its creditors or its property, and shall be entitled and empowered to collect, receive and distribute any money or other property payable or deliverable on any such claim and any custodian in any such judicial Proceeding is hereby authorized by each Noteholder and Certificateholder to make such payments to the Indenture Trustee and, in the event that the Indenture Trustee shall consent to the making of such payments directly to the Noteholders and Certificateholders to pay the Indenture Trustee any amount due to it for the reasonable compensation, expenses, disbursements and advances of the Indenture Trustee, its agents and counsel, and any other amounts due the Indenture Trustee under Section 11.6 and 11.17. To the extent that the payment of any such compensation, expenses, disbursements and advances of the Indenture Trustee, its agents and counsel, and any other amounts due the Indenture Trustee under Section 11.6 and 11.17 out of the estate in any such Proceeding, shall be denied for any reason, payment of the same shall be secured by a Lien on, and shall be paid out of, any and all distributions, dividends, money, notes and other properties which the Noteholders and Certificateholders may be entitled to receive in such Proceeding whether in liquidation or under any plan of reorganization or arrangement or otherwise. Nothing herein contained shall be deemed to authorize the Indenture Trustee to authorize or consent to or accept or adopt on behalf of any Noteholder or Certificateholder any plan of reorganization, arrangement, adjustment or composition affecting the Securities or the rights of any Noteholder or Certificateholder thereof, or to authorize the Indenture Trustee to vote in respect of the claim of any Noteholder or Certificateholder in any such Proceeding.

Section 1.11. Priorities. Following the declaration of an Event of Default or a Rapid Amortization Event pursuant to Section 9.1 or 10.2, all amounts in any Payment Account, including any money or property collected pursuant to Section 10.4 (after deducting the reasonable costs and expenses of such collection), shall be applied by the Indenture Trustee on the related Payment Date in accordance with the provisions of Article 5.

The Indenture Trustee may fix a record date and payment date for any payment to Secured Parties pursuant to this Section. At least fifteen (15) days before such record date the Issuer shall mail to each Secured Party and the Indenture Trustee a notice that states the record date, the payment date and the amount to be paid.

Section 1.12. Undertaking for Costs. All parties to this Indenture agree, and each Secured Party shall be deemed to have agreed, that any court may in its discretion require, in any suit for the enforcement of any right or remedy under this Indenture, or in any suit against the Indenture Trustee for any action taken, suffered or omitted by it as Indenture Trustee, the filing by any party litigant in such suit of an undertaking to pay the costs of such suit, and that such court may in its discretion assess reasonable costs, including reasonable attorneys' fees, against any party litigant in such suit, having due regard to the merits and good faith of the claims or defenses made by such party litigant; but the provisions of this Section shall not apply to (a) any suit instituted by the Indenture Trustee, (b) any suit instituted by any Noteholder, or group of Noteholders, in each case holding in the aggregate more than 10% of the aggregate outstanding principal balance of the Notes on the date of the filing of such action, (c) any suit instituted by any Certificateholder, or group of Certificateholders, in each case holding in the aggregate more than 10% of the Certificates on the date of the filing of such action, (d) any suit instituted by any Noteholder for the enforcement of the payment of principal of or interest on any

Note on or after the respective due dates expressed in such Note and in this Indenture (or, in the case of redemption, on or after the Redemption Date) or (e) any suit instituted by any Certificateholder for the enforcement of the payment of any amount on any Certificate on or after the respective due dates expressed in such Certificate and in this Indenture.

Section 1.13. Rights and Remedies Cumulative. No right or remedy herein conferred upon or reserved to the Indenture Trustee or to the Secured Parties is intended to be exclusive of any other right or remedy, and every right and remedy shall, to the extent permitted by Law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 1.14. Delay or Omission Not Waiver. No delay or omission of the Indenture Trustee or any Secured Party to exercise any right or remedy accruing upon any Default or Event of Default shall impair any such right or remedy or constitute a waiver of any such Default or Event of Default or an acquiescence therein. Every right and remedy given by this Article 10 or by Law to the Indenture Trustee or to the Secured Parties may be exercised from time to time, and as often as may be deemed expedient, by the Indenture Trustee or by the Secured Parties, as the case may be.

Section 1.15. Control by Noteholders. The Required Noteholders shall have the right to direct the time, method and place of conducting any Proceeding for any remedy available to the Indenture Trustee with respect to the Notes or exercising any trust or power conferred on the Indenture Trustee; provided that:

- (i) such direction shall not be in conflict with any Law or with this Indenture;
- (ii) subject to the express terms of Section 10.4 and Section 10.5, any direction to the Indenture Trustee to sell or liquidate the Underlying Certificates shall be by the Holders of Notes representing not less than 100% of the aggregate outstanding principal balance of all the Notes;
- (iii) the Indenture Trustee shall have been provided with indemnity satisfactory to it; and
- (iv) the Indenture Trustee may take any other action deemed proper by the Indenture Trustee that is not inconsistent with such direction;

provided, however, that, subject to Section 11.1, the Indenture Trustee need not take any action that it determines might involve it in liability or might materially adversely affect the rights of any Noteholders not consenting to such action.

Section 1.16. Waiver of Stay or Extension Laws. The Issuer covenants (to the extent that it may lawfully do so) that it will not at any time insist upon, or plead or in any manner whatsoever, claim or take the benefit or advantage of, any stay or extension Law wherever enacted, now or at any time hereafter in force, that may affect the covenants or the performance of this Indenture; and the Issuer (to the extent that it may lawfully do so) hereby expressly waives all benefit or advantage of any such Law, and covenants that it will not hinder, delay or impede the execution of any power herein granted to the Indenture Trustee, but will suffer and permit the execution of every such power as though no such Law had been enacted.

Section 1.17. Action on Securities. The Indenture Trustee's right to seek and recover judgment on the Securities or under this Indenture shall not be affected by the seeking,

obtaining or application of any other relief under or with respect to this Indenture. Neither the Lien of this Indenture nor any rights or remedies of the Indenture Trustee or the Secured Parties shall be impaired by the recovery of any judgment by the Indenture Trustee against the Issuer or by the levy of any execution under such judgment upon any portion of the Trust Estate or upon any of the assets of the Issuer.

Section 1.18. Performance and Enforcement of Certain Obligations.

(a) The Issuer agrees to take all such lawful action as is necessary and desirable to compel or secure the performance and observance by the Seller and the Parent, as applicable, of each of their obligations to the Issuer under or in connection with the Transaction Documents in accordance with the terms thereof, and to exercise any and all rights, remedies, powers and privileges lawfully available to the Issuer under or in connection with the Transaction Documents, including the transmission of notices of default on the part of the Seller or the Parent thereunder and the institution of legal or administrative actions or Proceedings to compel or secure performance by the Seller or the Parent of each of their obligations under the Transaction Documents.

(b) If an Event of Default has occurred and is continuing, the Indenture Trustee may, and, at the direction (which direction shall be in writing) of the Required Noteholders shall, subject to Section 10.2(b), exercise all rights, remedies, powers, privileges and claims of the Issuer against the Seller or the Parent under or in connection with the Transaction Documents, including the right or power to take any action to compel or secure performance or observance by the Seller or the Parent of each of their obligations to the Issuer thereunder and to give any consent, request, notice, direction, approval, extension or waiver under the Transaction Documents, and any right of the Issuer to take such action shall be suspended.

Section 1.19. Reassignment of Surplus. Promptly after termination of this Indenture and the payment in full of the Secured Obligations, any proceeds of all the Underlying Certificates and other assets in the Trust Estate received or held by the Indenture Trustee shall be turned over to the Issuer and the Underlying Certificates and other assets in the Trust Estate shall be released to the Issuer by the Indenture Trustee without recourse to the Indenture Trustee and without any representations, warranties or agreements of any kind.

ARTICLE 11.

THE INDENTURE TRUSTEE

Section 1.1. Duties of the Indenture Trustee.

(a) If an Event of Default has occurred and is continuing, and of which a Trust Officer of the Indenture Trustee has written notice, the Indenture Trustee shall exercise such of the rights and powers vested in it by this Indenture and any related document, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs; provided, however, that the Indenture Trustee shall have no liability in connection with any action or inaction taken, or not taken, by it upon the deemed occurrence of an Event of Default of which a Trust Officer has not received written notice; and provided, further that the preceding sentence shall not have the effect of insulating the Indenture Trustee from liability arising out of the Indenture Trustee's negligence or willful misconduct.

(b) Except during the occurrence and continuance of an Event of Default of which a Trust Officer of the Indenture Trustee has written notice:

(i) the Indenture Trustee undertakes to perform only those duties that are specifically set forth in this Indenture and no others, and no implied covenants or obligations shall be read into this Indenture or any related document against the Indenture Trustee; and

(ii) in the absence of bad faith on its part, the Indenture Trustee may conclusively rely (without independent confirmation, verification, inquiry or investigation of the contents thereof), as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Indenture Trustee and conforming to the requirements of this Indenture; provided, however, in the case of any such certificates or opinions which by any provision hereof are specifically required to be furnished to the Indenture Trustee, the Indenture Trustee shall examine the certificates and opinions to determine whether or not they conform to the requirements of this Indenture and, if applicable, the Transaction Documents to which the Indenture Trustee is a party, provided, further, that the Indenture Trustee shall not be responsible for the accuracy or content of any of the aforementioned documents and the Indenture Trustee shall have no obligation to verify or recompute any numeral information provided to it pursuant to the Transaction Documents.

(c) No provision of this Indenture shall be construed to relieve the Indenture Trustee from liability for its own negligent action, its own negligent failure to act, or its own willful misconduct except that:

(i) this clause does not limit the effect of clause (b) of this Section 11.1;

(ii) the Indenture Trustee shall not be personally liable for any error of judgment made in good faith by a Trust Officer or Trust Officers of the Indenture Trustee, unless it is conclusively determined by the final judgment of a court of competent jurisdiction, no longer subject to appeal or review that the Indenture Trustee was negligent in ascertaining the pertinent facts; or

(iii) the Indenture Trustee shall not be liable with respect to any action it takes or omits to take in good faith in accordance with a direction received by it pursuant to the terms of this Indenture or the Transaction Documents.

(d) Notwithstanding anything to the contrary contained in this Indenture or any of the Transaction Documents, no provision of this Indenture shall require the Indenture Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder or in the exercise of any of its rights and powers, if there is reasonable ground (as determined by the Indenture Trustee in its sole discretion) for believing that the repayment of such funds or adequate indemnity against such risk is not reasonably assured to it by the security afforded to it by the terms of this Indenture.

(e) Every provision of this Indenture relating to the conduct or affecting the liability of or affording protection to the Indenture Trustee shall be subject to the provisions of this Article .

(f) The Indenture Trustee shall, and hereby agrees that it will, perform all of the obligations and duties required of it under the Servicing Agreement.

(g) Without limiting the generality of this Section 11.1 and subject to the other provisions of this Indenture, the Indenture Trustee shall have no duty (i) to see to any recording, filing or depositing of this Indenture or any agreement referred to herein, or to see to the maintenance of any such recording or filing or depositing or to any recording, refiling or

redepositing of any thereof or to see to the validity, perfection, continuation, or value of any lien or security interest created herein, (ii) to see to the payment or discharge of any tax, assessment or other governmental Lien owing with respect to, assessed or levied against any part of the Issuer, (iii) to confirm or verify the contents of any reports or certificates delivered to the Indenture Trustee pursuant to this Indenture or the Servicing Agreement believed by the Indenture Trustee to be genuine and to have been signed or presented by the proper party or parties, or (iv) to confirm or effect the acquisition or maintenance of any insurance. The Indenture Trustee shall be authorized to, but shall in no event have any duty or responsibility to, file any financing or continuation statements or record any documents or instruments in any public office at any time or times or otherwise perfect or maintain any security interest in the Trust Estate.

(h) Subject to Section 11.1(d), in the event that the Paying Agent or the Transfer Agent and Registrar (if other than the Indenture Trustee) shall fail to perform any obligation, duty or agreement in the manner or on the day required to be performed by the Paying Agent or the Transfer Agent and Registrar, as the case may be, under this Indenture, the Indenture Trustee shall be obligated as soon as practicable upon written notice to a Trust Officer thereof and receipt of appropriate records and information, if any, to perform such obligation, duty or agreement in the manner so required.

(i) [Reserved].

(j) Subject to Section 11.4, all moneys received by the Indenture Trustee shall, until used or applied as herein provided, be held in trust for the purposes for which they were received, but need not be segregated from other funds except to the extent required by Law or the Transaction Documents.

(k) Nothing contained herein shall be deemed to authorize the Indenture Trustee to engage in any business operations or any activities other than those set forth in this Indenture. Specifically, the Indenture Trustee shall have no authority to engage in any business operations, acquire any assets other than those specifically included in the Trust Estate under this Indenture or otherwise vary the assets held by the Issuer. Similarly, the Indenture Trustee shall have no discretionary duties other than performing those ministerial acts set forth above necessary to accomplish the purpose of this Indenture.

(l) The Indenture Trustee shall not be required to take notice or be deemed to have notice or knowledge of any Default or Event of Default unless a Trust Officer of the Indenture Trustee shall have received written notice thereof. In the absence of receipt of such notice, the Indenture Trustee may conclusively assume that there is no Default or Event of Default.

(m) [Reserved].

(n) The Indenture Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Issuer, Opportun and/or a specified percentage of Noteholders or Certificateholders under circumstances in which such direction is required or permitted by the terms of this Indenture or other Transaction Document.

(o) The enumeration of any permissive right or power herein or in any other Transaction Document available to the Indenture Trustee shall not be construed to be the imposition of a duty.

(p) The Indenture Trustee shall not be liable for interest on any money received by it except as the Indenture Trustee may separately agree in writing with the Issuer.

(q) Every provision of the Indenture or any related document relating to the conduct or affecting the liability of or affording protection to the Indenture Trustee shall be subject to the provisions of this Article.

Section 1.2. Rights of the Indenture Trustee. Except as otherwise provided by Section 11.1:

(a) The Indenture Trustee may conclusively rely on and shall be protected in acting upon or refraining from acting upon and in accord with, without any duty to verify the contents or recompute any calculations therein, any document (whether in its original or facsimile form), including the annual certificate, the monthly payment instructions and notification to the Indenture Trustee, the Monthly Report, any resolution, Officer's Certificate, certificate of auditors or any other certificate, statement, instrument, opinion, report, notice, request, consent, order, appraisal, bond or other paper or document, believed by it to be genuine and to have been signed by or presented by the proper Person. Without limiting the Indenture Trustee's obligations to examine pursuant to Section 11.1(b)(i), the Indenture Trustee need not investigate any fact or matter stated in the document.

(b) Before the Indenture Trustee acts or refrains from acting, the Indenture Trustee may require an Officer's Certificate or an Opinion of Counsel or consult with counsel of its selection and the Officer's Certificate or the advice of such counsel or any Opinion of Counsel shall be full and complete authorization and protection from liability in respect of any action taken, suffered or omitted by it hereunder in good faith and in reliance thereon.

(c) The Indenture Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys, custodians and nominees and the Indenture Trustee shall not be liable for any misconduct or negligence on the part of, or for the supervision of, any such agent or attorneys, custodian or nominee so long as such agent, custodian or nominee is appointed with due care.

(d) The Indenture Trustee shall not be liable for any action it takes or omits to take in good faith which it believes to be authorized or within its rights or powers conferred upon it by this Indenture; provided, however, that the Indenture Trustee's conduct does not constitute willful misconduct or negligence.

(e) The Indenture Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture, or to institute, conduct or defend any litigation hereunder or in relation hereto, at the request, order or direction of any of the Noteholders or Certificateholders, pursuant to the provisions of this Indenture, unless such Noteholders or Certificateholders shall have offered to the Indenture Trustee security or indemnity satisfactory to the Indenture Trustee (in its sole discretion) against the costs, expenses (including attorneys' fees and expenses) and liabilities which may be incurred therein or thereby; nothing contained herein shall, however, relieve the Indenture Trustee of the obligations, upon the occurrence of an Event of Default (which has not been cured or waived), to exercise such of the rights and powers vested in it by this Indenture, and to use the same degree of care and skill in their exercise as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs.

(f) The Indenture Trustee shall not be bound to make any investigation into the facts of matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, approval, bond or other paper or document (including, the annual

certificate, the monthly payment instructions and notification to the Indenture Trustee or the Monthly Report), unless requested in writing so to do by the Holders of Securities evidencing not less than 25% of the aggregate outstanding principal balance or par value of the Securities, but the Indenture Trustee may, but is not obligated to, make such further inquiry or investigation into such facts or matters as it may see fit, and, if the Indenture Trustee shall determine to make such further inquiry or investigation, it shall be entitled to examine the books, records and premises of the Issuer, personally or by agent or attorney at the sole cost of the Issuer and shall incur no liability or additional liability of any kind by reason of such inquiry or investigation; provided, however, that if the payment within a reasonable time to the Indenture Trustee of the costs, expenses or liabilities likely to be incurred by it in the making of such investigation is, in the opinion of the Indenture Trustee, not assured to the Indenture Trustee by the security afforded to it by the terms of this Indenture, the Indenture Trustee may require indemnity satisfactory to it against such cost, expense or liability as a condition to so proceeding; the reasonable expense of every such examination shall be paid by the Person making such request, or, if paid by the Indenture Trustee, shall be reimbursed by the Person making such request.

(g) The Indenture Trustee shall have no liability for the selection of Permitted Investments and shall not be liable for any losses or liquidation penalties in connection with Permitted Investments, unless such losses or liquidation penalties were incurred through the Indenture Trustee's own willful misconduct or negligence. The Indenture Trustee shall have no obligation to invest or reinvest any amounts except as directed by the Issuer (or the Administrator) in accordance with this Indenture.

(h) The Indenture Trustee shall not be liable for the acts or omissions of any successor to the Indenture Trustee so long as such acts or omissions were not the result of the negligence, bad faith or willful misconduct of the predecessor Indenture Trustee.

(i) The rights, privileges, protections, immunities and benefits given to the Indenture Trustee, including, without limitation, its right to be indemnified, are extended to, and shall be enforceable by, the Indenture Trustee and the entity serving as Indenture Trustee (a) in each of its capacities hereunder and under the Transaction Documents, and to each agent, custodian and other Person employed to act hereunder or thereunder and (b) in each document to which it is a party (in any capacity) whether or not specifically set forth herein or therein; provided that the Securities Intermediary and the Depositary Bank shall comply with Section 5.3.

(j) Except as may be required by Sections 11.1(b)(ii), 11.2(a) and 11.2(f), the Indenture Trustee shall not be required to make any initial or periodic examination of any documents or records related to the Trust Estate for the purpose of establishing the presence or absence of defects, the compliance by the Seller, the Parent or the Administrator with their respective representations and warranties or for any other purpose.

(k) Without limiting the Indenture Trustee's obligation to examine pursuant to Section 11.1(b)(ii), the Indenture Trustee shall not be bound to make any investigation into (i) the performance or observance by the Issuer or any other Person of any of the covenants, agreements or other terms or conditions set forth in this Indenture or in any related document, (ii) the occurrence of any default, or the validity, enforceability, effectiveness or genuineness of this Indenture, any related document or any other agreement, instrument or document, (iii) the creation, perfection or priority of any Lien purported to be created by this Indenture or any related document, (iv) the value or the sufficiency of any collateral or (v) the satisfaction of any condition set forth in this Indenture or any related document, but the Indenture Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit, and, if the Indenture Trustee shall determine to make such further inquiry or investigation, it shall be entitled to examine the books, records and premises of the Issuer, personally or by agent or attorney, and shall incur no liability of any kind by reason of such inquiry or investigation.

(l) In no event shall the Indenture Trustee be responsible or liable for special, indirect, punitive or consequential loss or damage of any kind whatsoever (including, but not limited to, loss of profit), even if the Indenture Trustee has been advised of the likelihood of such loss or damage and regardless of the form of action.

(m) The Indenture Trustee may, from time to time, request that the Issuer and any other applicable party deliver a certificate (upon which the Indenture Trustee may conclusively rely) setting forth the names of individuals and/or titles of officers authorized at such time to take specified actions pursuant to this Indenture or any related document together with a specimen signature of such authorized officers; provided, however, that from time to time, the Issuer or such other applicable party may, by delivering to the Indenture Trustee a revised certificate, change the information previously provided by it pursuant to the Indenture, but the Indenture Trustee shall be entitled to conclusively rely on the then current certificate until receipt of a superseding certificate.

(n) The right of the Indenture Trustee to perform any discretionary act enumerated in this Indenture or any related document shall not be construed as a duty.

(o) Except for notices, reports and other documents expressly required to be furnished to the Holders by the Indenture Trustee hereunder, the Indenture Trustee shall not have any duty or responsibility to provide any Holder with any other information concerning the Issuer or any other parties to any related documents which may come into the possession of the Indenture Trustee or any of its officers, directors, employees, agents, representatives or attorneys-in-fact.

(p) If the Indenture Trustee requests instructions from the Issuer, the Administrator or the Holders with respect to any action or omission in connection with this Indenture, the Indenture Trustee shall be entitled (without incurring any liability therefor) to refrain from taking such action and continue to refrain from acting unless and until the Indenture Trustee shall have received written instructions from the Issuer, the Administrator or the Holders, as applicable, with respect to such request.

(q) In order to comply with laws, rules, regulations and executive orders in effect from time to time applicable to banking institutions, including those relating to the funding of terrorist activities and money laundering (“Applicable Law”), the Indenture Trustee is required to obtain, verify and record certain information relating to individuals and entities which maintain a business relationship with the Indenture Trustee. Accordingly, each of the parties agrees to provide to the Indenture Trustee upon its request from time to time such identifying information and documentation as may be available for such party in order to enable the Indenture Trustee to comply with Applicable Law.

(r) In no event shall the Indenture Trustee be liable for any failure or delay in the performance of its obligations under this Indenture or any related documents because of circumstances beyond the Indenture Trustee’s control, including, but not limited to, a failure, termination, or suspension of a clearing house, securities depository, settlement system or central payment system in any applicable part of the world or acts of God, flood, war (whether declared or undeclared), civil or military disturbances or hostilities, nuclear or natural catastrophes, political unrest, explosion, severe weather or accident, earthquake, terrorism, fire, riot, labor disturbances, strikes or work stoppages for any reason, embargo, government action, including any laws, ordinances, regulations or the like (whether domestic, federal, state, county or municipal or foreign) which delay, restrict or prohibit the providing of the services contemplated by this Indenture or any related documents, or the unavailability of communications or computer facilities, the failure of equipment or interruption of communications or computer facilities, or the unavailability of the Federal Reserve Bank wire or telex or other wire or communication

facility, or any other causes beyond the Indenture Trustee's control whether or not of the same class or kind as specified above.

(s) The Indenture Trustee shall not be liable for failing to comply with its obligations under this Indenture in so far as the performance of such obligations is dependent upon the timely receipt of instructions and/or other information from any other Person which are not received or not received by the time required.

(t) The Indenture Trustee shall be fully justified in failing or refusing to take any action under this Indenture or any other related document if such action (A) would, in the reasonable opinion of the Indenture Trustee, in good faith (which may be based on the advice or opinion of counsel), be contrary to applicable Law, this Indenture or any other related document, or (B) is not provided for in the Indenture or any other related document.

(u) The Indenture Trustee shall not be required to take any action under this Indenture or any related document if taking such action (A) would subject the Indenture Trustee to a tax in any jurisdiction where it is not then subject to a tax, or (B) would require the Indenture Trustee to qualify to do business in any jurisdiction where it is not then so qualified.

(v) The Indenture Trustee shall neither be responsible for, nor chargeable with, knowledge of the terms and conditions of any other agreement, instrument or document other than this Indenture or any other Transaction Document to which it is a party, whether or not an original or a copy of such agreement has been provided to the Indenture Trustee.

(w) The Indenture Trustee shall have no obligation or duty to determine or otherwise monitor any Person's compliance with the Credit Risk Retention Rules or any other laws, rules or regulations of any other jurisdiction related to risk retention.

(x) Notwithstanding anything contained in this Indenture or any other Transaction Document to the contrary, the Indenture Trustee shall be under no obligation (i) to monitor, determine or verify the unavailability or cessation of One-Month LIBOR (or other applicable benchmark interest rate), or whether or when there has occurred, or to give notice to any other Person of the occurrence of, any date on which such rate may be required to be transitioned or replaced in accordance with the terms of the Transaction Documents, applicable law or otherwise, (ii) to select, determine or designate any replacement to such rate, or other successor or replacement benchmark index, or whether any conditions to the designation of such a rate have been satisfied, (iii) to select, determine or designate any modifier to any replacement or successor index, or (iv) to determine whether or what any amendments to this Indenture or the other Transaction Documents are necessary or advisable, if any, in connection with any of the foregoing.

Section 1.3. Indenture Trustee Not Liable for Recitals in Securities. The Indenture Trustee assumes no responsibility for the correctness of the recitals contained in this Indenture and in the Securities (other than the signature and authentication of the Indenture Trustee on the Securities). Except as set forth in Section 11.16, the Indenture Trustee makes no representations as to the validity or sufficiency of this Indenture or of the Securities (other than the signature and authentication of the Indenture Trustee on the Securities) or of any asset of the Trust Estate or related document. The Indenture Trustee shall not be accountable for the use or application by the Issuer or the Seller of any of the Securities or of the proceeds of such Securities, or for the use or application of any funds paid to the Seller or to the Issuer in respect of the Trust Estate or deposited in or withdrawn from the Payment Account by Oportun.

Section 1.4. Individual Rights of the Indenture Trustee: Multiple Capacities. The Indenture Trustee in its individual or any other capacity may become the owner or pledgee

of Securities and may otherwise deal with the Issuer or an Affiliate of the Issuer with the same rights it would have if it were not Indenture Trustee. Any Paying Agent, Transfer Agent and Registrar, co-registrar or co-paying agent may do the same with like rights. However, the Indenture Trustee must comply with Sections 11.9 and 11.11. It is expressly acknowledged, agreed and consented to that Wilmington Trust, National Association will be acting in the capacities of Indenture Trustee, Paying Agent, Depositary Bank and Securities Intermediary. Wilmington Trust, National Association may, in such multiple capacities, discharge its separate functions fully, without hindrance or regard to conflict of interest principles, duty of loyalty principles or other breach of fiduciary duties to the extent that any such conflict or breach arises from the performance by Wilmington Trust, National Association of express duties set forth in this Indenture or any other Transaction Documents in any such capacities, all of which defenses, claims or assertions are hereby expressly waived by the Issuer, the Holders and any other Person having rights pursuant hereto or thereto and to disclaim any potential liability. For the avoidance of doubt, any actions taken by the Securities Intermediary with respect to the First Priority Custody Account or the Second Priority Custody Account shall be taken pursuant to the terms of the Custody Agreement and, so long as this Indenture is in effect, the provisions of this Indenture applicable to the Securities Intermediary; it being understood that any such actions shall be taken solely in accordance with the Custody Agreement and, so long as this Indenture is in effect, the provisions of this Indenture applicable to the Securities Intermediary, and Wilmington Trust, National Association will discharge its separate functions fully, without hindrance or regard to conflict of interest principles, duty of loyalty principles or other breach of fiduciary duties to the extent that any such conflict or breach arises from the performance by Wilmington Trust, National Association of express duties set forth in this Indenture or any other Transaction Documents in any such capacities, all of which defenses, claims or assertions are hereby expressly waived by the Issuer, the Holders and any other Person having rights pursuant hereto or thereto and to disclaim any potential liability.

Section 1.5. Notice of Defaults. If a Default, Event of Default or Rapid Amortization Event occurs and is continuing and if a Trust Officer of the Indenture Trustee receives written notice or has actual knowledge thereof, the Indenture Trustee shall promptly provide each Notice Person (and, with respect to any Event of Default or Rapid Amortization Event, each Noteholder and Certificateholder), to the extent possible by email or facsimile, and, otherwise, by first class mail at their respective addresses appearing in the Register.

Section 1.6. Compensation.

(a) To the extent not otherwise paid pursuant to the Indenture, the Issuer covenants and agrees to pay to the Indenture Trustee from time to time, and the Indenture Trustee shall be entitled to receive, such compensation as the Issuer and the Indenture Trustee shall agree in writing from time to time (which compensation shall not be limited by any provision of Law in regard to the compensation of a trustee of an express trust) for all services rendered by it in the execution of the trust hereby created and in the exercise and performance of any of the powers and duties hereunder of the Indenture Trustee, and, the Issuer will pay or reimburse the Indenture Trustee (without reimbursement from the Payment Account or otherwise) all reasonable expenses, disbursements and advances (including legal fees and costs and costs of persons not regularly employed by the Indenture Trustee) incurred or made by the Indenture Trustee in accordance with any of the provisions of this Indenture except any such expense, disbursement or advance as may arise from its own willful misconduct or negligence.

(b) The obligations of the Issuer under this Section 11.6 shall survive the termination of this Indenture and the resignation or removal of the Indenture Trustee.

Section 1.7. Replacement of the Indenture Trustee.

(a) A resignation or removal of the Indenture Trustee and appointment of a successor Indenture Trustee shall become effective only upon the successor Indenture Trustee's acceptance of appointment as provided in this Section 11.7.

(b) The Indenture Trustee may, after giving sixty (60) days' prior written notice to the Issuer, resign at any time and be discharged from the trust hereby created; provided, however, that no such resignation of the Indenture Trustee shall be effective until a successor trustee has assumed the obligations of the Indenture Trustee hereunder. The Issuer may remove the Indenture Trustee by written instrument, in duplicate, one copy of which instrument shall be delivered to the Indenture Trustee so removed and one copy to the successor trustee if:

(i) the Indenture Trustee fails to comply with Section 11.9;

(ii) 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;

(iii) 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; or

(iv) the Indenture Trustee becomes incapable of acting.

If the Indenture Trustee resigns or is removed or if a vacancy exists in the office of the Indenture Trustee for any reason, the Issuer shall promptly appoint a successor Indenture Trustee by written instrument, in duplicate, one copy of which instrument shall be delivered to the resigning and one copy to the successor trustee.

(c) If a successor Indenture Trustee does not take office within thirty (30) days after the retiring Indenture Trustee provides written notice of its resignation or is removed, the retiring Indenture Trustee may petition any court of competent jurisdiction for the appointment of a successor trustee.

A successor Indenture Trustee shall deliver a written acceptance of its appointment to the retiring or removed Indenture Trustee and to the Issuer. Thereupon the resignation or removal of the retiring Indenture Trustee shall become effective, and the successor Indenture Trustee, without any further act, deed or conveyance, shall become fully vested with all the rights, powers and duties of the Indenture Trustee under this Indenture. The successor Indenture Trustee shall mail a notice of its succession to Noteholders and Certificateholders. The retiring Indenture Trustee shall, at the expense of the Issuer, promptly transfer to the successor Indenture Trustee all property held by it as Indenture Trustee and all documents and statements held by it hereunder; provided, however, that all sums owing to the retiring Indenture Trustee hereunder (and its agents and counsel) have been paid, and the Issuer and the predecessor Indenture Trustee shall execute and deliver such instruments and do such other things as may reasonably be required for fully and certainly vesting and confirming in the successor Indenture Trustee all such rights, powers, duties and obligations. Notwithstanding replacement of the Indenture Trustee pursuant to this Section 11.7, the Issuer's obligations under Sections 11.6 and 11.17 shall continue for the benefit of the retiring Indenture Trustee.

(d) Any resignation or removal of the Indenture Trustee and appointment of a successor Indenture Trustee pursuant to any of the provisions of this Section 11.7 shall not become effective until acceptance of appointment by the successor Indenture Trustee pursuant to this Section 11.7 and payment of all fees and expenses owed to the retiring Indenture Trustee.

(e) No successor Indenture Trustee shall accept appointment as provided in this Section 11.7 unless at the time of such acceptance such successor Indenture Trustee shall be eligible under the provisions of Section 11.9 hereof.

Section 1.8. Successor Indenture Trustee by Merger, etc. Any Person into which the Indenture Trustee may be merged or converted or with which it may be consolidated, or any Person resulting from any merger, conversion or consolidation to which the Indenture Trustee shall be a party, or any Person succeeding to the corporate trust business of the Indenture Trustee, shall be the successor of the Indenture Trustee hereunder, provided such Person shall be eligible under the provisions of Section 11.9 hereof, without the execution or filing of any paper or any further act on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

In case at the time such successor or successors by merger, conversion or consolidation to the Indenture Trustee shall succeed to the trusts created by this Indenture any of the Securities shall have been authenticated but not delivered, any such successor to the Indenture Trustee may adopt the certificate of authentication of any predecessor Indenture Trustee, and deliver such Securities so authenticated; and in case at that time any of the Securities shall not have been authenticated, any successor to the Indenture Trustee may authenticate such Securities either in the name of any predecessor hereunder or in the name of the successor to the Indenture Trustee; and in all such cases such certificates shall have the full force which it is anywhere in the Securities or in this Indenture provided that the certificate of the Indenture Trustee shall have.

Section 1.9. Eligibility: Disqualification. The Indenture Trustee hereunder shall at all times be organized and doing business under the Laws of the United States of America or any State thereof authorized under such Laws to exercise corporate trust powers, having a long-term unsecured debt rating of at least BBB- (or the equivalent thereof) by a Rating Agency, having, in the case of an entity that is subject to risk-based capital adequacy requirements, risk-based capital of at least \$50,000,000 or, in the case of an entity that is not subject to risk-based capital adequacy requirements, having a combined capital and surplus of at least \$50,000,000 and subject to supervision or examination by federal or state authority. If such corporation publishes reports of condition at least annually, pursuant to Law, then for the purpose of this Section 11.9, the combined capital and surplus of such corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

In case at any time the Indenture Trustee shall cease to be eligible in accordance with the provisions of this Section 11.9, the Indenture Trustee shall resign immediately in the manner and with the effect specified in Section 11.7.

Section 1.10. Appointment of Co-Indenture Trustee or Separate Indenture Trustee.

(a) Notwithstanding any other provisions of this Indenture, at any time, for the purpose of meeting any legal requirements of any jurisdiction in which any part of the Trust Estate may at the time be located, the Indenture Trustee shall have the power and may execute and deliver all instruments to appoint one or more persons to act as a co-trustee or co-trustees, or separate trustee or separate trustees, of all or any part of the Trust Estate, and to vest in such Person or Persons, in such capacity and for the benefit of the Secured Parties, such title to the

Trust Estate, or any part thereof, and, subject to the other provisions of this Section 11.10 such powers, duties, obligations, rights and trusts as the Indenture Trustee may consider necessary or desirable. No co-trustee or separate trustee hereunder shall be required to meet the terms of eligibility as a successor trustee under Section 11.9 and no notice to Noteholders or Certificateholders of the appointment of any co-trustee or separate trustee shall be required under Section 11.7. No co-trustee shall be appointed without the consent of the Issuer unless such appointment is required as a matter of Law or to enable the Indenture Trustee to perform its functions hereunder. The appointment of any co-trustee or separate trustee shall not relieve the Indenture Trustee of any of its obligations hereunder.

(b) Every separate trustee and co-trustee shall, to the extent permitted by Law, be appointed and act subject to the following provisions and conditions:

(i) the Securities shall be authenticated and delivered solely by the Indenture Trustee or an authenticating agent appointed by the Indenture Trustee;

(ii) all rights, powers, duties and obligations conferred or imposed upon the Indenture Trustee shall be conferred or imposed upon and exercised or performed by the Indenture Trustee and such separate trustee or co-trustee jointly (it being understood that such separate trustee or co-trustee is not authorized to act separately without the Indenture Trustee joining in such act), except to the extent that under any Law (whether as Indenture Trustee hereunder), the Indenture Trustee shall be incompetent or unqualified to perform, such act or acts, in which event such rights, powers, duties and obligations (including the holding of title to the Trust Estate or any portion thereof in any such jurisdiction) shall be exercised and performed singly by such separate trustee or co-trustee, but solely at the direction of the Indenture Trustee;

(iii) no trustee hereunder shall be personally liable by reason of any act or omission of any other trustees, hereunder, including acts or omissions of predecessor or successor trustees;

(iv) the Indenture Trustee may at any time accept the resignation of or remove any separate trustee or co-trustee; and

(v) the Indenture Trustee shall remain primarily liable for the actions of any co-trustee.

(c) Any notice, request or other writing given to the Indenture Trustee shall be deemed to have been given to each of the then separate trustees and co-trustees, as effectively as if given to each of them. Every instrument appointing any separate trustee or co-trustee shall refer to this Indenture and the conditions of this Article 11. Each separate trustee and co-trustee, upon its acceptance of the trusts conferred, shall be vested with the estates or property specified in its instrument of appointment, either jointly with the Indenture Trustee or separately, as may be provided therein, subject to all the provisions of this Indenture, specifically including every provision of this Indenture relating to the conduct of, affecting the liability of, or affording protection to, the Indenture Trustee. Every such instrument shall be filed with the Indenture Trustee and a copy thereof given to Oportun.

(d) Any separate trustee or co-trustee may at any time constitute the Indenture Trustee, its agent or attorney-in-fact with full power and authority, to the extent not prohibited by Law, to do any lawful act under or in respect to this Indenture on its behalf and in its name. If any separate trustee or co-trustee shall die, become incapable of acting, resign or be removed, all of its estates, properties, rights, remedies and trusts shall vest in and be exercised by the

Indenture Trustee, to the extent permitted by Law, without the appointment of a new or successor Indenture Trustee.

Section 1.11. [Reserved].

Section 1.12. Taxes. The Indenture Trustee shall not be liable for any liabilities, costs or expenses of the Issuer, the Noteholders, the Note Owners or the Certificateholders arising under any tax Law, including without limitation federal, state, local or foreign income or franchise taxes or any other tax imposed on or measured by income (or any interest or penalty with respect thereto or arising from a failure to comply therewith).

Section 1.13. [Reserved].

Section 1.14. Suits for Enforcement. If an Event of Default shall occur and be continuing, the Indenture Trustee, may (but shall not be obligated to) subject to the provisions of Section 2.01 of the Servicing Agreement, proceed to protect and enforce its rights and the rights of any Secured Party under this Indenture or any other Transaction Document by a Proceeding, whether for the specific performance of any covenant or agreement contained in this Indenture or such other Transaction Document or in aid of the execution of any power granted in this Indenture or such other Transaction Document or for the enforcement of any other legal, equitable or other remedy as the Indenture Trustee, being advised by counsel, shall deem most effectual to protect and enforce any of the rights of the Indenture Trustee or any Secured Party.

Section 1.15. Reports by Indenture Trustee to Holders. The Indenture Trustee shall deliver to each Noteholder and Certificateholder such information as may be expressly required by the Code.

Section 1.16. Representations and Warranties of Indenture Trustee. The Indenture Trustee represents and warrants to the Issuer and the Secured Parties that:

- (i) the Indenture Trustee is a national banking association with trust powers duly organized, existing and authorized to engage in the business of banking under the Laws of the United States;
- (ii) the Indenture Trustee has full power, authority and right to execute, deliver and perform this Indenture and to authenticate the Securities, and has taken all necessary action to authorize the execution, delivery and performance by it of this Indenture and to authenticate the Securities;
- (iii) this Indenture has been duly executed and delivered by the Indenture Trustee; and
- (iv) the Indenture Trustee meets the requirements of eligibility hereunder set forth in Section 11.9.

Section 1.17. The Issuer Indemnification of the Indenture Trustee. 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 this Indenture and any other Transaction Document to which it is a party or any transaction contemplated hereby or 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 herein shall (i) survive the termination of this Indenture and the resignation and removal of the Indenture Trustee, and (ii) apply to the Indenture Trustee (including (a) in its capacity as Agent and (b) Wilmington Trust, National Association, as Securities Intermediary and Depository Bank).

Section 1.18. Indenture Trustee's Application for Instructions from the Issuer. Any application by the Indenture Trustee for written instructions from the Issuer or the Administrator may, at the option of the Indenture Trustee, set forth in writing any action proposed to be taken or omitted by the Indenture Trustee under this Indenture and the date on and/or after which such action shall be taken or such omission shall be effective. Subject to Section 11.1, the Indenture Trustee shall not be liable for any action taken by, or omission of, the Indenture Trustee in accordance with a proposal included in such application on or after the date specified in such application (which date shall not be less than thirty (30) days after the date any Responsible Officer of the Issuer or the Administrator actually receives such application, unless any such officer shall have consented in writing to any earlier date) unless prior to taking any such action (or the effective date in the case of an omission), the Indenture Trustee shall have received written instructions in response to such application specifying the action to be taken or omitted.

Section 1.19. [Reserved].

Section 1.20. Maintenance of Office or Agency. The Indenture Trustee will maintain an office or offices, or agency or agencies, where notices and demands to or upon the Indenture Trustee in respect of the Securities and this Indenture may be served. The Indenture Trustee initially appoints its Corporate Trust Office as its office for such purposes. The Indenture Trustee will give prompt written notice to the Issuer, Oportun, the Noteholders and the Certificateholders of any change in the location of the Register or any such office or agency.

Section 1.21. Concerning the Rights of the Indenture Trustee. The rights, privileges and immunities afforded to the Indenture Trustee in the performance of its duties under this Indenture shall apply equally to the performance by the Indenture Trustee of its duties under each other Transaction Document to which it is a party.

Section 1.22. Direction to the Indenture Trustee. The Issuer hereby directs the Indenture Trustee to enter into the Transaction Documents.

ARTICLE 12.

DISCHARGE OF INDENTURE

Section 1.1. Satisfaction and Discharge of Indenture. This Indenture shall cease to be of further effect with respect to the Securities except as to (i) rights of Noteholders to receive payments of principal thereof and interest thereon and any other amount due to Noteholders, (ii) rights of Certificateholders to receive payments of amount distributable to Certificateholders, (iii) Sections 8.1, 11.6, 11.12, 11.17, 12.2, 12.5(b), 15.16 and 15.17, (iv) the rights, obligations under Sections 12.2 and 15.17 and immunities of the Indenture Trustee hereunder (including the rights of the Indenture Trustee under Sections 11.6 and 11.17) and (v) the rights of Noteholders and Certificateholders as beneficiaries hereof with respect to the property deposited with the Indenture Trustee as described below payable to all or any of them, and the Indenture Trustee, on demand of and at the expense of the Issuer, shall execute proper instruments acknowledging satisfaction and discharge of this Indenture with respect to the

Securities (and their related Secured Parties), on the Payment Date (the “Indenture Termination Date”) on which the Issuer has paid, caused to be paid or irrevocably deposited or caused to be irrevocably deposited in the applicable Payment Account funds sufficient to pay in full all Secured Obligations, and the Issuer has delivered to the Indenture Trustee an Officer’s Certificate and an Opinion of Counsel, each meeting the applicable requirements of Section 15.1(a) and each stating that all conditions precedent herein provided for relating to the satisfaction and discharge of this Indenture have been complied with.

After any irrevocable deposit made pursuant to Section 12.1 and satisfaction of the other conditions set forth herein, the Indenture Trustee promptly upon request shall acknowledge in writing the discharge of the Issuer’s obligations under this Indenture except for those surviving obligations specified above.

Section 1.2. Application of Issuer Money. All moneys deposited with the Indenture Trustee pursuant to Section 12.1 shall be held in trust and applied by it, in accordance with the provisions of the Securities and this Indenture, to the payment, either directly or through any Paying Agent to the Noteholder or Certificateholders of the particular Securities for the payment or redemption of which such moneys have been deposited with the Indenture Trustee, of all sums due and to become due thereon for principal, interest and other amounts; but such moneys need not be segregated from other funds except to the extent required herein or in the other Transaction Documents or required by Law.

The provisions of this Section 12.2 shall survive the expiration or earlier termination of this Indenture.

Section 1.3. Repayment of Moneys Held by Paying Agent. In connection with the satisfaction and discharge of this Indenture with respect to the Securities, all moneys then held by any Paying Agent other than the Indenture Trustee under the provisions of this Indenture with respect to such Securities shall, upon demand of the Issuer, be paid to the Indenture Trustee to be held and applied according to Section 8.1 and thereupon such Paying Agent shall be released from all further liability with respect to such moneys.

Section 1.4. [Reserved].

Section 1.5. Final Payment.

(a) Written notice of any termination, specifying the Payment Date upon which the Noteholders or Certificateholders may surrender their Securities for final payment and cancellation, shall be given (subject to at least two (2) Business Days’ prior notice from the Issuer to the Indenture Trustee) by the Indenture Trustee to Noteholders or Certificateholders mailed not later than five (5) Business Days preceding such final payment specifying (i) the Payment Date (which shall be the Payment Date in the month in which the Termination Date occurs) upon which final payment of such Securities will be made upon presentation and surrender of such Securities at the office or offices therein designated, (ii) the amount of any such final payment and (iii) that the Record Date otherwise applicable to such Payment Date is not applicable, payments being made only upon presentation and surrender of the Securities at the office or offices therein specified. The Issuer’s notice to the Indenture Trustee in accordance with the preceding sentence shall be accompanied by an Officer’s Certificate of the Issuer setting forth the information specified in Article 6 of this Indenture covering the period during the then current calendar year through the date of such notice and setting forth the date of such final distribution. The Indenture Trustee shall give such notice to the Transfer Agent and the Paying Agent at the time such notice is given to such Noteholders or Certificateholders.

(b) Notwithstanding the termination or discharge of the trust of the Indenture pursuant to Section 12.1 or the occurrence of the Termination Date, all funds then on deposit in the Payment Account shall continue to be held in trust for the benefit of the Noteholders or Certificateholders and the Paying Agent or the Indenture Trustee shall pay such funds to the Noteholders or Certificateholders upon surrender of their Securities. In the event that all of the Noteholders or Certificateholders shall not surrender their Securities for cancellation within six (6) months after the date specified in the above-mentioned written notice, the Indenture Trustee shall give second written notice to the remaining Noteholders or Certificateholders upon receipt of the appropriate records from the Transfer Agent and Registrar to surrender their Securities for cancellation and receive the final distribution with respect thereto. If within one and one-half years after the second notice all the Securities shall not have been surrendered for cancellation, the Indenture Trustee may take appropriate steps or may appoint an agent to take appropriate steps, to contact the remaining Noteholders or Certificateholders concerning surrender of their Securities, and the cost thereof shall be paid out of the funds in the Payment Account held for the benefit of such Noteholders or Certificateholders. The Indenture Trustee and the Paying Agent shall pay to the Issuer upon request any monies held by them for the payment of principal or interest which remains unclaimed for two (2) years. After such payment to the Issuer, Noteholders or Certificateholders entitled to the money must look to the Issuer for payment as general creditors unless an applicable abandoned property Law designates another Person.

(c) All Securities surrendered for payment of the final distribution with respect to such Securities and cancellation shall be cancelled by the Transfer Agent and Registrar and be disposed of in a manner satisfactory to the Indenture Trustee and the Issuer.

Section 1.6. Termination Rights of Issuer. Upon the termination of the Lien of the Indenture pursuant to Section 12.1, and after payment of all amounts due hereunder on or prior to such termination, the Indenture Trustee shall execute a written release and reconveyance substantially in the form of Exhibit A hereto pursuant to which it shall release the Lien of the Indenture and reconvey to the Issuer (without recourse, representation or warranty) all right, title and interest in the Trust Estate, whether then existing or thereafter created, all moneys due or to become due with respect to such Trust Estate and all proceeds of the Trust Estate, except for amounts held by the Indenture Trustee or any Paying Agent pursuant to Section 12.5(b). The Indenture Trustee shall execute and deliver such instruments of transfer and assignment, in each case without recourse, as shall be reasonably requested by the Issuer to vest in the Issuer all right, title and interest in the Trust Estate.

Section 1.7. Repayment to the Issuer. The Indenture Trustee and the Paying Agent shall promptly pay to the Issuer upon written request any excess money or, pursuant to Sections 2.10 and 2.13, return any Securities held by them at any time.

ARTICLE 13.

AMENDMENTS

Section 1.1. Supplemental Indentures without Consent of the Noteholders. Without the consent of the Holders of any Notes, and, if the Certificateholders' rights and/or obligations are materially and adversely affected thereby, with the consent of the Required Certificateholders, the Issuer and the Indenture Trustee, when authorized by an Issuer Order, at any time and from time to time, may enter into one or more indenture supplements or amendments hereto, 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 this Indenture, or better to assure, convey and confirm unto the Indenture Trustee any

property subject or required to be subjected to the Lien of this Indenture, or to subject to the Lien of this Indenture additional property;

(b) to evidence the succession, in compliance with the applicable provisions hereof, of another Person to the Issuer, and the assumption by any such successor of the covenants of the Issuer herein and in the Securities;

(c) to add to the covenants of the Issuer for the benefit of any Secured Parties or to surrender any right or power herein conferred upon the Issuer;

(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 this Indenture or as may, consistent with the provisions of this 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 this Indenture which may be inconsistent with any other provision of this Indenture;

(f) to make any other provisions of this Indenture with respect to matters or questions arising under this Indenture; provided, however, that such action shall not adversely affect the interests of any Holder of the Notes in any material respect without consent being provided as set forth in Section 13.2; or

(g) to evidence and provide for the acceptance of appointment hereunder by a successor Indenture Trustee with respect to the Securities or to add to or change any of the provisions of this Indenture as shall be necessary and permitted to provide for or facilitate the administration of the trusts hereunder by more than one trustee pursuant to the requirements of Article 11;

provided, however, that no amendment or supplement shall be permitted unless a Tax Opinion is delivered to the Indenture Trustee.

Upon the request of the Issuer, the Indenture Trustee shall join with the Issuer in the execution of any supplemental indenture or amendment authorized or permitted by the terms of this Indenture and shall make any further appropriate agreements and stipulations that may be therein contained, but the Indenture Trustee shall not be obligated to enter into such supplemental indenture or amendment that affects its own rights, duties or immunities under this Indenture or otherwise.

Section 1.2. Supplemental Indentures with Consent of Noteholders. The Issuer and the Indenture Trustee, when authorized by an Issuer Order, also may, with the consent of the Required Noteholders and, if the Certificateholders' rights and/or obligations are materially and adversely affected thereby, the Required Certificateholders enter into one or more indenture supplements or amendments hereto for the purpose of adding any provisions to, or changing in any manner or eliminating any of the provisions of, this Indenture or of modifying in any manner the rights of the Holders of the Notes under this Indenture; provided, however, that no such indenture supplement or amendment shall, without the consent of the Required Noteholders and without the consent of the Holder of each outstanding 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 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 this Indenture relating to the application of payments on, or the proceeds of the sale of, the Trust Estate to payment of principal of, or interest on, the Notes, or change any place of payment where, or the coin or currency in which, any 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 this Indenture requiring the application of funds available therefor, as provided in Article 9, to the payment of any such amount due on the 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 Notes, the consent of the Holders of which is required for any such indenture supplement or amendment, or the consent of the Holders of which is required for any waiver of compliance with certain provisions of this Indenture or certain defaults hereunder and their consequences provided for in this Indenture;

(v) modify or alter the provisions of this Indenture regarding the voting of 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 Notes, the consent of the Holders of which is required to direct the Indenture Trustee to sell or liquidate the Trust Estate pursuant to Section 10.4 if the proceeds of such sale would be insufficient to pay the principal amount and accrued but unpaid interest on the outstanding Notes;

(vii) modify any provision of this Section 13.2, except to increase any percentage specified herein or to provide that certain additional provisions of this Indenture cannot be modified or waived without the consent of the Holder of each outstanding Note affected thereby;

(viii) modify any of the provisions of this 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 Note on any Payment Date (including the calculation of any of the individual components of such calculation), to alter the application of payments or to affect the rights of the Holders of Notes to the benefit of any provisions for the mandatory redemption of the Notes contained in this Indenture; or

(ix) permit the creation of any Lien ranking prior to or on a parity with the Lien of this Indenture with respect to any part of the Trust Estate for the Notes (except for Permitted Encumbrances) or, except as otherwise permitted or contemplated in this Indenture, terminate the Lien of this Indenture on any such collateral at any time subject hereto or deprive any Secured Party of the security provided by the Lien of this Indenture.

The Indenture Trustee may, but shall not be obligated to, enter into any such amendment or supplement that affects the Indenture Trustee's rights, duties or immunities under this Indenture or otherwise.

It shall not be necessary for any consent of Noteholders or Certificateholders under this Section to approve the particular form of any proposed supplemental indenture, but it shall be sufficient if such consent shall approve the substance thereof. Additionally, with respect to a Book-Entry Note, such consent may be provided directly by the Note Owner or indirectly through a Clearing Agency.

The manner of obtaining such consents and of evidencing the authorization of the execution thereof by Note shall be subject to such reasonable requirements as the Indenture Trustee may prescribe.

Promptly after the execution by the Issuer and the Indenture Trustee of any supplemental indenture or amendment to this Indenture pursuant to this Section, the Indenture Trustee shall mail to each Holder of the Securities a copy of such supplemental indenture or amendment. Any failure of the Indenture Trustee to mail such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such supplemental indenture or amendment.

Section 1.3. Execution of Supplemental Indentures. In executing any amendment or supplemental indenture permitted by this Article 13 or the modifications thereby of the trust created by this Indenture, the Indenture Trustee shall be entitled to receive, and subject to Section 11.1, shall be fully protected in relying upon, an Officer's Certificate of the Issuer and an Opinion of Counsel stating that the execution of such amendment or supplemental indenture is authorized, permitted or not prohibited (as the case may be) by this Indenture and all conditions precedent to the execution of such amendment or supplemental indenture have been satisfied. Such Opinion of Counsel may be subject to reasonable qualifications and assumptions of fact. The Indenture Trustee may, but shall not be obligated to, enter into any such amendment or supplemental indenture that affects the Indenture Trustee's own rights, duties, liabilities or immunities under this Indenture or otherwise. No amendment or supplemental indenture may adversely affect the rights, duties, immunities, protections or indemnification rights of any Agent, the Depository Bank or the Securities Intermediary without its consent.

Section 1.4. Effect of Supplemental Indenture. Upon the execution of any amendment or supplemental indenture pursuant to the provisions hereof, this Indenture shall be and be deemed to be modified and amended in accordance therewith with respect to the Securities affected thereby, and the respective rights, limitations of rights, obligations, duties, liabilities and immunities under this Indenture of the Indenture Trustee, the Issuer and the Holders of the Securities shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modifications and amendments, and all the terms and conditions of any such amendment or supplemental indenture shall be and be deemed to be part of the terms and conditions of this Indenture for any and all purposes.

Section 1.5. [Reserved].

Section 1.6. [Reserved].

Section 1.7. [Reserved].

Section 1.8. Revocation and Effect of Consents. Until an amendment, supplemental indenture or waiver becomes effective, a consent to it by a Holder of a Security is a continuing consent by the Holder and every subsequent Holder of a Security or portion of a Note that evidences the same debt or other amount payable as the consenting Holder's Security, even if notation of the consent is not made on any Security. However, any such Holder or subsequent Holder may revoke the consent as to such Holder's Security or portion of a Security if the Indenture Trustee receives written notice of revocation before the date the amendment, supplemental indenture or waiver becomes effective. An amendment, supplemental indenture or

waiver becomes effective in accordance with its terms and thereafter binds every Holder. The Issuer may fix a record date for determining which Holders must consent to such amendment, supplemental indenture or waiver.

Section 1.9. Notation on or Exchange of Securities Following Amendment. The Indenture Trustee may place an appropriate notation about an amendment, supplemental indenture or waiver on any Security thereafter authenticated. If the Issuer shall so determine, new Securities so modified as to conform to any such amendment, supplemental indenture or waiver may be prepared and executed by the Issuer and authenticated and delivered by the Indenture Trustee (upon receipt of an Issuer Order) in exchange for outstanding Securities. Failure to make the appropriate notation or issue a new Security shall not affect the validity and effect of such amendment, supplemental indenture or waiver.

Section 1.10. The Indenture Trustee to Sign Amendments, etc. The Indenture Trustee shall sign any amendment or supplemental indenture authorized pursuant to this Article 13 if the amendment or supplemental indenture does not adversely affect in any material respect the rights, duties, liabilities or immunities of the Indenture Trustee. If any amendment or supplemental indenture does have such a materially adverse effect, the Indenture Trustee may, but need not, sign it. In signing such amendment or supplemental indenture, the Indenture Trustee shall be entitled to receive, if requested, an indemnity reasonably satisfactory to it and to receive and, subject to Section 11.1, shall be fully protected in relying upon, an Officer's Certificate of the Issuer and an Opinion of Counsel as conclusive evidence that such amendment or supplemental indenture is authorized, permitted or not prohibited (as the case may be) by this Indenture and that it will be valid and binding upon the Issuer in accordance with its terms and all conditions precedent to the execution of such amendment or supplemental indenture have been satisfied.

ARTICLE 14.

REDEMPTION AND REFINANCING OF NOTES

Section 1.1. Redemption and Refinancing.

(a) The Notes are subject to redemption by the Issuer, at its option, in accordance with the terms of this Article 14, in full or in part, on any Payment Date; provided that the Issuer has available funds sufficient to pay the Redemption Price. If the Notes are to be redeemed pursuant to this Section 14.1, the Issuer shall furnish notice of such election to the Indenture Trustee and the Noteholders not later than fifteen (15) days prior to the Redemption Date and the Issuer shall deposit with the Indenture Trustee in a Trust Account that is within the sole control of the Indenture Trustee no later than 10:00 a.m. New York time on the Redemption Date the Redemption Price of the Notes to be redeemed (or portion thereof) whereupon all such redeemed Notes shall be due and payable on the Redemption Date upon the furnishing of a notice complying with Section 14.2 to each Holder of such Notes.

(b) The redemption price for the Notes will be equal to the sum of (i) the Note Principal amount being redeemed (determined without giving effect to any Notes owned by the Issuer), plus (ii) accrued and unpaid interest on such Notes through the day preceding the Payment Date on which the redemption occurs, plus (iii) any other amounts payable to such Noteholders pursuant to the Transaction Documents, plus (iv) any other amounts due and owing by the Issuer to the other Secured Parties pursuant to the Transaction Documents, minus (v) the amounts, if any, on deposit on such Payment Date in the Payment Account for the payment of the foregoing amounts.

(c) Unless otherwise consented to by the Holders of 100% of the Certificates outstanding, concurrent with any redemption of any Notes by the Issuer, the Issuer shall make a distribution on the Certificates in accordance with this Article 14 in an amount equal to the sum of (i) 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 (ii) 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 any amounts payable in connection with the redemption of the Notes.

Section 1.2. Form of Redemption Notice. Subject to Section 2.17, notice of redemption under Section 14.1 shall be given by the Indenture Trustee by facsimile or by first-class mail, postage prepaid, transmitted or mailed prior to the applicable Redemption Date to each Holder of Notes to be redeemed, as of the close of business on the Record Date preceding the applicable Redemption Date, at such Holder's address appearing in the Register.

All notices of redemption shall state:

- (i) the Redemption Date;
- (ii) the Issuer's good faith estimate of the Redemption Price;

(iii) that the Record Date otherwise applicable to such Redemption Date is not applicable and that payments shall be made only upon presentation and surrender of such Notes and the place where such Notes are to be surrendered for payment of the Redemption Price (which shall be the office or agency of the Issuer to be maintained as provided in Section 8.2); and

- (iv) that interest on the Notes shall cease to accrue on the Redemption Date.

Notice of redemption of the Notes shall be given by the Indenture Trustee in the name and at the expense of the Issuer. For the avoidance of doubt, the Issuer shall provide the Indenture Trustee with the actual Redemption Price prior to the applicable Redemption Date. Failure to give notice of redemption, or any defect therein, to any Holder of any Note to be redeemed shall not impair or affect the validity of the redemption of any other Note.

Section 1.3. Notes Payable on Redemption Date. The Notes to be redeemed shall, following notice of redemption as required by Section 14.2, on the Redemption Date become due and payable at the Redemption Price and (unless the Issuer shall default in the payment of the Redemption Price) no interest shall accrue on the Redemption Price for any period after the date to which accrued interest is calculated for purposes of calculating the Redemption Price.

ARTICLE 15.

MISCELLANEOUS

Section 1.1. Compliance Certificates and Opinions, etc.

(a) Upon any application or request by the Issuer to the Indenture Trustee to take any action under any provision of this Indenture, the Issuer shall furnish to the Indenture Trustee if requested thereby (i) an Officer's Certificate stating that all conditions precedent, if any, provided for in this Indenture relating to the proposed action have been complied with, and (ii) an Opinion of Counsel (subject to reasonable assumptions and qualifications) stating that in the opinion of such counsel all such conditions precedent, if any, have been complied with,

except that, in the case of any such application or request as to which the furnishing of such documents is specifically required by any provision of this Indenture, no additional certificate or opinion need be furnished.

Every certificate or opinion with respect to compliance with a condition or covenant provided for in this Indenture shall include:

- (i) a statement that each signatory of such certificate or opinion has read or has caused to be read such covenant or condition and the definitions herein relating thereto;
- (ii) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based;
- (iii) a statement that, in the opinion of each such signatory, such signatory has made such examination or investigation as is necessary to enable such signatory to express an informed opinion as to whether or not such covenant or condition has been complied with; and
- (iv) a statement as to whether, in the opinion of each such signatory such condition or covenant has been complied with.

(b) Prior to the deposit of the Underlying Certificates or other property or securities (other than cash) with the Indenture Trustee that is to be made the basis for the release of any property or securities subject to the Lien of this Indenture, the Issuer shall, in addition to any obligation imposed in Section 15.1(a) or elsewhere in this Indenture, furnish to the Indenture Trustee upon the Indenture Trustee's request an Officer's Certificate certifying or stating the opinion of each individual signing such certificate as to the fair value (within ninety (90) days of such deposit) to the Issuer of the Underlying Certificates or other property or securities to be so deposited.

(ii) Whenever the Issuer is required to furnish to the Indenture Trustee an Officer's Certificate certifying or stating the opinion of any signer thereof as to the matters described in clause (i) above, the Issuer shall also deliver to the Indenture Trustee an Independent Certificate as to the same matters, if the fair value to the Issuer of the securities to be so deposited and of all other such securities made the basis of any such withdrawal or release since the commencement of the then-current Fiscal Year of the Issuer, as set forth in the certificates delivered pursuant to clause (i) above and this clause (ii), is 10% or more of the aggregate outstanding principal amount or par value of all the Securities issued by the Issuer, but such a certificate need not be furnished with respect to any securities so deposited, if the fair value thereof to the Issuer as set forth in the related Officer's Certificate is less than \$25,000 or less than 1% percent of the aggregate outstanding principal amount or par value of all the Securities issued by the Issuer of the Securities.

(iii) Other than with respect to the release of any cash (including Underlying Payments), and except for discharges of this Indenture as described in Section 12.1, whenever any property or securities are to be released from the Lien of this Indenture, the Issuer shall also furnish to the Indenture Trustee an Officer's Certificate certifying or stating the opinion of each individual signing such certificate as to the fair value (within ninety (90) days of such release) of the property or securities proposed to be released and stating that in the opinion of such individual the proposed release will not impair the security under this Indenture in contravention of the provisions hereof.

(iv) Whenever the Issuer is required to furnish to the Indenture Trustee an Officer's Certificate certifying or stating the opinion of any signer thereof as to the matters described in clause (iii) above, the Issuer shall also furnish to the Indenture Trustee an Independent Certificate as to the same matters if the fair value of the property or securities and of all other property other than cash (including Underlying Payments) or securities released from the Lien of this Indenture since the commencement of the then current calendar year, as set forth in the certificates required by clause (iii) above and this clause (iv), equals 10% or more of the aggregate outstanding principal amount or par value of all Securities issued by the Issuer, but such certificate need not be furnished in the case of any release of property or securities if the fair value thereof as set forth in the related Officer's Certificate is less than \$25,000 or less than 1% percent of the then aggregate outstanding principal amount or par value of all Securities issued by the Issuer of the Securities.

Section 1.2. Form of Documents Delivered to Indenture Trustee. In any case where several matters are required to be certified by, or covered by an opinion of, any specified Person, it is not necessary that all such matters be certified by, or covered by the opinion of, only one such Person, or that they be so certified or covered by only one document, but one such Person may certify or give an opinion with respect to some matters and one or more other such Persons as to other matters, and any such Person may certify or give an opinion as to such matters in one or several documents.

Any certificate or opinion of a Responsible Officer of the Issuer may be based, insofar as it relates to legal matters, upon a certificate or opinion of, or representations by, counsel, unless such officer knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations with respect to the matters upon which his or her certificate or opinion is based are erroneous. Any such certificate of a Responsible Officer or Opinion of Counsel may be based, insofar as it relates to factual matters, upon a certificate or opinion of, or representations by, an officer or officers of the Seller, the Administrator or the Issuer, stating that the information with respect to such factual matters is in the possession of or known to the Seller, the Administrator or the Issuer, unless such counsel knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations with respect to such matters are erroneous.

Where any Person is required to make, give or execute two or more applications, requests, consents, certificates, statements, opinions or other instruments under this Indenture, they may, but need not, be consolidated and form one instrument.

Whenever in this Indenture, in connection with any application or certificate or report to the Indenture Trustee, it is provided that the Issuer shall deliver any document as a condition of the granting of such application, or as evidence of the Issuer's compliance with any term hereof, it is intended that the truth and accuracy, at the time of the granting of such application or at the effective date of such certificate or report (as the case may be), of the facts and opinions stated in such document shall in such case be conditions precedent to the right of the Issuer to have such application granted or to the sufficiency of such certificate or report. The foregoing shall not, however, be construed to affect the Indenture Trustee's right to rely upon the truth and accuracy of any statement or opinion contained in any such document as provided in Article 10.

Section 1.3. Acts of Noteholders and Certificateholders.

(a) Wherever in this Indenture a provision is made that an action may be taken or a notice, demand or instruction given by Noteholders or Certificateholders, such action, notice or instruction may be taken or given by any Noteholder or Certificateholder, unless such provision requires a specific percentage of Noteholders or Certificateholders. Notwithstanding

anything in this Indenture to the contrary, so long as any other Person is a Noteholder or Certificateholder, none of the Seller, the Issuer or any Affiliate controlled by Oportun or controlling Oportun shall have any right to vote with respect to any Security.

(b) Any request, demand, authorization, direction, notice, consent, waiver or other action provided by this Indenture to be given or taken by Noteholders or Certificateholders may be embodied in and evidenced by one or more instruments of substantially similar tenor signed by such Noteholders or Certificateholders in person or by agents duly appointed in writing; and except as herein otherwise expressly provided such action shall become effective when such instrument or instruments are delivered to the Indenture Trustee, and, where it is hereby expressly required, to the Issuer. Such instrument or instruments (and the action embodied therein and evidenced thereby) are herein sometimes referred to as the "Act" of the Noteholders or Certificateholders signing such instrument or instruments. Proof of execution of any such instrument or of a writing appointing any such agent shall be sufficient for any purpose of this Indenture and (subject to Section 11.1) conclusive in favor of the Indenture Trustee and the Issuer, if made in the manner provided in this Section.

(c) The fact and date of the execution by any Person of any such instrument or writing may be proved in any customary manner of the Indenture Trustee.

(d) The ownership of Securities shall be proved by the Register.

(e) Any request, demand, authorization, direction, notice, consent, waiver or other action by the Holder of any such Securities shall bind such Noteholder or Certificateholder and the Holder of every Security and every subsequent Holder of such Securities 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 or the Issuer in reliance thereon, whether or not notation of such action is made upon such Security.

Section 1.4. Notices. All demands, notices and communications hereunder shall be in writing and shall be deemed to have been duly given if personally delivered at, sent by facsimile to, sent by courier (overnight or hand-delivered) at or mailed by certified mail, return receipt requested, to (a) in the case of the Issuer, to 2 Circle Star Way, Room 322, San Carlos, California 94070, Attention: Secretary, and (b) in the case of the Indenture Trustee, to the Corporate Trust Office. Unless expressly provided herein, any notice required or permitted to be mailed to a Noteholder or Certificateholder shall be given by first class mail, postage prepaid, at the address of such Noteholder or Certificateholder as shown in the Register. Any notice so mailed within the time prescribed in this Indenture shall be conclusively presumed to have been duly given, whether or not the Noteholder or Certificateholder receives such notice.

The Issuer or the Indenture Trustee by notice to the other may designate additional or different addresses for subsequent notices or communications; provided, however, the Issuer may not at any time designate more than a total of three (3) addresses to which notices must be sent in order to be effective.

Any notice (i) given in person shall be deemed delivered on the date of delivery of such notice, (ii) given by first class mail shall be deemed given five (5) days after the date that such notice is mailed, (iii) delivered by telex or telecopier shall be deemed given on the date of confirmation of the delivery of such notice by e-mail or telephone, and (iv) delivered by overnight air courier shall be deemed delivered one (1) Business Day after the date that such notice is delivered to such overnight courier.

Notwithstanding any provisions of this Indenture to the contrary, the Indenture Trustee shall have no liability based upon or arising from the failure to receive any notice required by or relating to this Indenture or the Securities.

If the Issuer mails a notice or communication to Noteholders or Certificateholder, it shall mail a copy to the Indenture Trustee at the same time.

Section 1.5. Notices to Noteholders and Certificateholders; Waiver. Where this Indenture provides for notice to Noteholders or Certificateholders of any event, such notice shall be sufficiently given if sent in accordance with Section 15.4 hereof. In any case where notice to Noteholders or Certificateholders is given by mail, neither the failure to mail such notice nor any defect in any notice so mailed to any particular Noteholder or Certificateholder shall affect the sufficiency of such notice with respect to other Noteholders or Certificateholders, and any notice that is mailed in the manner herein provided shall conclusively be presumed to have been duly given.

Where this Indenture provides for notice in any manner, such notice may be waived in writing by any Person entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice. Waivers of notice by Noteholders or Certificateholders shall be filed with the Indenture Trustee but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such a waiver.

In case, by reason of the suspension of regular mail service as a result of a strike, work stoppage or similar activity, it shall be impractical to mail notice of any event to Noteholders or Certificateholders when such notice is required to be given pursuant to any provision of this Indenture, then any manner of giving such notice as shall be satisfactory to the Indenture Trustee shall be deemed to be a sufficient giving of such notice.

Section 1.6. Alternate Payment and Notice Provisions. Notwithstanding any provision of this Indenture or any of the Securities to the contrary, the Indenture Trustee on behalf of the Issuer may enter into any agreement with any Holder of a Security providing for a method of payment, or notice by the Indenture Trustee or any Paying Agent to such Holder, that is different from the methods provided for in this Indenture for such payments or notices, provided that such methods are consented to by the Issuer (which consent shall not be unreasonably withheld). The Indenture Trustee will cause payments to be made and notices to be given in accordance with such agreements.

Section 1.7. [Reserved].

Section 1.8. Effect of Headings and Table of Contents. The Article and Section headings herein and the Table of Contents and Cross-Reference Table are for convenience of reference only, are not to be considered a part hereof, and shall not affect the meaning or construction hereof.

Section 1.9. Successors and Assigns. All covenants and agreements in this Indenture and the Securities by the Issuer shall bind its successors and assigns, whether so expressed or not. All agreements of the Indenture Trustee in this Indenture shall bind its successors.

Section 1.10. Separability of Provisions. If any one or more of the covenants, agreements, provisions or terms of this Indenture or Securities shall for any reason whatsoever be held invalid, then such covenants, agreements, provisions or terms shall be deemed severable from the remaining covenants, agreements, provisions or terms of this Indenture and shall in no

way affect the validity or enforceability of the other provisions of this Indenture or of the Securities or rights of the Holders thereof.

Section 1.11. Benefits of Indenture. Except as set forth in this Indenture, nothing in this Indenture or in the Securities, expressed or implied, shall give to any Person, other than the parties hereto and their successors hereunder and the Secured Parties, any benefit or any legal or equitable right, remedy or claim under the Indenture.

Section 1.12. Legal Holidays. In any case where the date on which any payment is due to any Secured Party shall not be a Business Day, then (notwithstanding any other provision of the Securities or this Indenture) any such payment need not be made on such date, but may be made on the next succeeding Business Day with the same force and effect as if made on the date on which nominally due, and no interest shall accrue for the period from and after any such nominal date.

Section 1.13. GOVERNING LAW; JURISDICTION. THIS INDENTURE AND THE SECURITIES SHALL BE CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT REFERENCE TO ITS CONFLICT OF LAW PROVISIONS, AND THE OBLIGATIONS, RIGHTS AND REMEDIES OF THE PARTIES HEREUNDER SHALL BE DETERMINED IN ACCORDANCE WITH SUCH LAWS. EACH OF THE PARTIES TO THIS INDENTURE AND EACH SECURED PARTY HEREBY AGREES TO THE NON-EXCLUSIVE JURISDICTION OF THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK AND ANY APPELLATE COURT HAVING JURISDICTION TO REVIEW THE JUDGMENT THEREOF. EACH OF THE PARTIES AND EACH SECURED PARTY HEREBY WAIVES ANY OBJECTION BASED ON FORUM NON CONVENIENS AND ANY OBJECTION TO VENUE OF ANY ACTION INSTITUTED HEREUNDER IN ANY OF THE AFOREMENTIONED COURTS AND CONSENTS TO THE GRANTING OF SUCH LEGAL OR EQUITABLE RELIEF AS IS DEEMED APPROPRIATE BY SUCH COURT.

Section 1.14. Counterparts; Electronic Execution. This Indenture may be executed in any number of counterparts, and by different parties on separate counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same instrument. Each of the parties hereto agrees that this transaction may be conducted by electronic means. Each party agrees, and acknowledges that it is such party's intent, that if such party signs this Indenture using an electronic signature, it is signing, adopting, and accepting this Indenture and that signing this Indenture using an electronic signature is the legal equivalent of having placed its handwritten signature on this Indenture on paper. Each party acknowledges that it is being provided with an electronic or paper copy of this Indenture in a usable format.

Section 1.15. Recording of Indenture. If this Indenture is subject to recording in any appropriate public recording offices, such recording is to be effected by the Issuer and at its expense accompanied by an Opinion of Counsel (which may be counsel to the Indenture Trustee or any other counsel reasonably acceptable to the Indenture Trustee) to the effect that such recording is necessary either for the protection of the Noteholders, the Certificateholders or any other Person secured hereunder or for the enforcement of any right or remedy granted to the Indenture Trustee under this Indenture.

Section 1.16. Issuer Obligation. Neither any trustee nor any member of the Issuer nor any of their respective officers, directors, employers or agents will have any liability with respect to this Indenture, and no recourse may be had solely to the assets of the Issuer respect thereto. In addition, no recourse may be taken, directly or indirectly, with respect to the obligations of the Issuer or the Indenture Trustee on the Securities or under this Indenture or any

certificate or other writing delivered in connection herewith or therewith, against (i) any assets of the Issuer other than the Trust Estate, (ii) the Seller, or the Indenture Trustee in their respective individual capacities, or (iii) any partner, owner, incorporator, member, manager, beneficiary, beneficial owner, agent, officer, director, employee, shareholder or agent of the Issuer, the Seller, or the Indenture Trustee, except as any such Person may have expressly agreed. Nothing in this Section 15.16 shall be construed to limit the Indenture Trustee from exercising its rights hereunder with respect to the Trust Estate.

Section 1.17. No Bankruptcy Petition Against the Issuer. Each of the Secured Parties and the Indenture Trustee by entering into the Indenture or any Note Purchase Agreement, and in the case of a Noteholder, Certificateholder and Note Owner, by accepting a Security, hereby covenants and agrees that, prior to the date which is one year and one day after the payment in full of the latest maturing Security and the termination of the Indenture, it will not institute against, or join with any other Person in instituting against, the Issuer 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 Securities, the Indenture or any of the Transaction Documents. In the event that any such Secured Party or the Indenture Trustee takes action in violation of this Section 15.17, the Issuer shall file an answer with the bankruptcy court or otherwise properly contesting the filing of such a petition by any such Secured Party or the Indenture Trustee against the Issuer or the commencement of such action and raising the defense that such Secured Party or the Indenture Trustee has agreed in writing not to take such action and should be estopped and precluded therefrom and such other defenses, if any, as its counsel advises that it may assert. The provisions of this Section 15.17 shall survive the termination of this Indenture, and the resignation or removal of the Indenture Trustee. Nothing contained herein shall preclude participation by any Secured Party or the Indenture Trustee in the assertion or defense of its claims in any such Proceeding involving the Issuer.

Section 1.18. No Joint Venture. Nothing herein contained shall be deemed or construed to create a co-partnership or joint venture between the parties hereto and the services of Oportun shall be rendered as an independent contractor and not as agent for the Indenture Trustee or the Issuer.

Section 1.19. Rule 144A Information. For so long as any of the Securities are “restricted securities” within the meaning of Rule 144(a)(3) under the Securities Act, the Issuer agrees to reasonably cooperate to provide to any Noteholders or Certificateholders and to any prospective purchaser of Securities designated by such Noteholder or Certificateholder upon the request of such Noteholder or Certificateholder 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 a reporting company under Section 13 or Section 15(d) of the Exchange Act and the Administrator agrees to reasonably cooperate with the Issuer and the Indenture Trustee in connection with the foregoing.

Section 1.20. No Waiver; Cumulative Remedies. No failure to exercise and no delay in exercising, on the part of the Indenture Trustee or any Secured Party, any right, remedy, power or privilege hereunder, shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided are cumulative and not exhaustive of any rights, remedies, powers and privileges provided by Law.

Section 1.21. Third-Party Beneficiaries. This Indenture will inure to the benefit of and be binding upon the parties hereto, the Secured Parties, and their respective successors

and permitted assigns. Except as otherwise provided in this Article 15, no other Person will have any right or obligation hereunder.

Section 1.22. Merger and Integration. Except as specifically stated otherwise herein, this Indenture sets forth the entire understanding of the parties relating to the subject matter hereof, and all prior understandings, written or oral, are superseded by this Indenture.

Section 1.23. Rules by the Indenture Trustee. The Indenture Trustee may make reasonable rules for action by or at a meeting of any Secured Parties.

Section 1.24. Duplicate Originals. The parties may sign any number of copies of this Indenture. One signed copy is enough to prove this Indenture.

Section 1.25. Waiver of Trial by Jury. To the extent permitted by applicable Law, each of the Secured Parties irrevocably waives all right of trial by jury in any action or Proceeding arising out of or in connection with this Indenture or the Transaction Documents or any matter arising hereunder or thereunder.

Section 1.26. No Impairment. Except for actions expressly authorized by this Indenture, the Indenture Trustee shall take no action reasonably likely to impair the interests of the Issuer in any asset of the Trust Estate now existing or hereafter created or to impair the value of any asset of the Trust Estate now existing or hereafter created.

[THIS SPACE LEFT INTENTIONALLY BLANK]

IN WITNESS WHEREOF, the Indenture Trustee, the Issuer, the Securities Intermediary and the Depositary Bank have caused this Indenture to be duly executed by their respective duly authorized officers as of the day and year first written above.

OPORTUN RF, LLC,
as Issuer

By: /s/ Jonathan Coblentz
Name: Jonathan Coblentz
Title: Treasurer

WILMINGTON TRUST, NATIONAL ASSOCIATION, not in its individual capacity, but solely as Indenture Trustee

By: /s/Jacob Stapleford
Name: Jacob Stapleford
Title: Banking Officer

WILMINGTON TRUST, NATIONAL ASSOCIATION, not in its individual capacity, but solely as Securities Intermediary

By: /s/ Jacob Stapleford
Name: Jacob Stapleford
Title: Banking Officer

WILMINGTON TRUST, NATIONAL ASSOCIATION, not in its individual capacity, but solely as Depository Bank

By: /s/ Jacob Stapleford
Name: Jacob Stapleford
Title: Banking Officer

OPORTUN CCW TRUST,
as Issuer

and

WILMINGTON TRUST, NATIONAL ASSOCIATION,
as Indenture Trustee, as Securities Intermediary and as Depositary Bank

INDENTURE

Dated as of December 20, 2021

Variable Funding Asset Backed Notes

Exhibits A-D and Schedules 1-2 to this exhibit have been omitted pursuant to Item 601(a)(5) of Regulation S-K.

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Exhibits:

- Exhibit A: Form of Release and Reconveyance of Trust Estate
- Exhibit B: Form of Lien Release
- Exhibit C: Form of Class A Note
- Exhibit D: Form of Monthly Statement

- Schedule 1 Perfection Representations, Warranties and Covenants
- Schedule 2 List of Proceedings

INDENTURE, dated as of December 20, 2021, between OPORTUN CCW TRUST, 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.

WITNESSETH:

WHEREAS, the Issuer has duly executed and delivered this Indenture to provide for the issuance of Notes, issuable as provided in this Indenture; and

WHEREAS, all things necessary to make this Indenture a legal, valid and binding agreement of the Issuer, enforceable in accordance with its terms, have been done, and the Issuer proposes to do all the things necessary to make the Notes, when executed by the Issuer and authenticated and delivered by the Indenture Trustee hereunder and duly issued by the Issuer, the legal, valid and binding obligations of the Issuer as hereinafter provided;

WHEREAS, simultaneously with the delivery of this Indenture, the Issuer is entering into the Transfer Agreement pursuant to which the Depositor and the Depositor Receivables Trustee for the benefit of the Depositor will convey to the Issuer all of their respective right, title and interest in, to and under certain Transferred Receivables.

NOW, THEREFORE, for and in consideration of the premises and the receipt of the Notes by the Holders, it is mutually covenanted and agreed, for the equal and proportionate benefit of all Holders, as follows:

GRANTING CLAUSE

The Issuer hereby grants to the Indenture Trustee at the Closing Date, for the benefit of the Indenture Trustee, the Indenture Trustee in any other capacity hereunder, including Depositary Bank, Certificate Registrar and Securities Intermediary, and the Noteholders (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 now owned or hereafter acquired, now existing or hereafter created and wherever located: (a) all Transferred Receivables; (b) all Collections thereon received after the applicable Cut-Off Date and related Recoveries; (c) all Related Security; (d) all other Transferred Assets, (e) the Collection Account, the Reserve Account and any other account maintained by the Indenture Trustee for the benefit of the Secured Parties as trust accounts (each such account, a “Trust Account”), 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;

(f) 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; (g) all investments made at any time and from time to time with moneys in the Trust Accounts; (h) the Servicing Agreement, the Purchase Agreement and the Transfer Agreement; (i) 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, (j) all additional property that may from time to time hereafter be subjected to the grant and pledge made by the Issuer or by anyone on its behalf; (k) all present and future claims, demands, causes and choses in action and all payments on or under the foregoing; and (l) all proceeds of every kind and nature whatsoever in respect of any or all of the foregoing, including all proceeds of all of the foregoing and the conversion thereof, voluntary or involuntary, into cash or other liquid property, all cash proceeds, accounts, accounts receivable, notes, drafts, acceptances, chattel paper, checks, deposit accounts, insurance proceeds, investment property, rights to payment of any and every kind and other forms of obligations and receivables, instruments and other property which at any time constitute all or part of or are included in the proceeds of any of the foregoing (collectively, the “Trust Estate”).

The foregoing Grant is made in trust to secure the payment of principal of and interest on, and any other amounts owing in respect of, the Secured Obligations, equally and ratably without prejudice, priority or distinction except as set forth herein, and to secure compliance with the provisions of this Indenture, all as provided in this Indenture.

The Issuer hereby assigns to the Indenture Trustee all of the Issuer’s power to authorize an amendment to the financing statement filed with the Delaware Secretary of State relating to the security interest granted to (i) the Issuer by the Depositor and the Depositor Receivables Trustee for the benefit of the Depositor pursuant to the Transfer Agreement and (ii) the Depositor and the Depositor Receivables Trustee for the benefit of the Depositor by the Seller pursuant to the Purchase Agreement; provided, however, that the Indenture Trustee shall be entitled to all the protections of Article 11, including Sections 11.1(g) and 11.2(k), in connection therewith, and the obligations of the Issuer under Sections 8.2(i) and 8.3(j) shall remain unaffected.

The Indenture Trustee, for the benefit of the Secured Parties, hereby acknowledges such Grant, accepts the trusts under this Indenture in accordance with the provisions of this Indenture and the Lien on the Trust Estate conveyed by the Issuer pursuant to the Grant, declares that it shall maintain such right, title and interest, upon the trust set forth, for the benefit of all Secured Parties, subject to Sections 11.1 and 11.2, and agrees to perform its duties required in this Indenture in accordance with the terms of this Indenture.

DESIGNATION

(a) There are hereby created one class of notes to be issued pursuant to this Indenture and such notes shall be substantially in the form of Exhibit C hereto, executed by or on behalf of the Issuer and authenticated by the Indenture Trustee and designated generally Variable Funding Asset Backed Notes, Class A (the “Class A Notes” or the “Notes”). The Notes shall be issued with maximum principal amounts in minimum denominations of \$1,000,000 and integral multiples of \$10,000 in excess thereof.

(b) The Class A Notes will be variable funding notes.

ARTICLE 1.

DEFINITIONS AND INCORPORATION BY REFERENCE

Section 1.1. Definitions. Certain capitalized terms used herein (including the preamble and the recitals hereto) shall have the following meanings:

“Account” means each open-end revolving credit card account, that is identified as an Initial Account or an Additional Account. The term “Account” also includes each account into which an Account is transferred (a “Transferred Account”) so long as such Transferred Account (i) has been transferred in accordance with the Credit and Collection Policy and (ii) can be traced or identified, by reference to or by way of any Account Schedule delivered to Depositor or the Depositor Receivables Trustee for the benefit of Depositor and Issuer, as an account into which an Account has been transferred. Any Account that becomes a Defaulted Account shall cease to be an Account for all purposes other than the calculation of Recoveries, and no existing balance or future charges on such account shall be deemed to be Transferred Receivables notwithstanding any subsequent reaffirmation of such account by the Obligor and any resulting action by the related Account Owner. The term Account includes an Additional Account only from and after its Addition Date and excludes any Removed Account after its Removal Date.

“Account Agreement” means with respect to an Account, the agreement by and between the Account Owner and the Obligor thereof governing the terms and conditions of such Account, as such agreement may be amended, restated, supplemented or otherwise modified from time to time.

“Account Owner” means, with respect to any Account, (i) the Initial Originator, or any other entity that, pursuant to a Program Agreement related to such Account, is the issuer of the credit cards related to, or the owner of, such Account, and (ii) if such Account is transferred to a successor Account Owner, such successor Account Owner.

“Account Schedule” has the meaning set forth in the Transfer Agreement.

“Addition Cut-Off Date” has the meaning set forth in the Transfer Agreement.

“Addition Date” has the meaning set forth in the Transfer Agreement.

“Additional Accounts” means any Accounts designated pursuant to Section 2.6 of the Transfer Agreement.

“Additional Interest” has the meaning specified in Section 5.12(d).

“Administrator” shall mean the Person acting in such capacity from time to time pursuant to and in accordance with the Trust Agreement, which shall initially be Oportun, Inc.

“Administrator Order” means a written order or request signed in the name of the Administrator by any one of its Responsible Officers and delivered to the Indenture Trustee.

“ADS Score” means the credit score for an Obligor referred to as the “Alternative Data Score” determined by the Seller in a manner consistent with the WebBank Agreements and the Seller’s proprietary scoring method.

“Advance Rate” means, on any date of determination:

(a) prior to the Legacy Expiration Date, the applicable “Advance Rate” set forth below based on the Aggregate Class A Note Principal on such date of determination:

Aggregate Class A Note Principal	Advance Rate
Less than \$18,750,000	75.00%
At least \$18,750,000 but less than \$40,000,000	80.00%
At least \$40,000,000 but less than \$65,000,000	81.85%
At least \$65,000,000 but less than \$90,000,000	82.70%
At least \$90,000,000 but less than \$115,000,000	83.19%
At least \$115,000,000	83.61%

(b) on or after the Legacy Expiration Date, 85.00%.

“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.

“Adverse Effect” means, with respect to any action or event, that such action shall at the time of its occurrence (a) result in the occurrence of a Rapid Amortization Event or an Event of Default pursuant to the Transaction Documents, or (b) materially reduce the amount of payments to be made to the Noteholders pursuant to the Transaction Documents.

“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.

“Agent” means any Transfer Agent, Certificate Registrar, Registrar or Paying Agent.

“Aggregate Class A Note Principal” means, on any date of determination, the outstanding principal amount of all Class A Notes, which shall equal the Class A Initial Principal Amount, plus the aggregate amount of any Increases made prior to such date, minus the aggregate amount of principal payments (including, without limitation, any Decreases) made to Noteholders prior to such date.

“Aggregate Committed Purchase Amount” shall have the meaning set forth in the Note Purchase Agreement.

“Aggregate Eligible Receivables Balance” means, with respect to any date of determination, an amount equal to the aggregate of the Principal Balance of all Receivables owned by the Issuer that are Eligible Receivables as of such date of determination (other than any Eligible Receivables that would cause the Concentration Limits to be exceeded).

“Alternative Rate” means, for any day, the sum of a per annum rate equal to the sum of (i) the rate set forth in the weekly statistical release designated as H.15(519), or any successor publication, published by the Federal Reserve Board (including any such successor, “H.15(519)”) for such day opposite the caption “Federal Funds (Effective)” and (ii) 0.50%. If on any relevant day such rate is not yet published in H. 15(519), the rate for such day will be the rate set forth in the daily statistical release designated as the Composite 3:30 p.m. Quotations for U.S. Government Securities, or any successor publication, published by the Federal Reserve Bank of New York (including any such successor, the “Composite 3:30 p.m. Quotations”) for such day under the caption “Federal Funds Effective Rate.” If on any relevant day the appropriate rate is not yet published in either H.15(519) or the Composite 3:30 p.m. Quotations, the rate for such day will be the arithmetic mean as determined by the Calculation Agent of the rates for the last transaction in overnight Federal funds arranged before 9:00 a.m. (New York time) on that day by each of three leading brokers of Federal funds transactions in New York City selected by the Calculation Agent.

“Amortization Period” means the period commencing on the date on which the Revolving Period ends and ending on the Facility Termination Date.

“Applicable Margin” has the meaning specified in the Fee Letter, as notified by the Issuer to the Administrator and the Servicer in writing.

“Applicants” has the meaning specified in Section 4.2(b).

“Available Funds” means, with respect to any Monthly Period, the sum of the following, without duplication: (a) any Collections received by the Servicer during such Monthly Period and deposited into the Collection Account no later than the third Business Day following the end of such Monthly Period, including Collections received during such Monthly Period in respect of any annual fees, late fees, returned check fees, and any other fees added to any Account; (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)–(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 Section 5.15(a)(i)–(vii); (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 Reserve Account on the earliest of (i) the date on which there is a Decrease in the Notes, (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 provided in Section 5.15 hereof.

“Available Tenor” means, as of any date of determination and with respect to the then-current Benchmark, as applicable, any tenor for such Benchmark (or component thereof) or payment period for interest calculated with reference to such Benchmark (or component thereof), as applicable, that is or may be used for determining the length of an Interest Period for any term rate or otherwise, for determining any frequency of making payments of interest calculated pursuant to this Indenture as of such date.

“Bankruptcy Code” means the United States Bankruptcy Code, Title 11, U.S.C, as amended.

“Benchmark” means, initially, One-Month LIBOR; provided that if a Benchmark Transition Event, a Term SOFR Transition Event or an Early Opt-in Election, as applicable, and its related Benchmark Replacement Date have occurred with respect to One-Month LIBOR or the then-current Benchmark, then “Benchmark” means the applicable Benchmark Replacement

to the extent that such Benchmark Replacement has replaced such prior benchmark rate pursuant to clause (b) or clause (c) of Section 5.17.

“Benchmark Replacement” means, for any Available Tenor, the first alternative set forth in the order below that can be determined by the Required Noteholders, in consultation with the Issuer, for the applicable Benchmark Replacement Date:

(1) the sum of: (a) Term SOFR and (b) the related Benchmark Replacement Adjustment;

(2) the sum of: (a) Daily Simple SOFR and (b) the related Benchmark Replacement Adjustment;

(3) the sum of: (a) the alternate benchmark rate that has been selected by the Required Noteholders and the Issuer as the replacement for the then-current Benchmark for the applicable Corresponding Tenor giving due consideration to (i) any selection or recommendation of a replacement benchmark rate or the mechanism for determining such a rate by the Relevant Governmental Body or (ii) any evolving or then-prevailing market convention for determining a benchmark rate as a replacement for the then-current Benchmark for dollar-denominated syndicated credit facilities at such time and (b) the related Benchmark Replacement Adjustment;

provided that, in the case of clause (1), such Unadjusted Benchmark Replacement is displayed on a screen or other information service that publishes such rate from time to time as selected by the Required Noteholders in their reasonable discretion; provided further that, notwithstanding anything to the contrary in this Indenture or in any other Transaction Document, upon the occurrence of a Term SOFR Transition Event, and the delivery of a Term SOFR Notice, on the applicable Benchmark Replacement Date the “Benchmark Replacement” shall revert to and shall be deemed to be the sum of (a) Term SOFR and (b) the related Benchmark Replacement Adjustment, as set forth in clause (1) of this definition (subject to the first proviso above).

If the Benchmark Replacement as determined pursuant to clause (1), (2) or (3) above would be less than the Floor, the Benchmark Replacement will be deemed to be the Floor for the purposes of this Indenture and the other Transaction Documents.

The Required Noteholders shall use commercially reasonable efforts to satisfy any applicable IRS guidance, including Proposed Treasury Regulation 1.1001-6 and any future guidance, to the effect that a Benchmark Replacement will not result in a deemed exchange for U.S. federal income Tax purposes of any Class A Note hereunder.

“Benchmark Replacement Adjustment” means, with respect to any replacement of the then-current Benchmark with an Unadjusted Benchmark Replacement for any applicable Interest Period and Available Tenor for any setting of such Unadjusted Benchmark Replacement:

(1) for purposes of clauses (1) and (2) of the definition of “Benchmark Replacement,” the first alternative set forth in the order below that can be determined by the Required Noteholders:

(a) the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) as of the Reference Time such Benchmark Replacement is first set for such Interest Period that has been selected or recommended by the Relevant Governmental Body for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement for the applicable Corresponding Tenor; and

(b) the spread adjustment (which may be a positive or negative value or zero) as of the Reference Time such Benchmark Replacement is first set for such Interest Period that would apply to the fallback rate for a derivative transaction referencing the ISDA Definitions to be effective upon an index cessation event with respect to such Benchmark for the applicable Corresponding Tenor; and

(2) for purposes of clause (3) of the definition of “Benchmark Replacement,” the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected by the Required Noteholders and the Issuer for the applicable Corresponding Tenor giving due consideration to (i) any selection or recommendation of a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement by the Relevant Governmental Body on the applicable Benchmark Replacement Date and/or (ii) any evolving or then-prevailing market convention for determining a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement for dollar-denominated syndicated credit facilities at such time;

provided that, in the case of clause (1) above, such adjustment is displayed on a screen or other information service that publishes such Benchmark Replacement Adjustment from time to time as selected by the Required Noteholders in their reasonable discretion.

“Benchmark Replacement Conforming Changes” means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of “Business Day,” the definition of “Interest Period,” timing and frequency of determining rates and making payments of interest, timing of borrowing requests or prepayment, conversion or continuation notices, length of lookback periods, the applicability of breakage provisions, and other technical, administrative or operational matters) that the Required Noteholders, in consultation with the Issuer, decide may be appropriate to reflect the adoption and implementation of such Benchmark Replacement and to permit the administration thereof in a manner substantially consistent with market practice (or, if the Required Noteholders decide that adoption of any portion of such market practice is not administratively feasible or if the Required Noteholders determine that no market practice for the administration of such Benchmark Replacement exists, in such other manner of administration as the Required Noteholders, in consultation with the Issuer, decide is reasonably necessary in connection with the administration of this Indenture and the other Transaction Documents).

“Benchmark Replacement Date” means the earliest to occur of the following events with respect to the then-current Benchmark:

(1) in the case of clause (1) or (2) of the definition of “Benchmark Transition Event,” the later of (a) the date of the public statement or publication of information referenced therein and (b) the date on which the administrator of such Benchmark (or the published component used in the calculation thereof) permanently or indefinitely ceases to provide all Available Tenors of such Benchmark (or such component thereof);

(2) in the case of clause (3) of the definition of “Benchmark Transition Event,” the first date on which such Benchmark (or the published component used in the calculation thereof) has been determined and announced by the regulatory supervisor for the administrator of such Benchmark (or component thereof) to be no longer representative; provided that such non-representativeness will be determined by reference to the most recent statement or publication referenced in such clause (3) and even if any

Available Tenor of such Benchmark (or component thereof) continues to be provided on such date; or

(3) in the case of a Term SOFR Transition Event, the date that is thirty (30) days after the date a Term SOFR Notice is provided to the Noteholders and the Issuer pursuant to Section 5.17(c); or

(4) in the case of an Early Opt-in Election, the sixth (6th) Business Day after the date notice of such Early Opt-in Election is provided to the Noteholders, so long as the Issuer has not received, by 5:00 p.m. (New York City time) on the fifth (5th) Business Day after the date notice of such Early Opt-in Election is provided to the Noteholders, written notice of objection to such Early Opt-in Election from Noteholders comprising the Required Noteholders.

For the avoidance of doubt, (i) if the event giving rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination and (ii) the “Benchmark Replacement Date” will be deemed to have occurred in the case of clause (1) or (2) with respect to any Benchmark upon the occurrence of the applicable event or events set forth therein with respect to all then-current Available Tenors of such Benchmark (or the published component used in the calculation thereof).

“Benchmark Transition Event” means the occurrence of one or more of the following events with respect to the then-current Benchmark:

(1) a public statement or publication of information by or on behalf of the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that such administrator has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof), permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof);

(2) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof), the Federal Reserve Board, the NYFRB, an insolvency official with jurisdiction over the administrator for such Benchmark (or such component), a resolution authority with jurisdiction over the administrator for such Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for such Benchmark (or such component), which states that the administrator of such Benchmark (or such component) has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof) permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof);

(3) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that all Available Tenors of such Benchmark (or such component thereof) are no longer, or as of a specified future date will no longer be, representative; or

(4) to the extent the then-current Benchmark is One-Month LIBOR or another benchmark rate derived from LIBOR, any Noteholder reasonably determines (which determination shall be conclusive) that any Law has made it unlawful, or that any Governmental Authority has asserted that it is unlawful, for such Noteholder to make, maintain or fund any Note where the interest rate is determined by reference to LIBOR, or to determine or charge interest rates based upon LIBOR, or any Governmental Authority has imposed material restrictions on the authority of such Noteholder to purchase or sell, or to take deposits of, Dollars in the London interbank market.

For the avoidance of doubt, a “Benchmark Transition Event” will be deemed to have occurred with respect to any Benchmark if a public statement or publication of information set forth above has occurred with respect to each then-current Available Tenor of such Benchmark (or the published component used in the calculation thereof).

“Benchmark Unavailability Period” means the period (if any) (x) beginning at the time that a Benchmark Replacement Date pursuant to clauses (1) or (2) of that definition has occurred if, at such time, no Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under any Transaction Document in accordance with Section 5.17 and (y) ending at the time that a Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under any Transaction Document in accordance with Section 5.17.

“Beneficiary” has the meaning specified in the Trust Agreement.

“Benefit Plan Investor” mean an “employee benefit plan” as defined in Section 3(3) of ERISA, which is subject to Title I of ERISA, a “plan” as described in Section 4975 of the Code, which is subject to Section 4975 of the Code, or an entity deemed to hold plan assets of any of the foregoing.

“Borrowing Base Amount” means, on any date of determination, the product of (i) the Advance Rate on such date of determination and (ii) the Aggregate Eligible Receivables Balance on such date of determination.

“Borrowing Base Shortfall” means, on any date of determination, the excess, if any, of (i) the Aggregate Class A Note Principal over (ii) the Borrowing Base Amount.

“Business Day” means any day other than a Saturday, Sunday or other day on which banking institutions or trust companies in the States of California, New York or Utah are authorized or obligated by Law to be closed.

“Calculation Agent” means the party designated as such by the Issuer from time to time, with the written consent of the Required Noteholders; initially, the Servicer. The Servicer shall pay to the Calculation Agent from the Servicing Fee reasonable compensation, agreed upon by the Servicer and the Calculation Agent, for the services performed by the Calculation Agent hereunder.

“Capitalized Lease” of a Person means any lease of property by such Person as lessee which would be capitalized on a balance sheet of such Person prepared in accordance with GAAP.

“Cash Back Account” means an Account that is subject to a cash back reward program.

“Cash Equivalents” means (a) securities with maturities of one hundred twenty (120) days or less from the date of acquisition issued or fully guaranteed or insured by the United

States government or any agency thereof, (b) certificates of deposit and eurodollar time deposits with maturities of one hundred twenty (120) days or less from the date of acquisition and overnight bank deposits of any commercial bank having capital and surplus in excess of \$500,000,000, (c) repurchase obligations of any commercial bank satisfying the requirements of clause (b) of this definition, having a term of not more than seven (7) days with respect to securities issued or fully guaranteed or insured by the United States government, (d) commercial paper of a domestic issuer rated at least A-1 or the equivalent thereof by Standard and Poor's or P-1 or the equivalent thereof by Moody's and in either case maturing within ninety (90) days after the day of acquisition, (e) securities with maturities of ninety (90) days or less from the date of acquisition issued or fully guaranteed by any state, commonwealth or territory of the United States, by any political subdivision or taxing authority of any such state, commonwealth or territory or by any foreign government, the securities of which state, commonwealth, territory, political subdivision, taxing authority or foreign government (as the case may be) are rated at least A by Standard & Poor's or A by Moody's, (f) securities with maturities of ninety (90) days or less from the date of acquisition backed by standby letters of credit issued by any commercial bank satisfying the requirements of clause (b) of this definition or, (g) shares of money market mutual or similar funds which invest exclusively in assets satisfying the requirements of clauses (a) through (f) of this definition.

“Certificateholder” means a Holder of a Certificate.

“Certificates” means the trust certificates issued by the Issuer pursuant to the Trust Agreement, representing the beneficial interest in the Issuer.

“Certificate Registrar” shall have the meaning set forth in the Trust Agreement.

“Change in Control” means any of the following:

(a) with respect to Oportun Financial Corporation:

(i) any “person” or “group” (within the meaning of Sections 13(d) and 14(d)(2) of the Exchange Act) becomes the “beneficial owner” (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of fifty percent (50%) or more of the voting power of the then outstanding Capital Stock of Oportun Financial Corporation entitled to vote generally in the election of the directors of Oportun Financial Corporation; or

(ii) Oportun Financial Corporation consolidates with or merges into another corporation (other than a Subsidiary of Oportun Financial Corporation or conveys, transfers or leases all or substantially all of its property to any person (other than a Subsidiary of Oportun Financial Corporation), or any corporation (other than a Subsidiary of Oportun Financial Corporation) consolidates with or merges into Oportun Financial Corporation, in either event pursuant to a transaction in which the outstanding Capital Stock of Oportun Financial Corporation is reclassified or changed into or exchanged for cash, securities or other property;

(b) the failure of Oportun Financial Corporation to, directly or indirectly through its Subsidiaries, own 100% of the equity interest of the Seller free and clear of any Lien; or

(c) the failure of the Seller to, directly or indirectly through its Subsidiaries, own 100% of the equity interest of the Depositor and the Issuer, in each case free and clear of any Lien.

“Class A Additional Interest” has the meaning specified in Section 5.12(a).

“Class A Deficiency Amount” has the meaning specified in Section 5.12(a).

“Class A Initial Principal Amount” means the aggregate initial principal amount of the Class A Notes on the Closing Date, which was \$41,000,000.00.

“Class A Maximum Principal Amount” means \$150,000,000.

“Class A Monthly Interest” has the meaning specified in Section 5.12(a).

“Class A Note Principal” means, on any date of determination and with respect to any Class A Note, the outstanding principal amount of such Class A Note.

“Class A Note Rate” means, with respect to any day, a variable rate per annum equal to the sum of (i) the Benchmark on such day (or if the Alternative Rate applies on such day pursuant to Section 5.17, the Alternative Rate), plus (ii) (x) during the Revolving Period, the Applicable Margin and (y) otherwise, the Default Margin.

“Class A Noteholder” means a Holder of a Class A Note.

“Class A Notes” has the meaning specified in paragraph (a) of the Designation.

“Closing Date” means December 20, 2021.

“Code” means the Internal Revenue Code of 1986, as amended, and the rules and Treasury Regulations promulgated thereunder.

“Collection Account” has the meaning specified in Section 5.3(a).

“Collections” means, for any Transferred Receivable for any period (if applicable), (a) the sum of all amounts (including insurance proceeds), whether in the form of cash, checks, drafts, instruments or otherwise, received in payment of, or applied to, any amount owed by an Obligor on account of such Transferred Receivable during such period (other than Recoveries), including other fees and charges, including (i) amounts received from the Depositor pursuant to Section 2.5 or Section 6.1(d) of the Transfer Agreement and (ii) amounts received from the Servicer pursuant to Section 2.7 of the Servicing Agreement, (b) cash proceeds of Related Security with respect to such Transferred Receivable, (c) the amount of Interchange allocable to the Trust Portfolio and (d) Investment Earnings with respect to the Trust Accounts. All Recoveries with respect to Receivables previously charged-off as uncollectible will be treated as Collections of Finance Charge Receivables.

“Commission” means the U.S. Securities and Exchange Commission, and its successors.

“Committed Purchase Amount” shall have the meaning set forth in the Note Purchase Agreement.

“Concentration Limits” shall be deemed breached if any of the following is true on any date of determination (unless otherwise specified below, “weighted average” refers to an average weighted by Outstanding Receivables Balance):

(i) the aggregate Outstanding Receivables Balance of all Eligible Receivables the Obligors of which have ADS Scores of less than or equal to 520 exceeds 5.0% of the aggregate Outstanding Receivables Balance of all Eligible Receivables;

- (ii) the aggregate Outstanding Receivables Balance of all Eligible Receivables the Obligors of which have PF Scores of less than or equal to 500 exceeds 5.0% of the aggregate Outstanding Receivables Balance of all Eligible Receivables;
- (iii) the aggregate Outstanding Receivables Balance of all Eligible Receivables the Obligors of which have VantageScores of less than or equal to 520 exceeds 5.0% of the aggregate Outstanding Receivables Balance of all Eligible Receivables;
- (iv) the aggregate Outstanding Receivables Balance of all Eligible Receivables the Obligors of which do not have VantageScores exceeds 15.0% of the aggregate Outstanding Receivables Balance of all Eligible Receivables;
- (v) the weighted average credit score of the related Obligors of all Eligible Receivables (excluding any Eligible Receivables the Obligors of which has no (or a zero) credit score) is less than: (x) PF Score: 550 and (y) VantageScore: 550;
- (vi) the aggregate Outstanding Receivables Balance of all Eligible Receivables the Obligors of which have billing addresses in the single state with the highest concentration of Obligors (by Outstanding Receivables Balance) exceeds 40.0% of the aggregate Outstanding Receivables Balance of all Eligible Receivables;
- (vii) the aggregate Outstanding Receivables Balance of all Eligible Receivables the Obligors of which have billing addresses in the top three states with the highest concentration of Obligors (by Outstanding Receivables Balance) exceeds 60.0% of the aggregate Outstanding Receivables Balance of all Eligible Receivables;
- (viii) the weighted average 60+ days delinquency status of all Eligible Receivables exceeds 15.0%;
- (ix) the aggregate Outstanding Receivables Balance of all Eligible Receivables arising under Test Accounts exceeds 10.0% of the aggregate Outstanding Receivables Balance of all Eligible Receivables;
- (x) commencing with the third Monthly Period, the Three-Month Weighted Average Yield is less than 20% (in which case Receivables shall be excluded from the Aggregate Eligible Receivables Balance until such Concentration Limit is no longer exceeded, starting with the Receivables with the lowest yield for purposes of calculating the Three-Month Weighted Average Yield);
- (xi) commencing with the sixth Monthly Period the Six-Month Weighted Average Yield is less than 25% (in which case Receivables shall be excluded from the Aggregate Eligible Receivables Balance until such Concentration Limit is no longer exceeded, starting with the Receivables with the lowest yield for purposes of calculating the Six-Month Weighted Average Yield);
- (xii) the aggregate Outstanding Receivables Balance of all Eligible Receivables related to Accounts that are, or previously have been, subject to a Hardship Program exceeds 10.0% of the aggregate Outstanding Receivables Balance of all Eligible Receivables; or
- (xiii) the aggregate Outstanding Receivables Balance of all Eligible Receivables related to Cash Back Accounts exceeds 10.0%.

“Consolidated Parent” means initially, Oportun Financial Corporation, a Delaware corporation, and any successor to Oportun Financial Corporation as the indirect or direct parent of Oportun, the financial statements of which are for financial reporting purposes consolidated with Oportun in accordance with GAAP, or if there is none, then Oportun.

“Contingent Liability” means any agreement, undertaking or arrangement by which any Person guarantees, endorses or otherwise becomes or is contingently liable upon (by direct or indirect agreement, contingent or otherwise, to provide funds for payment, to supply funds to, or otherwise to invest in, a debtor, or otherwise to assure a creditor against loss) the indebtedness, obligation or any other liability of any other Person (other than by endorsements of instruments in the course of collection), or guarantees the payment of dividends or other distributions upon the shares of any other Person. The amount of any Person’s obligation under any Contingent Liability shall (subject to any limitation set forth therein) be deemed to be the outstanding principal amount (or maximum outstanding principal amount, if larger) of the debt, obligation or other liability guaranteed thereby.

“Corporate Trust Office” means the principal office of the Indenture Trustee and the Certificate Registrar, as applicable, at which at any particular time its corporate trust business shall be administered, which office at the date of the execution of this Indenture is located at 1100 N. Market Street, Wilmington, DE 19890, Attention: Oportun CCW Trust - Corporate Trust Administration.

“Corresponding Tenor” with respect to any Available Tenor means, as applicable, either a tenor (including overnight) or an interest payment period having approximately the same length (disregarding business day adjustment) as such Available Tenor.

“Coverage Test” has the meaning specified in Section 5.4(c).

“Credit and Collection Policies” means the policies and procedures of an Account Owner relating to the operation of its credit card business, including the Account Owner’s policies and procedures for determining the creditworthiness of Obligor and the extension of credit to Obligor, and relating to the maintenance of credit card accounts and collection of credit card receivables, as such policies and procedures may be amended from time to time.

“Credit Risk Retention Rules” means Regulation RR (17 C.F.R. Part 246), as such rule may be amended from time to time, and subject to such clarification and interpretation as have been provided by the Department of Treasury, the Federal Reserve System, the Federal Deposit Insurance Corporation, the Federal Housing Finance Agency, the Securities and Exchange Commission and the Department of Housing and Urban Development in the adopting release (79 F.R. 77601 et seq.) or by the staff of any such agency, or as may be provided by any such agency or its staff from time to time, in each case, as effective from time to time.

“Cut-Off Date” means (i) in the case of the Initial Accounts, the Initial Cut-Off Date and (ii) in the case of Additional Accounts, the Addition Cut-Off Date.

“Daily Simple SOFR” means, for any day, SOFR, with the conventions for this rate (which may include a lookback) being established by the Required Noteholders in accordance with the conventions for this rate selected or recommended by the Relevant Governmental Body for determining “Daily Simple SOFR” for business loans; provided, that if the Required Noteholders decide that any such convention is not administratively feasible, then the Required Noteholders may establish another convention in their reasonable discretion.

“Date of Processing” means, as to any transaction, the day on which the transaction is first recorded on the Servicer’s computer file of credit accounts (without regard to the effective

date of such recordation) which in any case shall not be later than five (5) Business Days after receipt thereof.

“Decrease” means a reduction in the Aggregate Class A Note Principal in accordance with Section 3.2.

“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.

“Default Margin” has the meaning specified in the Fee Letter, as notified by the Issuer to the Administrator and the Servicer in writing.

“Defaulted Receivable” has the meaning set forth in the Purchase Agreement.

“Definitive Notes” has the meaning specified in Section 2.18.

“Default Percentage” means, for any Monthly Period, the aggregate Outstanding Receivables Balance of all Receivables that became Defaulted Receivables during such Monthly Period, less Recoveries received during such Monthly Period, expressed as an annualized percentage of the aggregate Outstanding Receivables Balance of all Eligible Receivables as of the last day of such Monthly Period.

“Delinquent Receivable” has the meaning set forth in the Purchase Agreement.

“Depository Bank” has the meaning specified in Section 5.3(f) and shall initially be Wilmington Trust, National Association, acting in such capacity under this Indenture.

“Depositor” means Oportun CCW Depositor, LLC, a special purpose limited liability company established under the laws of Delaware.

“Depositor Receivables Trust Agreement” means the Depositor Receivables Trust Agreement, dated as of the Closing Date, between the Depositor and the Depositor Receivables Trustee, as the same may be amended or supplemented from time to time.

“Depositor Receivables Trustee” means Wilmington Savings Fund Society, FSB, a federal savings bank.

“Determination Date” means the third Business Day prior to each Payment Date.

“Distributable Funds” means, with respect to any Payment Date, an amount equal to the sum of (i) the Available Funds for the related Monthly Period, plus (ii) the amount of funds deposited into the Collection Account pursuant to Section 3.2 since the prior Payment Date.

“Dollars” and the symbol “\$” mean the lawful currency of the United States.

“Early Opt-in Election” means, if the then-current Benchmark is One-Month LIBOR, the occurrence of:

(1) a notification by the Required Noteholders or the Issuer to each of the other parties hereto and the other Noteholders that at least five currently outstanding dollar-denominated syndicated credit facilities at such time contain (as a result of amendment or as originally executed) a SOFR-based rate (including SOFR, a term SOFR or any other rate based upon SOFR) as a benchmark rate (and such syndicated credit facilities are identified in such notice and are publicly available for review), and

(2) the joint election by the Required Noteholders and the Issuer to trigger a fallback from One-Month LIBOR and the provision by the Issuer of written notice of such election to each of the other parties hereto and the Noteholders.

“Eligible Receivable” has the meaning set forth in the Purchase Agreement.

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended, and the rules and regulations promulgated thereunder.

“ERISA Affiliate” means, with respect to any Person, (i) any corporation which is a member of the same controlled group of corporations (within the meaning of Section 414(b) of the Code) as such Person; (ii) any trade or business (whether or not incorporated) under common control (within the meaning of Section 414(c) of the Code) with such Person; or (iii) any member of the same affiliated service group (within the meaning of Section 414(m) of the Code) as such Person.

“ERISA Event” means any of the following: (i) the failure to satisfy the minimum funding standard under Section 302 of ERISA or Section 412 of the Code with respect to any Pension Plan; (ii) the filing by the Pension Benefit Guaranty Corporation or a plan administrator of any notice relating to an intention to terminate any Pension Plan or Pension Plans or an event or condition which constitutes grounds under Section 4042 of ERISA for the termination of, or grounds to appoint a trustee to administer any Pension Plan; (iii) the complete withdrawal or partial withdrawal by any Person or any of its ERISA Affiliates from any Multiemployer Plan; (iv) any “reportable event” as defined in Section 4043 of ERISA or the regulations issued thereunder with respect to a Pension Plan (other than an event for which the 30-day notice period is waived), (v) the commencement of proceedings by the Pension Benefit Guaranty Corporation to terminate a Pension Plan or the treatment of a Pension Plan amendment as a termination under Section 4041 or 4041A of ERISA, or the termination of any Pension Plan (vi) the receipt by the Issuer, the Seller, the initial Servicer, or any ERISA Affiliate of any notice concerning a determination that a Multiemployer Plan is, or is expected to be insolvent within the meaning of Title IV of ERISA; or (vii) the imposition of any liability under Title IV of ERISA, other than for Pension Benefit Guaranty Corporation premiums due but not delinquent under Section 4007 of ERISA, upon any Person or any of its ERISA Affiliates with respect to a Pension Plan.

“ERISA Lien” has the meaning specified in Section 7.1(q).

“Event of Default” has the meaning specified in Section 10.1.

“Exchange Act” means the Securities Exchange Act of 1934, as amended.

“Facility Termination Date” means the earliest to occur of (a) the Payment Date on which the Notes, plus all other amounts due and owing to the Noteholders, are paid in full, (b) the Legal Final Payment Date and (c) the Indenture Termination Date.

“FATCA” means the Foreign Account Tax Compliance Act provisions, sections 1471 through to 1474 of the Code (including any regulations or official interpretations issued with respect thereof or agreements thereunder and any amended or successor provisions).

“FATCA Withholding Tax” means any withholding or deduction required pursuant to FATCA.

“Fee Letter” means the letter agreement, dated as of the date hereof, among the Issuer and the Noteholders.

“Finance Charge Receivables” means Receivables created in respect of periodic finance charges, cash advance fees, membership fees and annual service charges, late fees, returned check fees and all other similar fees and charges billed or accrued and unpaid on an Account designated to the Trust Portfolio.

“Financial Covenants” means each of the Leverage Ratio Covenant, the Liquidity Covenant and the Tangible Net Worth Covenant.

“Fiscal Year” means any period of twelve consecutive calendar months ending on December 31.

“Fitch” means Fitch, Inc.

“Floor” means the benchmark rate floor, if any, provided in this Indenture initially (as of the execution of this Indenture, the modification, amendment or renewal of this Indenture or otherwise) with respect to One-Month LIBOR.

“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.

“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.

“Grant” means the Issuer’s grant of a Lien on the Trust Estate as set forth in the Granting Clause of this Indenture.

“Hardship Program” means any program of an Account Owner, established pursuant to the Credit and Collection Policies, to provide payment relief to Obligor who have suffered a temporary life event and who demonstrate a willingness and ability to make payments on their Account.

“Holder” means the Person in whose name a Note is registered in the Note Register.

“In-Store Payments” means payments received from or on behalf of Obligor at a retail location operated by the Seller or its partners.

“Increase” has the meaning specified in Section 3.1(b).

“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.

“Indenture” means this Indenture, as amended, restated, modified or supplemented from time to time.

“Indenture Termination Date” has the meaning specified in Section 12.1.

“Indenture Trustee” means initially Wilmington Trust, National Association, acting in such capacity under this Indenture, and its successors and any corporation resulting from or surviving any consolidation or merger to which it or its successors may be a party and any successor trustee appointed in accordance with the provisions of this Indenture.

“Independent” means, when used with respect to any specified Person, that such Person (a) is in fact independent of the Issuer, any other obligor upon the Notes, the initial Servicer, the Seller, the Depositor and any Affiliate of any of the foregoing Persons, (b) does not have any direct financial interest or any material indirect financial interest in the Issuer, any such other obligor, the initial Servicer, the Seller, the Depositor or any Affiliate of any of the foregoing Persons and (c) is not connected with the Issuer, any such other obligor, the initial Servicer, the Seller, the Depositor or any Affiliate of any of the foregoing Persons as an officer, employee, promoter, underwriter, trustee, partner, director or Person performing similar functions.

“Independent Certificate” means a certificate or opinion to be delivered to the Indenture Trustee under the circumstances described in, and otherwise complying with, the applicable requirements of Section 15.1, prepared by an Independent appraiser or other expert appointed by an Issuer Order or an Administrator Order and approved by the Indenture Trustee in the exercise of reasonable care, and such opinion or certificate shall state that the signer has read the definition of “Independent” in this Indenture and that the signer is Independent within the meaning thereof.

“Ineligible Receivable” means any Transferred Receivable designated as an “Ineligible Receivable” by the Depositor pursuant to Section 6.1(c) of the Transfer Agreement.

“Initial Account” means each revolving credit card account identified in the Account Schedule delivered in connection with the initial designation of Accounts pursuant to the Transfer Agreement.

“Initial Cut-Off Date” has the meaning set forth in the Transfer Agreement.

“Initial Originator” means WebBank, a Utah state-chartered bank.

“Insolvency Event” shall be deemed to have occurred with respect to a Person if:

(a) a Proceeding shall be commenced, without the application or consent of such Person, before any Governmental Authority, seeking the liquidation, reorganization, debt arrangement, dissolution, winding up, or composition or adjustment of debts of such Person, the appointment of a trustee, receiver, custodian, liquidator, assignee or the like for such Person or all or substantially all of its assets, or any similar action with respect to such Person under any Law relating to bankruptcy, insolvency, reorganization, winding up or composition or adjustment of debts, and in the case of any Person, such Proceeding shall continue undismissed, or unstayed and in effect, for a period of sixty (60) consecutive days; or an order for relief in respect of such Person shall be entered in an involuntary case under the federal bankruptcy Laws or other similar Laws now or hereafter in effect; or

(b) such Person shall (i) consent to the institution of any Proceeding or petition described in clause (a) of this definition, or (ii) commence a voluntary Proceeding under any applicable bankruptcy, insolvency, reorganization, debt arrangement, dissolution or other similar Law now or hereafter in effect, or shall consent to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian or other similar official for such Person or for any substantial part of its property, or shall make any general assignment for the benefit of

creditors, or shall fail to, or admit in writing its inability to, pay its debts generally as they become due, or, if a corporation or similar entity, its board of directors shall vote to implement any of the foregoing.

“Interest Period” means, with respect to any Payment Date, the prior Monthly Period.

“Investment Company Act” means the Investment Company Act of 1940, as amended.

“Investment Earnings” means all interest and earnings (net of losses and investment expenses) accrued on funds on deposit in the Trust Accounts.

“Issuer” has the meaning specified in the preamble of this Indenture.

“Issuer Distributions” has the meaning specified in Section 5.4(c).

“Issuer Order” and “Issuer Request” means a written order or request signed in the name of the Issuer by any one of its Responsible Officers and delivered to the Indenture Trustee.

“Law” means any law (including common law), constitution, statute, treaty, regulation, rule, ordinance, order, injunction, writ, decree or award of any Governmental Authority.

“Legacy Additional Interest” has the meaning specified in the Fee Letter, as notified by the Issuer to the Servicer in writing.

“Legacy Expiration Date” means February 5, 2023.

“Legal Final Payment Date” means the Payment Date immediately following the 365th day after the commencement of the Amortization Period.

“Leverage Ratio” means, on any date of determination, the ratio of (i) Liabilities to (ii) Tangible Net Worth.

“Leverage Ratio Covenant” means that the Parent will have a maximum Leverage Ratio equal to the lesser of (i) 7.5:1 and (ii) the maximum leverage ratio or similar covenant for the Parent set forth in any Oportun Comparable Facility.

“Liabilities” means, on any date of determination, the total liabilities which would appear on the balance sheet of the Parent and its Subsidiaries determined on a consolidated basis in accordance with GAAP.

“LIBOR” has the meaning assigned to such term in Section 5.12(b).

“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).

“Liquidity Covenant” means that the Seller will have a minimum liquidity equal to the greater of (i) \$10,000,000, equal to unrestricted cash or Cash Equivalents, and (ii) the minimum liquidity or similar covenant for the Seller set forth in any Oportun Comparable Facility.

“London Banking Day” means, for the purpose of determining One-Month LIBOR, any day that banking institutions in London, England are open for business other than a Saturday, Sunday or other day on which banking institutions in London, England trading in Dollar deposits in the London interbank market are authorized or obligated by law or executive order to be closed.

“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 or the Seller, (iii) the ability of the Issuer, the Depositor 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 a calendar month; provided, however, that the first Monthly Period shall be the period from and including the Closing Date to and including January 31, 2022.

“Monthly Servicer Report” means a report substantially in the form attached as Exhibit B to the Servicing Agreement or in such other form as the Servicer may determine to be necessary or desirable (with the prior written consent of the Indenture Trustee and the Required Noteholders).

“Monthly Statement” means a statement substantially in the form attached hereto as Exhibit D, with such changes as the Servicer may determine to be necessary or desirable (with prior written consent of the Required Noteholders).

“Moody’s” means Moody’s Investors Service, Inc.

“Multiemployer Plan” means a “multiemployer plan” as defined in Section 4001(a)(3) of ERISA with respect to which the Seller, the Issuer, the Servicer or any of their respective ERISA Affiliates is making, is obligated to make, or has made or been obligated to make, contributions.

“Note Principal” means on any date of determination the then outstanding principal amount of the Notes.

“Note Purchase Agreement” means the agreement among WebBank, as an initial Class A Noteholder, each of the other Class A Noteholders from time to time party thereto, Oportun, Inc., the Depositor and the Issuer, dated as the date hereof, pursuant to which each of the Class A Noteholders have agreed to purchase an interest in the Class A Notes from the Issuer, subject to the terms and conditions set forth therein, as amended, supplemented or otherwise modified from time to time.

“Note Register” has the meaning specified in Section 2.6(a).

“Noteholder” means with respect to any Note, the holder of record of such Note.

“Notes” has the meaning specified in paragraph (a) of the Designation.

“NYFRB” means the Federal Reserve Bank of New York.

“NYFRB’s Website” means the website of the NYFRB at <http://www.newyorkfed.org>, or any successor source.

“Obligor” means, with respect to any Receivable, the Person or Persons obligated to make payments with respect to such Receivable, including any guarantor thereof.

“Officer’s Certificate” means a certificate signed by any Responsible Officer of the Person providing the certificate.

“One-Month LIBOR” means, with respect to any day of determination, the composite London interbank offered rate for one-month Dollar deposits determined by the Calculation Agent for such day in accordance with the provisions of Section 5.17 (or if such day is not a London Banking Day, then the immediately preceding London Banking Day); provided that if One-Month LIBOR as so determined would be less than 0%, such rate shall be deemed to be 0% for the purposes of this Indenture.

“Opinion of Counsel” means one or more written opinions of counsel to the Issuer, the Depositor, the Seller or the Servicer who (except in the case of opinions regarding matters of organizational standing, power and authority, conflict with organizational documents, conflict with agreements other than Transaction Documents, qualification to do business, licensure and litigation or other Proceedings) shall be external counsel, satisfactory to the Indenture Trustee, which opinions shall comply with any applicable requirements of Section 15.1 and TIA Section 314, if applicable, and shall be in form and substance satisfactory to the Indenture Trustee, and shall be addressed to the Indenture Trustee. An Opinion of Counsel may, to the extent same is based on any factual matter, rely on an Officer’s Certificate as to the truth of such factual matter.

“Oportun” means Oportun, Inc., a Delaware corporation.

“Oportun Comparable Facility” means each of (i) the consumer loan credit facility involving Oportun PLW, LLC, as borrower, and (ii) the consumer loan-backed residual certificate financing facility involving Oportun RF, LLC, as issuer.

“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.

“Owner Trustee” means Wilmington Savings Fund Society, FSB, a federal savings bank.

“Parent” means Oportun Financial Corporation.

“Paying Agent” means any paying agent appointed pursuant to Section 2.7 and shall initially be the Indenture Trustee.

“Payment Date” means February 8, 2022 and the eighth (8th) day of each calendar month thereafter, or if such eighth (8th) day is not a Business Day, the next succeeding Business Day.

“Pension Plan” means an “employee pension benefit plan” as described in Section 3(2) of ERISA (excluding a Multiemployer Plan) that is subject to Title IV of ERISA or Section 302 of ERISA or 412 of the Code, and in respect of which the Issuer, the Seller, the initial Servicer or any ERISA Affiliate thereof is, or at any time during the immediately preceding six (6) years was, an “employer” as defined in Section 3(5) of ERISA, or with respect to which the Issuer, the Seller, the initial Servicer or any of their respective ERISA Affiliates has any liability, contingent or otherwise.

“Perfection Representations” means the representations, warranties and covenants set forth in Schedule 1 attached hereto.

“Permissible Uses” means the use of funds by the Issuer to (a) pay the Depositor for additional Receivables, including in connection with Issuer Distributions pursuant to Section 5.4(c), subject to the limitations therein, or (b) pay amounts payable to Noteholders in connection with a Decrease.

“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 Depositor Receivables Trustee, the Seller or the Indenture Trustee pursuant to the Transaction Documents;

(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 Noteholder in any of the Receivables;

(vi) any Lien created in favor of the Issuer, the Depositor, the Depositor Receivables Trustee or the Seller in connection with the purchase of any Receivables by the Issuer, the Depositor, the Depositor Receivables Trustee or the Seller and covering such Receivables that are sold to the Seller, the Depositor, the Depositor Receivables Trustee 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 that are sold by WebBank to the Seller or such Affiliate under the WebBank Agreements.

“Permitted Investments” means book-entry securities, uncertificated securities, negotiable instruments or securities represented by instruments in bearer or registered form and that evidence:

(a) direct obligations of, and obligations fully guaranteed as to the full and timely payment by, the United States;

(b) demand deposits, time deposits or certificates of deposit of any depository institution or trust company incorporated under the Laws of the United States or any state thereof or the District of Columbia (or any domestic branch of a foreign bank) and subject to supervision and examination by federal or state banking or depository institution authorities (including depository receipts issued by any such institution or trust company as custodian with respect to any obligation referred to in clause (a) above or a portion of such obligation for the benefit of the holders of such depository receipts); provided that at the time of the investment or contractual commitment to invest therein (which shall be deemed to be made again each time funds are reinvested following each Payment Date), the commercial paper or other short-term senior unsecured debt obligations (other than such obligations the rating of which is based on the credit of a person other than such depository institution or trust company) of such depository institution or trust company shall have a credit rating from a Rating Agency in the highest investment category granted thereby;

(c) commercial paper having, at the time of the investment or contractual commitment to invest therein, a rating from Fitch of “F2” or the equivalent thereof from Moody’s or Standard & Poor’s; or

(d) only to the extent permitted by Rule 3a-7 under the Investment Company Act, investments in money market funds having a rating from Fitch of “AA” or, to the extent not rated by Fitch, rated in the highest rating category by Moody’s, Standard & Poor’s or another Rating Agency.

Permitted Investments may be purchased by or through the Indenture Trustee or any of its Affiliates.

“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 a manner consistent with the WebBank Agreements and the Seller’s proprietary scoring method.

“Principal Receivable” means each Receivable, other than a Finance Charge Receivable.

“Proceeding” means any suit in equity, action at law or other judicial or administrative proceeding.

“Program Agreement” means (i) with respect to the Initial Originator, the Amended and Restated Credit Card Program and Servicing Agreement, dated as of February 5, 2021, between the Initial Originator and Oportun and (ii) with respect to any other Account Owner, the related agreement pursuant to which Oportun provides a credit card program to such Account Owner and its customers.

“Purchase Agreement” means the Receivables Purchase Agreement, dated as of the Closing Date, among the Seller, the Depositor and the Depositor Receivables Trustee, as such

agreement may be amended, supplemented or otherwise modified and in effect from time to time.

“Purchase Date” means the Closing Date and each date thereafter on which the Depositor and the Depositor Receivables Trustee for the benefit of the Depositor purchase Receivables from the Seller pursuant to the Purchase Agreement and transfer such Receivables to the Issuer pursuant to the Transfer Agreement.

“Qualified Institution” means a depository institution or trust company:

(a) whose commercial paper, short-term unsecured debt obligations or other short-term deposits have a rating commonly regarded as “investment grade” by at least one Rating Agency, if the deposits are to be held in the account for 30 days or less, or

(b) whose long-term unsecured debt obligations have a rating commonly regarded as “investment grade” by at least one Rating Agency, if the deposits are to be held in the account more than 30 days.

“Rapid Amortization Date” means the date on which a Rapid Amortization Event is deemed to occur.

“Rapid Amortization Event” has the meaning specified in Section 9.1.

“Rating Agency” means any nationally recognized statistical rating organization.

“Receivable” means any amount owing by an Obligor with respect to an Account from time to time, including amounts payable for Principal Receivables and Finance Charge Receivables. Receivables that become Defaulted Receivables shall cease to be included as Receivables as of the day on which they become Defaulted Receivables.

“Record Date” means, with respect to any Payment Date, the last Business Day of the preceding Monthly Period.

“Records” means all Account Agreements and other documents, books, records and other information (including computer programs, tapes, disks, data processing software and related property and rights, but excluding any computer programs or software subject to a licensing arrangement or other contractual provisions that would restrict the transfer or pledge thereof), prepared and maintained by any Account Owner, the Seller, the Servicer or the Issuer with respect to the Receivables and the Obligors thereunder.

“Recoveries” means, with respect to any Transferred Receivable, (a) amounts received after such Transferred Receivable became a Defaulted Receivable but before any sale or other disposition of such Transferred Receivable; and (b) any proceeds from a sale or other disposition by Depositor of such a Transferred Receivable after such Transferred Receivable became a Defaulted Receivable, in each of clauses (a) and (b) net of expenses of recovery.

“Reference Time” with respect to any setting of the then-current Benchmark means (1) if such Benchmark is One-Month LIBOR, 11:00 a.m. (London time) on the day that is two London banking days preceding the date of such setting, and (2) if such Benchmark is not One-Month LIBOR, the time determined by the Required Noteholders in their reasonable discretion.

“Registered Notes” has the meaning specified in Section 2.1.

“Related Security” means with respect to any Receivable: (a) all of the Issuer’s interest, if any, in the goods, merchandise (including returned merchandise) or equipment, if any, the sale of which gave rise to such Receivable; (b) all guarantees, insurance or other agreements or arrangements of any kind from time to time supporting or securing payment of such Receivable whether pursuant to the Account Agreement related to such Receivable or otherwise; and (c) all Records relating to such Receivable.

“Relevant Governmental Body” means the Federal Reserve Board or the NYFRB, or a committee officially endorsed or convened by the Federal Reserve Board or the NYFRB, or any successor thereto.

“Removal Cut-Off Date” has the meaning set forth in the Transfer Agreement.

“Removal Date” has the meaning set forth in the Transfer Agreement.

“Removed Accounts” has the meaning set forth in Section 2.7(a) of the Transfer Agreement.

“Removed Receivables” means Receivables released from the Trust Estate in accordance with Section 5.8.

“Required Certificateholders” means the holders of Certificates representing a percentage interest in excess of 50% of the Certificates outstanding.

“Required Monthly Payments” has the meaning specified in Section 5.4(c).

“Required Noteholders” means each of (a) WebBank (but only if WebBank or an affiliate thereof is then holding any Notes) and (b) the holders of the Class A Notes representing (i) in excess of 50% of the aggregate principal balance of the Class A Notes outstanding or (ii) if no amount is then outstanding under the Class A Notes, Committed Purchase Amounts in excess of 50% of the Aggregate Committed Purchase Amount (or, if the Class A Notes have been paid in full, the Required Certificateholders).

“Requirements of Law” means, as to any Person, the organizational documents of such Person and any Law applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

“Reserve Account” has the meaning specified in Section 5.3(b).

“Reserve Account Requirement” means, for any Monthly Period, (a) initially, and for so long as the Three-Month Average Default Percentage for such Monthly Period is less than 18.0%, zero, (b) commencing with the third Monthly Period, (i) if the Three-Month Average Default Percentage for such Monthly Period is equal to or greater than 18.0% but less than 19.0%, an amount equal to 1.0% of the Aggregate Eligible Receivables Balance, and (ii) if the Three-Month Average Default Percentage for such Monthly Period is equal to or greater than 19.0%, an amount equal to 2.0% of the Aggregate Eligible Receivables Balance.

“Responsible Officer” means (i) with respect to any Person, the member, the Chairman, the President, the Controller, any Vice President, the Secretary, the Treasurer, or any other officer of such Person or of a direct or indirect managing member of such Person, who customarily performs functions similar to those performed by any of the above-designated officers and also, with respect to a particular matter any other officer to whom such matter is referred because of such officer’s knowledge of and familiarity with the particular subject and (ii) with respect to the Indenture Trustee, in any of its capacities hereunder, a Trust Officer.

“Revolving Period” means the period from and including the Closing Date to, but not including, the earlier of (i) the Scheduled Amortization Period Commencement Date and (ii) the Rapid Amortization Date.

“Rule 144A” has the meaning specified in Section 2.9(a).

“Scheduled Amortization Period Commencement Date” means December 1, 2023 (as such date may be extended pursuant to Section 2.4 of the Note Purchase Agreement).

“Secured Obligations” means (i) all principal and interest, at any time and from time to time, owing by the Issuer on the Notes (including any Note held by the Seller, the Depositor, the Servicer, the Parent or any Affiliate of any of the foregoing), and (ii) all costs, fees, expenses, indemnity and other amounts owing or payable by, or obligations of, the Issuer to any Secured Party under the Indenture or the other Transaction Documents.

“Secured Parties” has the meaning specified in the Granting Clause of this Indenture.

“Securities Act” means the Securities Act of 1933, as amended.

“Securities Intermediary” has the meaning specified in Section 5.3(e) and shall initially be Wilmington Trust, National Association, acting in such capacity under this Indenture.

“Seller” means Oportun.

“Servicer” means initially Oportun, Inc. and its permitted successors and assigns and thereafter any Person appointed as successor pursuant to the Servicing Agreement to service the Receivables.

“Servicer Default” has the meaning specified in Section 5.1 of the Servicing Agreement.

“Servicer Transaction Documents” means collectively, the Indenture and the Servicing Agreement, as applicable.

“Servicing Agreement” means the Servicing Agreement, dated as of the Closing Date, among the Issuer and the Servicer, as the same may be amended or supplemented from time to time.

“Servicing Fee” means (A) for any Monthly Period during which Oportun, Inc. or any Affiliate acts as Servicer, an amount equal to the product of (i) 5.00%, (ii) 1/12 and (iii) the average daily Aggregate Eligible Receivables Balance for such 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 (B) for any Monthly Period during which any other successor Servicer acts as Servicer, the Servicing Fee shall be an amount equal to the product of (a) the current market rate for servicing receivables similar to the Receivables, (b) 1/12 and (c) the average daily Aggregate Eligible Receivables Balance for such Monthly Period.

“Similar Law” means applicable Law that is substantially similar to Section 406 of ERISA or Section 4975 of the Code.

“Six-Month Weighted Average Yield” means, for any Monthly Period, the percentage equivalent of a fraction, (i) the numerator of which is the sum, with respect to each of the six most recent Monthly Periods (which may include such Monthly Period), of the total Collections, other than Collections with respect to Principal Receivables, received during each such Monthly

Period, and (ii) the denominator of which is the sum, with respect to each of the six most recent Monthly Periods (which may include such Monthly Period), of the daily average Outstanding Receivables Balance of all Eligible Receivables for each such Monthly Period.

“SOFR” means, with respect to any Business Day, a rate per annum equal to the secured overnight financing rate for such Business Day published by the SOFR Administrator on the SOFR Administrator’s Website on the immediately succeeding Business Day.

“SOFR Administrator” means the NYFRB (or a successor administrator of the secured overnight financing rate).

“SOFR Administrator’s Website” means the NYFRB’s website, currently at <http://www.newyorkfed.org>, or any successor source for the secured overnight financing rate identified as such by the SOFR Administrator from time to time.

“Solvent” means with respect to any Person that as of the date of determination both (A)(i) the then fair saleable value of the property of such Person is (y) greater than the total amount of liabilities (including Contingent Liabilities) of such Person and (z) not less than the amount that will be required to pay the probable liabilities on such Person’s then existing debts as they become absolute and matured considering all financing alternatives and potential asset sales reasonably available to such Person; (ii) such Person’s capital is not unreasonably small in relation to its business or any contemplated or undertaken transaction; and (iii) such Person does not intend to incur, or believe (nor should it reasonably believe) that it will incur, debts beyond its ability to pay such debts as they become due; and (B) such Person is “solvent” within the meaning given that term and similar terms under applicable Laws relating to fraudulent transfers and conveyances. For purposes of this definition, the amount of any Contingent Liability at any time shall be computed as the amount that, in light of all of the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability.

“Standard & Poor’s” means S&P Global Ratings.

“Subsidiary” of a Person means any other Person more than 50% of the outstanding voting interests of which shall at any time be owned or controlled, directly or indirectly, by such Person or by one or more other Subsidiaries of such Person or any similar business organization which is so owned or controlled.

“Supplement” means a supplement to this Indenture complying with the terms of Article 13 of this Indenture.

“Tangible Net Worth” means, on any date of determination, the total shareholders’ equity (including capital stock, additional paid-in capital and retained earnings after deducting treasury stock) which would appear on the balance sheet of the Parent and its Subsidiaries determined on a consolidated basis in accordance with GAAP, less the sum of (a) all notes receivable from officers and employees of the Parent and its Subsidiaries and from affiliates of the Parent, and (b) the aggregate book value of all assets which would be classified as intangible assets under GAAP, including, without limitation, goodwill, patents, trademarks, trade names, copyrights, and franchises.

“Tangible Net Worth Covenant” means that the Parent will have a minimum Tangible Net Worth equal to the greater of (i) \$100,000,000 and (ii) the minimum tangible net worth or similar covenant for the Parent set forth in any Opportun Comparable Facility.

“Tax Information” means information and/or properly completed and signed tax certifications and/or documentation sufficient to eliminate the imposition of or to determine the amount of any withholding of tax, including FATCA Withholding Tax.

“Term SOFR” means, for the applicable Corresponding Tenor as of the applicable Reference Time, the forward-looking term rate based on SOFR that has been selected or recommended by the Relevant Governmental Body.

“Term SOFR Notice” means a notification by the Required Noteholders to the Noteholders and the Issuer of the occurrence of a Term SOFR Transition Event.

“Term SOFR Transition Event” means the determination by the Required Noteholders that (a) Term SOFR has been recommended for use by the Relevant Governmental Body, (b) the administration of Term SOFR is administratively feasible and (c) a Benchmark Transition Event or an Early Opt-in Election, as applicable, has previously occurred resulting in a Benchmark Replacement in accordance with Section 5.17 that is not Term SOFR. For the avoidance of doubt, the Required Noteholders shall not be required to deliver a Term SOFR Notice after a Term SOFR Transition Event and may do so in their sole discretion.

“Test Account” means an Account established solely for the purpose of user acceptance testing.

“Three-Month Average Default Percentage” means, for any Monthly Period, the average Default Percentage for the three most recent Monthly Periods (which may include such Monthly Period).

“Three-Month Average Principal Payment Rate” means, for any Monthly Period, the percentage equivalent of a fraction, (i) the numerator of which is the sum, with respect to each of the three most recent Monthly Periods (which may include such Monthly Period), of the aggregate Collections received in respect of Principal Receivables during each such Monthly Period, and (ii) the denominator of which is the sum, with respect to each of the three most recent Monthly Periods (which may include such Monthly Period), of the daily average Outstanding Receivables Balance of all Principal Receivables for each such Monthly Period.

“Three-Month Weighted Average Yield” means, for any Monthly Period, the percentage equivalent of a fraction, (i) the numerator of which is the sum, with respect to each of the three most recent Monthly Periods (which may include such Monthly Period), of the total Collections, other than Collections in respect of Principal Receivables, received during each such Monthly Period, and (ii) the denominator of which is the sum, with respect to each of the three most recent Monthly Periods (which may include such Monthly Period), of the daily average Outstanding Receivables Balance of all Eligible Receivables for each such Monthly Period.

“Transaction Documents” means, collectively, this Indenture, the Notes, the Servicing Agreement, the Purchase Agreement, the Transfer Agreement, the Trust Agreement, the Depositor Receivables Trust Agreement and the Note Purchase Agreement.

“Transfer Agent and Registrar” has the meaning specified in Section 2.6 and shall initially, and so long as Wilmington Trust, National Association is acting as Indenture Trustee, be the Indenture Trustee.

“Transfer Agreement” means the Receivables Transfer Agreement, dated as of the Closing Date, among the Issuer, the Depositor, and the Depositor Receivables Trustee, as such agreement may be amended, supplemented or otherwise modified and in effect from time to time.

“Transferred Account” has the meaning specified within the definition of Account.

“Transferred Assets” has the meaning specified in Section 2.1 of the Transfer Agreement.

“Transferred Receivable” means a Receivable that has been transferred by the Depositor and the Depositor Receivables Trustee for the benefit of the Depositor to the Issuer under the Transfer Agreement.

“Trust Account” has the meaning specified in the Granting Clause to this Indenture..

“Trust Agreement” means the Amended and Restated Trust Agreement, dated as of the Closing Date, among the Depositor, the Owner Trustee, the Certificate Registrar and the Administrator, as the same may be amended or supplemented from time to time.

“Trust Estate” has the meaning specified in the Granting Clause of this Indenture.

“Trust Indenture Act” or “TIA” means the Trust Indenture Act of 1939 as in force on the date hereof, unless otherwise specifically provided.

“Trust Officer” means any officer within the Corporate Trust Office (or any successor group of the Indenture Trustee), including any Vice President, any Director, any Managing Director, any Assistant Vice President or any other officer of the Indenture Trustee customarily performing functions similar to those performed by any individual who at the time shall be an above-designated officer and is directly responsible for the day-to-day administration of the transactions contemplated herein.

“Trust Portfolio” means, collectively, the Accounts that are listed on the Account Schedule most recently delivered to the Issuer by the Depositor.

“Trustee Fees and Expenses” means, for any Payment Date, the amount of accrued and unpaid fees (including, without limitation, the Servicing Fee of any successor Servicer), indemnity amounts and reasonable out-of-pocket expenses for the successor Servicer or the Indenture Trustee (including in its capacity as Agent), the Securities Intermediary, the Depository Bank, the Certificate Registrar, the Owner Trustee, the Depositor Receivables Trustee and any successor Servicer (but, as to expenses and indemnity amounts (other than amounts paid to the bank holding the Servicer Account (as defined in the Servicing Agreement)), not in excess of (A) \$150,000 per calendar year for the Indenture Trustee (including in its capacity as Agent), the Securities Intermediary and the Depository Bank (or, if an Event of Default has occurred and is continuing, without limit), and (B) \$150,000 per calendar year for the Owner Trustee and the Depositor Receivables Trustee (or, if an Event of Default has occurred and is continuing, without limit).

“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.

“Unadjusted Benchmark Replacement” means the applicable Benchmark Replacement excluding the related Benchmark Replacement Adjustment.

“Unused Fee” has the meaning specified in the Fee Letter, as notified by the Issuer to the Servicer in writing.

“U.S.” or “United States” means the United States of America and its territories.

“VantageScore” means the credit score for an Obligor referred to as a “VantageScore 3.0” calculated and reported by Experian plc.

“WebBank” means WebBank, a Utah state-chartered bank.

“WebBank Agreements” means the WebBank Program Agreement, the WebBank Receivables Sale Agreement and the WebBank Receivables Purchase Agreement.

“WebBank Program Agreement” means the Amended and Restated Credit Card Program and Servicing Agreement, dated as of February 5, 2021, between Seller and WebBank as such agreement may be amended, restated, supplemented or otherwise modified from time to time.

“WebBank Receivables Sale Agreement” means the Receivables Sale Agreement, dated as of November 5, 2019, between Seller and WebBank as such agreement may be amended, restated, supplemented or otherwise modified from time to time.

“WebBank Receivables Purchase Agreement” means the Receivables Purchase Agreement, dated as of December 20, 2021, between Seller and WebBank as such agreement may be amended, restated, supplemented or otherwise modified from time to time.

“written” or “in writing” means any form of written communication, including, without limitation, by means of e-mail, telex or telecopier device.

Section 1.2. Incorporation by Reference of Trust Indenture Act. Whenever this Indenture refers to a provision of the TIA, the provision is incorporated by reference in and made a part of this Indenture, except to the extent that the Indenture Trustee has been advised by an Opinion of Counsel that the Indenture does not need to be qualified under the TIA or such provision is not required under the TIA to be applied to this Indenture in light of the outstanding Notes. The following TIA terms used in this Indenture have the following meanings:

“Commission” means the Securities and Exchange Commission.

“indenture securities” means the Notes.

“indenture security holder” means a Holder.

“indenture to be qualified” means this Indenture.

“indenture trustee” or “institutional trustee” means the Indenture Trustee.

“obligor” on the indenture securities means the Issuer and any other obligor on the indenture securities.

All other TIA terms used in this Indenture that are defined by the TIA, defined by TIA reference to another statute or defined by Commission rule have the meaning assigned to them by such definitions.

Section 1.3. [Reserved].

Section 1.4. Accounting and Financial Determinations; No Duplication. Where the character or amount of any asset or liability or item of income or expense is required to be determined, or any accounting computation is required to be made, for the purpose of this Indenture, such determination or calculation shall be made, to the extent

applicable and except as otherwise specified in this Indenture, in accordance with GAAP. When used herein, the term “financial statement” shall include the notes and schedules thereto. All accounting determinations and computations hereunder shall be made without duplication.

Section 1.5. Rules of Construction. In this Indenture, unless the context otherwise requires:

- (i) “or” is not exclusive;
- (ii) the singular includes the plural and vice versa;
- (iii) reference to any Person includes such Person’s successors and assigns but, if applicable, only if such successors and assigns are permitted by this Indenture, and reference to any Person in a particular capacity only refers to such Person in such capacity;
- (iv) reference to any gender includes the other gender;
- (v) reference to any Requirement of Law means such Requirement of Law as amended, modified, codified or reenacted, in whole or in part, and in effect from time to time;
- (vi) “including” (and with correlative meaning “include”) means including without limiting the generality of any description preceding such term; and
- (vii) with respect to the determination of any period of time, “from” means “from and including” and “to” means “to but excluding.”

Section 1.6. Other Definitional Provisions.

(a) All terms defined in this Indenture shall have the defined meanings when used in any certificate or other document made or delivered pursuant hereto unless otherwise defined therein. Capitalized terms used but not defined herein shall have the respective meaning given to such term in (or by reference in) the Servicing Agreement.

(b) The words “hereof,” “herein” and “hereunder” and words of similar import when used in this Indenture shall refer to this Indenture as a whole and not to any particular provision of this Indenture; and Article, Section, subsection, Schedule and Exhibit references contained in this Indenture are references to Articles, Sections, subsections, Schedules and Exhibits in or to this Indenture unless otherwise specified.

(c) Terms used herein that are defined in the New York Uniform Commercial Code and not otherwise defined herein shall have the meanings set forth in the New York Uniform Commercial Code, unless the context requires otherwise. Any reference herein to a “beneficial interest” in a security also shall mean, unless the context requires otherwise, a security entitlement with respect to such security, and any reference herein to a “beneficial owner” or “beneficial holder” of a security also shall mean, unless the context requires otherwise, the holder of a security entitlement with respect to such security. Any reference herein to money or other property that is to be deposited in or is on deposit in a securities account shall also mean that such money or other property is to be credited to, or is credited to, such securities account.

ARTICLE 2.

THE NOTES

Section 1.1. Designation and Terms of Notes. The Notes shall be issued in fully registered form (the “Registered Notes”), and shall be substantially in the form of Exhibit C attached hereto, with such appropriate insertions, omissions, substitutions and other variations as are required or permitted by this Indenture and may have such letters, numbers or other marks of identification and such restrictions, legends or endorsements placed thereon, all as determined by the Responsible Officers executing such Notes, as evidenced by their execution of the Notes. Any portion of the text of any Note may be set forth on the reverse thereof, with an appropriate reference thereto on the face of the Note.

Section 1.2. [Reserved].

Section 1.3. [Reserved].

Section 1.4. Execution and Authentication.

(a) Each Note shall be executed by manual or facsimile signature by the Issuer. Notes bearing the manual or facsimile signature of the individual who was, at the time when such signature was affixed, authorized to sign on behalf of the Issuer shall not be rendered invalid, notwithstanding that such individual has ceased to be so authorized prior to the authentication and delivery of such Notes or does not hold such office at the date of such Notes. No Notes shall be entitled to any benefit under this Indenture, or be valid for any purpose, unless there appears on such Note a certificate of authentication substantially in the form provided for herein, duly executed by or on behalf of the Indenture Trustee by the manual signature of a duly authorized signatory, and such certificate upon any Note shall be conclusive evidence, and the only evidence, that such Note has been duly authenticated and delivered hereunder.

(b) The Issuer shall execute and the Indenture Trustee shall authenticate and deliver the Notes having the terms specified herein, upon the receipt of an Issuer Order or an Administrator Order, to the purchasers thereof.

(c) All Notes shall be dated and issued as of the date of their authentication.

Section 1.5. Authenticating Agent.

(a) The Indenture Trustee may appoint one or more authenticating agents with respect to the Notes which shall be authorized to act on behalf of the Indenture Trustee in authenticating the Notes in connection with the issuance, delivery, registration of transfer, exchange or repayment of the Notes. Whenever reference is made in this Indenture to the authentication of Notes by the Indenture Trustee or the Indenture Trustee’s certificate of authentication, such reference shall be deemed to include authentication on behalf of the Indenture Trustee by an authenticating agent and a certificate of authentication executed on behalf of the Indenture Trustee by an authenticating agent. Each authenticating agent must be acceptable to the Issuer.

(b) Any institution succeeding to the corporate agency business of an authenticating agent shall continue to be an authenticating agent without the execution or filing of any paper or any further act on the part of the Indenture Trustee or such authenticating agent.

(c) An authenticating agent may at any time resign by giving written notice of resignation to the Indenture Trustee and to the Issuer. The Indenture Trustee may at any time terminate the agency of an authenticating agent by giving notice of termination to such authenticating agent and to the Issuer. Upon receiving such a notice of resignation or upon such a termination, or in case at any time an authenticating agent shall cease to be acceptable to the Indenture Trustee or the Issuer, the Indenture Trustee promptly may appoint a successor authenticating agent. Any successor authenticating agent upon acceptance of its appointment hereunder shall become vested with all the rights, powers and duties of its predecessor hereunder, with like effect as if originally named as an authenticating agent.

(d) The Issuer agrees to pay each authenticating agent from time to time reasonable compensation for its services under this Section 2.5; subject to the prior written consent of each Noteholder.

(e) Pursuant to an appointment made under this Section 2.5, the Notes may have endorsed thereon, in lieu of the Indenture Trustee's certificate of authentication, an alternate certificate of authentication in substantially the following form:

This is one of the notes described in the Indenture.

[Name of Authenticating Agent],

as Authenticating Agent
for the Indenture Trustee,

By: _____
Responsible Officer

Section 1.6. Registration of Transfer and Exchange of Notes.

(a) The Indenture Trustee shall cause to be kept at the office or agency to be maintained by a transfer agent and registrar (the "Transfer Agent and Registrar") in accordance with the provisions of Section 2.6(c), a register (the "Note Register") in which, subject to such reasonable regulations as it may prescribe, the Transfer Agent and Registrar shall provide for the registration of the Notes and registrations of transfers and exchanges of the Notes as herein provided. The Indenture Trustee is hereby initially appointed Transfer Agent and Registrar for the purposes of registering the Notes and transfers and exchanges of the Notes as herein provided. If a Person other than the Indenture Trustee is appointed by the Issuer as Transfer Agent and Registrar, the Issuer will give the Indenture Trustee and the Noteholders prompt written notice of the appointment of such Transfer Agent and Registrar and of the location, and any change in the location, of the Note Register, and the Indenture Trustee shall have the right to inspect the Note Register at all reasonable times and to obtain copies thereof, and the Indenture Trustee shall have the right to rely upon a certificate executed on behalf of the Transfer Agent and Registrar by a Responsible Officer thereof as to the names and addresses of the Holders of the Notes and the principal amounts and number of such Notes. The Indenture Trustee shall be permitted to resign as Transfer Agent and Registrar upon thirty (30) days' written notice to the Servicer, the Noteholders and the Issuer. In the event that the Indenture Trustee shall no longer be the Transfer Agent and Registrar, the Issuer shall appoint a successor Transfer Agent and Registrar, with notice thereof to the Noteholders.

(ii) Upon surrender for registration of transfer of any Note at any office or agency of the Transfer Agent and Registrar, if the requirements of Section 8-401(a) of the UCC are met, the Issuer shall execute, subject to the provisions of Section 2.6(b),

and the Indenture Trustee shall authenticate and (unless the Transfer Agent and Registrar is different than the Indenture Trustee, in which case the Transfer Agent and Registrar shall) deliver and the Noteholder shall obtain from the Indenture Trustee, in the name of the designated transferee or transferees, one or more new Notes in authorized denominations of like aggregate principal amount.

(iii) All Notes issued upon any registration of transfer or exchange of Notes shall be valid obligations of the Issuer, evidencing the same debt, and entitled to the same benefits under this Indenture, as the Notes surrendered upon such registration of transfer or exchange.

(iv) At the option of any Holder of Registered Notes, Registered Notes may be exchanged for other Registered Notes in authorized denominations of like aggregate principal amounts in the manner specified herein, upon surrender of the Registered Notes to be exchanged at any office or agency of the Transfer Agent and Registrar maintained for such purpose.

(v) Whenever any Notes are so surrendered for exchange, if the requirements of Section 8-401(a) of the UCC are met, the Issuer shall execute and the Indenture Trustee shall authenticate and (unless the Transfer Agent and Registrar is different than the Indenture Trustee, in which case the Transfer Agent and Registrar shall) deliver and the Noteholders shall obtain from the Indenture Trustee, the Notes that the Noteholder making the exchange is entitled to receive. Every Note presented or surrendered for registration of transfer or exchange shall be accompanied by a written instrument of transfer in a form satisfactory to the Issuer duly executed by the Noteholder thereof or its attorney-in-fact duly authorized in writing.

(vi) The preceding provisions of this Section 2.6 notwithstanding, the Indenture Trustee or the Transfer Agent and Registrar, as the case may be, shall not be required to register the transfer of or exchange any Note for a period of five (5) Business Days preceding the due date for any payment with respect to the Notes or during the period beginning on any Record Date and ending on the next following Payment Date.

(vii) No service charge shall be made for any registration of transfer or exchange of Notes, but the Transfer Agent and Registrar may require payment of a sum sufficient to cover any tax or governmental charge that may be imposed in connection with any transfer or exchange of Notes.

(viii) All Notes surrendered for registration of transfer and exchange shall be cancelled by the Transfer Agent and Registrar and disposed of.

(ix) Upon written request, the Issuer shall deliver to the Indenture Trustee or the Transfer Agent and Registrar, as applicable, Registered Notes in such amounts and at such times as are necessary to enable the Indenture Trustee to fulfill its responsibilities under this Indenture and the Notes.

(x) [Reserved].

(xi) Notwithstanding anything to the contrary set forth in this Indenture, no sale or transfer of a beneficial interest in a Class A Note shall be permitted (including, without limitation, by participation, pledge or hypothecation) or effective (and shall be void ab initio) if the sale or transfer thereof (i) increases the total number of beneficial owners of the Class A Notes to more than ninety-five (95), or (ii) would be to a Person that is not a United States person as defined in Section 7701(a)(30) of the Code. For

purposes of determining the total number of beneficial owners of Class A Notes, a beneficial owner of an interest in a partnership, grantor trust, S corporation or other flow-through entity that owns, directly or through other flow-through entities, a beneficial interest in a Class A Note is treated as a holder of a beneficial interest in a Class A Note if more than 50% of the value of the beneficial owner's interest (directly or indirectly) in the flow-through entity is attributable to the flow-through entity's interest in all Class A Notes. Unless the Issuer, the Transfer Agent and the Registrar receive a written certification of the number of beneficial owners of any Holder or transferee of Class A Notes, by its acceptance of a Note, each Noteholder and each transferee of a Class A Note shall be deemed to have represented and warranted that it represents one (1) beneficial owner, as determined by the foregoing provisions of this Section 2.6(a) (xi). By its acceptance of a Note, each Noteholder and each transferee of a Class A Note shall be deemed to have represented and warranted that it (and each of its beneficial owners) is a United States person as defined in Section 7701(a)(30) of the Code.

(xii) By its acceptance of a Note, each Noteholder shall be deemed to have represented and warranted that, with respect to the 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 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 Notes have been characterized as other than indebtedness for applicable local law purposes.

(b) Registration of transfer of Registered Notes containing a legend relating to the restrictions on transfer of such Registered Notes (which legend is set forth in Section 2.9(b) of this Indenture relating to such Notes) shall be effected only if the conditions set forth in Section 2.6 have been satisfied.

(c) The Transfer Agent and Registrar will maintain an office or offices or an agency or agencies where Notes may be surrendered for registration of transfer or exchange.

Section 1.7. Appointment of Paying Agent

(a) The Paying Agent shall make payments to the Secured Parties from the appropriate account or accounts maintained for the benefit of the Secured Parties as specified in this Indenture pursuant to Articles 5 and 6. Any Paying Agent shall have the revocable power to withdraw funds from such appropriate account or accounts for the purpose of making distributions referred to above. The Indenture Trustee (or the Issuer or the Servicer if the Indenture Trustee is the Paying Agent) may revoke such power and remove the Paying Agent, if the Paying Agent fails to perform its obligations under this Indenture in any material respect or for other good cause. The Paying Agent shall initially be the Indenture Trustee. The Indenture Trustee shall be permitted to resign as Paying Agent upon thirty (30) days' written notice to the Issuer and the Noteholders, with a copy to the Servicer; provided, however, that no such resignation by the Indenture Trustee shall be effective until a successor Paying Agent has assumed the obligations of the Paying Agent hereunder. In the event that the Indenture Trustee shall no longer be the Paying Agent, the Issuer or the Servicer shall appoint a successor to act as Paying Agent (which shall be a bank or trust company). If a successor Paying Agent does not take office within thirty (30) days after the retiring Paying Agent provides written notice of its resignation or is removed, the retiring Paying Agent may petition any court of competent jurisdiction for the appointment of a successor paying agent.

(b) The Issuer shall cause each Paying Agent (other than the Indenture Trustee) to execute and deliver to the Indenture Trustee an instrument in which such Paying Agent shall agree with the Indenture Trustee that such Paying Agent will hold all sums, if any, held by it for payment to the Secured Parties in trust for the benefit of the Secured Parties entitled thereto until such sums shall be paid to such Secured Parties and shall agree, and if the Indenture Trustee is the Paying Agent it hereby agrees, that it shall comply with all requirements of the Code regarding the withholding of payments in respect of federal income taxes due from Noteholders or other Secured Parties (including in respect of FATCA and any applicable tax reporting requirements).

Section 1.8. Paying Agent to Hold Money in Trust

(a) The Issuer will cause each Paying Agent other than the Indenture Trustee to execute and deliver to the Indenture Trustee an instrument in which such Paying Agent shall agree with the Indenture Trustee (and if the Indenture Trustee acts as Paying Agent, it hereby so agrees), subject to the provisions of this Section, that such Paying Agent will:

(i) hold all sums held by it for the payment of amounts due with respect to the Secured Obligations in trust for the benefit of the Persons entitled thereto until such sums shall be paid to such Persons or otherwise disposed of as provided herein and pay such sums to such Persons as provided herein;

(ii) give the Indenture Trustee and the Noteholders written notice of any default by the Issuer (or any other obligor under the Secured Obligations) of which it (or, in the case of the Indenture Trustee, a Trust Officer) has actual knowledge in the making of any payment required to be made with respect to the Notes;

(iii) at any time during the continuance of any such default, upon the written request of the Indenture Trustee, forthwith pay to the Indenture Trustee all sums so held in trust by such Paying Agent;

(iv) immediately resign as a Paying Agent and forthwith pay to the Indenture Trustee all sums held by it in trust for the payment of the Secured Obligations if at any time it ceases to meet the standards required to be met by an Indenture Trustee hereunder; and

(v) comply with all requirements of the Code with respect to the withholding from any payments made by it on any Secured Obligations of any applicable withholding taxes imposed thereon, including FATCA Withholding Tax (including obtaining and retaining from Persons entitled to payments with respect to the Notes any Tax Information and making any withholdings with respect to the Notes as required by the Code (including FATCA) and paying over such withheld amounts to the appropriate Governmental Authority), comply with respect to any applicable reporting requirements in connection with any payments made by it on any Secured Obligations and any withholding of taxes therefrom, and, upon request, provide any Tax Information to the Issuer.

(b) The Issuer may at any time, for the purpose of obtaining the satisfaction and discharge of this Indenture or for any other purpose, cause to be delivered an Issuer Order or an Administrator Order directing any Paying Agent to pay to the Indenture Trustee all sums held in trust by such Paying Agent, such sums to be held by the Indenture Trustee upon the same trusts as those upon which the sums were held by such Paying Agent; and upon such payment by any Paying Agent to the Indenture Trustee, such Paying Agent shall be released from all further liability with respect to such money.

(c) Subject to applicable Laws with respect to escheat of funds, any money held by the Indenture Trustee or any Paying Agent in trust for the payment of any amount due with respect to any Secured Obligation and remaining unclaimed for two years after such amount has become due and payable shall be discharged from such trust and be paid to the Issuer on Issuer Order or Administrator Order; and the holder of such Secured Obligation shall thereafter, as an unsecured general creditor, look only to the Issuer for payment thereof (but only to the extent of the amounts so paid to the Issuer), and all liability of the Indenture Trustee, such Paying Agent with respect to such trust money shall thereupon cease; provided, however, that the Indenture Trustee or such Paying Agent, before being required to make any such repayment, may at the expense of the Issuer cause to be published once, in a newspaper published in the English language, customarily published on each Business Day and of general circulation in New York City, notice that such money remains unclaimed and that, after a date specified therein, which shall not be less than thirty (30) days from the date of such publication, any unclaimed balance of such money then remaining will be repaid to the Issuer. The Indenture Trustee may also adopt and employ, at the expense of the Issuer, any other reasonable means of notification of such repayment.

Section 1.9. Private Placement.

(a) The Notes shall be offered and sold only to Persons who are (1) institutional accredited investors within the meaning of Regulation D under the Securities Act in reliance on an exemption from the registration requirements of the Securities Act and (2) qualified institutional buyers as defined in Rule 144A under the Securities Act (“Rule 144A”).

(b) Each Note shall bear a legend in substantially the following form:

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.

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.

Section 1.10. Mutilated, Destroyed, Lost or Stolen Notes.

(a) If (i) any mutilated Note is surrendered to the Transfer Agent and Registrar, or the Transfer Agent and Registrar receives evidence to its satisfaction of the destruction, loss or theft of any Note, and (ii) there is delivered to the Transfer Agent and Registrar, the Indenture Trustee, and the Issuer such security or indemnity as may, in their sole discretion, be required by them to hold the Transfer Agent and Registrar, the Indenture Trustee, and the Issuer harmless then, in the absence of written notice to the Indenture Trustee that such Note has been acquired by a protected purchaser, and provided that the requirements of Section 8-405 of the UCC (which generally permit the Issuer to impose reasonable requirements) are met, then the Issuer shall execute and the Indenture Trustee shall, upon receipt of an Issuer Order or an Administrator Order, authenticate and (unless the Transfer Agent and Registrar is different from the Indenture Trustee, in which case the Transfer Agent and Registrar shall) deliver (in compliance with applicable Law), in exchange for or in lieu of any such mutilated, destroyed, lost or stolen Note, a replacement Note of like tenor and aggregate principal balance; provided, however, that if any such destroyed, lost or stolen Note, but not a mutilated Note, shall have become or within seven (7) days shall be due and payable or shall have been called for redemption, instead of issuing a replacement Note, the Issuer may pay such destroyed, lost or stolen Note when so due or payable without surrender thereof.

If, after the delivery of such replacement Note or payment of a destroyed, lost or stolen Note pursuant to the proviso to the preceding sentence, a protected purchaser of the original Note in lieu of which such replacement Note was issued presents for payment such original Note, the Issuer and the Indenture Trustee shall be entitled to recover such replacement Note (or such payment) from the Person to whom it was delivered or any Person taking such replacement Note from such Person to whom such replacement Note was delivered or any assignee of such Person, except a protected purchaser, and shall be entitled to recover upon the security or indemnity provided therefor to the extent of any loss, damage, cost or expense incurred by the Issuer or the Indenture Trustee in connection therewith.

(b) Upon the issuance of any replacement Note under this Section 2.10, the Transfer Agent and Registrar or the Indenture Trustee may require the payment by the Holder of such Note of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other reasonable expenses (including the fees and expenses of the Indenture Trustee and the Transfer Agent and Registrar) connected therewith.

(c) Every replacement Note issued pursuant to this Section 2.10 in replacement of any mutilated, destroyed, lost or stolen Note shall constitute an original additional obligation of the Issuer, whether or not the mutilated, destroyed, lost or stolen Note shall be at any time enforceable by anyone and shall be entitled to all the benefits of this Indenture equally and proportionately with any and all other Notes duly issued hereunder.

(d) The provisions of this Section 2.10 are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement or payment of mutilated, destroyed, lost or stolen Notes.

Section 1.11. [Reserved].

Section 1.12. Persons Deemed Owners. Prior to due presentation of a Note for registration of transfer, the Issuer, the Servicer, the Indenture Trustee, the Paying Agent, the Transfer Agent and Registrar and any agent of any of them may treat a Person in whose name any Note is registered (as of any date of determination) as the owner of the related Note for the purpose of receiving payments of principal and interest, if any, on such Note and for all other purposes whatsoever whether or not such Note be overdue, and neither the Issuer, the Servicer, the Indenture Trustee, the Paying Agent, the Transfer Agent and Registrar nor any agent of any of them shall be affected by any notice to the contrary; provided, however, that in determining whether the requisite number of Holders of Notes have given any request, demand, authorization, direction, notice, consent or waiver hereunder, Notes owned by any of the Issuer, the Seller, the Parent, the initial Servicer or any Affiliate controlled by or controlling Oportun shall be disregarded and deemed not to be outstanding, except that, in determining whether the Indenture Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Notes which a Trust Officer in the Corporate Trust Office of the Indenture Trustee actually knows to be so owned shall be so disregarded. The foregoing proviso shall not apply if there are no Holders other than the Issuer or its Affiliates.

Section 1.13. Cancellation. All Notes surrendered for payment, registration of transfer, exchange or redemption shall, if surrendered to any Person other than the Indenture Trustee, be delivered to the Indenture Trustee and shall be promptly cancelled by the Indenture Trustee. The Issuer may at any time deliver to the Indenture Trustee for cancellation any Notes previously authenticated and delivered hereunder which the Issuer may have acquired in any manner whatsoever, and all Notes so delivered shall be promptly cancelled by the Indenture Trustee. No Notes shall be authenticated in lieu of or in exchange for any Notes cancelled as provided in this Section, except as expressly permitted by this Indenture. All cancelled Notes may be held or disposed of by the Indenture Trustee in accordance with its standard retention or disposal policy as in effect at the time unless the Administrator shall direct by an Administrator Order that they be destroyed or returned to the Issuer; provided that such Administrator Order is timely and the Notes have not been previously disposed of by the Indenture Trustee. The Registrar and Paying Agent shall forward to the Indenture Trustee any Notes surrendered to them for registration of transfer, exchange or payment.

Section 1.14. Release of Trust Estate. The Indenture Trustee shall (a) in connection with any removal of Removed Accounts from the Trust Estate, release the portion of the Trust Estate constituting or securing the related Receivables from the Lien created by this Indenture upon receipt of an Officer's Certificate of the Administrator certifying that the Outstanding Receivables Balance (or such other amount required in connection with the disposition of such Removed Receivables as provided by the Transaction Documents) with respect thereto has been deposited into the Collection Account, if required, and such release is authorized and permitted under the Transaction Documents, and (b) on or after the Indenture Termination Date, release any remaining portion of the Trust Estate from the Lien created by this Indenture and in each case deposit in the Collection Account any funds then on deposit in the Reserve Account or any other Trust Account upon receipt of an Issuer Order or an Administrator Order accompanied by an Officer's Certificate of the Administrator, and Independent Certificates (if this Indenture

is required to be qualified under the TIA) in accordance with TIA Sections 314(c) and 314(d)(1) meeting the applicable requirements of Section 15.1.

Section 1.15. Payment of Principal, Interest and Other Amounts.

(a) The principal of each of the Notes shall be payable at the times and in the amounts set forth in Section 5.15 and in accordance with Section 8.1.

(b) Each of the Notes shall accrue interest as provided in Section 5.12 and such interest shall be payable at the times and in the amounts set forth in Section 5.12 and in accordance with Section 8.1.

(c) Any installment of interest, principal or other amounts, if any, payable on any Note which is punctually paid or duly provided for by the Issuer on the applicable Payment Date shall be paid to the Person in whose name such Note is registered at the close of business on any Record Date with respect to a Payment Date for such Note and such Person shall be entitled to receive the principal, interest or other amounts payable on such Payment Date notwithstanding the cancellation of such Note upon any registration of transfer, exchange or substitution of such Note subsequent to such Record Date, by wire transfer in immediately available funds to the account designated by the Holder of such Note, except for the final installment of principal payable with respect to such Note on a Payment Date or on the Legal Final Payment Date which shall be payable as provided herein; except that, any interest payable at maturity shall be paid to the Person to whom the principal of such Note is payable. The funds represented by any such checks returned undelivered shall be held in accordance with Section 2.8.

Section 1.16. [Reserved].

Section 1.17. [Reserved].

Section 1.18. Definitive Notes.

(a) Issuance of Definitive Notes. The Notes shall be issued in definitive, fully registered form (“Definitive Notes”).

(b) Transfer of Definitive Notes. Subject to the terms of this 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 Corporate Trust Office, such 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. 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 Holder 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.

Section 1.19. [Reserved].

Section 1.20. Tax Treatment. The Notes have been (or will be) issued with the intention that, the Notes will qualify under applicable tax Law as debt for U.S. federal income tax purposes and any entity acquiring any direct or indirect interest in any Note by acceptance of its Notes agrees to treat the Notes for purposes of federal, state and local income and franchise taxes and any other tax imposed on or measured by income, as debt. Each Noteholder agrees that it will cause any Noteholder acquiring an interest in a Note through it to comply with this Indenture as to treatment as debt for such tax purposes. Notwithstanding the foregoing, to the extent the Issuer is treated as a partnership for federal, state or local income or franchise purposes and a Noteholder is treated as a partner in such partnership, the Noteholders agree that any tax, penalty, interest or other obligation imposed under the Code with respect to the income tax items arising from such partnership shall be the sole obligation of the Noteholder to whom such items are allocated and not of such partnership.

Section 1.21. Duties of the Indenture Trustee and the Transfer Agent and Registrar. Notwithstanding anything contained herein to the contrary, neither the Indenture Trustee nor the Transfer Agent and Registrar shall be responsible for ascertaining whether any transfer of a Note complies with the terms of this Indenture, the registration provision of or exemptions from the Securities Act, applicable state securities Laws, ERISA or the Investment Company Act; provided that if a transfer certificate or opinion is specifically required by the express terms of this Indenture to be delivered to the Indenture Trustee or the Transfer Agent and Registrar in connection with a transfer, the Indenture Trustee or the Transfer Agent and Registrar, as the case may be, shall be under a duty to receive the same.

ARTICLE 3.

ISSUANCE OF NOTES; CERTAIN FEES AND EXPENSES

Section 1.1. Initial Issuance; Procedure for Increases.

(a) Subject to satisfaction of the conditions precedent set forth in subsection (b) of this Section 3.1, on the Closing Date, the Issuer will issue the Class A Notes in accordance with Section 2.18 hereof in an aggregate initial principal amount of \$41,000,000.00. The Notes will be issued on the Closing Date pursuant to this subsection (a) only upon satisfaction of each of the following conditions with respect to such initial issuance:

(i) Such issuance and the application of the proceeds thereof shall not result in the occurrence of a Servicer Default, a Rapid Amortization Event, an Event of Default or a Default;

(ii) The representations and warranties of the Issuer, the Depositor, the initial Servicer and the Seller set forth in this Indenture and the other Transaction Documents are true and correct as of the Closing Date (except to the extent they relate to an earlier or later date, and then as of such earlier or later date);

(iii) All required consents have been obtained and all other conditions precedent to the purchase of the Notes under the Note Purchase Agreement shall have been satisfied;

(iv) A certification (in form and substance satisfactory to the Required Noteholders) from the initial Servicer that no Borrowing Base Shortfall shall exist (after giving effect to such issuance); and

(v) The proceeds of such Issuance shall be used solely in connection with the acquisition of Receivables and other Permissible Uses.

(b) Subject to the procedures set forth in Section 2.3 of the Note Purchase Agreement, on any Business Day during the Revolving Period (but no more than two (2) times during any calendar week), the Issuer may increase the Aggregate Class A Note Principal upon one (1) Business Day's prior notice to the Indenture Trustee, the Transfer Agent and Registrar, the Servicer and the Noteholders (each such increase referred to as an "Increase"). Upon each Increase, the Transfer Agent and Registrar shall indicate in the Note Register such Increase. Any such Increase will be effective only upon satisfaction of each of the following conditions:

(i) the amount of each such Increase shall be equal to or greater than \$1,000,000 (and in integral multiples of \$10,000 in excess thereof);

(ii) after giving effect to such Increase, the Aggregate Class A Note Principal shall not exceed the Class A Maximum Principal Amount;

(iii) such Increase and the application of the proceeds thereof shall not result in the occurrence of a Rapid Amortization Event, a Servicer Default, an Event of Default or a Default;

(iv) a certification (in form and substance satisfactory to the Required Noteholders) from the Servicer that no Borrowing Base Shortfall shall exist (after giving effect to such Increase);

(v) a certification of the Servicer (in form and substance satisfactory to the Indenture Trustee and the Required Noteholders) to the Indenture Trustee that all conditions precedent for Increases under the Transaction Documents have been satisfied and that such Increase is authorized and permitted under the Transaction Documents; and

(vi) the representations and warranties of the Issuer, the Depositor, the Servicer and the Seller set forth in this Indenture and the other Transaction Documents are true and correct as of the date of such Increase (except to the extent they relate to an earlier or later date, and then as of such earlier or later date); and

(vii) all conditions set forth in Section 4.2 of the Note Purchase Agreement shall have been satisfied at such time

(viii) all required consents, if any, have been obtained and all other conditions precedent for Increases under the Note Purchase Agreement have been satisfied.

(c) Upon receipt of the proceeds of each such Increase by or on behalf of the Issuer, the Indenture Trustee shall, or shall cause the Transfer Agent and Registrar to, indicate in the Note Register the amount thereof.

Section 1.2. Procedure for Decreases. On any Business Day (other than a Business Day between any Determination Date and the related Payment Date), the Issuer may upon written notice to the Indenture Trustee, the Servicer, any successor Servicer and the Noteholders (in accordance with the terms of the Note Purchase Agreement) deposit or cause to be deposited into the Collection Account amounts otherwise payable to the Issuer or other amounts so designated and distribute to the Class A Noteholders in respect of principal on the Class A Notes on the next Payment Date (in accordance with the priorities set forth in Section 5.15), an amount equal to the amount of such Decrease; provided, that,

no Decrease shall reduce the Aggregate Class A Note Principal to less than \$2,500,000 unless the Aggregate Class A Note Principal is reduced to zero. Each such Decrease shall be on a pro rata basis for all Class A Notes and shall be in a minimum principal amount of \$1,000,000 (and in integral multiples of \$10,000 in excess thereof), unless such Decrease reduces the Aggregate Class A Note Principal to zero. Upon such Decrease, the Servicer shall reflect such Decrease in the Monthly Servicer Report.

Section 1.3. Certain Fees and Expenses. The Trustee Fees and Expenses (and, in the case of the initial Servicer, the Servicing Fee) and other fees, expenses and indemnity amounts owed to the Indenture Trustee, Securities Intermediary, Depository Bank, the Certificate Registrar, Owner Trustee, Depositor Receivables Trustee, the Servicer and any successor Servicer shall be paid by the cash flows from the Trust Estate and in no event shall the Indenture Trustee be liable therefor. The foregoing amounts shall be payable to the Indenture Trustee, Securities Intermediary, Depository Bank, the Certificate Registrar, Owner Trustee, Depositor Receivables Trustee, the Servicer and any successor Servicer, as applicable, solely to the extent amounts are available for distribution in respect thereof pursuant to subsections 5.15(a)(i), (a)(ii) and (a)(vii), as applicable.

ARTICLE 4.

NOTEHOLDER LISTS AND REPORTS

Section 1.1. Issuer To Furnish To Indenture Trustee Names and Addresses of Noteholders and Certificateholders. The Issuer will furnish or cause the Transfer Agent and Registrar or the Certificate Registrar, as applicable, to furnish to the Indenture Trustee (a) not more than five (5) days after each Record Date a list, in such form as the Indenture Trustee may reasonably require, of the names and addresses of the Noteholders and Certificateholders as of such Record Date, (b) at such other times as the Indenture Trustee may request in writing, within thirty (30) days after receipt by the Issuer of any such request, a list of similar form and content as of a date not more than ten (10) days prior to the time such list is furnished; provided, however, that so long as the Indenture Trustee (or the entity serving as Indenture Trustee) is the Transfer Agent and Registrar and the Certificate Registrar, no such list shall be required to be furnished. The Issuer will furnish or cause to be furnished by the Transfer Agent and Registrar and the Certificate Registrar to the Paying Agent (if not the Indenture Trustee) such list for payment of distributions to Noteholders and Certificateholders.

Section 1.2. Preservation of Information; Communications to Noteholders and Certificateholders.

(a) The Indenture Trustee shall preserve, in as current a form as is reasonably practicable, the names and addresses of the Noteholders and Certificateholders contained in the most recent list furnished to the Indenture Trustee as provided in Section 4.1 and the names and addresses of Noteholders and Certificateholders received by the Indenture Trustee in its capacity as Transfer Agent and Registrar. The Indenture Trustee may destroy any list furnished to it as provided in such Section 4.1 upon receipt of a new list so furnished.

(b) Noteholders and Certificateholders may communicate (including pursuant to TIA Section 312(b) (if this Indenture is required to be qualified under the TIA)) with other Noteholders and Certificateholders with respect to their rights under this Indenture or under the Notes. If holders of Notes evidencing in aggregate not less than (i) 20% of the outstanding principal balance of the Notes or (ii) a percentage interest in the Certificates of at least 15% (the "Applicants") apply in writing to the Indenture Trustee, and furnish to the Indenture Trustee reasonable proof that each such Applicant has owned a Note for a period of at least 6 months

preceding the date of such application, and if such application states that the Applicants desire to communicate with other Noteholders or Certificateholders with respect to their rights under this Indenture or under the Notes and is accompanied by a copy of the communication which such Applicants propose to transmit, then the Indenture Trustee, after having been indemnified by such Applicants for its costs and expenses, shall within five (5) Business Days after the receipt of such application afford or shall cause the Transfer Agent and Registrar to afford such Applicants access during normal business hours to the most recent list of Noteholders and Certificateholders held by the Indenture Trustee and shall give the Issuer notice that such request has been made within five (5) Business Days after the receipt of such application. Such list shall be as of the most recent Record Date, but in no event more than forty-five (45) days prior to the date of receipt of such Applicants' request.

(c) The Issuer, the Indenture Trustee and the Transfer Agent and Registrar shall have the protection of TIA Section 312(c) (if this Indenture is required to be qualified under the TIA). Every Noteholder and Certificateholder, by receiving and holding a Note, agrees with the Issuer and the Indenture Trustee that neither the Issuer, the Indenture Trustee, the Transfer Agent and Registrar, nor any of their respective agents shall be held accountable by reason of the disclosure of any such information as to the names and addresses of the Noteholders and Certificateholders in accordance with this Section 4.2, regardless of the source from which such information was obtained.

Section 1.3. Reports by Issuer.

(a) The Issuer or the Servicer shall deliver to the Indenture Trustee and the Noteholders, on the date, if any, the Issuer is required to file the same with the Commission, hard and electronic copies of the annual reports and of the information, documents and other reports (or copies of such portions of any of the foregoing as the Commission may from time to time by rules and regulations prescribe) which the Issuer is required to file with the Commission pursuant to Section 13 or 15(d) of the Exchange Act;

(ii) the Issuer or the Servicer shall file with the Indenture Trustee and the Commission in accordance with rules and regulations prescribed from time to time by the Commission such additional information, documents and reports, if any, with respect to compliance by the Issuer with the conditions and covenants of this Indenture as may be required from time to time by such rules and regulations;

(iii) the Issuer or the Servicer shall supply to the Indenture Trustee and the Noteholders (and the Indenture Trustee shall transmit by mail or make available on via a website to all Noteholders and Certificateholders) such summaries of any information, documents and reports required to be filed by the Issuer (if any) pursuant to clauses (i) and (ii) of this Section 4.3(a) as may be required by rules and regulations prescribed from time to time by the Commission; and

(iv) the Servicer shall prepare and distribute any other reports required to be prepared by the Servicer under any Servicer Transaction Documents.

(b) Unless the Issuer otherwise determines, the fiscal year of the Issuer shall end on December 31 of each year.

Section 1.4. Reports by Indenture Trustee. If this Indenture is required to be qualified under the TIA, within sixty (60) days after each April 1, beginning with April 1, 2022 the Indenture Trustee shall mail to each Noteholder as required by TIA Section 313(c) a brief report dated as of such date that complies with TIA Section 313(a). If this Indenture

is required to be qualified under the TIA, the Indenture Trustee also shall comply with TIA Section 313(b).

A copy of each report at the time of its mailing to Noteholders and Certificateholders shall be filed by the Indenture Trustee with the Commission and each stock exchange, if any, on which the Notes are listed. The Issuer shall notify the Indenture Trustee if and when the Notes are listed on any stock exchange.

Section 1.5. Reports and Records for the Indenture Trustee and Instructions.

(a) On each Determination Date the Servicer shall forward to the Indenture Trustee and the Noteholders a Monthly Servicer Report prepared by the Servicer.

(b) On each Payment Date, the Indenture Trustee or the Paying Agent shall make available in the same manner as the Monthly Servicer Report to each Noteholder and Certificateholder of record of the outstanding Notes or Certificates, the Monthly Statement with respect to such Notes or Certificates prepared by the Servicer.

ARTICLE 5.

ALLOCATION AND APPLICATION OF COLLECTIONS

Section 1.1. Rights of Noteholders. The Notes shall be secured by the entire Trust Estate, including the right to receive the Collections and other amounts at the times and in the amounts specified in this Article 5 to be deposited in the Trust Accounts or to be paid to the Noteholders of such Notes. In no event shall the grant of a security interest in the entire Trust Estate be deemed to entitle any Noteholder to receive Collections or other proceeds of the Trust Estate in excess of the amounts described in Article 5.

Section 1.2. Collection of Money. Except as otherwise expressly provided herein, the Indenture Trustee may demand payment or delivery of, and shall receive and collect, directly and without intervention or assistance of any fiscal agent or other intermediary, all money and other property payable to or receivable by the Indenture Trustee pursuant to this Indenture. The Indenture Trustee shall apply all such money received by it as provided in this Indenture. Except as otherwise expressly provided in this Indenture, if any default occurs in the making of any payment or performance under any agreement or instrument that is part of the Trust Estate, the Indenture Trustee may, but shall not be obligated to, take such action as may be appropriate to enforce such payment or performance, including the institution and prosecution of appropriate Proceedings. Any such action shall be without prejudice to any right to claim a Default or Event of Default under this Indenture and any right to proceed thereafter as provided in Article 9.

Section 1.3. Establishment of Accounts.

(a) The Collection Account. The Indenture Trustee, for the benefit of the Secured Parties, shall establish and maintain with a Qualified Institution, in the name of the Issuer for the benefit of the Indenture Trustee on behalf of the Secured Parties, a non-interest bearing segregated trust account (the "Collection Account") bearing a designation clearly indicating that the funds deposited therein are held in trust for the benefit of the Secured Parties. Pursuant to authority granted to it pursuant to Section 2.4 of the Servicing Agreement, the Servicer shall have the revocable power to withdraw funds from the Collection Account for the purposes of carrying out its duties thereunder. The Indenture Trustee shall be the entitlement holder of the Collection Account, and shall possess all right, title and interest in all moneys, instruments, securities and other property on deposit from time to time in the Collection

Account and the proceeds thereof for the benefit of the Secured Parties. Initially, the Collection Account will be established with the Securities Intermediary. Funds on deposit in the Collection Account that are not both deposited and to be withdrawn on the same day shall be invested in Permitted Investments, in accordance with a direction from the Issuer pursuant to Section 5.3(e).

(b) The Reserve Account. The Indenture Trustee, for the benefit of the Secured Parties, shall establish and maintain with a Qualified Institution, in the name of the Issuer on behalf of the Indenture Trustee for the benefit of the Secured Parties, a non-interest bearing segregated trust account (the "Reserve Account") bearing a designation clearly indicating that the funds deposited therein are held in trust for the benefit of the Secured Parties. The Indenture Trustee shall be the entitlement holder of the Reserve Account, and shall possess all right, title and interest in all moneys, instruments, securities and other property on deposit from time to time in the Reserve Account and the proceeds thereof for the benefit of the Secured Parties. Initially, the Reserve Account will be established with the Securities Intermediary. Funds on deposit in the Reserve Account that are not both deposited and to be withdrawn on the same day shall be invested in Permitted Investments, in accordance with a direction from the Issuer pursuant to Section 5.3(e).

That portion of the proceeds of the Notes set forth in Section 3.4 shall be deposited into the Reserve Account. In addition, on any Monthly Payment Date, the Indenture Trustee shall transfer Available Funds to the Reserve Account as and to the extent provided in Article 5 hereof. Moneys in the Reserve Account that constitute Available Funds shall be applied on any Monthly Payment Date as provided in Article 5 hereof.

(c) [Reserved].

(d) [Reserved].

(e) Administration of the Collection Account and the Reserve Account. Funds on deposit in the Collection Account or the Reserve Account that are not both deposited and to be withdrawn on the same date shall be invested in Permitted Investments. Any such investment shall mature and such funds shall be available for withdrawal on or prior to the Business Day immediately preceding the Payment Date immediately following the Monthly Period in which such funds were received or deposited. Wilmington Trust, National Association is hereby appointed as the initial securities intermediary hereunder (the "Securities Intermediary") and accepts such appointment. The Securities Intermediary represents, warrants, and covenants, and the parties hereto agree, that at all times prior to the termination of this Indenture: (i) the Securities Intermediary shall be a bank that in the ordinary course of its business maintains securities accounts for others and is acting in that capacity hereunder; (ii) the Collection Account and the Reserve Account each shall be an account maintained with the Securities Intermediary to which financial assets may be credited and the Securities Intermediary shall treat the Indenture Trustee as entitled to exercise the rights that comprise such financial assets; (iii) each item of property credited to the Collection Account or the Reserve Account shall be treated as a financial asset; (iv) the Securities Intermediary shall comply with entitlement orders originated by the Indenture Trustee without further consent by the Issuer or any other Person; (v) the Securities Intermediary waives any Lien on any property credited to the Collection Account or the Reserve Account, and (vi) the Securities Intermediary agrees that its jurisdiction for purposes of Section 8-110 and Section 9-305(a)(3) of the UCC shall be New York. The Securities Intermediary shall maintain for the benefit of the Secured Parties, possession or control of each other Permitted Investment (including any negotiable instruments, if any, evidencing such Permitted Investments) not credited to or deposited in a Trust Account (other than such as are described in clause (b) of the definition thereof); provided that no Permitted Investment shall be disposed of prior to its maturity date if such disposition

would result in a loss. Nothing herein shall impose upon the Securities Intermediary any duties or obligations other than those expressly set forth herein and those applicable to a securities intermediary under the UCC. The Securities Intermediary shall be entitled to all of the protections available to a securities intermediary under the UCC. At the end of each month, all interest and earnings (net of losses and investment expenses) on funds on deposit in the Collection Account and on deposit in the Reserve Account, respectively, shall be treated as Investment Earnings. If at the end of a month losses and investment expenses on funds on deposit in the Collection Account or the Reserve Account exceed interest and earnings on such funds during such month, losses and expenses to the extent of such excess will be allocated among the Noteholders and the Issuer as provided in Section 5.15. Subject to the restrictions set forth above, the Issuer, or a Person designated in writing by the Issuer, of which the Indenture Trustee shall have received written notification thereof, shall have the authority to instruct the Indenture Trustee with respect to the investment of funds on deposit in the Collection Account or the Reserve Account. Notwithstanding anything herein to the contrary, if the Issuer (or its designee) has not provided such direction, the funds in the Collection Account and the Reserve Account will remain uninvested. Neither the Indenture Trustee nor the Securities Intermediary shall have any responsibility or liability for any loss which may result from any investment or sale of investment made pursuant to this Indenture. Wilmington Trust, National Association (in any capacity hereunder) is hereby authorized, in making or disposing of any investment permitted by this Indenture, to deal with itself (in its individual capacity) or with any one or more of its affiliates, whether it or any such affiliate is acting as agent of Wilmington Trust, National Association (acting in any capacity hereunder) or for any third person or dealing as principal for its own account. The parties to the Transaction Documents acknowledge that the Wilmington Trust, National Association (individually and in any capacity hereunder) is not providing investment supervision, recommendations, or advice.

(f) Wilmington Trust, National Association shall be the depository bank hereunder with respect to certain deposit accounts, which shall be non-interest bearing trust accounts, as may be established from time to time (the "Depository Bank"). For the avoidance of doubt, there currently is no such deposit account established hereunder.

(g) Qualified Institution. If, at any time, the institution holding any account established pursuant to this Section 5.3 ceases to be a Qualified Institution, the Indenture Trustee shall, within ten (10) Business Days, establish a new account or accounts, as the case may be, meeting the conditions specified above with a Qualified Institution, and shall transfer any cash or any investments to such new account or accounts, as the case may be.

(h) Each of the Securities Intermediary, the Certificate Registrar, and the Depository Bank shall be entitled to all the same rights, privileges, protections, immunities and indemnities as are contained in Article 11 of this Indenture, all of which are incorporated into this Section 5.3 mutatis mutandis, in addition to any such rights, privileges, protections, immunities and indemnities contained in this Section 5.3; provided, however; that nothing contained in this Section 5.3 or in Article 11 shall (i) relieve the Securities Intermediary of the obligation to comply with entitlement orders as provided in Section 5.3(e) or (ii) relieve the Depository Bank of the obligation to comply with instructions directing disposition of the funds as provided in Section 5.3(f).

Section 1.4. Collections and Allocations.

(a) Collections in General. Until this Indenture is terminated pursuant to Section 12.1, 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 following the Date of

Processing (or with respect to In-Store Payments, the third Business Day following receipt). All monies, instruments, cash and other proceeds received by the Servicer in respect of the Trust Estate pursuant to this Indenture shall be deposited in the Collection Account as specified herein and shall be applied as provided in this Article 5 and Article 6.

The Servicer shall allocate such amounts to the Issuer in accordance with this Article 5 and shall instruct the Indenture Trustee to withdraw the required amounts from the Collection Account or pay such amounts to the Issuer in accordance with this Article 5. The Servicer shall make such deposits or payments on the date indicated therein by wire transfer.

(b) [Reserved].

(c) Issuer Distributions. During the Revolving Period, all amounts on deposit in the Collection Account in excess of the Required Monthly Payments may be paid to the Issuer on each Business Day ("Issuer Distributions") provided that (i) the Coverage Test is satisfied after giving effect to any such payment to the Issuer; and (ii) any such payment to the Issuer shall be limited to the extent used by the Issuer for Permissible Uses. The Issuer (or the Servicer) shall provide the Indenture Trustee with written notice or a transfer or purchaser report (which may be in the form of a spreadsheet) as to the amount of Issuer Distributions for any Business Day, and delivery of such notice or report shall be deemed to be a certification by the Issuer that the foregoing conditions were satisfied. Upon receipt of such certification, the Indenture Trustee shall forward the Issuer Distributions directly to or at the direction of the Issuer.

The Issuer will meet the "Coverage Test" if, on any date of determination:

(i) no Borrowing Base Shortfall shall exist;

(ii) the amount remaining on deposit in the Collection Account equals or exceeds the amount distributable on the next Payment Date under clauses (a)(i)-(v) of Section 5.15 (the "Required Monthly Payments");

(iii) the Amortization Period has not commenced; and

(iv) there shall not exist on such Business Day, and such application thereof shall not result in the occurrence of, a Rapid Amortization Event, a Servicer Default, an Event of Default or a Default (in each case determined by the Servicer taking into account any increases, decreases and status changes of the Receivables and any increases or decreases in the Notes and the amount on deposit in the Collection Account including those scheduled to occur on such date).

(d) [Reserved].

(e) Disqualification of Institution Maintaining Collection Account. Upon and after the establishment of a new Collection Account with a Qualified Institution, the Servicer shall deposit or cause to be deposited all Collections as set forth in Section 5.3(a) into the new Collection Account, and in no such event shall deposit or cause to be deposited any Collections thereafter into any account established, held or maintained with the institution formerly maintaining the Collection Account (unless it later becomes a Qualified Institution or qualified corporate trust department maintaining the Collection Account).

Section 1.5. Determination of Monthly Interest. Monthly interest with respect to each of the Notes shall be determined, allocated and distributed in accordance with the procedures set forth in Section 5.12.

Section 1.6. Determination of Monthly Principal. Monthly principal and other amounts with respect to each of the Notes shall be determined, allocated and distributed in accordance with the procedures set forth in Section 5.15. However, all principal or interest with respect to any of the Notes shall be due and payable no later than the Legal Final Payment Date with respect to the Notes.

Section 1.7. General Provisions Regarding Accounts. Subject to Section 11.1(c), the Indenture Trustee shall not in any way be held liable by reason of any insufficiency in any of the Trust Estate resulting from any loss on any Permitted Investment included therein except for losses attributable to the Indenture Trustee's failure to make payments on such Permitted Investments issued by the Indenture Trustee, in its commercial capacity as principal obligor and not as trustee, in accordance with their terms.

Section 1.8. Removed Receivables. Upon satisfaction of the conditions and the requirements of any of (i) Section 8.3(a) and Section 15.1 hereof, (ii) Section 2.7 of the Servicing Agreement, (iii) Section 6.1 of the Purchase Agreement or (iv) Sections 2.7 and 6.1 of the Transfer Agreement, as applicable, the Issuer shall execute and deliver and, upon receipt of an Issuer Order or an Administrator Order, the Indenture Trustee shall acknowledge an instrument in the form attached hereto as Exhibit B evidencing the Indenture Trustee's release of the related Removed Receivables and Related Security, and the Removed Receivables and Related Security shall no longer constitute a part of the Trust Estate. No party relying upon an instrument executed by the Indenture Trustee as provided in this Article 5 shall be bound to ascertain the Indenture Trustee's authority, inquire into the satisfaction of any conditions precedent or see to the application of any moneys.

Section 1.9. [Reserved].

Section 1.10. [Reserved].

Section 1.11. [Reserved].

Section 1.12. Determination of Monthly Interest; LIBOR Notification.

(a) The amount of monthly interest payable on the Class A Notes on each Payment Date will be determined by the Servicer as of each Determination Date and will be an amount for each day during the related Interest Period equal to the product of (i) 1/360, times (ii) the Class A Note Rate in effect on such day, times (iii) the Aggregate Class A Note Principal on such day (such aggregate amount for any Interest Period, 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 for each day during the related Interest Period equal to the product of (A) 1/360, times (B) the Class A Note Rate in effect on such day, 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 (such aggregate amount for any Interest Period being herein called the "Class A Additional Interest"). 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.

(b) The interest rate on the Class A Notes is determined by reference to One-Month LIBOR, which is derived from the London interbank offered rate (“LIBOR”). LIBOR is intended to represent the rate at which contributing banks may obtain short-term borrowings from each other in the London interbank market. On March 5, 2021, the U.K. Financial Conduct Authority (“FCA”) publicly announced that: (a) immediately after December 31, 2021, publication of the 1-week and 2-month U.S. Dollar LIBOR settings will permanently cease; immediately after June 30, 2023, publication of the overnight and 12-month U.S. Dollar LIBOR settings will permanently cease; and immediately after June 30, 2023, the 1-month, 3-month and 6-month Dollar LIBOR settings will cease to be provided or, subject to the FCA’s consideration of the case, be provided on a synthetic basis and no longer be representative of the underlying market and economic reality they are intended to measure and that representativeness will not be restored. There is no assurance that dates announced by the FCA will not change or that the administrator of LIBOR and/or regulators will not take further action that could impact the availability, composition, or characteristics of LIBOR or the currencies and/or tenors for which LIBOR is published. Each party to this Indenture should consult its own advisors to stay informed of any such developments. Public and private sector industry initiatives are currently underway to identify new or alternative reference rates to be used in place of LIBOR. Upon the occurrence of a Benchmark Transition Event, a Term SOFR Transition Event or an Early Opt-in Election, Sections 5.17(b) and (c) provide the mechanisms for determining an alternative rate of interest. The Required Noteholders will promptly notify the Issuer and the Noteholders (with a copy to the Indenture Trustee and the Paying Agent), pursuant to Section 5.17(e), of any change to the reference rate upon which the interest rate on Class A Notes is based. The Noteholders, the Owner Trustee, the Indenture Trustee and the Paying Agent do not warrant or accept any responsibility for, and shall not have any liability with respect to, the administration, submission, performance or any other matter related to LIBOR or with respect to any alternative or successor rate thereto, or replacement rate thereof (including, without limitation, (i) any such alternative, successor or replacement rate implemented pursuant to Section 5.17(b) or (c), whether upon the occurrence of a Benchmark Transition Event, a Term SOFR Transition Event or an Early Opt-in Election, and (ii) the implementation of any Benchmark Replacement Conforming Changes pursuant to Section 5.17(d), including without limitation, whether the composition or characteristics of any such alternative, successor or replacement reference rate will be similar to, or produce the same value or economic equivalence of, LIBOR or have the same volume or liquidity as did the London interbank offered rate prior to its discontinuance or unavailability. The Noteholders, the Indenture Trustee, the Paying Agent and their respective affiliates and/or other related entities may engage in transactions that affect the calculation of any successor or alternative rate (including any Benchmark Replacement) and/or any relevant adjustments thereto, in each case, in a manner adverse to the Issuer. The Required Noteholders may select information sources or services in their reasonable discretion to ascertain any Benchmark or any component thereof, in each case pursuant to the terms of this Indenture, and shall have no liability to the Issuer, any Noteholder or any other person or entity for damages of any kind, including direct or indirect, special, punitive, incidental or consequential damages, costs, losses or expenses (whether in tort, contract or otherwise and whether at law or in equity), for any error or calculation of any such rate (or component thereof) provided by any such information source or service.

Section 1.13. [Reserved].

Section 1.14. [Reserved].

Section 1.15. Monthly Payments. On or before the Business Day immediately preceding each Payment Date, the Servicer shall instruct the Indenture Trustee in writing (which writing shall be substantially in the form of the Monthly Servicer Report attached as Exhibit B to the Servicing Agreement) to withdraw, and the Indenture Trustee, acting in accordance with such instructions, shall withdraw on the related Payment Date, as applicable, 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:

- (a) An amount equal to the Distributable Funds for such Payment Date shall be distributed by the Indenture Trustee on such Payment Date in the following priority to the extent of funds available therefor:
- (i) *first*, to the Indenture Trustee, the Securities Intermediary, the Depository Bank, the Certificate Registrar, the Owner Trustee, the Depositor Receivables Trustee and any successor Servicer (distributed on a *pari passu* and *pro rata* basis), an amount equal to the accrued and unpaid Trustee Fees and Expenses for such Payment Date (plus the Trustee Fees and Expenses due but not paid on any prior Payment Date);
 - (ii) *second*, if Oportun, Inc. is the Servicer, to the Servicer an amount equal to the accrued and unpaid Servicing Fee for such Payment Date (plus any Servicing Fee due but not paid on any prior Payment Date);
 - (iii) *third*, (A) to the Class A Noteholders, an amount equal to the sum of (I) the Class A Monthly Interest for such Payment Date, plus (II) the amount of any Class A Deficiency Amount for such Payment Date, plus (III) the amount of any Class A Additional Interest for such Payment Date, (B) to the Class A Noteholders, an amount equal to the aggregate accrued and unpaid Unused Fees for the prior Monthly Period and (C) to the Class A Noteholders, an amount equal to the aggregate accrued and unpaid Legacy Additional Interest for the prior Monthly Period;
 - (iv) *fourth*, to the Class A Noteholders, an amount equal to the Borrowing Base Shortfall, if any;
 - (v) *fifth*, to the Class A Noteholders, any other amounts payable thereto (excluding the Aggregate Class A Note Principal but including any unreimbursed fees, expenses and indemnity amounts) pursuant to the Transaction Documents;
 - (vi) *sixth*, during the Amortization Period and at any time on or after the Legal Final Payment Date, to the Class A Noteholders, all remaining amounts until the Class A Notes have been paid in full;
 - (vii) *seventh*, to the Indenture Trustee, the Securities Intermediary, the Depository Bank, the Certificate Registrar, the Owner Trustee, the Depositor Receivables Trustee and any successor Servicer (distributed on a *pari passu* and *pro rata* basis), an amount equal to any unreimbursed fees, expenses and indemnity amounts of the Indenture Trustee, the Securities Intermediary, the Depository Bank, the Owner Trustee, the Depositor Receivables Trustee and any successor Servicer;
 - (viii) *eighth*, so long as no Rapid Amortization Event or Event of Default has occurred and is continuing, an amount equal to the lesser of (A) the remaining Distributable Funds and (B) the amount, if any, necessary to increase the amounts credited to the Reserve Account to the Reserve Account Requirement for such Payment Date shall be deposited into the Reserve Account on the related Payment Date; and
 - (ix) *ninth*, during the Revolving Period and so long as no Rapid Amortization Event, Servicer Default or Event of Default has occurred 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 and in accordance with the Servicer's instructions in the applicable Monthly Servicer Report.

Section 1.16. Servicer's Failure to Make a Deposit or Payment. The Indenture Trustee shall not have any liability for any failure or delay in making the payments or deposits described herein resulting from a failure or delay by the Servicer to make, or give instructions to make, such payment or deposit in accordance with the terms herein. If the Servicer fails to make, or give instructions to make, any payment, deposit or withdrawal required to be made or given by the Servicer at the time specified in this Indenture (including applicable grace periods), the Indenture Trustee shall make such payment, deposit or withdrawal from the applicable Trust Account without instruction from the Servicer. The Indenture Trustee shall be required to make any such payment, deposit or withdrawal hereunder only to the extent that the Indenture Trustee has sufficient information to allow it to determine the amount thereof. The Servicer shall, upon reasonable request of the Indenture Trustee, promptly provide the Indenture Trustee with all information necessary and in its possession to allow the Indenture Trustee to make such payment, deposit or withdrawal. Such funds or the proceeds of such withdrawal shall be applied by the Indenture Trustee in the manner in which such payment or deposit should have been made (or instructed to be made) by the Servicer.

Section 1.17. Determination of One-Month LIBOR.

(a) Subject to clauses (b), (c), (d), (e) and (f) of this Section 5.17:

(i) On each Business Day, the Calculation Agent shall determine One-Month LIBOR on the basis of the rate for Dollar deposits for a period equal to one month which appears on Reuters Page LIBOR01 as of 11:00 a.m. (London time) on such Business Day (or such other page as may replace such page on that service or other service or services as may be nominated by ICE Benchmark Administration Limited or any successor organization for the purpose of displaying London interbank offered rates of U.S. dollar deposits for a one-month period) and shall send to the Servicer and the Issuer, by facsimile or e-mail, notification of One-Month LIBOR for such Business Day.

(ii) If on any Business Day such rate does not appear on Reuters Page LIBOR01 (or such other page), then the Class A Note Rate shall be determined by the Calculation Agent by reference to the Alternative Rate and communicated to the Servicer and the Issuer, by facsimile or e-mail.

(iii) On each Determination Date related to a Payment Date, prior to 3:00 p.m. (New York time), the Calculation Agent shall send to the Servicer, the Issuer and the Noteholders, by facsimile or e-mail, notification of One-Month LIBOR or the Alternative Rate for each day during the prior Interest Period.

(b) Notwithstanding anything to the contrary herein or in any other Transaction Document, if a Benchmark Transition Event or an Early Opt-in Election, as applicable, and its related Benchmark Replacement Date have occurred prior to the Reference Time in respect of any setting of the then-current Benchmark, then (x) if a Benchmark Replacement is determined in accordance with clause (1) or (2) of the definition of "Benchmark Replacement" for such Benchmark Replacement Date, such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Transaction Document (other than the Purchase Agreement) in respect of such Benchmark setting and subsequent Benchmark settings without any amendment to, or further action or consent of any other party to, this Indenture or any other Transaction Document and (y) if a Benchmark Replacement is determined in accordance with clause (3) of the definition of "Benchmark Replacement" for such Benchmark Replacement Date, such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Transaction Document (other than the Purchase Agreement) in respect of any Benchmark setting at or after 5:00 p.m. (New York City

time) on the fifth (5th) Business Day after the date notice of such Benchmark Replacement is provided to the Noteholders (with a copy to the Indenture Trustee and Paying Agent) without any amendment to, or further action or consent of any other party to, this Indenture or any other Transaction Document so long as the Issuer has not received, by such time, written notice of objection to such Benchmark Replacement from Noteholders comprising the Required Noteholders.

(c) Notwithstanding anything to the contrary herein or in any other Transaction Document and subject to the proviso below in this paragraph, if a Term SOFR Transition Event and its related Benchmark Replacement Date have occurred prior to the Reference Time in respect of any setting of the then-current Benchmark, then the applicable Benchmark Replacement will replace the then-current Benchmark for all purposes hereunder or under any Transaction Document (other than the Purchase Agreement) in respect of such Benchmark setting and subsequent Benchmark settings, without any amendment to, or further action or consent of any other party to, this Indenture or any other Transaction Document; provided that, this clause (c) shall not be effective unless the Required Noteholders has delivered to the Noteholders and the Issuer a Term SOFR Notice.

(d) In connection with the implementation of a Benchmark Replacement, the Required Noteholders will have the right to make Benchmark Replacement Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Transaction Document, any amendments implementing such Benchmark Replacement Conforming Changes will become effective without any further action or consent of any other party to this Indenture or any other Transaction Document; provided that no such amendment may adversely affect the rights, duties, immunities, protections or indemnification rights of the Indenture Trustee, Paying Agent, Registrar, Depository Bank, Securities Intermediary, Depositor Loan Trustee, Owner Trustee or Collateral Trustee without its written consent or shall be made to the Purchase Agreement.

(e) The Required Noteholders will promptly notify the Issuer and the Noteholders (with a copy to the Indenture Trustee and the Paying Agent) of (i) any occurrence of a Benchmark Transition Event, a Term SOFR Transition Event or an Early Opt-in Election, as applicable, (ii) the implementation of any Benchmark Replacement, (iii) the effectiveness of any Benchmark Replacement Conforming Changes and (iv) the commencement or conclusion of any Benchmark Unavailability Period. Any determination, decision or election that may be made by any Noteholder (or group of Noteholders) pursuant to this [Section 5.17](#), including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding absent manifest error and may be made in its or their sole discretion and without consent from any other party to this Indenture or any other Transaction Document, except, in each case, as expressly required pursuant to this [Section 5.17](#).

(f) Upon the Issuer's receipt of notice of the commencement of a Benchmark Unavailability Period, the Issuer may revoke any request for an Advance to be made during any Benchmark Unavailability Period. During any Benchmark Unavailability Period or at any time that a tenor for the then-current Benchmark is not an Available Tenor, each Loan Rate shall be determined by the Calculation Agent by reference to the Alternative Rate and communicated to the Servicer and the Issuer, by facsimile or e-mail.

ARTICLE 6.

DISTRIBUTIONS AND REPORTS

Section 1.1. Distributions.

(a) On each Payment Date, the Indenture Trustee shall distribute (in accordance with the Monthly Servicer Report delivered by the Servicer on or before such related Determination Date pursuant to Section 2.8 of the Servicing Agreement) to each Noteholder of record on the immediately preceding Record Date (other than as provided in Section 12.5 respecting a final distribution), such Noteholder's pro rata share (based on the Note Principal held by such Noteholder) of the amounts that are payable to the Noteholders pursuant to Section 5.15 by wire transfer to an account designated by such Noteholders.

(b) Notwithstanding anything to the contrary contained in this Indenture, if the amount distributable in respect of principal on the Notes on any Payment Date is less than one dollar, then no such distribution of principal need be made on such Payment Date to the Noteholders.

Section 1.2. Monthly Statement.

(a) On or before each Payment Date, the Indenture Trustee shall make available electronically to each Noteholder and Certificateholder, a statement in substantially the form of Exhibit D hereto (a "Monthly 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 received during the related Monthly Period;
- (ii) the amount of Collections received during the related Monthly Period in respect of Finance Charge Receivables and Principal Receivables;
- (iii) the amount of Collections received during the related Monthly Period in respect of any annual fees, late fees, returned check fees and any other fees payable by the Obligor on the Receivables;
- (iv) the amount of Available Funds and Distributable Funds on deposit in the Collection Account and, if applicable, the Reserve Account on such Payment Date;
- (v) the amount of Trustee Fees and Expenses, Class A Monthly Interest, Class A Deficiency Amounts, Class A Additional Interest and the Unused Fee, respectively, for such Payment Date;
- (vi) the Reserve Account Requirement and the balance in the Reserve Account on such Payment Date;
- (vii) the amount of the Servicing Fee for such Payment Date;
- (viii) the total amount to be distributed to the Class A Noteholders on such Payment Date;
- (ix) the outstanding principal balance of the Class A Notes as of the end of the day on the Payment Date;

- (x) the amount of any Increases and Decreases in the Notes during the related Monthly Period;
 - (xi) One-Month LIBOR for each day during the related Interest Period;
 - (xii) the date on which the Amortization Period commenced, if applicable;
 - (xiii) 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;
 - (xiv) the (a) Liabilities, (b) Tangible Net Worth and (c) Leverage Ratio, in each case, of the Parent as of the end of the second preceding Monthly Period (including, in each case, each of the components thereof);
 - (xv) the aggregate amount of cash and Cash Equivalents of the Seller as of the end of the second preceding Monthly Period;
 - (xvi) whether any of the Financial Covenants as of the end of the second preceding Monthly Period have been breached;
 - (xvii) the aggregate Outstanding Receivables Balance of all Delinquent Receivables as of the end of the preceding Monthly Period;
 - (xviii) the aggregate Outstanding Receivables Balance of all Receivables that became Defaulted Receivables during the preceding Monthly Period;
 - (xix) the Three-Month Average Default Percentage for the preceding Monthly Period;
 - (xx) the Three-Month Average Principal Payment Rate for the preceding Monthly Period;
 - (xxi) the aggregate Outstanding Receivables Balance of all Eligible Receivables as of the end of the preceding Monthly Period;
- and
- (xxii) the amount and calculation of each excess concentration set forth in the definition of “Concentration Limits” as of the end of the preceding Monthly Period.

On or before each Payment Date, to the extent the Servicer provides such information to the Indenture Trustee, the Indenture Trustee will make available the monthly Servicer statement via the Indenture Trustee’s Internet website and, with the consent or at the direction of the Issuer, such other information regarding the Notes and/or the Receivables as the Indenture Trustee may have in its possession, but only with the use of a password provided by the Indenture Trustee; provided, however, the Indenture Trustee shall have no obligation to provide such information described in this Section 6.2 until it has received the requisite information from the Issuer or the Servicer and the applicable Noteholder or Certificateholder has completed the information necessary to obtain a password from the Indenture Trustee. The Indenture Trustee will make no representation or warranties as to the accuracy or completeness of such documents and will assume no responsibility therefor.

(b) The Indenture Trustee’s internet website shall be initially located at “www.wilmingtontrustconnect.com” or at such other address as shall be specified by the Indenture Trustee from time to time in writing to the Noteholders and Certificateholders. In

connection with providing access to the Indenture Trustee's internet website, the Indenture Trustee may require registration and the acceptance of a disclaimer. The Indenture Trustee shall not be liable for information disseminated in accordance with this Indenture.

(c) Annual Tax Statement. 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 Noteholder or a Certificateholder, a statement prepared by the Servicer containing the information required to be contained in the regular monthly report to Noteholders and Certificateholders, as set forth in subclauses (v) and (vi) above, aggregated for such calendar year, and a statement prepared by the Servicer with such other customary information (consistent with the treatment of the Notes as debt) required by applicable tax Law to be distributed to the 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.

Section 1.3. Issuer Payments. The Issuer agrees to pay, and the Issuer agrees to instruct the Servicer and the Indenture Trustee to pay, all amounts payable by it with respect to the Notes, this Indenture and each of the other Transaction Documents to the applicable account designated by the Person to which such amount is owing. All such amounts to be paid by the Issuer shall be paid no later than 3:00 p.m. (New York time) on the day when due as determined in accordance with this Indenture and each of the other Transaction Documents, in lawful money of the United States in immediately available funds. Amounts received after that time shall be deemed to have been received on the next Business Day and shall bear interest at the Default Rate, which interest shall be payable on demand.

ARTICLE 7.

REPRESENTATIONS AND WARRANTIES OF THE ISSUER

Section 1.1. Representations and Warranties of the Issuer. The Issuer hereby represents and warrants to the Indenture Trustee and each of the Secured Parties that:

(a) Organization and Good Standing, etc. The Issuer has been duly organized and is validly existing and in good standing under the Laws of the State of Delaware, with power and authority to own its properties and to conduct its respective businesses as such properties are presently owned and such business is presently conducted. The Issuer is not organized under the Laws of any other jurisdiction or Governmental Authority. The Issuer is duly licensed or qualified to do business as a foreign entity in good standing in the jurisdiction where its principal place of business and chief executive office is located and in each other jurisdiction in which the failure to be so licensed or qualified would be reasonably likely to have a Material Adverse Effect.

(b) Power and Authority; Due Authorization. The Issuer has (a) all necessary power, authority and legal right to (i) execute, deliver and perform its obligations under this Indenture and each of the other Transaction Documents to which it is a party and (b) duly authorized, by all necessary action, the execution, delivery and performance of this Indenture and the other Transaction Documents to which it is a party and the borrowing, and the granting of security therefor, on the terms and conditions provided herein.

(c) No Violation. The consummation of the transactions contemplated by this Indenture and the other Transaction Documents and the fulfillment of the terms hereof will not (a) conflict with, result in any breach of any of the terms and provisions of, or constitute (with

or without notice or lapse of time or both) a default under, (i) the organizational documents of the Issuer or (ii) any indenture, loan agreement, pooling and servicing agreement, receivables purchase agreement, mortgage, deed of trust, or other agreement or instrument to which the Issuer is a party or by which it or its properties is bound, (b) result in or require the creation or imposition of any Adverse Claim upon its properties pursuant to the terms of any such indenture, loan agreement, pooling and servicing agreement, receivables purchase agreement, mortgage, deed of trust, or other agreement or instrument, other than pursuant to the terms of the Transaction Documents, or (c) violate any Law applicable to the Issuer or of any Governmental Authority having jurisdiction over the Issuer or any of its respective properties.

(d) Validity and Binding Nature. This Indenture is, and the other Transaction Documents to which it is a party when duly executed and delivered by the Issuer and the other parties thereto will be, the legal, valid and binding obligation of the Issuer enforceable in accordance with their respective terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar Law affecting creditors' rights generally and by general principles of equity.

(e) Government Approvals. No authorization or approval or other action by, and no notice to or filing with, any Governmental Authority required for the due execution, delivery or performance by the Issuer of any Transaction Document to which it is a party remains unobtained or unfiled, except for the filing of the UCC financing statements.

(f) [Reserved].

(g) Margin Regulations. The Issuer is not engaged in the business of extending credit for the purpose of purchasing or carrying margin stock, and no proceeds with respect to the sale of the Notes, directly or indirectly, will be used for a purpose that violates, or would be inconsistent with, Regulations T, U and X promulgated by the Federal Reserve Board from time to time.

(h) Perfection.

(i) On and after the Closing Date and each Payment Date, the Issuer shall be the owner of all of the Receivables and Related Security and Collections and proceeds with respect thereto, free and clear of all Adverse Claims. Within the time required pursuant to the Perfection Representations, all financing statements and other documents required to be recorded or filed in order to perfect and protect the assets of the Trust Estate against all creditors (other than Secured Parties) of, and purchasers (other than Secured Parties) from, the Issuer, the Depositor, the Depositor Receivables Trustee and the Seller will have been duly filed in each filing office necessary for such purpose, and all filing fees and taxes, if any, payable in connection with such filings shall have been paid in full;

(ii) the Indenture constitutes a valid grant of a security interest to the Indenture Trustee for the benefit of the Secured Parties in all right, title and interest of the Issuer in the Receivables, the Related Security and Collections and proceeds with respect thereto and all other assets of the Trust Estate, now existing or hereafter created or acquired. Accordingly, to the extent the UCC applies with respect to the perfection of such security interest, upon the filing of any financing statements described in Article 8 of the Indenture and the execution of the Transaction Documents, the Indenture Trustee shall have a first priority perfected security interest in such property and the proceeds thereof (to the extent provided in Section 9-315), subject to Permitted Encumbrances. Except as otherwise specifically provided in the Transaction Documents, neither the Issuer nor any Person claiming through or under the Issuer has any claim to or interest in

the Collection Account. To the extent the UCC does not apply with respect to the perfection of such security interest, the Issuer shall have made all notice filings and taken all other reasonable steps available to it to perfect and protect the Indenture Trustee's security interest in such property and the proceeds thereof against all Adverse Claims; and

(iii) immediately prior to, and after giving effect to, the initial purchase of the Notes, the Issuer will be Solvent.

(i) Offices. The principal place of business and chief executive office of the Issuer is located at the address referred to in Section 15.4 (or at such other locations, notified to the Indenture Trustee in jurisdictions where all action required thereby has been taken and completed).

(j) Tax Status. The Issuer has filed all tax returns (federal, state and local) required to be filed by it and has paid or made adequate provision for the payment of all taxes (including all state franchise taxes), assessments and other governmental charges that have become due and payable (including for such purposes, the setting aside of appropriate reserves for taxes, assessments and other governmental charges being contested in good faith).

(k) Use of Proceeds. No proceeds of any Notes will be used by the Issuer to acquire any security in any transaction which is subject to Section 13 or 14 of the Exchange Act.

(l) Compliance with Applicable Laws; Licenses, etc.

(i) The Issuer is in compliance with the requirements of all applicable Laws of all Governmental Authorities, a breach of any of which, individually or in the aggregate, would be reasonably likely to have a Material Adverse Effect.

(ii) The Issuer has not failed to obtain any licenses, permits, franchises or other governmental authorizations necessary to the ownership of its properties or to the conduct of its business, which violation or failure to obtain would be reasonably likely to have a Material Adverse Effect.

(m) No Proceedings. Except as described in Schedule 2:

(i) there is no order, judgment, decree, injunction, stipulation or consent order of or with any court or other government authority to which the Issuer is subject, and there is no action, suit, arbitration, regulatory proceeding or investigation pending, or, to the knowledge of the Issuer, threatened, before or by any Governmental Authority, against the Issuer; and

(ii) there is no action, suit, proceeding, arbitration, regulatory or governmental investigation, pending or, to the knowledge of the Issuer, threatened, before or by any Governmental Authority (A) asserting the invalidity of this Indenture, the Notes or any other Transaction Document, (B) seeking to prevent the issuance of the Notes pursuant hereto or the consummation of any of the other transactions contemplated by this Indenture or any other Transaction Document or (C) seeking to adversely affect the federal income tax attributes of the Issuer.

(n) Investment Company Act; Covered Fund. The Issuer is not an "investment company" within the meaning of the Investment Company Act and the Issuer relies 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), as amended.

(o) Eligible Receivables. Each Receivable included as an Eligible Receivable in any Monthly Servicer Report shall be an Eligible Receivable as of the date so included. Each Receivable, including Subsequently Purchased Receivables, purchased by the Issuer on any Purchase Date shall be an Eligible Receivable as of such Purchase Date unless otherwise specified to the Indenture Trustee in writing prior to such Purchase Date.

(p) Receivables Schedule. The most recently delivered schedule of Receivables reflects, in all material respects, a true and correct schedule of the Receivables included in the Trust Estate as of the date of delivery.

(q) ERISA. (i) Each of the Issuer, the Depositor, the Seller, the Servicer and their respective ERISA Affiliates is in compliance with ERISA unless, in the case of the Seller and the Servicer, any failure to so comply could not reasonably be expected to have a Material Adverse Effect or create a Lien on the assets of the Issuer or any of its ERISA Affiliates under Section 430(k) of the Code or Section 303(k) or 4068 of ERISA (“ERISA Lien”); and (ii) no ERISA Lien exists. No ERISA Event has occurred with respect to any Pension Plan that could reasonably be expected to have a Material Adverse Effect or result in an ERISA Lien.

(r) Accuracy of Information. All information heretofore furnished by, or on behalf of, the Issuer to the Indenture Trustee or any of the Noteholders in connection with any Transaction Document, or any transaction contemplated thereby, was, at the time it was furnished, true and accurate in every material respect (without omission of any information necessary to prevent such information from being materially misleading).

(s) Subsidiaries. The Issuer has no Subsidiaries and does not own or hold, directly or indirectly, any equity interest in any Person, other than Permitted Investments.

(t) Notes. The Notes have been duly and validly authorized, and, when executed and authenticated in accordance with the terms of the Indenture, and delivered to and paid for in accordance with the Note Purchase Agreement, will be duly and validly issued and outstanding and will be entitled to the benefits of the Indenture.

(u) Sales by the Seller. Each sale of Receivables by the Seller to the Depositor and the Depositor Receivables Trustee shall have been effected under, and in accordance with the terms of, the Purchase Agreement, including the payment by the Depositor to the Seller of an amount equal to the purchase price therefor as described in the Purchase Agreement, and each such sale shall have been made for “reasonably equivalent value” (as such term is used under Section 548 of the Bankruptcy Code) and not for or on account of “antecedent debt” (as such term is used under Section 547 of the Bankruptcy Code) owed by the Depositor to such Seller.

Section 1.2. Reaffirmation of Representations and Warranties by the Issuer. On the Closing Date and on each Business Day thereafter, the Issuer shall be deemed to have certified that all representations and warranties described in Section 7.1 hereof are true and correct on and as of such day as though made on and as of such day (except to the extent they relate to an earlier or later date, and then as of such earlier or later date).

ARTICLE 8.

COVENANTS

Section 1.1. Money for Payments To Be Held in Trust. At all times from the date hereof to the Indenture Termination Date, unless the Required Noteholders shall otherwise consent in writing, all payments of amounts due and payable with respect to any Notes that are to be made from amounts withdrawn from the Collection Account shall be made on behalf of the Issuer by the Indenture Trustee or by another Paying Agent, and no amounts so withdrawn from Collection Account for payments of such Notes shall be paid over to the Issuer except as provided in this Indenture.

Section 1.2. Affirmative Covenants of Issuer. At all times from the date hereof to the Indenture Termination Date, unless the Required Noteholders shall otherwise consent in writing, the Issuer shall:

(a) Payment of Notes. Duly and punctually pay or cause to be paid principal of (and premium, if any), interest and other amounts on and with respect to the Notes pursuant to the provisions of this Indenture. Principal, interest and other amounts shall be considered paid on the date due if the Indenture Trustee or the Paying Agent holds on that date money designated for and sufficient to pay all principal, interest and other amounts then due. Amounts properly withheld under the Code by any Person from a payment to any Noteholder of interest, principal and/or other amounts shall be considered as having been paid by the Issuer to such Noteholder for all purposes of this Indenture.

(b) Maintenance of Office or Agency. Maintain an office or agency (which may be an office of the Indenture Trustee, Transfer Agent and Registrar or co-registrar) where Notes may be surrendered for registration of transfer or exchange, where notices and demands to or upon the Issuer in respect of the Notes and this Indenture may be served, and where, at any time when the Issuer is obligated to make a payment of principal upon the Notes, the Notes may be surrendered for payment. The Issuer hereby initially appoints the Indenture Trustee to serve as its agent for purposes of the surrender for registration, transfer, exchange or payment of the Notes. The Issuer hereby initially appoints the Owner Trustee to serve as its agent for purposes of the service of notices and demands. The Issuer will give prompt written notice to the Indenture Trustee and the Noteholders of the location, and any change in the location, of such office or agency. If at any time the Issuer shall fail to maintain any such required office or agency or shall fail to furnish the Indenture Trustee with the address thereof, such presentations, surrenders, notices and demands may be made or served at the Corporate Trust Office of the Indenture Trustee or the principal office of the Owner Trustee, as applicable, for the purposes described in the initial appointments above, and the Issuer hereby appoints the Indenture Trustee and the Owner Trustee as its agent to receive all such surrenders, notices and demands, as described above.

The Issuer may also from time to time designate one or more other offices or agencies where the Notes may be presented or surrendered for any or all such purposes and may from time to time rescind such designations. The Issuer will give prompt written notice to the Indenture Trustee and the Noteholders of any such designation or rescission and of any change in the location of any such other office or agency.

The Issuer hereby designates the Corporate Trust Office of the Indenture Trustee as one such office or agency of the Issuer.

(c) Compliance with Laws, etc.

(i) Comply with all applicable Laws, a breach of any of which, individually or in the aggregate, would be reasonably likely to have a Material Adverse Effect;

(ii) Obtain any licenses, permits, franchises or other governmental authorizations necessary to the ownership of the Receivables and its other properties or to the conduct of its business, the violation or failure to obtain which would be reasonably likely to have a Material Adverse Effect; and

(iii) Ensure that all governmental actions of all Governmental Authorities required with respect to the transactions contemplated by the Transaction Documents and the other documents related thereto have been obtained or made.

(d) Preservation of Existence. Preserve and maintain its existence rights, franchises and privileges in the jurisdiction of its incorporation or organization, and qualify and remain qualified in good standing as a foreign entity in the jurisdiction where its principal place of business and its chief executive office are located and in each other jurisdiction where the failure to preserve and maintain such existence, rights, franchises, privileges and qualifications would have a Material Adverse Effect.

(e) Performance and Compliance with Receivables. Timely and fully perform and comply with all provisions, covenants and other promises required to be observed by it under the Receivables and all other agreements related to such Receivables.

(f) Collection Policy. Comply with the Credit and Collection Policies in regard to each Receivable.

(g) Reporting Requirements of The Issuer. Until the Indenture Termination Date, furnish to the Noteholders:

(i) Financial Statements.

(A) as soon as available, and in any event within one hundred twenty (120) days after the end of each Fiscal Year of the Issuer, a copy of the annual unaudited report for such Fiscal Year of the Issuer including a copy of the balance sheet of the Issuer, in each case, as at the end of such Fiscal Year, together with the related statements of earnings and cash flows for such Fiscal Year;

(B) as soon as available and in any event within one hundred twenty (120) days after the end of each Fiscal Year of Consolidated Parent, a balance sheet of Consolidated Parent as of the end of such year and statements of income and retained earnings and of source and application of funds of Consolidated Parent, for the period commencing at the end of the previous Fiscal Year and ending with the end of such year, in each case setting forth comparative figures for the previous Fiscal Year, certified without material qualification by Deloitte & Touche LLP or other nationally recognized independent public accountants, together with a certificate of such accounting firm stating that in the course of the regular audit of the business of Consolidated Parent, such accounting firm has obtained no knowledge that an Event of Default, Default or Rapid Amortization Event has occurred and is continuing, or if, in the opinion of such accounting firm, such an Event of Default, Default or Rapid Amortization Event has occurred and is continuing; and

(C) as soon as available and in any event within forty-five (45) days after the end of each fiscal quarter, quarterly balance sheets and quarterly statements of source and application of funds and quarterly statements of income and retained earnings of Consolidated Parent, certified by a Responsible Officer of Consolidated Parent (which certification shall state that such balance sheets and statements fairly present the financial condition and results of operations for such fiscal quarter, subject to year-end audit adjustments), delivery of which balance sheets and statements shall be accompanied by an Officer's Certificate of the Administrator to the effect that, to the knowledge of the Administrator, no Event of Default, Default or Rapid Amortization Event has occurred and is continuing.

For so long as Consolidated Parent is subject to the reporting requirements of Section 13(a) of the Exchange Act, its filing of the annual and quarterly reports required under the Exchange Act, on a timely basis, shall be deemed compliance with this Section 8.2(g)(i).

(ii) Notice of Default, Event of Default or Rapid Amortization Event. Immediately, and in any event within one (1) Business Day after the Issuer obtains knowledge of the occurrence of each Default, Event of Default or Rapid Amortization Event a statement of a Responsible Officer of the Issuer setting forth details of such Default, Event of Default or Rapid Amortization Event and the action which the Issuer proposes to take with respect thereto;

(iii) Change in Credit and Collection Policies. Within ten (10) Business Days after the date any material change in or amendment to the Credit and Collection Policies is made, a copy of the Credit and Collection Policies then in effect indicating such change or amendment;

(iv) ERISA. Promptly after the filing or receiving thereof, copies of all reports and notices with respect to any ERISA Event which either (i) the Issuer, the Depositor, the Seller, the Servicer or any of their respective ERISA Affiliates files under ERISA with the Internal Revenue Service, the Pension Benefit Guaranty Corporation or the U.S. Department of Labor or (ii) the Issuer, the Depositor, the Seller, the Servicer or any of their respective ERISA Affiliates receives from the Internal Revenue Service, the Pension Benefit Guaranty Corporation or the U.S. Department of Labor. The Issuer shall give the Indenture Trustee and each Noteholder prompt written notice of any ERISA Event that could result in the imposition of an ERISA Lien;

(v) If a Responsible Officer of the Issuer shall have actual knowledge of the occurrence of a Servicer Default, notice thereof to the Indenture Trustee, which notice shall specify the action, if any, the Issuer is taking in respect of such default. If a Servicer Default shall arise from the failure of the Servicer to perform any of its duties or obligations under the Servicing Agreement, the Issuer shall take all reasonable steps available to it to remedy such failure, including any action reasonably requested by the Indenture Trustee (acting at the direction of the Required Noteholders); and

(vi) On or before April 1, 2022 and on or before April 1 of each year thereafter, and otherwise in compliance with the requirements of TIA Section 314(a)(4) (if this Indenture is required to be qualified under the TIA), an Officer's Certificate of the Administrator stating, as to the Responsible Officer signing such Officer's Certificate, that:

(A) a review of the activities of the Issuer during such year and of performance under this Indenture has been made under such Responsible Officer's supervision; and

(B) to the best of such Responsible Officer's knowledge, based on such review, the Issuer has complied with all conditions and covenants under this Indenture throughout such year, or, if there has been a Default, Event of Default or Rapid Amortization Event specifying each such Default, Event of Default or Rapid Amortization Event known to such Responsible Officer and the nature and status thereof.

(h) Use of Proceeds. Use the proceeds of the Notes solely in connection with the acquisition or funding of Receivables, funding any initial deposit to the Reserve Account as specified in Section 3.4, payment of costs of issuance of the Notes and other Permissible Uses.

(i) Protection of Trust Estate. At its expense, perform all acts and execute all documents necessary and desirable at any time to evidence, perfect, maintain and enforce the security interest of the Indenture Trustee in the Trust Estate and the priority thereof. The Issuer will prepare, deliver and authorize the filing of financing statements relating to or covering the Trust Estate (which financing statements may cover "all assets" of the Issuer).

(j) Inspection of Records. Once per calendar year (or upon the occurrence of a non-routine regulatory inquiry or during the continuance of any Event of Default or Servicer Default, as frequently as requested by the Required Noteholders), upon reasonable prior written notice (which, except during the continuance of any Event of Default or Servicer Default, shall be at least 30 days), permit the Required Noteholders or their duly authorized representatives, attorneys or auditors to inspect the Receivables, the Receivable Files and the Records at such times as such Person may reasonably request. Upon instructions from the Required Noteholders or their duly authorized representatives, attorneys or auditors, the Issuer shall release a copy of any document related to any Receivables to such Person.

(k) Furnishing of Information. Provide such cooperation, information and assistance, and prepare and supply the Indenture Trustee and the Noteholders with such data regarding the performance by the Obligor of their obligations under the Receivables and the performance by the Issuer and Servicer of their respective obligations under the Transaction Documents, as may be reasonably requested by the Indenture Trustee or the Required Noteholders from time to time.

(l) Performance and Compliance with Receivables. At its expense, timely and fully perform and comply with all material provisions, covenants and other promises, if any, required to be observed by the Issuer under the Receivables.

(m) Collections Received. Hold in trust, and immediately (but in any event no later than two (2) Business Days following the date of receipt thereof) transfer to the Servicer for deposit into the Collection Account (subject to Section 5.4(a)) all Collections, if any, received from time to time by the Issuer.

(n) Enforcement of Transaction Documents. Use commercially reasonable efforts to enforce all rights held by it under any of the Transaction Documents, shall not amend, supplement or otherwise modify any of the Transaction Documents and shall not waive any breach of any covenant contained thereunder without the prior written consent of the Required Noteholders. The Issuer shall take all actions necessary and desirable to enforce the Issuer's rights and remedies under the Transaction Documents. The Issuer agrees that it will not waive timely performance or observance by the Servicer, the Depositor or the Seller of their respective

duties under the Transaction Documents if the effect thereof would adversely affect any of the Secured Parties.

(o) Separate Legal Entity. The Issuer hereby acknowledges that the Indenture Trustee and the Noteholders are entering into the transactions contemplated by this Indenture and the other Transaction Documents in reliance upon the Issuer's identity as a legal entity separate from any other Person. Therefore, from and after the date hereof, the Issuer shall take all reasonable steps to continue the Issuer's identity as a separate legal entity and to make it apparent to third Persons that the Issuer is an entity with assets and liabilities distinct from those of any other Person, and is not a division of any other Person. Without limiting the generality of the foregoing and in addition to and consistent with the covenant set forth herein, the Issuer shall take such actions as shall be required in order to remain in compliance with Section 2.02 of the Trust Agreement.

(p) Minimum Net Worth. Have a net worth (in accordance with GAAP) of at least 1% of the outstanding amount of the Notes.

(q) Income Tax Characterization. For purposes of U.S. federal income, state and local income and franchise taxes, unless otherwise required by the relevant Governmental Authority, the Issuer will treat the Notes as debt.

Section 1.3. Negative Covenants. So long as any Notes are outstanding, the Issuer shall not, unless the Required Noteholders shall otherwise consent in writing:

(a) Sales, Liens, etc. Except pursuant to, or as contemplated by, the Transaction Documents, the Issuer shall not sell, transfer, exchange, assign (by operation of law or otherwise) or otherwise dispose of, or create or suffer to exist voluntarily or, for a period in excess of ten (10) days, involuntarily any Adverse Claims upon or with respect to the Trust Estate, any interest therein or any right to receive any amount from or in respect thereof.

(b) Claims, Deductions. Claim any credit on, or make any deduction from the principal or interest payable in respect of, the Notes (other than amounts properly withheld from such payments under the Code or other applicable Law) or assert any claim against any present or former Noteholder by reason of the payment of the taxes levied or assessed upon any part of the Trust Estate.

(c) Mergers, Acquisitions, Sales, Subsidiaries, etc. The Issuer shall not:

(i) be a party to any merger or consolidation, or directly or indirectly purchase or otherwise acquire all or substantially all of the assets or any stock of any class of, or any partnership or joint venture interest in, any other Person, except for the Trust Estate and Permitted Investments, or sell, transfer, assign, convey or lease any of its property and assets (or any interest therein) other than pursuant to, or as contemplated by, this Indenture or the other Transaction Documents;

(ii) make, incur or suffer to exist an investment in, equity contribution to, loan or advance to, or payment obligation in respect of the deferred purchase price of property from, any other Person, except for Permitted Investments or pursuant to the Transaction Documents;

(iii) create any direct or indirect Subsidiary or otherwise acquire direct or indirect ownership of any equity interests in any other Person other than pursuant to the Transaction Documents; or

(iv) enter into any transaction with any Affiliate except for the transactions contemplated by the Transaction Documents and transactions upon fair and reasonable terms materially no less favorable to the Issuer than would be obtained in a comparable arm's length transaction with a Person not an Affiliate.

(d) Other Debt. Except as provided for herein, the Issuer shall not create, incur, assume or suffer to exist any Indebtedness whether current or funded, other than (i) the Notes, (ii) Indebtedness of the Issuer representing fees, expenses and indemnities arising hereunder or under the Transfer Agreement for the purchase price of the Receivables under the Transfer Agreement and (iii) other Indebtedness permitted pursuant to Section 8.3(h).

(e) Certificate of Trust and Trust Agreement. The Issuer shall not amend or take any actions inconsistent with its certificate of trust or the Trust Agreement unless the Required Noteholders have agreed to such amendment or action as authorized by the Trust Agreement.

(f) Financing Statements. The Issuer shall not authorize the filing of any financing statement (or similar statement or instrument of registration under the Laws of any jurisdiction) or statements relating to the Trust Estate other than the financing statements authorized and filed in connection with and pursuant to the Transaction Documents.

(g) Business Restrictions. The Issuer shall not (i) engage in any business or transactions, or be a party to any documents, agreements or instruments, other than the Transaction Documents or those incidental to the purposes thereof, or (ii) make any expenditure for any assets (other than Receivables) if such expenditure, when added to other such expenditures made during the same calendar year would, in the aggregate, exceed Ten Thousand Dollars (\$10,000); provided, however, that the foregoing will not restrict the Issuer's ability to pay servicing compensation as provided herein or perform its obligations under the Transaction Documents and, so long as no Default, Event of Default or Rapid Amortization Event shall have occurred and be continuing, the Issuer's ability to make payments or distributions legally made to the Issuer's beneficiaries.

(h) ERISA Matters.

(i) To the extent applicable, the Issuer will not (A) engage or permit any of its respective ERISA Affiliates to engage in any prohibited transaction (as defined in Section 4975 of the Code and Section 406 of ERISA) for which an exemption is not available or has not previously been obtained from the U.S. Department of Labor; (B) fail to make, or permit any of the Seller, the Depositor, the initial Servicer or any of their respective ERISA Affiliates to fail to make, any payments to any Multiemployer Plan that the Issuer, the Depositor, the Seller, the initial Servicer or any of their respective ERISA Affiliates is required to make under the agreement relating to such Multiemployer Plan or any Law pertaining thereto; (C) terminate, or permit any of the Seller, the Depositor, the initial Servicer or any of their respective ERISA Affiliates to terminate, any Pension Plan so as to result in any liability to the Issuer, the initial Servicer, the Depositor, the Seller or any of their ERISA Affiliates; or (D) permit to exist any occurrence of any reportable event described in Title IV of ERISA with respect to a Pension Plan, if such prohibited transactions, failures to make payment, terminations and reportable events described in clauses (A), (B), (C) and (D) above would in the aggregate have a Material Adverse Effect.

(ii) The Issuer will not permit to exist any failure to satisfy the minimum funding standard (as described in Section 302 of ERISA and Section 412 of the Code) with respect to any Pension Plan.

(iii) The Issuer will not cause or permit, nor permit any of its ERISA Affiliates to cause or permit, the occurrence of an ERISA Event that could result in a Material Adverse Effect or an ERISA Lien.

(i) Name; Jurisdiction of Organization. The Issuer will not change its name or its jurisdiction of organization (within the meaning of the applicable UCC) without prior written notice to the Indenture Trustee. Prior to or upon a change of its name, the Issuer will make all filings (including filings of financing statements on form UCC-1) and recordings necessary to maintain the perfection of the security interest of the Indenture Trustee in the Trust Estate pursuant to this Indenture. The Issuer further agrees that it will not become or seek to become organized under the Laws of more than one jurisdiction. In the event that the Issuer desires to so change its jurisdiction of organization or change its name, the Issuer will make any required filings and prior to actually making such change the Issuer will deliver to the Indenture Trustee (i) an Officer's Certificate and an Opinion of Counsel confirming that all required filings have been made to continue the perfected interest of the Indenture Trustee in the Trust Estate in respect of such change and (ii) copies of all such required filings with the filing information duly noted thereon by the office in which such filings were made.

(j) Tax Matters. The Issuer 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.

(k) Accounts. The Issuer shall not maintain any bank accounts other than the Trust Accounts; provided, however, that the Issuer may maintain a general bank account to, among other things, receive and hold funds distributed to it, and to pay ordinary-course operating expenses, as applicable. Except as set forth in the Servicing Agreement the Issuer shall not make, nor will it permit the Seller or Servicer to make, any change in its instructions to Obligor's regarding payments to be made to the Servicer Account (as defined in the Servicing Agreement). The Issuer shall not add any additional Trust Accounts unless the Indenture Trustee (subject to Section 15.1 hereto) shall have consented thereto and received a copy of any documentation with respect thereto. The Issuer shall not terminate any Trust Accounts or close any Trust Accounts unless the Indenture Trustee shall have received at least thirty (30) days' prior notice of such termination and (subject to Section 15.1 hereto) shall have consented thereto.

(l) No Claims Against Note. Subject to Applicable Law, it shall not claim any credit on, make any deduction from, or dispute the enforceability of payment of the principal or interest payable (or any other amount) in respect of the Notes or assert any claim against any present or future Purchaser, by reason of the payment of any taxes levied or assessed upon any part of the Trust Estate.

(m) Receivables.

(i) The Issuer shall not extend, amend, waive or otherwise modify (or permit the Servicer to extend, amend, waive or otherwise modify) the terms of any Receivable or permit the rescission or cancellation of any Receivable, whether for any reason relating to a negative change in the related Obligor's creditworthiness or inability to make any payment under the Receivable or otherwise, except as permitted by the Credit and Collection Policy or as otherwise permitted in the Servicing Agreement.

(ii) The Issuer shall not terminate or cancel (or permit the Servicer to terminate or cancel) any Receivable prior to the end of the term of such Receivable, except as permitted by the Credit and Collection Policy or as otherwise permitted in the Servicing Agreement.

(iii) The Issuer shall not account for or treat (whether in the Issuer's financial statements or otherwise) the transactions contemplated by the Transfer Agreement in any manner other than as the sale, contribution or absolute assignment, of the Receivables and related assets to the Issuer, other than for income tax and consolidated accounting purposes.

Section 1.4. Further Instruments and Acts. The Issuer will execute and deliver such further instruments, furnish such other information and do such further acts as may be reasonably necessary or proper to carry out more effectively the purpose of this Indenture.

Section 1.5. Appointment of Successor Servicer. If the Indenture Trustee has given notice of termination to the Servicer of the Servicer's rights and powers pursuant to Section 5.1 of the Servicing Agreement, as promptly as possible thereafter, the Indenture Trustee shall (at the direction of the Required Noteholders) appoint a successor servicer in accordance with Section 6.2 of the Servicing Agreement.

Section 1.6. Perfection Representations. The parties hereto agree that the Perfection Representations shall be a part of this Indenture for all purposes.

ARTICLE 9.

RAPID AMORTIZATION EVENTS AND REMEDIES

Section 1.1. Rapid Amortization Events. If any one of the following events shall occur during the Revolving Period (each, a "Rapid Amortization Event"):

- (a) the Three-Month Average Default Percentage as of the last day of any Monthly Period shall exceed 20.0%;
- (b) the Three-Month Average Principal Payment Rate as of the last day of any Monthly Period shall be less than 10.0%;
- (c) the occurrence of a Servicer Default or an Event of Default;

(d) either (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 or any other Transaction Document to which it is a party, or (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 any other Transaction Document to which it is a party, which failure, in any such case, has a material adverse effect on the interests of the Noteholders (as reasonably determined by the Required Noteholders) and which continues unremedied for a period of thirty (30) days after the date on which the Depositor or Seller, as applicable, receives actual knowledge or written notice thereof;

(e) either (x) any representation, warranty or certification made by the Depositor in the Transfer Agreement or any other Transaction Document to which it is a party 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 any other Transaction Document to which it is a party 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 Noteholders (as reasonably determined by the Required Noteholders) and which continues unremedied for a period of thirty (30) days after the date on which the Depositor or Seller, as applicable, receives actual knowledge or written notice thereof; or

(f) the Seller, the Depositor, the Servicer or any of their respective Subsidiaries, individually or in the aggregate, shall fail to pay any principal of or premium or interest on any of its Indebtedness that is outstanding in a principal amount of at least \$10,000,000 in the aggregate when the same becomes due and payable (whether by scheduled maturity, required prepayment, acceleration, demand or otherwise), and such failure shall continue after the applicable grace period, if any, specified in the agreement, mortgage, indenture or instrument relating to such Indebtedness (whether or not such failure shall have been waived under the related agreement).

then, in the case of any event described in clause (a) through (f) above, a Rapid Amortization Event shall occur without any notice or other action on the part of the Indenture Trustee or the affected Holders immediately upon the occurrence of such event. The Required Noteholders may waive any Rapid Amortization Event and its consequences.

ARTICLE 10.

REMEDIES

Section 1.1. Events of Default. An “Event of Default”, wherever used herein, 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 (a) any interest or fees on the Notes on any Payment Date or (b) other than as covered by clause (ii) below, the principal of or any installment of the principal of any Notes when payable hereunder, and such default shall continue (and shall not have been waived by the Required Noteholders) for a period of three (3) Business Days after the date on which the Issuer receives actual knowledge or written notice thereof;

(ii) default in the payment of the principal of or any installment of the principal of any 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 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 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, the Depositor’s or the Seller’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 or the Seller 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, the Depositor or the Seller to the entry of an order for relief in an involuntary case under any such Law, or the consent by the Issuer, the Depositor or the Seller to the appointment of or taking possession by a receiver, liquidator, assignee, custodian, trustee or similar official of the Issuer or for any substantial part of the Trust Estate, or the making by the Issuer, the Depositor or the Seller of any general assignment for the benefit of creditors, or the failure by the Issuer, the Depositor or the Seller 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) a failure on the part of the Issuer duly to observe or perform any other covenants or agreements of the Issuer set forth in this Indenture or any other Transaction Document to which it is a party, which failure, solely to the extent capable of cure, continues unremedied for a period of fifteen (15) days after the date on which the Issuer receives actual knowledge or written notice thereof;

(vi) any representation, warranty or certification made by the Issuer in this Indenture or in any certificate delivered pursuant to this Indenture or any other Transaction Document to which it is a party shall prove to have been inaccurate when made or deemed made, and, solely to the extent capable of cure, such inaccuracy continues unremedied for a period of fifteen (15) days after the date on which the Issuer receives actual knowledge or written notice thereof;

(vii) the Indenture Trustee shall cease to have a first-priority perfected security interest in all or any portion of the Trust Estate;

(viii) the Issuer shall have become subject to regulation by the Securities and Exchange Commission as an “investment company” under the Investment Company Act;

(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;

(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;

(xi) the breach of any Financial Covenant;

(xii) the occurrence of a Change in Control; or

(xiii) the Issuer shall fail to pay any principal of or premium or interest on any of its Indebtedness when the same becomes due and payable (whether by scheduled maturity, required prepayment, acceleration, demand or otherwise), and such failure shall continue after the applicable grace period, if any, specified in the agreement, mortgage, indenture or instrument relating to such Indebtedness (whether or not such failure shall have been waived under the related agreement).

Section 1.2. Rights of the Indenture Trustee Upon Events of Default.

(a) If and whenever an Event of Default (other than in clause (iii) and (iv) of Section 10.1) shall have occurred and be continuing, the Indenture Trustee may, and at the written direction of the Required Noteholders shall, cause the principal amount of all 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) of Section 10.1 shall occur, all unpaid principal of and accrued interest on all the 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 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 Section 10.4. 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 Article 5 hereof.

(b) If an Event of Default shall have occurred and be continuing, then at any time after such declaration of acceleration of maturity has been made and before a judgment or decree for payment of the money due has been obtained by the Indenture Trustee as hereinafter in this Article 10 provided, the Required Noteholders, by written notice to the Issuer and the Indenture Trustee, may rescind and annul such declaration and its consequences if:

(i) the Issuer has paid to or deposited with the Indenture Trustee a sum sufficient to pay

(A) all payments of principal of and interest on all Notes and all other amounts that would then be due hereunder or upon such Notes if the Event of Default giving rise to such acceleration had not occurred; and

(B) all sums paid by the Indenture Trustee hereunder and the reasonable compensation, expenses, disbursements of the Indenture Trustee and its agents and counsel; and

(ii) all Events of Default, other than the nonpayment of the principal of the Notes that has become due solely by such acceleration, have been cured or waived as provided in Section 10.6.

No such rescission shall affect any subsequent default or impair any right consequent thereto.

(c) Additional Remedies. In addition to any rights and remedies now or hereafter granted hereunder or under applicable Law with respect to the Trust Estate, the Indenture Trustee shall have all of the rights and remedies of a secured party under the UCC as enacted in any applicable jurisdiction.

Section 1.3. Collection of Indebtedness and Suits for Enforcement by Indenture Trustee.

(a) The Issuer covenants that if (i) default is made in the payment of any interest on any Note when the same becomes due and payable, and such default continues for a period of five (5) days, or (ii) default is made in the payment of the principal of any Note when the same becomes due and payable on the Legal Final Payment Date, the Issuer will pay to it, for the benefit of the Noteholders, the whole amount then due and payable on such Notes for principal, interest and other amounts, with interest upon the overdue principal, and, to the extent payment at such rate of interest shall be legally enforceable, upon overdue installments of interest, at the Class A Note Rate and in addition thereto such further amount as shall be sufficient to cover the costs and expenses of collection, including the reasonable compensation, expenses, disbursements and advances of the Indenture Trustee and its agents and counsel.

(b) If an Event of Default occurs and is continuing, the Indenture Trustee may (in its discretion) and, at the written direction of the Required Noteholders, shall proceed to protect and enforce its rights and the rights of the Secured Parties by such appropriate Proceedings to protect and enforce any such rights, whether for the specific enforcement of any covenant or agreement in this Indenture or in aid of the exercise of any power granted herein, or to enforce any other proper remedy or legal or equitable right vested in the Indenture Trustee by this Indenture or by Law; provided, however, that the Indenture Trustee shall sell or otherwise liquidate the Trust Estate or any portion thereof only in accordance with Section 10.4(d).

(c) In any Proceedings brought by the Indenture Trustee (and also any Proceedings involving the interpretation of any provision of this Indenture), the Indenture

Trustee shall be held to represent all the Secured Parties, and it shall not be necessary to make any such Person a party to any such Proceedings.

(d) In case there shall be pending, relative to the Issuer or any other obligor upon the Notes or any Person having or claiming an ownership interest in the Trust Estate, Proceedings under Title 11 of the United States Code or any other applicable federal or state bankruptcy, insolvency or other similar Law, or in case a receiver, assignee or trustee in bankruptcy or reorganization, liquidator or similar official shall have been appointed for or taken possession of the Issuer or its property or such other obligor or Person, or in case of any other comparable judicial Proceedings relative to the Issuer or other obligor upon the Notes, or to the creditors or property of the Issuer or such other obligor, the Indenture Trustee, irrespective of whether the principal or other amount of any Notes shall then be due and payable as therein expressed or by declaration or otherwise and irrespective of whether the Indenture Trustee shall have made any demand pursuant to the provisions of this Section, shall be entitled and empowered, by intervention in such Proceedings or otherwise:

(i) to file a claim or claims for the whole amount of principal, interest and other amounts owing and unpaid in respect of the Notes and to file such other papers or documents and take such actions as may be necessary or advisable in order to have the claims of the Indenture Trustee (including any claim for reasonable compensation to the Indenture Trustee and each predecessor Indenture Trustee, and their respective agents, attorneys and counsel, and for reimbursement of all expenses and liabilities incurred, and all advances made, by the Indenture Trustee and each predecessor Indenture Trustee, except as a result of negligence, bad faith or willful misconduct) and of the Secured Parties allowed in such Proceedings;

(ii) unless prohibited by applicable Law, to vote on behalf of the Secured Parties in any election of a trustee, a standby trustee or Person performing similar functions in any such Proceedings;

(iii) to collect and receive any moneys or other property payable or deliverable on any such claims and to distribute all amounts received with respect to the claims of the Secured Parties and of the Indenture Trustee on their behalf; and

(iv) to file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Indenture Trustee (including any claim for the reasonable compensation, expenses, disbursements and advances of the Indenture Trustee, its agents and counsel) or the Secured Parties allowed in any judicial Proceedings relative to the Issuer, its creditors and its property;

and any trustee, receiver, liquidator, custodian or other similar official in any such Proceeding is hereby authorized by each of such Secured Parties to make payments to the Indenture Trustee, and, in the event that the Indenture Trustee shall consent to the making of payments directly to such Secured Parties, to pay to the Indenture Trustee such amounts as shall be sufficient to cover reasonable compensation, expenses, disbursements and any other amounts due the Indenture Trustee under Section 11.6 and 11.17 to the Indenture Trustee, each predecessor Indenture Trustee and their respective agents, attorneys and counsel, and all other expenses and liabilities incurred, and all advances made, by the Indenture Trustee and each predecessor Indenture Trustee except as a result of negligence, bad faith or willful misconduct. To the extent that the payment of any such compensation, expenses, disbursements and advances of the Indenture Trustee, its agents and counsel, and any other amounts due the Indenture Trustee under Section 11.6 and 11.17 out of the estate in any Proceeding, shall be denied for any reason, payment of the same shall be secured by a Lien on, and shall be paid out of, any and all distributions, dividends, money, notes and other properties which the Secured Parties may be entitled to receive in such

Proceeding whether in liquidation or under any plan of reorganization or arrangement or otherwise.

(e) Nothing herein contained shall be deemed to authorize the Indenture Trustee to authorize or consent to or vote for or accept or adopt on behalf of any Secured Party any plan of reorganization, arrangement, adjustment or composition affecting the Notes or the rights of any Secured Party or to authorize the Indenture Trustee to vote in respect of the claim of any Secured Party in any such Proceeding except, as aforesaid, to vote for the election of a trustee in bankruptcy or similar Person.

(f) All rights of action and of asserting claims under this Indenture or under any of the Notes may be enforced by the Indenture Trustee without the possession of any of the Notes or the production thereof in any Proceedings relative thereto, and any such action or Proceedings instituted by the Indenture Trustee shall be brought in its own name as trustee of an express trust, and any recovery of judgment, subject to the payment of the expenses, disbursements and compensation of the Indenture Trustee, each predecessor Indenture Trustee and their respective agents and attorneys, shall be for the Secured Parties.

Section 1.4. Remedies. If an Event of Default shall have occurred and be continuing, the Indenture Trustee may and, at the written direction of the Required Noteholders, shall do one or more of the following:

(a) institute Proceedings in its own name and as trustee of an express trust for the collection of all amounts then payable under the Transaction Documents, enforce any judgment obtained, and collect from the Issuer and any other obligor under the Transaction Documents moneys adjudged due;

(b) institute Proceedings from time to time for the complete or partial foreclosure of this Indenture with respect to the Trust Estate;

(c) subject to the limitations set forth in clause (d) below, exercise any remedies of a secured party under the UCC and take any other appropriate action to protect and enforce the rights and remedies of the Indenture Trustee and the Secured Parties; and

(d) sell the Trust Estate or any portion thereof or rights or interest therein, at one or more public or private sales called and conducted in any manner permitted by Law; provided, however, that the Indenture Trustee may not sell or otherwise liquidate the Trust Estate following an Event of Default unless:

(i) the Holders of 100% of the outstanding Notes direct such sale and liquidation,

(ii) the proceeds of such sale or liquidation distributable to the Noteholders are sufficient to discharge in full all amounts then due and unpaid with respect to all outstanding Notes for principal and interest and any other amounts due Noteholders, or

(iii) the Indenture Trustee determines that the proceeds of the Trust Estate will not continue to provide sufficient funds for the payment of principal of and interest on all outstanding Notes as such amounts would have become due if such Notes had not been declared due and payable and the Required Noteholders direct such sale and liquidation.

In determining such sufficiency or insufficiency with respect to clauses (d)(ii) and (d)(iii), the Indenture Trustee may, but need not, obtain and rely upon an opinion of an Independent

investment banking or accounting firm of national reputation as to the feasibility of such proposed action and as to the sufficiency of the Receivables in the Trust Estate for such purpose.

Section 1.5. [Reserved].

Section 1.6. Waiver of Past Events. If an Event of Default shall have occurred and be continuing, prior to the declaration of the acceleration of the maturity of the Notes as provided in Section 10.2(a), the Required Noteholders may waive any past Default or Event of Default and its consequences except a Default in payment of principal of any of the Notes. In the case of any such waiver, the Issuer, the Indenture Trustee and the Holders of the Notes shall be restored to their former positions and rights hereunder, respectively; but no such waiver shall extend to any subsequent or other Default or impair any right consequent thereto.

Upon any such waiver, such Default shall cease to exist and be deemed to have been cured and not to have occurred, and any Event of Default arising therefrom shall be deemed to have been cured and not to have occurred, for every purpose of this Indenture; but no such waiver shall extend to any subsequent or other Default or Event of Default or impair any right consequent thereto.

Section 1.7. Limitation on Suits. No Noteholder have any right to institute any Proceeding, judicial or otherwise, with respect to this Indenture, or for the appointment of a receiver or trustee, or for any other remedy hereunder, unless:

- (i) such Noteholder or Certificateholder previously has given written notice to the Indenture Trustee of a continuing Event of Default;
- (ii) the Holders of not less than 25% of the outstanding principal amount of all Notes have made written request to the Indenture Trustee to institute such Proceeding in respect of such Event of Default in its own name as Indenture Trustee hereunder;
- (iii) such Noteholder has offered and provided to the Indenture Trustee indemnity satisfactory to it against the costs, expenses and liabilities to be incurred in complying with such request;
- (iv) the Indenture Trustee for sixty (60) days after its receipt of such notice, request and offer of indemnity has failed to institute such Proceedings; and
- (v) no direction inconsistent with such written request has been given to the Indenture Trustee during such sixty (60) day period by the Required Noteholders;

it being understood and intended that no one or more Noteholder shall have any right in any manner whatever by virtue of, or by availing of, any provision of this Indenture to affect, disturb or prejudice the rights of any other Noteholder or to obtain or to seek to obtain priority or preference over any other Noteholder or to enforce any right under this Indenture, except in the manner herein provided.

The Indenture Trustee may maintain a Proceeding even if it does not possess any of the Notes or does not produce any of them in the Proceeding, and any such Proceeding instituted by the Indenture Trustee shall be in its own name as trustee. All remedies are cumulative to the extent permitted by Law.

In the event the Indenture Trustee shall receive conflicting or inconsistent requests and indemnity from two or more groups of Secured Parties, each representing less than the Required

Noteholders, the Indenture Trustee shall proceed in accordance with the request of the greater majority of the outstanding principal amount of the Notes, as determined by reference to such requests.

Section 1.8. Unconditional Rights of Holders to Receive Payment; Withholding Taxes.

(a) Notwithstanding any other provision of this Indenture except as provided in Section 10.8(b) and (c), the right of any Noteholder to receive payment of principal, interest or other amounts, if any, on the Note, on or after the respective due dates expressed in the Note or in this Indenture (or, in the case of a Decrease, on or after the date of such Decrease), or to bring suit for the enforcement of any such payment on or after such respective dates, is absolute and unconditional and shall not be impaired or affected without the consent of the Noteholder.

(b) Promptly upon request, each Noteholder shall provide to the Indenture Trustee and/or the Issuer (or other person responsible for withholding of taxes, including but not limited to FATCA Withholding Tax, or delivery of information under FATCA) with the Tax Information.

(c) The Paying Agent shall (or if the Indenture Trustee is not the Paying Agent, the Indenture Trustee shall cause the Paying Agent to execute and deliver to the Indenture Trustee an instrument in which such Paying Agent shall agree with the Indenture Trustee that such Paying Agent shall) comply with the provisions of this Indenture applicable to it, comply with all requirements of the Code with respect to the withholding from any payments to Noteholders, including FATCA Withholding Tax (including obtaining and retaining from Persons entitled to payments with respect to the Notes any Tax Information and making any withholdings with respect to the Notes as required by the Code (including FATCA) and paying over such withheld amounts to the appropriate Governmental Authority), comply with respect to any applicable reporting requirements in connection with any payments to Noteholders, and, upon request, provide any Tax Information to the Issuer.

Section 1.9. Restoration of Rights and Remedies. If any Noteholder has instituted any Proceeding to enforce any right or remedy under this Indenture and such Proceeding has been discontinued or abandoned for any reason or has been determined adversely to the Indenture Trustee or to such Noteholder, then and in every such case the Issuer, the Indenture Trustee, the Noteholders shall, subject to any determination in such Proceeding, be restored severally and respectively to their former positions hereunder, and thereafter all rights and remedies of the Indenture Trustee and the Noteholders shall continue as though no such Proceeding had been instituted.

Section 1.10. [Reserved].

Section 1.11. Priorities. Following the declaration of an Event of Default or a Rapid Amortization Event pursuant to Section 9.1 or 10.2, all amounts in the Collection Account, including any money or property collected pursuant to Section 10.4 (after deducting the reasonable costs and expenses of such collection), shall be applied by the Indenture Trustee on the related Payment Date in accordance with the provisions of Article 5.

The Indenture Trustee may fix a record date and payment date for any payment to Secured Parties pursuant to this Section. At least fifteen (15) days before such record date the Issuer shall mail to each Secured Party and the Indenture Trustee a notice that states the record date, the payment date and the amount to be paid.

Section 1.12. Undertaking for Costs. All parties to this Indenture agree, and each Secured Party shall be deemed to have agreed, that any court may in its discretion require, in any suit for the enforcement of any right or remedy under this Indenture, or in any suit against the Indenture Trustee for any action taken, suffered or omitted by it as Indenture Trustee, the filing by any party litigant in such suit of an undertaking to pay the costs of such suit, and that such court may in its discretion assess reasonable costs, including reasonable attorneys' fees, against any party litigant in such suit, having due regard to the merits and good faith of the claims or defenses made by such party litigant; but the provisions of this Section shall not apply to (a) any suit instituted by the Indenture Trustee, (b) any suit instituted by any Noteholder, or group of Noteholders, in each case holding in the aggregate more than 10% of the aggregate outstanding principal balance of the Notes on the date of the filing of such action, or (c) any suit instituted by any Noteholder for the enforcement of the payment of principal of or interest on any Note on or after the respective due dates expressed in such Note and in this Indenture (or, in the case of a Decrease, on or after the date of such Decrease).

Section 1.13. Rights and Remedies Cumulative. No right or remedy herein conferred upon or reserved to the Indenture Trustee or to the Secured Parties is intended to be exclusive of any other right or remedy, and every right and remedy shall, to the extent permitted by Law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 1.14. Delay or Omission Not Waiver. No delay or omission of the Indenture Trustee or any Secured Party to exercise any right or remedy accruing upon any Default or Event of Default shall impair any such right or remedy or constitute a waiver of any such Default or Event of Default or an acquiescence therein. Every right and remedy given by this Article 10 or by Law to the Indenture Trustee or to the Secured Parties may be exercised from time to time, and as often as may be deemed expedient, by the Indenture Trustee or by the Secured Parties, as the case may be.

Section 1.15. Control by Noteholders. The Required Noteholders shall have the right to direct the time, method and place of conducting any Proceeding for any remedy available to the Indenture Trustee with respect to the Notes or exercising any trust or power conferred on the Indenture Trustee; provided that:

- (i) such direction shall not be in conflict with any Law or with this Indenture;
- (ii) subject to the express terms of Section 10.4, any direction to the Indenture Trustee to sell or liquidate the Receivables shall be by the Holders of Notes representing not less than 100% of the aggregate outstanding principal balance of all the Notes;
- (iii) the Indenture Trustee shall have been provided with indemnity satisfactory to it; and
- (iv) the Indenture Trustee may take any other action deemed proper by the Indenture Trustee that is not inconsistent with such direction;

provided, however, that, subject to Section 11.1, the Indenture Trustee need not take any action that it determines might involve it in liability or might materially adversely affect the rights of any Noteholders not consenting to such action.

Section 1.16. Waiver of Stay or Extension Laws. The Issuer covenants (to the extent that it may lawfully do so) that it will not at any time insist upon, or plead or in any manner whatsoever, claim or take the benefit or advantage of, any stay or extension Law wherever enacted, now or at any time hereafter in force, that may affect the covenants or the performance of this Indenture; and the Issuer (to the extent that it may lawfully do so) hereby expressly waives all benefit or advantage of any such Law, and covenants that it will not hinder, delay or impede the execution of any power herein granted to the Indenture Trustee, but will suffer and permit the execution of every such power as though no such Law had been enacted.

Section 1.17. Action on Notes. The Indenture Trustee's right to seek and recover judgment on the Notes or under this Indenture shall not be affected by the seeking, obtaining or application of any other relief under or with respect to this Indenture. Neither the Lien of this Indenture nor any rights or remedies of the Indenture Trustee or the Secured Parties shall be impaired by the recovery of any judgment by the Indenture Trustee against the Issuer or by the levy of any execution under such judgment upon any portion of the Trust Estate or upon any of the assets of the Issuer.

Section 1.18. Performance and Enforcement of Certain Obligations.

(a) The Issuer agrees to take all such lawful action as is necessary and desirable to compel or secure the performance and observance by the Seller, the Depositor, the Depositor Receivables Trustee, the Parent and the Servicer, as applicable, of each of their obligations to the Issuer under or in connection with the Transaction Documents in accordance with the terms thereof, and to exercise any and all rights, remedies, powers and privileges lawfully available to the Issuer under or in connection with the Transaction Documents, including the transmission of notices of default on the part of the Seller, the Depositor, the Depositor Receivables Trustee, the Parent or the Servicer thereunder and the institution of legal or administrative actions or Proceedings to compel or secure performance by the Seller, the Depositor, the Depositor Receivables Trustee, the Parent or the Servicer of each of their obligations under the Transaction Documents.

(b) If an Event of Default has occurred and is continuing, the Indenture Trustee may, and, at the direction (which direction shall be in writing) of the Required Noteholders shall, subject to Section 10.2(b), exercise all rights, remedies, powers, privileges and claims of the Issuer against the Seller, the Parent or the Servicer under or in connection with the Transaction Documents, including the right or power to take any action to compel or secure performance or observance by the Seller, the Parent or the Servicer of each of their obligations to the Issuer thereunder and to give any consent, request, notice, direction, approval, extension or waiver under the Transaction Documents, and any right of the Issuer to take such action shall be suspended.

(c) The Issuer may contract with other Persons, including the Administrator, to assist it in performing its duties under this Indenture, and any performance of such duties by the Administrator or another Person identified to the Indenture Trustee in an Officer's Certificate of the Administrator shall satisfy the obligations of the Issuer with respect thereto. Initially, the Issuer has contracted with the Administrator, and the Administrator has agreed, to the extent specified in the Trust Agreement, to assist the Issuer in performing its duties under this Indenture.

Section 1.19. Reassignment of Surplus. Promptly after termination of this Indenture and the payment in full of the Secured Obligations, any proceeds of all the Receivables and other assets in the Trust Estate received or held by the Indenture Trustee shall be turned over to the Issuer and the Receivables and other assets in the Trust Estate

shall be released to the Issuer by the Indenture Trustee without recourse to the Indenture Trustee and without any representations, warranties or agreements of any kind.

ARTICLE 11.

THE INDENTURE TRUSTEE

Section 1.1. Duties of the Indenture Trustee.

(a) If an Event of Default has occurred and is continuing, and of which a Trust Officer of the Indenture Trustee has written notice, the Indenture Trustee shall exercise such of the rights and powers vested in it by this Indenture and any related document, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs; provided, however, that the Indenture Trustee shall have no liability in connection with any action or inaction taken, or not taken, by it upon the deemed occurrence of an Event of Default of which a Trust Officer has not received written notice; and provided, further that the preceding sentence shall not have the effect of insulating the Indenture Trustee from liability arising out of the Indenture Trustee's negligence or willful misconduct.

(b) Except during the occurrence and continuance of an Event of Default of which a Trust Officer of the Indenture Trustee has written notice:

(i) the Indenture Trustee undertakes to perform only those duties that are specifically set forth in this Indenture and no others, and no implied covenants or obligations shall be read into this Indenture or any related document against the Indenture Trustee; and

(ii) in the absence of bad faith on its part, the Indenture Trustee may conclusively rely (without independent confirmation, verification, inquiry or investigation of the contents thereof), as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Indenture Trustee and conforming to the requirements of this Indenture; provided, however, in the case of any such certificates or opinions which by any provision hereof are specifically required to be furnished to the Indenture Trustee, the Indenture Trustee shall examine the certificates and opinions to determine whether or not they conform to the requirements of this Indenture and, if applicable, the Transaction Documents to which the Indenture Trustee is a party, provided, further, that the Indenture Trustee shall not be responsible for the accuracy or content of any of the aforementioned documents and the Indenture Trustee shall have no obligation to verify or recompute any numeral information provided to it pursuant to the Transaction Documents.

(c) No provision of this Indenture shall be construed to relieve the Indenture Trustee from liability for its own negligent action, its own negligent failure to act, or its own willful misconduct except that:

(i) this clause does not limit the effect of clause (b) of this Section 11.1;

(ii) the Indenture Trustee shall not be personally liable for any error of judgment made in good faith by a Trust Officer or Trust Officers of the Indenture Trustee, unless it is conclusively determined by the final judgment of a court of competent jurisdiction, no longer subject to appeal or review that the Indenture Trustee was negligent in ascertaining the pertinent facts;

(iii) the Indenture Trustee shall not be liable with respect to any action it takes or omits to take in good faith in accordance with a direction received by it pursuant to the terms of the Indenture or the Transaction Documents;

(iv) the Indenture Trustee shall not be charged with knowledge of any failure by the Servicer referred to in clauses (a)-(g) of Section 2.04 of the Servicing Agreement unless a Trust Officer of the Indenture Trustee obtains actual knowledge of such failure or the Indenture Trustee receives written notice of such failure from the Servicer or any Holders of Notes evidencing not less than 10% of the aggregate outstanding principal balance of the Notes adversely affected thereby.

(d) Notwithstanding anything to the contrary contained in this Indenture or any of the Transaction Documents, no provision of this Indenture shall require the Indenture Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder or in the exercise of any of its rights and powers, if there is reasonable ground (as determined by the Indenture Trustee in its sole discretion) for believing that the repayment of such funds or adequate indemnity against such risk is not reasonably assured to it by the security afforded to it by the terms of this Indenture.

(e) Every provision of this Indenture relating to the conduct or affecting the liability of or affording protection to the Indenture Trustee shall be subject to the provisions of this Article and to the provisions of the TIA (if this Indenture is required to be qualified under the TIA).

(f) The Indenture Trustee shall, and hereby agrees that it will, perform all of the obligations and duties required of it under the Servicing Agreement.

(g) Without limiting the generality of this Section 11.1 and subject to the other provisions of this Indenture, the Indenture Trustee shall have no duty (i) to see to any recording, filing or depositing of this Indenture or any agreement referred to herein, or to see to the maintenance of any such recording or filing or depositing or to any recording, refiling or redepositing of any thereof or to see to the validity, perfection, continuation, or value of any lien or security interest created herein or under any other Transaction Document, (ii) to see to the payment or discharge of any tax, assessment or other governmental Lien owing with respect to, assessed or levied against any part of the Issuer, (iii) to confirm or verify the contents of any reports or certificates delivered to the Indenture Trustee pursuant to this Indenture or the Servicing Agreement believed by the Indenture Trustee to be genuine and to have been signed or presented by the proper party or parties, (iv) to determine whether any Receivables is an Eligible Receivable or to inspect the Receivables at any time or ascertain or inquire as to the performance or observance of any of the Issuer's, the Seller's, the Parent's or the Servicer's representations, warranties or covenants under the Servicer Transaction Documents, or (v) the acquisition or maintenance of any insurance. The Indenture Trustee shall be authorized to, but shall in no event have any duty or responsibility to, file any financing or continuation statements or record any documents or instruments in any public office at any time or times or otherwise perfect or maintain any security interest in the Trust Estate.

(h) Subject to Section 11.1(d), in the event that the Paying Agent or the Transfer Agent and Registrar (if other than the Indenture Trustee) shall fail to perform any obligation, duty or agreement in the manner or on the day required to be performed by the Paying Agent or the Transfer Agent and Registrar, as the case may be, under this Indenture, the Indenture Trustee shall be obligated as soon as practicable upon written notice to a Trust Officer thereof and receipt of appropriate records and information, if any, to perform such obligation, duty or agreement in the manner so required.

(i) No provision of this Indenture shall be construed to require the Indenture Trustee to perform, or accept any responsibility for the performance of, the obligations of the Servicer hereunder.

(j) Subject to Section 11.4, all moneys received by the Indenture Trustee shall, until used or applied as herein provided, be held in trust for the purposes for which they were received, but need not be segregated from other funds except to the extent required by Law or the Transaction Documents.

(k) Except as otherwise required or permitted by the TIA (if this Indenture is required to be qualified under the TIA), nothing contained herein shall be deemed to authorize the Indenture Trustee to engage in any business operations or any activities other than those set forth in this Indenture. Specifically, the Indenture Trustee shall have no authority to engage in any business operations, acquire any assets other than those specifically included in the Trust Estate under this Indenture or otherwise vary the assets held by the Issuer. Similarly, the Indenture Trustee shall have no discretionary duties other than performing those ministerial acts set forth above necessary to accomplish the purpose of this Indenture.

(l) The Indenture Trustee shall not be required to take notice or be deemed to have notice or knowledge of any Default or Event of Default unless a Trust Officer of the Indenture Trustee shall have received written notice thereof. In the absence of receipt of such notice, the Indenture Trustee may conclusively assume that there is no Default or Event of Default.

(m) [Reserved].

(n) The Indenture Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Issuer, the Servicer and/or a specified percentage of Noteholders under circumstances in which such direction is required or permitted by the terms of this Indenture or other Transaction Document.

(o) The enumeration of any permissive right or power herein or in any other Transaction Document available to the Indenture Trustee shall not be construed to be the imposition of a duty.

(p) The Indenture Trustee shall not be liable for interest on any money received by it except as the Indenture Trustee may separately agree in writing with the Issuer.

(q) Every provision of the Indenture or any related document relating to the conduct or affecting the liability of or affording protection to the Indenture Trustee shall be subject to the provisions of this Article.

(r) The Indenture Trustee shall not be responsible for or have any liability for the collection of any Receivables or the recoverability of any amounts from an Obligor or any other Person owing any amounts as a result of any Receivables, including after any default of any Obligor or any other such Person.

Section 1.2. Rights of the Indenture Trustee. Except as otherwise provided by Section 11.1:

(a) The Indenture Trustee may conclusively rely on and shall be protected in acting upon or refraining from acting upon and in accord with, without any duty to verify the contents or recompute any calculations therein, any document (whether in its original or facsimile form), including the Monthly Servicer Report, the annual Servicer's certificate, the

monthly payment instructions and notification to the Indenture Trustee, the Monthly Statement, any resolution, Officer's Certificate, certificate of auditors or any other certificate, statement, instrument, opinion, report, notice, request, consent, order, appraisal, bond or other paper or document, believed by it to be genuine and to have been signed by or presented by the proper Person. Without limiting the Indenture Trustee's obligations to examine pursuant to Section 11.1(b)(ii), the Indenture Trustee need not investigate any fact or matter stated in the document.

(b) Before the Indenture Trustee acts or refrains from acting, the Indenture Trustee may require an Officer's Certificate or an Opinion of Counsel or consult with counsel of its selection and the Officer's Certificate or the advice of such counsel or any Opinion of Counsel shall be full and complete authorization and protection from liability in respect of any action taken, suffered or omitted by it hereunder in good faith and in reliance thereon.

(c) The Indenture Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys, custodians and nominees and the Indenture Trustee shall not be liable for any misconduct or negligence on the part of, or for the supervision of, any such agent or attorneys, custodian or nominee so long as such agent, custodian or nominee is appointed with due care.

(d) The Indenture Trustee shall not be liable for any action it takes or omits to take in good faith which it believes to be authorized or within its rights or powers conferred upon it by this Indenture; provided, however, that the Indenture Trustee's conduct does not constitute willful misconduct or negligence.

(e) The Indenture Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture, or to institute, conduct or defend any litigation hereunder or in relation hereto, at the request, order or direction of any of the Noteholders, pursuant to the provisions of this Indenture, unless such Noteholders shall have offered to the Indenture Trustee security or indemnity satisfactory to the Indenture Trustee (in its sole discretion) against the costs, expenses (including attorneys' fees and expenses) and liabilities which may be incurred therein or thereby; nothing contained herein shall, however, relieve the Indenture Trustee of the obligations, upon the occurrence of an Event of Default (which has not been cured or waived), to exercise such of the rights and powers vested in it by this Indenture, and to use the same degree of care and skill in their exercise as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs.

(f) The Indenture Trustee shall not be bound to make any investigation into the facts of matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, approval, bond or other paper or document (including, the Monthly Servicer's Report, the annual Servicer's certificate, the monthly payment instructions and notification to the Indenture Trustee or the Monthly Statement), unless requested in writing so to do by the Holders of Notes evidencing not less than 25% of the aggregate outstanding principal balance of the Notes, but the Indenture Trustee may, but is not obligated to, make such further inquiry or investigation into such facts or matters as it may see fit, and, if the Indenture Trustee shall determine to make such further inquiry or investigation, it shall be entitled to examine the books, records and premises of the Issuer, personally or by agent or attorney at the sole cost of the Issuer and shall incur no liability or additional liability of any kind by reason of such inquiry or investigation; provided, however, that if the payment within a reasonable time to the Indenture Trustee of the costs, expenses or liabilities likely to be incurred by it in the making of such investigation is, in the opinion of the Indenture Trustee, not assured to the Indenture Trustee by the security afforded to it by the terms of this Indenture, the Indenture Trustee may require indemnity satisfactory to it against such cost, expense or liability as a condition to so proceeding; the reasonable expense of every such examination shall be paid by

the Person making such request, or, if paid by the Indenture Trustee, shall be reimbursed by the Person making such request.

(g) The Indenture Trustee shall have no liability for the selection of Permitted Investments and shall not be liable for any losses or liquidation penalties in connection with Permitted Investments, unless such losses or liquidation penalties were incurred through the Indenture Trustee's own willful misconduct or negligence. The Indenture Trustee shall have no obligation to invest or reinvest any amounts except as directed by the Issuer (or the Servicer) in accordance with this Indenture. Notwithstanding the foregoing, if the Servicer is removed or replaced, the selected Permitted Investment for investment or reinvestment as provided in this Indenture shall be as in effect on the date of such removal or replacement until new directions are given by the successor Servicer.

(h) The Indenture Trustee shall not be liable for the acts or omissions of any successor to the Indenture Trustee so long as such acts or omissions were not the result of the negligence, bad faith or willful misconduct of the predecessor Indenture Trustee.

(i) The rights, privileges, protections, immunities and benefits given to the Indenture Trustee, including, without limitation, its right to be indemnified, are extended to, and shall be enforceable by, the Indenture Trustee and the entity serving as Indenture Trustee (a) in each of its capacities hereunder and under the Transaction Documents, and to each agent, custodian and other Person employed to act hereunder or thereunder and (b) in each document to which it is a party (in any capacity) whether or not specifically set forth herein or therein; provided that the Securities Intermediary shall comply with Section 5.3.

(j) Except as may be required by Sections 11.1(b)(ii), 11.2(a) and 11.2(f), the Indenture Trustee shall not be required to make any initial or periodic examination of any documents or records related to the Trust Estate for the purpose of establishing the presence or absence of defects, the compliance by the Seller, the Parent or the Servicer with their respective representations and warranties or for any other purpose.

(k) Without limiting the Indenture Trustee's obligation to examine pursuant to Section 11.1(b)(ii), the Indenture Trustee shall not be bound to make any investigation into (i) the performance or observance by the Issuer, any Servicer or any other Person of any of the covenants, agreements or other terms or conditions set forth in this Indenture or in any related document, (ii) the occurrence of any default, or the validity, enforceability, effectiveness or genuineness of this Indenture, any related document or any other agreement, instrument or document, (iii) the creation, perfection or priority of any Lien purported to be created by this Indenture or any related document, (iv) the value or the sufficiency of any collateral or (v) the satisfaction of any condition set forth in this Indenture or any related document, but the Indenture Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit, and, if the Indenture Trustee shall determine to make such further inquiry or investigation, it shall be entitled to examine the books, records and premises of the Issuer or any Servicer, personally or by agent or attorney, and shall incur no liability of any kind by reason of such inquiry or investigation.

(l) In no event shall the Indenture Trustee be responsible or liable for special, indirect, punitive or consequential loss or damage of any kind whatsoever (including, but not limited to, loss of profit), even if the Indenture Trustee has been advised of the likelihood of such loss or damage and regardless of the form of action.

(m) The Indenture Trustee may, from time to time, request that the Issuer and any other applicable party deliver a certificate (upon which the Indenture Trustee may conclusively rely) setting forth the names of individuals and/or titles of officers authorized at

such time to take specified actions pursuant to this Indenture or any related document together with a specimen signature of such authorized officers; provided, however, that from time to time, the Issuer or such other applicable party may, by delivering to the Indenture Trustee a revised certificate, change the information previously provided by it pursuant to the Indenture, but the Indenture Trustee shall be entitled to conclusively rely on the then current certificate until receipt of a superseding certificate.

(n) The right of the Indenture Trustee to perform any discretionary act enumerated in this Indenture or any related document shall not be construed as a duty.

(o) Except for notices, reports and other documents expressly required to be furnished to the Holders by the Indenture Trustee hereunder, the Indenture Trustee shall not have any duty or responsibility to provide any Holder with any other information concerning the Issuer, the servicer or any other parties to any related documents which may come into the possession of the Indenture Trustee or any of its officers, directors, employees, agents, representatives or attorneys-in-fact.

(p) If the Indenture Trustee requests instructions from the Issuer, the Administrator or the Holders with respect to any action or omission in connection with this Indenture, the Indenture Trustee shall be entitled (without incurring any liability therefor) to refrain from taking such action and continue to refrain from acting unless and until the Indenture Trustee shall have received written instructions from the Issuer, the Administrator or the Holders, as applicable, with respect to such request.

(q) In order to comply with laws, rules, regulations and executive orders in effect from time to time applicable to banking institutions, including those relating to the funding of terrorist activities and money laundering ("Applicable Law"), the Indenture Trustee is required to obtain, verify and record certain information relating to individuals and entities which maintain a business relationship with the Indenture Trustee. Accordingly, each of the parties agrees to provide to the Indenture Trustee upon its request from time to time such identifying information and documentation as may be available for such party in order to enable the Indenture Trustee to comply with Applicable Law.

(r) In no event shall the Indenture Trustee be liable for any failure or delay in the performance of its obligations under this Indenture or any related documents because of circumstances beyond the Indenture Trustee's control, including, but not limited to, a failure, termination, or suspension of a clearing house, securities depository, settlement system or central payment system in any applicable part of the world or acts of God, flood, war (whether declared or undeclared), civil or military disturbances or hostilities, nuclear or natural catastrophes, political unrest, explosion, severe weather or accident, earthquake, terrorism, fire, riot, labor disturbances, strikes or work stoppages for any reason, embargo, government action, including any laws, ordinances, regulations or the like (whether domestic, federal, state, county or municipal or foreign) which delay, restrict or prohibit the providing of the services contemplated by this Indenture or any related documents, or the unavailability of communications or computer facilities, the failure of equipment or interruption of communications or computer facilities, or the unavailability of the Federal Reserve Bank wire or telex or other wire or communication facility, or any other causes beyond the Indenture Trustee's control whether or not of the same class or kind as specified above.

(s) The Indenture Trustee shall not be liable for failing to comply with its obligations under this Indenture in so far as the performance of such obligations is dependent upon the timely receipt of instructions and/or other information from any other Person which are not received or not received by the time required.

(t) The Indenture Trustee shall be fully justified in failing or refusing to take any action under this Indenture or any other related document if such action (A) would, in the reasonable opinion of the Indenture Trustee, in good faith (which may be based on the advice or opinion of counsel), be contrary to applicable Law, this Indenture or any other related document, or (B) is not provided for in the Indenture or any other related document.

(u) The Indenture Trustee shall not be required to take any action under this Indenture or any related document if taking such action (A) would subject the Indenture Trustee to a tax in any jurisdiction where it is not then subject to a tax, or (B) would require the Indenture Trustee to qualify to do business in any jurisdiction where it is not then so qualified.

(v) Notwithstanding anything contained in this Indenture or any other Transaction Document to the contrary, the Indenture Trustee shall be under no obligation (i) to monitor, determine or verify the unavailability or cessation of One-Month LIBOR (or other applicable benchmark interest rate), or whether or when there has occurred, or to give notice to any other Person of the occurrence of, any date on which such rate may be required to be transitioned or replaced in accordance with the terms of the Transaction Documents, applicable law or otherwise, (ii) to select, determine or designate any replacement to such rate, or other successor or replacement benchmark index, or whether any conditions to the designation of such a rate have been satisfied, (iii) to select, determine or designate any modifier to any replacement or successor index, or (iv) to determine whether or what any amendments to this Indenture or the other Transaction Documents are necessary or advisable, if any, in connection with any of the foregoing.

(w) The Indenture Trustee shall neither be responsible for, nor chargeable with, knowledge of the terms and conditions of any other agreement, instrument, or document other than this Indenture or any other Transaction Document to which it is a party, whether or not an original or a copy of such agreement has been provided to the Indenture Trustee.

(x) The Indenture Trustee shall have no obligation or duty to determine or otherwise monitor any Person's compliance with the Credit Risk Retention Rules or any other laws, rules or regulations of any other jurisdiction related to risk retention.

Section 1.3. Indenture Trustee Not Liable for Recitals in Notes. The Indenture Trustee assumes no responsibility for the correctness of the recitals contained in this Indenture and in the Notes (other than the signature and authentication of the Indenture Trustee on the Notes). Except as set forth in Section 11.16, the Indenture Trustee makes no representations as to the validity or sufficiency of this Indenture or of the Notes (other than the signature and authentication of the Indenture Trustee on the Notes) or of any asset of the Trust Estate or related document. The Indenture Trustee shall not be accountable for the use or application by the Issuer or the Seller of any of the Notes or of the proceeds of such Notes, or for the use or application of any funds paid to the Seller or to the Issuer in respect of the Trust Estate or deposited in or withdrawn from the Collection Account or the Reserve Account by the Servicer.

Section 1.4. Individual Rights of the Indenture Trustee: Multiple Capacities. The Indenture Trustee in its individual or any other capacity may become the owner or pledgee of Notes and may otherwise deal with the Issuer or an Affiliate of the Issuer with the same rights it would have if it were not Indenture Trustee. Any Paying Agent, Transfer Agent, Certificate Registrar and Registrar, co-registrar or co-paying agent may do the same with like rights. However, the Indenture Trustee must comply with Sections 11.9 and 11.11. It is expressly acknowledged, agreed and consented to that Wilmington Trust, National Association will be acting in the capacities of Indenture Trustee, Paying Agent, Depositary Bank, Certificate Registrar and Securities Intermediary. Wilmington Trust, National

Association may, in such multiple capacities, discharge its separate functions fully, without hindrance or regard to conflict of interest principles, duty of loyalty principles or other breach of fiduciary duties to the extent that any such conflict or breach arises from the performance by Wilmington Trust, National Association of express duties set forth in this Indenture or any other Transaction Documents in any such capacities, all of which defenses, claims or assertions are hereby expressly waived by the Issuer, the Holders and any other Person having rights pursuant hereto or thereto and to disclaim any potential liability. Notwithstanding any provision herein to the contrary, the Certificate Registrar shall be an express third-party beneficiary to this Indenture, entitled to enforce its rights hereunder as if a direct party hereto.

Section 1.5. Notice of Defaults. If a Default, Event of Default or Rapid Amortization Event occurs and is continuing and if a Trust Officer of the Indenture Trustee receives written notice or has actual knowledge thereof, the Indenture Trustee shall promptly provide each Noteholder, to the extent possible by email or facsimile, and, otherwise, by first class mail at their respective addresses appearing in the Note Register.

Section 1.6. Compensation.

(a) To the extent not otherwise paid pursuant to this Indenture, the Issuer covenants and agrees to pay to the Indenture Trustee from time to time, and the Indenture Trustee shall be entitled to receive, such compensation as the Issuer and the Indenture Trustee shall agree in writing from time to time (which compensation shall not be limited by any provision of Law in regard to the compensation of a trustee of an express trust) for all services rendered by it in the execution of the trust hereby created and in the exercise and performance of any of the powers and duties hereunder of the Indenture Trustee, and, the Issuer will pay or reimburse the Indenture Trustee (without reimbursement from the Collection Account or otherwise) all reasonable expenses, disbursements and advances (including legal fees and costs and costs of persons not regularly employed by the Indenture Trustee) incurred or made by the Indenture Trustee in accordance with any of the provisions of this Indenture except any such expense, disbursement or advance as may arise from its own willful misconduct or negligence.

(b) The obligations of the Issuer under this Section 11.6 shall survive the termination of this Indenture and the resignation or removal of the Indenture Trustee.

Section 1.7. Replacement of the Indenture Trustee.

(a) A resignation or removal of the Indenture Trustee and appointment of a successor Indenture Trustee shall become effective only upon the successor Indenture Trustee's acceptance of appointment as provided in this Section 11.7.

(b) The Indenture Trustee may, after giving sixty (60) days' prior written notice to the Issuer and the Servicer, resign at any time and be discharged from the trust hereby created; provided, however, that no such resignation of the Indenture Trustee shall be effective until a successor trustee has assumed the obligations of the Indenture Trustee hereunder. The Issuer may remove the Indenture Trustee by written instrument, in duplicate, one copy of which instrument shall be delivered to the Indenture Trustee so removed and one copy to the successor trustee if:

(i) the Indenture Trustee fails to comply with Section 11.9;

(ii) 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 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;

(iii) the Indenture Trustee consents to the appointment of or taking possession by a receiver, liquidator, assignee, custodian, trustee, conservator 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; or

(iv) the Indenture Trustee becomes incapable of acting.

If the Indenture Trustee resigns or is removed or if a vacancy exists in the office of the Indenture Trustee for any reason, the Issuer shall promptly appoint a successor Indenture Trustee by written instrument, in duplicate, one copy of which instrument shall be delivered to the resigning and one copy to the successor trustee.

(c) If a successor Indenture Trustee does not take office within thirty (30) days after the retiring Indenture Trustee provides written notice of its resignation or is removed, the retiring Indenture Trustee may petition any court of competent jurisdiction for the appointment of a successor trustee.

A successor Indenture Trustee shall deliver a written acceptance of its appointment to the retiring or removed Indenture Trustee and to the Issuer. Thereupon the resignation or removal of the retiring Indenture Trustee shall become effective, and the successor Indenture Trustee, without any further act, deed or conveyance, shall become fully vested with all the rights, powers and duties of the Indenture Trustee under this Indenture. The successor Indenture Trustee shall mail a notice of its succession to Noteholders. The retiring Indenture Trustee shall, at the expense of the Issuer, promptly transfer to the successor Indenture Trustee all property held by it as Indenture Trustee and all documents and statements held by it hereunder; provided, however, that all sums owing to the retiring Indenture Trustee hereunder (and its agents and counsel) have been paid, and the Issuer and the predecessor Indenture Trustee shall execute and deliver such instruments and do such other things as may reasonably be required for fully and certainly vesting and confirming in the successor Indenture Trustee all such rights, powers, duties and obligations. Notwithstanding replacement of the Indenture Trustee pursuant to this Section 11.7, the Issuer's obligations under Sections 11.6 and 11.17 shall continue for the benefit of the retiring Indenture Trustee.

(d) Any resignation or removal of the Indenture Trustee and appointment of a successor Indenture Trustee pursuant to any of the provisions of this Section 11.7 shall not become effective until acceptance of appointment by the successor Indenture Trustee pursuant to this Section 11.7 and payment of all fees and expenses owed to the retiring Indenture Trustee.

(e) No successor Indenture Trustee shall accept appointment as provided in this Section 11.7 unless at the time of such acceptance such successor Indenture Trustee shall be eligible under the provisions of Section 11.9 hereof.

Section 1.8. Successor Indenture Trustee by Merger, etc. Any Person into which the Indenture Trustee may be merged or converted or with which it may be consolidated, or any Person resulting from any merger, conversion or consolidation to which the Indenture Trustee shall be a party, or any Person succeeding to the corporate trust business of the Indenture Trustee, shall be the successor of the Indenture Trustee hereunder, provided such Person shall be eligible under the provisions of Section 11.9 hereof, without

the execution or filing of any paper or any further act on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

In case at the time such successor or successors by merger, conversion or consolidation to the Indenture Trustee shall succeed to the trusts created by this Indenture any of the Notes shall have been authenticated but not delivered, any such successor to the Indenture Trustee may adopt the certificate of authentication of any predecessor Indenture Trustee, and deliver such Notes so authenticated; and in case at that time any of the Notes shall not have been authenticated, any successor to the Indenture Trustee may authenticate such Notes either in the name of any predecessor hereunder or in the name of the successor to the Indenture Trustee; and in all such cases such certificates shall have the full force which it is anywhere in the Notes or in this Indenture provided that the certificate of the Indenture Trustee shall have.

Section 1.9. Eligibility: Disqualification. The Indenture Trustee shall at all times satisfy the requirements of TIA Section 310(a) (if this Indenture is required to be qualified under the TIA).

The Indenture Trustee hereunder shall at all times be organized and doing business under the Laws of the United States of America or any State thereof authorized under such Laws to exercise corporate trust powers, having a long-term unsecured debt rating of at least BBB- (or the equivalent thereof) by a Rating Agency, having, in the case of an entity that is subject to risk-based capital adequacy requirements, risk-based capital of at least \$50,000,000 or, in the case of an entity that is not subject to risk-based capital adequacy requirements, having a combined capital and surplus of at least \$50,000,000 and subject to supervision or examination by federal or state authority. If such corporation publishes reports of condition at least annually, pursuant to Law, then for the purpose of this Section 11.9, the combined capital and surplus of such corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

The Indenture Trustee shall comply with TIA Section 310(b), including the optional provision permitted by the second sentence of TIA Section 310(b)(9) (if this Indenture is required to be qualified under the TIA); provided, however, that there shall be excluded from the operation of TIA Section 310(b)(1) any indenture or indentures under which other securities of the Issuer are outstanding if the requirements for such exclusion set forth in TIA Section 310(b)(1) are met.

In case at any time the Indenture Trustee shall cease to be eligible in accordance with the provisions of this Section 11.9, the Indenture Trustee shall resign immediately in the manner and with the effect specified in Section 11.7.

Section 1.10. Appointment of Co-Indenture Trustee or Separate Indenture Trustee.

(a) Notwithstanding any other provisions of this Indenture, at any time, for the purpose of meeting any legal requirements of any jurisdiction in which any part of the Trust Estate may at the time be located, the Indenture Trustee shall have the power and may execute and deliver all instruments to appoint one or more persons to act as a co-trustee or co-trustees, or separate trustee or separate trustees, of all or any part of the Trust Estate, and to vest in such Person or Persons, in such capacity and for the benefit of the Secured Parties, such title to the Trust Estate, or any part thereof, and, subject to the other provisions of this Section 11.10 such powers, duties, obligations, rights and trusts as the Indenture Trustee may consider necessary or desirable. No co-trustee or separate trustee hereunder shall be required to meet the terms of eligibility as a successor trustee under Section 11.9 and no notice to Noteholders of the appointment of any co-trustee or separate trustee shall be required under Section 11.7. No co-

trustee shall be appointed without the consent of the Issuer unless such appointment is required as a matter of Law or to enable the Indenture Trustee to perform its functions hereunder. The appointment of any co-trustee or separate trustee shall not relieve the Indenture Trustee of any of its obligations hereunder.

(b) Every separate trustee and co-trustee shall, to the extent permitted by Law, be appointed and act subject to the following provisions and conditions:

(i) the Notes shall be authenticated and delivered solely by the Indenture Trustee or an authenticating agent appointed by the Indenture Trustee;

(ii) all rights, powers, duties and obligations conferred or imposed upon the Indenture Trustee shall be conferred or imposed upon and exercised or performed by the Indenture Trustee and such separate trustee or co-trustee jointly (it being understood that such separate trustee or co-trustee is not authorized to act separately without the Indenture Trustee joining in such act), except to the extent that under any Law (whether as Indenture Trustee hereunder or as successor to the Servicer under the Servicing Agreement), the Indenture Trustee shall be incompetent or unqualified to perform, such act or acts, in which event such rights, powers, duties and obligations (including the holding of title to the Trust Estate or any portion thereof in any such jurisdiction) shall be exercised and performed singly by such separate trustee or co-trustee, but solely at the direction of the Indenture Trustee;

(iii) no trustee hereunder shall be personally liable by reason of any act or omission of any other trustees, hereunder, including acts or omissions of predecessor or successor trustees;

(iv) the Indenture Trustee may at any time accept the resignation of or remove any separate trustee or co-trustee; and

(v) the Indenture Trustee shall remain primarily liable for the actions of any co-trustee.

(c) Any notice, request or other writing given to the Indenture Trustee shall be deemed to have been given to each of the then separate trustees and co-trustees, as effectively as if given to each of them. Every instrument appointing any separate trustee or co-trustee shall refer to this Indenture and the conditions of this Article 11. Each separate trustee and co-trustee, upon its acceptance of the trusts conferred, shall be vested with the estates or property specified in its instrument of appointment, either jointly with the Indenture Trustee or separately, as may be provided therein, subject to all the provisions of this Indenture, specifically including every provision of this Indenture relating to the conduct of, affecting the liability of, or affording protection to, the Indenture Trustee. Every such instrument shall be filed with the Indenture Trustee and a copy thereof given to the Servicer.

(d) Any separate trustee or co-trustee may at any time constitute the Indenture Trustee, its agent or attorney-in-fact with full power and authority, to the extent not prohibited by Law, to do any lawful act under or in respect to this Indenture on its behalf and in its name. If any separate trustee or co-trustee shall die, become incapable of acting, resign or be removed, all of its estates, properties, rights, remedies and trusts shall vest in and be exercised by the Indenture Trustee, to the extent permitted by Law, without the appointment of a new or successor Indenture Trustee.

Section 1.11. Preferential Collection of Claims Against the Issuer. The Indenture Trustee shall comply with TIA Section 311(a), excluding any creditor relationship

listed in TIA Section 311(b) (if this Indenture is required to be qualified under the TIA). An Indenture Trustee who has resigned or been removed shall be subject to TIA Section 311(a) to the extent indicated (if this Indenture is required to be qualified under the TIA).

Section 1.12. Taxes. The Indenture Trustee shall not be liable for any liabilities, costs or expenses of the Issuer or the Noteholders arising under any tax Law, including without limitation federal, state, local or foreign income or franchise taxes or any other tax imposed on or measured by income (or any interest or penalty with respect thereto or arising from a failure to comply therewith).

Section 1.13. [Reserved].

Section 1.14. Suits for Enforcement. If an Event of Default shall occur and be continuing, the Indenture Trustee, may (but shall not be obligated to) subject to the provisions of Section 2.01 of the Servicing Agreement, proceed to protect and enforce its rights and the rights of any Secured Party under this Indenture or any other Transaction Document by a Proceeding, whether for the specific performance of any covenant or agreement contained in this Indenture or such other Transaction Document or in aid of the execution of any power granted in this Indenture or such other Transaction Document or for the enforcement of any other legal, equitable or other remedy as the Indenture Trustee, being advised by counsel, shall deem most effectual to protect and enforce any of the rights of the Indenture Trustee or any Secured Party.

Section 1.15. Reports by Indenture Trustee to Holders. The Indenture Trustee shall deliver to each Noteholder such information as may be expressly required by the Code.

Section 1.16. Representations and Warranties of Indenture Trustee. The Indenture Trustee represents and warrants to the Issuer and the Secured Parties that:

(i) the Indenture Trustee is a national banking association with trust powers duly organized, validly existing and in good standing under the Laws of the United States, and is duly authorized and licensed under applicable Law to engage in the business of banking;

(ii) the Indenture Trustee has full power, authority and right to execute, deliver and perform this Indenture and to authenticate the Notes, and has taken all necessary action to authorize the execution, delivery and performance by it of this Indenture and to authenticate the Notes;

(iii) the execution and delivery by the Indenture Trustee of this Indenture and the other Transaction Documents to which it is a party, and the performance by the Indenture Trustee of its duties hereunder and thereunder, have been duly authorized by all necessary proceedings and no further governmental approvals or filings are required for the valid execution and delivery by the Indenture Trustee or the performance by the Indenture Trustee, of this Indenture and such other Transaction Documents;

(iv) the Indenture Trustee has duly executed and delivered this Indenture and each other Transaction Document to which it is a party, and each of this Indenture and each such other Transaction Document constitutes the legal, valid and binding obligation of the Indenture Trustee, enforceable against the Indenture Trustee in accordance with its respective terms, except as (i) such enforceability may be limited by bankruptcy, insolvency, reorganization and similar laws relating to or affecting the enforcement of creditors' rights generally and (ii) the availability of equitable remedies may be limited by equitable principles of general applicability;

(v) without any investigation, the undersigned Responsible Officer of the Indenture Trustee has actual knowledge that the Collateral is subject to the actual or claimed interest of any Person (other than the Issuer and the Indenture Trustee); and

(vi) the Indenture Trustee meets the requirements of eligibility hereunder set forth in Section 11.9.

Section 1.17. The Issuer Indemnification of the Indenture Trustee. 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 this Indenture and any other Transaction Document to which it is a party or any transaction contemplated hereby or 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 herein shall (i) survive the termination of this Indenture and the resignation and removal of the Indenture Trustee, and (ii) apply to the Indenture Trustee (including (a) in its capacity as Agent and (b) Wilmington Trust, National Association, as Securities Intermediary and Depository Bank).

Section 1.18. Indenture Trustee's Application for Instructions from the Issuer. Any application by the Indenture Trustee for written instructions from the Issuer, the Administrator or the Servicer may, at the option of the Indenture Trustee, set forth in writing any action proposed to be taken or omitted by the Indenture Trustee under this Indenture and the date on and/or after which such action shall be taken or such omission shall be effective. Subject to Section 11.1, the Indenture Trustee shall not be liable for any action taken by, or omission of, the Indenture Trustee in accordance with a proposal included in such application on or after the date specified in such application (which date shall not be less than thirty (30) days after the date any Responsible Officer of the Issuer, the Administrator or the Servicer actually receives such application, unless any such officer shall have consented in writing to any earlier date) unless prior to taking any such action (or the effective date in the case of an omission), the Indenture Trustee shall have received written instructions in response to such application specifying the action to be taken or omitted.

Section 1.19. [Reserved].

Section 1.20. Maintenance of Office or Agency. The Indenture Trustee will maintain an office or offices, or agency or agencies, where notices and demands to or upon the Indenture Trustee in respect of the Notes and this Indenture may be served. The Indenture Trustee initially appoints its Corporate Trust Office as its office for such purposes. The Indenture Trustee will give prompt written notice to the Issuer, the Servicer and the Noteholders of any change in the location of the Note Register or any such office or agency.

Section 1.21. Concerning the Rights of the Indenture Trustee. The rights, privileges and immunities afforded to the Indenture Trustee in the performance of its duties under this Indenture shall apply equally to the performance by the Indenture Trustee of its duties under each other Transaction Document to which it is a party.

Section 1.22. Direction to the Indenture Trustee. The Issuer hereby directs the Indenture Trustee to enter into the Transaction Documents.

ARTICLE 12.

DISCHARGE OF INDENTURE

Section 1.1. Satisfaction and Discharge of Indenture. This Indenture shall cease to be of further effect with respect to the Notes except as to (i) rights of Noteholders to receive payments of principal thereof and interest thereon and any other amount due to Noteholders, (ii) Sections 8.1, 11.6, 11.12, 11.17, 12.2, 12.5(b), 15.16 and 15.17, (iii) the rights, obligations under Sections 12.2 and 15.17 and immunities of the Indenture Trustee hereunder (including the rights of the Indenture Trustee under Sections 11.6 and 11.17) and (iv) the rights of Noteholders as beneficiaries hereof with respect to the property deposited with the Indenture Trustee as described below payable to all or any of them, and the Indenture Trustee, on demand of and at the expense of the Issuer, shall execute proper instruments acknowledging satisfaction and discharge of this Indenture with respect to the Notes (and their related Secured Parties), on the Payment Date (the "Indenture Termination Date") on which the Issuer has paid, caused to be paid or irrevocably deposited or caused to be irrevocably deposited in the Collection Account funds sufficient to pay in full all Secured Obligations, and the Issuer has delivered to the Indenture Trustee an Officer's Certificate, an Opinion of Counsel and, if required by the TIA (if this Indenture is required to be qualified under the TIA), an Independent Certificate from a firm of certified public accountants, each meeting the applicable requirements of Section 15.1(a) and each stating that all conditions precedent herein provided for relating to the satisfaction and discharge of this Indenture have been complied with.

After any irrevocable deposit made pursuant to Section 12.1 and satisfaction of the other conditions set forth herein, the Indenture Trustee promptly upon request shall acknowledge in writing the discharge of the Issuer's obligations under this Indenture except for those surviving obligations specified above.

Section 1.2. Application of Issuer Money. All moneys deposited with the Indenture Trustee pursuant to Section 12.1 shall be held in trust and applied by it, in accordance with the provisions of the Notes and this Indenture, to the payment, either directly or through any Paying Agent to the Noteholder of the particular Notes for the payment or redemption of which such moneys have been deposited with the Indenture Trustee, of all sums due and to become due thereon for principal, interest and other amounts; but such moneys need not be segregated from other funds except to the extent required herein or in the other Transaction Documents or required by Law.

The provisions of this Section 12.2 shall survive the expiration or earlier termination of this Indenture.

Section 1.3. Repayment of Moneys Held by Paying Agent. In connection with the satisfaction and discharge of this Indenture with respect to the Notes, all moneys then held by any Paying Agent other than the Indenture Trustee under the provisions of this Indenture with respect to such Notes shall, upon demand of the Issuer, be paid to the Indenture Trustee to be held and applied according to Section 8.1 and thereupon such Paying Agent shall be released from all further liability with respect to such moneys.

Section 1.4. [Reserved].

Section 1.5. Final Payment.

(a) Written notice of any termination, specifying the Payment Date upon which the Noteholders may surrender their Notes for final payment and cancellation, shall be given (subject to at least two (2) Business Days' prior notice from the Issuer to the Indenture Trustee) by the Indenture Trustee to Noteholders mailed not later than five (5) Business Days preceding such final payment specifying (i) the Payment Date (which shall be the Payment Date in the month in which the Facility Termination Date occurs) upon which final payment of such Notes will be made upon presentation and surrender of such Notes at the office or offices therein designated, (ii) the amount of any such final payment and (iii) that the Record Date otherwise applicable to such Payment Date is not applicable, payments being made only upon presentation and surrender of the Notes at the office or offices therein specified. The Issuer's notice to the Indenture Trustee in accordance with the preceding sentence shall be accompanied by an Officer's Certificate of the Administrator setting forth the information specified in Article 6 of this Indenture covering the period during the then current calendar year through the date of such notice and setting forth the date of such final distribution. The Indenture Trustee shall give such notice to the Transfer Agent and the Paying Agent at the time such notice is given to such Noteholders.

(b) Notwithstanding the termination or discharge of the trust of the Indenture pursuant to Section 12.1 or the occurrence of the Facility Termination Date, all funds then on deposit in the Collection Account shall continue to be held in trust for the benefit of the Noteholders and the Paying Agent or the Indenture Trustee shall pay such funds to the Noteholders upon surrender of their Notes. In the event that all of the Noteholders shall not surrender their Notes for cancellation within six (6) months after the date specified in the above-mentioned written notice, the Indenture Trustee shall give second written notice to the remaining Noteholders upon receipt of the appropriate records from the Transfer Agent and Registrar to surrender their Notes for cancellation and receive the final distribution with respect thereto. If within one and one-half years after the second notice all the Notes shall not have been surrendered for cancellation, the Indenture Trustee may take appropriate steps or may appoint an agent to take appropriate steps, to contact the remaining Noteholders concerning surrender of their Notes, and the cost thereof shall be paid out of the funds in the Collection Account held for the benefit of such Noteholders. The Indenture Trustee and the Paying Agent shall pay to the Issuer upon request any monies held by them for the payment of principal or interest which remains unclaimed for two (2) years. After such payment to the Issuer, Noteholders entitled to the money must look to the Issuer for payment as general creditors unless an applicable abandoned property Law designates another Person.

(c) All Notes surrendered for payment of the final distribution with respect to such Notes and cancellation shall be cancelled by the Transfer Agent and Registrar and be disposed of in a manner satisfactory to the Indenture Trustee and the Issuer.

Section 1.6. Termination Rights of Issuer. Upon the termination of the Lien of the Indenture pursuant to Section 12.1, and after payment of all amounts due hereunder on or prior to such termination, the Indenture Trustee shall execute a written release and reconveyance substantially in the form of Exhibit A hereto pursuant to which it shall release the Lien of the Indenture and reconvey to the Issuer (without recourse, representation or warranty) all right, title and interest in the Trust Estate, whether then existing or thereafter created, all moneys due or to become due with respect to such Trust Estate and all proceeds of the Trust Estate, except for amounts held by the Indenture Trustee or any Paying Agent pursuant to Section 12.5(b). The Indenture Trustee shall execute and deliver such instruments of transfer and assignment, in each case without recourse, as shall be reasonably requested by the Issuer or the Servicer to vest in the Issuer all right, title and interest in the Trust Estate.

Section 1.7. Repayment to the Issuer. The Indenture Trustee and the Paying Agent shall promptly pay to the Issuer upon written request any excess money or, pursuant to Sections 2.10 and 2.13, return any Notes held by them at any time.

ARTICLE 13.

AMENDMENTS

Section 1.1. Supplemental Indentures without Consent of the Noteholders. Without the consent of the Holders of any Notes, and, if the Servicer's or the Administrator's or the Calculation Agent's rights and/or obligations are materially and adversely affected thereby, with the consent of the Servicer or the Administrator, or the Calculation Agent, as applicable, the Issuer and the Indenture Trustee, when authorized by an Issuer Order or an Administrator Order, at any time and from time to time, may enter into one or more indenture supplements or amendments hereto (which shall conform to any applicable provisions of the TIA as in force at the date of execution thereof), 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 this Indenture, or better to assure, convey and confirm unto the Indenture Trustee any property subject or required to be subjected to the Lien of this Indenture, or to subject to the Lien of this Indenture additional property;

(b) to evidence the succession, in compliance with the applicable provisions hereof, of another Person to the Issuer, and the assumption by any such successor of the covenants of the Issuer herein and in the Notes;

(c) to add to the covenants of the Issuer for the benefit of any Secured Parties or to surrender any right or power herein conferred upon the Issuer;

(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 this Indenture or as may, consistent with the provisions of this 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 this Indenture which may be inconsistent with any other provision of this Indenture;

(f) to make any other provisions of this Indenture with respect to matters or questions arising under this Indenture; provided, however, that such action shall not adversely affect the interests of any Holder of the Notes in any material respect without consent being provided as set forth in Section 13.2;

(g) to evidence and provide for the acceptance of appointment hereunder by a successor Indenture Trustee with respect to the Notes or to add to or change any of the provisions of this Indenture as shall be necessary and permitted to provide for or facilitate the administration of the trusts hereunder by more than one trustee pursuant to the requirements of Article 11; or

(h) to modify, eliminate or add to the provisions of this Indenture to such extent as shall be necessary to effect the qualification of this Indenture under the TIA or under any similar federal statute hereafter enacted and to add to this Indenture such other provisions as may be expressly required by the TIA.

Upon the request of the Issuer, the Indenture Trustee shall join with the Issuer in the execution of any supplemental indenture or amendment authorized or permitted by the terms of this Indenture and shall make any further appropriate agreements and stipulations that may be therein contained, but the Indenture Trustee shall not be obligated to enter into such supplemental indenture or amendment that affects its own rights, duties or immunities under this Indenture or otherwise.

Section 1.2. Supplemental Indentures with Consent of Noteholders. The Issuer and the Indenture Trustee, when authorized by an Issuer Order or an Administrator Order, also may, with the consent of the Required Noteholders and, if the Servicer's or the Administrator's or the Calculation Agent's rights and/or obligations are materially and adversely affected thereby, the Servicer or the Administrator or the Calculation Agent, as applicable, enter into one or more indenture supplements or amendments hereto for the purpose of adding any provisions to, or changing in any manner or eliminating any of the provisions of, this Indenture or of modifying in any manner the rights of the Holders of the Notes under this Indenture; provided, however, that no such indenture supplement or amendment shall, without the consent of the Required Noteholders and without the consent of the Holder of each outstanding Note affected thereby):

(i) change the date of payment of any installment of principal of or interest on, or any premium payable upon the redemption of, any Note or reduce in any manner the principal amount thereof or the interest rate thereon, modify the provisions of this 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 Notes, or change any place of payment where, or the coin or currency in which, any 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 this Indenture requiring the application of funds available therefor, as provided in Article 9, to the payment of any such amount due on the Notes on or after the respective due dates thereof;

(iv) reduce the percentage of the aggregate outstanding principal amount of the Notes, the consent of the Holders of which is required for any such indenture supplement or amendment, or the consent of the Holders of which is required for any waiver of compliance with any provisions of this Indenture or any defaults hereunder and their consequences provided for in this Indenture;

(v) modify or alter the provisions of this Indenture regarding the voting of 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 Notes, the consent of the Holders of which is required to direct the Indenture Trustee to sell or liquidate the Trust Estate pursuant to Section 10.4 if the proceeds of such sale would be insufficient to pay the principal amount and accrued but unpaid interest on the outstanding Notes;

(vii) modify any provision of this Section 13.2, except to increase any percentage specified herein or to provide that certain additional provisions of this Indenture cannot be modified or waived without the consent of the Holder of each outstanding Note affected thereby;

(viii) modify any of the provisions of this 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 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 Holders of Notes to the benefit of any provisions for the mandatory redemption of the Notes contained in this Indenture; or

(ix) permit the creation of any Lien ranking prior to or on a parity with the Lien of this Indenture with respect to any part of the Trust Estate for the Notes (except for Permitted Encumbrances described in clause (a) of the definition thereof) or, except as otherwise permitted or contemplated in this Indenture, terminate the Lien of this Indenture on any such collateral at any time subject hereto or deprive any Secured Party of the security provided by the Lien of this Indenture;

provided, further, that no amendment will be permitted if it would cause any Noteholder to recognize gain or loss for U.S. federal income tax purposes, unless such Noteholder's consent is obtained as described above.

The Indenture Trustee may, but shall not be obligated to, enter into any such amendment or supplement that affects the Indenture Trustee's rights, duties or immunities under this Indenture or otherwise.

It shall not be necessary for any consent of Noteholders under this Section to approve the particular form of any proposed supplemental indenture, but it shall be sufficient if such consent shall approve the substance thereof.

The manner of obtaining such consents and of evidencing the authorization of the execution thereof by any Noteholders shall be subject to such reasonable requirements as the Indenture Trustee may prescribe.

Promptly after the execution by the Issuer and the Indenture Trustee of any supplemental indenture or amendment to this Indenture pursuant to this Section, the Indenture Trustee shall mail to each Holder of the Notes and the Servicer a copy of such supplemental indenture or amendment. Any failure of the Indenture Trustee to mail such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such supplemental indenture or amendment.

Section 1.3. Execution of Supplemental Indentures. In executing any amendment or supplemental indenture permitted by this Article 13 or the modifications thereby of the trust created by this Indenture, the Indenture Trustee shall be entitled to receive, and subject to Section 11.1, shall be fully protected in relying upon, an Officer's Certificate of the Administrator and an Opinion of Counsel stating that the execution of such amendment or supplemental indenture is authorized, permitted or not prohibited (as the case may be) by this Indenture and all conditions precedent to the execution of such amendment or supplemental indenture have been satisfied. Such Opinion of Counsel may be subject to reasonable qualifications and assumptions of fact. The Indenture Trustee may, but shall not be obligated to, enter into any such amendment or supplemental indenture that affects the Indenture Trustee's own rights, duties, liabilities or immunities under this Indenture or otherwise. No amendment or supplemental indenture may adversely affect the rights,

duties, immunities, protections or indemnification rights of any Agent, the Certificate Registrar, the Depository Bank or the Securities Intermediary without its written consent.

Section 1.4. Effect of Supplemental Indenture. Upon the execution of any amendment or supplemental indenture pursuant to the provisions hereof, this Indenture shall be and be deemed to be modified and amended in accordance therewith with respect to the Notes affected thereby, and the respective rights, limitations of rights, obligations, duties, liabilities and immunities under this Indenture of the Indenture Trustee, the Issuer and the Holders of the Notes shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modifications and amendments, and all the terms and conditions of any such amendment or supplemental indenture shall be and be deemed to be part of the terms and conditions of this Indenture for any and all purposes.

Section 1.5. Conformity With TIA. Every amendment of this Indenture and every supplemental indenture executed pursuant to this Article 13 shall conform to the requirements of the TIA as then in effect so long as this Indenture shall then be required to be qualified under the TIA.

Section 1.6. [Reserved].

Section 1.7. [Reserved].

Section 1.8. Revocation and Effect of Consents. Until an amendment, supplemental indenture or waiver becomes effective, a consent to it by a Holder of a Note is a continuing consent by the Holder and every subsequent Holder of a Note or portion of a Note that evidences the same debt as the consenting Holder's Note, even if notation of the consent is not made on any Note. However, any such Holder or subsequent Holder may revoke the consent as to such Holder's Note or portion of a Note if the Indenture Trustee receives written notice of revocation before the date the amendment, supplemental indenture or waiver becomes effective. An amendment, supplemental indenture or waiver becomes effective in accordance with its terms and thereafter binds every Holder. The Issuer may fix a record date for determining which Holders must consent to such amendment, supplemental indenture or waiver.

Section 1.9. Notation on or Exchange of Notes Following Amendment. The Indenture Trustee may place an appropriate notation about an amendment, supplemental indenture or waiver on any Note thereafter authenticated. If the Issuer shall so determine, new Notes so modified as to conform to any such amendment, supplemental indenture or waiver may be prepared and executed by the Issuer and authenticated and delivered by the Indenture Trustee (upon receipt of an Issuer Order or an Administrator Order) in exchange for outstanding Notes. Failure to make the appropriate notation or issue a new Note shall not affect the validity and effect of such amendment, supplemental indenture or waiver.

Section 1.10. The Indenture Trustee to Sign Amendments, etc. The Indenture Trustee shall sign any amendment or supplemental indenture authorized pursuant to this Article 13 if the amendment or supplemental indenture does not adversely affect in any material respect the rights, duties, liabilities or immunities of the Indenture Trustee. If any amendment or supplemental indenture does have such a materially adverse effect, the Indenture Trustee may, but need not, sign it. In signing such amendment or supplemental indenture, the Indenture Trustee shall be entitled to receive, if requested, an indemnity reasonably satisfactory to it and to receive and, subject to Section 11.1, shall be fully protected in relying upon, an Officer's Certificate of the Administrator and an Opinion of Counsel as conclusive evidence that such amendment or supplemental indenture is authorized, permitted or not prohibited (as the case may be) by this Indenture and that it will be valid and binding upon the Issuer in accordance with its terms and all conditions

precedent to the execution of such amendment or supplemental indenture have been satisfied.

ARTICLE 14.

[RESERVED]

ARTICLE 15.

MISCELLANEOUS

Section 1.1. Compliance Certificates and Opinions, etc.

(a) Upon any application or request by the Issuer to the Indenture Trustee to take any action under any provision of this Indenture, the Issuer shall furnish to the Indenture Trustee if requested thereby (i) an Officer's Certificate stating that all conditions precedent, if any, provided for in this Indenture relating to the proposed action have been complied with, (ii) an Opinion of Counsel (subject to reasonable assumptions and qualifications) stating that in the opinion of such counsel all such conditions precedent, if any, have been complied with and (iii) (if this Indenture is required to be qualified under the TIA) an Independent Certificate from a firm of certified public accountants meeting the applicable requirements of this Section, except that, in the case of any such application or request as to which the furnishing of such documents is specifically required by any provision of this Indenture, no additional certificate or opinion need be furnished.

To the extent that this Indenture is required to be qualified under the TIA, every certificate or opinion with respect to compliance with a condition or covenant provided for in this Indenture shall include:

- (i) a statement that each signatory of such certificate or opinion has read or has caused to be read such covenant or condition and the definitions herein relating thereto;
- (ii) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based;
- (iii) a statement that, in the opinion of each such signatory, such signatory has made such examination or investigation as is necessary to enable such signatory to express an informed opinion as to whether or not such covenant or condition has been complied with; and
- (iv) a statement as to whether, in the opinion of each such signatory such condition or covenant has been complied with.

Section 1.2. Form of Documents Delivered to Indenture Trustee. In any case where several matters are required to be certified by, or covered by an opinion of, any specified Person, it is not necessary that all such matters be certified by, or covered by the opinion of, only one such Person, or that they be so certified or covered by only one document, but one such Person may certify or give an opinion with respect to some matters and one or more other such Persons as to other matters, and any such Person may certify or give an opinion as to such matters in one or several documents.

Any certificate or opinion of a Responsible Officer of the Issuer may be based, insofar as it relates to legal matters, upon a certificate or opinion of, or representations by, counsel, unless such officer knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations with respect to the matters upon which his or her certificate or opinion is based are erroneous. Any such certificate or opinion of a Responsible Officer or Opinion of Counsel may be based, insofar as it relates to factual matters, upon a certificate or opinion of, or representations by, an officer or officers of the Servicer, the Seller, the Administrator or the Issuer, stating that the information with respect to such factual matters is in the possession of or known to the Servicer, the Seller, the Administrator or the Issuer, unless such counsel knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations with respect to such matters are erroneous.

Where any Person is required to make, give or execute two or more applications, requests, consents, certificates, statements, opinions or other instruments under this Indenture, they may, but need not, be consolidated and form one instrument.

Whenever in this Indenture, in connection with any application or certificate or report to the Indenture Trustee, it is provided that the Issuer shall deliver any document as a condition of the granting of such application, or as evidence of the Issuer's compliance with any term hereof, it is intended that the truth and accuracy, at the time of the granting of such application or at the effective date of such certificate or report (as the case may be), of the facts and opinions stated in such document shall in such case be conditions precedent to the right of the Issuer to have such application granted or to the sufficiency of such certificate or report. The foregoing shall not, however, be construed to affect the Indenture Trustee's right to rely upon the truth and accuracy of any statement or opinion contained in any such document as provided in Article 10.

Section 1.3. Acts of Noteholders.

(a) Wherever in this Indenture a provision is made that an action may be taken or a notice, demand or instruction given by Noteholders, such action, notice or instruction may be taken or given by any Noteholder, unless such provision requires a specific percentage of Noteholders. Notwithstanding anything in this Indenture to the contrary, so long as any other Person is a Noteholder, none of the Seller, the Issuer or any Affiliate controlled by Oportun or controlling Oportun shall have any right to vote with respect to any Note.

(b) Any request, demand, authorization, direction, notice, consent, waiver or other action provided by this Indenture to be given or taken by Noteholders may be embodied in and evidenced by one or more instruments of substantially similar tenor signed by such Noteholders in person or by agents duly appointed in writing; and except as herein otherwise expressly provided such action shall become effective when such instrument or instruments are delivered to the Indenture Trustee, and, where it is hereby expressly required, to the Issuer. Such instrument or instruments (and the action embodied therein and evidenced thereby) are herein sometimes referred to as the "Act" of the Noteholders signing such instrument or instruments. Proof of execution of any such instrument or of a writing appointing any such agent shall be sufficient for any purpose of this Indenture and (subject to Section 11.1) conclusive in favor of the Indenture Trustee and the Issuer, if made in the manner provided in this Section.

(c) The fact and date of the execution by any Person of any such instrument or writing may be proved in any customary manner of the Indenture Trustee.

(d) The ownership of Notes shall be proved by the Note Register.

(e) Any request, demand, authorization, direction, notice, consent, waiver or other action by the Holder of any such Notes shall bind such Noteholder and the Holder of every Note and every subsequent Holder of such 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 Note.

Section 1.4. Notices. All demands, notices and communications hereunder shall be in writing and shall be deemed to have been duly given if personally delivered at, sent by facsimile to, sent by courier (overnight or hand-delivered) at or mailed by certified or registered mail, return receipt requested, to (a) in the case of the Issuer, to c/o Wilmington Savings Fund Society, FSB, 500 Delaware Avenue, 11th Floor, Wilmington, Delaware 19801 Attention: Oportun CCW Trust, with a copy to the Administrator, to 2 Circle Star Way, San Carlos, California 94070, Attention: Secretary, (b) in the case of the Servicer, to 2 Circle Star Way, San Carlos, California 94070, Attention: General Counsel and (c) in the case of the Indenture Trustee, to the Corporate Trust Office. Unless expressly provided herein, any notice required or permitted to be mailed to a Noteholder shall be given by first class mail, postage prepaid, at the address of such Noteholder as shown in the Note Register. Any notice so mailed within the time prescribed in this Indenture shall be conclusively presumed to have been duly given, whether or not the Noteholder receives such notice.

The Issuer or the Indenture Trustee by notice to the other may designate additional or different addresses for subsequent notices or communications; provided, however, the Issuer may not at any time designate more than a total of three (3) addresses to which notices must be sent in order to be effective.

Any notice (i) given in person shall be deemed delivered on the date of delivery of such notice, (ii) given by first class mail shall be deemed given five (5) days after the date that such notice is mailed, (iii) delivered by telex or telecopier shall be deemed given on the date of confirmation of the delivery of such notice by e-mail or telephone, and (iv) delivered by overnight air courier shall be deemed delivered one (1) Business Day after the date that such notice is delivered to such overnight courier.

Notwithstanding any provisions of this Indenture to the contrary, the Indenture Trustee shall have no liability based upon or arising from the failure to receive any notice required by or relating to this Indenture or the Notes.

If the Issuer mails a notice or communication to Noteholders, it shall mail a copy to the Indenture Trustee at the same time.

Section 1.5. Notices to Noteholders: Waiver. Where this Indenture provides for notice to Noteholders of any event, such notice shall be sufficiently given if sent in accordance with Section 15.4 hereof. In any case where notice to Noteholders is given by mail, neither the failure to mail such notice nor any defect in any notice so mailed to any particular Noteholder shall affect the sufficiency of such notice with respect to other Noteholders, and any notice that is mailed in the manner herein provided shall conclusively be presumed to have been duly given.

Where this Indenture provides for notice in any manner, such notice may be waived in writing by any Person entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice. Waivers of notice by Noteholders shall be filed with the Indenture Trustee but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such a waiver.

In case, by reason of the suspension of regular mail service, it shall be impractical to mail notice of any event to Noteholders when such notice is required to be given pursuant to any provision of this Indenture, then any manner of giving such notice as shall be satisfactory to the Indenture Trustee shall be deemed to be a sufficient giving of such notice.

Section 1.6. Alternate Payment and Notice Provisions. Notwithstanding any provision of this Indenture or any of the Notes to the contrary, the Indenture Trustee on behalf of the Issuer may enter into any agreement with any Holder of a Note providing for a method of payment, or notice by the Indenture Trustee or any Paying Agent to such Holder, that is different from the methods provided for in this Indenture for such payments or notices, provided that such methods are consented to by the Issuer (which consent shall not be unreasonably withheld). The Indenture Trustee will cause payments to be made and notices to be given in accordance with such agreements.

Section 1.7. Conflict with TIA. If any provision hereof limits, qualifies or conflicts with another provision hereof that is required to be included in this Indenture by any of the provisions of the TIA, such required provision shall control (if this Indenture is required to be qualified under the TIA).

The provisions of TIA Sections 310 through 317 that impose duties on any Person (including the provisions automatically deemed included herein unless expressly excluded by this Indenture) are a part of and govern this Indenture, whether or not physically contained herein (if this Indenture is required to be qualified under the TIA). Notwithstanding the foregoing, and regardless of whether the Indenture is required to be qualified under the TIA, the provisions of Section 316(a)(1) of the TIA shall be excluded from this Indenture.

Section 1.8. Effect of Headings and Table of Contents. The Article and Section headings herein and the Table of Contents and Cross-Reference Table are for convenience of reference only, are not to be considered a part hereof, and shall not affect the meaning or construction hereof.

Section 1.9. Successors and Assigns. All covenants and agreements in this Indenture and the Notes by the Issuer shall bind its successors and assigns, whether so expressed or not. All agreements of the Indenture Trustee in this Indenture shall bind its successors.

Section 1.10. Separability of Provisions. If any one or more of the covenants, agreements, provisions or terms of this Indenture or Notes shall for any reason whatsoever be held invalid, then such covenants, agreements, provisions or terms shall be deemed severable from the remaining covenants, agreements, provisions or terms of this Indenture and shall in no way affect the validity or enforceability of the other provisions of this Indenture or of the Notes or rights of the Holders thereof.

Section 1.11. Benefits of Indenture. Except as set forth in this Indenture, nothing in this Indenture or in the Notes, expressed or implied, shall give to any Person, other than the parties hereto and their successors hereunder and the Secured Parties, any benefit or any legal or equitable right, remedy or claim under the Indenture.

Section 1.12. Legal Holidays. In any case where the date on which any payment is due to any Secured Party shall not be a Business Day, then (notwithstanding any other provision of the Notes or this Indenture) any such payment need not be made on such date, but may be made on the next succeeding Business Day with the same force and effect as if made on the date on which nominally due, and no interest shall accrue for the period from and after any such nominal date.

Section 1.13. GOVERNING LAW; JURISDICTION. THIS INDENTURE AND THE NOTES SHALL BE CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT REFERENCE TO ITS CONFLICT OF LAW PROVISIONS, AND THE OBLIGATIONS, RIGHTS AND REMEDIES OF THE PARTIES HEREUNDER SHALL BE DETERMINED IN ACCORDANCE WITH SUCH LAWS. EACH OF THE PARTIES TO THIS INDENTURE AND EACH SECURED PARTY HEREBY AGREES TO THE NON-EXCLUSIVE JURISDICTION OF THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK AND ANY APPELLATE COURT HAVING JURISDICTION TO REVIEW THE JUDGMENT THEREOF. EACH OF THE PARTIES AND EACH SECURED PARTY HEREBY WAIVES ANY OBJECTION BASED ON FORUM NON CONVENIENS AND ANY OBJECTION TO VENUE OF ANY ACTION INSTITUTED HEREUNDER IN ANY OF THE AFOREMENTIONED COURTS AND CONSENTS TO THE GRANTING OF SUCH LEGAL OR EQUITABLE RELIEF AS IS DEEMED APPROPRIATE BY SUCH COURT.

Section 1.14. Counterparts; Electronic Execution. This Indenture may be executed in any number of counterparts, and by different parties on separate counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same instrument. Each of the parties hereto agrees that the transaction consisting of this Indenture may be conducted by electronic means. Each party agrees, and acknowledges that it is such party's intent, that if such party signs this Indenture using an electronic signature, it is signing, adopting, and accepting this Indenture and that signing this Indenture using an electronic signature is the legal equivalent of having placed its handwritten signature on this Indenture on paper. Each party acknowledges that it is being provided with an electronic or paper copy of this Indenture in a usable format.

Section 1.15. Recording of Indenture. If this Indenture is subject to recording in any appropriate public recording offices, such recording is to be effected by the Issuer and at its expense accompanied by an Opinion of Counsel (which may be counsel to the Indenture Trustee or any other counsel reasonably acceptable to the Indenture Trustee) to the effect that such recording is necessary either for the protection of the Noteholders, the Certificateholders or any other Person secured hereunder or for the enforcement of any right or remedy granted to the Indenture Trustee under this Indenture.

Section 1.16. Issuer Obligation. Neither any trustee nor any Beneficiary of the Issuer nor any of their respective officers, directors, employers or agents will have any liability with respect to this Indenture, and no recourse may be had solely to the assets of the Issuer respect thereto. In addition, no recourse may be taken, directly or indirectly, with respect to the obligations of the Issuer, the Depositor Receivables Trustee for the benefit of the Depositor, the Owner Trustee or the Indenture Trustee on the Notes or under this Indenture or any certificate or other writing delivered in connection herewith or therewith, against (i) any assets of the Issuer other than the Trust Estate, (ii) the Seller, the Servicer, the Administrator, the Depositor Receivables Trustee for the benefit of the Depositor, the Owner Trustee or the Indenture Trustee in their respective individual capacities, (iii) any Beneficiary or (iv) any partner, owner, incorporator, member, manager, beneficiary, beneficial owner, agent, officer, director, employee, shareholder or agent of the Issuer, any Beneficiary, the Seller, the Administrator, the Depositor Receivables Trustee, the Owner Trustee, the Servicer or the Indenture Trustee, except (x) as any such Person may have expressly agreed and (y) nothing in this Section shall relieve the Seller or the Servicer from its own obligations under the terms of any Servicer Transaction Document. Nothing in this Section 15.16 shall be construed to limit the Indenture Trustee from exercising its rights hereunder with respect to the Trust Estate.

Section 1.17. No Bankruptcy Petition Against the Issuer. Each of the Secured Parties and the Indenture Trustee by entering into the Indenture or any Note Purchase Agreement, and in the case of a Noteholder, by accepting a Note, hereby covenants and agrees that, prior to the date which is one year and one day after the payment in full of the latest maturing Note and the termination of the Indenture, it will not institute against, or join with any other Person in instituting against, the Issuer 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 Notes, the Indenture or any of the Transaction Documents. The provisions of this Section 15.17 shall survive the termination of this Indenture, and the resignation or removal of the Indenture Trustee. Nothing contained herein shall preclude participation by any Secured Party or the Indenture Trustee in the assertion or defense of its claims in any such Proceeding involving the Issuer.

Section 1.18. No Joint Venture. Nothing herein contained shall be deemed or construed to create a co-partnership or joint venture between the parties hereto and the services of the Servicer shall be rendered as an independent contractor and not as agent for the Indenture Trustee or the Issuer.

Section 1.19. Rule 144A Information. For so long as any of the Notes are “restricted securities” within the meaning of Rule 144(a)(3) under the Securities Act, the Issuer agrees to reasonably cooperate to provide to any Noteholders and to any prospective purchaser of Notes designated by such Noteholder upon the request of such 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 a reporting company under Section 13 or Section 15(d) of the Exchange Act and the Servicer agrees to reasonably cooperate with the Issuer and the Indenture Trustee in connection with the foregoing.

Section 1.20. No Waiver; Cumulative Remedies. No failure to exercise and no delay in exercising, on the part of the Indenture Trustee or any Secured Party, any right, remedy, power or privilege hereunder, shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided are cumulative and not exhaustive of any rights, remedies, powers and privileges provided by Law.

Section 1.21. Third-Party Beneficiaries. This Indenture will inure to the benefit of and be binding upon the parties hereto, the Secured Parties, and their respective successors and permitted assigns. Except as otherwise provided in this Article 15, no other Person will have any right or obligation hereunder.

Section 1.22. Merger and Integration. Except as specifically stated otherwise herein, this Indenture sets forth the entire understanding of the parties relating to the subject matter hereof, and all prior understandings, written or oral, are superseded by this Indenture.

Section 1.23. Rules by the Indenture Trustee. The Indenture Trustee may make reasonable rules for action by or at a meeting of any Secured Parties.

Section 1.24. Duplicate Originals. The parties may sign any number of copies of this Indenture. One signed copy is enough to prove this Indenture.

Section 1.25. Waiver of Trial by Jury. To the extent permitted by applicable Law, each of the Secured Parties irrevocably waives all right of trial by jury in any action or

Proceeding arising out of or in connection with this Indenture or the Transaction Documents or any matter arising hereunder or thereunder.

Section 1.26. No Impairment. Except for actions expressly authorized by this Indenture, the Indenture Trustee shall take no action reasonably likely to impair the interests of the Issuer in any asset of the Trust Estate now existing or hereafter created or to impair the value of any asset of the Trust Estate now existing or hereafter created.

Section 1.27. Owner Trustee Limitation of Liability. It is expressly understood and agreed by the parties hereto that (i) this Indenture is executed and delivered by Wilmington Savings Fund Society, FSB , not individually or personally but solely as Owner Trustee of the Issuer, in the exercise of the powers and authority conferred and vested in it, (ii) each of the representations, undertakings and agreements herein made on the part of the Issuer is made and intended not as personal representations, undertakings and agreements by the Owner Trustee but made and intended for the purpose of binding only the Issuer, (iii) nothing herein contained shall be construed as creating any liability on the Owner Trustee, individually or personally, to perform any covenants, either expressed or implied, contained herein, all personal liability, if any, being expressly waived by the parties hereto and by any person claiming by, through or under the parties hereto, (iv) the Owner Trustee has made no investigation as to the accuracy or completeness of any representations and warranties made by the Issuer in this Indenture and (v) under no circumstances shall the Owner Trustee be personally liable for the payment of any indebtedness or expenses of the Issuer or be liable for the breach or failure of any obligation, representation, warranty or covenant made or undertaken by the Issuer under this Indenture or any other related document.

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IN WITNESS WHEREOF, the Indenture Trustee, the Issuer, the Securities Intermediary and the Depository Bank have caused this Indenture to be duly executed by their respective duly authorized officers as of the day and year first written above.

OPORTUN CCW TRUST,
as Issuer

By: Wilmington Savings Fund Society, FSB , not in its individual capacity, but solely as Owner Trustee of the Issuer

By: /s/ Devon C. A. Reverdito
Name: Devon C. A. Reverdito
Title: Vice President

WILMINGTON TRUST, NATIONAL ASSOCIATION, not in its individual capacity, but solely as Indenture Trustee

By: /s/ Drew Davis
Name: Drew Davis
Title: Vice President

WILMINGTON TRUST, NATIONAL ASSOCIATION, not in its individual capacity, but solely
as Securities Intermediary

By: /s/ Drew Davis
Name: Drew Davis
Title: Vice President

WILMINGTON TRUST, NATIONAL ASSOCIATION, not in its individual capacity, but solely
as Depository Bank

By: /s/ Drew Davis
Name: Drew Davis
Title: Vice President

LIST OF SUBSIDIARIES OF OPORTUN FINANCIAL CORPORATION

The following is a list of subsidiaries of Oportun Financial Corporation and the state or other jurisdiction in which each was organized. This list does not include dormant subsidiaries or subsidiaries which, considered in the aggregate as a single subsidiary, would not constitute a significant subsidiary within the meaning of Item 601(b)(21)(ii) of Regulation S-K.

Subsidiary	Jurisdiction of Formation
Digit Advisors, LLC	Delaware
Hello Digit, LLC	Delaware
Oportun CCW Depositor, LLC	Delaware
Oportun CCW Trust	Delaware
Oportun Depositor, LLC	Delaware
Oportun Funding V, LLC	Delaware
Oportun Funding XIII, LLC	Delaware
Oportun Funding XIV, LLC	Delaware
Oportun Global Holdings, Inc.	Delaware
Oportun Issuance Trust 2021-B	Delaware
Oportun Issuance Trust 2021-C	Delaware
Oportun PLW Depositor, LLC	Delaware
Oportun PLW Trust	Delaware
Oportun Receivables Holdings, LLC	Delaware
Oportun RF, LLC	Delaware
Oportun, Inc	Delaware
Oportun, LLC	Delaware
OPRT Development Center Private Limited	India
OPTNSVC Mexico, S. de R.L. de C.V.	Mexico
PF Servicing, LLC	Delaware
PF Servicing, S. de R.L. de C.V.	Mexico

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in Registration Statement Nos. 333-233979, 333-236893, 333-253375, and 333-261964 on Form S-8 of our reports dated March 1, 2022, relating to the financial statements of Oportun Financial Corporation and subsidiaries and the effectiveness of Oportun Financial Corporation and subsidiaries' internal control over financial reporting appearing in this Annual Report on Form 10-K for the year ended December 31, 2021.

/s/ DELOITTE & TOUCHE LLP

San Francisco, CA
March 1, 2022

CERTIFICATIONS

I, Raul Vazquez, certify that:

1. I have reviewed this Annual Report on Form 10-K of Oportun Financial Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 1, 2022

/s/ Raul Vazquez

Raul Vazquez

Chief Executive Officer and Director
(Principal Executive Officer)

CERTIFICATIONS

I, Jonathan Coblentz, certify that:

1. I have reviewed this Annual Report on Form 10-K of Oportun Financial Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 1, 2022

/s/ Jonathan Coblentz

Jonathan Coblentz

Chief Financial Officer and Chief Administrative Officer
(Principal Financial and Accounting Officer)

CERTIFICATIONS

Pursuant to the requirement set forth in Rule 13a-14(b) of the Securities Exchange Act of 1934, as amended, (the “Exchange Act”) and Section 1350 of Chapter 63 of Title 18 of the United States Code (18 U.S.C. §1350), Raul Vazquez, Chief Executive Officer of Oportun Financial Corporation (the “Company”), and Jonathan Coblentz, Chief Financial Officer and Chief Administrative Officer of the Company, each hereby certifies that, to the best of his knowledge:

1. The Company’s Annual Report on Form 10-K for the fiscal period ended December 31, 2021, to which this Certification is attached as Exhibit 32.1 (the “Annual Report”), fully complies with the requirements of Section 13(a) or Section 15(d) of the Exchange Act; and
2. The information contained in the Annual Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: March 1, 2022

IN WITNESS WHEREOF, the undersigned have set their hands hereto as of the 1st day of March 2022.

/s/ Raul Vazquez

Raul Vazquez

Chief Executive Officer and Director
(Principal Executive Officer)

/s/ Jonathan Coblentz

Jonathan Coblentz

Chief Financial Officer and Chief Administrative Officer
(Principal Financial and Accounting Officer)

This certification accompanies the Form 10-Q to which it relates, is not deemed filed with the Securities and Exchange Commission and is not to be incorporated by reference into any filing of Oportun Financial Corporation, under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended (whether made before or after the date of the Form 10-Q), irrespective of any general incorporation language contained in such filing.