FORM 10-Q
☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2020

OR
☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission File Number: 001-38506

GreenSky, Inc.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation or organization)

5565 Glenridge Connector, Suite 700,
Atlanta, Georgia
(Address of principal executive offices)

(678) 264-6105
(Registrant’s telephone number, including area code)

82-2135346
(I.R.S. Employer Identification No.)

56,566,421
(Zip Code)

Securities registered pursuant to Section 12(b) of the Act:

<table>
<thead>
<tr>
<th>Title of class</th>
<th>Trading Symbol</th>
<th>Name of exchange on which registered</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class A common stock, $0.01 par value</td>
<td>GSKY</td>
<td>Nasdaq Global Select Market</td>
</tr>
</tbody>
</table>

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 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, a 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 ☒ Accelerated filer ☐ Non-accelerated filer ☐ Smaller reporting company ☐ Emerging growth company ☐

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 is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Indicate the number of shares outstanding of each of the issuer’s classes of common stock, as of the latest practicable date:

<table>
<thead>
<tr>
<th>Class of Common Stock</th>
<th>Outstanding as of July 31, 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class A, $0.01 par value(1)</td>
<td>75,168,848</td>
</tr>
<tr>
<td>Class B, $0.001 par value(2)</td>
<td>107,217,505</td>
</tr>
</tbody>
</table>

(1) Includes 5,015,442 shares of unvested Class A common stock awards.
(2) Includes 854,083 shares of Class B common stock associated with unvested GreenSky Holdings, LLC units.
CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). In addition, our senior management makes forward-looking statements to analysts, investors, the media and others. These forward-looking statements reflect our current views with respect to, among other things, the following: our operations; our financial performance; the Company's ability to retain existing, and attract new, merchants and Bank Partners or other funding partners, including the risk that one or more Bank Partners do not renew or reduce their funding commitments; sales of loan participations or asset-backed securities by the SPV (as defined in Part I, Item 2 “Management's Discussion and Analysis of Financial Condition and Results of Operations”); completion of New Institutional Financings (as defined in Part I, Item 2 “Management's Discussion and Analysis of Financial Condition and Results of Operations”); our funding capacity; the launch and performance of new products; the extent and duration of the COVID-19 pandemic and its impact on the Company, its Bank Partners and merchants, GreenSky program borrowers, loan demand (including, in particular, for elective healthcare procedures), the capital markets, the economy in general and changes in the U.S. economy that could materially impact consumer spending behavior, unemployment and demand for our products; and our ability to mitigate or manage disruptions to our business posed by the pandemic. You generally can identify these statements by the use of words such as "outlook," "potential," "continue," "may," "seek," "approximately," "predict," "believe," "expect," "plan," "intend," "estimate" or "anticipate" and similar expressions or the negative versions of these words or comparable words, as well as future or conditional verbs such as "will," "should," "would," "likely" and "could." These statements may be found under Part I, Item 2 "Management's Discussion and Analysis of Financial Condition and Results of Operations" and elsewhere, and are subject to certain risks and uncertainties that could cause actual results to differ materially from those included in the forward-looking statements. These risks and uncertainties include, but are not limited to, those risks described under Part II, Item 1A "Risk Factors" of this Form 10-Q. The forward-looking statements speak only as of the date on which they are made, and, except to the extent required by federal securities laws, we disclaim any obligation to update any forward-looking statement to reflect events or circumstances after the date on which the statement is made or to reflect the occurrence of unanticipated events. In light of these risks and uncertainties, there is no assurance that the events or results suggested by the forward-looking statements will in fact occur, and you should not place undue reliance on these forward-looking statements.
### Item 1. Unaudited Condensed Consolidated Financial Statements

**GreenSky, Inc.**

**Condensed Consolidated Balance Sheets (Unaudited)**

(United States Dollars in thousands, except share data)

<table>
<thead>
<tr>
<th>Assets</th>
<th>June 30, 2020</th>
<th>December 31, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$147,560</td>
<td>$195,760</td>
</tr>
<tr>
<td>Restricted cash</td>
<td>289,844</td>
<td>250,081</td>
</tr>
<tr>
<td>Loan receivables held for sale, net</td>
<td>410,952</td>
<td>51,926</td>
</tr>
<tr>
<td>Accounts receivable, net of allowance of $218 and $238, respectively</td>
<td>20,066</td>
<td>19,493</td>
</tr>
<tr>
<td>Property, equipment and software, net</td>
<td>21,951</td>
<td>18,309</td>
</tr>
<tr>
<td>Deferred tax assets, net</td>
<td>383,107</td>
<td>364,841</td>
</tr>
<tr>
<td>Other assets</td>
<td>53,334</td>
<td>50,638</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td><strong>$1,326,814</strong></td>
<td><strong>$951,048</strong></td>
</tr>
</tbody>
</table>

| Liabilities and Equity (Deficit) | | |
| Liabilities | | |
| Accounts payable | $13,356 | $11,912 |
| Accrued compensation and benefits | 7,034 | 10,734 |
| Other accrued expenses | 3,947 | 3,244 |
| Finance charge reversal liability | 198,755 | 206,035 |
| Term loan | 453,879 | 384,497 |
| SPV facility | 299,000 | — |
| Tax receivable agreement liability | 317,823 | 311,670 |
| Financial guarantee liability | 163,301 | 16,698 |
| Other liabilities | 66,587 | 61,201 |
| **Total liabilities** | **1,523,682** | **1,005,991** |

**Commitments, Contingencies and Guarantees (Note 14)**

| Equity (Deficit) | | |
| Class A common stock, $0.01 par value and 87,449,331 shares issued and 73,350,234 shares outstanding at June 30, 2020 and 80,089,739 shares issued and 66,424,838 shares outstanding at December 31, 2019 | 873 | 800 |
| Class B common stock, $0.001 par value and 108,994,392 shares issued and outstanding at June 30, 2020 and 113,517,198 shares issued and outstanding at December 31, 2019 | 110 | 114 |
| Additional paid-in capital | 112,700 | 115,782 |
| Retained earnings | 24,512 | 56,109 |
| Treasury stock | (147,005) | (146,234) |
| Accumulated other comprehensive income (loss) | (4,756) | (756) |
| Noncontrolling interests | (183,302) | (80,758) |
| **Total equity (deficit)** | **(196,868)** | **(54,943)** |
| **Total liabilities and equity (deficit)** | **$1,326,814** | **$951,048** |

The accompanying notes are an integral part of these Unaudited Condensed Consolidated Financial Statements.
### GreenSky, Inc.

**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (Unaudited)**

(United States Dollars in thousands, except per share data)

<table>
<thead>
<tr>
<th></th>
<th>Three Months Ended June 30,</th>
<th></th>
<th>Six Months Ended June 30,</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2020</td>
<td>2019</td>
<td>2020</td>
<td>2019</td>
</tr>
<tr>
<td><strong>Revenue</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transaction fees</td>
<td>$101,777</td>
<td>$108,365</td>
<td>$191,661</td>
<td>$192,413</td>
</tr>
<tr>
<td>Servicing</td>
<td>28,481</td>
<td>30,318</td>
<td>59,764</td>
<td>49,951</td>
</tr>
<tr>
<td>Interest and other</td>
<td>2,704</td>
<td>69</td>
<td>3,394</td>
<td>786</td>
</tr>
<tr>
<td><strong>Total revenue</strong></td>
<td>$132,962</td>
<td>$138,752</td>
<td>$254,819</td>
<td>$243,150</td>
</tr>
<tr>
<td><strong>Costs and expenses</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost of revenue (exclusive of depreciation and amortization shown separately below)</td>
<td>64,930</td>
<td>56,228</td>
<td>136,705</td>
<td>114,265</td>
</tr>
<tr>
<td>Compensation and benefits</td>
<td>22,041</td>
<td>20,459</td>
<td>44,475</td>
<td>40,092</td>
</tr>
<tr>
<td>Property, office and technology</td>
<td>4,244</td>
<td>4,512</td>
<td>8,266</td>
<td>8,926</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>2,762</td>
<td>1,695</td>
<td>5,207</td>
<td>3,162</td>
</tr>
<tr>
<td>Sales, general and administrative</td>
<td>8,590</td>
<td>7,302</td>
<td>18,678</td>
<td>14,555</td>
</tr>
<tr>
<td>Financial guarantee</td>
<td>10,248</td>
<td>1,696</td>
<td>28,656</td>
<td>2,918</td>
</tr>
<tr>
<td>Related party</td>
<td>477</td>
<td>589</td>
<td>954</td>
<td>1,125</td>
</tr>
<tr>
<td><strong>Total costs and expenses</strong></td>
<td>113,292</td>
<td>92,481</td>
<td>242,941</td>
<td>185,043</td>
</tr>
<tr>
<td><strong>Operating profit</strong></td>
<td>19,670</td>
<td>46,271</td>
<td>11,878</td>
<td>58,107</td>
</tr>
<tr>
<td><strong>Other income (expense), net</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest and dividend income</td>
<td>246</td>
<td>812</td>
<td>868</td>
<td>1,710</td>
</tr>
<tr>
<td>Interest expense</td>
<td>(5,894)</td>
<td>(6,323)</td>
<td>(11,514)</td>
<td>(12,566)</td>
</tr>
<tr>
<td>Other gains (losses), net</td>
<td>830</td>
<td>(6,033)</td>
<td>1,806</td>
<td>(5,718)</td>
</tr>
<tr>
<td><strong>Total other income (expense), net</strong></td>
<td>(4,818)</td>
<td>(11,544)</td>
<td>(8,840)</td>
<td>(16,574)</td>
</tr>
<tr>
<td><strong>Income before income tax expense (benefit)</strong></td>
<td>14,852</td>
<td>34,727</td>
<td>3,038</td>
<td>41,533</td>
</tr>
<tr>
<td>Income tax expense (benefit)</td>
<td>1,497</td>
<td>(4,466)</td>
<td>602</td>
<td>(5,061)</td>
</tr>
<tr>
<td><strong>Net income</strong></td>
<td>$13,355</td>
<td>$39,193</td>
<td>$2,436</td>
<td>$46,594</td>
</tr>
<tr>
<td>Less: Net income attributable to noncontrolling interests</td>
<td>$9,222</td>
<td>$26,877</td>
<td>1,637</td>
<td>31,379</td>
</tr>
<tr>
<td><strong>Net income attributable to GreenSky, Inc.</strong></td>
<td>$4,133</td>
<td>$12,316</td>
<td>$799</td>
<td>$15,215</td>
</tr>
</tbody>
</table>

**Earnings per share of Class A common stock:**

<table>
<thead>
<tr>
<th></th>
<th>Basic</th>
<th></th>
<th>Diluted</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$0.06</td>
<td>$0.20</td>
<td>$0.01</td>
<td>$0.26</td>
</tr>
<tr>
<td></td>
<td>$0.06</td>
<td>$0.19</td>
<td>$0.01</td>
<td>$0.23</td>
</tr>
</tbody>
</table>

*The accompanying notes are an integral part of these Unaudited Condensed Consolidated Financial Statements.*
GreenSky, Inc.

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS) (Unaudited)
(United States Dollars in thousands)

<table>
<thead>
<tr>
<th></th>
<th>Three Months Ended</th>
<th></th>
<th>Six Months Ended</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>June 30, 2020</td>
<td>2019</td>
<td>June 30, 2020</td>
<td>2019</td>
</tr>
<tr>
<td>Net income</td>
<td>$ 13,355</td>
<td>$ 39,193</td>
<td>$ 2,436</td>
<td>$ 46,594</td>
</tr>
<tr>
<td><strong>Other comprehensive income (loss), net of tax</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net unrealized gains (losses) on interest rate swap arising during the period</td>
<td>(1,720)</td>
<td>(1,949)</td>
<td>(13,544)</td>
<td>(1,949)</td>
</tr>
<tr>
<td>Reclassification of interest rate swap settlements into interest expense (income) during the period</td>
<td>1,037</td>
<td>—</td>
<td>1,135</td>
<td>—</td>
</tr>
<tr>
<td>Other comprehensive income (loss), net of tax</td>
<td>(683)</td>
<td>(1,949)</td>
<td>(12,409)</td>
<td>(1,949)</td>
</tr>
<tr>
<td>Comprehensive income (loss)</td>
<td>12,672</td>
<td>37,244</td>
<td>(9,973)</td>
<td>44,645</td>
</tr>
<tr>
<td>Less: Comprehensive income (loss) attributable to noncontrolling interests</td>
<td>9,001</td>
<td>25,486</td>
<td>(6,772)</td>
<td>29,988</td>
</tr>
<tr>
<td>Comprehensive income (loss) attributable to GreenSky, Inc.</td>
<td>$ 3,671</td>
<td>$ 11,758</td>
<td>$ (3,201)</td>
<td>$ 14,657</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these Unaudited Condensed Consolidated Financial Statements.
GreenSky, Inc.

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (DEFICIT) (Unaudited)
(United States Dollars in thousands, except share data)

| GreenSky, Inc. Stockholders Equity | Class A Shares | Class B Shares | Class A Amount | Class B Amount | Additional Paid-in Capital | Retained Earnings | Treasury Stock | Accumulated Other Comprehensive Income (Loss) | Noncontrolling Interest | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Balance at March 31, 2020 | 66,666,602 | 113,301,368 | $802 | 114 | $116,093 | $20,379 | (146,888) | $4,294 | (159,702) | $213,496 |
| Net income | — | — | — | — | — | — | — | — | — | — | — |
| Issuance of unvested Class A common stock awards | 28,424,224 | — | 28 | — | (28) | — | — | — | — | — | — |
| Issuance of unvested Class B common stock awards | 4,630,976 | (4,630,976) | 43 | (4) | (39) | — | — | — | — | — | — |
| Forfeited share-based compensation awards | (113,357) | — | — | — | — | — | — | — | — | — | — |
| Shares withheld related to net share settlement and other | (32,002) | — | — | — | — | (117) | — | — | (117) | — | — |
| Distributions | — | — | — | — | — | — | — | — | (378) | (378) | — |
| Share-based compensation | — | — | — | — | — | 3,477 | — | — | — | — | 3,477 |
| Equity-based payments to non-employees | — | — | — | — | — | 4 | — | — | — | — | 4 |
| Tax adjustments | — | — | — | — | — | 970 | — | — | — | — | 970 |
| Impact of noncontrolling interest on change in ownership during period | — | — | — | — | — | (7,777) | — | — | — | — | 7,777 |
| Other comprehensive income (loss), net of tax | — | — | — | — | — | — | — | (462) | (221) | (683) | — |

<table>
<thead>
<tr>
<th>GreenSky, Inc. Stockholders Equity</th>
<th>Class A Shares</th>
<th>Class B Shares</th>
<th>Class A Amount</th>
<th>Class B Amount</th>
<th>Additional Paid-in Capital</th>
<th>Retained Earnings</th>
<th>Treasury Stock</th>
<th>Accumulated Other Comprehensive Income (Loss)</th>
<th>Noncontrolling Interest</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at December 31, 2019</td>
<td>66,424,218</td>
<td>113,517,198</td>
<td>$800</td>
<td>114</td>
<td>$115,782</td>
<td>$56,109</td>
<td>(146,234)</td>
<td>(756)</td>
<td>(80,758)</td>
<td>(54,943)</td>
</tr>
<tr>
<td>Net income</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Cumulative effect of accounting change(1)</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>(32,212)</td>
<td>—</td>
<td>—</td>
<td>(75,447)</td>
<td>(107,659)</td>
</tr>
<tr>
<td>Issuance of unvested Class A common stock awards</td>
<td>2,821,735</td>
<td>—</td>
<td>28</td>
<td>—</td>
<td>(28)</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Issuance of unvested Class B common stock awards</td>
<td>15,051</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>4</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Class B common stock exchanges</td>
<td>4,522,806</td>
<td>(4,522,806)</td>
<td>45</td>
<td>(4)</td>
<td>(41)</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Forfeited share-based compensation awards</td>
<td>(295,151)</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Shares withheld related to net share settlement and other</td>
<td>(139,045)</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>(184)</td>
<td>—</td>
<td>—</td>
<td>(31,331)</td>
<td>(31,515)</td>
</tr>
<tr>
<td>Distributions</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>6,972</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Equity-based payments to non-employees</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>8</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Tax adjustments</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>1,086</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Impact of noncontrolling interest on change in ownership during period</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>(11,006)</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Other comprehensive income (loss), net of tax</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>(4,000)</td>
<td>(8,409)</td>
<td>(12,409)</td>
</tr>
</tbody>
</table>

(1) Represents the cumulative effect resulting from our adoption of the Financial Accounting Standards Board Accounting Standards Update 2016-13, Measurement of Credit Losses on Financial Instruments. See Note 1 to the Notes to Unaudited Condensed Consolidated Financial Statements for additional information on our implementation.

The accompanying notes are an integral part of these Unaudited Condensed Consolidated Financial Statements.
GreenSky, Inc.
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (DEFICIT) (Continued) (Unaudited)
(United States Dollars in thousands, except share data)

GreenSky, Inc. Stockholders Equity

<table>
<thead>
<tr>
<th></th>
<th>Class A Shares</th>
<th>Class B Shares</th>
<th>Class A Amount</th>
<th>Class B Amount</th>
<th>Additional Paid-in Capital</th>
<th>Retained Earnings</th>
<th>Treasury Stock</th>
<th>Accumulated Other Comprehensive Income (Loss)</th>
<th>Noncontrolling Interest</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Balance at March 31, 2019</strong></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Net income</td>
<td></td>
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<tr>
<td>Cumulative effect of accounting change(1)</td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Issuance of unvested Class A common stock awards</td>
<td>480,032</td>
<td></td>
<td>5</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Class A common stock option exercises</td>
<td>153,865</td>
<td></td>
<td>2</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Class B common stock exchanges</td>
<td>3,552,029</td>
<td>(3,625,399)</td>
<td>35</td>
<td>(19)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Forfeited share-based compensation awards</td>
<td>(102,426)</td>
<td>(252,735)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Class A common stock repurchases</td>
<td>(4,463,033)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Distributions</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
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<tr>
<td>Share-based compensation</td>
<td></td>
<td></td>
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<tr>
<td>Equity-based payments to non-employees</td>
<td></td>
<td></td>
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<tr>
<td>Tax adjustments</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Impact of noncontrolling interest on change in ownership during period</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other comprehensive income (loss), net of tax</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Balance at June 30, 2019</strong></td>
<td>61,772,014</td>
<td>115,309,728</td>
<td>$ 753</td>
<td>$ 116</td>
<td>$ 118,382</td>
<td>$ 39,163</td>
<td>$ 146,119</td>
<td>$ (558)</td>
<td>$ (108,495)</td>
<td>$ 96,750</td>
</tr>
</tbody>
</table>

(1) Represents an adjustment to the cumulative effect resulting from our adoption of the Financial Accounting Standards Board Accounting Standards Update 2016-02, Leases.

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The accompanying notes are an integral part of these Unaudited Condensed Consolidated Financial Statements.
## Condensed Consolidated Statements of Cash Flows (Unaudited)

(United States Dollars in thousands)

<table>
<thead>
<tr>
<th></th>
<th>Six months ended</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>June 30, 2020</td>
<td>2019</td>
</tr>
<tr>
<td><strong>Cash flows from operating activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net income</td>
<td>$2,436</td>
<td>$46,594</td>
</tr>
<tr>
<td>Adjustments to reconcile net income (loss) to net cash provided by operating activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>5,207</td>
<td>3,162</td>
</tr>
<tr>
<td>Share-based compensation expense</td>
<td>6,972</td>
<td>5,936</td>
</tr>
<tr>
<td>Equity-based payments to non-employees</td>
<td>8</td>
<td>7</td>
</tr>
<tr>
<td>Fair value change in servicing assets and liabilities</td>
<td>(1,738)</td>
<td>(8,635)</td>
</tr>
<tr>
<td>Operating lease liability payments</td>
<td>(305)</td>
<td>(143)</td>
</tr>
<tr>
<td>Financial guarantee losses</td>
<td>28,656</td>
<td>284</td>
</tr>
<tr>
<td>Amortization of debt related costs</td>
<td>968</td>
<td>840</td>
</tr>
<tr>
<td>Original issuance discount on term loan payment</td>
<td>(10)</td>
<td>(21)</td>
</tr>
<tr>
<td>Income tax expense (benefit)</td>
<td>602</td>
<td>(5,061)</td>
</tr>
<tr>
<td>Loss on remeasurement of tax receivable agreement liability</td>
<td>—</td>
<td>6,383</td>
</tr>
<tr>
<td>Impairment losses</td>
<td>174</td>
<td>—</td>
</tr>
<tr>
<td>Mark to market on loan receivables held for sale</td>
<td>10,072</td>
<td>—</td>
</tr>
<tr>
<td>Changes in assets and liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Increase) decrease in loan receivables held for sale</td>
<td>(369,098)</td>
<td>78</td>
</tr>
<tr>
<td>(Increase) decrease in accounts receivable</td>
<td>(573)</td>
<td>(7,375)</td>
</tr>
<tr>
<td>(Increase) decrease in other assets</td>
<td>(3,632)</td>
<td>(828)</td>
</tr>
<tr>
<td>Increase (decrease) in accounts payable</td>
<td>1,444</td>
<td>9,378</td>
</tr>
<tr>
<td>Increase (decrease) in finance charge reversal liability</td>
<td>(7,280)</td>
<td>26,390</td>
</tr>
<tr>
<td>Increase (decrease) in guarantee liability</td>
<td>(63)</td>
<td>—</td>
</tr>
<tr>
<td>Increase (decrease) in other liabilities</td>
<td>(7,682)</td>
<td>12,800</td>
</tr>
<tr>
<td>Net cash provided by (used in) operating activities</td>
<td>(333,842)</td>
<td>89,789</td>
</tr>
<tr>
<td><strong>Cash flows from investing activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchases of property, equipment and software</td>
<td>(8,524)</td>
<td>(7,123)</td>
</tr>
<tr>
<td>Net cash used in investing activities</td>
<td>(8,524)</td>
<td>(7,123)</td>
</tr>
<tr>
<td><strong>Cash flows from financing activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proceeds from term loan</td>
<td>70,494</td>
<td>—</td>
</tr>
<tr>
<td>Repayments of term loan</td>
<td>(2,073)</td>
<td>(1,979)</td>
</tr>
<tr>
<td>Proceeds from SPV facility</td>
<td>299,000</td>
<td>—</td>
</tr>
<tr>
<td>Class A common stock repurchases</td>
<td>—</td>
<td>(104,272)</td>
</tr>
<tr>
<td>Member distributions</td>
<td>(33,419)</td>
<td>(17,757)</td>
</tr>
<tr>
<td>Payments under tax receivable agreement</td>
<td>—</td>
<td>4,664</td>
</tr>
<tr>
<td>Proceeds from option exercises</td>
<td>—</td>
<td>290</td>
</tr>
<tr>
<td>Payment of option exercise taxes</td>
<td>(73)</td>
<td>(1,550)</td>
</tr>
<tr>
<td>Payment of taxes on Class B common stock exchanges</td>
<td>—</td>
<td>(1,805)</td>
</tr>
<tr>
<td>Net cash provided by (used in) financing activities</td>
<td>333,929</td>
<td>(131,737)</td>
</tr>
<tr>
<td>Net increase (decrease) in cash and cash equivalents and restricted cash</td>
<td>(8,437)</td>
<td>(49,071)</td>
</tr>
<tr>
<td>Cash and cash equivalents and restricted cash at beginning of period</td>
<td>445,841</td>
<td>458,499</td>
</tr>
<tr>
<td>Cash and cash equivalents and restricted cash at end of period</td>
<td>$437,404</td>
<td>$409,428</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these Unaudited Condensed Consolidated Financial Statements.
GreenSky, Inc.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Continued) (Unaudited)
(United States Dollars in thousands)

<table>
<thead>
<tr>
<th>Supplemental non-cash investing and financing activities</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Distributions accrued but not paid</td>
<td>4,073</td>
<td>7,105</td>
</tr>
<tr>
<td>Capitalized software costs accrued but not paid</td>
<td>317</td>
<td>—</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these Unaudited Condensed Consolidated Financial Statements.
Note 1. Organization, Summary of Significant Accounting Policies and New Accounting Standards

Organization

Unless the context requires otherwise, "we," "us," "our," "GreenSky" and "the Company" refer to GreenSky, Inc. and its subsidiaries. "Bank Partners" are the federally insured banks that originate loans under the consumer financing and payments program that we administer for use by merchants on behalf of such banks in connection with which we provide point-of-sale financing and payments technology and related marketing, servicing, collection and other services (the "GreenSky program" or "program").

We are a leading technology company Powering Commerce at the Point of Sale®. Our platform is powered by a proprietary technology infrastructure that facilitates merchant sales, while reducing the friction and improving the economics associated with a consumer making a purchase and a lender or financial institution extending financing for that purchase. It supports the full transaction lifecycle, including credit application, underwriting, real-time allocation to our Bank Partners, document distribution, funding, settlement and servicing. Merchants using our platform, which presently range from small, owner-operated home improvement contractors and healthcare providers to large national home improvement brands and retailers and healthcare service organizations, rely on us to facilitate low or deferred interest promotional point-of-sale financing and payments solutions that enable higher sales volume. Consumers on our platform, who to date primarily have super-prime or prime credit scores, find financing with promotional terms to be an attractive alternative to other forms of payment. Our Bank Partners’ access to our proprietary technology solution and merchant network enables them to build a diversified portfolio of high quality consumer loans with attractive risk-adjusted yields with minimal upfront investment.

GreenSky, Inc. was formed as a Delaware corporation on July 12, 2017. The Company was formed for the purpose of completing an initial public offering ("IPO") of its Class A common stock and certain Reorganization Transactions, as further described in the GreenSky, Inc. Form 10-K filed with the U.S. Securities and Exchange Commission ("SEC") on March 2, 2020 (the "2019 Form 10-K"), in order to carry on the business of GreenSky Holdings, LLC ("GS Holdings") and its consolidated subsidiaries. GS Holdings, a holding company with no operating assets or operations, was organized in August 2017. On August 24, 2017, GS Holdings acquired a 100% interest in GreenSky, LLC ("GSLLC"), a Georgia limited liability company, which is an operating entity. Common membership interests of GS Holdings are referred to as "Holdco Units." On May 24, 2018, the Company's Class A common stock commenced trading on the Nasdaq Global Select Market in connection with its IPO.

The IPO and Reorganization Transactions resulted in the Company becoming the sole managing member of GS Holdings. As the sole managing member of GS Holdings, we operate and control all of GS Holdings’ operations and, through GS Holdings and its subsidiaries, conduct GS Holdings’ business. The Company consolidates the financial results of GS Holdings and reports a noncontrolling interest in its Unaudited Condensed Consolidated Financial Statements representing the GS Holdings interests held by the Continuing LLC Members, as such term is defined in the 2019 Form 10-K. The weighted average ownership percentages for the applicable reporting periods are used to attribute net income (loss) and other comprehensive income (loss) to the Company and the noncontrolling interest.

In 2020, we formed GS Investment I, LLC (the "SPV" or "GS Investment"), a special purpose vehicle and indirect wholly-owned subsidiary of the Company, to finance purchases of participation interests in loans ("SPV Participations") originated through the GreenSky program. These purchases are made through a newly created wholly-owned subsidiary, GS Depositor I, LLC ("Depositor") and then transferred to the SPV. Each of the SPV and Depositor is a separate legal entity from the Company and from each other subsidiary of the Company, and the respective assets of the SPV and Depositor are owned by the SPV or Depositor, respectively, and are solely available to satisfy the creditors of the SPV or Depositor, respectively.
Summary of Significant Accounting Policies

Basis of Presentation

The Unaudited Condensed Consolidated Financial Statements were prepared in accordance with the rules and regulations of the SEC for interim financial statements. We condensed or omitted certain notes and other information from the interim financial statements presented in this Quarterly Report on Form 10-Q. Therefore, these interim statements should be read in conjunction with the 2019 Form 10-K. In the opinion of management, the Unaudited Condensed Consolidated Financial Statements reflect all adjustments, which are of a normal recurring nature, necessary for a fair statement of our financial condition and results of operations for the interim periods presented. The condensed consolidated balance sheet as of December 31, 2019, was derived from the audited annual consolidated financial statements, but does not contain all of the footnote disclosures from the annual consolidated financial statements required by United States generally accepted accounting principles ("GAAP"). All intercompany balances and transactions are eliminated upon consolidation. The results for the three and six months ended June 30, 2020 are not necessarily indicative of results expected for the full year.

Consistent with the 2019 Form 10-K, for the three and six months ended June 30, 2020, we created distinct financial statement line items in our Unaudited Condensed Consolidated Financial Statements associated with the contingent component of our financial guarantee as follows: (i) financial guarantee expense in the Unaudited Condensed Consolidated Statements of Operations (previously presented within general and administrative expense); and (ii) financial guarantee losses as an adjustment to reconcile net income (loss) to net cash provided by operating activities in the Unaudited Condensed Consolidated Statements of Cash Flows (previously presented within the change in other liabilities). The classification of the financial guarantee expense for the three and six months ended June 30, 2019 of $1,696 thousand and $2,918 thousand, respectively, and the classification of the financial guarantee losses for the six months ended June 30, 2019 of $284 thousand were changed to conform to the current presentation.

With our formation and use of the SPV, the magnitude of loan receivables held for sale has increased on our Unaudited Condensed Consolidated Balance Sheet. As a result, we have reclassified the presentation of certain items associated with the loan receivables held for sale that were previously presented as non-operating within the Unaudited Condensed Consolidated Statements of Operations; specifically, valuation allowance (inclusive of both credit and market interest rate considerations) for loan receivables held for sale, proceeds from transferring our rights to Charged-Off Receivables attributable to loan receivables held for sale, and interest income for loan receivables held for sale. The classification of such valuation allowance for the three and six months ended June 30, 2019 of $342 thousand and $783 thousand, respectively, and the classification of the proceeds from transferring our rights to Charged-Off Receivables for the three and six months ended June 30, 2019 of $50 thousand and $141 thousand, respectively, were changed from other gains (losses), net to sales, general and administrative expense within the Unaudited Condensed Consolidated Statement of Operations to conform to the current presentation. The classification of such interest income for the three and six months ended June 30, 2019 of $56 thousand and $755 thousand, respectively, was reclassified from interest and dividend income to interest and other revenue within the Unaudited Condensed Consolidated Statement of Operations to conform to the current presentation.

Use of Estimates

The preparation of our financial statements in conformity with GAAP requires that management 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 financial statements and the reported amounts of revenues and expenses during the reporting periods. Such estimates and assumptions include, but are not limited to, those that relate to fair value measurements, financial guarantees, share-based compensation and income taxes. In developing estimates and assumptions, management uses all available information; however, actual results could materially differ from those estimates and assumptions.
Cash and Cash Equivalents and Restricted Cash

Cash Equivalents

We consider all highly liquid investments that mature three months or less from the date of purchase to be cash equivalents. Cash equivalents include money market mutual fund accounts, which are invested in government securities that are either guaranteed by the Federal Deposit Insurance Corporation of the U.S. government ("FDIC") or are secured by U.S. government-issued collateral for which the risk of loss from nonpayment is presumed to be zero. As such, we do not establish an allowance for credit losses on our cash equivalents. Further, the carrying amounts of our cash equivalents approximate their fair values due to their short maturities and highly liquid nature. Refer to "Recently Adopted Accounting Standards" in this Note 1 for discussion of our adoption of the provisions of Accounting Standards Update ("ASU") 2016-13, Measurement of Credit Losses on Financial Instruments ("ASU 2016-13"), effective January 1, 2020 and Note 3 for additional information on our fair value measurement.

The following table provides a reconciliation of cash and cash equivalents and restricted cash reported within the Unaudited Condensed Consolidated Balance Sheets to the total included within the Unaudited Condensed Consolidated Statements of Cash Flows as of the dates indicated.

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$147,560</td>
<td>$209,176</td>
</tr>
<tr>
<td>Restricted cash</td>
<td>289,844</td>
<td>200,252</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents and restricted cash in Unaudited Condensed Consolidated Statements of Cash Flows</strong></td>
<td><strong>$437,404</strong></td>
<td><strong>$409,428</strong></td>
</tr>
</tbody>
</table>

Accounts Receivable

Accounts receivable are recorded at their original invoice amounts, which are reduced by any allowance for uncollectible amounts. Effective January 1, 2020, we adopted the provisions of ASU 2016-13, which requires upfront recognition of lifetime expected credit losses using a current expected credit loss model. In accordance with the standard, we pool our accounts receivable, all of which are short-term in nature and arise from contracts with customers, based on shared risk characteristics to assess their risk of loss, even when that risk is remote. We use the aging method to establish an allowance for expected credit losses on accounts receivable balances and consider whether current conditions or reasonable and supportable forecasts about future conditions warrant an adjustment to our historical loss experience. In applying such adjustments, we primarily consider changes in counterparty credit risk and changes in the underlying macroeconomic environment. Accounts receivable are written off once delinquency exceeds 90 days. Recoveries of previously written off accounts receivable are recognized on a collected basis as a reduction to the provision for credit losses, which is included within sales, general and administrative expense in the Unaudited Condensed Consolidated Statements of Operations. The allowance for uncollectible amounts for periods prior to January 1, 2020 continue to be presented and disclosed under legacy guidance in Accounting Standards Codification ("ASC") 310, Receivables. Refer to "Recently Adopted Accounting Standards" in this Note 1 for discussion of our adoption of the provisions of ASU 2016-13 and Note 5 for additional information on our accounts receivable.

Fair Value of Assets and Liabilities

We have financial assets and liabilities subject to fair value measurement or disclosure on either a recurring or nonrecurring basis. Such measurements or disclosures relate to our cash and cash equivalents, loan receivables held for sale, derivative instruments, servicing assets and liabilities, and term loan.

ASC 820, Fair Value Measurement, defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In valuing this asset or liability, we utilize market data or reasonable assumptions that market participants would use, including assumptions about risk and the risks inherent in the inputs to the valuation technique. The guidance provides a three-level valuation hierarchy for disclosure of fair value measurements based on the transparency of inputs to the
valuation of an asset or a liability as of the measurement date. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels are defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the asset or liability.

Level 3: Unobservable inputs for the asset or liability.

An asset’s or a liability’s categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

We apply the market approach, which uses observable prices and other relevant information that is generated by market transactions involving identical or comparable assets or liabilities, to value our cash and cash equivalents, purchase price discount/premium, loan receivables held for sale and term loan. We apply the income approach, which uses valuation techniques to convert future amounts to a single, discounted present value amount, to value our finance charge reversal (“FCR”) liability and servicing assets and liabilities. We determine the fair value of our interest rate swap by applying a discounted cash flow model based on observable market factors and credit factors specific to us.

Refer to Note 3 for additional fair value disclosures.

**Derivative Instruments**

We are exposed to interest rate risk on our variable-rate term loan, which we manage by entering into an interest rate swap that is determined to be a derivative in accordance with ASC 815, *Derivatives and Hedging*. Derivatives are recorded on the balance sheet at fair value and are marked-to-market on a quarterly basis. The accounting for the change in fair value of derivatives depends on the intended use of the derivative, whether the Company has elected to designate the derivative as a hedge and apply hedge accounting, and whether the hedging relationship continues to satisfy the criteria required to apply hedge accounting.

Derivatives designated and qualifying as a hedge of the exposure to variability in cash flows of a recognized asset or liability that is attributable to a particular risk are considered cash flow hedges. The primary purpose of cash flow hedge accounting is to link the income statement recognition of a hedging instrument and a hedged item whose changes in cash flows are expected to offset each other. The change in the fair value of the derivative instrument designated as a cash flow hedge is initially reported as a component of other comprehensive income (loss) and subsequently reclassified into earnings in the same period when the hedged item affects earnings. The reclassification into earnings is reported in the same income statement line item in which the hedged item is reported.

The FCR component of our Bank Partner contracts, which arrangements are detailed in Note 3, qualifies as an embedded derivative. The FCR liability is not designated as a hedge for accounting purposes and, as such, changes in its fair value are recorded within cost of revenue in the Unaudited Condensed Consolidated Statements of Operations.

The Purchase Price Discount/Premium component of the series of agreements (collectively, the "Facility Bank Partner Agreements") governing the participation sales with Synovus Bank, an existing Bank Partner, which is detailed in Note 3, qualifies as an embedded derivative. The Purchase Price Discount/Premium is not designated as a hedge for accounting purposes and, as such, changes in its fair value are recorded within cost of revenue in the Unaudited Condensed Consolidated Statements of Operations.

Refer to Note 8 for additional derivative disclosures.
Financial Guarantees

Under the terms of the contracts with our Bank Partners, we provide limited protection to the Bank Partners in the event of excess Bank Partner portfolio credit losses by holding cash in restricted, interest-bearing escrow accounts in an amount equal to a contractual percentage of the Bank Partners’ monthly originations and month-end outstanding portfolio balance. Our maximum exposure to Bank Partner portfolio credit losses is contractually limited to the escrow that we establish with each Bank Partner. Cash set aside to meet this requirement is classified as restricted cash in our Unaudited Condensed Consolidated Balance Sheets.

Our contracts with our Bank Partners entitle us to incentive payments when the finance charges billed to borrowers exceed the sum of an agreed-upon portfolio yield, a fixed servicing fee and realized credit losses. This incentive payment varies from month to month, primarily due to the amount of realized credit losses. If credit losses exceed an agreed-upon threshold, we are obligated to make limited payments to our Bank Partners, which obligation represents a financial guarantee in accordance with ASC 460, Guarantees. Under ASC 460, the guarantor undertakes a noncontingent obligation to stand ready to perform over the term of the guarantee and a contingent obligation to make future payments if the triggering events or conditions under the guarantee arrangements occur.

Effective January 1, 2020, we adopted the provisions of ASU 2016-13, which apply only to the contingent aspect of the guarantee arrangement. Under the new standard, we are required to estimate the expected credit losses over the contractual period in which we are exposed to credit risk via a present contractual obligation to extend credit, unless that obligation is unconditionally cancellable by the issuer. As applied to our financial guarantee arrangements, we are required to estimate expected credit losses, and the impact of those estimates on our potential escrow payments, for loans within our Bank Partner portfolios that are either funded or approved for funding at the measurement date, but are precluded from including future loan originations by our Bank Partners. Consistent with the modeling of loan losses for any consumer loan portfolio assumed to go into "run-off," our recognized financial guarantee liability under this model represents a significant portion of the contractual escrow that we establish with each Bank Partner. Typically, additional financial guarantee liabilities are recorded as new Bank Partner loans are facilitated, along with a corresponding non-cash charge recorded as financial guarantee expense in the Unaudited Condensed Consolidated Statements of Operations. Historically, our actual cash payments required under the financial guarantee arrangements have been immaterial for our ongoing Bank Partners.

As the terms of our guarantee arrangements are determined contractually with each Bank Partner, we measure our contingent obligation separately for each Bank Partner using a discounted cash flow method based on estimates of the outstanding loan attributes of the Bank Partner's loan servicing portfolio and our expectations of forecasted information, including macroeconomic conditions, over the period which our financial guarantee is expected to be used in a "run-off" scenario. We use our historical experience as a basis for estimating escrow usage and adjust for current conditions or forecasts of future conditions if they are determined to vary from our historical experience. Refer to "Recently Adopted Accounting Standards” in this Note 1 for discussion of our adoption of the provisions of ASU 2016-13 and Note 14 for additional information on our financial guarantees.

For periods prior to January 1, 2020, the contingent aspect of the financial guarantee continues to be presented and disclosed in accordance with legacy guidance in ASC 450, Contingencies. Under this guidance, the contingent aspect of the financial guarantee represented the amount of payments to Bank Partners from the escrow accounts that we expected to be probable of occurring based on Bank Partner portfolio composition and our near-term expectation of credit losses. In estimating the obligation, we considered a variety of factors, including
historical experience, management’s expectations of current customer delinquencies converting into Bank Partner portfolio credit losses and recent events and circumstances.

**Revenue Recognition**

**Disaggregated revenue**

Revenue disaggregated by type of service was as follows for the periods presented:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Merchant fees</td>
<td>$93,707</td>
<td>$96,127</td>
<td>$175,122</td>
<td>$170,221</td>
</tr>
<tr>
<td>Interchange fees</td>
<td>8,070</td>
<td>12,238</td>
<td>16,539</td>
<td>22,192</td>
</tr>
<tr>
<td>Transaction fees</td>
<td>101,777</td>
<td>108,365</td>
<td>191,661</td>
<td>192,413</td>
</tr>
<tr>
<td>Servicing fees(1)</td>
<td>28,481</td>
<td>30,318</td>
<td>59,764</td>
<td>49,951</td>
</tr>
<tr>
<td>Interest income(2)</td>
<td>2,702</td>
<td>57</td>
<td>3,389</td>
<td>755</td>
</tr>
<tr>
<td>Other(3)</td>
<td>2</td>
<td>12</td>
<td>5</td>
<td>31</td>
</tr>
<tr>
<td><strong>Interest and other</strong></td>
<td>2,704</td>
<td>69</td>
<td>3,394</td>
<td>786</td>
</tr>
<tr>
<td><strong>Total revenue</strong></td>
<td><strong>$132,962</strong></td>
<td><strong>$138,752</strong></td>
<td><strong>$254,819</strong></td>
<td><strong>$243,150</strong></td>
</tr>
</tbody>
</table>

(1) For the three months ended June 30, 2020, includes a $1,048 thousand decrease in fair value of our servicing asset primarily due to the sale of participations in loans from an existing Bank Partner to the SPV. For the six months ended June 30, 2020, includes a $741 thousand increase in fair value of our servicing asset primarily associated with the growth in Bank Partner loan servicing portfolios. For the three and six months ended June 30, 2019, includes a $8,966 thousand change in fair value of our servicing assets. Refer to Note 3 for additional information.

(2) Includes interest income received on loan receivables held for sale.

(3) Other revenue includes miscellaneous revenue items that are individually immaterial. Other revenue is presented separately herein in order to clearly present merchant, interchange fees, servicing fees, and interest income which are more integral to our primary operations and better enable financial statement users to calculate metrics such as servicing and merchant fee yields.

We have no remaining performance obligations as of June 30, 2020. No assets were recognized from the costs to obtain or fulfill a contract with a customer as of June 30, 2020 and December 31, 2019. Volume-based price concessions to merchants and Sponsors that were netted against the gross transaction price were $3,002 thousand and $3,198 thousand for the three months ended June 30, 2020 and 2019, respectively, and $8,031 thousand and $9,106 thousand for the six months ended June 30, 2020 and 2019, respectively. “Sponsors” refers to manufacturers, their captive and franchised showroom operations, and trade associations with which we partner to onboard merchants. We recognized credit losses arising from our contracts with customers of $201 thousand and $387 thousand during the three months ended June 30, 2020 and 2019, respectively, and $378 thousand and $596 thousand during the six months ended June 30, 2020 and 2019, respectively, which is recorded within sales, general and administrative expense in our Unaudited Condensed Consolidated Statements of Operations.

**Recently Adopted Accounting Standards**

**Measurement of credit losses on financial instruments**

In June 2016, the FASB issued ASU 2016-13, which requires upfront recognition of lifetime expected credit losses on certain financial instruments (or groups of financial instruments) using a current expected credit loss (“CECL”) model. The standard is intended to better align the recognition of credit losses on financial instruments with management’s expectations of the net amount of principal balance expected to be collected on such financial instruments. Under CECL, management must determine expected credit losses for certain financial instruments held at the reporting date based on relevant information about past events, including historical experience, current conditions and reasonable and supportable forecasts. We adopted the standard as of January 1, 2020. Comparative periods continue to be presented and disclosed in accordance with applicable legacy guidance.
Our primary financial instruments in the scope of CECL include cash equivalents, accounts receivable and off-balance sheet credit exposures under our financial guarantee arrangements with our Bank Partners, each of which is discussed in further detail below (as it relates to our implementation of the new standard) and within the respective sub-headings under "Summary of Significant Accounting Policies" in this Note 1.

**Cash Equivalents**

As our cash equivalents are invested in government securities that are either guaranteed by the FDIC or are secured by U.S. government-issued collateral, the risk of loss from nonpayment is presumed to be zero. As such, we did not establish an allowance for credit losses on our cash equivalents upon our adoption of the standard.

**Accounts Receivable**

We pool our accounts receivable, all of which are short-term in nature and arise from contracts with customers, based on shared risk characteristics to assess their risk of loss, even when that risk is remote. Historically, the majority of our accounts receivable did not have write-offs. For accounts receivables for which we historically experienced losses, we used an aging method and the average 12-month historical loss rate as a basis for estimating credit losses on the current accounts receivable balance. In the absence of relevant historical loss experience for the other pools of accounts receivables, we also used this average 12-month loss rate to inform our estimate of credit losses on those balances. For each pool of accounts receivable, we considered the conditions at the adoption date, such as the manner in which we collect funds, our counterparty credit risk and the underlying macroeconomic environment, and determined that the current conditions were comparable to our historical conditions. Further, given that we establish an allowance for all delinquent accounts receivable (typically deemed to be 31 days or more past due), providing for a maximum 30-day term of our accounts receivable balances, we determined that the forecasts about future conditions were also comparable to our historical conditions. As such, we did not adjust our historical loss rates at the adoption date and we continue to establish an allowance for a portion of current accounts receivable and all delinquent accounts receivable.

Based on this methodology, we determined that the allowance for uncollectible accounts measured under the new standard at the adoption date for our pools of accounts receivable for which no history of losses existed was immaterial to our consolidated financial statements. Additionally, we determined that there was no impact from our adoption of the standard on the allowance for uncollectible accounts for our accounts receivable for which we historically experienced losses. Therefore, our adoption of the standard on January 1, 2020 did not have any impact on our consolidated financial statements. Refer to Note 5 for additional information on our accounts receivable.

**Financial Guarantees**

We are required to estimate expected credit losses, and the impact of those estimates on our potential escrow payments, for loans within our Bank Partner portfolios that are either funded or approved for funding at the measurement date, but are precluded from including future loan originations by our Bank Partners. We used a discounted cash flow method to estimate our expected risk of loss under the contingent aspect of our financial guarantees for each Bank Partner. In determining this measure, we forecasted each Bank Partner's loan portfolio composition in a "run-off" scenario, which is primarily impacted by assumptions around prepayments and loan pay downs. Our prepayment and loan pay down assumptions were derived from historical behavior curves for each loan plan and were applied to each Bank Partner's portfolio based on its composition of loans and where such loans were in their economic life cycle. The loan portfolio composition additionally informs our forecasts of the components that determine our incentive payments or, alternatively, escrow usage. Further, we use lifetime historical credit loss experience for each loan plan as a basis for estimating future credit losses. While there have subsequently been significant changes in macroeconomic conditions, as of our January 1, 2020 adoption date, we determined that the macroeconomic conditions representing the largest potential indicators of changes in credit losses, particularly the unemployment rate, were comparable to our historical conditions. Further, as our forecast period for escrow usage in a "run-off" scenario is typically relatively short-term in nature, we determined that the forecasts about future conditions were also comparable to our historical conditions. As such, we did not adjust our historical credit loss rates at the adoption date for our financial guarantee arrangements.
As a result of adopting this standard, we recorded an additional financial guarantee liability of $118.0 million and a corresponding cumulative-effect adjustment to equity at the adoption date, including $32.2 million to retained earnings, net of the impact of a $10.4 million increase in deferred tax assets, and $75.4 million to noncontrolling interest. Our recognized financial guarantee liability subsequent to our adoption of the new standard of $134.7 million represented a significant portion of our $150.4 million contractual escrow that was included in our restricted cash balance as of December 31, 2019. Historically, our actual cash payments required under the financial guarantee arrangements have been immaterial for our ongoing Bank Partners. Refer to Note 14 for additional information on our financial guarantees.

Customer’s accounting for implementation costs incurred in a cloud computing arrangement that is a service contract

In August 2018, the FASB issued ASU 2018-15, which aligns the requirements for capitalizing implementation costs incurred in a hosting arrangement that is a service contract with the requirements for capitalizing implementation costs incurred to develop or obtain internal-use software (and hosting arrangements that include an internal-use software license). Accordingly, costs for implementation activities in the application development stage are capitalized depending on the nature of the costs, while costs incurred during the preliminary project and post-implementation stages are expensed as the activities are performed. This standard also requires entities to amortize the capitalized implementation costs of a hosting arrangement that is a service contract over the term of the hosting arrangement and to apply the existing impairment guidance in ASC 350-40, Internal-Use Software, to the capitalized implementation costs as if the costs were long-lived assets. The standard clarifies that such capitalized implementation costs are also subject to the guidance on abandonment in ASC 360, Property, Plant, and Equipment.

In addition, this standard requires alignment in presentation between: (i) the expense related to the capitalized implementation costs and the fees associated with the hosting element (service) of the arrangement on the statement of operations, (ii) the capitalized implementation costs and any prepayment for the fees of the associated hosting arrangement on the balance sheet, and (iii) the payments for capitalized implementation costs and the payments made for fees associated with the hosting element in the statement of cash flows. We elected to apply the standard prospectively to implementation costs incurred after the date of adoption. Therefore, our adoption of this standard on January 1, 2020 did not have any impact on our Unaudited Condensed Consolidated Financial Statements.

Accounting Standards Issued, But Not Yet Adopted

Facilitation of the Effects of Reference Rate Reform on Financial Reporting

In March 2020, the FASB issued ASU 2020-04, which provides optional expedients and exceptions for applying GAAP to contracts, hedging relationships and other transactions that reference the London Interbank Offered Rate ("LIBOR") or another reference rate expected to be discontinued because of reference rate reform, if certain criteria are met. The standard applies to contract modifications that replace a reference rate affected by reference rate reform and contemporaneous modifications of other contract terms related to the replacement of the reference rate. Further, the standard provides exceptions to certain guidance in ASC 815, Derivatives and Hedging, related to changes to the critical terms of a hedging relationship due to reference rate reform and provides optional expedients for fair value, cash flow and net investment hedging relationships for which the component excluded from the assessment of hedge effectiveness is affected by reference rate reform. The standard is effective for us as of March 12, 2020 through December 31, 2022, and we may elect to apply the provisions of the standard as of any date from the beginning of an interim period that includes or is subsequent to March 12, 2020 up to the date that the financial statements are available to be issued. Once elected, the provisions of the standard must be applied prospectively for all similar eligible contract modifications. We are currently identifying arrangements referenced to rates that are expected to be discontinued and are evaluating our options for modifying such arrangements in accordance with the standard.
Simplifying the Accounting for Income Taxes

In December 2019, the FASB issued ASU 2019-12, which modifies ASC 740, Income Taxes, to simplify the accounting for income taxes by removing certain exceptions associated with (i) intraperiod tax allocations, (ii) recognition of deferred tax liability for equity method investments of foreign subsidiaries, and (iii) the calculation of income taxes in an interim period when in a loss position. Additionally, the standard simplifies accounting for (i) income taxes associated with franchise taxes, (ii) tax basis of goodwill in a business combination, (iii) the allocation of tax expense to a legal entity that is not subject to tax in standalone financial statements, (iv) enacted changes in tax laws, and (v) income taxes related to employee stock ownership plans and investments in qualified affordable housing projects accounted for under the equity method. The standard is effective for us on January 1, 2021. We are currently evaluating the potential impact of adopting this standard.

Note 2. Earnings per Share

Basic earnings per share of Class A common stock is computed by dividing net income attributable to GreenSky, Inc. by the weighted average number of shares of Class A common stock outstanding during the period. Diluted earnings per share of Class A common stock is computed by dividing net income attributable to GreenSky, Inc., adjusted for the assumed exchange of all potentially dilutive Holdco Units for Class A common stock, by the weighted average number of shares of Class A common stock outstanding adjusted to give effect to potentially dilutive elements.
The following table sets forth reconciliations of the numerators and denominators used to compute basic and diluted earnings per share of Class A common stock for the periods indicated.

<table>
<thead>
<tr>
<th></th>
<th>Three Months Ended June 30,</th>
<th></th>
<th>Six Months Ended June 30,</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2020</td>
<td>2019</td>
<td>2020</td>
<td>2019</td>
</tr>
<tr>
<td><strong>Numerator:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Income before income tax expense (benefit)</td>
<td>$14,852</td>
<td>$34,727</td>
<td>$3,038</td>
<td>$41,533</td>
</tr>
<tr>
<td>Less: Net income attributable to noncontrolling interests</td>
<td>9,222</td>
<td>26,877</td>
<td>1,637</td>
<td>31,379</td>
</tr>
<tr>
<td>Less: Income tax expense (benefit)</td>
<td>$1,497</td>
<td>(4,466)</td>
<td>602</td>
<td>(5,061)</td>
</tr>
<tr>
<td>Net income attributable to GreenSky, Inc. – basic</td>
<td>$4,133</td>
<td>$12,316</td>
<td>$799</td>
<td>$15,215</td>
</tr>
<tr>
<td>Add: Reallocation of net income attributable to noncontrolling interests from the assumed exchange of Holdco Units for Class A common stock</td>
<td>9,222</td>
<td>26,877</td>
<td>1,637</td>
<td>31,379</td>
</tr>
<tr>
<td>Less: Income tax expense on reallocation of net income attributable to noncontrolling interests</td>
<td>2,160</td>
<td>5,928</td>
<td>578</td>
<td>4,561</td>
</tr>
<tr>
<td>Net income attributable to GreenSky, Inc. – diluted</td>
<td>$11,195</td>
<td>$33,265</td>
<td>$1,858</td>
<td>$42,033</td>
</tr>
<tr>
<td><strong>Denominator:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Weighted average shares of Class A common stock outstanding – basic</td>
<td>65,150,317</td>
<td>61,081,834</td>
<td>64,400,507</td>
<td>59,523,049</td>
</tr>
<tr>
<td>Add: Dilutive effects, as shown separately below</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Holdco Units exchangeable for Class A common stock</td>
<td>111,429,933</td>
<td>115,939,261</td>
<td>112,075,383</td>
<td>119,405,831</td>
</tr>
<tr>
<td>Class A common stock options</td>
<td>341,485</td>
<td>2,435,080</td>
<td>404,874</td>
<td>2,677,026</td>
</tr>
<tr>
<td>Holdco warrants exchangeable for Class A common stock</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>164,016</td>
</tr>
<tr>
<td>Unvested Class A common stock</td>
<td>263,970</td>
<td>375,402</td>
<td>164,016</td>
<td>164,016</td>
</tr>
<tr>
<td>Weighted average shares of Class A common stock outstanding – diluted</td>
<td>177,185,705</td>
<td>179,899,921</td>
<td>177,256,166</td>
<td>181,955,293</td>
</tr>
<tr>
<td>Earnings per share of Class A common stock outstanding – basic</td>
<td>$0.06</td>
<td>$0.20</td>
<td>$0.01</td>
<td>$0.26</td>
</tr>
<tr>
<td>Earnings per share of Class A common stock outstanding – diluted</td>
<td>$0.06</td>
<td>$0.19</td>
<td>$0.01</td>
<td>$0.23</td>
</tr>
</tbody>
</table>

**Excluded from diluted earnings per share, as their inclusion would have been anti-dilutive:**

- **Holdco Units**: 580,429
- **Class A common stock options**: 4,202,378
- **Class A common stock awards**: 2,330,863

(1) We assumed effective tax rates of 24.6% and 4.2% for the three months ended June 30, 2020 and 2019, respectively, and 38.8% and (1.2)% for the six months ended June 30, 2020 and 2019, respectively, which represents the effective tax rates on the consolidated GreenSky, Inc. entity inclusive of the income taxes on the portion of GS Holdings’ earnings that are attributable to noncontrolling interests.

(2) Includes both unvested Class A common stock issued as part of the Reorganization Transactions and unvested Class A common stock awards issued subsequent to the Reorganization Transactions.

(3) These amounts represent the number of instruments outstanding at the end of the period. Application of the treasury stock method would reduce these amounts if they had a dilutive effect and were included in the computation of diluted earnings per share.

Shares of the Company’s Class B common stock do not participate in the earnings or losses of the Company and, therefore, are not participating securities. As such, separate presentation of basic and diluted earnings (loss) per share of Class B common stock under the two-class method has not been included.
## Note 3. Fair Value of Assets and Liabilities

The following table summarizes, by level within the fair value hierarchy, the carrying amounts and estimated fair values of our assets and liabilities measured at fair value on a recurring or nonrecurring basis or disclosed, but not carried, at fair value in the Unaudited Condensed Consolidated Balance Sheets as of the dates presented. There were no transfers into, out of, or between levels within the fair value hierarchy during any of the periods presented. Refer to Note 4, Note 7, Note 8 and Note 9 for additional information on these assets and liabilities.

<table>
<thead>
<tr>
<th></th>
<th>Level</th>
<th>June 30, 2020</th>
<th></th>
<th>December 31, 2019</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Carrying Value</td>
<td>Fair Value</td>
<td>Carrying Value</td>
<td>Fair Value</td>
</tr>
<tr>
<td>Cash and cash equivalents&lt;sup&gt;(1)&lt;/sup&gt;</td>
<td>1</td>
<td>$147,560</td>
<td>$147,560</td>
<td>$195,760</td>
<td>$195,760</td>
</tr>
<tr>
<td>Loan receivables held for sale, net&lt;sup&gt;(2)&lt;/sup&gt;</td>
<td>2</td>
<td>410,952</td>
<td>414,040</td>
<td>51,926</td>
<td>55,958</td>
</tr>
<tr>
<td>Servicing assets&lt;sup&gt;(3)&lt;/sup&gt;</td>
<td>3</td>
<td>31,200</td>
<td>31,200</td>
<td>30,459</td>
<td>30,459</td>
</tr>
<tr>
<td>Finance charge reversal liability&lt;sup&gt;(3)&lt;/sup&gt;</td>
<td>3</td>
<td>$198,755</td>
<td>$198,755</td>
<td>$206,035</td>
<td>$206,035</td>
</tr>
<tr>
<td>Term loan&lt;sup&gt;(1)&lt;/sup&gt;</td>
<td>1</td>
<td>453,879</td>
<td>446,800</td>
<td>384,497</td>
<td>392,201</td>
</tr>
<tr>
<td>Interest rate swap&lt;sup&gt;(3)&lt;/sup&gt;</td>
<td>2</td>
<td>16,450</td>
<td>16,450</td>
<td>2,763</td>
<td>2,763</td>
</tr>
<tr>
<td>Servicing liabilities&lt;sup&gt;(3)&lt;/sup&gt;</td>
<td>3</td>
<td>2,799</td>
<td>2,799</td>
<td>3,796</td>
<td>3,796</td>
</tr>
</tbody>
</table>

<sup>(1)</sup> Disclosed, but not carried, at fair value. The increase in fair value of the term loan at June 30, 2020 compared to December 31, 2019 is primarily a result of the incremental term loan of $75.0 million entered into in June 2020, offset by a decrease related to COVID-19 impacts on the U.S. corporate debt market. Refer to Note 7 for additional details.

<sup>(2)</sup> Measured at fair value on a nonrecurring basis. Loan receivables held for sale are recorded net of provision for credit losses.

<sup>(3)</sup> Measured and carried at fair value on a recurring basis.

### Cash and cash equivalents

Cash and cash equivalents are classified within Level 1 of the fair value hierarchy, as the primary component of the price is obtained from quoted market prices in an active market. The carrying amounts of our cash and cash equivalents approximate their fair values due to the short maturities and highly liquid nature of these accounts.

### Loan receivables held for sale, net

Loan receivables held for sale are recorded in the Unaudited Condensed Consolidated Balance Sheets at the lower of cost or fair value and, therefore, are measured at fair value on a nonrecurring basis. For our loan receivables held for sale, fair value has historically approximated par value, as we have consistently sold loans for the full current balance in historical and current period transactions with our Bank Partners. For loan receivables held for sale outside of the Facility Bank Partner Agreements, fair value will continue to approximate par as they are intended for future sale to Bank Partners. However, the loan receivables held for sale pursuant to the Facility Bank Partner Agreements are expected to be sold to institutional investors, financial institutions and other capital markets investors. During the second quarter, sales to these institutional markets experienced price declines driven by the volatility and illiquidity of the asset backed market during the second quarter, the market's uncertainty about future credit performance of consumer loans due to uncertainty about future economic conditions as a result of the COVID-19 Pandemic, as well as the promotional nature of certain loan participations owned by the SPV.

Loan receivables held for sale are classified within Level 2 of the fair value hierarchy, as the primary component of the price is obtained from observable values of loan receivables with similar terms and characteristics.
Interest rate swap

In June 2019, we entered into a $350.0 million notional, four-year interest rate swap agreement to hedge changes in our cash flows attributable to interest rate risk on $350.0 million of our variable-rate term loan to a fixed-rate basis, thus reducing the impact of interest rate changes on future interest expense. This swap involves the receipt of variable-rate amounts in exchange for fixed interest rate payments over the life of the agreement without an exchange of the underlying notional amount and was designated for accounting purposes as a cash flow hedge. The interest rate swap is carried at fair value on a recurring basis in the Unaudited Condensed Consolidated Balance Sheets and is classified within Level 2 of the fair value hierarchy, as the inputs to the derivative pricing model are generally observable and do not contain a high level of subjectivity. The fair value was determined based on the present value of the estimated future net cash flows using implied rates in the applicable yield curve as of the valuation date.

Finance charge reversal liability

Our Bank Partners offer certain loan products that have a feature whereby the account holder is provided a promotional period to repay the loan principal balance in full without incurring a finance charge. For these loan products, we bill interest each month throughout the promotional period and, under the terms of the contracts with our Bank Partners, we are obligated to pay this billed interest to the Bank Partners if an account holder repays the loan balance in full within the promotional period. Therefore, the monthly process of billing interest on deferred loan products triggers a potential future finance charge reversal ("FCR") liability for the Company. The FCR component of our Bank Partner contracts qualifies as an embedded derivative. The FCR liability is not designated as a hedge for accounting purposes and, as such, changes in its fair value are recorded within cost of revenue in the Unaudited Condensed Consolidated Statements of Operations.

The FCR liability is carried at fair value on a recurring basis in the Unaudited Condensed Consolidated Balance Sheets and is estimated based on historical experience and management’s expectation of future FCR. The FCR liability is classified within Level 3 of the fair value hierarchy, as the primary component of the fair value is obtained from unobservable inputs based on the Company’s data, reasonably adjusted for assumptions that would be used by market participants. The following table reconciles the beginning and ending fair value measurements of our FCR liability during the periods indicated.

<table>
<thead>
<tr>
<th></th>
<th>Three Months Ended June 30,</th>
<th>Six Months Ended June 30,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2020</td>
<td>2019</td>
</tr>
<tr>
<td>Beginning balance</td>
<td>$213,158</td>
<td>$149,598</td>
</tr>
<tr>
<td>Receipts(1)</td>
<td>59,600</td>
<td>38,931</td>
</tr>
<tr>
<td>Settlements(2)</td>
<td>(110,053)</td>
<td>(62,332)</td>
</tr>
<tr>
<td>Fair value changes</td>
<td></td>
<td></td>
</tr>
<tr>
<td>recognized in cost of</td>
<td></td>
<td></td>
</tr>
<tr>
<td>revenue(3)</td>
<td>36,050</td>
<td>38,782</td>
</tr>
<tr>
<td>Ending balance</td>
<td>$198,755</td>
<td>$164,979</td>
</tr>
</tbody>
</table>

(1) Includes: (i) incentive payments from Bank Partners, which is the surplus of finance charges billed to borrowers over an agreed-upon portfolio yield, a fixed servicing fee and realized net credit losses, (ii) cash received from recoveries on previously charged-off Bank Partner loans, and (iii) the proceeds received from transferring our rights to Charged-Off Receivables attributable to previously charged-off Bank Partner loans. We consider all monthly incentive payments from Bank Partners during the period to be related to billed finance charges on deferred interest products until monthly incentive payments exceed total billed finance charges on deferred products, which did not occur during the periods presented.

(2) Represents the reversal of previously billed finance charges associated with deferred payment loan principal balances that were repaid within the promotional period. Amount also includes $20.0 million of billed finance charges not yet collected on participations in loans held by the SPV, which were paid to the Bank Partner in full as of the participation purchase dates.

(3) A fair value adjustment is made based on the expected reversal percentage of billed finance charges (expected settlements), which is estimated at each reporting date. The fair value adjustment is recognized in cost of revenue in the Unaudited Condensed Consolidated Statements of Operations.
Significant assumptions used in valuing our FCR liability include the following:

**Reversal rate**: The reversal rate represents our estimate of the percentage of previously billed interest on deferred loan products that we expect we will be obligated to remit to the Bank Partners due to the account holder paying off the loan balance in full within the promotional period. Management has developed more specific reversal rates for categories of deferred loan products based on the length of the interest-free promotional period (ranging from six to 24 months), whether or not loan principal payments were required to be paid during the interest-free promotional period, and the industry vertical (home improvement or elective healthcare). The historical period over which we evaluate reversal rates may also vary among the categories of deferred loan products based on the length and relevance of our historical experience with such products at the measurement date. The slight decrease in reversal rates from December 31, 2019 is primarily attributable to lower assumed reversal rates for 24-month loan products.

**Discount rate**: The discount rate reflects the time value of money adjusted for a risk premium and decreased from December 31, 2019 primarily due to the decreased interest rate environment in response to the COVID-19 pandemic.

The following table presents quantitative information about the significant unobservable inputs used to value the Level 3 FCR liability as of the dates presented.

<table>
<thead>
<tr>
<th></th>
<th>June 30, 2020</th>
<th>December 31, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reversal rate</td>
<td>62.0% – 95.5%</td>
<td>60.0% – 96.8%</td>
</tr>
<tr>
<td>Weighted Average</td>
<td>87.0%</td>
<td>87.5%</td>
</tr>
<tr>
<td>Discount rate</td>
<td>3.6%</td>
<td>5.2%</td>
</tr>
</tbody>
</table>

The reversal rate weighted averages were calculated by first determining the percentage of the reporting date FCR liability attributable to each category of deferred loan products for which a reversal rate assumption was determined. We then multiplied these weights by the unique reversal rate for each category and summed the resulting products.

A significant increase or decrease in the estimated reversal rates could result in a significantly higher or lower, respectively, calculation of our expected future payments to our Bank Partners, resulting in a higher or lower, respectively, fair value measurement of our FCR liability.

A significant increase or decrease in the discount rate could result in a lower or higher, respectively, fair value measurement of our FCR liability.

**Charged-Off Receivables**

Historically, we have periodically transferred our rights to previously charged-off loan receivables ("Charged-Off Receivables") in exchange for a cash payment based on the expected recovery rate of such loan receivables, which consist primarily of previously charged-off Bank Partner loans. We have no continuing involvement with these Charged-Off Receivables other than performing reasonable servicing and collection efforts on behalf of the third parties and Bank Partners that purchased the Charged-Off Receivables. The proceeds from transfers of Charged-Off Receivables attributable to Bank Partner loans are recognized on a collected basis as reductions to cost of revenue, which reduces the fair value adjustment to the FCR liability in the period of transfer. The proceeds from transfers of Charged-Off Receivables attributable to loan receivables held for sale are recognized on a collected basis as reductions to sales, general and administrative expense, which reduces the valuation allowance for loan receivables held for sale. There were no transfers of Charged-Off Receivables during the six months ended June 30, 2020. As such, we retain the rights to Charged-Off Receivables and recognize recoveries on a collected basis each period.
The following table presents details of Charged-Off Receivables transfers during the three and six months ended June 30, 2019.

<table>
<thead>
<tr>
<th></th>
<th>Aggregate Unpaid Balance</th>
<th>Proceeds</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Bank Partner loans</td>
<td>Loan receivables held for sale</td>
</tr>
<tr>
<td>Three Months Ended June 30, 2019</td>
<td>$ 53,585</td>
<td>$ 360</td>
</tr>
<tr>
<td>Six Months Ended June 30, 2019</td>
<td>107,237</td>
<td>1,027</td>
</tr>
</tbody>
</table>

During the three months ended June 30, 2020 and 2019, $5,350 thousand and $5,495 thousand, respectively, of the aggregate unpaid balance on cumulative transferred Charged-Off Receivables was recovered through our servicing efforts on behalf of our Charged-Off Receivables investors. During the six months ended June 30, 2020 and 2019, such recoveries on behalf of our Charged-Off Receivables investors were $11,212 thousand and $10,655 thousand, respectively.

**Term loan**

The carrying value of our term loan is net of unamortized debt discount and debt issuance costs. The fair value of our term loan is classified within Level 1 of the fair value hierarchy, as the primary component of the price is obtained from quoted market prices in an active market.

**Servicing assets and liabilities**

We previously elected the fair value method to account for our servicing assets and liabilities to more appropriately reflect the value of the servicing rights in our Unaudited Condensed Consolidated Financial Statements. As a result of this election, our servicing assets and liabilities are carried at fair value on a recurring basis within other assets and other liabilities, respectively, in the Unaudited Condensed Consolidated Balance Sheets and are estimated using a discounted cash flow model. Servicing assets and liabilities are classified within Level 3 of the fair value hierarchy, as the primary components of the fair values are obtained from unobservable inputs based on peer market data, reasonably adjusted for assumptions that would be used by market participants to service our Bank Partner loans and transferred Charged-Off Receivables portfolios, for which market data is not available. Changes in the fair value of our servicing assets are recorded within servicing and other revenue and changes in the fair value of our servicing liabilities are recorded within other gains (losses), net in the Unaudited Condensed Consolidated Statements of Operations.

Contractually specified servicing fees recorded within servicing revenue in the Unaudited Condensed Consolidated Statements of Operations totaled $29,529 thousand and $21,352 thousand for the three months ended June 30, 2020 and 2019, respectively, and $59,023 thousand and $40,985 thousand for the six months ended June 30, 2020 and 2019, respectively. The cash flow impacts of our assets and liabilities that are measured at fair value on a recurring basis are included within net cash provided by operating activities in the Unaudited Condensed Consolidated Statements of Cash Flows. In the second half of 2019, we renegotiated certain Bank Partner agreements where the Company agreed to post additional escrow and increase the agreed-upon Bank Partner portfolio yield. In exchange for these considerations, we received an increase in our loan servicing fees from the Bank Partners. We determined that the increase in servicing fees resulted in an increase to the fair value of our servicing assets for these Bank Partners. We also anticipate that, all other factors remaining constant, these increased servicing fees will contribute to lower incentive payments received in future periods from the Bank Partners.
The following table reconciles the beginning and ending fair value measurements of our servicing assets associated with Bank Partner loans during the period presented.

<table>
<thead>
<tr>
<th></th>
<th>Three Months Ended June 30,</th>
<th>Six Months Ended June 30,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2020</td>
<td>2019</td>
</tr>
<tr>
<td>Beginning balance</td>
<td>$32,248</td>
<td>—</td>
</tr>
<tr>
<td>Additions, net(1)</td>
<td>(114)</td>
<td>—</td>
</tr>
<tr>
<td>Fair value changes recognized in servicing revenue(2)</td>
<td>(934)</td>
<td>8,966</td>
</tr>
<tr>
<td>Ending balance</td>
<td>$31,200</td>
<td>8,966</td>
</tr>
</tbody>
</table>

(1) For the three and six months ended June 30, 2020, includes additions through assumptions of servicing obligations each time a loan is originated on our platform by a Bank Partner, as well as through transfers of loan receivables between Bank Partners or of loan receivables between GreenSky and Bank Partners and is net of the impact of loan principal pay downs in the Bank Partner portfolios. Additions are recognized in servicing revenue in the Unaudited Condensed Consolidated Statements of Operations.

(2) For the three and six months ended June 30, 2020, primarily reflects the reduction of our servicing assets due to the passage of time and impact of purchases of participations in loans by the SPV. For the three and six months ended June 30, 2019, primarily reflective of an increase to the contractually specified fixed servicing fee for one of our Bank Partners.

The following table reconciles the beginning and ending fair value measurements of our servicing liabilities associated with transferring our rights to Charged-Off Receivables during the periods presented.

<table>
<thead>
<tr>
<th></th>
<th>Three Months Ended June 30,</th>
<th>Six Months Ended June 30,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2020</td>
<td>2019</td>
</tr>
<tr>
<td>Beginning balance</td>
<td>$3,279</td>
<td>$3,197</td>
</tr>
<tr>
<td>Initial obligation from transfer of Charged-Off Receivables(1)</td>
<td>—</td>
<td>647</td>
</tr>
<tr>
<td>Fair value changes recognized in other gains (losses), net(2)</td>
<td>(480)</td>
<td>(497)</td>
</tr>
<tr>
<td>Ending balance</td>
<td>$2,799</td>
<td>$3,347</td>
</tr>
</tbody>
</table>

(1) Recognized in other gains (losses), net in the Unaudited Condensed Consolidated Statements of Operations.

(2) Represents the reduction of our servicing liabilities due to the passage of time and collection of loan payments.

Significant assumptions used in valuing our servicing assets and liabilities include the following:

Cost of servicing: The cost of servicing represents the servicing rate a willing market participant would require to service loans with similar characteristics as the Bank Partner loans or Charged-Off Receivables. The cost of servicing is weighted based on the outstanding balance of the loans.

Discount rate: The discount rate reflects the time value of money adjusted for a risk premium and is within an observable range based on peer market data.

Weighted average remaining life: For Bank Partner loans, the weighted average remaining life is determined using the aggregate curves for each loan product type based on expected cumulative annualized rates of prepayments and defaults.

Recovery period: For Charged-Off Receivables, our recovery period is determined based on a reasonable recovery period for loans of these sizes and characteristics based on historical experience. We assume that collection efforts for these loans will cease after five years, and the run-off of the portfolio will follow a straight-line methodology, adjusted for actual cash recoveries over time.
The following table presents quantitative information about the significant unobservable inputs used to value the Level 3 servicing assets and liabilities as of the dates presented.

<table>
<thead>
<tr>
<th>Input</th>
<th>June 30, 2020</th>
<th></th>
<th>December 31, 2019</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Range</td>
<td>Weighted Average</td>
<td>Range</td>
<td>Weighted Average</td>
</tr>
<tr>
<td>Cost of servicing (basis points)</td>
<td>57.5 – 108.0</td>
<td>106.4</td>
<td>57.5 – 108.0</td>
<td>106.2</td>
</tr>
<tr>
<td>Discount rate</td>
<td>18.0 %</td>
<td>18.0 %</td>
<td>18.0 %</td>
<td>18.0 %</td>
</tr>
<tr>
<td>Weighted average remaining life (years)</td>
<td>2.4 – 5.9</td>
<td>2.4</td>
<td>2.3 – 5.9</td>
<td>2.4</td>
</tr>
<tr>
<td>Recovery period (years)</td>
<td>2.1 - 4.4</td>
<td>3.6</td>
<td>2.6 – 4.9</td>
<td>4.1</td>
</tr>
</tbody>
</table>

A significant increase or decrease in the market cost of servicing could have resulted in significantly lower or higher, respectively, servicing assets and higher or lower, respectively, servicing liabilities as of the measurement date.

A significant increase or decrease in the discount rate could have resulted in lower or higher, respectively, servicing assets and liabilities as of the measurement date. However, as our weighted average remaining life of loans is relatively short, we would not expect significant changes in the discount rate to materially impact the fair value measure.

The average remaining life is weighted by the unpaid balance of the Bank Partner loans as of the measurement date. The weighted average remaining life represents the period over which we expect to collect servicing fees on the Bank Partner loans and primarily changes based on expectations of loan prepayments and defaults. The change in expected prepayments and defaults has an inverse correlation with the weighted average remaining life. A significant increase or decrease in the expected weighted average remaining life could have resulted in significantly higher or lower servicing assets as of the measurement date.

The recovery period is weighted by the unpaid balance of previously transferred Charged-Off Receivables as of the measurement date. The recovery period reflects the length of time over which we expect to perform servicing activities and has an inverse correlation with the amount by which the servicing liability is reduced each reporting period. As such, a significant increase or decrease in the expected recovery period could have resulted in higher or lower, respectively, servicing liabilities.

**Purchase Price Discount/Premium**

The Company has agreed to facilitate sales of loan participations by Synovus Bank to third parties (including sales to the Company or its affiliates, including the SPV) by funding a shortfall in purchase price commitment below par (purchase price discount) at the time of origination or receiving any purchase price in excess of par (purchase price premium) associated with a sale by a release of excess escrow funds, if any. Any purchase price discount will be funded through an escrow account established and maintained by the Company and will net settle with any contemporaneous purchase price premiums upon sale of the loan participations. The Company expects to issue to Synovus commitments to purchase loan participations from time to time, which commitments will be made at par and valued based on the fair value of the loans subject to the purchase commitment. The purchase price discount/premium and the purchase commitments qualify as embedded derivatives. The purchase price discount/premium and the purchase commitments are not designated as hedges for accounting purposes and, as such, changes in their respective fair value are recorded within cost of revenue in the Unaudited Condensed Consolidated Statements of Operations. There were no loans subject to a purchase commitment as of June 30, 2020.

The purchase price discount/premium is carried at fair value on a recurring basis in the Unaudited Condensed Consolidated Balance Sheets and is classified within Level 2 of the fair value hierarchy, as the primary component of the price is obtained from observable values of loan receivables with similar terms and characteristics in the market.
Note 4. Loan Receivables Held for Sale

The following table summarizes the activity in the balance of loan receivables held for sale, net at lower of cost or fair value during the periods indicated.

<table>
<thead>
<tr>
<th></th>
<th>Six Months Ended June 30, 2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning balance</td>
<td>$51,926</td>
<td>$2,876</td>
</tr>
<tr>
<td>Additions(1)</td>
<td>441,558</td>
<td>65,804</td>
</tr>
<tr>
<td>Proceeds from sales and borrower payments(2)</td>
<td>(67,238)</td>
<td>(66,714)</td>
</tr>
<tr>
<td>Decrease (increase) in valuation allowance(3)</td>
<td>(11,194)</td>
<td>175</td>
</tr>
<tr>
<td>Transfers(4)</td>
<td>(93)</td>
<td>1,590</td>
</tr>
<tr>
<td>Write offs and other(5)</td>
<td>(4,007)</td>
<td>(933)</td>
</tr>
<tr>
<td>Ending balance</td>
<td>$410,952</td>
<td>$2,798</td>
</tr>
</tbody>
</table>

(1) Includes purchase of $431.0 million participations in loans by the SPV.

(2) Includes accrued interest and fees, recoveries of previously charged-off loan receivables held for sale, as well as proceeds from transferring our rights to Charged-Off Receivables attributable to loan receivables held for sale. We retain servicing arrangements on sold loan receivables with the same terms and conditions as loans that are originated by our Bank Partners. Income from loan receivables held for sale activities is recorded within interest and other revenue in the Unaudited Condensed Consolidated Statements of Operations. We sold loan receivables held for sale to certain Bank Partners at par on the following dates during the six months ended June 30, 2020 and 2019:

<table>
<thead>
<tr>
<th>Date</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>January 28</td>
<td>$24,071</td>
</tr>
<tr>
<td>May 27</td>
<td>15,945</td>
</tr>
<tr>
<td>Total</td>
<td>$40,016</td>
</tr>
</tbody>
</table>

(3) Valuation allowance includes an increase in lower of cost or market fair value adjustments on our SPV Participations of $10,072 thousand and $0 during the six months ended June 30, 2020 and 2019, respectively, and an increase in provision for credit losses of $1,122 thousand during the six months ended June 30, 2020 and a decrease in provision for credit losses of $175 thousand during the six months ended June 30, 2019.

(4) We temporarily hold certain loan receivables, which are originated by a Bank Partner, while non-originating Bank Partner eligibility is being determined. Once we determine that a loan receivable meets the investment requirements of an eligible Bank Partner, we transfer the loan receivable to the Bank Partner at cost plus any accrued interest. The reported amount also includes loan receivables that have been placed on non-accrual and non-payment status while we investigate consumer inquiries.

(5) We received recovery payments of $159 thousand and $25 thousand during the six months ended June 30, 2020 and 2019, respectively. Recoveries of principal and finance charges and fees on previously written off loan receivables held for sale are recognized on a collected basis. Separately, during the six months ended June 30, 2020 and 2019, write offs and other were reduced by $0 and $141 thousand, respectively, related to cash proceeds received from transferring our rights to Charged-Off Receivables attributable to loan receivables held for sale. The cash proceeds received were recorded within sales, general and administrative expense in the Unaudited Condensed Consolidated Statements of Operations.

The following table presents activities associated with our loan receivable sales and servicing activities during the periods indicated. There were no gains or losses on sold loan receivables held for sale during the periods presented.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash Flows</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales of loans</td>
<td>$15,945</td>
<td>—</td>
<td>$40,016</td>
<td>$63,673</td>
</tr>
<tr>
<td>Servicing fees</td>
<td>3,571</td>
<td>1,050</td>
<td>4,811</td>
<td>1,736</td>
</tr>
</tbody>
</table>
The following tables present information about sold loan receivables held for sale that are not recorded in our Unaudited Condensed Consolidated Balance Sheets, but with which we have a continuing involvement through our servicing arrangements with our Bank Partners. The sold loan receivables held for sale are pooled with other loans originated by the Bank Partners for purposes of determining escrow balances and incentive payments. The escrow balances represent our only direct exposure to potential losses associated with these sold loan receivables.

<table>
<thead>
<tr>
<th></th>
<th>June 30, 2020</th>
<th>December 31, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total principal balance</td>
<td>$303,079</td>
<td>$326,556</td>
</tr>
<tr>
<td>Delinquent loans (unpaid principal balance)</td>
<td>10,078</td>
<td>18,033</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Three Months Ended</th>
<th>Six Months Ended</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net charge-offs (unpaid principal balance)</td>
<td>$2,294</td>
<td>$4,407</td>
</tr>
</tbody>
</table>

**Note 5. Accounts Receivable**

As of June 30, 2020, our allowance for losses on accounts receivable was measured under ASC 326. Historically, the majority of our pools of accounts receivable did not have write-offs. For the pool of accounts receivable for which we had historical write-offs, we used an aging method and the average 12-month historical loss rate as a basis for estimating credit losses on the current accounts receivable balance. In the absence of relevant historical loss experience for the other pools of accounts receivables, we also used this average 12-month loss rate to inform our estimate of credit losses on those balances. For each pool of accounts receivable, we considered the conditions at the measurement date and reasonable and supportable forecasts about future conditions to consider if adjustments to the historical loss rate were warranted. Given our methods of collecting funds on merchant and servicing receivables, that we have not observed meaningful changes in our counterparties’ abilities to pay, and that we establish an allowance for all delinquent accounts receivable (typically deemed to be 31 days or more past due), providing for a maximum 30-day term of our accounts receivable balances, we determined that our historical loss rates remain most indicative of our lifetime expected losses.

Accounts receivable consisted of the following as of the dates indicated.

<table>
<thead>
<tr>
<th></th>
<th>Accounts Receivable, Gross</th>
<th>Allowance for Uncollectible Amounts</th>
<th>Accounts Receivable, Net</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>June 30, 2020</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transaction related</td>
<td>$13,903</td>
<td>$(218)</td>
<td>$13,685</td>
</tr>
<tr>
<td>Servicing related</td>
<td>6,381</td>
<td></td>
<td>6,381</td>
</tr>
<tr>
<td>Total</td>
<td>$20,284</td>
<td>$(218)</td>
<td>$20,066</td>
</tr>
<tr>
<td><strong>December 31, 2019</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transaction related</td>
<td>$12,863</td>
<td>$(238)</td>
<td>$12,625</td>
</tr>
<tr>
<td>Servicing related</td>
<td>6,868</td>
<td></td>
<td>6,868</td>
</tr>
<tr>
<td>Total</td>
<td>$19,731</td>
<td>$(238)</td>
<td>$19,493</td>
</tr>
</tbody>
</table>
The following table summarizes the activity in the balance of allowance for uncollectible amounts during the periods indicated.

<table>
<thead>
<tr>
<th></th>
<th>Three Months Ended</th>
<th>Six Months Ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>June 30, 2020</td>
<td>June 30, 2020</td>
</tr>
<tr>
<td>Beginning balance</td>
<td>$ (262)</td>
<td>$ (238)</td>
</tr>
<tr>
<td>Provision for expected losses</td>
<td>(201)</td>
<td>(378)</td>
</tr>
<tr>
<td>Write-offs</td>
<td>245</td>
<td>398</td>
</tr>
<tr>
<td>Ending balance</td>
<td>$ (218)</td>
<td>$ (218)</td>
</tr>
</tbody>
</table>

**Note 6. Property, Equipment and Software**

Property, equipment and software were as follows as of the dates indicated.

<table>
<thead>
<tr>
<th></th>
<th>June 30, 2020</th>
<th>December 31, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Furniture</td>
<td>$ 2,806</td>
<td>$ 2,907</td>
</tr>
<tr>
<td>Leasehold improvements</td>
<td>4,714</td>
<td>4,902</td>
</tr>
<tr>
<td>Computer hardware</td>
<td>2,443</td>
<td>2,494</td>
</tr>
<tr>
<td>Software</td>
<td>26,167</td>
<td></td>
</tr>
<tr>
<td>Total property, equipment and software, at cost</td>
<td>36,130</td>
<td>30,429</td>
</tr>
<tr>
<td>Less: accumulated depreciation</td>
<td>(5,858)</td>
<td>(5,701)</td>
</tr>
<tr>
<td>Less: accumulated amortization</td>
<td>(8,321)</td>
<td>(6,419)</td>
</tr>
<tr>
<td>Total property, equipment and software, net</td>
<td>$ 21,951</td>
<td>$ 18,309</td>
</tr>
</tbody>
</table>

**Note 7. Borrowings**

**Credit Agreement**

In August 2017, we entered into a $450.0 million credit agreement ("Credit Agreement"), which provided for a $350.0 million term loan ("original term loan") maturing on August 25, 2024 and a $100.0 million revolving loan facility maturing on August 25, 2022. The net proceeds from the term loan of $338.6 million, along with $7.9 million of cash, were set aside for a subsequent $346.5 million payment (which is occurring in stages) to certain equity holders and a related party. With the exception of the payments to the related party, which were related party expenses, the payments were accounted for as distributions.

The distribution to GS Holdings unit holders and GS Holdings holders of profits interests was made on a basis generally proportionate to their equity interests in GS Holdings. GS Holdings’ members approved the Credit Agreement and the distribution of the proceeds of the original term loan to the GS Holdings unit holders, holders of profits interests and a related party. The purpose of the distribution was to provide a cash return on investment to the GS Holdings members and former profits interests holders. See Note 11 for distribution and payment details.
2018 Amended Credit Agreement

In March 2018, we amended certain terms of our Credit Agreement ("2018 Amended Credit Agreement"). The 2018 Amended Credit Agreement replaced the original term loan with a $400.0 million term loan ("modified term loan") and extended the maturity date to March 29, 2025. The modified term loan incurs interest, due monthly in arrears, at an adjusted LIBOR rate, which represents the one-month LIBOR rate multiplied by the statutory reserve rate, as defined in the Credit Agreement, plus a margin of 3.25% per annum. If not otherwise indicated, references to "term loan" prior to the date of the 2018 Amended Credit Agreement indicate the original term loan and references subsequent to the date of the 2018 Amended Credit Agreement but prior to the Second Amendment to our Credit Agreement ("2020 Amended Credit Agreement") indicate the modified term loan.

We contemporaneously settled the outstanding principal balance on the original term loan of $349.1 million with the issuance of the $400.0 million modified term loan. An original issuance discount of $1.0 million was reported as a direct deduction from the face amount of the modified term loan. Therefore, the gross proceeds of the modified term loan were $399.0 million. The proceeds from the modified term loan were primarily used to repay the outstanding principal balance on the original term loan and to pay $1.2 million of third party costs, including legal and debt arrangement costs, which were immediately expensed on the modification date. The remaining $48.8 million of proceeds were used to provide for distributions to certain equity holders and a related party prior to the Company's IPO. With the exception of the payments to the related party, which were related party expenses, the payments were accounted for as distributions. See Note 11 for distribution and payment details. As of June 30, 2020 and December 31, 2019, we had no borrowings under the revolving loan facility.

2020 Amended Credit Agreement

In June 2020, we entered into the 2020 Amended Credit Agreement, which provided for an additional $75.0 million term loan ("incremental term loan"). The term loan and revolving loan facility under the 2018 Amended Credit Agreement and incremental term loan under the 2020 Amended Credit Agreement are collectively referred to as the "Credit Facility," and the 2018 Amended Credit Agreement and the 2020 Amended Credit Agreement are collectively referred to as the "Amended Credit Agreement." The modified term loan and the incremental term loan are collectively referred to as the "term loan." The incremental term loan incurs interest, due monthly in arrears, at an adjusted LIBOR rate, which represents the one-month LIBOR rate multiplied by the statutory reserve rate, as defined in the 2020 Amended Credit Agreement, with a 1% LIBOR floor, plus 450 basis points. The incremental term loan has the same security, maturity, principal amortization, prepayment, and covenant terms as the 2018 Amended Credit Agreement, maturing on March 29, 2025.

An original issuance discount of $3.0 million was reported as a direct deduction from the face amount of the incremental term loan. Fees paid to the lender of $1.5 million were deferred over the remaining life of the term loan on the modification date. Therefore, the initial gross proceeds of the incremental term loan were $70.5 million. The proceeds from the incremental term loan were used to pay third party costs, including legal fees, which were immediately expensed on the modification date. The remaining proceeds were used for general corporate purposes and to enhance the Company's overall liquidity position.
Key details of the term loan are as follows:

<table>
<thead>
<tr>
<th></th>
<th>June 30, 2020</th>
<th>December 31, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Term loan, face value</td>
<td>$466,000</td>
<td>$393,000</td>
</tr>
<tr>
<td>Unamortized debt discount</td>
<td>(5,771)</td>
<td>(3,115)</td>
</tr>
<tr>
<td>Unamortized debt issuance costs</td>
<td>(6,350)</td>
<td>(5,388)</td>
</tr>
<tr>
<td><strong>Term loan</strong></td>
<td><strong>$453,879</strong></td>
<td><strong>$384,497</strong></td>
</tr>
</tbody>
</table>

(1) The principal balance of the term loan is scheduled to be repaid on a quarterly basis at an amortization rate of 0.25% per quarter through December 31, 2024, with the balance due at maturity.

(2) For the three months ended June 30, 2020 and 2019, debt discount of $187 thousand and $154 thousand, respectively, and debt issuance costs of $282 thousand and $266 thousand, respectively, were amortized into interest expense in the Unaudited Condensed Consolidated Statements of Operations. For the six months ended June 30, 2020 and 2019, debt discount of $340 thousand and $308 thousand, respectively, and debt issuance costs of $545 thousand and $532 thousand, respectively, were amortized into interest expense in the Unaudited Condensed Consolidated Statements of Operations.

**Revolving loan facility.** Under the 2018 Amended Credit Agreement, the maturity date of the $100.0 million revolving loan facility was extended to March 29, 2023. Further, the interest margin applied to revolving loans that incur interest at a base rate was modified to 2.00% per annum and the margin applied to revolving loans that incur interest at an adjusted LIBOR rate was modified to 3.00% per annum. However, if our first lien net leverage ratio is equal to or above 1.50 to 1.00, these interest margins are raised to 2.25% and 3.25%, respectively. Lastly, the 2018 Amended Credit Agreement provided for a $10.0 million letter of credit, which, to the extent drawn upon, would reduce the amount of availability under the revolving loan facility by the same amount. We had not drawn on our available letter of credit as of June 30, 2020.

We are subject to a quarterly commitment fee based on the daily unused amount of the revolving loan facility, inclusive of the aggregate amount available to be drawn under letters of credit. The quarterly commitment fee rate is 0.50% per annum when our first lien net leverage ratio is above 1.50 to 1.00, but is reduced to 0.375% for any quarterly period in which our first lien net leverage ratio is equal to or below 1.50 to 1.00. For the three months ended June 30, 2020 and 2019, we recognized $20 thousand and $95 thousand, respectively, of commitment fees within interest expense in the Unaudited Condensed Consolidated Statements of Operations. Commitment fees were $126 thousand and $189 thousand for the six months ended June 30, 2020 and 2019, respectively.

**Covenants.** The Amended Credit Agreement contains certain financial and non-financial covenants with which we must comply. The financial covenant requires a first lien net leverage ratio equal to or below 3.50 to 1.00 for any measurement date at which the principal amounts of outstanding revolving loans and letters of credit exceed 25% of the aggregate principal amount of the revolving loan facility. The first lien net leverage ratio is calculated as the ratio of (i) the aggregate principal amount of indebtedness, minus the aggregate amount of consolidated cash (exclusive of restricted cash) as of the measurement date to (ii) consolidated EBITDA, as defined in the Amended Credit Agreement, for the four prior quarters.

The non-financial covenants include, among other things, restrictions on indebtedness, liens and fundamental changes to the business (such as acquisitions, mergers, liquidations or changes in the nature of the business, asset dispositions, restricted payments, transactions with affiliates and other customary matters).

The Amended Credit Agreement also includes various negative covenants, including one that restricts GS Holdings from making non-tax distributions unless certain financial tests are met. In general, GS Holdings is restricted from making distributions unless (a) after giving effect to the distribution it would have, as of a measurement date, a total net leverage ratio of no more than 3.00 to 1.00, and (b) the source of such distributions is retained excess cash flow, certain equity issuance proceeds and certain other sources.

We were in compliance with all covenants, both financial and non-financial, as of June 30, 2020 and December 31, 2019.
The Amended Credit Agreement defines events of default, the breach of which could require early payment of all borrowings under, and termination of, the Amended Credit Agreement or similar actions. Any borrowings under the Amended Credit Agreement are unconditionally guaranteed by our subsidiaries. Further, the lenders have a security interest in substantially all of the assets of GS Holdings and the other guarantors thereunder.

**Interest Rate Swap**

In June 2019, we entered into an interest rate swap agreement to hedge changes in cash flows attributable to interest rate risk on $350.0 million of our variable-rate term loan. This interest rate swap was designated for accounting purposes as a cash flow hedge. See Note 8 for additional derivative disclosures.

**Asset-backed Revolving Credit Facility**

In May 2020, the SPV entered into a Warehouse Credit Agreement with JPMorgan Chase Bank, N.A. ("JPMorgan") to establish an asset-backed revolving credit facility to finance purchases by the SPV of participation interests in loans originated through the GreenSky program (the "SPV Facility"). The SPV Facility provides a revolving committed financing of $300.0 million, with an additional $200.0 million uncommitted accordion that was accessed in July 2020. The interest rate on the SPV Facility is the applicable commercial paper conduit funding rate (or, if the lenders do not fund their advances under the SPV Facility through commercial paper markets, 3-month LIBOR plus 0.50%) plus 2.50%. The revolving funding period is one year and the maturity date is May 10, 2022. Upon obtaining the financing commitment, the SPV was required to pay to JPMorgan an upfront, nonrefundable fee ("upfront fees") equal to 0.15% of loan commitments. The SPV paid upfront fees of $0.5 million in conjunction with the closing of the SPV Facility in May. As of June 30, 2020, the outstanding balance on the SPV Facility was $299.0 million.

Following the third month anniversary of the closing date, the Company is subject to a daily unused fee based on a percentage of the total $300.0 million of financing that remains unused. The unused fee rate is 0.50% per annum when the aggregate loan principal balance is greater than or equal to 50% of the commitments, and 1.00% if the aggregate loan principal balance is less than 50% of the commitments. The SPV paid various other legal and banking fees associated with obtaining the financing, including upfront fees, of $1.0 million which were deferred over the life of the SPV Facility. During the three and six months ended June 30, 2020, we amortized $0.1 million of these fees into cost of revenue in the Unaudited Condensed Consolidated Statements of Operations.

The Company's ability to utilize the SPV Facility is subject to the SPV's compliance with various covenants and other requirements of the Warehouse Credit Agreement, including that the SPV enter into a hedging interest rate swap with a third-party in cases where LIBOR on the SPV Facility exceeds 3% over a defined measurement period. The failure to comply with such requirements may result in events of default, the accelerated repayment of amounts owed under the SPV Facility (often referred to as an early amortization event), a decrease in the borrowing base advance rate, an increase in the interest payable on the loans and/or the termination of the SPV Facility.

**Note 8. Derivative Instruments**

The Company does not hold or use derivative instruments for trading purposes.

**Derivative Instruments Designated as Hedges**

Interest rate fluctuations expose our variable-rate term loan to changes in interest expense and cash flows. As part of our risk management strategy, we may use interest rate derivatives, such as interest rate swaps, to manage our exposure to interest rate movements.

In June 2019, we entered into a $350.0 million notional, four-year interest rate swap agreement to hedge changes in cash flows attributable to interest rate risk on $350.0 million of our variable-rate term loan, which matures on March 29, 2025. This agreement involves the receipt of variable-rate amounts in exchange for fixed interest rate payments over the life of the agreement without an exchange of the underlying notional amount. This interest rate swap was designated for accounting purposes as a cash flow hedge. As such, changes in the interest rate
swap’s fair value are deferred in accumulated other comprehensive income (loss) in the Unaudited Condensed Consolidated Balance Sheets and are subsequently reclassified into interest expense in each period that a hedged interest payment is made on our variable-rate term loan.

As of June 30, 2020, we had the following outstanding interest rate derivatives that were designated as cash flow hedges of interest rate risk.

<table>
<thead>
<tr>
<th>Notional Amount</th>
<th>Fixed Interest Rate</th>
<th>Termination Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>$350,000</td>
<td>1.80%</td>
<td>June 30, 2023</td>
</tr>
</tbody>
</table>

**Derivative Instruments Not Designated as Hedges**

The FCR component of our Bank Partner contracts qualifies as an embedded derivative. The FCR liability is not designated as a hedge for accounting purposes and, as such, changes in its fair value are recorded within cost of revenue in the Unaudited Condensed Consolidated Statements of Operations. See Note 3 for additional information on finance charge reversals.

The purchase price discount/premium component of our Facility Bank Partner Agreements qualifies as a bifurcated embedded derivative. The purchase price discount/premium is not designated as a hedge for accounting purposes and, as such, changes in its fair value are recorded within cost of revenue in the Unaudited Condensed Consolidated Statements of Operations. See Note 3 for additional information on the purchase price discount/premium.

**Derivative Instruments on our Unaudited Condensed Consolidated Financial Statements**

The following table presents the fair values and Unaudited Condensed Consolidated Balance Sheets locations of our derivative instruments as of the dates indicated.

<table>
<thead>
<tr>
<th>Balance Sheet Location</th>
<th>June 30, 2020</th>
<th>December 31, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Designated as cash flow hedges</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest rate swap</td>
<td>$16,450</td>
<td>$2,763</td>
</tr>
<tr>
<td>Not designated as hedges</td>
<td></td>
<td></td>
</tr>
<tr>
<td>FCR liability</td>
<td>$198,755</td>
<td>$206,035</td>
</tr>
<tr>
<td>Purchase price discount/premium</td>
<td>—</td>
<td>—</td>
</tr>
</tbody>
</table>

The following table presents the impacts of our derivative instruments on our Unaudited Condensed Consolidated Statements of Operations for the periods indicated.

<table>
<thead>
<tr>
<th>Three Months Ended June 30,</th>
<th>Six Months Ended June 30,</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>2019</td>
</tr>
<tr>
<td>Designated as cash flow hedges</td>
<td></td>
</tr>
<tr>
<td>Interest rate swap – gain (loss) reclassified into interest expense</td>
<td>$ (1,140)</td>
</tr>
<tr>
<td>Interest rate swap – gain (loss) reclassified into income tax expense</td>
<td>103</td>
</tr>
<tr>
<td>Not designated as hedges</td>
<td></td>
</tr>
<tr>
<td>FCR liability – change in fair value recorded in cost of revenue</td>
<td>$36,050</td>
</tr>
</tbody>
</table>

Our derivative instrument activities are included within operating cash flows in our Unaudited Condensed Consolidated Statements of Cash Flows.
Accumulated Other Comprehensive Income (Loss)

The following table summarizes the changes in the components of accumulated other comprehensive income (loss) associated with our cash flow hedge, which exclude amounts pertaining to noncontrolling interests, for the period presented. There was no accumulated other comprehensive income (loss) activity during the three and six months ended June 30, 2019.

<table>
<thead>
<tr>
<th>Cash Flow Hedge</th>
<th>Three Months Ended June 30, 2020</th>
<th>Six Months Ended June 30, 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accumulated other comprehensive income (loss), beginning balance</td>
<td>$(4,294)</td>
<td>$(756)</td>
</tr>
<tr>
<td>Other comprehensive income (loss) before reclassifications and tax</td>
<td>$(1,034)</td>
<td>$(5,740)</td>
</tr>
<tr>
<td>Tax (expense) benefit</td>
<td>251</td>
<td>1,390</td>
</tr>
<tr>
<td>Other comprehensive income (loss) before reclassifications, net of tax</td>
<td>$(783)</td>
<td>$(4,350)</td>
</tr>
<tr>
<td>Reclassifications out of accumulated other comprehensive income (loss), net of tax(1)</td>
<td>321</td>
<td>350</td>
</tr>
<tr>
<td>Net (increase) decrease in other comprehensive loss</td>
<td>$(462)</td>
<td>$(4,000)</td>
</tr>
<tr>
<td>Accumulated other comprehensive income (loss), ending balance</td>
<td>$(4,756)</td>
<td>$(4,756)</td>
</tr>
</tbody>
</table>

(1) Net of tax benefit of $103 thousand and $112 thousand during the three and six months ended June 30, 2020, respectively.

Based on the current interest rate environment, the Company estimates that approximately $5.8 million of net unrealized gains (losses) reported in accumulated other comprehensive income (loss) will be reclassified into earnings within the next twelve months.

Note 9. Other Liabilities

The following table details the components of other liabilities in the Unaudited Condensed Consolidated Balance Sheets as of the dates indicated.

<table>
<thead>
<tr>
<th>Transaction processing liabilities</th>
<th>June 30, 2020</th>
<th>December 31, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Servicing liabilities(1)</td>
<td>$21,277</td>
<td>$24,465</td>
</tr>
<tr>
<td>Distributions payable</td>
<td>2,799</td>
<td>3,796</td>
</tr>
<tr>
<td>Interest rate swap(2)</td>
<td>4,073</td>
<td>5,978</td>
</tr>
<tr>
<td>Tax related liabilities(3)</td>
<td>16,450</td>
<td>2,763</td>
</tr>
<tr>
<td>Operating lease liabilities</td>
<td>873</td>
<td>873</td>
</tr>
<tr>
<td>Accruals and other liabilities</td>
<td>12,104</td>
<td>13,884</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>9,011</td>
<td>9,442</td>
</tr>
<tr>
<td></td>
<td>$66,587</td>
<td>$61,201</td>
</tr>
</tbody>
</table>

(1) We elected the fair value method to account for our servicing liabilities. Refer to Note 3 for additional information.

(2) Refer to Note 3 and Note 8 for additional information on our interest rate swap, which was in a liability position as of June 30, 2020 and December 31, 2019.

(3) Tax related liabilities primarily include certain taxes payable related to the Reorganization Transactions.

Note 10. Noncontrolling Interests

GreenSky, Inc. is the sole managing member of GS Holdings and consolidates the financial results of GS Holdings. Therefore, the Company reports a noncontrolling interest based on the Holdco Units held by the Continuing LLC Members. Changes in GreenSky, Inc.’s ownership interest in GS Holdings, while GreenSky, Inc. retains its controlling interest in GS Holdings, are accounted for as equity transactions. As such, future redemptions or direct exchanges of Holdco Units by the Continuing LLC Members (with automatic cancellation of an equal number of shares of Class B common stock) for shares of our Class A common stock on a one-for-one basis will result in a change in ownership and reduce or increase the amount recorded as noncontrolling interest and increase
or decrease additional paid-in capital. The Company consolidates the financial results of GS Holdings and reports a noncontrolling interest in its Unaudited Condensed Consolidated Financial Statements representing the GS Holdings interests held by Continuing LLC Members. The weighted average ownership percentages for the applicable reporting periods are used to attribute net income (loss) and other comprehensive income (loss) to the Company and the noncontrolling interests. During the three months ended June 30, 2020 and 2019, GreenSky, Inc. had a weighted average ownership interest in GS Holdings of 36.9% and 34.7%, respectively. During the six months ended June 30, 2020 and 2019, GreenSky, Inc. had a weighted average ownership interest in GS Holdings of 36.5% and 33.4%, respectively.

As of June 30, 2020 and December 31, 2019, GreenSky, Inc. had 73,350,234 and 66,424,838 shares, respectively, of Class A common stock outstanding, which resulted in an equivalent amount of ownership of Holdco Units. During the six months ended June 30, 2020, an aggregate of 4.5 million Holdco Units were exchanged by the Continuing LLC Members (with automatic cancellation of Class B common stock) for 4.5 million newly-issued shares of Class A common stock, and 2.8 million shares of Class A restricted stock were issued, which increased our total ownership interest in GS Holdings to 40.2% as of June 30, 2020 from 36.9% as of December 31, 2019.

Note 11. Stockholders Equity (Deficit)

Treasury Stock

As of June 30, 2020, there were 14,099,097 shares of Class A common stock held in treasury, including: (i) purchases of 13,425,688 shares at a cost of $146.1 million, (ii) 517,746 shares associated with forfeited restricted stock awards, and (iii) 155,663 shares associated with tax withholdings upon vesting of restricted stock awards. There were no reissuances of treasury shares during the six months ended June 30, 2020.

Warrants

In January 2019, a warrant issued in January 2014 to an affiliate of one of the members of the former GSLLC board of managers was fully exercised on a cashless basis, which resulted in the issuance of 1,180,163 Holdco Units and an equal number of shares of Class B common stock.

Distributions

The following table summarizes activity associated with our non-tax and tax distributions during the periods indicated.

<table>
<thead>
<tr>
<th>(in millions)</th>
<th>Three Months Ended June 30,</th>
<th>Six Months Ended June 30,</th>
<th>Remaining Reserved Payment(1)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2020</td>
<td>2019</td>
<td>2020</td>
</tr>
<tr>
<td><strong>Non-tax distributions previously declared and paid upon vesting</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Credit Agreement Distributions(2)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Distributions</td>
<td>$ 0.1</td>
<td>$ 0.8</td>
<td>$ 1.2</td>
</tr>
<tr>
<td>Related party payments</td>
<td>—</td>
<td>0.6</td>
<td>—</td>
</tr>
<tr>
<td>Special Operating Distributions(3)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Distributions</td>
<td>0.1</td>
<td>0.4</td>
<td>0.7</td>
</tr>
<tr>
<td>Related party payments</td>
<td>—</td>
<td>0.2</td>
<td>—</td>
</tr>
<tr>
<td><strong>Tax distributions</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>$ 0.4</td>
<td>13.1</td>
<td>31.5</td>
</tr>
</tbody>
</table>

(1) As of June 30, 2020, all remaining portions of the non-tax distributions were recorded within other liabilities in the Unaudited Condensed Consolidated Balance Sheets.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
(United States Dollars in thousands, except per share data, unless otherwise stated)

(2) See Note 7 for discussion of distributions using the proceeds from our borrowings, a portion of which were declared to related parties, for which no payments were made during the three and six months ended June 30, 2020 and for which all payments were satisfied as of June 30, 2019.

(3) In May 2018, we declared a special operating distribution of $26.2 million, a portion of which was declared to a related party, for which no payments were made during the three and six months ended June 30, 2020 and for which all payments were satisfied as of June 30, 2019. In December 2017, we declared a $160.0 million special cash distribution to Holdco Unit holders and holders of profits interests.

Note 12. Share-Based Compensation

The Company has the following types of share-based compensation awards outstanding as of June 30, 2020: Class A common stock options, unvested Holdco Units and unvested Class A common stock awards. We recorded share-based compensation expense of $3,477 thousand and $3,271 thousand for the three months ended June 30, 2020 and 2019, respectively, and $6,972 thousand and $5,936 thousand for the six months ended June 30, 2020 and 2019, respectively, which is included within compensation and benefits expense in the Unaudited Condensed Consolidated Statements of Operations.

Class A Common Stock Options

Class A common stock option ("Options") activity was as follows during the periods indicated:

<table>
<thead>
<tr>
<th></th>
<th>Six Months Ended</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>June 30, 2020</td>
<td></td>
<td>June 30, 2019</td>
</tr>
<tr>
<td>Number of Options</td>
<td>Weighted Average Exercise Price</td>
<td>Number of Options</td>
<td></td>
</tr>
<tr>
<td>Outstanding at beginning of period</td>
<td>4,181,909</td>
<td>$11.36</td>
<td>8,053,292</td>
</tr>
<tr>
<td>Granted(1)</td>
<td>1,100,456</td>
<td>3.73</td>
<td>1,290,012</td>
</tr>
<tr>
<td>Exercised(2)(3)</td>
<td>(105,000)</td>
<td>5.65</td>
<td>(851,401)</td>
</tr>
<tr>
<td>Forfeited</td>
<td>(406,615)</td>
<td>19.16</td>
<td>(148,819)</td>
</tr>
<tr>
<td>Expired(4)</td>
<td>(111,704)</td>
<td>18.45</td>
<td>(1,500)</td>
</tr>
<tr>
<td>Outstanding at end of period(5)</td>
<td>4,659,046</td>
<td>$8.84</td>
<td>8,341,584</td>
</tr>
<tr>
<td>Exercisable at end of period(5)(6)</td>
<td>1,682,264</td>
<td>$8.11</td>
<td>5,242,936</td>
</tr>
</tbody>
</table>

(1) Weighted average grant date fair value of Options granted during the six months ended June 30, 2020 and 2019 was $1.72 and $3.80, respectively.

(2) The total intrinsic value of Options exercised, which is defined as the amount by which the market value of the stock on the date of exercise exceeds the exercise price, during the six months ended June 30, 2020 and 2019 was $0.2 million and $4.6 million, respectively.

(3) During the six months ended June 30, 2020, Options exercisable for 105,000 shares of Class A common stock were exercised by means of a cashless net exercise procedure, which resulted in the issuance of 15,051 shares of Class A common stock and for which the Company paid withholding taxes of $0.1 million.

Employees paid $0.3 million to the Company during the six months ended June 30, 2019 to exercise Options, which resulted in the issuance of 34,897 shares of Class A common stock. In addition, during this period, Options exercisable for 816,500 shares of Class A common stock were exercised by means of a cashless net exercise procedure, which resulted in the issuance of 246,396 shares of Class A common stock and for which the Company paid withholding taxes of $1.6 million.

(4) Expired Options represent vested, underwater Options that were not exercised by terminated employees within 30 days from the employment termination date, as stipulated in the Option award agreements.

(5) The aggregate intrinsic value and weighted average remaining contractual terms of Options outstanding and Options exercisable were as follows as of the date indicated:
Aggregate intrinsic value (in millions) | June 30, 2020 |
---|---|
Options outstanding | $ 3.0 |
Options exercisable | $ 1.7 |

Weighted average remaining term (in years) |
---|
Options outstanding | 7.8 |
Options exercisable | 5.8 |

The total fair value, based on grant date fair value, of Options that vested during the six months ended June 30, 2020 and 2019 was $2.4 million and $1.4 million, respectively.

Unvested Holdco Units
As part of the Reorganization Transactions and IPO, certain profits interests in GS Holdings were converted to vested and unvested Holdco Units based on the prevailing profits interests thresholds and the IPO price. The converted Holdco Units remain subject to the same service vesting requirements as the original profits interests and are not subject to post-vesting restrictions. Unvested Holdco Units activity was as follows during the periods indicated:

<table>
<thead>
<tr>
<th>Six Months Ended June 30, 2020</th>
<th>Six Months Ended June 30, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Number of Holdco Units</strong></td>
<td><strong>Weighted Average Grant Date Fair Value</strong></td>
</tr>
<tr>
<td>Unvested at beginning of period</td>
<td>1,112,607</td>
</tr>
<tr>
<td>Forfeited</td>
<td>—</td>
</tr>
<tr>
<td>Vested(^{(1)})</td>
<td>(258,524)</td>
</tr>
<tr>
<td>Unvested at end of period</td>
<td>854,083</td>
</tr>
</tbody>
</table>

The total fair value, based on grant date fair value, of previously unvested Holdco Units that vested during the six months ended June 30, 2020 and 2019 was $5.9 million and $15.2 million, respectively.

Restricted Stock Awards
As part of the Reorganization Transactions and IPO, certain outstanding profits interests in GS Holdings were converted into vested and unvested Class A common stock awards based on the prevailing profits interests thresholds and the IPO price. The converted unvested Class A common stock awards remain subject to the same service vesting requirements as the original profits interests and are not subject to post-vesting restrictions.
Subsequent to the Reorganization Transactions and IPO, we granted restricted stock awards in the form of unvested Class A common stock to certain employees that vest ratably over a three or four-year period based on continued employment at the Company and to certain non-employee directors that vest one year from grant date based on continued service on the Board of Directors ("Board"). For these awards, compensation expense is measured based on the closing stock price of the Company's Class A common stock on the date of grant, and the total value of the awards is expensed ratably over the requisite service period.

Unvested Class A common stock activity was as follows during the periods indicated:

<table>
<thead>
<tr>
<th></th>
<th>Six Months Ended June 30, 2020</th>
<th>Six Months Ended June 30, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Class A Common Stock</td>
<td>Weighted Average Grant Date Fair Value</td>
</tr>
<tr>
<td>Unvested at beginning of period</td>
<td>2,999,343</td>
<td>$ 11.53</td>
</tr>
<tr>
<td>Granted</td>
<td>2,821,735</td>
<td>3.79</td>
</tr>
<tr>
<td>Forfeited(1)</td>
<td>(295,151)</td>
<td>12.87</td>
</tr>
<tr>
<td>Vested(2)</td>
<td>(548,882)</td>
<td>13.42</td>
</tr>
<tr>
<td>Unvested at end of period</td>
<td>4,977,045</td>
<td>$ 6.85</td>
</tr>
</tbody>
</table>

(1) Forfeited shares of unvested Class A common stock associated with restricted stock awards are held in our treasury stock account. Refer to Note 11 for additional information on our treasury stock.

(2) The total fair value, based on grant date fair value, of previously unvested Class A common stock that vested during the six months ended June 30, 2020 and 2019 was $7.4 million and $1.5 million, respectively.

Note 13. Income Taxes

GreenSky, Inc. is taxed as a corporation and pays corporate federal, state and local taxes on income allocated to it from GS Holdings based upon GreenSky, Inc.’s economic interest held in GS Holdings. GS Holdings is treated as a pass-through partnership for income tax reporting purposes and not subject to federal income tax. Accordingly, the Company is not liable for income taxes on the portion of GS Holdings’ earnings not allocated to it.

The Company’s effective tax rate for the three and six months ended June 30, 2020 was 10.1% and 19.8%, respectively, and the Company recorded $1.5 million and $0.6 million of income tax expense for the three and six months ended June 30, 2020, respectively. The Company’s effective tax rate for the three and six months ended June 30, 2020 was less than our combined federal and state statutory tax rate of 24.3%, primarily because the Company is not liable for income taxes on the portion of GS Holdings’ earnings that are attributable to noncontrolling interests. The effective tax rate for the three and six months ended June 30, 2020 included the effects of stock-based compensation deductions, which are required to be recorded discretely in the interim period in which those items occur. The effective tax rate is dependent on many factors, including the estimated amount of income subject to income tax; therefore, the effective tax rate can vary from period to period.

The Company’s effective tax rate for the three and six months ended June 30, 2019 was (12.9)% and (12.2)%, respectively, and the Company recorded $4.5 million and $5.1 million of income tax benefit for the three and six months ended June 30, 2019, respectively. The Company’s effective tax rate for the three and six months ended June 30, 2019 was less than our combined federal and state statutory tax rate of 24.1%, primarily because the Company is not liable for income taxes on the portion of GS Holdings’ earnings that are attributable to noncontrolling interests. Further, the effective tax rate for the three and six months ended June 30, 2019 included the effects of remeasuring net deferred tax assets due to a change in state tax rates and warrant and stock-based compensation deductions, which are required to be recorded discretely in the interim period in which those items occur.
As of June 30, 2020 and December 31, 2019, the total liability related to uncertain tax positions was $0.1 million and $0.1 million, respectively. The Company recognizes interest and penalties, if applicable, related to uncertain tax positions as a component of income tax expense. Accrued interest and penalties were immaterial as of June 30, 2020, and therefore did not impact the effective income tax rate.

Deferred tax assets, net of $383.1 million and $364.8 million as of June 30, 2020 and December 31, 2019, respectively, relate primarily to the basis difference in our investment in GS Holdings. This basis difference arose primarily as a result of the Reorganization Transactions, the IPO and subsequent exchanges of Class B common stock for Class A common stock.

As of June 30, 2020, we concluded based on the weight of all available positive and negative evidence that all of our deferred tax assets are more likely than not to be realized. As such, no additional valuation allowance was recognized.

**Tax Receivable Agreement**

Pursuant to our election under Section 754 of the Internal Revenue Code (the "Code"), we expect to obtain an increase in our share of the tax basis in the net assets of GS Holdings when Holdco Units are redeemed or exchanged by the Continuing LLC Members of GS Holdings. We intend to treat any redemptions and exchanges of Holdco Units as direct purchases of Holdco Units for United States federal income tax purposes. These increases in tax basis may reduce the amounts that we would otherwise pay in the future to various tax authorities. They may also decrease gains (or increase losses) on future dispositions of certain capital assets to the extent tax basis is allocated to those capital assets.

On May 23, 2018, we entered into a tax receivable agreement ("TRA") that provides for the payment by us of 85% of the amount of any tax benefits that we actually realize, or in some cases are deemed to realize, as a result of (i) increases in our share of the tax basis in the net assets of GS Holdings resulting from any redemptions or exchanges of Holdco Units and from our acquisition of the equity of certain of the Former Corporate Investors, (ii) tax basis increases attributable to payments made under the TRA, and (iii) deductions attributable to imputed interest pursuant to the TRA (the "TRA Payments"). We expect to benefit from the remaining 15% of any tax benefits that we may actually realize. The TRA Payments are not conditioned upon any continued ownership interest in GS Holdings or us. The rights of each member of GS Holdings that is a party to the TRA are assignable to transferees of their respective Holdco Units. The timing and amount of aggregate payments due under the TRA may vary based on a number of factors, including the timing and amount of taxable income generated by the Company each year, as well as the tax rate then applicable.

As of June 30, 2020 and December 31, 2019, the Company had a liability of $317.8 million and $311.7 million, respectively, related to its projected obligations under the TRA, which is captioned as tax receivable agreement liability in our Unaudited Condensed Consolidated Balance Sheets. During the three and six months ended June 30, 2020, we did not make any payments to members of GS Holdings pursuant to the TRA. During the three and six months ended June 30, 2019, we made a payment, inclusive of interest, of $4.7 million to members of GS Holdings pursuant to the TRA.

**Note 14. Commitments, Contingencies and Guarantees**

**Commitments**

**Leases**

In accordance with ASC 842, Leases, we determine if an arrangement is or contains a lease at inception of the contract. A contract is or contains a lease if the contract conveys the right to control the use of identified property, plant or equipment for a period of time in exchange for consideration. We primarily lease our premises under multi-year, non-cancelable operating leases. Operating leases are included in Other assets and Other liabilities in our Unaudited Condensed Consolidated Balance Sheets. As of June 30, 2020 and December 31, 2019, we did not have any finance leases.
ROU assets represent our right to use an underlying asset for the lease term and lease liabilities represent our obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at lease commencement date based on the present value of lease payments over the lease term. As our leases do not provide an implicit rate, we use our incremental borrowing rate based on the information available at lease commencement date in determining the present value of lease payments. The operating lease ROU assets are increased by any prepaid lease payments and are reduced by any unamortized lease incentives. Our lease terms may include options to extend or terminate the lease when it is reasonably certain that we will exercise that option. Base rent is typically subject to rent escalations on each annual anniversary from the lease commencement dates. Lease expense for lease payments, including any step rent provisions specified in the lease agreements, is recognized on a straight-line basis over the lease term and is included within property, office and technology and related party expenses in the Unaudited Condensed Consolidated Statements of Operations. Operating lease cost associated with our ROU assets and lease liabilities was $1,031 thousand and $973 thousand for the three months ended June 30, 2020 and 2019, respectively, and $2,061 thousand and $1,784 thousand for the six months ended June 30, 2020 and 2019, respectively. See Note 15 for additional information regarding office space leased from a related party.

Our operating leases have terms expiring from 2021 through 2024, exclusive of renewal option periods. Our leases contain renewal option periods ranging from five to fifteen years from the expiration dates. One lease also contains a termination option in 2023. These options were not recognized as part of our operating lease ROU assets and operating lease liabilities, as we did not conclude at the commencement date of the leases that we were reasonably certain to exercise these options. However, in our normal course of business, we expect our leases to be renewed, amended or replaced by other leases.

As of June 30, 2020, we did not have any operating leases that had not yet commenced.

Supplemental cash flow and noncash information related to our operating leases were as follows for the period indicated.

<table>
<thead>
<tr>
<th>Cash paid for amounts included in the measurement of operating lease liabilities</th>
<th>Six Months Ended June 30,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2020</td>
</tr>
<tr>
<td>Operating cash flows from operating leases</td>
<td>$2,366</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Noncash operating lease ROU assets obtained in exchange for operating lease liabilities</th>
<th>Six Months Ended June 30,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2020</td>
</tr>
<tr>
<td>Resulting from our adoption of ASU 2016-02</td>
<td>$</td>
</tr>
<tr>
<td>Resulting from new or modified leases</td>
<td>9</td>
</tr>
</tbody>
</table>

Supplemental balance sheet information related to our operating leases was as follows as of the dates indicated.

<table>
<thead>
<tr>
<th></th>
<th>June 30, 2020</th>
<th>December 31, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating lease ROU assets</td>
<td>$9,590</td>
<td>$11,268</td>
</tr>
<tr>
<td>Operating lease liabilities</td>
<td>$12,104</td>
<td>$13,884</td>
</tr>
<tr>
<td>Weighted average remaining lease term (in years)</td>
<td>2.8</td>
<td>3.3</td>
</tr>
<tr>
<td>Weighted average discount rate</td>
<td>5.7 %</td>
<td>5.7 %</td>
</tr>
</tbody>
</table>

For the periods presented, maturities of operating lease liabilities as of the date indicated and a reconciliation of the total undiscounted cash flows to the operating lease liabilities in the Unaudited Condensed Consolidated Balance Sheets, were as follows:
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

(United States Dollars in thousands, except per share data, unless otherwise stated)

<table>
<thead>
<tr>
<th></th>
<th>June 30, 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Remainder of 2020</td>
<td>$ 2,322</td>
</tr>
<tr>
<td>2021</td>
<td>$ 4,897</td>
</tr>
<tr>
<td>2022</td>
<td>$ 3,706</td>
</tr>
<tr>
<td>2023</td>
<td>$ 1,501</td>
</tr>
<tr>
<td>2024</td>
<td>$ 810</td>
</tr>
<tr>
<td>Thereafter</td>
<td>—</td>
</tr>
<tr>
<td><strong>Total lease payments</strong></td>
<td><strong>$ 13,236</strong></td>
</tr>
<tr>
<td>Less: imputed interest</td>
<td>(1,132)</td>
</tr>
<tr>
<td><strong>Operating lease liabilities</strong></td>
<td><strong>$ 12,104</strong></td>
</tr>
</tbody>
</table>

Covenants

The agreements with our transaction processor and some Bank Partners impose financial covenants upon our wholly owned subsidiary, GSLLC. As of June 30, 2020 and December 31, 2019, GSLLC was in compliance with the financial covenant provisions in these agreements. See Note 7 for discussion of financial and non-financial covenants associated with our borrowings.

Other Commitments

As of June 30, 2020 and December 31, 2019, the outstanding open and unused line of credit on approved loan receivables held for sale was $33.8 million and $4.9 million, respectively. We did not record a provision for these unfunded commitments, but believe we have adequate cash on hand to fund these commitments.

For certain Bank Partners, we maintain a restricted cash balance based on a contractual percentage of the total interest billed on outstanding deferred interest loans that are within the promotional period less previous FCR on such outstanding loans. As of June 30, 2020 and December 31, 2019, restricted cash in the Unaudited Condensed Consolidated Balance Sheets included $94.7 million and $75.0 million, respectively, associated with these arrangements.

Contingencies

In limited instances, the Company may be subject to operating losses if we make certain errors in managing credit programs and we determine that a customer is not liable for a loan originated by a Bank Partner. We evaluated this contingency in accordance with ASC 450, Contingencies, and determined that it is reasonably possible that losses could result from errors in underwriting. However, in management’s opinion, it is not possible to estimate the likelihood or range of reasonably possible future losses related to errors in underwriting based on currently available information. Therefore, we have not established a liability for this loss contingency.

Further, from time to time, we place Bank Partner loans on non-accrual and non-payment status (“Pended Status”) while we investigate consumer loan balance inquiries, which may arise from disputed charges related to work performed by third-party merchants. As of June 30, 2020, Bank Partner loan balances in Pended Status were $11.1 million. While it is management’s expectation that most of these loan balance inquiries will be resolved without incident, in certain instances we may determine that it is appropriate for the Company to permanently reverse the loan balance and assume the economic responsibility for the loan balance itself. We record a liability for these instances. As of June 30, 2020, our liability for potential Pended Status future losses was $3.6 million.

Legal Proceedings

The Company, together with certain of its officers and directors and one of its former directors (the “Individual Defendants”) and certain underwriters of the Company’s IPO (the “IPO”), were named in six putative class actions filed in the Supreme Court of the State of New York, all of which actions have been consolidated (In Re GreenSky, Inc. Securities Litigation (Consolidated Action), Index No. 655626/2018 (N.Y. Sup. Ct.) (the “State Case”)), and in two putative class actions filed in the United States District Court for the Southern District of New

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York (the "District Court"), both of which actions also have been consolidated (In Re GreenSky, Inc. Securities Litigation (Consolidated Action), Case No. 1:2018-cv-11071-PAE (S.D.N.Y.) (the “Federal Case” and, together with the State Case, the “Consolidated Cases”)). The plaintiffs in the Consolidated Cases generally assert on behalf of certain purchasers in the IPO claims under Sections 11, 12(a)(2) and 15 of the Securities Act of 1933.

The Company and Individual Defendants (together with the other defendants) filed motions to dismiss in each of the Consolidated Cases. The District Court denied the motion to dismiss the Federal Case, and discovery in the Federal Case is ongoing. On June 1, 2020, the District Court certified a class of shareholders who purchased GreenSky Class A common stock pursuant and/or traceable to the Registration Statement and Prospectus issued in connection with the IPO. For more information regarding this action, class members may view and download the Class Action Notice at www.GreenSkySecuritiesLitigation.com.

On April 22, 2020, the Supreme Court of the State of New York dismissed the State Case in its entirety and without leave to amend. The Company does not know whether the plaintiffs in the State Case will appeal such dismissal.

The Company (as a nominal defendant) and the Individual Defendants have also been named in a putative stockholder derivative action alleging certain violations of state and federal law filed in the United States District Court for the District of Delaware, Pileggi v Zalik et al., Case No. 1:20-cv-00456 (D. Del.) (the "Derivative Case"). The Plaintiffs in the Derivative Case have indicated they will be amending their complaint on or before August 12, 2020.

The Company and the Individual Defendants intend to defend themselves vigorously in all respects in connection with the Consolidated Cases and the Derivative Case. Under certain circumstances, the Company may be obligated to indemnify some or all of the other defendants in the Consolidated Cases and the Derivative Case. The Company is unable to estimate the amount of reasonably possible losses it may incur with respect to the Consolidated Cases or the Derivative Case. Moreover, the Company has not determined that the likelihood of loss is probable. Therefore, the Company has not recorded any liability as of June 30, 2020 with respect to the Federal Case, the State Case or the Derivative Case.

We are also involved in a number of other proceedings concerning matters arising in connection with the conduct of our business. While the ultimate outcome of such proceedings cannot be determined, we do not believe that the resolution of these other proceedings, individually or in the aggregate, will have a material adverse effect on our financial condition, results of operations or cash flows.

With respect to all legal proceedings, it is our policy to recognize legal fees as they are incurred as a sales, general and administrative expense in our Consolidated Statements of Operations.

Financial Guarantees

As of June 30, 2020, the contingent aspect of our financial guarantee was measured under ASC 326, Financial Instruments – Credit Losses, which requires us to estimate expected credit losses, and the impact of those estimates on our required payments under the financial guarantee arrangement, for loans within our Bank Partner portfolios that are either funded or approved for funding at the measurement date, but precludes us from including future loan originations by our Bank Partners. Consistent with the modeling of loan losses for any consumer loan portfolio assumed to go into "run-off," our recognized financial guarantee liability under this model represents a significant portion of the contractual escrow that we establish with each Bank Partner. Typically, changes in the estimated financial guarantee liability as measured under ASC 326 are driven primarily by new Bank Partner loans
that are facilitated on our platform during the period and thereby increase the contractual escrow balance and, to a lesser degree, by changes in underlying assumptions.

We use a discounted cash flow method to estimate our expected risk of loss under the contingent aspect of our financial guarantees for each Bank Partner. Significant assumptions for each Bank Partner portfolio used in valuing our financial guarantee liability include the following:

**Loan portfolio composition:** We forecasted each Bank Partner's loan portfolio composition in a "run-off" scenario, which is primarily impacted by expected loan prepayments and paydowns derived from historical behavior curves for each loan plan and were applied to each Bank Partner's portfolio based on its composition of loans and where such loans were in their economic life cycle at the measurement date. The loan portfolio composition additionally informs our forecasts of the components that determine our incentive payments or, alternatively, escrow usage. All other factors remaining constant, generally the higher the expected prepayments and pay down rates, the lower the measurement of our financial guarantee liability, as our contractual escrow balance is calculated based on the month-end outstanding portfolio balance.

**Credit losses:** We use lifetime historical credit loss experience for each loan plan comprising a Bank Partner's loan portfolio as a basis for estimating future credit losses. In assessing the current conditions and forecasts of future conditions as of June 30, 2020, we primarily considered the current and expected economic impacts of the COVID-19 pandemic on the macroeconomic environment, including the increase in unemployment and the mandatory stay-at-home orders, as well as initiatives undertaken by the Company to mitigate credit losses, such as the emphasis on our super-prime promotional loan programs with our merchants and offering loan deferral options to GreenSky program borrowers. Based on this assessment, we adjusted for an increase to our historical credit loss experience beginning in the second half of 2020 through mid-2021. All other factors remaining constant, higher credit losses reduce our incentive payments and thereby increase our risk of loss for escrow usage. Generally, higher credit losses earlier in the forecast period expose us to greater risk of loss under our financial guarantee arrangements, as the contractual escrow balance is highest early in the forecast period in conjunction with the outstanding portfolio balance in a "run-off" scenario.

As of June 30, 2020, the estimated value of the financial guarantee was $163.3 million relative to our $169.5 million contractual escrow that was included in our restricted cash balance as of June 30, 2020. Subsequent to our adoption of ASU 2016-13 on January 1, 2020, the change in the liability of $28.7 million was recognized as a non-cash charge in financial guarantee expense in the Unaudited Condensed Consolidated Financial Statements. Refer to Note 1 for additional discussion of our accounting for financial guarantees.

The estimated contingent value of the financial guarantee of $16.7 million as of December 31, 2019 was measured in accordance with legacy guidance in ASC 450 and represented the amount of payments to Bank Partners from the escrow accounts that were expected to be probable of occurring based on then-current Bank Partner portfolio composition.

**Note 15. Related Party Transactions**

**Lease**

We lease office space from a related party under common management control for which lease expense is recognized within related party expenses in the Unaudited Condensed Consolidated Statements of Operations and for which operating lease ROU assets and operating lease liabilities are recognized within those respective line items in the Unaudited Condensed Consolidated Balance Sheets. Total operating lease cost related to this office space was $434 thousand and $432 thousand for the three months ended June 30, 2020 and 2019, respectively, and $869 thousand and $869 thousand for the six months ended June 30, 2020 and 2019, respectively. Operating lease ROU assets and operating lease liabilities related to this office space were $4.5 million and $5.4 million, respectively, as of June 30, 2020, and $5.2 million and $6.2 million, respectively, as of December 31, 2019.

**Contractual and Other Arrangements**
In August 2018, we entered into an agreement in which an unrelated third party acted as a placement agent in connection with certain Charged-Off Receivables transfers and received a fee from us based on the proceeds received from such transfers. In performing these services, the third party agreed to use an affiliate of a member of the Board and, as such, we determined this arrangement to be related party in nature. In December 2018, the unrelated third party assigned its role in the agreement to the affiliate entity itself; therefore, the arrangement remained a related party transaction. We incurred expenses related to this arrangement of $150 thousand and $249 thousand during the three and six months ended June 30, 2019, respectively, which are presented within related party expenses in the Unaudited Condensed Consolidated Statements of Operations. We did not incur any expenses related to this arrangement during the three and six months ended June 30, 2020. There was no payable related to this arrangement as of June 30, 2020 and December 31, 2019.

We entered into non-interest bearing loan agreements with certain non-executive employees for which the remaining outstanding balances are forgiven ratably over designated periods based on continued employment with the Company. As of June 30, 2020 and December 31, 2019, the remaining outstanding balances on these loan agreements were $70 thousand and $155 thousand, respectively, which are presented within related party receivables in the Unaudited Condensed Consolidated Balance Sheets.

There were no equity-based payments to non-employees that resulted in related party expenses during the six months ended June 30, 2020 and 2019.

**Note 16. Segment Reporting**

We conduct our operations through a single operating segment and, therefore, one reportable segment. There are no significant concentrations by state or geographical location, nor are there any significant individual customer concentrations by balance.

**Note 17. Variable Interest Entities**

Upon completion of our IPO, GreenSky, Inc. became the managing member of GS Holdings with 100% of the management and voting power in GS Holdings. In its capacity as managing member, GreenSky, Inc. has the sole authority to make decisions on behalf of GS Holdings and bind GS Holdings to agreements. Further, GS Holdings maintains separate capital accounts for its investors as a mechanism for tracking earnings and subsequent distribution rights. Accordingly, management concluded that GS Holdings is a limited partnership or similar legal entity as contemplated in ASC 810, *Consolidation*.

Further, management concluded that GreenSky, Inc. is GS Holdings' primary beneficiary based on two conditions. First, GreenSky, Inc., in its capacity as managing member with sole voting rights, has the power to direct the activities of GS Holdings that most significantly impact its economic performance, including selecting, terminating and setting the compensation of management responsible for implementing GS Holdings' policies and procedures, as well as establishing the strategic, operating and capital decisions of GS Holdings in the ordinary course of business. Second, GreenSky, Inc. has an obligation to absorb potential losses of GS Holdings or the right to receive potential benefits from GS Holdings in proportion to its weighted average ownership interest, which was 36.9% and 34.7% for the three months ended June 30, 2020 and 2019, respectively, and 36.5% and 33.4% for the six months ended June 30, 2020 and 2019, respectively. Management considers this exposure to be significant to GS Holdings. As the primary beneficiary, GreenSky, Inc. consolidates the results of GS Holdings for financial reporting purposes under the variable interest consolidation model guidance in ASC 810.

GreenSky, Inc.’s relationship with GS Holdings results in no recourse to the general credit of GreenSky, Inc. GS Holdings and its consolidated subsidiaries represent GreenSky, Inc.’s sole investment. GreenSky, Inc. shares in the income and losses of GS Holdings in direct proportion to GreenSky, Inc.’s ownership percentage. Further, GreenSky, Inc. has no contractual requirement to provide financial support to GS Holdings.
GSLLC is a wholly-owned subsidiary of GS Holdings and is consolidated with GS Holdings. In May 2020, GSLLC formed Depositor as a wholly-owned subsidiary, which in turn formed the SPV as a wholly-owned subsidiary, for the purposes of establishing the SPV Facility to fund purchases of loan participations. GSLLC, on behalf of the Bank Partner that owns the loans underlying the loan participations, serves as the designated servicer of the SPV’s future loan receivables held for sale. Management concluded that the SPV is a variable-interest entity. In doing so, management determined that the activity that most significantly affects the performance of the SPV is the management by the servicer (GSLLC) of the credit losses, delinquencies and defaults that may occur in the underlying loan receivables held by the SPV. These activities are contractually determined through the servicing arrangement, rather than through the 100% equity holding of the Depositor. Further, because GSLLC, as agent for the Bank Partner that owns the loans underlying the loan participations, has the power to direct these activities through a servicing arrangement, GSLLC is the primary beneficiary and should consolidate the SPV under the variable interest consolidation model guidance in ASC 810.

The SPV’s relationship with GSLLC results in no recourse to the general credit of the Company. Further, the Company has no contractual requirement to provide financial support to the SPV. In addition, each of the SPV and Depositor is a separate legal entity from the Company and from each other subsidiary of the Company, the respective assets of the SPV and Depositor are owned by the SPV or Depositor, respectively, and are solely available to satisfy their respective creditors. As such, neither the SPV’s assets nor Depositor’s assets are available to satisfy obligations of GreenSky, Inc., GS Holdings, GSLLC or other subsidiaries of the Company.

Below are tabular disclosures that provide insight into how GS Holdings, inclusive of the SPV, affects GreenSky, Inc.’s financial position, performance and cash flows. Prior to the IPO and Reorganization Transactions, GreenSky, Inc. did not have any variable interest in GS Holdings.
The following table presents the balances related to GS Holdings, inclusive of the SPV, that are included in the Unaudited Condensed Consolidated Balance Sheets as of the dates indicated, inclusive of GreenSky, Inc.'s interest in the variable interest entity.

<table>
<thead>
<tr>
<th>Assets</th>
<th>June 30, 2020</th>
<th>December 31, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$113,560</td>
<td>$177,730</td>
</tr>
<tr>
<td>Restricted cash</td>
<td>289,844</td>
<td>250,081</td>
</tr>
<tr>
<td>Loan receivables held for sale, net</td>
<td>410,952</td>
<td>51,926</td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>20,066</td>
<td>19,493</td>
</tr>
<tr>
<td>Property, equipment and software, net</td>
<td>21,951</td>
<td>18,309</td>
</tr>
<tr>
<td>Other assets</td>
<td>50,827</td>
<td>49,648</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td><strong>$907,200</strong></td>
<td><strong>$567,187</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Liabilities and Members Equity (Deficit)</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable</td>
<td>$13,356</td>
<td>$11,912</td>
</tr>
<tr>
<td>Accrued compensation and benefits</td>
<td>7,034</td>
<td>10,734</td>
</tr>
<tr>
<td>Other accrued expenses</td>
<td>3,947</td>
<td>3,244</td>
</tr>
<tr>
<td>Finance charge reversal liability</td>
<td>198,755</td>
<td>206,035</td>
</tr>
<tr>
<td>Term loan</td>
<td>453,879</td>
<td>384,497</td>
</tr>
<tr>
<td>SPV facility</td>
<td>299,000</td>
<td>—</td>
</tr>
<tr>
<td>Financial guarantee liability</td>
<td>163,301</td>
<td>16,698</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>64,199</td>
<td>60,328</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td><strong>1,203,471</strong></td>
<td><strong>693,448</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Members Equity (Deficit)</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity (deficit) attributable to Continuing LLC Members</td>
<td>(183,302)</td>
<td>(80,758)</td>
</tr>
<tr>
<td>Equity (deficit) attributable to GreenSky, Inc.</td>
<td>(112,969)</td>
<td>(45,503)</td>
</tr>
<tr>
<td><strong>Total members equity (deficit)</strong></td>
<td><strong>(296,271)</strong></td>
<td><strong>(126,261)</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Total liabilities and members equity (deficit)</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>$907,200</strong></td>
<td><strong>$567,187</strong></td>
<td></td>
</tr>
</tbody>
</table>

(1) Includes $408.7 million and $0 million of assets held by the SPV as of June 30, 2020 and December 31, 2019, respectively.

(2) Includes $299.6 million and $0 million of liabilities held by the SPV as of June 30, 2020 and December 31, 2019, respectively.

The following table reflects the impact of consolidation of GS Holdings, inclusive of the SPV, into the Unaudited Condensed Consolidated Statements of Operations for the periods indicated.

<table>
<thead>
<tr>
<th></th>
<th>Three Months Ended June 30,</th>
<th>Six Months Ended June 30,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2020</td>
<td>2019</td>
</tr>
<tr>
<td>Total revenue</td>
<td>$133,649</td>
<td>$138,695</td>
</tr>
<tr>
<td>Total costs and expenses</td>
<td>115,880</td>
<td>92,189</td>
</tr>
<tr>
<td>Operating profit</td>
<td>17,769</td>
<td>46,506</td>
</tr>
<tr>
<td>Total other income (expense), net</td>
<td>(2,937)</td>
<td>(5,377)</td>
</tr>
<tr>
<td>Net income</td>
<td>$14,832</td>
<td>$41,129</td>
</tr>
</tbody>
</table>
The following table reflects the cash flow impact of GS Holdings, inclusive of the SPV, on the Unaudited Condensed Consolidated Statements of Cash Flows for the periods indicated.

<table>
<thead>
<tr>
<th>Net cash provided by (used in) operating activities</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$(333,842)</td>
<td>$89,789</td>
</tr>
<tr>
<td>Net cash used in investing activities</td>
<td>(8,524)</td>
<td>(7,123)</td>
</tr>
<tr>
<td>Net cash provided by (used in) financing activities</td>
<td>317,959</td>
<td>(128,597)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Net increase (decrease) in cash and cash equivalents and restricted cash</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$(24,407)</td>
<td>$(45,931)</td>
</tr>
<tr>
<td>Cash and cash equivalents and restricted cash at beginning of period</td>
<td>427,811</td>
<td>449,473</td>
</tr>
<tr>
<td>Cash and cash equivalents and restricted cash at end of period</td>
<td>$403,404</td>
<td>$403,542</td>
</tr>
</tbody>
</table>

Note 18. Subsequent Events

Strategic Alternatives Review Process

On August 10, 2020, the Company announced that the Company’s Board of Directors, working together with its senior management team and legal and financial advisors, completed the process, announced in August 2019, to explore, review and evaluate a range of potential strategic alternatives focused on maximizing stockholder value. The Company’s Board of Directors has determined that the Company can best drive future value creation by executing on a growth plan that leverages a renewed focus on the Company’s home improvement vertical, the cross marketing of complementary products to its consumer program borrowers, enhanced merchant productivity, scalability of operations, termination of the programmatic sale of charged-off receivables, and funding diversification to support its continued profitable growth.

SPV Facility

On July 24, 2020, the Company accessed an additional $200.0 million uncommitted accordion within the SPV Facility. The uncommitted accordion has the same characteristics and maturity date of the original $300.0 million SPV Facility. The proceeds were used by the SPV to purchase $284.0 million loan participations with the remaining funds contributed by GSLLC.

Distributions

In July 2020, GS Holdings finalized and paid tax distributions of $17.1 million to its members and paid previously declared but unpaid non-tax distributions of $0.6 million to certain of its members upon vesting of their equity in GS Holdings.

TRA Payment

In July 2020, GreenSky, Inc. finalized and made a payment, inclusive of interest, of $12.8 million to members of GS Holdings pursuant to the TRA.
ITEM 2: MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (United States dollars in thousands, except per share data and unless otherwise indicated)

You should read the following discussion and analysis of our financial condition and results of operations together with our Unaudited Condensed Consolidated Financial Statements and related notes included elsewhere in this Form 10-Q, as well as the Audited Consolidated Financial Statements and related notes and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” included in the GreenSky, Inc. 2019 Form 10-K filed with the Securities and Exchange Commission on March 2, 2020 (”2019 Form 10-K”). This discussion and analysis contains forward-looking statements based upon current plans, expectations and beliefs involving risks and uncertainties. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of various important factors, including those set forth under Part II, Item 1A “Risk Factors” in this Form 10-Q.

Organization

GreenSky, Inc. (or the "Company," "we" or "our") was formed as a Delaware corporation on July 12, 2017. The Company was formed for the purpose of completing an initial public offering ("IPO") of its Class A common stock and certain Reorganization Transactions, as further described in the 2019 Form 10-K, in order to carry on the business of GreenSky Holdings, LLC (“GS Holdings”) and its consolidated subsidiaries. GS Holdings, a holding company with no operating assets or operations, was organized in August 2017. On August 24, 2017, GS Holdings acquired a 100% interest in GreenSky, LLC ("GSLLC"), a Georgia limited liability company, which is an operating entity. Common membership interests of GS Holdings are referred to as "Holdco Units." On May 24, 2018, the Company's Class A common stock commenced trading on the Nasdaq Global Select Market in connection with its IPO.

Executive Summary

Covid-19 Pandemic

On March 11, 2020, the World Health Organization designated the novel coronavirus disease (referred to as “COVID-19”) as a global pandemic. In the second half of March 2020, the impact of COVID-19 and related actions to mitigate its spread within the U.S. began to impact our consolidated operating results. As of August 10, 2020, the date of filing this Quarterly Report on Form 10-Q, the duration and severity of the effects of COVID-19 remain unknown. Likewise, neither do we know the duration and severity of the impact of COVID-19 on all members of the GreenSky ecosystem – our merchants, Bank Partners, and GreenSky program borrowers – or our associates. In addition to instituting a Company-wide work-at-home program to ensure the safety of all GreenSky associates and their families, we formed a GreenSky Continuity Team that is tasked with communicating to employees on a regular basis regarding such efforts as planning for contingencies related to the COVID-19 pandemic, providing updated information and policies related to the safety and health of all GreenSky associates, and monitoring the ongoing crisis for new developments that may impact GreenSky, our work locations and/or our associates. Our GreenSky Continuity Team is generally following the requirements and protocols as published by the U.S. Centers for Disease Control and Prevention and the World Health Organization, as well as state and local governments. As of the date of this filing, we have not begun to lift the actions put in place as part of our business continuity strategy, including work-at-home requirements and travel restrictions, and we do not believe that these protocols have materially adversely impacted our internal controls or financial reporting processes.

On March 27, 2020, the President of the United States signed into law the Coronavirus Aid, Relief and Economic Security Act (the "CARES Act"). The CARES Act, among other things, includes provisions relating to direct economic assistance to American workers, refundable payroll tax credits, deferral of employer side social security payments, net operating loss carryback periods, alternative minimum tax credit refunds, modifications to the net interest deduction limitations, technical corrections to tax depreciation methods for qualified improvement property and temporary relief from certain troubled debt restructuring provisions. While we do not believe the impacts of the CARES Act were material during the three and six months ended June 30, 2020, we continue to examine both the direct and indirect impacts that the CARES Act, and additional government relief measures, may have on our business, including impacts associated with the expiration of select CARES Act provisions.
The following are anticipated key impacts on our business and response initiatives taken by the Company, in coordination with our network partners, to mitigate such impacts:

Transaction Volume. Our transaction volume began to be impacted significantly by COVID-19 mid-March 2020 and continued to be impacted during the second quarter.

For the three months ended June 30, 2020, our transaction volume decreased 14% compared to the second quarter of 2019 with each month's volumes as follows:

- April 2020 volumes were 26% lower than April 2019
- May 2020 volumes were 16% lower than May 2019
- June 2020 volumes were approximately level with June 2019.

Consumer spending behavior has been significantly impacted by the COVID-19 pandemic, principally due to restrictions on "non-essential" businesses, issuances of stay-at-home orders, increased unemployment, uncertainties about the extent and duration of the pandemic and consumers' concerns with allowing merchant providers into their home. To the extent this change in consumer spending behavior continues, we expect transaction volume to decline relative to the prior year. In order for our merchants to better adapt to their customers' financing needs in the current economic environment, we collaborated with our merchants and developed a suite of new promotional loan product offerings, primarily additional reduced rate and deferred interest loan products, responsive to the merchant input that we received. The extent to which our home improvement merchants have remained open for business has varied across merchant category and geographical location within the U.S. The majority of elective healthcare providers had been temporarily closed nationwide due to state and local restrictions, prohibiting the performance of elective healthcare procedures and reducing our elective healthcare transaction volumes from mid-March through June to de minimis levels.

Portfolio Credit Losses. We entered the COVID-19 pandemic with historically strong credit performance and believe our home improvement sector super-prime program borrowers, in particular, in concert with our focus on promotional credit, are strongly resilient. To maintain our strong credit position in this uncertain economic environment, we continue to emphasize our super-prime promotional loan programs with our merchants. Additionally, in partnership with our Bank Partners, GreenSky program borrowers impacted by COVID-19 who requested hardship assistance have received temporary relief from payments. At June 30, 2020, approximately 4% of the balances of the portfolio we service were subject to payment deferrals. While we expect these measures to mitigate credit losses, we anticipate that higher unemployment rates, while partially offset by the effects of government stimulus measures such as the CARES Act, will ultimately result in increased portfolio credit losses in the second half of 2020 and first quarter of 2021 as compared to the prior periods. We provide limited protection to the Bank Partners through our restricted escrow accounts. Increases in credit losses have the effect of reducing our incentive payments from Bank Partners, thereby (absent any other factors) increasing our fair value change in finance charge reversal expense, which is a component of cost of revenue.

As the impact of COVID-19 continues to persist and evolve, GreenSky remains committed to serving GreenSky program borrowers and our Bank Partners and merchants, while caring for the safety of our associates and their families. The potential impact that COVID-19 could have on our financial condition and results of operations remains highly uncertain. For more information, refer to Part II, Item 1A "Risk Factors” and, in particular, “The global outbreak of the novel coronavirus, or COVID-19, has caused severe disruptions in the U.S. economy, and may have an adverse impact on our performance and results of operations.”

Key Developments

Specific key developments during the second quarter include:

Funding Diversification. GreenSky continues to actively diversify its funding to include a combination of commitments from Bank Partners and alternative funding structures with one or more institutional investors, financial institutions and other sources.
In May 2020, the Company put in place a critical component for the GreenSky program to accomplish alternative funding structures by entering into a series of agreements (collectively, the “Facility Bank Partner Agreements”) with an existing Bank Partner, Synovus Bank, to provide a framework for the programmatic sale of loan participations and/or whole loans by the Bank Partner to third parties, including to the previously-announced special purpose vehicle sponsored by the Company (the “SPV”). In conjunction with the Facility Bank Partner Agreements, Synovus Bank extended its relationship with the Company by an additional three years.

In May 2020, the SPV entered into a Warehouse Credit Agreement with the lenders party thereto from time to time (the "Lenders"), and JPMorgan Chase Bank, N.A. (“JPMorgan”) as administrative agent, to establish an asset-backed revolving credit facility to finance purchases by the SPV of participations in loans originated through the GreenSky program (the "SPV Facility").

- The SPV Facility initially provided committed financing of $300 million, with an additional $200 million uncommitted accordion that was accessed in July 2020.
- The Company currently expects that the SPV Facility will provide financing for approximately 70% of the principal balance of the purchased participations (on average), and the Company will fund the remainder.
- During the second quarter of 2020, the SPV completed multiple purchases of participations in loans (“SPV Participations”) totaling $431.0 million in the aggregate, of which $298.4 million was financed through the SPV Facility. In July 2020, the SPV purchased additional loan participations totaling $284.0 million, in connection with the SPV’s $200.0 million borrowing under the uncommitted accordion provided by the SPV Facility.
- The assets of the SPV are not available to satisfy any obligation of the Company, and the Lenders will not have direct recourse to the Company for any loans made under the SPV Facility.
- We expect the SPV to conduct periodic sales of the purchased participations or issue asset-backed securities to third parties, which sales or issuances would allow additional purchases of participations to be financed through the SPV Facility. To the extent that such sales occur, the SPV Facility could facilitate substantial incremental GreenSky program loan volume.

We continue to work with multiple institutional investors on whole loan and loan participations sales programs and forward flow financing arrangements (collectively, "New Institutional Financings"). We expect to close on one or more of these transactions in the second half of 2020.

Amendment of Credit Agreement. In June 2020, GS Holdings amended its March 29, 2018 Credit Agreement (as amended, the “2020 Amended Credit Agreement”) to increase the Company’s borrowings under the Credit Facility in an aggregate principal amount of $75.0 million. The incremental term loan, priced at LIBOR plus 450 basis points, with a 1% LIBOR floor, has the same security, maturity, principal amortization, prepayment, and covenant terms as the existing term loan under GS Holdings’ senior secured term loan facility and matures on March 29, 2025.

Strategic Alternatives Review Process. The Company’s Board of Directors, working together with its senior management team and legal and financial advisors, completed the process, announced in August 2019, to explore, review and evaluate a range of potential strategic alternatives focused on maximizing stockholder value. The Company’s Board of Directors determined that the Company can best drive future value creation by executing on a growth plan that leverages a renewed focus on the Company’s home improvement vertical, the cross marketing of complementary products to its consumer program borrowers, enhanced merchant productivity, scalability of operations, termination of the programmatic sale of charged-off receivables and funding diversification to support our continued profitable growth.

Final Patent Approval. On July 28, 2020, the United States Patent and Trademark Office issued the Company’s first U.S. patent. Originally filed in 2014, the patent relates to our mobile application process and credit...
decisioning model. This patent is an important recognition of a key component of our proprietary technology platform.

**Second Quarter Year-to-date 2020 Results**

Notwithstanding the impact of COVID-19 thus far on our 2020 transaction volumes, we achieved growth in the majority of our key business metrics and financial measures as of and for the three and six months ended June 30, 2020:

- **Transaction volume (as defined below)** was $1.36 billion during the three months ended June 30, 2020 compared to $1.58 billion during the three months ended June 30, 2019, a decrease of 14%. Transaction volume was $2.73 billion during the six months ended June 30, 2020 compared to $2.82 billion during the six months ended June 30, 2019, a decrease of 3%;

- **Total revenue of $133.0 million** during the three months ended June 30, 2020 decreased 4% from $138.8 million during the three months ended June 30, 2019. Total revenue of $254.8 million during the six months ended June 30, 2020 increased 5% from $243.2 million during the six months ended June 30, 2019;

- The outstanding balance of loans serviced by our platform totaled $9.38 billion as of June 30, 2020 compared to $8.19 billion as of June 30, 2019, an increase of 15%;

- Incentive payments we receive from our Bank Partners, which favorably impact our cost of revenue, increased 83% and 81% during the three and six months ended June 30, 2020, respectively, compared to the same periods in 2019 due to the combination of lower agreed-upon Bank Partner portfolio yield and strong credit performance across the portfolio offset by the decrease in incentive payments associated with participated loans purchased by the SPV (which ceased earning incentive payments upon purchase);

- We maintained a strong consumer profile. For all loans originated on our platform during the six months ended June 30, 2020, the credit-line weighted average GreenSky program borrower credit score was 783. Furthermore, GreenSky program borrowers with credit scores over 780 comprised 38% of the loan servicing portfolio as of June 30, 2020, and over 86% of the loan servicing portfolio as of June 30, 2020 consisted of GreenSky program borrowers with credit scores over 700;

- The 30-day delinquencies as of June 30, 2020 were 0.74%, an improvement of 57 basis points over June 30, 2019. This measure does not include loans that are currently in payment deferral under COVID-19 hardship requests. Approximately 4% of the outstanding balance of loans serviced by our platform as of June 30, 2020 were in deferral status as of that date; and

- Active merchants totaled 17,553 as of June 30, 2020 compared to 16,603 as of June 30, 2019, an increase of 6%. We have a robust network of active merchants from which we derive our transaction volumes. We are focused on selectively adding high quality merchants to our network as well as working with our existing merchants to increase volumes facilitated on our platform.

We had net income of $13.4 million during the three months ended June 30, 2020 compared to net income of $39.2 million during the three months ended June 30, 2019. We had net income of $2.4 million during the six months ended June 30, 2020 compared to net income of $46.6 million during the six months ended June 30, 2019. The lower earnings in the 2020 periods were primarily due to:

- $28.7 million non-cash charge to financial guarantee expense in the six months ended June 30, 2020 period in accordance with the provisions of ASU 2016-13 (referred to as “CECL”), which we adopted on January 1, 2020. Refer to "Three and Six Months Ended June 30, 2020 and 2019–Financial guarantee" in this Part I, Item 2 as well as Note 1 and Note 14 to the Notes to Unaudited Condensed Consolidated Financial Statements in Part I, Item 1 for additional discussion of our financial guarantee.
During the first quarter of 2020, we terminated our program related to transferring our rights to Charged-Off Receivables (as defined in Note 3 to the Notes to Unaudited Condensed Consolidated Financial Statements included in Part I, Item 1), for which we recognized a $14.9 million gain in the six months ended June 30, 2019. To the extent that we do not transfer our rights to Charged-Off Receivables, we expect to benefit from the retained recoveries over time to achieve overall higher cash returns and recognize recoveries as collected.

Adjusted EBITDA (as defined below) of $39.7 million during the three months ended June 30, 2020 increased from $36.9 million during the three months ended June 30, 2019. Adjusted EBITDA of $58.9 million during the six months ended June 30, 2020 increased from $48.8 million during the six months ended June 30, 2019.

Information regarding our use of Adjusted EBITDA, a non-GAAP measure, and a reconciliation of Adjusted EBITDA to net income, the most comparable GAAP (as defined below) measure, is included in "Non-GAAP Financial Measure."

Seasonality. Historically, our business has generally been subject to seasonality in consumer spending and payment patterns. We cannot yet predict the impacts of COVID-19 on the seasonality of our business for the remainder of 2020 or future periods.

Given that our home improvement vertical is a significant contributor to our overall revenue, our revenue growth generally has been higher during the second and third quarters of the year as the weather improves, the residential real estate market becomes more active and consumers begin home improvement projects. During these periods, we have typically experienced increased loan applications and, in turn, transaction volume. Conversely, our revenue growth generally has been relatively slower during the first and fourth quarters of the year, as consumer spending on home improvement projects tends to slow leading up to the holiday season and through the winter months. As a result, the volume of loan applications and transactions has also tended to slow during these periods. Historically, the elective healthcare vertical has been susceptible to seasonality during the fourth quarter of the year, as the licensed healthcare providers take more vacation time around the holiday season. During this period, the volume of elective healthcare procedures and our resulting revenue have typically been slower relative to other periods throughout the year. Our seasonality trends may vary in the future as we introduce our program to new industry verticals and become less concentrated in the home improvement industry.

The origination related and finance charge reversal components of our cost of revenue also have been subject to these same seasonal factors, while the servicing related component of cost of revenue, in particular customer service staffing, printing and postage costs, has not been as closely correlated to seasonal volume patterns. As transaction volume increases, the transaction volume related personnel costs, as well as costs related to credit and identity verification, among other activities, increase as well. Further, finance charge reversal settlements are positively correlated with transaction volume in the same period of the prior year. As prepayments on deferred interest loans, which trigger finance charge reversals, typically are highest towards the end of the promotional period, and promotional periods are most commonly 12, 18 or 24 months, finance charge reversal settlements follow a similar seasonal pattern as transaction volumes over the course of a calendar year.

Lastly, we historically have observed seasonal patterns in consumer credit, driven to an extent by income tax refunds, which results in lower charge-offs during the second and third quarters of the year. Credit improvement during these periods has a positive impact on the incentive payments we receive from our Bank Partners. Conversely, during the first and fourth quarters of the year, when credit performance is comparably lower, our incentive payment receipts are negatively impacted, which in turn has a negative impact on our cost of revenue.

Non-GAAP Financial Measure

In addition to financial measures presented in accordance with United States generally accepted accounting principles (“GAAP”), we monitor Adjusted EBITDA to manage our business, make planning decisions, evaluate our performance and allocate resources. We define “Adjusted EBITDA” as net income (loss) before interest expense, taxes, depreciation and amortization, adjusted to eliminate equity-based compensation and payments and certain non-cash and non-recurring expenses.
We believe that Adjusted EBITDA is one of the key financial indicators of our business performance over the long term and provides useful information regarding whether cash provided by operating activities is sufficient to maintain and grow our business. We believe that this methodology for determining Adjusted EBITDA can provide useful supplemental information to help investors better understand the economics of our platform.

Adjusted EBITDA has limitations as an analytical tool and should not be considered in isolation from, or as a substitute for, the analysis of other GAAP financial measures, such as net income. Some of the limitations of Adjusted EBITDA include:

- It does not reflect our current contractual commitments that will have an impact on future cash flows;
- It does not reflect the impact of working capital requirements or capital expenditures; and
- It is not a universally consistent calculation, which limits its usefulness as a comparative measure.

Management compensates for the inherent limitations associated with using the measure of Adjusted EBITDA through disclosure of such limitations, presentation of our financial statements in accordance with GAAP and reconciliation of these non-GAAP financial measures to the most directly comparable GAAP measure, net income, as presented below.

<table>
<thead>
<tr>
<th></th>
<th>Three Months Ended June 30,</th>
<th>Six Months Ended June 30,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2020</td>
<td>2019</td>
</tr>
<tr>
<td>Adjusted EBITDA</td>
<td>$39,716</td>
<td>$36,898</td>
</tr>
<tr>
<td></td>
<td>$58,899</td>
<td>$48,830</td>
</tr>
</tbody>
</table>

(1) Includes interest expense on our term loan. Interest expense on the SPV Facility and its related loans receivables held for sale are excluded from the adjustment above as such amounts are a component of cost of revenue in our on-going business.

(2) Includes equity-based compensation to employees and directors, as well as equity-based payments to non-employees.

(3) Includes non-cash charges related to our financial guarantee arrangements with our ongoing Bank Partners, which are primarily a function of new loans facilitated on our platform during the period increasing the contractual escrow balance and the associated financial guarantee liability.

(4) Includes the non-cash changes in the fair value of servicing assets and servicing liabilities related to our servicing assets associated with Bank Partner agreements and other contractual arrangements. 2019 amounts have been updated to be consistent with the Company’s 2020 presentation in accordance with our Non-GAAP policy.

(5) Includes the amounts related to the now discontinued program of transferring our rights to charged-off receivables to third parties. 2019 amounts have been updated to be consistent with the Company's 2020 presentation in accordance with our Non-GAAP policy.

(6) For the three and six months ended June 30, 2020, includes professional fees and other costs associated with our strategic alternatives review process. 2020 includes $307 thousand related to incremental technology costs associated with COVID-19, and IPO related litigation. For the three and six months ended June 30, 2019, includes legal fees associated with IPO related litigation. For the six months ended June 30, 2019, includes the following: (i) legal fees associated with IPO related litigation of $959 thousand, (ii) one-time tax compliance fees related to filling the final tax return for the Former Corporate Investors associated with the Reorganization Transactions of $160 thousand, and (iii) lien filing expenses related to certain Bank Partner solar loans of $621 thousand.
Business Metrics

We review a number of operating and financial metrics to evaluate our business, measure our performance, identify trends, formulate plans and make strategic decisions, including the following.

<table>
<thead>
<tr>
<th></th>
<th>Three Months Ended June 30,</th>
<th>Six Months Ended June 30,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2020</td>
<td>2019</td>
</tr>
<tr>
<td><strong>Transaction Volume</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dollars (in millions)</td>
<td>$ 1,358</td>
<td>$ 1,578</td>
</tr>
<tr>
<td>Percentage decrease</td>
<td>(14)%</td>
<td>(3)%</td>
</tr>
<tr>
<td><strong>Loan Servicing Portfolio</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dollars (in millions, at end of period)</td>
<td>$ 9,384</td>
<td>$ 8,191</td>
</tr>
<tr>
<td>Percentage increase</td>
<td>15%</td>
<td>15%</td>
</tr>
<tr>
<td><strong>Active Merchants</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number (at end of period)</td>
<td>17,553</td>
<td>16,603</td>
</tr>
<tr>
<td>Percentage increase</td>
<td>6%</td>
<td>6%</td>
</tr>
<tr>
<td><strong>Cumulative Consumer Accounts</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number (in millions, at end of period)</td>
<td>3.39</td>
<td>2.63</td>
</tr>
<tr>
<td>Percentage increase</td>
<td>29%</td>
<td>29%</td>
</tr>
</tbody>
</table>

Transaction Volume. We define transaction volume as the dollar value of loans facilitated on our platform during a given period. Transaction volume is an indicator of revenue and overall platform profitability and has grown substantially in the past several years.

Loan Servicing Portfolio. We define our loan servicing portfolio as the aggregate outstanding consumer loan balance (principal plus accrued interest and fees) serviced by our platform at the date of measurement. Our loan servicing portfolio is an indicator of our servicing activities. Our loan servicing portfolio includes $434 million of loan receivables held for sale by the SPV. The average loan servicing portfolio for the three months ended June 30, 2020 and 2019 was $9,286 million and $7,884 million, respectively. The average loan servicing portfolio for the six months ended June 30, 2020 and 2019 was $9,248 million and $7,691 million, respectively.

Active Merchants. We define active merchants as merchants that have submitted at least one consumer application during the twelve months ended at the date of measurement. Because our transaction volume is a function of the size, engagement and growth of our merchant network, active merchants, in aggregate, are an indicator of future revenue and profitability, although they are not directly correlated. The comparative measures can also be impacted by disciplined corrective action taken by the Company to remove merchants from our program who do not meet our customer satisfaction standards.

Cumulative Consumer Accounts. We define cumulative consumer accounts as the aggregate number of consumer accounts approved on our platform since our inception, including accounts with both outstanding and zero balances. Although not directly correlated to revenue, cumulative consumer accounts is a measure of our brand awareness among consumers, as well as the value of the data we have been collecting from such consumers since our inception. We may use this data to support future growth by cross-marketing products and delivering potential additional customers to merchants that may not have been able to source those customers themselves.

Factors Affecting our Performance

Network of Active Merchants and Transaction Volume. We have a robust network of active merchants, upon which we derive our transaction volumes. Our revenues and financial results are heavily dependent on our transaction volume, which represents the dollar amount of loans funded on our platform and, therefore, influences the fees that we earn and the per-unit cost of the services that we provide. Our transaction volume depends on our ability to retain our existing platform participants, add new participants and expand to new industry verticals. We engage new merchants through both direct sales channels, as well as affiliate channel partners, such as manufacturers, software companies and other entities that have a network of merchants that would benefit from
consumer financing. Once onboarded, merchant relationships are maintained and grown by direct account management, as well as regular product enhancements that facilitate merchant growth.

**Bank Partner Relationships: Other Funding.** "Bank Partners” are the federally insured banks that originate loans under the consumer financing and payments program that we administer for use by merchants on behalf of such banks in connection with which we provide point-of-sale financing and payments technology and related marketing, servicing, collection and other services (the “GreenSky program” or "program"). Our ability to generate and increase transaction volume and expand our loan servicing portfolio is, in part, dependent on (a) retaining our existing Bank Partners and having them renew and expand their commitments, (b) adding new Bank Partners, and/or (c) adding complementary funding arrangements to increase funding capacity. Our failure to do so could materially and adversely affect our business and our ability to grow. A Bank Partner’s funding commitment typically has an initial multi-year term, after which the commitment is either renewed (typically on an annual basis) or expires. No assurance is given that any of the current funding commitments of our Bank Partners will be renewed.

As of June 30, 2020, we had aggregate funding commitments from our ongoing Bank Partners of approximately $8.0 billion, of which approximately $1.6 billion was unused. These funding commitments are “revolving” and replenish as outstanding loans are paid down. As a result of loan pay downs, we anticipate approximately $2.7 billion of additional funding capacity will become available through 2021. As we add new Bank Partners, their full commitments are typically subject to a mutually-agreed-upon onboarding schedule. As previously disclosed, one of our Bank Partners adjusted its funding commitment effective April 30, 2020 from $3 billion to $2 billion, which adjustment is reflected in the incremental funding capacity noted above. The adjustment of the Bank Partner’s funding commitment had only a nominal impact on our current funding position, because the funding level by the Bank Partner at the time of the change was near the Bank Partner’s maximum.

In addition to customary expansion of commitments from existing Bank Partners and the periodic addition of new Bank Partners to our funding group, we are working to diversify the funding for loans originated by our Bank Partners to also include alternative structures with one or more institutional investors, financial institutions or other financing sources. To that end, as noted above under “Executive Summary,” in May 2020, the Company entered into the Facility Bank Partner Agreements with an existing Bank Partner, Synovus Bank, to provide a framework for the programmatic sale of loan participations and/or whole loans by the Bank Partner to third parties, including to the SPV. In addition, we established the SPV Facility with JPMorgan to finance purchases by the SPV of participations in loans originated through the GreenSky program. The SPV Facility provides committed financing of $300 million, with an additional $200 million uncommitted accordion which we accessed in July 2020. During the second quarter of 2020, the SPV completed multiple purchases of loan participations totaling $431.0 million. In July 2020, the SPV purchased additional loan participations totaling $284.0 million, in connection with the SPV’s $200.0 million borrowing under the uncommitted accordion provided by the SPV Facility.

Additionally, we are continuing to work with multiple institutional investors on both a whole loan and loan participations sales program and forward flow financing arrangements. We would expect to close on one or more of these transactions in the second half of 2020.

If we do not timely consummate forward flow arrangements or other alternative structures, or if the funding commitments from our Bank Partners and forward flow arrangements or other alternative structures (should they be consummated) are not sufficient to support expected originations, it would limit our ability for loans to be originated or our ability to generate revenue at or above current levels.

**Performance of the Loans our Bank Partners Originate.** While our Bank Partners bear substantially all of the credit risk on their wholly-owned loan portfolios, Bank Partner credit losses and prepayments impact our profitability as follows:

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• Our contracts with our Bank Partners entitle us to incentive payments when the finance charges billed to borrowers exceed the sum of an agreed-upon portfolio yield, a fixed servicing fee and realized credit losses. This incentive payment varies from month to month, primarily due to the amount of realized credit losses.

• With respect to deferred interest loans, we bill the GreenSky program borrower for interest throughout the deferred interest promotional period, but the GreenSky program borrower is not obligated to pay any interest if the loan is repaid in full before the end of the promotional period. We are obligated to remit this accumulated billed interest to our Bank Partners to the extent the loan principal balances are paid off within the promotional period (each event, a finance charge reversal or “FCR”) even though the interest billed to the GreenSky program borrower is reversed. Our maximum FCR liability is limited to the gross amount of finance charges billed during the promotional period, offset by (i) the collection of incentive payments from our Bank Partners during such period, (ii) proceeds received from transfers of Charged-Off Receivables, and (iii) recoveries on unsold charged-off receivables. Our profitability is impacted by the difference between the cash collected from these items and the cash to be remitted on a future date to settle our FCR liability. Our FCR liability quantifies our expected future obligation to remit previously billed interest with respect to deferred interest loans.

• Under our Bank Partner agreements, if credit losses exceed an agreed-upon threshold, we make limited payments to our Bank Partners. Our maximum financial exposure is contractually limited to the escrow that we establish with each Bank Partner, which represented a weighted average target rate of 2.2% of the total outstanding loan balance as of June 30, 2020. Cash set aside to meet this requirement is classified as restricted cash in our Unaudited Condensed Consolidated Balance Sheets. As of June 30, 2020, the financial guarantee liability associated with our escrow arrangements recognized in accordance with ASU 2016-13 represents over 90% of the contractual escrow that we have established with each Bank Partner.

Performance of Loan Participations. We bear substantially all of the credit risk of loan receivables held for sale, however, our intent is that our holding period for such loan receivables is fairly brief.

For further discussion of our sensitivity to the credit risk exposure of our Bank Partners, see Part I, Item 3 “Quantitative and Qualitative Disclosures About Market Risk–Credit risk.” In January 2020, our Bank Partners also became subject to ASU 2016-13, which may affect how they reserve for losses on loans.

General Economic Conditions and Industry Trends. Our results of operations are impacted by the relative strength of the overall economy and its effect on unemployment, consumer spending behavior and consumer demand for our merchants’ products and services. As general economic conditions improve or deteriorate, the amount of consumer disposable income tends to fluctuate, which, in turn, impacts consumer spending levels and the willingness of consumers to take out loans to finance purchases. Specific economic factors, such as interest rate levels, changes in monetary and related policies, market volatility, consumer confidence and, particularly, unemployment rates, also influence consumer spending and borrowing patterns. In addition, trends within the industry verticals in which we operate affect consumer spending on the products and services our merchants offer in those industry verticals. For example, the strength of the national and regional real estate markets and trends in new and existing home sales impact demand for home improvement goods and services and, as a result, the volume of loans originated to finance these purchases. In addition, trends in healthcare costs, advances in medical technology and increasing life expectancy are likely to impact demand for elective medical procedures and services. Refer to “Executive Summary” above for a discussion of the expected impacts on our business from the COVID-19 pandemic.

Components of Results of Operations

There were no significant changes to the components of our results of operations as disclosed in Part II, Item 7 of our 2019 Form 10-K, except as noted below.

Financial guarantee. Upon our adoption of the provisions of ASU 2016-13 on January 1, 2020, our financial guarantee liability associated with our escrow arrangements with our Bank Partners was recognized in accordance with ASC 326, Financial Instruments–Credit Losses (CECL). Changes in the financial guarantee liability each period as measured under CECL are recorded as non-cash charges in the statement of operations.
Results of Operations Summary

### Three Months Ended June 30, 2020 and 2019

#### Total Revenue

During the three and six months ended June 30, 2020, total revenue decreased $5.8 million, or 4%, and increased $11.7 million, or 5%, respectively, compared to the same periods in 2019.

#### Transaction fees

During the three and six months ended June 30, 2020, transaction fees decreased 6% and 0.4%, respectively, compared to the same periods in 2019. These decreases were primarily due to a decrease in transaction volume, which declined 14% and 3%, respectively. Additionally, price concessions for a significant merchant group reduced transaction fees by $2.4 million during the six months ended June 30, 2020 compared to $3.5 million offered to the same merchant group during the same period in 2019.

The impact of lower transaction volume was also mitigated by an increase in the transaction fees earned per dollar originated ("transaction fee rate") which were 7.49% during the three months ended June 30, 2020 compared to 6.87% during the same period in 2019, and 7.02% during the six months ended June 30, 2020 compared to 6.82% during the same period in 2019. The year over year transaction fee rate increases are primarily related to the mix of promotional terms of loans originated on our platform. Loans with lower interest rates, longer stated maturities and

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### Table: Results of Operations Summary

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</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transaction fees</td>
<td>$101,777</td>
<td>$108,365</td>
<td>($6,588)</td>
<td>(6)%</td>
<td>$191,661</td>
<td>$192,413</td>
<td>($752)</td>
<td>—%</td>
</tr>
<tr>
<td>Servicing</td>
<td>28,481</td>
<td>30,318</td>
<td>(1,837)</td>
<td>(6)%</td>
<td>59,764</td>
<td>49,951</td>
<td>9,813</td>
<td>20%</td>
</tr>
<tr>
<td>Interest and other</td>
<td>2,784</td>
<td>69</td>
<td>2,635</td>
<td>3,819%</td>
<td>3,394</td>
<td>786</td>
<td>2,608</td>
<td>332%</td>
</tr>
<tr>
<td><strong>Total revenue</strong></td>
<td>132,962</td>
<td>138,752</td>
<td>(5,790)</td>
<td>(4)%</td>
<td>254,819</td>
<td>243,150</td>
<td>11,669</td>
<td>5%</td>
</tr>
<tr>
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</tr>
<tr>
<td><strong>Costs and expenses</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost of revenue (exclusive of depreciation and amortization shown separately below)</td>
<td>64,930</td>
<td>56,228</td>
<td>8,702</td>
<td>15%</td>
<td>136,705</td>
<td>114,265</td>
<td>22,440</td>
<td>20%</td>
</tr>
<tr>
<td>Compensation and benefits</td>
<td>22,041</td>
<td>20,459</td>
<td>1,582</td>
<td>8%</td>
<td>44,475</td>
<td>40,092</td>
<td>4,383</td>
<td>11%</td>
</tr>
<tr>
<td>Property, office and technology</td>
<td>4,244</td>
<td>4,512</td>
<td>(268)</td>
<td>(6)%</td>
<td>8,266</td>
<td>8,926</td>
<td>(660)</td>
<td>7%</td>
</tr>
<tr>
<td>Sales, general and administrative</td>
<td>8,590</td>
<td>7,302</td>
<td>1,288</td>
<td>18%</td>
<td>18,678</td>
<td>14,555</td>
<td>4,123</td>
<td>28%</td>
</tr>
<tr>
<td>Financial guarantee</td>
<td>10,248</td>
<td>1,696</td>
<td>8,552</td>
<td>504%</td>
<td>28,656</td>
<td>2,918</td>
<td>25,738</td>
<td>882%</td>
</tr>
<tr>
<td>Related party</td>
<td>477</td>
<td>589</td>
<td>(112)</td>
<td>(19)%</td>
<td>954</td>
<td>1,125</td>
<td>(171)</td>
<td>(15)%</td>
</tr>
<tr>
<td><strong>Total costs and expenses</strong></td>
<td>113,292</td>
<td>92,481</td>
<td>20,811</td>
<td>23%</td>
<td>242,941</td>
<td>185,043</td>
<td>57,898</td>
<td>31%</td>
</tr>
<tr>
<td>Operating profit</td>
<td>19,670</td>
<td>46,271</td>
<td>(26,601)</td>
<td>(57)%</td>
<td>11,878</td>
<td>58,107</td>
<td>(46,229)</td>
<td>(80)%</td>
</tr>
<tr>
<td>Other income (expense), net</td>
<td>(4,818)</td>
<td>(11,544)</td>
<td>6,726</td>
<td>(58)%</td>
<td>(8,849)</td>
<td>(16,574)</td>
<td>7,724</td>
<td>(47)%</td>
</tr>
<tr>
<td>Income before income tax expense (benefit)</td>
<td>14,852</td>
<td>34,727</td>
<td>(19,875)</td>
<td>(57)%</td>
<td>3,038</td>
<td>41,533</td>
<td>(38,495)</td>
<td>(93)%</td>
</tr>
<tr>
<td>Income tax expense (benefit)</td>
<td>1,497</td>
<td>(4,466)</td>
<td>5,963</td>
<td>N/M</td>
<td>602</td>
<td>(5,061)</td>
<td>5,663</td>
<td>N/M</td>
</tr>
<tr>
<td><strong>Net income</strong></td>
<td>$13,355</td>
<td>$39,193</td>
<td>($25,838)</td>
<td>(66)%</td>
<td>$2,436</td>
<td>$46,594</td>
<td>($44,158)</td>
<td>(95)%</td>
</tr>
<tr>
<td>Less: Net income attributable to noncontrolling interests</td>
<td>9,222</td>
<td>26,877</td>
<td>(17,655)</td>
<td>(66)%</td>
<td>1,637</td>
<td>31,379</td>
<td>(29,742)</td>
<td>(95)%</td>
</tr>
<tr>
<td><strong>Net income attributable to GreenSky, Inc.</strong></td>
<td>$4,133</td>
<td>$12,316</td>
<td>($8,183)</td>
<td>(66)%</td>
<td>$799</td>
<td>$15,215</td>
<td>($14,416)</td>
<td>(95)%</td>
</tr>
<tr>
<td></td>
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<td></td>
</tr>
<tr>
<td><strong>Earnings per share of Class A common stock</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Basic</td>
<td>$0.06</td>
<td>$0.20</td>
<td>$0.14</td>
<td>0.7%</td>
<td>$0.01</td>
<td>$0.26</td>
<td>$0.25</td>
<td>95%</td>
</tr>
<tr>
<td>Diluted</td>
<td>$0.06</td>
<td>$0.19</td>
<td>$0.03</td>
<td>1.6%</td>
<td>$0.01</td>
<td>$0.23</td>
<td>$0.22</td>
<td>95%</td>
</tr>
</tbody>
</table>

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longer promotional periods generally carry relatively higher transaction fee rates. Conversely, loans with higher interest rates, shorter stated terms and shorter promotional periods generally carry relatively lower transaction fee rates. With the onset of the COVID-19 Pandemic, our merchants shifted originations to more promotional loans, which resulted in the upward shift in the transaction fee rate. In addition, the mix of loans offered by merchants generally varies by merchant category, and is dependent on merchant and consumer preference. Therefore, shifts in merchant mix have a direct impact on our transaction fee rates.

>Servicing

During the three months ended June 30, 2020, servicing revenue decreased $1.8 million, or 6%, compared to the same period in 2019, which was primarily attributable to the $1.0 million decrease in the fair value change in our servicing asset in 2020, as compared to the $9.0 million increase in the fair value change in our servicing asset during the same period in 2019, which offset the impact of the 18% increase in the average servicing portfolio and higher contractual servicing fee rate of 1.27%, compared to 1.08% during the same period of 2019.

During the six months ended June 30, 2020, servicing revenue increased $9.8 million, or 20%, compared to the same period in 2019, which was primarily attributable to the increases in our average loan servicing portfolio of 20%, combined with the receipt of higher fixed servicing fees associated with increases to the contractual fixed servicing fees for certain Bank Partners in the second half of 2019. The average servicing fee increased to 1.28% of the average loan servicing portfolio for the six months ended June 30, 2020 from 1.07% in the same period in 2019.

>Interest and other

During the three and six months ended June 30, 2020, interest income increased $2.6 million for both periods compared to the same periods in 2019, which was primarily attributable to 2020 interest income from loan receivables held for sale due to the purchase of participations in loans by the SPV.

>Cost of Revenue (exclusive of depreciation and amortization expense)

<table>
<thead>
<tr>
<th></th>
<th>Three Months Ended June 30, 2020</th>
<th>Six Months Ended June 30, 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2019</td>
<td>2019</td>
</tr>
<tr>
<td>Origination related</td>
<td>5,958</td>
<td>7,119</td>
</tr>
<tr>
<td>Servicing related</td>
<td>12,073</td>
<td>10,327</td>
</tr>
<tr>
<td>Fair value change in FCR liability</td>
<td>36,050</td>
<td>38,782</td>
</tr>
<tr>
<td>Mark-to-market and other on loan participations</td>
<td>10,849</td>
<td>–</td>
</tr>
<tr>
<td>Total cost of revenue (exclusive of depreciation and amortization expense)</td>
<td>$64,930</td>
<td>$56,228</td>
</tr>
</tbody>
</table>

>Origination related

Origination related expenses typically include costs associated with our customer service staff that supports Bank Partner loan originations, credit and identity verification, loan document delivery, transaction processing and customer protection expenses.

During the three and six months ended June 30, 2020, origination related expenses decreased 16% and 21%, respectively, compared to the same periods in 2019, commensurate with our 14% and 3% period over period, respectively, decrease in transaction volume. The lower expenses were largely driven by lower customer protection expenses of $1.1 million and $2.9 million during the three and six months ended June 30, 2020, respectively, compared to the same periods in 2019, which are incurred when the Company determines that a merchant did not fulfill its obligation to the end consumer and compensates a Bank Partner for the applicable portion of the loan principal balance.
**Servicing related**

Servicing related expenses are primarily reflective of the cost of our personnel (including dedicated call center personnel), printing and postage.

During the three and six months ended June 30, 2020, servicing related expenses increased 17% and 18%, respectively, compared to the same periods in 2019, which resulted from our 18% and 20% period over period, respectively, average loan servicing portfolio growth. The increases in servicing related expenses associated with the increases in loans serviced were primarily for personnel costs within our customer service, collections and quality assurance functions.

**Fair value change in FCR liability**

The following table reconciles the beginning and ending measurements of our FCR liability and highlights the activity that drove the fair value change in FCR liability included in our cost of revenue.

<table>
<thead>
<tr>
<th></th>
<th>Three Months Ended</th>
<th>Six Months Ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>June 30, 2020</td>
<td>June 30, 2019</td>
</tr>
<tr>
<td>Beginning balance</td>
<td>$213,158</td>
<td>$149,598</td>
</tr>
<tr>
<td>Receipts(1)</td>
<td>59,600</td>
<td>38,931</td>
</tr>
<tr>
<td>Settlements(2)</td>
<td>(110,053)</td>
<td>(62,332)</td>
</tr>
<tr>
<td>Fair value changes recognized in cost of revenue(3)</td>
<td>36,050</td>
<td>38,782</td>
</tr>
<tr>
<td>Ending balance</td>
<td>$198,755</td>
<td>$164,979</td>
</tr>
</tbody>
</table>

(1) Includes: (i) incentive payments from Bank Partners, which is the surplus of finance charges billed to borrowers over an agreed-upon portfolio yield, a fixed servicing fee and realized net credit losses, (ii) cash received from recoveries on previously charged-off Bank Partner loans, and (iii) the proceeds received from transferring our rights to Charged-Off Receivables attributable to previously charged-off Bank Partner loans. We consider all monthly incentive payments from Bank Partners during the period to be related to billed finance charges on deferred interest products until monthly incentive payments exceed total billed finance charges on deferred products, which did not occur during the periods presented.

(2) Represents the reversal of previously billed finance charges associated with deferred payment loan principal balances that were repaid within the promotional period. Amount also includes the settlement of $20.0 million of billed finance charges not yet collected on participations in loans held by the SPV, which were paid to the Bank Partner in full as of the participation purchase dates.

(3) A fair value adjustment is made based on the expected reversal percentage of billed finance charges (expected settlements), which is estimated at each reporting date. The fair value adjustment is recognized in cost of revenue in the Unaudited Condensed Consolidated Statements of Operations.

Further detail regarding our receipts is provided below for the periods indicated.

<table>
<thead>
<tr>
<th></th>
<th>Three Months Ended</th>
<th>Six Months Ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>June 30, 2020</td>
<td>June 30, 2019</td>
</tr>
<tr>
<td>Incentive payments</td>
<td>$55,759</td>
<td>$30,465</td>
</tr>
<tr>
<td>Proceeds from Charged-Off Receivables transfers(1)</td>
<td>—</td>
<td>7,427</td>
</tr>
<tr>
<td>Recoveries on unsold charged-off receivables(2)</td>
<td>3,841</td>
<td>1,039</td>
</tr>
<tr>
<td>Total receipts</td>
<td>$59,600</td>
<td>$38,931</td>
</tr>
</tbody>
</table>

(1) We collected recoveries on previously charged-off and transferred Bank Partner loans on behalf of our Charged-Off Receivables investors of $5.3 million and $5.5 million during the three months ended June 30, 2020 and 2019, respectively. These collected recoveries are excluded from receipts, as they do not impact our fair value change in FCR liability.

(2) Represents recoveries on previously charged-off Bank Partner loans.

The decrease of $2.7 million, or 7%, in the fair value change in FCR liability recognized in cost of revenue during the three months ended June 30, 2020 compared to the same period in 2019 was primarily a function of higher performance fees (attributable to lower charge-offs and lower bank margin) which more than offset the
impact of the growth of the FCR Liability, net of settlements and the absence of proceeds from Charged-Off Receivables transfers in the three months ended June 30, 2020 compared to proceeds of $7.4 million in the same period in 2019.

The increase of $11.0 million, or 14% in the fair value change in FCR liability recognized in cost of revenue during the six months ended June 30, 2020 compared to the same period in 2019, was primarily a function of the absence of proceeds from Charged-Off Receivables transfers in the six months ended June 30, 2020 compared to proceeds of $14.8 million in the same period in 2019.

Excluding the impact of the proceeds from Charged-Off Receivables transfers, the decreases in the fair value change in FCR liability were 22% and 4% for the three and six months ended June 30, 2020, respectively, relative to our 15% and 15% growth in the loan servicing portfolio, respectively, as we benefited from a 83% and 81% increase in incentive payments resulting from the combination of lower interest rates and lower Bank Partner portfolio credit losses.

Mark-to-market and other on loan participations

These amounts primarily include interest expense on the SPV Facility, lower of cost or fair value adjustments on our SPV Participations, fair value changes in the purchase price discount/premium, certain fees and the amortization of deferred debt issuance costs incurred in connection with obtaining the SPV Facility.

During both the three and six months ended June 30, 2020, the mark-to-market and other costs on loan participations were $10.8 million. As the Facility Bank Partner Agreements and the SPV Facility are new arrangements beginning in the second quarter of 2020, there were no SPV related expenses during the three and six months ended June 30, 2019.

Compensation and benefits

During the three and six months ended June 30, 2020, compensation and benefits expense increased $1.6 million, or 8%, and $4.4 million, or 11%, compared to the same period in 2019 as a result of increased expenses of $1.5 million and $2.7 million, respectively, related to newly formed departments in 2020, increases of $0.6 million and $0.8 million, respectively, attributable to increased executive compensation primarily consisting of stock-based compensation, and increases of $0.4 million and $0.6 million, respectively, in accounting related expenses, offset by decreases in severance pay.

Property, office and technology

During the three and six months ended June 30, 2020, property, office, and technology expense decreased $0.3 million, or 6%, and $0.7 million, or 7%, compared to the same period in 2019 primarily due to decreases of $0.2 million and $0.9 million, respectively, in consulting expenses associated with additional technology process innovation costs in the 2019 period. During the six months ended June 30, 2020, the decrease in consulting expense was partially offset by increases in software, hardware and hosting costs of $0.2 million.

Depreciation and amortization

During the three and six months ended June 30, 2020, depreciation and amortization expense increased $1.1 million, or 63%, and $2.0 million, or 65%, respectively, compared to the same periods in 2019 primarily driven by increases in capitalized internally-developed software in 2019 and prior periods.

Sales, general and administrative

During the three and six months ended June 30, 2020, sales, general and administrative expense increased $1.3 million, or 18%, and $4.1 million, or 28%, respectively, compared to the same periods in 2019 primarily related to (i) provision for losses for loan receivables held for sale of $1.7 million and $3.9 million, respectively; (ii) professional fees related to litigation and compliance matters of $1.2 million and $1.9 million, respectively; and (iii) advisory and insurance costs of $0.6 million and $0.9 million, respectively. These increases were offset by decreases in trade show attendance, advertising fees and marketing related travel expenses largely related to impacts of the COVID-19 pandemic.
Financial guarantee

During the three and six months ended June 30, 2020, non-cash financial guarantee expenses recognized subsequent to our adoption of ASU 2016-13 on January 1, 2020 totaled $10.2 million and $28.7 million, respectively, representing the estimated increases in the financial guarantee liability. As measured in accordance with the new standard, the increases in the financial guarantee liability were primarily associated with new Bank Partner loans facilitated during the three and six month periods, which increased the required escrow balance, and, to a lesser degree, due to decreased expectations of Bank Partner loan credit performance under the current economic environment. See Note 1 and Note 14 to the Notes to Unaudited Condensed Consolidated Financial Statements included in Part I, Item 1 for additional information regarding the measurement of our financial guarantees under the new standard.

Under this guidance, we are precluded from including future loan originations by our Bank Partners in measuring our financial guarantee liability. Consistent with the modeling of loan losses for any consumer loan portfolio assumed to go into “run-off,” our recognized financial guarantee liability under this model represents a significant portion of the contractual escrow that we establish with each Bank Partner and typically increases each period, with a corresponding non-cash charge to the statement of operations, as new loans facilitated on our platform during the period increase the contractual escrow balance. Historically, our actual cash payments required under the financial guarantee arrangements have been immaterial for ongoing Bank Partner portfolios into which we continue originating loans, and we expect this to continue to be the case subject to the accuracy of our assumptions around the performance of the loan portfolios.

During the three and six months ended June 30, 2019, financial guarantee expenses recognized in accordance with legacy guidance in ASC 450, Contingencies, were $1.7 million and $2.9 million, respectively, representing expected escrow usage in future periods associated with Bank Partner loan credit performance that was determined to be probable of occurring.

Related party

During the three and six months ended June 30, 2020, related party expenses decreased $0.1 million, or 19%, and $0.2 million, or 15%, compared to the same periods in 2019, which was primarily due to fees incurred in the 2019 periods to a placement agent in connection with certain Charged-Off Receivables transfers, of which there were none in the 2020 periods.

Other income (expense), net

During the three and six months ended June 30, 2020, other expense decreased $6.7 million, or 58%, and $7.7 million, or 47%, compared to the same periods in 2019, which was primarily due to: (i) a decrease in other losses due to a remeasurement of the TRA liability of $6.4 million during 2019 and (ii) decreases in interest expense during the three and six months ended June 30, 2020 of $0.5 million and $1.1 million, respectively, due primarily to a lower effective interest rate on our term loan.

Income tax expense (benefit)

Income tax expense recorded during the three and six months ended June 30, 2020 of $1.5 million and $0.6 million reflected the expected income tax expense of $1.4 million and $0.3 million, respectively, on the net earnings for the periods related to GreenSky, Inc.’s economic interest in GS Holdings. The expected income tax expense for the three and six months ended June 30, 2020 was combined with $0.1 million and $0.3 million, respectively, of tax expense arising from discrete items, which primarily consisted of a stock-based compensation shortfall as a result of restricted stock award vesting during the period.

Income tax benefit recorded during the three and six months ended June 30, 2019 reflected the expected income tax expense of $3.4 million and $3.9 million, respectively, on the net earnings for the periods related to GreenSky, Inc.’s economic interest in GS Holdings. Income tax expense during the three and six months ended June 30, 2019 was more than offset by $7.9 million and $9.0 million, respectively, of tax benefits arising from discrete items, which primarily included remeasurement of our net deferred tax assets of $7.5 million and $7.5 million, respectively, and warrant and stock-based compensation deductions of $0.3 million and $1.4 million, respectively.
The increase in the income tax expense during the three and six months ended June 30, 2020 as compared to the same periods in 2019 was primarily related to more discrete items in 2019 as compared to 2020 and an increase in the statutory tax rate offset by a decrease in overall net earnings attributable to GreenSky, Inc.’s economic interest in GS Holdings compared to the 2019 periods.

**Net income attributable to noncontrolling interests**

Net income attributable to noncontrolling interests for the three and six months ended June 30, 2020 and 2019 reflects income attributable to the Continuing LLC Members for the entire periods based on their weighted average ownership interest in GS Holdings, which was 63.1% and 65.3% for the three months ended June 30, 2020 and 2019, respectively, and 63.5% and 66.6% for the six months ended June 30, 2020 and 2019, respectively.

**Financial Condition Summary**

Changes in the composition and balance of our assets and liabilities as of June 30, 2020 compared to December 31, 2019 were principally attributable to the following:

- a $8.4 million decrease in cash and cash equivalents and restricted cash. See “Liquidity and Capital Resources” in this Part I, Item 2 for further discussion of our cash flow activity;
- a $359.0 million increase in loan receivables held for sale, net, primarily due to the purchase of SPV Participations totaling $431.0 million in the second quarter of 2020;
- a $7.3 million decrease in the FCR liability, which was primarily due to the settlement of $20.0 million of billed finance charges not yet collected on participations in loans held by the SPV, which were paid to the Bank Partner in full as of the participation purchase dates. This activity is analyzed in further detail throughout this Part I, Item 2;
- the impact of our January 1, 2020 adoption of ASU 2016-13, which resulted in an additional financial guarantee liability of $118.0 million and a corresponding cumulative-effect adjustment to equity at the adoption date, including $32.2 million to retained earnings, net of the impact of a $10.4 million increase in deferred tax assets, and $75.4 million to noncontrolling interest. The estimated value of the financial guarantee increased an additional $28.7 million based on our subsequent measurement during the six months ended June 30, 2020. See Note 1 and Note 14 to the Notes to Unaudited Condensed Consolidated Financial Statements in Part I, Item 1 for further discussion of the new standard;
- a $1.4 million increase in accounts payable primarily due to monthly settlements with Bank Partners related to their portfolio activity;
- a $13.7 million increase in the interest rate swap liability due to the significantly decreased interest rate environment. See Note 8 to the Notes to Unaudited Condensed Consolidated Financial Statements in Part I, Item 1 for additional information;
- a $3.2 million decrease in transaction processing liabilities, which is reflective of the reduction in custodial in-transit loan funding requirements;
- a $299.0 million increase in notes payable attributable to the new SPV Facility upon draw to fund loan purchases by the SPV;
- a $69.4 million increase in the term loan attributable to the $75.0 million incremental term loan resulting from the 2020 Amended Credit Agreement; and
- a decrease in total equity of $141.9 million primarily due to: (i) the measurement of our financial guarantee liability under ASU 2016-13, as discussed above, (ii) distributions of $31.5 million, which were primarily tax distributions, and (iii) other comprehensive loss of $12.4 million associated with our interest rate swap, as discussed above. These decreases were partially offset by share-based compensation of $7.0 million.
**Liquidity and Capital Resources**

We are a holding company with no operations and depend on our subsidiaries for cash to fund all of our consolidated operations, including future dividend payments, if any. We depend on the payment of distributions by our current subsidiaries, including GS Holdings and GSLLC, which distributions may be restricted as a result of regulatory restrictions, state law regarding distributions by a limited liability company to its members, or contractual agreements, including agreements governing their indebtedness. For a discussion of those restrictions, refer to Part II, Item 1A “Risk Factors – Risks Related to Our Organizational Structure.”

In particular, the Credit Facility (as defined below) contains certain negative covenants prohibiting GS Holdings and GSLLC from making cash dividends or distributions unless certain financial tests are met. In addition, while there are exceptions to these prohibitions, such as an exception that permits GS Holdings to pay our operating expenses, these exceptions apply only when there is no default under the Credit Facility. We currently anticipate that such restrictions will not impact our ability to meet our cash obligations.

Our principal source of liquidity is cash generated from operations. Our transaction fees are the most substantial source of our cash flows and follow a relatively predictable, short cash collection cycle. To the extent that the impact from the COVID-19 pandemic on consumer spending behavior results in a decline in our transaction volume compared to prior periods, our transaction fees would be similarly impacted. Our short-term liquidity needs primarily include setting aside restricted cash for Bank Partner escrow balances and interest payments on GS Holdings' Credit Facility, which consists of the term loan and revolving loan facility, funding the portion of the SPV Participations that is not financed by the SPV facility, and interest payments and unused fees on the SPV Facility, as defined and discussed in Note 7 to the Unaudited Condensed Consolidated Financial Statements in Part I, Item 1. Further, we do not anticipate any major capital expenditures. We currently generate sufficient cash from our operations to meet these short-term needs. In addition, we expect to use cash for: (i) FCR liability settlements, which are not fully funded by the incentive payments we receive from our Bank Partners, but for which $94.7 million is held for certain Bank Partners as of June 30, 2020, and (ii) payments under our financial guarantee related to our portfolio with a Bank Partner that did not renew its loan origination agreement in late 2019 and our portfolio with a Bank Partner that adjusted its funding commitment effective April 30, 2020 and into which loans will not be originated until the balance of the portfolio is below the adjusted funding commitment. Our $100 million revolving loan facility is also available to supplement our cash flows from operating activities to satisfy our short-term liquidity needs.

As noted above under "Executive Summary," in May 2020, we established the SPV Facility to finance purchases by the SPV of participations in loans originated through the GreenSky program. The SPV Facility provides committed financing of $300.0 million, with an additional $200.0 million uncommitted accordion that was accessed in July 2020. During the second quarter of 2020, the Company completed purchases of SPV Participations of $431.0 million, of which $298.4 million was financed through the SPV Facility, with the Company funding the remaining balance. In July 2020, the SPV purchased additional loan participations totaling $284.0 million, financed in part by $200.0 million of borrowings under the uncommitted accordion provided by the SPV Facility. The Company currently expects that the SPV Facility will provide financing for approximately 70% of the principal balance for each participation (on average), and the Company will fund the remainder. We expect that the Company will from time to time purchase participations in loans that have future funding obligations. Such future funding obligations will be funded by the Bank Partner that owns the loan; however, the Company will be required to purchase a participation in the future funding amount, which the Company would intend to finance through the SPV Facility at similar rates. In addition, we expect the SPV to conduct periodic sales of the loan participations or issue asset-backed securities to third parties, which sales or issuances would allow additional purchases to be financed at similar rates. No such sales occurred as of June 30, 2020.

Our most significant long-term liquidity need involves the repayment of our term loan upon maturity in March 2025, which assuming no prepayments, will have an expected remaining unpaid principal balance of $444.6 million at that time, as well as the repayment of our revolving SPV Facility upon maturity in May 2022. Assuming no extended impact of the COVID-19 pandemic, we anticipate that our significant cash generated from operations will allow us to service this debt both for quarterly principal repayments and the balloon payment at maturity. Should operating cash flows be insufficient for this purpose, we will pursue other financing options. We have not
made any material commitments for capital expenditures other than those disclosed in the "Contractual Obligations" table in Part II, Item 7 of our 2019 Form 10-K, which did not change materially during the six months ended June 30, 2020.

**Significant Changes in Capital Structure**

During the six months ended June 30, 2020, we established the SPV Facility and amended our 2018 Amended Credit Agreement. See "Key Developments" above for further discussion on our funding diversification. During the six months ended June 30, 2019, we purchased 8.7 million shares of Class A common stock at a cost of $102.2 million under our share repurchase program, which are held in treasury. See Note 11 to the Notes to Unaudited Condensed Consolidated Financial Statements included in Part I, Item 1 for further discussion of our treasury stock.

**Cash flows**

We prepare our Unaudited Condensed Consolidated Statements of Cash Flows using the indirect method, under which we reconcile net income (loss) to cash flows provided by operating activities by adjusting net income (loss) for those items that impact net income (loss), but may not result in actual cash receipts or payments during the period. The following table provides a summary of our operating, investing and financing cash flows for the periods indicated.

<table>
<thead>
<tr>
<th></th>
<th>Six Months Ended June 30,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2020</td>
</tr>
<tr>
<td>Net cash provided by (used in) operating activities</td>
<td>$ (333,842)</td>
</tr>
<tr>
<td>Net cash used in investing activities</td>
<td>$ (8,524)</td>
</tr>
<tr>
<td>Net cash provided by (used in) financing activities</td>
<td>$ 333,929</td>
</tr>
</tbody>
</table>

Cash and cash equivalents and restricted cash totaled $437.4 million as of June 30, 2020, a decrease of $8.4 million from December 31, 2019. Restricted cash, which had a balance of $289.8 million as of June 30, 2020 compared to a balance of $250.1 million as of December 31, 2019, is not available to us to fund operations or for general corporate purposes. Cash flow activities for the six months ended June 30, 2020 consisted of $333.8 million of cash used for operating activities, $8.5 million of cash used for investing activities, and $333.9 million of cash provided by financing activities. Financing activity inflows were highlighted by proceeds from the SPV Facility, and proceeds from the term loan. The financing activity inflows were offset by outflows related to distributions to GS Holdings' members, payment of withholding taxes associated with stock option exercises, and repayments of the principal balance of our term loan.

Our restricted cash balances as of June 30, 2020 and December 31, 2019 were comprised of four components: (i) $169.5 million and $150.4 million, respectively, which represented the amounts that we have escrowed with Bank Partners as limited protection to the Bank Partners in the event of excess Bank Partner portfolio credit losses; (ii) $94.7 million and $75.0 million, respectively, which represented an additional restricted cash balance that we maintained for certain Bank Partners related to our FCR liability; (iii) $20.6 million and $24.7 million, respectively, which represented certain custodial in-transit loan funding and consumer borrower payments that we were restricted from using for our operations; and (iv) $5.0 million and $0.0 million, respectively, which represented temporarily restricted cash related to collections in connection with SPV Participations. Our restricted cash balances related to our FCR liability and our custodial balances are not included in our evaluation of restricted cash usage, as these balances are not held as part of a financial guarantee arrangement. See Note 14 to the Notes to Unaudited Condensed Consolidated Financial Statements included in Part I, Item 1 for additional information on our restricted cash held as escrow with Bank Partners.
Cash provided by operating activities

Six Months Ended June 30, 2020. Cash flows used in operating activities were $333.8 million during the six months ended June 30, 2020. Net income of $2.4 million was adjusted favorably for certain non-cash items of $50.6 million, which were predominantly related to financial guarantee losses, depreciation and amortization, equity-based expense, and mark to market adjustment on loan receivables held for sale, partially offset by the fair value changes in servicing assets and liabilities and deferred tax benefit.

The primary uses of operating cash during the six months ended June 30, 2020 were: (i) purchases of participations in loan receivables held for sale by the SPV and (ii) a decrease in billed finance charges on deferred interest loans that are expected to reverse in future periods driven by the settlements of billed finance charges on SPV Participations at the time of purchase by the SPV.

Six Months Ended June 30, 2019. Cash flows provided by operating activities were $89.8 million during the six months ended June 30, 2019. Net income of $46.6 million was adjusted favorably for certain non-cash items of $2.8 million, which were predominantly related to depreciation and amortization, equity-based expense, financial guarantee losses and fair value changes in servicing liabilities, partially offset by deferred tax benefit.

Primary sources of operating cash during the six months ended June 30, 2019 were: (i) earnings, (ii) an increase in billed finance charges on deferred interest loans that are expected to reverse in future periods, (iii) an increase in accounts payable largely driven by Bank Partner settlements related to their portfolio activity and payables for price concessions to a significant merchant group, (iv) an increase in transaction processing liabilities, which is reflective of the growth in custodial in-transit loan funding requirements and consumer borrower payments primarily drive by a Bank Partner addition at the end of 2018 and origination volume growth. These increases were offset by a use of cash associated with accounts receivable, which was largely commensurate with the increase in transaction volume.

Cash used in investing activities

Detail of the cash used in investing activities is included below for each period (dollars in millions).

<table>
<thead>
<tr>
<th></th>
<th>Six Months Ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>June 30,</td>
</tr>
<tr>
<td></td>
<td>2020</td>
</tr>
<tr>
<td>Software</td>
<td>$7.9</td>
</tr>
<tr>
<td>Computer hardware</td>
<td>0.4</td>
</tr>
<tr>
<td>Leasehold improvements</td>
<td>0.1</td>
</tr>
<tr>
<td>Furniture</td>
<td>0.1</td>
</tr>
<tr>
<td><strong>Purchases of property, equipment and software</strong></td>
<td><strong>$8.5</strong></td>
</tr>
</tbody>
</table>

The $1.4 million higher spend on investing activities during the six months ended June 30, 2020 compared to the same period in 2019 was primarily related to an increase in capitalized costs associated with various internally-developed software projects, such as mobile application development and transaction processing, and was offset by lower hardware costs associated with higher infrastructure needs in the 2019 period and lower leasehold improvement costs.

Cash used in financing activities

Our financing activities in the periods presented consisted of equity and debt related transactions and distributions. GS Holdings makes tax distributions based on the estimated tax payments that its members are expected to have to make during any given period (based upon various tax rate assumptions), which are typically paid in January, April, June and September of each year.

We had net cash provided by financing activities of $333.9 million during the six months ended June 30, 2020 compared to net cash used of $131.7 million during the same period in 2019. In the 2020 period, our proceeds of cash were primarily related to proceeds from the SPV Facility of $299.0 million, and proceeds from the term loan of $70.5 million. The net cash provided by financing activities was offset by net cash used for tax and non-tax
distributions to members of $31.5 million and $1.9 million, respectively, and repayments of the principal balance of our term loan (net of original issuance discount) of $2.1 million.

In the 2019 period, our use of cash was primarily related to: (i) our $104.3 million repurchase of Class A common stock, (ii) distributions of $17.8 million, (iii) payments under our TRA of $4.7 million, and (iv) equity activity of $3.1 million consisting of Class B common stock exchanges and option exercises.

Borrowings

See Note 7 to the Notes to Unaudited Condensed Consolidated Financial Statements included in Part I, Item 1 for further information about our borrowings, including the use of proceeds, as well as our interest rate swap.

Term loan and revolving facility

On March 29, 2018, GS Holdings amended its August 25, 2017 Credit Agreement ("2018 Amended Credit Agreement"). The 2018 Amended Credit Agreement provides for a $400.0 million term loan, the proceeds of which were used, in large part, to settle the outstanding principal balance on the $350.0 million term loan previously executed under the Credit Agreement in August 2017, and includes a $100.0 million revolving loan facility. The revolving loan facility also includes a $10.0 million letter of credit. The Credit Facility is guaranteed by GS Holdings’ significant subsidiaries, including GSLLC, and is secured by liens on substantially all of the assets of GS Holdings and the guarantors. Interest on the loans can be based either on a “Eurodollar rate” or a “base rate” and fluctuates depending upon a “first lien net leverage ratio.” The 2018 Amended Credit Agreement contains a variety of covenants, certain of which are designed to limit the ability of GS Holdings to make distributions on, or redeem, its equity interests unless, in general, either (a) its “first lien net leverage ratio” is no greater than 2.00 to 1.00, or (b) the funds used for the payments come from certain sources (such as retained excess cash flow and the issuance of new equity) and its “total net leverage ratio” is no greater than 3.00 to 1.00. In addition, during any period when 25% or more of our revolving facility is utilized, GS Holdings is required to maintain a “first lien net leverage ratio” no greater than 3.50 to 1.00. There are various exceptions to these restrictions, including, for example, exceptions that enable us to pay our operating expenses and to make certain GS Holdings tax distributions. The $400.0 million term loan matures on March 29, 2025, and the revolving loan facility matures on March 29, 2023.

On June 10, 2020, we entered into a Second Amendment to our Credit Agreement ("2020 Amended Credit Agreement"), which provided for an additional $75.0 million term loan ("incremental term loan"). The term loan and revolving loan facility under the 2018 Amended Credit Agreement and incremental term loan under the 2020 Amended Credit Agreement are collectively referred to as the "Credit Facility." The modified term loan and the incremental term loan are collectively referred to as the "term loan." The incremental term loan, incurs interest, due monthly in arrears, at an adjusted LIBOR, which represents the one-month LIBOR multiplied by the statutory reserve rate, as defined in the 2020 Amended Credit Agreement, with a 1% LIBOR floor, plus 450 basis points. The incremental term loan has the same security, maturity, principal amortization, prepayment, and covenant terms as the 2018 Amended Credit Agreement, maturing on March 29, 2025.

There was no amount outstanding under our revolving loan facility as of June 30, 2020, which is available to fund future needs of GS Holdings’ business.

SPV Facility

On May 11, 2020, GS Investment entered into the SPV Facility to finance purchases by the SPV of 100% participation interests in loans originated through the GreenSky program. The SPV Facility provides a revolving committed financing of $300 million, and an uncommitted $200 million accordion that was accessed in July 2020. The SPV Facility is secured by the loan participations held by the SPV and Lenders will not have direct recourse to the Company for any loans made under the SPV Facility. The interest rate on the SPV Facility is the applicable commercial paper conduit funding rate or, if the Lenders do not fund their advances under the SPV Facility through commercial paper markets, 3-month LIBOR plus 0.50% plus 2.50%. The SPV Facility matures on May 10, 2022.

There was $299.0 million outstanding under the SPV Facility as of June 30, 2020. On July 24, 2020, the Company accessed the $200.00 million uncommitted accordion.
The use of the London Interbank Offered Rate (“LIBOR”) is expected to be phased out by the end of 2021. LIBOR is currently used as a reference rate for certain of our financial instruments, including our $475.0 million term loan under the 2020 Amended Credit Agreement and the related interest rate swap agreement, both of which are set to mature after the expected phase out of LIBOR. At this time, there is no definitive information regarding the future utilization of LIBOR or of any particular replacement rate; however, we continue to monitor the efforts of various parties, including government agencies, seeking to identify an alternative rate to replace LIBOR. We will work with our lenders and counterparties to accommodate any suitable replacement rate where it is not already provided under the terms of the financial instruments and, going forward, we will use suitable alternative reference rates for our financial instruments. We will continue to assess and plan for how the phase out of LIBOR will affect the Company; however, while the LIBOR transition could adversely affect the Company, we do not currently perceive any material risks and do not expect the impact to be material to the Company.

**Tax Receivable Agreement**

Our purchase of Holdco Units from the Exchanging Members using a portion of the net proceeds from the IPO, our acquisition of the equity of certain of the Former Corporate Investors, and any future exchanges of Holdco Units for our Class A common stock pursuant to the Exchange Agreement (as such terms are defined in the 2019 Form 10-K) are expected to result in increases in our allocable tax basis in the assets of GS Holdings. These increases in tax basis are expected to increase (for tax purposes) depreciation and amortization deductions allocable to us and, therefore, reduce the amount of tax that we otherwise would be required to pay in the future. This increase in tax basis may also decrease gain (or increase loss) on future dispositions of certain assets to the extent tax basis is allocated to those assets.

We and GS Holdings entered into a Tax Receivable Agreement (“TRA”) with the “TRA Parties” (the equity holders of the Former Corporate Investors, the Exchanging Members, the Continuing LLC Members and any other parties receiving benefits under the TRA, as those parties are defined in the 2019 Form 10-K), whereby we agreed to pay to those parties 85% of the amount of cash tax savings, if any, in United States federal, state and local taxes that we realize or are deemed to realize as a result of these increases in tax basis, increases in basis from such payments, and deemed interest deductions arising from such payments.

Due to the uncertainty of various factors, the likely tax benefits we will realize as a result of our purchase of Holdco Units from the Exchanging Members, our acquisition of the equity of certain of the Former Corporate Investors or any future exchanges of Holdco Units for our Class A common stock pursuant to the Exchange Agreement, or the resulting amounts we are likely to pay out to the TRA Parties pursuant to the TRA are also uncertain. However, we expect that such payments will be substantial and may substantially exceed the tax receivable liability of $317.8 million as of June 30, 2020.

Because we are the managing member of GS Holdings, which is the managing member of GSLLC, we have the ability to determine when distributions (other than tax distributions) will be made by GSLLC to GS Holdings and the amount of any such distributions, subject to limitations imposed by applicable law and contractual restrictions (including pursuant to our 2020 Amended Credit Agreement or other debt instruments). Any such distributions will be made to all holders of Holdco Units, including us, pro rata based on the number of Holdco Units. The cash received from such distributions will first be used by us to satisfy any tax liability and then to make any payments required under the TRA. We expect that such distributions will be sufficient to fund both our tax liability and the required payments under the TRA. In the event that we do not make timely payment of all or any portion of a tax benefit payment due under the TRA on or before a final payment date, LIBOR is the base for the default rate used to calculate the required interest. The TRA is anticipated to remain in effect after the expected phase out of LIBOR in 2021. See Part I, Item 2 "Liquidity and Capital Resources–Borrowings" for further discussion of the LIBOR phase out.

**Contingencies**

From time to time, we may become a party to civil claims and lawsuits in the ordinary course of business. We record a provision for a liability when we believe that it is both probable that a liability has been incurred and the amount can be reasonably estimated, which requires management judgment. As of June 30, 2020 and December 31, 2019, we did not record any provision for liability. Should any of our estimates or assumptions change or prove
to be incorrect, it could have a material adverse impact on our consolidated financial condition, results of operations or cash flows. See Note 14 to the Notes to Unaudited Condensed Consolidated Financial Statements in Part I, Item 1 for discussion of certain legal proceedings and other contingent matters.

**Contractual Obligations**

We have future obligations under various contracts relating to debt and interest payments and operating leases. During the six months ended June 30, 2020, we entered into the Second Amendment to our Credit Agreement and an asset-backed revolving credit facility. See Note 7 to the Notes to Unaudited Condensed Consolidated Financial Statements in Part I, Item 1 for additional information regarding changes to the Company's contractual obligations.

**Recently Adopted or Issued Accounting Standards**

See "Recently Adopted Accounting Standards" and "Accounting Standards Issued, But Not Yet Adopted" in Note 1 to the Notes to Unaudited Condensed Consolidated Financial Statements in Part I, Item 1 for additional information.

**Critical Accounting Policies and Estimates**

The accounting policies and estimates that we believe are the most critical to an understanding of our results of operations and financial condition as disclosed in our Management's Discussion and Analysis of Financial Condition and Results of Operations as filed in our 2019 Form 10-K include those related to our accounting for finance charge reversals, servicing assets and liabilities, financial guarantees and income taxes. In the preparation of our Unaudited Condensed Consolidated Financial Statements as of and for the three and six months ended June 30, 2020, there have been no significant changes to the accounting policies and estimates related to our accounting for finance charge reversals, servicing assets and liabilities and income taxes. On January 1, 2020, we adopted the provisions of ASU 2016-13, which impacted our accounting for the contingent aspect of our financial guarantees. Historical periods prior to January 1, 2020 continue to reflect the measurement of the contingent aspect of our financial guarantees under legacy guidance in ASC 450. Refer to Note 1 to the Notes to Unaudited Condensed Consolidated Financial Statements in Part I, Item 1 for discussion of our adoption of ASU 2016-13 and its impact on our consolidated financial statements and for the revised accounting policy.

**ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

We are exposed to market risk, including changes to interest rates, and credit risk. However, regarding interest rate risk, we do not expect changes in interest rates to have a material impact on our ability to finance our cost of capital, given our relatively capital light operating model.

We have established processes and procedures intended to identify, measure, monitor and control the types of risk to which we are subject. The Audit Committee of our Board of Directors is responsible for overseeing the Company's major financial risk exposures and reviewing the steps management has taken to monitor and control such exposures.

**Interest rate risk**

*Loans originated by Bank Partners.* The agreed upon Bank Partner portfolio yield on the loans that our Bank Partners originate is calculated based upon a margin above a market benchmark at the time of origination. An increase in the market benchmark would result in an increase in the agreed upon Bank Partner portfolio yield, which impacts future incentive payments and, therefore, can negatively impact the future fair value change in our FCR liability. We are able to manage some of the interest rate risk impact on our FCR liability through the types of loan products that we design and make available through our program (e.g. higher interest rate products, all else equal, result in higher incentive payments). However, increased interest rates may adversely impact the spending levels of our merchants’ customers and their ability and willingness to borrow money. Higher interest rates often lead to higher payment obligations, which may reduce the ability of customers to remain current on their obligations to our Bank Partners and, therefore, lead to increased delinquencies, defaults, customer bankruptcies and charge-offs, and decreasing recoveries, all of which could have a material adverse effect on our business and also negatively impact
the fair value change in FCR liability, which is recorded within cost of revenue in the Unaudited Condensed Consolidated Statements of Operations. Further, even though we generally intend to increase our transaction fee rates in response to rising interest rates, we might not be able to do so rapidly enough (or at all).

**Loan receivables held for sale.** Changes in United States interest rates affect the interest earned on our cash and cash equivalents and could impact the market value of loan receivables held for sale. Since we typically sell loan receivables held for sale at par to our Bank Partners, which is indicative of our short-term holding period, we do not expect interest rate risk related to loan receivables held for sale to be a material risk to us. A hypothetical 100 basis points increase in interest rates may have resulted in a decrease of $4.3 million and $0.5 million in the carrying value of our loan receivables held for sale as of June 30, 2020 and December 31, 2019, respectively. Alternatively, a 100 basis points decrease in interest rates would not have impacted the reported value of our loan receivables held for sale, as they are carried at the lower of cost or fair value.

**Term loan.** Interest rate fluctuations expose our variable-rate term loan, which consisted of our $400.0 million term loan under our 2018 Amended Credit Agreement, and our $75.0 million term loan under our 2020 Amended Credit Agreement, to changes in interest expense and cash flows. In June 2019, we entered into a four-year interest rate swap agreement that effectively converted interest payments on $350.0 million of our variable-rate term loan under our 2018 Amended Credit Agreement, to a fixed-rate basis, thus mitigating the impact of interest rate changes on future interest expense. The term loan has a maturity date of March 29, 2025. Based on an outstanding principal balance of $466.0 million as of June 30, 2020, and accounting for our scheduled quarterly principal balance repayments, a hypothetical 100 basis point increase in the one-month LIBOR rate would result in an increase in annualized interest expense, net of the effects of our interest rate swap, of $1.1 million.

**SPV Facility.** Interest rate fluctuations expose our variable-rate asset-backed revolving credit facility, which provides a revolving committed financing of $300.0 million. The revolving funding period is one year and the maturity date is May 10, 2022. Based on the outstanding principal balance of $299.0 million as of June 30, 2020, a hypothetical 100 basis point increase in the commercial paper conduit funding rate would result in an increase in annualized interest expense of $3.0 million.

LIBOR is used as the reference rate for our interest rate swap agreement that we use to hedge interest rate exposure of $350.0 million notional under our $475.0 million term loan. Our interest rate swap agreement is set to mature after the expected phase out of LIBOR in 2021. See Part I, Item 2 “–Liquidity and Capital Resources–Borrowings” for further discussion regarding the LIBOR transition and its perceived impact on the Company.

**Credit risk**

Credit risk management is a critical component of our management and growth strategy. Credit risk refers to the risk of loss arising from consumer default when GreenSky program borrowers are unable or unwilling to meet their financial obligations. We expect our credit loss rate to stay relatively constant over time; however, our portfolio may change as we look for additional opportunities to generate attractive risk-adjusted returns for our Bank Partners. Additionally, we manage our exposure to counterparty credit risk through requirement of minimum credit standards, diversification of counterparties and procedures to monitor concentrations of credit risk.

**Loans originated by Bank Partners.** Our Bank Partners own and bear substantially all of the credit risk on their wholly-owned loan portfolios. We regularly assess and monitor the credit risk exposure of our Bank Partners. This commences with the credit application process on our platform, during which a credit decision is rendered to a customer immediately based on preset underwriting standards provided by our Bank Partners. In rendering this decision, we generally obtain certain information provided by the applicant and a credit report from one of the major credit bureaus. Further, on behalf of our Bank Partners as part of our obligation as the loan servicer, we try to mitigate portfolio credit losses through our collection efforts on past due amounts. For loans wholly owned by our Bank Partners, our credit risk exposure impacts the amount of incentive payments and, therefore, the amount of fair value change in FCR liability, as well as any potential financial guarantee payments. Restricted cash was set aside in escrow with our Bank Partners at a weighted average target rate of 2.20% of the total outstanding loan balance as of June 30, 2020. As of June 30, 2020, the financial guarantee liability associated with our escrow arrangements recognized in accordance with ASU 2016-13 represents over 90% of the contractual escrow that we have established with each Bank Partner.
Based on our incentive payments during the three months ended June 30, 2020 and 2019, and holding all other inputs constant (namely, the size of our loan servicing portfolio and settlement activity), a hypothetical 100 basis point increase in loan servicing portfolio credit losses would result in increases of $20.6 million and $18.6 million, respectively, in the fair value of our FCR liability. For the six months ended June 30, 2020 and 2019, a hypothetical 100 basis point increase in loan servicing portfolio credit losses would result in increases of $39.2 million and $34.7 million, respectively, in the fair value of our FCR liability. Further, such an increase in credit losses would cause us to incur additional financial guarantee expense of $1.6 million and $0.5 million during the three months ended June 30, 2020 and 2019, respectively, and $5.2 million and $2.5 million during the six months ended June 30, 2020 and 2019, respectively.

*Loan receivables held for sale.* We bear all of the credit risk associated with the loan receivables that we hold for sale. This portfolio was highly diversified across 46,735 and 9,272 consumer loan receivables as of June 30, 2020 and December 31, 2019, respectively, without significant individual exposures. Based on our $411.0 million and $51.9 million loan receivables held for sale balance as of June 30, 2020 and December 31, 2019, respectively, a hypothetical 100 basis point increase in portfolio credit losses would result in lower annualized earnings of $4.3 million and $0.5 million, respectively.

**ITEM 4: CONTROLS AND PROCEDURES**

*Evaluation of Disclosure Controls and Procedures*

As of June 30, 2020, an evaluation of the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934, as amended (the “Act”)), was carried out by our management and with the participation of our Chief Executive Officer (principal executive officer) and Chief Financial Officer (principal financial officer). Based upon the evaluation, our principal executive officer and principal financial officer concluded that these disclosure controls and procedures were effective as of June 30, 2020.

*Changes in Internal Control Over Financial Reporting*

During the quarter ended June 30, 2020, no changes in our internal control over financial reporting occurred that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.
PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

We are party to legal proceedings incidental to our business. See Note 14 to the Notes to Unaudited Condensed Consolidated Financial Statements included in Part I, Item 1 for information regarding legal proceedings.

ITEM 1A. RISK FACTORS

Our business involves significant risks, some of which are described below. You should carefully review and consider the following risk factors and the other information included in this Quarterly Report on Form 10-Q, including the Unaudited Condensed Consolidated Financial Statements and Notes to Unaudited Condensed Consolidated Financial Statements included in Part I, Item 1. The occurrence of one or more of the events or circumstances described in these risk factors, alone or in combination with other events or circumstances, may have a material adverse effect on our business, reputation, revenue, financial condition, results of operations and future prospects, in which event the market price of our Class A common stock could decline, and you could lose part or all of your investment. In addition, our business, reputation, revenue, financial condition, results of operations and future prospects also could be harmed by risks and uncertainties not currently known to us or that we currently do not believe are material.

Risks Related to Our Business and the Consumer Financial Services Industry

The global outbreak of the novel coronavirus, or COVID-19, has caused severe disruptions in the U.S. economy, and may have an adverse impact on our performance and results of operations.

On March 11, 2020, the World Health Organization designated the novel coronavirus disease (referred to as "COVID-19") as a global pandemic. Measures taken across the U.S. and worldwide to mitigate the spread of the virus have significantly impacted the macroeconomic environment, including consumer confidence, unemployment and other economic indicators that contribute to consumer spending behavior and demand for credit. Our results of operations are impacted by the relative strength of the overall economy. As general economic conditions improve or deteriorate, the amount of consumer disposable income tends to fluctuate, which, in turn, impacts consumer spending levels and the willingness of consumers to take out loans to finance purchases. In addition, trends within the industry verticals in which we operate affect consumer spending on the products and services our merchants offer in those industry verticals.

The extent to which COVID-19 will impact our business, results of operations and financial condition is dependent on many factors, which are highly uncertain, including, but not limited to, the duration and severity of the outbreak, the actions to contain the virus or mitigate its impact, and how quickly and to what extent normal economic and operating conditions will resume. If we experience a prolonged decline in transaction volume or increases in delinquencies, our results of operations and financial condition could be materially adversely affected.

In our function as loan servicer and in partnership with our Bank Partners, we are actively engaged in discussions with GreenSky program borrowers, some of whom have indicated that they have experienced economic hardship due to the COVID-19 pandemic and have requested payment deferral or forbearance or other modifications of their loans. While we are addressing requests for loan relief, we may still experience higher instances of default, which will adversely affect our business, including, but not limited to, the credit profile of our servicing portfolio, the incentive payments we receive from our Bank Partners and the required escrow payments under our financial guarantee arrangements with our Bank Partners. Additionally, the COVID-19 pandemic could adversely affect our liquidity position and could limit our ability to grow our business or fully execute on our business strategy, including entering into alternative funding arrangements. Furthermore, the COVID-19 pandemic could negatively impact our ability to retain existing, and attract new, Bank Partners and other funding sources for the GreenSky program.

The COVID-19 pandemic also resulted in us modifying certain business practices, such as restricting employee travel and executing on a company-wide work-at-home program. We may take further actions as required by government authorities or as we determine to be in the best interests of our associates, Bank Partners, merchants
and GreenSky program borrowers. We may experience financial losses or disruptions due to a number of operational factors, including, but not limited to:

• increased cyber and payment fraud risk related to COVID-19, as cybercriminals attempt to profit from the disruption, given increased online banking, e-commerce and other online activity;

• challenges to the security, availability and reliability of our platform due to changes to normal operations, including the possibility of one or more clusters of COVID-19 cases affecting our employees or affecting the systems or employees of our partners; and

• an increased volume of customer and regulatory requests for information and support, or new regulatory requirements, which could require additional resources and costs to address, including, for example, government initiatives to reduce or eliminate payments costs.

Even after the COVID-19 outbreak has subsided, our business may continue to be unfavorably impacted by the economic turmoil caused by the pandemic. There are no recent comparable events that could serve to indicate the ultimate effect the COVID-19 pandemic may have and, as such, we do not at this time know what the extent of the impact of the COVID-19 pandemic will be on our business. To the extent the COVID-19 pandemic adversely affects our business and financial results, it may also heighten other risks described in this Part II, Item 1A.

For additional discussion of the impact of COVID-19 on our business, see additional risk factors included in this Part II, Item 1A, as well as Part I, Item 2 "Management’s Discussion and Analysis of Financial Condition and Results of Operations–Executive Summary."

Our agreements with our Bank Partners are non-exclusive, short-term in duration and subject to termination by our Bank Partners upon the occurrence of certain events, including our failure to comply with applicable regulatory requirements. If such agreements expire or are terminated, and we are unable to replace the commitments of the expiring or terminating Bank Partners, our business would be adversely affected.

We rely on our Bank Partners to originate all of the loans made through the GreenSky program. Our four largest ongoing Bank Partners – BMO Harris Bank, Fifth Third Bank, Truist Bank and Synovus Bank – provided approximately 81% of the commitments to originate loans as of June 30, 2020. We have entered into separate loan origination agreements and servicing agreements with each of our Bank Partners, each generally containing customary termination provisions and, in certain instances, entitling the Bank Partner to terminate its agreements for convenience. Bank Partners could decide to terminate or not to renew their agreements for any number of reasons, including, for example, perceived or actual erosion in the credit quality or performance of loans, the geographic or other (such as home improvement loans) concentration of loans, the type of loan products offered (such as deferred payment loans), strategic decisions to make fewer consumer loans or loans originated through channels such as ours, alternative investment opportunities that are expected to be more favorable, increases in required loan loss reserves (such as ones that might result from upcoming accounting changes) and required margins, dissatisfaction with our performance as administrator of our program or as servicer, reduced availability of funds for originating new loans, regulatory concerns regarding any of the foregoing factors or others, or general economic conditions, including those that are expected to impact consumer spending, consumer credit or default rates. If any of our largest Bank Partners were to terminate its relationship with us, it could have a material adverse effect on our business. See Part I, Item 2 "Management’s Discussion and Analysis of Financial Condition and Results of Operations–Factors Affecting our Performance–Bank Partner Relationships; Other Funding” for more information regarding our Bank Partner relationships.

Our agreements with our Bank Partners generally have automatically renewable one-year terms. These agreements are non-exclusive and do not prohibit our Bank Partners from working with our competitors or from offering competing products, except that certain Bank Partners have agreed not to provide customer financing outside of the GreenSky program to our merchants and Sponsors (as defined below) during the term of their agreements with us and generally for one year after termination or expiration. "Sponsors” refers to manufacturers, their captive and franchised showroom operations, and trade associations with which we partner to onboard merchants. As a result of the foregoing, any of our Bank Partners could with minimal notice decide that working with us is not in its interest, could offer us less favorable or unfavorable economic or other terms or could decide to enter into exclusive or more favorable relationships with one of our competitors. We also could have future
disagreements or disputes with our Bank Partners, which could negatively affect or threaten our relationships with them.

Our Bank Partners also may terminate their agreements with us if we fail to comply with regulatory requirements applicable to them. We are a service provider to our Bank Partners, and, as a result, we are subject to audit by our Bank Partners in accordance with customary practice and applicable regulatory guidance related to management by banks of third-party vendors. We also are subject to the examination and enforcement authority of the federal banking agencies, including the Federal Reserve, the Federal Deposit Insurance Corporation and the Office of the Comptroller of the Currency, as a bank service company, and are subject to the examination and enforcement authority of the Consumer Financial Protection Bureau (“CFPB”) as a service provider to a covered person under the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Dodd-Frank Act”). It is imperative that our Bank Partners continue to have confidence in our compliance efforts. Any substantial failure, or alleged or perceived failure, by us to comply with applicable regulatory requirements could cause them to be unwilling to originate loans through our program or could cause them to terminate their agreements with us. See “-Risks Related to Our Regulatory Environment.”

If we are unsuccessful in maintaining our relationships with our Bank Partners for any of the foregoing or other reasons, or if we are unable to develop relationships with new Bank Partners or other funding sources, it could have a material adverse effect on our business and our ability to grow.

**Our results of operations and continued growth depend on our ability to retain existing, and attract new, merchants, Bank Partners, and other funding sources.**

A substantial majority of our total revenue is generated from the transaction fees that we receive from our merchants and, to a lesser extent, servicing and other fees that we receive from our Bank Partners and other funding sources in connection with loans made by our Bank Partners to the customers of our merchants. Approximately 75% of our total revenue for the six months ended June 30, 2020 was generated from transaction fees paid to us by our merchants. To attract and retain merchants, we market our program to them on the basis of a number of factors, including financing terms, the flexibility of promotional offerings, approval rates, speed and simplicity of loan origination, service levels, products and services, technological capabilities and integration, customer service, brand and reputation.

There is significant competition for our existing merchants. If we fail to retain any of our larger merchants or a substantial number of our smaller merchants, and we do not acquire new merchants of similar size and profitability, it would have a material adverse effect on our business and future growth. We have experienced some turnover in our merchants, as well as varying activation rates and volatility in usage of the GreenSky program by our merchants, and this may continue or even increase in the future. Program agreements generally are terminable by merchants at any time. Also, we generally do not have exclusive arrangements with our merchants, and they are free to use our competitors’ programs at any time and without notice to us. If a significant number of our existing merchants were to use other competing programs, thereby reducing their use of our program, it would have a material adverse effect on our business and results of operations.

**Competition for new merchants also is significant and our continued success and growth depend on our ability to attract new merchants and our failure to do so could limit our growth and our ability to continue generating revenue at current levels.**

Our failure to retain existing, and attract and retain new, Bank Partners and other funding sources also could materially adversely affect our business and our ability to grow. We market our program to banks and other funding sources on the basis of the risk-adjusted yields available to them and geographic diversity of the loans originated through the GreenSky program, as well as the absence of significant upfront and ongoing costs and the general attractiveness of the consumers that use the GreenSky program. Bank Partners and other investors have alternative sources for attractive, if not similar, loans, including, for Bank Partners, internal loan generation, and they could elect to originate or invest in loans through those alternatives rather than through the GreenSky program.

**Based upon current commitment levels, our four largest ongoing Bank Partners are BMO Harris Bank, Fifth Third Bank, Truist Bank and Synovus Bank. As of June 30, 2020, they provided approximately 81% of the overall commitments to originate loans through our program. If any of our larger Bank Partners, or a substantial number of our smaller Bank Partners, were to suspend, limit or otherwise terminate their relationships with us, it could have a
material adverse effect on our business. If we need to enter into arrangements with a different bank to replace one of our Bank Partners, we may not be able to negotiate a comparable alternative arrangement. See Part I, Item 2 "Management's Discussion and Analysis of Financial Condition and Results of Operations–Factors Affecting our Performance–Bank Partner Relationships; Other Funding" for more information regarding our Bank Partner relationships.

**A large percentage of our revenue is concentrated with our top ten merchants, and the loss of a significant merchant could have a negative impact on our operating results.**

Our top ten merchants (including certain groups of affiliated merchants) accounted for an aggregate of 24% of our total revenue during the six months ended June 30, 2020. The Home Depot is our most significant single merchant and represented approximately 4% of total revenue during the six months ended June 30, 2020. In addition, affiliates of Renewal by Andersen, our largest Sponsor, represented together approximately 18% of total revenue during the six months ended June 30, 2020. Our agreement with Renewal by Andersen provides that Renewal by Andersen will promote the GreenSky program through notifying its dealers of the availability of the GreenSky program and providing them ancillary materials. Both parties have the right to terminate the agreement generally upon 90 days' notice. If Renewal by Andersen terminates the agreement, Renewal by Andersen dealers would not be obligated to terminate their participation in the GreenSky program, although they could choose to do so. We expect to have significant concentration in our largest merchant relationships for the foreseeable future. In the event that (i) The Home Depot or one or more of our other significant merchants, or groups of merchants, or (ii) Renewal by Andersen or one or more of our other significant Sponsors, and their dealers, terminate their relationships with us, or elect to utilize an alternative source for financing, the number of loans originated through the GreenSky program could decline, which would materially adversely affect our business and, in turn, our revenue.

**Our results depend, to a significant extent, on the active and effective promotion and support of the GreenSky program by our Sponsors and merchants.**

Our success depends on the active and effective promotion of the GreenSky program by our Sponsors to their network of merchants and by our merchants to their customers. We rely on our Sponsors, including large franchisors within different home improvement industry sub-verticals, to promote the GreenSky program within their networks of merchants. A majority of our active merchants are affiliated with Sponsors. Although our Sponsors generally are under no obligation to promote the GreenSky program, many do so through direct mail, email campaigns and trade shows. The failure by our Sponsors to effectively promote and support the GreenSky program would have a material adverse effect on the rate at which we acquire new merchants and the cost thereof.

Our success depends on the active and effective promotion of the GreenSky program by our Sponsors to their network of merchants and by our merchants to their customers. We rely on our Sponsors, including large franchisors within different home improvement industry sub-verticals, to promote the GreenSky program within their networks of merchants. A majority of our active merchants are affiliated with Sponsors. Although our Sponsors generally are under no obligation to promote the GreenSky program, many do so through direct mail, email campaigns and trade shows. The failure by our Sponsors to effectively promote and support the GreenSky program would have a material adverse effect on the rate at which we acquire new merchants and the cost thereof.

We also depend on our merchants, which generally accept most major credit cards and other forms of payment, to promote the GreenSky program, to integrate our platform and the GreenSky program into their business, and to educate their sales associates about the benefits of the GreenSky program so that their sales associates encourage customers to apply for and use our services. Our relationship with our merchants, however, generally is non-exclusive, and we do not have, or utilize, any recourse against merchants when they do not promote the GreenSky program. The failure by our merchants to effectively promote and support the GreenSky program would have a material adverse effect on our business.

**If our merchants fail to fulfill their obligations to consumers or comply with applicable law, we may incur remediation costs.**

Although our merchants are obligated to fulfill their contractual commitments to consumers and to comply with applicable law, from time to time they might not, or a consumer might allege that they did not. This, in turn, can result in claims against our Bank Partners and us or in loans being uncollectible. In those cases, we may decide that it is beneficial to remediate the situation, either through assisting the consumers to get a refund, working with our Bank Partners to modify the terms of the loan or reducing the amount due, making a payment to the consumer or otherwise. In addition, for SPV Participations or other loan receivables held for sale, we may have additional risk for the period of time that we, or our SPV, own such participations. Historically, the cost of remediation has not been material to our business, but it could be in the future.
We have experienced rapid growth, which may be difficult to sustain and which may place significant demands on our operational, administrative and financial resources.

Our rapid growth has caused significant demands on our operational, marketing, compliance and accounting infrastructure, and has resulted in increased expenses, which we expect to continue as we grow. In addition, we are required to continuously develop and adapt our systems and infrastructure in response to the increasing sophistication of the consumer finance market and regulatory developments relating to our existing and projected business activities and those of our Bank Partners. Our future growth will depend, among other things, on our ability to maintain an operating platform and management system sufficient to address our growth and will require us to incur significant additional expenses and to commit additional senior management and operational resources.

As a result of our growth, we face significant challenges in:

- securing commitments from our existing and new Bank Partners and other funding sources to provide loans to customers of our merchants, and securing commitments from other funding sources;
- maintaining existing and developing new relationships with merchants and Sponsors;
- maintaining adequate financial, business and risk controls;
- implementing new or updated information and financial and risk controls and procedures;
- training, managing and appropriately sizing our workforce and other components of our business on a timely and cost-effective basis;
- navigating complex and evolving regulatory and competitive environments;
- securing funding (including credit facilities and/or equity capital) to maintain our operations and future growth;
- increasing the number of borrowers in, and the volume of loans facilitated through, the GreenSky program;
- expanding within existing markets;
- entering into new markets and introducing new solutions;
- continuing to revise our proprietary credit decisioning and scoring models;
- continuing to develop, maintain and scale our platform;
- effectively using limited personnel and technology resources;
- maintaining the security of our platform and the confidentiality of the information (including personally identifiable information) provided and utilized across our platform; and
- attracting, integrating and retaining an appropriate number of qualified employees.

We may not be able to manage our expanding operations effectively, and any failure to do so could adversely affect our ability to generate revenue and control our expenses.
If we experience negative publicity, we may lose the confidence of our Bank Partners, merchants and consumers who use the GreenSky program and our business may suffer.

Reputational risk, or the risk to us from negative publicity or public opinion, is inherent to our business. Recently, consumer financial services companies have been experiencing increased reputational harm as consumers and regulators take issue with certain of their practices and judgments, including, for example, fair lending, credit reporting accuracy, lending to members of the military, state licensing (for lenders, servicers and money transmitters) and debt collection. Maintaining a positive reputation is critical to our ability to attract and retain Bank Partners, merchants, consumers and employees. Negative public opinion can arise from many sources, including actual or alleged misconduct, errors or improper business practices by employees, Bank Partners, merchants, outsourced service providers or other counterparties; litigation or regulatory actions; failure by us, our Bank Partners, or merchants to meet minimum standards of service and quality; inadequate protection of consumer information; failure of merchants to adhere to the terms of their GreenSky program agreements or other contractual arrangements or standards; compliance failures; and media coverage, whether accurate or not. Negative public opinion could diminish the value of our brand and adversely affect our ability to attract and retain Bank Partners, merchants and consumers, as a result of which our results of operations may be materially harmed and we could be exposed to litigation and regulatory action.

We may be unable to successfully develop and commercialize new or enhanced products and services.

The consumer financial services industry is subject to rapid and significant changes in technologies, products and services. Our business is dependent upon technological advancement, such as our ability to process applications instantly, accept electronic signatures and provide other conveniences expected by borrowers and counterparties. We must ensure that our technology facilitates a consumer experience that is quick and easy and equals or exceeds the consumer experience provided by our competitors. Therefore, a key part of our financial success depends on our ability to develop and commercialize new products and services and enhancements to existing products and services, including with respect to mobile and point-of-sale technologies.

Realizing the benefit of such products and services is uncertain, and we may not assign the appropriate level of resources, priority or expertise to the development and commercialization of these new products, services or enhancements. Our ability to develop, acquire and commercialize competitive technologies, products and services on acceptable terms, or at all, may be limited by intellectual property rights that third parties, including competitors and potential competitors, may assert. In addition, our success is dependent on factors such as merchant and customer acceptance, adoption and usage, competition, the effectiveness of marketing programs, the availability of appropriate technologies and business processes and regulatory approvals. Success of a new product, service or enhancement also may depend upon our ability to deliver it on a large scale, which may require a significant investment.

We also could utilize and invest in technologies, products and services that ultimately do not achieve widespread adoption and, therefore, are not as attractive or useful to our merchants and their customers as we anticipate. Our merchants also may not recognize the value of new products and services or believe they justify any potential costs or disruptions associated with implementing them. Because our solution is typically marketed through our merchants, if our merchants are unwilling or unable to effectively implement or market new technologies, products, services or enhancements, we may be unable to grow our business. Competitors also may develop or adopt technologies or introduce innovations that change the markets they operate in and make our solution less competitive and attractive to our merchants and their customers. Moreover, we may not realize the benefit of new technologies, products, services or enhancements for many years, and competitors may introduce more compelling products, services or enhancements in the meantime.

Changes in market interest rates could have an adverse effect on our business.

The fixed interest rates charged on the loans that our Bank Partners originate are calculated based upon a margin above a market benchmark at the time of origination. Increases in the market benchmark would result in increases in the interest rates on new loans. Increased interest rates may adversely impact the spending levels of consumers and their ability and willingness to borrow money. Higher interest rates often lead to higher payment obligations, which may reduce the ability of customers to remain current on their obligations to our Bank Partners and, therefore, lead to increased delinquencies, defaults, customer bankruptcies and charge-offs, and decreasing
recoveries, all of which could have an adverse effect on our business. See Part I, Item 3 "Quantitative and Qualitative Disclosures about Market Risk."

The expected replacement of London Interbank Offered Rate ("LIBOR") and replacement or reform of other interest rates could adversely affect our results of operations and financial condition.

LIBOR and certain other interest rate benchmarks are the subject of recent national, international and other regulatory guidance and proposals for reform. These reforms may cause such benchmarks to perform differently than in the past or have other consequences which cannot be predicted. The United Kingdom’s Financial Conduct Authority, which regulates LIBOR, has publicly announced that it intends to stop compelling banks to submit information to the administrator of LIBOR after 2021. The continuation of LIBOR cannot be guaranteed after 2021. LIBOR is currently used as a reference rate for certain of our contractual arrangements, including our term loan under the Amended Credit Agreements and the related interest rate swap agreement, both of which are set to mature after the expected phase out of LIBOR.

The market transition away from LIBOR to alternative reference rates is complex and could have a range of adverse effects on the Company’s business, financial condition and results of operations. In particular, any such transition could:

- adversely affect the interest rates received or paid in our contractual arrangements;
- prompt inquiries or other actions from regulators in respect of the Company’s preparation and readiness for the replacement of LIBOR with an alternative reference rate;
- result in disputes, litigation or other actions with borrowers or counterparties about the interpretation and enforceability of certain fallback language in LIBOR-based contracts and securities; and
- cause us to incur additional costs in relation to any of the above factors.

While we will work with our lenders and counterparties to accommodate any suitable replacement rate where it is not already provided under the terms of the financial instruments and, going forward, we will use suitable alternative reference rates for our financial instruments, in the event that an agreement cannot be reached on an appropriate benchmark rate, the availability of borrowings under these agreements could be adversely impacted. At this time, we do not perceive any material risks and do not expect a materially adverse change to the Company’s financial condition or liquidity as a result of any such changes or any other reforms to LIBOR that may be enacted in the United Kingdom or elsewhere.

Increases in loan delinquencies and default rates in the GreenSky program could cause us to lose amounts we place in escrow and may require us to deploy resources to enhance our collections and default servicing capabilities, which could adversely affect our ability to maintain loan volumes, and could affect our ability to pursue or close alternative funding structures.

Loans funded by our Bank Partners generally are not secured by collateral, are not guaranteed or insured by any third party and are not backed by any governmental authority in any way, which limits the ability of our Bank Partners to collect on loans if a borrower is unwilling or unable to repay. A borrower’s ability to repay can be negatively impacted by increases in the borrower’s payment obligations to other lenders under home, credit card and other loans; loss of employment or other sources of income; adverse health conditions; or for other reasons. Changes in a borrower’s ability to repay loans made by our Bank Partners also could result from increases in base lending rates or structured increases in payment obligations. While consumers using our platform to date have had high average credit scores, we may enter into new industry verticals in which consumers have lower average credit scores, leading to potentially higher rates of defaults.

Should delinquencies and default rates increase, we will need to expand our collections and default servicing capabilities, which will require skills and resources that we currently may not have. This will result in higher costs due to the time and effort required to collect payments from delinquent borrowers.

While we are not generally responsible to our Bank Partners for defaults by customers, we have agreed with each of our Bank Partners to fund an escrow in order to provide the Bank Partners limited protection against credit losses.
losses. If credit losses increase, we could lose a portion, or all, of these escrowed funds, which would have an adverse effect on our business.

Because the agreements we have with our Bank Partners are of short duration and because our Bank Partners generally may terminate their agreements or reduce their commitments to provide loans if credit losses increase, the overall volume of GreenSky program loans may decrease in the event of higher default rates. In addition, in certain limited circumstances, our Bank Partners may terminate the agreements under which we service their loan portfolios, in which case we will suffer a decrease in our revenues from loan servicing.

In addition, an increase in delinquencies and default rates would have an adverse effect on our ability to pursue, or the terms of, alternative funding structures with institutional investors, financial institutions and other sources, because of the reduced returns that would be expected as a result of such increase.

We own participations in certain loans originated through the GreenSky program, and the non-performance, or even significant underperformance, of those participations would adversely affect our business.

We hold participations in certain loans originated by our Bank Partners in order to facilitate alternative funding structures. In May 2020, our special purpose vehicle, which we refer to as the “SPV,” established an asset-backed revolving credit facility with JPMorgan Chase Bank, N.A. to finance purchases by the SPV of participation interests in loans originated through the GreenSky program (the “SPV Facility”). We refer to participations owned by the SPV as “SPV Participations.” The SPV plans to conduct periodic sales of the SPV Participations or issue asset-backed securities to third parties, which sales or issuances will allow additional purchases of participations to be financed through the SPV Facility. In the future, we may form other special purpose vehicles for similar purposes. However, the SPV and any such other special purpose vehicles may not be able to conduct such sales or issuances in a timely manner or at expected prices, if at all.

We also hold participations in certain research and development loans, which we refer to as “R&D Participations.” Generally, we hold R&D Participations that we purchase from an originating Bank Partner with the intent to hold the R&D Participations only for a short period of time before we can transfer the R&D Participations to a Bank Partner following its determination to purchase the R&D Participations, which a Bank Partner might do in connection with an expansion of its credit policy. Our objective is to hold these R&D Participations only until we have enough experience with the particular products or industry verticals for our Bank Partners to purchase the R&D Participations. However, our Bank Partners are not required to purchase the R&D Participations.

Both the SPV Participations and the R&D Participations are designated as loan receivables held for sale on our Unaudited Condensed Consolidated Balance Sheets. As of June 30, 2020, we had $411.0 million in loan receivables held for sale, net. During the period that we own the receivables, we bear the entire credit risk in the event that the borrowers default.

In addition, we are obligated to purchase from our Bank Partners the receivables underlying any loans that were approved in error or otherwise involved customer or merchant fraud.

Our ownership of receivables also requires us to commit or obtain corresponding funding. In addition, non-performance, or even significant underperformance, of the loan receivables held for sale that we own could have a materially adverse effect on our business, including, with respect to the SPV Participations, an inability to repay obligations owed by the SPV under the SPV Facility.

We may not be able to sell SPV Participations in a timely manner or at expected prices.

In May 2020, the SPV established the SPV Facility to finance purchases by the SPV of participation interests in loans originated through the GreenSky program. The SPV plans to conduct periodic sales of the SPV Participations or issue asset-backed securities to third parties, which sales or issuances will allow additional purchases of participations to be financed through the SPV Facility. However, the SPV may not be able to conduct such sales or issuances in a timely manner or at expected prices, if at all.

If the SPV is not able to sell the SPV Participations that it holds, we will bear the entire credit risk of such loan receivables held for sale. Furthermore, in this event, our ability to finance additional purchases of participations through the SPV Facility would be limited. This could have a material adverse effect on our business, financial position, results of operations or cash flows.
We are subject to certain additional risks in connection with promotional financing offered through the GreenSky program.

Many of the loans originated by our Bank Partners provide promotional financing in the form of low or deferred interest. When a deferred interest loan is paid in full prior to the end of the promotional period (typically six to 24 months), any interest that has been billed on the loan by our Bank Partner to the consumer is reversed, which triggers an obligation on our part to make a payment to the Bank Partner that made the loan in order to fully offset the reversal (each event, a finance charge reversal or "FCR"). We record a FCR liability on our balance sheet for interest previously billed during the promotional period that is expected to be reversed prior to the end of such period. As of June 30, 2020, this liability was $198.8 million. See Note 3 to the Notes to Unaudited Condensed Consolidated Financial Statements in Part I, Item 1 for further information. If the rate at which deferred interest loans are paid in full prior to the end of the promotional period increases, resulting in increased payments by us to our Bank Partners, it would adversely affect our business.

Further, deferred interest loans are subject to enhanced regulatory scrutiny as a result of abusive marketing practices by some lenders, and the CFPB has initiated enforcement actions against both lenders and servicers alleging that they have engaged in unfair, deceptive or abusive acts or practices because of lack of clarity in disclosures with respect to such loans. Such scrutiny could reduce the attractiveness to consumers of deferred interest loans or result in a general unwillingness on the part of our Bank Partners to make deferred interest loans. A reduction in the dollar volume of deferred interest loans offered through the GreenSky program would adversely affect our business.

The loss of the services of our senior management could adversely affect our business.

The experience of our senior management, including, in particular, David Zalik, our Chief Executive Officer, is a valuable asset to us. Our management team has significant experience in the consumer loan business and would be difficult to replace. Competition for senior executives in our industry is intense, and we may not be able to attract and retain qualified personnel to replace or succeed members of our senior management team or other key personnel. Failure to retain talented senior leadership could have a material adverse effect on our business. We do not maintain key life insurance policies relating to our senior management.

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 significant vendors that, among other things, provide us with financial, technology and other services to support our loan servicing and other activities, including, for example, credit ratings and reporting, cloud-based data storage and other IT solutions, and payment processing. The CFPB has issued guidance stating that institutions under its supervision may be held responsible for the actions of the companies with which they contract. Accordingly, we could be adversely impacted to the extent our vendors fail to comply with the legal requirements applicable to the particular products or services being offered.

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 providing services to us on acceptable terms, we may be unable to procure alternatives from other vendors in a timely and efficient manner and on acceptable terms (or at all). If any third-party vendor fails to provide the services we require, fails to meet contractual requirements (including compliance with applicable laws and regulations), fails to maintain adequate data privacy and electronic security systems, or suffers a cyber-attack or other security breach, we could be subject to CFPB, FTC and other regulatory enforcement actions and suffer economic and reputational harm that could have a material adverse effect on our business. Further, we may incur significant costs to resolve any such disruptions in service, which 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.

Our business is subject to increased risks of litigation and regulatory actions as a result of a number of factors and from various sources, including as a result of the highly regulated nature of the financial services industry and the focus of state and federal enforcement agencies on the financial services industry.

In the ordinary course of business, we have been named as a defendant in various legal actions, including arbitrations, class actions and other litigation. Generally, this litigation arises from the dissatisfaction of a consumer with the products or services of a merchant; some of this litigation, however, has arisen from other matters, including claims of discrimination, credit reporting and collection practices. Certain of those actions include claims for substantial compensatory and/or punitive damages or claims for indeterminate amounts of damages. From time to time, we also are involved in, or the subject of, reviews, requests for information, investigations and proceedings (both formal and informal) by state and federal governmental agencies, including banking regulators and the CFPB, regarding our business activities and our qualifications to conduct our business in certain jurisdictions, which could subject us to significant fines, penalties, obligations to change our business practices and other requirements resulting in increased expenses and diminished earnings. 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. 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 contesting them. Although none of the settlements has been material to our business, in the future, such settlements could have a material adverse effect on our business. Moreover, any settlement, or any consent order or adverse judgment in connection with any formal or informal proceeding or investigation by a government agency, may prompt litigation or additional investigations or proceedings as other litigants or other government agencies begin independent reviews of the same activities.

In addition, a number of participants in the consumer finance 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 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. 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. These regulatory matters or other factors could, in the future, affect how we conduct our business and, in turn, have a material adverse effect on 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.

We contest our liability and the amount of damages, as appropriate, in each pending matter. The outcome of pending and future matters could be material to our results of operations, financial condition and cash flows, and could materially adversely affect our business.

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 customers. These self-identified issues and voluntary remediation payments could be significant, depending on the issue and the number of customers impacted, and also could generate litigation or regulatory investigations that subject us to additional risk. See “Risks Related to Our Regulatory Environment.”

Regulatory agencies and consumer advocacy groups are becoming more aggressive in asserting “disparate impact” claims.

Antidiscrimination statutes, such as the Equal Credit Opportunity Act (the “ECOA”), prohibit creditors from discriminating against loan applicants and borrowers based on certain characteristics, such as race, religion and national origin. Various federal regulatory agencies and departments, including the U.S. Department of Justice (“DOJ”) and CFPB, take the position that these laws prohibit not only intentional discrimination, but also neutral practices that have a “disparate impact” on a group and that are not justified by a business necessity.
These regulatory agencies, as well as consumer advocacy groups and plaintiffs’ attorneys, are focusing greater attention on “disparate impact” claims. To the extent that the “disparate impact” theory continues to apply, we may face significant administrative burdens in attempting to identify and eliminate neutral practices that do have “disparate impact.” The ability to identify and eliminate neutral practices that have “disparate impact” is complicated by the fact that often it is our merchants, over which we have limited control, that implement our practices. In addition, we face the risk that one or more of the variables included in the GreenSky program’s loan decisioning model may be invalidated under the disparate impact test, which would require us to revise the loan decisioning model in a manner that might generate lower approval rates or higher credit losses.

In addition to reputational harm, violations of the ECOA can result in actual damages, punitive damages, injunctive or equitable relief, attorneys’ fees and civil money penalties.

**Fraudulent activity could negatively impact our business and could cause our Bank Partners to be less willing to originate loans as part of the GreenSky program.**

Fraud is prevalent in the financial services industry and is likely to increase as perpetrators become more sophisticated. We are subject to the risk of fraudulent activity associated with our merchants, their customers and third parties handling customer information. Our resources, technologies and fraud prevention tools may be insufficient to accurately detect and prevent fraud. The level of our fraud charge-offs could increase and our results of operations could be materially adversely affected if fraudulent activity were to significantly increase. High profile fraudulent activity also could negatively impact our brand and reputation, which could negatively impact the use of our services and products. In addition, significant increases in fraudulent activity could lead to regulatory intervention, which could increase our costs and also negatively impact our business.

**Misconduct and errors by our employees and third-party service providers could harm our business and reputation.**

We are exposed to many types of operational risks, including the risk of misconduct and errors by our employees and other third-party service providers. Our business depends on our employees and third-party service providers to facilitate the operation of our business, and if any of our employees or third-party service providers provide unsatisfactory service or take, convert or misuse funds, documents or data or fail to follow protocol when interacting with Bank Partners, Sponsors and merchants, the number of loans originated through the GreenSky program could decline, we could be liable for damages and we could be subject to complaints, regulatory actions and penalties.

While we have internal procedures and oversight functions to protect us against this risk, we also could be perceived to have facilitated or participated in the illegal misappropriation of funds, documents or data, or the failure to follow protocol, and therefore be subject to civil or criminal liability.

Any of these occurrences could result in our diminished ability to operate our business, potential liability, inability to attract future Bank Partners, other funding sources, Sponsors, merchants and consumers, reputational damage, regulatory intervention and financial harm, which could negatively impact our business, financial condition and results of operations.

**Cyber-attacks and other security breaches could have an adverse effect on our business.**

In the normal course of our business, we collect, process and retain sensitive and confidential information regarding our Bank Partners, our merchants and consumers. We also have arrangements in place with certain of our third-party service providers that require us to share consumer information. Although we devote significant resources and management focus to ensuring the integrity of our systems through information security and business continuity programs, our facilities and systems, and those of our Bank Partners, merchants and third-party service providers, are vulnerable to external or internal security breaches, acts of vandalism, computer viruses, misplaced or lost data, programming or human errors, and other similar events. We, our Bank Partners, our merchants and our third-party service providers have experienced all of these events in the past and expect to continue to experience them in the future. We also face security threats from malicious third parties that could obtain unauthorized access to our systems and networks, which threats we anticipate will continue to grow in scope and complexity over time. These events could interrupt our business or operations, result in significant legal and financial exposure, supervisory liability, damage to our reputation and a loss of confidence in the security of our systems, products and

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services. Although the impact to date from these events has not had a material adverse effect on us, this may not be the case in the future.

Information security risks in the financial services industry have increased recently, in part because of new technologies, the use of the internet and telecommunications technologies (including mobile devices) to conduct financial and other business transactions and the increased sophistication and activities of organized criminals, perpetrators of fraud, hackers, terrorists and others. In addition to cyber-attacks and other security breaches involving the theft of sensitive and confidential information, hackers recently have engaged in attacks that are designed to disrupt key business services, such as consumer-facing websites. We may not be able to anticipate or implement effective preventive measures against all security breaches of these types, especially because the techniques used change frequently and because attacks can originate from a wide variety of sources. We employ detection and response mechanisms designed to contain and mitigate security incidents. Nonetheless, early detection efforts may be thwarted by sophisticated attacks and malware designed to avoid detection. We also may fail to detect the existence of a security breach related to the information of our Bank Partners, merchants and consumers that we retain as part of our business and may be unable to prevent unauthorized access to that information.

We also face risks related to cyber-attacks and other security breaches that typically involve the transmission of sensitive information regarding borrowers through various third parties, including our Bank Partners, our merchants and data processors. Some of these parties have in the past been the target of security breaches and cyber-attacks. Because we do not control these third parties or oversee the security of their systems, future security breaches or cyber-attacks affecting any of these third parties could impact us through no fault of our own, and in some cases we may have exposure and suffer losses for breaches or attacks relating to them. While we regularly conduct security assessments of significant third-party service providers, our third-party information security protocols may not be sufficient to withstand a cyber-attack or other security breach.

The access by unauthorized persons to, or the improper disclosure by us of, confidential information regarding GreenSky program customers or our own proprietary information, software, methodologies and business secrets could interrupt our business or operations, result in significant legal and financial exposure, supervisory liability, damage to our reputation or a loss of confidence in the security of our systems, products and services, all of which could have a material adverse impact on our business. In addition, there recently have been a number of well-publicized attacks or breaches affecting companies in the financial services industry that have heightened concern by consumers, which could also intensify regulatory focus, cause users to lose trust in the security of the industry in general and result in reduced use of our services and increased costs, all of which could also have a material adverse effect on our business.

Furthermore, in light of the COVID-19 pandemic, we have directed most of our personnel to work remotely and we have restricted on-site staff to those personnel and contractors who perform essential activities that must be completed on-site. This new working environment could increase our cyber-security risk, create data accessibility concerns, and make us more susceptible to communication disruptions, any of which could adversely impact our business operations. We continue to implement physical and cyber-security measures to ensure that our systems remain functional in order to serve our operational needs with a remote workforce and prevent disruptions to our business.

Disruptions in the operation of our computer systems and third-party data centers could have an adverse effect on our business.

Our ability to deliver products and services to our Bank Partners and merchants, service loans made by our Bank Partners and otherwise operate our business and comply with applicable laws depends on the efficient and uninterrupted operation of our computer systems and third-party data centers, as well as those of our Bank Partners, merchants and third-party service providers.

These computer systems and third-party data centers may encounter service interruptions at any time due to system or software failure, natural disasters, severe weather conditions, health pandemics, terrorist attacks, cyber-attacks or other events. Any of such catastrophes could have a negative effect on our business and technology infrastructure (including our computer network systems), on our Bank Partners and merchants and on consumers. Catastrophic events also could prevent or make it more difficult for customers to travel to our merchants’ locations to shop, thereby negatively impacting consumer spending in the affected regions (or in severe cases, nationally), and
could interrupt or disable local or national communications networks, including the payment systems network, which could prevent customers from making purchases or payments (temporarily or over an extended period). These events also could impair the ability of third parties to provide critical services to us. All of these adverse effects of catastrophic events could result in a decrease in the use of our solution and payments to us, which could have a material adverse effect on our business.

In addition, the implementation of technology changes and upgrades to maintain current and integrate new systems may cause service interruptions, transaction processing errors or system conversion delays and may cause us to fail to comply with applicable laws, all of which could have a material adverse effect on our business. We expect that new technologies and business processes applicable to the consumer financial services industry will continue to emerge and that these new technologies and business processes may be better than those we currently use. We may not be able to successfully adopt new technology as critical systems and applications become obsolete and better ones become available. A failure to maintain and/or improve current technology and business processes could cause disruptions in our operations or cause our solution to be less competitive, all of which could have a material adverse effect on our business.

**If the credit decisioning, pricing, loss forecasting and credit scoring models we use contain errors, do not adequately assess risk or are otherwise ineffective, our reputation and relationships with our Bank Partners, other funding sources, our merchants and consumers could be harmed.**

Our ability to attract consumers to the GreenSky program, and to build trust in the consumer loan products offered through the GreenSky program, is significantly dependent on our ability to effectively evaluate a consumer’s credit profile and likelihood of default in accordance with our Bank Partners’ underwriting policies. To conduct this evaluation, we use proprietary credit decisioning, pricing, loss forecasting and credit scoring models. If any of the credit decisioning, pricing, loss forecasting and credit scoring models we use contains programming or other errors, is ineffective or the data provided by consumers or third parties is incorrect or stale, or if we are unable to obtain accurate data from consumers or third parties (such as credit reporting agencies), our loan pricing and approval process could be negatively affected, resulting in mispriced or misclassified loans or incorrect approvals or denials of loans and possibly our having to repurchase the loan. This could damage our reputation and relationships with consumers, our Bank Partners, other funding sources and our merchants, which could have a material adverse effect on our business.

**We depend on the accuracy and completeness of information about customers of our merchants, and any misrepresented information could adversely affect our business.**

In evaluating loan applicants, we rely on information furnished to us by or on behalf of customers of our merchants, including credit, identification, employment and other relevant information. Some of the information regarding customers provided to us is used in our proprietary credit decisioning and scoring models, which we use to determine whether an application meets the applicable underwriting criteria. We rely on the accuracy and completeness of that information.

Not all customer information is independently verified. As a result, we rely on the accuracy and completeness of the information we are provided by consumers. 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. Additionally, there is a risk that, following the date of the credit report that we obtain and review, a customer may have defaulted on, or become delinquent in the payment of, a pre-existing debt obligation, taken on additional debt, lost his or her job or other sources of income, or experienced other adverse financial events. Where an inaccuracy constitutes fraud or otherwise causes us to incorrectly conclude that a loan meets the applicable underwriting criteria, we generally bear the risk of loss associated with the inaccuracy. Any significant increase in inaccuracies or resulting increases in losses would adversely affect our business.

**We rely extensively on models in managing many aspects of our business. Any inaccuracies or errors in our models could have an adverse effect on our business.**

In assisting our Bank Partners and merchants with the design of the products that are offered on our platform, we make assumptions about various matters, including repayment timing and default rates, and then
utilize our proprietary modeling to analyze and forecast the performance and profitability of the products. Our assumptions may be inaccurate and our models may not be as predictive as expected for many reasons, including that they often involve matters that are inherently difficult to predict and beyond our control (e.g., macroeconomic conditions) and that they often involve complex interactions between a number of dependent and independent variables and factors. Any significant inaccuracies or errors in our assumptions could negatively impact the profitability of the products that are offered on our platform, as well as the profitability of our business, and could result in our underestimating potential FCRs.

If assumptions or estimates we use in preparing our financial statements are incorrect or are required to change, our reported results of operations and financial condition may be adversely affected.

We are required to make various assumptions and estimates in preparing our financial statements under GAAP and in determining certain disclosures required under GAAP, including for purposes of determining share-based compensation; asset impairment; reserves related to litigation and other legal matters and contingencies and other regulatory exposures; the amounts recorded for certain contractual payments to be paid to, or received from, our merchants and others under contractual arrangements; fair value measurements of derivative instruments, servicing assets and liabilities and loans receivable held for sale; and measurement of financial guarantees. If the assumptions or estimates underlying our financial statements are incorrect, the actual amounts realized on transactions and balances subject to those estimates will be different, which could have a material adverse effect on our business.

The consumer finance and payments industry is highly competitive and is likely to become more competitive, and our inability to compete successfully or maintain or improve our market share and margins could adversely affect our business.

Our success depends on our ability to generate usage of the GreenSky program. The consumer financial services industry is highly competitive and increasingly dynamic as emerging technologies continue to enter the marketplace. Technological advances and heightened e-commerce activities have increased consumers’ accessibility to products and services, which has intensified the desirability of offering loans to consumers through digital-based solutions. In addition, because many of our competitors are large financial institutions that own the loans that they originate, they have certain revenue opportunities not currently available to us. We face competition in areas such as compliance capabilities, financing terms, promotional offerings, fees, approval rates, speed and simplicity of loan origination, ease-of-use, marketing expertise, service levels, products and services, technological capabilities and integration, customer service, brand and reputation. Many of our competitors are substantially larger than we are, which may give those competitors advantages we do not have, such as a more diversified product and customer base, the ability to reach more customers and potential customers, operational efficiencies, more versatile technology platforms, broad-based local distribution capabilities, and lower-cost funding. Commercial banks and savings institutions also may have significantly greater access to consumers given their deposit-taking and other services.

Our existing and potential competitors may decide to modify their pricing and business models to compete more directly with our model. Any reduction in usage of the GreenSky program, or a reduction in the lifetime profitability of loans under the GreenSky program in an effort to attract or retain business, could reduce our revenues and earnings. If we are unable to compete effectively for merchant and customer usage, our business could be materially adversely affected.
Our revenue is impacted, to a significant extent, by the general economy and the financial performance of our merchants.

Our business, the consumer financial services industry and our merchants’ businesses are sensitive to macroeconomic conditions. Economic factors such as interest rates, changes in monetary and related policies, market volatility, consumer confidence and unemployment rates are among the most significant factors that impact consumer spending behavior. Weak economic conditions or a significant deterioration in economic conditions reduce the amount of disposable income consumers have, which in turn reduces consumer spending and the willingness of qualified borrowers to take out loans. Such conditions are also likely to affect the ability and willingness of borrowers to pay amounts owed to our Bank Partners, each of which would have a material adverse effect on our business.

The generation of new loans through the GreenSky program, and the transaction fees and other fee income to us associated with such loans, is dependent upon sales of products and services by our merchants. Our merchants’ sales may decrease or fail to increase as a result of factors outside of their control, such as the macroeconomic conditions referenced above, or business conditions affecting a particular merchant, industry vertical or region. Weak economic conditions also could extend the length of our merchants’ sales cycle and cause customers to delay making (or not make) purchases of our merchants’ products and services. The decline of sales by our merchants for any reason will generally result in lower credit sales and, therefore, lower loan volume and associated fee income for us. This risk is particularly acute with respect to our largest merchants that account for a significant amount of our platform revenue.

In addition, if a merchant closes some or all of its locations or becomes subject to a voluntary or involuntary bankruptcy proceeding (or if there is a perception that it may become subject to a bankruptcy proceeding), GreenSky program borrowers may have less incentive to pay their outstanding balances to our Bank Partners, which could result in higher charge-off rates than anticipated. Moreover, if the financial condition of a merchant deteriorates significantly or a merchant becomes subject to a bankruptcy proceeding, we may not be able to recover amounts due to us from the merchant.

Because our business is heavily concentrated on consumer lending and payments in the U.S. home improvement industry, our results are more susceptible to fluctuations in that market than the results of a more diversified company would be.

Our business currently is heavily concentrated on consumer lending in the home improvement industry. As a result, we are more susceptible to fluctuations and risks particular to U.S. consumer credit, real estate and home improvements than a more diversified company would be as well as to factors that may drive the demand for home improvements, such as sales levels of existing homes and the aging of housing stock. We also are more susceptible to the risks of increased regulations and legal and other regulatory actions that are targeted at consumer credit, the specific consumer credit products that our Bank Partners offer (including promotional financing), real estate and home improvements. Our business concentration could have an adverse effect on our business.
As part of our elective healthcare vertical we face some factors that differ from our home improvement vertical, and the unique considerations of this industry vertical, and our failure to comply with applicable regulations, or accurately forecast demand or growth could have an adverse effect on our business.

Our elective healthcare industry vertical involves consumer financing for elective medical procedures and products. Elective healthcare providers include doctors’ and dentists’ offices, outpatient surgery centers and clinics providing orthodontics, cosmetic and aesthetic dentistry, vision correction, bariatric surgery, cosmetic surgery, hair replacement, reproductive medicine, veterinary medicine and hearing aid devices. We may not achieve similar levels of success, if any, in this industry vertical, or that we will not face unanticipated challenges in our ability to offer our program in this industry vertical. In addition, the elective healthcare industry vertical is highly regulated and we, our merchants and our Bank Partners, as applicable, will be subject to significant additional regulatory requirements, including various healthcare and privacy laws. We have limited experience in managing these risks and the compliance requirements attendant to these additional regulatory requirements. See “–Risks Related to Our Regulatory Environment–The increased scrutiny of third-party medical financing by governmental agencies may lead to increased regulatory burdens and adversely affect our consolidated revenue or results of operations.” The costs of compliance and any failure by us, our merchants or our Bank Partners, as applicable, to comply with such regulatory requirements could have a material adverse effect on our business.

We may in the future expand into new industry verticals and our failure to mitigate specific regulatory, credit, and other risks associated with a new industry vertical could have an adverse effect on our business.

We may in the future further expand into other industry verticals. We may not be able to successfully develop consumer financing products and services for these new industries. Our investment of resources to develop consumer financing products and services for the new industries we enter may either be insufficient or result in expenses that are excessive in light of loans actually originated by our Bank Partners in those industries. Additionally, industry participants, including our merchants, their customers and our Bank Partners, may not be receptive to our solution in these new industries. The borrower profile of consumers in new verticals may not be as attractive, in terms of average FICO scores or other attributes, as in our current verticals, which may lead to higher levels of delinquencies or defaults than we have historically experienced. Industries change rapidly, and we may not be able to accurately forecast demand (or the lack thereof) for our solution or those industries may not grow. Failure to forecast demand or growth accurately in new industries could have a material adverse impact on our business.

Our business would suffer if we fail to attract and retain highly skilled employees.

Our future success will depend on our ability to identify, hire, develop, motivate and retain highly qualified personnel for all areas of our organization, particularly information technology and sales. Trained and experienced personnel are in high demand and may be in short supply. Many of the companies with which we compete for experienced employees have greater resources than we do and may be able to offer more attractive terms of employment. In addition, we invest significant time and expense in training our employees, which increases their value to competitors that may seek to recruit them. We may not be able to attract, develop and maintain the skilled workforce necessary to operate our business, and labor expenses may increase as a result of a shortage in the supply of qualified personnel.

The Amended Credit Agreement that governs our term loan and revolving loan facility contains various covenants that could limit our ability to engage in activities that may be in our best long-term interests.

We have a term loan and revolving loan facility that we may draw on to finance our operations and for other corporate purposes. The Amended Credit Agreement contains operating covenants, including customary limitations on the incurrence of certain indebtedness and liens, restrictions on certain intercompany transactions and limitations on dividends and stock repurchases. Our ability to comply with these covenants may be affected by events beyond our control, and breaches of these covenants could result in a default under the Amended Credit Agreement and any future financial agreements into which we may enter. If we default on our credit obligations, our lenders may require repayment of any outstanding debt and terminate the Amended Credit Agreement.

If any of these events occurs, our ability to fund our operations could be seriously harmed. If not waived, defaults could cause any outstanding indebtedness under our Amended Credit Agreement and any future financing agreements that we may enter into to become immediately due and payable.
For more information on our term loan and revolving loan facility, see Part I, Item 2 “Management’s Discussion and Analysis of Financial Condition and Results of Operations–Liquidity and Capital Resources–Borrowings” and Note 7 to the Notes to Unaudited Condensed Consolidated Financial Statements included in Part I, Item 1.

The SPV facility contains various covenants that could limit our ability to engage in activities that may be in our best long-term interests.

We have an SPV Facility and our ability to comply with the terms of the SPV Facility may be affected by events beyond our control. In addition, the assets of the SPV are owned by the SPV and are solely available to satisfy creditors of the SPV. As such, the SPV assets are not available to satisfy obligations of GreenSky, Inc., GS Holdings, GreenSky LLC or other subsidiaries of the Company.

For more information on the SPV Facility, see Part I, Item 2 “Management’s Discussion and Analysis of Financial Condition and Results of Operations–Liquidity and Capital Resources–Borrowings” and Note 7 to the Notes to Unaudited Condensed Consolidated Financial Statements included in Part I, Item 1.

We may incur losses on interest rate swap and hedging arrangements.

We may periodically enter into agreements to reduce the risks associated with increases in interest rates, such as our June 2019 interest rate swap agreement. Although these agreements may partially protect against rising interest rates, they also may reduce the benefits to us if interest rates decline. Also, nonperformance by the other party to the arrangement may subject us to increased credit risks. For additional information regarding our June 2019 interest rate swap agreement, see Note 3 and Note 8 to the Notes to Unaudited Condensed Consolidated Financial Statements included in Part I, Item 1.

We may be unable to sufficiently protect our proprietary rights and may encounter disputes from time to time relating to our use of the intellectual property of third parties.

We rely on a combination of trademarks, service marks, copyrights, trade secrets, domain names and agreements with employees and third parties to protect our proprietary rights. On July 28, 2020, the United States Patent and Trademark Office issued the Company’s first U.S. patent. Originally filed in 2014, the patent relates to our mobile application process and credit decisioning model. We also have trademark and service mark registrations and pending applications for additional registrations in the United States. Further, we own the domain name rights for greensky.com, as well as other words and phrases important to our business. Nonetheless, third parties may challenge, invalidate or circumvent our intellectual property, and our intellectual property may not be sufficient to provide us with a competitive advantage.

Despite our efforts to protect these rights, unauthorized third parties may attempt to duplicate or copy the proprietary aspects of our technology and processes. Our competitors and other third parties independently may design around or develop similar technology or otherwise duplicate our services or products such that we could not assert our intellectual property rights against them. In addition, our contractual arrangements may not effectively prevent disclosure of our intellectual property and confidential and proprietary information or provide an adequate remedy in the event of an unauthorized disclosure. Measures in place may not prevent misappropriation or infringement of our intellectual property or proprietary information and the resulting loss of competitive advantage, and we may be required to litigate to protect our intellectual property and proprietary information from misappropriation or infringement by others, which is expensive, could cause a diversion of resources and may not be successful.

We also may encounter disputes from time to time concerning intellectual property rights of others, and we may not prevail in these disputes. Third parties may raise claims against us alleging that we, or consultants or other third parties retained or indemnified by us, infringe on their intellectual property rights. Some third-party intellectual property rights may be extremely broad, and it may not be possible for us to conduct our operations in such a way as to avoid all alleged violations of such intellectual property rights. Given the complex, rapidly changing and competitive technological and business environment in which we operate, and the potential risks and uncertainties of intellectual property-related litigation, an assertion of an infringement claim against us may cause us to spend significant amounts to defend the claim, even if we ultimately prevail, pay significant money damages, lose significant revenues, be prohibited from using the relevant systems, processes, technologies or other intellectual
property (temporarily or permanently), cease offering certain products or services, or incur significant license, royalty or technology development expenses.

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 risk management processes and procedures may not be effective.**

Our risk management processes and procedures seek to appropriately balance risk and return and mitigate our risks. We have established processes and procedures intended to identify, measure, monitor and control the types of risk to which we and our Bank Partners are subject, including credit risk, market risk, liquidity risk, strategic risk and operational risk. Credit risk is the risk of loss that arises when an obligor fails to meet the terms of an obligation. While our exposure to the direct economic cost of consumer credit risk is somewhat limited because, with the exceptions of SPV Participations, R&D Participations and other loans for which we purchase the receivables, we do not hold the loans or the receivables underlying the loans that our Bank Partners originate, we are exposed to consumer credit risk in the form of both our FCR liability and our limited escrow requirement, as well as our ability to maintain relationships with our existing Bank Partners and recruit new bank partners. Market risk is the risk of loss due to changes in external market factors such as interest rates. Liquidity risk is the risk that financial condition or overall safety and soundness are adversely affected by an inability, or perceived inability, to meet obligations and support business growth. Strategic risk is the risk from changes in the business environment, improper implementation of decisions or inadequate responsiveness to changes in the business environment. Operational risk is the risk of loss arising from inadequate or failed processes, people or systems, external events (e.g., natural disasters), compliance, reputational or legal matters and includes those risks as they relate directly to us as well as to third parties with whom we contract or otherwise do business.

Management of our risks depends, in part, upon the use of analytical and forecasting models. If these models are ineffective at predicting future losses or are otherwise inadequate, we may incur unexpected losses or otherwise be adversely affected. In addition, the information we use in managing our credit and other risks may be inaccurate or incomplete as a result of error or fraud, both of which may be difficult to detect and avoid. There also may be risks that exist, or that develop in the future, that we have not appropriately anticipated, identified or mitigated, including when processes are changed or new products and services are introduced. If our risk management framework does not effectively identify and control our risks, we could suffer unexpected losses or be adversely affected, which could have a material adverse effect on our business.

**Some aspects of our platform 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.**

Aspects of our platform include software covered by open source licenses. The terms of various open source licenses have not been interpreted by United States courts, and there is a risk that such licenses could be construed in a manner that imposes unanticipated conditions or restrictions on our platform. If portions of our proprietary software are determined to be subject to an open source license, we could be required to publicly release the affected portions of our source code, re-engineer all or a portion of our technologies or otherwise be limited in the licensing of our technologies, each of which could reduce or eliminate the value of our technologies and loan products. In addition to risks related to license requirements, usage of open source software can lead to greater risks than use of third-party commercial software because open source licensors generally do not provide warranties or
controls on the origin of the software. Many of the risks associated with the use of open source software cannot be eliminated and could adversely affect our business.

To the extent that we seek to grow through future acquisitions, or other strategic investments or alliances, we may not be able to do so effectively.

We may in the future seek to grow our business by exploring potential acquisitions or other strategic investments or alliances. We may not be successful in identifying businesses or opportunities that meet our acquisition or expansion criteria. In addition, even if a potential acquisition target or other strategic investment is identified, we may not be successful in completing such acquisition or integrating such new business or other investment. We may face significant competition for acquisition and other strategic investment opportunities from other well-capitalized companies, many of which have greater financial resources and greater access to debt and equity capital to secure and complete acquisitions or other strategic investments, than we do. As a result of such competition, we may be unable to acquire certain assets or businesses, or take advantage of other strategic investment opportunities that we deem attractive; the purchase price for a given strategic opportunity may be significantly elevated; or certain other terms or circumstances may be substantially more onerous. Any delay or failure on our part to identify, negotiate, finance on favorable terms, consummate and integrate any such acquisition or other strategic investment opportunity could impede our growth.

We may not be able to manage our expanding operations effectively or continue to grow, and any failure to do so could adversely affect our ability to generate revenue and control our expenses. Furthermore, we may be responsible for any legacy liabilities of businesses we acquire or be subject to additional liability in connection with other strategic investments. The existence or amount of these liabilities may not be known at the time of acquisition, or other strategic investment, and may have a material adverse effect on our business.

Future changes in financial accounting standards may significantly change our reported results of operations.

GAAP is subject to standard setting or interpretation by the FASB, the Public Company Accounting Oversight Board (the "PCAOB"), the SEC and various bodies formed to promulgate and interpret appropriate accounting principles. A change in these principles or interpretations could have a significant effect on our reported financial results and could affect the reporting of transactions completed before the announcement of a change.

Additionally, our assumptions, estimates and judgments related to complex accounting matters could significantly affect our financial results. GAAP and related accounting pronouncements, implementation guidelines and interpretations with regard to a wide range of matters that are relevant to our business, including revenue recognition, FCRs, and share-based compensation are highly complex and involve subjective assumptions, estimates and judgments by us. Changes in these rules or their interpretation or changes in underlying assumptions, estimates or judgments by us (i) could require us to make changes to our accounting systems that could increase our operating costs and (ii) could significantly change our reported or expected financial performance.

Risks Related to Our Regulatory Environment

We are subject to federal and state consumer protection laws.

In connection with our administration of the GreenSky program, we must comply with various regulatory regimes, including those applicable to consumer credit transactions, various aspects of which are untested as applied to our business model. The laws to which we are or may be subject include:

- state laws and regulations that impose requirements related to loan disclosures and terms, credit discrimination, credit reporting, money transmission, debt servicing and collection and unfair or deceptive business practices;
- the Truth-in-Lending Act and Regulation Z promulgated thereunder, and similar state laws, which require certain disclosures to borrowers regarding the terms and conditions of their loans and credit transactions;
- Section 5 of the Federal Trade Commission Act, which prohibits unfair and deceptive acts or practices in or affecting commerce, and Section 1031 of the Dodd-Frank Act, which prohibits unfair, deceptive or abusive acts or practices ("UDAAP") in connection with any consumer financial product or service;
• the ECOA and Regulation B promulgated thereunder, which prohibit creditors from discriminating against credit applicants on the basis of race, color, sex, age, religion, national origin, marital status, the fact that all or part of the applicant’s income derives from any public assistance program or the fact that the applicant has in good faith exercised any right under the Federal Consumer Credit Protection Act or any applicable state law;
• the Fair Credit Reporting Act (the “FCRA”), as amended by the Fair and Accurate Credit Transactions Act, which promotes the accuracy, fairness and privacy of information in the files of consumer reporting agencies;
• the Fair Debt Collection Practices Act, the Telephone Consumer Protection Act, as well as state debt collection laws, all of which provide guidelines and limitations concerning the conduct of third-party debt collectors in connection with the collection of consumer debts;
• the Gramm-Leach-Bliley Act (the “GLBA”), which includes limitations on disclosure of nonpublic personal information by financial institutions about a consumer to nonaffiliated third parties, in certain circumstances requires financial institutions to limit the use and further disclosure of nonpublic personal information by nonaffiliated third parties to whom they disclose such information and requires financial institutions to disclose certain privacy policies and practices with respect to information sharing with affiliated and nonaffiliated entities as well as to safeguard personal customer information, and other privacy laws and regulations;
• the Bankruptcy Code, which limits the extent to which creditors may seek to enforce debts against parties who have filed for bankruptcy protection;
• the Servicemembers Civil Relief Act (the “SCRA”), which allows active duty military members to suspend or postpone certain civil obligations so that the military member can devote his or her full attention to military duties;
• the Electronic Fund Transfer Act and Regulation E promulgated thereunder, which provide disclosure requirements, guidelines and restrictions on the electronic transfer of funds from consumers’ bank accounts;
• the Electronic Signatures in Global and National Commerce Act and similar state laws, particularly the Uniform Electronic Transactions Act, which authorize the creation of legally binding and enforceable agreements utilizing electronic records and signatures; and
• the Bank Secrecy Act, which relates to compliance with anti-money laundering, customer due diligence and record-keeping policies and procedures.

While we have developed policies and procedures designed to assist in compliance with these laws and regulations, our compliance policies and procedures may not be effective. Failure to comply with these laws and with regulatory requirements applicable to our business could subject us to damages, revocation of licenses, class action lawsuits, administrative enforcement actions, and civil and criminal liability, which may harm our business.
Our industry is highly regulated and is undergoing regulatory transformation, which has created inherent uncertainty. Changing federal, state and local laws, as well as changing regulatory enforcement policies and priorities, may negatively impact our business.

In connection with our administration of the GreenSky program, we are subject to extensive regulation, supervision and examination under United States federal and state laws and regulations. We are required to comply with numerous federal, state and local laws and regulations that regulate, among other things, the manner in which we administer the GreenSky program, the terms of the loans that our Bank Partners originate and the fees that we may charge. A material or continued failure to comply with any of these laws or regulations could subject us to lawsuits or governmental actions and/or damage our reputation, which could materially adversely affect our business. Regulators, including the CFPB, have broad discretion with respect to the interpretation, implementation and enforcement of these laws and regulations, including through enforcement actions that could subject us to civil money penalties, customer remediations, increased compliance costs, and limits or prohibitions on our ability to offer certain products and services or to engage in certain activities. In addition, to the extent that we undertake actions requiring regulatory approval or non-objection, regulators may make their approval or non-objection subject to conditions or restrictions that could have a material adverse effect on our business. Moreover, some of our competitors are subject to different, and in some cases less restrictive, legislative and regulatory regimes, which may have the effect of providing them with a competitive advantage over us.

Additionally, federal, state and local governments and regulatory agencies have proposed or enacted numerous new laws, regulations and rules related to personal loans. Federal and state regulators also are enforcing existing laws, regulations and rules more aggressively and enhancing their supervisory expectations regarding the management of legal and regulatory compliance risks. Consumer finance regulation is constantly changing, and new laws or regulations, or new interpretations of existing laws or regulations, could have a materially adverse impact on our ability to operate as we currently intend.

These regulatory changes and uncertainties make our business planning more difficult and could result in changes to our business model and potentially adversely impact our results of operations. New laws or regulations also require us to incur significant expenses to ensure compliance. As compared to our competitors, we could be subject to more stringent state or local regulations or could incur marginally greater compliance costs as a result of regulatory changes. In addition, our failure to comply (or to ensure that our agents and third-party service providers comply) with these laws or regulations may result in costly litigation or enforcement actions, the penalties for which could include: revocation of licenses; fines and other monetary penalties; civil and criminal liability; substantially reduced payments by borrowers; modification of the original terms of loans, permanent forgiveness of debt, or inability to, directly or indirectly, collect all or a part of the principal of or interest on loans; and increased purchases of receivables underlying loans originated by our Bank Partners and indemnification claims.

Proposals to change the statutes affecting financial services companies are frequently introduced in Congress and state legislatures that, if enacted, may affect our operating environment in substantial and unpredictable ways. In addition, numerous federal and state regulators have the authority to promulgate or change regulations that could have a similar effect on our operating environment. We cannot determine whether any such legislative or regulatory proposals will be enacted and, if enacted, the ultimate impact that any such potential legislation or implementing regulations, or any such potential regulatory actions by federal or state regulators, would have upon our business.

With respect to state regulation, although we seek to comply with applicable state loan, loan broker, loan originator, servicing, debt collection, money transmitter and similar statutes in all U.S. jurisdictions, and with licensing and other requirements that we believe may be applicable to us, if we are found to not have complied with applicable laws, we could lose one or more of our licenses or authorizations or face other sanctions or penalties or be required to obtain a license in one or more such jurisdictions, which may have an adverse effect on our ability to make the GreenSky program available to borrowers in particular states and, thus, adversely impact our business.

We also are subject to potential enforcement and other actions that may be brought by state attorneys general or other state enforcement authorities and other governmental agencies. Any such actions could subject us to civil money penalties and fines, customer remediations and increased compliance costs, as well as damage our reputation and brand and limit or prohibit our ability to offer certain products and services or engage in certain business practices.
New laws, regulations, policy or changes in enforcement of existing laws or regulations applicable to our business, or our reexamination of our current practices, could adversely impact our profitability, limit our ability to continue existing or pursue new business activities, require us to change certain of our business practices or alter our relationships with GreenSky program customers, affect retention of our key personnel, or expose us to additional costs (including increased compliance costs and/or customer remediation). These changes also may require us to invest significant resources, and devote significant management attention, to make any necessary changes and could adversely affect our business.

**The highly regulated environment in which our Bank Partners operate could have an adverse effect on our business.**

Our Bank Partners are subject to federal and state supervision and regulation. Federal regulation of the banking industry, along with tax and accounting laws, regulations, rules and standards, may limit their operations significantly and control the methods by which they conduct business. In addition, compliance with laws and regulations can be difficult and costly, and changes to laws and regulations can impose additional compliance requirements. For example, the Dodd-Frank Act imposes significant regulatory and compliance changes on financial institutions. Regulatory requirements affect our Bank Partners’ lending practices and investment practices, among other aspects of their businesses, and restrict transactions between us and our Bank Partners. These requirements may constrain the operations of our Bank Partners, and the adoption of new laws and changes to, or repeal of, existing laws may have a further impact on our business.

In choosing whether and how to conduct business with us, current and prospective Bank Partners can be expected to take into account the legal, regulatory and supervisory regime that applies to them, including potential changes in the application or interpretation of regulatory standards, licensing requirements or supervisory expectations. Regulators may elect to alter standards or the interpretation of the standards used to measure regulatory compliance or to determine the adequacy of liquidity, certain risk management or other operational practices for financial services companies in a manner that impacts our Bank Partners. Furthermore, the regulatory agencies have extremely broad discretion in their interpretation of the regulations and laws and their interpretation of the quality of our Bank Partners’ loan portfolios and other assets. If any regulatory agency’s assessment of the quality of our Bank Partners’ assets, operations, lending practices, investment practices or other aspects of their business changes, it may materially reduce our Bank Partners’ earnings, capital ratios and share price in such a way that affects our business.

Bank holding companies and financial institutions are extensively regulated and currently face an uncertain regulatory environment. Applicable state and federal laws, regulations, interpretations, including licensing laws and regulations, enforcement policies and accounting principles have been subject to significant changes in recent years, and may be subject to significant future changes. We do not know the substance or effect of pending or future legislation or regulation or the application of laws and regulations to our Bank Partners. Future changes may have a material adverse effect on our Bank Partners and, therefore, on us.

In January 2020, our Bank Partners became subject to a new reporting requirement, Accounting Standards Update 2016-13, **“Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments,”** which may affect how they reserve for losses on loans. At this time, we do not know what effect, if any, this new reporting requirement will have on participation in our program.

**We are subject to regulatory examinations and investigations and may incur fines, penalties and increased costs that could negatively impact our business.**

Federal and state agencies have broad enforcement powers over us, including powers to investigate our business practices and broad discretion to deem particular practices unfair, deceptive, abusive or otherwise not in accordance with the law. The continued focus of regulators on the consumer financial services industry has resulted, and could continue to result, in new enforcement actions that could, directly or indirectly, affect the manner in which we conduct our business and increase the costs of defending and settling any such matters, which could negatively impact our business. In some cases, regardless of fault, it may be less time-consuming or costly to settle these matters, which may require us to implement certain changes to our business practices, provide remediation to certain individuals or make a settlement payment to a given party or regulatory body. We have in the past chosen to
settle certain matters in order to avoid the time and expense of contesting them. Any future settlements could have a material adverse effect on our business.

In addition, the laws and regulations applicable to us are subject to administrative or judicial interpretation. Some of these laws and regulations have been enacted only recently and may not yet have been interpreted or may be interpreted infrequently. As a result of infrequent or sparse interpretations, ambiguities in these laws and regulations may create uncertainty with respect to what type of conduct is permitted or restricted under such laws and regulations. Any ambiguity under a law or regulation to which we are subject may lead to regulatory investigations, governmental enforcement actions and private causes of action, such as class action lawsuits, with respect to our compliance with such laws or regulations.

The CFPB is a relatively new agency, and there continues to be uncertainty as to how its actions will impact our business; the agency’s actions have had, and may continue to have, an adverse impact on our business.

The CFPB has broad authority over the businesses in which we engage. The CFPB is authorized to prevent “unfair, deceptive or abusive acts or practices” through its regulatory, supervisory and enforcement authority and to remediate violations of numerous consumer protection laws in a variety of ways, including collecting civil money penalties and fines and providing for customer restitution. The CFPB is charged, in part, with enforcing certain federal laws involving consumer financial products and services and is empowered with examination, enforcement and rulemaking authority. The CFPB has taken an active role in regulating lending markets. For example, the CFPB sends examiners to banks and other financial institutions that service and/or originate consumer loans to determine compliance with applicable federal consumer financial laws and to assess whether consumers’ interests are protected. In addition, the CFPB maintains an online complaint system that allows consumers to log complaints with respect to various consumer finance products, including those included in the GreenSky program.

There continues to be uncertainty as to how the CFPB’s strategies and priorities will impact our business and our results of operations going forward. Actions by the CFPB could result in requirements to alter or cease offering affected products and services, making them less attractive or restricting our ability to offer them. Although we have committed significant resources to enhancing our compliance programs, changes by the CFPB in regulatory expectations, interpretations or practices could increase the risk of additional enforcement actions, fines and penalties.

In March 2015, the CFPB issued a report scrutinizing pre-dispute arbitration clauses and, in May 2016, it published a proposed rule that would substantially curtail our ability to enter into voluntary pre-dispute arbitration clauses with consumers. In July 2017, the CFPB issued a final rule banning bars on class action arbitration (but not arbitration generally). Pre-dispute arbitration clauses currently are contained in all of the loan agreements processed through the GreenSky program. The new rule was subsequently challenged in Congress and, on November 1, 2017, President Trump approved a resolution repealing the rule. In the future, if a similar rule were to become effective, we expect that our exposure to class action arbitration would increase significantly, which could have a material adverse effect on our business.

On October 5, 2017, the CFPB released its final “Payday, Vehicle Title, and Certain High-Cost Lending Rule,” commonly referred to as the “Payday Loan Rule.” On February 6, 2019, the CFPB issued proposed revisions to the Payday Loan Rule. On June 7, 2019, the CFPB announced a 15-month delay in the Payday Loan Rule's August 19, 2019 compliance date to November 19, 2020 that applies only to the proposed rescinded ability-to-pay provisions. The mandatory compliance deadline for certain other provisions of the Payday Loan Rule still stands at August 19, 2019. Relatedly, the Community Financial Services Association of America sued the CFPB in April 2018 over the Payday Loan Rule. As a result, the court suspended the CFPB’s August 19, 2019 implementation of the 2019 proposed revisions pending further order of the court. On August 6, 2019, the court issued an order that leaves the compliance date stay in effect. On July 7, 2020, the CFPB released a new final rule that revoked the underwriting provisions of the Payday Loan Rule but retained and ratified the payment provisions that continue to be subject to the court issued stay. While the Payday Loan Rule does not appear to be targeted at businesses like ours, some of its provisions are broad and potentially could be triggered by the promotional loans that our Bank Partners extend that require increases in payments at specified points in time. We are continuing to monitor developments associated with the Payday Loan Rule and are working toward compliance with the Payday Loan Rule requirements ahead of the ultimate compliance date.
Future actions by the CFPB (or other regulators) against us or our competitors that discourage the use of our or their services 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 promotional financing for 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, these restrictions or prohibitions could have a material adverse effect on our business.

The Dodd-Frank Act generally permits state officials to enforce regulations issued by the CFPB and to enforce its general prohibition against unfair, deceptive or abusive practices. This could make it more difficult than in the past for federal financial regulators to declare state laws that differ from federal standards to be preempted. To the extent that states enact requirements that differ from federal standards or state officials and courts adopt interpretations of federal consumer laws that differ from those adopted by the CFPB, we may be required to alter or cease offering products or services in some jurisdictions, which would increase compliance costs and reduce our ability to offer the same products and services to consumers nationwide, and we may be subject to a higher risk of state enforcement actions.

The contours of the Dodd-Frank UDAAP standard are still uncertain and there is a risk that certain features of the GreenSky program loans could be deemed to violate the UDAAP standard.

The Dodd-Frank Act prohibits unfair, deceptive or abusive acts or practices and authorizes the CFPB to enforce that prohibition. The CFPB has filed a large number of UDAAP enforcement actions against consumer lenders for practices that do not appear to violate other consumer finance statutes. There is a risk that the CFPB could determine that certain features of the GreenSky program loans are unfair, deceptive or abusive. The CFPB has filed actions alleging that deferred interest programs can be unfair, deceptive or abusive if lenders do not adequately disclose the terms of the deferred interest loans.

Our use of third-party vendors and our other ongoing third-party business relationships are subject to increasing regulatory requirements and attention.

We regularly use third-party vendors and subcontractors as part of our business. We also depend on our substantial ongoing business relationships with our Bank Partners, merchants and other third parties. These types of third-party relationships, particularly with our Bank Partners and other funding sources, are subject to increasingly demanding regulatory requirements and oversight by federal bank regulators (such as the Federal Reserve Board, the Office of the Comptroller of the Currency and the Federal Deposit Insurance Corporation) and the CFPB. The CFPB has enforcement authority with respect to the conduct of third parties that provide services to financial institutions. The CFPB has made it clear that it expects non-bank entities to maintain an effective process for managing risks associated with third-party vendor relationships, including compliance-related risks. In connection with this vendor risk management process, we are expected to perform due diligence reviews of potential vendors, review their policies and procedures and internal training materials to confirm compliance-related focus, include enforceable consequences in contracts with vendors regarding failure to comply with consumer protection requirements, and take prompt action, including terminating the relationship, in the event that vendors fail to meet our expectations.

In certain cases, we may be required to renegotiate our agreements with our vendors and/or our subcontractors to meet these enhanced requirements, which could increase the costs of operating our business. It is expected that regulators will hold us responsible for deficiencies in our oversight and control of third-party relationships and in the performance of the parties with which we have these relationships. As a result, if our regulators conclude that we have not exercised adequate oversight and control over third-party vendors and subcontractors or other ongoing third-party business relationships or that such third parties have not performed appropriately, we could be subject to enforcement actions, including civil money penalties or other administrative or judicial penalties or fines, as well as requirements for customer remediation.

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Regulations relating to privacy, information security and data protection could increase our costs, affect or limit how we collect and use personal information and adversely affect our business opportunities.

We are subject to various privacy, information security and data protection laws, including requirements concerning security breach notification, and we could be negatively impacted by them. For example, in connection with our administration of the GreenSky program, we are subject to the GLBA and implementing regulations and guidance. Among other things, the GLBA (i) imposes certain limitations on the ability to share consumers’ nonpublic personal information with nonaffiliated third parties and (ii) requires certain disclosures to consumers about their information collection, sharing and security practices and their right to “opt out” of the institution’s disclosure of their personal financial information to nonaffiliated third parties (with certain exceptions).

Furthermore, legislators and/or regulators are increasingly adopting or revising privacy, information security and data protection laws that potentially could have a significant impact on our current and planned privacy, data protection and information security-related practices; our collection, use, sharing, retention and safeguarding of consumer and/or employee information; and some of our current or planned business activities. This also could increase our costs of compliance and business operations and could reduce income from certain business initiatives.

Compliance with current or future privacy, data protection and information security laws (including those regarding security breach notification) affecting customer and/or employee data to which we are subject could result in higher compliance and technology costs and could restrict our ability to provide certain products and services (such as products or services that involve us sharing information with third parties or storing sensitive credit card information), which could materially and adversely affect our profitability. Privacy requirements, including notice and opt out requirements, under the GLBA and FCRA are enforced by the FTC and by the CFPB through UDAAP and are a standard component of CFPB examinations. State entities also may initiate actions for alleged violations of privacy or security requirements under state law. Our failure to comply with privacy, data protection and information security laws could result in potentially significant regulatory investigations and government actions, litigation, fines or sanctions, consumer, Bank Partner or merchant actions and damage to our reputation and brand, all of which could have a material adverse effect on our business.

The California Consumer Privacy Act (the “CCPA”) became effective on January 1, 2020. The CCPA requires, among other things, covered companies to provide new disclosures to California consumers and afford such consumers with expanded protections and control over the collection, maintenance, use and sharing of personal information. The CCPA continues to be subject to new regulations and legislative amendments. Although we have implemented a compliance program to address obligations under the CCPA, it remains unclear what future modifications will be made or how the CCPA will be interpreted in the future. The CCPA provides for civil penalties for violations and a private right of action for data breaches.

Future non-compliance with Payment Card Industry Data Security Standards (“PCI DSS”) may subject us to fines, penalties and civil liability and may result in the loss of our ability to accept credit and debit card payments.

We settle and fund transactions on a national credit card network and, thus, are subject to payment card association operating rules, certification requirements and rules governing electronic funds transfers, including PCI DSS, a security standard applicable to companies that collect, store or transmit certain data regarding credit and debit cards, holders and transactions.

Although we are currently in compliance with PCI DSS, we may not remain in compliance with such standards in the future. Any failure to comply fully or materially with PCI DSS at any point in the future (i) may violate payment card association operating rules, federal and state laws and regulations, and the terms of certain of our contracts with third parties, (ii) may subject us to fines, penalties, damages and civil liability, and (iii) may result in the loss of our ability to accept credit card payments. Even if we remain in compliance with PCI DSS, we still may not be able to prevent security breaches involving customer transaction data. In addition, advances in computer capabilities, new discoveries in the field of cryptography or other events or developments could result in a compromise or breach of the processes that we use to protect customer data. If any such compromise or breach were to occur, it could have a material adverse effect on our business.
The increased scrutiny of third-party medical financing by governmental agencies may lead to increased regulatory burdens and may adversely affect our business.

We operate in the elective healthcare industry vertical, which includes consumer financing for elective medical procedures. Recently, regulators have increased scrutiny of third-party providers of financing for medical procedures that are generally not covered by health insurance. In addition, the CFPB and attorneys general in New York and Minnesota have conducted investigations of alleged abusive lending practices or exploitation regarding third-party medical financing services.

If, in the future, any of our practices in this space were found to be deficient, it could result in fines, penalties or increased regulatory burdens. Additionally, any regulatory inquiry could damage our reputation and limit our ability to conduct operations, which could adversely affect our business. Moreover, the adoption of any law, rule or regulation affecting the industry may also increase our administrative costs, require us to modify our practices to comply with applicable regulations or reduce our ability to participate competitively, which could have a material adverse effect on our business.

In recent years, federal regulators and the United States DOJ have increased their focus on enforcing the SCRA against servicers. Similarly, state legislatures have taken steps to strengthen their own state-specific versions of the SCRA.

The DOJ and federal regulators have entered into significant settlements with a number of loan servicers alleging violations of the SCRA. Some of the settlements have alleged that the servicers did not correctly apply the SCRA’s 6% interest rate cap, while other settlements have alleged, without limitation, that servicers did not comply with the SCRA’s default judgment protections when seeking to collect payment of a debt. Recent settlements indicate that the DOJ and federal regulators broadly interpret the scope of the substantive protections under the SCRA and are moving aggressively to identify instances in which loan servicers have not complied with the SCRA. Recent SCRA-related settlements continue to make this a significant area of scrutiny for both regulatory examinations and public enforcement actions.

In addition, most state legislatures have their own versions of the SCRA. In most instances, these laws extend some or all of the substantive benefits of the federal SCRA to members of the state National Guard who are in state service, but certain states also provide greater substantive protections to National Guard members or individuals who are in federal military service. In recent years, certain states have revised their laws to increase the potential benefits to individuals, and these changes pose additional compliance burdens on our Bank Partners and us as we seek to comply with both the federal and relevant state versions of the SCRA.

Our efforts and those of our Bank Partners to comply with the SCRA may not be effective, and our failure to comply could subject us to liability, damages and reputational harm, all of which could have an adverse effect on our business.

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

We maintain an enterprise-wide 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 Patriot Act. 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. These controls include procedures and processes to detect and report suspicious transactions, perform customer due diligence, respond to requests from law enforcement, and meet all recordkeeping and reporting requirements related to particular transactions involving currency or monetary instruments. Our programs and controls may not 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, all of which could have a material adverse effect on our business.

If we were found to be operating without having obtained necessary state or local licenses, it could adversely affect our business.

Certain states have adopted laws regulating and requiring licensing by parties that engage in certain activity regarding consumer finance transactions, including facilitating and assisting such transactions in certain
circumstances. Furthermore, certain states and localities have also adopted laws requiring licensing for consumer debt collection or servicing. While we believe we have obtained all necessary licenses, the application of some consumer finance licensing laws to the GreenSky program is unclear. If we were found to be in violation of applicable state licensing requirements by a court or a state, federal, or local enforcement agency, we could be subject to fines, damages, injunctive relief (including required modification or discontinuation of our business in certain areas), criminal penalties and other penalties or consequences, and the loans originated through the GreenSky program could be rendered void or unenforceable in whole or in part, any of which could have a material adverse effect on our business.

If loans originated through the GreenSky program are found to violate applicable state usury laws or other lending laws, it could adversely affect our business.

Because the loans originated through the GreenSky program are originated by and held by our Bank Partners, under principles of federal preemption the terms and conditions of the loans are not subject to most state consumer finance laws, including state licensing and usury restrictions. If a court, or a state or federal enforcement agency, were to deem GreenSky-rather than our Bank Partners—the “true lender” for loans originated through the GreenSky program, and if for this reason (or any other reason) the loans were deemed subject to and in violation of certain state consumer finance laws, we could be subject to fines, damages, injunctive relief (including required modification or discontinuation of our business in certain areas), and other penalties or consequences, and the loans could be rendered void or unenforceable in whole or in part, any of which could have a material adverse effect on our business.

We have been in the past and may in the future be subject to federal and state regulatory inquiries regarding our business.

We have, from time to time in the normal course of our business, received, and may in the future receive or be subject to, inquiries or investigations by state and federal regulatory agencies and bodies such as the CFPB, state attorneys general, state financial regulatory agencies, and other state or federal agencies or bodies regarding the GreenSky program, including the origination and servicing of consumer loans, practices by merchants or other third parties, and licensing and registration requirements. For example, we have entered into regulatory agreements with state agencies regarding issues including merchant conduct and oversight and loan pricing and may enter into similar agreements in the future. We have also received inquiries from state regulatory agencies regarding requirements to obtain licenses from or register with those states, including in states where we have determined that we are not required to obtain such a license or be registered with the state, and we expect to continue to receive such inquiries. Any such inquiries or investigations could involve substantial time and expense to analyze and respond to, could divert management’s attention and other resources from running our business, and could lead to public enforcement actions or lawsuits and fines, penalties, injunctive relief, and the need to obtain additional licenses that we do not currently possess. Our involvement in any such matters, whether tangential or otherwise and even if the matters are ultimately determined in our favor, could also cause significant harm to our reputation, lead to additional investigations and enforcement actions from other agencies or litigants, and further divert management attention and resources from the operation of our business. As a result, the outcome of legal and regulatory actions arising out of any state or federal inquiries we receive could be material to our business, results of operations, financial condition and cash flows and could have a material adverse effect on our business, financial condition or results of operations.

Risks Related to Our Organizational Structure

We are a holding company with no operations of our own and, as such, depend on our subsidiaries for cash to fund all of our operations and expenses, including future dividend payments, if any.

We are a holding company and have no material assets other than our deferred tax assets and our equity interest in GS Holdings, which has the sole equity interest in GSLLC. We have no independent means of generating revenue or cash flow. We determined that GS Holdings is a variable interest entity ("VIE") and that we are the primary beneficiary of GS Holdings. Accordingly, pursuant to the VIE accounting model, we began consolidating GS Holdings in our consolidated financial statements following the IPO closing. In the event of a change in accounting guidance or amendments to the operating agreement of GS Holdings resulting in us no longer having a
controlling interest in GS Holdings, we may not be able to continue consolidating its results of operations with our own, which would have a material adverse effect on our results of operations.

GS Holdings is treated as a partnership for United States federal income tax purposes, and GSLLC is treated as an entity disregarded as separate from GS Holdings for United States federal income tax purposes. As a result, neither GS Holdings nor GSLLC is subject to United States federal income tax. Instead, taxable income is allocated to the members of GS Holdings, including us. Accordingly, we incur income taxes on our proportionate share of any net taxable income of consolidated GS Holdings. We intend to cause GSLLC to make distributions to GS Holdings and to cause GS Holdings to make distributions to its unit holders in an amount sufficient to cover all applicable taxes payable by such unit holders determined according to assumed rates, payments owing under the tax receivable agreement ("TRA") and dividends, if any, declared by us. The ability of GSLLC to make distributions to GS Holdings, and of GS Holdings to make distributions to us, is limited by their obligations to satisfy their own obligations to their creditors. Further, future and current financing arrangements of GSLLC and GS Holdings contain, and future obligations could contain, negative covenants limiting such distributions. Additionally, our right to receive assets upon the liquidation or reorganization of GS Holdings, or indirectly from GSLLC, will be effectively subordinated to the claims of each entity’s creditors. To the extent that we are recognized as a creditor of GS Holdings or GSLLC, our claims may still be subordinate to any security interest in, or other lien on, its assets and to any of its debt or other obligations that are senior to our claims.

To the extent that we need funds and GSLLC or GS Holdings are restricted from making such distributions under applicable law or regulation, or are otherwise unable to provide such funds, it could materially and adversely affect our liquidity and financial condition. In addition, because tax distributions are based on an assumed tax rate, GS Holdings may be required to make tax distributions that, in the aggregate, may exceed the amount of taxes that GS Holdings would have paid if it were itself taxed on its net income (loss) at the assumed rate.

Funds used by GS Holdings to satisfy its tax distribution obligations will not be available for reinvestment in the business. Moreover, the tax distributions that GS Holdings will be required to make may be substantial and may exceed (as a percentage of GS Holdings’ income) the overall effective tax rate applicable to a similarly situated corporate taxpayer.

We may be required to pay additional taxes as a result of the new partnership audit rules.

The Bipartisan Budget Act of 2015 changed the rules applicable to U.S. federal income tax audits of partnerships, including entities such as GS Holdings that are taxed as a partnership. Under these rules (which generally are effective for taxable years beginning after December 31, 2017), subject to certain exceptions, audit adjustments to items of income, gain, loss, deduction, or credit of an entity (and any member’s share thereof) is determined, and taxes, interest, and penalties attributable thereto, are assessed and collected, at the entity level. Although it is uncertain how these rules will be implemented, it is possible that they could result in GS Holdings being required to pay additional taxes, interest and penalties as a result of an audit adjustment, and we, as a member of GS Holdings, could be required to indirectly bear the economic burden of those taxes, interest, and penalties even though we may not otherwise have been required to pay additional corporate-level taxes as a result of the related audit adjustment.

Under certain circumstances, GS Holdings may be eligible to make an election to cause members (including us) to take into account the amount of any understatement, including any interest and penalties, in accordance with their interests in GS Holdings in the year under audit. GS Holdings may not be able to make this election, in which case current members (including us) would economically bear the burden of the understatement even if they had a different percentage interest in GS Holdings during the year under audit, unless, and only to the extent, GS Holdings is able to recover such amounts from current or former impacted members. If the election is made, members would be required to take the adjustment into account in the taxable year in which the adjusted Schedule K-1s are issued.

The changes created by these new rules are sweeping and in many respects dependent on the promulgation of future regulations or other guidance by the U.S. Department of the Treasury.
The owners of the Class B common stock, who also are the Continuing LLC Members, control us and their interests may conflict with yours in the future.

The owners of the Class B common stock, who also are the Continuing LLC Members, control us. Each share of our Class B common stock initially entitles its holders to ten votes on all matters presented to our stockholders generally. Once the collective holdings of those owners in the aggregate are less than 15% of the combined economic interest in us, each share of Class B common stock will entitle its holder to one vote per share on all matters to be voted upon by our stockholders.

The owners of the Class B common stock owned the vast majority of the combined voting power of our Class A and Class B common stock as of June 30, 2020. Accordingly, those owners, if voting in the same manner, will be able to control the election and removal of our directors and thereby determine our corporate and management policies, including potential mergers or acquisitions, payment of dividends, asset sales, amendment of our certificate of incorporation and bylaws and other significant corporate transactions for so long as they retain significant ownership of us. This concentration of ownership may delay or deter possible changes in control of our Company, which may reduce the value of an investment in our Class A common stock. So long as they continue to own a significant amount of our combined voting power, even if such amount is less than 50%, they will continue to be able to strongly influence or effectively control our decisions.

In addition, the owners of the Class B common stock, as Continuing LLC Members, had a weighted average ownership of Holdco Units of approximately 64% for the six months ended June 30, 2020. Because they hold the majority of their economic ownership interest in our business through GS Holdings, rather than GreenSky, Inc., these existing unit holders may have conflicting interests with holders of our Class A common stock. For example, the Continuing LLC Members may have different tax positions from us, which could influence their decisions regarding whether and when to dispose of assets and whether and when to incur new or refinance existing indebtedness, especially in light of the existence of the TRA. In addition, the structuring of future transactions may take into account the tax considerations of the Continuing LLC Members even where no similar benefit would accrue to us. It is through their ownership of Class B common stock that they may be able to influence, if not control, decisions such as these.

We will be required to pay for certain tax benefits we may claim arising in connection with the merger of the Former Corporate Investors, our purchase of Holdco Units and future exchanges of Holdco Units under the Exchange Agreement, which payments could be substantial.

On the date of our IPO, we were treated for United States federal income tax purposes as having directly purchased Holdco Units from the Exchanging Members. In the future, the Continuing LLC Members will be able to exchange their Holdco Units (with automatic cancellation of an equal number of shares of Class B common stock) for shares of Class A common stock on a one-for-one basis, subject to adjustments for certain subdivisions (stock splits), combinations, or purchases of Class A common stock or Holdco Units, or for cash (based on the market price of the shares of Class A common stock), at our option (such determination to be made by the disinterested members of our board of directors). As a result of these transactions, and our acquisition of the equity of certain of the Former Corporate Investors, we and will become entitled to certain tax basis adjustments with respect to GS Holdings’ tax basis in its assets. As a result, the amount of income tax that we would otherwise be required to pay in the future may be reduced by the increase (for income tax purposes) in depreciation and amortization deductions attributable to our interests in GS Holdings. An increase in tax basis may also decrease gain (or increase loss) on future dispositions of certain assets to the extent tax basis is allocated to those assets. The IRS, however, may challenge all or part of that tax basis adjustment, and a court could sustain such a challenge.

We entered into the TRA with the TRA Parties that will provide for the payment by us of 85% of the amount of cash savings, if any, in United States federal, state and local income tax that we realize or are deemed to realize, as a result of (i) the tax basis adjustments referred to above, (ii) any incremental tax basis adjustments attributable to payments made pursuant to the TRA, and (iii) any deemed interest deductions arising from payments made by us pursuant to the TRA. While the actual amount of the adjusted tax basis, as well as the amount and timing of any payments under the TRA, will vary depending upon a number of factors, including the basis of our proportionate share of GS Holdings’ assets on the dates of exchanges, the timing of exchanges, the price of shares of our Class A common stock at the time of each exchange, the extent to which such exchanges are taxable, the
deductions and other adjustments to taxable income to which GS Holdings is entitled, and the amount and timing of our income, we expect that during the anticipated term of the TRA, the payments that we may make could be substantial. Payments under the TRA may give rise to additional tax benefits and, therefore, to additional potential payments under the TRA. In addition, the TRA provides for interest accrued from the due date (without extensions) of the corresponding tax return for the taxable year with respect to which the payment obligation arises to the date of payment under the TRA.

Assuming no material changes in the relevant tax law and that we earn sufficient taxable income to realize all tax benefits that are subject to the TRA, we expect that the tax savings associated with the purchase of Holdco Units in connection with the IPO and future exchanges of Holdco Units (assuming such future exchanges occurred at June 30, 2020 and assuming automatic cancellation of an equal number of shares of Class B common stock) would aggregate to approximately $526.6 million based on the closing price on June 30, 2020 of $4.90 per share of our Class A common stock. Under such scenario, assuming future payments are made on the date each relevant tax return is due, without extensions, we would be required to pay approximately 85% of such amount, or $447.6 million.

There may be a material negative effect on our liquidity if, as a result of timing discrepancies or otherwise, (i) the payments under the TRA exceed the actual benefits we realize in respect of the tax attributes subject to the TRA and/or (ii) distributions to us by GS Holdings are not sufficient to permit us to make payments under the TRA after paying our other obligations. For example, were the IRS to challenge a tax basis adjustment or other deductions or adjustments to taxable income of GS Holdings, we will not be reimbursed for any payments that may previously have been made under the TRA, except that excess payments will be netted against payments otherwise to be made, if any, after our determination of such excess. As a result, in certain circumstances we could make payments under the TRA in excess of our ultimate cash tax savings. In addition, the payments under the TRA are not conditioned upon any recipient’s continued ownership of interests in us or GS Holdings, and the right to receive payments can be assigned.

In certain circumstances, including certain changes of control of our Company, payments by us under the TRA may be accelerated and/or significantly exceed the actual benefits we realize in respect of the tax attributes subject to the TRA.

The TRA provides that (i) in the event that we materially breach any of our material obligations under the TRA, whether as a result of failure to make any payment, failure to honor any other material obligation required thereunder or by operation of law as a result of the rejection of the TRA in a bankruptcy or otherwise, (ii) if, at any time, we elect an early termination of the TRA, or (iii) upon certain changes of control of our Company, our (or our successor’s) obligations under the TRA (with respect to all Holdco Units, whether or not such units have been exchanged or acquired before or after such transaction) would accelerate and become payable in a lump sum amount equal to the present value of the anticipated future tax benefits calculated based on certain assumptions, including that we would have sufficient taxable income to fully utilize the deductions arising from the increased tax deductions, tax basis and other benefits subject to the TRA.

As a result of the foregoing, if we breach a material obligation under the TRA, if we elect to terminate the TRA early or if we undergo a change of control, we would be required to make an immediate lump-sum payment equal to the present value of the anticipated future tax savings, which payment may be required to be made significantly in advance of the actual realization of such future tax savings, and the actual cash tax savings ultimately realized may be significantly less than the corresponding TRA payments. In these situations, our obligations under the TRA could have a substantial negative impact on our liquidity. We may not be able to fund or finance our obligations under the TRA. Additionally, the obligation to make a lump sum payment on a change of control may deter potential acquirers, which could negatively affect our stockholders’ potential returns. If we had elected to terminate the TRA as of June 30, 2020, based on the closing price on June 30, 2020 of $4.90 per share of our Class A common stock, and a discount rate equal to 4.25% per annum, compounded annually, we estimate that we would have been required to pay $316.1 million in the aggregate under the TRA.
If we were deemed to be an investment company under the Investment Company Act of 1940, as amended (the “1940 Act”), as a result of our ownership of GS Holdings and GSLLC, applicable restrictions could make it impractical for us to continue our business as currently contemplated and could have an adverse effect on our business.

Under Sections 3(a)(1)(A) and (C) of the 1940 Act, a company generally will be deemed to be an “investment company” for purposes of the 1940 Act if (i) it is, or holds itself out as being, engaged primarily, or proposes to engage primarily, in the business of investing, reinvesting or trading in securities or (ii) it engages, or proposes to engage, in the business of investing, reinvesting, owning, holding or trading in securities and it owns or proposes to acquire investment securities having a value exceeding 40% of the value of its total assets (exclusive of U.S. government securities and cash items) on an unconsolidated basis. We do not believe that we are an “investment company,” as such term is defined in either of those sections of the 1940 Act.

Because GreenSky, Inc. is the managing member of GS Holdings, and GS Holdings is the managing member of GSLLC, we indirectly operate and control all of the business and affairs of GS Holdings and its subsidiaries, including GSLLC. On that basis, we believe that our interest in GS Holdings and GSLLC is not an “investment security,” as that term is used in the 1940 Act. However, if we were to cease participation in the management of GS Holdings and GSLLC, our interest in such entities could be deemed an “investment security” for purposes of the 1940 Act.

We, GS Holdings and GSLLC intend to conduct our operations so that we will not be deemed an investment company. However, if we were to be deemed an investment company, restrictions imposed by the 1940 Act, including limitations on our capital structure and our ability to transact with affiliates, could make it impractical for us to continue our business as contemplated and could have a material adverse effect on our business.

Our certificate of incorporation provides, subject to certain exceptions, that the Court of Chancery of the State of Delaware will be the sole and exclusive forum for certain stockholder litigation matters, which could limit our stockholders’ ability to bring a claim in a judicial forum that they find more favorable for disputes with us or our directors, officers, employees or stockholders.

Pursuant to our certificate of incorporation, unless we consent in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware will be the sole and exclusive forum for (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 arising pursuant to any provision of the DGCL, our certificate of incorporation or our bylaws or (4) any other action asserting a claim against us that is governed by the internal affairs doctrine. The forum selection clause in our certificate of incorporation may have the effect of discouraging lawsuits against us or our directors and officers and may limit our stockholders’ ability to bring a claim in a judicial forum that they find more favorable for disputes with us or any of our directors, officers, other employees or stockholders. The exclusive forum provision does not apply to any actions under United States federal securities laws.

By purchasing shares of our Class A common stock, you will have agreed and consented to the provisions set forth in our certificate of incorporation related to choice of forum. Alternatively, if a court were to find the choice of forum provision contained in our certificate of incorporation to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions, which could adversely affect our business and financial condition.

Risks Related to our Class A Common Stock

An active trading market for our Class A common stock may not be sustained, which may make it difficult to sell shares of Class A common stock.

Our Class A common stock is listed on the Nasdaq Global Select Market under the symbol “GSKY.” An active trading market for our Class A common stock may not be sustained, which would make it difficult for you to sell your shares of Class A common stock at an attractive price (or at all).
The market price of our Class A common stock has been and will likely continue to be volatile.

Our stock price has declined significantly since our May 2018 IPO and has exhibited substantial volatility. Our stock price may continue to fluctuate in response to a number of events and factors, including the COVID-19 pandemic and the social distancing measures in response thereto, variations in our quarterly or annual results of operations, additions or departures of key management personnel, the loss of key Bank Partners, other funding sources, merchants or Sponsors, changes in our earnings estimates (if provided) or failure to meet analysts’ earnings estimates, publication of research reports about our industry, litigation and government investigations, changes or proposed changes in laws or regulations or differing interpretations or enforcement thereof affecting our business, adverse market reaction to any indebtedness we may incur or securities we may issue in the future, changes in market valuations of similar companies or speculation in the press or the investment community with respect to us or our industry, adverse announcements by us or others and developments affecting us, announcements by our competitors of significant contracts, acquisitions, dispositions, strategic partnerships, joint ventures or capital commitments, actions by institutional stockholders, and increases in market interest rates that may lead investors in our shares to demand a higher yield, and in response the market price of shares of our Class A common stock could decrease significantly. You may be unable to resell your shares of Class A common stock at or above the price you paid for them (or at all).

We are currently subject to putative securities class action litigation and a putative stockholder derivative action in connection with our IPO and may be subject to similar litigation in the future. If the outcome of this litigation is unfavorable, it could have a material adverse effect on our financial condition, results of operations and cash flows.

The Company, together with certain of its officers and directors and one of its former directors, have been named as defendants in litigation related to the Company’s IPO. See Note 14 to the Notes to Unaudited Condensed Consolidated Financial Statements in Part I, Item 1 for a description of such litigation. In the future, especially following periods of volatility in the market price of our shares of Class A common stock, other purported class action or derivative complaints may be filed against us. In addition to diverting financial and management resources, this type of litigation can result in adverse publicity that could harm our brand or reputation, regardless of its merits or whether we are ultimately held liable, and a judgment or settlement in connection with any such litigation that is not covered by, or is significantly in excess of, our insurance coverage could materially and adversely affect our financial condition, results of operations and cash flows.

As a newly public company, we are incurring, and will continue to incur, increased costs and are subject to additional regulations and requirements, and our management is required to devote substantial time to new compliance matters, which could lower profits and make it more difficult to run our business.

As a newly public company, we are incurring, and will continue to incur, significant legal, accounting, reporting and other expenses that we did not incur as a private company, including costs associated with public company reporting requirements and costs of recruiting and retaining non-executive directors. We also are incurring costs associated with compliance with the rules and regulations of the SEC and various other costs of a public company. The expenses generally incurred by public companies for reporting and corporate governance purposes have been increasing. We expect these rules and regulations to increase our legal and financial compliance costs and to make some activities more time-consuming and costly, although we are currently unable to estimate these costs. Our management is devoting a substantial amount of time to ensure that we comply with all of these requirements. These laws and regulations also could make it more difficult and costly for us to obtain certain types of insurance, including director and officer liability insurance, and we may be forced to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage. These laws and regulations also could make it more difficult to attract and retain qualified persons to serve on our board of directors and board committees and serve as executive officers.

Furthermore, if we are unable to satisfy our obligations as a public company, we could be subject to delisting of our Class A common stock, fines, sanctions and other regulatory action and potentially civil litigation.
We no longer qualify as an “emerging growth company”, and as a result, we are required to comply with increased disclosure and compliance requirements.

Prior to December 31, 2019, we were an “emerging growth company” as defined in the JOBS Act. Now, as a large accelerated filer, we are subject to certain disclosure and compliance requirements that apply to other public companies but did not previously apply to us due to our prior status as an emerging growth company. These requirements include, but are not limited to:

- the requirement that our independent registered public accounting firm attest to the effectiveness of our internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act of 2002;
- the requirement that we provide full and more detailed disclosures regarding executive compensation; and
- the requirement that we hold a non-binding advisory vote on executive compensation and obtain stockholder approval of any golden parachute payments not previously approved.

We expect that the loss of emerging growth company status and compliance with the additional requirements of being a large accelerated filer will increase our legal and financial compliance costs and cause management and other personnel to divert attention from operational and other business matters to devote substantial time to public company reporting requirements. In addition, if we are not able to comply with changing requirements in a timely manner, the market price of our stock could decline and we could be subject to sanctions or investigations by the stock exchange on which our common stock is listed, the SEC or other regulatory authorities, which would require additional financial and management resources.

Failure to comply with the requirements to design, implement and maintain effective internal controls could have an adverse effect on our business and stock price.

As a public company, we are subject to significant requirements for enhanced financial reporting and internal controls. The process of designing and implementing effective internal controls is a continuous effort that requires us to anticipate and react to changes in our business and the economic and regulatory environment and to expend significant resources to maintain a system of internal controls that is adequate to satisfy our reporting obligations as a public company.

If we are unable to establish and maintain appropriate internal financial reporting controls and procedures, it could cause us to fail to meet our reporting obligations on a timely basis, result in material misstatements in our consolidated financial statements and harm our operating results.

We concluded that our internal control was effective as of December 31, 2019. We may not be able to conclude on an ongoing basis that we have effective internal control over financial reporting in accordance with the SEC rules or our independent registered public accounting firm may not issue an unqualified opinion. If, in a future period, either we are unable to conclude that we have effective internal control over financial reporting or our independent registered public accounting firm is unable to provide us with an unqualified report, investors could lose confidence in our reported financial information, which could cause the price of our Class A common stock to decline and could subject us to investigation or sanctions by the SEC.

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

Our certificate of incorporation authorizes us to issue authorized but unissued shares of Class A common stock and rights relating to Class A common stock for the consideration and on the terms and conditions established by our board of directors in its sole discretion, whether in connection with acquisitions or otherwise. We have reserved 24,000,000 shares for issuance under our 2018 Omnibus Incentive Compensation Plan, subject to adjustment in certain events. Any Class A common stock that we issue, including under our 2018 Omnibus Incentive Compensation Plan or other equity incentive plans that we may adopt in the future, would dilute the percentage ownership held by existing investors.
Because we have no current plans to pay cash dividends on our Class A common stock, you may not receive any return on investment unless you sell your Class A common stock for a price greater than that which you paid for it.

We have no current plans to pay cash dividends on our Class A common stock. The declaration, amount and payment of any future dividends will be at the sole discretion of our board of directors. Our board of directors may take into account general and economic conditions, our financial condition and operating results, our available cash, current and anticipated cash needs, capital requirements, contractual, legal, tax and regulatory restrictions, implications on the payment of dividends by us to our stockholders or by GS Holdings to us and such other factors as our board of directors may deem relevant. In addition, the terms of our existing financing arrangements restrict or limit our ability to pay cash dividends. Accordingly, we may not pay any dividends on our Class A common stock in the foreseeable future.

Future offerings of debt or equity securities by us may adversely affect the market price of our Class A common stock.

In the future, we may attempt to obtain financing or to further increase our capital resources by issuing additional shares of our Class A common stock or offering debt or other equity securities, including commercial paper, medium-term notes, senior or subordinated notes, debt securities convertible into equity or shares of preferred stock. Future acquisitions could require substantial additional capital in excess of cash from operations. We would expect to obtain the capital required for acquisitions through a combination of additional issuances of equity, corporate indebtedness and/or cash from operations.

Issuing additional shares of our Class A common stock or other equity securities or securities convertible into equity may dilute the economic and voting rights of our existing stockholders or reduce the market price of our Class A common stock or both. Upon liquidation, holders of such debt securities and preferred shares, if issued, and lenders with respect to other borrowings would receive a distribution of our available assets prior to the holders of our Class A common stock. Debt securities convertible into equity could be subject to adjustments in the conversion ratio pursuant to which certain events may increase the number of equity securities issuable upon conversion. Preferred shares, if issued, could have a preference with respect to liquidating distributions or a preference with respect to dividend payments that could limit our ability to pay dividends to the holders of our Class A common stock. Our decision to issue securities in any future offering will depend on market conditions and other factors beyond our control, which may adversely affect the amount, timing and nature of our future offerings.

Future sales, or the expectation of future sales, of shares of our Class A common stock, including sales by Continuing LLC Members, could cause the market price of our Class A common stock to decline.

The sale of a substantial number of shares of our Class A common stock in the public market, or the perception that such sales could occur, including sales by the Continuing LLC Members, could adversely affect the prevailing market price of shares of our Class A common stock. These sales, or the possibility that these sales may occur, also might make it more difficult for us to sell equity securities in the future at a time and at a price we deem appropriate. In addition, subject to certain limitations and exceptions, pursuant to certain provisions of the Exchange Agreement, the Continuing LLC Members may exchange Holdco Units (with automatic cancellation of an equal number of shares of Class B common stock) for shares of our Class A common stock on a one-for-one basis, subject to customary adjustments for certain subdivisions (stock splits), combinations, or purchases of Class A common stock or Holdco Units, or for cash (based on the market price of the shares of Class A common stock), at our option (such determination to be made by the disinterested members of our board of directors). All of the Holdco Units and shares of Class B common stock are exchangeable for shares of our Class A common stock or cash, at our option (such determination to be made by the disinterested members of our board of directors), subject to the terms of the Exchange Agreement.

Our certificate of incorporation authorizes us to issue additional shares of Class A common stock and rights relating to Class A common stock for the consideration and on the terms and conditions established by our board of directors in its sole discretion. In accordance with the DGCL and the provisions of our certificate of incorporation, we also may issue preferred stock that has designations, preferences, rights, powers and duties that are different from, and may be senior to, those applicable to shares of Class A common stock. Similarly, GS Holdings Agreement permits GS Holdings to issue an unlimited number of additional limited liability company interests of
GS Holdings with designations, preferences, rights, powers and duties that are different from, and may be senior to, those applicable to the Holdco Units, and which may be exchangeable for shares of our Class A common stock.

Assuming the Continuing LLC Members exchange all of their Holdco Units for shares of our Class A common stock, up to an additional 108,994,392 shares of Class A common stock will be eligible for sale in the public market, the majority of which are held by our executive officers, directors and their affiliated entities, and will be subject to volume limitations under Rule 144 and various vesting agreements. Additionally, certain of our executive officers and directors own options exercisable for shares of Class A common stock.

As unvested Class A common stock awards issued pursuant to our 2018 Omnibus Incentive Compensation Plan vest, the market price of our shares of Class A common stock could drop significantly if the holders of these shares sell them or are perceived by the market as intending to sell them.

These factors also could make it more difficult for us to raise additional funds through future offerings of our shares of Class A common stock or other securities.

Our capital structure may have a negative impact on our stock price.

In July 2017, S&P Dow Jones, a provider of widely-followed stock indices, announced that companies with multiple share classes, such as ours, will not be eligible for inclusion in certain of their indices. As a result, our Class A common stock is not eligible for these stock indices. Many investment funds are precluded from investing in companies that are not included in such indices, and these funds would be unable to purchase our Class A common stock. Other stock indices may take a similar approach to S&P Dow Jones in the future. Exclusion from indices could make our Class A common stock less attractive to investors and, as a result, the market price of our Class A common stock could be adversely affected.

Certain provisions of our certificate of incorporation and bylaws could hinder, delay or prevent a change in control of us, which could adversely affect the price of our Class A common stock.

Certain provisions of our certificate of incorporation and bylaws could make it more difficult for a third party to acquire us without the consent of our board of directors. These provisions:

• authorize the issuance of undesignated preferred stock, the terms of which may be established and the shares of which may be issued without stockholder approval, and which may include super voting, special approval, dividend, or other rights or preferences superior to the rights of the holders of common stock;

• prohibit stockholder action by written consent, requiring all stockholder actions be taken at a meeting of our stockholders;

• provide that the board of directors is expressly authorized to make, alter or repeal our bylaws;

• establish advance notice requirements for nominations for elections to our board of directors or for proposing matters that can be acted upon by stockholders at stockholder meetings; and

• establish a classified board of directors, as a result of which our board of directors is divided into three classes, with each class serving for staggered three-year terms, which prevents stockholders from electing an entirely new board of directors at an annual meeting.

In addition, these provisions may make it difficult and expensive for a third party to pursue a tender offer, change in control or takeover attempt that is opposed by our management or our board of directors. Stockholders who might desire to participate in these types of transactions may not have an opportunity to do so, even if the transaction is favorable to them. These anti-takeover provisions could substantially impede your ability to benefit from a change in control or change our management and board of directors and, as a result, may adversely affect the market price of our Class A common stock and your ability to realize any potential change of control premium.

If securities and industry analysts do not publish research or publish inaccurate or unfavorable research about our business, our stock price and trading volume could decline.

The trading market for our Class A common stock depends, in part, on the research and reports that securities and industry analysts publish about us and our business. If one or more of the analysts who cover us
downgrade our stock or publish inaccurate or unfavorable research about our business, 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, demand for our stock could decrease, which might cause our stock price and trading volume to decline.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Purchases of Equity Securities by the Issuer

The following table presents information with respect to our purchases of our Class A common stock during the three months ended June 30, 2020. See Note 11 to the Notes to Unaudited Condensed Consolidated Financial Statements included in Part I, Item 1 for additional discussion of our Class A common stock repurchases.

<table>
<thead>
<tr>
<th>Period</th>
<th>Total Number of Shares Purchased(1)</th>
<th>Average Price Paid per Share(1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>April 1, 2020 through April 30, 2020</td>
<td>15,362</td>
<td>$3.29</td>
</tr>
<tr>
<td>May 1, 2020 through May 31, 2020</td>
<td>16,640</td>
<td>$4.02</td>
</tr>
<tr>
<td>June 1, 2020 through June 30, 2020</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Total</td>
<td>32,002</td>
<td></td>
</tr>
</tbody>
</table>

(1) For the periods presented, represents shares surrendered to us to satisfy tax withholding obligations in connection with the vesting of equity awards.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

Not applicable.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

Not applicable.
## ITEM 6. EXHIBITS

<table>
<thead>
<tr>
<th>Exhibit Number</th>
<th>Exhibit Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>10.1*</td>
<td>Non-Employee Director Compensation Package</td>
</tr>
<tr>
<td>10.2*</td>
<td>Restricted Stock Agreement, dated May 14, 2020, between GreenSky, Inc. and Robert Partlow</td>
</tr>
<tr>
<td>10.3*</td>
<td>Amendment No. 2 to Credit Agreement, dated June 10, 2020, among GreenSky Holdings, LLC, the other loan parties thereto, the lenders party thereto and JPMorgan Chase Bank, N.A.</td>
</tr>
<tr>
<td>10.4**</td>
<td>Warehouse Credit Agreement, dated May 11, 2020, among GS Investment I, LLC, the lenders from time to time party thereto and JPMorgan Chase Bank, N.A.</td>
</tr>
<tr>
<td>10.5*#</td>
<td>Facility Loan Origination Agreement, dated May 27, 2020, between GreenSky, LLC and Synovus Bank</td>
</tr>
<tr>
<td>10.5(a)**#</td>
<td>Facility Servicing Agreement, dated May 27, 2020, between GreenSky, LLC and Synovus Bank</td>
</tr>
<tr>
<td>10.5(b)**#</td>
<td>Economics Agreement, dated May 27, 2020, between GreenSky, LLC and Synovus Bank</td>
</tr>
<tr>
<td>10.5(a)#</td>
<td>Amendment No. 1 to Loan Origination Agreement, dated June 30, 2020, between GreenSky, LLC and BMO Harris Bank N.A.</td>
</tr>
<tr>
<td>10.5(b)#</td>
<td>Amendment No. 1 to Servicing Agreement, dated June 30, 2020, between GreenSky, LLC and BMO Harris Bank N.A.</td>
</tr>
<tr>
<td>31.1*</td>
<td>Certification of Chief Executive Officer pursuant to Rule 13a-14(a)</td>
</tr>
<tr>
<td>31.2*</td>
<td>Certification of Chief Financial Officer pursuant to Rule 13a-14(a)</td>
</tr>
<tr>
<td>32.1*</td>
<td>Certification of Chief Executive Officer pursuant to 18 U.S.C., Section 1350</td>
</tr>
<tr>
<td>32.2*</td>
<td>Certification of Chief Financial Officer pursuant to 18 U.S.C., Section 1350</td>
</tr>
<tr>
<td>101</td>
<td>The following financial information from GreenSky, Inc.'s Quarterly Report on Form 10-Q for the three and six months ended June 30, 2020, formatted in Inline XBRL (Inline Extensible Business Reporting Language): (i) Condensed Consolidated Balance Sheets as of June 30, 2020 and December 31, 2019 (unaudited), (ii) Condensed Consolidated Statements of Operations for the three and six months ended June 30, 2020 and 2019 (unaudited), (iii) Condensed Consolidated Statements of Comprehensive Income (Loss) for the three and six months ended June 30, 2020 and 2019 (unaudited), (iv) Condensed Consolidated Statements of Changes in Equity (Deficit) for the three and six months ended June 30, 2020 and 2019 (unaudited), (v) Condensed Consolidated Statements of Cash Flows for the six months ended June 30, 2020 and 2019 (unaudited), and (vi) Notes to Unaudited Condensed Consolidated Financial Statements.</td>
</tr>
<tr>
<td>104</td>
<td>Cover Page Interactive Data File (embedded within the Inline XBRL document).</td>
</tr>
</tbody>
</table>

* Filed herewith.
# Certain portions of this exhibit have been excluded because they are both not material and would likely cause competitive harm to the Company if publicly disclosed.
Pursuant to the requirements 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.

GREENSKY, INC.

August 10, 2020

By /s/ David Zalik

David Zalik

Chief Executive Officer and Chairman of the Board of Directors

GREENSKY, INC.

August 10, 2020

By /s/ Robert Partlow

Robert Partlow

Executive Vice President and Chief Financial Officer
FACILITY SERVICING AGREEMENT

Dated as of May 27, 2020

by and between

GREENSKY, LLC

and

SYNOVUS BANK
FACILITY SERVICING AGREEMENT

THIS FACILITY SERVICING AGREEMENT (the “Servicing Agreement”) dated as of May 27, 2020 (the “Effective Date”), by and between GREENSKY, LLC, a Georgia limited liability company (including its direct or indirect subsidiaries that provide, directly or indirectly, any of the services contemplated hereby, “Servicer”), and SYNOVUS BANK, a Georgia state-chartered bank (“Lender”). As used herein, “Party” shall mean Servicer or Lender, as applicable, and “Parties” shall mean both Servicer and Lender.

W I T N E S S E T H:

WHEREAS, Servicer is in the business of providing clerical, ministerial, marketing and administrative services and a technology platform to lenders in connection with lenders originating consumer loans for their own account, primarily through a network of Program Merchants and Sponsors or through consumer direct channels (the “GreenSky® Program”); and

WHEREAS, the GreenSky® Program is administered by Servicer on behalf and under the direction and control of federally-insured and federal- or state-chartered financial institutions participating in the GreenSky® Program, which includes the Lender; and

WHEREAS, Servicer and Lender have entered into a Facility Loan Origination Agreement (as hereinafter amended, the “Origination Agreement”), pursuant to which Lender will fund (or otherwise acquire) and own Loans originated through the GreenSky® Program; and

WHEREAS, Lender has conducted due diligence regarding the GreenSky® Program and its suitability for Lender, and Lender desires that Servicer perform certain servicing on behalf of, and at the direction and control of, Lender with respect to such Loans made by Lender under the GreenSky® Program and pursuant to the Origination Agreement, and Servicer is willing to perform that servicing; and

WHEREAS, Servicer will act as a first-party servicer in the name of the GreenSky® Program or Lender when performing that servicing for such Loans funded (or otherwise acquired) under the Origination Agreement; and

WHEREAS, this Servicing Agreement shall not apply to the loans previously funded (or otherwise acquired) and owned by Lender under the existing Loan Origination Agreement, dated as of August 4, 2015, by and between Servicer and Lender, as amended, modified and supplemented from time to time (the “Original Loan Origination Agreement”), and being serviced by Servicer on behalf of Lender under the existing Servicing Agreement, dated as of August 4, 2015, by and between Servicer and Lender, as amended, modified and supplemented from time to time (the “Original Servicing Agreement”), except to the extent otherwise provided in the definition of Loan contained herein.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, it is hereby agreed by and between Servicer and Lender as follows:

Page 1
ARTICLE I
DEFINITIONS

Section 1.01 Definitions. Capitalized terms used herein or in any certificate or document made or delivered pursuant hereto shall have the following meanings:

“Accepted Servicing Practices” shall mean with respect to each Loan, the loan servicing practices that are in compliance (i) in all material respects with all applicable Governmental Requirements, (ii) with the terms of the related credit agreement and the other Loan documents, and (iii) to the extent not in conflict with the preceding clauses (i) and (ii), with the customary industry servicing practices of prudent lending institutions that service consumer loans of the same type as the Loans in the jurisdiction where the related Borrower is located.

“Collections” shall mean with respect to each Loan, all cash, money, available funds, checks, notes, instruments and other items of payment.

“Governmental Requirements” means, collectively, all U.S. federal, state and local statutes, codes, ordinances, laws, and regulations that may apply to Servicer or Lender either now or in the future relating to the Servicing of the Loans, including, but not limited to, applicable federal, state and local consumer protection laws, the federal Truth in Lending Act (Regulation Z), the Equal Credit Opportunity Act (Regulation B), the federal Fair Credit Reporting Act, the Fair Debt Collection Practices Act, the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism (USA PATRIOT ACT) Act of 2001, the Telephone Consumer Protection Act, and the Fair and Accurate Credit Transactions Act of 2003, the Bank Service Company Act, the Bank Secrecy Act, the Gramm-Leach-Bliley Act (Regulation P), and privacy and anti-money laundering laws, and all regulations, rules, orders, guidance, directives, interpretations and decrees of any Governmental Authority related thereto.

“GreenSky® Program ACH Account” shall mean the payment clearing custodial account(s) established and maintained for the benefit of the lenders in the GreenSky® Program at Fifth Third Bank, Regions Bank or such other federally-insured bank selected by Servicer and approved by Lender (which approval will not unreasonably be withheld or delayed), to which the Borrowers have either been instructed to remit ACH payments on the Loans or authorized Servicer to make ACH payment on the Loans.

“GreenSky® Program Payment Clearing Account” shall mean the payment clearing custodial account(s) established and maintained for the benefit of the lenders in the GreenSky® Program at Wells Fargo Bank, Regions Bank or such other federally-insured bank selected by Servicer and approved by Lender (which approval will not unreasonably be withheld or delayed), in order to (a) receive funds from the GreenSky® Program ACH Account for disbursement to Lender’s Designated Account and other accounts held by or for the benefit of lenders in the GreenSky® Program, as applicable, and (b) hold payments from borrowers (including Borrowers, as applicable) received in the Lockbox that initially are unable to be attributed to a loan (including a Loan, as applicable) and disburse such funds to Lender’s Designated Account and other accounts held by or for the benefit of lenders in the GreenSky® Program, as applicable, after identification.
“Indemnified Party” shall have the meaning set forth in Schedule C as referenced in Section 7.13 of this Servicing Agreement.

“Indemnity Proceeding” shall have the meaning set forth in Schedule C as referenced in Section 7.13 of this Servicing Agreement.

“Lender’s Designated Account” shall mean an account established and maintained by Lender, or for the benefit of Lender, as either (i) a non-interest bearing deposit account at Lender or (ii) a deposit account at Wells Fargo Bank, Regions Bank or such other federally-insured bank selected by Servicer for the Lockbox and the GreenSky® Program Payment Clearing Account and approved by Lender (which approval will not unreasonably be withheld or delayed), in either case for the purposes of receiving Borrower payments from the Lockbox, the GreenSky® Program Payment Clearing Account and the GreenSky® Program ACH Account.

“Loan” shall mean either (a) a consumer loan originated by Lender pursuant to the Origination Agreement, (b) a loan originated (or otherwise acquired) and owned by Lender pursuant to the Original Loan Origination Agreement to the extent that Lender and Servicer agree (which agreement may be via email) that such loan shall constitute a Loan for the purposes of the Origination Agreement, this Servicing Agreement and the Economics Agreement (in which case the Origination Agreement, this Servicing Agreement and the Economics Agreement shall apply to such loan in lieu of the Original Loan Origination Agreement and the Original Servicing Agreement, effective as of the date agreed by Lender and Servicer, and such loan, the Outstanding Balance of such loan and any amounts billed thereon shall only be included in any calculations under the Origination Agreement, this Servicing Agreement and the Economics Agreement from and after such effective date) or (c) or an Acquired Loan, together with any amounts, including interest, fees and other charges, generated with respect thereto; provided, that (i) in respect of any Participated Loan, from and after the Cutoff Date relating thereto (or date that an Economic Participation is granted pursuant to Section 2.07 of this Servicing Agreement, if applicable), such Participated Loan shall be disregarded for the purposes of the calculation of Outstanding Balance, and (ii) in respect of any Sold Loan, from and after the Cutoff Date relating thereto, such Loan shall no longer be considered a “Loan” hereunder for any purpose.

“Lockbox” shall mean the address for the lockbox service established for the benefit of the lenders in the GreenSky® Program at Wells Fargo Bank, Regions Bank or such other federally-insured bank selected by Servicer for the GreenSky® Program and approved by Lender (which approval will not unreasonably be withheld or delayed), to which the Borrowers are instructed to remit check payments on the Loans.

“Officer’s Certificate” shall mean, unless otherwise specified in this Servicing Agreement, a certificate signed by the President, any Vice President or Chief Financial Officer of Lender or Servicer, as the case may be, or by the President, any Vice President or the Chief Financial Officer of a Successor Servicer.

“Origination Agreement” shall have the meaning set forth in the Recitals.

“[*****]”
“Servicer Default” shall have the meaning set forth in Section 4.01.

“Service Transfer” shall have the meaning set forth in Section 4.01.

“Servicing” shall have the meaning set forth in Section 2.01(b).

“Servicing Fee” shall have the meaning set forth in the Economics Agreement.

“Servicing Reports” shall have the meaning set forth in Schedule A attached hereto.

“Servicing Supplement” means each servicing supplement supplementing this Servicing Agreement and entered into among Servicer, any holder of Economic Participations and, if applicable, any financing counterparty of any such holder, in each case relating to the servicing of such Economic Participations (and the Participated Loans underlying such Economic Participations). Any Servicing Supplement may be (i) in the form of a stand-alone agreement relating solely to the servicing of Participated Loans, or (ii) included in a multi-party or similar agreement also covering other matters relating to such Economic Participations (and the Participated Loans underlying such Economic Participations).

“Successor Servicer” shall have the meaning set forth in Section 4.02(a).

“Termination Notice” shall have the meaning set forth in Section 4.01.

Section 1.02 Other Definitional Provisions.

(a) All terms defined in this Servicing Agreement shall have the defined meanings when used in any certificate or other document made or delivered pursuant hereto unless otherwise defined therein.

(b) All capitalized terms used herein and not otherwise defined herein shall have meanings ascribed to them in the Origination Agreement.

(c) The words “hereof,” “herein” and “hereunder” and any words of similar import when used in this Servicing Agreement shall refer to this Servicing Agreement as a whole and not to any particular provision of this Servicing Agreement; and Section, Subsection and Schedule references contained in this Servicing Agreement are references to Sections, Subsections and Schedules in or to this Servicing Agreement unless otherwise specified.

ARTICLE II
ADMINISTRATION AND SERVICING OF LOANS

Section 2.01 Servicing.

(a) Appointment of Servicer. Subject to the terms and conditions set forth herein, including without limitation Section 2.01(b), Lender hereby appoints Servicer to service the Loans, on behalf of and at the direction and control of, Lender substantially in accordance with
the common servicing standards established for the GreenSky® Program as provided herein. For clarification purposes, except to the extent provided in the definition of Loans in Section 1.01, this Servicing Agreement shall not apply to the loans previously funded (or otherwise acquired) and owned by Lender under the existing Original Loan Origination Agreement that are being serviced by Servicer on behalf of Lender under the Original Servicing Agreement (the “Existing Portfolio Loans”), and such Existing Portfolio Loans shall be excluded from the provisions of this Servicing Agreement and the economic terms and conditions for such Existing Portfolio Loans shall be governed by the provisions of the Original Loan Origination Agreement and the Original Servicing Agreement.

(b) General Servicing Authority. In accordance with the Accepted Servicing Practices, Servicer agrees to service the Loans, which shall include, but not be limited to, account opening, transaction and payment processing and recording, customer service, statement generation, reporting, billing, repayment disbursements, management, administration, collection, customer service, and consumer complaint identification, monitoring and resolution, in accordance, where applicable, with (i) the criteria established and adopted by Lender and set forth in this Servicing Agreement, as it may be amended from time to time, and on Schedule A annexed hereto, (ii) the terms of the Origination Agreement, as it may be amended from time to time, and (iii) if applicable with respect to any Participated Loans, any applicable Servicing Supplement as described in Section 2.01(i) (“Servicing”). Subject to the Accepted Servicing Practices, Servicer further agrees to provide such other services as Lender and Servicer determine are customary and reasonable in connection with the servicing of the Loans, as provided for herein. Notwithstanding the foregoing, subject to the prior written consent of Lender, Servicer may, but shall not be obligated to, institute litigation in the name of Lender to pursue remedies with respect to any defaulted Loan.

(c) Servicer Reports. Servicer agrees to timely deliver to Lender the servicer reports with respect to the Retained Economics Loans as are set forth on Schedule A annexed hereto. Lender agrees, and hereby directs Servicer, that in respect of any Participated Loans, such reports (together with any other reports relating to such Participated Loans as may be required by any applicable Servicing Supplement) may be delivered to the applicable holder of Economic Participations in such Participated Loans, and shall not be required to be delivered to Lender unless otherwise requested by Lender.

(d) Additional Servicing Authority. Under the supervision and control of Lender, in the Lender’s name and in accordance with the Accepted Servicing Practices, Servicer shall have authority to do all things on behalf of Lender in connection with such Servicing that are reasonably necessary or desirable, and such authority includes, without limitation, filing chargebacks with the applicable payment card network, enforcing contractual rights to reimbursement or refunds from Program Merchants and Sponsors, applying a “provisional credit” to a Borrower’s account (which may result in no interest being billed during the period that the issue giving rise to the provisional credit is being researched and resolved) and crediting a Borrower’s account. Notwithstanding the foregoing, except as provided herein, until a Loan has become subject to a Portfolio Credit Loss and thereafter until Lender has been compensated for the related Portfolio Credit Loss (pursuant to the Economics Agreement) or unless a Loan is subject to a qualifying request under the Servicemembers Civil Rights Act, Servicer shall not,
without the prior approval of Lender, (i) modify the material terms of a Loan, including, but not limited to, interest rate and maturity date, or (ii) waive Borrower payment delinquencies.

(i) Notwithstanding the generality of the foregoing, for Lender’s benefit and in accordance with the Accepted Servicing Practices, Lender authorizes Servicer to settle any Borrower complaint or dispute on behalf of, and in the name of, Lender, provided that any individual settlement does not involve a total amount (principal, finance charges, and fees) of more than $20,000. All formal settlements shall be documented using settlement and release agreements adopted by Lender substantially in the form attached hereto as Schedule D. In the event that any settlement amount would exceed $20,000, Servicer will obtain advance settlement authority from Lender.

(ii) The modification of the terms of a Retained Economics Loan, waiver of Borrower payment delinquencies under a Retained Economics Loan, or other settlement of a Retained Economics Loan (where permitted pursuant to this Section 2.01(d)) shall have no effect upon the treatment of the Outstanding Balance of such Loan as a Portfolio Credit Loss.

(e) Borrower Payment Instructions, Deposit of Payments and GreenSky® Program Bank Accounts.

(i) Without limiting the generality of the foregoing, Servicer, on behalf of, and subject at all times to the direction and control of, Lender, agrees to: (A) timely invoice each Borrower for all payments required to be paid by such Borrower, which invoice may be electronic, (B) direct each Borrower to remit such payments due by such Borrower directly to the Lockbox or the GreenSky® Program ACH Account in accordance with Section 2.01(e)(ii), and (C) maintain, with respect to each Loan, complete and accurate records in accordance with the Accepted Servicing Practices.

(ii) Servicer shall instruct Borrowers to make all payments on the Loans as follows: (A) if such payments are made by wire transfer, ACH or direct deposit, then Servicer shall either instruct Borrowers to make such payments to the GreenSky® Program ACH Account or obtain an ACH authorization from Borrowers to make such payments to the GreenSky® Program ACH Account, and Servicer shall cause such amounts to be swept to the GreenSky® Program Payment Clearing Account and transferred and posted to the Lender’s Designated Account within two Business Days, and (B) if such payments are made by check, cash or other means, then Servicer shall instruct Borrowers to make such payments to the Lockbox, and Servicer shall cause such amounts to be transferred and posted to the Lender’s Designated Account within two (2) Business Days. In the event that Servicer shall at any time receive any payment with respect to any Loan directly from a Borrower, Servicer shall deposit such amount into the Lender’s Designated Account or shall forward such amount to the Lockbox (for subsequent transfer to the Lender’s Designated Account) within two (2) Business Days after receipt. Notwithstanding the foregoing, if any amounts that are received in the Lockbox or the GreenSky® Program ACH Account or that are received directly by Servicer are not accompanied by a payment coupon or otherwise are unidentifiable, Servicer initially may deposit such amounts in the GreenSky® Program Payment Clearing Account and shall forward such amounts or direct such amounts to be forwarded (as applicable) to the Lender’s Designated Account or to the Lockbox (for subsequent transfer to the Lender’s Designated Account) as soon thereafter as
practicable after they are identified as being attributable to a Loan. All payments received by Servicer from a Borrower are received on behalf of Lender for immediate credit to Borrower’s loan account. From time to time, subject to the prior written approval of Lender (which approval will not unreasonably be withheld or delayed), Servicer may arrange for one or more financial institutions to act as a custodian or nominee to hold certain of the accounts contemplated by the Origination Agreement or this Servicing Agreement, and, in such event, Lender agrees to enter into customary agreements with Servicer and such financial institutions in furtherance thereof.

(iii) Servicer (or its designee) shall maintain each of the GreenSky® Program ACH Account and the GreenSky® Program Payment Clearing Account as custodial accounts on behalf of and for the benefit of the Lender and other lenders that are segregated from Servicer’s or such designee’s own accounts, and Servicer, as Lender’s agent, shall use each such bank account exclusively for the deposit and holding of funds from payments on the Loans owned by Lender and other consumer loans owned by other lenders. Following the deposit of any Collections from the Loans into the GreenSky® Program ACH Account and GreenSky® Program Payment Clearing Account, whether received by Servicer or directly deposited therein, Servicer shall use commercially reasonable efforts to promptly identify and record in its servicing accounting system the application of such Collections to the payment of each respective Loan for which such Collections are attributable, so that any and all Collections deposited into the GreenSky® Program ACH Account and GreenSky® Program Payment Clearing Account will be identifiable and traceable to the respective Loans owned by Lender separate and apart from any of Servicer’s own funds and any funds for any other consumer loans owned by another lender being serviced by Servicer for such other lender.

(f) Borrower Records and Loan Documents. Lender shall own and have reasonable access to all Borrower records including, but not limited to, the credit agreement and other Loan documents, at such time and in such manner as shall be reasonably requested by Lender subject to Servicer being able to provide such access in a commercially reasonable manner. Lender and Servicer may utilize such records for the purposes of marketing other products and services to the Borrowers as permitted by Law and subject to the limitations imposed by the Program Agreement(s). Lender will share information with Servicer for such purposes based on the written authorization of the Borrower to share nonpublic financial information with Servicer. Lender shall reasonably cooperate and collaborate with Servicer on processes to comply with legal and regulatory matters related to such marketing and promotional activities. Notwithstanding anything herein to the contrary but subject to any applicable Servicing Supplement, since the Loans are at all times the sole property of Lender, Lender shall have the unconditional right, at any time and from time to time, to take possession of the original credit agreement, other Loan documents or other original evidence of the debt owed by any Borrower and Servicer shall promptly deliver the same to Lender on Lender’s request.

(g) Payment of Servicing Expenses. Servicer shall pay all of its expenses incurred in connection with the Servicing of the Loans, which for the avoidance of doubt shall not include state documentary taxes, lien filings related to the Loans and costs of instituting collection litigation.

(h) Sharing Borrower Information. Notwithstanding any provision to the contrary in this Servicing Agreement, Lender agrees to share Borrower information with Program
Merchants, Sponsors and other federally-insured and federal- or state-chartered financial institutions participating in the GreenSky® Program and actual and potential Purchasers (and any agent or representative of any of the foregoing) as permitted by the Gramm-Leach-Bliley Act, including, but not limited to, for the purpose of (i) effecting, administering, and enforcing a loan or other transaction requested or authorized by such Borrower, (ii) protecting against or preventing actual or potential fraud, unauthorized transactions, claims, or other liability, or (iii) sharing such information with persons holding a legal or beneficial interest relating to such Borrower. To facilitate such information sharing, and subject to the Accepted Servicing Practices, Lender directs Servicer, as its agent and subject to oversight and control by Lender, to share such information with such third parties for the purposes described in this Section 2.01(h).

(i) **Sharing Borrower Reports.** Notwithstanding any provision to the contrary in this Servicing Agreement, Lender agrees to share Borrower consumer reports with Purchasers as permitted by the Fair Credit Reporting Act, including (i) before the sale of any Loan or Economic Participation for the purpose of sharing such information incident to the transfer of all or a portion of the underlying Loan or Economic Participation for the purpose of evaluating the potential transaction to consummate the sale or (ii) after the sale of any Loan or Economic Participation to Purchasers acting on behalf of future successors in interest for the purpose of evaluating the potential transaction to consummate such future sale.

(j) **Servicing Supplement.** Notwithstanding any other provision of this Section 2.01, if, in respect of any Participated Loan, Servicer has agreed in a Servicing Supplement with the holder of an Economic Participation therein to different or additional standards for Servicing such Participated Loan, then Lender agrees that, subject to the Accepted Servicing Practices, such different or additional standards shall apply in respect of such Participated Loans, in lieu of any contrary or other standards set forth in this Section 2.01, provided Lender has been provided a copy of such Servicing Supplement and has not objected thereto, in its reasonable discretion, in writing to Servicer within five (5) Business Days of its receipt thereof.

(k) [*****]

(l) **Lender Logo and Trademarks.** In connection with the Servicing of each Loan on a Private Label Servicing basis hereunder, Lender authorizes Servicer, and hereby grants to Servicer a non-exclusive, limited and royalty free license, to use the logo, letterhead, service marks and trademarks of Lender to perform the servicing functions delegated to Servicer hereunder during the term of this Servicing Agreement and Servicer shall use its best efforts to display the same pursuant to any reasonable written directions and guidelines provided by Lender to Servicer. Except for the limited license granted hereunder, Servicer shall not have any other right, title or interest in the logos, service marks or trademarks of Lender. Servicer shall not at any time during or after this Servicing Agreement register, attempt to register, or claim any interest in, any logos, service marks and/or trademarks of Lender.

(m) **Subsidiaries Providing Services.** Pursuant to the first paragraph of this Agreement, any direct or indirect wholly-owned subsidiary of GreenSky, LLC may provide or be delegated any duties, obligations or responsibilities of GreenSky, LLC under this Agreement;
provided, however, that (i) GreenSky, LLC shall not be released or relieved of any of its duties, obligations or responsibilities under this Agreement or any other Origination Papers, (ii) GreenSky, LLC and any such subsidiary shall be jointly and severally liable for any action or omission of any such subsidiary as if such action or omission were an action or omission of GreenSky, LLC, and (iii) any such subsidiary shall be subject to the audit, review and examination rights of Lender as set forth in the Origination Agreement (including Section 6.03 thereof) and this Agreement (including Section 2.04 hereof).

Section 2.02 Compliance.

(a) Prior to the Effective Date, Servicer has furnished to Lender its recommendation of the Servicing policies and procedures for the GreenSky® Program designed to ensure compliance in all material respects with Governmental Requirements and Lender has reviewed and determined to adopt such Servicing policies and procedures for the GreenSky® Program. Servicer shall administer such Servicing policies and procedures for the GreenSky® Program to ensure compliance in all material respects with Governmental Requirements.

(b) Notwithstanding any provision to the contrary herein, Servicer agrees to observe and comply in all material respect with (and to provide training to its applicable personnel regarding compliance with) all Governmental Requirements applicable to the Servicing of the Loans. To the Best of Servicer’s Knowledge, in the event of any failure or violation by Servicer to observe or comply in all material respects with all Governmental Requirements applicable to the Servicing of the Loans, including without limitation any violation to have any material Permit (it being agreed that any Permit required for the performance by Servicer of its obligations under this Servicing Agreement or the other Origination Papers that is necessary for a Loan to be validly made and enforceable shall be deemed material) in each jurisdiction in which such Permit is required for the performance of its obligations hereunder, then Servicer shall provide prompt written notice to Lender of such failure or violation.

Section 2.03 Subservicing Agreements.

(a) The Servicer may enter into subservicing agreements with subservicers for the servicing and administration of all or a part of the Loans and may contract with third parties for the performance of incidental services such as performing inspections or monitoring insurance and/or taxes; provided that the Servicer shall remain obligated and liable to the Lender for the servicing and administering of the Loans in accordance with the provisions hereof without diminution of such obligation or liability by virtue of such subservicing agreement and to the same extent and under the same terms and conditions as if the Servicer alone were servicing and administering the Loans. References in this Servicing Agreement to actions taken or to be taken by the Servicer in servicing the Loans include actions taken or to be taken by a subservicer on behalf of the Servicer. For purposes of this Servicing Agreement, the Servicer shall be deemed to have received any payment in respect of a Loan when the applicable or related subservicer receives such payment. The Servicer shall be obligated to pay all fees and expenses of any subservicer.

(b) Each subservicer shall agree to perform any services with respect to the Loans in a manner consistent with Servicer’s obligations hereunder. Each subservicer shall (i) be qualified to do business and have all material Permits (it being agreed that any Permit required
for the performance by such subservicer of its obligations under this Servicing Agreement or the other Origination Papers that is necessary for a Loan to be validly made and enforceable shall be deemed material), if and to the extent required by the Governmental Requirements, to enable subservicer to perform its obligations under its subservicing agreement, (ii) comply in all material respects with all applicable Governmental Requirements in the performance of its obligations under its subservicing agreement and (iii) have facilities, procedures and experienced personnel reasonably necessary to perform its obligations under its subservicing agreement.

[*****]

(c) As part of its servicing activities hereunder, where Servicer in its reasonable judgment concludes that it is commercially appropriate, the Servicer, for the benefit of the Lender, shall enforce the obligations of each subservicer under the related subservicing agreement. Such enforcement, including, without limitation, the legal prosecution of claims, termination of subservicing agreements and the pursuit of other appropriate remedies, shall be in such form and carried out to such an extent and at such time as the Servicer, in its good faith business judgment, would require were it the owner of the Loan and in a manner consistent with the Servicer’s obligations under this Servicing Agreement and the Origination Agreement. The Servicer shall pay the costs of such enforcement at its own expense and shall be reimbursed therefor only (i) from a general recovery resulting from such enforcement only to the extent, if any, that such recovery exceeds (x) all amounts due in connection with such breach in respect of the related Loan and (y) any other losses suffered by the Lender as a result of such breach, or (ii) from a specific recovery of costs, expenses or attorneys’ fees against the party against whom such enforcement is directed.

(d) Notwithstanding any other provision of this Section 2.03, if in respect of any Participated Loan, Servicer has agreed in a Servicing Supplement with the holder of an Economic Participation therein to different or additional standards relating to the matters described in this Section 2.03, then Lender agrees that, subject to the Accepted Servicing Practices, such different or additional standards shall apply in respect of such Participated Loans, in lieu of any contrary or other standards set forth in this Section 2.03, provided Lender has been provided a copy of such Servicing Supplement and has not objected thereto, in its reasonable discretion, in writing to Servicer within five (5) Business Days of its receipt thereof, provided, further, however, if such different or additional standards would adversely affect Lender, then Lender’s prior written consent to such different or additional standards shall be required.

Section 2.04 Audit Rights. Servicer agrees to make available its facilities, personnel and records when reasonably requested by Lender (or at any time requested by Lender’s regulators or examiners) at a time to be reasonably agreed to by Servicer, Lender or Lender’s auditors or examiners as appropriate, to enable Lender or its auditors, regulators and examiners to audit Servicer’s internal audit and compliance procedures with respect to Servicer’s:
(a) accounting; (b) information technology and data systems; (c) data security; (d) insurance;
(e) overall operations, processes and procedures; (f) loan origination and loan servicing and collection areas, policies and procedures; (g) compliance with its confidentiality obligations;
(h) use of subservicers and other subcontractors and the supervision and monitoring thereof;
(i) new or revised policies, processes, information technology and management of information systems of the Servicer; (j) reputational and conflict-of-interest issues, if any; (k) Servicer’s process for adjusting or modifying its policies, procedures, and controls in response to changing threats, vulnerabilities, and material breaches or incidents; (l) compliance with and monitoring of
Governmental Requirements and changes and developments with respect thereto and Servicer’s positions regarding regulatory compliance which shall include: (i) providing copies of any related reports or materials, (ii) policies and procedures specific to regulatory, compliance, and operational processes set forth in this Servicing Agreement, (iii) training materials (e.g. web-based, quick reference, FAQs, syllabuses, calendars, course assignments, training frequency, etc.) related to specific Governmental Requirements including without limitation training of new hires, ongoing training, training of contractors and third-parties, and (iv) reporting of customer complaints and sufficient detail of each complaint; (m) financial condition; and (n) the volume, nature, and trends of any complaints by consumers that indicate Servicer might have compliance or risk management issues and the ability to remediate those issues. Such audits may be remote or on-site. Once each calendar quarter (or more frequently if Servicer is in Default or a Performance Termination Event has previously occurred and is continuing or as requested by Lender’s regulators or examiners), at a time to be reasonably agreed to by Servicer and Lender, Lender or its auditors, regulators and examiners shall be entitled to conduct such audits. The Parties will reasonably determine the extent and methodology of the testing or the nature of such audit, subject to the approval of Lender, such approval not to be unreasonably withheld. Further, Servicer shall conduct such self-testing and monitoring, and arrange for such internal audits, as necessary and appropriate to ensure compliance with all requirements of this Servicing Agreement and the Origination Agreement and the development and establishment of contingency planning and obligations applicable to Servicer’s personnel and contractors and applicable Governmental Requirements. Servicer agrees to correct any material deficiencies noted during these audits (as reasonably determined by Lender) within thirty (30) days of such notice (or within ninety (90) days in the event that Servicer promptly undertakes and continues to actively pursue corrective action within 30 days). Should Servicer not correct any such material deficiencies within such time period, then it shall be deemed to be a “Noncompliance Event”. If an audit by Lender or any of its auditors, regulators, or examiners, or audit provided to Lender by Servicer reveals any issues or concerns regarding security, systems, confidentiality or compliance with applicable Governmental Requirements, or if Lender becomes aware of any issues or concerns regarding security, systems, confidentiality or compliance with applicable Governmental Requirements with respect to any other lender of Servicer, Lender may conduct additional audits and testing as reasonably necessary until such issues or concerns are resolved to Lender’s reasonable satisfaction. Upon Lender’s reasonable request, Servicer shall assist and cooperate with Lender, in conducting and/or responding to any audit or audit request, including assisting in Lender’s attempts to obtain certifications or other confirmations, including industry, professional, regulatory or other standards, regulatory or self-regulatory organizations and standard-setting bodies. Lender’s failure to exercise its right to audit Servicer pursuant to this Section shall not act as a waiver of any of this rights or remedies under this Servicing Agreement.

Section 2.05 Technology License. In furtherance of the activities contemplated by this Servicing Agreement, Servicer grants Lender a non-exclusive, nontransferable, nonsublicensable, revocable license to use, or for Servicer on Lender’s behalf to use, Servicer’s GreenSky® Program technology platform and the trademarks, logos, program names and other intellectual property rights made available by Servicer to lenders participating in the GreenSky® Program in connection with their participation therein (the “Licensed Technology”) during the term of this Servicing Agreement solely for the purposes of, and in connection with, Lender’s participation in the GreenSky® Program. Lender acknowledges and agrees that Servicer will
remain the sole and exclusive owner of all right, title and interest in and to the Licensed Technology (including any and all modifications or derivative works thereof) and all intellectual property rights relating thereto, and Lender does not and will not have or acquire any ownership interest in the Licensed Technology (or any modifications or derivative works thereof) or any intellectual property rights relating thereto under or in connection with this Servicing Agreement.

Section 2.06 Portfolio Data. Notwithstanding anything to the contrary contained in this Servicing Agreement, Servicer may share any portfolio data associated with the Loans that does not contain personal identifying information of a Borrower and does not identify Lender by name with the Program Merchants and Sponsors, potential and actual financing sources and investors for Servicer’s business, potential and actual Purchasers and potential and actual assignees, financing sources and investors of Purchasers, Servicer’s business partners and professional advisors (and the agents or representatives of any of the foregoing). Any such disclosure shall be made in compliance with any Governmental Requirements.

Section 2.07 Treatment of Portfolio Credit Loss Loan. Pursuant to this Section 2.07, Lender agrees that it shall hereby assign its entire right, title and interest in any Loan that becomes a Reimbursed Portfolio Credit Loss Loan to Servicer, effective automatically and without further upon such Loan becoming a Reimbursed Portfolio Credit Loss Loan; provided, however, if Servicer does not possess the licenses necessary to own such Reimbursed Portfolio Credit Loss Loan, Lender instead shall hereby grant to Servicer an Economic Participation in such Reimbursed Portfolio Credit Loss Loan, effective automatically and without further upon such Loan becoming a Reimbursed Portfolio Credit Loss Loan, and if Servicer later obtains the licenses necessary to own such Reimbursed Portfolio Credit Loss Loan then Lender shall, upon Servicer’s request and at no additional cost, transfer Servicer’s legal title to such Reimbursed Portfolio Credit Loss Loan to Servicer. Lender acknowledges that Servicer does not possess the relevant licenses as of the Effective Date and Lender shall grant Economic Participations in Reimbursed Portfolio Credit Loss Loans until such time as Servicer notifies Lender in writing that Servicer has obtained such licenses. Servicer may further assign any Economic Participation it holds in any such Reimbursed Portfolio Credit Loss Loan, and Lender shall, upon Servicer’s request and at no additional cost, transfer Lender’s legal title to such Reimbursed Portfolio Credit Loss Loan to such transferee.

Section 2.08 Agency. Notwithstanding anything to the contrary in this Servicing Agreement or any other agreement between the Parties, Lender appoints Servicer as Lender’s agent for purposes of providing the services contemplated by this Servicing Agreement in accordance with the Accepted Servicing Practices. If Servicer receives funds in connection with the Loans, it will receive such funds as agent of Lender. Servicer agrees that it will hold such funds in trust on behalf of and solely as agent of Lender, and Servicer disclaims any right, title, or interest in such funds (except to the extent that Servicer has any economic rights to such funds pursuant to this Servicing Agreement, the Origination Agreement or the Economics Agreement). Lender agrees that, as between Lender and the Borrower who remits funds to Servicer (or the person on whose behalf such funds are remitted), Lender will consider itself to have received such funds as of receipt by Servicer pursuant to this Servicing Agreement, to the same extent as if Lender had received such funds directly. To the extent that such funds are remitted to Servicer for the purpose of discharging an obligation to Lender, Lender acknowledges that receipt of such funds by Servicer will discharge this obligation to the same extent as if Lender had received such funds.
funds directly. Lender acknowledges that funds delivered by a Borrower to Servicer in respect of a Loan as contemplated by this Servicing Agreement are paid to Lender for the purpose of satisfying a preexisting obligation of the Borrower to Lender in respect of such Loan.

Notwithstanding the foregoing or any other provision of this Agreement in respect of Collections relating to Participated Loans, Lender agrees that a Servicing Supplement may direct such Collections to an account designated by the applicable holder of the Economic Participation in such Participated Loan (or any financing counterparty of any such holder).

ARTICLE III
BACKUP SERVICER

Section 3.01. Servicer to Cooperate with Backup Servicer:

(a) Servicer (i) shall cooperate in good faith with the Backup Servicer and such Backup Servicer’s performance of its duties under such Backup Servicing Agreement and (ii) shall not take any action intended to materially and adversely interfere with the Backup Servicer’s performance of its duties under such Backup Servicing Agreement. Servicer shall promptly provide any and all information, data and documents for the Loans mutually agreed with Lender to be provided to such Backup Servicer in the manner and form as reasonably requested by Backup Servicer or Lender and reasonably consented to by Servicer, including any servicer reports pursuant to Section 2.01(c).

(b) Upon a transfer by Servicer of Servicing hereunder to the Backup Servicer as a Successor Servicer pursuant to Section 4.02, Servicer agrees to cooperate and use its commercially reasonable efforts in effecting the transition of the responsibilities and rights of Servicing of the Loans hereunder, including, without limitation, the transfer to the Backup Servicer as Successor Servicer for the administration by it of all Collections that shall at the time be held by Servicer for deposit, or thereafter received with respect to the Loans, and the delivery to the Backup Servicer in an orderly and timely fashion of all Loan files, related documents and records with respect to the Loans, which shall include a computer tape in readable form containing all information and data necessary to enable the Backup Servicer to perform the Servicing the Loans hereunder.

ARTICLE IV
SERVICER DEFAULTS

Section 4.01. Servicer Defaults. If any one of the following events (a “Servicer Default”) shall occur and be continuing:

(a) any failure by Servicer to make any payment, transfer or deposit to Lender or to give instructions or to give notice to the bank holding the Lockbox or GreenSky® Program ACH Account to make such payment, transfer or deposit on or before the date occurring three (3) Business Days after the date such payment, transfer or deposit or such instruction or notice is required to be made or given, as the case may be, under the terms of this Servicing Agreement or the Origination Agreement;
(b) (i) failure on the part of Servicer to duly observe or perform in any material respect any other covenants or agreements of Servicer set forth in this Servicing Agreement or in the Origination Agreement 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 to Servicer by Lender; (ii) failure of Servicer to maintain any required Permits to do business or service any consumer loans in any jurisdiction as a first party servicer, and (A) such failure would reasonably be expected to adversely affect the collectability, enforceability or validity of a material portion of the Retained Economics Loans and (B) Servicer shall have failed to take commercially reasonable actions to obtain the applicable Permit by commencing the application process in such jurisdiction within sixty (60) days after confirmation by the relevant Governmental Authority that such Permit is required, or (iii) Servicer shall assign its duties under this Servicing Agreement, except as permitted by Section 7.05;

(c) any representation, warranty or certification made by Servicer in this Servicing Agreement, the Origination Agreement, or in any certificate delivered pursuant to this Servicing Agreement or the Origination Agreement shall prove to have been materially incorrect when made, which, if capable of being remedied, continues for a period of thirty (30) days after the date on which notice thereof, requiring the same to be remedied, shall have been given to Servicer by Lender;

(d) any Noncompliance Event as defined in the Origination Agreement;

(e) any Governmental Authority issues or enters any Order against Servicer or any of its Affiliates (other than a Servicer Regulatory Routine Inquiry) that has a material adverse impact on (i) the administration, marketing, collection, servicing or enforcement of Retained Economic Loans the aggregate outstanding principal balances of which constitutes at least [*****] percent ([*****]%) of an amount equal to the maximum Commitment Amount (which, if the Commitment Period has expired or been terminated, shall be deemed for such purpose to be the maximum Commitment Amount in effect immediately prior to such expiration or termination), (ii) the ability of Servicer or Lender to perform their respective obligations under the Servicing Agreement, or (iii) the rights of Lender under this Servicing Agreement or the transactions contemplated hereunder, provided, that, (x) in each case, upon the favorable resolution of such Order, as determined by Lender in its reasonable discretion (whether by judgment, withdrawal of such Order, settlement or otherwise) and confirmed by written notice from Lender (not to be unreasonably withheld or delayed), such event shall cease to exist immediately upon such determination by Lender, and (y) for the avoidance of doubt, the issuance of a civil investigative demand, subpoena or other information request by a Governmental Authority shall not, on its own, constitute such an event (such event described in this clause (e), a “Servicer Regulatory Event”), and Servicer is unable to cure such Servicer Regulatory Event within sixty (60) days (if such Regulatory Event is subject to cure or if such cure period is permitted by such Governmental Authority), it being agreed that Servicer shall have the right to cure a Servicer Regulatory Event by purchasing (or causing its designee to purchase) on a whole loan basis a portion of the Retained Economics Loans impacted by such Regulatory Event (or, if Lender’s ownership of such Retained Economics Loans does not violate applicable Law, Economic Participations in a portion of such Retained Economics Loans) such that the Servicer Regulatory Event ceases to exist, with such purchase by Servicer (or its designee) being made in
accordance with the terms of Section 2.07 of the Origination Agreement (including the requirements applicable to a proposed
designee, as set forth therein); or

(f) Servicer shall consent to the appointment of a bankruptcy trustee or conservator or receiver or liquidator in any
bankruptcy proceeding or other insolvency, readjustment of debt, marshalling of assets and liabilities or similar proceedings of or
relating to Servicer or of or relating to all or substantially all its property, or an action seeking a decree or order of a court or
agency or supervisory authority having jurisdiction in the premises for the appointment of a bankruptcy trustee or a conservator
or receiver or liquidator in any bankruptcy, insolvency, readjustment of debt, marshalling of assets and liabilities or similar
proceedings, or the winding- up or liquidation of its or any of its Affiliates affairs, shall have been commenced against Servicer
and such action shall have remained undischarged or unstayed for a period of sixty (60) days or an order or decree providing for
such relief shall have been entered; or Servicer shall admit in writing its inability to pay its debts generally as they become due,
file a petition to take advantage of any applicable bankruptcy, insolvency or reorganization statute, make any assignment for the
benefit of its creditors or voluntarily suspend payment of its obligations;

then, in the event of any Servicer Default, Lender by notice then given to Servicer and, if applicable, each Purchaser (or other
holder) then set forth in the Participation Register (a “Termination Notice”), may terminate all of the rights and obligations of
Servicer as servicer under this Servicing Agreement and appoint a Successor Servicer in accordance with Section 4.02, (i) in the
case of the Retained Economics Loans, within ten (10) Business Days following delivery of a Termination Notice to Servicer, or
(ii) in the case of the Participated Loans, not prior to the fifteenth (15th) day after notice has been given to the applicable
Purchaser (or other holder) relating thereto as described immediately above.

After receipt by Servicer of a Termination Notice, and on the date that a Successor Servicer is appointed by Lender
pursuant to Section 4.02, all authority and power of Servicer under this Servicing Agreement, except for the right to receive
payment under Section 4.02(b) reduced by (i) the servicing fee paid by Lender to the Successor Servicer (or, if Lender is the
Successor Servicer, by the reasonable amount that Lender would have to pay to an independent Successor Servicer in an arms’
length transaction), shall pass to and be vested in the Successor Servicer (a “Service Transfer”); and, without limitation, Lender is
hereby authorized and empowered (upon the failure of Servicer to cooperate) to execute and deliver, on behalf of Servicer, as
attorney-in-fact or otherwise, all documents and other instruments upon the failure of Servicer to execute or deliver such
documents or instruments, and to do and accomplish all other acts or things necessary or appropriate to effect the purposes of
such Service Transfer.

Servicer agrees to cooperate with Lender and such Successor Servicer in effecting the termination of the responsibilities and
rights of Servicer to conduct servicing hereunder, including the transfer to such Successor Servicer of all authority of Servicer to
service the Loans provided for under this Servicing Agreement, including all authority over all Collections which shall on the
date of transfer be held by Servicer for deposit, or which have been deposited by Servicer in the Lockbox or GreenSky® Program
ACH Account, or which shall thereafter be received with respect to the Loans, and in assisting the Successor Servicer. Servicer
shall also complete such transfer of its rights under the Program Agreements as may be necessary for the Successor Servicer to
adequately perform its duties and obligations under this Servicing Agreement; but otherwise, Servicer shall remain obligated
under and shall continue to perform
its duties and obligations under the Program Agreements. Servicer shall, within ten (10) Business Days of a Service Transfer, transfer its electronic records relating to the Loans to the Successor Servicer in such electronic form as the Successor Servicer may reasonably request and shall promptly transfer to the Successor Servicer all other records, correspondence and documents necessary for the continued servicing and enforcement of the Loans in the manner and at such times as the Successor Servicer shall reasonably request. The Servicer shall be responsible for all expenses incurred in transferring the servicing duties to the Successor Servicer and such expenses incurred in transferring the servicing duties to the Successor Servicer may be deducted by Lender from [*****]. To the extent that compliance with this Section shall require Servicer to disclose to the Successor Servicer information of any kind which Servicer reasonably deems to be proprietary and confidential, the Successor Servicer shall be required to enter into such customary confidentiality agreements as Servicer shall deem reasonably necessary to protect its interests.

Notwithstanding the foregoing, a delay in or failure of performance shall not constitute a Servicer Default (i) under paragraph (a) above for a period of five (5) Business Days after the applicable grace period or (ii) under paragraph (b) or (c) above for a period of fifteen (15) Business Days after the applicable grace period, if such delay or failure could not be prevented by the exercise of reasonable diligence by Servicer and such delay or failure was caused by an act of God or the public enemy, acts of declared or undeclared war, public disorder, rebellion or sabotage, epidemics, landslides, lightning, fire, hurricanes, earthquakes, floods or similar causes. The preceding sentence shall not relieve Servicer from using all commercially reasonable efforts to perform its obligations in a timely manner in accordance with the terms of this Servicing Agreement and Servicer shall provide Lender with an Officer’s Certificate giving prompt notice of such failure or delay by it, together with a description of its efforts so to perform its obligations.

Section 4.02. Appointment of Successor Servicer.

(a) On and after the receipt by Servicer of a Termination Notice pursuant to Section 4.01, Servicer shall continue to perform all servicing functions under this Servicing Agreement until the date specified in the Termination Notice or otherwise specified by Lender or until a date mutually agreed upon by Servicer and Lender. Lender shall as promptly as possible after the giving of a Termination Notice appoint the Backup Servicer or on commercially reasonable terms another third party servicing entity selected by Lender in its sole discretion, or itself on commercially reasonable terms, as the successor servicer of this Servicing Agreement (the “Successor Servicer”), and such Successor Servicer, if a third party, shall accept its appointment by a written assumption in a form acceptable to Lender. In the event that a Successor Servicer has not been appointed or has not accepted its appointment at the time when Servicer ceases to act as Servicer, Lender, without further action, shall automatically be appointed on commercially reasonably terms the Successor Servicer. Notwithstanding the foregoing, Lender shall, if it is legally unable or unwilling so to act, petition a court of competent jurisdiction to appoint any established institution qualifying as the Successor Servicer hereunder.

(b) Upon its appointment, the Successor Servicer shall be the successor in all respects to Servicer with respect to servicing functions and collection of any payment of fees or expenses under this Servicing Agreement and shall be subject to all the responsibilities, duties and
liabilities relating thereto placed on Servicer by the terms and provisions hereof, and all references in this Servicing Agreement to Servicer shall be deemed to refer to the Successor Servicer; provided, however, that the Lender shall reserve the right to amend or modify the terms of this Servicing Agreement as a condition to engaging any third-party Successor Servicer provided that, the Performance Fee and Servicing Fee due to Servicer under the Economics Agreement shall be reduced only by the reasonable amount that Lender would have to pay to an independent Successor Servicer in an arms’ length transaction.

ARTICLE V
REPRESENTATIONS AND WARRANTIES

Section 5.01 Representatives and Warranties of Servicer. Servicer represents and warrants to Lender as follows:

(a) Organization and Good Standing. Servicer is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Georgia, except where its failure to do so would not reasonably be expected to result in a Material Adverse Effect. Servicer shall be entitled, however, to convert into a Georgia or Delaware corporation.

(b) Power and Authority; Enforceability. Servicer has all necessary company power and authority to enter into this Servicing Agreement and to perform all of the obligations to be performed by it under this Servicing Agreement. This Servicing Agreement and the consummation by Servicer of the transactions contemplated hereby have been duly authorized by all company action of Servicer, and this Servicing Agreement has been duly executed and delivered by Servicer and constitutes the valid and binding obligation of Servicer, enforceable against Servicer in accordance with its terms (except as such enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium, receivership, conservatorship, and other laws relating to or affecting creditors’ rights generally and by general equity principles).

(c) Origination Agreement Representations. All of the representations and warranties made by Servicer under Sections 4.01 and 4.02 of the Origination Agreement are hereby incorporated by reference and restated as representations and warranties made as of the date hereof and as of each Settlement Date (as that term is defined in the Origination Agreement) under this Servicing Agreement.

(d) Data Integrity. All information provided by Servicer to Lender through Servicer’s servicing platform relating to each Loan is true, correct and consistent, in all material respects, with the information obtained or generated by Servicer in connection with its servicing of each such Loan.

(e) Ability to Service. Servicer is a servicer of consumer loans, with the facilities, procedures and experienced personnel reasonably necessary for the servicing of Loans hereunder.

Section 5.02 Representatives and Warranties of Lender. Lender represents and warrants to Servicer as follows:

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(a) **Organization and Good Standing.** Lender is a state bank duly organized, validly existing and in good standing under the laws of the State of Georgia.

(b) **Power and Authority; Enforceability.** Lender has all necessary corporate power and authority to enter into this Servicing Agreement and to perform all of the obligations to be performed by it under this Servicing Agreement. This Servicing Agreement and the consummation by Lender of the transactions contemplated hereby have been duly authorized by all corporate action of Lender, and this Servicing Agreement has been duly executed and delivered by Lender and constitutes the valid and binding obligation of Lender, enforceable against Lender in accordance with its terms (except as such enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium, receivership, conservatorship and other laws relating to or affecting creditors' rights generally and by general equity principles).

(c) **Origination Agreement Representations.** All of the representations and warranties made by Lender under Sections 4.03 of the Origination Agreement are hereby incorporated by reference and restated as representations and warranties made as of the date hereof and as of each Settlement Date (as that term is defined in the Origination Agreement) under this Servicing Agreement.

**ARTICLE VI**

**TERM AND TERMINATION**

**Section 6.01 Term.**

(a) This Servicing Agreement shall begin on the Effective Date and end on the date that all Loans have been repaid in full (other than charged-off Loans) and the statute of limitations on collections of the charged-off Loans has expired (unless any disputes are in the process of being resolved and Lender and Servicer agree that the Servicing Agreement shall remain in effect until such disputes are resolved), unless sooner terminated as provided herein.

(b) Upon termination of Servicer’s Servicing under this Servicing Agreement, and at Lender’s sole cost and expense, Servicer agrees to reasonably cooperate with and provide to the Successor Servicer, termination assistance intended to allow the Servicing to continue without material interruption or material adverse effect and/or to facilitate the orderly migration and transfer of the Servicing to the Successor Servicer, if applicable (“Termination Assistance”), including without limitation assistance to promptly resolve any data discrepancies or errors or any technology conversion or compatibility issues. For a period of up to six (6) months following the date of termination, Servicer will provide, at Lender’s request and expense, any or all Termination Assistance. Termination Assistance Services will be negotiated in good faith and shall be paid currently and not by means of any setoff or offset.

**ARTICLE VII**

**MISCELLANEOUS PROVISIONS**

**Section 7.01 Amendment.** This Servicing Agreement may not be modified or amended except by a writing executed by the Parties hereto.
Section 7.02 Governing Law. This Servicing Agreement shall be construed in accordance with the laws of the State of Georgia, 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.

Section 7.03 Notices. All demands, notices, documentation, deliverables and communications hereunder shall be in writing and shall be deemed to have been duly given when actually delivered by a nationally recognized overnight courier or, if rejected by the addressee, when so rejected, or, if mailed, when deposited in the United States mail, as first class, certified or registered mail postage prepaid, or via .pdf format or via email upon, in each case, electronic confirmation of receipt thereof by the other Party, directed to the address shown as follows:

If to Servicer: GreenSky, LLC
5565 Glenridge Connector, Suite 700
Atlanta, Georgia 30342
Attention: President

and, with respect to formal notices and legal correspondence, with a copy to:

GreenSky, LLC
5565 Glenridge Connector, Suite 700
Atlanta, Georgia 30342
Attention: Chief Legal Officer

If to Lender: Synovus Bank
1111 Bay Avenue
Card Services Director
Columbus, Georgia 31901
Attention: Christopher Pyle

and, with respect to formal notices and legal correspondence, with a copy to:

Synovus Centre
1111 Bay Avenue, Suite 500
Columbus, GA 31901
Attention: Allan E. Kamensky

Section 7.04 Severability of Provisions. If any one or more of the covenants, agreements, provisions or terms of this Servicing Agreement 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, and terms of this Servicing Agreement and shall in no way affect the validity or enforceability of the other provisions of this Servicing Agreement.

Section 7.05 Assignment. This Servicing Agreement is binding upon the Parties and their successors and assigns. Neither Party may assign this Servicing Agreement or any of its
rights or obligations hereunder to any Person that is not an Affiliate without the prior written consent of the other Party, which may be withheld. Any purported assignment to a Person, without such prior written consent shall be void. Notwithstanding the foregoing, (a) provided that any such security interest is released before (or contemporaneously with) any Retained Economics Loan becoming a Participated Loan, Lender may grant a security interest in all or part of the Retained Economics Loans to any Person without limitation or restriction provided that any Person that acquires any security interest therein agrees to be bound by the terms of this Servicing Agreement and the Origination Agreement, (b) in the event that the Origination Agreement has been terminated and any remaining Retained Economic Loan is not then subject to a [*****], Lender may sell, convey or assign such Retained Economics Loan to any Person without limitation or restriction provided that such Person that acquires any interest therein agrees to be bound by the terms of this Servicing Agreement and the Economics Agreement with respect to such Retained Economic Loan (to the extent that such sale does not occur pursuant to Section 2.12 of the Origination Agreement), and (c) Servicer may assign its interest hereunder as part of the sale, transfer or assignment of all or substantially all of the assets or business of the Servicer or the sale, transfer or assignment of equity interests of the Servicer (or any holding company thereof) so long as such successor to such sale, transfer or assignment assumes in writing all of the obligations of the Servicer hereunder and under the Origination Agreement and the Economics Agreement in a manner reasonably satisfactory to the Lender.

Section 7.06 Further Assurances. Servicer and Lender agree to do and perform, from time to time, any and all acts and to execute any and all further instruments required or reasonably requested by the other Party more fully to effect the purposes of this Servicing Agreement.

Section 7.07 No Waiver; Cumulative Remedies. No failure to exercise and no delay in exercising, on the part of Servicer or Lender, 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 7.08 Counterparts. This Servicing Agreement may be executed in two or more counterparts (and by different Parties on separate counterparts), each of which shall be an original, but all of which together shall constitute one and the same instrument.

Section 7.09 Binding. This Servicing Agreement will inure to the benefit of and are binding upon the Parties hereto and their respective successors and permitted assigns.

Section 7.10 Merger and Integration. Except as specifically stated otherwise herein, this Servicing Agreement and the Schedules attached hereto (the language of which Schedules is hereby incorporated by reference herein and made a part hereof), together with any applicable Servicing Supplement(s), the Origination Agreement and the Economics Agreement 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 Servicing Agreement. This Servicing Agreement may not be modified, amended, waived or supplemented except as provided herein.
Notwithstanding the foregoing, the ongoing covenants and obligations of the Servicer set forth in Sections 5.01, the “Compliance Conditions”, and Schedules 8.1 through 8.6 of the Origination Agreement are hereby incorporated into the Servicing Agreement and shall remain in effect notwithstanding the termination or expiration of the Origination Agreement.

Section 7.11 **Headings.** The headings are for purposes of reference only and shall not otherwise affect the meaning or interpretation of any provision hereof.

Section 7.12 **Survival.** All representations, warranties and agreements contained in this Servicing Agreement shall remain operative and in full force and effect and shall survive until the termination of this Servicing Agreement. In addition, the termination or expiration of this Servicing Agreement shall not affect the rights of either Party to recover for breaches occurring prior thereto or with respect to provisions of this Servicing Agreement that by their terms continue after termination.

Section 7.13 **Third-Party Claims.** The Servicer hereby agrees to indemnify and hold the Lender harmless from and with respect to Indemnified Costs in accordance with Schedule C attached hereto.

Section 7.14 **Consent to Jurisdiction and Venue; Waiver of Jury Trial.**

(a) EACH PARTY HERETO ACKNOWLEDGES THAT ANY DISPUTE OR CONTROVERSY BETWEEN THE SERVICER AND THE LENDER WOULD BE BASED ON DIFFICULT AND COMPLEX ISSUES OF LAW AND FACT AND WOULD RESULT IN DELAY AND EXPENSE TO THE PARTIES. ACCORDINGLY, TO THE EXTENT PERMITTED BY APPLICABLE LAW, EACH OF THE LENDER AND THE SERVICER HEREBY WAIVES ITS RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING OF ANY KIND OR NATURE IN ANY COURT OR TRIBUNAL IN WHICH AN ACTION MAY BE COMMENCED BY OR AGAINST ANY PARTY HERETO ARISING OUT OF THIS SERVICING AGREEMENT, THE ORIGINATION AGREEMENT, ANY LOAN AND/OR THE TRANSACTIONS CONTEMPLATED HEREBY AND/OR THEREBY OR BY REASON OF ANY OTHER SUIT, CAUSE OF ACTION OR DISPUTE WHATSOEVER BETWEEN OR AMONG THE SERVICER OR THE LENDER OF ANY KIND OR NATURE RELATING TO ANY OF THIS SERVICING AGREEMENT, THE ORIGINATION AGREEMENT OR THE LOANS.

(b) EACH OF THE SERVICER AND THE LENDER HEREBY AGREES THAT THE FEDERAL DISTRICT COURT OF THE NORTHERN DISTRICT OF GEORGIA AND ANY STATE COURT LOCATED IN ATLANTA, GEORGIA, SHALL HAVE THE EXCLUSIVE JURISDICTION TO HEAR AND DETERMINE ANY CLAIMS OR DISPUTES BETWEEN THE SERVICER AND THE LENDER, PERTAINING DIRECTLY OR INDIRECTLY TO THIS SERVICING AGREEMENT, THE ORIGINATION AGREEMENT, ANY LOAN AND/OR THE TRANSACTIONS CONTEMPLATED HEREBY AND/OR THEREBY OR TO ANY MATTER ARISING HEREFROM OR THEREFROM. THE SERVICER AND THE LENDER EXPRESSLY SUBMIT AND CONSENT IN ADVANCE TO SUCH JURISDICTION IN ANY ACTION OR PROCEEDING COMMENCED IN SUCH COURTS WITH RESPECT TO SUCH CLAIMS OR DISPUTES. EACH PARTY FURTHER
WAIVES ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE VENUE OF ANY SUCH ACTION OR PROCEEDING IN ANY SUCH COURT OR THAT SUCH ACTION OR PROCEEDING WAS BROUGHT IN AN INCONVENIENT FORUM, AND EACH AGREES NOT TO PLEAD OR CLAIM THE SAME. THE CHOICE OF FORUM SET FORTH IN THIS SECTION SHALL NOT BE DEEMED TO PRECLUDE THE BRINGING OF ANY ACTION BY THE A PARTY HERETO OR THE ENFORCEMENT BY A PARTY HERETO OF ANY JUDGMENT OBTAINED IN SUCH FORUM IN ANY OTHER APPROPRIATE JURISDICTION.

(c) Each Party acknowledges that it has been represented by legal counsel of its own choosing and has been advised of the intent, scope and effect of this Section 7.14 and has voluntarily entered into this Servicing Agreement and this Section 7.14.

ARTICLE VIII
SUPPLEMENTAL PROVISIONS

The covenants and obligations of the Parties set forth in Schedules 8.1, 8.2, 8.3, 8.4, 8.5 and 8.6 of the Origination Agreement are hereby incorporated by reference herein (in addition to other incorporations by reference set forth herein).

ARTICLE IX
DAMAGES

Section 9.01 Servicer’s Damages. In the event of a Default by Lender of this Servicing Agreement, Lender shall be liable for all of Servicer’s damages under applicable Law, except to extent such damages are attributable to a Default by Servicer of any Origination Papers.

Section 9.02 Lender’s Damages. In the event of a Default by Servicer of this Servicing Agreement, and in addition to the termination remedies set forth in Article IV hereof, Servicer shall be liable for all of Lender’s damages under applicable Law, except to extent such damages are attributable to a Default by Lender of any Origination Papers, and for the sake of clarity, such damages shall include, but not be limited to, any fines or penalties imposed on Lender by a federal or state bank regulatory agency.

Section 9.03 Types of Damages. Except as expressly provided in Sections 9.01 and 9.02, in no event shall either Servicer or Lender, or any of their respective officers, directors, employees, agents or affiliates, be liable for any indirect, incidental, special, punitive, exemplary or consequential damages of any type whatsoever, including without limitation lost profits (even if advised of the possibility thereof) arising in any way from the transactions contemplated hereunder. The foregoing limitation shall not limit any liabilities, obligations or recoveries pursuant to Section 7.13 hereof, the obligation of the Servicer to purchase Loans pursuant to Section 2.07 of the Origination Agreement, or the obligation of the Lender to pay the Servicing Fee and the Performance Fee.

[Remainder of the page intentionally left blank, Signature Page follows]
IN WITNESS WHEREOF, Servicer and Lender have caused this Agreement to be duly executed by their respective officers as of the day and year first above written.

GREENSKY, LLC

By: /s/ Timothy D. Kaliban
Name: Timothy D. Kaliban
Title: President

SYNOVUS BANK

By: /s/ Christopher Pyle
Name: Christopher Pyle
Title: Group Executive
Schedule A Servicing
Schedule B [*****]
Schedule C Indemnification for Third-Party Claims
Schedule D Form of Confidential Settlement and Release Agreement
ECONOMICS AGREEMENT

THIS ECONOMICS AGREEMENT (this “Agreement”) dated as of May 27, 2020 (the “Effective Date”), by and between GREENSKY, LLC, a Georgia limited liability company (including its direct or indirect subsidiaries that provide, directly or indirectly, any of the services contemplated hereby, “Servicer”) and SYNOVUS BANK, a Georgia state-chartered bank (“Lender”). As used herein, “Party,” shall mean Servicer or Lender, as applicable, and “Parties” shall mean both Servicer and Lender.

W I T N E S S E T H:

WHEREAS, Servicer is in the business of providing clerical, ministerial, marketing and administrative services and a technology platform to lenders in connection with lenders originating consumer loans for their own account, primarily through a network of Program Merchants and Sponsors (as defined herein) or through consumer direct channels (the “GreenSky® Program”); and

WHEREAS, the GreenSky® Program is administered by Servicer on behalf and under the direction and control of federally-insured and federal- or state-chartered financial institutions participating in the GreenSky® Program, which includes the Lender; and

WHEREAS, as of the date hereof and simultaneously with this Agreement, Servicer and Lender are entering into (a) a new Facility Loan Origination Agreement (as hereinafter amended, the “Origination Agreement”), pursuant to which Lender will fund (or otherwise acquire) and own Loans thereunder, which will be originated through the GreenSky® Program, and (b) a new Facility Servicing Agreement (as hereinafter amended, the “Servicing Agreement”), pursuant to which Servicer will service such Loans owned by Lender and on behalf of Lender as a first-party servicer using the name of the GreenSky® Program or Lender; and

WHEREAS, Lender and Servicer are entering into this Agreement to set forth certain economic terms and conditions for the Loans under new Origination Agreement and the new Servicing Agreement and the transactions contemplated thereby; and

WHEREAS, this Agreement shall not apply to the loans previously funded (or otherwise acquired) and owned by Lender under the existing Loan Origination Agreement, dated as of August 4, 2015, by and between Servicer and Lender, as amended, modified and supplemented from time to time (the “Original Loan Origination Agreement”), and being serviced by Servicer on behalf of Lender under the existing Servicing Agreement, dated as of August 4, 2015, by and between Servicer and Lender, as amended, modified and supplemented from time to time (the “Original Servicing Agreement”), except to the extent otherwise provided in the definition of Loan contained herein.
NOW, THEREFORE, in consideration of the mutual covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, it is hereby agreed by and between Servicer and Lender as follows:

ARTICLE I
DEFINITIONS

Section 1.01 Definitions. Capitalized terms used herein or in any certificate or document made or delivered pursuant hereto shall have the following meanings:

“[*****]”

“Finance Charge Reversal” shall mean, for any calendar month, the amount of any interest previously billed on a Retained Economics Loan (whether or not immediately payable) that is reversed during such month pursuant to the terms of a promotional offering.

“Index Rate” means [*****].

“Loan” shall mean either (a) a loan originated pursuant to the Origination Agreement, (b) a loan originated (or otherwise acquired) and owned by Lender pursuant to the Original Loan Origination Agreement to the extent that Lender and Servicer agree (which agreement may be via email) that such loan shall constitute a Loan for the purposes of the Origination Agreement, the Servicing Agreement and this Agreement (in which case the Origination Agreement, the Servicing Agreement and this Agreement shall apply to such loan in lieu of the Original Loan Origination Agreement and the Original Servicing Agreement, effective as of the date agreed by Lender and Servicer, and such loan, the Outstanding Balance of such loan and any amounts billed thereon shall only be included in any calculations under the Origination Agreement, the Servicing Agreement and this Agreement from and after such effective date) or (c) an Acquired Loan, together with any amounts, including interest, fees and other charges, generated with respect thereto; provided, that (i) in respect of any Participated Loan, from and after the Cutoff Date relating thereto (or date that an Economic Participation is granted pursuant to Section 2.07 of the Servicing Agreement, if applicable), such Participated Loan shall be disregarded for the purposes of the calculation of Outstanding Balance and the Monthly Accounting pursuant to this Agreement, and (ii) in respect of any Sold Loan, from and after the Cutoff Date relating thereto, such Loan shall no longer be considered a “Loan” hereunder for any purpose; provided, however, for the purposes of calculating the Outstanding Balance, the Monthly Accounting, the Total Bank Spread, the Performance Fee and the Retained Economics Loans Servicing Fee with respect to any period that begins prior to a Cutoff Date relating to a Participated Loan or Sold Loan (or date that an Economic Participation is granted in a Loan pursuant to Section 2.07 of the Servicing Agreement, if applicable) and ends after such date, the relevant Loan, the Outstanding Balance of such Loan and any amounts billed thereon during such period up until such date, as applicable, shall be included for the portion of such period prior to such date and excluded for the portion of such period from and after such date.

“Monthly Accounting” has the meaning set forth in Section 2.01(a).
“Payment Date” shall mean the sixth calendar day of month, but if such calendar day is not a Business Day, then the first Business Day after the sixth calendar day of the month.

“Performance Fee” has the meaning set forth in Section 2.01(c).

“Purchaser Servicing Fee” has the meaning set forth in the Origination Agreement.

“Purchase Price” has the meaning set forth in the Origination Agreement.

“Retained Economics Loans” shall have the meaning set forth in the Origination Agreement.

“Retained Economics Loans Servicing Fee” has the meaning set forth in Section 2.01(b).

“Retained Economics Loans” shall have the meaning set forth in the Origination Agreement.

Section 1.02 Other Definitional Provisions.

(a) All terms defined in this Agreement shall have the defined meanings when used in any certificate or other document made or delivered pursuant hereto unless otherwise defined therein.

(b) All capitalized terms used herein and not otherwise defined herein shall have meanings ascribed to them in the Origination Agreement or Servicing Agreement, as applicable.

(c) The words “hereof,” “herein” and “hereunder” and any words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement; and Section, Subsection and Schedule references contained in this Agreement are references to Sections, Subsections and Schedules in or to this Agreement unless otherwise specified.

ARTICLE II
RETAINED ECONOMICS LOANS

Section 2.01 Performance Fee and Servicing Fee for Retained Economics Loans.
(a) No later than the Business Day prior to the Payment Date each month during the term of this Servicing Agreement, Servicer shall calculate a “Monthly Accounting” for Retained Economics Loans with respect to the prior month as follows and forward such calculation and the detail therefor to Lender:

[*****]

For clarification purposes, except to the extent provided in the definition of Loans in Section 1.01, this Agreement shall not apply to the loans previously funded (or otherwise acquired) and owned by Lender under the existing Original Loan Origination Agreement that are being serviced by Servicer on behalf of Lender under the Original Servicing Agreement (the “Existing Portfolio Loans”), and such Existing Portfolio Loans shall be excluded from the provisions of this Agreement and the economic terms and conditions for such Existing Portfolio Loans shall be governed by the provisions of the Original Loan Origination Agreement and the Original Servicing Agreement.

(b) On each Payment Date, Lender will pay Servicer a “Retained Economics Loans Servicing Fee” equal to [*****].

[*****]

Section 2.02 Reduction of Performance Fee and Servicing Fee. From and after the delivery of a Termination Notice pursuant to the Servicing Agreement, the Performance Fee and Servicing Fee due to Servicer under this Article II shall be reduced by the commercially reasonable servicing fee in accordance with Section 4.02(b) of the Servicing Agreement paid by Lender to the Successor Servicer on Retained Economics Loans, but the remainder of the Performance Fee and Servicing Fee (in the case of the Servicing Fee, calculated only with respect to then outstanding Loans actually serviced by the Servicer) shall be paid to Servicer as contemplated by this Article II.

ARTICLE III
PARTICIPATED LOANS AND SOLD LOANS

Section 3.01 Participated Loans Servicing Fee. The Parties acknowledge that each Purchaser shall pay a monthly servicing fee to Lender in respect of the servicing activities to be undertaken by Lender as the account owner for the Economic Participations purchased by such Purchaser (each, a “Purchaser Servicing Fee”), which is expected to be calculated as [*****]. In respect of Servicer’s performance of responsibilities under the Servicing Agreement as Lender’s agent as a first-party servicer, Lender agrees that Lender shall pay to Servicer a portion of the Purchaser Servicing Fee actually paid by each Purchaser. Unless otherwise agreed by Lender and Servicer, the portion of each Purchaser Servicing Fee that Lender shall retain for its activities shall equal [*****], and, to the extent actually paid to Lender (or Servicer, on Lender’s behalf), the remainder of each Purchaser Servicing Fee shall be paid to Servicer. For administrative purposes, Lender agrees that a Purchaser, on Lender’s behalf, may pay the Purchaser Servicing Fee to Servicer (on behalf of Lender and as Lender’s agent as a first-party
servicer), and Servicer and Lender shall settle the respective portions of the Purchaser Servicing Fee due between them on each Payment Date.

Section 3.02 [*****]

Section 3.03 [*****]

ARTICLE IV
TERMINATION

4.01 Termination. This Agreement shall begin on the Effective Date and end on the date that the Servicing Agreement ceases to be in effect in accordance with its terms.

ARTICLE V
MISCELLANEOUS PROVISIONS

Section 5.01 Net Settlement. Notwithstanding anything to the contrary contained in this Agreement, the Parties agree that any amounts due between Lender and Servicer pursuant to this Agreement may be settled on a net basis. Servicer shall furnish to Lender the reports and information regarding the net settlement amounts and the Loans owned by Lender subject to this Agreement as Lender may reasonably request as necessary or appropriate.

Section 5.02 Amendment. This Agreement may not be modified or amended except by a writing executed by both Parties hereto.

Section 5.03 Governing Law. THIS AGREEMENT SHALL BE CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF GEORGIA, 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.

Section 5.04 Notices. All demands, notices, documentation, deliverables and communications hereunder shall be in writing and shall be deemed to have been duly given when actually delivered by a nationally recognized overnight courier or, if rejected by the addressee, when so rejected, or, if mailed, when deposited in the United States mail, as first class, certified or registered mail postage prepaid, directed to the address shown below, or via .pdf format or via email upon, in each case, electronic confirmation of receipt thereof by the other Party, as follows:

If to Servicer: GreenSky, LLC
5565 Glenridge Connector, Suite 700
Atlanta, Georgia 30342
Attention: President

and, with respect to formal notices and legal correspondence, with a copy to:
GreenSky, LLC  
5565 Glenridge Connector, Suite 700  
Atlanta, Georgia 30342  
Attention: Chief Legal Officer

If to Lender: Synovus Bank  
1111 Bay Avenue  
Card Services Director  
Columbus, Georgia 31901  
Attention: Christopher Pyle

and, with respect to formal notices and legal correspondence, with a copy to:

Synovus Centre  
1111 Bay Avenue, Suite 500  
Columbus, GA 31901  
Attention: General Counsel

Either Party shall have the right to change its notice address to another address within the continental United States of America upon providing notice to the other such Party.

Section 5.05 Severability of Provisions. If any one or more of the covenants, agreements, provisions or terms of this Agreement 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, and terms of this Agreement and shall in no way affect the validity or enforceability of the other provisions of this Agreement.

Section 5.06 Assignment. This Agreement is binding upon the Parties and their successors and assigns. Neither Party may assign this Agreement or any of its rights or obligations hereunder to any Person that is not an Affiliate without the prior written consent of the other Party. Any purported assignment to a Person without such prior written consent shall be void. Notwithstanding the foregoing, Servicer may assign its interest hereunder as part of the sale, transfer or assignment of all or substantially all of the assets or business of the Servicer or the sale, transfer or assignment of equity interests of the Servicer (or any holding company thereof) so long as such successor to such sale, transfer or assignment assumes in writing all of the obligations of the Servicer hereunder and under the Servicing Agreement in a manner reasonably satisfactory to the Lender.

Section 5.07 Further Assurances. Servicer and Lender agree to do and perform, from time to time, any and all acts and to execute any and all further instruments required or reasonably requested by the other Party more fully to effect the purposes of this Agreement, including, without limitation, the authorization or execution of any financing statements or amendments thereto or equivalent documents relating to the Loans for filing under the provisions of the UCC or other law of any applicable jurisdiction and to provide prompt notification to the other Party of any change in the name or the type or jurisdiction of organization of such Party.
Section 5.08 No Waiver; Cumulative Remedies. No failure to exercise and no delay in exercising, on the part of Servicer or Lender, 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 5.09 Counterparts. This Agreement may be executed in two or more counterparts (and by different Parties on separate counterparts), each of which shall be an original, but all of which together shall constitute one and the same instrument.

Section 5.10 Binding; Third-Party Beneficiaries. This Agreement will inure to the benefit of and are binding upon the Parties hereto and their respective successors and permitted assigns. There are no intended third-party beneficiaries of this Agreement.

Section 5.11 Merger and Integration. Except as specifically stated otherwise herein, this Agreement, including all schedules and exhibits hereto, the Origination Agreement, the Servicing Agreement and the Origination Papers (as defined in the Origination Agreement), set forth the entire understanding of the Parties relating to the subject matter hereof, and all prior understandings, written or oral, are superseded by this Agreement.

Section 5.12 Headings. The headings are for purposes of reference only and shall not otherwise affect the meaning or interpretation of any provision hereof.

Section 5.13 Survival. The termination or expiration of this Agreement shall not affect the rights of either Party to amounts that became due prior thereof or to recover for breaches occurring prior thereto or with respect to provisions of this Agreement that by their terms continue after termination.

Section 5.14 Waiver of Jury Trial; Jurisdiction.

(a) EACH PARTY HERETO ACKNOWLEDGES THAT ANY DISPUTE OR CONTROVERSY BETWEEN THE SERVICER AND THE LENDER WOULD BE BASED ON DIFFICULT AND COMPLEX ISSUES OF LAW AND FACT AND WOULD RESULT IN DELAY AND EXPENSE TO THE PARTIES. ACCORDINGLY, TO THE EXTENT PERMITTED BY APPLICABLE LAW, EACH OF THE LENDER AND THE SERVICER HEREBY WAIVES ITS RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING OF ANY KIND OR NATURE IN ANY COURT OR TRIBUNAL IN WHICH AN ACTION MAY BE COMMENCED BY OR AGAINST ANY PARTY HERETO ARISING OUT OF THIS AGREEMENT, ANY LOAN AND/OR THE TRANSACTIONS CONTEMPLATED HEREBY AND/OR THEREBY OR BY REASON OF ANY OTHER SUIT, CAUSE OF ACTION OR DISPUTE WHATSOEVER BETWEEN OR AMONG THE SERVICER OR THE LENDER OF ANY KIND OR NATURE RELATING TO ANY OF THIS AGREEMENT OR THE LOANS.
(b) EACH OF THE SERVICER AND THE LENDER HEREBY AGREES THAT THE FEDERAL DISTRICT COURT OF THE NORTHERN DISTRICT OF GEORGIA AND ANY STATE COURT LOCATED IN ATLANTA, GEORGIA, SHALL HAVE THE EXCLUSIVE JURISDICTION TO HEAR AND DETERMINE ANY CLAIMS OR DISPUTES BETWEEN THE SERVICER AND THE LENDER, PERTAINING DIRECTLY OR INDIRECTLY TO THIS AGREEMENT, ANY LOAN AND/OR THE TRANSACTIONS CONTEMPLATED HEREBY AND/OR THEREBY OR TO ANY MATTER ARISING HEREFROM OR THEREFROM. THE SERVICER AND THE LENDER EXPRESSLY SUBMIT AND CONSENT IN ADVANCE TO SUCH JURISDICTION IN ANY ACTION OR PROCEEDING COMMENCED IN SUCH COURTS WITH RESPECT TO SUCH CLAIMS OR DISPUTES. EACH PARTY FURTHER WAIVES ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE VENUE OF ANY SUCH ACTION OR PROCEEDING IN ANY SUCH COURT OR THAT SUCH ACTION OR PROCEEDING WAS BROUGHT IN AN INCONVENIENT FORUM, AND EACH AGREES NOT TO PLEAD OR CLAIM THE SAME. THE CHOICE OF FORUM SET FORTH IN THIS SECTION SHALL NOT BE DEEMED TO PRECLUDE THE BRINGING OF ANY ACTION BY THE PARTY HERETO OR THE ENFORCEMENT BY A PARTY HERETO OF ANY JUDGMENT OBTAINED IN SUCH FORUM IN ANY OTHER APPROPRIATE JURISDICTION.

(c) Each Party acknowledges that it has been represented by legal counsel of its own choosing and has been advised of the intent, scope and effect of this Section 5.14 and has voluntarily entered into this Agreement and this Section 5.14.

Section 5.15. Subsidiaries Providing Services. Pursuant to the first paragraph of this Agreement, any direct or indirect wholly-owned subsidiary of GreenSky, LLC may provide or be delegated any duties, obligations or responsibilities of GreenSky, LLC under this Agreement; provided, however, that (i) GreenSky, LLC shall not be released or relieved of any of its duties, obligations or responsibilities under this Agreement or any other Origination Papers, (ii) GreenSky, LLC and any such subsidiary shall be jointly and severally liable for any action or omission of any such subsidiary as if such action or omission were an action or omission of GreenSky, LLC, and (iii) any such subsidiary shall be subject to the audit, review and examination rights of Lender as set forth in the Origination Agreement (including Section 6.03 thereof) and the Servicing Agreement (including Section 2.04 thereof).

[Signature page follows]
IN WITNESS WHEREOF, Servicer and Lender have caused this Agreement to be duly executed by their respective officers as of the day and year first above written.

GREENSKY, LLC

By: /s/ Timothy D. Kaliban
Name: Timothy D. Kaliban
Title: President

SYNOVUS BANK

By: /s/ Christopher Pyle
Name: Christopher Pyle
Title: Group Executive
AMENDMENT NO. 1 TO SERVICING AGREEMENT

THIS AMENDMENT NO. 1 TO SERVICING AGREEMENT (this “Amendment”) is made as of June 30, 2020 (the “Effective Date”) by and between GreenSky, LLC, a Georgia limited liability company (“Servicer”), and BMO Harris Bank N.A., a national banking association (“Lender”). Capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed to such terms in the Servicing Agreement (as defined herein).

WITNESSETH:

WHEREAS, Lender and Servicer have previously entered into that certain Servicing Agreement dated as of November 5, 2018 (the “Servicing Agreement”);

WHEREAS, Lender and Servicer desire to amend the Servicing Agreement as set forth herein;

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Lender and Servicer hereby agree as follows:

1. The Servicing Agreement is hereby amended as follows:
   a. Section 3.01(d) of the Servicing Agreement is hereby deleted in its entirety and the following is substituted in lieu thereof:
      “[*****]”
   b. Effective April 1, 2020, Section 3.02 of the Servicing Agreement is hereby amended by deleting the first paragraph of the definition of “[*****]” set forth therein and substituting the following in lieu thereof:
      “[*****]”
   c. Section 3.02 of the Servicing Agreement is hereby amended by deleting the definition of “[*****]” set forth therein and substituting the following in lieu thereof:
      “[*****]”
   d. Schedule B attached to the Servicing Agreement is hereby deleted in its entirety and Schedule B attached to this Amendment is substituted in lieu thereof.

2. Except as expressly amended hereby, the Servicing Agreement shall remain in full force and effect.
3. This Amendment may be executed and delivered by Lender and Servicer in facsimile or PDF format and in any number of separate counterparts, all of which, when delivered, shall together constitute one and the same document.

[Signature page follows]
IN WITNESS WHEREOF, the parties have executed this Amendment as of the date first above written.

SERVICER:

GREENSKY, LLC

By: /s/ Timothy D. Kaliban
Name: Timothy D. Kaliban
Title: President

LENDER:

BMO HARRIS BANK N.A.

By: /s/ Mark Shulman
Name: Mark Shulman
Title: Head, Consumer Lending
### NON-EMPLOYEE DIRECTOR COMPENSATION PACKAGE

For service in 2020, GreenSky, Inc. (the “Company”) shall pay each non-employee director who is independent in accordance with the Nasdaq Stock Market and Securities and Exchange Commission rules governing director independence the following for service to the Company:

<table>
<thead>
<tr>
<th>Compensation Component</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual Cash Retainer</td>
<td>$60,000</td>
</tr>
<tr>
<td>Annual Equity Award</td>
<td>$200,000 in shares of restricted Class A common stock, vesting in full on the one year anniversary of the date of grant</td>
</tr>
<tr>
<td>Additional Cash Retainer for Audit Committee Chair</td>
<td>$15,000</td>
</tr>
<tr>
<td>Additional Cash Retainer for Compensation Committee Chair</td>
<td>$12,500</td>
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<tr>
<td>Additional Cash Retainer for Governance and Nominating Committee Chair</td>
<td>$9,000</td>
</tr>
<tr>
<td>Board Meeting Fees</td>
<td>None</td>
</tr>
</tbody>
</table>

The Company also will reimburse all directors for travel and other necessary business expenses incurred in the performance of director services and extend coverage to them under the Company's directors' and officers' indemnity insurance policy.
RESTRICTED STOCK AGREEMENT
PURSUANT TO THE
GREENSKY, INC. 2018 OMNIBUS INCENTIVE COMPENSATION PLAN

* * * * *

Participant: Robert Partlow
Grant Date: May 14, 2020
Number of Shares of Restricted Stock Granted: 187,500

* * * * *

THIS RESTRICTED STOCK AWARD AGREEMENT (this “Agreement”), dated as of the Grant Date specified above, is entered into by and between GreenSky, Inc., a Delaware corporation (the “Company”), and the Participant specified above, pursuant to the GreenSky, Inc. 2018 Omnibus Incentive Compensation Plan, as in effect and as amended from time to time (the “Plan”), which is administered by the Committee; and

WHEREAS, it has been determined under the Plan that it would be in the best interests of the Company to grant the shares of Restricted Stock provided herein to the Participant.

NOW, THEREFORE, in consideration of the mutual covenants and promises hereinafter set forth and for other good and valuable consideration, the parties hereto hereby mutually covenant and agree as follows:

1. **Incorporation by Reference; Plan Document Receipt.** This Agreement is subject in all respects to the terms and provisions of the Plan (including, without limitation, any amendments thereto adopted at any time and from time to time unless such amendments are expressly intended not to apply to the award provided hereunder), all of which terms and provisions are made a part of and incorporated in this Agreement as if they were each expressly set forth herein. Any capitalized term not defined in this Agreement shall have the same meaning as is ascribed thereto in the Plan. The Participant hereby acknowledges receipt of a true copy of the Plan and that the Participant has read the Plan carefully and fully understands its content. In the event of any conflict between the terms of this Agreement and the terms of the Plan, the terms of the Plan shall control.

2. **Grant of Restricted Stock Award.** The Company hereby grants to the Participant, as of the Grant Date specified above, the number of shares of Restricted Stock specified above. Except as otherwise provided by the Plan, the Participant agrees and understands that nothing contained in this Agreement provides, or is intended to provide, the Participant with any protection against potential future dilution of the Participant’s interest in the Company for any reason, and no adjustments shall be made for dividends in cash or other property, distributions or other rights in respect of any such Shares, except as otherwise specifically provided for in the Plan or this Agreement. Subject to Section 5 hereof, the
Participant shall not have the rights of a stockholder in respect of the Shares underlying this Award until such Shares are delivered to the Participant in accordance with Section 4 hereof.

3. **Vesting.**

   (a) Subject to the provisions of Sections 3(b), 3(c), 3(d) and 3(e) hereof, the Restricted Stock subject to this grant shall become unrestricted and vested as of the date(s) set forth below, provided the Participant has not incurred a Termination of Service prior to such vesting date:

<table>
<thead>
<tr>
<th>Vesting Date</th>
<th>Number of Shares</th>
</tr>
</thead>
<tbody>
<tr>
<td>1st anniversary of Grant Date</td>
<td>One-fourth of the shares of Restricted Stock</td>
</tr>
<tr>
<td>2nd anniversary of Grant Date</td>
<td>One-fourth of the shares of Restricted Stock</td>
</tr>
<tr>
<td>3rd anniversary of Grant Date</td>
<td>One-fourth of the shares of Restricted Stock</td>
</tr>
<tr>
<td>4th anniversary of Grant Date</td>
<td>One-fourth of the shares of Restricted Stock</td>
</tr>
</tbody>
</table>

   There shall be no proportionate or partial vesting in the periods prior to each vesting date and all vesting shall occur only on the appropriate vesting date, subject to the Participant’s continued employment or service with the Company or any of its Subsidiaries on each applicable vesting date.

   (b) **Change in Control.** Notwithstanding the foregoing, in the event no provision is made for the continuance, assumption or substitution of the Restricted Stock by the Company or its successor in connection with a Change in Control, then, contemporaneously with the Change in Control, the Restricted Stock subject to this Award shall become vested in full, to the extent not vested previously, provided the Participant has remained continuously employed by, or providing services to, the Company or any of its Subsidiaries from the Grant Date until the Change in Control. If provision is made for the continuance, assumption or substitution of the Restricted Stock by the Company or its successor in connection with the Change in Control, the Restricted Stock shall become vested in full, to the extent not vested previously, contemporaneously with the termination of the Participant’s employment with, or service to, the Company (or its successor) and its Subsidiaries, (i) if the Participant is covered under the Greensky, Inc. Executive Severance Plan (the “Severance Plan”), as provided for in the Severance Plan, or (ii) if the Participant is not covered under the Severance Plan, if the Participant’s employment with, or service to, the Company (or its successor) and its Subsidiaries is terminated by the Company (or its successor) or any of its Subsidiaries, on or within twenty-four (24) months after the Change in Control, for any reason other than Cause, death or Disability.

   (c) **Accelerated Vesting.** Notwithstanding the foregoing, if, on or after the 1st anniversary of the Grant Date, the Participant’s employment with, or service to, the Company (or its successor) and its Subsidiaries is terminated by the Participant for any reason whatsoever, then, contemporaneously with such Termination of Service, the Restricted Stock subject to this Award shall become vested in full, to the extent not vested previously.
(d) **Committee Discretion.** Notwithstanding the foregoing, the Committee may, in its sole discretion, accelerate vesting of the Restricted Stock at any time and for any reason.

(e) **Forfeiture.** Subject to the Committee’s discretion to accelerate vesting hereunder, all unvested shares of Restricted Stock that are not vested or that do not become vested upon the Participant’s Termination of Service (whether pursuant to the terms hereof or any severance plan or other plan, agreement or arrangement that applies to the Participant) shall be immediately forfeited upon the Participant’s Termination of Service for any reason.

4. **Period of Restriction; Delivery of Unrestricted Shares.** During the Period of Restriction, the Restricted Stock shall bear a legend as described in Section 8.6 of the Plan. When shares of Restricted Stock awarded by this Agreement become vested, the Participant shall be entitled to receive unvested Shares and if the Participant’s stock certificates contain legends restricting the transfer of such Shares, the Participant shall be entitled to receive new stock certificates free of such legends (except any legends requiring compliance with securities laws).

5. **Dividends and Other Distributions; Voting.** Participants holding Restricted Stock shall be entitled to receive all dividends and other distributions paid with respect to such Shares, provided that any such dividends or other distributions will be subject to the same vesting requirements as the underlying Restricted Stock and shall be paid at the time the Restricted Stock becomes vested pursuant to Section 3 hereof. If any dividends or distributions are paid in Shares, the Shares shall be deposited with the Company and shall be subject to the same restrictions on transferability and forfeitability as the shares of Restricted Stock with respect to which they were paid. The Participant may exercise full voting rights with respect to the shares of Restricted Stock granted hereunder.

6. **Non-Transferability.** The shares of Restricted Stock, and any rights and interests with respect thereto, issued under this Agreement and the Plan shall not, prior to vesting, be sold, exchanged, transferred, assigned or otherwise disposed of in any way by the Participant (or any beneficiary(ies) of the Participant), other than by testamentary disposition by the Participant or the laws of descent and distribution. Any attempt to sell, exchange, transfer, assign, pledge, encumber or otherwise dispose of or hypothecate in any way any of the Restricted Stock, or the levy of any execution, attachment or similar legal process upon the Restricted Stock, contrary to the terms and provisions of this Agreement and/or the Plan shall be null and void and without legal force or effect. Additionally, if any of the shares of Restricted Stock subject to this Award vest pursuant to Section 3(c) of this Agreement (the “Section 3(c) Vested Shares”), the Participant (and any beneficiary(ies) of the Participant) shall not sell, exchange, transfer, assign or otherwise dispose of, in any way, other than by testamentary disposition by the Participant or the laws of descent and distribution, the portion of the Section 3(c) Vested Shares that remain outstanding after the withholding of any shares pursuant to Section 8 below, prior to (i) the six (6)-month anniversary of the applicable vesting date pursuant to Section 3(c), with respect to one-third (1/3) of such Section 3(c) Vested Shares, (ii) the twelve (12)-month anniversary of the applicable vesting date pursuant to Section 3(c), with respect to another one-third (1/3) of such Section 3(c) Vested Shares, and (iii) the eighteen (18)-month anniversary of the applicable vesting date pursuant to Section 3(c), with respect to another one-third (1/3) of such Section 3(c) Vested Shares, and...
vesting date pursuant to Section 3(c), with respect to the remaining one-third (1/3) of such Section 3(c) Vested Shares (it being acknowledged and agreed that the foregoing restriction in this sentence (x) shall not apply to any shares of Restricted Stock subject to this Award that vest pursuant to Section 3(a), and (y) shall have no effect and be inapplicable on and after a Change in Control).

7. **Governing Law.** All questions concerning the construction, validity and interpretation of this Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware, without regard to the choice of law principles thereof.

8. **Withholding of Tax.** The Company shall have the power and the right to deduct or withhold, or require the Participant to remit to the Company, an amount sufficient to satisfy any federal, state, local and foreign taxes of any kind (including, but not limited to, the Participant’s FICA and other obligations) which the Company, in its sole discretion, deems necessary to be withheld or remitted to comply with the Code and/or any other Applicable Law with respect to the Restricted Stock and, if the Participant fails to do so, the Company may otherwise refuse to issue or transfer any Shares otherwise required to be issued pursuant to this Agreement. Any required withholding obligation with regard to the Participant may be satisfied as set forth in Section 19.1 of the Plan (if permitted by the Committee) by reducing the amount of cash or Shares otherwise deliverable to the Participant hereunder; provided, however, any required withholding obligation with regard to the Participant with respect to any Section 3(c) Vested Shares shall be satisfied by withholding from such Section 3(c) Vested Shares that number of shares having a Fair Market Value on the Tax Date equal to the amount to be withheld.

9. **Section 83(b).** If the Participant properly elects (as required by Section 83(b) of the Code) within 30 days after the issuance of the Restricted Stock to include in gross income for federal income tax purposes in the year of issuance the Fair Market Value of such shares of Restricted Stock, the Participant shall pay to the Company or make arrangements satisfactory to the Company to pay to the Company upon such election, any federal, state or local taxes required to be withheld with respect to the Restricted Stock. If the Participant shall fail to make such payment, the Company shall, to the extent permitted by law, have the right to deduct from any payment of any kind otherwise due to the Participant any federal, state or local taxes of any kind required by law to be withheld with respect to the Restricted Stock, as well as the rights set forth in Section 8 hereof. The Participant acknowledges that it is the Participant’s sole responsibility, and not the Company’s, to file timely and properly the election under Section 83(b) of the Code and any corresponding provisions of state tax laws if the Participant elects to make such election, and the Participant agrees to timely provide the Company with a copy of any such election.

10. **Legend.** All certificates representing the Restricted Stock shall have endorsed thereon the legend described in Section 8.6 of the Plan. Notwithstanding the foregoing, in no event shall the Company be obligated to deliver to the Participant a certificate representing the Restricted Stock prior to the vesting dates set forth above.

11. **Securities Representations.** The shares of Restricted Stock are being issued to the Participant and this Agreement is being made by the Company in reliance upon the following.
express representations and warranties of the Participant. The Participant acknowledges, represents and warrants that:

(a) The Participant has been advised that the Participant may be an “affiliate” within the meaning of Rule 144 under the Securities Act and in this connection the Company is relying in part on the Participant’s representations set forth in this Section 11.

(b) If the Participant is deemed an affiliate within the meaning of Rule 144 of the Securities Act, the shares of Restricted Stock must be held indefinitely unless an exemption from any applicable resale restrictions is available or the Company files an additional registration statement (or a “re-offer prospectus”) with regard to the shares of Restricted Stock, and the Company is under no obligation to register the shares of Restricted Stock (or to file a “re-offer prospectus”).

(c) If the Participant is deemed an affiliate within the meaning of Rule 144 of the Securities Act, the Participant understands that (i) the exemption from registration under Rule 144 will not be available unless (A) a public trading market then exists for the Shares, (B) adequate information concerning the Company is then available to the public, and (C) other terms and conditions of Rule 144 or any exemption therefrom are complied with, and (ii) any sale of the shares of vested Restricted Stock hereunder may be made only in limited amounts in accordance with the terms and conditions of Rule 144 or any exemption therefrom.

12. **Entire Agreement; Amendment.** This Agreement, together with the Plan, contains the entire agreement between the parties hereto with respect to the subject matter contained herein, and supersedes all prior agreements or prior understandings, whether written or oral, between the parties relating to such subject matter. The Committee shall have the right, in its sole discretion, to modify or amend this Agreement from time to time in accordance with and as provided in the Plan. This Agreement may also be modified or amended by a writing signed by both the Company and the Participant. The Company shall give written notice to the Participant of any such modification or amendment of this Agreement as soon as practicable after the adoption thereof.

13. **Notices.** Any notice hereunder by the Participant shall be given to the Company in writing and such notice shall be deemed duly given only upon receipt thereof by the General Counsel of the Company. Any notice hereunder by the Company shall be given to the Participant in writing and such notice shall be deemed duly given only upon receipt thereof at such address as the Participant may have on file with the Company.

14. **Acceptance.** As required by Section 8.2 of the Plan, the Participant shall forfeit the Restricted Stock if the Participant does not execute this Agreement within a period of sixty (60) days from the date that the Participant receives this Agreement (or such other period as the Committee shall provide).

15. **No Right to Employment or Service.** Any questions as to whether and when there has been a Termination of Service and the cause of such Termination of Service shall be determined in the sole discretion of the Committee. Nothing in this Agreement shall interfere
with or limit in any way the right of the Company or Subsidiaries to terminate the Participant’s employment or service at any time, for any reason and with or without Cause.

16. **Transfer of Personal Data.** The Participant authorizes, agrees and unambiguously consents to the transmission by the Company (or any Subsidiary) of any personal data related to the Restricted Stock awarded under this Agreement for legitimate business purposes (including, without limitation, the administration of the Plan). This authorization and consent is freely given by the Participant.

17. **Compliance with Laws.** The issuance of the Restricted Stock or unrestricted Shares pursuant to this Agreement shall be subject to, and shall comply with, any applicable requirements of any foreign and U.S. federal and state securities laws, rules and regulations (including, without limitation, the provisions of the Securities Act, the Exchange Act and in each case any respective rules and regulations promulgated thereunder) and any other law or regulation applicable thereto. The Company shall not be obligated to issue the Restricted Stock or any of the Shares pursuant to this Agreement if any such issuance would violate any such requirements.

18. **Section 409A.** Notwithstanding anything herein or in the Plan to the contrary, the shares of Restricted Stock are intended to be exempt from the applicable requirements of Section 409A of the Code and shall be limited, construed and interpreted in accordance with such intent.

19. **Binding Agreement; Assignment.** This Agreement shall inure to the benefit of, be binding upon, and be enforceable by the Company and its successors and assigns. The Participant shall not assign (except in accordance with Section 6 hereof) any part of this Agreement without the prior express written consent of the Company.

20. **Headings.** The titles and headings of the various sections of this Agreement have been inserted for convenience of reference only and shall not be deemed to be a part of this Agreement.

21. **Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which shall constitute one and the same instrument.

22. **Further Assurances.** Each party hereto shall do and perform (or shall cause to be done and performed) all such further acts and shall execute and deliver all such other agreements, certificates, instruments and documents as either party hereto reasonably may request in order to carry out the intent and accomplish the purposes of this Agreement and the Plan and the consummation of the transactions contemplated thereunder.

23. **Severability.** The invalidity or unenforceability of any provisions of this Agreement in any jurisdiction shall not affect the validity, legality or enforceability of the remainder of this Agreement in such jurisdiction or the validity, legality or enforceability of any provision of this Agreement in any other jurisdiction, it being intended that all rights and obligations of the parties hereunder shall be enforceable to the fullest extent permitted by law.
24. **Acquired Rights.** The Participant acknowledges and agrees that: (a) the Company may terminate or amend the Plan at any time; (b) the award of Restricted Stock made under this Agreement is completely independent of any other award or grant and is made at the sole discretion of the Company; (c) no past grants or awards (including, without limitation, the Restricted Stock awarded hereunder) give the Participant any right to any grants or awards in the future whatsoever; and (d) any benefits granted under this Agreement are not part of the Participant’s ordinary salary, and shall not be considered as part of such salary in the event of severance, redundancy or resignation.

[Remainder of Page Intentionally Left Blank]
IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

GREENSKY, INC.

By: /s/ David Zalik
Name: David Zalik
Title: Chief Executive Officer

PARTICIPANT

/s/ Robert Partlow
Name: Robert Partlow
AMENDMENT NO. 2 TO CREDIT AGREEMENT

dated as of
June 10, 2020,
among
GREENSKY HOLDINGS, LLC,
THE OTHER LOAN PARTIES PARTY HERETO,
THE LENDERS PARTY HERETO
and
JPMORGAN CHASE BANK, N.A.,
as Administrative Agent and Collateral Agent

JPMORGAN CHASE BANK, N.A.,
as Lead Arranger and Bookrunner
AMENDMENT NO. 2 TO CREDIT AGREEMENT

This AMENDMENT NO. 2 TO CREDIT AGREEMENT, dated as of June 10, 2020 (this “Amendment”), among GREENSKY HOLDINGS, LLC, a Georgia limited liability company (the “Borrower”), the Subsidiaries of the Borrower party hereto as Loan Parties, JPMORGAN CHASE BANK, N.A., as administrative agent (in such capacity, including any successor thereto, the “Administrative Agent”) under the Credit Agreement referred to below and as collateral agent (in such capacity, including any successor thereto, the “Collateral Agent”) under the Loan Documents, and each Tranche B-2 Term Lender (as defined below) party hereto.

RECITALS:

WHEREAS, reference is made to the Credit Agreement, dated as of August 25, 2017 (as amended by that certain Amendment No. 1 to Credit Agreement, dated as of March 29, 2018, and as further amended, restated, amended and restated, supplemented or otherwise modified from time to time prior to the date hereof, the “Existing Credit Agreement” and as may be further amended, restated, amended and restated, supplemented or otherwise modified from time to time, including by this Amendment, the “Credit Agreement”), among the Borrower, the lenders from time to time party thereto, the Administrative Agent and the Collateral Agent (capitalized terms used but not defined herein having the meaning provided in the Credit Agreement);

WHEREAS, pursuant to Section 2.14 of the Existing Credit Agreement, the Borrower wishes to incur Incremental Term Loans in an aggregate principal amount of $75,000,000 in the form of a new tranche of Tranche B-2 Term Loans (the “Tranche B-2 Term Loans”; the commitments in respect of such Tranche B-2 Term Loans, the “Tranche B-2 Commitments”; the Lenders with Tranche B-2 Term Commitments, the “Tranche B-2 Term Lenders”), which will be made available on the Amendment No. 2 Effective Date (as defined below), subject to the terms and conditions hereof, and which Tranche B-2 Term Loans shall constitute Term Loans for all purposes of the Credit Agreement and the other Loan Documents;

WHEREAS, contemporaneously with the effectiveness of the Tranche B-2 Term Commitments on the Amendment No. 2 Effective Date and pursuant to Section 2.14 of the Existing Credit Agreement, the Borrower wishes to make certain amendments to the Existing Credit Agreement to provide for the incurrence of the Tranche B-2 Term Loans; and

WHEREAS, this Amendment constitutes an Incremental Amendment, and the Borrower is hereby notifying the Administrative Agent that it is requesting the establishment of Incremental Term Loans pursuant to Section 2.14 of the Existing Credit Agreement.

NOW, THEREFORE, in consideration of the premises and agreements, provisions and covenants herein contained, the parties hereto agree as follows:

1. **Existing Credit Agreement Amendments.** Effective as of the Amendment No. 2 Effective Date, the Existing Credit Agreement is hereby amended as follows:

   (a) The Existing Credit Agreement is amended and supplemented by attaching thereto Schedule 2.01 hereto, which sets forth (i) the Tranche B-2 Term Commitments of each of the Tranche B-2 Term Lenders and (ii) the existing Revolving Commitments of each existing Revolving Lender under the Amendment No. 1 Effective Date Revolving Facility.

   (b) Section 1.01 of the Existing Credit Agreement is hereby amended by adding the
following new defined terms in their correct alphabetical order:

“Amendment No. 2” means Amendment No. 2 to Credit Agreement, dated as of June 10, 2020, among the Borrower, the other Loan Parties party thereto, the Administrative Agent, the Collateral Agent and the Tranche B-2 Term Lenders party thereto.

“Amendment No. 2 Effective Date” means June 10, 2020.

“Tranche B-2 Term Commitments” has the meaning assigned to such term in Amendment No. 2.

“Tranche B-2 Term Facility” means the Tranche B-2 Term Commitments and the Tranche B-2 Term Loans made hereunder.

“Tranche B-2 Term Facility Maturity Date” means March 29, 2025 (the seventh anniversary of the Amendment No. 1 Effective Date).

“Tranche B-2 Term Loan Borrowing” means any Borrowing comprised of Tranche B-2 Term Loans.

“Tranche B-2 Term Lender” means a Lender with a Tranche B-2 Term Commitment or an outstanding Tranche B-2 Term Loan.

“Tranche B-2 Term Loans” has the meaning assigned to such term in Amendment No. 2.

(c) Clause (a) of the definition of “Applicable Rate” set forth in Section 1.01 of the Existing Credit Agreement is hereby amended and restated in its entirety as follows:

“(a) (x) with respect to Tranche B-1 Term Loans, (i) 3.25% for Eurodollar Rate Loans and (ii) 2.25% for Base Rate Loans and (y) with respect to Tranche B-2 Term Loans, (i) 4.50% for Eurodollar Rate Loans and (ii) 3.50% for Base Rate Loans.”

(d) The definition of “Class” set forth in Section 1.01 of the Existing Credit Agreement is hereby amended by (i) adding a reference to “, Tranche B-2 Term Commitments” immediately following the reference to “Tranche B-1 Term Commitments” contained in clause (b) thereof, and (ii) adding a reference to “, Tranche B-2 Term Loans” immediately following the reference to “Tranche B-1 Term Loans” contained in clause (c) thereof.

(e) The definition of “Commitment” set forth in Section 1.01 of the Existing Credit Agreement is hereby amended by adding a reference to “, Tranche B-2 Term Commitment” immediately following the reference to “Tranche B-1 Term Commitment” contained therein.

(f) The definition of “Eurodollar Rate” set forth in Section 1.01 of the Existing Credit Agreement is hereby amended by replacing the second proviso thereof in its entirety with “provided, further, that in no such event shall the Eurodollar Rate be less than (x) 1.00% for Tranche B-2 Term Loans and (y) 0.00% for all other purposes of this Agreement.”

(g) The definition of “Facilities” set forth in Section 1.01 of the Existing Credit Agreement is
hereby amended by adding a reference to “Tranche B-2 Term Facility” immediately following the reference to “Tranche B-1 Facility” contained therein.

(h) The definition of “First Lien Obligations” set forth in Section 1.01 of the Existing Credit Agreement is hereby amended by adding a reference to “and Tranche B-2 Term Loans” immediately following each reference to “Tranche B-1 Term Loan” contained therein.

(i) The definition of “Maturity Date” set forth in Section 1.01 of the Existing Credit Agreement is hereby amended and restated in its entirety as follows:

“Maturity Date” means (i) with respect to the Tranche B-1 Term Loans that have not been extended pursuant to Section 2.16, the Tranche B-1 Term Facility Maturity Date, (ii) with respect to the Tranche B-2 Term Loans that have not been extended pursuant to Section 2.16, the Tranche B-2 Term Facility Maturity Date, (iii) with respect to the Amendment No. 1 Effective Date Revolving Facility, to the extent not extended pursuant to Section 2.16, the fifth anniversary of the Amendment No. 1 Effective Date, (iv) with respect to any Class of Extended Term Loans or Extended Revolving Commitments, the final maturity date as specified in the applicable Extension Amendment, (v) with respect to any Other Term Loans or Other Revolving Commitments, the final maturity date as specified in the applicable Refinancing Amendment, (vi) with respect to any Class of Replacement Loans, the final maturity date as specified in the applicable amendment to this Agreement in respect of such Replacement Loans and (vii) with respect to any Incremental Loans or Incremental Revolving Commitments, the final maturity date as specified in the applicable Incremental Amendment; provided, in each case, that if such day is not a Business Day, the applicable Maturity Date shall be the Business Day immediately succeeding such day.”

(j) The definition of “Permitted Incremental Equivalent Debt” set forth in Section 1.01 of the Existing Credit Agreement is hereby amended by adding a reference to “and Tranche B-2 Term Loans” immediately following each reference to “Tranche B-1 Term Loans” contained therein.

(k) Clause (38) of the definition of “Permitted Liens” set forth in Section 1.01 of the Existing Credit Agreement is hereby amended by (x) adding a reference to “or the Tranche B-2 Term Facility Maturity Date” immediately following the reference to “Tranche B-1 Term Facility Maturity Date” contained therein and (y) adding a reference to “and the Tranche B-2 Term Loans” immediately following the reference to “Tranche B-1 Term Loan” contained therein.

(l) The definition of “Repricing Transaction” set forth in Section 1.01 of the Existing Credit Agreement is hereby amended by replacing each reference to “Tranche B-1 Term Loans” contained therein with a reference to “Tranche B-2 Term Loans”.

(m) The definition of “Term Loan” set forth in Section 1.01 of the Existing Credit Agreement is hereby amended by adding a reference to “Tranche B-2 Term Loan” immediately following the reference to “Tranche B-1 Term Loan” contained therein.

(n) Section 2.01 of the Existing Credit Agreement is hereby amended by adding the following new clause (4) at the end thereof:

“(4) Subject to the terms and conditions set forth herein and in Amendment No. 2,
each Tranche B-2 Term Lender with a Tranche B-2 Term Commitment severally agrees to make on the Amendment No. 2 Effective Date, a Tranche B-2 Term Loan to the Borrower denominated in Dollars in a principal amount equal to such Tranche B-2 Term Lender’s Tranche B-2 Term Commitment on the Amendment No. 2 Effective Date. The Borrower may make only one borrowing under the Tranche B-2 Term Commitments, which shall be on the Amendment No. 2 Effective Date. Tranche B-2 Term Loans may be Base Rate Loans or Eurodollar Rate Loans, as further provided herein. Amounts borrowed under this Section 2.01(4) and repaid or prepaid may not be reborrowed.”.

(o) Section 2.06(2) of the Existing Credit Agreement is hereby amended by adding the following sentences at the end thereof: “The Tranche B-2 Term Commitment of each Term Lender on the Amendment No. 2 Effective Date shall be automatically and permanently reduced to $0 upon the making of such Lender’s Tranche B-2 Term Loans to the Borrower pursuant to Section 2.01(4).”.

(p) Section 2.07(1) of the Existing Credit Agreement is hereby amended by adding the following paragraph at the end thereof:

“The Borrower shall repay to the Administrative Agent for the ratable account of the Appropriate Lenders (a) on the last Business Day of each March, June, September and December, commencing on the last Business Day of September 2020, an aggregate principal amount equal to 0.25% of the aggregate principal amount of all Tranche B-2 Term Loans outstanding on the Amendment No. 2 Effective Date (which payments shall be reduced as a result of the application of prepayments in accordance with the order of priority set forth in Section 2.05) and (b) on the Tranche B-2 Term Facility Maturity Date, the aggregate principal amount of all Tranche B-2 Term Loans outstanding on such date. In connection with any Incremental Term Loans that constitute part of the same Class as the Tranche B-2 Term Loans, the Borrower and the Administrative Agent shall be permitted to adjust the rate of prepayment in respect of such Class such that the Term Lenders holding Tranche B-2 Term Loans comprising part of such Class continue to receive a payment that is not less than the same Dollar amount that such Term Lenders would have received absent the incurrence of such Incremental Term Loans; provided, that if such Incremental Term Loans are to be “fungible” with the Tranche B-2 Term Loans, notwithstanding any other conditions specified in this Section 2.07(1), the amortization schedule for such “fungible” Incremental Term Loan may provide for amortization in such other percentage(s) to be agreed by Borrower and the Administrative Agent to ensure that the Incremental Term Loans will be “fungible” with the Tranche B-2 Term Loans.”

(q) Section 2.14(5) of the Existing Credit Agreement is hereby amended by (i) adding a reference to “and Tranche B-2 Term Loans” immediately following each reference to “Tranche B-1 Term Loan” contained in the first sentence of Section 2.14(5) of the Existing Credit Agreement, and (ii) amending and restating clause (c) thereof in its entirety as follows:

“the amortization schedule applicable to any Incremental Term Loans and the All-In Yield applicable to the Incremental Term Loans of each Class shall be determined by the Borrower and the applicable Incremental Term Lenders and shall be set forth in each applicable Incremental Amendment; provided, however, that with respect to any Incremental Term Loans made under Incremental Term Commitments in the form of syndicated term loans within twelve (12) months of the Amendment No. 2 Effective Date
incurred pursuant to the Available Incremental Amount that rank equal in priority of right of security with the First Lien Obligations under this Agreement (but without regard to the control of remedies), the All-In Yield applicable to such Incremental Term Loans shall not be greater than the applicable All-In Yield payable pursuant to the terms of this Agreement as amended through the date of such calculation with respect to Tranche B-2 Term Loans, plus 50 basis points per annum unless the Applicable Rate (together with, as provided in the proviso below, the Adjusted Eurodollar Rate or Base Rate floor) with respect to the Tranche B-2 Term Loans is increased so as to cause the then applicable All-In Yield under this Agreement on the Tranche B-2 Term Loans to equal the All-In Yield then applicable to the Incremental Term Loans, minus 50 basis points per annum; provided that any increase in All-In Yield on the Tranche B-2 Term Loans due to the application of an Adjusted Eurodollar Rate or Base Rate floor on any Incremental Term Loan shall be effected solely through an increase in (or implementation of, as applicable) the Adjusted Eurodollar Rate or Base Rate floor applicable to such Tranche B-2 Term Loans. If such Incremental Term Loans are to be “fungible” with the Tranche B-1 Term Loans or Tranche B-2 Term Loans, notwithstanding any other conditions specified in this Section 2.14(5), the amortization schedule for such “fungible” Incremental Term Loan may provide for amortization in such other percentage(s) to be agreed by Borrower and the Administrative Agent to ensure that the Incremental Term Loans will be “fungible” with the Tranche B-1 Term Loans or Tranche B-2 Term Loans, as applicable.”

(r) Section 2.18 of the Existing Credit Agreement is hereby amended by (i) replacing the reference to “the six month anniversary of the Amendment No. 1 Effective Date” contained therein with a reference to “the twelve (12) month anniversary of the Amendment No. 2 Effective Date”, and (ii) replacing the reference to “Tranche B-1 Term Loans” contained therein with a reference to “Tranche B-2 Term Loans”.

(s) Section 6.14 of the Existing Credit Agreement is hereby amended by adding a reference to “and Tranche B-2 Term Loans” immediately following each reference to “Tranche B-1 Term Loans” contained therein.

(t) Section 7.02 of the Existing Credit Agreement is hereby amended by (i) adding a reference to “and the Tranche B-2 Term Facility Maturity Date” immediately following the reference to “Tranche B-1 Term Facility Maturity Date” contained in clause (x) of the second proviso to Section 7.02(a) of the Existing Credit Agreement and (ii) adding a reference to “and Tranche B-2 Term Loans” immediately following each reference to “Tranche B-1 Term Loan” contained in Section 7.02 of the Existing Credit Agreement.

(u) Section 7.02(b) of the Existing Credit Agreement is hereby amended by adding a reference to “and the Tranche B-2 Term Facility Maturity Date” immediately following the reference to “Tranche B-1 Term Facility Maturity Date” contained in clause (14) thereof.

2. **Tranche B-2 Term Loans.** Subject to the terms and conditions set forth herein, each Tranche B-2 Term Lender severally agrees to make Tranche B-2 Term Loans to the Borrower in a single borrowing in Dollars on the Amendment No. 2 Effective Date. The Tranche B-2 Term Loans shall be subject to the following terms and conditions:

(a) **Terms Generally.** On and after the Amendment No. 2 Effective Date, other than as set forth herein: (i) for all purposes under the Credit Agreement and the other Loan Documents, the Tranche B-2 Term Loans shall constitute “Term Loans” and shall have the same terms as the Term Loans outstanding immediately prior to the Amendment No.
2 Effective Date under the Existing Credit Agreement (the “Existing Term Loans”) and shall be treated for purposes of voluntary and mandatory prepayments and all other terms as Existing Term Loans under the Existing Credit Agreement (it being understood that the Tranche B-2 Term Loans shall constitute a separate Class of Term Loans from the Tranche B-1 Term Loans under the Credit Agreement), and (ii) each Tranche B-2 Term Lender shall be deemed, and shall have all rights of, a “Term Lender” under the Credit Agreement and the other Loan Documents.

(b) **Credit Agreement Governs.** Except as set forth in this Amendment, the Tranche B-2 Term Loans shall otherwise be subject to the provisions of the Credit Agreement and the other Loan Documents.

(c) **Use of Proceeds.** The proceeds of the Tranche B-2 Term Loans made on the Amendment No. 2 Effective Date shall be used for working capital, general corporate purposes and any other purposes not otherwise prohibited under the Credit Agreement and the other Loan Documents.

3. **Effective Date Conditions.** This Amendment will become effective on the first Business Day (the “Amendment No. 2 Effective Date”) on which each of the following conditions have been satisfied (or waived by the lead arranger and bookrunner noted on the cover page hereof (the “Lead Arranger”)) in accordance with the terms therein:

(a) the Administrative Agent (or its counsel) shall have received from each of the Borrower, the other Loan Parties party hereto and the Tranche B-2 Term Lenders, either (i) a counterpart of this Amendment signed on behalf of such party or (ii) written evidence satisfactory to the Administrative Agent (which may include facsimile or other electronic transmission of a signed counterpart of this Amendment) that such party has signed a counterpart to this Amendment;

(b) the Administrative Agent shall have received a certificate of each Loan Party party hereto dated as of the Amendment No. 2 Effective Date and executed by a secretary, assistant secretary or other senior officer (as the case may be) thereof (A) certifying and attaching the resolutions or similar consents adopted by such Loan Party approving or consenting to this Amendment and the Tranche B-2 Term Loans, (B) certifying that the Organizational Documents of each Loan Party party hereto either (x) have not been amended since the Closing Date or (y) are attached as an exhibit to such certificate, and (C) certifying as to the incumbency and specimen signature of each officer executing this Amendment and any related documents on behalf of each Loan Party party hereto;

(c) the Administrative Agent shall have received all fees and all reasonable and documented out-of-pocket costs and expenses and other amounts previously agreed to in writing by the Lead Arranger and the Borrower to be due on or prior to the Amendment No. 2 Effective Date (in the case of expenses, to the extent invoiced at least three Business Days prior to the Amendment No. 2 Effective Date (except as otherwise reasonably agreed by the Borrower));

(d) the representations and warranties in Section 4 of this Amendment shall be true and correct in all material respects on and as of the Amendment No. 2 Effective Date; provided that, to the extent that such representations and warranties specifically refer to an earlier date, they shall be true and correct in all material respects as of such earlier date; provided, further, that any representation and warranty that is qualified as to “materiality”, “Material Adverse Effect” or similar language shall be true and correct
4. **Representations and Warranties.** On the Amendment No. 2 Effective Date, each Loan Party hereby represents and warrants that:

(a) each Loan Party that is party hereto has all corporate or other organizational power and authority to execute, deliver and perform its obligations under this Amendment;

(b) the execution, delivery and performance by each Loan Party of this Amendment has been duly authorized by all necessary corporate or other organizational action, and this Amendment has been duly executed and delivered by each Loan Party that is party hereto;

(c) none of the execution, delivery and performance by each Loan Party that is party hereto of this Amendment will: (i) contravene the terms of any such Person’s Organizational Documents; (ii) result in any breach or contravention of, or the creation of any Lien upon the property or assets of such Person or any of the Restricted Subsidiaries (other than as permitted by Section 7.01 of the Credit Agreement) under (x) any Contractual Obligation to which such Loan Party is a party or affecting such Loan Party or the properties of such Loan Party or any of its Restricted Subsidiaries or (y) any order, injunction, writ or decree of any Governmental Authority or any arbitral award to which such Loan Party or its property is subject or (iii) violate any applicable Law, except with respect to any breach, contravention or violation (but not creation of Liens) referred to in the preceding clauses (ii) and (iii), to the extent that such breach, contravention or violation would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect;

(d) no material approval, consent, exemption, authorization, or other action by, or notice to, or filing with, any Governmental Authority is necessary or required in connection with the execution, delivery or performance by, or enforcement against, any Loan Party of this Amendment, except for: (i) the approvals, consents, exemptions, authorizations, actions, notices and filings that have been duly obtained, taken, given or made and are in full force and effect (except to the extent not required to be obtained, taken, given or made or in full force and effect pursuant to the Collateral and Guarantee Requirement) and (ii) those approvals, consents, exemptions, authorizations or other actions, notices or filings, the failure of which to obtain or make would not reasonably be expected to have,
individually or in the aggregate, a Material Adverse Effect;

(e) this Amendment constitutes a legal, valid and binding obligation of each Loan Party that is party hereto, enforceable against each such Loan Party in accordance with its terms, except as such enforceability may be limited by Debtor Relief Laws, by general principles of equity and principles of good faith and fair dealing; and

(f) both immediately before and immediately after giving effect to the Amendment No. 2 Effective Date and the incurrence of the Tranche B-2 Term Loans, (i) the representations and warranties of the Loan Parties set forth in the Credit Agreement and the other Loan Documents are true and correct in all material respects; provided that, to the extent that such representations and warranties specifically refer to an earlier date, they are true and correct in all material respects as of such earlier date; provided, further, that any representation and warranty that is qualified as to “materiality”, “Material Adverse Effect” or similar language is true and correct (after giving effect to any qualification therein) in all respects on such respective dates and (ii) no Default exists or will result from the consummation of this Amendment and the transactions contemplated hereby.

5. **Reaffirmation of the Loan Parties; Reference to and Effect on the Credit Agreement and the other Loan Documents.**

(a) Each Loan Party hereby consents to the amendment of the Existing Credit Agreement effected hereby and confirms and agrees that, notwithstanding the effectiveness of this Amendment, each Loan Document to which such Loan Party is a party is, and the obligations of such Loan Party contained in the Credit Agreement, this Amendment or in any other Loan Document to which it is a party are, and shall continue to be, in full force and effect and are hereby ratified and confirmed in all respects, in each case as amended by this Amendment. For greater certainty and without limiting the foregoing, each Loan Party hereby confirms that the existing security interests and/or guarantees granted by such Loan Party in favor of the Secured Parties pursuant to the Loan Documents in the Collateral described therein shall continue to secure the obligations of the Loan Parties under the Credit Agreement and the other Loan Documents and to the extent provided in the Loan Documents. Except as specifically amended by this Amendment, the Credit Agreement and the other Loan Documents shall remain in full force.

(b) Except to the extent expressly set forth in this Amendment, the execution, delivery and performance of this Amendment shall not constitute a waiver of any provision of, or operate as a waiver of any right, power or remedy of any Agent or Lender under, the Credit Agreement or any of the other Loan Documents.

(c) On and after the Amendment No. 2 Effective Date, each reference in the Credit Agreement to “this Amendment”, “hereunder”, “hereof”, “herein” or words of like import referring to the Credit Agreement, and each reference in the other Loan Documents to the “Credit Agreement”, “hereunder”, “thereof” or words of like import referring to the Credit Agreement shall mean and be a reference to the Credit Agreement as amended by this Amendment.

6. **Recordation of the New Loans.** Upon execution and delivery hereof, the Administrative Agent will record the Tranche B-2 Term Loans made by each Tranche B-2 Term Lender in the Register.

7. **Amendment, Modification and Waiver.** This Amendment may not be amended, modified or waived except as permitted by Section 10.01 of the Credit Agreement.
8. **Entire Agreement.** This Amendment, the other Loan Documents and any separate letter agreements with respect to fees payable to the Agents and the Lead Arranger constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Nothing in this Amendment or in the other Loan Documents, expressed or implied, is intended to confer upon any party other than the parties hereto and thereto any rights, remedies, obligations or liabilities under or by reason of this Amendment or the other Loan Documents. This Amendment shall not constitute a novation of any amount owing under the Credit Agreement and all amounts owing in respect of principal, interest, fees and other amounts pursuant to the Credit Agreement and the other Loan Documents shall, to the extent not paid on or prior to the Amendment No. 2 Effective Date, continue to be owing under the Credit Agreement or such other Loan Documents until paid in accordance therewith.

9. **GOVERNING LAW.** THIS AMENDMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

10. **Severability.** If any provision of this Amendment is held to be illegal, invalid or unenforceable, (a) the legality, validity and enforceability of the remaining provisions of this Amendment shall not be affected or impaired thereby and (b) the parties shall endeavor in good faith negotiations to replace the illegal, invalid or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the illegal, invalid or unenforceable provisions. The invalidity of a provision in a particular jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

11. **Counterparts.** This Amendment may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. Except as provided in Section 3, this Amendment shall become effective when it shall have been executed by the Administrative Agent and when the Administrative Agent shall have received counterparts hereof that, when taken together, bear the signatures of each of the other parties hereto, and thereafter shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. Delivery of an executed counterpart of a signature page of this Amendment by facsimile or other electronic imaging (including in .pdf format) means shall be effective as delivery of a manually executed counterpart of this Amendment.

12. **WAIVER OF JURY TRIAL.** EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AMENDMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AMENDMENT AND THE OTHER LOAN DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 12.

13. **Loan Document.** On and after the Amendment No. 2 Effective Date, this Amendment shall constitute a “Loan Document” for all purposes of the Credit Agreement and the other Loan
Documents.

[Signature Pages Follow]
IN WITNESS WHEREOF, each of the undersigned has caused its duly authorized officer to execute and deliver this Amendment as of the date first set forth above.

GREENSKY HOLDINGS, LLC

By: /s/ Timothy Kaliban
Name: Timothy Kaliban
Title: President

GREENSKY, LLC

By: /s/ Timothy Kaliban
Name: Timothy Kaliban
Title: President

GREENSKY OPERATIONS, LLC

By: /s/ Timothy Kaliban
Name: Timothy Kaliban
Title: President

GREENSKY SERVICING, LLC

By: /s/ Timothy Kaliban
Name: Timothy Kaliban
Title: President

GREENSKY PATIENT SOLUTIONS, LLC

By: /s/ Robert Partlow
Name: Robert Partlow
Title: Chief Financial Officer

GREENSKY MANAGEMENT COMPANY, LLC

By: /s/ Timothy Kaliban
Name: Timothy Kaliban
Title: President

[Signature Page to Amendment No. 2 to Credit Agreement]
JPMORGAN CHASE BANK, N.A., as Administrative Agent, Collateral Agent and a Tranche B-2 Term Lender

By: /s/ William R. Doolittle
   Name: William R. Doolittle
   Title: Executive Director

[Signature Page to Amendment No. 2 to Credit Agreement]
Schedule 2.01 Commitments
WAREHOUSE CREDIT AGREEMENT

dated as of May 11, 2020,
among
GS Investment I, LLC,
as Borrower

THE LENDERS FROM TIME TO TIME PARTY HERETO,

and

JPMORGAN CHASE BANK, N.A.,
as Administrative Agent
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WAREHOUSE CREDIT AGREEMENT

This WAREHOUSE CREDIT AGREEMENT, dated as of May 11, 2020 (as amended, supplemented, restated or otherwise modified from time to time in accordance with the terms hereof, this “Agreement”), is made by and among GS Investment I, LLC, a Georgia limited liability company, as borrower (the “Borrower”), the LENDERS (as defined in Article I), and JPMORGAN CHASE BANK, N.A., a national banking association, as administrative agent (in such capacity, the “Administrative Agent”).

WITNESSETH:

WHEREAS, the Borrower is a Georgia limited liability company that is a wholly owned subsidiary of GS Depositor I, LLC, a Georgia limited liability company (the “Seller”);

WHEREAS, the Seller may from time to time, pursuant to the terms of the Master Participation Agreement, purchase participations in certain consumer loans originated through the GreenSky® Program by an Origination Partner (or otherwise acquired by an Origination Partner from a Selling Bank Partner);

WHEREAS, the Borrower may from time to time purchase the Participations from the Seller pursuant to the terms of the Master Purchase Agreement and the Borrower may from time to time request Advances from the Lenders on the terms and conditions of this Agreement to fund its purchases of the Participations;

WHEREAS, simultaneously herewith, the Borrower has granted to the Administrative Agent, for the benefit of the Secured Parties, a security interest in the Participations acquired by the Borrower from Seller and all other property of the Borrower; and

WHEREAS, the Administrative Agent has been appointed by the Lenders to administer the facility arising hereunder, make certain payments and distributions hereunder, and to perform such other duties in the manner and pursuant to the terms herein set forth;

NOW THEREFORE, in consideration of the premises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE I
DEFINITIONS

SECTION 1.01 Definitions. As used in this Agreement and unless the context requires a different meaning, capitalized terms used but not defined herein (including the preamble hereto) shall have the meanings specified below:

“0% Interest Loan” means a Receivable that has an annual interest rate of 0% throughout the entire term of such Receivable.
“Account Bank” means Regions Bank or any successor financial institution at which the Collection Account or Reserve Account is held.

“Account Control Agreement” means an Account Control Agreement, to be entered into after the Closing Date in form and substance reasonably satisfactory to the Administrative Agent, among the Borrower, the Administrative Agent and the Account Bank.

“Activity Date” means a date that is either an Advance Date or a Release Date. “Administrative Agent” has the meaning set forth in the introduction hereto, or any successors or assigns in such capacity.

“Advance” means a Class A Loan and/or a Class B Loan made available to the Borrower pursuant to Section 2.01.

“Advance Date” has the meaning set forth in Section 2.01(b).

“Advance Notice” means a notice by the Borrower of a requested Advance substantially in the form of Exhibit A or such other form as shall be mutually agreed by the Administrative Agent and Borrower.

“Affected Party” means the Administrative Agent or any Lender, as applicable. [*****]

“Affiliate” of any Person means any Person who directly or indirectly controls, is controlled by, or is under direct or indirect common control with such Person. For purposes of this definition, the term “control” when used with respect to any Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms “controlling”, “controlled by” and “under common control with” have meanings correlative to the foregoing.

“Agent” means the Administrative Agent.

“Aggregate Commitments” means, at any time, the sum of the Class A Commitments then in effect and the Class B Commitments then in effect.

“Aggregate Loan Principal Balance” means, at any time, collectively, the Class A Aggregate Loan Principal Balance and the Class B Aggregate Loan Principal Balance.

“Aggregate Managed Pool Receivable Balance” means, as of any date of determination with respect to all Managed Pool Receivables, the sum of the Managed Pool Receivable Balances of such Managed Pool Receivables as of such date.

“Alternate Base Rate” means, for any day, a rate per annum equal to the greatest of (a) the NYFRB Rate in effect on such day plus ½ of 1% and (b) the LIBO Rate for a one month Interest Period on such day (or if such day is not a Business Day, the immediately preceding Business Day) plus 0.25%; provided that for the purpose of this definition, the LIBO Rate for any day shall be based on the LIBO Screen Rate (or if the LIBO Screen Rate is not
available for such one month Interest Period, the Interpolated Rate) at approximately 11:00 a.m. London time on such day. Any change in the Alternate Base Rate due to a change in the

NYFRB Rate or the LIBO Rate shall be effective from and including the effective date of such change in the NYFRB Rate or the LIBO Rate, respectively. For the avoidance of doubt, if the Alternate Base Rate as determined pursuant to the foregoing would be less than 0.00%, such rate shall be deemed to be 0.00% for purposes of this Agreement.

“Amortization Event” means the occurrence of any one of the following events as of any date of determination (and, in the case of each of clause (a) through (d) below, receipt by the Borrower of written notice from the Administrative Agent that, as a result of the occurrence of the applicable event, an Amortization Event exists):

(a) an Excess Spread Trigger;

(b) [*****];

(c) a Charged-off Loan Trigger;

(d) [*****];

(e) a Change of Control by the Servicer;

(f) the Obligations have not been paid in full by the end of the Revolving Period;

(g) if revolving loans with an outstanding principal balance in excess of $25,000,000 are outstanding under the Senior Credit Agreement and any Advances are outstanding under this Agreement, the First Lien Net Leverage Ratio (as such term is defined in the Senior Credit Agreement as in effect on the Closing Date) is greater than 3.50 to 1.00 measured as of the fiscal quarter most recently ended;

(h) GreenSky Parent and its Subsidiaries shall, on a consolidated basis, at any time have Unrestricted Cash in an amount less than $[*****]; provided that if GreenSky or its Subsidiaries enters into a Comparable Agreement with more restrictive financial covenants than those set forth in either of clause (g) or (h) above, then such affected clause(s) shall be replaced by such more restrictive financial covenants contained in such Comparable Agreement;

(i) the Borrower shall fail to comply with the covenant set forth in Section 6.01(p); or

(j) an “Event of Default” (as such term is defined in the Senior Credit Agreement) shall have occurred and be continuing under the Senior Credit Agreement. “Amortization Rate” has the meaning assigned to such term in the Fee Letter.

“AML-BSA Laws” means, collectively, (i) the Bank Secrecy Act of 1970, as supplemented by the USA Patriot Act, and any rules and regulations promulgated thereunder; (ii) the Office of Foreign Assets Control’s (“OFAC”) rules and regulations regarding the blocking of assets and the prohibition of transactions involving Persons or countries designated by OFAC;
and (iii) any other applicable laws relating to customer identification, anti-money laundering or preventing the financing of terrorism and other forms of illegal activity, each as amended.

“Annual Interest Rate” means, in respect of any Receivable, the per annum interest rate set forth in the Receivable Documents pertaining thereto.

“Applicable Advance Percentage” means, at any time, as applicable, the ratio of (i) the Class A Commitments of each Class A Lender in the Class A Lender Group at such time to the Class A Maximum Financing Amount or (ii) Class B Commitments of each Class B Lender in the Class B Lender Group at such time to the Class B Maximum Financing Amount.

“Assignment and Assumption Agreement” means either (a) an assignment and assumption agreement substantially in the form of Exhibit B, or (b) any assignment documentation that has been approved by the Administrative Agent, which approval shall not be unreasonably withheld.

“AUP Letter” means an agreed-upon procedures letter provided by a nationally recognized accounting firm or other independent provider reasonably selected by the Administrative Agent (and, if no Event of Default has occurred and is continuing, approved by the Borrower), setting forth the results of a compliance engagement conducted within the scope reasonably specified by the Administrative Agent with respect to the Servicer, Borrower, and the Collateral.

“Authorized Officer” means, with respect to the Borrower or other GreenSky Group Member, the president, the chief executive officer, the chief financial officer, the secretary or the treasurer of the Borrower or other GreenSky Group Member, as applicable, or any other officer having substantially the same authority and responsibility; or, with respect to compliance with financial covenants or delivery of financial information, the president, the chief executive officer, the chief financial officer, the treasurer or the controller of GreenSky, or any other officer having substantially the same authority and responsibility, and in all cases such person shall be listed on an incumbency certificate delivered to the Administrative Agent, in form and substance reasonably acceptable to the Administrative Agent.

“Available Funds” means, with respect to any Settlement Date, all amounts on deposit in the Collection Account as of such date.

[*****]

“Backup Servicer” means Systems and Services Technologies, Inc. (“SST”), in its capacity as backup servicer pursuant to the Backup Servicing Agreement, and each successor backup servicer.

“Backup Servicing Agreement” means, the Backup Servicing Agreement dated as of May 29, 2013, among Servicer and the Backup Servicer (together with an acknowledgment reasonably satisfactory to the Administrative Agent to be obtained after the Closing Date confirming the rights of the Borrower to engage the Backup Servicer as the successor Servicer upon the Borrower’s acquisition of title to the related Receivables after the occurrence and
during the continuance of an Event of Default), as the same may be amended or modified from time to time.

[*****]

“Bail-In Action” means the exercise of any Write-Down and Conversion Powers by the applicable EEA Resolution Authority in respect of any liability of an EEA Financial Institution.

“Bail-In Legislation” means, with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule.

“Bank Drawn Rate” has the meaning assigned to such term in the Fee Letter.

“Bankruptcy Code” means the Bankruptcy Reform Act of 1978, as amended from time to time, and as codified as 11 U.S.C. Section 101 et seq., and all rules and regulations promulgated thereunder.

“Bankruptcy Participation” means any Participation with respect to which all or a portion of the related Receivable has been charged-off in accordance with the Collections Policy.

“Benchmark Replacement” means the sum of: (a) the alternate benchmark rate (which may be a SOFR-Based Rate) that has been selected by the Administrative Agent and the Borrower giving due consideration to (i) any selection or recommendation of a replacement rate or the mechanism for determining such a rate by the Relevant Governmental Body and/or (ii) any evolving or then-prevailing market convention for determining a rate of interest as a replacement to the LIBO Rate for U.S. dollar-denominated syndicated credit facilities and (b) the Benchmark Replacement Adjustment; provided that, if the Benchmark Replacement as so determined would be less than zero, the Benchmark Replacement will be deemed to be zero for the purposes of this Agreement; provided further that any such Benchmark Replacement shall be administratively feasible as determined by the Administrative Agent in its sole discretion.

“Benchmark Replacement Adjustment” means 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 Administrative Agent and the Borrower 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 the LIBO Rate with the applicable Unadjusted Benchmark Replacement by the Relevant Governmental Body 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 the LIBO Rate with the applicable Unadjusted Benchmark Replacement for U.S. dollar-denominated syndicated credit facilities at such time (for the avoidance of doubt, such Benchmark Replacement Adjustment shall not be in the form of a reduction to the Applicable Rate).

“Benchmark Replacement Conforming Changes” means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including
changes to the definition of “Alternate Base Rate,” the definition of “Interest Period,” timing and frequency of determining rates
and making payments of interest and other administrative matters) that the Administrative Agent decides in its reasonable
discretion and in consultation with the Borrower may be appropriate to reflect the adoption and implementation of such
Benchmark Replacement and to permit the administration thereof by the Administrative Agent in a manner substantially
consistent with market practice (or, if the Administrative Agent decides that adoption of any portion of such market practice is
not administratively feasible or if the Administrative Agent determines that no market practice for the administration of the
Benchmark Replacement exists, in such other manner of administration as the Administrative Agent decides is reasonably
necessary in connection with the administration of this Agreement).

“Benchmark Replacement Date” means the earlier to occur of the following events with respect to the LIBO Rate:

(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 the LIBO
Screen Rate permanently or indefinitely ceases to provide the LIBO Screen Rate; or

(2) in the case of clause (3) of the definition of “Benchmark Transition Event,” the date of the public statement or
publication of information referenced therein.

“Benchmark Transition Event” means the occurrence of one or more of the following events with respect to the
LIBO Rate:

(1) a public statement or publication of information by or on behalf of the administrator of the LIBO Screen Rate
announcing that such administrator has ceased or will cease to provide the LIBO Screen Rate, permanently or indefinitely,
provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the
LIBO Screen Rate;

(2) a public statement or publication of information by the regulatory supervisor for the administrator of the
LIBO Screen Rate, the Federal Reserve System, an insolvency official with jurisdiction over the administrator for the LIBO
Screen Rate, a resolution authority with jurisdiction over the administrator for the LIBO Screen Rate or a court or an entity with
similar insolvency or resolution authority over the administrator for the LIBO Screen Rate, in each case which states that the
administrator of the LIBO Screen Rate has ceased or will cease to provide the LIBO Screen Rate permanently or indefinitely,
provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the
LIBO Screen Rate; and/or

(3) a public statement or publication of information by the regulatory supervisor for the administrator of the
LIBO Screen Rate announcing that the LIBO Screen Rate is no longer representative.

“Benchmark Transition Start Date” means (a) in the case of a Benchmark Transition Event, the earlier of (i) the
applicable Benchmark Replacement Date and (ii) if such Benchmark Transition Event is a public statement or publication of
information of a prospective
event, the 90th day prior to the expected date of such event as of such public statement or publication of information (or if the expected date of such prospective event is fewer than 90 days after such statement or publication, the date of such statement or publication) and (b) in the case of an Early Opt-in Election, the date specified by the Administrative Agent or the Majority Lenders, as applicable, by notice to the Borrower, the Administrative Agent (in the case of such notice by the Majority Lenders) and the Lenders.

“Benchmark Unavailability Period” means, if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to the LIBO Rate and solely to the extent that the LIBO Rate has not been replaced with a Benchmark Replacement, the period (x) beginning at the time that such Benchmark Replacement Date has occurred if, at such time, no Benchmark Replacement has replaced the LIBO Rate for all purposes hereunder in accordance with Section 2.12 and (y) ending at the time that a Benchmark Replacement has replaced the LIBO Rate for all purposes hereunder pursuant to Section 2.12.

“Borrower” has the meaning given to it in the introduction hereto, together with its permitted successors and assigns.

“Borrower Contract Rights” means all of Borrower’s rights, remedies, powers, privileges and claims in, to or under any Borrower Contract, including, without limitation, its rights, powers, and privileges (if any) to (i) exercise remedies and otherwise enforce such Borrower Contract against any counterparty thereto or against any property subject thereto; (ii) give or withhold any and all consents, requests, notices, directions, approvals, extensions or waivers under or with respect to any such Borrower Contract and otherwise exercise voting or consensual rights thereunder, (iii) compel or secure the performance and observance by any counterparty or any other obligor thereunder or other related party with obligations arising in connection therewith, (iv) transmit notices of default or termination thereunder, and (v) institute legal or administrative actions or proceedings to compel or secure performance by any counterparty.

“Borrower Contracts” means each Transaction Document to which the Borrower is a party, each Receivable Document with respect to any Purchased Participation regarding which the Borrower has rights, and each other contract or agreement of any type or nature whatsoever to which Borrower is a party or under which Borrower has any rights, claims or interests of any nature (whether arising pursuant to the terms of any such contract or agreement or otherwise available to the Borrower at law or in equity).

“Borrower Organizational Documents” means (i) the Certificate of Formation of the Borrower filed with the Secretary of State of the State of Georgia dated on or about March 11, 2020 and (ii) the Amended and Restated Limited Liability Company Agreement dated on or about the Closing Date.

“Borrower Records” means all Data Files with respect to the Purchased Participations, all servicing files with respect to the Purchased Participations, all Receivable Document Packages under which the Borrower has rights with respect to the Purchased Participations, and all other records, information, data, records, and reports of any type or nature whatsoever that belong to the Borrower or in which the Borrower has any rights or interests,
whether any of the foregoing is maintained by the Borrower, Seller, Servicer, Custodian, any of their respective Affiliates, or any other Person.

“Borrower’s Designated Account” means any bank account in the name of the Seller or any other Person that has been identified in a written notice by the Borrower to the Administrative Agent.

“Borrower’s Monthly Settlement Certificate” means a certificate completed and executed by an Authorized Officer of the Borrower substantially in the form of Exhibit G.

“Borrowing Base Certificate” means the certificate from the Servicer, executed and delivered by the Servicer, setting forth the calculation of the Class A Borrowing Base and Class B Borrowing Base, substantially in the form of Exhibit C, and certifying as to the accuracy of such calculations and the information set forth in the related Data File attached thereto.

“Borrowing Base Deficiency” means a Class A Borrowing Base Deficiency or a Class B Borrowing Base Deficiency.

“Business Day” means any (i) day other than a Saturday, a Sunday or other day on which commercial banks located in the states of Georgia or New York are, or the fixed income trading market in New York is, authorized or obligated to be closed, and (ii) if the applicable Business Day relates to the determination of LIBO Rate or any successor rate thereto, a day which is a day described in the foregoing clause (i) and that is also a day open for trading by and between banks in the London interbank eurodollar market or any other related market relating to such successor rate.

“Capital Lease Obligations” of any Person means the obligations of such Person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases on a balance sheet of such Person under GAAP, and the amount of such obligations shall be the capitalized amount thereof determined in accordance with GAAP; provided that, any obligations relating to a lease that would have been accounted for as an operating lease prior to August 1, 2019 shall not be accounted for as Indebtedness relating to lease obligations pursuant to GAAP after August 1, 2019.

“Change of Control” means:

(a) a “Change of Control”, as such term is defined in the Senior Credit Agreement shall occur; or

(b) GreenSky, or a direct or indirect wholly-owned Domestic Subsidiary of GreenSky, no longer owns or controls 100% of the Equity Interests in the Seller; or

(c) Seller no longer owns or controls 100% of the Equity Interests in the Borrower; or

(d) the Borrower merges or consolidates with, or sells all or substantially all of its assets to, any other Person.

“Charged-off Loan Trigger” has the meaning given to it in Schedule II hereto.
“Charged-Off Participation” means a Participation with respect to which the related Receivable (a) is 90 days or more contractually past due at month end (cycle 4), or (b) has been otherwise charged-off or discharged under the charge-off policy set forth in and forming part of the Collections Policy.

“Class A Advance Rate” has the meaning set forth on Schedule II.

“Class A Aggregate Loan Principal Balance” means, at any time, the aggregate outstanding Principal Amount of all Class A Loans.

“Class A Borrower Obligations” means all present and future indebtedness and other liabilities and obligations (howsoever created or evidenced, whether direct or indirect, absolute or contingent, or due or to become due) of the Borrower to the Class A Lenders arising under this Agreement or any other Transaction Document or the transactions contemplated hereby or thereby, including the repayment of the Class A Aggregate Loan Principal Balance and the payment of Class A Senior Monthly Interest Amount, Class A Monthly Interest Amount, Class A Monthly Principal Payment Amount, Class A Unused Fee, Upfront Fee and all other amounts due or to become due from the Borrower to the Class A Lenders under this Agreement and the other Transaction Documents (whether in respect of fees, expenses, indemnifications, breakage costs, increased costs or otherwise), interest, fees and other obligations that accrue after the commencement of any Insolvency Proceeding with respect to the Borrower, Seller, Servicer or GreenSky (in each case whether or not allowed as a claim in such proceeding).

“Class A Borrowing Base” means, at any time, an amount equal to (i) cash held in the Collection Account, plus (ii) cash actually on deposit in the Reserve Account on such date plus (iii) the product of (A) the Class A Advance Rate at such time, multiplied by (B) the Net Eligible Pool Balance, minus (iv) any unallocated collections of principal on deposit in the Collection Account at such time.

“Class A Borrowing Base Deficiency” means, at any time, the remainder (if positive) of (i) the Class A Aggregate Loan Principal Balance at such time, minus (ii) the Class A Borrowing Base at such time.

“Class A Carryover Monthly Interest Amount” means the difference between (i) the Class A Monthly Interest Amount and (ii) the Class A Senior Monthly Interest Amount.

“Class A Commitments” means the sum of the Commitments of all Committed Lenders that are Class A Lenders. As of the Closing Date, the aggregate amount of the Class A Commitments of the Class A Committed Lenders is $300,000,000.

“Class A Committed Lender” means each Committed Lender that is identified on Schedule I hereto as a member of a Class A Lender Group, together with its respective successors and permitted assigns.
“Class A Conduit Lender” means each Conduit Lender that is identified on Schedule I hereto as a member of a Class A Lender Group, together with its respective successors and permitted assigns.

“Class A Interest Rate” has the meaning assigned to such term in the Fee Letter.

“Class A Lender” means each Conduit Lender and Committed Lender that is identified on Schedule I hereto as a member of a Class A Lender Group, together with its respective successors and permitted assigns.

“Class A Lender Group” means a group consisting of the Conduit Lenders and Committed Lenders listed together as party of a “Related Group” on Schedule I hereto or any Assignment and Assumption Agreement.

“Class A Loan” means an Advance funded by a Class A Lender hereunder.

“Class A Maximum Financing Amount” means (i) the aggregate amount of Class A Commitments and (ii) the Uncommitted Class A Facility.

“Class A Monthly Interest Amount” means, with respect to each Interest Period, an amount equal to the product of (i) the Class A Interest Rate, (ii) the daily average Class A Aggregate Loan Principal Balance during the related Interest Period, and (iii) a fraction, the numerator of which is equal to (x) the actual number of days during the related Interest Period and the denominator of which is equal to (y) 360.

“Class A Monthly Principal Payment Amount” means, with respect to each Settlement Date, (i) during the Revolving Period, an amount (if any) required to be repaid on the Class A Loans so that, after giving effect thereto, no Class A Borrowing Base Deficiency would exist or (ii) during any other period, the Class A Aggregate Loan Principal Balance.

“Class A Senior Monthly Interest Amount” means, with respect to each Interest Period, an amount equal to the product of (i) the sum of the CP Rate and the Class A Used Fee, (ii) the daily average Class A Aggregate Loan Principal Balance during the related Interest Period, and (iii) a fraction, the numerator of which is equal to (x) the actual number of days during the related Interest Period and the denominator of which is equal to (y) 360.

“Class A Unused Fee” has the meaning set forth in the Fee Letter.

“Class A Used Fee” has the meaning set forth in the Fee Letter.

“Class B Advance Rate” has the meaning set forth on Schedule II.

“Class B Aggregate Loan Principal Balance” means, at any time, the aggregate outstanding Principal Amount of all Class B Loans.

“Class B Borrower Obligations” means all present and future indebtedness and other liabilities and obligations (howsoever created or evidenced, whether direct or indirect, absolute or contingent, or due or to become due) of the Borrower to the Class B Lenders arising
under this Agreement or any other Transaction Document or the transactions contemplated hereby or thereby, including the repayment of the Class B Aggregate Loan Principal Balance and the payment of Class B Senior Monthly Interest Amount, Class B Monthly Interest Amount, Class B Monthly Principal Payment Amount, Upfront Fee and all other amounts due or to become due from the Borrower to the Class B Lenders under this Agreement and the other Transaction Documents (whether in respect of fees, expenses, indemnifications, breakage costs, increased costs or otherwise), interest, fees and other obligations that accrue after the commencement of any bankruptcy, insolvency or similar proceeding with respect to Borrower, Seller, Servicer or GreenSky (in each case whether or not allowed as a claim in such proceeding).

“Class B Borrowing Base” means, at any time, an amount equal to (i) cash held in the Collection Account, plus (ii) cash actually on deposit in the Reserve Account on such date, plus (iii) the product of (A) the Class B Advance Rate and (B) the Net Eligible Pool Balance on such date, minus (iv) any unallocated collections of principal on deposit in the Collection Account at such time, minus (v) the Class A Aggregate Loan Principal Balance at such time.

“Class B Borrowing Base Deficiency” means, at any time, the remainder (if positive) of (i) the Class B Aggregate Loan Principal Balance at such time, minus (ii) the Class B Borrowing Base at such time.

“Class B Carryover Monthly Interest Amount” means the difference between (i) the Class B Monthly Interest Amount and (ii) the Class B Senior Monthly Interest Amount.

“Class B Commitments” means the sum of the Commitments of all Committed Lenders that are Class B Lenders, which Commitments shall in no event exceed 15% of the Class A Commitments then in effect. As of the Closing Date, the aggregate amount of the Class B Commitments of the Committed Lenders is $0.

“Class B Interest Rate” has the meaning assigned to such term in the Fee Letter.

“Class B Lender” means each Committed Lender that is identified on Schedule I hereto as a member of a “Class B Lender Group,” together with its respective successors and permitted assigns.

“Class B Lender Group” means a group consisting of the Class B Lenders listed together as party of a “Related Group” on Schedule I hereto or any Assignment and Assumption Agreement.

“Class B Loan” means a Loan funded by a Class B Lender hereunder.

“Class B Maximum Financing Amount” means the aggregate amount of Class B Commitments.

“Class B Monthly Interest Amount” means, with respect to each Interest Period, an amount equal to the product of (i) the Class B Interest Rate, (ii) the daily average Class B Aggregate Loan Principal Balance during the related Interest Period, and (iii) a fraction, the
numerator of which is equal to \( x \) the actual number of days during the related Interest Period and the denominator of which is equal to \( y \) 360.

“Class B Monthly Principal Payment Amount” means, with respect to each Settlement Date, (i) during the Revolving Period, an amount (if any) required to be repaid on the Class B Loans so that, after giving effect thereto, no Class B Borrowing Base Deficiency would exist, or (ii) during any other period, the Class B Aggregate Loan Principal Balance.

“Class B Purchase Option Amount” means the outstanding principal amount of the Class A Loans, all accrued interest and Class A Unused Fees, and all other amounts due or to become due from the Borrower to the Class A Lenders (or to the Administrative Agent, if the Administrative Agent is an Affiliate of a Class A Lender) under this Agreement and any other Transaction Document (whether in respect of fees, expenses, indemnifications, breakage costs, increased costs or otherwise), all interest, fees and other obligations that accrue after the commencement of any bankruptcy, insolvency or similar proceeding with respect to Borrower or Servicer (in each case whether or not allowed as a claim in such proceeding), including, but not limited to, the amount of all liabilities (without duplication) that the Borrower has incurred or is expected to incur in the nature of indemnification obligations of the Borrower hereunder (including amounts due and owing or expected to be due and owing under Sections 2.07, 2.08 and 10.06) which have resulted or could result in loss, cost, damage or expense (including reasonable attorneys’ fees and legal expenses) to the Class A Lenders.

“Class B Purchase Option Exercise Date” has the meaning set forth in Section 7.03(a).

“Class B Purchase Right” has the meaning set forth in Section 7.03(a).

“Class B Senior Monthly Interest Amount” means, with respect to each Interest Period, an amount equal to the product of (i) a rate agreed to by the Borrower and the Class B Lenders in a separate fee letter, which rate has been approved by the Administrative Agent in writing in its reasonable discretion, (ii) the daily average Class B Aggregate Loan Principal Balance during the related Interest Period, and (iii) a fraction, the numerator of which is equal to \( x \) the actual number of days during the related Interest Period and the denominator of which is equal to \( y \) 360.

“Class Percentage” means, for any Class on any date of determination, the percentage equivalent of (i) the Class A Aggregate Loan Principal Balance or Class B Aggregate Loan Principal Balance on such date, as applicable, divided by (ii) the Aggregate Loan Principal Balance on such date, in each case, before giving effect to any payments or distributions of principal in respect of the Loans on such date.

“Closing Date” means May 11, 2020.


“Collateral” has the meaning ascribed to it in Section 9.01.

“Collection Account” has the meaning ascribed to it in Section 3.04(a).
“Collection Agent” means any Person to whom the Servicer delegates servicing and collection activities for any Purchased Participations or the related Receivables pursuant to and subject to the terms and conditions of the Servicing Agreement.

“Collection Period” means (i) initially, the period commencing on the date of the initial Advance and ending at the close of business on the last day of the immediately succeeding calendar month in which the initial Advance is made and (ii) thereafter, each calendar month.

“Collections” means, with respect to any Purchased Participation, all cash collections and other cash proceeds of such Purchased Participation received by the Borrower, Servicer, any Collection Agent, or any attorney, sub-servicer, agent or designee of any of them, from or on behalf of the applicable Obligor in payment of any amounts owed in respect of such Purchased Participation and the related Receivable, including all Scheduled Payments (whether received in whole or in part, whether related to a current, future or prior date, and whether paid voluntarily by the applicable Obligor or received by the Borrower, Servicer, any Collection Agent, or any attorney, sub-servicer, agent or designee of any of them through any Enforcement Action), all payments with respect to fees or other charges, all partial or full prepayments, all applicable Liquidation Proceeds, and any amounts received by the Borrower, Servicer, any Collection Agent, or any attorney, sub-servicer, agent or designee of any of them upon the sale or exchange of such Purchased Participation or related Receivable.

“Collections Policy” means the Collections and Recovery Policy – COMP, version Effective Date as [removed], as delivered to the Administrative Agent prior to the Closing Date and in effect on the Closing Date, as may be amended from time to time [removed].

“Commercial Paper” shall mean the commercial paper notes or other debt securities issued from time to time by means of which a Conduit Lender (directly or indirectly) obtains financing.

“Commitment” of any Committed Lender means the Dollar amount set forth on Schedule I hereto or, in the case of a Committed Lender that becomes a party to this Agreement pursuant to an Assignment and Assumption Agreement, the amount set forth therein as such Committed Lender’s “Commitment”, in each case as such amount may be (i) reduced or increased by any Assignment and Assumption Agreement entered into by such Committed Lender and the other parties thereto in accordance with the terms hereof and (ii) reduced pursuant to Section 2.04(a).

“Commitment Termination Date” means the earliest to occur of (i) the date that is 364 days after the date hereof, (ii) the date that the Administrative Agent declares a Commitment Termination Date following the occurrence of any Amortization Event, or of any Event of Default pursuant to Section 7.02, and (iii) the date the Aggregate Commitments are reduced to zero pursuant to Section 2.02.

“Committed Lender” means, as to any Lender Group, each Person listed on Schedule I as a “Committed Lender” for such Lender Group, together with its respective successors and permitted assigns.
“Comparable Agreement” means, with respect to GreenSky and its Subsidiaries, any agreement of GreenSky or any its Subsidiaries for the benefit of any third party in connection with any bankruptcy-remote financing secured by loans, Receivables or Participations.

“Compounded SOFR” means the compounded average of SOFRs for the applicable Corresponding Tenor, with the rate, or methodology for this rate, and conventions for this rate (which may include compounding in arrears with a lookback and/or suspension period as a mechanism to determine the interest amount payable prior to the end of each Interest Period) being established by the Administrative Agent in accordance with:

1. the rate, or methodology for this rate, and conventions for this rate selected or recommended by the Relevant Governmental Body for determining compounded SOFR; provided that:

2. if, and to the extent that, the Administrative Agent determines that Compounded SOFR cannot be determined in accordance with clause (1) above, then the rate, or methodology for this rate, and conventions for this rate that the Administrative Agent determines in its reasonable discretion are substantially consistent with any evolving or then-prevailing market convention for determining compounded SOFR for U.S. dollar-denominated syndicated credit facilities at such time;

provided, further, that if the Administrative Agent decides that any such rate, methodology or convention determined in accordance with clause (1) or clause (2) is not administratively feasible for the Administrative Agent, then Compounded SOFR will be deemed unable to be determined for purposes of the definition of “Benchmark Replacement.”

“Conduit Lender” means, as to any Lender Group, each Person listed on Schedule I as a “Conduit Lender” for such Lender Group, together with its respective successors and permitted assigns.

“Connection Income Taxes” means Other Connection Taxes that are imposed on or measured by net income (however denominated) or that are franchise Taxes or branch profits Taxes.

“Consumer Information” means nonpublic information relating to Obligors, Guarantors or applicants for Receivables, including without limitation, names, addresses, telephone numbers, e-mail addresses, credit information, account numbers, social security numbers, Receivable balances or other Receivable information, and lists derived therefrom and any other information required to be kept confidential by the Requirements.

“Corresponding Tenor” with respect to a Benchmark Replacement means a tenor (including overnight) having approximately the same length (disregarding business day adjustment) as the applicable tenor for the applicable Interest Period with respect to the LIBO Rate.

“CP Rate” means, with respect to any Interest Period (or portion thereof), the per annum rate calculated to yield the “weighted average cost” (as defined below) for such Interest
Period (or portion thereof) in respect to Commercial Paper issued by such Conduit Lender; provided, however, that if any component of such rate is a discount rate, in calculating the CP Rate for such Interest Period (or portion thereof), the rate resulting from converting such discount rate to an interest bearing equivalent rate per annum shall be used in calculating such component. As used in this definition, “weighted average cost” for any Interest Period (or portion thereof) means the sum (without duplication) of (i) the actual interest accrued during such Interest Period (or portion thereof) on outstanding Commercial Paper issued by such Conduit Lender (excluding any Commercial Paper issued to and held by JPM or any affiliate thereof, other than such Commercial Paper held as part of the market making activities of Conduit Lender’s Commercial Paper dealer), (ii) the commissions of placement agents and dealers in respect of such Commercial Paper, (iii) any note issuance costs attributable to such Commercial Paper not constituting dealer fees or commissions, expressed as an annualized percentage of the aggregate principal component thereof, (iv) the actual interest accrued during such Interest Period (or portion thereof) on other borrowings by such Conduit Lender, including to fund small or odd dollar amounts that are not easily accommodated in the commercial paper market, which may include loans from Conduit Lender or its affiliates (such interest rate not to exceed, on any day, the Federal Funds Effective Rate in effect on such day plus 0.50%), and (v) incremental carrying costs incurred with respect to Commercial Paper maturing on dates other than those on which corresponding funds are received by such Conduit Lender, minus any accrual of income net of expenses received from investment of collections received under all receivable purchase facilities funded substantially with Commercial Paper.

“Custodian” means (i) initially, the Servicer pursuant to the Servicing Agreement, (ii) the Backup Servicer pursuant to the Backup Servicing Agreement or (iii) any successor Custodian selected by the Borrower with the prior written consent of the Administrative Agent (which consent shall not be unreasonably withheld or delayed); provided, that any such consent by the Administrative Agent shall be subject to (A) such successor Custodian becoming party to a custodial agreement in form and substance acceptable to the Administrative Agent in its sole discretion; and (B) the transfer (at the sole cost of the Borrower) of all Receivables Documents for all Purchased Participations and any related Receivables Records then held by the Custodian that is resigning or being terminated from such Custodian to the successor Custodian.

“Data File” means an electronic file, in a computer readable format reasonably satisfactory to the Administrative Agent containing the loan-level detail, information and data fields listed on Schedule III, which Schedule III may be supplemented from time to time by mutual written agreement of the Borrower and the Administrative Agent, and such other information as is reasonably required by the Administrative Agent with respect to the Purchased Participations or related Receivables, which Data File shall separately list and identify (as of the date of such Data File) the Eligible Participations, and other Purchased Participations (that are not Eligible Participations); provided, that Participations that are or have been subject to Release or that have been purchased by Seller or any other Person shall not be included as Purchased Participations and shall only be listed in any Data File delivered in connection with such Release to identify such Participations in connection with any such Release or sale.

“Debtor Relief Law” means any law governing Persons or property with respect to liquidation, conservatorship, bankruptcy, insolvency, moratorium, rearrangement, receivership, reorganization, readjustment of indebtedness, or similar debtor relief laws, any laws
affecting the rights of creditors generally of any jurisdiction, and any law permitting a debtor to obtain a stay or compromise of the claims of creditors against it, in any such case, whether arising under foreign law, US federal law (including the Bankruptcy Code), or any State or local law.

“Default” means any occurrence that is, or with notice or the lapse of time or both would become, an Event of Default.

“Default Rate” has the meaning assigned to such term in the Fee Letter.

“Defaulting Lender” means any Committed Lender that, as determined by the Administrative Agent: (a) has failed to fund any of its obligations to make Loans within three (3) Business Days of the date required to be funded by it hereunder, (b) has notified the Administrative Agent or the Borrower that it does not intend to comply with such funding obligations or has made a public statement to that effect with respect to such funding obligations hereunder or under other agreements in which it commits to extend credit or (c) has, or has a direct or indirect parent company that has, become subject to an Insolvency Proceeding; provided, that a Committed Lender shall not be deemed to be a Defaulting Lender hereunder solely by virtue of any control of or ownership interest in, or the acquisition of any ownership interest in, such Committed Lender (or its direct or indirect parent company) or the exercise of control over such Committed Lender (or its direct or indirect parent company) by a Governmental Authority thereof if and for so long as such ownership interest does not result in or provide such Committed Lender (or its direct or indirect parent company) with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Committed Lender (or its direct or indirect parent company) or such Governmental Authority to reject, repudiate, disavow or disaffirm obligations such as those under this Agreement.

“Deferred Interest Loan” means a Receivable (a) on which interest is billed during a specified period of time determined at the time of origination, [*****]; provided, that, in each case, such interest shall be reversed so long as the payments made in such specified period equal, in the aggregate, the total principal amount of such Receivable, and (b) which has an annual interest rate of 0% for a promotional period not to exceed one (1) year, and which after such promotional period resets to become interest bearing.

[*****]

“Deferred Interest Payments” means, as of any date of determination, the aggregate amount of interest Collections received by the Borrower with respect to a Receivable that is a Deferred Interest Loan during the deferral period for such Deferred Interest Loan, provided that any Collections deemed a Deferred Interest Payment during any such deferral period shall no longer be deemed a Deferred Interest Payment hereunder after such deferral period unless such amount is reversed as described in the definition of “Deferred Interest Loan”.

[*****]

“Determination Date” means the last day of each Monthly Period.
“Discounted Amount” means, as of any date of determination, for each Eligible Participation issued in respect of a 0% Interest Loan and Deferred Interest Loan, the sum of (i) the product of the applicable Weighted Average Discount Rate and the Participation Balance of such 0% Interest Loan and (ii) the product of the applicable Weighted Average Discount Rate and the Participation Balance of such Deferred Interest Loan.

“Disqualified Institution” means (a) any bona fide competitor of the Borrower or an Affiliate thereof identified in writing by or on behalf of the Borrower to the Administrative Agent from time to time, (b) those particular banks, financial institutions, other institutional lenders and other Persons identified in writing by the Borrower to the Administrative Agent on or prior to the Closing Date, (c) those persons primarily engaged in private equity, venture capital or mezzanine or distressed lending identified in writing by or on behalf of the Borrower to the Administrative Agent from time to time, (d) any Excluded Affiliate and (e) any Affiliate of the entities described in the preceding clauses (a), (b) or (c) that are either (x) clearly identifiable as such solely on the basis of the similarity of their name or (y) are identified as such in writing by or on behalf of the Borrower to the Administrative Agent from time to time after the Closing Date (other than bona fide diversified debt funds); provided that any Person that is a Lender and subsequently becomes a Disqualified Institution (but was not a Disqualified Institution at the time it became a Lender) shall be deemed to not be a Disqualified Institution hereunder; provided further that any addition to the list of Disqualified Institutions by written notice to the Administrative Agent from time to time after the Closing Date in accordance with this definition shall become effective three (3) Business Days after delivery of such notice. The identity of Disqualified Institutions may be communicated by the Administrative Agent to a Lender upon request, but will not be otherwise posted or distributed to any Person.1


“Dollar” or “$” means lawful money of the United States of America.

“Domestic Subsidiary” means a Subsidiary of GreenSky that is a United States person within the meaning of Section 7701(a)(30) of the Code.

“Drawn Amount” means, with respect to any Lender at any time, an amount equal to (a) the aggregate principal amount funded by such Lender of Advances made to Borrower hereunder at or prior to such time, plus (b) any Drawn Amount of any other Lender assumed by such Lender as assignee pursuant to an Assignment and Assumption Agreement at or prior to such time, minus (c) the amount of principal repayments received and applied by such Lender hereunder at or prior to such time, minus (d) any portion of such Lender’s Drawn Amount assigned by such Lender as assignor pursuant to an Assignment and Assumption Agreement at or prior to such time.

1 List of Disqualified Institutions to be provided to JPM.
“Early Opt-in Election” means the occurrence of:

(1) (i) a determination by the Administrative Agent or (ii) a notification by the Majority Lenders to the Administrative Agent (with a copy to the Borrower) that the Majority Lenders have determined that U.S. dollar-denominated syndicated credit facilities being executed at such time, or that include language similar to that contained in Section 2.12 are being executed or amended, as applicable, to incorporate or adopt a new benchmark interest rate to replace the LIBO Rate, and

(2) (i) the election by the Administrative Agent or (ii) the election by the Majority Lenders to declare that an Early Opt-in Election has occurred and the provision, as applicable, by the Administrative Agent of written notice of such election to the Borrower and the Lenders or by the Majority Lenders of written notice of such election to the Administrative Agent.

“EEA Financial Institution” means (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority; (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition; or (c) any financial institution established in an EEA Member Country which is a subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent.

“EEA Member Country” means any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

“EEA Resolution Authority” means any public administrative authority or any person entrusted with public administrative authority of any EEA Member Country (including any delegatee) having responsibility for the resolution of any EEA Financial Institution.

“Electronic Receivables Laws” means, as applicable, the Electronic Signatures in Global and National Commerce Act (E-Sign Act), Uniform Electronic Transactions Act (UETA), and any other applicable Requirements of Law governing (i) electronic execution of documents and instruments; and/or (ii) the transfer, assignment or pledge of electronic promissory notes and instruments.

“Electronic Signature” means an electronic sound, symbol, or process attached to, or associated with, a contract or other record and adopted by a Person with the intent to sign, authenticate or accept such contract or record.

“Eligible Assignee” means, with respect to any Lender, (i) any other Lender; (ii) any Affiliate of any Lender that is a financial institution and is majority-owned by such Lender or by any corporation controlling such Lender, (iii) any liquidity provider to or sponsor of any Conduit Lender or financial institution otherwise providing the commitment in the event a Conduit Lender chooses not to fund; and (iv) any ABCP conduit sponsored, administered or supported by any Lender or any Affiliate of any Lender; provided that (i) no Disqualified Institution shall be an “Eligible Assignee” and (ii) a Conduit Lender shall not be an Eligible Assignee in respect of any Committed Lender.

“Eligible Participation” has the meaning set forth on Schedule IV.
“Eligible Pool Balance” means, as of any date of determination, the sum of the Participation Balances of all (or any designated portion, if applicable) Purchased Participations that are Eligible Participations at such time, and expressly excluding any Charged-Off Participations, Bankruptcy Participations, [*****] and other Purchased Participations that are not Eligible Participations at such time.

“Enforcement Action” means any action under applicable law to: (a) foreclose, execute, levy, or collect on, take possession or control of, sell or otherwise realize upon (judicially or non-judicially), or lease, license, or otherwise dispose of (whether publicly or privately), Collateral, or otherwise exercise or enforce remedial rights with respect to Collateral (including by way of setoff, recoupment, notification of a public or private sale or other disposition pursuant to the UCC or other applicable law, notification to account debtors, and notification to depositary banks under deposit account control agreements); (b) solicit bids from third Persons to conduct the liquidation or disposition of Collateral or to engage or retain sales brokers, marketing agents, investment bankers, accountants, appraisers, auctioneers, or other third Persons for the purposes of valuing, marketing, promoting, and selling Collateral; (c) receive a transfer of Collateral in satisfaction of Obligations; or (d) otherwise enforce a security interest or exercise another right or remedy, as a secured creditor or otherwise, pertaining to the Collateral at law, in equity, or pursuant to the Transaction Documents (including the commencement of applicable legal proceedings or other actions with respect to all or any portion of the Collateral).

“Equity Interests” means, with respect to any Person, shares of capital stock, partnership interests, membership interests in a limited liability company, beneficial interests in a trust or other equity ownership interests in such Person, and any warrants, options or other rights entitling the holder thereof to purchase or acquire any such equity interest; provided that Equity Interests shall not include any debt securities that are convertible into or exchangeable for any combination of Equity Interests and/or cash until any such conversion or exchange.

“ERISA” means the U.S. Employee Retirement Income Security Act of 1974, as amended from time to time, and the regulations promulgated and rulings issued thereunder.

“ERISA Affiliate” means any person that for purposes of Title IV of ERISA would be deemed at any relevant time to be a single employer or otherwise aggregated with the Borrower or a Subsidiary under Section 414(b) or 414(c), of the Code or Section 4001 of ERISA, or solely for purposes of Section 412 of the Code or Section 302 of ERISA, Section 414(m) or 414(o) of the Code.

“ERISA Event” means any one or more of the following: (a) any reportable event, as defined in Section 4043 of ERISA, with respect to a Pension Plan, as to which notice has not been waived under applicable PBGC regulations; (b) the termination of any Pension Plan under Section 4041(c) of ERISA; (c) the institution of proceedings by the PBGC under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Pension Plan; (d) the failure to make a required contribution to any Pension Plan that would result in the imposition of a lien or other encumbrance or the provision of security under Section 430 of the Code or Section 303 or 4068 of ERISA, or the arising of such a lien or encumbrance; the failure to satisfy the minimum funding standard under Section 412 of the Code or Section 302 of
ERISA, whether or not waived; or a determination that any Pension Plan is, or is expected to be, considered an at-risk plan within the meaning of Section 430 of the Code or Section 303 of ERISA; (e) the complete or partial withdrawal of any Borrower, Subsidiary or ERISA Affiliate from a Multiemployer Plan which results in the imposition of Withdrawal Liability; (f) the insolvency under Title IV of ERISA of any Multiemployer Plan; (g) a determination that any Multiemployer Plan is in endangered or critical status under Section 432 of the Code or Section 305 of ERISA; or (h) the withdrawal of the Borrower or any ERISA Affiliate from a Pension Plan subject to Section 4063 of ERISA during a plan year in which such entity was a substantial employer (as defined in Section 4001(a)(2) of ERISA) or the cessation of operations by the Borrower or any ERISA Affiliate that would be treated as a withdrawal from a Pension Plan under Section 4062(d) of ERISA.

“EU Bail-In Legislation Schedule” means the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor person), as in effect from time to time.

“Event of Default” has the meaning assigned to such term in Section 7.01 of this Agreement.

“Excess Concentration Amount” has the meaning set forth on Schedule V.

“Excess Spread Trigger” means that, as of any Settlement Date beginning with August 17, 2020, the Three-Month Average Excess Spread shall be less than 0.00%.


“Excluded Affiliate” means any Affiliates of the Administrative Agent that are engaged as principals primarily in private equity, mezzanine financing or venture capital.

“Excluded Taxes” means any of the following Taxes imposed on or with respect to an Affected Party or required to be withheld or deducted from a payment to an Affected Party,

(a) Taxes imposed on or measured by net income (however denominated), franchise Taxes, and branch profits Taxes, in each case, (i) imposed as a result of such Affected Party being organized under the laws of, or having its principal office or, in the case of any Lender, its applicable lending office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes, (b) in the case of a Lender, U.S. federal withholding Taxes imposed on amounts payable to or for the account of such Lender with respect to an applicable interest in a Loan or Commitment pursuant to a law in effect on the date on which (i) such Lender acquires such interest in the Loan or Commitment (other than pursuant to an assignment request by the Borrower under Section 2.10) or (ii) such Lender changes its lending office, except in each case to the extent that, pursuant to Section 2.08, amounts with respect to such Taxes were payable either to such Lender’s assignor immediately before such Lender became a party hereto or to such Lender immediately before it changed its lending office,

(c) Taxes attributable to such Affected Party’s failure to comply with Sections 2.08(f) and 2.08(g) and (d) any withholding Taxes imposed under FATCA.
“Facility” means the lending facility established pursuant to this Agreement and the other Transaction Documents.

“Facility Limit” means the sum of the Class A Maximum Financing Amount and the Class B Maximum Financing Amount.

“FATCA” means Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof, any agreements entered into pursuant to Section 1471(b)(1) of the Code and any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement, treaty or convention among Governmental Authorities entered into in connection with the implementation of the foregoing.

“Federal Funds Effective Rate” means, for any day, the rate calculated by the NYFRB based on such day’s federal funds transactions by depositary institutions, as determined in such manner as shall be set forth on the Federal Reserve Bank of New York’s Website from time to time, and published on the next succeeding Business Day by the NYFRB as the effective federal funds rate; provided that if the Federal Funds Effective Rate as so determined would be less than zero, such rate shall be deemed to be zero for the purposes of this Agreement.

“Federal Reserve Bank of New York’s Website” means the website of the NYFRB at http://www.newyorkfed.org, or any successor source.

“Fee Letter” means that letter dated as of the date hereof made by the Administrative Agent, and accepted by the Borrower and GreenSky.

“FICO Score” means, with respect to an Obligor and a Receivable, the Obligor’s credit risk score that is generated by the nationally recognized credit bureau selected by GreenSky in connection with the origination of such Receivable, which credit risk score is generated using statistical models established by Fair Isaac Corporation (or any successor entity thereto).

“Final Maturity Date” means the earlier to occur of (a) the date that is twelve (12) months after the Commitment Termination Date, or if such day is not a Business Day, the next Business Day and (b) the day on which the Loans have been declared or otherwise become due and payable following the occurrence and continuance of an Event of Default pursuant to Section 7.02.

“Financial Covenant Trigger” means the occurrence of one or both of the events described in clause (g) or (h) of the definition of “Amortization Event”.

“Financials Compliance Certificate” means the compliance certificate substantially in the form of Exhibit E or such other form as shall be mutually agreed by the Administrative Agent and Borrower.

“Foreign Lender” means any Lender that is not a U.S. Person.
“GAAP” means U.S. generally accepted accounting principles occasioned by the promulgation of rules, regulations, pronouncements or opinions by the Financial Accounting Standards Board or the American Institute of Certified Public Accountants (or successors thereto or agencies with similar functions) from time to time.

“Governmental Authority” means any foreign or the United States government, any state, local or other political subdivision thereof, and any Person exercising executive, legislative, judicial, quasi-judicial, regulatory, or administrative functions thereof or pertaining thereto, including without limitation, any U.S. bank regulatory agency, any foreign bank regulatory agency, any court, any central bank, any regulator and any other governmental authority.

“GreenSky” means GreenSky, LLC, a Georgia limited liability company.


“GreenSky Group Member” means GreenSky, Seller, Servicer and their respective Subsidiaries.

“GreenSky® Program” means the lending program administered by GreenSky on behalf of federally-insured, federal and state chartered lenders in connection with the lenders’ origination of consumer loans for their own account, primarily through a network of merchants.

“GreenSky Representations Letter” means a letter agreement to be entered into after the Closing Date in form and substance reasonably satisfactory to the Administrative Agent, and to be executed by GreenSky in favor of the Borrower, whereby GreenSky represents and warrants to the Borrower certain matters regarding the Receivables and agrees to purchase (or cause the Seller to purchase) any Participation Interest upon a breach by the Seller of a representation and warranty regarding such Participation Interests in the Master Purchase Agreement.

“Guarantee” of or by any Person (the “guarantor”) means any obligation, contingent or otherwise, of the guarantor guaranteeing or having the economic effect of guaranteeing any Indebtedness of any other Person (the “primary obligor”) in any manner, whether directly or indirectly, and including any obligation of the guarantor, direct or indirect, (a) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation or to purchase (or to advance or supply funds for the purchase of) any security for the payment thereof, (b) to purchase or lease property, securities or services for the purpose of assuring the owner of such Indebtedness of the payment thereof, (c) to maintain working capital, equity capital or any other financial statement condition or liquidity of the primary obligor so as to enable the primary obligor to pay such Indebtedness or other obligation or (d) as an account party in respect of any letter of credit or letter of guaranty issued to support such Indebtedness; provided that the term Guarantee shall not include (a) loan repurchase obligations or (b) endorsements for collection or deposit in the ordinary course of business, or customary indemnification obligations entered into in connection with any acquisition or disposition of assets or of other entities (other than to the extent that the primary
obligations that are the subject of such indemnification obligation would be considered Indebtedness hereunder).

“Hedge Counterparty” means any entity that has entered into a Hedging Agreement with the Borrower (or, if applicable, GreenSky or the Seller on Borrower’s behalf).

“Hedge Trigger Event” means that the daily average LIBO Rate exceeds 3.00% for any Collection Period.

“Hedging Agreement” means an agreement (whether or not in writing) that governs or gives rise to a Hedging Transaction.

“Hedging Transaction” means an interest rate cap, interest rate swap, or other interest rate hedging transaction reasonably acceptable to the Administrative Agent.

“Home Improvement Receivable” means a receivable arising from a loan made within the GreenSky® Program’s home improvement industry vertical and includes all right, title and interest with respect to such loan as a holder of the beneficial title to such loan, including without limitation (a) the related Receivable Document Package and all other loan documents, files and records of the Origination Partner and its servicing agent for such loan, (b) all proceeds from such loan (including without limitation any scheduled payments, any prepayments, all unpaid periodic interest and finance charges due or which may become due with respect thereto, all fees (including without limitation late payment fees) applicable to such loan, and all other fees, charges and other amounts that have been or may be assessed against the Obligor or otherwise may be due and payable thereunder), (c) all other rights, interests, benefits, proceeds, remedies and claims arising from or relating to such loan, and (d) all proceeds of the foregoing.

“IBA” has the meaning assigned to such term in Section 1.02(l).

“Impacted Interest Period” has the meaning assigned to it in the definition of “LIBO Rate.”

“Indebtedness” of any Person at any date means, without duplication, (a) all indebtedness of such Person for borrowed money, (b) all obligations of such Person for the deferred purchase price of property or services (other than current trade payables incurred in the ordinary course of such Person’s business, deferred employee compensation arrangements in the ordinary course of business and earn-out obligations), (c) all obligations of such Person evidenced by notes, bonds, debentures or other similar instruments, (d) all indebtedness created or arising under any conditional sale or other title retention agreement with respect to property acquired by such Person (even though the rights and remedies of the seller or lender under such agreement in the event of default are limited to repossession or sale of such property), (e) all Capital Lease Obligations of such Person, (f) all obligations of such Person, contingent or otherwise, as an account party or applicant under or in respect of bankers’ acceptances, letters of credit, surety bonds or similar arrangements, (g) all Guarantees of such Person in respect of obligations of the kind referred to in clauses (a) through (f) above, and (h) all obligations of the kind referred to in clauses (a) through (g) above secured by (or for which the holder of such obligation has an existing right, contingent or otherwise, to be secured by) any Lien on property (including accounts and contract rights) owned or acquired by such Person, whether or not such
Person has assumed or become liable for the payment of such obligation. The Indebtedness of any Person shall include the Indebtedness of any other entity (including any partnership in which such Person is a general partner) to the extent such Person is liable therefor as a result of such Person’s ownership interest in or other relationship with such entity, except to the extent the terms of such Indebtedness expressly provide that such Person is not liable therefor.

“Indemnified Liabilities” has the meaning given to it in Section 10.06(b).

“Indemnified Parties” has the meaning given to it in Section 10.06(b).

“Indemnified Taxes” means (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of the Borrower under any Transaction Document and (b) to the extent not otherwise described in (a), Other Taxes.

“Independent” means, with respect to any special member, manager or director of the Borrower, a natural person who: (i) for the five-year period prior to his or her appointment as Independent special member, Independent manager or Independent director of the Borrower has not been, and during the continuation of his or her service thereas is not (other than in his or her role as Independent special member, Independent manager or Independent director of the Borrower): (A) an employee, director, stockholder, member, manager, partner or officer of GreenSky or any of its Subsidiaries; (B) a customer or supplier (other than in connection with serving as Independent special member, Independent manager or Independent director of the Borrower) of GreenSky or any of its Subsidiaries; or (C) any member of the immediate family of a person described in the foregoing clause (A) or (B); and (ii) has (A) prior experience as an independent director or independent manager for a corporation or limited liability company whose charter or organizational documents required the unanimous consent of all directors or managers (including the independent director or independent manager), as the case may be, before such corporation or limited liability company could consent to the institution of bankruptcy or insolvency proceedings against it or could file a petition seeking relief under any applicable federal or State law relating to bankruptcy; and (B) at least three years of employment experience with one or more entities that provide, in the ordinary course of their respective businesses, advisory, management or placement services (including providing independent managers or directors) to issuers of securitization or structured finance instruments, agreements or securities.

“Information” means, with respect to the Borrower as a disclosing party and any Agent or Lender as a recipient, all information provided by the Borrower, GreenSky or any of its Subsidiaries or their respective advisers or representatives to any such recipient relating to the Borrower, GreenSky or any of its Subsidiaries or any of their respective businesses and expressly excluding any such information that is public, independently developed (without breach of Section 10.02), or made available to any Agent or any Lender on a nonconfidential basis by any Person not known to the recipient to be making such information available in violation of any duty of confidentiality prior to disclosure by the Borrower, GreenSky or any of their respective Subsidiaries or their respective advisers or representatives.

“Insolvency Event” means, with respect to a specified Person, (a) such specified Person shall (i) commence or file a petition to commence any Insolvency Proceeding with
respect to itself or any substantial part of its properties, or (ii) make a general assignment for the benefit of its creditors, or (b) a court of competent jurisdiction shall (i) enter an order, judgment or decree appointing a custodian, receiver, trustee, liquidator or conservator for such specified Person or the whole or any substantial part of the properties of such specified Person, (ii) approve a petition filed against such specified Person in connection with any Insolvency Proceeding, or (iii) under the provisions of any applicable Debtor Relief Law or other applicable law, assume custody or control of such specified Person or of the whole or any substantial part of the properties of such specified Person, or (c) there is commenced against such specified Person any Insolvency Proceeding that (A) is not unconditionally dismissed within sixty (60) calendar days after the date of commencement, or (B) with respect to which such specified Person takes any action to approve of or consent to such involuntary proceeding or action.

“Insolvency Proceeding” shall mean, with respect to any Person, any of the following: (i) any bankruptcy, reorganization, arrangement, or insolvency proceeding or other case or proceeding commenced by or against any Person under any applicable Debtor Relief Law; (ii) any proceeding seeking the appointment of any trustee, receiver, interim receiver, liquidator, custodian, monitor or other insolvency official with similar powers with respect to such Person or any of its assets; (iii) any proceeding for liquidation, dissolution or other winding up of the business of such Person; or (iv) any receivership, assignment for the benefit of creditors, arrangement, composition or extension, or any marshalling of assets of such Person.

“Interest Period” means (i) initially, the period from the date of the initial Advance to and including the last day of the immediately succeeding calendar month in which the initial Advance is made, and (ii) thereafter, each calendar month.

“Interpolated Rate” means, at any time, for any Interest Period, the rate per annum (rounded to the same number of decimal places as the LIBO Screen Rate) determined by the Administrative Agent (which determination shall be conclusive and binding absent manifest error) to be equal to the rate that results from interpolating on a linear basis between: (a) the LIBO Screen Rate for the longest period for which the LIBO Screen Rate is available for U.S. Dollars) that is shorter than the Impacted Interest Period; and (b) the LIBO Screen Rate for the shortest period (for which that LIBO Screen Rate is available for U.S. Dollars) that exceeds the Impacted Interest Period, in each case, at such time.

“Investment Company Act” means the Investment Company Act of 1940, as amended.

“IRS” means the United States Internal Revenue Service.

“JPM Person” means JPMorgan Chase Bank, N.A., each Affiliate of JPMorgan Chase Bank, N.A., and each commercial paper conduit that is sponsored, managed or supported by JPMorgan Chase Bank, N.A. or by any Affiliate of JPMorgan Chase Bank, N.A., including, without limitation, each of Person that is a Lender hereunder on the Closing Date.

“Lender” means any Class A Lender or any Class B Lender, as applicable, and “Lenders” means, collectively, the Class A Lenders and the Class B Lenders.

“Lender Group” means any Class A Lender Group or Class B Lender Group.
“LIBO Rate” means, for any Interest Period, the LIBO Screen Rate at approximately 11:00 a.m., London time, two Business Days prior to the commencement of such Interest Period; provided that if the LIBO Screen Rate shall not be available at such time for such Interest Period (an “Impacted Interest Period”) then the LIBO Rate shall be the Interpolated Rate.

“LIBO Screen Rate” means, for any day and time, for any Interest Period, the London interbank offered rate as administered by ICE Benchmark Administration (or any other Person that takes over the administration of such rate) for U.S. Dollars for a three-month period as displayed on such day and time on pages LIBOR01 or LIBOR02 of the Reuters screen that displays such rate (or, in the event such rate does not appear on a Reuters page or screen, on any successor or substitute page on such screen that displays such rate, or on the appropriate page of such other information service that publishes such rate from time to time as selected by the Administrative Agent in its reasonable discretion); provided that if the LIBO Screen Rate as so determined would be less than zero, such rate shall be deemed to be zero for the purposes of this Agreement.

“Lien” means any mortgage, deed of trust, deed to secure debt, pledge, security interest, encumbrance, lien or charge of any kind (including any conditional sale or other title retention agreement or any lease in the nature thereof), or any other arrangement pursuant to which title to the property is retained by or vested in some other Person for security purposes.

“Liquidation Notice” has the meaning set forth in Section 7.03(a).

“Liquidation Proceeds” means, for any Collection Period and any Charged-Off Participation, any amount (which shall not be less than zero) received (whether by the Servicer, Borrower, any Collection Agent, or any subagent or designee of any of them) in connection with such Charged-Off Participation, including any recoveries, payments or other proceeds thereon, net of any (i) reasonable out-of-pocket expenses (exclusive of overhead but inclusive of any fees paid to the applicable Collection Agent or any subagent or designee of the Servicer, Borrower or such Collection Agent) incurred or reimbursable by the Servicer or the Borrower and (ii) the Collection Agent Fee payable with respect to the collection and enforcement of such Charged-Off Participation, each to the extent not previously reimbursed to the Servicer.

“Loan” means a Class A Loan and/or a Class B Loan made available to the Borrower pursuant to Section 2.01.

“Loan Origination Agreement” means a loan origination agreement, by and between an Origination Partner and GreenSky in a form approved by the Administrative Agent (such approval not to be unreasonably withheld, delayed or conditioned), it being agreed that any amendments to such loan origination agreement occurring after the date of such approval shall only be subject to additional approval of the Administrative Agent if such amendment would reasonably be expected to adversely affect the validity, enforceability or collectability of any Receivables originated thereunder.

“Majority Lenders” means, at any time of determination, (a) unless and until all the Class A Commitments have expired or terminated and all Class A Borrower Obligations have
been repaid in full, one or more Class A Lenders holding 66 & 2/3% or more of the Class A Aggregate Loan Principal Balance at such time and (b) otherwise, one or more Class B Lenders holding 51% or more of the Class B Aggregate Loan Principal Balance at such time. The Principal Amount of the Loans held by any Defaulting Lender shall be disregarded in determining Majority Lenders at any time.

“Managed Pool Receivable” means (without duplication) any Receivable originated under the GreenSky® Program on or after January 1, 2019 [*****], in each case that is still owned or serviced by a GreenSky Group Member, including, without limitation, each Receivable related to a Purchased Participation, but excluding (i) all Patient Solutions Receivables, and (ii) any Receivable that would be a Charged-Off Participation if a Participation in respect thereof were owned by the Borrower.

“Managed Pool Receivable Balance” means, as of any date of determination with respect to a Managed Pool Receivable, (i) if such Managed Pool Receivable arises under a Deferred Interest Loan, the unpaid principal balance of such Deferred Interest Loan minus any Deferred Interest Payments thereunder as of such date, and (ii) if such Managed Pool Receivable arises under a 0% Interest Loan or a Reduced Rate Loan, the unpaid principal balance of such 0% Interest Loan or Reduced Rate Loan, as applicable.

“Master Participation Agreement” means (i) a Participation Sale Agreement to be entered into after the Closing Date in form and substance reasonably satisfactory to the Administrative Agent, among Synovus Bank, as the seller, and the Seller, as buyer, as the same may be amended from time to time or (ii) such other similar agreement between an Origination Partner, as the seller, and the Seller, as the buyer, as may be approved by the Administrative Agent from time to time (such approval not to be unreasonably withheld, conditioned or delayed).

“Master Purchase Agreement” means a Master Purchase Agreement, to be entered into after the Closing Date in form and substance reasonably satisfactory to the Administrative Agent, among the Seller, as seller, the Borrower, as buyer, and the Administrative Agent, as the same may be amended from time to time.

“Material Adverse Change” means any event, matter, condition, circumstance, change or effect that (a) materially and adversely affects the assets or financial condition of the GreenSky Group Members, other than any Special Purpose Vehicle, taken as a whole, or the Borrower, (b) materially adversely affects the ability of the GreenSky Group Members or the Borrower to perform or observe its respective obligations under any Transaction Document to which it is a party (including the ability of GreenSky, as Servicer, to collect the Purchased Participations on a timely basis); (c) materially and adversely affects or impairs the rights, powers, remedies or interests of the Administrative Agent or any Lender under any Transaction Document; (d) materially adversely affects the validity or enforceability of any material portion of the Purchased Participations or related Receivables by the holder thereof in accordance with their terms; or (e) materially adversely affects the validity, attachment, perfection, priority or enforcement of any Liens in any material portion of the Collateral granted in favor of the Administrative Agent in or pursuant to any Transaction Document or the ability of the
Administrative Agent to exercise any remedies or otherwise realize the material benefits of the security afforded under the Transaction Documents.

“Modification Guidelines” means the Financial Hardship Relief Policy – OPER, version Effective Date 03/25/2020, as delivered to the Administrative Agent prior to the Closing Date and in effect on the Closing Date, as may be amended from time to time [*****].

“Months on Book” means, in respect of any Vintage as of any Determination Date, the number of full calendar months that have elapsed since the end of the applicable Vintage Period. By way of example only, on April 30, 2020, the January-March 2020 Vintage would have Months on Book of one (1), and on June 30, 2020, that same Vintage would have Months on Book of three (3).

“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 initial Monthly Period will commence on the date hereof and end on the last day of the calendar month in which the Closing Date occurred.

“Monthly Vintage” means Managed Pool Receivables that are Deferred Interest Loans that all share a Monthly Vintage Period.

“Monthly Vintage Period” means the calendar month in which a group of Deferred Interest Loans had their first purchase (i.e., when the deferral period for each such Deferred Interest Loans began), provided that the first Monthly Vintage Period for purposes of this Agreement shall be the Monthly Vintage Period beginning on March 1, 2018.

“Multiemployer Plan” means any multiemployer plan as defined in Section 4001(a)(3) of ERISA, which is contributed to by (or to which there is or could be an obligation to contribute of) the Borrower or an ERISA Affiliate, and each such plan for the five-year period immediately following the latest date on which the Borrower or an ERISA Affiliate contributed to or had an obligation to contribute to such plan.

“Multiparty Agreement” means, (i) a Multiparty Agreement, to be entered into after the Closing Date in form and substance reasonably satisfactory to the Administrative Agent, by and among Synovus Bank, Seller, Servicer, Borrower and the Administrative Agent, or (ii) such other similar agreement between a different Origination Partner, Seller, Servicer, Borrower and the Administrative Agent as may be approved by the Administrative Agent from time to time (such approval not to be unreasonably withheld, conditioned or delayed).

“Net Eligible Pool Balance” means, as of any date of determination, the remainder of (a) the Eligible Pool Balance at such time, minus (b) the Excess Concentration Amount at such time, minus (c) the sum of the Discounted Amounts for each Eligible Participation at such time.

“Net Excess Spread Rate” means, with respect to any Determination Date for any Monthly Period, the product of (x) 12, and (y) the percentage equivalent of a fraction (1) the numerator of which is the excess, if any, of (a) the sum of (i) the aggregate amount of Collections of interest and fees received on the Receivables during such Monthly Period,
excluding all amounts that are Deferred Interest Payments but including all amounts that were previously Deferred Interest Payments but that during such Monthly Period were no longer deemed Deferred Interest Payments (as described in the definition thereof), (ii) in respect of each 0% Interest Loan, Collections received during such Monthly Period that are allocable to the Discounted Amount of such 0% Interest Loan during such Monthly Period (measured whether or not the Participation owned by the Borrower in respect of such 0% Interest Loan is then an Eligible Participation), (iii) in respect of each Deferred Interest Loan, Collections received in respect thereof during such Monthly Period multiplied by a percentage equal to one (1) minus the Class A Advance Rate (or, if then applicable and if higher than the Class A Advance Rate, the Class B Advance Rate) applicable to such Deferred Interest Loan (such rate to be applicable whether or not the Participation then owned by the Borrower in respect of such Deferred Interest Loan is then an Eligible Participation), and (iv) all payments received during such Monthly Period in respect of previously Charged-Off Participations, over (b) the sum of (i) the Servicing Fee paid during such Monthly Period, (ii) all other fees paid under the Transaction Documents during such Monthly Period (excluding the Class A Upfront Fee and the Class A Unused Fee) and (iii) the aggregate Participation Balance of Participations which became Charged-Off Participations during such Monthly Period (with such Participation Balance measured as of the date such Participations became a Charged-Off Participation) and (iv) the Class A Interest Rate paid during such Monthly Period, and (2) the denominator of which is equal to the daily average Aggregate Loan Principal Balance during such Monthly Period.

“NYFRB” means the Federal Reserve Bank of New York.

“NYFRB Rate” means, for any day, the greater of (a) the Federal Funds Effective Rate in effect on such day and (b) the Overnight Bank Funding Rate in effect on such day (or for any day that is not a Business Day, for the immediately preceding Business Day); provided that if none of such rates are published for any day that is a Business Day, the term “NYFRB Rate” means the rate for a federal funds transaction quoted at 11:00 a.m. on such day received by the Administrative Agent from a federal funds broker of recognized standing selected by it; provided, further, that if any of the aforesaid rates as so determined be less than zero, such rate shall be deemed to be zero for purposes of this Agreement.

“Obligations” means all present and future indebtedness and other liabilities and obligations (howsoever created or evidenced, whether direct or indirect, absolute or contingent, or due or to become due) of the Borrower to any Secured Party arising under this Agreement or any other Transaction Document or the transactions contemplated hereby or thereby, including the Class A Borrower Obligations, the Class B Borrower Obligations, Indemnified Liabilities, the Upfront Fee and all other amounts due or to become due from the Borrower to any Secured Party under this Agreement and the other Transaction Documents (whether in respect of fees, expenses, indemnifications, breakage costs, increased costs or otherwise), interest, fees and other obligations that accrue after the commencement of any bankruptcy, insolvency or similar proceeding with respect to Borrower (in each case whether or not allowed as a claim in such proceeding).

“Obligor” means, with respect to any Participation or Receivable, the Person obligated to make payments under the related Receivable, including the maker of any promissory note and any borrower, co-borrower, obligor, co-obligor, or guarantor thereof.
“Origination Partner” means each of the financial institutions listed on Schedule VII hereto (and designated as such) and any other financial institution selected by GreenSky as an Origination Partner hereunder and consented to in writing by the Administrative Agent, such consent not to be unreasonably withheld, conditioned or delayed.

“Other Connection Taxes” means, with respect to any Affected Party, Taxes imposed as a result of a present or former connection between such Affected Party and the jurisdiction imposing such Tax (other than connections arising from such Affected Party having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Transaction Document, or sold or assigned an interest in any Loan or Transaction Document).

“Other Taxes” means all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Transaction Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment (other than an assignment made pursuant to Section 2.10).

“Overnight Bank Funding Rate” means, for any day, the rate comprised of both overnight federal funds and overnight Eurodollar borrowings by U.S.-managed banking offices of depository institutions, as such composite rate shall be determined by the NYFRB as set forth on the Federal Reserve Bank of New York’s Website from time to time, and published on the next succeeding Business Day by the NYFRB as an overnight bank funding rate.

“Participant” has the meaning assigned thereto in Section 10.03(f).

“Participant Register” has the meaning assigned thereto in Section 10.03(f).

“Participation” means a one hundred percent (100%) undivided beneficial ownership interest in all cash flows from and proceeds of a Receivable, including proceeds of any sale, contribution or assignment of the related Receivable.

“Participation Balance” means, as of any date of determination, (i) with respect to an Eligible Participation issued in respect of a Deferred Interest Loan, the unpaid principal balance of each such Deferred Interest Loan minus any Deferred Interest Payments thereunder as of such date, and (ii) with respect to an Eligible Participation issued in respect of a 0% Interest Loan or a Reduced Rate Loan, the unpaid principal balance of each such 0% Interest Loan or Reduced Rate Loan.

“Patient Solutions Receivable” means a receivable arising from a loan made within the GreenSky® Program’s patient solutions industry vertical and includes all right, title and interest with respect to such loan as a holder of the beneficial title to such loan, including without limitation (a) the related Receivable Document Package and all other loan documents, files and records of the Origination Partner and its servicing agent for such loan, (b) all proceeds from such loan (including without limitation any scheduled payments, any prepayments, all unpaid periodic interest and finance charges due or which may become due with respect thereto,
all fees (including without limitation late payment fees) applicable to such loan, and all other fees, charges and other amounts that have been or may be assessed against the Obligor or otherwise may be due and payable thereunder), (c) all other rights, interests, benefits, proceeds, remedies and claims arising from or relating to such loan, and (d) all proceeds of the foregoing.

“Payment in Full” has the meaning assigned thereto in Section 3.04(a).

“PBGC” means the Pension Benefit Guaranty Corporation referred to and defined in ERISA and any successor entity performing similar functions.

“Pension Plan” means any “employee pension benefit plan” as defined in Section 3(2) of ERISA (other than a Multiemployer Plan) subject to the provisions of Title IV of ERISA or Section 412 of the Code or Section 302 of ERISA that is, or within the preceding five years, has been maintained or contributed to by the Borrower or an ERISA Affiliate or to which the Borrower or an ERISA Affiliate has or could have an obligation to contribute.

“Permitted Liens” means (i) Liens in favor of the Administrative Agent, for the benefit of the Secured Parties, created pursuant to any Transaction Document, (ii) Security Interests in favor of the Borrower (including, without limitation, as purchaser from Seller) created pursuant to any Transaction Document, (iii) Liens in favor of any Account Bank pursuant to this Agreement and/or any Account Control Agreement, (iv) inchoate Liens for Taxes not yet due, (v) other than with respect to any Purchased Assets or other Collateral (for which this clause (v) shall not apply), tax liens arising by operation of law for taxes the validity or amount of which is being contested in good faith by appropriate proceedings and for which adequate reserves have been set aside on the books of such taxpayer with respect thereto in accordance with (and as required by) GAAP, (vi) solely with respect to Participations that are no longer Purchased Participations, precautionary and “backup” Liens in such Participations in favor of purchasers of such Participations and (vii) encumbrances in favor of the Origination Partner under the applicable Origination Agreement and Servicing Agreement.

“Person” means any individual, corporation, estate, partnership, limited liability company, joint venture, association, joint stock company, trust (including any beneficiary thereof), unincorporated organization or government or any agency or political subdivision thereof.

“Plan Asset Regulation” means the U.S. Department of Labor regulation located at 29 C.F.R. Section 2510.3-101, or any successor regulation thereto, as in effect at the time of reference, as modified by Section 3(42) of ERISA.

“Plan Assets” means “plan assets” as defined in the Plan Asset Regulation. “Platinum Merchant” means a merchant in the GreenSky Program designated by GreenSky as a “Platinum Merchant”.

“Principal Amount” means, with respect to any Loan, the original principal amount of such Loan, as such principal amount may be reduced from time to time in accordance with the terms of this Agreement; provided, that if such Principal Amount shall have been reduced by any distribution and thereafter all or a portion of such distribution is rescinded or
must otherwise be returned for any reason, such Principal Amount shall be increased by the amount of such rescinded or returned distribution, as though it had not been received by such Lender.

“Priority of Payments” means the priority of payments set forth in Section 3.02(a), Section 3.02(b) or Section 3.02(c), as applicable.

“Pro Rata Share” means, at any time with respect to any Lender, the ratio of such Lender’s Drawn Amount to the Aggregate Loan Principal Balance.

“Purchase Date” means, with respect to any Purchased Participation, the date on which such Participation is sold or otherwise transferred or contributed by the Seller to the Borrower pursuant to the Master Purchase Agreement.

“Purchased Assets” means, with respect to each Purchased Participation, (i) such Purchased Participation, (ii) as and to the extent specified in the Master Purchase Agreement, the related Receivable Document Package, (iii) as and to the extent specified in the Master Purchase Agreement, the related rights and benefits relating to such Purchased Participation under such Receivable Documents, subject to the terms of the applicable Origination Agreement, the applicable Servicing Agreement and the applicable Multiparty Agreement, (iv) all Collections in respect of such Purchased Participation and related Receivable, and (v) all proceeds of any of the foregoing.

“Purchased Participation” means each Participation made, issued, conveyed, sold, contributed or otherwise transferred to the Borrower by the Seller pursuant to the Master Purchase Agreement; provided, that upon any Release thereof or purchase by the Seller or any other Person, such Participation shall cease to be a Purchased Participation.

“Qualified Hedge Counterparty” means any Hedge Counterparty that is (i) a Lender, an Affiliate of a Lender or (ii) any other entity, which on the date of entering into any Hedge Agreement is (A) an interest rate swap dealer with a short term rating of at least A-2 from S&P and P-2 from Moody’s and a long term rating of at least A- from S&P and A3 from Moody’s; provided that, if no interest rate swap dealers meet such ratings as of a particular date, the parties shall agree to reasonable alternative ratings thresholds, and (B) solely with respect to any interest rate swap, has agreed to an ISDA/CSA which includes provisions approved in writing by the Administrative Agent, in its reasonable discretion, including but not limited to (x) no termination event in the event of a failure of Borrower (or, if applicable, GreenSky or the Seller on Borrower’s behalf) to post required margin under the credit support annex and (y) requirements to notify the Administrative Agent in the event of a failure of Borrower (or, if applicable, GreenSky or the Seller on Borrower’s behalf) to post required margin under the credit support annex; provided, however, solely with respect to a Hedge Counterparty described in clause (ii), upon a downgrade of a short term rating below A-2 from S&P or P-2 from Moody’s or a long term rating of A- from S&P or A3 from Moody’s, the Borrower (or, if applicable, GreenSky or the Seller on Borrower’s behalf) shall require such hedge counterparty to post collateral acceptable to the Administrative Agent or replace such hedge counterparty within thirty (30) days.
“Qualified Hedging Agreement” means each agreement between the Borrower (or, if applicable, GreenSky or the Seller on Borrower’s behalf) and a Qualified Hedge Counterparty that (i) is in writing, (ii) governs one or more Hedging Transactions, (iii) contains commercially reasonable terms and is in the form and substance reasonably acceptable to the Administrative Agent, (iv) contains an express acknowledgement of and consent to the assignment by the Borrower (or, if applicable, GreenSky or the Seller on Borrower’s behalf) of all of its rights (but not its obligations) thereunder to the Administrative Agent; (v) requires all payments due to the Borrower (or, if applicable, GreenSky or the Seller on Borrower’s behalf) thereunder by the Qualified Hedge Counterparty to be remitted exclusively to the Collection Account; (vi) contains an express prohibition on any amendment or modification thereof without the express written consent of the Administrative Agent; and (vii) complies with any applicable clearing and margin requirements of Dodd-Frank Wall Street Reform and Consumer Protection Act.

“Qualified Hedging Transaction” means either (a) a Hedging Transaction that is an interest rate cap that arises under a Qualified Hedging Agreement, and for which the Borrower, or GreenSky or the Seller on Borrower’s behalf, has made all required payments paid or payable to the Qualified Hedge Counterparty thereunder to purchase such Hedging Transaction, or (b) a Hedging Transaction other than an interest rate cap that (i) has been approved by the Administrative Agent in its reasonable discretion, and (ii) has been entered into pursuant to a Qualified Hedging Agreement.

“Receivable” means a Home Improvement Receivable, a Patient Solutions Receivable or a Specialty Retail Receivable, as applicable.

“Receivable Document Package” means, with respect to any Receivable, copies of all Receivable Documents.

“Receivable Documents” means with respect to any Receivable regarding which a Purchased Participation is owned by the Borrower, and in each case except as set forth in the Loan Origination Agreement or Servicing Agreement, copies of (i) the loan agreement governing the terms thereof; (ii) the terms of use; and (iii) any other notes, instruments, documents or writings executed or to be executed (including electronic execution) by the applicable Obligor in connection therewith, provided to or by the applicable Obligor in connection the application for or approval, origination and funding of such Receivable. For avoidance of doubt, the parties hereto understand that Receivable Documents (i) are in electronic form and shall be provided in electronic form when required to be provided under the Transaction Documents, and (ii) are owned by the applicable Origination Partner in its capacity as owner of such Receivable.

“Reduced Rate Loan” means a Receivable relating to a loan that is a fully amortizing fixed rate term loan with no promotional or deferred period and that is not a 0% Interest Loan.

“Register” has the meaning assigned to such term in Section 2.05(b).

“Regulatory Requirement” means (i) the adoption after the date hereof or, in respect of any Person that becomes a Lender hereunder after the date hereof pursuant to an
Assignment and Assumption Agreement, after the date of such Assignment and Assumption Agreement, of any applicable law, rule or regulation (including any applicable law, rule or regulation regarding capital adequacy or liquidity coverage) or any change therein after the date hereof and (ii) any change after the date hereof in the interpretation or administration thereof by any governmental authority, central bank or comparable agency charged with the interpretation or administration thereof, or compliance with any request or directive (whether or not having the force of law) of any such authority, central bank or comparable agency; provided that for purposes of this definition, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder, issued in connection therewith or in implementation thereof, and (y) all requests, rules, guidelines and directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities in connection with Basel II or Basel III, in each case regardless of the date enacted, adopted, issued or implemented.

“Rejection Notice” has the meaning set forth in Section 7.03(a).

“Related Group” means the Conduit Lenders and Committed Lenders listed together as part of a “Related Group” on Schedule I or in any Assignment and Assumption Agreement.

“Related Parties” has the meaning specified in Section 10.02(e).

“Related Person” means, (i) solely with respect to any Conduit Lender, any Person that provides liquidity or credit support to such Conduit Lender or is otherwise a sponsor or manager thereof; and, (ii) with respect to any Lender (or any Related Person of a Conduit Lender as set forth in the foregoing clause (i)), any Person controlling, that is the holding company of, that is consolidated with, or that is an Affiliate of such Lender.

“Release” means the release by the Administrative Agent of its security interest in all or any designated portion of the Purchased Participations and related Purchased Assets in connection with (a) a Whole Loan Sale, (b) a Securitization Transaction or (c) a voluntary prepayment following the first anniversary of the Closing Date, in each case made in accordance with the terms of Section 2.04.

“Release Date” means the date of any Release pursuant to Section 2.04(a).

“Release Notice” has the meaning set forth in Section 2.04(a).

“Relevant Governmental Body” means the Board of Governors of the Federal Reserve System and/or the NYFRB, or a committee officially endorsed or convened by the Board of Governors of the Federal Reserve System and/or the NYFRB or, in each case, any successor thereto.

“Repurchase Price” means, with respect to a Purchased Participation that is required to be repurchased by the Seller pursuant to the Master Purchase Agreement, an amount equal to (i) the sum of (a) the “Purchase Price” of such Participation as of the date of purchase under the Master Purchase Agreement and (b) all accrued and unpaid interest on the related
Receivable as of such date, less (ii) all Collections received by the Borrower and applied to reduce the principal balance thereof.

“Required Reserve Account Amount” means, as of any date of determination the product of the Required Reserve Percentage multiplied by the Aggregate Loan Principal Balance on such date of determination.

“Required Reserve Account Deposit Amount” means, as of any date of determination, the remainder of (a) the Required Reserve Account Amount as of such date, minus (b) the amount of funds actually on deposit in the Reserve Account on such date (after giving effect to any amount to be withdrawn from such Reserve Account on such date but before giving effect to any actual deposit of any portion of an Advance or other amount to be deposited into such Reserve Account on such date).

“Required Reserve Percentage” means [*****]%.

“Requirements” means all applicable federal and state laws, regulations and guidance related, directly or indirectly, to the gathering, storage, use, security and privacy of Consumer Information, including Title V of the Gramm-Leach-Bliley Act, 15 U.S.C. §§ 6801 et seq., the FTC’s Rule regarding the Privacy of Consumer Financial Information, 16 C.F.R. Part 313, the Federal Trade Commission’s Standards for Safeguarding Customer Information, 16 C.F.R. Part 314, and any other applicable laws regarding the privacy or security of Consumer Information (collectively, the “Privacy Laws”) Title X of the Dodd-Frank Act; Title V of the Gramm-Leach-Bliley Act, 15 U.S.C. §§ 6801 et seq., the FTC’s Rule regarding the Privacy of Consumer Financial Information, 16 C.F.R. Part 313, the for Safeguarding Customer Information, 16 C.F.R. Part 314.

“Requirements of Law” means any and all applicable federal, state, local and/or foreign statutes, and any and all applicable ordinances, rules, regulations, judicial rulings, court orders, common law, judgments, decrees, administrative orders, and other applicable legal requirements of any and every conceivable type, including, but not limited to, any applicable credit disclosure laws and regulations and any applicable State and federal usury laws.

“Reserve Account” has the meaning assigned thereto in Section 3.04(a).

“Reserve Account Excess Amount” means, with respect to any Release Date, the amount determined as of such date after giving effect to any prepayment or other distribution on such date (but not any withdrawal from the Reserve Account to be made on such date to fund payments or distributions pursuant to the Priority of Payments) equal to the excess of the amount of funds on deposit in the Reserve Account on such date over the Required Reserve Account Amount on such date.

“Revolving Period” means the date commencing on (and including) the Closing Date and ending on the Commitment Termination Date.

“Scheduled Payment” means, with respect to any Purchased Participation, the amount set forth in the applicable Receivable Documents as required to be paid by the Obligor on the related Receivable on each due date specified therein. If after the Closing Date, the
Obligor’s obligation payable on any due date specified in a Receivable Document has been modified so as to differ from the amount specified therein as of the Purchase Date for such Purchased Participation (i) as a result of a modification thereof made consistent with the Servicer’s Modification Guidelines, or (ii) pursuant to the Servicemembers Civil Relief Act or similar State laws, the Scheduled Payment with respect to such Receivable shall refer to the Obligor’s payment obligations with respect to such Receivable as so modified.

“Secured Parties” means the Administrative Agent, the Lenders (including any Participant), and the other Indemnified Parties.

“Securitization Transaction” means a broadly marketed and distributed issuance of asset-backed securities, whether sponsored by GreenSky or an Affiliate of GreenSky or any non-affiliated third party, which is secured by the Receivables (or Participations issued in respect of such Receivables) serviced or master serviced by GreenSky or its Affiliate.

“Security Interest” means a security interest as defined in the applicable UCC, which includes a sale of accounts, chattel paper, payment intangibles, and promissory notes.

“Seller” has the meaning assigned to such term in the Recitals.

“Selling Bank Partner” means each of the financial institutions listed on Schedule VII hereto (and designated as such) and any other financial institution selected by GreenSky as a Selling Bank Partner hereunder and consented to in writing by the Administrative Agent, such consent not to be unreasonably withheld, conditioned or delayed.

“Senior Credit Agreement” means that certain Credit Agreement, dated as of August 25, 2017, by and among GreenSky Holdings, LLC, a Georgia limited liability, JPMorgan Chase Bank, N.A., as administrative agent, collateral agent and as an issuing bank, and each lender from time to time party thereto (as such agreement may be amended, restated, amended and restated, modified or supplemented from time to time).

“Servicer” means GreenSky (including its Affiliates that provide, directly or indirectly, any of the services contemplated by any Loan Origination Agreement or related Servicing Agreement), as the servicer of the Purchased Participations and related Receivables, and each successor servicer (which may include any backup servicer upon appointment of such backup servicer as successor servicer).

“Servicer Default” means the occurrence of a “Servicer Default” as such term is defined in the Servicing Agreement.

“Servicing Agreement” means (i) the Servicing Agreement by and between Synovus Bank and the Servicer to be entered into after the Closing Date in form and substance reasonably satisfactory to the Administrative Agent, (ii) a servicing agreement by and between an Origination Partner (other than Synovus Bank) and the Servicer, in effect from time to time, and (iii) any successor servicing agreement entered into with any successor Servicer if GreenSky is replaced as Servicer pursuant to the terms of the initial Servicing Agreement.
“Servicing Fee” means the fee payable to the Servicer, as agent for the applicable Origination Partner, pursuant to the
Multiparty Agreement, and, with respect to any successor Servicer, the fee payable to such successor Servicer (provided that
any fee payable to a successor servicer shall not be in excess of the fee payable to the Backup Servicer pursuant to the Backup
Servicing Agreement without the consent of the Administrative Agent).

“Settlement Date” means the fifteenth (15th) calendar day of each calendar month or, if such date is not a
Business Day, the next Business Day, commencing with June 15, 2020; provided, that (A) the date of any prepayment hereunder
shall be a “Settlement Date” with respect to the portion of the Loan being prepaid on such date (subject to Section 3.02(b)); and
(A) the Final Maturity Date and any date declared by the Administrative Agent after an Event of Default has occurred and is
continuing shall be a “Settlement Date.”

“SOFR” with respect to any day means the secured overnight financing rate published for such day by the
NYFRB, as the administrator of the benchmark (or a successor administrator), on the Federal Reserve Bank of New York’s
Website.

“SOFR-Based Rate” means SOFR, Compounded SOFR or Term SOFR.

“Solvent” means, with respect to any Person and its Subsidiaries on a particular
date, that on such date (a) the fair value of the present assets of such Person and its Subsidiaries, taken as a whole, is greater than
the total amount of liabilities, including, without limitation, contingent liabilities, of such Person and its Subsidiaries, taken as a
whole, (b) the present fair saleable value of the assets of such Person and its Subsidiaries, taken as a whole, is not less than the
amount that will be required to pay the probable liability of such Person and its Subsidiaries, taken as a whole, on their debts as
they become absolute and matured, (c) such Person and its Subsidiaries, taken as a whole, do not intend to, and do not believe
that they will, incur debts or liabilities (including current obligations and contingent liabilities) beyond their ability to pay such
debts and liabilities as they mature in the ordinary course of business and (d) such Person and its Subsidiaries, taken as a whole,
are not engaged in business or a transaction, and are not about to engage in business or a transaction, in relation to which their
property would constitute an unreasonably small capital. The amount of contingent liabilities at any time shall be computed as the
amount that, in the light of all the facts and circumstances existing at such time, represents the amount that can reasonably be
expected to become an actual or matured liability (irrespective of whether such contingent liabilities meet the criteria for accrual
under Statement of Financial Accounting Standard No. 5).

“Special Purpose Vehicle” means any special purpose entity established by GreenSky or an Affiliate thereof in
connection with a warehouse lending facility, securitization or any other financing arrangement that is entered into or to be
entered into by GreenSky or an Affiliate thereof in order to finance loans, Receivables or Participations.

“Specialty Retail Receivable” means a receivable arising from a loan made within the GreenSky®
Program’s specialty retail vertical and includes all right, title and interest with respect to such loan as a holder of the beneficial title to such
loan, including without limitation (a) the related Receivable Document Package and all other loan documents, files and records of
the Origination Partner and its servicing agent for such loan, (b) all proceeds from such loan
(including without limitation any scheduled payments, any prepayments, all unpaid periodic interest and finance charges due or which may become due with respect thereto, all fees (including without limitation late payment fees) applicable to such loan, and all other fees, charges and other amounts that have been or may be assessed against the Obligor or otherwise may be due and payable thereunder), (c) all other rights, interests, benefits, proceeds, remedies and claims arising from or relating to such loan, and (d) all proceeds of the foregoing.

“State” means any one of the 50 states of the United States of America or the District of Columbia.

“Subsidiary” means, with respect to any Person, any corporation, partnership, association or other business entity of which a majority of the outstanding shares of capital stock or other Equity Interests having ordinary voting power for the election of directors or their equivalent is at the time owned by such Person directly or through one or more Subsidiaries.

“Supplemental Information and Certification” means, as part of each Advance Notice, each Release Notice, each Notice of Withdrawal, and each Borrower’s Monthly Settlement Certificate delivered hereunder: (a) a pro forma calculation of the Required Reserve Account Deposit Amount (in the case of any Advance Notice) or Reserve Account Excess Amount (in the case of a Release Notice), (or either of the foregoing, if applicable, as part of the Borrower’s Monthly Settlement Certificate) as of (or as would be determined on) the related Advance Date, Release Date, or Settlement Date, as the case may be, after giving effect to any Advance, prepayment, Release, distribution, and other action to be taken on such date, (b) a certification and representation and warranty that the Financial Covenant Trigger has not occurred as of the date of such notice or certificate, which certification shall be true on the related Activity Date or Settlement Date, as applicable, after giving effect to any Advance, prepayment, Release, distribution or other action to be taken on such date; and (c) agreeing that the foregoing calculations and determination will be immediately updated if necessary on any related Advance Date or Release Date if not accurate as of the close of business on such date.

“Taxes” means all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

“Term” means (a) in the case of a Deferred Interest Loan, the original deferral period and (b) in the case of a 0% Interest Loan or a Reduced Rate Loan, the original term to maturity.

“Term SOFR” means the forward-looking term rate based on SOFR that has been selected or recommended by the Relevant Governmental Body.

[*****]

“Three-Month Average Excess Spread” means, on any Settlement Date, the average of the Net Excess Spread Rate as of the three Determination Dates immediately preceding such Settlement Date.
“Transaction Documents” means this Agreement, the Master Purchase Agreement, the Servicing Agreement, the Backup Servicing Agreement, the Multiparty Agreement, any Account Control Agreement, the Fee Letter, the GreenSky Representations Letter, and each other contract, agreement, undertaking or other instrument executed in connection with any of the foregoing, including all exhibits, annexes and schedules attached to any of the foregoing, and other documents and certificates delivered in connection therewith; provided that Hedge Agreements and other documents and certificates delivered in connection therewith shall not be deemed to be Transaction Documents.

[*****]

“UCC” means the Uniform Commercial Code as in effect in any applicable jurisdiction.

“Unadjusted Benchmark Replacement” means the Benchmark Replacement excluding the Benchmark Replacement Adjustment; provided that, if the Unadjusted Benchmark Replacement as so determined would be less than zero, the Unadjusted Benchmark Replacement will be deemed to be zero for the purposes of this Agreement.

“Uncommitted Class A Facility” means discretionary revolving loans that may be made by one or more Class A Lenders in such Class A Lender’s sole discretion in a principal amount which may be agreed to by the Administrative Agent, the Class A Lenders and the Borrower but shall in no event exceed $200,000,000 in the aggregate. As of the Closing Date, the Uncommitted Class A Facility is $0.

“Underwriting Policy” means the GreenSky Program Credit Policy for GS Investment I, LLC dated as of April 20, 2020, as set forth on Schedule IX hereto, as such policy may be amended from time to time [*****].

“Unrestricted Cash” means, with respect to GreenSky Parent and its Subsidiaries on a consolidated basis, as of any date of determination, the cash and cash equivalents that, in accordance with GAAP, is reflected on the consolidated balance sheet of GreenSky, but only to the extent that such cash and cash equivalents (or any deposit account or securities account in which such cash and cash equivalents are held) are not controlled by or subject to any Lien or other preferential arrangement in favor of any creditor.

“Upfront Fee” has the meaning set forth in the Fee Letter.

“U.S. Person” means any Person that is a “United States person” as defined in Section 7701(a)(30) of the Code.

“U.S. Tax Compliance Certificate” has the meaning specified in Section 2.08(f).

“Vintage” means, in respect of Managed Pool Receivables, a group of 0% Interest Loans, Reduced Rate Loans or Deferred Interest Loans, respectively, that all share a Vintage Period.
“Vintage Period” means the calendar quarter in which a group of 0% Interest Loans, Reduced Rate Loans or Deferred Interest Loans, as applicable, was originated, provided that the first Vintage Period for purposes of this Agreement shall be the Vintage Period beginning on January 1, 2019.

“Volcker Rule” has the meaning given to it in Section 4.01(h).

“Weighted Average Discount Rate” means, as of any date of determination, [*****].

“Whole Loan Sale” means a sale of all or a part of the Receivables relating to the Purchased Participations to an unaffiliated third-party purchaser in exchange for not less than fair market value (as determined by the Borrower in its reasonable discretion), it being agreed that any such sale may be sold to another GreenSky Group Member (or Affiliate thereof) before being immediately sold to such third-party purchaser.

“Withdrawal Date” has the meaning specific in Section 3.02(e).

“Withdrawal Liability” means liability to a Multiemployer Plan as a result of a complete or partial withdrawal from such Multiemployer Plan, as such terms are defined in Title IV of ERISA.

“Write-Down and Conversion Powers” means, with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule.

SECTION 1.02 Other Definitional Provisions.

(a) Related Documents, Instruments and Certificates. All terms defined in this Agreement shall have the defined meanings when used in any instrument governed hereby and in any certificate or other document made or delivered pursuant hereto unless otherwise defined therein.

(b) Accounting Terms. Accounting terms used but not defined or partly defined in this Agreement, in any instrument governed hereby or in any certificate or other document made or delivered pursuant hereto, to the extent not defined, shall have the respective meanings given to them under GAAP as in effect as of such date of determination or any such instrument, certificate or other document, as applicable. To the extent that the definitions of accounting terms in this Agreement or in any such instrument, certificate or other document are inconsistent with the meanings of such terms under GAAP, the definitions contained in this Agreement or in any such instrument, certificate or other document shall control. If the Borrower notifies the Administrative Agent that the Borrower requests an amendment to any provision hereof to eliminate the effect of any change occurring after the date hereof in GAAP or in the application thereof on the operation of such provision, regardless of whether any such notice is given before or after such change in GAAP or in the application thereof, then such provision shall be interpreted on the basis of GAAP as in effect and applied immediately before such
change shall have become effective until such notice shall have been withdrawn or such provision amended in accordance herewith.

(c) **Internal References.** The words “hereof,” “herein,” “hereunder” and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement.

(d) **Cross-References; Including.** Section, Schedule and Exhibit references contained in this Agreement are references to the Sections, Schedules and Exhibits in or to this Agreement unless otherwise specified; and the term “including” shall mean “including without limitation.”

(e) **Variations.** The definitions contained in this Agreement are applicable to the singular as well as the plural forms of such terms and to the masculine as well as to the feminine and neuter genders of such terms.

(f) **Requirements of Law.** Any reference to any Requirements of Law means such Requirements of Law as amended, modified, codified, replaced or reenacted, in whole or in part, and in effect from time to time, including rules and regulations promulgated thereunder, and reference to any section or other provision of any Requirements of Law means that provision of such Requirements of Law from time to time in effect or constituting any substantive amendment, modification, codification, replacement or reenactment of such Section or other provision.

(g) **Amendments, Supplements and Modifications; Successors and Assigns.** Any agreement, instrument or document defined or referred to herein or in any instrument, certificate or document delivered in connection herewith means such agreement, instrument or document as the same may from time to time be amended, modified or supplemented in accordance with the terms thereof and includes references to all attachments, schedules and exhibits associated therewith; all references to a Person include its permitted successors and assigns.

(h) **Knowledge.** Any use of the term “knowledge” or “actual knowledge” in this Agreement shall mean actual knowledge.

(i) **Business Days.** If any date for compliance with the terms or conditions of any Transaction Document falls due on a day that is not a Business Day, then such due date shall be deemed to be the immediately following Business Day.

(j) **Defaults.** For purposes of this Agreement, any Event of Default, Servicer Default or Seller Default shall be deemed to be continuing until it is waived in accordance with the provisions set forth herein or in the applicable Transaction Document.

(k) **Approvals.** The fact that any Person provides approval or consent hereunder shall not mean or otherwise be construed to mean: (i) that such Person providing such approval or consent has assumed the obligations of the Person seeking approval or consent to comply with all applicable Requirements of Law and other obligations arising from or relating to
the underlying matter as to which such approval or consent was given; or (ii) except as otherwise expressly set forth in such approval or consent, that providing any such approval or consent impairs in any way the rights or remedies of the Person providing such approval or consent under this Agreement, including indemnification rights for any failure of the Person seeking such approval or consent to comply with all such Requirements of Law and other obligations.

(1) **Interest Rates; LIBO Rate Notification.** The London interbank offered rate is intended to represent the rate at which contributing banks may obtain short-term borrowings from each other in the London interbank market. In July 2017, the U.K. Financial Conduct Authority announced that, after the end of 2021, it would no longer persuade or compel contributing banks to make rate submissions to the ICE Benchmark Administration (together with any successor to the ICE Benchmark Administrator, the “IBA”) for purposes of the IBA setting the London interbank offered rate. As a result, it is possible that commencing in 2022, the London interbank offered rate may no longer be available or may no longer be deemed an appropriate reference rate upon which to determine the interest rate on U.S. Dollars. In light of this eventuality, public and private sector industry initiatives are currently underway to identify new or alternative reference rates to be used in place of the London interbank offered rate. Upon the occurrence of a Benchmark Transition Event or an Early Opt-In Election, Section 2.12(b) provides a mechanism for determining an alternative rate of interest. The Administrative Agent will promptly notify the Borrower, pursuant to Section 2.12(d), of any change to the reference rate upon which the interest rates are based. However, the Administrative Agent does not warrant or accept any responsibility for, and shall not have any liability with respect to, the administration, submission or any other matter related to the London interbank offered rate or other rates in the definition of “LIBO Rate” 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 2.12(b), whether upon the occurrence of a Benchmark Transition Event or an Early Opt-in Election, and (ii) the implementation of any Benchmark Replacement Conforming Changes pursuant to Section 2.12(c)), 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, the LIBO Rate or have the same volume or liquidity as did the London interbank offered rate prior to its discontinuance or unavailability.

(m) **Notwithstanding any other provision of this Agreement, the aggregate amount of the Class B Commitments as of the Closing Date is $0. The Borrower may, with the consent of Administrative Agent in its reasonable discretion, from time to time elect to increase the Class B Commitment to an aggregate amount not to exceed 15% of the Class A Commitments then in effect. For so long as Class B Commitments are $0, all provisions in this Agreement (other than this Section 1.02(m)) and the other Transaction Documents relating to Class B Commitments, Class B Loans, Class B Lenders and related matters shall be without effect.**
ARTICLE II
THE CREDITS

SECTION 2.01 Advances.

(a) Revolving Period. Subject to the terms and conditions of this Agreement (including, without limitation, the conditions precedent to the initial Advance and each subsequent Advance set forth in Article V) and relying upon the representations and warranties herein set forth, during the Revolving Period, (i) each Class A Conduit Lender may, and to the extent any Class A Conduit Lender declines to fund, each Class A Committed Lender in its Related Group shall, severally and not jointly, fund (x) Class A Loans not to exceed the Class A Commitments, (ii) after the Class A Commitments have been fully funded and remain outstanding and in the sole discretion of the Class A Lenders, additional Class A Loans not to exceed the amount of the Uncommitted Class A Facility, and (iii) each Class B Lender shall, severally and not jointly, fund (x) Class B Loans not to exceed the Class B Commitments (each such loan funded under clause (i) or (ii), an “Advance”); provided, however, that no such Advance shall cause (a) the outstanding Class A Aggregate Loan Principal Balance to exceed the lesser of (x) the Class A Maximum Financing Amount and (y) the Class A Borrowing Base, (b) the outstanding Class B Aggregate Loan Principal Balance to exceed the lesser of (x) the Class B Maximum Financing Amount and (y) the Class B Borrowing Base, and (c) the Aggregate Loan Principal Balance to exceed the lesser of (x) the Facility Limit and (y) sum of the Class A Borrowing Base plus the Class B Borrowing Base. Subject to the foregoing, amounts borrowed hereunder by the Borrower may be repaid and re-borrowed during the Revolving Period. For the avoidance of doubt, any payments of principal on the Class A Loans shall be applied to reduce Class A Loans attributable to the Uncommitted Class A Facility prior to reducing Class A Loans attributable to the Class A Commitments.

(b) Process for Requesting Advances. The Borrower may request an Advance (which Advance, subject to the conditions herein, may be for Class A Loans, Class B Loans or any combination thereof, at the discretion of the Borrower) on any Business Day occurring prior to the Commitment Termination Date (an “Advance Date”) by delivering to the Administrative Agent (which the Administrative Agent shall promptly make available to the Lenders in accordance with its customary practice) by not later than 3:00 p.m. New York City time at least two (2) Business Days prior to the requested Advance Date, an Advance Notice, with an attached Borrowing Base Certificate and Data File, provided, that in no event shall there be more than two Advance Dates in any calendar week. Each Advance Notice shall be irrevocable and effective upon receipt.

(c) Pro Forma Calculations. The Borrowing Base Certificate and Data File delivered with any Advance Notice shall be dated and current as of the close of business on the date that is one (1) Business Day preceding the delivery date for such Advance Notice set forth above and shall show pro forma calculations of the Required Reserve Account Deposit Amount, Class A Borrowing Base and Class B Borrowing Base as of the applicable Advance Date (after giving effect to the Advance and purchase of Participations on such date and expected application of Available Funds on such Advance Date if such Advance Date is a Settlement Date), and shall include, without limitation, (i) identification of the Participations to be acquired on such Advance Date and certification of which Purchased Participations will be Eligible
Participations on such Advance Date, and (ii) the Supplemental Information and Certification. The Borrower hereby agrees that it shall, or it shall cause the Servicer to, immediately notify the Administrative Agent if any such pro forma information or calculations fail to be true as of the related Advance Date, together with corrected and updated information and calculations as of such Advance Date.

(d) **Funding Advances; Replacement of Lenders.** On each Advance Date, each Class A Lender and/or Class B Lender, as applicable, may, not later than 1:00 p.m., New York City time, on such Advance Date, remit its Applicable Advance Percentage of the requested Advance by wire transfer of immediately available funds to the account designated by the Administrative Agent, which shall be funded by the Class A Lender or the Class B Lender, as applicable, in the manner set forth in, and shall be subject to the terms of, Section 2.01(a). If (i) any Lender requests compensation under Section 2.07 or 2.08 or (ii) any Committed Lender becomes a Defaulting Lender, then Borrower may, at its sole expense and effort, upon notice to the Administrative Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in Section 10.03), all of its respective interests, rights and obligations under this Agreement to an assignee that shall assume such obligations (which assignee may be another Conduit Lender or Committed Lender, as applicable, if a Conduit Lender or Committed Lender accepts such assignment); provided, that (x) the Borrower shall have received the prior written consent of the Administrative Agent with respect to any assignee that is not already a Lender hereunder, which consent shall not unreasonably be withheld, conditioned or delayed, (y) each assigning Lender shall have received payment of an amount equal to all outstanding Loans funded or maintained by such Lender, together with all accrued interest thereon, all accrued but unpaid fees, reimbursable expenses and other Obligations payable to such Lender hereunder and under the Transaction Documents, from the assignee (to the extent of such outstanding Loans) or Seller (in the case of all other amounts) and (z) in the case of any such assignment resulting from a claim for compensation under Section 2.07 or 2.08, such assignment will result in a reduction in such compensation or payments. A Lender shall not be required to make any such assignment and delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Borrower to require such assignment and delegation cease to exist.

(e) **Distributions of Advances.** By the close of business on each Advance Date, the Administrative Agent shall distribute the amount of funds actually received from the Lenders with respect to the applicable Advance pursuant to Section 2.01(d) as follows: (i) the Administrative Agent shall deposit into the Reserve Account the portion of such funds equal to the Required Reserve Account Deposit Amount specified pursuant to Section 2.01(c); and (ii) the Administrative Agent shall remit the remainder of such funds by wire transfer of immediately available funds to the Borrower’s Designated Account; provided, that if any Lender remits funds to the Administrative Agent with respect to any Advance after the time deadline set forth in Section 2.01(d), the Administrative Agent shall make the applicable distribution pursuant to this Section 2.01(e) as soon as reasonably practicable thereafter, and in any event, on prior to the close of the next Business Day following receipt; and provided, further, that if any condition precedent herein specified to the making of such Advance shall not have been met, then the Administrative Agent shall return to the respective Lenders all funds received from such Lenders pursuant to Section 2.01(d) with respect to such Advance. For the avoidance of doubt, the full amount of any Advance, including, without limitation, the portion thereof deposited into the
Reserve Account, shall constitute principal indebtedness of the Borrower and shall be added to the Aggregate Loan Principal Balance. Also, for the avoidance of doubt, the withdrawal of funds from the Collection Account to acquire additional Eligible Participations pursuant to Section 3.02(e) shall not be added to the Aggregate Loan Principal Balance.

(f) Use of Proceeds of Advances. The Borrower shall use the proceeds of Advances solely to fund its acquisition of (i) Eligible Participations and related Purchased Assets pursuant to the Master Purchase Agreement, (ii) to pay fees and expenses related to the Facility, and (iii) to fund distributions made in accordance with Section 6.02(c).

(g) On any Advance Date, the Borrower shall cause the Servicer to electronically deliver the Receivable Document Package for any Participation to be purchased by the Borrower on such Advance Date to the Custodian (if not already in possession of same).

SECTION 2.02 Commitments. The Commitments of all of the Committed Lenders shall automatically, and without further action, terminate on the Commitment Termination Date. The Borrower may not terminate or reduce the Commitments other than in accordance with Section 2.04.

SECTION 2.03 Mandatory Principal Payments.

(a) Final Maturity Date. The Borrower hereby agrees to pay the Aggregate Loan Principal Balance, together with all accrued interest thereon and all other accrued but unpaid Obligations, on the Final Maturity Date.

(b) Borrowing Base Deficiency. In the event that an Authorized Officer of Servicer or the Borrower has knowledge that a Borrowing Base Deficiency exists on any date of determination, if such Borrowing Base Deficiency is not cured through the acquisition by the Borrower of cash or additional Eligible Participations within three Business Days, then: (i) if such third Business Day following the occurrence of such Borrowing Base Deficiency is a Settlement Date, the Borrower shall remit to the Administrative Agent an amount equal to such Borrowing Base Deficiency if there are insufficient Available Funds to cure such Borrowing Base Deficiency from distributions to be made hereunder on such date pursuant to Section 3.02; and (ii) otherwise, the Borrower shall remit the amount of such Borrowing Base Deficiency to the Administrative Agent (for a principal repayment to the Lenders based on their Pro Rata Share), by the close of business on such third Business Day following the occurrence of such Borrowing Base Deficiency, and on either such date, the Borrower shall also remit all accrued interest on the amount of any mandatory prepayment made pursuant to this Section 2.03(b).

SECTION 2.04 Releases.

(a) Release Process. The Borrower shall have the right to optionally prepay Advances in whole or in part at any time. In connection with any such prepayment, the Borrower may request a Release in connection therewith (i) at any time but only in connection with a Whole Loan Sale or Securitization Transaction or (ii) only after the occurrence of the first anniversary of the Closing Date, in each case subject to the terms of this Section 2.04 and the conditions precedent set forth in Section 5.02. The Borrower may request a Release described in clause (i) or (ii) above on any Business Day (a “Release Date”) by delivering to the
Administrative Agent (which document the Administrative Agent shall promptly make available to the Lenders in accordance with its customary practice) by not later than 3:00 p.m. New York City time at least two (2) Business Days prior to the requested Release Date, written notice substantially in the form of Exhibit F (a “Release Notice”). In connection with (A) any prepayment made on or after the first anniversary of the Closing Date, or (B) any Release described in clause (i) or (ii) above made in accordance with the terms of this Section 2.04, the Borrower may elect to reduce the Aggregate Commitments, pro rata among the Committed Lenders, by an amount up to the Facility Limit by including such election in the related Release Notice (each such election, a “Commitment Reduction” and each such amount, a “Commitment Reduction Amount”) and such Commitment Reduction shall be effective upon the date of such prepayment or the related Release on the Release Date, as applicable. Each Release Notice shall be irrevocable and effective upon receipt; provided further that if such Release Notice is delivered more than two Business Days prior to the requested Release Date, it shall be revocable, without penalty, through the close of business on the Business Day preceding such second prior Business Day. By not later than 3:00 p.m. New York City time at least one Business Day prior to the requested Release Date, the Borrower shall deliver to the Administrative Agent (which document the Administrative Agent shall promptly make available to the Lenders in accordance with its customary practice), a written notice substantially in the form of Exhibit I (a “Release Letter”), confirming the Release Date and setting forth certain information related to the distribution of funds on such Release Date and, if applicable, the Release of certain Purchased Participations.

(b). Required Information. Each Release Notice shall: (i) be executed by the Borrower; (ii) set forth the Aggregate Loan Principal Balance to be prepaid, all accrued interest on the Advances and all accrued Class A Unused Fees and itemize any additional amounts payable on the applicable Release Date pursuant to Section 2.04(d)(B) and Section 2.04(e); (iii) in the event of any partial prepayment, set forth the Aggregate Loan Principal Balance immediately before and immediately after giving effect to any applicable prepayment; (iv) (A) identify any Purchased Participations subject to such Release, identify the Purchased Participations that will remain after giving effect to any such Release and certify as to which of such remaining Purchased Participations will be Eligible Participations on such Release Date, and (B) certify that the conditions precedent to such Release set forth in this Section 2.04 and Section 5.02 have been satisfied; (v) in the event of a partial Release, attach a Borrowing Base Certificate and Data File; and (vi) contain the Supplemental Information and Certification.

(c). Pro Forma Calculations. The Borrowing Base Certificate and Data File required to be delivered with any Release Notice set forth above and shall show pro forma calculations of the Required Reserve Account Amount, Required Reserve Account Deposit Amount (if any), Reserve Account Excess Amount (if any), Class A Borrowing Base and Class B Borrowing Base as of the applicable Release Date (after giving effect to any Release on such date). If Borrower is paying any amounts pursuant to Section 2.04(d)(B) below in connection with a Release Date, then Borrower shall also include a calculation of such amounts in the Release Notice and the Release Letter. The Borrower hereby agrees that it shall, or it shall cause the Servicer to, immediately notify the Administrative Agent if any such pro forma information or calculations fail to be true as of the related Release Date, together with corrected and updated information and calculations as of such Release Date.
(d). **Prepayment.** On each Release Date, by 1:00 p.m. New York City time, (i) the Administrative Agent shall withdraw from the Reserve Account an amount equal to the Reserve Account Excess Amount (if any) determined pursuant to Section 2.04(c), and (ii) the Borrower shall remit funds to the Administrative Agent, such that the amount of funds held by the Administrative Agent pursuant to the foregoing clauses (i) and (ii) shall together equal the sum of: (A) the amount of the prepayment set forth in the Release Letter and the amount of any Borrowing Base Deficiency (as determined after giving effect to any Release, prepayment and any other distributions on such date), and (B) without duplication of clause (A), all other amounts of the type described in Sections 3.02(a)(i) through (xi) that have accrued through such date and for which there are insufficient Available Funds then held in the Collection Account to distribute in payment thereof on such date (if it is a Settlement Date) or on the next Settlement Date.

(e). **Distributions.** By the close of business on the Release Date, based on the information set forth in the applicable Release Letter described in Section 2.04(a) (unless the Administrative Agent has notified the Borrower in writing prior thereto that it objects to such information based on such information not being consistent with the requirements of this Agreement, in which case the following shall be done on the Business Day following the Business Day on which the Administrative Agent receives an updated Release Letter from the Borrower that has been reasonably approved by the Administrative Agent), (1) the total amount of funds held by the Administrative Agent from the Reserve Account withdrawal and from the Borrower remittance pursuant to clauses (i) and (ii) of Section 2.04(d) shall be distributed by the Administrative Agent (solely in accordance with the Release Letter or, if applicable, the updated Release Letter referred to in the prior parenthetical) as follows: (i) to the Lenders, based on each Lender’s Pro Rata Share, the amount set forth in clause (A) of Section 2.04(d), to be applied to reduction of the Aggregate Loan Principal Balance (and the Drawn Amount of each Lender), and (ii) to each Person entitled thereto, the amounts described in clause (B) of Section 2.04(d) for application thereto.

(f). **Release of Collateral.** On each Release Date, subject to satisfaction of the conditions precedent set forth in Section 5.02, upon receipt by the Administrative Agent of the amount required to be remitted by the Borrower on such date pursuant to Section 2.04(d), the portion of the Purchased Participations (and the related Purchased Assets) identified for Release by the Borrower shall be automatically released from the Lien of the Administrative Agent and such Participations shall no longer be “Purchased Participations” (and the related assets shall no longer be “Purchased Assets”) or included in any Class A Borrowing Base or Class B Borrowing Base calculation hereunder and shall not be required to be included in any certificate or report required to be delivered hereunder. The Administrative Agent, at the expense and request of the Borrower, shall take (or authorize the Borrower, the Servicer or their respective designees to take) such actions as are reasonably necessary and appropriate to release the Lien of the Administrative Agent, for the benefit of the Secured Parties, on such Purchased Participations and the related Purchased Assets and to turn over or direct the Custodian to turn over, as applicable, to the Borrower or its designee any Receivable Documents with respect to such Participations that are in the possession or control of the Administrative Agent or the Custodian, as applicable; provided, a copy thereof may be retained by the Administrative Agent and the Servicer in accordance with its document retention policies.
g. **No Adverse Selection.** The Borrower will not, and will not permit Seller (in any capacity) to, use any selection procedures intentionally designed to have an adverse effect on the Lenders or Administrative Agent when selecting Purchased Participations to be subject to a Release relative to Purchased Participations not selected for such Release.

**SECTION 2.05 Recording Loans.** The Administrative Agent shall maintain, as non-fiduciary agent for the Borrower, a copy of each Assignment and Assumption Agreement and a register (the “Register”) for the recordation of the following information: (i) the names and addresses of the Lenders (including each Person that becomes a Lender pursuant to an Assignment and Assumption Agreement) and the identity of each member of such Lender’s Related Group, (ii) each Lender’s Drawn Amount (as such amount may change upon any Advance funded pursuant to the terms hereof, each principal repayment and any assignment hereunder) and stated interest, and (iii) the Commitment of each Committed Lender and the aggregate Commitments of each Related Group. The entries in the Register shall be conclusive absent demonstrable error, and the Borrower, the Administrative Agent and the Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a “Lender” hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by the Borrower and any Lender, at any reasonable time and from time to time upon reasonable prior notice. Each assignment or transfer evidenced by an Assignment and Assumption Agreement executed pursuant to Section 10.03(e) shall be recorded in the Register, and no assignment or transfer shall be effective until such assignment or transfer shall have been recorded in the Register by the Administrative Agent as provided in this subsection. In making any distributions to Lenders in accordance with the terms of this Agreement and any other Transaction Document, the Administrative Agent shall be entitled to rely on the Register.

**SECTION 2.06 Interest; Fees.**

(a) **Upfront Fee.** On the Closing Date, the Borrower shall pay to the Administrative Agent (who shall distribute the same to each Lender entitled to any portion thereof), the Upfront Fee then due pursuant to the Fee Letter.

(b) **Interest.** The Borrower shall pay the Class A Monthly Interest Amount on the unpaid Principal Amount of each Class A Loan and the Class B Monthly Interest Amount on the unpaid Principal Amount of each Class B Loan, in each case, for the period from the related Advance Date until the date that such Loan shall be paid in full. The Class A Monthly Interest Amount shall accrue on the Class A Loans funded or maintained by each Class A Lender at the applicable Class A Interest Rate during each Interest Period and shall be due and payable for the preceding Interest Period on each Settlement Date and on the Final Maturity Date in accordance with Section 2.03, unless earlier paid pursuant to Section 2.04. The Class B Monthly Interest Amount shall accrue on the Class B Loans funded or maintained by each Class B Lender at the applicable Class B Interest Rate during each Interest Period and shall be due and payable for the preceding Interest Period on each Settlement Date and on the Final Maturity Date in accordance with Section 2.03, unless earlier paid pursuant to Section 2.04. If applicable, the Administrative Agent shall deliver to the Borrower, two (2) Business Days prior to each Settlement Date an invoice, setting forth (i) an estimate of the Class A Monthly Interest Amount payable to the related Conduit Lenders based on the CP Rate for the Interest Period to which
such Settlement Date relates and (ii) the amount of any variation between the Class A Monthly Interest Amount payable to such Conduit Lenders for the preceding Interest Period based on such notices and estimates and accrued but unpaid Class A Monthly Interest Amount payable to such Conduit Lenders for such Interest Period based on its final determination of the CP Rate for such Interest Period. The amount of any shortfall in the Class A Monthly Interest Amount based on such variation shall be included in the portion of the Class A Monthly Interest Amount payable to such Conduit Lenders on the next succeeding Settlement Date, and the amount of any overpayment of interest to such Conduit Lenders based on such variation shall be credited against the portion of the Class A Monthly Interest Amount otherwise payable to such Conduit Lenders on the next succeeding Settlement Date. If on any Settlement Date, all or any portion of the interest that is payable on such Settlement Date is not fully paid on such Settlement Date in accordance with the Priority of Payments (as a result of insufficient Available Funds for the applicable distribution priority or otherwise) (the unpaid portion of such interest as of the close of such Settlement Date being the “Unpaid Interest Period Invoice Amount”), then such Unpaid Interest Period Invoice Amount shall accrue interest thereon at the Default Rate from the Settlement Date on which it was first due through the date that it is paid in full hereunder and, if not fully paid prior to any subsequent Settlement Date, shall be added to (and become part of) the interest payment due for such subsequent Settlement Date until fully paid. The determination by the Administrative Agent of the amounts due on each Settlement Date shall be conclusive and binding absent demonstrable error.

(c) **Maximum Lawful Rate.** It is the intention of the parties hereto that the interest payable hereunder shall not exceed the maximum rate permissible under applicable law. Accordingly, anything herein to the contrary notwithstanding, in the event any interest is charged to, collected from or received from or on behalf of the Borrower by the Lenders pursuant hereto in excess of such maximum lawful rate, then the excess of such payment over that maximum shall be applied first to the payment of amounts then due and owing by the Borrower to the Secured Parties under this Agreement or any other Transaction Document (other than in respect of principal or interest on the Loans) and then to the reduction of the outstanding principal of the Loans.

(d) **Class A Unused Fee.** The Class A Unused Fee due to each Committed Lender shall accrue commencing on the date that is the third (3rd) month anniversary of the Closing Date and daily thereafter during each Interest Period through (and excluding) the Commitment Termination Date, and will be computed for each Interest Period on the basis of the actual number of days elapsed and a 360-day year. Any accrued and unpaid Class A Unused Fee for each applicable Interest Period will be payable on each Settlement Date except as otherwise provided in this Agreement. The Class A Unused Fee paid to any Committed Lender is non-refundable under any circumstances.

SECTION 2.07 Increased Costs.

(a) **Increased Costs Generally.** If any Regulatory Requirement (i) subjects any Affected Party to any Taxes (other than (A) Indemnified Taxes, (B) Taxes described in clauses (b) through (d) of the definition of Excluded Taxes and (C) Connection Income Taxes) on its loans, loan principal, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto, (ii) imposes, modifies or deems
applicable any reserve, assessment, fee, insurance charge, special deposit or similar requirement against assets of, deposits with or for the account of, or liabilities of a Lender, or credit extended by a Lender pursuant to this Agreement or (iii) imposes on Lender any other condition, cost or expense (other than Taxes) affecting this Agreement or any Advances made by such Lender hereunder, and the result of any of the foregoing is to increase the cost to a Lender of making or maintaining any Advance or of maintaining its obligation to make any Advance, or to increase the cost to such Lender, or to reduce the amount of any sum received or receivable by such Lender or Related Person (whether of principal, interest or any other amount), then, upon written request of such Lender or Related Person, Borrower shall pay to such Lender or Related Person such additional amount or amounts as will compensate such Lender or Related Person for such additional costs incurred or reduction suffered. Borrower acknowledges that any charge or compensation demanded hereunder may take the form of a monthly charge to be assessed by the Lender or Related Person.

(b) Increased Capital Costs. If any Lender or Related Person determines that any Regulatory Requirement regarding liquidity or the amount of capital required to be maintained by such Lender or such Related Person has or would have the effect of reducing the rate of return on capital of such Lender or such Related Person as a consequence of this Agreement, any Commitment or Loan hereunder to a level below that which such Lender or such Related Person could have achieved but for such Regulatory Requirement (taking into consideration the policies of such Lender or such Related Person with respect to capital adequacy), then from time to time the Borrower will pay to the Administrative Agent, on behalf of such Lender or any such Related Person, such additional amount or amounts as will compensate such Lender or such Related Person for any such reduction in its rate of return.

(c) Timing and Details of Demands. Each demand made pursuant to this Section 2.07 shall be provided by a Lender or its Related Person to the Borrower in writing and shall state, in reasonable detail, the reasons therefor and, in the absence of manifest error, shall be conclusive and binding on the Borrower. Failure or delay on the part of any Lender or Related Person to demand compensation pursuant to this Section 2.07 shall not constitute a waiver of any such Lender or Related Person's right to demand such compensation; provided that the Borrower shall not be required to compensate such Lender or Related Person pursuant to this Section 2.07 for any increased costs or reductions incurred more than nine months prior to the date that such Lender or Related Person notifies the Borrower of the Regulatory Requirement giving rise thereto and of such Lender's intention to claim compensation therefor; provided further that, if such Regulatory Requirement is retroactive, then the nine-month period referred to in the preceding proviso shall be extended to include the period of retroactive effect thereof.

SECTION 2.08 Taxes.

(a) Payments Free of Taxes. Any and all payments by or on account of any obligation of the Borrower under any Transaction Document shall be made without deduction or withholding for any Taxes, except as required by applicable law. If any applicable law (as determined in the good faith discretion of an applicable withholding agent) requires the deduction or withholding of any Tax from any such payment by a withholding agent, then the applicable withholding agent shall be entitled to make such deduction or withholding and shall timely pay the full amount deducted or withheld to the relevant Governmental Authority in
accordance with applicable law and, if such Tax is an Indemnified Tax, then the sum payable by the Borrower shall be increased as necessary so that after such deduction or withholding has been made (including such deductions and withholdings applicable to additional sums payable under this Section) the applicable Affected Party receives an amount equal to the sum it would have received had no such deduction or withholding been made. For purposes of this Section, the term “applicable law” includes FATCA.

(b) Payment of Other Taxes by the Borrower. The Borrower shall timely pay to the relevant Governmental Authority in accordance with applicable law, or at the option of the Administrative Agent timely reimburse it for the payment of, any Other Taxes.

(c) Evidence of Payments. As soon as practicable after any payment of Taxes by the Borrower to a Governmental Authority pursuant to this Section, the Borrower shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(d) Indemnification by the Borrower. The Borrower shall indemnify each Affected Party, within 60 days after demand therefor, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section) payable or paid by such Affected Party or required to be withheld or deducted from a payment to such Affected Party and any reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Borrower by a Lender (with a copy to the Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error.

(e) Indemnification by the Lenders. Each Lender shall severally indemnify the Administrative Agent, within 60 days after demand therefor, for (i) any Indemnified Taxes attributable to such Lender (but only to the extent that the Borrower has not already indemnified the Administrative Agent for such Indemnified Taxes and without limiting the obligation of the Borrower to do so), (ii) any Taxes attributable to such Lender’s failure to comply with the provisions of Section 10.03(f) relating to the maintenance of a Participant Register and (iii) any Excluded Taxes attributable to such Lender, in each case, that are payable or paid by the Administrative Agent in connection with any Transaction Document, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Lender by the Administrative Agent shall be conclusive absent manifest error. Each Lender hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Lender under any Transaction Document or otherwise payable by the Administrative Agent to the Lender from any other source against any amount due to the Administrative Agent under this paragraph (e).

(f) Status of Lenders.
Any Lender that is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Transaction Document shall deliver to the Borrower and the Administrative Agent, at the time or times reasonably requested by the Borrower or the Administrative Agent, such properly completed and executed documentation reasonably requested by the Borrower or the Administrative Agent as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender, if reasonably requested by the Borrower or the Administrative Agent, shall deliver such other documentation prescribed by applicable law or reasonably requested by the Borrower or the Administrative Agent as will enable the Borrower or the Administrative Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in Section 2.08(f)(ii)(A), (ii)(B) and (ii)(D) below) shall not be required if in the Lender’s reasonable judgment such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender.

Without limiting the generality of the foregoing, in the event that the Borrower is a U.S. Person,

(A) any Lender that is a U.S. Person shall deliver to the Borrower and the Administrative Agent on or prior to the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), executed copies of IRS Form W-9 certifying that such Lender is exempt from U.S. federal backup withholding tax;

(B) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), whichever of the following is applicable:

(1) in the case of a Foreign Lender claiming the benefits of an income tax treaty to which the United States is a party (x) with respect to payments of interest under any Transaction Document, executed copies of IRS Form W-8BEN-E or W-8BEN (or any successor form), as applicable, establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the “interest” article of such tax treaty and (y) with respect to any other applicable payments under any Transaction Document, IRS Form W-8BEN-E or W-8BEN (or any successor form), as applicable, establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the “business profits” or “other income” article of such tax treaty;
(2) executed copies of IRS Form W-8ECI;

(3) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Code, (x) a certificate substantially in the form of Exhibit H-1 to the effect that such Foreign Lender is not a “bank” within the meaning of Section 881(c)(3)(A) of the Code, a “10 percent shareholder” of the Borrower within the meaning of Section 871(h)(3)(B) of the Code, or a “controlled foreign corporation” related to the Borrower as described in Section 881(c)(3)(C) of the Code (a “U.S. Tax Compliance Certificate”) and (y) executed copies of IRS Form W-8BEN or IRS Form W-8BEN-E; or

(4) to the extent a Foreign Lender is not the beneficial owner, executed copies of IRS Form W-8IMY, accompanied by IRS Form W-8ECI, IRS Form W-8BEN, IRS Form W-8BEN-E, a U.S. Tax Compliance Certificate substantially in the form of Exhibit H-2 or Exhibit H-3, IRS Form W-9, and/or other certification documents from each beneficial owner, as applicable; provided that if the Foreign Lender is a partnership and one or more direct or indirect partners of such Foreign Lender are claiming the portfolio interest exemption, such Foreign Lender may provide a U.S. Tax Compliance Certificate substantially in the form of Exhibit H-4 on behalf of each such direct and indirect partner;

(C) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), executed copies of any other form prescribed by applicable law as a basis for claiming exemption from or a reduction in U.S. federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by applicable law to permit the Borrower or the Administrative Agent to determine the withholding or deduction required to be made; and

(D) if a payment made to a Lender under any Transaction Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Lender shall deliver to the Borrower and the Administrative Agent at the time or times prescribed by law and at such time or times reasonably requested by the Borrower or the Administrative Agent, such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation.
reasonably requested by the Borrower or the Administrative Agent as may be necessary for the Borrower and the Administrative Agent to comply with their obligations under FATCA and to determine that such Lender has complied with such Lender’s obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this clause (D), “FATCA” shall include any amendments made to FATCA after the date of this Agreement.

(E) Each Lender agrees that if any form or certification it previously delivered expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify the Borrower and the Administrative Agent in writing of its legal inability to do so.

(g) [Reserved.]

(h) Survival. Each party’s obligations under this Section 2.08 shall survive the resignation or replacement of the Administrative Agent or any assignment of rights by, or the replacement of, a Lender, the termination of the Commitments and the repayment, satisfaction or discharge of all obligations under any Transaction Document.

(i) Treatment of Certain Refunds. If any party determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified pursuant to this Section (including by the payment of additional amounts pursuant to this Section), it shall pay to the indemnifying party an amount equal to such refund (but only to the extent of indemnity payments made under this Section with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) of such indemnified party and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund). Such indemnifying party, upon the request of such indemnified party, shall repay to such indemnified party the amount paid over pursuant to this paragraph (h) (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) in the event that such indemnified party is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this paragraph (h), in no event will the indemnified party be required to pay any amount to an indemnifying party pursuant to this paragraph (h) the payment of which would place the indemnified party in a less favorable net after-Tax position than the indemnified party would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid. This paragraph shall not be construed to require any indemnified party to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to the indemnifying party or any other Person.

SECTION 2.09 Costs Related to Advance or Prepayment Failures. The Borrower agrees to reimburse each Lender, either (x) within 10 days of demand thereof (if paid directly to such Lender by the Borrower from funds other than Collections) or (y) on the next Settlement Date after such tenth day if no direct payment was made (from Collections held in the Collection Account in accordance with the Priority of Payments), for all reasonable losses, expenses, liabilities (including, without limitation, with respect to any interest or fee paid by such Lender to
any lender, note buyer, credit or liquidity support provider, dealer, placement agent or other Person) or costs arising in connection with the re-deployment of funds, which such Lender may sustain if for any reason (including any failure to satisfy any condition precedent), the Borrower (i) fails to accept an Advance on any scheduled Advance Date after delivery of an Advance Notice, or (ii) fails to make a prepayment on any scheduled Release Date after delivery of any Release Notice (that, in the case of any such Advance Notice or Release Notice, as the case may be, has not been revoked prior to the second Business Day preceding the applicable Advance Date or Release Date, as the case may be). A certificate as to any amounts payable pursuant to this Section 2.09 submitted to the Borrower by any Lender (with a copy to the Administrative Agent), providing a reasonably detailed calculation of such amounts and the basis for requesting such payment, shall be conclusive in the absence of manifest error. In connection with any amounts to be reimbursed to any Lender on a Settlement Date pursuant to this Section, the Borrower hereby agrees that it shall cause the Servicer to reflect such amounts to be reimbursed to each Lender on the Borrower’s Monthly Settlement Certificate.

SECTION 2.10 Designation of Different Lending Office. If any Lender or a Related Person thereof requests compensation under Section 2.07, or requires the Borrower to pay any Indemnified Taxes or additional amounts to any Lender, a Related Person thereof or any Governmental Authority for the account of any Lender or a Related Person thereof pursuant to Section 2.08, then such Lender shall (at the request of the Borrower) use reasonable efforts to designate a different lending office for funding or booking its Advances hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the sole judgment of such Lender, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 2.07 or 2.08, as the case may be, in the future, and (ii) would not subject such Lender or such Related Person to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender or such Related Person. The Borrower hereby agrees to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment.

SECTION 2.11 [Reserved].

SECTION 2.12 Illegality; Substituted Interest Rates(a) Notwithstanding any other provisions herein, (i) if any applicable Requirements of Law or any change therein or in the interpretation or application thereof shall make it unlawful for a Lender to make or maintain any Loan at the LIBO Rate as contemplated by this Agreement and the other Transaction Documents, or (ii) in the event that the Administrative Agent shall have determined (which determination shall be conclusive and binding upon the Borrower absent manifest error) that adequate and reasonable means do not exist for ascertaining the LIBO Rate (including because the LIBO Screen Rate is not available or published on a current basis); provided that no Benchmark Transition Event shall have occurred at such time, or (iii) Majority Lenders shall have determined (which determination shall be conclusive and binding on the Borrower absent manifest error) that the applicable LIBO Rate will not adequately and fairly reflect the cost to such Lender of making or maintaining the Loans, as applicable, based on such applicable LIBO Rate, then (x) the obligation of such Lender (or, if applicable, all affected Lenders) to make or maintain the Loans at the LIBO Rate shall forthwith be suspended and such Lender or the Administrative Agent, as applicable, shall promptly notify the Borrower thereof (by telephone confirmed in writing) and (y) each affected Loan then outstanding, if any, shall, from and
including the date that the Borrower receives notice from such Lender or the Administrative Agent of the occurrence of any condition set forth in clause (i), (ii) or (iii), until payment in full thereof, bear interest at the rate per annum equal to the Class A Interest Rate calculated using the Alternate Base Rate rather than LIBO Rate. If subsequent to such suspension of the obligation of a Lender or the applicable Lenders to make or maintain the Loans using LIBO Rate, the circumstances that resulted in such suspension no longer exist, such Lender or the Administrative Agent, as applicable, shall so notify the Borrower and the previous method to determine the Class A Interest Rate (without application of this Section) shall be reinstated effective as of the date that such circumstances no longer exist with respect to such Lender or the applicable Lenders.

(b) Notwithstanding anything to the contrary herein or in any other Transaction Document, upon the occurrence of a Benchmark Transition Event or an Early Opt-in Election, as applicable, the Administrative Agent and the Borrower may amend this Agreement to replace the LIBO Rate with a Benchmark Replacement. Any such amendment with respect to a Benchmark Transition Event will become effective at 5:00 p.m. on the fifth (5th) Business Day after the Administrative Agent has posted such proposed amendment to all Lenders and the Borrower, so long as the Administrative Agent has not received, by such time, written notice of objection to such proposed amendment from Lenders comprising the Majority Lenders; provided that, with respect to any proposed amendment containing any SOFR-Based Rate, the Lenders shall be entitled to object only to the Benchmark Replacement Adjustment contained therein. Any such amendment with respect to an Early Opt-in Election will become effective on the date that Lenders comprising the Majority Lenders have delivered to the Administrative Agent written notice that such Majority Lenders accept such amendment. No replacement of LIBO Rate with a Benchmark Replacement will occur prior to the applicable Benchmark Transition Start Date.

(c) In connection with the implementation of a Benchmark Replacement, the Administrative Agent 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 Agreement.

(d) The Administrative Agent will promptly notify the Borrower and the Lenders of (i) any occurrence of a Benchmark 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 the Administrative Agent or Lenders pursuant to this Section 2.12, 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, 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 hereto, except, in each case, as expressly required pursuant to this Section 2.12.
Upon the Borrower’s receipt of notice of the commencement of a Benchmark Unavailability Period, each affected Loan then outstanding, if any, shall, until payment in full thereof, bear interest at the rate per annum equal to the Class A Interest Rate calculated using the Alternate Base Rate.

ARTICLE III
COLLECTIONS, PAYMENTS AND DISTRIBUTIONS

SECTION 3.01 Obligor Payments; Netting of Seller and Servicer Purchases; Account Deposits and Transfers.

(a) Payment and Deposit of Collections. The Borrower shall, or shall cause the Servicer to, instruct the Obligors of Purchased Participations to send all Scheduled Payments and other amounts due thereunder, and cause all ACH debits from an Obligor’s bank account to be remitted, in each case, as required by Section 3.02(e)(ii) of the Servicing Agreement. All Collections or other proceeds of Collateral received by the Borrower, Servicer, Backup Servicer, any Origination Partner, any Collection Agent, or any other sub-servicer or agent of any of them, shall be transferred to the Collection Account within two Business Days after such Collections and other proceeds have been deposited into the Lender’s Designated Account (as defined in the Servicing Agreement); provided, that all such Collections and proceeds shall be held in trust for and on behalf of the Administrative Agent, for the benefit of the Secured Parties, until deposited into the Collection Account.

(b) [Reserved].

(c) Seller Repurchases. The Borrower shall cause the Seller to deposit into the Collection Account (i) the Repurchase Price for all Purchased Participations repurchased by the Seller pursuant to the Master Purchase Agreement on the applicable date for such repurchase as set forth in the Master Purchase Agreement and (ii) the purchase price paid by any third party in relation to the sale of Receivables and release of Purchased Participations in relation to any Whole Loan Sale or Securitization Transaction permitted by this Agreement.

(d) Reserve Account Transfers. If any Borrower’s Monthly Settlement Certificate delivered pursuant to Section 3.05(a) identifies that there are insufficient Available Funds then on deposit in the Collection Account to make all distributions in full pursuant to the applicable Priority of Payments on the related Settlement Date, the Administrative Agent (solely in accordance with the Borrower’s Monthly Settlement Certificate) shall transfer from the Reserve Account into the Collection Account, the amount of such identified shortfall in Available Funds, up to the amount of funds then on deposit in the Reserve Account, for distribution on such Settlement Date as Available Funds pursuant to Section 3.02. If any Borrower’s Monthly Settlement Certificate delivered pursuant to Section 3.05(a) identifies that after giving effect to all payments and distributions or prepayments to be made on such Settlement Date, the amount on deposit in the Reserve Account will exceed the Required Reserve Account Amount, then on the applicable Settlement Date, the Administrative Agent (solely in accordance with the Borrower’s Monthly Settlement Certificate) shall transfer from the Reserve Account to the Borrower’s Designated Account the amount of such Reserve Account Excess Amount. On the earlier of the Final Maturity Date and the date on or after the...
Commitment Termination Date on which the Aggregate Loan Principal Balance has been reduced to zero, all amounts on deposit in the Reserve Account shall be transferred by the Account Bank, at the direction of the Administrative Agent, from the Reserve Account to the Collection Account for distribution as Available Funds pursuant to Section 3.02.

SECTION 3.02 Distributions.

(a) Monthly Distributions Prior to an Amortization Event, Event of Default or Final Maturity Date. Subject to subsection (d) of this Section, on each Settlement Date, based on the Borrower’s Monthly Settlement Certificate, so long as no Amortization Event or an Event of Default has occurred and is continuing, and prior to the Final Maturity Date, the Borrower shall cause (or the Borrower shall cause the Servicer on its behalf to cause) the Account Bank to make the following distributions (without duplication) in the following order of priority to the extent of Available Funds on deposit in the Collection Account (and, if there are insufficient Available Funds to make any distribution under any particular clause in full, pro rata to each Person entitled to a distribution pursuant to such clause, as determined based on the maximum amount that could be distributable to each such Person under such clause):

(i) first, pro rata to the Administrative Agent, Custodian (if applicable) and the Account Bank (to the extent not deducted from the Collection Account or Reserve Account), all accrued but unpaid fees, reimbursable expenses, and indemnity amounts owed to such Person in such capacity under any Transaction Document or any related fee letter, provided, that no Person shall receive cumulative distributions (for all applicable Settlement Dates in any calendar year) under this priority first for such reimbursable expenses and indemnity amounts in excess of $100,000;

(ii) second, (a) to the Servicer, as agent for the applicable Origination Partner, in an amount equal to the Servicing Fee with respect to the preceding Collection Period (and any unpaid Servicing Fee from any prior Collection Period); provided, that cumulative distributions (for all applicable Settlement Dates in any calendar year) under this priority second shall not exceed 

(iii) third, [reserved];

(iv) fourth, to the Class A Lenders, the accrued and unpaid Class A Senior Monthly Interest Amount for the immediately preceding Interest Period;

(v) fifth, to the Class B Lenders, the accrued and unpaid Class B Senior Monthly Interest Amount for the immediately preceding Interest Period;

(vi) sixth, to the Class A Lenders, the Class A Monthly Principal Payment Amount for the immediately preceding Interest Period;
(vii) seventh, to the Class B Lenders, the Class B Monthly Principal Payment Amount for the immediately preceding Interest Period;

(viii) eighth, to the Reserve Account, an amount equal to the Required Reserve Account Deposit Amount, as determined on such Settlement Date (after giving effect to any distributions made or to be made on such date);

(ix) ninth, to the Class A Lenders, the Class A Carryover Monthly Interest Amount for the immediately preceding Interest Period;

(x) tenth, to the Class B Lenders, the Class B Carryover Monthly Interest Amount for the immediately preceding Interest Period;

(xi) eleventh, to the Class A Lenders or the Class B Lenders, as applicable, any amount designated by the Borrower for the repayment of the Class A Aggregate Loan Principal Balance or the Class B Aggregate Loan Principal Balance, as applicable;

(xii) twelfth, to the applicable party, pro rata, all other amounts not paid under clauses (i) or (ii) as a result of any applicable annual limitation; and

(xiii) thirteenth, to deposit to the Borrower’s Designated Account, all remaining Available Funds.

(b) Distributions Following an Amortization Event. Subject to subsection (d) of this Section, on each Settlement Date, based on the Borrower’s Monthly Settlement Certificate, if an Amortization Event has occurred and is continuing, the Borrower shall cause (or the Borrower shall cause the Servicer on its behalf to cause) the Account Bank to make the following distributions (without duplication) in the following order of priority to the extent of Available Funds on deposit in the Collection Account (and, if there are insufficient Available Funds to make any distribution under any particular clause in full, pro rata to each Person entitled to a distribution pursuant to such clause, as determined based on the maximum amount that could be distributable to each such Person under such clause):

(i) first, pro rata to the Administrative Agent, Custodian (if applicable) and the Account Bank (to the extent not deducted from the Collection Account or Reserve Account), all accrued but unpaid fees, reimbursable expenses, and indemnity amounts owed to such Person in such capacity under any Transaction Document or any related fee letter, provided, that no Person shall receive cumulative distributions (for all applicable Settlement Dates in any calendar year) under this priority first for such reimbursable expenses and indemnity amounts in excess of $100,000;

(ii) second, (a) to the Servicer, as agent for the applicable Origination Partner, in an amount equal to the Servicing Fee with respect to the preceding Collection Period (and any unpaid Servicing Fee from any prior Collection Period); provided, that cumulative distributions (for all applicable Settlement Dates in any calendar year) under this priority second shall not exceed in the aggregate [*****] basis points per annum ([*****] basis points per month) multiplied by the average Aggregate Loan Principal Balance for the immediately preceding Collection Period, and (b) if such Servicer is a successor Servicer, all accrued but unpaid fees (without duplication of the Servicing Fee), reimbursable expenses, and indemnity amounts owed to each such Person in such capacity under any Transaction Document or any related fee letter; provided, that
cumulative distributions (for all applicable Settlement Dates in any calendar year) under this priority second, clause (b) for such reimbursable accrued and unpaid fees (other than Servicing Fees), expenses and indemnity amounts shall not exceed $100,000 per annum;

(iii) third, [reserved];

(iv) fourth, to the Class A Lenders, the accrued and unpaid Class A Senior Monthly Interest Amount for the immediately preceding Interest Period;

(v) fifth, to the Class B Lenders, the accrued and unpaid Class B Senior Monthly Interest Amount for the immediately preceding Interest Period;

(vi) sixth, to the Class A Lenders, the Class A Monthly Principal Payment Amount for the immediately preceding Interest Period;

(vii) seventh, to the Class B Lenders, the Class B Monthly Principal Payment Amount for the immediately preceding Interest Period;

(viii) eighth, to the Class A Lenders, the Class A Carryover Monthly Interest Amount for the immediately preceding Interest Period;

(ix) ninth, to the Class B Lenders, the Class B Carryover Monthly Interest Amount for the immediately preceding Interest Period;

(x) tenth, to the applicable party, pro rata, all other amounts not paid under clauses (i) or (ii) as a result of any applicable annual limitation; and

(xi) eleventh, to deposit to the Borrower’s Designated Account, all remaining Available Funds.

(c) Distributions Following an Event of Default. Subject to subsection (d) of this Section, on each Settlement Date, based on the Borrower’s Monthly Settlement Certificate, if an Event of Default has occurred and is continuing, the Administrative Agent shall cause the Account Bank to make the following distributions (without duplication) in the following order of priority to the extent of Available Funds on deposit in the Collection Account (and, if there are insufficient Available Funds to make any distribution under any particular clause in full, pro rata to each Person entitled to a distribution pursuant to such clause, as determined based on the maximum amount that could be distributable to each such Person under such clause):

(i) first, pro rata to the Administrative Agent, Custodian (if applicable) and the Account Bank (to the extent not deducted from the Collection Account or Reserve Account), all accrued but unpaid fees, reimbursable expenses, and indemnity amounts owed to such Person in such capacity under any Transaction Document or any related fee letter, provided, that no Person shall receive cumulative distributions (for all applicable Settlement Dates in any calendar year) under this priority first for such reimbursable expenses and indemnity amounts in excess of $100,000;

(ii) second, (a) to the Servicer, as agent for the applicable Origination Partner, in an amount equal to the Servicing Fee with respect to the preceding Collection Period (and any unpaid Servicing Fee from any prior Collection Period); provided, that cumulative distributions (for all applicable Settlement Dates in any calendar year) under this priority second shall not exceed in the aggregate [*****] basis points per annum ([*****] basis points per month) multiplied by the average Aggregate Loan Principal.
Balance for the immediately preceding Collection Period, and (b) if such Servicer is a successor Servicer, all accrued but
unpaid fees (without duplication of the Servicing Fee), reimbursable expenses, and indemnity amounts owed to each such
Person in such capacity under any Transaction Document or any related fee letter; provided, that cumulative distributions (for
all applicable Settlement Dates in any calendar year) under this priority second, clause (b) for such reimbursable accrued and
unpaid fees (other than Servicing Fees), expenses and indemnity amounts shall not exceed $100,000 per annum;

(iii) third, [reserved];

(iv) fourth, to the Class A Lenders, the accrued and unpaid Class A Senior Monthly Interest Amount for the
immediately preceding Interest Period;

(v) fifth, to the Class A Lenders, the Class A Monthly Principal Payment Amount for the immediately preceding
Interest Period;

(vi) sixth, to the Class B Lenders, the accrued and unpaid Class B Senior Monthly Interest Amount for the
immediately preceding Interest Period;

(vii) seventh, to the Class B Lenders, the Class B Monthly Principal Payment Amount for the immediately preceding
Interest Period;

(viii) eighth, to the Class A Lenders, the Class A Carryover Monthly Interest Amount for the immediately preceding
Interest Period;

(ix) ninth, to the Class B Lenders, the Class B Carryover Monthly Interest Amount for the immediately preceding
Interest Period;

(x) tenth, to the applicable party, pro rata, all other amounts not paid under clauses (i) or (ii) as a result of any
applicable annual limitation; and

(xi) eleventh, to deposit to the Borrower’s Designated Account, all remaining Available Funds.

(d) Objections to Borrower’s Monthly Settlement Certificate. Notwithstanding anything to the contrary set forth in
subsection (a), (b) or (c) of this Section, if on or prior to 5:00 p.m. New York City time on the Business Day before any Settlement Date, the Servicer has
received a written notice from the Administrative Agent that the Administrative Agent has made a good faith determination that
the application of funds provided for in the Borrower’s Monthly Settlement Certificate submitted by the Servicer for such
Settlement Date does not comply with this Section (which notice shall provide the detailed basis of any such determination), then
(i) the Administrative Agent shall not make any distributions in accordance with such Borrower’s Monthly Settlement
Certificate; and (ii) the Servicer shall provide to the Administrative Agent a revised Borrower’s Monthly Settlement Certificate
reasonably acceptable to the Administrative Agent by no later than 5:00 p.m. New York City time on the Business Day following
the Business Day on which such notice from the Administrative Agent was received by the Servicer. The Borrower shall make
(or the Borrower shall cause the Servicer on the Borrower’s behalf to make) the distributions set forth in subsection (a), (b) or (c)
of this Section on the Settlement Date based on such revised Borrower’s Monthly Settlement Certificate; provided, that if such
revised Borrower’s Monthly Settlement Certificate is received after 5:00 p.m. New York time on the Business Day before the
scheduled Settlement Date, then the related “Settlement Date” shall be deemed to be the Business Day following the first
Business Day on which such revised
Borrower’s Monthly Settlement Certificate was received by the Administrative Agent on or prior to 5:00 p.m. on such Business Day.

(e) Recycling. The Borrower may withdraw funds from time to time (provided however that, there shall be no more than two Withdrawal Dates per calendar week) from the Collection Account with written notice (which may be e-mail) from the Borrower to the Administrative Agent, in the form attached hereto as Exhibit J to this Agreement (each, a “Notice of Withdrawal”), on any Business Day other than a Settlement Date during the Revolving Period (each such date, a “Withdrawal Date”) and transfer to Seller (or its designee) to purchase additional Eligible Participations from the Seller; provided, that the withdrawal and transfer of such funds shall be subject to the satisfaction of the following conditions precedent as of the Withdrawal Date:

(i) after giving effect to such withdrawal, the amount remaining on deposit in the Collection Account would not be less than an amount equal to the accrued and unpaid (calculated up to such Withdrawal Date) fees and interest payable on the immediately succeeding Settlement Date;

(ii) no Amortization Event, Default, Event of Default or Borrowing Base Deficiency shall have occurred and be continuing or should result therefrom;

(iii) the representations and warranties contained in Article IV of this Agreement are true and correct in all material respects on and as of such day as though made on and as of such day (except for representations and warranties already qualified by materiality or Material Adverse Change, which shall be true and correct in all respects);

(iv) each Notice of Withdrawal shall (1) be dated as of the Withdrawal Date, (2) be signed by an Authorized Officer of the Borrower who shall certify that all the foregoing conditions have been satisfied, (3) shall include a Borrowing Base Certificate and (4) be otherwise appropriately completed; and

(v) each Notice of Withdrawal shall be delivered to the Administrative Agent at least one (1) Business Day prior to the Withdrawal Date; provided, however that, if on the relevant Withdrawal Date the amount available in the Collection Account is actually higher than the amount set forth in such Notice of Withdrawal, the Borrower may withdraw a higher amount if the Borrower delivers to the Administrative Agent by 2:00 p.m. on the relevant Withdrawal Date (A) an updated Notice of Withdrawal reflecting such increased amount available in the Collection Account (but with no other changes to such notice) and (B) a bank statement or other evidence reasonably satisfactory to the Administrative Agent demonstrating the funds available in the Collection Account as of such date.

SECTION 3.03 Payments Generally.

(a) Payment of Obligations. Except with respect to Obligations to be paid from funds on deposit in the Collection Account, the Borrower shall remit any Obligation due hereunder or under any Transaction Document to the Administrative Agent at its designated
account not later than 1:00 pm, New York City time, on the date when due in immediately available funds. Any funds received after that time will be deemed to have been received on the next Business Day.

(b) Obligations Absolute; No Setoff. All Obligations are absolute, unconditional, and shall be paid by the Borrower without setoff, defense, counterclaim, abatement, diminution or deduction of any kind, all of the foregoing of which, to the extent arising under applicable law, are hereby expressly waived by the Borrower.

(c) Business Day. Except as otherwise expressly provided herein, whenever any payment shall become due or is required to be made on a day that is not a Business Day, such payment shall be made on the next succeeding Business Day, and such extension of time shall be included in the computation of interest, if applicable.

SECTION 3.04 Establishment and Maintenance of Accounts.

(a) Collection Account and Reserve Account. On or prior to the date the initial Advance is made, the Borrower shall establish two separate segregated accounts (that constitute deposit accounts for purposes of the UCC), each in the name of the Borrower at the Account Bank, which shall be identified by account number in the related Account Control Agreement as the “Collection Account” (the “Collection Account”) and the “Reserve Account” (the “Reserve Account”). The Collection Account and Reserve Account shall each be subject to an Account Control Agreement at all times. The Collection Account and the Reserve Account shall be under the “control” (within the meaning of the UCC) of the Administrative Agent, for the benefit of the Secured Parties. The Borrower shall continue to maintain the Collection Account and the Reserve Account until the Commitments have been terminated and all Obligations (other than contingent obligations as to which no claims have been asserted) have been indefeasibly paid in full (“Payment in Full”). The Collection Account and the Reserve Account shall be subject at all times to a first-priority perfected security interest in favor of the Administrative Agent, for the benefit of the Secured Parties, and each such account shall bear a designation clearly indicating that the funds deposited therein are held for the benefit of the Administrative Agent on behalf of the Secured Parties.

SECTION 3.05 Distribution Reporting; Lender Access to Information.

(a) Borrower’s Monthly Settlement Certificate. No later than 1:00 p.m., New York City time, on the second (2nd) Business Day immediately preceding each Settlement Date, the Borrower shall cause the Servicer to deliver to the Administrative Agent from Available Funds to each Person entitled thereto (or for deposit into the Reserve Account) on the related Settlement Date pursuant to Section 3.02(a)-(c), as applicable; (ii) identification of any amount to be transferred from the Reserve Account into the Collection Account pursuant to Section 3.01(d); (iii) a certification that, as of such date and as of the Settlement Date (after giving effect to all distributions and transfers contemplated on such date), each of the Borrower, Seller and
Servicer is and will be Solvent and no Event of Default, Default, Seller Default, Servicer Default or event that, with the giving of notice or passage of time or both, would become a Seller Default or a Servicer Default, has occurred or will occur as of such Settlement Date (after giving effect to all distributions and transfers contemplated on such date), or describing any of the foregoing that has occurred and the steps being taken as a result thereof; (iv) attaching a Borrowing Base Certificate, dated and current as of the close of business on the date preceding the delivery date for such Borrower’s Monthly Settlement Certificate set forth above, and showing as of such date and on a pro forma basis as of the Settlement Date (after giving effect to all distributions, transfers and other activity to occur on such Settlement Date), the calculation of the Eligible Pool Balance, Excess Concentration Amount, Class A Borrowing Base and Class B Borrowing Base; (v) attaching a Data File; (vi) attaching a detailed Portfolio Report as agreed providing such details as have been previously agreed to by Borrower and Administrative Agent; and (vii) containing the Supplemental Information and Certification.; The Borrower shall, or shall cause the Servicer to, immediately notify the Administrative Agent if any such pro forma information or calculations fail to be true as of the applicable Settlement Date, together with corrected and updated information and calculations as of such Settlement Date.

(b) **Lender Access to Information.** The Administrative Agent may, at its option, make available to the Lenders via email, ftp site or internet website, all statements, reports and other information in its possession received under or in connection with this Agreement or any other Transaction Document. The Administrative Agent makes no representations or warranties as to the accuracy or completeness of such documents and will assume no responsibility therefor. In connection with providing access to any ftp or internet website, the Administrative Agent may require registration and the acceptance of a disclaimer and such site may be password-protected. The Administrative Agent shall not be liable for the dissemination of information in accordance with this Agreement.

**ARTICLE IV**

**REPRESENTATIONS AND WARRANTIES**

SECTION 4.01 **Representations and Warranties of the Borrower.** The Borrower makes the following representations and warranties, on which each Lender relies in funding each Advance, on which the Administrative Agent relies in entering into and continuing to perform under this Agreement, and on which the Administrative Agent relies in receiving a security interest in the Purchased Participations and the other Collateral. Such representations and warranties of the Borrower are made as of the date of this Agreement, as of each Advance Date (after giving effect to the funding of the applicable Advance), as of each Withdrawal Date and as of each Release Date on which there is a Release (after giving effect thereto), unless such representation or warranty expressly refers to an earlier date, in which case it is made on such date with respect to such earlier date. The representations and warranties shall survive execution of this Agreement, the granting of Liens hereunder, the funding of each Advance and the Release of any Liens (but excluding with respect to any Participations subject to such Release following the release of the Lien thereon).

(a) **Organization and Good Standing.** The Borrower is (i) a limited liability company duly organized, validly existing and in good standing under the laws of the State of Georgia, and (ii) except where the failure to do so could not reasonably be expected to result in a
Material Adverse Change, is in good standing with every Governmental Authority having jurisdiction over its activities.

(b) **Power and Authority; Enforceability.** The Borrower has all requisite power and authority to own its properties, carry on its business as and where now being conducted and execute and deliver this Agreement and each other Transaction Document to which it is a party, perform all of its obligations hereunder and thereunder, and to carry out the transactions contemplated hereby and thereby. Each of this Agreement and each other Transaction Document to which the Borrower is party has been duly and validly executed and delivered by the Borrower and is a legal, valid and binding obligation of the Borrower, enforceable against the Borrower in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency or other similar laws affecting creditors’ rights generally or general equitable principles (whether considered in a proceeding in equity or at law).

(c) **Consents and Approvals.** The Borrower has all qualifications, regulatory permissions and/or licenses necessary, and no consent, approval, authorization, registration, filing or order of any court or Governmental Authority is required, for the execution, delivery and performance by the Borrower of, or compliance by the Borrower with, this Agreement or any other Transaction Document to which it is a party, or the consummation of the transactions contemplated hereby or thereby (including the acquisition of the Purchased Participations and other Purchased Assets by the Borrower from the Seller and the pledge and grant of the Purchased Participations and other Purchased Assets by the Borrower to Administrative Agent, for the benefit of the Secured Parties), except where the failure to do so could not reasonably be expected to result in a Material Adverse Change.

(d) **No Lien on Purchased Assets.** Neither the execution and delivery of this Agreement or any other Transaction Document to which the Borrower is party, nor the consummation of the transactions contemplated hereby or thereby, nor compliance with the terms and conditions hereof or thereof, will result in the creation or imposition of any Lien on any Purchased Participation or other Purchased Assets except for Permitted Liens.

(e) **No Violation.** The consummation of the transactions contemplated by this Agreement and the other Transaction Documents to which the Borrower is a party and compliance with the terms of this Agreement and the other Transaction Documents to which the Borrower is a party do not conflict with, result in any breach of any of the terms and provisions of or constitute (with or without notice, lapse of time or both) a default under the Borrower Organizational Documents, or any material indenture, agreement, mortgage, deed of trust or other instrument to which the Borrower, Seller or GreenSky Holdings, LLC is a party or by which it is bound, or result in the creation or imposition of any Lien upon any of the properties of the Borrower pursuant to the terms of any such indenture, agreement, mortgage, deed of trust or other instrument (other than the Permitted Liens) or violate any applicable law, order, rule, regulation, ordinance or directive of any Governmental Authority, of any court, or of any federal or State regulatory body, administrative agency or other governmental instrumentality having jurisdiction over the Borrower or any of its properties.
(f) **No Proceedings.** There is no litigation, proceeding or investigation pending or, to the knowledge of the Borrower, threatened against the Borrower, before any court, regulatory body, administrative agency or other tribunal or other Governmental Authority (i) asserting the invalidity of this Agreement, or any other the Transaction Document to which the Borrower is a party, or the transactions contemplated hereby or thereby, (ii) seeking to prevent the incurrence of indebtedness by the Borrower hereunder, or (iii) that could reasonably be expected to result in a Material Adverse Change.

(g) **Regulations T, U and X.** No proceeds of any Advance will be used, directly or indirectly, by the Borrower for the purpose of purchasing or carrying any Margin Stock (as defined in Regulation U of the Board of Governors of the Federal Reserve System) or for the purpose of reducing or retiring any Indebtedness that was originally incurred to purchase or carry Margin Stock or for any other purpose which might cause any Loan to be a “purpose credit” within the meaning of Regulation U. Neither the making of any Loan hereunder, nor the use of the proceeds thereof, will violate or otherwise conflict with the provisions of Regulations T, U or X of the Board of Governors of the Federal Reserve System.

(h) **Investment Company Act and Volcker Rule Representations.** (i) The Borrower is not a “covered fund” within the meaning of the final regulations issued December 10, 2013, implementing Section 619 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, commonly known as the “Volcker Rule.” In determining that the Borrower is not a covered fund, the Borrower is entitled to the benefit of the exemption provided under Section 3(c)(5) of the Investment Company Act, though other exemptions may be available. The Borrower is not, and immediately after giving effect to the transactions completed on the Closing Date hereunder will not be, required to register as an “investment company” or a company “controlled” by an “investment company” within the meaning of the Investment Company Act.

(i) **Full Disclosure.** The information, reports, financial statements, exhibits and schedules furnished in writing by or on behalf of the Borrower to the Administrative Agent in connection with the negotiation, preparation or delivery of the Transaction Documents or included therein or delivered pursuant thereto (but excluding any projections, forward looking statements, budgets, estimates and general market data as to which the Borrower only represents and warrants that such information was prepared in good faith based upon assumptions believed by it to be reasonable at the time), when taken as a whole, do not contain any untrue statement of material fact or omit to state any material fact necessary to make the statements herein or therein, in light of the circumstances under which they were made, not misleading. All written information furnished after the date hereof by or on behalf of the Borrower to the Administrative Agent in connection with the Transaction Documents and the transactions contemplated thereby will be true, complete and accurate in every material respect, or (in the case of projections) based on reasonable estimates, on the date as of which such information is stated or certified. There is no fact known to an Authorized Officer of the Borrower that, after due inquiry, could reasonably be expected to have a Material Adverse Change that has not been disclosed in the Transaction Documents or in a report, financial statement, exhibit, schedule, disclosure letter or other writing furnished to the Administrative Agent for use in connection with the contemplated transactions. Notwithstanding the foregoing, Borrower will not be deemed to be in breach of this clause (i) to the extent of inaccuracies in information, reports, financial statements, exhibits and schedules.
supplied by it or on its behalf that result from or reflect false or inaccurate information supplied by any Obligors and not known to Borrower or its relevant agents to be false or inaccurate at the time delivered by or on behalf of Borrower.

(j) **No Material Adverse Change.** Since December 31, 2019, no Material Adverse Change has occurred and is continuing.

(k) **Title to Participations and other Property; Attachment, Perfection and Priority.**

(i) Immediately prior to the transfer to the Borrower, the Seller had good and marketable title to and was the sole beneficial owner of each Participation that has become a Purchased Participation; the Borrower validly purchased or received as a valid capital contribution or any combination thereof, each such Purchased Participation made, issued and conveyed to the Borrower by the Seller, free and clear of any Liens (other than Permitted Liens), pursuant to the Master Purchase Agreement; the transfer of such Participations pursuant to the Master Purchase Agreement constitutes a “true sale” of the Participation in the relevant Receivable by the Seller to the Borrower, and the interest of the Borrower in any such Purchased Participation is a valid, perfected, and continuing interest therein that is effective against creditors of and other purported transferees of such Purchased Participation from the Seller; the Seller has not pledged, assigned, sold, granted a participation interest or granted a security interest in, or otherwise conveyed any interest in any Participation relating to a Purchased Participation to any Person other than the Borrower pursuant to any agreement other than the Master Purchase Agreement.

(ii) The Receivables relating to Purchased Participations and the Purchased Participations are accounts or general intangibles (as defined in the UCC) and the issuance, making and conveyance to the Borrower of the Purchased Participations pursuant to the Master Purchase Agreement is automatically perfected upon the transfer thereof.

(iii) There are no material judgment or tax lien filings against the Seller and there are no judgment or tax filings against the Borrower; the Seller and the Borrower each received all consents and approvals required by the terms of any Receivable Documents governing any Receivable relating to any Purchased Participations to the conveyance of such Purchased Participations to the Borrower and, should such circumstance arise, to the conveyance of such related Receivables to the Borrower pursuant to the Transaction Documents.

(iv) The Borrower has good and marketable title to, and is the sole owner of, the Purchased Participations; the Borrower has good and marketable title to, and is the sole owner of, all of its property, all of which is Collateral; the Borrower has the legal right to pledge and convey, and has validly pledged and conveyed, all of its right, title and interest in all of the Purchased Participations and other Collateral to the Administrative Agent, for the benefit of the Secured Parties, free and clear of any Liens, other than Permitted Liens; this Agreement and any Account Control Agreement, together with the UCC financing statements filed in connection therewith, are effective to create and maintain a valid, perfected, and continuing, first priority
Security Interest in and Lien on the Collateral in favor of the Administrative Agent, for the benefit of the Secured Parties; appropriate financing statements have been filed with the Secretary of State of the State of Georgia against the Borrower in favor of the Administrative Agent, for the benefit of the Secured Parties, to perfect the Lien in the portion of the Collateral that can be perfected by filing.

(v) No effective financing statement naming the Seller or the Borrower as “debtor” or “seller” covering any Purchased Participation, the related Receivable or other Collateral is on file with the Secretary of State of the State of Georgia, the state of organization of the Seller, or any other jurisdiction, and no such filing has been authorized by the Seller or the Borrower, other than the filings described in clause (iv) and clause (vi) hereof.

(vi) Financing statements have been filed with the Secretary of State of the State in which the “debtor” is “located” (within the meaning of Article 9 of the UCC) against (A) the Seller, as debtor/seller, in favor of the Borrower, as assignor/secured party/purchaser, and assigned to the Administrative Agent, for the benefit of the Secured Parties, as assignee secured party, and (B) the Borrower, as debtor, in favor of the Administrative Agent, for the benefit of the Secured Parties, as secured party, that, in each such case, describe or cover the Purchased Participations and other Purchased Assets as collateral thereunder. All of the foregoing financing statements remain duly filed with the Secretary of State of the State in which the debtor named therein is located. No such filing has been assigned to any other Person or terminated. All amendments to the financing statements listed in this paragraph that are necessary (and only such amendments that are necessary) to continue the perfection of the secured party (or assignee secured party, as applicable) listed therein in the Purchased Participations and other Purchased Assets under the applicable UCC have been made (such as in connection with a debtor name change, if applicable).

(vii) The related Account Control Agreement creates a valid and perfected continuing security interest (as defined in the applicable UCC) in the Reserve Account and the Collection Account in favor of the Administrative Agent for the benefit of the Secured Parties, which security interest is prior to all other Liens relating to such accounts. No Receivable relating to a Purchased Participation and no Purchased Participation is evidenced by an electronic instrument, electronic chattel paper, or transferrable record. No Person other than the Administrative Agent, for the benefit of the Secured Parties, has been given “control” (within the meaning of any applicable Electronic Receivables Laws or the UCC) of any promissory note or other Receivables Documents evidencing any Receivable relating to a Purchased Participation or any Purchased Participation, nor over any deposit account or securities account owned by the Borrower.

(l) Independent Consultation. The Borrower has consulted with its own legal counsel and independent accountants to the extent it has deemed necessary regarding the tax, accounting and regulatory consequences of the transactions contemplated by this Agreement
and the other Transaction Documents to which it is party, and neither the Borrower nor GreenSky is participating in such transactions in reliance on any representations of any Agent, Lender or any Affiliate or counsel of any of them, with respect to tax, accounting, regulatory or any other matters.

(m) **Eligible Participations.** All of the Purchased Participations, if included in the Class A Borrowing Base or the Class B Borrowing Base on any Borrower Base Certificate or designated as Eligible Participations on any Data File, shall be Eligible Participations as of the date of delivery of such Borrowing Base Certificate (or the date specified thereon), other than those that are thereafter required to be, and that are, timely repurchased in accordance with the requirements of the Master Purchase Agreement or the GreenSky Representations Letter.

(n) **No Fraudulent Conveyance.** As of the Closing Date and immediately after giving effect to each Advance, the Borrower is and will be Solvent, does and intends to pay its debts as they mature. The Borrower does not intend to incur, or believe that it has incurred, debts beyond its ability to pay such debts as they mature. The Borrower is not in default under any material obligation to pay money to any Person. The Borrower is not contemplating the commencement of Insolvency Proceedings or the appointment of a receiver, liquidator, conservator, trustee or similar official in respect of the Borrower or any of its assets. The Borrower is not transferring any Collateral with any intent to hinder, delay or defraud any of its creditors. The Borrower will not use the proceeds from any Advance to give any preference to any creditor or class of creditors. The Borrower has given fair consideration and reasonably equivalent value in exchange for the sale or transfer to the Borrower under the Master Purchase Agreement. The Borrower does not have unreasonably small capital for the business in which it is engaged or for any business or transaction in which it is about to engage.

(o) **All Payments Made In Ordinary Course of Business.** Each payment to any Lender in respect of any principal or interest on its Loan or other Obligation by or on behalf of the Borrower under or in connection with this Agreement shall be (i) a payment of a debt incurred by the Borrower in the ordinary course of business and financial affairs of the Borrower, and (ii) made in the ordinary course of business and financial affairs of the Borrower. In the event that the conveyance of Purchased Participations from the Seller to the Borrower is recharacterized by any court as a secured lending rather than as the issuance and conveyance of “true sale” in the Participations, each remittance of Collections relating to such Purchased Participations to the Borrower in accordance with this Agreement, the Master Purchase Agreement and the Servicing Agreement will have been (A) in payment of a debt incurred by the Seller in the ordinary course of business or financial affairs of the Seller and the Borrower, and (ii) made in the ordinary course of business or financial affairs of the Seller and the Borrower.

(p) **No Other Business.** (i) The Borrower engages in no business activities other than the purchase or acquisition of the Purchased Participations and related Purchased Assets and proceeds of the foregoing in the ordinary course of its business, the sale or other disposition of the Purchased Participations and Purchased Assets and proceeds of the foregoing in the ordinary course of its business, financing its purchase or acquisition of the Purchased Assets pursuant to this Agreement, pledging the Purchased Assets and other Collateral under the Transaction Documents, transactions contemplated by the Transaction Documents, and other
activities relating to the foregoing to the extent permitted by the Borrower Organizational Documents, (ii) without limiting the foregoing, the Borrower is not a borrower under any loan or financing agreement, facility or other arrangement other than the Facility established pursuant to this Agreement and the other Transaction Documents, and (iii) the Borrower is not party to any agreement, covenant or undertaking (other than the Transaction Documents to which it is party) that restricts the power or authority of the Borrower, acting without the consent of any other Person, to amend, waive or otherwise modify any provision of this Agreement or any other Transaction Document.

(q) **No Indebtedness.** The Borrower has no Indebtedness, other than Indebtedness incurred hereunder or in connection herewith, including, without limitation, Indebtedness incurred pursuant to Section 6.03.

(r) **ERISA.**

(i) Each Pension Plan is in compliance in form and operation with its terms and with applicable requirements of ERISA and the Code (including without any limitation the Code provisions compliance with which is necessary for any intended favorable tax treatment) and all other applicable laws and regulations, except where any failure would not, individually or in the aggregate, result in a Material Adverse Change.

(ii) No ERISA Event has occurred, or is reasonably expected to occur, other than as would not, individually or in the aggregate, result in a Material Adverse Change.

(iii) Except as would not individually or in the aggregate constitute a Material Adverse Change: (a) no Pension Plan which is subject to Section 412 of the Code or Section 302 of ERISA has applied for or received an extension of any amortization period, within the meaning of Section 412 of the Code or Section 302 or 304 of ERISA, (b) the Borrower and any ERISA Affiliate have not ceased operations at a facility so as to become subject to the provisions of Section 4062(e) of ERISA, withdrawn as a substantial employer so as to become subject to the provisions of Section 4063 of ERISA or ceased making contributions to any Pension Plan subject to Section 4064(a) of ERISA to which it made contributions and (c) none of the Borrower or any ERISA Affiliate have incurred or reasonably expect to incur any liability to PBGC, save for any liability for premiums due in the ordinary course, and no lien imposed under the Code or ERISA on the assets of the Borrower or any ERISA Affiliate exists or, to the knowledge of the Borrower, is likely to arise on account of any Plan. None of the Borrower or any ERISA Affiliate has engaged in a transaction described in Section 4069(a) or 4212(c) of ERISA.

(iv) Borrower is not and is not acting on behalf of (A) an “employee benefit plan” as defined in Section 3(3) of the ERISA, that is subject to Title I of ERISA, (B) a “plan” as defined in and subject to Section 4975 of the Code, (C) any entity deemed to hold Plan Assets, or (D) any entity that is subject to State statutes regulating investments of, and fiduciary obligations with respect to, governmental plans (as such
term is defined in Section 3(32) of ERISA), that would be violated by the transactions contemplated by this Agreement.

(s) **Compliance with Law.** Each of the Borrower, the Seller, and the Servicer (i) are in material compliance with all applicable Requirements of Law, including all applicable AML-BSA Laws; and (ii) are in material compliance with each and every order of any Governmental Authority.

(t) **Tax Matters.** The Borrower has paid and discharged, and has caused Seller, to pay and discharge, all material Taxes and governmental charges upon it or against any of its properties or assets or its income prior to the date after which interest and/or penalties attach for failure to pay, except to the extent that (i) such Person has been contesting in good faith in appropriate proceedings its obligation to pay such Taxes or charges, (ii) adequate reserves have been set aside for the payment thereof in accordance with GAAP, (iii) enforcement of the contested Tax or other charge is stayed for the duration of such contest if such enforcement could reasonably be expected to have a Material Adverse Change, (iv) any such Tax or charge is promptly paid after final resolution of such contest, and (v) such failure to pay could not give rise to a tax lien on any Collateral (other than Liens described in clause (iii) in the definition of Permitted Liens). The Borrower is a disregarded entity that is wholly owned by a U.S. Person for federal income tax purposes and no election has been made or will be made to treat the Borrower as a corporation or an association taxable as a corporation for federal income tax purposes.

(u) **Compliance with Anti-Bribery Laws.** Neither the Borrower nor any other GreenSky Group Member nor, to the knowledge of the Borrower or such other GreenSky Group Member, director, officer, agent, or employee of any GreenSky Group Member, or any other Person acting on behalf of any GreenSky Group Member is aware of or has taken any action, directly or indirectly, that could result in a material violation or a sanction for material violation by such persons of the Foreign Corrupt Practices Act of 1977, as may be amended, or similar law of any other relevant jurisdiction, or the rules or regulations thereunder; and the Borrower and each GreenSky Group Member has instituted and maintain policies and procedures to ensure compliance with the foregoing. No part of the proceeds of the Advances will, by any GreenSky Group Member or any other Person acting on behalf of any GreenSky Group Member, be used, directly or indirectly, in violation of the Foreign Corrupt Practices Act of 1977, as may be amended, or similar law of any other jurisdiction that such GreenSky Group Member operates in and the rules or regulations thereunder.

(v) **Compliance with Anti-Money Laundering Laws.** The operations of each GreenSky Group Member is conducted at all times in material compliance with applicable financial recordkeeping and reporting requirements, including those of the Bank Secrecy Act of 1970, as amended by Title III of the Uniting And Strengthening America By Providing Appropriate Tools Required To Intercept And Obstruct Terrorism (USA PATRIOT Act), the applicable money laundering statutes of all jurisdictions where such GreenSky Group Member conducts business and the rules and regulations thereunder (collectively, the “Anti-Money Laundering Laws”) and no action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving the any GreenSky Group Member with
respect to the Anti-Money Laundering Laws is pending or, to the best knowledge of any GreenSky Group Member, threatened.

(w) **No Sanctions.** No GreenSky Group Member nor, to the knowledge of any GreenSky Group Member, any director, officer, agent or employee of any GreenSky Group Member (i) is, or is controlled or 50% or more owned in the aggregate by or is acting on behalf of, one or more individuals or entities that are currently the subject of any sanctions administered or enforced by the United States (including any administered or enforced by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the U.S. Department of State or the Bureau of Industry and Security of the U.S. Department of Commerce), the United Nations Security Council, the European Union, a member state of the European Union (including sanctions administered or enforced by Her Majesty’s Treasury of the United Kingdom) or other relevant sanctions authority (collectively, “Sanctions” and such persons, “Sanctioned Persons” and each such person, a “Sanctioned Person”), (ii) is located, organized or resident in a country or territory that is the subject of Sanctions that broadly prohibit dealings with that country or territory (collectively, “Sanctioned Countries” and each, a “Sanctioned Country”) or (iii) will, directly or indirectly, use the proceeds of the Advances, or lend, contribute or otherwise make available such proceeds to any subsidiary, joint venture partner or other individual or entity in any manner that would result in a violation of any Sanctions by any Lender or any Agent.

(x) **No Defaults.** Except as previously disclosed, no Default, Event of Default, or Servicer Default has occurred and is continuing.

(y) **Records.** The Borrower Records are primarily maintained in electronic form and are stored in accordance with the Servicer’s customary practices. The Borrower’s federal employer identification number is 84-5157848, and the Borrower’s organizational identification numbers is 20036757.

(z) **Location of Accounts.** The address of the branch of the Account Bank at which the Collection Account and Reserve Account initially are maintained is Atlanta, Georgia.

SECTION 4.02 **No Waiver.** The knowledge by any Agent or Lender (or any employee, officer, director, representative or agent of any of them) of any inaccuracy or breach of any representation and warranty provided by the Borrower pursuant to this Article IV, any other Transaction Document, or any other instrument, certificate or agreement, regardless of when, how or from what source such knowledge is acquired, shall not be a waiver by such Person with knowledge or any other Person of such representation and warranty or a waiver of the rights of any of them with respect to such breach. The Administrative Agent and Lenders expressly reserve the right to assert any and all claims for, or arising from, the breach of any representation and warranty by the Borrower, regardless of any knowledge of such breach prior to Closing Date or at any time thereafter. No Agent or Lender (or any employee, officer, director, representative or agent of any of them) has any duty to disclose to the Borrower or any GreenSky Group Member (in any capacity) any knowledge of any breach of any representation and warranty, regardless of when, how or from what source such knowledge is acquired.
ARTICLE V
CONDITIONS

SECTION 5.01 Conditions to the Initial Advance. The obligation to fund the initial Advance and perform the respective obligations of the Agents and the Lenders hereunder is subject to satisfaction of all of the conditions precedent set forth below in this Section, to the sole satisfaction of all of the Administrative Agent.

(a) Transaction Documents. The Administrative Agent has received a counterpart of this Agreement and each other Transaction Document, duly executed by each party hereto and thereto, in form and substance reasonably satisfactory to the Administrative Agent.

(b) Consents and Waivers. Each party has received all internal and external approvals and all consents and waivers necessary for the consummation of the transactions contemplated hereby and by the other Transaction Documents, and all such approvals, consents and waivers are in full force and effect, including, for the avoidance of doubt, confirmation in writing by each of the rating agencies then rating any applicable Conduit Lender, that the rating on their commercial paper will not be adversely affected by or withdrawn as a result of entering into this Agreement.

(c) Upfront Fee and Obligations. The Borrower has caused to be paid from proceeds of the initial Loan (i) the Upfront Fee due to each Committed Lender pursuant to the Fee Letter and (ii) reasonable legal fees and expenses of Chapman and Cutler LLP, as counsel to the Administrative Agent, for the initial negotiating, documenting and closing of the transactions contemplated hereby in an amount not to exceed $[*****], and (iii) the reasonable out-of-pocket expenses of the Administrative Agent pursuant to Section 10.06(a) and the Account Bank pursuant to any Account Control Agreement;

(d) Certificates and Resolutions. The Administrative Agent and each Lender has received:

(i) certified copies of the organizational documents of the Borrower and Seller and each amendment thereto, and resolutions of the Board of Directors or other governing authority of each of the Borrower and Seller authorizing or ratifying (A) the execution, delivery and performance, respectively, of all Transaction Documents to which it is a party and consummation of the transactions contemplated hereby and thereby, (B) in the case of the Borrower only, the incurrence of the indebtedness contemplated hereunder, and (C) in the case of the Borrower only, the granting by the Borrower to the Administrative Agent, for the benefit of the Secured Parties, of the security interests contemplated by this Agreement, certified by the Secretary or an Assistant Secretary of the Borrower or GreenSky, as applicable, as of the Closing Date, which certificate shall state that the resolutions thereby certified have not been amended, modified, revoked or rescinded as of the date of such certificate;

(ii) copies of certificates (long form) or other evidence from the Secretary of State of the State or Georgia or other appropriate authority, evidencing the
existence of the Borrower and the Servicer in their respective States of organization, in each case, dated no earlier than 15 days prior to the Closing Date;

(iii) a certificate of the Secretary or an Assistant Secretary of the Borrower and Seller, as applicable, certifying the names and the signatures of its Authorized Officers; and

(iv) a certificate of an Authorized Officer of GreenSky, Seller and the Borrower stating that (A) the representations and warranties of such party in this Agreement and any other Transaction Document are true and correct as of the Closing Date, (B) such party has complied with all applicable covenants and agreements in the Transaction Documents to which it is a party that are to be performed on or prior to the Closing Date, and (C) all conditions set forth in this Section 5.01 on its part to be performed or satisfied on or prior to the Closing Date have been satisfied.

(e) Legal Opinions. The Administrative Agent and each Lender has received, in form and reasonably substance satisfactory to it, the following legal opinions (in each case, with customary qualifications and limitations):

(i) a legal memorandum from counsel to Borrower, opining that (A) the Borrower is not a “covered fund” within the meaning of the final regulations issued December 10, 2013, implementing Section 619 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, commonly known as the “Volcker Rule;” and (B) the Borrower is not, and immediately after giving effect to the transactions completed on the Closing Date hereunder will not be, required to register as an “investment company” within the meaning of the Investment Company Act, as amended (the “1940 Act”).

(ii) a legal opinion from counsel to the Borrower and Seller, opining that each of (i) the backup security interest in the Purchased Participations and other Purchased Assets granted by the Seller to the Borrower under the Master Participation Agreement, and (ii) the security interest in the Purchased Participations, Purchased Assets, Collection Account and other Collateral granted by the Borrower to the Administrative Agent, for the benefit of the Secured Parties, is valid and perfected under the applicable UCC;

(iii) a legal opinion from counsel to the Borrower and Seller, opining (A) that the Master Purchase Agreement and the issuance and conveyance of each Purchased Participation thereunder to the Borrower constitutes a true sale or other absolute transfer from the Seller to the Borrower and the interests in the Receivables evidenced by the Purchased Participations issued and conveyed thereunder will not be subject to the bankruptcy estate of the Seller, and (B) in the event of bankruptcy of the Seller or GreenSky, respectively, Borrower will not be substantively consolidated with Seller or GreenSky, respectively;

(iv) legal opinions from counsel to the Borrower, Seller, and Servicer, and Administrative Agent, reasonably satisfactory to the Administrative Agent, with
respect to corporate or other company authority, enforceability, noncontravention of material agreements and non-
contravention of applicable law; and

(v) a legal opinion or memorandum from counsel to the Administrative Agent regarding Madden/true lender issues.

(f) **UCC Filings.** The Administrative Agent has received (i) UCC search results with respect to the Seller and the Borrower; (ii) satisfactory evidence of any required lien releases; and (iii) UCC filings (A) naming the Borrower as debtor and the Administrative Agent as secured party, and (B) naming the Seller as debtor/seller, the Borrower as secured party/purchaser and the Administrative Agent as assignee of the original secured party.

(g) **Collection Account and Reserve Account.** The Administrative Agent has received satisfactory evidence of the opening of the Collection Account and the Reserve Account, and all parties to any Account Control Agreement have executed such agreements.

(h) **Additional Documents.** The Administrative Agent has received such other documents and information as such party may reasonably request.

(i) **Due Diligence.** The Administrative Agent has completed, to its satisfaction, its due diligence review and audits of the Borrower and the Servicer and their respective management, controlling stockholders, systems, underwriting, servicing and collection operations, static pool performance and loan files (subject to the requirements with respect to the delivery of the initial AUP Letter on or prior to six months form the Closing Date as set forth in Section 6.01(o)), including, for the avoidance of doubt, the due diligence review conducted by Protiviti Inc.

SECTION 5.02 Conditions to Each Advance and Release. Each Advance (including the initial Advance), each withdrawal pursuant to Section 3.02(e) and each Release shall be subject to the conditions precedent set forth in this Section.

(a) **Notices; Deliverables; Limitations.** Any Advance, withdrawal on any Withdrawal Date or Release, as the case may be, shall have been requested and made in compliance with, (i) with respect to any Advance, Section 2.01, (ii) with respect to any withdrawal, Section 3.02(e) and (iii) with respect to any Release, Section 2.04, including, without limitation, delivery of the applicable Advance Notice, Notice of Withdrawal or Release Notice, as the case may be, as and when required thereunder.

(b) **Reporting Received.** The Administrative Agent shall have received from the Servicer the Portfolio Report most recently required to be delivered pursuant to the Transaction Documents.

(c) **Sale Report.** The Administrative Agent shall have received from the Servicer a report with respect to the Receivables underlying the Participations proposed to be sold to the Borrower or subject to a Release on such date, as applicable, which report shall demonstrate that (i) in the case of a sale of Receivables to the Borrower, the Eligible Receivables then owned by the Borrower, together with the Eligible Receivables proposed to be sold on such date, will immediately after giving effect to such sale collectively satisfy the parameters set forth
on Schedule VI, and (ii) in the case of any Release, the Eligible Receivables proposed to be owned by the Borrower immediately after giving effect to any such Release will satisfy the parameters set forth on Schedule VI.

(d) **Uncommitted Class A Facility.** To the extent the Uncommitted Class A Facility is utilized for such Advance, such Advance has been approved by each Class A Lender in its sole discretion.

(e) **No Commitment Termination Date.** Solely with respect to any Advance or withdrawal pursuant to Section 3.02(e), the Commitment Termination Date shall not have occurred on or prior to the applicable Advance Date or Withdrawal Date.

(f) **Compliance.** On the applicable Activity Date, no Default, Event of Default, Amortization Event, any event described in clause (a) through (d) of the definition of “Amortization Event” (without regard to whether the Administrative Agent has delivered notice that an Amortization Event exists as a result of any such event), or Financial Covenant Trigger shall have occurred or be continuing, or will arise as a result of (and after giving effect to) such Advance, withdrawal or Release, as the case may be;

(g) **No Borrowing Base Deficiency or Required Reserve Account Deposit Amount.** After giving effect to such Advance, withdrawal or Release (including any related prepayment made at the time of such Release and any deposit into or withdrawal from the Reserve Account to be made in connection with such Advance or Release, as the case may be), there shall be no Borrowing Base Deficiency and the Required Reserve Account Deposit Amount shall not be more than zero ($0.00).

(h) **Representations and Warranties.** The representations and warranties made by the Seller, Servicer and Borrower in the Transaction Documents shall be true and correct in all material respects (except to the extent already qualified by materiality, in which case such representations and warranties shall be true and correct in all respects) as of the applicable Activity Date after giving effect to any Advance, withdrawal pursuant to Section 3.02(e) or Release (and any related prepayment made at the time of such Release), as applicable, on such date (except to the extent such representations and warranties expressly relate to any earlier date, in which case such representations and warranties shall be true and correct in all material respects (except to the extent already qualified by materiality, in which case such representations and warranties shall be true and correct in all respects)) as of such earlier date).

(i) **Custodian Possession.** With respect to any Advance or withdrawal pursuant to Section 3.02(e), on the date that the Borrower delivers the applicable Advance Notice with respect to such Advance or Withdrawal Notice with respect to such withdrawal, the Custodian shall have possession of the Receivable Document Packages with respect to the Purchased Participations to be made or conveyed to the Borrower on the related Advance Date or Withdrawal Date, and such other documentation and information (or Data File) as required under the Backup Servicing Agreement, all of the foregoing of which shall be true, complete and correct in all material respects.
(j) **Review.** The Administrative Agent shall have performed (absent an Event of Default or unless the Borrower otherwise agrees, without the engagement of a third party verification agent to so perform), a review of such other information regarding the Borrower, Seller or Servicer (including, without limitation, information requested pursuant to subsection (h) of this Section), and the Administrative Agent shall not have, on or prior to the applicable Activity Date, provided written notice to the Borrower, the Seller or the Servicer of any potential failure of the conditions precedent set forth herein to be satisfied that the Administrative Agent reasonably determines should result in a delay of such Advance, withdrawal pursuant to Section 3.02(e) or Release; provided, that any such review by the Administrative Agent shall not limit the reliance by the Administrative Agent and the Lenders on the representations and warranties of the Borrower, Seller and Servicer made hereunder, under any other Transaction Document, or under any instrument, certificate or other document delivered in connection herewith or therewith.

(k) **No MAC.** No Material Adverse Change has occurred and is occurring with respect to the Borrower or GreenSky.

(l) **Additional Information.** The Borrower shall have provided, or shall have caused the Servicer to provide, to the Administrative Agent, all other information that the Administrative Agent may reasonably require upon reasonable advance notice thereof in connection with such Advance, withdrawal pursuant to Section 3.02(e) or Release and satisfaction of the conditions precedent thereto set forth herein.

Each delivery of an Advance Notice or Withdrawal Notice to the Administrative Agent, and the acceptance by the Borrower of the proceeds of any Advance or withdrawal, shall constitute a representation and warranty by the Borrower that, as of the date of such Advance or as of such Withdrawal Date, both before and after giving effect thereto and the application of the proceeds thereof, each of the applicable statements set forth in the ten clauses above are true and correct to the extent set forth in such clauses.

**ARTICLE VI COVENANTS**

**SECTION 6.01 Affirmative Covenants.** The Borrower hereby covenants and agrees that until Payment in Full as follows:

(a) **Notices.** The Borrower shall:

(i) within three (3) Business Days after any Authorized Officer of the Borrower or the Servicer obtains knowledge of the existence thereof, give notice to the Administrative Agent (which notice the Administrative Agent shall promptly make available to the Lenders in accordance with its customary practice) of any of the following, which notice shall detail such event and the action it is taking or proposes to take with respect thereto:

(i) any Material Adverse Change, Amortization Event, Default, Event of Default, Servicer Default, Seller Default, or any event which
with the giving of notice or lapse of time, or both, would become a Servicer Default or Seller Default;

(ii) the filing, commencement, or receipt of service of process by any agent or representative of the Borrower or any other GreenSky Group Member, as the case may be, of or for any litigation, governmental inquiry, legal process, arbitration, or administrative, regulatory, judicial or quasi-judicial proceeding, action, suit or investigation against the Borrower or any other GreenSky Group Member, or any material adverse development therein, or material adverse judgment or decree with respect thereto, that (in the case of any of the foregoing): (A) questions or challenges the validity or enforceability of any of the Transaction Documents, (B) could reasonably be expected to result in a material impairment of, or otherwise could reasonably be expected to adversely effect, a material portion of the Purchased Participations or the related Receivables Documents, (C) if adversely determined could reasonably be expected to result in a Material Adverse Change or (D) involves a putative class action brought against the Borrower or any other GreenSky Group Member that would reasonably be expected to result in a Material Adverse Change;

(ii) within three (3) Business Days after any Authorized Officer of the Borrower obtains knowledge of the existence or occurrence thereof, give notice to the Administrative Agent (which notice the Administrative Agent shall promptly make available to the Lenders in accordance with its customary practice) of any of the following, which notice shall detail such event and the action it is taking or proposes to take with respect thereto:

(i) any other development that could reasonably be expected to result in a Material Adverse Change;

(ii) the existence of any purported adverse claim (including any action, suit, proceeding or investigation) with respect to a material portion of the Collateral;

(iii) any order, judgment, decree, injunction, stipulation or consent order of or with any Governmental Authority adversely affecting the Borrower or a material portion of the Collateral; provided that Borrower’s obligation to detail the same and the action it is taking or proposes to take with respect thereto shall be limited to the extent permissible and not violative of attorney-client privilege or otherwise strategically inadvisable to do so;

(iv) any amendment, modification, supplement or other change to the Collections Policy, Underwriting Policy or Modification Guidelines that could have a material adverse effect on the collectability or enforceability of the Participations or related Receivables, or the interests of the Borrower, the Administrative Agent or Lenders therein.
Each notice pursuant to this subsection (a) shall be accompanied by a statement signed by an Authorized Officer of the Borrower or other GreenSky Group Member, as applicable, setting forth details of the occurrence referred to therein and stating what action the Borrower or such other GreenSky Group Member, as the case may be, has taken or proposes to take with respect thereto. For avoidance of doubt, except to the extent necessary for the Administrative Agent to enforce rights against the Collateral after an Event of Default (including, without limitation, access to the Receivables Documents by a successor Servicer), nothing in this provision shall require the Borrower, the Seller or the Servicer to disclose to any Agent or any other Person: (A) any attorney work product or records subject to attorney-client privilege if such disclosure would cause a loss of the attorney-client privilege in connection with active litigation to the detriment of the Borrower, Seller, or Servicer, (B) any records subject to a binding, noncancellable confidentiality agreement with a third party, the disclosure of which would violate such confidentiality agreement, unless the Administrative Agent or its representative could, pursuant to the terms thereof, agree to confidentiality restrictions or other terms in order to gain access, and such Agent or its representative agrees to such terms, provided, that during the continuance of an Event of Default, the Borrower shall, and shall cause the Seller and Servicer to, take all commercially reasonable actions to make such disclosure to the Administrative Agent in a manner that does not violate any outstanding confidentiality agreement, or (C) any records the disclosure of which to the Administrative Agent or its representative (including on a confidential basis), as confirmed in an opinion of counsel to the Borrower, the Seller or the Servicer, as applicable, delivered to the Administrative Agent, is prohibited by applicable law and there is no manner to disclose such information (or any portion thereof) without violating applicable law; provided, that such disclosure shall be made to the fullest extent permitted by applicable law; and provided, further, that during the continuance of an Event of Default, the Borrower shall, and shall take all commercially reasonable actions to cause the Seller and Servicer, to take all commercially reasonable actions to provide such disclosure in a manner that will not violate applicable law.

(b)  Taxes. The Borrower shall, and shall cause the other GreenSky Group Members to, pay and discharge all material Taxes and other governmental charges upon it or against any of its properties or assets or its income prior to the date after which penalties attach for failure to pay, except to the extent that (i) the Borrower or such other GreenSky Group Member, as applicable, has been contesting in good faith in appropriate proceedings its obligation to pay such Taxes or charges, (ii) adequate reserves have been set aside for the payment thereof in accordance with GAAP, (iii) enforcement of the contested Tax or other charge is stayed for the duration of such contest if such enforcement could reasonably be expected to have a Material Adverse Change, (iv) any such Tax or charge is promptly paid after final resolution of such contest, and (v) such failure to pay could not give rise to a tax Lien on any Collateral (other than Liens described in clause (iii) in the definition of Permitted Liens). The Borrower shall at all times be a disregarded entity for federal income tax purposes that is wholly owned by a U.S. Person and no election will be made to treat the Borrower as a corporation or an association taxable as a corporation for federal income tax purposes.

(c)  Continuity of Business. The Borrower shall and shall cause the Seller and the Servicer to: (i) preserve and maintain its legal existence; and (ii) maintain all licenses, rights, permits, franchises and qualifications necessary to perform its respective obligations under this Agreement and the other Transaction Documents to which it is party, and to operate
its business generally, except, in the case of clause (ii), where failure to so maintain could not reasonably be expected to result in a Material Adverse Change.

(d) **Additional Information.** The Borrower shall, or shall cause the Seller and the Servicer to, deliver to the Administrative Agent, from time to time, upon the reasonable request of the Administrative Agent therefor, (i) statements and schedules further identifying and describing the Collateral, and (ii) such other reports and information with respect to the Collateral, the Receivables, and/or the respective operations, policies and practices of the Seller, the Servicer or the Borrower.

(e) **Servicing and Enforcement.** The Borrower will cause the Servicer to service, administer and enforce the Purchased Participations in accordance with the Servicing Agreement. The Borrower will (i) perform and require the Seller to, perform each of their respective obligations and undertakings under and pursuant to the Master Purchase Agreement, including in relation to the conveyance and acquisition of Purchased Participations or, if applicable, the related Receivables, thereunder, or the repurchase thereof; (ii) enforce its rights and remedies under the Master Purchase Agreement and (iii) take all actions to perfect and enforce its rights and interests (and the rights and interests of the Administrative Agent as assignee of the Borrower) under the Master Purchase Agreement, in each case, as the Administrative Agent may from time to time reasonably request, including making claims to which it may be entitled under any indemnity, reimbursement, repurchase or similar provision.

(f) **Continuous Perfection and Protection of Security Interest.** The Borrower shall take all actions that are necessary to maintain the valid, perfected, first priority Security Interest of the Administrative Agent, for the benefit of the Secured Parties, in and to all of the Collateral, free of all Liens (other than Permitted Liens).

(g) **Separate Existence.** The Borrower hereby acknowledges that the Administrative Agent and the Lenders are entering into the transactions contemplated by this Agreement in reliance upon the Borrower’s identity as a separate legal entity from each other GreenSky Group Member. The Borrower shall observe and comply with the separateness covenants set forth on Schedule VIII, and the separateness covenants set forth in the Borrower Organizational Documents.

(h) **Books and Records.** The Borrower will keep proper books of record and account in which entries full, true and correct in all material respects are made and are sufficient to prepare financial statements of GreenSky (under which Borrower is consolidated) in accordance with GAAP.

(i) **Inspections.** Twice per calendar year (or during the continuance of any Event of Default or Servicer Default, as frequently as requested by the Administrative Agent), at the expense of the Borrower (such expense not to exceed $[*****] per annum absent an Event of Default or Servicer Default), the Administrative Agent (or its designee) may, and is hereby authorized to, upon reasonable notice and during regular business hours (i) hire an accounting firm reasonably satisfactory to the Administrative Agent to complete up to two audits of the Borrower, Seller, or Servicer per year (or during the continuance of any Event of Default or Servicer Default, as frequently as reasonably requested by the Administrative Agent) under a
scope of work reasonably agreed to by the Borrower, Seller or Servicer, as applicable, (ii) examine via WebEx or other similar online platform or at the offices of the Borrower, Seller, or Servicer (at any location where it keeps records with respect to the Borrower) all books, records and documents (including computer tapes and disks), and (iii) visit the offices and properties of the Borrower, the Seller, and/or Servicer to engage in discussions with any of the officers, employees or independent public accountants of any of them having knowledge within the scope of such inspection, in the case of either clause (i), clause (ii) or clause (iii), for the purpose of examining such materials, to discuss matters relating to the Purchased Participations and the related Receivables, the performance of (or ability or inability to perform under) any Transaction Document by the Borrower, Seller, or Servicer, to test, among other items, accuracy of reporting, cash management, asset representation and collateral management for the Borrower and the business of any of the foregoing. For avoidance of doubt, except to the extent necessary for the Administrative Agent to enforce rights against the Collateral after an Event of Default (including, without limitation, access to the Receivables Documents by a successor Servicer), nothing in this provision shall require the Borrower, Seller and/or Servicer to disclose to any Agent or any other Person: (A) any attorney work product or records subject to attorney-client privilege if such disclosure would cause a loss of the attorney-client privilege in connection with active litigation to the detriment of the Borrower, Seller, or Servicer, (B) any records subject to a binding, noncancellable confidentiality agreement with a third party, the disclosure of which would violate such confidentiality agreement, unless the Administrative Agent or its representative could, pursuant to the terms thereof, agree to confidentiality restrictions or other terms in order to gain access, and such Agent or its representative agrees to such terms, provided, that during the continuance of an Event of Default, the Borrower shall, and shall cause the Seller and Servicer to, take all commercially reasonable actions to make such disclosure to the Administrative Agent in a manner that does not violate any outstanding confidentiality agreement, or (C) any records the disclosure of which to the Administrative Agent or its representative (including on a confidential basis), as reasonably determined by counsel to the Borrower (which may be in-house counsel), Seller or Servicer, as applicable, is prohibited by applicable law and there is no manner to disclose such information (or any portion thereof) without violating applicable law; provided, that such disclosure shall be made to the fullest extent permitted by applicable law; and provided, further, that during the continuance of an Event of Default, the Borrower shall, and shall cause the Seller and Servicer, to take all good faith actions to provide such disclosure in a manner that will not violate applicable law.

(j) Compliance with Laws. The Borrower shall (i) comply with all applicable Requirements of Law in all material respects, and (ii) comply with any order of any applicable Governmental Authority or other board or tribunal in all material respects. The Borrower shall cause the Seller and the Servicer to (x) comply with all applicable Requirements of Law in all material respects and (y) comply with any order of any applicable Governmental Authority or other board or tribunal in all material respects.

(k) Financial Statements. The Borrower shall provide to the Administrative Agent (which notice the Administrative Agent shall promptly make available to the Lenders in accordance with its customary practice): (i) within sixty (60) days of the end of each of the first three (3) fiscal quarters of each fiscal year of GreenSky Parent, if not publicly available, GreenSky Parent’s unaudited consolidated balance sheet and related statements of operations and cash flows as of the end of and for such fiscal quarter and the then elapsed portion of the fiscal

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year, setting forth in each case in comparative form the figures for the corresponding period or periods of (or, in the case of the balance sheet, as of the end of the previous fiscal year), all certified by one of GreenSky Parent’s Authorized Officers as presenting fairly in all material respects the financial condition and results of operations of GreenSky Parent and its consolidated Subsidiaries on a consolidated basis in accordance with GAAP consistently applied, subject to normal year-end audit adjustments and the absence of footnotes, and (ii) within one hundred twenty (120) days after the end of such fiscal year of GreenSky Parent, if not publicly available, GreenSky Parent’s audited consolidated balance sheet and related statements of operations and cash flows as of the end of and for such year, setting forth in each case in comparative form the figures for the previous fiscal year, that has been audited and reported by independent public accountants of recognized national standing or another accounting firm reasonably approved by the Administrative Agent to the effect that such consolidated financial statements present fairly in all material respects the financial condition and results of operations of GreenSky Parent and its consolidated Subsidiaries on a consolidated basis in accordance with GAAP consistently applied. Notwithstanding the foregoing, the obligations referred to in this subsection (k) may be satisfied by furnishing GreenSky Parent’s Form 10-K or 10-Q, as applicable, filed with the Securities and Exchange Commission (the “SEC”) (and the public filing of such report with the SEC shall constitute delivery under this subsection (k)). Further, any financial statements required to be delivered pursuant to this subsection (k) shall not be required to contain all purchase accounting adjustments relating to any transactions entered into by the Borrower to the extent it is not practicable to include any such adjustments in such financial statements.

(l) **Compliance Certificates.** Together with any financial statements delivered pursuant to subsection (k) of this Section, the Borrower shall deliver to the Administrative Agent (which the Administrative Agent shall promptly make available to the Lenders in accordance with its customary practice), a Financials Compliance Certificate signed by a financial officer that is an Authorized Officer of GreenSky.

(m) **Insurance.** The Borrower shall cause GreenSky to maintain commercial liability insurance and fidelity bonds, with coverage amounts of $[*****] and $[*****], respectively, which such fidelity bonds would cover any loss of proceeds by GreenSky as Servicer under the Servicing Agreement caused by employee misconduct, and with an insurance company reasonably acceptable to the Administrative Agent. The coverage amounts described in this subsection may be obtained through any combination of primary and excess insurance. The Borrower shall ensure that, within sixty (60) days of the execution of this Agreement, the Administrative Agent, as agent for the Secured Parties, is named as a loss payee or additional insured under each such insurance policy or fidelity bond. The Borrower shall, or shall cause GreenSky to prepare and present, on behalf of itself and the Administrative Agent, claims under any such insurance policies or fidelity bonds that relate to loss of proceeds with respect to the Purchased Participations in a timely fashion in accordance with the terms of such policy, and upon the filing of any such claim on any fidelity bonds described in this subsection (m), the Borrower shall, or shall cause GreenSky to, promptly notify the Administrative Agent of such claim.

(n) **Portfolio Report.** The Borrower shall, or shall cause the Servicer to, provide to the Administrative Agent (i) a monthly portfolio report, in a form reasonably acceptable to the Administrative Agent, and (ii) additional information concerning the Borrower,
the Servicer, the Purchased Participations and the Receivables that the Administrative Agent may reasonably request from time
to time to satisfy or fulfill regulatory requirements applicable to the Administrative Agent or the Lenders.

(o) **AUP Engagements.** The Borrower shall ensure that the Administrative Agent shall receive an AUP Letter
within six months after the Closing Date and at least annually thereafter, in each case, in form and substance reasonably
satisfactory to the Administrative Agent, and the Borrower shall, and shall cause the Seller and the Servicer to, authorize and
cooperate on a commercially reasonable basis with the initial and annual compliance engagement conducted in connection
therewith.

(p) [*****]

(q) **ERISA.** If the Borrower determines the same would reasonably be expected to have a Material Adverse
Change, as soon as reasonably possible, and in any event within thirty (30) days after an Authorized Officer of the Borrower
knows that any of the events or conditions specified below with respect to any Pension Plan or Multiemployer Plan has occurred
or exists, Borrower will obtain and deliver to the Administrative Agent written notice from a senior financial officer of GreenSky
setting forth details respecting such event or condition and the action, if any, that GreenSky or the relevant ERISA Affiliate
proposes to take with respect thereto (and a copy of any report or notice required to be filed with or given to PBGC with respect
to such event or condition):

(i) any “reportable event” as defined in Section 4043 of ERISA with respect to a Pension Plan, as to
which PBGC has not by regulation or otherwise waived the requirement of Section 4043(a) of ERISA that it be notified
within thirty (30) days of the occurrence of such event (provided that a failure to meet the minimum funding standard of
Section 412 of the Code or Section 302 of ERISA shall be a reportable event regardless of the issuance of any waivers in
accordance with Section 412(c) of the Code); and any request for a waiver under Section 412(c) of the Code for any
Pension Plan;

(ii) the distribution under Section 4041(c) of ERISA of a notice of intent to terminate any Pension Plan
or any action taken by such entity or an ERISA Affiliate to terminate any Pension Plan under Section 4041(c) of ERISA;

(iii) the institution by PBGC of proceedings under Section 4042 of ERISA for the termination of, or the
appointment of a trustee to administer, any Pension Plan, or the receipt by GreenSky or any ERISA Affiliate of a notice
from a Multiemployer Plan that such action has been taken by PBGC with respect to such Multiemployer Plan;

(iv) the complete or partial withdrawal from a Multiemployer Plan by GreenSky or any ERISA Affiliate
that results in liability under Section 4201 or 4204 of ERISA (including the obligation to satisfy secondary liability as a
result of a purchaser default) or the receipt by GreenSky or any ERISA Affiliate of notice from a Multiemployer Plan that
it is in insolvency pursuant to Section 4245 of ERISA or that it intends to terminate or has terminated under Section
4041A of ERISA; and

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 SECTION 6.02 Negative Covenants.

(a) Sales of or Liens on Collateral; Termination of Participations. Except as expressly contemplated by this Agreement (including, without limitation, in connection with any Release) or any other Transaction Document, the Borrower shall not, and shall not permit the Seller to, sell, pledge, assign or transfer to any other Person, or grant, create, incur, assume or suffer to exist any Lien (including, without limitation, any IRS Lien or ERISA Lien) on or any interest in any Receivable relating to any Purchased Participation or any related Purchased Assets other than Permitted Liens.

(b) No Indebtedness. The Borrower will not at any time incur any Indebtedness, other than Indebtedness incurred hereunder or in connection herewith, including, without limitation, Indebtedness incurred pursuant to Section 6.03.

(c) Dividends and Distributions. The Borrower shall not declare or pay any dividends or distributions except to the extent of funds legally available therefor from payments received by the Borrower pursuant to (w) Section 3.02(a)(xii), (x) Section 3.02(b)(xi), (y) Section 3.02(c)(xi) or (z) Section 2.01(f), provided any distribution of the proceeds of an Advance made in accordance with Section 2.01(f) shall be made on the applicable Advance Date for such Advance and shall only be made so long as all of the applicable conditions to such Advance have been satisfied. Notwithstanding the foregoing, the Borrower shall not declare or pay any such dividends or distributions or permit any such withdrawals on any date unless (i) no Event of Default shall have occurred and is continuing or would result therefrom, (ii) such distribution has been approved by all necessary action on the part of the Borrower and (iii) such distribution is made in compliance with all applicable laws.

(d) Investments. The Borrower shall not, directly or indirectly, (i) merge with, purchase, own, hold, invest in or otherwise acquire any Equity Interests of, or any other security or interest in, all or substantially all of the assets of, any Person or any joint venture or (ii) make or permit to exist any loan, advances or guarantees to or for the benefit of any Person or assume, guarantee, endorse, contingently agree to purchase or otherwise become liable for or upon or incur any obligation of any Person (other than the ownership of the Purchased Participations and Purchased Assets and proceeds of the foregoing as herein contemplated), except, in each clause (i) and (ii), ownership of securities, obligations and other investments received in settlement of amounts due to the Borrower effectuated in the ordinary course of business or owing to the Borrower as a result of Insolvency Proceeding involving any Obligor of any Receivable. The Borrower shall not purchase, lease, own, operate, hold, invest in or otherwise acquire any property or asset that is located outside of the continental United States, except assets received in settlement of amounts due to the Borrower effectuated in the ordinary course of business or owing to the Borrower as a result of Insolvency Proceeding involving any Obligor of any Receivable. The Borrower shall not have any Subsidiaries. The Borrower shall direct the Seller to cause the Servicer to liquidate any such securities, investments or other property of any type (other than cash or cash equivalents) received as proceeds of or otherwise in connection with
with any Purchased Participation or other Collateral as quickly as reasonably possible and deposit the net cash proceeds therefrom into the Collection Account.

(e) **Conduct of Business.** The Borrower shall not engage in any business other than the business described in Section 4.01(p) without the prior written consent of the Administrative Agent.

(f) **Restrictions on Amendments.** The Borrower shall not, and shall not permit the Seller or Servicer to, amend, modify, supplement, terminate or change: (i) the Borrower Organizational Documents or the Transaction Documents (other than the Servicing Agreement or the Backup Servicing Agreement) in any material respect without the prior written consent of the Administrative Agent (such consent not to be unreasonably withheld or delayed), (ii) [*****], (iii) [*****], and (iv) if there is an outstanding Hedge Trigger Event, any Hedging Agreement or Hedging Transaction without the prior written consent of the Administrative Agent (such consent not to be unreasonably withheld or delayed). [*****]

(g) [Reserved].

(h) **Transactions with Affiliates.** The Borrower shall not enter into or consummate any transaction of any kind with any of its Affiliates other than (i) the transactions contemplated hereby and by the other Transaction Documents (including Securitization Transactions with resulting prepayments of Obligations) and (ii) payment of distributions or dividends permitted by Section 6.02(c).

(i) [Reserved].

(j) **Protection of Title to Collateral.** The Borrower shall not and shall cause Seller not to change its legal name, type of organization, “location” (within the meaning of Article 9 of the UCC), structure, location of its chief executive office, principal place of business, or its organizational identification number unless: (i) the Borrower (or the Seller, as applicable) has provided at least ten (10) days prior written notice to, and other than with respect to change of address, received the prior written consent of, the Administrative Agent; and (ii) the Borrower (or the Seller, as applicable) has taken all actions necessary or reasonably requested by the Administrative Agent to maintain the first priority, perfected Security Interest of the Administrative Agent, for the benefit of the Secured Parties, in the Collateral, including, without limitation, the filing of any amendments to the UCC Financing Statements filed hereunder.

(k) **Anti-Money Laundering and Anti-Terrorism.** The Borrower shall not, and shall not permit any other GreenSky Group Member to, (a) become a Sanctioned Person, (b) fail to comply, to the extent applicable, in all material respects, with (1) Sanctions or (2) the USA PATRIOT Act, or (c) use all or any part of the proceeds, advances or other amounts or sums evidenced by the Loans or the Loans, directly or indirectly, for any payments to any governmental official or employee, political party, official of a political party, candidate for political office, or anyone else acting in an official capacity, in order to obtain, retain or direct business or obtain any improper advantage, in violation of the United States Foreign Corrupt Practices Act of 1977, as amended.
(l) **Bank Accounts.** The Borrower shall not open or maintain any deposit account, securities account or other similar account except the Reserve Account and the Collection Account (and, in the circumstances contemplated by Section 6.03, a hedge collateral account) and shall not add or terminate any bank as an Account Bank or materially amend, modify or terminate any Account Control Agreement without consent of the Administrative Agent.

(m) **Reserved.**

(n) **ERISA.** The Borrower shall not fail to satisfy an exception under the Plan Asset Regulation which failure causes the assets of the Borrower to be deemed Plan Assets. Borrower shall not become subject to any State statutes, regulating investments of, and fiduciary obligations with respect to, governmental plans (as such term is defined in Section 3(32) of ERISA), that would be violated by the transactions contemplated by this Agreement.

SECTION 6.03 **Hedging Covenant. Hedge Trigger Event.** Within sixty (60) days of the occurrence of a Hedge Trigger Event (and provided such Hedge Trigger Event is still continuing), the Borrower (or, if applicable, GreenSky or the Seller on Borrower’s behalf) shall enter into a Qualified Hedging Transaction pursuant to a Qualified Hedging Agreement to hedge interest rate risk for a notional amount equal to or about the Aggregate Loan Principal Balance (or such other amount reasonably acceptable to the Administrative Agent, including pursuant to an amortization table to reflect projected changes in the Aggregate Loan Principal Balance) and a strike rate as agreed to by the Administrative Agent and the Borrower; provided, however, that the Administrative Agent shall not require any new Qualified Hedging Transaction to be obtained by the Borrower (or, if applicable, GreenSky or the Seller on Borrower’s behalf) at any time if the aggregate notional amount of such new Qualified Hedging Transaction and all existing Qualified Hedging Transactions (if any) at such time would exceed the Aggregate Loan Principal Balance at such time.

(b) **No Other Hedge.** The Borrower (or, if applicable, GreenSky or the Seller on Borrower’s behalf) shall not enter into any Hedging Transaction or execute any Hedging Agreement other than pursuant to subsection (a) of this Section without the prior written consent of the Administrative Agent.

(c) **Hedging Agreement.** The Borrower (or, if applicable, GreenSky or the Seller on Borrower’s behalf) shall provide a copy of any Hedging Agreement and any related instrument or document giving rise to a Hedging Transaction to the Administrative Agent promptly upon execution thereof.

(d) **Hedging Transaction Proceeds.** All proceeds owed to the Borrower (or, if applicable, GreenSky or the Seller on Borrower’s behalf) under any Hedging Agreement or with respect to any Hedging Transaction shall, pursuant to the terms thereof, be remitted solely to the Collection Account for distribution hereunder.

(e) **Margin Posting.** In order to comply with the non-cleared swap transaction margin posting requirements under Dodd Frank, the Borrower may utilize one of the following options, in consultation with and in the sole discretion of the Administrative Agent:

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(i) the Borrower may fund the required hedge collateral account through additional advances or allocation of available cash under Section 3.02(a)(xii), Section 3.02(b)(xi) or Section 3.02(c)(xi);

(ii) through a capital contribution by the Seller to the Borrower or a deposit by the Seller or GreenSky to the required hedge collateral account; or

(iii) in the event that neither the Borrower, the Seller nor GreenSky has already satisfied any required margin call, at the sole option of the Lenders, through a special advance to fund the required hedge collateral account to avoid a hedge termination event.

ARTICLE VII
EVENTS OF DEFAULT

SECTION 7.01 Events of Default.

(a) “Event of Default”, wherever used herein, means any one of the following:

(i) failure of the Borrower to repay the Obligations when due in full on or prior to the Final Maturity Date;

(ii) a Borrowing Base Deficiency arises and is not cured within three (3) Business Days from the earlier of knowledge of an Authorized Officer of the Servicer or the Borrower or written notice to the Borrower thereof;

(iii) failure of the Borrower to pay (x) interest, fees, or other Obligations (not otherwise set forth herein) when due pursuant to any Transaction Document if such failure is not cured within two (2) Business Days or (y) compensation due under Section 2.07 or any Indemnified Taxes or additional amounts owed to any Lender within thirty (30) days of written demand;

(iv) failure of the Borrower to comply with Section 6.03;

(v) the Borrower shall be in violation, breach or default of, or shall fail to perform, observe or comply with, any covenant, obligation or agreement set forth in this Agreement (other than Section 6.01(p)) or in any other Transaction Document (not otherwise specifically dealt with in this Section), and the foregoing continues unremedied for a period of sixty (60) calendar days from the earlier of knowledge of, or written notice to, an Authorized Officer of the Borrower thereof;

(vi) any representation, statement or warranty made or deemed made by the Borrower or any other GreenSky Group Member herein, in any other Transaction Document, or in any other document, report, certificate or instrument delivered in conjunction herewith or therewith shall not be true and correct in all material respects (except to the extent already qualified by materiality, in which case it shall not be true and correct in all respects) on the date when made or deemed to have been made, and the
foregoing shall remain unremedied for sixty (60) days from the earlier of knowledge of, or written notice to, an Authorized Officer of either the Borrower or any other GreenSky Group Member thereof; provided, however, that a breach of the representation set forth in Section 4.01(m) shall not constitute an Event of Default if (i) such breach does not result in a Borrowing Base Deficiency or (ii) if the affected Purchased Participation is timely repurchased in accordance with the Master Purchase Agreement or the GreenSky Representations Letter;

(vii) an Insolvency Proceeding shall be commenced with respect to the Borrower, Seller or GreenSky and not be stayed or dismissed within the timeframe specified (if any) in the definition of Insolvency Event;

(viii) failure of the Borrower, the Seller or GreenSky (in any capacity), as applicable, to be in compliance with the requirements set forth in (x) Section 6.01(a), and the foregoing continues unremedied for a period of five calendar days from the earlier of knowledge of, or written notice to, an Authorized Officer of either the Borrower, the Seller or GreenSky thereof, or (y) Section 3.01(a) and the foregoing continues unremedied for a period of three Business Days from the earlier of knowledge of, or written notice to, an Authorized Officer of either the Borrower, the Seller or GreenSky thereof, Section 3.05(a) and the foregoing continues unremedied for a period of one Business Day, or (z) Section 6.01(g);

(ix) failure of (A) the Administrative Agent, for the benefit of the Secured Parties, to have a valid and perfected first priority Security Interest in the Collateral, free of all Liens (other than Permitted Liens); or (B) the Borrower to have a valid and perfected first priority ownership interest in the Purchased Participations and other related Purchased Assets purported to be conveyed to the Borrower by the Seller pursuant to the Master Purchase Agreement, free of all Liens (other than Permitted Liens);

(x) a Servicer Default shall occur and Servicer is not replaced with the Backup Servicer or any other Person reasonably satisfactory to the Administrative Agent as successor servicer within thirty (30) days;

(xi) (A) any of the Transaction Documents shall be terminated or cease to be in full force or effect or shall cease to be the legal, valid, binding and enforceable obligation of each party thereto (other than the Administrative Agent, a Lender, or an Affiliate of any of them) or shall be amended in a manner that is materially adverse to the Administrative Agent or the Lenders, in each case without the consent of the Administrative Agent; or (B) the Borrower or any other GreenSky Group Member or any other party to a Transaction Document (that is not an Agent, a Lender, or an Affiliate of any of them) shall, directly or indirectly, contest in any manner the effectiveness, validity, binding nature or enforceability of a Transaction Document;

(xii) any judgment (other than any judgment that is adequately covered by insurance) for the payment of money is rendered against the Borrower in excess of $250,000 or against any other GreenSky Group Member, other than any Special Purpose
Vehicle, in excess of $30,000,000 or as could reasonably be expected to result in a Material Adverse Change, and the same remains unpaid, undischarged, unvacated, unbonded and unstayed for a period of thirty (30) days after the entry thereof;

(xiii) the Borrower, the Seller or GreenSky shall become an “investment company” or a company “controlled” by an investment company within the meaning of the Investment Company Act;

(xiv) the Borrower becomes taxable as an association or publicly traded partnership taxable as a corporation for United States federal or State income tax purposes or becomes subject to withholding taxes on amounts allocated to its equity owners;

(xv) one or more ERISA Events shall have occurred that, individually or in the aggregate, would reasonably be expected to result in a Material Adverse Change; or

(xvi) the failure to enter into and maintain a Hedge Agreement as required by Section 6.03 following the occurrence of a Hedge Trigger Event.

SECTION 7.02 Remedies. (a) If an Event of Default has occurred and is continuing, the Administrative Agent may exercise any or all remedial and enforce all rights set forth in any Transaction Document, at law or in equity, whether against the Collateral or otherwise, including, without limitation, the taking of any Enforcement Action. In addition (and not limitation) of the foregoing, (a) if an Event of Default (other than pursuant to Section 7.01(a)(vii)) has occurred, the Administrative Agent may, and at the request of the Majority Lenders shall, declare the Commitment Termination Date to have occurred and declare all Obligations to be due and payable, and (b) if an Event of Default pursuant to Section 7.01(a)(vii) has occurred, the Commitment Termination Date shall automatically occur and all Obligations shall automatically become due and payable, whereupon (in the case of either the foregoing clause (a) or clause (b)), there shall be a Commitment Termination Date, all Commitments shall be terminated, and the Aggregate Loan Principal Balance, all accrued interest thereon, and all other Obligations of the Borrower hereunder and under any other Transaction Document shall be forthwith due and payable, in the case of any of the foregoing, without further presentment, demand, protest or any other notice of any kind, all of which are hereby expressly waived by the Borrower, anything contained herein or in any other Transaction Document to the contrary notwithstanding.

(b) Following any acceleration of the Obligations pursuant to Section 7.02(a), the Administrative Agent and each Lender shall have, in addition to all other rights and remedies under this Agreement or otherwise, all other rights and remedies provided under the UCC of each applicable jurisdiction and other applicable laws to a secured party, which rights shall be cumulative, including, without limitation, the right to foreclose upon the Collateral and sell all or any portion thereof at public or private sale (and the Borrower agrees that, to the extent that notice of such sale is required, notice 10 days prior to such sale shall be adequate and reasonable notice for all purposes).
SECTION 7.03 Class B Lender Purchase Option

(a) The Administrative Agent shall provide the Class B Lenders with at least ten (10) days prior written notice (a “Liquidation Notice”) before completing any liquidation of the Collateral in connection with an Enforcement Action exercised pursuant to Section 7.02. The holders of at least two thirds of the Class B Loans may offer to purchase the Collateral at a price equal to the highest observable third party bid received by the Administrative Agent by delivering notice to the Administrative Agent within five (5) days of receiving the Liquidation Notice; provided that the Administrative Agent shall have the right to reject such offer to purchase the Collateral by providing written notice to the Class B Lenders (a “Rejection Notice”). If the Administrative Agent delivers a Rejection Notice, then within five (5) days of receiving such Rejection Notice, the holders of at least two thirds of the Class B Loans may elect to purchase all (but not less than all) of the Class A Loans from the Class A Lenders (the “Class B Purchase Right”), which notice shall be irrevocable and shall specify the date on which such right is to be exercised (which shall be no more than ten (10) days after providing notice of the election to exercise the Class B Purchase Right) (the “Class B Purchase Option Exercise Date”). On the Class B Purchase Option Exercise Date, the Class A Lenders shall sell to the Class B Lenders, and the Class B Lenders shall purchase from the Class A Lenders, the Class A Loans for a price equal to the Class B Purchase Option Amount.

(b) Upon the date of such purchase and sale, the Class B Lenders shall (a) pay to the Class A Lenders as the purchase price therefor the Class B Purchase Option Amount and (b) agree to indemnify and hold harmless the Class A Lenders and the Administrative Agent from and against any loss, liability, claim, damage or expense (including reasonable fees and expenses of legal counsel) arising out of any claim asserted by a third party as a direct result of any acts by the Class B Lenders occurring after the date of such purchase (but excluding, for the avoidance of doubt, any such loss, liability, claim, damage or expense resulting from the gross negligence, bad faith or willful misconduct of a Class A Lender). Such purchase price and other sums shall be remitted by wire transfer in federal funds to such bank account of the Class A Lenders as the Administrative Agent shall have designated in writing to the Class B Lenders for such purpose. In connection with the foregoing purchase, accrued and unpaid Class A Monthly Interest Amount shall be calculated through the Business Day on which such purchase and sale shall occur if the amounts so paid by the Class B Lenders to the bank account designated by the Class A Lenders are received in such bank account prior to 1:00 p.m., New York time and interest shall be calculated to and include the next Business Day if the amounts so paid by the Class B Lenders to the bank account designated by the Class A Lenders are received in such bank account later than 12:00 p.m., New York time.

(c) Any purchase pursuant to this Section 7.03 shall be expressly made without representation or warranty of any kind by the Class A Lenders as to the Class A Borrower Obligations or otherwise and without recourse to the Class A Lenders, except that the Class A Lenders shall represent and warrant: (a) the purchase price and other sums payable by the Class B Lenders are true, correct and accurate amounts, (b) that the Class A Lenders shall convey the Class A Borrower Obligations free and clear of any Liens or encumbrances of the Class A Lenders or created or suffered by the Class A Lenders and (c) the Class A Lenders are duly authorized to assign the Class A Borrower Obligations.
ARTICLE VIII
AGENTS; SPECIAL LENDER TERMS; LIMITATIONS OF CLAIMS

SECTION 8.01 Agents.

(a) Appointment. Each of the Lenders hereby irrevocably appoints Administrative Agent as its agent and authorizes the Administrative Agent to take such actions on its behalf and to exercise such powers as are delegated to the Administrative Agent by the terms of the Transaction Documents, together with such actions and powers as are reasonably incidental thereto. Without limiting the generality of the foregoing, the Administrative Agent, on behalf of the Lenders, is hereby expressly authorized to execute any and all documents (including releases) with respect to the Collateral and the rights of the Administrative Agent (for the benefit of the Secured Parties) with respect thereto, as contemplated by and in accordance with the provisions of this Agreement and the other Transaction Documents.

(b) Rights as Lender. The financial institution serving as the Administrative Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not the Administrative Agent, and such financial institution and its Affiliates may accept deposits from, lend money to and generally engage in any kind of business with any GreenSky Group Member or other Affiliate thereof as if it were not the Administrative Agent hereunder.

(c) Specific Duties. The Administrative Agent shall not have any duties or obligations except those expressly set forth in the Transaction Documents to which it is a party. Without limiting the generality of the foregoing, the Administrative Agent (a) shall not be subject to any fiduciary or other implied duties, regardless of whether a Default, Event of Default, Servicer Default, Seller Default, Amortization Event or other similar event has occurred and is continuing, (b) shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby that it is required to exercise upon receipt of instructions in writing by the Majority Lenders, and (c) except as expressly set forth in the Transaction Documents, shall not have any duty to disclose, nor shall it be liable for the failure to disclose, any information relating to the Borrower that is communicated to or obtained by the financial institution serving as Administrative Agent or any of its Affiliates in any capacity. The Administrative Agent shall not be liable to any Lender for any action taken or not taken by it with the consent or at the request of the Majority Lenders or in the absence of its own gross negligence or willful misconduct. The Administrative Agent shall not be deemed to have knowledge of any Default, Event of Default, Servicer Default, Seller Default, Amortization Event or other similar event unless and until written notice thereof is given to the Administrative Agent by the Borrower or a Lender, and the Administrative Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with any Transaction Document, (ii) the contents of any certificate, report or other document delivered thereunder or in connection therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth in any Transaction Document, (iv) the validity, enforceability, effectiveness or genuineness of any Transaction Document or any other agreement, instrument or document or (v) the satisfaction of any conditions precedent, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent. The Administrative
Agent shall not be deemed to have actual or constructive knowledge or notice upon the delivery or receipt of certificates, reports or other documents that are not accompanied by such a written notice.

(d) **Reliance.** The Administrative Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing (including any electronic message, Internet or intranet website posting or other distribution) believed by it to be genuine and to have been signed or sent by the proper Person. The Administrative Agent may also, but shall not be required to, rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper Person, and shall not incur any liability for relying thereon. The Administrative Agent may consult with legal counsel (who may be counsel for the Borrower), independent accountants and other experts selected by it, and shall not be liable to any Lender for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts. In the event that the Administrative Agent does not receive a notice, certificate, document or other information required to be delivered to it hereunder by the time set forth for such delivery herein (including, without limitation, receipt by the Administrative Agent of the Borrower’s Monthly Settlement Certificate or Release Notice), or if the Administrative Agent requests instructions from a party hereto or the Servicer with respect to any action or omission in connection with this Agreement or any other Transaction Document, the Administrative Agent shall be entitled (without incurring any liability therefor) to refrain from taking such action and continue to refrain from acting unless and until the Administrative Agent shall have received written instructions from the appropriate Person with respect to such request or from the Majority Lenders (and the Administrative Agent shall be held harmless by each Lender for following the instructions of the Majority Lenders).

(e) **Delegation.** the Administrative Agent may perform any and all its duties and exercise its rights and powers by or through any one or more sub-agents appointed by it and the Administrative Agent shall be responsible for the misconduct or negligence of, or the supervision of, any sub-agents appointed in a commercially reasonable manner and with due care. the Administrative Agent and any such sub-agent may perform any and all its duties and exercise its rights and powers by or through their respective employees, officers, directors, consultants, or other representatives or agents, and the exculpatory provisions set forth herein shall apply to equally to all of the foregoing Persons.

(f) **Force Majeure.** the Administrative Agent shall not incur any liability for not performing any act or fulfilling any duty, obligation or responsibility hereunder by reason of any occurrence beyond the control of the Administrative Agent (including but not limited to any act or provision of any present or future Requirements of Law, any act of God, war or terrorism, or the unavailability of the Federal Reserve Bank wire or other wire or communication facility).

(g) **Resignation.** Subject to the appointment and acceptance of a successor Administrative Agent as provided below, the Administrative Agent may resign at any time by notifying the Lenders, Account Bank, Servicer, Backup Servicer and Borrower. Upon any such resignation, the Majority Lenders, and, so long as no Event of Default exists, with the consent of the Borrower shall have the right to appoint a successor Administrative Agent to fill such role provided that in no event shall any such successor Administrative Agent be a Defaulting Lender.
If no successor shall have been so appointed by the Majority Lenders and shall have accepted such appointment within 30 days after the retiring Agent gives notice of its resignation, then the retiring Administrative Agent may, on behalf of the Lenders, appoint a successor Administrative Agent which shall be a financial institution with an office in New York, New York, or an Affiliate of any such financial institution or apply to a court of competent jurisdiction for the appointment of a successor Administrative Agent and other applicable relief. Upon the acceptance of its appointment as Administrative Agent hereunder by a successor, such successor shall succeed to and become vested with all the rights, powers, privileges and duties of the retiring Administrative Agent, and the retiring Administrative Agent shall be discharged from its duties and obligations hereunder. The fees payable by the Borrower to a successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrower and such successor. After the Administrative Agent’s resignation hereunder, the provisions of this Section shall continue in effect for the benefit of such retiring Agent in respect of any actions taken or omitted to be taken by it while acting as Administrative Agent.

(h) **No Lender Reliance.** Each Lender acknowledges that it has, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement or any other Transaction Document, any related agreement or any document furnished hereunder or thereunder.

(i) **KYC.** To help the U.S. government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each Person who opens an account, including applicable “Know Your Customer” requirements. The Borrower, on behalf of itself and each other GreenSky Group Member, hereby acknowledges such information disclosure requirements and agrees to comply, and to cause each such other GreenSky Group Member to comply, with all such information disclosure requests from time to time from the Administrative Agent.

(j) **No Consequential Damages.** No party hereto shall be liable for any indirect, special, punitive or consequential damages (including, but not limited to, lost profits) whatsoever of any other party hereto, even if any such party has been informed of the likelihood thereof and regardless of the form of action; provided, that the foregoing shall not apply to any amounts due with respect to liability for third party damages that may be owed in connection with any indemnification obligation hereunder or under any other Transaction Document.

(k) **Cost of Funds.** The Administrative Agent hereby notifies the Borrower and the Lenders party hereto that:

(i) JPMorgan Chase and/or its affiliates may from time to time purchase, hold or sell, as principal and/or agent, Commercial Paper issued by a Conduit Lender;

(ii) JPMorgan Chase and/or its affiliates act as administrative agent for a Conduit Lender, and as administrative agent JPMorgan Chase manages a Conduit Lender’s issuance of Commercial Paper, including the selection of amount and tenor of Commercial Paper issuance, and the
discount or interest rate applicable thereto; (iii) JPMorgan Chase and/or its affiliates act as a Commercial Paper dealer for a Conduit Lender; and (iv) JPMorgan Chase’s activities as administrative agent and Commercial Paper dealer for a Conduit Lender, and as a purchaser or seller of Commercial Paper, impact the interest or discount rate applicable to the Commercial Paper issued by a Conduit Lender, which impact the CP Rate paid by the Borrower hereunder. By execution hereof, Borrower hereby (x) acknowledges the foregoing and agrees that JPMorgan Chase does not warrant or accept any responsibility for, and shall not have any liability with respect to, the interest or discount rate paid by any Conduit Lender in connection with its Commercial Paper issuance; (y) acknowledges that the discount or interest rate at which JPMorgan and/or its affiliates purchase or sell Commercial Paper will be determined by JPMorgan and/or its affiliates in their sole discretion and may differ from the discount or interest rate applicable to comparable transactions entered into by JPMorgan and/or its affiliates on the relevant date; and (z) waives any conflict of interest arising by reason of JPMorgan and/or its affiliates acting as administrative agent and Commercial Paper dealer for any Conduit Lender while acting as purchaser or seller of Commercial Paper.

SECTION 8.02 [RESERVED].

SECTION 8.03 Acknowledgement and Consent to Bail-In of EEA Financial Institutions. Notwithstanding anything to the contrary in any Transaction Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any EEA Financial Institution arising under any Transaction Document, to the extent such liability is unsecured, may be subject to the Write-Down and Conversion Powers of an EEA Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

(a) the application of any Write-Down and Conversion Powers by an EEA Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an EEA Financial Institution; and

(b) the effects of any Bail-In Action on any such liability, including, if applicable:

(i) a reduction in full or in part or cancellation of any such liability;

(ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such EEA Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Transaction Document; or

(iii) the variation of the terms of such liability in connection with the exercise of the Write-Down and Conversion Powers of any EEA Resolution Authority.

By its making of a portion of the Loan, each Lender (including the respective successors and permitted assignees of each Lender), to the extent permitted by law, waives any and all claims against the Administrative Agent for, agrees not to initiate a suit against the Administrative Agent in respect of, and agrees that the Administrative Agent shall not be liable for, any action
that the Administrative Agent takes, or abstains from taking, in either case in accordance with the exercise of the Write-Down and Conversion Powers by the EEA Resolution Authority with respect to the Loan.

By its making of a portion of the Loan, each Lender (including the respective successors and permitted assignees of each Lender), acknowledges and agrees that, upon the exercise of any Write-Down and Conversion Powers by the EEA Resolution Authority, (a) the Administrative Agent shall not be required to take any further directions from the Administrative Agent or the Lenders under the terms of this Agreement unless secured or indemnified to its satisfaction, that they may not direct the Administrative Agent to take any action whatsoever, including without limitation, any challenge to the exercise of a Write-Down and Conversion Powers or a request to call a meeting or take any other action under this Agreement in connection with the exercise of a Write-Down and Conversion Powers unless secured or indemnified to its satisfaction and (b) this Agreement shall not impose any duties upon the Administrative Agent whatsoever with respect to the exercise of any Write-Down and Conversion Powers by the EEA Resolution Authority.

The Borrower’s and Servicer’s obligations to indemnify the Administrative Agent in accordance with the terms of this Agreement or the other Transaction Documents shall survive the exercise of the Write-Down and Conversion Powers by the EEA Resolution Authority.

The parties hereto agree that they will not amend, change or modify this Section 8.04 and the related rights, immunities, indemnities and protections of the Administrative Agent without the Administrative Agent’s written consent.

SECTION 8.04 Limitation on Claims Against Conduit Lenders.

Notwithstanding anything to the contrary set forth herein or in any other Transaction Document, no Conduit Lender shall have any obligation to pay any amount required to be paid by it under this Agreement or any other Transaction Document in excess of any amount available to such Conduit Lender after paying or making provision for the payment of its commercial paper notes. Each party hereto hereby agrees that it will not have a “claim” under Section 101(5) of the Bankruptcy Code if and to the extent that any such payment obligation owed to it by a Conduit Lender exceeds the amount available to such Conduit Lender to pay such amount after paying or making provision for the payment of its commercial paper notes.

SECTION 8.05 ERISA.

(a) Each Lender (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Administrative Agent and their respective Affiliates, and not, for the avoidance of doubt, to or for the benefit of the Borrower, that at least one of the following is and will be true:

(i) such Lender is not using “plan assets” (within the meaning of 29 CFR § 2510.3-101, as modified by Section 3(42) of ERISA) of one or more Employee Benefit Plans with respect to such Lender’s entrance into, participation in, administration of and performance of the Loans, the Commitments or this Agreement,
the transaction exemption set forth in one or more Department of Labor prohibited transaction exemptions ("PTEs"), such as PTE 84-14 (a class exemption for certain transactions determined by independent qualified professional asset managers), PTE 95-60 (a class exemption for certain transactions involving insurance company general accounts), PTE 90-1 (a class exemption for certain transactions involving insurance company pooled separate accounts), PTE 91-38 (a class exemption for certain transactions involving bank collective investment funds) or PTE 96-23 (a class exemption for certain transactions determined by in-house asset managers), is applicable with respect to such Lender’s entrance into, participation in, administration of and performance of the Loans, the Commitments and this Agreement,

(A) such Lender is an investment fund managed by a “Qualified Professional Asset Manager” (within the meaning of Part VI of PTE 84-14), (B) such Qualified Professional Asset Manager made the investment decision on behalf of such Lender to enter into, participate in, administer and perform the Loans, the Commitments and this Agreement, (C) the entrance into, participation in, administration of and performance of the Loans, the Commitments and this Agreement satisfies the requirements of sub-sections (b) through (g) of Part I of PTE 84-14 and (D) to the best knowledge of such Lender, the requirements of subsection (a) of Part I of PTE 84-14 are satisfied with respect to such Lender’s entrance into, participation in, administration of and performance of the Loans, the Commitments and this Agreement, or

such other representation, warranty and covenant as may be agreed in writing between the Administrative Agent, in its sole discretion, and such Lender.

In addition, unless sub-clause (i) in the immediately preceding clause (a) is true with respect to a Lender or such Lender has not provided another representation, warranty and covenant as provided in sub-clause (iv) in the immediately preceding clause (a), such Lender further (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Administrative Agent and its Affiliates, and not, for the avoidance of doubt, to or for the benefit of the Borrower, that:

(i) none of the Administrative Agent or any of its Affiliates is a fiduciary with respect to the assets of such Lender involved in such Lender’s entrance into, participation in, administration of and performance of the Loans, the Commitments and this Agreement (including in connection with the reservation or exercise of any rights by the Administrative Agent under this Agreement, any Transaction Document or any documents related to hereto or thereto),

(ii) the Person making the investment decision on behalf of such Lender with respect to the entrance into, participation in, administration of and performance of the Loans, the Commitments and this Agreement is independent (within the meaning of 29 CFR § 2510.3-21) and is a bank, an insurance carrier, an investment adviser, a broker-dealer or other person that holds, or has under management or control, total assets of at least $50 million, in each case as described in 29 CFR § 2510.3-21(c)(1)(i)(A)-(E),
(iii) the Person making the investment decision on behalf of such Lender with respect to the entrance into, participation in, administration of and performance of the Loans, the Commitments and this Agreement is capable of evaluating investment risks independently, both in general and with regard to particular transactions and investment strategies (including in respect of the Obligations),

(iv) the Person making the investment decision on behalf of such Lender with respect to the entrance into, participation in, administration of and performance of the Loans, the Commitments and this Agreement is a fiduciary under ERISA or the Code, or both, with respect to the Loans, the Commitments and this Agreement and is responsible for exercising independent judgment in evaluating the transactions hereunder, and

(v) no fee or other compensation is being paid directly to the Administrative Agent or any of its Affiliates for investment advice (as opposed to other services) in connection with the Loans, the Commitments and this Agreement.

The Administrative Agent hereby informs the Lenders that it is not undertaking to provide impartial investment advice, or to give advice in a fiduciary capacity, in connection with the transactions contemplated hereby, and that such Person has a financial interest in the transactions contemplated hereby in that such Person or an Affiliate thereof (i) may receive interest or other payments with respect to the Loans, the Commitments and this Agreement, (ii) may recognize a gain if it extended the Loans or the Commitments for an amount less than the amount being paid for an interest in the Loans or the Commitments by such Lender or (iii) may receive fees or other payments in connection with the transactions contemplated hereby, the Transaction Documents or otherwise, including structuring fees, commitment fees, arrangement fees, facility fees, upfront fees, underwriting fees, ticking fees, agency fees, administrative agent or collateral agent fees, utilization fees, minimum usage fees, letter of credit fees, fronting fees, deal-away or alternate transaction fees, amendment fees, processing fees, term out premiums, banker’s acceptance fees, breakage or other early termination fees or fees similar to the foregoing.

ARTICLE IX
CONVEYANCE, PERFECTION AND RELATED COVENANTS

SECTION 9.01 Security Interest Grant. As security for the payment or performance, as the case may be, of all Obligations, the Borrower hereby assigns, pledges, grants and conveys to the Administrative Agent, for the benefit of the Secured Parties, a continuing security interest in all of the Borrower’s right, title and interest in, to and under following assets and property, in each case, whether now existing or at any time hereafter arising, and whether now owned or at any time hereafter acquired (collectively, the “Collateral”):

(a) all Purchased Participations, all Receivable Documents with respect thereto, all Borrower Records with respect thereto, all Collections thereof, and all other related Purchased Assets with respect thereto, including, without limitation, all rights and benefits of the “lender” under any such Receivable Document, all rights to collect and receive principal, interest, finance charges, fees (including without limitation late payment fees), other charges,
assessments, and all other amounts received or receivable thereunder, and all other rights, interests, benefits, proceeds, profits, remedies and claims arising therefrom or relating thereto;

(b) the Collection Account, the Reserve Account, any other Deposit Account, any Securities Account, any Certificates of Deposit, all funds and other property on deposit from time to time in, carried in, or credited to, any of the foregoing, all interest, dividends, earnings, income and distributions received, receivable or otherwise distributed or distributable in respect of any of the foregoing, all Financial Assets, all Securities, all Investment Property, all Money, and all cash and cash equivalents;

(c) all Accounts, Chattel Paper, Commercial Tort Claims, Goods, Equipment, Inventory, General Intangibles, Payment Intangibles, Instruments, Documents, and Fixtures;

(d) all Borrower Contracts, Borrower Contract Rights and Hedging Transactions;

(e) all Supporting Obligations, Letters of Credit and Letter-of Credit Rights, collateral security and guarantees given by any Person with respect to or supporting any of the foregoing;

(f) all copyrights, patents, trademarks and other intellectual property rights and derivative rights related thereto or arising therefrom;

(g) all other personal property of every kind and nature;

(h) all present and future claims, demands, causes and choses in action in respect of any of the foregoing; and

(i) all payments on or under and all products and Proceeds of every kind and nature whatsoever in respect of any or all of the foregoing, including, without limitation, all cash and non-cash proceeds, and all other property arising from or relating to all or any part of any of the foregoing.

SECTION 9.02 UCC Filings.

(a) Without modifying or limiting the obligations of the Borrower set forth in this Agreement and the other Transaction Documents, the Borrower hereby irrevocably and unconditionally authorizes (without obligating) the Administrative Agent, and any designee thereof, at any time and from time to time, at the cost of the Borrower, to file in any relevant jurisdiction and with any applicable filing office, any and all financing statements and continuation statements or amendments to such financing statements, in any case, as may be necessary or desirable to perfect and maintain the perfection and priority of the Security Interest of the Administrative Agent, for the benefit of the Secured Parties, in the Collateral. Without limiting the generality of the foregoing, the Borrower hereby irrevocably and unconditionally authorizes (without obligating) the Administrative Agent, and any designee thereof to describe the collateral in any financing statement filed against the Borrower as “all property and other assets of the debtor, together with all proceeds thereof”, “all assets” or words of similar import.
(b) [Reserved].

(c) The Borrower shall provide to the Administrative Agent on (or prior to) the date hereof, and promptly hereafter upon request, all information required by Article 9 of the UCC of any applicable jurisdiction to be included on any financing statement or necessary for the filing thereof.

(d) [Reserved].

(e) Without the express prior approval of Administrative Agent, in no event shall Borrower at any time file, or authorize any other Person to file, any amendment or termination statement with respect to any financing statement filed pursuant to clause (a) above. Upon any sale or other transfer or disposition of any Collateral that is expressly permitted pursuant to this Agreement or any other Transaction Document and upon any Purchased Participation becoming subject to a Release pursuant to the express terms hereof, the Security Interest in such Purchased Participation and the related Purchased Assets shall be automatically released. The Administrative Agent shall, at the Borrower’s expense, take all action reasonably requested by the Borrower to evidence the release of the Administrative Agent’s Security Interest (i) in any portion of the Collateral subject to a Release or otherwise sold, transferred or otherwise disposed to the extent any such Release or such sale, transfer or other disposition is expressly permitted pursuant to this Agreement or any other Transaction Document; and (ii) in all Collateral after Payment in Full.

SECTION 9.03 Additional Collateral Covenants. At any time and from time to time, subject to the terms of this Agreement, the Borrower shall do any or all of the following, immediately upon creation of acquisition of any Collateral of the following types: (a) deliver, or cause to be delivered, to the Custodian (on behalf of the Administrative Agent, for the benefit of the Secured Parties) all tangible Instruments, Securities, Chattel Paper and Documents constituting part of the Collateral, if any; (b) take all actions required to be taken by a debtor to give “control” (as defined in or required by the UCC, the Federal Electronic Signatures in Global and National Commerce Act, the Uniform Electronic Transactions Act, or any other applicable statute, in each case, to the extent that such statute governs perfection of the applicable type of intangible property in the applicable jurisdiction) to the Custodian (on behalf of the Administrative Agent, for the benefit of the Secured Parties) of the sole “authoritative” copy of all electronic Chattel Paper, electronic Instruments, and/or other transferable records constituting part of the Collateral, if any; and (c) take all actions required to be taken by a debtor to give “control” (as defined in and required by the UCC) to the Administrative Agent of the Collection Account, the Reserve Account, any other Deposit Accounts and any Securities Accounts constituting part of the Collateral. The Borrower also shall provide all necessary endorsements or instruments of assignments with respect to any of the foregoing in connection with such delivery of possession or control. All Collections and cash proceeds of Collateral received by Borrower shall be held in trust for the benefit of Administrative Agent and deposited into the Collection Account in the manner required pursuant to this Agreement.

SECTION 9.04 Administrative Agent Covenant
The Administrative Agent hereby agrees and covenants that it will not exercise its rights on behalf of the Borrower under either the Master Purchase Agreement or the Multiparty Agreement prior to the occurrence of an Event of Default or an Amortization Event.

SECTION 9.05 Further Assurances. If at any time the Borrower shall take a security interest in any property of an Obligor or any other person to secure payment and performance of a Purchased Participation, the Borrower shall promptly assign such security interest to the Administrative Agent, for the benefit of the Secured Parties. The Borrower shall also, at its own expense, execute, acknowledge, deliver and cause to be duly filed all such further instruments and documents, and take all such further actions, as are necessary, desirable, or that the Administrative Agent reasonably requests to: (i) maintain, protect, and preserve the first priority, perfected security interest of the Administrative Agent, for the benefit of the Secured Parties, in all of the Collateral and to carry out more effectively the purposes hereof; and (ii) enable the Administrative Agent, for the benefit of the Secured Parties, to fully and completely exercise and enforce its rights and remedies hereunder.

ARTICLE X
MISCELLANEOUS PROVISIONS

SECTION 10.01 Amendments; Supplements; Modifications; Waivers.

(a) Generally. No supplement, amendment, modification, or waiver to or of this Agreement, any other Transaction Document, or any provision hereof or thereof, and no consent to any departure by the Borrower, Seller, Servicer or other party herefrom or therefrom, shall in any event be effective unless the same shall be in writing and signed by (i) with respect to this Agreement and any other Transaction Document to which the Borrower is a party, the Borrower, (ii) with respect to this Agreement and any other Transaction Document to which the Seller or the Servicer is a party, the Seller or the Servicer, as the case may be, (iii) the Administrative Agent, and (iv) each Lender whose consent is required pursuant to subsection (b) of this Section.

(b) Lender Consents. Without the written consent of each Lender affected thereby, which consent Administrative Agent shall request from such Lender (but which consent shall be in such Lender’s sole discretion), no supplement, amendment, modification, waiver or consent shall: (i) change the currency, outstanding amount (other than the waiver of the Default Rate) or required payment date of any payment of principal, interest, fee or other Obligation due hereunder or under any other Transaction Document; provided, that this subsection shall not apply to the waiver of any Default or Event of Default, even if the foregoing would have such an effect; (ii) change the Commitment (if any) or Drawn Amount of such Lender; (iii) release the Lien on any Collateral other than as expressly contemplated by the terms of this Agreement or any other Transaction Document; (iv) change the definition of “Alternate Base Rate”, “Amortization Rate”, “Class A Advance Rate”, “Class A Borrowing Base”, “Class A Borrowing Base Deficiency”, “Class A Interest Rate”, “Class A Unused Fee”, “Class A Used Fee”, “Class B Advance Rate”, “Class B Borrowing Base”, “Class B Borrowing Base Deficiency”, “CP Rate”, “Default Rate”, “Upfront Fee”, “Majority Lenders”, “Eligible Participation”, “Final Maturity Date”, “Settlement Date”, “Commitment Termination Date”, or “Required Reserve Account Deposit Amount” (or the definitions used therein); (v) change any provision that expressly
requires the consent of, or provides certain rights or powers to, such Lender; (vi) impair the right of such Lender to institute a suit or take other action against the Borrower to collect the indebtedness owed to it pursuant to the provisions of this Agreement; (vii) change the Facility Limit (or the definition thereof); (viii) change any section hereof specific to a Conduit Lender (with respect to any Lender that is a Conduit Lender); or (ix) modify this Section 10.01.

(c) No Deemed Waiver or Limitation/Exclusivity of Remedies. Any waiver, consent or approval given by the Administrative Agent or any party hereto (other than any waiver, consent or approval which is contemplated by the express terms of this Agreement or any other Transaction Document) shall be effective only in the specific instance and for the specific purpose for which given, and no waiver by a party of any breach or default under this Agreement or any other Transaction Document shall be deemed a waiver of any other breach or default. No failure on the part of the Administrative Agent or any party hereto to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right hereunder, or any abandonment or discontinuation of steps to enforce the right, power or privilege, preclude any other or further exercise thereof or the exercise of any other right. Any waiver consent or approval given by the Administrative Agent under this Agreement, and in accordance with this Agreement, or any other Transaction Document shall be binding upon each Lender and their respective successors and permitted assigns. No notice to or demand on any party hereto in any case shall entitle such party to any other or further notice or demand in the same, similar or other circumstances. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

(d) Consent of SST. No amendment, modification, or waiver to or of the Section 3.02(a)(i), Section 3.02(b)(i) or Section 3.02(c)(i) hereunder shall be effective without the prior written consent of SST, in its capacity as Backup Servicer.

SECTION 10.02 Confidentiality; Publicity.

(a) Confidentiality. The Borrower shall, and shall cause the other GreenSky Group Members, to keep all economic terms of this Agreement and the other Transaction Documents (other than the Servicing Agreement and the Backup Servicing Agreement) confidential, except that such terms may be disclosed (i) to the Borrower or to each GreenSky Group Member and the partners, directors, officers, employees, agents, trustees, administrators, managers, advisors and representatives of such Person and of such Person’s Affiliates, and any of such Person’s successors and permitted assigns (any of the foregoing, its “Related Parties”) (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential); (ii) to the extent required or requested by any regulatory authority purporting to have jurisdiction over such Person or its Related Parties (including any self-regulatory authority, such as the National Association of Insurance Commissioners); (iii) to the extent required by applicable laws, regulations or stock exchange rules or by any subpoena or similar legal process; (iv) to any other party hereto; (v) in connection with the exercise of any remedies hereunder or under any other Transaction Document or any action or proceeding relating to this Agreement or any other Transaction Document or the enforcement of rights hereunder or thereunder; (vi) subject to an
agreement containing provisions substantially the same as those of this Section, to any actual or prospective party (or its Related Parties) to any swap, derivative or other hedging transaction of the Borrower permitted hereunder to the extent that payments thereunder are to be made by reference to the terms hereof; (vii) on a confidential basis to any rating agency; (viii) with the consent of the Administrative Agent; or (ix) to the extent such term (A) becomes publicly available other than as a result of a breach of this Section, or (B) becomes available to the Borrower or GreenSky Group Members or their Related Parties on a nonconfidential basis from a source other than the Administrative Agent. Any Person required to maintain the confidentiality of such terms as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such terms as such Person would accord to its own confidential information. Notwithstanding the foregoing, Borrower, its Affiliates and the parent of its Affiliates may disclose the existence of this facility (but not the material economic terms thereof) to any of its lenders which agree to maintain the confidentiality of such information. Notwithstanding anything else to the contrary herein, this Agreement shall not limit or restrict customary disclosures by any GreenSky Group Member in its SEC filings (including confidential treatment requests and responses to comment letters), earnings releases, earnings calls, analyst meetings and similar situations.

(b) **Press Releases.** Neither the Administrative Agent nor GreenSky shall publish any press release naming any other party hereto relating to the transactions contemplated by the Transaction Documents without the written consent of the other party prior to publication thereof.

(c) **Reserved.**

(d) **References to GreenSky and JPMorgan.** Except as permitted by Section 10.02(a) and (b), no printed or other material in any language, including prospectuses, notices, reports, and promotional material (other than materials prepared and used solely for internal purposes in connection with this Agreement or the other Transaction Documents and materials expressly prepared and used pursuant to the terms hereof or thereof) which mentions “GreenSky” by name in any capacity under this Agreement or the other Transaction Documents, or “JPMorgan” or “JPM” by name in its capacity as Administrative Agent or any other capacity under this Agreement or the other Transaction Documents, shall be issued by or on behalf of any party hereto without the prior written consent of the other parties hereto.

(e) **Confidentiality of Information.** The Administrative Agent and the Lenders agree to maintain the confidentiality of the Information, except that Information may be disclosed (i) to any Affiliates and the partners, directors, officers, employees, agents, trustees, administrators, managers, advisors and representatives of such Person and of such Person’s Affiliates, and any of such Person’s successors and permitted assigns (any of the foregoing, its “Related Parties”) (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential); (ii) to the extent required or requested by any regulatory authority purporting to have jurisdiction over such Person or its Related Parties (including any self-regulatory authority, such as the National Association of Insurance Commissioners); (iii) to the extent required by applicable laws or regulations or by any subpoena or similar legal process; (iv) to any other party
hereto; (v) in connection with the exercise of any remedies hereunder or under any other Transaction Document or any action or proceeding relating to this Agreement or any other Transaction Document or the enforcement of rights hereunder or thereunder; (vi) subject to an agreement containing provisions substantially the same as those of this Section, to (A) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights and obligations under this Agreement, or (B) any actual or prospective party (or its Related Parties) to any swap, derivative or other transaction under which payments are to be made by reference to the Borrower and its obligations, this Agreement or payments hereunder, in reliance on this clause (vi); (vii) on a confidential basis to any rating agency; (viii) with the consent of the Borrower; or (ix) to the extent such Information (A) becomes publicly available other than as a result of a breach of this Section, or (B) becomes available to such Agent or such Lender or any of their respective Related Parties on a nonconfidential basis from a source other than the Borrower that the recipient does not know or have reason to know has made such information available in breach of a duty or covenant to maintain the confidentiality thereof. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information. In addition, the Agents and the Lenders may disclose the existence of this Agreement and information about this Agreement (other than the identity of the Borrower, Seller and Servicer) to market data collectors, similar service providers to the lending industry and service providers to the Agents and the Lenders in connection with the administration of this Agreement, the other Transaction Documents, and the Commitments.

(f) Protection of Individual Obligor Information. The Borrower, Administrative Agent and each Lender understands and agrees that the Consumer Information related to each Participation and the related Receivable is subject to the Requirements and any other applicable laws regarding the privacy of Consumer Information (collectively, the “Privacy Laws”), and each of them agrees that it shall comply in all material respects with the Privacy Laws and will promptly notify each of the others of any material breach by it of the Privacy Laws or any breach of the provisions of this Section 10.02(f).

(g) Damages. The parties hereto agree that any breach or threatened breach of this Section 10.02 could cause not only financial harm, but also irreparable harm to the other parties, and that money damages may not provide an adequate remedy for such harm. In the event of a breach or threatened breach of this Section 10.02 by any party, each other party shall, in addition to any other rights and remedies it may have, be entitled to seek equitable relief, including, without limitation, an injunction (without the necessity of posting any bond or surety) to restrain such breach and pursue all other remedies such other parties may have at law or in equity.

(h) Post-Termination. Following the termination of this Agreement, each party shall retain copies or materials containing confidential or proprietary information (including Information, as applicable) of any other party and any Obligor Information on a confidential basis and shall use the foregoing solely for internal document retention and audit purposes or as required by applicable Requirements of Law. Any Information retained pursuant to this provision shall remain subject to the terms of this Agreement.
SECTION 10.03 Binding on Successors and Assigns.

(a) Successors and Assigns. This Agreement shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and permitted assigns.

(b) Restrictions on Borrower Assignments. The Borrower may not assign its rights or obligations hereunder, under any other Transaction Document, or in connection herewith or therewith, or any interest herein or therein (voluntarily, by operation of law or otherwise) without the prior written consent of the Administrative Agent and the satisfaction of the “know your customer” requirements of the Administrative Agent; provided, that the Borrower may transfer or sell Participations in connection with a Release or as otherwise permitted hereunder or under any other Transaction Document.

(c) No Implied Third Party Beneficiary. Nothing expressed herein is intended or shall be construed to give any Person any legal or equitable right, remedy or claim under or in respect of this Agreement except as expressly set forth herein; provided, that the Priority of Payments shall inure to the benefit of each related recipient of distributions thereunder.

(d) Collateral Assignments By Lender. Notwithstanding anything to the contrary set forth herein, and without any requirement to comply with any other section hereof or to receive the consent of Borrower or any other Person (except as expressly set forth in this subsection (d)), each Lender may, at any time, pledge, collaterally assign and grant a security interest in and Lien on all or any portion of its rights and interests under this Agreement, any other Transaction Document, its Loan (or any portion thereof) and all rights to receive payments hereunder: (i) to any Federal Reserve Bank or any other Governmental Authority in accordance with any applicable Requirements of Law, (ii) to any collateral trustee or collateral agent of a Federal Reserve Bank or Governmental Authority, or to any other collateral trustee or collateral agent with the prior written consent of the Borrower, and (iii) with the prior written consent of the Administrative Agent and the Borrower, such consent not to be unreasonably withheld (but subject to satisfaction of “know your customer” requirements of the Administrative Agent), to any other Person. No such assignment shall relieve the assigning Lender of any of its obligations hereunder, including, without limitation, with respect to any Committed Lender, its Commitment to fund Advances.

(e) Lender Assignments. Subject to subsection (d) of this Section, a Lender (with the consent of the Administrative Agent, such consent not to be unreasonably withheld, and the satisfaction of “know your customer” requirements of the Administrative Agent) may proportionately assign all or any portion of its Commitment (if any) and its Loan, and its rights, interests and obligations as “Lender” under this Agreement and the Transaction Documents, (i) if there is no Event of Default: (A) to any Eligible Assignee without the consent of Borrower or any other Person (other than the Administrative Agent as set forth above), or (B) otherwise, to any Person with the consent of the Borrower, which consent shall not be unreasonably withheld, conditioned, or delayed; and (ii) on or after the occurrence and continuation of an Event of Default, to any Person (whether or not an Eligible Assignee) without the consent of the Borrower or any Person (other than the Administrative Agent as set forth above). In connection with any such assignment, such Lender shall have the right, in its sole discretion, to divide and/or credit tranche its Loan (or any portion thereof) in any manner; provided that neither the Borrower nor
GreenSky shall be required to take any action in connection therewith, other than, if applicable, with respect to the Borrower’s right to consent to such assignment pursuant to the terms of this Section. Any assignment pursuant to this subsection (e) shall be effective when an Assignment and Assumption Agreement executed by the assignor Lender, assignee Lender and the Administrative Agent has been delivered to the Administrative Agent and recorded in the Register. Notwithstanding the foregoing, if any Regulatory Requirement has made it unlawful for any Lender to make, hold or maintain any Loan hereunder, or otherwise to perform the transactions contemplated to be performed by it pursuant to this Agreement and the other Transaction Documents, then (1) such Lender shall so notify the Borrower and the Administrative Agent; and (2) the obligation of such Lender to fund any Advance shall be suspended.

(f) **Lender Participations.** A Lender, may, at its sole cost and expense and in accordance with applicable law, at any time sell to one or more entities other than any entity that is a Disqualified Institution (“Participants”) participating interests in this Agreement and the other Transaction Documents, its Commitment (if any), its Loan, and any other interest of such Lender hereunder or thereunder; provided, that any such participation shall require (i) the prior written consent of the Administrative Agent, and (ii) the satisfaction of “know your customer” requirements of the Administrative Agent; provided, further, that no such consent of the Administrative Agent shall be required so long as the agreement or instrument pursuant to which a Lender sells such a participation provides that such Lender shall retain the sole right (and the applicable Participant shall have no such rights) (A) to enforce its rights under this Agreement and any other Transaction Document and (B) to approve any amendment, modification or waiver of any provision of this Agreement or any other Transaction Document. In connection with any such participation, such Lender shall have the right, in its sole discretion, to credit tranche the Loans; provided that, neither the Borrower nor GreenSky shall be required to take any action in connection therewith. In the event of any such sale by a Lender of participating interests to a Participant, such Lender’s obligations under this Agreement to the Borrower shall remain unchanged, such Lender shall remain solely responsible for the performance thereof and the Borrower shall continue to deal solely and directly with such Lender in connection with such Lender’s rights and obligations under this Agreement and the other Transaction Documents.

The Borrower hereby agrees that if amounts outstanding under this Agreement are due or unpaid, or shall have been declared or shall have become due and payable upon the occurrence of an Event of Default, each Participant shall be deemed to have the right of set off in respect of its participating interest in amounts owing under this Agreement and the other Transaction Documents to the same extent as if the amount of its participating interest were owing directly to it as a Lender under this Agreement and the other Transaction Documents; provided, that such Participant shall only be entitled to such right of set off if it shall have agreed in the agreement pursuant to which it shall have acquired its participating interest to share with such Lender the proceeds thereof. The Borrower also each hereby agrees that each Participant shall be entitled to the benefits of Sections 2.07 and 2.08 with respect to its participation in the Loans outstanding from time to time (subject to the requirements and limitations set forth therein); provided, that such Lender and all Participants shall be entitled to receive no greater amount in the aggregate pursuant to such Sections than such Lender would have been entitled to receive had no such transfer occurred. Each Lender that sells a participating interest in any Loan or other interest to a Participant shall, as agent of the Borrower solely for the purpose of this Section 10.03, maintain a register on which it enters the name and address of each Participant and the principal
amounts (and stated interest) of each Participant’s interest in the Loan or other Obligations (the “Participant Register”); provided that no Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any Participant or any information relating to a Participant’s interest in any Commitment, Loans, or other Obligations) to any Person except to the extent that such disclosure is necessary to establish that such foregoing is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, no Agent (in its capacity as an Agent) shall have any responsibility for maintaining any Participant Register.

(g) Securities Act. Each Lender shall at all times be either an “accredited investor” as defined in Rule 501(a) under the Securities Act of 1933, as amended (the “Securities Act”), or a “qualified institutional buyer” as defined in Rule 144A under the Securities Act.

SECTION 10.04 Termination; Survival. This Agreement shall terminate only after Payment in Full. All indemnity, confidentiality, nonpetition covenants, and other provisions that by their nature survive termination shall survive termination of this Agreement and the other Transaction Documents.

SECTION 10.05 Transaction Documents; Entire Agreement. This Agreement shall be deemed to be a Transaction Document for all purposes hereof and of the other Transaction Documents. This Agreement, together with the other Transaction Documents, including the exhibits, schedules and other attachments hereto and thereto, contain a final and complete integration of all prior expressions by the parties hereto with respect to the subject matter hereof and shall constitute the entire agreement among the parties hereto with respect to the subject matter hereof, superseding all previous oral statements and other writings with respect thereto.

The provisions of this Agreement are intended to be and shall be enforceable under Section 510(a) of the Bankruptcy Code.

SECTION 10.06 Payment of Costs and Expenses; Indemnification.

(a) Payment of Costs and Expenses.

(i) The Borrower agrees to pay, promptly and in any event on the next Settlement Date subject to the Priority of Payments, the reasonable and documented out-of-pocket costs, fees and expenses of the Administrative Agent in connection with: (w) the negotiation, preparation, execution, delivery, and administration of this Agreement and the other Transaction Documents, (x) any required filings or recordings with any applicable Governmental Authority, (y) subject to the terms of Sections 5.02(g) and 6.01(i), the periodic due diligence reviews, AUP Letters, any other periodic auditing or inspection, and ongoing monitoring of the Facility which, if no Amortization Event, Default or Event of Default has occurred and is continuing, shall not exceed, in the case of this clause (y), in the aggregate $[*****] per contract year with respect to amounts charged therefor by or reimbursable to the Administrative Agent, and (z) legal services
The Borrower agrees to pay, promptly and in any event on the next Settlement Date subject to the Priority of Payments, all reasonable documented out-of-pocket costs, fees and expenses (including reasonable legal costs, fees and expenses of a single outside counsel) incurred by the Administrative Agent, Backup Servicer (if applicable), or any Lender as a consequence of, or in connection with, (A) any amendments, waivers, consents, supplements or other modifications to this Agreement or any other Transaction Document, (B) the negotiation of any restructuring or “work-out,” whether or not consummated, of the Transaction Documents, (C) the replacement of, or the addition of a new Person as, the Servicer, Account Bank, or Custodian, and (D) the enforcement or potential enforcement of this Agreement or any other Transaction Document against the Borrower, Seller or Servicer or protection or exercise of the rights and remedies of any such Person under any Transaction Document, including, without limitation, the taking of any Enforcement Action.

(b) **Borrower Indemnification.** The Borrower hereby agrees to indemnify and hold harmless the Administrative Agent, the Custodian, each Lender, their Affiliates, and the officers, directors, employees and agents of each of them (collectively, the “Indemnified Parties”) from and against any and all actions, causes of action, claims, suits, losses, costs, expenses, liabilities and damages, as incurred (including, without limitation, any liability in connection with the making of any Loan), including, without limitation, reasonable documented attorneys’ fees and disbursements (collectively, the “Indemnified Liabilities”), incurred by or asserted against the Indemnified Parties or any of them (whether in prosecuting or defending against such actions, suits or claims or otherwise) as a result of, or arising out of, or relating to (i) any transaction financed or to be financed in whole or in part (including, without limitation, any Purchased Participation constituting part of the Collateral), directly or indirectly, with the proceeds of any Loan including, without limitation, any claim, suit or action related to such transaction; or (ii) this Agreement or any other Transaction Document, or the entering into and performance of this Agreement or any other Transaction Document by any of the Indemnified Parties; excluding, however, any such Indemnified Liabilities arising as a result of the gross negligence or willful misconduct of the Indemnified Party seeking indemnification hereunder, as based on the final determination by a court of competent jurisdiction.

(c) **Additional Terms; Survival.** If and to the extent that the foregoing undertaking may be unenforceable for any reason, the Borrower agrees to make the maximum contribution to the payment and satisfaction of each of the Indemnified Liabilities to which the Borrower is liable pursuant to clause (b), which is permissible under applicable law (but subject to the limitations and exclusions applicable to the indemnity by such Person). The indemnity set forth in this Section 10.06 shall in no event include indemnification for any Taxes (which indemnification is provided in Section 2.08), other than Taxes that represent losses, claims, damages, etc. arising from any non-Tax claim.

(d) **Payments.** Upon the written request of an Indemnified Party pursuant to this Section 10.06, the Borrower shall promptly reimburse such an Indemnified Party for the amount of any such Indemnified Liabilities incurred by such an Indemnified Party, which shall
be payable on the next Settlement Date subject to the Priority of Payments. The provisions of this Section 10.06 shall survive the termination of this Agreement or any resignation or removal of any Indemnified Party.

SECTION 10.07 Notices.

(a) Notices Generally. All notices, amendments, waivers, consents and other communications provided to any party hereto under this Agreement shall be in writing and addressed, delivered or transmitted to such party at its address set forth below its signature hereto (or, in the case of any assignee Lender, in the applicable Assignment and Assumption Agreement) or at such other address as may be designated by such party in a notice to the other parties and, in the case of any such notice, waiver, amendment, consent or other communication sent to any party other than the Administrative Agent, with a copy thereof to the Administrative Agent. Any notice, if mailed and properly addressed with postage prepaid or if properly addressed and sent by pre-paid courier service, shall be deemed given when received. Notices delivered through electronic communications, to the extent provided in paragraph (b) below, shall be effective as provided in said paragraph (b). The Administrative Agent and the Lenders shall be entitled to rely and act upon any notices purportedly given by or on behalf of the Borrower even if (i) such notices were not made in a manner specified herein, were incomplete or were not preceded or followed by any other form of notice specified herein, or (ii) the terms thereof, as understood by the recipient, varied from any confirmation thereof.

(b) Electronic Communications. Notices and other communications hereunder or under any other Transaction Document may be delivered or furnished by electronic communication (including email and Internet or intranet websites) pursuant to procedures approved by the Administrative Agent, provided that the foregoing shall not apply to notices to any Lender or pursuant to Article II if such Lender has notified the Administrative Agent and the Borrower that it is incapable of receiving notices under such Article by electronic communication. Unless the Administrative Agent otherwise prescribes, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender’s receipt of an acknowledgement from the intended recipient (such as by the “return receipt requested” function, as available, return e-mail or other written acknowledgement), and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient, at its e-mail address as described in the foregoing clause (i), of notification that such notice or communication is available and identifying the website address therefore; provided that, for both clauses (i) and (ii) above, if such notice, email or other communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next business day for the recipient. The use of electronic communications to deliver notices shall not preclude the use of mail or pre-paid courier service as described in Section 10.07(a).

(c) Each Person that is an Agent, in any capacity of such Person hereunder or under any other Transaction Document (in all applicable capacities, a “Recipient”), agrees to accept and act upon instructions or directions pursuant to this Agreement, any other Transaction Document, and any document executed in connection herewith or therewith, sent by unsecured email or other similar unsecured electronic methods; provided however, that the Borrower shall, and shall cause the Seller and Servicer (if applicable) to, provide to such Recipient an
incumbency certificate listing persons designated to provide such instructions or directions, which incumbency certificate shall be amended whenever a person is added or deleted from the listing; *provided, further, however*, that such Recipient may, but is not required to, take action without any such incumbency certificate and shall have no liability whatsoever for failure to have such incumbency certificate or to verify that the sending party of the Borrower, Seller or Servicer, as applicable, is on such incumbency certificate. If the Borrower, Seller or Servicer elects to give any such Recipient email instructions (or instructions by a similar electronic method) and such Recipient in its discretion elects to act upon such instructions, such Recipient’s reasonable understanding of such instructions shall be deemed controlling. No Recipient shall be liable for any losses, costs or expenses arising directly or indirectly from its reliance upon and compliance with such instructions notwithstanding such instructions conflicting with or being inconsistent with a subsequent written instruction. The Borrower hereby agrees to assume all risks arising out of the use of such electronic methods to submit instructions and directions to any Recipient, including without limitation the risk of such Recipient acting on unauthorized instructions, and the risk of interception and misuse by third parties, and acknowledges and agrees that there may be more secure methods of transmitting such instructions than the method(s) selected by it and agrees that the security procedures (if any) to be followed in connection with its transmission of such instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances.

SECTION 10.08 Severability of Provisions. Any covenant, provision, agreement or term of this Agreement that is prohibited or is held to be void or unenforceable in any jurisdiction shall, as to that jurisdiction, be ineffective to the extent of the prohibition or unenforceability without invalidating the remaining provisions of this Agreement.

SECTION 10.09 Tax Characterization

. Each party to this Agreement (a) acknowledges that it is the intent of the parties to this Agreement that, for accounting purposes and for all federal, State and local income and franchise tax purposes, the Loans will be treated as evidence of indebtedness issued by the Borrower, (b) agrees to treat the Loans for all such purposes as indebtedness and (c) agrees that the provisions of the Transaction Documents shall be construed to further these intentions.

SECTION 10.10 Full Recourse to Borrower

. The obligations of the Borrower under this Agreement and the other Transaction Documents shall be full recourse obligations of the Borrower. Notwithstanding the foregoing, no recourse shall be had for the payment of any amount owing in respect of this Agreement, including the payment of any fee hereunder or any other obligation or claim arising out of or based upon this Agreement, against any member, employee, officer, manager or director of the Borrower; *provided, however*, that nothing in this Section 10.10 shall relieve the Seller, the Servicer or GreenSky (in any capacity) or any other Person from any liability that it may otherwise have as expressly set forth in this Agreement or any other Transaction Document to which it is a party.

SECTION 10.11 Governing Law
THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO ITS CONFLICT OF LAW PROVISIONS (OTHER THAN SECTION 5-1401 OF THE GENERAL OBLIGATIONS LAW), AND THE OBLIGATIONS, RIGHTS AND REMEDIES OF THE PARTIES HEREUNDER SHALL BE DETERMINED IN ACCORDANCE WITH SUCH LAWS.

SECTION 10.12 Submission to Jurisdiction

ANY LEGAL ACTION OR PROCEEDING WITH RESPECT TO THIS AGREEMENT MAY BE BROUGHT IN THE COURTS OF THE STATE OF NEW YORK OR OF THE UNITED STATES FOR THE SOUTHERN DISTRICT OF NEW YORK, AND BY EXECUTION AND DELIVERY OF THIS AGREEMENT, EACH OF THE PARTIES HERETO CONSENTS, FOR ITSELF AND IN RESPECT OF ITS PROPERTY, TO THE EXCLUSIVE JURISDICTION OF THOSE COURTS. EACH OF THE PARTIES HERETO IRREVOCABLY WAIVES ANY OBJECTION, INCLUDING ANY OBJECTION TO THE LAYING OF VENUE OR BASED ON THE GROUNDS OF FORUM NON CONVENIENS, OR ANY LEGAL PROCESS WITH RESPECT TO ITSELF OR ANY OF ITS PROPERTY, WHICH IT MAY NOW OR HEREAFTER HAVE TO THE BRINGING OF ANY ACTION OR PROCEEDING IN SUCH JURISDICTION IN RESPECT OF THIS AGREEMENT OR ANY DOCUMENT RELATED HERETO. EACH OF THE PARTIES HERETO WAIVES PERSONAL SERVICE OF ANY SUMMONS, COMPLAINT OR OTHER PROCESS, WHICH MAY BE MADE BY ANY OTHER MEANS PERMITTED BY NEW YORK LAW.

SECTION 10.13 Waiver of Jury Trial

THE PARTIES HERETO EACH WAIVE THEIR RESPECTIVE RIGHTS TO A TRIAL BY JURY OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF OR RELATED TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY, IN ANY ACTION, PROCEEDING OR OTHER LITIGATION OF ANY TYPE BROUGHT BY ANY PARTY AGAINST THE OTHER PARTY, WHETHER WITH RESPECT TO CONTRACT CLAIMS, TORT CLAIMS OR OTHERWISE. THE PARTIES HERETO EACH AGREE THAT ANY SUCH CLAIM OR CAUSE OF ACTION SHALL BE TRIED BY A COURT TRIAL WITHOUT A JURY. WITHOUT LIMITING THE FOREGOING, THE PARTIES FURTHER AGREE THAT THEIR RESPECTIVE RIGHT TO A TRIAL BY JURY IS WAIVED BY OPERATION OF THIS SECTION AS TO ANY ACTION, COUNTERCLAIM OR OTHER PROCEEDING WHICH SEEKS, IN WHOLE OR IN PART, TO CHALLENGE THE VALIDITY OR ENFORCEABILITY OF THIS AGREEMENT OR ANY PROVISION HEREOF. THIS WAIVER SHALL APPLY TO ANY AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS AGREEMENT.

SECTION 10.14 Counterparts; Electronic Delivery

This Agreement may be executed in any number of counterparts and by the different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original, and all of which together shall constitute one and the same instrument. Delivery of an
executed counterpart of a signature page of this Agreement by telecopy, emailed pdf. or any other electronic means that reproduces an image of the actual executed signature page shall be effective as delivery of a manually executed counterpart of this Agreement. The words “execution,” “signed,” “signature,” “delivery,” and words of like import in or relating to any document to be signed in connection with this Agreement and the transactions contemplated hereby shall be deemed to include Electronic Signatures, deliveries or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature, physical delivery thereof or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act; provided that nothing herein shall require the Administrative Agent to accept electronic signatures in any form or format without its prior written consent. Without limiting the generality of the foregoing, the Borrower hereby (i) agrees that, for all purposes, including without limitation, in connection with any workout, restructuring, enforcement of remedies, bankruptcy proceedings or litigation among the Administrative Agent and the Lenders, electronic images of this Agreement or any other Transaction Documents (in each case, including with respect to any signature pages thereto) shall have the same legal effect, validity and enforceability as any paper original, and (ii) waives any argument, defense or right to contest the validity or enforceability of the Transaction Documents based solely on the lack of paper original copies of any Transaction Document, including with respect to any signature pages thereto.

SECTION 10.15 Nonpetition Covenants.

(a) Against Borrower. Notwithstanding any prior termination of this Agreement, prior to the date that is one year and one day after Payment in Full, none of the Custodian, Administrative Agent, or any Lender will institute against, join any other Person in instituting against, acquiesce, petition or otherwise invoke, or cause the Borrower to invoke, the process of any court or governmental authority for the purpose of commencing or sustaining an Insolvency Proceeding or other case against the Borrower under any federal or State bankruptcy, insolvency or other Debtor Relief Law or appointing a receiver, liquidator, assignee, trustee, custodian, sequestrator or other similar official for the Borrower or any substantial part of its property, or for ordering the winding up or liquidation of the affairs of the Borrower. The Borrower hereby agrees that it shall receive the foregoing agreement from each counterparty to any contract entered into by the Borrower.

(b) Against Conduit Lenders. Notwithstanding any prior termination of this Agreement, each party hereto hereby agree that prior to the date that is one year and one day (or such longer preference or disgorgement period as may be in effect from time to time) after the date upon which the latest maturing commercial paper note or other debt security issued by a Conduit Lender is paid in full, such party will not institute against, join any other Person in instituting against, petition or otherwise invoke the process of any court or governmental authority for the purpose of commencing or sustaining an Insolvency Proceeding or other case against such Conduit Lender under any federal or State bankruptcy, insolvency or other Debtor Relief Law or appointing a receiver, liquidator, assignee, trustee, custodian, sequestrator or other
similar official for such Conduit Lender or any substantial part of its property, or for ordering the winding up or liquidation of the affairs of such Conduit Lender.

(c) **Survival.** The terms of this Section 10.15 shall expressly survive termination of this Agreement.
IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their duly authorized officers and delivered as of the day and year first above written.

GS INVESTMENT I, LLC, as Borrower

By: /s/ Timothy D. Kaliban
Name: Timothy D. Kaliban Title: President
Address: 5565 Glenridge Connector Atlanta, GA 30342
JPMORGAN CHASE BANK, N.A., as initial Committed Lender and Administrative Agent

By: /s/ R. Eric Wiedelman
Name: R. Eric Wiedelman
Title: Managing Director
Address: 10 South Dearborn Street
        Chicago, Illinois 60603

Chariot Funding LLC, as a Conduit Lender

By: JPMorgan Chase Bank, N.A., as its attorney-in-fact

By: /s/ R. Eric Wiedelman
Name: R. Eric Wiedelman
Title: Managing Director
Address: 10 South Dearborn Street
        Chicago, Illinois 60603
FACILITY LOAN ORIGINATION AGREEMENT

Dated as of May 27, 2020

by and between

GREENSKY, LLC

and

SYNOVUS BANK
FA CILITY LOAN OR I G I N AT I O N A G R E EM E N T

T H I S FA C I L I T Y LO A N OR I G I N AT I O N A G R E EM E N T dated as of May 27, 2020 (the
“E f f e c t i v e D a t e”), by and between GREENSKY, LLC, a Georgia limited liability company (including its direct or indirect
subsidiaries that provide, directly or indirectly, any of the services contemplated hereby, “Servicer”), and SYNOVUS BANK, a
Georgia state-chartered bank ("Lender"). As used herein, “Party” shall mean Servicer or Lender, as applicable, and “Parties”
shall mean both Servicer and Lender.

W I T N E S S E T H:

W H E R E A S, Servicer is in the business of providing clerical, ministerial, marketing and administrative services and a
technology platform to lenders in connection with lenders originating consumer loans for their own account, primarily through a
network of Program Merchants and Sponsors (as defined herein) or through consumer direct channels (the “GreenSky™
Program”); and

W H E R E A S, the GreenSky™ Program is administered by Servicer on behalf and under the direction and control of
federally-insured and federal- or state-chartered financial institutions participating in the GreenSky™ Program, which includes the
Lender; and

W H E R E A S, Lender has conducted due diligence regarding the GreenSky™ Program and its suitability for Lender, and
Lender desires to participate in the GreenSky™ Program by extending loans directly to consumers on the terms provided for
herein; and

W H E R E A S, Lender and Servicer acknowledge and agree that one or more Persons may desire to purchase Loans
originated (or otherwise acquired) by Lender and owned pursuant to this Agreement or participations in such Loans from time to
time and that such sales of Loans or participations therein shall occur as set forth herein; and

W H E R E A S, this Origination Agreement shall not apply to the loans previously funded (or otherwise acquired) and
owned by Lender under the Original Loan Origination Agreement (as defined herein) and being serviced by Servicer on behalf of
Lender under the Original Servicing Agreement (as defined herein), except to the extent otherwise provided in the definition of
Loan contained herein.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby
acknowledged, it is hereby agreed by and between Servicer and Lender as follows:

A R T I C L E I

D E F I N I T I O N S

S e c t i o n 1.01 Definitions. All capitalized terms used herein or in any certificate or document, or Origination Paper made
or delivered pursuant hereto shall have the following meanings (unless otherwise defined therein):
“Acquired Loans” shall mean loans previously originated by a federally-insured and federal- or state-chartered financial institution other than Lender through the GreenSky® Program that are acquired by Lender from time to time, as agreed to by Lender in its sole discretion, and that Lender and Servicer agree in writing to treat as Loans under this Origination Agreement and the Servicing Agreement.

“Affiliate” shall mean, with respect to any specified Person, any other Person controlling or controlled by or under common control with such specified Person. For the purposes of this definition, “control” shall mean the power to direct the management and policies of a Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms “controlling” and “controlled” have the meanings correlative to the foregoing.

“Anti-Money Laundering Laws” shall have the meaning given to such term in Section 4.02(a)(ix).

“Assets” of a Person shall mean all of the assets, properties, businesses and rights of such Person of every kind, nature, character and description, whether real, personal or mixed, tangible or intangible, accrued or contingent, or otherwise relating to or utilized in such Person’s business, directly or indirectly, in whole or in part, whether or not carried on the books and records of such Person, and whether or not owned in the name of such Person or any Affiliate of such Person and wherever located.

“Backup Servicer” shall mean Systems & Services Technologies, Inc. or another qualified third-party service provider acceptable to Lender to provide backup services to Lender for the servicing of the Loans pursuant to the Backup Servicing Agreement.

“Backup Servicing Agreement” shall mean the contractual arrangement between Servicer and the Backup Servicer for backup servicing of the Loans.

“Bank Margin” shall have the meaning given to such term in the Economics Agreement. “Borrower” shall mean, with respect to any Loan, the Person that is obligated to make payments with respect to such Loan.

“Business Day” shall mean a day that Lender is open for business and excluding Saturdays, Sundays and legal holidays.

“Commitment Amount” shall have the meaning set forth in Section 2.01(a)(ii).

“Commitment Period” shall mean the period that terminates at the end of the Term hereof, provided that such period shall be subject to an earlier termination upon Lender’s delivery to Servicer of a written termination notice in the event of a Commitment Termination Event; provided, however, Lender shall continue to be obligated to fund all approved but not fully funded Loans that conform to the Credit Policy that have been previously approved as of the day prior to the date that such period terminates until such time as all such Loans have been
fully funded, unless, in the case of a Regulatory Event, the applicable Governmental Authority prohibits or restricts Lender from continuing to fund such Loans.

“Commitment Termination Event” shall mean the occurrence of any of the following: (i) a termination by Lender of Servicing’s servicing rights under the Servicing Agreement due to a Servicer Default; (ii) a termination by Lender of this Agreement in respect of either a Performance Termination Event pursuant to Section 6.02, a Noncompliance Event pursuant to Section 6.03, a Dissolution Event pursuant to Section 6.04, a Regulatory Event pursuant to Section 6.05 or a Change of Control pursuant to Section 6.06; (iii) [*****]; (iv) [*****]; (v) [*****]; or (vi) [*****].

“Compliance Conditions” shall be deemed to refer to and include all of the requirements and conditions set forth on Schedule A, which is attached hereto and hereby incorporated herein by specific reference thereto.

“Consumer Lending Laws” shall have the meaning set forth in Section 4.02(a)(iv).

“Contract” shall mean any written or oral agreement, arrangement, authorization, commitment, contract, indenture, instrument, lease, obligation, plan, practice, restriction, understanding, or undertaking of any kind or character, or other document to which any Person is a party or that is binding on any Person or its capital stock, Assets or business.

“Credit Policy” shall mean the credit policy designated and maintained by Lender for Loans as set forth in Schedule B attached, as such credit policy may be amended from time to time as follows: (i) by agreement of the Parties, (ii) unilaterally by Lender in response to advice, comments or directives received from a Governmental Authority upon thirty (30) days’ advance written notice to Servicer (or such lesser time to notify Servicer if required by the applicable Governmental Authority), (iii) unilaterally by Lender upon written notice to Servicer to the extent that a change is required by Law, [*****] or required by the direction of a Governmental Authority, (iv) [*****], (v) unilaterally by Lender in the event the average Performance Threshold for any rolling three-month period is greater than [*****]% upon ten (10) days advance written notice to Servicer, (vi) [*****], and (vii) as permitted in Section 6.02 hereof. [*****]

“Cutoff Date” shall mean, in respect of any sale of an Economic Participation or Loan hereunder, the date that is one (1) Business Day prior to the Sale Date for such Economic Participation or Loan (or such other date as mutually agreed by Lender, Servicer and the applicable Purchaser), as set forth in the applicable Loan Designation Notice.

“Default” shall mean (i) any material breach or violation of, default under, contravention of, or conflict with, any Contract, Law, Order, or Permit, (ii) any occurrence of any event that with the passage of time or the giving of notice or both would constitute a material breach or violation of, default under, contravention of, or conflict with, any Contract, Law, Order, or Permit, or (iii) any occurrence of any event that with or without the passage of time or the giving of notice would give rise to a right of any Person to exercise any material remedy or obtain any material relief under, terminate or revoke, suspend, cancel, or modify or change in a material
respect the current terms of, or renegotiate, or to accelerate the maturity or performance of, or to increase or impose any material Liability under, any Contract, Law, Order, or Permit.

“Dissolution Event” shall have the meaning set forth in Section 6.04.

“Economic Participation” shall mean an economic participation consisting of a 100% undivided interest in the economic rights in a Loan (or such other percentage as agreed by Lender and a Purchaser, as specified in a Participation Sale Agreement), including the right to receive a proportionate amount of all payments, including, without limitation, principal, interest and fees, related to such Loan, and to the extent permitted by applicable Law, the right to receive all proceeds of and resulting from all claims, suits, causes of action and any other right of Lender as the seller of such participation, whether known or unknown, against the Borrower of such Loan arising under or in connection with the credit agreement and other documents evidencing such Loan or that is in any way based on or related to any of the foregoing or the loan transactions governed thereby; provided, however, that if a Purchaser fails to timely purchase an Economic Participation in any Future Advance for a Loan as contemplated by Section 2.12(b)(iv) and in accordance with the applicable Participation Sale Agreement, then the percentage interests in the economic rights of such Loan shall be automatically adjusted to reflect the relative percentages of (x) the outstanding principal balance amount previously purchased by Purchaser and then outstanding in such Loan and (y) the then-outstanding principal balance of all such Future Advances for such Loan that were funded by Lender but in which Purchaser has not purchased an Economic Participation as contemplated by Section 2.12(b)(iv) and in accordance with the applicable Participation Sale Agreement, until such time as the Purchaser has satisfied such obligations to purchase Economic Participations in such Future Advances. In the event that Lender and a Purchaser agree to the sale of an Economic Participation that constitutes less than a 100% interest in the economic rights in a Loan, then Lender, Purchaser and Servicer shall mutually agree on appropriate adjustments to this Origination Agreement, the Servicing Agreement, the Economics Agreement and the applicable Participation Sale Agreement to reflect the interest purchased by the Purchaser and the interest retained by Lender. For the avoidance of doubt, an Economic Participation in a Loan shall not include title to the Loan, and is intended to constitute a “participation” within the meaning of the Federal Deposit Insurance Corporation’s Safe Harbor Rule for Participations, 12 C.F.R. § 360.6 (as in effect from time to time).

“Economics Agreement” shall mean the Economics Agreement, dated as the date hereof, by and between Servicer and Lender establishing certain economic terms related to this Origination Agreement and the Servicing Agreement, as such agreement hereafter may be amended.

“Governmental Authority” shall mean any federal, state or local governmental or regulatory authority, agency, court, tribunal, commission or other regulatory entity asserting jurisdiction over either Party or the activities of either Party, and in the case of the Lender shall include without limitation the Georgia Department of Banking and Finance, the Federal Reserve System and the Financial Crimes Enforcement Network.

“GreenSky® Program Funding Clearing Account” shall mean the funding clearing custodial account(s) established and maintained for the benefit of the lenders in the GreenSky®
Program at Wells Fargo Bank, Regions Bank or such other federally-insured bank selected by Servicer and approved by Lender (which approval will not unreasonably be withheld or delayed), in order to receive funds from lenders in the GreenSky® Program for disbursement to or on behalf of borrowers.

“Improper Loan” shall mean any Retained Economics Loan originated in violation of applicable Law or the terms of this Origination Agreement in a material respect as a result of Servicer’s actions or omissions.

“Indemnified Party” shall have the meaning set forth in Schedule C as referenced in Section 7.13 of the Servicing Agreement.

“Indemnity Proceeding” shall have the meaning set forth in Schedule C as referenced in Section 7.13 of the Servicing Agreement.

“Law” shall mean any U.S. federal, state or local code, law (including common law), ordinance, regulation, reporting or licensing requirement, rule, or statute applicable to a Person or its Assets, liabilities, or business, including those promulgated, interpreted or enforced by any Governmental Authority, including, without limitation, the Gramm-Leach Bliley Act (15 U.S.C. 6801-6809) and all Consumer Lending Laws.

“Lender” shall have the meaning set forth in the Recitals hereto.

“Liability” shall mean any direct or indirect, primary or secondary, liability, indebtedness, obligation, penalty, cost or expense (including costs of investigation, collection and defense), claim, deficiency, guaranty or endorsement of or by any Person (other than endorsements of notes, bills, checks, and drafts presented for collection or deposit in the ordinary course of business) of any type, whether accrued, absolute or contingent, liquidated or unliquidated, matured or unmatured, or otherwise.

“Lien” shall mean any security interest, mortgage, deed of trust, pledge, hypothecation, assignment, deposit arrangement, equity interest, encumbrance, lien (statutory or other), preference, participation interest, priority or other security agreement or preferential arrangement of any kind or nature whatsoever, including any conditional sale or other title retention agreement, or any financing lease having substantially the same economic effect as any of the foregoing, and the filing of any financing statement under the UCC or comparable law of any jurisdiction to evidence any of the foregoing.

“Loan” shall mean either (a) a loan originated by Lender pursuant to this Origination Agreement, (b) a loan originated (or otherwise acquired) and owned by Lender pursuant to the Original Loan Origination Agreement to the extent that Lender and Servicer agree (which agreement may be via email) that such loan shall constitute a Loan for the purposes of this Origination Agreement, the Servicing Agreement and the Economics Agreement (in which case this Origination Agreement, the Servicing Agreement and the Economics Agreement shall apply to such loan in lieu of the Original Loan Origination Agreement and the Original Servicing Agreement, effective as of the date agreed by Lender and Servicer, and such loan, the Outstanding Balance of such loan and any amounts billed thereon shall only be included in any
calculations under this Origination Agreement, the Servicing Agreement and the Economics Agreement from and after such
effective date) or (c) an Acquired Loan, together with any amounts, including interest, fees and other charges, generated with
respect thereto; provided, that, (i) in respect of any Participated Loan, from and after the Cutoff Date relating thereto (or date that
an Economic Participation is granted pursuant to Section 2.07 of the Servicing Agreement, if applicable), such Participated Loan
shall be disregarded for the purposes of the calculation of Outstanding Balance and the calculation of the available Commitment
Amount, and (ii) in respect of any Sold Loan, from and after the Cutoff Date relating thereto, such Sold Loan shall no longer be
defined a “Loan” hereunder for any purpose.

“Loan Designation Notice” shall mean a notice by Servicer to Lender substantially in the form of Exhibit A hereto.

“Loan Sale Agreement” shall mean an agreement substantially in the form of Exhibit B hereto, or such other agreement
in a form and substance mutually agreeable to Lender and a Purchaser, pursuant to which one or more Loans are sold by Lender
to a Purchaser.

“Marketing Materials” shall mean the materials used or to be used by Servicer in connection with the originating or
servicing of the Loans, subject to Section 5.01(a)(vi).

“Material Adverse Effect” shall mean any event, circumstance or condition that has had a materially adverse effect on (a)
the business, operations, assets or financial condition of the Servicer, or (b) the ability of the Servicer to perform its obligations
under this Origination Agreement, the Servicing Agreement or the Economics Agreement.

“Monthly Accounting” shall have the meaning given to such term in the Economics Agreement.

“Noncompliance Event” shall have the meaning given to such term in Section 6.03.

“[*****]”

“OFAC list” shall have the meaning given to such term in Section 4.02(a)(ix).

“Order” shall mean any administrative decision or award, decree, injunction, judgment, order, quasi-judicial decision or
award, ruling, or writ of any federal, state, local or foreign or other court, arbitrator, mediator, tribunal, administrative agency, or
Governmental Authority.

“Original Loan Origination Agreement” shall mean that certain Loan Origination Agreement, dated as of August 4,
2015, by and between Servicer and Lender, as amended, modified and supplemented prior to the date hereof and as such
agreement hereafter may be amended.

“Original Servicing Agreement” shall mean that certain Servicing Agreement, dated as of August 4, 2015, by and
between Servicer and Lender, as amended, modified and supplemented prior to the date hereof and as such agreement hereafter
may be amended.
“Origination Agreement” shall mean this Facility Loan Origination Agreement and the schedules and exhibits hereto and all amendments hereto or thereto.

“Origination Papers” shall mean collectively this Origination Agreement, the Servicing Agreement, the Economics Agreement and any other document or instrument delivered pursuant to this Origination Agreement by a Party hereto, including without limitation any documents and instruments pursuant to Section 2.03, but excluding, for the avoidance of doubt, any documents or instruments entered into by a Borrower or otherwise evidencing a Loan to a Borrower.

“Outstanding Balance” shall mean, as of any specified date, the face value of a Loan plus the amount of any interest, fees or other amounts due under or with respect to such Loan minus any payments, credits, or other amounts credited against such Loan.

“Participated Loan” shall mean any Loan regarding which an Economic Participation has been sold by Lender to a Purchaser pursuant to a Participation Sale Agreement or regarding which an Economic Participation has been granted by Lender to Servicer pursuant to Section a. of the Servicing Agreement.

“Participation Sale Agreement” shall mean an agreement substantially in the form of Exhibit C hereto, or such other agreement in a form and substance mutually agreeable to Lender and a Purchaser, pursuant to which one or more Economic Participations are sold by the Lender to a Purchaser.

“Performance Fee” shall have the meaning given to such term in the Economics Agreement.

“Performance Termination Event” shall have the meaning given to such term in Section 6.02.

“Performance Threshold” shall mean, for any month, the annualized monthly Portfolio Credit Losses as a percentage of the aggregate Outstanding Balances of all Retained Economics Loans measured at month-end for such month.

“Person” shall mean any legal person, including any individual, corporation, limited liability company, partnership, joint venture, association, joint-stock company, trust, unincorporated organization, governmental entity or other entity of any nature.

“Permit” shall mean any federal, state, local, and foreign governmental approval, authorization, certificate, easement, filing, franchise, license, notice, permit, or right to which any Person is a party or that is or may be binding upon or inure to the benefit of any Person or its securities, Assets, or business.

“PFB” shall have the meaning set forth in Section 2.01(d)(i).

“Portfolio Credit Losses” shall mean, for each calendar month, an amount equal to (a) the aggregate Outstanding Balances of all Retained Economics Loans (i) that, as of the last day of such month, were four (4) or more payments past due, or (ii) that, during such month, Servicer
charged off as a result of the sole Borrower or all co-Borrowers (as applicable) being the subject of a bankruptcy or similar proceeding or having died, plus (b) the portions of the Outstanding Balance of all Retained Economics Loans that were waived, compromised or forgiven during such month, in each case without duplication. For the avoidance of doubt, in no event shall the Portfolio Credit Losses for a particular month include any amounts that previously were included in Portfolio Credit Losses for a prior month that relate to Sold Loans or Participated Loans or for which Lender otherwise was compensated as a Reimbursed Portfolio Credit Loss Loan as defined in and pursuant to the Economics Agreement.

“Prime Rate” shall mean, as of any specified date, the “prime rate” as published in the “Money Rates” table in The Wall Street Journal (Eastern Edition) on such date. If more than one prime rate is published in the “Money Rates” table, the highest of those rates will be the Prime Rate for purposes of this Origination Agreement. If The Wall Street Journal ceases to publish a “Money Rates” table or if a prime rate is no longer included in the rates published therein, Lender and Servicer shall agree on a substitute that is a comparable index.

“Program Agreements” shall mean the agreements entered into from time to time between Servicer and Program Merchants under which loans originated through the GreenSky® Program by participating lenders will be offered to the Program Merchants’ customers to fund purchases of goods or services from such Program Merchants.

“Program Merchants” shall mean manufacturers, dealers, merchants, providers, distributors, retailers, contractors or installers of goods or services that have entered into Program Agreements.

“Purchase Price” shall mean [*****].

“Purchaser” shall mean, with respect to each Loan or Economic Participation that is sold by Lender, the purchaser of such Loan or Economic Participation under the applicable Transfer Agreement, together with any permitted successors in interest of such purchaser under such Transfer Agreement. For the avoidance of doubt, a Purchaser may be the Servicer or any of its Affiliates; provided, however, [*****].

“Purchaser Affiliate” means an Affiliate of a Purchaser or a prospective Purchaser that has creditworthiness (including the financial ability to perform) reasonably satisfactory to Lender and that such Affiliate has satisfied Lender’s applicable legal or regulatory requirements in respect of such Affiliate (including, without limitation, any applicable “know your customer” and similar requirements).

“Required Holding Period” shall mean, with respect to each Loan, a period of at least [*****] Business Days after the initial origination date of a Loan (whether originated by Lender or another financial institution), unless otherwise agreed by Lender and Servicer.

“Regulatory Event” shall have the meaning given to such term in Section 6.05.

“Retained Economics Loans” shall mean any Loan which, as of any date of determination, is outstanding and is neither a Participated Loan nor a Sold Loan as of such date.
“Sale Date” shall mean, in respect of any sale of an Economic Participation or Loan hereunder, the date upon which such sale is consummated.

“Servicer” shall have the meaning set forth in the Recitals hereto.

“Servicer Default” shall have the meaning set forth in the Servicing Agreement.

“Servicer Regulatory Routine Inquiry” means any inquiry, written or otherwise, made by any Governmental Authority to any Person in connection with (i) the routine transmittal of a customer complaint, (ii) a formal or informal request for information regarding the Person’s business activities, licensing status and/or regulatory posture (other than a formal inquiry or investigation that alleges any material non-compliance with any applicable Laws by such Person), (iii) a civil investigative demand, subpoena, formal or informal inquiry or investigation or other information request into acts or practices that would not render the applicable Loans or Participated Loans or the related credit agreements and other documents evidencing such Loans or Participated Loans invalid, illegal or unenforceable as a matter of law or in accordance with their terms.

“Servicing Agreement” shall mean the Facility Servicing Agreement, dated as the date hereof, by and between Servicer and Lender related to the Loans, as such agreement hereafter may be amended, together (with respect to any Participated Loan) with any Servicing Supplement applicable thereto.

“Servicing Fee” shall have the meaning given to such term in the Economics Agreement.

“Servicing Supplement” shall have the meaning set forth in the Servicing Agreement.

“Settlement Amount” shall mean the amounts advanced by Lender (or its agent) to or on behalf of a Borrower which constitute disbursement of a Loan to the Borrower.

“Settlement Date” shall mean each Business Day on which Servicer notifies Lender of a Settlement Amount as provided in Section 2.01(c)(i) below.

“Sold Loan” shall mean any Loan the title to which has been transferred by Lender to a Purchaser pursuant to a Loan Sale Agreement or has been transferred by Lender to Servicer (or its designee) pursuant to Section 2.07 of the Servicing Agreement.

“Sponsors” shall mean sponsors of Program Merchants that refer Program Merchants to participate in the GreenSky® Program.

“Successor Servicer” shall have the meaning given to such term in the Servicing Agreement.

“[*****]”
“Term” shall have the meaning given to such term in Section 6.01.

“To the Best of Lender’s Knowledge” shall mean the actual knowledge of each officer of Lender significantly involved with the transactions contemplated by the Origination Papers after reasonable inquiry or investigation; provided that to the extent that information or data is provided to Lender by Servicer with respect to the Loans, each officer may rely on such information and data without any further investigation or due diligence thereof.

“To the Best of Servicer’s Knowledge” shall mean Servicer’s knowledge after diligent investigation.

“Transfer Agreement” shall mean a Loan Sale Agreement or a Participation Sale Agreement.

“UCC” shall mean the Uniform Commercial Code as in effect in the applicable jurisdiction.

“Underwriting Criteria” shall mean the underwriting standards designated and maintained by Lender for Loans as reflected in Schedule B attached, as they may be amended from time to time as follows: (i) by agreement of the Parties, (ii) unilaterally by Lender in response to advice, comments or directives received from a Governmental Authority upon thirty (30) days’ advance written notice to Servicer (or such lesser time to notify Servicer if required by the applicable Governmental Authority), (iii) unilaterally by Lender upon written notice to Servicer to the extent that a change is required by Law, [*****] or required by a Governmental Authority, (iv) [*****], (v) [*****], (vi) [*****], and (vii) as permitted in Section 6.02 hereof. [*****]. Further, the Underwriting Criteria shall be applied in accordance with the GreenSky® Credit Administration Guide (as previously made available to Lender), as such guide may be amended from time to time by Servicer; provided, however, that Servicer shall provide at least five (5) Business Days’ advance written notice to Lender of any adverse changes to the GreenSky® Credit Administration Guide (and otherwise provide a copy of the GreenSky® Credit Administration Guide promptly upon Lender’s request); and provided, further that if there is any conflict or inconsistency in the application of the Underwriting Criteria with the GreenSky® Credit Administration Guide, then the Underwriting Criteria shall control and supersede such conflict or inconsistency.

Section 1.02 Other Definitional Provisions.

(a) All terms defined in this Origination Agreement shall have the defined meanings when used in any certificate, other document, or Origination Paper made or delivered pursuant hereto unless otherwise defined therein.

(b) The words “hereof,” “herein” and “hereunder” and words of similar import when used in this Origination Agreement or any Origination Paper shall refer to this Origination Agreement as a whole and not to any particular provision of this Origination Agreement; and Section, Subsection, Schedule and Exhibit references contained in this Origination Agreement are
Section 2.01 Loan Origination Obligations.

(a) Origination of Loans.

(i) GreenSky® Program. As program administrator of the GreenSky® Program, Servicer shall use commercially reasonable efforts to maintain and develop the network of Program Merchants participating in the GreenSky® Program as a source for Loans to be made by Lender pursuant to this Origination Agreement.

(ii) Commitment Amount. Subject to the terms and conditions hereof and during the Commitment Period, Lender will fund Loans originated through the GreenSky® Program that meet the Underwriting Criteria, provided that the Lender shall not be obligated to fund any Loan if, after giving effect to the funding thereof, the sum of the aggregate outstanding principal balance of Retained Economics Loans then owned by Lender plus the aggregate outstanding principal balance of “Loans” (as defined in and subject to the Original Loan Origination Agreement) would exceed [*****] Dollars ($[*****]) (the “Commitment Amount”); provided (a) that the evaluation of the relevant balances for the purposes of applying the Commitment Amount limitation shall be performed as of month-end, unless such limitation would be exceeded by an amount greater than [*****] percent ([*****]%), (b) [*****], (c) that upon the termination of the Commitment Period, the Commitment Amount shall be zero (subject to the proviso regarding Lender’s funding of approved but not fully funded Loans in the definition of Commitment Period in Section 1.01), and (d) the Parties acknowledge that, from time to time, the Commitment Amount may be temporarily exceeded, with Lender’s permission, in connection with an acquisition of Acquired Loans that are promptly thereafter included in a sale of Economic Participations or Sold Loans. Any acquisition of Acquired Loans as agreed to by Lender in its sole discretion shall be subject to Lender entering into a loan purchase agreement in a form and substance reasonably acceptable to Lender. The Commitment Amount may be increased in accordance with the mutual agreement of Lender and Servicer as evidenced by a written agreement. For clarification purposes, except to the extent provided in the definition of Loans in Section 1.01, this Origination Agreement shall not apply to the loans previously funded (or otherwise acquired) and owned by Lender under the existing Original Loan Origination Agreement that are being serviced by Servicer on behalf of Lender under the Original Servicing Agreement (the “Existing Portfolio Loans”), and except with respect to the preceding reference in this paragraph regarding the determination of the Commitment Amount, such Existing Portfolio Loans shall be excluded from the provisions of this Origination Agreement and the economic terms and conditions for such Existing Portfolio Loans shall be governed by the provisions of the Original Loan Origination Agreement and the Original Servicing Agreement.
(iii) **Loan Terms.** Each Loan shall include an interest rate, loan term, repayment and other terms consistent with Schedule B and shall be evidenced by Lender’s credit agreement for the GreenSky® Program substantially in the form previously provided to Lender (or such other form as may be approved by the Parties) and other customary documentation consistent with Lender’s lending practices; it being acknowledged and agreed that Lender is making the credit decision on whether or not to fund a prospective consumer loan to the related prospective borrower based on and consistent with Lender’s adoption of the Credit Policy and Underwriting Criteria.

(b) **Intent of Parties.** Other than in respect of Sold Loans, Servicer and Lender intend that the Loans shall at all times be owned by Lender and the property of Lender. Notwithstanding the foregoing, Servicer and Lender agree that Servicer owns the customer relationships with the Borrowers; provided, however, that the foregoing shall have no effect on any customer relationships between Lender and Borrower established independently of the Loan including, without limitation, as a result of any existing banking or lending relationships between Lender and Borrower or a banking or lending relationship that arises after the Effective Date of this Origination Agreement, whether or not solicited by Lender as part of a solicitation of Borrowers by Lender; provided, further, that Servicer also acknowledges and agrees that each of Lender and Servicer is subject to certain regulatory restrictions relating to the Borrowers and the Loans, including without limitation, the consumer confidentiality and other provisions Gramm-Leach Bliley Act, and Servicer shall at all times act in accordance therewith.

(c) **Settlement Procedure.**

(i) No later than 12:00 noon (Eastern time) each Business Day, the (“Settlement Date”), Servicer, by written electronic transmission, shall provide Lender’s designee (as specified in Section 7.03 hereof) with a report setting forth the calculation of the Settlement Amount and the payees thereof, which payees may be a disbursement account from which further payments are to be made to fund such Loans. Lender shall use commercially reasonable efforts to pay the Settlement Amount by wire transfer, ACH or direct deposit to the GreenSky® Program Funding Clearing Account (in order to replenish the balance of the PFB or to otherwise fund Settlement Amounts) no later than 4:00 p.m. (Eastern time) (but in any event by the following Business Day), unless Servicer is late in notifying Lender of the Settlement Amount due on the Settlement Date, in which case Lender shall use all commercially reasonable efforts to pay the Settlement Amount within the time period set forth above or as soon thereafter as possible, but no later than 5:00 p.m. (Eastern time) of the next Business Day following such Lender’s receipt of notice from Servicer.

(ii) Servicer shall promptly notify Lender’s designee (as specified in Section 7.03 hereof) by written electronic transmission if the Settlement Amount is not received when due.

(iii) All amounts paid on the Loans by Borrowers shall be received, held and disbursed in accordance with the terms and procedures set forth in the Servicing Agreement.
(d) **Pre-Funding Balance for Loans.**

[*****]

(e) **GreenSky® Program Accounts.** From time to time, Servicer may arrange for one or more federally-insured and federal- or state-chartered financial institutions to act as a custodian to hold the GreenSky® Program Funding Clearing Account contemplated by this Origination Agreement or the GreenSky® Program ACH Account and the GreenSky® Program Payment Clearing Account contemplated by the Servicing Agreement, and, in such event, Lender agrees to enter into customary agreements with Servicer and such financial institutions in furtherance thereof; provided that such bank accounts shall be established and maintained by Servicer or its designee as custodial accounts on behalf of Lender and the other lenders participating in the GreenSky® Program that are segregated from Servicer’s or such designee’s own accounts.

(f) **Conditions Precedent.** The obligations of Lender to consummate the transactions contemplated herein are subject to the satisfaction, continuing satisfaction or waiver, in the sole judgment of Lender, of the following:

(i) the Underwriting Criteria of Lender shall be attached as Schedule B hereto and a current copy of the GreenSky® Credit Administration Guide shall have been delivered to Lender;

(ii) Servicer shall have delivered to Lender the Origination Papers to which it is a party that are then required, each duly executed by Servicer and the other parties thereto;

(iii) Lender shall have executed and delivered a “Lender Addendum” to Backup Servicing Agreement, receipt of which has been confirmed or acknowledged by Backup Servicer;

(iv) all in form and substance satisfactory to Lender in its reasonable discretion, Lender shall have received a report of UCC financing statement lien searches performed with respect to Servicer in Georgia, and such report shall show no Liens that adversely affect the transactions contemplated by the Origination Papers;

(v) Lender shall have received a certificate of the secretary or assistant secretary of Servicer certifying to the articles of organization and operating agreement of Servicer as in effect on the Effective Date; and

(vi) such other documents and items as Lender deems necessary in its reasonable discretion.

Section 2.02 **Dispute over Settlement Amount.**

(a) In the event Lender disputes the accuracy of the Settlement Amount reported by Servicer, Lender shall promptly notify Servicer, but such notice shall not affect Lender’s
obligation for timely payment of the Settlement Amount as noticed by Servicer to Lender, unless the Settlement Amount, together with the outstanding principal balances of all outstanding Loans, will exceed the Commitment Amount. Payment of any Settlement Amount shall not constitute a waiver by Lender of the right to dispute the accuracy of such Settlement Amount, and any such dispute shall be resolved promptly.

(b) In the event it is determined that Lender was correct in disputing the accuracy of the Settlement Amount for a given day, Servicer shall promptly remit to Lender the overpayment amount due Lender with interest thereon computed at the per annum rate equal to the Prime Rate in effect on the date the Settlement Amount was paid.

Section 2.03 Additional Documentation. If, in the reasonable judgment of a Party, in connection with the making of any Loan any additional instrument, document, or certificate is required to further evidence transactions contemplated hereby, including with respect to the origination, funding or ownership of such Loan, the other Party shall execute and deliver any such document.

Section 2.04 Portfolio Data. Notwithstanding anything to the contrary contained in this Origination Agreement, Servicer may share any portfolio data associated with the Loans that does not contain personal identifying information of a Borrower and does not identify the Lender by name with the Program Merchants and Sponsors, potential and actual financing sources and investors for Servicer’s business, potential and actual Purchasers, and Servicer’s business partners and professional advisors (and the agents or representatives of any of the foregoing). Any such disclosure shall be made in compliance with any Consumer Lending Law and other applicable Law.

Section 2.05 [*****].

Section 2.06 Grant of Security Interest in Retained Economics Loans. It is the express intent of Lender and Servicer that pursuant to the Origination Papers, Lender shall be, and be treated for all purposes as, the true lender and the owner of such Retained Economics Loans, holding good and marketable title thereto free and clear of any liens (subject to the rights of Servicer hereunder and the other Origination Papers), and the beneficial interest in and title to such Retained Economics Loans shall not be part of Servicer’s estate in the event of the filing of a bankruptcy petition by or against Servicer under any bankruptcy or similar law. It is, further, not the intention of Lender and Servicer that arrangement between Lender and Servicer pursuant to the Origination Papers be deemed a pledge of such Retained Economics Loans by Servicer to Lender to secure a debt or other obligation of Servicer. However, in the event that, notwithstanding the intent of the parties, any or all of the Retained Economics Loans are held, determined or considered by a court or as part of any other legal proceeding to be property of Servicer, then to secure the payment and performance of the obligations of Servicer under the Origination Papers, this Origination Agreement constitutes a grant by Servicer of a “security interest” (as defined in the UCC) in the Retained Economics Loans to Lender, which is enforceable upon execution and delivery of this Origination Agreement. Upon the filing of an appropriate financing statement, naming Lender as secured party and Servicer as debtor and identifying the Retained Economics Loans as collateral, Lender shall have a perfected security or
ownership interest in the Retained Economics Loans that shall be a first priority security or ownership interest, subject only in the case of its categorization as a security interest to liens for taxes, assessments or other governmental charges that are not yet due and payable or that are being contested by Servicer in good faith and in respect of which appropriate reserves have been established and other customary permitted liens. Servicer agrees to cooperate as Lender may request in filing financing statements or make other filings or execute such other assignments or collateral assignments as may be necessary or appropriate to perfect Lender’s security interest in the Retained Economics Loans and/or reflect Lender’s outright ownership of the Retained Economics Loans. Immediately upon any Retained Economics Loan ceasing to be a Retained Economics Loan hereunder, the security interest granted hereby in such Retained Economics Loan shall be automatically terminated and released, without the need for action on the part of any Person. Lender agrees to cooperate as Servicer may request in filing financing statements or other filings or in executing such other termination statements or lien releases as may be necessary or appropriate to reflect any such termination and release of Lender’s security interest in such Retained Economics Loan.

Section 2.07 Improper Loans. If either Lender or Servicer becomes aware of an Improper Loan, it shall provide notice of such Improper Loan to the other Party, and Servicer shall either, in its discretion, (a) cure the circumstance causing the applicable Loan to be an Improper Loan within 30 days of such notice or (b) shall purchase (or cause its designee to purchase) from Lender such Improper Loan by paying Lender an amount equal to the Outstanding Balance of such Improper Loan (except to the extent that Lender previously has been paid for the Outstanding Balance of such Improper Loan pursuant to the Servicing Agreement), and in connection therewith Lender shall assign its entire right, title and interest in such Improper Loan to Servicer (or its designee) and the servicing of such Improper Loan shall be released from the servicing under the Servicing Agreement; provided, however, Lender’s obligation to sell an Improper Loan to Servicer’s designee pursuant to this Section 2.07 shall be subject to Lender’s compliance with any applicable legal or regulatory requirements in respect of such proposed designee (including, without limitation, any applicable “know your customer” and similar requirements). Notwithstanding the foregoing, if Servicer does not possess the licenses necessary to own such Improper Loan and such Improper Loan and Lender’s ownership thereof does not violate applicable Law, then Lender instead shall grant solely to Servicer (and not its designee) an Economic Participation in such Improper Loan in exchange for Servicer paying Lender an amount equal to the Outstanding Balance of such Improper Loan pursuant to the Economics Agreement, and if Servicer later obtains the licenses necessary to own such Improper Loan then Lender shall, upon Servicer’s request, transfer Lender’s legal title to such Improper Loan to Servicer and the servicing of such Improper Loan shall be released from the servicing under the Servicing Agreement.

Section 2.08 Exclusive Program. Lender agrees that neither it nor its Affiliates will provide consumer financing for goods or services offered by a Program Merchant that is a party to a Program Agreement or its Sponsor other than pursuant to this Origination Agreement [*****].
Section 2.09 Non-Exclusivity. Lender understands and agrees that the customer relationships with the Borrowers established as a result of Lender’s participation in the GreenSky® Program are non-exclusive to Lender, and, during and after the Term, Lender and Servicer shall have the right to market other products and services to Borrowers based upon information obtained with respect to a Loan, or the Borrower’s application for a Loan, (collectively, “Loan Information”) subject to compliance with applicable Law (including, without limitation, the Gramm-Leach-Bliley Act (Regulation P) to the extent applicable) and any limitations imposed by any Program Agreement. Lender will share such information with Servicer for such purposes based on the written authorization of Borrower to Lender to share such information. Lender shall reasonably cooperate and collaborate with Servicer on processes to comply with legal and regulatory matters related to such marketing and promotional activities.

Section 2.10 Information Sharing.

(a) Notwithstanding any provision to the contrary in this Origination Agreement, Lender agrees to share Borrower information with Program Merchants, Sponsors and other federally-insured and federal- or state-chartered financial institutions participating in the GreenSky® Program and actual and potential Purchasers (and any agent or representative of any of the foregoing) as permitted by the Gramm-Leach-Bliley Act, including, but not limited to, for the purpose of (i) effecting, administering, collecting and enforcing a Loan or other transaction requested or authorized by such Borrower, (ii) protecting against or preventing actual or potential fraud, unauthorized transactions, claims or other liability, or (iii) sharing such information with persons holding a legal or beneficial interest relating to such Borrower. To facilitate such information sharing, Lender directs Servicer, as its agent and subject to oversight and control by Lender, to share such information with such third parties for the purposes described in this Section 2.10.

(b) Notwithstanding any provision to the contrary in this Origination Agreement, Lender agrees to share Borrower consumer reports with Purchasers as permitted by the Fair Credit Reporting Act, including (i) before the sale of any Loan or Economic Participation for the purpose of sharing such information incident to the transfer of all or a portion of the underlying Loan or Economic Participation for the purpose of evaluating the potential transaction to consummate the sale or (ii) after the sale of any Loan or Economic Participation to Purchasers acting on behalf of future successors in interest for the purpose of sharing such information incident to the transfer of all or a portion of the underlying Loan or Economic Participation for the purpose of evaluating the potential transaction to consummate the sale.

Section 2.11 Agency. Notwithstanding anything to the contrary in this Origination Agreement or any other agreement between the Parties, Lender appoints Servicer as Lender’s agent for purposes of providing the services contemplated by this Origination Agreement. If Servicer receives funds in connection with the Loans, it will receive such funds in trust on behalf of and as agent of Lender. Servicer agrees that it will hold such funds in trust on behalf of and solely as agent of Lender, and Servicer disclaims any right, title, or interest in such funds (except to the extent that Servicer has any economic rights to such funds pursuant to this Origination Agreement, the Servicing Agreement, or the Economics Agreement). Lender agrees that, as between Lender and the Borrower who remits funds to Servicer (or the person on whose behalf
such funds are remitted), Lender will consider itself to have received such funds as of receipt by Servicer pursuant to the Servicing Agreement, to the same extent as if Lender had received such funds directly. To the extent that such funds are remitted to Servicer for the purpose of discharging an obligation to Lender, Lender acknowledges that receipt of such funds by Servicer will discharge this obligation to the same extent as if Lender had received such funds directly. Lender acknowledges that funds delivered by a Borrower to Servicer in respect of a Loan as contemplated by this Origination Agreement are paid to Lender for the purpose of satisfying a preexisting obligation of the Borrower to Lender in respect of such Loan. Notwithstanding the foregoing or any other provision of this Agreement in respect of Collections (as defined in the Servicing Agreement) relating to Participated Loans, Lender agrees that a Servicing Supplement may direct such Collections to an account designated by the applicable holder of the Economic Participation in such Participated Loan (or any financing counterparty of any such holder).

Section 2.12 Various Agreements Relating to the Loans. Lender acknowledges that one or more Persons (which may include Servicer) may desire to purchase Loans or Economic Participations from time to time and, in furtherance thereof, Lender desires to have Servicer, on behalf of Lender, provide certain clerical, ministerial, and administrative services in connection therewith to facilitate such purchases in accordance with any applicable Transfer Agreement. Accordingly, Lender and Servicer agree as follows:

(a) Loans are Retained Economics Loans until becoming a Participated Loan or a Sold Loan. Any Loan funded hereunder shall be deemed a Retained Economics Loan for all purposes until the date (if any) upon which such Loan becomes a Participated Loan or a Sold Loan in accordance with this Origination Agreement.

(b) Participated Loans.

(i) On any date after the Required Holding Period has expired for a Loan, such Loan may be designated to become a “Participated Loan” hereunder upon the delivery by Servicer (on behalf of a Purchaser) to Lender of a Loan Designation Notice, which Loan Designation Notice shall designate (A) the identity of the Purchaser of the Economic Participation in such Loan, (B) the Loan regarding which an Economic Participation will be sold to such Purchaser, (C) the proposed Sale Date for such Economic Participation, (D) the proposed Cutoff Date for such proposed sale, and (E) the approximate Purchase Price for such proposed sale. Except as set forth in Section 2.12(b)(ii) below, any such Loan Designation Notice shall be delivered to Lender not less than one (1) Business Day prior to the proposed Sale Date.

(ii) If the proposed Purchaser set forth in any Loan Designation Notice described in Section 2.12(b)(i) (or any other proposed Purchaser regarding whom Servicer has notified Lender in writing, whether or not a Loan Designation Notice has yet been delivered in respect of such proposed Purchaser) is not a Person with whom Lender has already entered into a Participation Sale Agreement, then, subject to Lender’s compliance with any applicable legal or regulatory requirements in respect of such proposed Purchaser (including, without limitation, any applicable “know your customer” and similar requirements), Lender will enter into a Participation Sale Agreement with such proposed Purchaser within fifteen (15) days of the date Lender has received satisfactory
documentation necessary to comply with the applicable legal or regulatory requirements for such proposed Purchaser following the receipt of such Loan Designation Notice.

(iii) With respect to any Loan designated to become a Participated Loan in accordance with Section 2.12(b)(i), subject to Lender’s receipt of the Purchase Price for such Loan on or prior to the Sale Date for such Loan and subject to satisfaction of the Purchase Price Condition (as defined in the Economics Agreement), Lender shall on the Sale Date listed in the applicable Loan Designation Notice (or such other date as shall be agreed to by the applicable Purchaser, Lender and Servicer), sell to the Purchaser listed in such Loan Designation Notice an Economic Participation in such Loan pursuant to a Participation Sale Agreement.

(iv) To the extent that there are outstanding obligations to fund additional loan proceeds and/or future advances with respect to any Loan designated to become a Participated Loan, then, notwithstanding the sale of the Economic Participation in the Loan to a Purchaser, Lender hereby agrees to fund, in accordance with this Origination Agreement, any such amounts as and to the extent drawn down by the applicable borrower (each, a “Future Advance”), and the Purchaser shall agree in the Participation Sale Agreement to purchase the Economic Participation relating to each Future Advance funded by Lender for the applicable Purchase Price in respect of such Future Advance by paying such amount to Lender within five (5) Business Days of funding. As set forth in the Participation Sale Agreement, upon the Purchaser’s payment of such amount to Lender, and without further action or agreement between the parties, Lender shall thereby sell to the Purchaser the Economic Participation in such Future Advance.

(v) Other than in respect of the Economic Participations sold in respect thereof as set forth in Section 2.12(c) or except as expressly provided in Section 7.05, Lender will continue to hold title to, and will continue to be the lender of record for, each Participated Loan and it will not transfer, sell, assign or in any way encumber any Participated Loan (except pursuant to the Participation Sale Agreement). Lender intends that each sale of an Economic Participation under a Participation Sale Agreement constitutes a “participation” within the meaning of the Federal Deposit Insurance Corporation’s Safe Harbor Rule for Participations, 12 C.F.R. § 360.6, in effect from time to time. Lender intends that each transfer of an Economic Participation under a Participation Sale Agreement will satisfy the conditions for sale accounting treatment under generally accepted accounting principles and Lender agrees to make entries on its books and records to clearly indicate such sale accounting treatment for each transfer of an Economic Participation under a Participation Sale Agreement to each Purchaser as of each applicable Sale Date.

(vi) In respect of any Economic Participation sold hereunder or granted pursuant to Section 2.07 of the Servicing Agreement, Lender shall maintain a register (the “Participant Register”) on which it will enter the name and address of the Purchaser or holder of such Economic Participation, the Participated Loan regarding which such Economic Participation was sold, and the Outstanding Balance (and stated interest) of the
Participated Loan underlying such Economic Participation. Lender hereby appoints Servicer as its non-fiduciary agent for purposes of maintaining the Participant Register,

and Servicer hereby accepts such appointment. The Participant Register shall be available for inspection by Lender upon reasonable request.

(c) **Elevation; Sold Loans.**

(i) On any date after the Required Holding Period has expired for a Loan, such Loan may be designated to become a “Sold Loan” hereunder upon the delivery by Servicer (on behalf of a Purchaser) to Lender of a Loan Designation Notice, which Loan Designation Notice shall designate (A) the identity of the Purchaser of such Loan, (B) the Loan which will be sold to such Purchaser, (C) the proposed Sale Date for such Loan, (D) the proposed Cutoff Date for such proposed sale, and (E) the approximate Purchase Price for such proposed sale. Except as set forth in Section 2.12(c)(iii), any such Loan Designation Notice shall be delivered to Lender not less than one (1) Business Day prior to the proposed Sale Date. Notwithstanding the foregoing, any Loan Designation Notice purporting to designate any Participated Loan as a “Sold Loan” hereunder shall not be valid unless it is countersigned by the applicable Purchaser (as set forth in the Participant Register) of the Economic Participation in such Participated Loan. In connection with any sale of a Loan under this Section 2.12(c)(i), the servicing rights for each Loan sold in such sale shall be automatically sold and transferred by Lender to Servicer (or any designee of Servicer so designated as such in writing to Lender).

(ii) Further, upon the occurrence of a Servicer Default, any Participated Loan may be designated by the applicable Purchaser (as set forth in the Participant Register) of the Economic Participations therein to become a “Sold Loan” hereunder upon the delivery by such Purchaser to Lender (with a copy to the Servicer) of a Loan Designation Notice, which Loan Designation Notice shall designate (A) the identity of the Purchaser of such Loan, (B) the Loan which will be sold to such Purchaser, (C) the proposed Sale Date for such Loan, (D) the proposed Cutoff Date for such proposed sale, and (E) the approximate Purchase Price for such proposed sale. Except as set forth in Section 2.12(c)(iii), any such Loan Designation Notice shall be delivered to Lender not less than one (1) Business Day prior to the proposed Sale Date. Any sale of a Loan under this Section 2.12(c)(ii) shall be on a servicing-released basis.

(iii) If the proposed Purchaser set forth in any Loan Designation Notice described in Sections 2.12(c)(i) or (ii) above (or any other proposed Purchaser regarding whom Servicer has notified Lender in writing, whether or not a Loan Designation Notice has yet been delivered in respect of such proposed Purchaser) is not a Person with whom Lender has already entered into a Loan Sale Agreement, then Lender agrees, subject to Lender’s compliance with any applicable legal or regulatory requirements in respect of such Purchaser (including, without limitation, any applicable “know your customer” and similar requirements), to enter into a Loan Sale Agreement with such proposed Purchaser within fifteen (15) days of the date Lender has received satisfactory documentation necessary to comply with the applicable legal or regulatory requirements for such proposed Purchaser following the receipt of such Loan Designation Notice.
(iv) With respect to any Loan designated for sale in accordance with Section 2.12(c)(i) or (ii), subject to
Lender’s receipt of the Purchase Price for such Loan on or prior to the Sale Date for such Loan and subject to satisfaction
of the Purchase Price Condition (as defined in the Economics Agreement), Lender shall on the Sale Date listed in the
applicable Loan Designation Notice (or such other date as shall be agreed to by the applicable Purchaser, Lender and
(other than in respect of a sale made in respect of Section 2.12(c)(ii), Servicer), sell such Loan to the Purchaser listed in
such Loan Designation Notice.

(v) To the extent that there are outstanding obligations to fund additional loan proceeds and/or future advances
with respect to any Loan designated to become a Sold Loan, then the Purchaser shall agree in the Loan Sale Agreement to
assume all obligations to fund all such amounts as and to the extent drawn down by the applicable borrower.

(d) Lender hereby acknowledges each Purchaser’s right to transfer and/or collateralize assign or otherwise pledge its
rights and interests in an Economic Participation. Lender agrees to cooperate with Servicer and each applicable Purchaser
regarding the sale of Economic Participations to and by such Purchaser, including: (i) considering a reasonable multi-party or
similar agreement with Servicer and Purchaser and, if applicable, Purchaser’s source of financing (and requesting any required
consents or approvals); and (ii) confirming upon request any Purchaser’s assignment of its rights under this Origination
Agreement as such rights relate to any Economic Participations or any Loans underlying such Economic Participations, in any
such case in connection with an asset sale, financing or securitization transaction; provided, however, that Lender shall be
reimbursed by Purchaser for the reasonable and documented out-of-pocket expenses incurred by Lender in connection with
Lender’s cooperation for such asset sale, financing or securitization transaction.

(e) In respect of any Acquired Loan, automatically upon any Acquired Loan ceasing to be a Retained Economics
Loan hereunder, Lender shall be deemed to assign to the applicable Purchaser all repurchase and related rights relating to such
Acquired Loan that Lender has against the seller of the Acquired Loan.

(f) Each Purchaser shall be an express third-party beneficiary of this Section 2.12, with the power to enforce its rights
hereunder as if such Purchaser were a direct party to this Origination Agreement.

ARTICLE III
DAMAGES

Section 3.01 Servicer’s Damages. In the event of a Default by Lender of this Origination Agreement, Lender shall be
liable for all of Servicer’s damages under applicable law, except to extent such damages are attributable to a Default by Servicer
of any Origination Papers, and for the sake of clarity, such Servicer damages shall include, but not be limited to, the Performance
Fee and Servicing Fee due pursuant to the Economics Agreement.
Section 3.02 Lender’s Damages. In the event of a Default by Servicer of this Origination Agreement, Servicer shall be liable for all of Lender’s damages under applicable Law, except to extent such damages are attributable to a Default by Lender of any Origination Papers, and for the sake of clarity, such Lender damages shall include, but not be limited to, any fines or penalties imposed on Lender by any Governmental Authority.

Section 3.03 Types of Damages. Except as expressly provided in Sections 3.01 and 3.02, and except in the case of acts or omissions that constitute fraud or gross negligence, in no event shall either Servicer or Lender, or any of their respective officers, directors, employees, agents or Affiliates, be liable for any indirect, incidental, special, punitive, exemplary or consequential damages of any type whatsoever, including without limitation lost profits (even if advised of the possibility thereof) arising in any way from the transactions contemplated hereunder. The foregoing limitation shall not limit any liabilities, obligations or recoveries pursuant to Section 7.13 of the Servicing Agreement or of the obligation of the Servicer to purchase Loans pursuant to Section 2.07 hereof.

ARTICLE IV
REPRESENTATIONS AND WARRANTIES

Section 4.01 Representations and Warranties of Servicer Relating to Servicer.

(a) Representations and Warranties of Servicer Relating to Servicer. As of the date hereof and as of each Settlement Date, Servicer hereby represents and warrants to, and agrees with, Lender that:

(i) Organization. Servicer is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Georgia and Servicer is qualified to do business and is in good standing in all other jurisdictions in which the nature of the business conducted by it makes such qualification necessary, except where failure to so qualify would not be reasonably likely (either individually or in the aggregate) to have a Material Adverse Effect. Servicer shall be entitled, however, to convert into a Georgia or Delaware corporation. The Servicer shall give the Lender thirty days prior notice of any such conversion.

(ii) Capacity; Authority; Validity. Servicer has all necessary company power and authority to enter into this Origination Agreement and to perform all of the obligations to be performed by it under this Origination Agreement. This Origination Agreement and the other Origination Papers and the consummation by Servicer of the transactions and agreements contemplated hereby and by the other Origination Papers have been duly and validly authorized by all necessary company action on the part of Servicer, and this Origination Agreement and the other Origination Papers have been duly executed and delivered by Servicer and constitute the valid and binding obligation of Servicer and are enforceable against Servicer in accordance with their terms (except as such enforceability may be limited by equitable limitations on the availability of equitable remedies and by bankruptcy and other laws affecting the rights of creditors generally).
(iii) **Conflicts; Defaults.** Neither the execution and delivery of this Origination Agreement or the other Origination Papers by Servicer nor the consummation of the transactions contemplated by this Origination Agreement and the other Origination Papers by Servicer will (A) conflict with, result in the breach of, constitute a default under, or accelerate the performance required by, the terms of any contract, instrument or commitment to which Servicer is a party or by which Servicer is bound, including without limitation, any Program Agreement, (B) violate the articles of organization or the operating agreement of Servicer, (C) result in the creation of any lien, charge or encumbrance upon any of the Loans (except pursuant to the terms hereof), (D) require the consent or approval under any judgment, order, writ, decree, permit or license to which Servicer is a party or by which it is bound, or (E) require the consent or approval of any other party to any contract, instrument or commitment to which Servicer is a party or by which it is bound. Servicer is not subject to any agreement with any regulatory authority which would prevent the consummation by Servicer of the transactions contemplated by this Origination Agreement and the other Origination Papers.

(iv) **Litigation.** There is no claim, or any litigation, proceeding, arbitration, investigation or controversy pending, to which Servicer is a party, and by which it is bound, which adversely affects in a material respect Servicer’s ability to consummate the transactions or obligations contemplated by this Origination Agreement or the other Origination Papers to which it is a party, or which questions the validity or enforceability of any of the Origination Papers to which it is a party or any action to be taken in connection with the transactions contemplated by the Origination Papers to which it is a party, and, To the Best of Servicer’s Knowledge, no claim, litigation, proceeding, arbitration, investigation or controversy has been threatened or is contemplated and no facts exist which would provide a basis for any such claim, litigation, proceeding, arbitration, investigation or controversy.

(v) **No Consent; Etc.** No consent of any Person (including without limitation any member or creditor of Servicer) and no consent, license, permit or approval or authorization or exemption by notice or report to, or registration, filing or declaration with, any Governmental Authority is required (other than those previously obtained and delivered to Lender and other than the filing of financing statements in connection with the transactions hereunder) in connection with the execution or delivery of this Origination Agreement or the other Origination Papers by Servicer, the validity of this Origination Agreement or the other Origination Papers with respect to Servicer, the enforceability of this Origination Agreement or the other Origination Papers against Servicer, the consummation by Servicer of the transactions contemplated hereby or by the other Origination Papers, or the performance by Servicer of its obligations hereunder and under the other Origination Papers.

(vi) **No Material Adverse Effect.** No event has occurred and is existing which would result in a Material Adverse Effect.

(vii) **Compliance with Law.** Servicer has complied in all material respects with all applicable Laws, Orders, Permits, judgments, injunctions, decrees or awards to which it is subject and that relate in any way to this Origination Agreement, the other Origination Papers or the performance by Servicer of its obligations hereunder or thereunder. Servicer has in effect and will have in effect all material Permits (it being agreed that any Permit required for the performance by Servicer of its obligations under this Origination Agreement or the other
Origination Papers that is necessary for a Loan to be validly made and enforceable shall be deemed material) necessary for it to own, lease or operate its Assets, to carry on its business as now conducted and as contemplated hereby, to perform its obligations under this Origination Agreement and the other Origination Papers and to administer, collect and service the Loans under the Origination Papers, and such Permits are in full force and effect, and there has occurred no Default under any such Permit. Servicer is not:

(A) in Default under any of the provision of its operating agreement in any material respect that would result in a Material Adverse Effect;

(B) in Default under any Laws, Orders or Permits applicable to its business or employees conducting its businesses that would result in a Material Adverse Effect; or

(C) in receipt of any notification or communication from any Governmental Authority or the staff thereof (i) asserting that Servicer is not in material compliance with any of the Laws, Orders or Permits which such Governmental Authority enforces, (ii) threatening to revoke, cancel or terminate any material Permits (it being agreed that any Permit required for the performance by Servicer of its obligations under this Origination Agreement or the other Origination Papers that is necessary for a Loan to be validly made and enforceable shall be deemed material) or (iii) requiring Servicer to enter into or consent to the issuance of a cease and desist order, consent order, formal agreement, directive, commitment, or memorandum of understanding, or to adopt any board resolution or similar undertaking, which restricts materially the conduct of its respective business or in any manner relates to capital adequacy, credit or reserve policies or management in any material respect that would cause a Material Adverse Effect.

(b) Notice of Breach. Upon discovery by either Servicer or Lender of a breach of any of the representations and warranties set forth in this Section 4.01, the Party discovering such breach shall give written notice to the other Party within three (3) Business Days following such discovery; provided that the failure to give notice within three (3) Business Days does not preclude subsequent notice.

Section 4.02 Representations and Warranties of Servicer Relating to the Origination Agreement and the Loans.

(a) Representations and Warranties. As of the date hereof and as of each Settlement Date, Servicer hereby represents and warrants to, and agrees with, Lender that:

(i) Enforceability. Each Program Agreement shall constitute a legal, valid and binding obligation of the Servicer enforceable against such applicable Person in accordance with its terms, except as such enforceability may be limited by applicable conservatorship, receivership, insolvency, reorganization, moratorium or other similar laws affecting creditors’ rights generally or general principles of equity.

(ii) No Defaults. There are no existing Defaults by Servicer under this Origination Agreement, the Servicing Agreement or the Program Agreements under which the Loans are originated.
(iii) **Ownership.** Except as otherwise provided herein, upon the funding of a Loan by Lender, Lender shall have full right, title and interest in each such Loan free and clear of all Liens or other encumbrances other than those imposed as a result of Lender’s own actions.

(iv) **Compliance with Law.** In originating and servicing the Loans, Servicer has complied with and will comply with, in all material respects, (and has provided training to its applicable personnel regarding compliance with), and each such Loan complies in all material respects with, all Laws, rules or regulations applicable thereto, including, without limitation, all federal and state laws, rules, regulations related to truth-in-lending, fair credit billing, fair credit reporting, usury, equal credit opportunity, fair credit collection practices and privacy, unfair, deceptive, abusive act or practice, and all other consumer protection Laws and the Bank Secrecy Act, USA PATRIOT Act (including Customer Identification Program (CIP)) requirements and suspicious activity reporting, and OFAC verification (including all rules and regulations now or hereafter promulgated by the Federal Reserve Bank, the Consumer Financial Protection Bureau, the Federal Deposit Insurance Corporation or any other Governmental Authority, in each case, whether or not having the force of law) (such Laws relating to or regulating consumer loans and finance sometimes referred to herein as “Consumer Lending Laws”), each as applicable. The Loans were originated, made, and are at all times being serviced substantially in accordance with those customary origination, servicing and collection practices of prudent lending institutions that originate, make, and/or service loans of the same type as the Loans and in any event in accordance in all material respects with all applicable Laws (including all Consumer Lending Laws).

(v) **Consents.** All material authorizations, consents, orders or approvals of or registrations or declarations with any Governmental Authority required to be obtained, effected or given by Servicer in connection with the origination of Loans as contemplated by Section 2.01(a) have been duly obtained, effected or given and are in full force and effect (it being agreed that any such authorization, consent, order or approval of or registration or declaration with any Governmental Authority required for the performance by Servicer of its obligations under this Origination Agreement or the other Origination Papers that is necessary for a Loan to be validly made and enforceable shall be deemed material).

(vi) **Accuracy of Information.** Assuming the accuracy of the information provided by Borrowers, all information and documentation relating to the Loans submitted to Lender by Servicer pursuant to this Origination Agreement and the Servicing Agreement is true and correct in all material respects and in all material respects accurately reflects the status of each Loan including, but not limited to, the Outstanding Balance thereof, the interest rate thereon, the payment and collection history, identity of all Borrowers, and the performance of the Loan (including whether the Loan is then past due). At the time of approval, all information regarding a given Borrower shall be true and correct in all material respects (although Servicer makes no representation with respect to stated income), and the Servicer has conducted the diligence and inquiries regarding each Borrower in accordance with its “Compliance Management System” (a copy of which was provided to Lender prior to the date hereof) and its supporting policies and procedures and will not alter such diligence or inquiries except as would be consistent with what a prudent lending institution that originates, makes or services loans of the same type would do.
(vii) **Investigation.** Servicer has reviewed all of the documents contained in the loan files and has made customary inquiries to confirm the accuracy of the representations set forth therein.

(viii) **Compliance with Underwriting Criteria and Credit Policy.** Each Borrower, and each Loan made to each Borrower, complies with the Underwriting Criteria and Credit Policy.

(ix) **Anti-Money Laundering.** In originating the Loans, Servicer and any third parties involved in the origination of the Loans have complied with all applicable anti-money laundering laws, including without limitation the USA Patriot Act of 2001, as amended, and any similar applicable Laws (collectively, the “Anti-Money Laundering Laws”); Servicer and any third parties involved in the origination of the Loans have established anti-money laundering compliance programs as required by the Anti-Money Laundering Laws and have conducted the requisite due diligence in connection with the origination of the Loans for purposes of the Anti-Money Laundering Laws; and Servicer maintains, and will maintain, sufficient information to evidence such actions and identify the applicable Borrowers for purpose of the Anti-Money Laundering Laws. Servicer shall ensure that each Borrower is not on any list maintained by the United States Treasury Department’s Office of Foreign Assets Control (the “OFAC list”) of prohibited persons, entities, or prohibited or restricted jurisdictions. Upon request, Servicer shall provide documents and information requested by Lender demonstrating Servicer’s compliance with the referenced laws and regulations including, but not limited to, customer information that was required to be collected during the loan origination process. The audit rights permitted to Lender under this Origination Agreement shall include the right of Lender to review the Servicer’s anti-money laundering compliance program.

(x) **Reasonable Steps.** With respect to each individual assigned by Servicer to perform services for Lender, including originating and Servicing the Loans, Servicer has taken all commercially reasonable steps: (a) to ensure that such individual has not been convicted of any felony or aggravated misdemeanor and has not been banned from the business of banking; (b) to verify that such individual, if performing services in the United States, is eligible to work in the United States in accordance with all applicable laws; and (c) to ensure that such individual is not on any OFAC list. Servicer has taken all commercially reasonable steps to ensure that no entity to which Servicer subcontracts any work under this Origination Agreement or the Servicing Agreement is on the OFAC list. Neither Servicer, nor any of its owners (including without limitation its shareholders, partners and members, as applicable) are on the OFAC list.

(xi) **Acceptable Investment.** To the Best of Servicer’s Knowledge as of the funding date of any Loan, there are no circumstances or conditions with respect to such Loan or the applicable Borrower that can reasonably be expected to cause private institutional investors to regard such Loan as an unacceptable investment, cause such Loan to become delinquent or adversely affect the value or marketability of such Loan.

(xii) **Documentation/Due Execution.** Each loan file for each Loan (which may be electronic) contains the credit agreement, all underwriting documents, all collection notes, and
all formal correspondence and notices, and shall otherwise contain all such information and documentation as required under applicable Laws for the Lender to fund and maintain a given Loan made hereunder. In addition to the loan files, Servicer will maintain proof of the delivery and content of any required disclosures under applicable Law for a Loan. Such loan files and proof of the delivery and content of required disclosures shall be maintained by the Servicer in a manner consistent with these practices of a prudent lending institution. The credit agreement and all other instruments evidencing any Loan have been duly executed by the applicable Borrower with respect thereto.

(b) **Notice of Breach.** Upon discovery by either Servicer or Lender of a breach of any of the representations and warranties set forth in this Section 4.02, the Party discovering such breach shall give written notice to the other Party within three (3) Business Days following such discovery; provided that the failure to give notice within three (3) Business Days does not preclude subsequent notice.

(c) **Limited Remedy in Certain Circumstances.** The Lender shall have as its sole remedy for an unintentional breach of the representation set forth in the second sentence of clause (vi), clause (viii) or the third sentence of clause (xii) the right to require the Servicer to purchase the applicable Loan(s) (or an Economic Participation therein) giving rise to such misrepresentation pursuant to Section 2.07 hereof.

Section 4.03 **Representations and Warranties of Lender.**

(a) **Representations and Warranties of Lender.** As of the date hereof and as of each Settlement Date, Lender hereby represents and warrants to, and agrees with, Servicer that:

(i) **Organization.** Lender is a state bank duly organized, validly existing and in good standing under the laws of the State of Georgia and Lender is qualified to do business and is in good standing in all other jurisdictions in which the nature of the business conducted by it makes such qualification necessary, except where failure to so qualify would not be reasonably likely (either individually or in the aggregate) to have a material adverse effect on (a) the business, operations, assets or financial condition of Lender, or (b) the ability of the Lender to perform its obligations under this Origination Agreement, the Servicing Agreement or the Economics Agreement; provided, however, that the Lender may from time to time re-incorporate or re-charter under any other U.S. or state banking Law.

(ii) **Capacity; Authority; Validity.** Lender has all necessary power and authority to enter into this Origination Agreement and to perform all of the obligations to be performed by it under this Origination Agreement. This Origination Agreement and the other Origination Papers and the consummation by Lender of the transactions contemplated hereby and by the other Origination Papers have been duly and validly authorized by all necessary action on the part of Lender, and this Origination Agreement and the other Origination Papers have been duly executed and delivered by Lender and constitute the valid and binding obligation of Lender and are enforceable against Lender in accordance with their terms (except as such enforceability may be limited by equitable limitations on the availability of equitable remedies and by bankruptcy and other laws affecting the rights of creditors generally).
(iii) **Conflicts; Defaults.** Neither the execution and delivery of this Origination Agreement or the other Origination Papers by Lender nor the consummation of the transactions contemplated by this Origination Agreement and the other Origination Papers by Lender, will

(A) conflict with, result in the breach of, constitute a default under, or accelerate the performance provided by the terms of any contract, instrument or commitment to which Lender is a party or by which it is bound, (B) violate the certificate of incorporation or bylaws, or other equivalent organizational document of Lender, (C) require any consent or approval under any judgment, order, writ, decree, permit or license to which Lender is a party or by which it is bound, or

(D) require the consent or approval of any other party to any contract, instrument or commitment to which Lender is a party or by which it is bound. Lender is not subject to any agreement with any regulatory authority which would prevent the consummation by Lender of the transactions contemplated by this Origination Agreement and the other Origination Papers.

(iv) **Litigation.** There is no claim, or any litigation, proceeding, arbitration, investigation or controversy pending, to which Lender is a party and by which it is bound, which adversely affects in a material respect Lender’s ability to consummate the transactions contemplated by this Origination Agreement or the other Origination Papers to which it is a party, or which questions the validity or enforceability of any of the Origination Papers to which it is a party or any action to be taken in connection with the transactions contemplated by the Origination Papers to which it is a party, and, To the Best of Lender’s Knowledge, no such claim, litigation, proceeding, arbitration, investigation or controversy has been threatened or is contemplated and no facts exist which would provide a basis for any such claim, litigation, proceeding, arbitration, investigation or controversy.

(v) **No Consent, Etc.** No consent of any Person (including without limitation any stockholder or creditor of Lender) and no consent, license, permit or approval or authorization or exemption by notice or report to, or registration, filing or declaration with, any Governmental Authority is required (other than those previously obtained and delivered to Servicer and other than the filing of financing statements in connection with the transfer of the Loans) in connection with the execution or delivery of this Origination Agreement or the other Origination Papers by Lender, the validity of this Origination Agreement or the other Origination Papers with respect to Lender, the enforceability of this Origination Agreement or the other Origination Papers against Lender, the consummation by Lender of the transactions contemplated hereby or by the other Origination Papers, or the performance of Lender of its obligations hereunder and under the other Origination Papers.

(vi) **Compliance with Laws.** The Underwriting Criteria are consistent with Lender’s lending authority under state and federal law, and Lender shall notify Servicer immediately of any change to such lending authority. The Lender (x) is a state bank whose deposits are, as of the date hereof, insured by the Federal Deposit Insurance Corporation and (y) has in effect and will have in effect all material Permits (it being agreed that any Permit required for the performance by Lender of its obligations under this Origination Agreement or the other Origination Papers that is necessary for a Loan to be validly made and enforceable shall be deemed material) necessary for it to own, lease, or operate its Assets and to carry on its business as now conducted and as contemplated hereby and to perform its obligations under this
Origination Agreement and the other Origination Papers, and such Permits are in full force and effect, except, in each case, where the failure to so obtain or maintain such Permit would not have a material adverse effect on the Lender’s ability to perform its obligations hereunder, and, To the Best of Lender’s Knowledge, there has occurred no Default under any such Permit, and the Lender is not:

(A) in Default under any of the provision of its charter or bylaws, in any material respect that would have a material adverse effect on this Origination Agreement or the Servicing Agreement or the transactions contemplated hereby or thereby;

(B) in Default under any Laws, Orders, or Permits applicable to its business or employees conducting its businesses in any material respect that would cause a material adverse effect on this Origination Agreement or the Servicing Agreement; or

(C) in receipt of any notification or communication from any Governmental Authority or the staff thereof (i) asserting that Lender is not in material compliance with any of the Laws or Orders which such Governmental Authority enforces, (ii) threatening to revoke any material Permits or (iii) requiring Lender to enter into or consent to the issuance of a cease and desist order, consent order, formal agreement, directive, commitment, or memorandum of understanding, or to adopt any board resolution or similar undertaking, which restricts materially the conduct of its respective business or in any manner relates to capital adequacy, credit or reserve policies or management in any material respect that would cause a material adverse effect on this Origination Agreement or the Servicing Agreement.

(b) Notice of Breach. Upon discovery by either Servicer or Lender of a breach of any of the representations and warranties set forth in this Section 4.03, the Party discovering such breach shall give written notice to the other Party within three (3) Business Days following such discovery; provided that the failure to give notice within three (3) Business Days does not preclude subsequent notice.

ARTICLE V
COVENANTS

Section 5.01 Covenants of Servicer and Lender.

(a) Covenants of Servicer. Servicer hereby covenants and agrees with Lender as follows:

(i) Ownership Interests. Other than as described in Section 2.12, Servicer will not take any action inconsistent with Lender’s ownership of the Loans, or grant, create, incur, assume or suffer to exist any Lien (arising through or under Servicer) on, any Loan, whether now existing or hereafter created, or any interest therein, and Servicer shall not claim any ownership interest in the Loans and shall defend the right, title and interest of Lender in, to and under the Loans, whether now existing or hereafter created, against all claims of third parties claiming through or under Servicer.
(ii) **Notice of Liens.** Servicer shall notify Lender promptly after becoming aware of any Lien on any Retained Economics Loan, provided the rights and obligations of the parties under Section 2.12, and related matters, shall not be deemed a Lien for this purpose.

(iii) **Official Records.** Servicer shall maintain this Origination Agreement and the Servicing Agreement as a part of its official records.

(iv) **Compliance Testing.** Servicer shall make its facilities and records available to Lender upon reasonable request for quarterly statistical sampling of the Loans, for a review of the loan files of the Loans and for review of such other information and documents as Lender may reasonably request to enable Lender to determine Servicer’s compliance with this Origination Agreement.

(v) [*****].

(vi) **Lender Review of Marketing Materials.**

(A) Servicer agrees to make the Marketing Materials available to Lender, upon Lender’s reasonable request, for Lender’s review; further, Servicer agrees [*****]. Lender may disclose and publicize its involvement with Servicer and, to the extent permitted by the Program Merchants and Sponsors, the Program Merchants and Sponsors. Where the names of other lenders generally are being utilized, Lender shall have the right to have its name used in connection with Marketing Materials delivered to Program Merchants and Sponsors, so long as such publicity and marketing is not, in the reasonable opinion of the Servicer, inappropriate or otherwise unacceptable or inconsistent with the Servicer’s business plan. Further, and in addition to the foregoing, Lender shall retain full control over the use of Lender’s Marks (as defined below) and, in this connection, the Servicer shall not use any Mark without the prior written consent of the Lender, except that Servicer may use Lender’s name in connection with Loan collection activities on behalf of Lender pursuant to the Servicing Agreement. The Servicer and Lender agree that “in-store” marketing of the GreenSky® Program available to customers of a given Program Merchant shall not include the name or trademarks of the Lender. However, the Servicer shall afford the Lender the opportunity (but not the obligation) to have its name and marks included in any Marketing Materials in which other lenders are identified.

(B) If Servicer will be using any Synovus name, tradename, trademark, logo, slogan, domain name, URL or service mark (collectively, “Marks”):

(I) Lender hereby grants to Servicer a limited, revocable, non-exclusive, fully paid-up and royalty-free license under Lender’s rights in the Marks to use in connection with the Program Agreements and the transactions contemplated thereby.
(II) Servicer shall use the Marks in a manner so as to uphold the high quality standards presently associated with the Marks and as directed by Lender in writing. In no event may Servicer combine any of Lender’s Marks without the written consent of Lender.

(III) Servicer agrees that: (a) it has no legal or equitable rights to the Mark other than as expressly set forth herein; (b) its sole right to use the Marks is in connection with this Origination Agreement, the Servicing Agreement and the transactions contemplated thereby; and (c) it must cease all use of the Marks upon any termination of either this Origination Agreement and/or the Servicing Agreement except to the extent that Servicer continues to service Loans under the Servicing Agreement and is required by Accepted Servicing Practices (as defined in the Servicing Agreement) to use the Synovus name or tradename in connection with customary servicing practices.

(IV) Servicer acknowledges that all goodwill arising out of its use of the Marks will inure to the sole benefit of Lender.

(C) Without limiting the generality of the foregoing, Servicer shall not grant permission to any website used to advertise or service the Loans and that uses a Mark to be linked or linked from any other website without the prior written approval of Lender or pursuant to a mutually agreed upon approval process for granting such website linkage. In the event that Servicer has knowledge of such prohibited linkage, Servicer shall use commercially reasonable efforts to, as soon as practicable, remove, or cause to be removed, such link. Without limiting the generality of the foregoing, Servicer shall take all reasonable steps as may be necessary to ensure that its Internet advertising shall be displayed only on websites containing material that is not of a prurient, hateful, illegal, discriminatory or offensive nature.

(vii) *****.

(viii) **Compliance Conditions.** Servicer agrees to comply with the compliance conditions set forth in Schedule A.

(ix) **Performance of Obligations.** *****.

(x) **Required Permits.** Servicer has all material Permits (it being agreed that any Permit required for the performance by Servicer of its obligations under this Origination Agreement or the other Origination Papers that is necessary for a Loan to be validly made and enforceable shall be deemed material) in each jurisdiction in which such a Permit is required for the performance of its obligations under this Origination Agreement or the other Origination Papers. With respect to any such material Permit, in the event any Governmental Authority provides a written notice, directive or inquiry to Servicer that asserts Servicer is in violation of the requirements for such Permit to perform its obligations under this Origination Agreement or the other Origination Papers in a jurisdiction requiring such Permit, Servicer will promptly respond to such notice, directive or inquiry and, to the extent that such Permit is required by
applicable Law, take commercially reasonable actions to obtain such Permit by commencing the application process in such jurisdiction within thirty (30) days after confirmation by such Governmental Authority that such Permit is required and expeditiously pursuing such Permit (or otherwise cause loans in such jurisdiction to cease to be allocated to Lender for origination); provided that if Servicer fails to satisfy its obligations under this Section 5.01(a)(x), then Lender, in its discretion, may direct that servicing of the Loans subject to such jurisdiction be transferred to the Backup Servicer and Servicer shall promptly transfer the servicing of the Loans subject to such jurisdiction to the Backup Servicer, until such time that Servicer obtains such Permit.

(xi) **Subsidiaries Providing Services.** Pursuant to the first paragraph of this Agreement, any direct or indirect wholly-owned subsidiary of GreenSky, LLC may provide or be delegated any duties, obligations or responsibilities of GreenSky, LLC under this Agreement; provided, however, that (i) GreenSky, LLC shall not be released or relieved of any of its duties, obligations or responsibilities under this Agreement or any other Origination Papers, (ii) GreenSky, LLC and any such subsidiary shall be jointly and severally liable for any action or omission of any such subsidiary as if such action or omission were an action or omission of GreenSky, LLC, and (iii) any such subsidiary shall be subject to the audit, review and examination rights of Lender as set forth in this Agreement (including Section 6.03 hereof) and the Servicing Agreement (including Section 2.04 thereof).

(b) **Covenants of Lender.** In the event Servicer has a reasonable basis to believe that the ability of Lender to comply with its obligations under this Origination Agreement is impaired, Lender will provide Servicer, at the request of Servicer, such information as Servicer may reasonably request to enable Servicer to determine whether the Lender has the continued ability to fund Loans in accordance this Origination Agreement; provided, however, that in any event, the Lender shall not be obligated to deliver any such information constituting material non-public information or deliver any information to the extent the delivery thereof could compromise any attorney-client privilege or that would cause undue expense or burden for the Lender to prepare or obtain.

Section 5.02 **Regulatory Inspections.** Each Party shall make available its facilities, personnel and records with regard to the matters relating the Loans for examination or audit when requested by a Governmental Authority with jurisdiction over the other Party.

Section 5.03 **Technology License.** In furtherance of the activities contemplated by this Origination Agreement, Servicer grants Lender a non-exclusive, nontransferable, nonsublicensable, revocable license to use, or for Servicer on Lender’s behalf to use, Servicer’s GreenSky™ Program technology platform and the trademarks, logos, program names and other intellectual property rights made available by Servicer to lenders participating in the GreenSky™ Program in connection with their participation therein (the “Licensed Technology”) during the term of this Origination Agreement solely for the purposes of, and in connection with, Lender’s participation in the GreenSky™ Program. Lender acknowledges and agrees that Servicer will remain the sole and exclusive owner of all right, title and interest in and to the Licensed Technology (including any and all modifications or derivative works thereof) and all intellectual property rights relating thereto, and Lender does not and will not have or acquire any ownership interest in the Licensed Technology (or any modifications or derivative works thereof) or any
intellectual property rights relating thereto under or in connection with this Origination Agreement.

ARTICLE VI
TERM, TERMINATION AND PURCHASE

Section 6.01 Term. This Origination Agreement shall commence as of the Effective Date and shall continue until the earlier of (a) the third anniversary of the Effective Date, provided that (i) the Parties shall discuss in good faith the extension of such date not less than 180 days prior to the expiration date then in effect, and (ii) such date shall be extended automatically for additional two year periods without further action by the Parties, unless not less than 120 days prior to the expiration date then in effect either party gives the other party written notice of nonrenewal; (b) the termination of the Servicing Agreement in accordance with its terms; or (c) the date this Origination Agreement may otherwise be terminated by a party hereto pursuant to the terms hereof (such period of time, the “Term”).

Section 6.02 Failure to Perform. Each of the following shall constitute a “Performance Termination Event”: (i) Servicer fails to satisfy the Compliance Conditions in a material respect; and/or (ii) Servicer is in Default under this Origination Agreement; and/or (iii) a Servicer Default has occurred and is continuing under the Servicing Agreement and/or (iv) the Servicer makes any material misrepresentations hereunder and/or (v) if the average Performance Threshold for any rolling four-month period is greater than [*****]%.

If (x) a Performance Termination Event described in clauses (i), (ii) and/or (iv) occurs and such Performance Termination Event is not cured to the reasonable satisfaction of the Lender within ninety (90) days after Servicer receives notice of such Performance Termination Event, or (y) in the event a Performance Termination Event described in clause (iii) or clause (v) occurs, this Origination Agreement may, at the Lender’s sole option, upon thirty (30) days’ notice (which may run concurrently with the applicable cure period, if any), be terminated, although Lender shall continue to be obligated to (i) fund all approved but not fully funded Retained Loans and Participated Loans that conform to the Credit Policy as of the day prior to the termination date set forth in the notice of the Performance Termination Event until such time as all such Loans have been fully funded and (ii) pay Servicer amounts due pursuant to the Economics Agreement in accordance with its terms. In addition to its termination rights, upon the occurrence of a Performance Termination Event, the Lender may (x) unilaterally amend or modify the Credit Policy and Underwriting Criteria, (y) require the Servicer to purchase one or more Retained Economics Loans pursuant to Section 2.07 hereof if so required therein and/or (z) may otherwise pursue any remedies at law or in equity under all applicable Laws. Notwithstanding the foregoing, in the event that the Lender Servicing Representative (as defined in Schedule 8.4 hereof) obtains actual knowledge that a Performance Termination Event has occurred and the Lender has not notified the Servicer that it elects to terminate this Origination Agreement by reason of the occurrence of such Performance Termination Event (or that it intends to terminate this Origination Agreement if such Performance Termination Event is not cured to the satisfaction of the Lender) within ninety (90) days after the obtaining of such actual knowledge, such Performance Termination Event (but not subsequent Performance Termination Events (even if similar)) shall be deemed waived (unless the parties hereto, in writing or by conduct, have extended the applicable cure period (if any) for such Performance Termination Event or such ninety (90) day cure period).
Section 6.03 Audit/Oversight/Termination for Non-compliance. Servicer agrees to make available its facilities, personnel and records when reasonably requested by Lender (or at any time requested by Lender’s regulators or examiners) at a time to be reasonably agreed to by Servicer, Lender or Lender’s auditors or examiners as appropriate, to enable Lender or its auditors, regulators and examiners to audit Servicer’s internal audit and compliance procedures with respect to Servicer’s: (i) accounting, (ii) information technology and data systems, (iii) data security, (iv) insurance, (v) overall operations, processes and procedures, (vi) loan origination and loan servicing and collection areas, policies and procedures, (vii) compliance with its confidentiality obligations, (viii) use of subservicers and other subcontractors and the monitoring thereof, (ix) new or revised policies, processes, information technology and management of information systems of the Servicer, (x) reputational and conflict-of-interest issues, if any, (xi) Servicer’s process for adjusting to its policies, procedures, and controls in response to changing threats, vulnerabilities, and material breaches or incidents, (xii) compliance with legal and regulatory requirements of all applicable Laws and Consumer Lending Laws and changes and developments with respect thereto and Servicer’s positions regarding regulatory compliance which shall include: (a) providing copies of any related reports or materials, (b) policies and procedures specific to regulatory, compliance, and operational processes set forth in this Origination Agreement, (c) training materials (e.g. web-based, quick reference, FAQs, syllabuses, calendars, course assignments, training frequency, etc.) related to specific Laws and Consumer Lending Laws including without limitation training of new hires, ongoing training, training of contractors and third-parties, and (d) reporting of customer complaints and sufficient detail of each complaint, (xiii) financial condition, and (xiv) the volume, nature, and trends of any complaints by consumers that indicate Servicer might have compliance or risk management issues and the ability to remediate those issues. Such audits may be remote or on-site. Once each calendar quarter (or more frequently if Servicer is in Default or a Performance Termination Event has previously occurred and is continuing or as requested by Lender’s regulators or examiners), at a time to be reasonably agreed to by Servicer and Lender, Lender or its auditors, regulators and examiners shall be entitled to conduct such audits. The Parties will reasonably determine the extent and methodology of the testing or the nature of such audit, subject to the approval of Lender, such approval not to be unreasonably withheld. Further, Servicer shall conduct such self-testing and monitoring, and arrange for such internal audits, as necessary and appropriate to ensure compliance with all requirements of this Origination Agreement and the Servicing Agreement and the development and establishment of contingency planning and obligations applicable to Servicer’s personnel and contractors and Laws (including Consumer Lending Laws). Servicer agrees to correct any material deficiencies noted during these audits (as reasonably determined by Lender) within thirty (30) days of such notice (or within ninety (90) days in the event that Servicer promptly undertakes and continues to actively pursue corrective action within 30 days). Should Servicer not correct any such material deficiencies within such time period (“Noncompliance Event”), Lender is permitted to terminate this Origination Agreement upon ten (10) days’ notice and otherwise exercise remedies as if the Noncompliance Event constituted a Performance Termination Event. If an audit by Lender or any of its auditors, regulators, or examiners, or audit provided to Lender by Servicer reveals any issues or concerns regarding security, systems, confidentiality or compliance with applicable Law (including Consumer Lending Law), or if Lender becomes aware of any issues or concerns regarding security, systems, confidentiality or compliance with applicable Law (including Consumer
Lending Law) with respect to any other lender of Servicer, Lender may conduct additional audits and testing as reasonably necessary until such issues or concerns are resolved to Lender’s reasonable satisfaction. Upon Lender's reasonable request, Servicer shall assist and cooperate with Lender, in conducting and/or responding to any audit or audit request, including assisting in Lender's attempts to obtain certifications or other confirmations, including industry, professional, regulatory or other standards, regulatory or self-regulatory organizations and standard-setting bodies. Lender’s failure to exercise its right to audit Servicer pursuant to this Section shall not act as a waiver of any of this rights or remedies under this Origination Agreement.

Notwithstanding the foregoing, Lender shall continue to be obligated to (i) fund all approved but not fully funded Retained Loans and Participated Loans that conform to the Credit Policy that have been approved as of the day prior to the termination date set forth in the notice of the Noncompliance Event until such time as all such Loans have been fully funded and (ii) pay Servicer amounts due pursuant to the Economics Agreement in accordance with its terms.

Section 6.04 Dissolution Termination. If Servicer voluntarily goes into liquidation or consents to the appointment of a conservator, receiver or liquidator in any insolvency, readjustment of debt, marshalling of assets and liabilities or similar proceeding of or relating to Servicer or of or relating to all or substantially all its property, or a decree or order of a court or agency or supervisory authority having jurisdiction in the premises for the appointment of a conservator, receiver or liquidator in any insolvency, readjustment of debt, marshalling of assets and liabilities or similar proceeding, or for the winding-up or liquidation of its affairs, shall have been entered against Servicer, or Servicer shall admit in writing its inability to pay its debts generally as they become due, file a petition to take advantage of any applicable insolvency or reorganization statute, make an assignment for the benefit of its creditors or voluntarily suspend payment of its obligations (such voluntary liquidation, appointment, entering of such decree, admission, filing, making or suspension, a “Dissolution Event”), Lender shall have the right, at Lender’s sole option upon the date of any such Dissolution Event, to terminate this Origination Agreement and/or appoint a Successor Servicer by written notice to Servicer, and, thereupon, Lender shall have no further duties or obligations to fund Loans. Servicer shall promptly give notice to Lender of any Dissolution Event. Notwithstanding the foregoing, Lender shall continue to be obligated to (i) fund all approved but not fully funded Retained Loans and Participated Loans that conform to the Credit Policy as of the day prior to the termination date set forth in the notice of the Dissolution Event until such time as all such Loans have been fully funded and (ii) pay Servicer amounts due pursuant to the Economics Agreement in accordance with its terms.

Section 6.05 Regulatory Event. Lender may terminate this Origination Agreement and its obligations hereunder, either in whole or with respect to one or more Program Agreements as elected by Lender, upon sixty (60) days prior written notice to Servicer (or less if required by the applicable Governmental Authority) if (a) Lender receives written notification from a Governmental Authority indicating (i) that this Origination Agreement, or any of the transactions contemplated hereby, breaches, violates, contravenes or conflicts with any Law, Order, or Permit (or any interpretation thereof by such Governmental Authority) in any material respect, including, but not limited to, any determination by such Governmental Authority that this Origination Agreement and the transactions contemplated hereby violate or exceed any applicable legal lending limit to which the Lender is subject or (ii) that, with respect to Retained Economics Loans the aggregate outstanding principal balances of which constitutes at least
[*****] percent ([*****]%) of an amount equal to the maximum Commitment Amount (which, if the Commitment Period has expired or been terminated, shall be deemed for such purpose to be the maximum Commitment Amount in effect immediately prior to such expiration or termination), such Retained Economics Loans breach, violate, contravene or conflict with any Law, Order or Permit (or any interpretation thereof by such Governmental Authority) affecting the enforceability, validity or collectability of such Retained Economic Loans, (b) any Governmental Authority commences any formal investigation, legal action or proceeding (other than a Servicer Regulatory Routine Inquiry) against Servicer or any of its Affiliates challenging its authority to administer, market, collect or service Retained Economics Loans the aggregate outstanding principal balances of which constitutes at least [*****] percent ([*****]%) of an amount equal to the maximum Commitment Amount (which, if the Commitment Period has expired or been terminated, shall be deemed for such purpose to be the maximum Commitment Amount in effect immediately prior to such expiration or termination), or otherwise alleging any material non-compliance by Servicer or any of its Affiliates with any applicable Laws related to administering, marketing, collecting, servicing or enforcing Retained Economics Loans the aggregate outstanding principal balances of which constitutes at least [*****] percent ([*****]%) of an amount equal to the maximum Commitment Amount (which, if the Commitment Period has expired or been terminated, shall be deemed for such purpose to be the maximum Commitment Amount in effect immediately prior to such expiration or termination), which investigation, legal action or proceeding, in each case, is not released or terminated in a manner reasonably acceptable to Lender within ninety (90) calendar days of commencement thereof, or (c) any Governmental Authority issues or enters any Order against Servicer or any of its Affiliates (other than a Servicer Regulatory Routine Inquiry) that has a material adverse impact on (i) the administration, marketing, collection, servicing or enforcement of Retained Economics Loans the aggregate outstanding principal balances of which constitutes at least [*****] percent ([*****]%) of an amount equal to the maximum Commitment Amount (which, if the Commitment Period has expired or been terminated, shall be deemed for such purpose to be the maximum Commitment Amount in effect immediately prior to such expiration or termination), (ii) the ability of Servicer or Lender to perform their respective obligations under this Origination Agreement or the other Origination Papers, or (iii) the rights of Lender under this Origination Agreement or the other Origination Papers or the transactions contemplated hereunder and thereunder, provided, that, (x) in each case, upon the favorable resolution of such Order described in this clause (c), as determined by Lender in its reasonable discretion (whether by judgment, withdrawal of such Order, settlement or otherwise) and confirmed by written notice from Lender (not to be unreasonably withheld or delayed), such event shall cease to exist immediately upon such determination by Lender, and (y) for the avoidance of doubt, the issuance of a civil investigative demand, subpoena or other information request by a Governmental Authority shall not, on its own, constitute such an event (each such event described in clause (a), (b) or (c), a “Regulatory Event”); subject to the right of Servicer to cure such Regulatory Event within such sixty (60) days (if such Regulatory Event is subject to cure or if such cure period is permitted by such Governmental Authority), it being agreed that Servicer shall have the right to cure a Regulatory Event by purchasing (or causing its designee to purchase) on a whole loan basis a portion of the Retained Economics Loans impacted by such Regulatory Event (or, if Lender’s ownership of such Retained Economics Loans does not violate applicable Law, Economic Participations in a portion of such Retained Economics Loans) such that the Regulatory Event ceases to exist, with such purchase by Servicer (or its designee) being made in

FACILITY LOAN ORIGINATION AGREEMENT (GreenSky-Synovus) – Page 35
accordance with the terms of Section 2.07 (including the requirements applicable to a proposed designee, as set forth therein). In the event of a termination by reason of a Regulatory Event, Lender shall continue to be obligated to (i) fund all approved but not fully funded Retained Loans and Participated Loans that conform to the Credit Policy that have been previously approved as of the day prior to the termination date set forth in the notice of the Regulatory Event until such time as all such Loans have been fully funded and (ii) pay Servicer amounts due pursuant to the Economics Agreement in accordance with its terms, unless, in either case, the applicable Governmental Authority prohibits or restricts Lender from continuing to take such actions or making such payments. Notwithstanding any provision hereof or in the Servicing Agreement, the Lender shall not be liable for any general, direct, indirect, ordinary, special, consequential or other damages of any kind or nature incurred or sustained by the Servicer or otherwise arising out of the termination of this Origination Agreement or the Servicing Agreement by reason of the termination of this Origination Agreement pursuant to this Section 6.05.

Section 6.06 [*****].

ARTICLE VII
MISCELLANEOUS PROVISIONS

Section 7.01 Amendment. This Origination Agreement may not be modified or amended except by a writing executed by both Parties hereto.

Section 7.02 Governing Law. THIS ORIGINATION AGREEMENT SHALL BE CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF GEORGIA, 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.

Section 7.03 Notices. All demands, notices, documentation, deliverables and communications hereunder shall be in writing and shall be deemed to have been duly given when actually delivered by a nationally recognized overnight courier or, if rejected by the addressee, when so rejected, or, if mailed, when deposited in the United States mail, as first class, certified or registered mail postage prepaid, directed to the address shown below, or via .pdf format or via email upon, in each case, electronic confirmation of receipt thereof by the other Party, as follows:

If to Servicer: GreenSky, LLC
5565 Glenridge Connector, Suite 700
Atlanta, Georgia 30342
Attention: President
and, with respect to formal notices and legal correspondence, with a copy to:

GreenSky, LLC
5565 Glenridge Connector, Suite 700
Atlanta, Georgia 30342
Attention: Chief Legal Officer

If to Lender: Synovus Bank
1111 Bay Avenue
Card Services Director
Columbus, Georgia 31901
Attention: Christopher Pyle

and, with respect to formal notices and legal correspondence, with a copy to:

Synovus Centre
1111 Bay Avenue, Suite 500
Columbus, GA 31901
Attention: General Counsel

Either Party shall have the right to change its notice address to another address within the continental United States of America upon providing notice to the other such Party.

Section 7.04 Severability of Provisions. If any one or more of the covenants, agreements, provisions or terms of this Origination Agreement 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, and terms of this Origination Agreement and shall in no way affect the validity or enforceability of the other provisions of this Origination Agreement.

Section 7.05 Assignment. This Origination Agreement is binding upon the Parties and their successors and assigns. Except as set forth in Section 2.12 with respect to any Economic Participations or Sold Loans, neither Party may assign this Origination Agreement or any of its rights or obligations hereunder to any Person that is not an Affiliate without the prior written consent of the other Party. Any purported assignment to a Person, without such prior written consent or except as otherwise permitted by Section 2.12, shall be void. Notwithstanding the foregoing, (a) provided that any such security interest is released before (or contemporaneously with) any Retained Economics Loan becoming a Participated Loan, Lender may grant a security interest in all or part of the Retained Economics Loans to any Person without limitation or restriction provided that any Person that acquires any security interest therein agrees to be bound by the terms of this Origination Agreement, the Servicing Agreement and the Economics Agreement, (b) in the event that this Origination Agreement has been terminated and any remaining Retained Economic Loan is not then subject to [*****], Lender may sell, convey or assign in such Retained Economics Loan to any Person without limitation or restriction provided that such Person that acquires any interest therein agrees to be bound by the terms of the
Servicing Agreement and the Economics Agreement with respect to such Retained Economic Loan (to the extent that such sale does not occur pursuant to Section 2.12), and (c) subject to Section 6.06, Servicer may assign its interest hereunder as part of the sale, transfer or assignment of all or substantially all of the assets or business of the Servicer or the sale, transfer or assignment of equity interests of the Servicer (or any holding company thereof) so long as such successor to such sale, transfer or assignment assumes in writing all of the obligations of the Servicer hereunder and under the Servicing Agreement in a manner reasonably satisfactory to the Lender.

Section 7.06 Further Assurances. Servicer and Lender agree to do and perform, from time to time, any and all acts and to execute any and all further instruments required or reasonably requested by the other Party more fully to effect the purposes of this Origination Agreement, including, without limitation, the authorization or execution of any financing statements or amendments thereto or equivalent documents relating to the Loans for filing under the provisions of the UCC or other law of any applicable jurisdiction and to provide prompt notification to the other Party of any change in the name or the type or jurisdiction of organization of such Party.

Section 7.07 No Waiver; Cumulative Remedies. No failure to exercise and no delay in exercising, on the part of Servicer or Lender, 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 7.08 Counterparts. This Origination Agreement may be executed in two or more counterparts (and by different Parties on separate counterparts), each of which shall be an original, but all of which together shall constitute one and the same instrument.

Section 7.09 Binding; Third-Party Beneficiaries. This Origination Agreement will inure to the benefit of and are binding upon the Parties hereto and their respective successors and permitted assigns. There are no intended third-party beneficiaries of this Origination Agreement except as described in Section 2.12.

Section 7.10 Merger and Integration. Except as specifically stated otherwise herein, this Origination Agreement, including all schedules and exhibits hereto, the Servicing Agreement, the Economics Agreement and the Origination Papers, set forth the entire understanding of the Parties relating to the subject matter hereof, and all prior understandings, written or oral, are superseded by this Origination Agreement and the Origination Papers. This Origination Agreement may not be modified, amended, waived or supplemented except as provided herein.

Section 7.11 Headings. The headings are for purposes of reference only and shall not otherwise affect the meaning or interpretation of any provision hereof.
Section 7.12 Survival. All representations, warranties and agreements contained in this Origination Agreement shall remain operative and in full force and effect and shall survive the termination of this Origination Agreement. In addition, the termination or expiration of this Origination Agreement shall not affect the rights of either Party to recover for breaches occurring prior thereto or with respect to provisions of this Origination Agreement that by their terms continue after termination.

Section 7.13. Waiver of Jury Trial.

(a) EACH PARTY HERETO ACKNOWLEDGES THAT ANY DISPUTE OR CONTROVERSY BETWEEN THE SERVICER AND THE LENDER WOULD BE BASED ON DIFFICULT AND COMPLEX ISSUES OF LAW AND FACT AND WOULD RESULT IN DELAY AND EXPENSE TO THE PARTIES. ACCORDINGLY, TO THE EXTENT PERMITTED BY APPLICABLE LAW, EACH OF THE LENDER AND THE SERVICER HEREBY WAIVES ITS RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING OF ANY KIND OR NATURE IN ANY COURT OR TRIBUNAL IN WHICH AN ACTION MAY BE COMMENCED BY OR AGAINST ANY PARTY HERETO ARISING OUT OF THIS ORIGINATION AGREEMENT, THE SERVICING AGREEMENT, ANY LOAN AND/OR THE TRANSACTIONS CONTEMPLATED HEREBY AND/OR THEREBY OR BY REASON OF ANY OTHER SUIT, CAUSE OF ACTION OR DISPUTE WHATSOEVER BETWEEN OR AMONG THE SERVICER OR THE LENDER OF ANY KIND OR NATURE RELATING TO ANY OF THIS ORIGINATION AGREEMENT, THE SERVICING AGREEMENT OR THE LOANS.

(b) EACH OF THE SERVICER AND THE LENDER HEREBY AGREES THAT THE FEDERAL DISTRICT COURT OF THE NORTHERN DISTRICT OF GEORGIA AND ANY STATE COURT LOCATED IN ATLANTA, GEORGIA, SHALL HAVE THE EXCLUSIVE JURISDICTION TO HEAR AND DETERMINE ANY CLAIMS OR DISPUTES BETWEEN THE SERVICER AND THE LENDER, PERTAINING DIRECTLY OR INDIRECTLY TO THIS ORIGINATION AGREEMENT, THE SERVICING AGREEMENT, ANY LOAN AND/OR THE TRANSACTIONS CONTEMPLATED HEREBY AND/OR THEREBY OR TO ANY MATTER ARISING HEREFROM OR THEREFROM. THE SERVICER AND THE LENDER EXPRESSLY SUBMIT AND CONSENT IN ADVANCE TO SUCH JURISDICTION IN ANY ACTION OR PROCEEDING COMMENCED IN SUCH COURTS WITH RESPECT TO SUCH CLAIMS OR DISPUTES. EACH PARTY FURTHER WAIVES ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE VENUE OF ANY SUCH ACTION OR PROCEEDING IN ANY SUCH COURT OR THAT SUCH ACTION OR PROCEEDING WAS BROUGHT IN AN INCONVENIENT FORUM, AND EACH AGREES NOT TO PLEAD OR CLAIM THE SAME. THE CHOICE OF FORUM SET FORTH IN THIS SECTION SHALL NOT BE DEEMED TO PRECLUDE THE BRINGING OF ANY ACTION BY THE A PARTY HERETO OR THE ENFORCEMENT BY A PARTY HERETO OF ANY JUDGMENT OBTAINED IN SUCH FORUM IN ANY OTHER APPROPRIATE JURISDICTION.
(c) Each Party acknowledges that it has been represented by legal counsel of its own choosing and has been advised of the intent, scope and effect of this Section 7.13 and has voluntarily entered into this Origination Agreement and this Section 7.13.

ARTICLE VIII
SUPPLEMENTAL PROVISIONS

The covenants and obligations of the Parties set forth in the following Schedules and Exhibits are hereby incorporated by reference herein (in addition to other incorporations by reference set forth herein):

Schedule A Compliance Conditions
Schedule B Underwriting Criteria
Schedule C [*****]
Schedule 8.1 – Confidentiality and Security
Schedule 8.2 Business Continuity
Schedule 8.3 – Servicer’s Personnel
Schedule 8.4 – Compliance and Legal Action
Schedule 8.5 – Regulatory Examinations
Schedule 8.6 – Notification of Significant Changes
Exhibit A – Form of Loan Designation Notice
Exhibit B – Form of Loan Sale Agreement
Exhibit C – Form of Participation Sale Agreement
Exhibit D – Form of [*****]
IN WITNESS WHEREOF, Servicer and Lender have caused this Agreement to be duly executed by their respective officers as of the day and year first above written.

GREENSKY, LLC

By: /s/ Timothy D. Kaliban  
Name: Timothy D. Kaliban  
Title: President

SYNOVUS BANK

By: /s/ Christopher Pyle  
Name: Christopher Pyle  
Title: Group Executive
AMENDMENT NO. 1 TO LOAN ORIGINATION AGREEMENT

THIS AMENDMENT NO. 1 TO LOAN ORIGINATION AGREEMENT (this “Amendment”) is made as of June 30, 2020 (the “Effective Date”) by and between GreenSky, LLC, a Georgia limited liability company (“Servicer”), and BMO Harris Bank N.A., a national banking association (“Lender”). Capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed to such terms in the Loan Origination Agreement (as defined herein).

WITNESSETH:

WHEREAS, Lender and Servicer have previously entered into that certain Loan Origination Agreement dated as of November 5, 2018 (collectively, the “Loan Origination Agreement”);

WHEREAS, Lender and Servicer desire to amend the Loan Origination Agreement as set forth herein;

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Lender and Servicer hereby agree as follows:

1. The Loan Origination Agreement is hereby amended as follows:

a. Schedule H attached to the Loan Origination Agreement is hereby deleted in its entirety and Schedule H attached to this Amendment is substituted in lieu thereof.

2. Except as expressly amended hereby, the Loan Origination Agreement shall remain in full force and effect.

3. This Amendment may be executed and delivered by Lender and Servicer in facsimile or PDF format and in any number of separate counterparts, all of which, when delivered, shall together constitute one and the same document.

[Signature page follows]
IN WITNESS WHEREOF, the parties have executed this Amendment as of the date first above written.

SERVICER:

GREENSKY, LLC

By: /s/ Timothy D. Kaliban
Name: Timothy D. Kaliban
Title: President

LENDER:

BMO HARRIS BANK N.A.

By: /s/ Mark Shulman
Name: Mark Shulman
Title: Head, Consumer Lending
Schedule H Servicer Reports
Exhibit 31.1

Certification
Pursuant to Rule 13a-14(a)

I, David Zalik, certify that:

1. I have reviewed this quarterly report on Form 10-Q of GreenSky, Inc.;

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 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 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: August 10, 2020

/s/ David Zalik
David Zalik
Chief Executive Officer and
Chairman of the Board of Directors
Certification
Pursuant to Rule 13a-14(a)

I, Robert Partlow, certify that:

1. I have reviewed this quarterly report on Form 10-Q of GreenSky, Inc.;

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 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 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: August 10, 2020

/s/ Robert Partlow
Robert Partlow
Executive Vice President and
Chief Financial Officer
Certification
Pursuant to Rule 18 U.S.C. Section 1350

In connection with the Quarterly Report on Form 10-Q of GreenSky, Inc. (the “Company”) for the period ended June 30, 2020, as filed with the U.S. Securities and Exchange Commission (the “Report”), I, David Zalik, Chief Executive Officer and Chairman of the board of directors of the Company, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 10, 2020

/s/ David Zalik

David Zalik
Chief Executive Officer and
Chairman of the Board of Directors
Certification
Pursuant to Rule 18 U.S.C. Section 1350

In connection with the Quarterly Report on Form 10-Q of GreenSky, Inc. (the “Company”) for the period ended June 30, 2020, as filed with the U.S. Securities and Exchange Commission (the “Report”), I, Robert Partlow, Executive Vice President and Chief Financial Officer of the Company, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 10, 2020

/s/ Robert Partlow
Robert Partlow
Executive Vice President and
Chief Financial Officer