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

FORM 10-K

(MARK ONE)

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017

OR

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

FOR THE TRANSITION PERIOD FROM TO

Commission File Number 001-36779

On Deck Capital, Inc.
(Exact name of registrant as specified in its charter)

Delaware	**42-1709682**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**

1400 Broadway, 25th Floor
New York, New York 10018
(Address of principal executive offices)

(888) 269-4246
(Registrant's telephone number, including area code)

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

Title of each class	Name of each exchange on which registered
Common Stock, par value $0.005 per share	**New York Stock Exchange**

Securities registered pursuant to Section 12(g) of the Act:
None.

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

Indicate by check mark whether the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. YES ☐ NO ☒

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data file required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). YES ☒ NO ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☐

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

Large accelerated filer	☐	Accelerated filer	☒
Non-accelerated filer	☐ (Do not check if a smaller reporting company)	Smaller reporting company	☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). YES ☐ NO ☒

The aggregate market value of the common stock by non-affiliates of the registrant, based on the closing price of a share of the registrant's common stock on June 30, 2017 (the last business day of the registrant's most recently completed second fiscal quarter) as reported by the New York Stock Exchange on such date was $232,319,356. Shares of the registrant's common stock held by each executive officer, director and holder of 10% or more of the outstanding common stock have been excluded in that such persons may be deemed to be affiliates. This calculation does not reflect a determination that certain persons are affiliates of the registrant for any other purpose.

The number of shares of the registrant's common stock outstanding as of February 20, 2018 was 74,028,096.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's definitive Proxy Statement for its 2018 Annual Meeting of Stockholders are incorporated by reference in Part III of this Annual Report on Form 10-K. Such Proxy Statement will be filed with the U.S. Securities and Exchange Commission within 120 days after the end of the fiscal year to which this report relates. Except with respect to information specifically incorporated by reference in this Form 10-K, the Proxy Statement is not deemed to be filed as part of this Form 10-K.

On Deck Capital, Inc.

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 and other legal authority. These forward-looking statements concern our operations, economic performance, financial condition, goals, beliefs, future growth strategies, objectives, plans and current expectations.

Forward-looking statements appear throughout this report including in Item 1. Business, Item 1A. Risk Factors, Item 3. Legal Proceedings and Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations. Forward-looking statements can generally be identified by words such as "will," "enables," "expects," "intends," "may," "allows," "plan," "continues," "believes," "anticipates," "estimates" or similar expressions.

Forward-looking statements are neither historical facts nor assurances of future performance. They are based only on our current beliefs, expectations and assumptions regarding the future of our business, anticipated events and trends, the economy and other future conditions. As such, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict and in many cases outside our control. Therefore, you should not rely on any of these forward-looking statements. Our expected results may not be achieved, and actual results may differ materially from our expectations.

Important factors that could cause or contribute to such differences include risks relating to: our ability to attract potential customers to our platform and broaden our distribution capabilities and offerings; the degree to which potential customers apply for loans, are approved and borrow from us; anticipated trends, growth rates, loan originations, volume of loans sold and challenges in our business and in the markets in which we operate; the ability of our customers to repay loans and our ability to accurately assess creditworthiness; our ability to adequately reserve for loan losses; the impact of our decision to tighten our credit policies; our liquidity and working capital requirements, including the availability and pricing of new debt facilities, extensions and increases to existing debt facilities, increases in our corporate line of credit, securitizations and *OnDeck Marketplace* ® sales to fund our existing operations and planned growth, including the consequences of having inadequate resources to fund additional loans or draws on lines of credit; our reliance on our third-party service providers and the effect on our business of originating loans without third-party funding sources; the impact of increased utilization of cash or incurred debt to fund originations; the effect on our business of utilizing cash for voluntary loan purchases from third parties ; the effect on our business of the current credit environment and increases in interest rate benchmarks; our ability to hire and retain necessary qualified employees in a competitive labor market; practices and behaviors of members of our funding advisor channel and other third parties who may refer potential customers to us; changes in our product distribution channel mix and/or our funding mix; our ability to anticipate market needs and develop new and enhanced offerings to meet those needs; lack of customer acceptance of possible increases in interest rates and origination fees on loans; maintaining and expanding our customer base; the impact of competition in our industry and innovation by our competitors; our anticipated and unanticipated growth and growth strategies, including the possible introduction of new products or features, our strategy to expand the availability of our platform to other lenders through OnDeck-as-a-Service and possible expansion in new or existing international markets, and our ability to effectively manage that growth; our reputation and possible adverse publicity about us or our industry; the availability and cost of our funding, including challenges faced by the expiration of existing debt facilities; the impact on our business of funding loans from our cash reserves; locating funding sources for new types of loans that are ineligible for funding under our existing credit or securitization facilities and the possibility of reducing originations of these loan types; the effect of potential selective pricing increases; our expected utilization of OnDeck *Marketplace* and the available OnDeck *Marketplace* premiums ; our failure to anticipate or adapt to future changes in our industry; the impact of the Tax Cuts and Jobs Act of 2017 and any related Treasury regulations, rules or interpretations, if and when issued; our ability to offer loans to our small business customers that have terms that are competitive with alternative sources of capital; our ability to issue new loans to existing customers that seek additional capital; the evolution of technology affecting our offerings and our markets; our compliance with applicable local, state and federal and non-U.S. laws, rules and regulations and their application and interpretation, whether existing, modified or new; our ability to adequately protect our intellectual property; the effect of litigation or other disputes to which we are or may be a party; the increased expenses and administrative workload associated with being a public company; failure to maintain an effective system of internal controls necessary to accurately report our financial results and prevent fraud; the estimates and estimate methodologies used in preparing our consolidated financial statements; the future trading prices of our common stock, the impact of securities analysts' reports and shares eligible for future sale on these prices; our ability to prevent or discover security breaks, disruption in service and comparable events that could compromise the personal and confidential information held in our data systems, reduce the attractiveness of our platform or adversely impact our ability to service our loans ; and other risks, including those described in this report in Item 1A. Risk Factors and other documents that we file with the Securities and Exchange Commission, or SEC, from time to time which are available on the SEC website at www.sec.gov .

Except as required by law, we undertake no duty to update any forward-looking statements. Readers are also urged to carefully review and consider all of the information in this report, as well as the other documents we make available through the SEC's website.

When we use the terms “OnDeck,” the “Company,” “we,” “us” or “our” in this report, we are referring to On Deck Capital, Inc. and its consolidated subsidiaries unless the context requires otherwise.

PART I

Item 1. Business

Our Company

We are a leading platform for online small business lending. We continue to transform small business lending by making it efficient and convenient for small businesses to access capital. Our platform touches every aspect of the customer life cycle, including customer acquisition, sales, scoring and underwriting, funding, and servicing and collections. Enabled by our proprietary technology and analytics, we aggregate and analyze thousands of data points from dynamic, disparate data sources, and the relationships among those attributes, to assess the creditworthiness of small businesses rapidly and accurately. The data points include customer bank activity shown on their bank statements, business and personal credit bureau reports, government filings, tax and census data. In addition, in certain instances we also analyze reputation and social data. Small businesses can apply for a term loan or line of credit, 24 hours a day, 7 days a week, on our website in minutes and, using our proprietary OnDeck *Score* ®, we can make a funding decision immediately and transfer funds as fast as the same day. We have originated more than $8 billion of loans since we made our first loan in 2007.

In 2017 , 2016 and 2015 , we originated $2.1 billion , $2.4 billion and $1.9 billion of loans, respectively. Our originations have been supported by a diverse and scalable set of funding sources, including committed debt facilities, securitization facilities and OnDeck *Marketplace* , our whole loan sale platform for institutional investors. In 2017 , 2016 and 2015 , we recorded gross revenue of $351.0 million , $291.3 million and $254.8 million , respectively, representing year-over-year growth of 20% , 14% and 61% , respectively. In 2017 , 2016 and 2015 , our net loss attributable to On Deck Capital, Inc. common stockholders was $11.5 million , $83.0 million and $1.3 million , respectively, our loss from operations was $13.6 million , $85.1 million and $1.9 million , respectively, and our Adjusted Net Income (Loss), a non-GAAP financial measure, was $1.0 million , $(67.0) million and $10.3 million respectively. See Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations—Non-GAAP Financial Measures for a discussion and reconciliation of Adjusted Net Income to net loss. As of December 31, 2017 , our total assets were $996.0 million and the Unpaid Principal Balance on our loans outstanding was $936.2 million .

We were incorporated in the state of Delaware on May 4, 2006. We operate from our headquarters in New York, New York and also have offices in Arlington, Virginia, Denver, Colorado, Sydney, Australia and Toronto, Canada. Additional information about us is available on our website at http://www.ondeck.com. The information on our website is not incorporated herein by reference and is not a part of this report.

OnDeck, the OnDeck logo, OnDeck *Score* , OnDeck *Marketplace* and other trademarks or service marks of OnDeck appearing in this report are the property of OnDeck. Trade names, trademarks and service marks of other companies appearing in this report are the property of their respective holders. We have generally omitted the ® and ™ designations, as applicable, for the trademarks used in this report.

Our Market and Solution

The small business lending market is vast and underserved. According to the FDIC, of business loans in the United States with originations under $250,000, there were $207 billion in outstanding business loans at June 30, 2017 across 24.7 million loans.

We offer small businesses a suite of financing options with our term loans and lines of credit that can meet the needs of small businesses throughout their life cycle. Since we made our first loan in 2007, we have originated more than $8 billion of loans across more than 700 industries in all 50 U.S. states, Canada and Australia. The top five states in which we, or our issuing bank partner, originated loans in 2017 were California , Florida , Texas , New York and Illinois , representing approximately 14% , 9% , 9% , 7% and 4% of our total loan originations, respectively. As of December 31, 2017 , our customers have a median annual revenue of approximately $ 631,000 , with 90% of our customers having between $162,106 and $3.8 million in annual revenue, and have been in business for a median of 8 years, with 90% in business between 2 and 30 years. During 2017 , the average size of a term loan we made was approximately $57,000 and the average size of a line of credit extended to our customers was approximately $23,000 .

We believe our scale offers significant benefits including lower customer acquisition costs, access to a broader dataset, better underwriting decisions and a lower cost of capital compared to certain smaller online lending businesses.

We believe our customers choose us because we provide the following key benefits sought by small business borrowers:

- *Tailored Solutions* . We offer small businesses a suite of financing choices with our term loans and lines of credit that we believe can be tailored to effectively address small businesses' particular funding needs. We believe that small businesses

prefer to work with providers with whom they can build long-term relationships and that the range of our offerings makes us an ideal lending partner. Our term loans are available from $5,000 up to $500,000 with maturities of three to 36 months and our lines of credit range from $6,000 to $100,000 and are generally repayable within six months of the date of most recent draw. We believe this provides a wider range of term lengths, pricing alternatives and repayment options than any other online small business lender. We also report back to several business credit bureaus, which can help small businesses build their business credit.

- *Simple* . Small businesses can submit an application on our website in as little as minutes. We are able to provide many loan applicants with an immediate decision and, if approved, transfer funds as fast as the same day. Because we require no in-person meetings, collect comprehensive information electronically and have an intuitive online application form, we have been able to significantly increase the convenience and efficiency of the application process without burdensome documentation requirements.
- *Human* . Being “human” is about understanding, having empathy for our customers and treating them with respect. We employ a hybrid approach to delivering a "human" experience, where people and technology complement one another. Our internal sales force and customer service representatives provide assistance throughout the application process and the life of the loan. Our U.S-based representatives support customers in the U.S., and currently also Canada, and our separate Sydney-based representatives support customers in Australia. Our representatives are available Monday through Saturday before, during and after regular business hours to accommodate the busy schedules of small business owners. Our website enables our customers to complete the loan application process online, but they may also elect to mail, fax or email us their application and related documentation. We believe that our inclusion of the human element differentiates us from many digital lenders that attempt to complete transactions with no human interaction as well as from banks that, we believe, have a poor history of customer service and satisfaction.

Our Competitive Strengths

We believe the following competitive strengths differentiate us and serve as barriers for others seeking to enter our market:

- *Significant Scale* . We have originated over $8 billion in loans across more than 700 industries since we made our first loan in 2007 and maintain a proprietary database of more than 18 million small businesses.
- *Proprietary Small Business Credit Evaluation* . We use data analytics and technology to optimize our business operations and the customer experience. Our proprietary data and analytics engine and the OnDeck *Score* provide us with significant visibility and predictability to assess the creditworthiness of small businesses and allow us to better serve more customers across more industries. With each loan application, each originated loan and each payment received, our dataset expands and our OnDeck *Score* improves. We are able to lend to more small businesses than if we relied on personal credit scores alone. We are also able to use our proprietary data and analytics engine to pre-qualify customers and market to those customers we believe are predisposed to take a loan and have a higher likelihood of approval. When we believe it is warranted, we may also utilize our hybrid approach which utilizes our judgmental underwriting to help tailor the right financial solution for our customers.
- *End-to-End Integrated Technology Platform* . We built our integrated platform specifically to meet the financing needs of small businesses. Our platform touches every aspect of the customer life cycle, including customer acquisition, sales, scoring and underwriting, funding, and servicing and collections. This purpose-built infrastructure is enhanced by robust fraud protection, multiple layers of security and proprietary application programming interfaces. It enables us to deliver a superior customer experience and facilitates agile decision making. We use our platform to underwrite, process and service all of our small business loans regardless of distribution channel.
- *Diversified Distribution Channels* . We are enhancing distribution capabilities through diversified distribution channels, including direct marketing, strategic partnerships and funding advisors. Our direct marketing includes direct mail, outbound calling, social media and other online marketing channels. Our strategic partners, including banks, payment processors and small business-focused service providers, offer us access to their base of small business customers, and data that can be used to enhance our targeting capabilities. We also have relationships with a large network of funding advisors, including businesses that provide loan brokerage services, which drive distribution and aid brand awareness. Our internal sales force contacts potential customers, responds to inbound inquiries from potential customers, and is available to assist all customers throughout the application process.
- *Singular Focus and Visibility.* We are passionate about small businesses. Since we began lending in 2007, we have focused exclusively on assessing and delivering credit to small businesses. We believe this passion, focus and small business credit expertise provides us with significant competitive advantages, including deep insight into small businesses and their financing needs. Our partnerships with well-known companies such as JPMorgan Chase Bank, National Association, or JPM, Intuit Inc. and others also help increase our visibility and validate our brand. As an NYSE listed company, we

are required to meet high standards of transparency and financial reporting as well as to satisfy numerous other legal requirements. We believe the combination of these factors strengthens our position as we compete for customers.

- *High Customer Satisfaction and Repeat Customer Base* . Our strong value proposition has been validated by our customers. We achieved an overall Net Promoter Score of 79 for the three months ended December 31, 2017 based on our internal survey of U.S. customers in all three of our distribution channels. The Net Promoter Score is a widely used index ranging from negative 100 to 100 that measures customer loyalty. Our score places us at the upper end of customer satisfaction ratings and compares favorably to the average Net Promoter Score of 35 for the financial services industry. We have also consistently achieved an A+ rating from the Better Business Bureau. We believe that high customer satisfaction has played an important role in repeat borrowing by our customers. In 2017 , 2016 , and 2015 , 52% , 53% and 57% , respectively, of loan originations were by repeat term loan customers, who either replaced their existing term loan with a new, usually larger, term loan or took out a new term loan after paying off their existing OnDeck term loan in full. Repeat customers generally demonstrate improvements in key metrics such as revenue and bank balance when they return for an additional loan. From our 2015 customer cohort, customers who took at least three loans grew their revenue and bank balance, respectively, on average by 37% and 50% from their initial loan to their third loan. Similarly, from our 2016 customer cohort, customers who took at least three loans grew their revenue and bank balance, respectively, on average by 35% and 42% . Approximately 27.7% percent of our origination volume from repeat customers in 2017 was due to unpaid principal balances rolled from existing loans directly into new loans. Each repeat customer seeking another term loan must meet the following standards:
  - the business must be approximately 50% paid down on its existing loan;
  - the business must be current on its outstanding OnDeck loan with no material delinquency history; and
  - the business must be fully re-underwritten and determined to be of adequate credit quality.
- *Durable Business Model* . Since we began lending in 2007, we have successfully operated our business through both strong and weak economic environments. Our real-time data, short duration loans, automated daily and weekly collections, risk management capabilities and unit economics enable us to react rapidly to changing market conditions.
- *Differentiated Funding Platform* . We source capital through multiple channels, including debt facilities, securitizations and OnDeck *Marketplace* , a whole loan sale platform for institutional investors. This diversity provides us with a mix of scalable funding sources, long-term capital commitments and access to flexible funding for growth. In addition, because we contribute a portion of the capital for each loan we fund via our debt facilities and securitizations, we are able to align interests with our investors.

Our Strategy for Growth

Our vision is to become the first choice lender to underserved small businesses, and to accomplish this, we intend to:

- *Expand Offerings* . We will continue developing financing solutions and enhancements for underserved small businesses throughout their life cycle. We offer lines of credit with limits up to $100,000 and term loans up to $500,000 with terms up to 36-months. In 2018, we plan to launch a real-time funding option to small businesses via their debit cards through our agreements with Ingo Money and Visa. In addition, based on successful testing in 2017, we expect to introduce other new features to make our offerings more relevant and flexible. Our goal in expanding our offerings is to provide more comprehensive solutions for our current customers as well as to attract more new OnDeck customers. We regularly evaluate our product range and explore new ideas including variations of existing loans through test pilot programs before new loans or loan enhancements are fully introduced.
- *Continue to Acquire Customers Through Direct Marketing and Sales* . We plan to continue efficient investment in direct marketing and sales to add new customers and increase our brand awareness. Through this channel, we make contact with prospective customers utilizing direct mail, outbound calling, social media and online marketing. As our dataset expands, we will continue to pre-qualify and market to those customers we believe are predisposed to take a loan and have a higher likelihood of approval. We have seen success from this strategy as the Direct Marketing channel contributed more than any other channel, in terms of absolute dollars, to our originations in 2017 and over the same period achieved lower customer acquisition costs on a per dollar funded basis.
- *Broaden Distribution Capabilities Through Strategic Partners and Funding Advisors.* Through our Strategic Partner channel, we are introduced to prospective customers by third parties that serve or otherwise have access to the small business community in the regular course of their business. Strategic partners conduct their own marketing activities which may include email marketing, leveraging existing business relationships and direct mail. Strategic partners include, among others, small business-focused service providers, other financial institutions, financial and accounting solution

providers, payment processors, independent sales organizations and financial and other websites. Our business development team is dedicated to expanding our network of strategic partners and leveraging their relationships with small businesses to acquire new customers. In general, if a strategic partner refers a customer that takes a loan from us, we pay that strategic partner a fee based on the amount of the originated loan. Strategic partners differ from funding advisors (described below) in that strategic partners generally provide a referral to our direct sales team and our direct sales team is the main point of contact with the customer. On the other hand, funding advisors serve as the main points of contact with the customer on its initial loan and may help a customer access multiple funding options besides those we offer. As such, funding advisors' commissions generally exceed strategic partners' referral fees. We generally do not recover these commissions or fees upon default of a loan. Generally, no other fees are paid to strategic partners.

Through our Funding Advisor Program, we make contact with prospective customers by entering into relationships with third-party independent advisors, known as Funding Advisor Program partners, or FAPs, that typically offer a variety of financial services to small businesses. FAPs conduct their own marketing activities, which may include direct mail, online marketing, paid leads, television and radio advertising or leveraging existing business relationships. FAPs include independent sales organizations, commercial loan brokers and equipment leasing firms. FAPs act as intermediaries between potential customers and lenders by brokering business loans on behalf of potential customers. As part of our FAP strategy, we require a detailed certification process, including background checks, to approve a FAP, and annual recertifications in order to remain a FAP. We also employ a senior compliance officer whose responsibilities include overseeing compliance matters involving our Funding Advisor Program channel. Our relationships with FAPs provide for the payment of a commission at the time the term loan is originated or line of credit account is opened. We generally do not recover these commissions upon default of a loan. As of December 31, 2017 , we had active relationships with more than 400 FAPs, and in 2017, 2016 and 2015, no single FAP was associated with more than 2% , 2% , and 2% of our total originations, respectively.

- *Extend Customer Lifetime Value* . We believe we have an opportunity to increase revenue and loyalty from new and existing customers, thereby extending customer lifetime value. We seek to accomplish this by accommodating our customers' needs as they grow and as their funding needs increase and change. We continue to add benefits to our customer offerings to increase engagement and usage of our platform. For example, in 2016, we introduced new online features including downloadable monthly statements and payment transaction reports, and new digital content, and in 2017 we continued to explore opportunities to incorporate flexibility into our funding features.
- *Funnel Optimization* . During 2017, we strategically tightened our credit policy in light of higher than expected loss rates within several areas of our 2016 and older loan cohorts. We believe we have now identified several opportunities to further refine our decisioning model which will allow us to responsibly grant credit to certain portions of populations that underperformed historically. In addition, we will issue more conservative loan offers to populations that in the past might have received higher loan amounts or longer terms, reducing risk in those populations through lower payment stress and duration risk.
- *OnDeck-as-a-Service* . We believe that an opportunity exists to leverage the decisioning strength of our platform and the OnDeck *Score* , as evidenced by our partnership with JPM, which uses our platform to make loan decisions for their own customers. We are actively seeking to expand the availability of OnDeck-as-a-Service to other appropriate partners, and expect to announce another major bank partner in 2018.
- *International Growth* . We plan to grow our business, while closely monitoring and adjusting our pricing and acquisition costs, in both Canada and Australia, where we believe the markets for online small business loans are still relatively new and underserved. Although we believe there are other promising international markets, our near term plans do not include expansion into additional countries.

Our Loans and Loan Pricing

We offer term loans and lines of credit to eligible small businesses. We currently offer term loans from $5,000 to $500,000. The principal amount of our term loan is a function of our credit risk and cash flow assessments of the customer's ability to repay the loan. The original term of each individual term loan ranges from 3 to 36 months. Customers repay our term loans through fixed, automatic ACH collections from their business bank account on either a daily or weekly basis. Certain term loans are originated by our issuing bank partner and loans that we purchase from our issuing bank partner have similar performance and characteristics to loans that we originate. We offer a revolving line of credit with fixed six month level-yield amortization on amounts outstanding and automated weekly payments. We currently offer lines of credit from $6,000 to $100,000. A customer may be offered a line of credit based on our credit risk assessment of the customer's ability to repay the line of credit. During the first quarter of 2016, we began to purchase lines of credit from our issuing bank partner.

Our loans are priced based on a risk assessment generated by our proprietary data and analytics engine, which includes the OnDeck *Score* . Customer pricing is determined primarily based on the customer's OnDeck *Score* , the loan term and origination

channel. Loans originated through direct marketing and strategic partners are generally priced lower than loans originated through FAPs due to the commission structure of the FAP program. Additionally, we may offer discounts to qualified repeat customers as part of our loyalty program.

For all of our term loans and lines of credit, our customers are quoted multiple pricing metrics to provide transparency and help them better understand the cost of their loan, including:

- the total payback cost in dollars;
- the annual percentage rate, or APR;
- the average monthly payment amount; and
- the "Cents on Dollar," or COD, which expresses the total amount of interest that will be paid per dollar borrowed.

While APR is provided to all of our customers for comparison purposes, we do not use APR to determine the interest we will charge a customer on a particular loan. We believe APR is most useful when comparing longer-term loans (12 months or more) of similar expected duration and is less useful when comparing shorter-term loans (12 months or less). Given the use case and payback period associated with our loans, we believe our customers understand pricing on a "dollars in, dollars out" basis and are primarily focused on total payback cost. For example, as of December 31, 2017 , our customers pay between $ 0.003 and $ 0.04 per month in interest for every dollar they borrow under one of our term loans.

We believe that our product pricing has historically fallen between traditional bank loans to small businesses and certain non-bank small business financing alternatives such as merchant cash advances. From 2013 to 2016, the weighted average APR for term loans and lines of credit declined from 63.4% in 2013 to 41.4% in 2016. During the same period, the weighted average COD per dollar borrowed per month for term loans declined from 2.65 cents in 2013 to 1.82 cents in 2016. During the second half of 2016 and throughout 2017, we implemented price increases which began to increase our weighted average COD and weighted average APR. For the year ended December 31, 2017, our weighted average COD per dollar borrowed per month and weighted average APR were 1.95 cents and 43.7% , respectively. We intend to continue to manage the pricing of our loans to optimize between risk-adjusted yields and loan origination volume. See Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations —Key Factors Affecting Our Performance—Pricing.

In order to provide our customers with additional information, during the fourth quarter of 2016, we adopted the SMART Box ™ - which stands for " *Straightforward Metrics Around Rate and Total cost,* " a model pricing disclosure and comparison tool introduced by the Innovative Lending Platform Association, or ILPA, of which we are a founding member. The SMART Box presents prospective customers with several standardized pricing metrics to evaluate the cost of the term loan or line of credit, including the total cost of capital, APR, the average monthly payback amount, and the cents on dollar cost of the loan.

Cents on Dollar borrowed reflects the monthly interest paid by a customer to us for a loan, and does not include the loan origination fee and the repayment of the principal of the loan. The APRs of our term loans currently range from 5.9% to 99.7% and the APRs of our lines of credit currently range from 11.0% to 60.8% . As noted above, because many of our loans are short term in nature and APR is calculated on an annualized basis, we believe that small business customers tend to evaluate these short term loans primarily on a Cents on Dollar borrowed basis rather than APR.

Our Risk Management

Our management team has operated the business through both strong and weak economic environments and has developed significant risk management experience and protocols.

We make credit decisions based on real-time performance data about our small business customers. We believe that the data and analytics powering the OnDeck *Score* can predict the creditworthiness of a small business better than models that rely solely on the personal credit score of the small business owner. Our analysis suggests that the current iteration of our proprietary credit-scoring model has become more accurate than previous versions at identifying credit risk in small businesses across a range of credit risk profiles than personal credit scores alone.

In addition, because our loans generally require automated payback either each business day or weekly and allow for ongoing data collection, we obtain early-warning indicators that provide a higher degree of visibility not just on individual loans, but also on macro portfolio trends. Insights gleaned from such real-time performance data provide the opportunity for us to be agile and adapt to changing conditions. For the year ended December 31, 2017 , the average length of a term loan at origination was

approximately 12.1 months compared to 13.2 months for the year ended December 31, 2016. We believe the rapid amortization and recovery of amounts from the short duration of our portfolio helps to mitigate our overall loss exposure.

Organizationally, we have a risk management committee, comprised of certain members of our board of directors, which meets regularly to examine our credit risks and enterprise risks. We also have subcommittees of our risk management committee that are comprised of members of our management team that monitor our credit risks, enterprise risks and other risks.

In addition, we have teams of non-management employees within the company that monitor these and other risks. Our credit risk team is responsible for portfolio management, allowance for loan losses, or ALLL, credit model validation and underwriting performance. This team engages in numerous risk management activities, including reporting on performance trends, and monitoring of portfolio concentrations.

Our enterprise risk team focuses on the following additional risks:

- ensuring our IT systems, security protocols, change management process and business continuity plans are well established, reviewed and tested;
- establishing and testing internal controls with respect to financial reporting;
- regularly reviewing the regulatory environment to ensure compliance with existing laws and anticipate future regulatory changes that may impact us; and
- talent recruitment and retention.

Our management team also closely monitors our competitive landscape in order to assess competitive threats. Finally, from a capital availability perspective, we employ a diverse and scalable funding strategy that allows us to access debt facilities, the securitization markets and institutional capital through OnDeck *Marketplace* , reducing our dependence on any one source of capital.

Our Subsidiaries

We conduct certain of our operations through subsidiaries that support our business. Seven of our subsidiaries are special purpose vehicles acting as the borrower in different asset-backed revolving debt facilities and one other subsidiary is a special purpose vehicle acting as the issuer under our current asset-backed securitization vehicle.

See Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources and Note 8 of Notes to Consolidated Financial Statements elsewhere in this report for more information regarding our subsidiaries.

Our Information Technology and Security

Our Information Security program is based principles that reflect our goals and that form the foundation of the policies, standards and procedures of our Information Security Policy. These underlying principles expand on traditional confidentiality, integrity and availability models to provide a framework for: safeguarding critical and sensitive company, customer and other information we maintain in many formats including databases, electronic mail and paper documents; protecting critical company business applications, both those under development and those in live production environments; securing many types of computing devices including server farms and storage systems through desktop and laptop computers; protecting company communications networks including wireless, voice over IP and Internet connectivity; and facilitating discussions with third parties when establishing contracts or service level agreements governing information security arrangements.

Our network is configured with multiple layers of security with the goal of detecting, preventing, and responding to unauthorized access to or probing of our information. In addition to regular internal vulnerability scans, we submit to external penetration testing to validate our defenses and to identify areas for improvement.

Our applications are engineered with a focus on security and protected using a number of preventative controls in addition to in-code measures. We also use security protocols for communication among applications. All of our public APIs and websites use Transport Layer Security. Applications are analyzed for security flaws internally by a dedicated team in order to maintain our security posture through continued development and functional improvement.

Our systems infrastructure is deployed on a private cloud hosted in co-located redundant data centers in New Jersey and Colorado. We believe that we have enough physical capacity to support our operations for the foreseeable future. We have multiple layers of redundancy to support the reliability of network service and achieved 99.9% monthly uptime. We also have a working data redundancy model with comprehensive backups of our databases and software.

Our Intellectual Property

We protect our intellectual property through a combination of trademarks, trade dress, domain names, copyrights and trade secrets, as well as contractual provisions and restrictions on access to our proprietary technology.

We have registered trademarks in the United States, Canada and Australia for "OnDeck," " *OnDeck Score* ," " *OnDeck Marketplace* ," the OnDeck logo and many other trademarks. We also have filed other trademark applications in the United States and certain other jurisdictions and will pursue additional trademark registrations to the extent we believe it will be beneficial.

Our Employees

As of December 31, 2017 , we had 475 full-time employees located throughout our New York, Denver, Virginia, Sydney, Australia, and Toronto, Canada offices as well as several remote employees. In February and May 2017, we announced reductions in our headcount as a result of announced layoffs and scheduled attrition, which together represented approximately 27% of our year end 2016 work force. We expect the number of full-time employees to increase in 2018 as we grow our business again and expand our offerings and features.

We are proud of our culture, which is anchored by four key values:

Ingenuity	We create new solutions to old problems. We imagine what's possible and seek out innovation and technology to reinvent small business financing and delight our customers.
Passion	We think big and act boldly. We care intensely about each other, our company, and the small businesses we serve.
Openness	We are collaborative and accessible. We know that the best outcomes come when we work together.
Impact	We focus on results. We are committed to making every day count and constantly strive to improve our business. We work to make a difference to small businesses, their customers and our employees.

We consider our relationship with our employees to be good and we have not had any work stoppages. Additionally, none of our employees are represented by a labor union or covered by a collective bargaining agreement.

Government Regulation

We are affected by laws and regulations, and judicial interpretations of those laws and regulations, that apply to businesses in general, as well as to commercial lending. This includes a range of laws, regulations and standards that address information security, data protection, privacy, fair lending and anti-discrimination, transparency, licensing and interest rates, among other things. Because we are not a bank and are engaged in commercial lending, we are not subject to certain of the laws and rules that only apply to banks and consumer lenders. However, we purchase term loans and lines of credit from our issuing bank partner that is subject to laws and rules applicable to banks and commercial lenders. We may explore, among other regulatory alternatives, the U.S. Office of the Comptroller of the Currency's declared interest in offering a special purpose national bank charter for FinTech companies. Additionally, we are actively engaged in promoting industry standards and best practices as exemplified by our launch and adoption of the SMART Box. The SMART Box includes clear and consistent pricing metrics, metric calculations, and metric explanations to help small businesses understand and assess the costs of their small business finance options. The SMART Box model disclosure was made available for adoption by other capital providers through the ILPA. We have also adopted the ILPA's Code of Ethics, which sets forth best practices for providing, facilitating and supporting the provision of capital to small businesses.

State Lending Regulations

Interest Rate Regulations

Although the federal government does not regulate the maximum interest rates that may be charged on commercial loan transactions, some states have enacted commercial rate laws specifying the maximum legal interest rate at which commercial loans can be made in their state. We only originate commercial loans. All loans originated directly by us provide that they are to be governed by Virginia law. Virginia does not have rate limitations on commercial loans of $5,000 or more or licensing requirements for commercial lenders making such loans. Our underwriting, servicing, operations and collections teams are headquartered in Arlington, Virginia, and that is where our commercial loan contracts are made. With respect to loans where we work with a partner or issuing bank, the issuing bank may utilize the law of the jurisdiction applicable to the bank in connection with its commercial loans.

Licensing Requirements

In states and jurisdictions that do not require a license to make commercial loans, we make term loans and extend lines of credit directly to customers pursuant to Virginia law, which is the governing law we require in the underlying loan agreements with our customers. There are four states that have licensing requirements where we do not make any term loans and instead purchase term loans made by an issuing bank partner: California, Nevada, North Dakota and South Dakota. Beginning in 2016, we began to acquire line of credit draws under lines of credit extended by our issuing bank partner in those four states and Vermont. Due to regulatory limitations, we do not originate lines of credit directly in those five states. In addition to those five states, there are other states and jurisdictions that require a license or have other requirements to make certain commercial loans, including both term loans and lines of credit, and may not honor a Virginia choice of law. In these other states, historically we have originated some term loans and lines of credit directly but purchased other term loans and lines of credit from issuing bank partners, the foregoing depending on the requirements of these other states. Those other states assert either that their own licensing laws and requirements should generally apply to commercial loans made by nonbanks, or apply to commercial loans made by nonbanks of certain principal amounts, with certain interest rates, to certain business entity types or based on other terms. In such other states and jurisdictions and in some other circumstances, term loans and lines of credit are made by an issuing bank partner that is not subject to state licensing, and may be sold to us. Certain lines of credit are extended by an issuing bank partner in all 50 states in the U.S. and we may purchase extensions under those lines of credit. For the years ended December 31, 2017 , 2016 and 2015 , loans made by issuing bank partners constituted 22.6% , 22.2% and 15.3% , respectively, of our total loan originations (including both term loans and draws on lines of credit).

The issuing bank partner establishes its underwriting criteria for the issuing bank partner program in consultation with us. We recommend commercial loans to the issuing bank partner that meet the bank partner's underwriting criteria, at which point the issuing bank partner may elect to fund the term loan or extend the line of credit. If the issuing bank partner decides to fund the loan (including term loans and line of credit extensions), it retains the economics on the loan for the period that it owns the loan. The issuing bank partner earns origination fees from the customers who borrow from it and in addition retains the interest paid during the period that the issuing bank partner owns the loan. In exchange for recommending loans to an issuing bank partner, we earn a marketing referral fee based on the loans recommended to, and originated by, that issuing bank partner. Historically, we have been the purchaser of the loans that we refer to issuing bank partners. Our agreement with our issuing bank partner also provides for a collateral account, which is maintained at the issuing bank. The account serves as cash collateral for the performance of our obligations under the agreements, which among other things may include compliance with certain covenants, and also serves to indemnify the issuing bank partner for breaches by us of representations and warranties where it suffers damages as a result of the loans that we refer to it. The initial term of our agreement with our issuing bank partner, Celtic Bank, or Celtic, expires October 2018 and the agreement automatically extends for one-year periods unless terminated by either party. Celtic is an industrial bank chartered by the state of Utah and makes small business and certain other loans. The agreement with Celtic may not be assigned without the prior written consent of the non-assigning party. We may in the future and from time to time work with a different bank partner, or multiple bank partners.

We are not required to have licenses to make commercial loans under state law as currently in effect and our operations as presently conducted. Virginia, unlike some other jurisdictions, does not require licensing of commercial lenders. Because we make loans from Virginia in accordance with the Virginia choice of law in our loan agreements, we are not required to be licensed as a lender in other jurisdictions that honor the Virginia choice of law.

Federal Lending Regulations

We are a commercial lender and as such there are federal laws and regulations that affect our and other lenders' lending operations. These laws include, among others, portions of the Wall Street Reform and Consumer Protection Act or the Dodd-Frank Act, the Equal Credit Opportunity Act, the Fair Credit Reporting Act, Economic and Trade Sanctions rules, the Electronic Signatures in Global and National Commerce Act, the Service Members Civil Relief Act, the Telephone Consumer Protection Act of 1991, and Section 5 of the FTC Act prohibiting unfair and deceptive acts or practices. In addition, there are other federal laws that do

not directly govern our business but with respect to which we have established certain procedures, including procedures to designed to protect our platform from being used to launder money.

Competition

The small business lending market is highly competitive and fragmented and we expect it to remain so in the future. Our principal competitors include traditional banks, legacy merchant cash advance providers, and newer, technology-enabled lenders. We believe the principal factors that generally determine a company's competitive advantage in our market include the following:

- ease of process to apply for a loan;
- brand recognition and trust;
- loan features, including amount, rate, term and pay-back method;
- loan product fit for business purpose;
- transparent description of key terms;
- effectiveness of underwriting;
- effectiveness of operational processes;
- effectiveness of customer acquisition; and
- customer experience.

See Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Factors Affecting Our Performance - Competition.

Disclosure of Information

We recognize that in today's environment, our current and potential investors, the media and others interested in us look to social media and other online sources for information about us. We believe that these sources represent important communication channels for disseminating information about us, including information that could be deemed to constitute material non-public information. As a result, in addition to our investor relations website (http://investors.ondeck.com), filings made with the SEC, press releases we issue from time to time, and public webcasts and conference calls, we have used, and intend to continue to use, various social media and other online sources to disseminate information about us and, without limitation, our general business developments; financial performance; product and service offerings; research, development and other technical updates; relationships with customers, platform providers and other strategic partners and others; and market and industry developments.

We intend to use the following social media and other websites for the dissemination of information:

Our blog: https://www.ondeck.com/blog

Our Twitter feed: http://twitter.com/ondeckcapital

Our Facebook page: http://www.facebook.com/ondeckcapital

Our corporate LinkedIn page: https://www.linkedin.com/company/ondeck

We invite our current and potential investors, the media and others interested in us to visit these sources for information related to us. Please note that this list of social media and other websites may be updated from time to time on our investor relations website and/or filings we make with the SEC.

Copies of our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and amendments to these reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, or Exchange Act, are available, free of charge, on our investor relations website as soon as reasonably practicable after we file such materials electronically with or furnish it to the SEC. Information contained on, or that can be accessed through, our website or the social media and other websites noted above, do not constitute part of this Annual Report on Form 10-K and the inclusion of our website address and social media addresses in this Annual Report is an inactive textual reference only. The SEC also maintains a website that contains our SEC filings. The website of the SEC site is www.sec.gov.

Industry and Market Data

This report contains estimates, statistical data, and other information concerning our industry that are based on industry publications, surveys and forecasts. The industry and market information included in this report involves a number of assumptions and limitations, and you are cautioned not to give undue weight to such information.

The sources of industry and market data contained in this report are listed below:

- FDIC, *Loans to Small Businesses and Farms, FDIC-Insured Institutions 1995-2017* , Q2 2017.

The industry in which we operate is subject to a high degree of uncertainty and risk due to a variety of factors, including those described in Item 1A. Risk Factors and elsewhere in this report. These and other factors could cause our actual results to differ materially from those expressed in the estimates made by the independent parties and by us.

Item 1A. Risk Factors

Our current and prospective investors should carefully consider the following risks and all other information contained in this report, including our consolidated financial statements and the related notes, "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the "Cautionary Note Regarding Forward-Looking Statements," before making investment decisions regarding our securities. The risks and uncertainties described below are not the only ones we face, but include the most significant factors currently known by us. Additional risks and uncertainties that we are unaware of, or that we currently believe are not material, also may become important factors that affect us. If any of the following risks materialize, our business, financial condition and results of operations could be materially harmed. In that case, the trading price of our securities could decline, and you may lose some or all of your investment.

We have a history of losses and may not achieve consistent profitability in the future.

We generated net losses of $14.3 million , $85.5 million and $2.2 million in 2017 , 2016 and 2015 , respectively. As of December 31, 2017 , we had an accumulated deficit of $222.8 million . We will need to generate and sustain increased revenue levels in future periods in order to become profitable in the future, and, even if we do, we may not be able to maintain or increase our level of profitability. We intend to continue to expend significant funds on our marketing and sales operations, increasing our investment in technology and analytics capabilities, increasing our customer service and general loan servicing capabilities, meeting the increased compliance requirements associated with our operation as a public company and changing regulatory requirements, and upgrading our technology infrastructure and expanding in existing or possibly new markets. In addition, we record our loan loss provision as an expense to account for the possibility that loans we intend to hold (rather than sell) may not be repaid in full. Because we incur a given loan loss expense at the time that we issue the loans we intend to hold, we expect the aggregate amount of this expense to grow as we increase the total amount of loans we make to our customers.

Our efforts to grow our business may be more costly than we expect, and we may not be able to increase our revenue enough to offset our higher operating expenses. We may incur significant losses in the future for a number of reasons, including the other risks described in this report, and unforeseen expenses, difficulties, complications and delays, and other unknown events. If we are unable to achieve and sustain profitability, the market price of our common stock may significantly decrease.

Worsening economic conditions may result in decreased demand for our loans, cause our customers' default rates to increase and harm our operating results.

Uncertainty and negative trends in general economic conditions in the United States and abroad, including significant tightening of credit markets, historically have created a difficult environment for companies in the lending industry. Many factors, including factors that are beyond our control, may have a detrimental impact on our operating performance. These factors include general economic conditions, unemployment levels, energy costs and interest rates, as well as events such as natural disasters, acts of war, terrorism and catastrophes.

Our customers are small businesses. Accordingly, our customers historically have been, and may in the future remain, more likely to be affected or more severely affected than large enterprises by adverse economic conditions. These conditions may result in a decline in the demand for our loans by potential customers, higher default rates, or both by our existing customers. If a customer defaults on a loan payable to us, the loan enters a collections process where our systems and collections teams initiate contact with the customer for payments owed. If a loan is subsequently charged off, historically we had generally sold the loan to a third-party collection agency in exchange for only a small fraction of the remaining amount payable to us.

In addition, we recently changed and expect to continue our collections strategy to retain more and sell fewer charged-off loans, with the goal of achieving higher recoveries. There is no assurance that this strategy will be successful, and it could result in lower recoveries than we have realized historically from selling charged-off loans. It may also lead to increased litigation, negative publicity and harm to our reputation.

There can be no assurance that economic conditions will remain favorable for our business or that demand for our loans or default rates by our customers will remain at current levels. Reduced demand for our loans would negatively impact our growth and revenue, while increased default rates by our customers may inhibit our access to capital, including debt warehouse facilities, securitizations and OnDeck *Marketplace,* and negatively impact our profitability. Customer default rates and changes in the financial markets, including changes in credit markets and interest rates, can also impact the price that investors are willing to pay for our loans through OnDeck *Marketplace,* if at all , which can adversely impact our gain on sale revenue and limit our financing alternatives. Furthermore, we have received a large number of applications from potential customers who do not satisfy the requirements for an OnDeck loan. If an insufficient number of qualified small businesses apply for our loans, our growth and revenue could decline.

An increase in customer default rates may reduce our overall profitability and could also affect our ability to attract institutional funding. Further, historical default rates may not be indicative of future results.

Customer default rates may be significantly affected by economic downturns or general economic conditions beyond our control and beyond the control of individual customers. In particular, loss rates on customer loans may increase due to factors such as prevailing interest rates, the rate of unemployment, the level of consumer and business confidence, commercial real estate values, the value of the U.S. dollar, energy prices, changes in consumer and business spending, the number of personal and business bankruptcies, disruptions in the credit markets and other factors. We offer both our term loan and line of credit loans to the same customers, subject to customary credit and loan underwriting procedures. To the extent that our customers borrow from us under both types of loans and default, our losses could be greater than if we had offered them only one type of loan. In addition, as of December 31, 2017, approximately 27.9% of our total loans outstanding related to customers with fewer than five years of operating history. While our OnDeck *Score* is designed to establish that, notwithstanding such limited operating and financial history, customers would be a reasonable credit risk, our loans may nevertheless be expected to have a higher default rate than loans made to customers with more established operating and financial histories. In addition, if default rates, delinquency rates or certain performance metrics reach certain levels, the principal of our securitized notes or other borrowings may be required to be paid down, and we may no longer be able to borrow from our debt facilities to fund future loans. In addition, if customer default rates increase beyond forecast levels, returns for investors in our OnDeck *Marketplace* program will decline and demand by investors to participate in this program will decrease, each of which will harm our reputation and operating results.

Our risk management efforts may not be effective.

We could incur substantial losses and our business operations could be disrupted if we are unable to effectively identify, manage, monitor and mitigate financial risks, such as credit risk, interest rate risk, liquidity risk, and other market-related risk, as well as operational risks related to our business, assets and liabilities. To the extent our models used to assess the creditworthiness of potential customers do not adequately identify potential risks, the OnDeck *Score* produced would not adequately represent the risk profile of such customers and could result in higher risk than anticipated. Our risk management policies, procedures, and techniques, including our use of our proprietary OnDeck *Score* technology, may not be sufficient to identify all of the risks we are exposed to, mitigate the risks that we have identified or identify concentrations of risk or additional risks to which we may become subject in the future. Furthermore, there may be a lag in the time in which a customer begins to show signs of an inability to pay back a loan and when we begin to take remedial action in respect this loan, and as a consequence this could impair our eventual ability to receive repayment on the loan.

We rely on our proprietary credit models in the forecasting of loss rates. If we are unable to effectively forecast loss rates, it can materially adversely affect our operating results . Our use of judgmental underwriting has similar risks.

In making a decision whether to extend credit to prospective customers, we rely primarily on our OnDeck *Score* , the credit score generated by our proprietary credit-scoring model and decisioning system, an empirically derived suite of statistical models built using third-party data, data from our customers and our credit experience gained through monitoring the performance of our customers over time. If our proprietary credit-scoring model and decisioning system fails to adequately predict the creditworthiness of our customers, including because the factors used to determine the customer's creditworthiness were not representative of such customer's true credit risk profile, we have in the past recorded, and may in the future need to record, additional provision expense and/or experience higher than forecasted losses. In addition, if our proprietary cash flow analytics system fails to assess prospective customers' financial ability to repay their loans, or if any portion of the information pertaining to the prospective customer is false, inaccurate or incomplete, and our systems did not detect such falsities, inaccuracies or incompleteness, or any or all of the other components of our credit decision process fails, we may experience higher than forecasted losses. Furthermore, if we are unable to access the third-party data used in our OnDeck *Score* , or our access to such data is limited, our ability to accurately evaluate potential customers will be compromised, and we may be unable to effectively predict probable credit losses inherent in our loan portfolio, which would negatively impact our results of operations.

Additionally, if we make errors in the development and validation of any of the models or tools we use to underwrite the loans that we securitize or sell to investors, these investors may experience higher delinquencies and losses and we may be subject to liability. Moreover, if future performance of our customers' loans differs from past experience (driven by factors, including but not limited to, macroeconomic factors, policy actions by regulators, lending by other institutions and reliability of data used in the underwriting process), which experience has informed the development of the underwriting procedures employed by us, delinquency rates and losses to investors of our securitized debt from our customers' loans could increase, thereby potentially subjecting us to liability. This inability to effectively forecast loss rates could also inhibit our ability to borrow from our debt facilities, which could further hinder our growth and harm our financial performance.

Our allowance for loan losses is determined based upon both objective and subjective factors and may not be adequate to absorb loan losses.

We face the risk on the loans that we hold that our customers will fail to repay their loans in full. We reserve for such losses by establishing an allowance for loan losses, the increase of which results in a reduction of our earnings as we recognize a provision expense for loan losses. We have established an evaluation process designed to determine the adequacy of our allowance for loan losses. While this evaluation process uses historical and other objective information, the classification of loans and the forecasts and establishment of loan losses are also dependent on our subjective assessment based upon our experience and judgment. Actual losses are difficult to forecast, especially if such losses stem from factors beyond our experience, and unlike traditional banks, we are not subject to periodic review by bank regulatory agencies of our allowance for loan losses. In addition, for our line of credit product we estimate probable losses on unfunded loan commitments in a process similar to that used for the allowance for loan losses.

As a result, there can be no assurance that our allowance for loan losses or accrual for probable losses on unfunded line of credit commitments will be comparable to that of traditional banks subject to regulatory oversight or sufficient to absorb losses or prevent a material adverse effect on our business, financial condition and results of operations.

Our business may be adversely affected by disruptions in the credit markets, our failure to comply with our debt agreements, or the termination of our debt agreements, any of which could result in reduced access to credit and other financing. Additionally, OnDeck Marketplace has continued to decline as a part of our overall funding strategy and there is no assurance that OnDeck Marketplace participants will continue to purchase our loans.

Historically, we have depended on debt facilities and other forms of debt in order to finance most of the loans we make to our customers. However, we cannot guarantee that these financing sources will continue to be available beyond the current maturity date of each debt facility, on reasonable terms or at all. As the volume of loans that we make to customers on our platform increases, we may require the expansion of our borrowing capacity of our existing debt facilities and other debt arrangements or the addition of new sources of capital. The availability of these financing sources depends on many factors, some of which are outside of our control. We may also experience the occurrence of events of default or breaches of financial performance or other covenants under our debt agreements, which could reduce or terminate our access to institutional funding.

In addition, OnDeck *Marketplace* has substantially declined as a portion of our funding strategy. For each of the three months ended March 31, 2017, June 30, 2017, September 30, 2017, and December 31, 2017 OnDeck *Marketplace* represented 9.1% , 2.3% , 1.3% and 3.9% of our term loan originations, respectively. In addition, the premiums we were paid in 2017 were lower than those received in 2016. By selling fewer loans via OnDeck *Marketplace* and at lower premiums, we realized lower gain on sale of loans and hold more of our term loan originations on our balance sheet, which requires us to self-fund or finance a larger amount of loans. As a result, we have used, and may continue to use, available cash on hand to fund originations. While the premiums on sales of loans via OnDeck *Marketplace* have decreased, we have continued selling a portion of our loans through OnDeck *Marketplace* to maintain active relationships with institutional loan purchasers and to obtain additional funding. However, to the extent that institutional investors that purchase loans from us through OnDeck *Marketplace* rely on credit to finance those loan purchases, disruptions in the credit market could further harm our ability to grow or maintain OnDeck *Marketplace* . We may continue selling a portion of our loans via OnDeck *Marketplace* , however, there can be no assurance that these investors will continue to purchase our loans via OnDeck *Marketplace* .

We also rely on securitization as part of our funding strategy and have executed two securitization transactions, one of which, with $250 million of capacity, is currently outstanding under which cash flow can be used to purchase additional loans through April 30, 2018. There can be no assurance that we will be able to successfully access the securitization markets again. In the event of a sudden or unexpected shortage of funds in the banking and financial system, we cannot be sure that we will be able to maintain necessary levels of funding without incurring high funding costs, a reduction in the term of funding instruments or the liquidation of certain assets.

Furthermore, during 2018, several of our debt facilities are scheduled to mature, representing an aggregate of $313.2 million of debt capacity, including $30 million in October 2018, $119.7 million in November 2018, $125 million in December 2018 and an aggregate of $38.5 million under other facilities at various dates throughout 2018. We may not be able to extend or renew these maturing debt facilities.

Accordingly, if we are unable to renew or otherwise replace these facilities or generally arrange new or alternative methods of financing, our ability to finance additional loans utilizing these financing sources will end. The interest rates and other costs of new, renewed or amended facilities may also be higher than those currently in effect. If we are unable to renew or otherwise replace these facilities or generally arrange new or alternative methods of financing on favorable terms, we may be

forced to curtail our origination of loans or reduce operations, which would have a material adverse effect on our business, financial condition, operating results and cash flow.

Increases in customer default rates could make us and our loans less attractive to lenders under debt facilities and investors in securitizations and institutional purchasers in OnDeck Marketplace which may adversely affect our access to financing and our business.

We principally rely on credit facilities, securitizations and OnDeck *Marketplace* to fund our loans. Increases in customer default rates could make us and our loans less attractive to our existing (or prospective) funding sources. If our existing funding sources do not achieve their desired financial returns or if they suffer losses, they (or prospective funding sources) may increase the cost of providing future financing or refuse to provide future financing on terms acceptable to us or at all.

Our debt facilities for our funding debt and our securitization are non-recourse to On Deck Capital, Inc. and are collateralized by our loans. If the loans securing such debt facilities and securitization fail to perform as expected, the lenders under our credit facilities and investors in our securitization, or future lenders or investors in similar arrangements, may increase the cost of providing financing or refuse to provide financing on terms acceptable to us or at all.

If we were to be unable to arrange new or alternative methods of financing on favorable terms, we may have to curtail or cease our origination of loans, which could have a material adverse effect on our business, financial condition, operating results and cash flow.

Purchasers of loans in OnDeck *Marketplace* bear the risks of loan ownership. Unsatisfactory performance of our loans may reduce investor confidence and reduce the willingness of investors to participate in OnDeck *Marketplace* , which could harm our ability to grow or maintain OnDeck *Marketplace* . In addition, the gain on sale of loans through OnDeck *Marketplace* has declined from $ 14.4 million , or 5.0% of gross revenue in 2016 to $2.5 million , or 0.7% of our gross revenue in 2017 reflecting a lower percentage of our terms loans sold into OnDeck *Marketplace* . Because we decided to hold more loans on our balance sheet and sell fewer loans through OnDeck *Marketplace,* our provision expense and interest expense have increased, reducing our operating results.

Our recent growth may not be indicative of our future growth and, if we continue to grow, we may not be able to manage our growth effectively.

Our gross revenue grew to $351.0 million in 2017 from $291.3 million in 2016 and from $254.8 million in 2015 . We expect that, in the future, even if our revenue continues to increase, our rate of revenue growth may decline.

In addition, we expect to continue to expend substantial financial and other resources on:

- marketing, including expenses relating to increased direct marketing efforts;
- expanding product offerings;
- product development, including the continued development of our platform and OnDeck *Score* ;
- technology and analytics, including OnDeck-as-a-Service;
- diversification of funding sources;
- broadening distribution capabilities through strategic partnerships and funding advisors;
- general administration, including legal, accounting and other compliance expenses related to being a public company; and
- expansion in Canada and Australia, and possibly into new international geographies.

In addition, our historical growth has placed, and may continue to place, significant demands on our management and our operational and financial resources. Finally, as our business grows, we will need to continue to improve our operational, financial and management controls as well as our reporting systems and procedures. If we cannot manage our growth effectively, our financial results will suffer.

We have a limited operating history in an evolving industry, which makes it difficult to evaluate our future prospects and may increase the risk that we will not be successful.

We have a limited operating history in an evolving industry that may not develop as expected. Assessing our business and future prospects is challenging in light of the risks and difficulties we may encounter. These risks and difficulties include our ability to:

- increase the number and total volume of term loans and lines of credit we extend to our customers;
- improve the terms on which we lend to our customers as our business becomes more efficient;
- increase the effectiveness of our direct marketing, as well as our strategic partner and Funding Advisor Program customer acquisition channels;
- maintain or increase repeat borrowing by existing customers;
- successfully develop and deploy new types of loans and new loan features;
- successfully expand OnDeck-as-a-Service to additional lenders;
- successfully maintain our diversified funding strategy, including through debt warehouse facilities, possible future securitization transactions and OnDeck *Marketplace* ;
- favorably compete with other companies that are currently in, or may in the future enter, the business of lending to small businesses including traditional lenders;
- successfully navigate economic conditions and fluctuations in the credit market;
- effectively manage the growth of our business;
- obtain debt or equity capital on attractive terms;
- successfully expand internationally; and
- anticipate and react to changes to an evolving regulatory environment.

We may not be able to successfully address these risks and difficulties, which could harm our business and cause our operating results to suffer.

Competition for our employees is intense. As expected, our 2017 reduction in force negatively impacted our hiring and retention of employees. Failure to attract and retain qualified employees can have a material adverse effect on our business.

Competition for our employees, including and especially highly skilled engineering, data analytics, risk management and finance personnel, is extremely intense reflecting a tight labor market, particularly in New York City. Many of the companies with which we compete for experienced employees have greater resources than we have and may be able to offer more attractive financial terms of employment. In addition, candidates making employment decisions often consider the value of any equity they may receive in connection with their employment. Any significant volatility or performance issues in the price of our stock may adversely affect our ability to attract or retain highly skilled technical, financial, marketing and other personnel. We also invest significant time and expense in training our employees, which increases their value to other companies that may seek to recruit them.

In 2017, we implemented a cost rationalization program to realign our cost structure and improve our financial performance. As part of this program we had significant headcount reductions, due to both announced layoffs and scheduled attrition. As a result of these actions, we have experienced increased levels of employee attrition which was not unexpected given the size of the reduction in force. The overall competition for our employees and any continuing impact of our headcount reductions may make it more difficult and/or expensive to recruit and retain talent and train new employees. Failure to attract and retain qualified employees could have a material adverse effect on our business including our ability to execute our growth plans.

We rely on our management team and need additional key personnel to grow our business, and the loss of key employees or inability to hire key personnel could harm our business.

We believe our success has depended, and continues to depend, on the efforts and talents of our executives and employees, including Noah Breslow, our Chief Executive Officer. Our future success depends on our continuing ability to attract, develop, motivate and retain highly qualified and skilled employees. Qualified individuals are in high demand, and we may incur significant

costs to attract and retain them. In addition, the loss of any of our senior management or key employees could materially adversely affect our ability to execute our business plan and strategy, and we may not be able to find adequate replacements on a timely basis, or at all. Our executive officers and other employees are at-will employees, which means they may terminate their employment relationship with us at any time, and their knowledge of our business and industry would be extremely difficult to replace. We cannot ensure that we will be able to retain the services of any members of our senior management or other key employees. If we do not succeed in attracting well-qualified employees or retaining and motivating existing employees, our business could be materially and adversely affected.

Security breaches of customers' confidential information that we store may harm our reputation and expose us to liability.

We store our customers' bank information, credit information and other sensitive data. Any accidental or willful security breaches or other unauthorized access could cause the theft and criminal use of this data. Security breaches or unauthorized access to confidential information could also expose us to liability related to the loss of the information, time-consuming and expensive litigation and negative publicity. If security measures are breached because of third-party action, employee error, malfeasance or otherwise, or if design flaws in our software are exposed and exploited, and, as a result, a third party obtains unauthorized access to any of our customers' data, our relationships with our customers will be severely damaged, and we could incur significant liability.

Because techniques used to obtain unauthorized access or to sabotage systems change frequently and generally are not recognized until they are launched against a target, we and our third-party hosting facilities may be unable to anticipate these techniques or to implement adequate preventative measures. In addition, many states have enacted laws requiring companies to notify individuals of data security breaches involving their personal data. These mandatory disclosures regarding a security breach are costly to implement and often lead to widespread negative publicity, which may cause our customers to lose confidence in the effectiveness of our data security measures. Any security breach, whether actual or perceived, would harm our reputation and we could lose customers.

The collection, processing, use, storage, sharing and transmission of personal data could give rise to liabilities as a result of federal, state and international laws and regulations, as well as our failure to adhere to the privacy and data security practices that we articulate to our customers.

We collect, process, store, use, share and/or transmit a large volume of personally identifiable information and other sensitive data from current and prospective customers. There are federal, state, and foreign laws regarding privacy and the collection, use, storage, protection, sharing and/or transmission of personally identifiable information and sensitive data. Any violations of these laws and regulations may require us to change our business practices or operational structure, address legal claims, and sustain monetary penalties, reputational damage and/or other harms to our business.

Furthermore, our online privacy policy and website make certain statements regarding our privacy and data security practices with regard to information collected from our customers. Failure to adhere to such practices may result in regulatory scrutiny and investigation, complaints by affected customers, reputational damage and other harm to our business. If either we, or the third party service providers with which we share customer data, are unable to address privacy concerns, even if unfounded, or to comply with applicable laws and regulations, it could result in additional costs and liability, damage our reputation, and harm our business.

Our ability to collect payment on loans and maintain accurate accounts may be adversely affected by computer malware, social engineering, phishing, physical or electronic break-ins, technical errors and similar disruptions.

The automated nature of our platform may make it an attractive target for hacking and potentially vulnerable to computer viruses, physical or electronic break-ins and similar disruptions. It is possible that we may not be able to anticipate or to implement effective preventive measures against all security breaches of these types, in which case there would be an increased risk of fraud or identity theft, and we may experience losses on, or delays in the collection of amounts owed on, a fraudulently induced loan. Security breaches could occur from outside our company, and also from the actions of persons inside our company who may have authorized or unauthorized access to our technology systems. In addition, the software that we have developed to use in our daily operations is highly complex and may contain undetected technical errors that could cause our computer systems to fail. Because each loan that we make involves our proprietary automated underwriting process, any failure of our computer systems involving our automated underwriting process and any technical or other errors contained in the software pertaining to our automated underwriting process could compromise our ability to accurately evaluate potential customers, which would negatively impact our results of operations. Furthermore, any failure of our computer systems could cause an interruption in operations and result in disruptions in, or reductions in the amount of, collections from the loans we make to our customers.

Additionally, if a hacker were able to access our secure files, he or she might be able to gain access to the personal information of our customers. If we are unable to prevent such activity, we may be subject to significant liability, negative publicity and a material loss of customers, all of which may negatively affect our business.

Our business is subject to the risks of hurricanes, earthquakes, fires, floods and other natural disasters, power outages, telecommunications failures and similar events, and to interruption by man-made problems such as terrorism, cyberattack, and other actions. Comparable risks may also impact the demand for our loans or our customers' ability to repay their loans.

Events beyond our control may damage our ability to accept our customers' applications, underwrite loans, maintain our platform or perform our servicing obligations. Such events include, but are not limited to, hurricanes, earthquakes, fires, floods and other natural disasters, power outages, telecommunications failures and similar events. Despite any precautions we may take, system interruptions and delays could occur if there is a natural disaster, if a third-party provider closes a facility we use without adequate notice for financial or other reasons, or if there are other unanticipated problems at our leased facilities. As we rely heavily on our servers, computer and communications systems and the internet to conduct our business and provide high-quality customer service, such disruptions could harm our ability to run our business and cause lengthy delays which could harm our business, results of operations and financial condition. We currently are not able to switch instantly to our backup center in the event of failure of the main server site. This means that an outage at one facility could result in our system being unavailable for a significant period of time. Man-made problems such as terrorism, cyberattack, and other criminal, tortious or unintentional actions could also give rise to significant disruptions to our operations. Our business interruption insurance may not be sufficient to compensate us for losses that may result from interruptions in our service as a result of system failures or other disruptions. Comparable natural and man-made risks may reduce demand for our loans or cause our customers to suffer significant losses and/or incur significant disruption in their respective operations, which may affect their ability to repay their loans. All of the foregoing could materially and adversely affect our business, results of operations and financial condition.

Our current level of interest rate spread may decline in the future. Our gain on sale of loans in our OnDeck Marketplace program has declined and may decline further in the future. Any material reduction in our interest rate spread or gains on sales of loans could harm our business, results of operations and financial condition.

We earn a majority of our revenues from interest payments on the loans we make to our customers. Financial institutions and other funding sources provide us with the capital to fund these term loans and lines of credit and charge us interest on the capital that we utilize. In the event that the spread between the interest rate at which we lend to our customers and the interest rate at which we borrow from our lenders decreases, our financial results and operating performance will be harmed. The interest rates we charge to our customers and pay to our lenders could each be affected by a variety of factors, including access to capital based on our business performance, the volume of loans we make to our customers, competition and regulatory requirements. These interest rates may also be affected by a change over time in the mix of the types of loans we provide to our customers and sell to our investors, the mix of new and renewal loans and a shift among our channels of customer acquisition. Interest rate changes may adversely affect our business forecasts and expectations and are highly sensitive to many macroeconomic factors beyond our control, such as inflation, recession, the state of the credit markets, changes in market interest rates, global economic disruptions, unemployment and the fiscal and monetary policies of the federal government and its agencies. In addition, we generate gains on sales of loans to institutional investors through our OnDeck *Marketplace* program. The prices we are able to charge for loans we sell are based on a variety of factors, including the terms and credit risk associated with loans, the historical credit performance of the loans we sell, investor demand and other factors. If these variables or others were to change, we might be required to reduce our sales prices on loans, sell fewer loans or both, which could reduce our gains on sales of loans in the OnDeck *Marketplace* program. Our gain on sale of loans declined from $14.4 million in 2016 to $2.5 million in 2017. Any material reduction in our interest rate spread or gains on sale of loans could have a material adverse effect on our business, results of operations and financial condition.

The lending industry is highly regulated. Changes in regulations, including recent changes under the Tax Cuts and Jobs Act of 2017, or in the way regulations are applied to our business could adversely affect our business.

Over the last few years, federal and state regulatory and other policymaking entities have taken an increased interest in marketplace and online lending, including online small business lending. For example, in July 2015, the U.S. Department of the Treasury issued a public request for information regarding expanding access to credit through online marketplace lending. Activity in various states has also increased, including in the states of California and New York. In December 2015, the California Department of Business Oversight announced an inquiry into the marketplace lending industry and requested information from fourteen marketplace and online lenders including OnDeck. The New York Department of Financial Services is expected to conduct its own survey of marketplace and online lending in the first half of 2018. These initiatives were presented as information gathering projects to assist federal and state officials in better understanding, among other things, the methods, role and impact of online

and marketplace lending on credit markets. These initiatives either have resulted, or are expected to result, in policy recommendations that could impact our business practices and operations if the recommendations drive new laws or regulations. For example, if New York were to enact legislation requiring licensure by commercial lenders or imposing certain applicable rate caps or other provisions inconsistent with our current business practices and alternative solutions were not available, we could be required to change our business practices and operations in a manner that adversely impacts our business in New York. We, or our issuing bank partner, originated approximately 7% of our 2017 total originations in New York.

We expect these and other types of legislative and regulatory activities to continue in the future as marketplace and online lending grow and become the subject of greater public interest. For example, with the prospect of easing regulatory burdens at the federal level under the current administration, some states have indicated their intention to take more aggressive regulatory action. We cannot predict the outcome of these or other comparable future activities, when or whether they will lead to new laws, regulations or other actions or what they might be. However, the impact and cost of any possible future changes to laws or regulations could be substantial and could also require us to change our business practices and operations in a manner that adversely impacts our business including by increasing compliance costs or requiring us to limit or modify our lending to comply.

Changes in laws or regulations, including recent changes under the Tax Cuts and Jobs Act of 2017 (and any related Treasury regulations, rules or interpretations, if and when issued), or the regulatory application or judicial interpretation of the laws and regulations applicable to us could adversely affect our ability to operate in the manner in which we currently conduct business or make it more difficult or costly for us to originate or otherwise make additional loans, or for us to collect payments on loans by subjecting us to additional licensing, registration and other regulatory requirements or restrictions in the future or otherwise. For example, if our loans were determined for any reason not to be commercial loans or interest rate limitations were imposed on commercial loans, or if the validity of our relationship with an issuing bank partner were successfully challenged under a “true lender” theory or by similar arguments as made in Madden v. Midland Funding, LLC, we would be subject to many additional requirements, and our fees and interest arrangements could be challenged by regulators, attorneys general or our customers. A material failure to comply with any such laws or regulations could result in regulatory actions, lawsuits and damage to our reputation, which could have a material adverse effect on our business and financial condition and our ability to originate and service loans and perform our obligations to investors and other constituents.

A proceeding relating to one or more allegations or findings of our violation of such laws could result in modifications in our methods of doing business that could impair our ability to collect payments on our loans or to acquire additional loans or could result in the requirement that we pay damages and/or cancel the balance or other amounts owing under the loans associated with such violation. We cannot assure that such claims will not be asserted against us in the future. To the extent it is determined that the loans we make to our customers were not originated in accordance with all applicable laws, we would be obligated to repurchase from the entity holding the applicable loan any such loan that fails to comply with legal requirements. We may not have adequate resources to make such repurchases.

If the choice of law provisions in our loan agreements are found to be unenforceable, we may be found to be in violation of state interest rate limit laws.

Although the federal government does not currently regulate the maximum interest rates that may be charged on commercial loan transactions, many states have enacted interest rate limit laws specifying the maximum legal interest rate at which loans can be made in their state. We apply Virginia law to the underlying agreement for loans that we originate because our loans are underwritten and entered into in the state of Virginia, where our underwriting, risk, servicing, operations and collections teams function.

Virginia law does not limit interest rates on commercial loans of $5,000 or more. Assuming a court were to recognize this choice of law provision, Virginia law would be applied to a dispute between the customer and us regardless of where the customer is located. We intend for Virginia law to control over any state interest rate limit laws that would otherwise be applicable to these loans. We are not aware of any broad-based legal challenges to date to the applicability of Virginia law to the loans we originate or the loans of other companies. However, many laws to which we are subject were adopted prior to the advent of the internet and related technologies and, as a result, do not expressly contemplate or address the unique issues of the applicability of state laws to online transactions, including in our case, the origination of loans. In addition, many laws that do reference the internet are being interpreted by the courts, but their applicability and scope remain uncertain. As a result, we cannot predict whether a court may seek to apply a different state's law to our loans or to otherwise invalidate the applicability of Virginia law to our loans. If the applicability of Virginia law to these loans were challenged, and these loans were found to be governed by the laws of another state, and such other state has an interest rate limit law that prohibits the interest rate in effect with respect to such loans, the obligations of our customers to pay all or a portion of the interest and principal on these loans could be found unenforceable. A judgment that the choice of law provisions in our loan agreements is unenforceable also could result in costly and time-consuming litigation, penalties, damage to our reputation, trigger repurchase obligations, negatively impact the terms of our future loans and

harm our operating results. Likewise, a judgment that the choice of law provision in other commercial loan agreements is unenforceable could result in challenges to our choice of law provision and that could result in costly and time-consuming litigation. In February 2017, in the Madden v. Midland case described in more detail immediately below, the U.S. District Court for the Southern District of New York held that applying the Delaware choice of law specified in the loan contract, which would have resulted in the application of Delaware law that has no limit on allowable interest rates, would violate a fundamental public policy of New York's criminal usury statute. The court then concluded that the New York usury law, and not Delaware law, applied to the loan. That decision, or possible future decisions that similarly invalidate choice of law provisions in loan agreements, could cause us to change the way we do business in particular states and to incur substantial additional expense to comply with the laws of various states, including either licensing as a lender in the various states, altering the terms of our loans or requiring us to place more loans through our issuing bank partner.

As a result of court decisions in Madden v. Midland, in some circumstances, federal preemption and application of an out-of-state choice of law provision will not, or may not, be available for the benefit of certain purchasers or non-bank issuers of loans to defend against a state law claim of usury.

In May 2015, the U.S. Court of Appeals for the Second Circuit held in Madden v. Midland Funding, LLC that federal law did not preempt a state's interest rate limitations when applied to a non-bank debt buyer of a consumer credit card loan seeking to collect interest at the rate originally contracted for by a national bank. The Second Circuit did not decide, and remanded to the U. S. District Court for the Southern District of New York, the question of whether New York law (the law of the state where the debtor lived) or Delaware law (the governing law stated in the loan agreement) governed the terms of the loan agreement. Although the Second Circuit case was appealed, in June 2016 the United States Supreme Court declined to review the case, which had the effect of leaving the decision of the Second Circuit intact.

In February 2017, the U.S. District Court for the Southern District of New York on remand held that applying the Delaware choice of law specified in the loan contract, which would have resulted in the application of Delaware law that has no limit on allowable interest rates, would violate a fundamental public policy of New York's criminal usury statute. The court then concluded that the New York usury law, and not Delaware law, applied to the consumer loan at issue in the case.

The Second Circuit's holding in the Madden case is binding on federal courts in the states included in the Second Circuit - New York, Connecticut and Vermont. Although the Madden case has received widespread criticism, in the event of an extension of the Second Circuit's decision, either within or outside the states in the Second Circuit, could challenge the federal preemption of state laws setting interest rate limitations for loans made by issuing bank partners in those states. Additionally if the decision by the U.S. District Court for the Southern District of New York applying the law of the state of the borrower, and not the governing law stated in the applicable loan agreement were applied by a state or federal court with proper jurisdiction to commercial loan transactions, either within or outside the State of New York, then those loans originated by OnDeck (or a portion of the principal of and interest on such loans) might be unenforceable and penalties could apply depending on whether the terms of such loans were contrary to the law of the state of the borrower. There could be other related liabilities and reputational harm if OnDeck or a subsequent transferee of the loan were to seek to collect on those amounts. In addition, the U.S. District Court in the Madden case certified a class action to pursue other remedies against the defendants in that case. It is possible that other out of state lenders making loans to borrowers in New York, including us, may be subject to similar claims.

The U.S. District Court's decision in the Madden case could limit the interest rates we can charge on our loans in New York and possibly in the other states that have criminal usury caps if the principles in Madden were extended to the federal court districts in those states, namely Florida, Georgia, Louisiana, Massachusetts, Michigan, New Jersey Ohio and Pennsylvania, if the terms of OnDeck loans were contrary to the laws in those states. In those circumstances, we may need to change the interest rates and/or amount of loans we make in those states or otherwise change the way we do business in those states, we may be subject to litigation and we may suffer an adverse impact on our business.

In February 2018, the U.S. House of Representatives passed the Protecting Consumers' Access to Credit Act of 2017 (H.R. 3299). If enacted in its current form, this legislation would effectively overturn the Madden decision and codify the contractual doctrine of "valid when made" which, as applied to lending agreements, provides that a loan that is valid at inception cannot become usurious upon subsequent sale or transfer to another person. There can be no assurance that the legislation will be voted upon or passed by the U.S. Senate or signed into law by the President in its current form or at all.

If our relationship with our issuing bank partner was to end or the legal structure supporting such relationship was to be successfully challenged, then we may have to comply with additional laws, regulations, and restrictions, and certain states may require us to obtain a lending license.

In states that do not require a license to make commercial loans, we make term loans and extend lines of credit directly to customers pursuant to Virginia law, which is the governing law we require in the underlying loan agreements with our customers.

However, some states and jurisdictions, including Alaska, California, Kentucky, Maryland, Minnesota, Nebraska, Nevada, North Dakota, South Dakota, Vermont, Washington, D.C., and West Virginia, require a license to make certain commercial loans and may not honor a Virginia choice of law. They assert either that their own licensing laws and requirements should generally apply to commercial loans made by nonbanks to residents of their state or apply to commercial loans made by nonbanks to residents of their state of certain principal amounts or with certain interest rates or other terms. In such states and jurisdictions and in some other circumstances, term loans and lines of credit are made by our issuing bank partner that are not subject to state licensing and may be sold to us. For the years ended December 31, 2017 , 2016 and 2015 , loans made by our issuing bank partner constituted 22.6% , 22.2% , and 15.3% , respectively, of our total loan originations. These loans are not governed by Virginia law, but rather the laws of the issuing bank partner's home state, which is Utah law in the case of our issuing bank partner, Celtic Bank. The remainder of our term loans and lines of credit provide that they are to be governed by Virginia law. Our issuing bank partner currently originates all of our loans in California, Nevada, North Dakota and South Dakota as well as some loans in other states and jurisdictions in addition to those listed above. Although such states and jurisdictions may have licensing requirements and/or interest rate caps that purport to apply to some or all commercial loans, all such licensing requirements and/or caps that would otherwise be applicable are federally preempted when these loans are originated by our federally chartered or state chartered issuing bank partners. Loans originated by our issuing bank partner are generally priced the same as loans originated by us under Virginia law. While the other U.S. states where we originate loans currently honor our Virginia choice of law, future legal changes could result in any one or more of those states no longer honoring our Virginia choice of law. In that case, we could potentially address the legal change in a manner similar to how we approach the other states and jurisdictions that currently require licensing and may not honor a Virginia choice of law, or we could consider other approaches, including licensing.

If we were otherwise not able to work with an issuing bank partner or if we were to seek to make loans directly in those states referenced above, we would have to attempt to comply with the laws of these states in other ways, including through obtaining lending licenses. Compliance with the laws of such states could be costly, and if we are unable to obtain such licenses, our loan volume could substantially decrease and our revenues, growth and profitability would be harmed. In addition, if our activities under the current arrangement with our issuing bank partner were deemed to constitute lending within any such jurisdiction that would require a lending license, we could be found to have engaged in impermissible lending within such jurisdictions. As a result, we could be subjected to fines and other penalties, all or a portion of the principal and interest charged on the applicable loans could be found to be unenforceable and, to the extent it is determined that such loans were not originated in accordance with all applicable laws, we could be obligated to repurchase any loans from our debt facilities and OnDeck *Marketplace* participants that failed to comply with such legal requirements. Any finding that we engaged in unlicensed lending in states for which a license was required could lead to litigation, fines and harm our reputation and negatively impact our operating results.

As a result of becoming a public company in December 2014, we are obligated to maintain internal controls over financial reporting and our management is required to report annually on the effectiveness of these internal controls. Any determination that these internal controls are not effective may adversely affect investor confidence in our company and, as a result, the value of our common stock.

As a public company, we are required to furnish a report by management on, among other things, the effectiveness of our internal control over financial reporting as of December 31, 2017 and as of subsequent year ends. This assessment needs to include disclosure of any material weaknesses identified by our management in our internal control over financial reporting.

In the past we have identified certain control deficiencies in our internal control over financial reporting, including a significant deficiency. A control deficiency is considered a significant deficiency if it represents a deficiency, or a combination of deficiencies, in internal control over financial reporting that is less severe than a material weakness, yet important enough to merit attention by those responsible for oversight of a company's financial reporting. In contrast, a material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

We cannot assure you that we will not in the future have significant deficiencies or material weaknesses. Because we are an "emerging growth company" under the JOBS Act, our independent registered public accounting firm has not evaluated any of the measures we have taken to address any deficiencies.

Because our business has grown and we are a public company, we are continuing in our efforts to transition to a more developed internal control environment that incorporates increased automation. The actions we have taken and plan to take are subject to ongoing senior management review and audit committee oversight.

We also may not be able to complete our evaluation, testing and any required remediation in a timely fashion. During the evaluation and testing process, if we identify one or more material weaknesses in our internal control over financial reporting that we are unable to remediate before the end of the same fiscal year in which the material weakness is identified or if we are otherwise unable to maintain effective internal controls over financial reporting, we will be unable to assert that our internal controls are effective. If we are unable to assert that our internal control over financial reporting is effective, or when applicable, if our auditors

are unable to attest to management's report on the effectiveness of our internal controls, we could lose investor confidence in the accuracy and completeness of our financial reports, which would cause the price of our common stock to decline.

We will be required to disclose material changes made in our internal controls and procedures on a quarterly basis. However, our independent registered public accounting firm will not be required to formally attest to the effectiveness of our internal control over financial reporting pursuant to Section 404 of the Sarbanes-Oxley Act of 2002, or the Sarbanes-Oxley Act, until the first audit following the date we are no longer an "emerging growth company" as defined in the Jump Our Business Startups Act of 2012, or the JOBS Act, which will be no later than the audit of our financial statements as of and for the year ending December 31, 2019. To comply with the requirements of being a public company, we may need to undertake various actions, such as implementing new internal controls and procedures and hiring accounting or internal audit staff.

We require substantial capital and in the future may require additional capital to pursue our business objectives and profitability strategy and, in particular, our ability to fund loan originations. If adequate capital is not available to us, our business, operating results and financial condition may be harmed.

Since our founding, we have raised substantial equity and debt financing to support the growth of our business. Because we intend to continue to make investments to support the growth of our business, we require additional capital to pursue our business objectives and growth strategy and respond to business opportunities, challenges or unforeseen circumstances, including lending to our customers, increasing our marketing expenditures to attract new customers and improving our brand awareness, developing and offering loans with new characteristics, introducing new loans or services, further expanding internationally in existing or new countries or further improving existing offerings and services, enhancing our operating infrastructure and potentially acquiring complementary businesses and technologies. Accordingly, on a regular basis we need, or we may need, to engage in equity or debt financings to secure additional funds. However, additional funds may not be available when we need them, in amounts we need, on terms that are acceptable to us or at all. Volatility in the credit markets in general or in the market for small business or internet loans in particular may also have an adverse effect on our ability to obtain debt financing. Furthermore, the cost of our borrowing may increase due to market volatility, changes in the risk premiums required by lenders or if traditional sources of debt capital are unavailable. Volatility or depressed valuations or trading prices in the equity markets may similarly adversely affect our ability to obtain equity financing. If we raise additional funds through further issuances of equity or convertible debt securities, our existing stockholders could suffer significant dilution and any new equity securities we issue could have rights, preferences and privileges superior to those of holders of our common stock.

In particular, we may require additional access to capital to support our lending operations. In order to fund loans that cannot be financed through our debt facilities, we have used, and expect to continue to use, our available cash on hand. Furthermore, for all loans that are eligible for funding under the terms of our debt or securitization facilities, these facilities have advance rate limitations on the maximum percentage of collateral that may be financed, which requires us to fund the excess portion through our available cash in hand.

We expect that we will continue to use our available cash to fund a portion of our loans and support our growth initiatives and general operations. To supplement our cash resources, we may seek to expand or modify our existing debt facilities to provide additional capacity as well as expand loan eligibility; add new debt facilities or replace or renew debt facilities scheduled to expire; enter into additional securitizations; increase the size of, or replace, our corporate debt facility; expand the volume of loans that we sell through OnDeck Marketplace and other potential options. If we are unable to adequately maintain our cash resources, we may delay non-essential capital expenditures; implement cost cutting procedures; delay or reduce future hiring; or reduce our rate of future originations compared to current level. There can be no assurance that we can obtain sufficient sources of external capital to support the growth of our business. Delays in doing so or failure to do so may require us to reduce loan originations or reduce our operations, which would harm our ability to pursue our business objectives as well as harm our business, operating results and financial condition.

Our strategy to expand the availability of our platform to other lenders through OnDeck-as-a-Service relies on an unproven business model in an emerging industry, which makes it difficult to evaluate the prospects for that strategy and the risks and challenges we may encounter.

Part of our growth strategy is to expand the availability of our platform to other lenders through OnDeck-as-a-Service. This strategy relies on an unproven business model in an emerging industry. As a result, the revenue and income potential of On-Deck-as-a-Service and the related market opportunity are uncertain. In order to pursue this strategy we will be required to make significant investments over time, attract new customers and retain existing ones. Future demand and market acceptance of OnDeck-as-a-Service are unpredictable. The sales cycle to attract a lender to our platform is long and complex, and once a lender is attracted, the integration and ramp up can also be long, complex and expensive. As a result, it is difficult to evaluate the prospects for this strategy or the timing or degree of its potential success. It is also difficult to assess the risks and challenges we may encounter in

pursuing this strategy. Many of these risks and challenges are in categories similar to those we face in our online small business lending activities as described in this Item 1A. - Risk Factors and elsewhere in this report. Others may be in addition to, or greater than, those we face in our online small business lending activities. Additional or greater risks and challenges to expanding the availability of our platform to other lenders may include:

- lack of acceptance of On-Deck-as-a-Service by other lenders;
- reluctance of other lenders to share their customer data with us, or impacts of data and security breaches if they do;
- unwillingness of other lenders to use our platform because we are doing business with their competitors, or for other reasons;
- the possible preference of other lenders to build and use their own platforms, or platforms offered by existing or new competitors of ours, for online small business lending;
- our ability to charge fees for services commensurate with the total cost of providing those services;
- the amount of time it may take us to integrate new lenders;
- our ability to fund investment to expand and customize our platform in advance of earning fee revenue related to that investment;
- our ability to provide customized solutions that meet the needs of lenders;
- our ability to meet the performance criteria that customers or prospective customers require;
- the inability to retain one or more customers and the impact of that customer loss on other existing or prospective customers;
- our ability to scale our platform to make it economically viable; and
- our ability to compete effectively with third parties seeking to provide similar services.

We may not be able to successfully address these risks and challenges, which could cause our strategy to fail, harm our business and cause our operating results to suffer. In addition, OnDeck-as-a-Service, has placed, and if we are able to expand it will continue to place, significant demands on our management and our operational and financial resources. If we cannot effectively manage the growth of this opportunity, our financial results will suffer.

We may evaluate, and potentially consummate, acquisitions, which could require significant management attention, disrupt our business, and adversely affect our financial results.

Our success will depend, in part, on our ability to grow our business. In some circumstances, we may determine to do so through the acquisition of complementary assets, businesses and technologies rather than through internal development. The identification of suitable acquisition candidates can be difficult, time-consuming, and costly, and we may not be able to successfully complete identified acquisitions. We also have never made these types of acquisitions before and therefore lack experience in integrating such acquisitions, new technology and personnel. The risks we face in connection with acquisitions include:

- diversion of management time and focus from operating our business to addressing acquisition integration challenges;
- coordination of technology, product development and sales and marketing functions;
- transition of the acquired company’s customers to our platform;
- retention of employees from the acquired company;
- cultural challenges associated with integrating employees from the acquired company into our organization;
- integration of the acquired company’s accounting, management information, human resources and other administrative systems;
- the need to implement or improve controls, procedures and policies at a business that prior to the acquisition may have lacked effective controls, procedures and policies;
- potential write-offs of loans or intangibles or other assets acquired in such transactions that may have an adverse effect our operating results in a given period;
- liability for activities of the acquired company before the acquisition, including patent and trademark infringement claims, violations of laws, commercial disputes, tax liabilities and other known and unknown liabilities; and
- litigation or other claims in connection with the acquired company, including claims from terminated employees, customers, former stockholders or other third parties.

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

and harm our business generally. Future acquisitions could also result in dilutive issuances of our equity securities, the incurrence of debt, contingent liabilities, amortization expenses or the write-off of goodwill, any of which could harm our financial condition. Also, the anticipated benefits of any acquisitions may not materialize.

We face increasing competition and, if we do not compete effectively, our operating results could be harmed.

We compete with other companies that lend to small businesses. These companies include traditional banks, merchant cash advance providers and newer, technology-enabled lenders. In addition, other technology companies that primarily lend to individual consumers have been focusing, or may in the future focus, their efforts on lending to small businesses. Competition has intensified in small business lending and this trend may continue.

In some cases, our competitors focus their marketing on our industry sectors and seek to increase their lending and other financial relationships with specific industries such as restaurants. In other cases, some competitors may offer a broader range of financial products to our clients, and some competitors may offer a specialized set of specific products or services. Many of these competitors have significantly more resources and greater brand recognition than we do and may be able to attract customers more effectively than we do. In addition, as more and more competitors market to the same small businesses, it may be more difficult and expensive for us to build our brand and achieve or maintain favorable customer response rates.

When new competitors seek to enter one of our markets, or when existing market participants seek to increase their market share, they sometimes undercut the pricing and/or credit terms prevalent in that market, which could adversely affect our market share and/or ability to exploit new market opportunities. Our pricing and credit terms could deteriorate if we act to meet these competitive challenges. Further, to the extent that the commissions we pay to our strategic partners and funding advisors are not competitive with those paid by our competitors, whether on new loans or renewals or both, these partners and advisors may choose to direct their business elsewhere. Those competitive pressures could also result in us reducing the origination fees or interest we charge to our customers. In addition, increased competition for customer response could require us to incur higher customer acquisition costs and make it more difficult for us to grow our loan originations in both unit and volume for both new as well as repeat customers. All of the foregoing could adversely affect our business, results of operations, financial condition and future growth.

Our success and future growth depend in part on our successful marketing efforts and increased brand awareness. As part of our cost rationalization program, we have reduced our investment in our brand. Failure to effectively use our brand to convert sales may negatively affect our growth and our financial performance.

We believe that an important component of our growth will be continued market penetration through marketing directly to small businesses. To achieve this growth, we anticipate relying on marketing and advertising while controlling customer acquisition cost. As part of our 2017 cost rationalization program, we reduced our investment in brand advertising while seeking to gain marketing efficiencies. While our goal remains to increase the strength, recognition and trust in the OnDeck brand, drive more unique visitors to submit loan applications on our website, and ultimately increase the number of loans made to our customers, our decision to reduce spending in this area and seek greater efficiencies could adversely affect our growth. We incurred expenses of $52.8 million and $67.0 million on sales and marketing in the years ended December 31, 2017 and 2016 , respectively.

Our business model relies on our ability to continue to scale and to decrease incremental customer acquisition costs as we grow. If we are unable to recover our marketing costs through increases in the number of loans we make, or if we maintain recent levels of brand investment or continue to reduce or discontinue our broad marketing campaigns, it could have a material adverse effect on our growth, results of operations and financial condition.

To the extent that Funding Advisor Program partners, other third parties or internal sales representatives mislead loan applicants or engage or previously engaged in disreputable behavior, our reputation may be harmed and we may face liability.

We rely on third-party independent advisors, including commercial loan brokers, which we call Funding Advisor Program partners, or FAPs, for a significant portion of the customers to whom we issue loans. In 2017 , 2016 and 2015 , loans issued to customers whose applications were submitted to us via the FAP channel constituted 26.9% , 27.3% and 28% of our total loan originations, respectively. As a consequence of their status as independent contractors, we have less control of FAP sales activities versus our internal sales representatives. In early 2015, we took a number of steps to enhance our then existing efforts to mitigate the risks associated with FAP sales, as discussed below.

Because FAPs earn fees on a commission basis, FAPs may have an incentive to mislead loan applicants, facilitate the submission by loan applicants of false application data or engage in other disreputable behavior so as to earn additional commissions.

In addition, it is possible that some FAPs may attempt to charge additional fees despite our contractual prohibitions. We also rely on our direct sales agents for customer acquisition in our direct marketing channel, who may also be motivated to engage in disreputable behavior to increase our customer base. If FAPs or our direct sales agents mislead our customers or engage in any other disreputable behavior, our customers are less likely to be satisfied with their experience and to become repeat customers, and we may be subject to costly and time-consuming disputes, each of which could harm our reputation and operating performance. Negative publicity relating to FAPs could impair our ability to continue to increase our revenue and our business could otherwise be materially and negatively impacted.

In early 2015, we significantly enhanced the nature and scope of the due diligence conducted on both prospective and existing FAPs (we applied the enhanced due diligence retroactively to all FAPs with which we had arrangements as well). We update such due diligence on all existing FAPs on an annual basis and continue to conduct enhanced due diligence on new prospective FAPs. We also implemented certain enhanced contractual provisions and compliance-related measures related to our Funding Advisor Program, including FAP training, issuing a FAP code of conduct and conducting welcome calls or distributing welcome surveys to customers (recently modified to customer surveys) who worked with FAPs to survey the FAPs' practices (which, if in violation of our code or contract, could lead to termination). While these measures were intended to improve certain aspects and reduce the risks of how we work with funding advisors and how they work with our customers, we cannot assure that these measures will work or continue to work as intended, that other compliance-related concerns will not emerge in the future, that the funding advisors will comply with these measures, and that these measures will not negatively impact our business from this channel, including our financial performance, or have other unintended or negative impacts on our business beyond the FAP channel, such as with existing or potential strategic partners, customers or funding sources.

In addition, we do business with third parties who are not part of our Funding Advisor Program, including third parties who may refer potential customers to us or to whom we may refer potential customers for their businesses. We are exposed to the risks of potential misleading or disreputable behavior from these third parties as well as from our FAPs.

We also face similar risks based on the behavior of our internal sales representatives. We provide our internal sales representatives with sales scripts that have been reviewed by our compliance team. Sales representatives receive rigorous training, including in-person training conducted by our compliance team on avoiding unfair, abusive, and deceptive practices. In addition, internal sales representative calls are recorded and monitored for purposes of compliance and quality assurance, and there is a quality assurance team dedicated to these efforts, which efforts have continued to be refined and enhanced. Despite these measures, we cannot assure that that they will work as intended or that all of our internal sales representatives will comply with our procedures. Failure of our internal sales representatives to do so would expose us to the same, or worse, consequences than those relating to the FAP channel because our direct sales channel is larger than our FAP channel and we have more direct control over our internal sales representatives than we have over our FAP channel.

We pay commissions to our strategic partners, other third parties and FAPs upfront and generally do not recover them in the event the related loan or line of credit is eventually charged off.

We pay commissions to strategic partners and FAPs on the term loans and lines of credit we originate through these channels. We pay these commissions at the time the term loan is originated or line of credit is opened. However, we generally do not require that this commission be repaid to us in the event of a default on a term loan or line of credit. While we generally discontinue working with strategic partners and FAPs that refer customers to us that ultimately have unacceptably high levels of defaults, to the extent that our strategic partners and FAPs are not at risk of forfeiting their commissions in the event of defaults, they may, to an extent, be indifferent to the riskiness of the potential customers that they refer to us.

We rely on data centers to deliver our services. Any disruption of service at these data centers could interrupt or delay our ability to deliver our service to our customers.

We currently serve our customers from two third-party data center hosting facilities in New Jersey and Colorado, as well as "cloud" data centers which delivers service over the internet. The continuous availability of our service depends on the operations of these facilities and cloud services, on a variety of network service providers, on third-party vendors and on data center operations staff. In addition, we depend on the ability of our third-party facility and cloud service providers to protect the facilities against damage or interruption from natural disasters, power or telecommunications failures, criminal acts and similar events. If there are any lapses of service or damage to these facilities and cloud services, we could experience lengthy interruptions in our service as well as delays and additional expenses in arranging new facilities and services. Even with current and planned disaster recovery arrangements, our business could be harmed.

We designed our system infrastructure and procure and own or lease the computer hardware used for our services. Design and mechanical errors, failure to follow operations protocols and procedures could cause our systems to fail, resulting in interruptions

in our platform. Any such interruptions or delays, whether as a result of third-party error, our own error, natural disasters or security breaches, whether accidental or willful, could harm our relationships with customers and cause our revenue to decrease and/or our expenses to increase. Also, in the event of damage or interruption, our insurance policies may not adequately compensate us for any losses that we may incur. These factors in turn could further reduce our revenue and subject us to liability, which could materially adversely affect our business.

To date, we have derived our revenue from a limited number of financing options and markets. Our efforts to expand our market reach and financing options may not succeed and may reduce our revenue growth.

We offer term loans and lines of credit to our customers in the United States and Canada and term loans to our customers in Australia. Many of our competitors offer a more diverse set of financing options to small businesses and in additional international markets. While we intend to eventually broaden the scope of financing options that we offer to our customers, there can be no assurance that we will be successful in such efforts. Failure to broaden the scope of financing options we offer to potential customers may inhibit the growth of repeat business from our customers and harm our operating results. There also can be no guarantee that we will be successful with respect to our current efforts in Canada and Australia, as well as any further expansion beyond the United States, Canada and Australia, if we decide to attempt such expansion at all, which may also inhibit the growth of our business.

We may not have adequate funding capacity in the event that an unforeseen number of customers to whom we have extended a line of credit decide to draw their lines at the same time.

Our current capacity to fund our customers' lines of credit through existing debt facilities is limited. Accordingly, we maintain cash available to fund our customers' lines of credit based on the amount that we foresee these customers drawing down. For example, if we make available a line of credit for $15,000 to a small business, we may only reserve a portion of this amount at any given time for immediate draw down. We base the amount that we reserve on our analysis of aggregate portfolio demand and the historical activity of customers using these lines of credit. However, if we inaccurately predict the number of customers that draw down on their lines of credit at a certain time, or if these customers draw down in greater amounts than we forecast, we may not have enough funds available to lend to them. Failure to provide funds drawn down by our customers on their lines of credit may lead to negative customer experience, damage our reputation and inhibit our growth.

We will incur increased costs and demands upon management as a result of complying with the laws and regulations affecting public companies, which could harm our results of operations and our ability to attract and retain qualified executives and board members.

As a public company we incur significant legal, accounting, and other expenses that we did not incur as a private company and these expenses will increase after we cease to be an "emerging growth company." In addition, the Sarbanes-Oxley Act and rules subsequently implemented by the SEC and the New York Stock Exchange, or NYSE, impose various requirements on public companies, including requiring changes in corporate governance practices. Our management and other personnel will need to devote a substantial amount of time to these compliance initiatives. Moreover, we expect these rules and regulations and future regulations will continue to increase our legal, accounting and financial compliance costs and will make some activities more time consuming and costly. For example, we expect these rules and regulations to make it more difficult and more expensive for us to obtain director and officer liability insurance, and we may be required to accept reduced policy limits and coverage or to incur substantial costs to maintain the same or similar coverage. These rules and regulations could also make it more difficult for us to attract and retain qualified persons to serve on our board of directors or our board committees or as executive officers.

In addition, the Sarbanes-Oxley Act requires, among other things, that we assess the effectiveness of our internal control over financial reporting annually and the effectiveness of our disclosure controls and procedures quarterly. In particular, we are required to perform system and process evaluation and testing of our internal control over financial reporting to allow management to report on, and our independent registered public accounting firm potentially to attest to, the effectiveness of our internal control over financial reporting, as required by Section 404 of the Sarbanes-Oxley Act, or Section 404. As long as we remain an "emerging growth company" we may elect to avail ourselves of the exemption from the requirement that our independent registered public accounting firm attest to the effectiveness of our internal control over financial reporting under Section 404. However, we may no longer avail ourselves of this exemption when we cease to be an "emerging growth company" and, when our independent registered public accounting firm is required to undertake an assessment of our internal control over financial reporting, the cost of our compliance with Section 404 will correspondingly increase. Our compliance with applicable provisions of Section 404 will require that we incur substantial accounting expense and expend significant management time on compliance-related issues as we implement additional corporate governance practices and comply with reporting requirements. Moreover, if we are not able to comply with the requirements of Section 404 applicable to us in a timely manner, or if we or our independent registered public

accounting firm identifies deficiencies in our internal control over financial reporting that are deemed to be material weaknesses, the market price of our stock could decline and we could be subject to sanctions or investigations by the SEC or other regulatory authorities, which would require additional financial and management resources.

Furthermore, investor perceptions of our company may suffer if deficiencies are found, and this could cause a decline in the market price of our stock. Irrespective of compliance with Section 404, any failure of our internal control over financial reporting could have a material adverse effect on our stated operating results and harm our reputation. We expect to have in place accounting, internal audit and other management systems and resources that will allow us to maintain compliance with the requirements of the Sarbanes-Oxley Act at the end of any phase-in periods permitted by the NYSE, the SEC and the JOBS Act. If we are unable to implement these changes effectively or efficiently, it could harm our operations, financial reporting or financial results and could result in an adverse opinion on internal control from our independent registered public accounting firm.

Our agreements with our lenders contain a number of early payment triggers and covenants. A breach of such triggers or covenants or other terms of such agreements could result in an early amortization, default, and/or acceleration of the related funding facilities which could materially impact our operations.

Primary funding sources available to support the maintenance and growth of our business include, among others, an asset-backed securitization facility, other asset-backed revolving debt facilities and corporate debt. Our liquidity would be materially adversely affected by our inability to comply with various covenants and other specified requirements set forth in our agreements with our lenders which could result in the early amortization, default and/or acceleration of our existing facilities. Such covenants and requirements include financial covenants, portfolio performance covenants and other events. For a description of these covenants, requirements and events, see Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources.

During an early amortization period or occurrence of an event of default, principal collections from the loans in our asset-backed facilities would be applied to repay principal under such facilities rather than being available on a revolving basis to fund purchases of newly originated loans. During the occurrence of an event of default under any of our facilities, the applicable lenders could accelerate the related debt and such lenders' commitments to extend further credit under the related facility would terminate. Our asset-backed securitization trust would not be able to issue future series out of such securitization if an early amortization event occurred. If we were unable to repay the amounts due and payable under such facilities, the applicable lenders could seek remedies, including against the collateral pledged under such facilities. An acceleration of the debt under one facility could also lead to a default under other facilities due to cross-acceleration provisions.

An early amortization event or event of default would negatively impact our liquidity, including our ability to originate new loans, and require us to rely on alternative funding sources, which might increase our funding costs or which might not be available when needed. If we were unable to arrange new or alternative methods of financing on favorable terms, we might have to curtail the origination of loans, which could have a material adverse effect on our business, financial condition, operating results and cash flow, which in turn could have a material adverse effect on our ability to meet our obligations under our facilities.

We act as servicer with respect to our facilities. If we default in our servicing obligations, an early amortization event or default could occur with respect to the applicable facility and we could be replaced as servicer.

In connection with the sale of our loans to our subsidiaries and through OnDeck Marketplace, we make representations and warranties concerning the loans we sell. If those representations and warranties are not correct, we could be required to repurchase the loans. In addition, we may, from time to time, voluntarily purchase loans previously sold to third parties. Any significant required repurchases and/or voluntary purchases could have an adverse effect on our ability to operate and fund our business.

In our asset-backed securitization facility and our other asset-backed revolving debt facilities, we transfer loans to our subsidiaries and make numerous representations and warranties concerning the loans we transfer, including representations and warranties that the loans meet the eligibility respective requirements of such facilities. We also make representations and warranties in connection with the loans we sell through OnDeck *Marketplace* . If the representations and warranties that the loans meet the eligibility requirements are incorrect, we may be required to repurchase the loans not satisfying the eligibility requirements. Failure to repurchase any loans when required would constitute an event of default under the securitization and other asset-backed facilities and may constitute a termination event under the applicable OnDeck *Marketplace* agreement. At the request of a loan purchaser, we may voluntarily decide to purchase loans sold to third parties. There is no assurance, however, that we would have adequate resources to make such purchases or, if we did make the purchases, that such event might not have a material adverse effect on our business. Between June 2016 and December 2017, we voluntarily purchased $20.5 million of loans for strategic business

reasons and we may, from time to time, do so again in the future to the extent that we have adequate resources available. The purchase of loans in large quantities, both on a mandatory or voluntary basis, may have an adverse impact on our liquidity and our ability to originate loans, especially if we are unable to refinance such loans and elect to rely on available cash to purchase them.

If the information provided by customers to us is incorrect or fraudulent, we may misjudge a customer's qualification to receive a loan and our operating results may be harmed.

Our lending decisions are based partly on information provided to us by loan applicants. To the extent that these applicants provide information to us in a manner that we are unable to verify, the OnDeck *Score* may not accurately reflect the associated risk. In addition, data provided by third-party sources is a significant component of the OnDeck *Score* and this data may contain inaccuracies. Inaccurate analysis of credit data that could result from false loan application information could harm our reputation, business and operating results.

In addition, we use identity and fraud checks analyzing data provided by external databases to authenticate each customer's identity. From time to time in the past, these checks have failed and there is a risk that these checks could also fail in the future, and fraud may occur. We may not be able to recoup funds underlying loans made in connection with inaccurate statements, omissions of fact or fraud, in which case our revenue, operating results and profitability will be harmed. Fraudulent activity or significant increases in fraudulent activity could also lead to regulatory intervention, negatively impact our operating results, brand and reputation, and require us to take steps to reduce fraud risk, which could increase our costs.

Financial regulatory reform relating to asset-backed securities has not been fully implemented and there is uncertainty regarding its continuation, both of which could have a significant impact on our ability to access the asset-backed market.

We rely upon asset-backed financing for a significant portion of our funds with which to carry on our business. Asset-backed securities and the securitization markets were heavily affected by the Dodd-Frank Act, which was signed into law in 2010, and have also been a focus of increased regulation by the SEC. However, some of the regulations to be implemented under the Dodd-Frank Act have not yet been finalized and other asset-backed regulations that have been adopted by the SEC have delayed effective dates. For example, the Dodd-Frank Act mandates the implementation of rules requiring securitizers or originators to retain an economic interest in a portion of the credit risk for any asset that they securitize or originate. In October 2014, the SEC adopted final rules in relation to such risk retention, but such rules did not become effective with respect to our transactions until late in 2016. In addition, the SEC previously proposed separate rules which would affect the disclosure requirements for registered as well as unregistered issuances of asset-backed securities. The SEC has recently adopted final rules which affect the disclosure requirements for registered issuances of asset-backed securities backed by residential mortgages, commercial mortgages, auto loans, auto leases and debt securities. However, final rules that would affect the disclosure requirements for registered issuances of asset-backed securities backed by other types of collateral or for unregistered issuances of asset-backed securities have not been adopted. Additionally, there is general uncertainty regarding what changes, if any, may be implemented with regards to the Dodd-Frank Act. Any new rules or changes to the Dodd-Frank Act (or the current rules thereunder), if implemented could adversely affect our ability to access the asset-backed market or our cost of accessing that market.

Customer complaints or negative publicity could result in a decline in our customer growth and our business could suffer.

Our reputation is very important to attracting new customers to our platform as well as securing repeat lending to existing customers. There can be no assurance that we will continue to maintain a good relationship with our customers or avoid negative publicity. Any damage to our reputation, whether arising from our conduct of business, negative publicity, regulatory, supervisory or enforcement actions, matters affecting our financial reporting or compliance with SEC and New York Stock Exchange listing requirements, security breaches or otherwise could have a material adverse effect on our business.

Many of our strategic partnerships are nonexclusive and subject to termination options that, if terminated, could harm the growth of our customer base and negatively affect our financial performance. Additionally, these partners are concentrated and the departure of a significant partner could have a negative impact on our operating results. Lastly, any termination of agreements governing our provision of OnDeck-as-a-Service could have a negative impact on our ability to grow this part of our business and negatively impact our operating results.

We rely on strategic partners for referrals of an increasing portion of our customers and our growth depends in part on the growth of these referrals. Over the last five years, loans issued to customers referred to us by our strategic partners have grown to become an increasingly significant percentage of our total loan originations.

Many of our strategic partnerships do not contain exclusivity provisions that would prevent such partners from providing leads to competing companies. In addition, the agreements governing these partnerships contain termination provisions that, if exercised, would terminate our relationship with these partners. These agreements also contain no requirement that a partner refer us any minimum number of leads. There can be no assurance that these partners will not terminate our relationship with them or continue referring business to us in the future, and a termination of the relationship or reduction in leads referred to us would have a negative impact on our revenue and operating results.

In addition, a small number of strategic partners refer to us a significant portion of the loans made within this channel. In 2017 , 2016 and 2015 , loans issued to customers referred to us by our top four strategic partners constituted 11.1% , 12.0% and 11.5% of our total loan originations, respectively. In the event that one or more of these significant strategic partners terminated our relationship or reduced the number of leads provided to us, our business would be harmed.

Additionally, we have continued exploring ways to expand the availability of OnDeck-as-a-Service to appropriate partners that could use our platform to make loan decisions. The agreements governing these services contain termination provisions that, if exercised, would terminate our agreement with these partners. A termination of any such agreements may affect our reputation as we seek to expand OnDeck-as-a-Service and/or have a negative impact on our revenue and operating results.

If we are unable to sell charged-off loans to third-parties and/or the premiums paid by such third-parties for charged-off loans were to decline, our operating results may be negatively affected.

If a loan is charged-off, historically we had generally sold the loan to third-parties in exchange for only a small fraction of the remaining amount payable to us. The agreements governing such arrangements with third-parties may be subject to termination and/or renegotiation. Any such termination and/or renegotiation of agreements already in place could result in our inability to sell charged-off loans and/or result in lower recoveries than we have realized historically from selling charged-off loans which could have a material adverse effect on our business and operating results.

Expanding our operations internationally could subject us to new challenges and risks.

We currently operate in the United States, Canada and Australia and may seek to expand our business further internationally. Additional international expansion, whether in our existing or new international markets, will require additional resources and controls. Such expansion could subject our business to substantial risks including:

- adjusting our proprietary loan platform, and the OnDeck *Score* , to account for the country-specific differences in information available on potential small business borrowers;
- conformity with applicable business customs, including translation into foreign languages and associated expenses;
- changes to the way we do business as compared with our current operations;
- the need to support and integrate with local third-party service providers;
- competition with service providers that have greater experience in the local markets than we do or that have pre-existing relationships with potential borrowers and investors in those markets;
- difficulties in staffing and managing foreign operations in an environment of diverse culture, laws and customs, and the increased travel, infrastructure and legal and compliance costs associated with international operations;
- difficulties in securing financing in international markets in local currencies;
- compliance with multiple, potentially conflicting and changing governmental laws and regulations, including banking, securities, employment, tax, privacy and data protection laws and regulations;
- compliance with U.S. and foreign anti-bribery laws, such as the Foreign Corrupt Practices Act and comparable laws in Canada, Australia and other non-U.S. markets into which we might expand in the future;
- difficulties in collecting payments in foreign currencies and associated foreign currency exposure;
- restrictions on repatriation of earnings;
- compliance with potentially conflicting and changing laws of taxing jurisdictions where we conduct business and applicable U.S. tax laws as they relate to international operations, the complexity and adverse consequences of such tax laws and potentially adverse tax consequences due to changes in such tax laws; and
- regional economic and political conditions.

As a result of these risks, any potential future international expansion efforts that we may undertake may not be successful.

Our business depends on our ability to collect payment on and service the loans we make to our customers.

We rely on unaffiliated banks for the Automated Clearing House, or ACH, transaction process used to disburse the proceeds of newly originated loans to our customers and to automatically collect scheduled payments on the loans. As we are not a bank, we do not have the ability to directly access the ACH payment network, and must therefore rely on an FDIC-insured depository institution to process our transactions, including loan payments. If we cannot continue to obtain such services from our current institutions or elsewhere, or if we cannot transition to another processor quickly, our ability to process payments will suffer. If we fail to adequately collect amounts owing in respect of the loans, as a result of the loss of direct debiting or otherwise, then payments to us may be delayed or reduced and our revenue and operating results will be harmed.

Demand for our loans may decline if we do not continue to innovate or respond to evolving technological changes.

We operate in a nascent industry characterized by rapidly evolving technology and frequent product introductions. We rely on our proprietary technology to make our platform available to customers, determine the creditworthiness of loan applicants, and service the loans we make to customers. In addition, we may increasingly rely on technological innovation as we introduce new types of loans, expand our current loans into new markets, and continue to streamline the lending process. The process of developing new technologies and products is complex, and if we are unable to successfully innovate and continue to deliver a superior customer experience, customers' demand for our loans may decrease and our growth and operations may be harmed.

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

Our ability to lend to our customers depends, in part, upon our proprietary technology, including our use of the OnDeck *Score* . We may be unable to protect our proprietary technology effectively which would allow competitors to duplicate our business processes and know-how, and adversely affect our ability to compete with them. A third party may attempt to reverse engineer or otherwise obtain and use our proprietary technology without our consent. The pursuit of a claim against a third party for infringement of our intellectual property could be costly, and there can be no guarantee that any such efforts would be successful.

In addition, our platform may infringe upon claims of third-party intellectual property, and we may face intellectual property challenges from such other parties. We may not be successful in defending against any such challenges or in obtaining licenses to avoid or resolve any intellectual property disputes. The costs of defending any such claims or litigation could be significant and, if we are unsuccessful, could result in a requirement that we pay significant damages or licensing fees, which would negatively impact our financial performance. Furthermore, our technology may become obsolete, and there is no guarantee that we will be able to successfully develop, obtain or use new technologies to adapt our platform to compete with other lending platforms as they develop. If we cannot protect our proprietary technology from intellectual property challenges, or if the platform becomes obsolete, our ability to maintain our platform, make loans or perform our servicing obligations on the loans could be adversely affected.

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.

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

Some open source licenses contain requirements that we make available source code for modifications or derivative works we create based upon the type of open source software we use. If portions of our proprietary platform are determined to be subject to an open source license, or if the license terms for the open source software that we incorporate change, we could be required to publicly release the affected portions of our source code, re-engineer all or a portion of our platform or change our business activities. In addition to risks related to license requirements, the use of open source software can lead to greater risks than the use of third-party commercial software, as open source licensors generally do not provide warranties or controls on the origin of the software. Many of the risks associated with the use of open source software cannot be eliminated, and could adversely affect our business.

We may not be able to utilize a significant portion of our net operating loss carryforwards, which could harm our results of operations.

We had U.S. federal net operating loss carryforwards of approximately $82.1 million as of December 31, 2017 . These net operating loss carryforwards will begin to expire at various dates beginning in 2027. As of December 31, 2017 , after giving effect to new corporate tax rates prescribed by the Tax Cuts and Jobs Act enacted on December 22, 2017, we have recorded a full valuation allowance of $37.8 million against our net deferred tax asset.

The Internal Revenue Code of 1986, as amended, or the Code, imposes substantial restrictions on the utilization of net operating losses and other tax attributes in the event of an "ownership change" of a corporation. Events which may cause limitation in the amount of the net operating losses and other tax attributes that are able to be utilized in any one year include, but are not limited to, a cumulative ownership change of more than 50% over a three-year period, which has occurred as a result of historical ownership changes. Accordingly, our ability to use pre-change net operating loss and certain other attributes are limited as prescribed under Sections 382 and 383 of the Code. Therefore, if we earn net taxable income in the future, our ability to reduce our federal income tax liability with our existing net operating losses is subject to limitation. Although we believe that our initial public offering did not result in another cumulative ownership change under Sections 382 and 383 of the Code, we do not believe that any resulting limitation will further limit our ability to ultimately utilize our net operating loss carryforwards and other tax attributes in a material way. Future offerings, as well as other future ownership changes that may be outside our control could potentially result in further limitations on our ability to utilize our net operating loss and tax attributes. Accordingly, achieving profitability may not result in a full release of the valuation allowance.

Risks Related to the Securities Markets and Ownership of Our Common Stock

The price of our common stock may be volatile and the value of your investment could decline.

Stocks of emerging growth companies have experienced high levels of volatility. The trading price of our common stock may fluctuate substantially. The market price of our common stock may be higher or lower than the price you pay, depending on many factors, some of which are beyond our control and may not be related to our operating performance. These fluctuations could cause you to lose all or part of your investment in our common stock. Factors that could cause fluctuations in the trading price of our common stock include the following:

- announcements of new types of loans, services or technologies, relationships with strategic partners, acquisitions or other events by us or our competitors;
- changes in economic conditions;
- changes in prevailing interest rates;
- price and volume fluctuations in the overall stock market from time to time;
- significant volatility in the market price and trading volume of technology companies in general and of companies in our industry;
- fluctuations in the trading volume of our shares or the size of our public float;
- the impact of securities analysts' reports or other publicity regarding our business or industry;
- actual or anticipated changes in our operating results or fluctuations in our operating results;
- quarterly fluctuations in demand for our loans;
- whether our operating results meet the expectations of securities analysts or investors;
- actual or anticipated changes in the expectations of investors or securities analysts;
- regulatory developments in the United States, foreign countries or both;
- major catastrophic events;
- sales of large blocks of our stock; or
- departures of key personnel.

In addition, if the market for financial or technology stocks or the stock market in general experiences loss of investor confidence, the trading price of our common stock could decline for reasons unrelated to our business, operating results or financial condition. The trading price of our common stock might also decline in reaction to events that affect other companies in our industry even if these events do not directly affect us. In the past, following periods of volatility in the market price of a company's securities, securities class action litigation has often been brought against that company. In August 2015, we became the subject of two putative class actions, which were subsequently consolidated, alleging that the registration statement for our IPO contained

materially false and misleading statements regarding, or failed to disclose, specified information in violation of the Securities Act of 1933, as amended. In September 2016, the consolidated cases were dismissed following the filing by the lead plaintiff of a notice of voluntary dismissal without prejudice as to all the parties.

If our stock price continues to be volatile, we may become the target of additional securities litigation in the future. Securities litigation could result in substantial costs and divert our management's attention and resources from our business. This could have a material adverse effect on our business, operating results and financial condition.

Sales of substantial amounts of our common stock in the public markets, or the perception that they might occur, could reduce the price that our common stock might otherwise attain and may dilute your voting power and your ownership interest in us.

Sales of a substantial number of shares of our common stock in the public market, or the perception that these sales could occur, could adversely affect the market price of our common stock and may make it more difficult for you to sell your common stock at a time and price that you deem appropriate. At December 31, 2017 , we had 73,822,001 shares of common stock outstanding.

At December 31, 2017, certain holders of our common stock (including shares issuable pursuant to the exercise of warrants to purchase common stock), or their permitted transferees, have registration rights under certain circumstances to require us to include their shares in registration statements that we may file for ourselves or other stockholders. It is not possible for us to determine the total number of our shares that are currently subject to such registration rights because certain of our stockholders with registration rights transferred their shares to the Depository Trust Company in order to hold such shares anonymously in "street name." As a result, the actual number of shares with registration rights could be much larger than we are able to determine based on available information. We have also registered the offer and sale of all shares of common stock that we may issue under our 2014 Equity Incentive Plan and 2014 Employee Stock Purchase Plan.

We may issue our shares of common stock or securities convertible into our common stock from time to time in connection with a financing, acquisition, investments or otherwise. Any such issuance could result in substantial dilution to our existing stockholders and cause the trading price of our common stock to decline.

Insiders and large stockholders have or could have substantial control over us, which could limit your ability to influence the outcome of key transactions, including a change of control.

Our directors, executive officers and each of our stockholders who own greater than 5% of our outstanding common stock and their affiliates, in the aggregate, own approximately 47% of the outstanding shares of our common stock, based on the number of shares outstanding as of December 31, 2017 . As a result, these stockholders, if acting together, will be able to influence or control matters requiring approval by our stockholders, including the election of directors and the approval of mergers, acquisitions or other extraordinary transactions. They may also have interests that differ from yours and may vote in a way with which you disagree and which may be adverse to your interests. This concentration of ownership may have the effect of delaying, preventing or deterring a change of control of our company, could deprive our stockholders of an opportunity to receive a premium for their common stock as part of a sale of our company and might ultimately affect the market price of our common stock.

We do not intend to pay dividends for the foreseeable future.

We have never declared or paid any dividends on our common stock. We intend to retain any earnings to finance the operation and expansion of our business, and we do not anticipate paying any cash dividends in the future. As a result, you may only receive a return on your investment in our common stock if the market price of our common stock increases.

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

As a public company, we are subject to the reporting requirements of the Exchange Act, the listing standards of the New York Stock Exchange and other applicable securities rules and regulations. Compliance with these rules and regulations will increase our legal and financial compliance costs, make some activities more difficult, time-consuming or costly, and increase demand on our systems and resources, particularly after we are no longer an "emerging growth company" as defined in the JOBS Act. Among other things, the Exchange Act requires that we file annual, quarterly and current reports with respect to our business and operating results and maintain effective disclosure controls and procedures and internal control over financial reporting. In order to maintain and, if required, improve our disclosure controls and procedures and internal control over financial reporting to meet this standard, significant resources and management oversight may be required. As a result, management's attention may be diverted from other business concerns, which could harm our business, results of operations and financial condition. Although we

have already hired additional employees to comply with these requirements, we may need to hire even more employees in the future, which will increase our costs and expenses.

In addition, changing laws, regulations and standards relating to corporate governance and public disclosure are creating uncertainty for public companies, increasing legal and financial compliance costs and making some activities more time-consuming. These laws, regulations and standards are subject to varying interpretations, in many cases due to their lack of specificity, and, as a result, their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies. This could result in continuing uncertainty regarding compliance matters and higher costs necessitated by ongoing revisions to disclosure and governance practices. We intend to invest resources to comply with evolving laws, regulations and standards, and this investment may result in increased general and administrative expense and a diversion of management's time and attention from revenue-generating activities to compliance activities. If our efforts to comply with new laws, regulations and standards differ from the activities intended by regulatory or governing bodies, regulatory authorities may initiate legal proceedings against us and our business may be harmed.

However, for so long as we remain an "emerging growth company" as defined in the JOBS Act, we may take advantage of certain exemptions from various requirements that are applicable to public companies that are not "emerging growth companies," including not being required to comply with the independent auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved. We may take advantage of these exemptions until we are no longer an "emerging growth company."

We would cease to be an "emerging growth company" upon the earliest of: (i) the first fiscal year following the fifth anniversary of our initial public offering, (ii) the first fiscal year after our annual gross revenues are $1.07 billion or more, (iii) the date on which we have, during the previous three-year period, issued more than $1 billion in non-convertible debt securities, or (iv) as of the end of any fiscal year in which the market value of our common stock held by non-affiliates exceeded $700 million as of the end of the second quarter of that fiscal year. Based on the foregoing criteria, December 31, 2019 is latest possible date through which we will continue to be an emerging growth company.

We also expect that these new rules, regulations and standards may make it more expensive for us as a public company to obtain director and officer liability insurance, and we may be required to accept reduced coverage or incur substantially higher costs to obtain coverage. These factors could also make it more difficult for us to attract and retain qualified executive officers and qualified members of our board of directors, particularly to serve on our Audit Committee, Compensation Committee, Corporate Governance and Nominating Committee, and Risk Management Committee.

We are an "emerging growth company," and we cannot be certain if the reduced disclosure requirements applicable to emerging growth companies will make our common stock less attractive to investors.

We are an "emerging growth company," as defined in the JOBS Act, and are taking advantage of certain exemptions from various reporting requirements that are applicable to public companies that are not "emerging growth companies," including, but not limited to, not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and shareholder approval of any golden parachute payments not previously approved. We cannot predict if investors will find our common stock less attractive because we may rely on these exemptions. If some investors find our common stock less attractive as a result, there may be a less active trading market for our common stock, and our stock price may be more volatile and may decline.

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

The trading market for our common stock depends, to some extent, on the research and reports that securities or industry analysts publish about us or our business. We do not have any control over these analysts. If one or more of the analysts who cover us should downgrade our shares, change their opinion of our shares or provide more favorable relative recommendations about our competitors, our share price would likely decline. If one or more of these analysts should cease coverage of our company or fail to regularly publish reports on us, we could lose visibility in the financial markets, which could cause our share price or trading volume to decline.

Our charter documents and Delaware law could discourage takeover attempts and lead to management entrenchment.

Our amended and restated certificate of incorporation and third amended and restated bylaws contain provisions that could delay or prevent a change in control of our company. These provisions could also make it difficult for stockholders to elect directors that are not nominated by the current members of our board of directors or take other corporate actions, including effecting changes in our management. These provisions include:

- a classified board of directors with three-year staggered terms, which could delay the ability of stockholders to change the membership of a majority of our board of directors;
- the ability of our board of directors to issue shares of preferred stock and to determine the price and other terms of those shares, including preferences and voting rights, without stockholder approval, which could be used to significantly dilute the ownership of a hostile acquiror;
- the exclusive right of our board of directors to elect a director to fill a vacancy created by the expansion of our board of directors or the resignation, death or removal of a director, which prevents stockholders from being able to fill vacancies on our board of directors;
- a prohibition on stockholder action by written consent, which forces stockholder action to be taken at an annual or special meeting of our stockholders;
- the requirement that a special meeting of stockholders may be called only by the chairman of our board of directors, our president, our secretary or a majority vote of our board of directors, which could delay the ability of our stockholders to force consideration of a proposal or to take action, including the removal of directors;
- the requirement for the affirmative vote of holders of at least 66 2 / 3 % of the voting power of all of the then outstanding shares of the voting stock, voting together as a single class, to amend the provisions of our amended and restated certificate of incorporation relating to the issuance of preferred stock and management of our business or our amended and restated bylaws, which may inhibit the ability of an acquiror to effect such amendments to facilitate an unsolicited takeover attempt;
- the ability of our board of directors, by majority vote, to amend the bylaws, which may allow our board of directors to take additional actions to prevent an unsolicited takeover and inhibit the ability of an acquiror to amend the bylaws to facilitate an unsolicited takeover attempt; and
- advance notice procedures with which stockholders must comply to nominate candidates to our board of directors or to propose matters to be acted upon at a stockholders' meeting, which may discourage or deter a potential acquiror from conducting a solicitation of proxies to elect the acquiror's own slate of directors or otherwise attempting to obtain control of us.

In addition, as a Delaware corporation, we are subject to Section 203 of the Delaware General Corporation Law. These provisions may prohibit large stockholders, in particular those owning 15% or more of our outstanding voting stock, from merging or combining with us for a certain period of time.

Item 1B. Unresolved Staff Comments

None.

Item 2. Properties

Our principal locations, their purposes and the expiration dates for the leases on facilities at those locations as of December 31, 2017 are shown in the table below.

Location	Purpose	Approximate Square Feet	Lease Expiration Date
New York, NY	Corporate Headquarters, technology and direct sales	107,800	2026
Denver, CO	Direct sales and operations	71,900	2026
Arlington, VA	Underwriting, loan origination and servicing	18,600	2022

We lease all of our facilities. We do not own any real property. We currently have excess capacity in our Denver, New York and Virginia offices and we are continuing to explore options for subletting and/or divesting ourselves of excess space. See Note 14 of Notes to Consolidated Financial Statements elsewhere in this report for details on the termination of a portion of our office space in New York in 2018. We believe our facilities are suitable and adequate for our current and near-term needs. Our leases

are further described in Note 12 of Notes to Consolidated Financial Statements elsewhere in this report.

Item 3. Legal Proceedings

From time to time we are subject to legal proceedings and claims in the ordinary course of our business. The results of such matters cannot be predicted with certainty. However, we believe that the final outcome of any such current matters will not result in a material adverse effect on our consolidated financial condition, consolidated results of operations or consolidated cash flows.

Item 4. Mine Safety Disclosures

None.

PART II

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

Market Information

Our common stock began trading on the New York Stock Exchange, or the NYSE, under the symbol "ONDK" on December 17, 2014 in connection with our initial public offering of our common stock. Prior to that date, there was no public market for our common stock. The following table sets forth for the periods presented the high and low intraday sale prices of our common stock on the NYSE:

	Sale Prices	
	High	Low
2016		
First Quarter	$ 10.18	$ 6.05
Second Quarter	$ 8.94	$ 4.20
Third Quarter	$ 6.46	$ 4.76
Fourth Quarter	$ 5.88	$ 3.64
2017		
First Quarter	$ 5.82	$ 4.26
Second Quarter	$ 5.07	$ 3.29
Third Quarter	$ 5.18	$ 3.98
Fourth Quarter	$ 6.36	$ 4.53

Holders of Record

As of February 20, 2018 , there were approximately 45 holders of record of our common stock. This record holder figure does not include, and we are not able to estimate, the number of holders whose shares are held of record by banks, brokers and other financial institutions.

Dividends

We have never declared or paid cash dividends on our common stock. We currently intend to retain all available funds and any future earnings for use in the operation and expansion of our business and do not anticipate paying any dividends on our common stock in the foreseeable future. Any future determination to declare dividends will be made at the discretion of our board of directors and will depend on our financial condition, operating results, capital requirements, general business conditions, contractual restrictions and other factors that our board of directors may deem relevant.

Issuer Purchases of Equity Securities

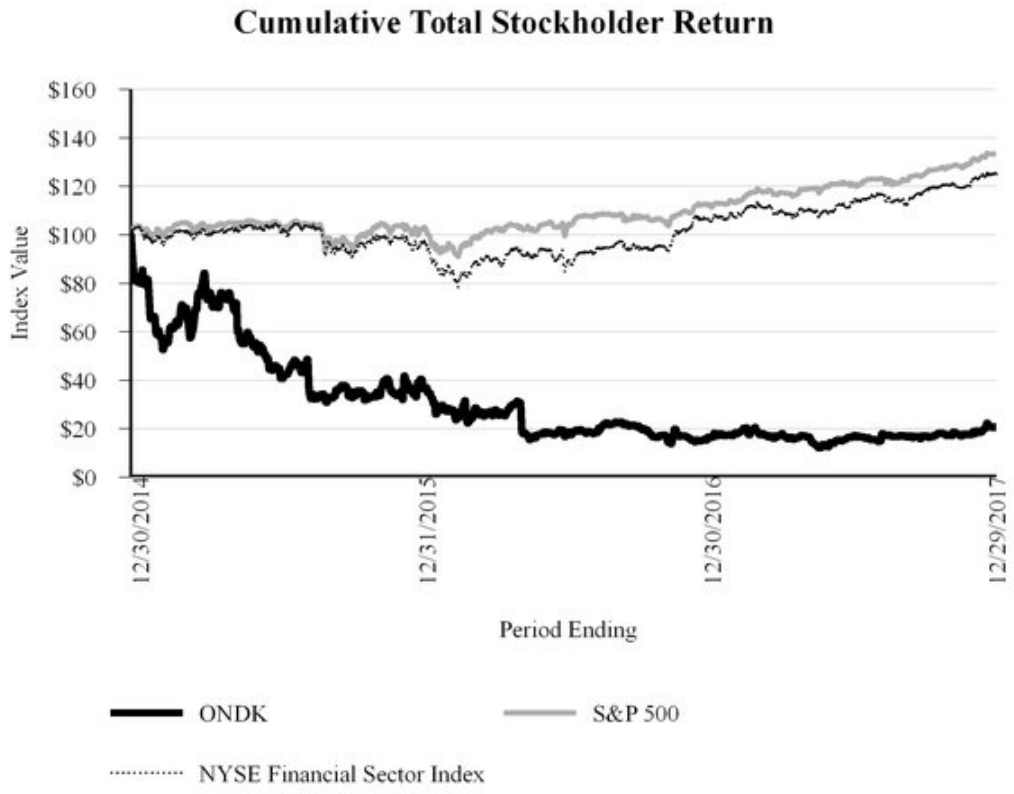
During the quarter and year ended December 31, 2017 , we did not purchase any of our equity securities that are registered under Section 12(b) of the Exchange Act.

Performance Graph

This performance graph shall not be deemed "soliciting material" or to be "filed" with the SEC for purposes of Section 18 of the Exchange Act, or otherwise subject to the liabilities under that Section, and shall not be deemed to be incorporated by reference into any filing of On Deck Capital, Inc. under the Securities Act of 1933, as amended, or the Exchange Act.

The following graph compares the cumulative total stockholder return since December 31, 2014 with the S&P 500 Index and the NYSE Financial Sector Index through December 31, 2017 . The graph assumes that the value of the investment in our

common stock and each index was $100 at market close on December 17, 2014. The returns shown are historical and are not intended to suggest future performance.



Sales of Unregistered Equity Securities

None.

Item 6. Selected Consolidated Financial Data

The following selected consolidated financial data are derived from our audited financial statements. The consolidated balance sheet data as of December 31, 2017 and 2016 and the consolidated statement of operations data for the years ended December 31, 2017 , 2016 and 2015 are derived from our audited consolidated financial statements and related notes that are included elsewhere in this Form 10-K. The consolidated balance sheet data as of December 31, 2015, 2014 and 2013 and the consolidated statement of operations data for the years ended December 31, 2014 and 2013 are derived from our audited consolidated financial statements and related notes which are not included in this report. The information set forth below should be read in conjunction with our historical financial statements, including the notes thereto, and "Management's Discussion and Analysis of Financial Condition and Results of Operations," included elsewhere in this report.

(in thousands, except share and per share data)

	Year Ended December 31,				
	2017	**2016**	**2015**	**2014**	**2013**
Consolidated Statements of Operations Data					
Revenue:					
Interest income	$ 334,575	$ 264,844	$ 195,048	$ 145,275	$ 62,941
Gross revenue	350,950	291,317	254,767	158,064	65,249
Total cost of revenue	198,361	182,411	95,107	84,632	39,989
Net revenue	152,589	108,906	159,660	73,432	25,260
Net income (loss)	(14,345)	(85,482)	(2,231)	(18,708)	(24,356)
Net income (loss) attributable to On Deck Capital, Inc. common stockholders	$ (11,534)	$ (82,958)	$ (1,273)	$ (31,592)	$ (37,080)
Net income (loss) per share attributable to On Deck Capital, Inc. common shareholders:					
Basic and diluted	$ (0.16)	$ (1.17)	$ (0.02)	$ (0.60)	$ (8.64)
Weighted-average common shares outstanding:					
Basic and diluted	72,890,313	70,934,937	69,545,238	52,556,998	4,292,026
Consolidated Balance Sheet Data:					
Cash and cash equivalents	$ 71,362	$ 79,554	$ 159,822	$ 220,433	$ 4,670
Loans held for investment	952,796	1,000,445	552,742	504,107	222,521
Total assets	996,044	1,064,091	745,025	724,265	233,123
Funding debt	684,269	726,639	375,890	382,773	186,088
Total liabilities	729,988	800,494	415,603	413,660	214,260
Redeemable convertible preferred stock	—	—	—	—	118,343
Total On Deck Capital, Inc. stockholders' equity (deficit)	$ 262,045	$ 259,525	$ 322,813	$ 310,605	$ (99,480)

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

You should read the following discussion and analysis of our financial condition and results of operations together with our consolidated financial statements and the related notes and other financial information included elsewhere in this report. Some of the information contained in this discussion and analysis, including information with respect to our plans and strategy for our business, includes forward-looking statements that involve risks and uncertainties. You should review the "Cautionary Note Regarding Forward-Looking Statements" and Item 1A. Risk Factors sections of this report for a discussion of important factors that could cause actual results to differ materially from the results described in or implied by the forward-looking statements contained in the following discussion and analysis.

Overview

We are a leading platform for online small business lending. We are seeking to make it efficient and convenient for small businesses to access capital. Enabled by our proprietary technology and analytics, we aggregate and analyze thousands of data points from dynamic, disparate data sources to assess the creditworthiness of small businesses rapidly and accurately. Small businesses can apply for a term loan or line of credit on our website in minutes and, using our proprietary OnDeck *Score* ®, we can make a funding decision immediately and, if approved, transfer funds as fast as the same day. Qualified customers may carry both a term loan and line of credit simultaneously which we believe provides additional repeat business opportunities, as well as increased value to our customers. We originated $2.1 billion of loans in 2017 and more than $8 billion of loans since we made our first loan in 2007.

We generate the majority of our revenue through interest income and fees earned on the loans we make to our customers. Our term loans, which we offer in principal amounts ranging from $5,000 to $500,000 and with maturities of 3 to 36 months, feature fixed dollar repayments. Our lines of credit range from $6,000 to $100,000, and are generally repayable within six months of the date of the most recent draw. We earn interest on the balance outstanding and lines of credit are subject to a monthly fee unless the customer makes a qualifying minimum draw, in which case it is waived for the first six months. The balance of our other revenue primarily comes from our servicing and other fee income, most of which consists of marketing fees from our issuing bank partner, fees generated by OnDeck-as-a-Service, and fees we receive for servicing loans owned by third parties.

We rely on a diversified set of funding sources for the capital we lend to our customers. Our primary source of this capital has historically been debt facilities with various financial institutions. We have also used proceeds from operating cash flow to fund loans in the past and continue to finance a portion of our outstanding loans with these funds. As of December 31, 2017 , we had $690.4 million of funding debt principal outstanding and $1.0 billion total borrowing capacity under such debt facilities. During the years ended 2017 , 2016 and 2015 , we sold approximately $74.2 million , $378.5 million and $617.7 million , respectively, of loans to OnDeck *Marketplace* purchasers. Of the total principal outstanding as of December 31, 2017 , including our loans held for investment, plus loans sold to OnDeck *Marketplace* purchasers which had a balance remaining as of December 31, 2017 , 3% were funded via OnDeck *Marketplace* purchasers, 58% were funded via our debt facilities, 30% were financed via proceeds raised from our securitization transaction and 9% were funded via our own equity.

We originate loans throughout the United States, Canada and Australia, although, to date, substantially all of our revenue has been generated in the United States. These loans are originated through our direct marketing, including direct mail, social media and other online marketing channels. We also originate loans through our outbound sales team, referrals from our strategic partners, including banks, payment processors and small business-focused service providers, and through funding advisors who advise small businesses on available funding options.

Key Financial and Operating Metrics

We regularly monitor a number of metrics in order to measure our current performance and project our future performance. These metrics aid us in developing and refining our growth strategies and making strategic decisions. Beginning with the three months ended March 31, 2016, we refined the calculation of Effective Interest Yield, or EIY, and certain related definitions to present EIY on a business day adjusted basis and to reflect the substantial growth and impact of OnDeck *Marketplace* in 2015. We also refined the calculation of Net Interest Margin, or NIM, and certain related definitions to present NIM on a calendar day adjusted basis. In addition, effective January 1, 2016, we adopted a new requirement in accordance with accounting principles generally accepted in the United States of America, or GAAP, regarding the presentation of debt issuance costs. All revisions have been applied retrospectively.

	As of or for the Year Ended December 31,		
	2017	2016	2015
	(dollars in thousands)		
Originations	$ 2,114,663	$ 2,403,796	$ 1,874,438
Effective Interest Yield	33.9%	33.3%	35.4%
Net Interest Margin*	29.7%	29.7%	29.7%
Marketplace Gain on Sale Rate	3.4%	3.8%	8.6%
Cost of Funds Rate	6.3%	5.9%	5.5%
Provision Rate	7.5%	7.4%	5.8%
Reserve Ratio	11.6%	11.2%	9.8%
15+ Day Delinquency Ratio	6.7%	6.6%	6.6%
Net Charge-off Rate	15.8%	12.0%	13.7%
Pre-Provision Operating Income*	139,345	64,895	72,938
Pre-Provision Operating Yield*	14.3%	8.3%	13.5%

*Non-GAAP measure. Refer to "Non-GAAP Financial Measures" below for an explanation and reconciliation to GAAP.

Originations

Originations represent the total principal amount of the term loans we made during the period, plus the total amount drawn on lines of credit during the period. Many of our repeat term loan customers renew their term loan before their existing term loan is fully repaid. In accordance with industry practice, originations of such repeat term loans are presented as the full renewal loan principal, rather than the net funded amount, which would be the renewal term loan's principal net of the unpaid principal balance on the existing term loan. Loans referred to, and originated by, our issuing bank partner and later purchased by us are included as part of our originations.

Effective Interest Yield

Effective Interest Yield is the rate of return we achieve on loans outstanding during a period. It is calculated as our business day adjusted annualized interest income divided by average Loans. Annualization is based on 252 business days per year, which is typical weekdays per year less U.S. Federal Reserve Bank holidays.

Net deferred origination costs in loans held for investment and loans held for sale consist of deferred origination fees and costs. Deferred origination fees include fees paid up front to us by customers when loans are originated and decrease the carrying value of loans, thereby increasing the Effective Interest Yield earned. Deferred origination costs are limited to costs directly attributable to originating loans such as commissions, vendor costs and personnel costs directly related to the time spent by the personnel performing activities related to loan origination and increase the carrying value of loans, thereby decreasing the Effective Interest Yield earned.

Recent pricing trends are discussed under the subheading "Key Factors Affecting Our Performance - Pricing."

Net Interest Margin

Net Interest Margin, is calculated as annualized Net Interest Income divided by average Interest Earning Assets. Net Interest Income represents interest income less funding cost during the period. Interest income is net of fees on loans held for investment and held for sale. Net deferred origination costs in loans held for investment and loans held for sale consist of deferred origination costs as offset by corresponding deferred origination fees. Deferred origination fees include fees paid up front to us by customers when loans are funded. Deferred origination costs are limited to costs directly attributable to originating loans such as commissions, vendor costs and personnel costs directly related to the time spent by the personnel performing activities related to loan origination. Funding cost is the interest expense, fees, and amortization of deferred debt issuance costs we incur in connection with our lending activities across all of our debt facilities. Annualization is based on 365 days per year and is calendar day adjusted.

Marketplace Gain on Sale Rate

Marketplace Gain on Sale Rate equals our gain on sale revenue from loans sold through OnDeck *Marketplace* divided by the carrying value of loans sold, which includes both unpaid principal balance sold and the remaining carrying value of the net deferred origination costs. A portion of loans regularly sold through OnDeck *Marketplace* are or may be loans which were initially designated as held for investment upon origination. The portion of such loans sold in a given period may vary materially depending upon market conditions and other circumstances. *Cost of Funds Rate*

Cost of Funds Rate is our funding cost, which is the interest expense, fees and amortization of deferred debt issuance costs we incur in connection with our lending activities across all of our funding debt facilities. For full years, it is calculated as our funding cost divided by average funding debt outstanding and for interim periods it is calculated as our annualized funding cost for the period divided by average funding debt outstanding. Annualization is based on four quarters per year and is not business or calendar day adjusted.

Provision Rate

Provision Rate equals the provision for loan losses divided by the new originations volume of loans held for investment, net of originations of sales of such loans within the period. Because we reserve for probable credit losses inherent in the portfolio upon origination, this rate is significantly impacted by the expectation of credit losses for the period's originations volume. This rate may also be impacted by changes in loss estimates for loans originated prior to the commencement of the period.

The denominator of the Provision Rate formula includes the new originations volume of loans held for investment, net of originations of sales of such loans within the period. However, the numerator reflects only the additional provision required to provide for loan losses on the net funded amount during such period. Therefore, all other things equal, an increased volume of loan rollovers and line of credit repayments and re-borrowings in a period will reduce the Provision Rate.

A portion of loans regularly sold through OnDeck *Marketplace* are or may be loans which were initially designated as held for investment upon origination. The portion of such loans sold in a given period may vary materially depending upon market conditions and other circumstances.

The Provision Rate is not directly comparable to the net cumulative lifetime charge-off ratio because (i) the Provision Rate reflects estimated losses at the time of origination while the net cumulative lifetime charge-off ratio reflects actual charge-offs, (ii) the Provision Rate includes provisions for losses on both term loans and lines of credit while the net cumulative lifetime charge-off ratio reflects only charge-offs related to term loans and (iii) the Provision Rate for a period reflects the provision for losses related to all loans held for investment while the net cumulative lifetime charge-off ratio reflects lifetime charge-offs of term loans related to a particular cohort of term loans.

Reserve Ratio

Reserve Ratio is our allowance for loan losses as of the end of the period divided by the Unpaid Principal Balance as of the end of the period.

15+ Day Delinquency Ratio

15+ Day Delinquency Ratio equals the aggregate Unpaid Principal Balance for our loans that are 15 or more calendar days past due as of the end of the period as a percentage of the Unpaid Principal Balance. The Unpaid Principal Balance for our loans that are 15 or more calendar days past due includes loans that are paying and non-paying. Because the majority of our loans require daily repayments, excluding weekends and holidays, they may be deemed delinquent more quickly than loans from traditional lenders that require only monthly payments.

15+ Day Delinquency Ratio is not annualized, but reflects balances as of the end of the period.

Net Charge-off Rate

Net Charge-off Rate is calculated as our annualized net charge-offs for the period divided by the average Unpaid Principal Balance outstanding. Annualization is based on 4 quarters per year and is not business day adjusted. Net charge-offs are charged-off loans in the period, net of recoveries.

Pre-Provision Operating Income

Pre-Provision Operating Income represents Income (Loss) from operations plus Provision for loan losses in the period. Our use of Pre-Provision Operating Income has limitations as an analytical tool, and you should not consider it in isolation or as a substitute for analysis of our results as reported under GAAP. In particular, Pre-Provision Operating Income excludes Provision for loan losses, and as a result does not reflect the estimated loss of principal associated with the failure of our customers to repay their loans in full, which is a material cost of our business.

Pre-Provision Operating Income Yield

Pre-Provision Operating Yield represents Pre-Provision Operating Income divided by Average Interest Earning Assets, annualized. Annualization is based on a 365 days per year and is calendar day adjusted.

Our use of Pre-Provision Operating Yield has limitations as an analytical tool, and you should not consider it in isolation or as a substitute for analysis of our results as reported under GAAP. In particular, Pre-Provision Operating Yield excludes Provision for loan losses and has the same limitations as described above for Pre-Provision Operating Income.

On Deck Capital, Inc. and Subsidiaries
Consolidated Average Balance Sheets
(in thousands)

	Year Ended December 31,	
	2017	**2016**
Assets		
Cash and cash equivalents	$ 55,725	$ 85,524
Restricted cash	57,053	41,695
Loans held for investment	990,287	790,897
Less: Allowance for loan losses	(108,829)	(75,432)
Loans held for investment, net	881,458	715,465
Loans held for sale	355	7,176
Property, equipment and software, net	26,636	29,668
Other assets	17,758	20,970
Total assets	$ 1,038,985	$ 900,498
Liabilities and equity		
Liabilities:		
Accounts payable	$ 3,284	$ 4,120
Interest payable	2,301	1,254
Funding debt	724,340	548,530
Corporate debt	16,160	8,662
Accrued expenses and other liabilities	33,265	33,095
Total liabilities	779,350	595,661
Total On Deck Capital, Inc. stockholders' equity	254,634	299,447
Noncontrolling interest	5,001	5,390
Total equity	259,635	304,837
Total liabilities and equity	$ 1,038,985	$ 900,498
Memo:		
Unpaid Principal Balance	$ 972,269	$ 776,793
Interest Earning Assets	$ 972,622	$ 783,763
Loans	$ 990,642	$ 798,073

Average Balance Sheet Items for the period represent the average as of the beginning of the month in the period and as of the end of each month in the period.

Non-GAAP Financial Measures

We believe that the non-GAAP metrics in this report can provide useful supplemental measures for period-to-period comparisons of our core business and useful supplemental information to investors and others in understanding and evaluating our operating results. However, non-GAAP metrics are not calculated in accordance with GAAP, and should not be considered an alternative to any measures of financial performance calculated and presented in accordance with GAAP. Other companies may calculate these non-GAAP metrics differently than we do. The reconciliations below reconcile each of our non-GAAP metrics to their most comparable respective GAAP metric.

Adjusted EBITDA

Adjusted EBITDA represents our net income (loss), adjusted to exclude interest expense associated with debt used for corporate purposes (rather than funding costs associated with lending activities), income tax expense, depreciation and amortization,

stock-based compensation expense and warrant liability fair value adjustments. Stock-based compensation includes employee compensation as well as compensation to third-party service providers.

Our use of Adjusted EBITDA has limitations as an analytical tool, and you should not consider it in isolation or as a substitute for analysis of our results as reported under GAAP. Some of these limitations are:

- although depreciation and amortization are non-cash charges, the assets being depreciated and amortized may have to be replaced in the future, and Adjusted EBITDA does not reflect cash capital expenditure requirements for such replacements or for new capital expenditure requirements;
- Adjusted EBITDA does not reflect changes in, or cash requirements for, our working capital needs;
- Adjusted EBITDA does not reflect the potentially dilutive impact of equity-based compensation;
- Adjusted EBITDA does not reflect interest associated with debt used for corporate purposes or tax payments that may represent a reduction in cash available to us; and
- Adjusted EBITDA does not reflect the potential costs we would incur if certain of our warrants were settled in cash.

The following table presents a reconciliation of net loss to Adjusted EBITDA for each of the periods indicated:

	Year Ended December 31,		
	2017	2016	2015
	(in thousands)		
Reconciliation of Net Income (Loss) to Adjusted EBITDA			
Net loss	$ (14,345)	$ (85,482)	$ (2,231)
Adjustments:			
Corporate interest expense	764	414	306
Income tax expense	—	—	—
Depreciation and amortization	9,951	9,462	6,508
Stock-based compensation expense	12,515	15,915	11,582
Adjusted EBITDA	$ 8,885	$ (59,691)	$ 16,165

Adjusted Net (Loss) Income

Adjusted Net (Loss) Income represents our net loss adjusted to exclude stock-based compensation expense and warrant liability fair value adjustment, each on the same basis and with the same limitations as described above for Adjusted EBITDA.

The following table presents a reconciliation of net loss to Adjusted Net (Loss) Income for each of the periods indicated:

	Year Ended December 31,		
	2017	2016	2015
	(in thousands)		
Reconciliation of Net Income (Loss) to Adjusted Net (Loss) Income			
Net loss	$ (14,345)	$ (85,482)	$ (2,231)
Adjustments:			
Net loss attributable to noncontrolling interest	2,811	2,524	958
Stock-based compensation expense	12,515	15,915	11,582
Adjusted Net (Loss) Income	$ 981	$ (67,043)	$ 10,309

Net Interest Margin

Net Interest Margin, is calculated as annualized Net Interest Income divided by average Interest Earning Assets. Net Interest Income represents interest income less funding cost during the period. Interest income is net of fees on loans held for investment and held for sale. Net deferred origination costs in loans held for investment and loans held for sale consist of deferred origination costs as offset by corresponding deferred origination fees. Deferred origination fees include fees paid up front to us by customers when loans are funded. Deferred origination costs are limited to costs directly attributable to originating loans such as commissions, vendor costs and personnel costs directly related to the time spent by the personnel performing activities related to loan origination. Funding cost is the interest expense, fees, and amortization of deferred debt issuance costs we incur in connection with our lending activities across all of our debt facilities. Annualization is based on 365 days per year and is calendar day adjusted.

Our use of Net Interest Margin has limitations as an analytical tool, and you should not consider it in isolation or as a substitute for analysis of our results as reported under GAAP. Some of these limitations are:

- Net Interest Margin is the rate of net return we achieve on our Average Interest Earning Assets outstanding during a period. It does not reflect the return from loans sold through OnDeck *Marketplace* , specifically our gain on sale revenue. Similarly, Average Interest Earning Assets does not include the unpaid principal balance of loans sold through OnDeck *Marketplace* . Further, Net Interest Margin does not include servicing revenue related to loans previously sold, fair value adjustments to servicing rights, monthly fees charged to customers for our line of credit, and marketing fees earned from our issuing bank partners, which are recognized as the related services are provided.

- Funding cost does not reflect interest associated with debt used for corporate purposes.

The following table presents a reconciliation of interest income to Net Interest Margin for each of the periods indicated:

	Year Ended December 31,		
	2017	2016	2015
	(in thousands)		
Reconciliation of Interest Income to Net Interest Margin (NIM)			
Interest income	$ 334,575	$ 264,844	$ 195,048
Less: Funding costs	(45,435)	(32,448)	(20,244)
Net interest income	289,140	232,396	174,804
Divided by: average Interest Earning Assets	$ 972,622	$ 783,763	$ 539,096
Net Interest Margin (NIM)	29.7%	29.7%	32.4%

Pre-Provision Operating Income

Pre-Provision Operating Income represents Income (Loss) from operations plus Provision for loan losses in the period. Our use of Pre-Provision Operating Income has limitations as an analytical tool, and you should not consider it in isolation or as a substitute for analysis of our results as reported under GAAP. In particular, Pre-Provision Operating Income excludes Provision for loan losses, and as a result does not reflect the estimated loss of principal associated with the failure of our customers to repay their loans in full, which is a material cost of our business.

The following table presents a reconciliation of Pre-Provision Operating Income for each of the periods indicated:

	Year Ended December 31,		
	2017	2016	2015
	(in thousands)		
Reconciliation of Pre-Provision Operating Income			
Income (loss) from operations	(13,581)	(85,068)	(1,925)
Provision for loan losses	152,926	149,963	74,863
Pre-Provision Operating Income	$ 139,345	$ 64,895	$ 72,938

Pre-Provision Operating Income Yield

Pre-Provision Operating Yield represents Pre-Provision Operating Income divided by Average Interest Earning Assets, annualized. Annualization is based on 365 days per year and is calendar day adjusted. Our use of Pre-Provision Operating Yield has limitations as an analytical tool, and you should not consider it in isolation or as a substitute for analysis of our results as reported under GAAP. In particular, Pre-Provision Operating Yield excludes Provision for loan losses and has the same limitations as described above for Pre-Provision Operating Income.

The following table presents a reconciliation of Pre-Provision Operating Yield for each of the periods indicated:

	Year Ended December 31,		
	2017	2016	2015
	(in thousands)		
Reconciliation of Pre-Provision Operating Yield			
Operating Income Yield	(1.4)%	(10.9)%	(0.4)%
Provision for loan losses / Average Interest Earning Assets	15.7 %	19.1 %	13.9 %
Pre-Provision Operating Yield	14.3 %	8.3 %	13.5 %
Average Interest Earning Assets	972,622	783,763	539,096

Key Factors Affecting Our Performance

Investment in Long-Term Growth

The core elements of our growth strategy include expanding our financing offerings, acquiring new customers, broadening our distribution capabilities through strategic partners and funding advisors, enhancing our technology, data and analytics capabilities, and extending customer lifetime value. We plan to continue to invest significant resources to accomplish these goals. We anticipate that our total operating expense will increase during 2018 as we plan to continue investing in marketing, technology and analytics, and our collection capabilities. In addition, we have modified our collections strategy to retain more and sell fewer charged-off loans, with the goal of achieving higher recoveries. These investments are intended to contribute to our long-term growth, but they may affect our near-term operating performance.

Originations

For the year ended December 31, 2017 our revenues increased as compared to the year ended December 31, 2016, primarily as a result of an increase in the average loans outstanding as well as an increase in pricing on our 2017 originations. During the years ended December 31, 2017 , 2016 and 2015 , we originated $2.1 billion , $2.4 billion and $1.9 billion of loans, respectively, The decrease in originations in 2017 was largely due to the tightening of our credit policies used to determine eligibility, pricing and loan size for certain customers which resulted in us offering smaller loans or declining to extend credit to certain customers. We decided to tighten our credit policies in order to better control credit risk, reduce our loss rates, and increase our margins with the understanding that the tightening would reduce originations. Despite the decrease in originations in 2017, the average loans outstanding, which is the foundation of our interest earning potential, increased relative to 2016 given each year's respective beginning balances and the effect of our strategic decision to retain more loans on our balance sheet beginning in 2016. In addition, during 2017 we continued to grow our line of credit originations, which made up 19.8% , 14.6% and 9.1% of total dollar originations in 2017 , 2016 and 2015 , respectively.

The number of weekends and holidays in a period can impact our business. Many small businesses tend to apply for loans on weekdays, and their businesses may be closed at least part of a weekend and on holidays. In addition, our loan fundings and automated customer loan repayments only occur on weekdays (excluding bank holidays).

We anticipate that our future growth will continue to depend in part on attracting new customers. As we continue to aggregate data on customers and prospective customers, we seek to use that data and our increasing knowledge to optimize our marketing spending to attract these customers as well as to continue to focus our analytics resources on better identifying potential customers. We have historically relied on all three of our channels for customer acquisition but remain focused on growing our direct and strategic partner channels. Collective originations through our direct and strategic partner channels made up 73% , 73% and 72% of total originations from all customers in 2017 , 2016 and 2015 , respectively. We plan to continue investing in direct marketing and sales, increasing our brand awareness and growing our strategic partnerships.

The following table summarize the percentage of loans made to all customers originated by our three distribution channels for the periods indicated. From time to time management is required to make judgments to determine customers' appropriate channel distribution.

	Year Ended December 31,		
Percentage of Originations (Dollars)	**2017**	**2016**	**2015**
Direct and Strategic Partner	73.1%	72.7%	72.0%
Funding Advisor	26.9%	27.3%	28.0%

We originate term loans and lines of credit to customers who are new to OnDeck as well as to repeat customers. New originations are defined as new term loan originations plus all line of credit draws in the period, including subsequent draws on existing lines of credit. Renewal originations include term loans only. We believe our ability to increase adoption of our loans within our existing customer base will be important to our future growth. A component of our future growth will include increasing the length of our customer life cycle by expanding our product offerings. In 2017 , 2016 , and 2015 originations from our repeat customers, were 52% , 53% and 57% , respectively, of total originations to all customers. We believe our significant number of repeat customers is primarily due to our high levels of customer service and continued improvement in our types of loans and services. Repeat customers generally show improvements in several key metrics. From our 2015 customer cohort, customers who took at least three loans grew their revenue and bank balance, respectively, on average by 37% and 50% from their initial loan to their third loan. Similarly, from our 2016 customer cohort, customers who took at least three loans grew their revenue and bank

balance, respectively, on average by 35% and 42% . In 2017 , 27.7% of our origination volume from repeat customers was due to unpaid principal balance rolled from existing loans directly into such repeat originations. In order for a current customer to qualify for a new term loan while a term loan payment obligation remains outstanding, the customer must pass the following standards:

- the business must be approximately 50% paid down on its existing loan;
- the business must be current on its outstanding OnDeck loan with no material delinquency history; and
- the business must be fully re-underwritten and determined to be of adequate credit quality.

The extent to which we generate repeat business from our customers will be an important factor in our continued revenue growth and our visibility into future revenue. In conjunction with repeat borrowing activity, many of our customers also tend to increase their subsequent loan size compared to their initial loan size.

The following table summarizes the percentage of loans originated by new and repeat customers. Loans from cross-selling efforts are classified in the table as repeat loans.

	Year Ended December 31,		
Percentage of Originations (Dollars)	**2017**	**2016**	**2015**
New	47.6%	47.0%	42.6%
Repeat	52.4%	53.0%	57.4%

Credit Performance

Credit performance refers to how a portfolio of loans performs relative to expectations. Generally speaking, perfect credit performance is a loan that is repaid in full and in accordance with the terms of the agreement, meaning that all amounts due were repaid in full and on time. However, no portfolio is without risk and a certain amount of losses are expected. In this respect, credit performance must be assessed relative to pricing and expectations. Because a certain degree of losses are expected, pricing will be determined with the goal of allowing for estimated losses while still generating the desired rate of return after taking into account those estimated losses. When a portfolio has higher than estimated losses, the desired rate of return may not be achieved and that portfolio would be considered to have underperformed. Conversely, if the portfolio incurred lower than estimated losses, resulting in a higher than expected rate of return, the portfolio would be considered to have overperformed.

We originate and price our loans expecting that we will incur a degree of losses. When we originate our loans, we record a provision for estimated loan losses. As we gather more data as the portfolio performs, we may increase or decrease that reserve as deemed necessary to reflect our latest loss estimate. Some portions of our loan portfolio may be performing better than expected while other portions may perform below expectations. The net result of the underperforming and overperforming portfolio segments determines if we require an overall increase or decrease to our loan reserve related to those existing loans. A net decrease to the loan reserve related to the existing loans tends to reduce provision expense, while a net increase to the loan reserve tends to increase provision expense.

In accordance with our strategy to expand the range of our loan offerings, over time, we have expanded the offerings of our term loans by making available longer terms and larger amounts. When we begin to offer a new type of loan, we typically extrapolate our existing data to create an initial version of a credit model to permit us to underwrite and price the new type of loan. Thereafter, we begin to collect actual performance data on these new loans which allows us to refine our credit model based on actual data as opposed to extrapolated data. It often takes several quarters after we begin offering a new type of loan for that loan to be originated in sufficient volume to generate a critical mass of performance data. In addition, for loans with longer terms, it takes longer to acquire significant amounts of data because the loans take longer to season.

During 2016, we accumulated additional data on certain longer term loans as more of them began to season. We used this data to back test our estimates and model assumptions for these longer term loans. During the fourth quarter of 2016, our analysis concluded that our credit model was under predicting losses, in the aggregate, for our loans that were 15 months or more in term length at origination. Terms loans meeting this criteria made up approximately 44% of the outstanding principal balance on our balance sheet at December 31, 2016.

In the fourth quarter of 2016, our provision for loan loss expense included approximately $19 million of additional expense required to build our reserve based on our latest estimate of losses for loans with original maturities of 15 months or longer. The $19 million increase related almost entirely to 2016 originations. Our provision rate for 2016 was 7.4% as compared to 5.8% in 2015.

In 2017, our corrective action included the tightening of credit policies used to determine eligibility, pricing and loan size for certain customers. As additional seasoning took place on our loans and as our predictive model incorporated newer data, our provision rate generally improved during 2017. Our Provision Rates were 8.7% , 7.2% , *7.5%* (6.9% excluding approximately 65 basis points attributable to hurricanes Harvey and Irma) and 6.4% in the first through fourth quarters of 2017, respectively. For the full year 2017, the Provision Rate was 7.5% compared to 7.4% for 2016. We believe this represents an improvement because the 2017 Provision Rate includes additional reserve build related to 2016 originations and hurricanes Harvey and Irma.

Pricing

Customer pricing is determined primarily based on the customer's OnDeck *Score* , loan type (term loan or line of credit), the term loan duration, the customer type (new or repeat) and origination channel. Loans originated through the direct and strategic partner channels are generally priced lower than loans originated through the funding advisor channel due to the higher commissions paid to funding advisors.

Our customers generally pay between $0.003 and $0.04 per month in interest for every dollar they borrow under one of our term loans, with the actual amount typically driven by the length of term of the particular loan. Historically, our term loans have been primarily quoted in "Cents on Dollar," or COD, and lines of credit in annual percentage rate, or APR. Given the use case and payback period associated with our shorter term loans, we believe many of our customers prefer to understand pricing on a "dollars in, dollars out" basis and are primarily focused on total payback cost.

"Cents on Dollar" borrowed reflects the total interest to be paid by a customer to us for each dollar of principal borrowed, and does not include the loan origination fee. As of December 31, 2017 , the APRs of our term loans outstanding ranged from 5.9% to 99.7% and the APRs of our lines of credit outstanding ranged from 11.0% to 60.8% . Because many of our loans are short term in nature and APR is calculated on an annualized basis, we believe that small business customers tend to understand and evaluate term loans, especially those of a year or less, primarily on a Cents on Dollar borrowed basis rather than APR. While annualized rates like APR may help a borrower compare loans of similar duration, especially for loans of 12 months or less, an annualized rate may be less useful because it is sensitive to duration. For loans of 12 months or less, small differences in loan term can yield large changes in the associated APR, which makes comparisons and understanding of total interest cost more difficult. We believe that for such short-term loans, Cents on Dollar, or similar cost measures that provide total interest expense, give a borrower important information to understand and compare loans, and make an educated decision. Despite these limitations, we are exploring ways to increase standardization of pricing and comparison terms in our industry in order to help small business customers assess their credit options. We are also providing APRs for prior periods as supplemental information for comparative purposes. Historically, we have not used APR as an internal metric to evaluate performance of our business or as a basis to compensate our employees or to measure their performance. The interest on commercial business loans is also tax deductible as permitted by law compared to typical personal loans which do not provide a tax deduction. APR does not give effect to the small business customer's possible tax deductions and cash savings associated with business related interest expenses.

We believe that our product pricing has historically fallen between traditional bank loans to small businesses and certain non-bank small business financing alternatives such as merchant cash advances.

	Q4 2017	Q3 2017	Q2 2017	Q1 2017	2016	2015	2014	2013
Weighted Average Term Loan "Cents on Dollar" Borrowed, per Month	1.97¢	1.96¢	1.94¢	1.95¢	1.82¢	1.95¢	2.32¢	2.65¢
Weighted Average APR - Term Loans and Lines of Credit	43.8%	43.8%	43.2%	44.0%	41.4%	44.5%	54.4%	63.4%

The weighted average APR for term loans and lines of credit prior to 2017 had generally declined for several years. For the years ended December 31, 2017 , 2016 and 2015 , the weighted average APR for term loans and lines of credit was 43.7% , 41.4% and 44.5% , respectively. We attribute the pricing decrease between 2015 and 2016 to longer average loan term lengths, increased originations from our lower cost direct and strategic partner channels as a percentage of total originations, the growth of our line of credit product which is priced at a lower APR level than our term loans, the introduction of our customer loyalty program and our continued efforts to pass savings on to customers. The pricing increases in 2017 were primarily due to our decision to generally raise prices compared to the prior year..

We consider Effective Interest Yield, or EIY, as a key pricing metric. EIY is the rate of return we achieve on loans outstanding during a period. Our EIY differs from APR in that it takes into account deferred origination fees and deferred origination costs.

Deferred origination fees include fees paid up front to us by customers when loans are originated and decrease the carrying value of loans, thereby increasing the EIY. Deferred origination costs are limited to costs directly attributable to originating loans such as commissions, vendor costs and personnel costs directly related to the time spent by the personnel performing activities related to loan origination and increase the carrying value of loans, thereby decreasing the Effective Interest Yield.

In addition to individual loan pricing and the number of days in a period, there are many other factors that can affect EIY, including:

- **Channel Mix** - In general, loans originated from the direct and strategic partner channels have lower EIYs than loans from the funding advisor channel. This is primarily due to the lower pricing of loans in the direct and strategic partner channels, which reflect lower acquisition costs and lower loss rates compared to loans in the funding advisor channel. The direct and strategic partner channels' have, in the aggregate, made up 73% , 73% and 72% of total originations during the years ended December 31, 2017 , 2016 and 2015 , respectively. We expect the combined direct and strategic partner channels', as well as the funding advisor channel's, percentage of originations in 2018 to remain generally comparable to 2017 levels.

- **Term Mix** - In general, term loans with longer durations have lower annualized interest rates. Despite lower EIYs, total revenues from customers with longer loan durations are typically higher than the revenue of customers with shorter-term, higher EIY loans because total payback is typically higher compared to a shorter length term for the same principal loan amount. Following the introduction of our 24-month and 36-month term loans, the average length of new term loan originations had increased from 10.8 months at December 31, 2014 to 13.3 months at December 31, 2016 . As part of our 2017 credit tightening policy, when appropriate, the offered duration of term loans to certain customers was shortened to control duration risk. For the three-months ended December 31, 2017, the average length of new term loan originations had decreased to 11.7 months.

- **Customer Type Mix** - In general, loans originated from repeat customers historically have had lower EIYs than loans from new customers. This is primarily due to the fact that repeat customers typically have a higher OnDeck *Score* and are therefore deemed to be lower risk. In addition, repeat customers are more likely to be approved for longer terms than new customers given their established payment history and lower risk profiles. Finally, origination fees are generally reduced or waived for repeat customers due to our loyalty program, contributing to lower EIYs.

- **Product Mix** - In general, loans originated by line of credit customers have lower EIYs than loans from term loan customers. This is primarily due to the fact that lines of credit are expected to have longer lifetime usage than term loans, enabling more time to recoup upfront acquisition costs. For the year ended 2017 , the average line of credit APR was 32.3% , compared to the average term loan APR which was 45.2% . Further, draws by line of credit customers have increased to 19.8% of total originations in 2017 from 14.6% in 2016 .

- **Competition** - During 2016 and 2017, we believe the number of new entrants into the market as well as the amount of funding invested in these competitors from private equity or venture capital sources slowed. At the same time, more traditional small business lenders such as banks have and may continue to enter the space. Additionally, certain non-bank small business service providers are launching lending products aimed at their small business customers. As these trends evolve, competitors may attempt to obtain new customers by pricing term loans and lines of credit below prevailing market rates. This could cause downward pricing pressure as these new entrants attempt to win new customers even at the cost of pricing loans below market rates, or even at rates resulting in net losses to them. . However, in the second half of 2017, we increased our pricing to optimize our unit economics while growing originations again sequentially, and continue to believe that price is just one of a number of selection criteria small business owners use to evaluate their financing options.

Effective Interest Yield

Q4 2017	Q3 2017	Q2 2017	Q1 2017	2016	2015	2014	2013
35.6%	33.4%	32.8%	33.9%	33.3%	35.4%	40.3%	43.5%

Sale of Whole Loans through OnDeck Marketplace

We sell whole loans to institutional investors through OnDeck *Marketplace. Marketplace* originations are defined as loans that are sold through OnDeck *Marketplace* in the period or are held for sale at the end of the period. For the years ended 2017 , 2016 and 2015 approximately 3.7% , 18.4% and 34.3% respectively, of total term loan originations were designated as *Marketplace*

originations, which resulted in $74.2 million , $378.5 million and $617.7 million of loans sold, respectively. We have the ability to fund our originations through a variety of funding sources, including OnDeck *Marketplace* . Due to the flexibility of our diversified funding model, management has the ability to exercise judgment to adjust the percentage of term loans originated through OnDeck *Marketplace* considering numerous factors including the premiums, if any, available to us. During the year ended 2017 , premiums increased due, in part, to market conditions and the loan mix we elected to sell. However, the Marketplace Gain on Sale Rate during the year ended 2017 decreased to 3.4% compared to 3.8% for the year ended 2016 primarily as a result of the channel mix of the loans sold. Despite these trends, we elected to make OnDeck *Marketplace* loan sales during 2017 to provide us an additional source of liquidity and to maintain active relationships with our institutional loan purchasers. If premiums remain steady or decrease further, we may further reduce our percentage of Marketplace originations or suspend such originations. However, subject to our overall financing and liquidity needs as well as the eligibility to finance new originations under our existing debt facilities, we may use or increase our use of OnDeck *Marketplace* regardless of whether premiums increase or decrease.

To the extent our use of OnDeck *Marketplace* as a funding source increases or decreases in the future, our gross revenue and net revenue could be materially affected. The sale of whole loans generates gain on sales of loans which is recognized in the period the loan is sold. In contrast, holding loans on balance sheet generates interest income and funding costs over the term of the loans and generally generates a provision for loan loss expense in the period of origination. Typically, over the life of a loan, we generate more total revenue and income from loans we hold on our balance sheet to maturity as compared to loans we sell through OnDeck *Marketplace* .

Our OnDeck *Marketplace* originations come from one of the following two origination sources:

- New loans which are designated at origination to be sold, referred to as “Originations of loans held for sale;” and
- Loans which were originally designated as held for investment that are subsequently designated to be sold at the time of their renewal and which are considered modified loans, referred to as “Originations of loans held for investment, modified."

The following table summarizes the initial principal of originations of the aforementioned two sources as it relates to the statement of cash flows during 2017 , 2016 and 2015 .

	Year Ended December 31,		
	2017	**2016**	**2015** [1]
Originations of loans held for sale	49,813	304,258	445,968
Originations of loans held for investment, modified	13,252	72,839	138,968
Marketplace originations	63,065	377,097	584,936

[1] T he twelve months ended December 31, 2015 excludes the sale of $32.8 million of loans held for investment, which were not initially designated for sale at origination or upon renewal.

Customer Acquisition Costs

Our customer acquisition costs, or CACs, differ depending upon the acquisition channel. CACs in our direct channel include the commissions paid to our internal sales force and expenses associated with items such as direct mail, social media and other online marketing activities. CACs in our strategic partner channel include commissions paid to our internal sales force and strategic partners. CACs in our funding advisor channel include commissions paid to our internal sales force and funding advisors. CACs in all channels include new originations as well as renewals.

Our CACs, on a combined basis for all three acquisition channels and evaluated as a percentage of originations, declined for the year ended 2017 as compared to the year ended 2016 . The decrease was primarily attributable to a decline in CACs in our direct channel resulting from improvements in customer targeting, increased drawn balances of our customers' lines of credit, increased renewal activity within the direct channel on an absolute dollar basis as well as a decline in CACs in our strategic partner channel driven by decreased external commissions. The decrease was partially offset by an increase in CACs in our funding advisor channel driven by an increase in external commissions.

Increased competition for customer response could require us to incur higher customer acquisition costs and make it more difficult for us to grow our loan originations in both unit and volume for both new as well as repeat customers.

Customer Lifetime Value

The ongoing lifetime value of our customers will be an important component of our future performance. We analyze customer lifetime value not only by tracking the “contribution” of customers over their lifetime with us, but also by comparing this contribution

to the acquisition costs incurred in connection with originating such customers' initial loans, whether term loan, lines of credit or both.

For illustration, we consider customers that took their first ever loan or line of credit from us during 2015 and look at all of their borrowing and transaction history from that date through December 31, 2017 . The borrowing characteristics of these borrowers include:

- Average number of loans per customer during the measurement period: 2.1
- Average initial loan size: $36,415
- Average amount borrowed per customer: $104,272
- Total borrowings: $1.88 billion

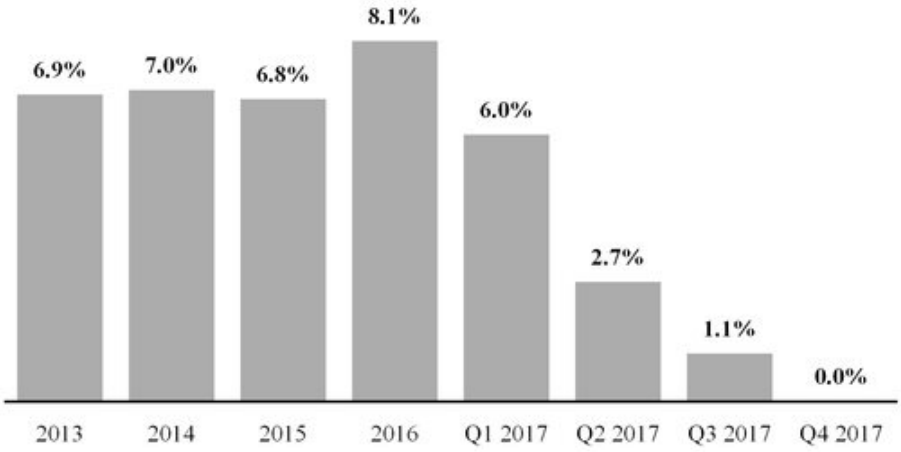
Similarly, the borrowing characteristics of customers that took their first ever loan or line of credit from us during 2016 include:

- Average number of loans per customer during the measurement period: 1.5
- Average initial loan size: $38,533
- Average amount borrowed per customer: $68,469
- Total borrowings: $1.42 billion

Historical Charge-Offs

We illustrate below our historical loan losses by providing information regarding our net lifetime charge-off ratios by cohort. Net lifetime charge-offs are the unpaid principal balance charged off less recoveries of loans previously charged off, and a given cohort's net lifetime charge-off ratio equals the cohort's net lifetime charge-offs through December 31, 2017 divided by the cohort's total original loan volume. Repeat loans in the denominator include the full renewal loan principal, rather than the net funded amount, which is the renewal loan's principal net of the unpaid principal balance on the existing loan. Loans are typically charged off after 90 days of nonpayment. Loans originated and charged off between January 1, 2013 and December 31, 2017 were on average charged off near the end of their loan term. The chart immediately below includes all term loan originations, regardless of funding source, including loans sold through our OnDeck *Marketplace* or held for sale on our balance sheet.

Net Charge-off Ratios by Cohort Through December 31, 2017



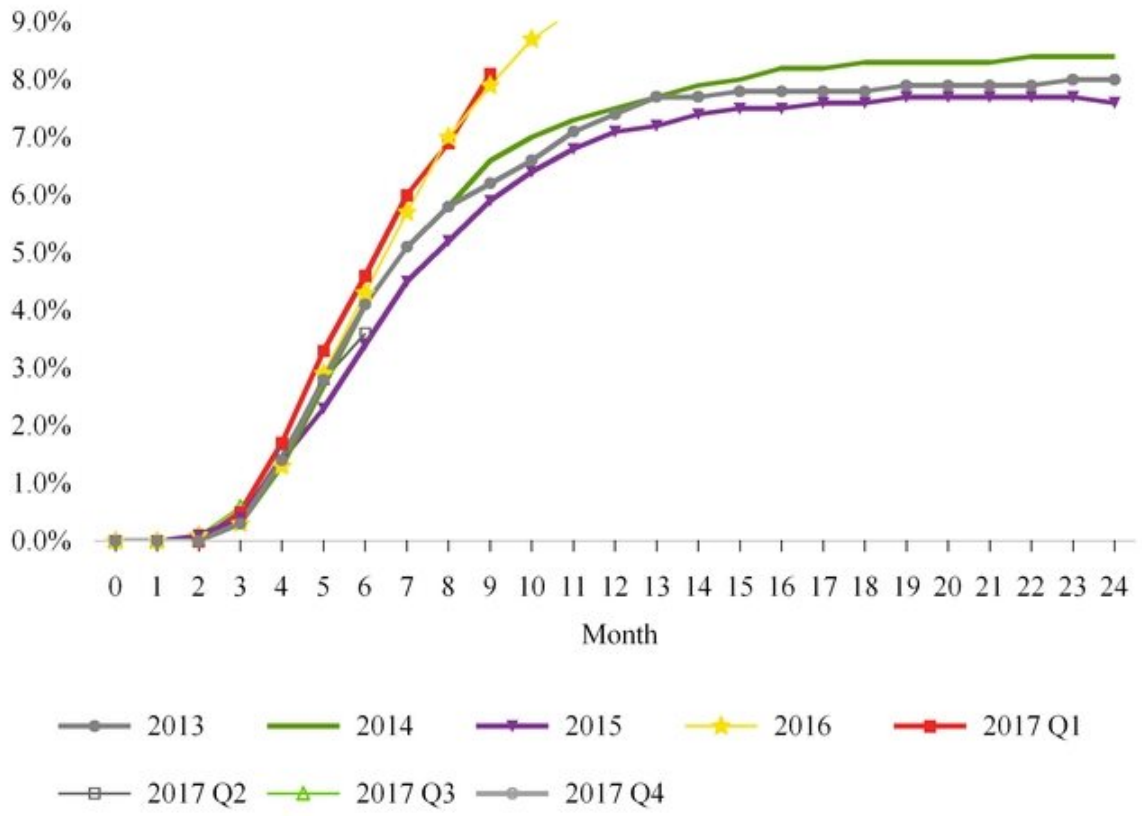
	2013	2014	2015	2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017
Principal Outstanding as of December 31, 2017	—%	—%	0.1%	2.4%	10.4%	26.6%	57.6%	86.2%

The following charts display the historical lifetime cumulative net charge-off ratios, by origination year. The charts reflect all term loan originations, regardless of funding source, including loans sold through our OnDeck *Marketplace* or held for sale on our balance sheet. The data is shown as a static pool for annual cohorts, illustrating how the cohort has performed given equivalent months of seasoning.

Given that the originations in the latter half of the 2017 cohort are relatively unseasoned as of December 31, 2017 , these cohorts reflect low lifetime charge-off ratios in each of the new customer, repeat customer and total loans charts below. Further, given our loans are typically charged off after 90 days of nonpayment, all cohorts reflect approximately 0% charge offs for the first three months in the charts below.

Net Cumulative Lifetime Charge-off Ratios

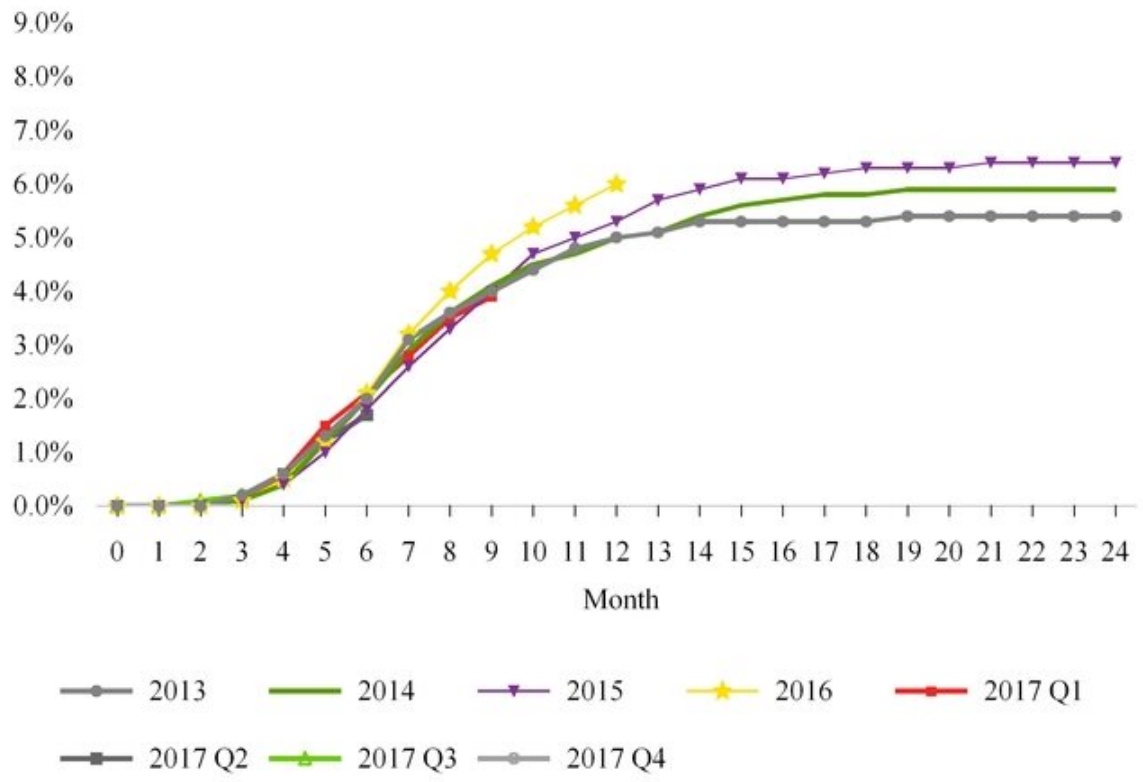
New Loans



Originations	2013	2014	2015	2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017
New term loans (in thousands)	$ 256,344	$ 521,355	$ 627,494	$ 777,129	$ 189,984	$ 124,746	$ 137,374	$ 137,382
Weighted average term (months)	10.0	10.8	11.8	13.3	12.4	11.7	12.4	11.7

Net Cumulative Lifetime Charge-off Ratios

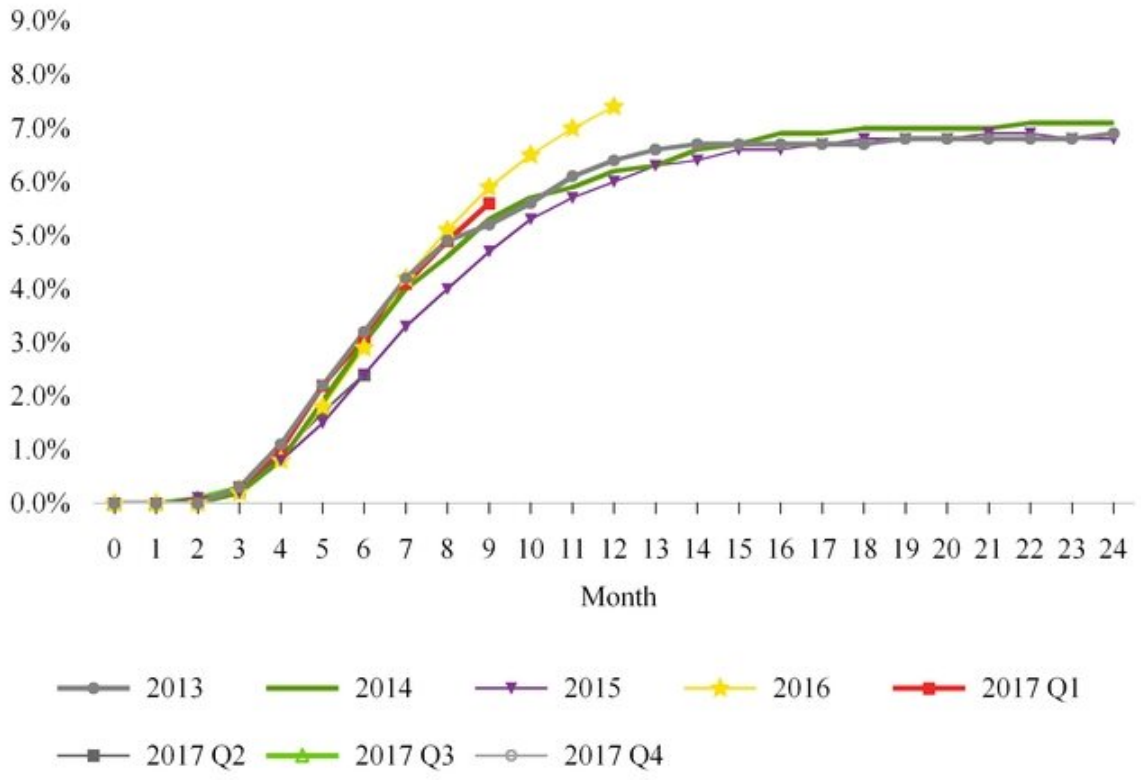
Repeat Loans



Originations	2013	2014	2015	2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017
Repeat term loans (in thousands)	$ 199,587	$ 579,602	$ 1,076,122	$ 1,274,721	$ 279,939	$ 237,472	$ 289,713	$ 299,903
Weighted average term (months)	10.0	11.6	12.7	13.1	12.2	11.9	12.2	12.5

Net Cumulative Lifetime Charge-off Ratios

All Loans



Originations	2013	2014	2015	2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017
All term loans (in thousands)	$ 458,917	$ 1,157,751	$ 1,874,437	$ 2,403,796	$ 573,015	$ 464,362	$ 530,926	$ 546,360
Weighted average term (months)	10.0	11.2	12.4	13.2	12.3	11.8	12.1	12.2

Economic Conditions

Changes in the overall economy may impact our business in several ways, including demand for our loans, credit performance, and funding costs.

- *Demand for Our Loans* . In a strong economic climate, demand for our loans may increase as consumer spending increases and small businesses seek to expand. In addition, more potential customers may meet our underwriting requirements to qualify for a loan. At the same time, small businesses may experience improved cash flow and liquidity resulting in fewer customers requiring loans to manage their cash flows. In that climate, traditional lenders may also approve loans for a higher percentage of our potential customers. In a weakening economic climate or recession, the opposite may occur.
- *Credit Performance* . In a strong economic climate, our customers may experience improved cash flow and liquidity, which may result in lower loan losses. In a weakening economic climate or recession, the opposite may occur. We factor economic conditions into our loan underwriting analysis and reserves for loan losses, but changes in economic conditions, particularly sudden changes, may affect our actual loan losses. These effects may be partially mitigated by the short-term nature and repayment structure of our loans, which should allow us to react more quickly than if the terms of our loans were longer.

- *Loan Losses* . Our underwriting process is designed to limit our loan losses to levels compatible with our business strategy and financial model. Our aggregate loan loss rates from 2013 through 2015 were consistent with our financial targets while 2016 was higher than our financial target as we incurred higher than estimated loss rates on certain longer-term loans. Our 2017 loan loss levels were also higher than our financial targets largely because we were taking corrective action throughout the first half of the year to address the higher 2016 loan losses. Our overall loan losses are affected by a variety of factors, including external factors such as prevailing economic conditions, general small business sentiment and unusual events such as natural disasters, as well as internal factors such as the accuracy of the OnDeck *Score* , the effectiveness of our underwriting process and the introduction of new types of loans, such as our line of credit, with which we have less experience to draw upon when forecasting their loss rates. Our loan loss rates may vary in the future.
- *Funding Costs.* Changes in macroeconomic conditions may affect generally prevailing interest rates, and such effects may be amplified or reduced by other factors such as fiscal and monetary policies, economic conditions in other markets and other factors. Interest rates may also change for reasons unrelated to economic conditions. To the extent that interest rates rise, our funding costs will increase and the spread between our Effective Interest Yield and our Cost of Funds Rate may narrow to the extent we cannot correspondingly increase the payback rates we charge our customers. As we have grown, we have been able to lower our Cost of Funds Rate by negotiating more favorable interest rates on our debt and accessing new sources of funding, such as the OnDeck *Marketplace* and the securitization markets. However, we expect our Cost of Funds Rate to gradually move higher in 2018 due to anticipated Federal Reserve interest rate increases.

Components of Our Results of Operations

Revenue

Interest Income . We generate revenue primarily through interest and origination fees earned on the term loans and lines of credit we originate. Interest income also includes interest income earned on loans held for sale from the time the loan is originated until it is ultimately sold, as well as other miscellaneous interest income. Our interest and origination fee revenue is amortized over the term of the loan using the effective interest method. Origination fees collected but not yet recognized as revenue are netted with direct origination costs and recorded as a component of loans held for investment or loans held for sale, as appropriate, on our consolidated balance sheets and recognized over the term of the loan. Direct origination costs include costs directly attributable to originating a loan, including commissions, vendor costs and personnel costs directly related to the time spent by those individuals performing activities related to loan origination.

Gain on Sales of Loans . We sell term loans to third-party institutional investors through OnDeck *Marketplace* . We recognize a gain or loss on the sale of such loans as the difference between the proceeds received, adjusted for initial recognition of servicing assets or liabilities obtained at the date of sale, and the outstanding principal and net deferred origination costs. To the extent that premiums available to us remain consistent with the past several quarters, we expect both the volume and percentage of loans sold in 2018 to be relatively consistent with or less than, the volume of loans sold in 2017. The Gain on Sale that will result from those sales will be a function of the premiums available in 2018 which cannot be determined at this time.

Other Revenue . Other revenue includes servicing revenue related to loans serviced for others, fair value adjustments to servicing rights, platform fees, monthly fees charged to customers for our line of credit, and marketing fees earned from our issuing bank partner, which are recognized as the related services are provided.

Cost of Revenue

Provision for Loan Losses . Provision for loan losses consists of amounts charged to income during the period to maintain an allowance for loan losses, or ALLL, estimated to be adequate to provide for probable credit losses inherent in our existing loan portfolio. Our ALLL represents our estimate of the credit losses inherent in our portfolio of term loans and lines of credit and is based on a variety of factors, including the composition and quality of the portfolio, loan specific information gathered through our collection efforts, delinquency levels, our historical charge-off and loss experience and general economic conditions. We expect our aggregate provision for loan losses to increase in absolute dollars as the amount of term loans and lines of credit we originate and hold for investment increases.

Funding Costs . Funding costs consist of the interest expense we pay on the debt we incur to fund our lending activities, certain fees and the amortization of deferred debt issuance costs incurred in connection with obtaining this debt, such as banker fees, origination fees and legal fees. Such costs are expensed immediately upon early extinguishment of the related debt. Our Cost of Funds Rate will vary based on a variety of external factors, such as credit market conditions, general interest levels and interest rate spreads, as well as OnDeck-specific factors, such as origination volume and credit quality. We expect our funding

costs will continue to increase in absolute dollars due to increased utilization of our funding debt facilities resulting from planned portfolio growth and higher interest rates.

Operating Expense

Operating expense consists of sales and marketing, technology and analytics, processing and servicing, and general and administrative expenses. Salaries and personnel-related costs, including benefits, bonuses, stock-based compensation expense and occupancy, comprise a significant component of each of these expense categories. The number of employees was 475 and 708 at December 31, 2017 and December 31, 2016 , respectively. All operating expense categories also include an allocation of overhead, such as rent and other overhead, which is based on employee headcount.

Sales and Marketing . Sales and marketing expense consists of salaries and personnel-related costs of our sales and marketing and business development employees, as well as direct marketing and advertising costs, online and offline CACs (such as direct mail, paid search and search engine optimization costs), public relations, radio and television advertising, promotional event programs and sponsorships, corporate communications and allocated overhead. We expect our sales and marketing expense in terms of absolute dollars to remain consistent with or be modestly less than 2017 levels but to decrease as a percentage of revenue in the near term as our sales and marketing activities mature and we continue to optimize marketing spend.

Technology and Analytics . Technology and analytics expense consists primarily of the salaries and personnel-related costs of our engineering and product employees as well as our credit and analytics employees who develop our proprietary credit-scoring models. Additional expenses include third-party data acquisition expenses, professional services, consulting costs, expenses related to the development of new types of loans and technologies and maintenance of existing technology assets, amortization of capitalized internal-use software costs related to our technology platform and allocated overhead. We believe continuing to invest in technology is essential to maintaining our competitive position, and we expect these costs to rise moderately in the near term on an absolute dollar basis but to decrease as a percentage of revenue.

Processing and Servicing . Processing and servicing expense consists primarily of salaries and personnel related costs of our credit analysis, underwriting, funding, fraud detection, customer service and collections employees. Additional expenses include vendor costs associated with third-party credit checks, lien filing fees and other costs to evaluate, close and fund loans and overhead costs. We anticipate that our processing and servicing expense in terms of absolute dollars to remain consistent with or be slightly lower than 2017 levels and to decrease as a percentage of revenue as we grow originations by continuing to increase automation and by driving department efficiencies.

General and Administrative . General and administrative expense consists primarily of salary and personnel-related costs for our executive, finance and accounting, legal and people operations employees. Additional expenses include a provision for the unfunded portion of our lines of credit, consulting and professional fees, insurance, legal, travel, gain or loss on foreign exchange and other corporate expenses. These expenses also include costs associated with compliance with the Sarbanes-Oxley Act and other regulations governing public companies, directors' and officers' liability insurance and increased accounting costs. We anticipate that our general and administrative expense in terms of absolute dollars to remain consistent with 2017 levels but to decline as a percentage of revenue in the near term as our finance and accounting, legal and people operations functions mature.

Other (Expense) Income

Interest Expense . Interest expense consists of interest expense and amortization of deferred debt issuance costs incurred on debt associated with our corporate activities. It does not include interest expense incurred on debt associated with our lending activities.

Provision for Income Taxes

Provision for income taxes consists of U.S. federal, state and foreign income taxes, if any. Through December 31, 2016, we have not been required to pay U.S. federal or state income taxes nor any foreign taxes because of our current and accumulated net operating losses. As of December 31, 2017 , we had $82.1 million of federal net operating loss carryforwards and $81.3 million of state net operating loss carryforwards available to reduce future taxable income, unless limited due to historical or future ownership changes. The federal net operating loss carryforwards will begin to expire at various dates beginning in 2029.

The Internal Revenue Code of 1986, as amended, or the Code, imposes substantial restrictions on the utilization of net operating losses and other tax attributes in the event of an "ownership change" of a corporation. Events which may cause limitation in the amount of the net operating losses and other tax attributes that are able to be utilized in any one year include, but are not limited to, a cumulative ownership change of more than 50% over a three-year period, which has occurred as a result of historical ownership changes. Accordingly, our ability to use pre-change net operating loss and certain other attributes are limited as prescribed under Sections 382 and 383 of the Code. Therefore, if we earn net taxable income in the future, our ability to reduce our federal

income tax liability with our existing net operating losses is subject to limitation. Future offerings, as well as other future ownership changes that may be outside our control could potentially result in further limitations on our ability to utilize our net operating loss and tax attributes. Accordingly, achieving profitability may not result in a full release of the valuation allowance.

On December 22, 2017, the Tax Cuts and Jobs Act of 2017, or the Tax Act, was enacted which made significant changes to the existing tax code. Changes include, but are not limited to, a federal corporate tax rate decrease from 35% to 21% for tax years beginning after December 31, 2017, an increase in bonus depreciation and the deductibility of certain depreciable assets, limitations on the deductibility of net interest expense, changes to net operating loss carryover and carryback rules, the transition of U.S international taxation from a worldwide tax system to a territorial system, and reductions in the amount of executive pay that could qualify as a tax deduction.

On December 22, 2017, the SEC issued Staff Accounting Bulletin No. 118, *Income Tax Accounting Implications of the Tax Cuts and Jobs Act,* or SAB 118 , to assist registrants in accounting for the tax effects of the Tax Act specifically when an accounting analysis of the Tax Act is incomplete for registrant's financial statements for the reporting period in which the Tax Act became law. SAB 118 permits us to record provisional amounts during a measurement period not to extend beyond one year of the enactment date. In accordance with SAB 118, we have been able to reasonably estimate the effect the change in the corporate tax rate will have on our deferred tax asset. At December 31, 2017, our deferred tax asset has been provisionally remeasured and adjusted by $18.8 million from $56.6 million to $37.8 million . Because a full valuation allowance has been and will continue to be recorded against our deferred tax asset, an amount corresponding to the reduction of the deferred tax asset has been released from the valuation allowance. These two adjustments offset each other and result in no net impact to our results of operations.

As of December 31, 2017 , a full valuation allowance of $37.8 million was recorded against our net deferred tax assets.

Results of Operations

The following table sets forth our consolidated statements of operations data for each of the periods indicated.

	Year Ended December 31,		
	2017	2016	2015
	(dollars in thousands)		
Revenue:			
Interest income	$ 334,575	$ 264,844	$ 195,048
Gain on sales of loans	2,485	14,411	53,354
Other revenue	13,890	12,062	6,365
Gross revenue	350,950	291,317	254,767
Cost of revenue:			
Provision for loan losses	152,926	149,963	74,863
Funding costs	45,435	32,448	20,244
Total cost of revenue	198,361	182,411	95,107
Net revenue	152,589	108,906	159,660
Operating expense:			
Sales and marketing	52,786	67,011	60,575
Technology and analytics	53,392	58,899	42,653
Processing and servicing	18,076	19,719	13,053
General and administrative	41,916	48,345	45,304
Total operating expense	166,170	193,974	161,585
Income (loss) from operations	(13,581)	(85,068)	(1,925)
Other expense:			
Interest expense	(764)	(414)	(306)
Total other expense	(764)	(414)	(306)
Loss before provision for income taxes	(14,345)	(85,482)	(2,231)
Provision for income taxes	—	—	—
Net income (loss)	$ (14,345)	$ (85,482)	$ (2,231)

The consolidated statements of operations data as a percentage of gross revenue for each of the periods indicated.

	Year Ended December 31,		
	2017	2016	2015
Revenue:			
Interest income	95.3 %	90.9 %	76.6 %
Gain on sales of loans	0.7	5.0	20.9
Other revenue	4.0	4.1	2.5
Gross revenue	100.0	100.0	100.0
Cost of revenue:			
Provision for loan losses	43.6	51.5	29.4
Funding costs	12.9	11.1	7.9
Total cost of revenue	56.5	62.6	37.3
Net revenue	43.5	37.4	62.7
Operating expense:			
Sales and marketing	15.0	23.0	23.8
Technology and analytics	15.2	20.2	16.7
Processing and servicing	5.2	6.8	5.1
General and administrative	11.9	16.6	17.8
Total operating expense	47.3	66.6	63.4
Income (loss) from operations	(3.8)	(29.2)	(0.8)
Other expense:			
Interest expense	(0.2)	(0.1)	(0.1)
Total other expense	(0.2)	(0.1)	(0.1)
Loss before provision for income taxes	(4.0)	(29.3)	(0.9)
Provision for income taxes	—	—	—
Net income (loss)	(4.0)%	(29.3)%	(0.9)%

Comparison of Years Ended December 31, 2017 and 2016

	Year Ended December 31,				Period-to-Period Change	
	2017		2016			
	Amount	Percentage of Gross Revenue	Amount	Percentage of Gross Revenue	Amount	Percentage
	(dollars in thousands)					
Revenue:						
Interest income	$ 334,575	95.3 %	$ 264,844	90.9 %	$ 69,731	26.3 %
Gain on sales of loans	2,485	0.7	14,411	5.0	(11,926)	(82.8)
Other revenue	13,890	4.0	12,062	4.1	1,828	15.2
Gross revenue	350,950	100.0	291,317	100.0	59,633	20.5
Cost of revenue:						
Provision for loan losses	152,926	43.6	149,963	51.5	2,963	2.0
Funding costs	45,435	12.9	32,448	11.1	12,987	40.0
Total cost of revenue	198,361	56.5	182,411	62.6	15,950	8.7
Net revenue	152,589	43.5	108,906	37.4	43,683	40.1
Operating expenses:						
Sales and marketing	52,786	15.0	67,011	23.0	(14,225)	(21.2)
Technology and analytics	53,392	15.2	58,899	20.2	(5,507)	(9.3)
Processing and servicing	18,076	5.2	19,719	6.8	(1,643)	(8.3)
General and administrative	41,916	11.9	48,345	16.6	(6,429)	(13.3)
Total operating expenses	166,170	47.3	193,974	66.6	(27,804)	(14.3)
Loss from operations	(13,581)	(3.8)	(85,068)	(29.2)	71,487	84.0
Other expense:						
Interest expense	(764)	(0.2)	(414)	(0.1)	(350)	84.5
Total other expense:	(764)	(0.2)	(414)	(0.1)	(350)	84.5
Loss before provision for income taxes	(14,345)	(4.0)	(85,482)	(29.3)	71,137	(83.2)
Provision for income taxes	—	—	—	—	—	—
Net loss	$ (14,345)	(4.0)%	$ (85,482)	(29.3)%	$ 71,137	(83.2)%

Revenue

	Year Ended December 31,				Period-to-Period Change	
	2017		2016			
	Amount	Percentage of Gross Revenue	Amount	Percentage of Gross Revenue	Amount	Percentage
	(dollars in thousands)					
Revenue:						
Interest income	$ 334,575	95.3%	$ 264,844	90.9%	$ 69,731	26.3 %
Gain on sales of loans	2,485	0.7	14,411	5.0	(11,926)	(82.8)
Other revenue	13,890	4.0	12,062	4.1	1,828	15.2
Gross revenue	$ 350,950	100.0%	$ 291,317	100.0%	$ 59,633	20.5 %

Gross revenue increased by $59.6 million , or 20.5% , from $291.3 million in 2016 to $351.0 million in 2017 . This growth was in part attributable to a $69.7 million , or 26.3% , increase in interest income, which was driven by a greater volume of loans being held on our balance sheet as evidenced by the 24.1% increase in Average Loans to $990.6 million from $798.1 million . The increase in interest income was also attributed to an increase in our EIY on loans outstanding to 33.9% from 33.3% over the same period.

Gain on sales of loans decreased by $11.9 million , from $14.4 million in 2016 to $2.5 million in 2017 . This decrease was primarily attributable to a $304.4 million decrease in sales of loans through OnDeck *Marketplace* and a decrease in Marketplace Gain on Sale Rate from 3.8% in 2016 to 3.4% in 2017 .

Other revenue increased $1.8 million , or 15% , primarily attributable to an increase of $3.0 million in platform fees and an increase of $0.9 million in monthly fees earned from lines of credit as the total number of line of credit units increased period over period. This increase was partially offset by a decrease of $1.0 million in marketing fees from our issuing bank partner and $1.1 million decrease from our syndication program.

Cost of Revenue

	Year Ended December 31,				Period-to-Period Change	
	2017		2016			
	Amount	Percentage of Gross Revenue	Amount	Percentage of Gross Revenue	Amount	Percentage
	(dollars in thousands)					
Cost of revenue:						
Provision for loan losses	$ 152,926	43.6%	$ 149,963	51.5%	$ 2,963	2.0%
Funding costs	45,435	12.9	32,448	11.1	12,987	40.0
Total cost of revenue	$ 198,361	56.5%	$ 182,411	62.6%	$ 15,950	8.7%

Provision for Loan Losses . Provision for loan losses increased by $3.0 million , or 2% , from $150.0 million in 2016 to $152.9 million in 2017 . In accordance with GAAP, we recognize revenue on loans over their term, but provide for probable credit losses on the loans at the time they are originated. We then periodically adjust our estimate of those probable credit losses based on actual performance and changes in loss estimates. As a result, we believe that analyzing provision for loan losses as a percentage of originations held for investment, rather than as a percentage of gross revenue, provides more useful insight into our operating performance. Our provision for loan losses as a percentage of originations held for investment, or the Provision Rate, increased from 7.4% in 2016 to 7.5% in 2017 . The increase in the Provision Rate was, in part, attributable to continued reserve builds in 2017 for loans originated in 2016, as well as reserve builds related to hurricanes Harvey and Irma (See Part II -Item 7 - Key Factors Affecting our Performance - *Credit Performance* .)

Funding Costs . Funding costs increased by $13.0 million , or 40.0% , from $32.4 million in 2016 to $45.4 million in 2017 . The increase in funding costs was primarily attributable to the increases in our average aggregate outstanding borrowings. The Average Funding Debt Outstanding during 2017 was $724.3 million as compared to $548.5 million during 2016 while our Cost of Funds Rate increased to 6.3% from 5.9% . The Cost of Funds Rate increased primarily as a result of the increase in LIBOR throughout 2017 which increased the rates associated with our variable rate debt instruments, and the higher interest rates associated with our newer facilities which were available to finance our previously ineligible loans. As a percentage of gross revenue, funding costs increased from 11.1% in 2016 to 12.9% in 2017 . The increase in funding costs as a percentage of gross revenue was primarily the result of the increase of interest rates on our debt facilities

Operating Expense

Sales and Marketing

	Year Ended December 31,				Period-to-Period Change	
	2017		2016			
	Amount	Percentage of Gross Revenue	Amount	Percentage of Gross Revenue	Amount	Percentage
	(dollars in thousands)					
Sales and marketing	$ 52,786	15.0%	$ 67,011	23.0%	$ (14,225)	(21.2)%

Sales and marketing expense decreased by $14.2 million , or 21% , from $67.0 million in 2016 to $52.8 million in 2017 . The decrease was primarily attributable to a $9.5 million decrease in customer acquisition costs and a decrease of $3.8 million in personnel-related costs. Additionally, brand and radio/television advertising decreased by $3.3 million which was partially offset by an increase of $2.0 million in syndication program costs.

Technology and Analytics

	Year Ended December 31,				Period-to-Period Change	
	2017		2016			
	Amount	Percentage of Gross Revenue	Amount	Percentage of Gross Revenue	Amount	Percentage
	(dollars in thousands)					
Technology and analytics	$ 53,392	15.2%	$ 58,899	20.2%	$ (5,507)	(9.3)%

Technology and analytics expense decreased by $5.5 million , or 9% , from $58.9 million in 2016 to $53.4 million in 2017 . The decrease was primarily attributable to a $5.5 million decrease in salaries and personnel-related costs related to technology and analytics headcount reductions as part of our cost rationalization program.

Processing and Servicing

	Year Ended December 31,				Period-to-Period Change	
	2017		2016			
	Amount	Percentage of Gross Revenue	Amount	Percentage of Gross Revenue	Amount	Percentage
	(dollars in thousands)					
Processing and servicing	$ 18,076	5.2%	$ 19,719	6.8%	$ (1,643)	(8.3)%

Processing and servicing expense decreased by $1.6 million , or 8% , from $19.7 million in 2016 to $18.1 million in 2017 . The decrease was primarily attributable to a $1.6 million decrease in salaries and personnel-related costs, related to processing and servicing headcount reductions as part of our cost rationalization program.

General and Administrative

	Year Ended December 31,				Period-to-Period	
	2017		2016		Change	
	Amount	Percentage of Gross Revenue	Amount	Percentage of Gross Revenue	Amount	Percentage
	(dollars in thousands)					
General and administrative	$ 41,916	11.9%	$ 48,345	16.6%	$ (6,429)	(13.3)%

General and administrative expense decreased by $6.4 million , or 13% , from $48.3 million in 2016 to $41.9 million in 2017 . The decrease was primarily attributable to a $2.7 million decrease in salaries and personnel-related costs related to general and administrative headcount reductions, and travel and entertainment expenses decreased by $2.2 million , both as a result of our cost rationalization program. The gain related to foreign currency transactions and holdings in Canadian Dollars decreased expenses by $1.5 million in 2017 as compared to the prior year, driven by the increased value of the Canadian dollar relative to the US Dollar.

Comparison of Years Ended December 31, 2016 and 2015

	Year Ended December 31,				Period-to-Period Change	
	2016		2015			
	Amount	Percentage of Gross Revenue	Amount	Percentage of Gross Revenue	Amount	Percentage
	(dollars in thousands)					
Revenue:						
Interest income	$ 264,844	90.9 %	$ 195,048	76.6 %	$ 69,796	35.8 %
Gain on sales of loans	14,411	5.0	53,354	20.9	(38,943)	(73.0)
Other revenue	12,062	4.1	6,365	2.5	5,697	89.5
Gross revenue	291,317	100.0	254,767	100.0	36,550	14.3
Cost of revenue:						
Provision for loan losses	149,963	51.5	74,863	29.4	75,100	100.3
Funding costs	32,448	11.1	20,244	7.9	12,204	60.3
Total cost of revenue	182,411	62.6	95,107	37.3	87,304	91.8
Net revenue	108,906	37.4	159,660	62.7	(50,754)	(31.8)
Operating expense:						
Sales and marketing	67,011	23.0	60,575	23.8	6,436	10.6
Technology and analytics	58,899	20.2	42,653	16.7	16,246	38.1
Processing and servicing	19,719	6.8	13,053	5.1	6,666	51.1
General and administrative	48,345	16.6	45,304	17.8	3,041	6.7
Total operating expense	193,974	66.6	161,585	63.4	32,389	20.0
Income (loss) from operations	(85,068)	(29.2)	(1,925)	(0.8)	(83,143)	(4,319.1)
Other expense:						
Interest expense	(414)	(0.1)	(306)	(0.1)	(108)	35.3
Total other expense	(414)	(0.1)	(306)	(0.1)	(108)	35.3
Loss before provision for income taxes	(85,482)	(29.3)	(2,231)	(0.9)	(83,251)	3,731.6
Provision for income taxes	—	—	—	—	—	
Net income (loss)	$ (85,482)	(29.3)%	$ (2,231)	(0.9)%	$ (83,251)	3,731.6 %

Revenue

	Year Ended December 31,				Period-to-Period Change	
	2016		2015			
	Amount	Percentage of Gross Revenue	Amount	Percentage of Gross Revenue	Amount	Percentage
	(dollars in thousands)					
Revenue:						
Interest income	$ 264,844	90.9%	$ 195,048	76.6%	$ 69,796	35.8 %
Gain on sales of loans	14,411	5.0	53,354	20.9	(38,943)	(73.0)
Other revenue	12,062	4.1	6,365	2.5	5,697	89.5
Gross revenue	$ 291,317	100.0%	$ 254,767	100.0%	$ 36,550	14.3 %

Gross revenue increased by $36.6 million , or 14% , from $254.8 million in 2015 to $291.3 million in 2016. This growth was in part attributable to a $69.8 million , or 35.8% , increase in interest income. The combined effect of our increase in originations and decreased utilization of OnDeck *Marketplace* resulted in a greater volume of loans being held on our balance sheet as evidenced by the 44.9% increase in Average Loans to $798.1 million from $550.6 million . The increase in interest income was partially offset by a decline in our EIY on loans outstanding to 33.3% from 35.4% over the same period.

Gain on sales of loans decreased by $38.9 million , from $53.4 million in 2015 to $14.4 million in 2016. This decrease was primarily attributable to a $239.1 million decrease in sales of loans through OnDeck *Marketplace* and a decrease in Marketplace Gain on Sale Rate from 8.6% in 2015 to 3.8% in 2016.

Other revenue increased $5.7 million , or 90% , primarily attributable to an increase of $3.6 million in marketing fees from our issuing bank partner, an increase of $2.1 million in platform fees, an increase of $1.4 million in monthly fees earned from lines of credit as the total outstanding lines of credit increased period over period, and a $1.0 million increase from our syndication program. This increase was partially offset by a decrease of $2.5 million related to servicing fees which was driven by the decrease in OnDeck Marketplace loan sales.

Cost of Revenue

	Year Ended December 31,				Period-to-Period Change	
	2016		2015			
	Amount	Percentage of Gross Revenue	Amount	Percentage of Gross Revenue	Amount	Percentage
	(dollars in thousands)					
Cost of revenue:						
Provision for loan losses	$ 149,963	51.5%	$ 74,863	29.4%	$ 75,100	100.3%
Funding costs	32,448	11.1	20,244	7.9	12,204	60.3
Total cost of revenue	$ 182,411	62.6%	$ 95,107	37.3%	$ 87,304	91.8%

Provision for Loan Losses . Provision for loan losses increased by $75.1 million , or 100% , from $74.9 million in 2015 to $150.0 million in 2016 . This increase was primarily attributable to the increase in originations of term loans and lines of credit originated and held for investment. In accordance with GAAP, we recognize revenue on loans over their term, but provide for probable credit losses on the loans at the time they are originated. We then periodically adjust our estimate of those probable credit losses based on actual performance and changes in loss estimates. As a result, we believe that analyzing provision for loan losses as a percentage of originations, rather than as a percentage of gross revenue, provides more useful insight into our operating performance. Our provision for loan losses as a percentage of originations held for investment, or the Provision Rate, increased from 5.8% in 2015 to 7.4% in 2016 . The increase in the Provision Rate was, in part, the result of an increase in loss reserves in 2016 related to our term loans with original maturities of 15 months or more (See Part II -Item 7 - Key Factors Affecting our Performance - *Credit Performance* .) In addition, the 2015 Provision Rate was at near-historical lows due to the year's better than average credit environment as well as sales of certain longer - term loans to investors through OnDeck *Marketplace* .

Funding Costs . Funding costs increased by $12.2 million , or 60.3% , from $20.2 million in 2015 to $32.4 million in 2016 . The increase in funding costs was primarily attributable to the increases in our aggregate outstanding borrowings. The Average Funding Debt Outstanding during 2016 was $548.5 million as compared to $366.0 million during 2015 while our Cost of Funds Rate increased to 5.9% from 5.5% . The Cost of Funds Rate increased as a result of the increase in LIBOR throughout 2016 which increased the rates associated with our variable rate debt instruments, the closing of our second securitization in the second quarter of 2016 which was at a rate approximately 1.3% higher than the previous securitization, and the higher interest rates associated with our newer facilities which were available to finance our previously ineligible loans. As a percentage of gross revenue, funding costs increased from 7.9% in 2015 to 11.1% in 2016 . The increase in funding costs as a percentage of gross revenue was the result of increased loan originations and a greater portion of those loan originations being financed and held on our balance sheet which increased the numerator of the calculation. In addition, the decrease in the gain on sale rate, the decrease in the volume of loans sold through OnDeck *Marketplace* , and the decrease in our EIY decreased the denominator of the calculation.

Operating Expense

OnDeck incurred a $1.8 million charge in the fourth quarter of 2016 in connection with an approximately 11% reduction in total headcount as part of a cost rationalization program involving both layoffs and actual and scheduled attrition. The charge was allocated among the four operating expense categories below based on the department assignment of the impacted employees. Approximately $1.1 million of the charge was associated with Technology and Analytics and the balance was associated with the three other operating expense categories below.

Sales and Marketing

	Year Ended December 31,					
	2016		2015		Period-to-Period Change	
	Amount	Percentage of Gross Revenue	Amount	Percentage of Gross Revenue	Amount	Percentage
	(dollars in thousands)					
Sales and marketing	$ 67,011	23.0%	$ 60,575	23.8%	$ 6,436	10.6%

Sales and marketing expense increased by $6.4 million , or 11% , from $60.6 million in 2015 to $67.0 million in 2016. The increase was primarily attributable to a $5.0 million increase in salaries and personnel-related cost as we expanded our sales and marketing departments to support higher origination volume.

Technology and Analytics

	Year Ended December 31,					
	2016		2015		Period-to-Period Change	
	Amount	Percentage of Gross Revenue	Amount	Percentage of Gross Revenue	Amount	Percentage
	(dollars in thousands)					
Technology and analytics	$ 58,899	20.2%	$ 42,653	16.7%	$ 16,246	38.1%

Technology and analytics expense increased by $16.2 million , or 38% , from $42.7 million in 2015 to $58.9 million in 2016 . The increase was primarily attributable to an $8.9 million increase in salaries and personnel-related costs, as we increased the number of technology personnel developing our platform, as well as analytics personnel to further improve upon algorithms underlying the OnDeck *Score* . We continued to invest in our technology infrastructure, including technology security, and to enhance and develop our platform capabilities, resulting in an increase of $3.4 million in expense. We incurred a $2.5 million increase in amortization of capitalized internal-use software costs related to our technology platform and a $1.5 million increase in technology related consulting expense. Additionally, we incurred a $1.1 million charge in the fourth quarter of 2016 related to technology and analytics headcount reductions as part of our cost rationalization program.

Processing and Servicing

	Year Ended December 31,					
	2016		2015		Period-to-Period Change	
	Amount	Percentage of Gross Revenue	Amount	Percentage of Gross Revenue	Amount	Percentage
	(dollars in thousands)					
Processing and servicing	$ 19,719	6.8%	$ 13,053	5.1%	$ 6,666	51.1%

Processing and servicing expense increased by $6.7 million , or 51% , from $13.1 million in 2015 to $19.7 million in 2016 . The increase was primarily attributable to a $4.6 million increase in salaries and personnel-related costs, as we increased the number of processing and servicing personnel to support the increased volume of loan applications and approvals and increased

loan servicing requirements. In addition, we incurred a $2.1 million increase in third-party processing costs, credit information and filing fees as a result of the increased volume of loan applications and originations.

General and Administrative

	Year Ended December 31,				Period-to-Period Change	
	2016		2015			
	Amount	Percentage of Gross Revenue	Amount	Percentage of Gross Revenue	Amount	Percentage
	(dollars in thousands)					
General and administrative	$ 48,345	16.6%	$ 45,304	17.8%	$ 3,041	6.7%

General and administrative expense increased by $3.0 million , or 7% , from $45.3 million in 2015 to $48.3 million in 2016 . The increase was primarily attributable to a $5.6 million increase in salaries and personnel-related costs as we increased the number of general and administrative personnel in 2016 to support the growth of our business. We incurred a $1.5 million increase in consulting, legal, recruiting, accounting and other miscellaneous expenses in 2016 as we continue our transition from a private to a growing public company. The increases were offset by a decrease in the reserve on unfunded lines of credit of $3.2 million in 2016 related to potential future losses on the unfunded portion of our lines of credit. Our loss related to foreign currency transactions and holdings associated with the increase in the value of the Canadian dollar relative to the U.S. dollar decreased by $1.5 million in 2016 as compared to the prior year.

Liquidity and Capital Resources

Sources of Liquidity

During 2017 , we originated $2.1 billion of loans utilizing a diversified set of funding sources, including cash on hand, third-party lenders (through debt facilities and securitization), OnDeck *Marketplace* and the cash generated by our operating, investing and financing activities.

Cash on Hand

At December 31, 2017 , we had approximately $71 million of cash on hand to fund our future operations compared to approximately $80 million at December 31, 2016 . The decline was primarily the result of our strategy to reduce OnDeck *Marketplace* sales and retain more loans on our balance sheet during the period.

Current Debt Facilities

The following table summarizes our current debt facilities available for funding our lending activities, referred to as funding debt, and our operating expenditures, referred to as corporate debt, as of December 31, 2017 .

Description	Maturity Date	Weighted Average Interest Rate	Borrowing Capacity	Principal Outstanding
			(in millions)	
Funding debt:				
OnDeck Asset Securitization Trust II LLC	May 2020 (1)	4.7%	$ 250.0	$ 250.0
OnDeck Account Receivables Trust 2013-1 LLC	March 2019	4.1%	214.1	102.0
Receivable Assets of OnDeck, LLC	November 2018	4.9%	119.7	86.5
OnDeck Asset Funding I, LLC	February 2020 (2)	8.6%	150.0	75.0
Prime OnDeck Receivable Trust II, LLC	December 2018	3.9%	125.0 (4)	63.9
On Deck Asset Company, LLC	May 2019	8.7%	100.0	62.3
Other Agreements	Various (3)	Various	53.8	50.7
Total funding debt			$ 1,012.6	$ 690.4
Corporate debt:				
On Deck Capital, Inc.	October 2018	5.5%	$ 30.0	$ 8.0

(1) The period during which remaining cash flow can be used to purchase additional loans expires April 2018.
(2) The period during which new borrowings may be made under this debt facility expires in February 2019.
(3) Maturity dates range from January 2018 through November 2020.
(4) Lenders obligation consists of a commitment to make loans in amount of up to $125 million on a revolving basis. Lenders may also, in their sole discretion and on an uncommitted basis, make additional loans in amount of up to $75 million on a revolving basis.

Our ability to fully utilize the available capacity of our debt facilities may also be impacted by provisions that limit concentration risk and eligibility. The debt facilities contain thresholds, known as concentration limitations, which restrict a debt facility's collateral pool from being overly concentrated with loans that share pre-defined loan characteristics. In addition, debt facilities contain provision that limit the eligibility criteria of loans that may be financed, such as term length, loan amount and a borrower's home country. Loans that do not meet the criteria to be financed are referred to as ineligible loans. To the extent such concentration limits are exceeded or loans are deemed ineligible, newly originated loans with the pre-defined loan characteristics subject to that concentration limit or eligibility criteria may not be financed despite available capacity under the debt facilities.

OnDeck *Marketplace*

OnDec *k Marketplace* is our proprietary whole loan sale platform that allows participating third-party institutional investors to directly purchase small business loans from us. OnDeck *Marketplace* participants enter into whole loan purchase agreements, so as to purchase a pre-determined dollar amount of loans that satisfy certain eligibility criteria. The loans are sold to the participant at a pre-determined purchase price above par. We recognize a gain or loss from OnDeck *Marketplace* loans when sold. We currently act as servicer in exchange for a servicing fee with respect to the loans purchased by the applicable OnDeck *Marketplace* participant. For the years ended 2017 and 2016 , 3.7% and 18.4% , respectively, of total term loan originations were OnDeck *Marketplace* originations. The proportion of loans we sell through OnDeck *Marketplace* largely depends on the premiums available to us. To the extent our use of OnDeck *Marketplace* as a funding source decreases in the future due to lower available premiums or otherwise, we may choose to generate liquidity through our other available funding sources. In 2018, we expect the percentage of total originations to be sold through OnDeck *Marketplace* to be relatively consistent with or less than the percentage sold in 2017.

Cash and Cash Equivalents, Loans (Net of Allowance for Loan Losses), and Cash Flows

The following table summarizes our cash and cash equivalents, loans (net of ALLL) and cash flows:

	As of and for the Year Ended December 31,		
	2017	2016	2015
	(in thousands)		
Cash and cash equivalents	$ 71,362	$ 79,554	$ 159,822
Restricted cash	$ 43,462	$ 44,432	$ 38,463
Loans held for investment, net	$ 843,781	$ 890,283	$ 499,431
Cash provided by (used in):			
Operating activities	$ 210,198	$ 134,251	$ 118,947
Investing activities	$ (156,564)	$ (589,234)	$ (168,415)
Financing activities	$ (62,496)	$ 374,728	$ (10,468)

Our cash and cash equivalents at December 31, 2017 were held primarily for working capital purposes. We may, from time to time, use excess cash and cash equivalents to fund our lending activities. We do not enter into investments for trading or speculative purposes. Our policy is to invest any cash in excess of our immediate working capital requirements in investments designed to preserve the principal balance and provide liquidity. Accordingly, our excess cash is invested primarily in demand deposit accounts that are currently providing only a minimal return.

Our restricted cash represents funds held in accounts as reserves on certain debt facilities and as collateral for issuing bank partner transactions. We have no ability to draw on such funds as long as they remain restricted under the applicable arrangements.

Cash Flows

Operating Activities

For the year ended December 31, 2017 , net cash provided by our operating activities was $210.2 million , which was primarily the result of our cash received from our customers, including interest payments of $396.7 million , plus proceeds from sale of loans held for sale of $51.5 million , less $48.7 million of loans held for sale originations in excess of loan repayments received, $138.2 million utilized to pay our operating expenses and $41.9 million we used to pay the interest on our debt (both funding and corporate). During that same period, accounts payable and accrued expenses and other liabilities decreased by approximately $8.8 million .

For the year ended December 31, 2016 , net cash provided by our operating activities was $134.3 million , which was primarily the result of our cash received from our customers including interest payments $312.9 million , plus proceeds from sale of loans held for sale of $314.6 million , less $297.0 million of loans held for sale originations in excess of loan repayments received, $161.3 million utilized to pay our operating expenses and $24.8 million we used to pay the interest on our debt (both funding and corporate). During that same period, accounts payable and accrued expenses and other liabilities increased by approximately $8.2 million .

For the year ended December 31, 2015 , net cash provided by operating activities was $118.9 million , which was primarily the result of our cash received from our customers including interest payments as well as the gain on sale of our loans totaling approximately $234.6 million , plus proceeds from sale of loans held for sale of $489.4 million, less $433.7 million of loans held for sale originations in excess of loan repayments received, $134.7 million utilized to pay our operating expenses and $15.4 million we used to pay the interest on our debt (both funding and corporate). During that same period, accounts payable and accrued expenses and other liabilities increased by approximately $16.2 million.

Investing Activities

Our investing activities have consisted primarily of funding our term loan and line of credit originations, including payment of associated direct costs and receipt of associated fees, offset by customer repayments of term loans and lines of credit, purchases of property, equipment and software, capitalized internal-use software development costs, proceeds from the sale of term loans which were not specifically identified at origination through our OnDeck *Marketplace* and changes in restricted cash. Purchases

of property, equipment and software and capitalized internal-use software development costs may vary from period to period due to the timing of the expansion of our operations, the addition of employee headcount and the development cycles of our internal-use technology.

From time to time in the past, we have voluntarily purchased and may again in the future voluntarily purchase our loans that were previously sold to third parties. The circumstances under which we effect these transactions depends on a variety of factors. In determining whether to engage in a certain voluntary purchase transactions, we consider, among other things, our relationship with the potential seller, the potential purchase price, credit profile of the target loans, our overall liquidity position and possible alternative uses of cash. Although these purchases have not been material in the past, depending upon the circumstances, they could be material in the future, depending on the quantity and timing of these purchases.

For the year ended December 31, 2017 , net cash used to fund our investing activities was $156.6 million , and consisted primarily of $119.5 million of loan originations in excess of loan repayments received, $44.8 million of origination costs paid in excess of fees collected and $4.3 million for the purchase of property, equipment and software and capitalized internal-use software development costs. These uses of cash were partially offset by $24.8 million of proceeds from sales of loans held for investment.

For the year ended December 31, 2016 , net cash used to fund our investing activities was $589.2 million , and consisted primarily $75.8 million of proceeds from sales of loans held for investment, less $600.5 million of loan originations in excess of loan repayments received, $47.1 million of origination costs paid in excess of fees collected and $11.3 million for the purchase of property, equipment and software and capitalized internal-use software development costs. We also restricted more cash as collateral for financing arrangements, resulting in a $6.0 million decrease in unrestricted cash during the year.

For the year ended December 31, 2015 , net cash used to fund our investing activities was $168.4 million , and consisted primarily $177.0 million of proceeds from sales of loans held for investment, less $289.9 million of loan originations in excess of loan repayments received, $28.0 million of origination costs paid in excess of fees collected and $17.9 million for the purchase of property, equipment and software and capitalized internal-use software development costs. The growth in our loan originations was consistent with the overall increase in revenue during the year. We also restricted more cash as collateral for financing arrangements, resulting in a $9.0 million decrease in unrestricted cash during the year.

Financing Activities

Our financing activities have consisted primarily of net borrowings from our securitization facility and our revolving debt facilities as well as the issuance of common stock.

For the year ended December 31, 2017 , net cash used to fund our financing activities was $62.5 million and consisted primarily of $61.9 million in net principal repayments of our debt related to our securitization and debt facilities and $4.1 million of payments of debt issuance costs. These uses of cash were partially offset by $2.4 million of net cash received for additional investment by a noncontrolling interest, and $1.8 million of cash received from the issuance of common stock under the employee stock purchase plan.

For the year ended December 31, 2016 , net cash provided by our financing activities was $374.7 million and consisted primarily of $379.1 million in net additional debt drawn down from our securitization and debt facilities, primarily associated with the increase in loan originations during the year and $6.3 million of payments of debt issuance costs offset by $2.6 million of cash received from the issuance of common stock under the employee stock purchase plan.

For the year ended December 31, 2015 , net cash used to fund our financing activities was $10.5 million and consisted primarily of $16.7 million in net principal repayments of our debt related to our securitization and debt facilities, primarily associated with the increase in loan originations during the year and $1.8 million of payments of IPO costs offset by $7.9 million of cash received from investment by noncontrolling interests.

Operating and Capital Expenditure Requirements

We require substantial capital to fund our current operating and capital expenditure requirements. We expect these requirements to increase as we pursue our growth strategy.

As a result of our previous growth strategy, between 2014 and 2016, we increased our annual originations significantly. Our originations were $1.2 billion in 2014, $1.9 billion in 2015 and $2.4 billion in 2016, which equates to annual year over year growth

rates of 152%, 28% and 12% , respectively. In 2017 , our originations were $2.1 billion . Although this is a decrease from 2016, it still required substantial capital.

Our strategy is to continue to grow in a disciplined manner while remaining highly focused on credit quality and operating leverage. We expect our originations to grow in absolute dollars for the full year 2018 as compared to 2017. Because we will remain focused on credit quality, we are also prepared to forgo lending opportunities that do not meet our credit, underwriting and pricing standards. In addition, despite the continuing competition for customer response, we intend to allocate resources to continue to optimize marketing and customer acquisition costs based on targeted returns on investment rather than spending inefficiently in these areas to achieve incremental growth.

We estimate that at December 31, 2017 , approximately $285 million of our own cash had been invested in our loan portfolio, approximately two-thirds of which was used to fund our portfolio's residual value and the remainder was used to fund ineligible loans. While investing in our portfolio's residual value is a requirement of our funding model and will remain a use of cash so long as we continue to grow loan balances, the use of cash to fund ineligible loans may be mitigated if and to the extent we obtain funding capacity that permits the funding of the ineligible loans, either through debt facilities or OnDeck *Marketplace* . We are currently in various stages of discussions with multiple potential funding sources and are confident we will be able to obtain additional funding capacity although there can be no assurance that we will be successful.

Approximately $313.2 million of our funding debt capacity will expire during 2018. In order to maintain and grow our current rate of loan originations over the next twelve months, we will be required to secure additional funding. We plan to do this through one or more of the following sources: new asset-backed securitization transactions, new debt facilities, extensions and increases to existing debt facilities, and increases in our corporate line of credit.

We expect to use cash flow generated from operations, together with additional cash we may obtain by financing currently ineligible loans, to the extent that we are able to do so, to continue funding residual growth as our financed portfolio grows. In addition, we may also finance our expected residual growth through other unused liquidity sources such as our corporate line of credit or possible additional subordinated notes in our debt facilities.

Historically we have been successful in accessing the asset-backed loan market on terms acceptable to us, and we anticipate that we will be able to do so into the foreseeable future. However, if we deem the cost of accessing the asset-backed loan market to be in excess of an appropriate rate, we may elect to use available cash, seek to increase the use of OnDeck *Marketplace* , or use other financing options available to us. Furthermore, we could decide to alter the types of loans we originate, such that more loans are eligible for credit facilities, or we could decide to slow down the rate of originations.

In addition to pursuing funding through OnDeck *Marketplace* or additional debt funding sources as described above, although it is not currently anticipated, depending upon the circumstances we may seek additional equity financing. The sale of equity may result in dilution to our stockholders, and those securities may have rights senior to those of our common stock. If we raise additional funds through the issuance of additional debt, the agreements governing such debt could contain covenants that would restrict our operations and such debt would rank senior to shares of our common stock.

We believe that our cash from operations, available capacity under our revolving lines of credit (and expected extensions or replacements of those lines), liquidity from expected sales of loans through OnDeck *Marketplace* and existing cash balances, together with additional financing we expect to be able to obtain on market terms, are sufficient to meet both our existing operating and capital expenditure requirements and our currently planned growth for at least the next 12 months.

It is possible that we may require capital in excess of amounts we currently anticipate. Depending on market conditions and other factors, we may not be able to obtain additional capital for our current operations or anticipated future growth on reasonable terms or at all.

Contractual Obligations

Our principal commitments consist of obligations under our outstanding debt facilities and securitization facility and non-cancelable leases for our office space and computer equipment. The following table summarizes these contractual obligations at December 31, 2017 . Future events could cause actual payments to differ from these estimates.

	Payment Due by Period				
	Total	2018	2019-2020	2021-2022	Thereafter
	(in thousands)				
Contractual Obligations:					
Long-term debt:					
Funding debt	$ 690,443	$ 269,642	$ 420,801	$ —	$ —
Corporate debt	8,000	8,000	—	—	—
Interest payments(1)	53,049	36,960	16,089	—	—
Operating leases (2)	78,732	8,633	18,495	18,107	33,497
Purchase obligations	17,006	6,120	5,586	5,300	—
Total contractual obligations	$ 847,230	$ 329,355	$ 460,971	$ 23,407	$ 33,497

(1) Interest payments on our debt facilities with variable interest rates are calculated using the interest rate as of December 31, 2017 .

(2) In February 2018, we terminated an operating lease for certain property in New York. Taking such termination into effect, our contractual obligations related to operating leases would be reduced, in total, by approximately $17.5 million . See Note 14 of Notes to Consolidated Financial Statements.

The obligations of our subsidiaries for the funding debt described above and related interest payment obligations are structured to be non-recourse to On Deck Capital, Inc.

Off-Balance Sheet Arrangements

As of December 31, 2017 , we did not have any off-balance sheet arrangements, as defined in Item 303(a)(4)(ii) of Regulation S-K, such as the use of unconsolidated subsidiaries, structured finance, special purpose entities or variable interest entities.

Critical Accounting Policies and Significant Judgments and Estimates

Our management's discussion and analysis of our financial condition and results of operations is based on our consolidated financial statements, which have been prepared in accordance with GAAP. The preparation of these consolidated financial statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenue and expenses during the reported period. In accordance with GAAP, we base our estimates on historical experience and on various other assumptions that we believe are reasonable under the circumstances. Actual results may differ from these estimates under different assumptions or conditions.

While our significant accounting policies are more fully described in Note 2 of Notes to Consolidated Financial Statements appearing elsewhere in this report, we believe the following accounting policies require the most significant judgment and estimates in the preparation of our consolidated financial statements.

Allowance for Loan Losses

The allowance for loan losses, or ALLL, is established through periodic charges to the provision for loan losses. Loan losses are charged against the ALLL when we believe that the future collection of principal is unlikely. Subsequent recoveries, if any, are credited to the ALLL.

We evaluate the creditworthiness of our portfolio on a pooled basis, due to its composition of small, homogeneous loans with similar general credit risk characteristics and diversified among variables including industry and geography. We use a

proprietary forecast loss rate at origination for new loans that have not had the opportunity to make payments when they are first originated. The allowance is subjective as it requires material estimates, including such factors as historical trends, known and inherent risks in the loan portfolio, adverse situations that may affect borrowers' ability to repay and current economic conditions. Other qualitative factors considered may include items such as uncertainties in forecasting and modeling techniques, changes in portfolio composition, seasonality, business conditions, and emerging trends. Recovery of the carrying value of loans is dependent to a great extent on conditions that may be beyond our control. Any combination of the aforementioned factors may adversely affect our loan portfolio resulting in increased delinquencies and loan losses and could require additional provisions for credit losses, which could impact future periods. In our opinion, we have provided adequate allowances to absorb probable credit losses inherent in our loan portfolio based on available and relevant information affecting the loan portfolio at each balance sheet date.

Nonaccrual Loans and Charged-Off Loans

We consider a loan to be delinquent when the daily or weekly payments are one day past due, adjusted for grace days. Grace days may be granted when we believe a specific circumstance warrants a brief period where a customer should be permitted to skip a payment (or several) without being deemed delinquent, for example, a natural disaster such as Hurricanes Harvey or Irma. Grace days granted per customer typically do not exceed five days. We do not recognize interest income on loans that are delinquent and non-paying. Loans are returned to accrual status if they are brought to non-delinquent status or have performed in accordance with the contractual terms for a reasonable period of time and, in our judgment, will continue to make periodic principal and interest payments as scheduled. When we determine it is probable that we will be unable to collect additional principal amounts on the loan the remaining Unpaid Principal Balance is charged off. Generally, charge-offs occur after the 90th day of delinquency.

Accrual for Unfunded Loan Commitments

In September 2013, we introduced a line of credit product. Customers may draw on their lines of credit up to defined maximum amounts. As of December 31, 2017 and 2016 , our off balance sheet credit exposure related to the undrawn line of credit balances was $204.6 million and $164.5 million , respectively. Similar to our ALLL, we are required to accrue for potential losses related to these unfunded loan commitments at the time the line of credit is originated despite the fact that the customer has not yet drawn these funds. Significant judgment is required to estimate both the amount that may ultimately be drawn on the lines of credit as well as the amount which would ultimately require a reserve. If additional amounts drawn or the rate of default differ from our estimates, actual expenses could differ significantly from our original estimates. The accrual for unfunded loan commitments was $4.4 million and $3.9 million as of December 31, 2017 and 2016 , respectively, and is included in accrued expenses and other liabilities, with changes in the accrual included in general and administrative expense.

Servicing Rights

We record service assets or liabilities at fair value when we sell whole loans to third parties and upon such sale, we have retained the rights to service those loans. The gain or loss on the recognition of a servicing asset or liability is initially recognized as a component of gain on sales of loans in our Consolidated Statements of Operations and Comprehensive Income, while the change in fair value of servicing asset or liability is included in other revenue in our Consolidated Statements of Operations and Comprehensive Income. Servicing assets and liabilities are presented as a component of other assets or accrued expenses and other liabilities, respectively.

We utilize industry-standard modeling, such as discounted cash flow models, to arrive at an estimate of fair value and may utilize third-party service providers to assist in the valuation process. Significant assumptions used in valuing our servicing rights are adequate compensation, discount rate, renewal rate and default rate. The assumptions utilized to arrive at fair value are sensitive to changes. Our selection of renewal rate and default rate are based on data derived from historical trends and are inherently judgmental.

Internal-Use Software Development Costs

We capitalize certain costs related to software developed for internal-use, primarily associated with the ongoing development and enhancement of our technology platform and other internal uses. We begin to capitalize our costs to develop software when preliminary development efforts are successfully completed, management has authorized and committed project funding, and it is probable that the project will be completed and the software will be used to perform the function as intended. These costs are amortized on a straight-line basis over the estimated useful life of the related asset, generally three years. Costs incurred prior to meeting these criteria together with costs incurred for training and maintenance are expensed as incurred and recorded in technology and analytics expense on our consolidated statements of operations.

Stock-Based Compensation

We recognize stock-based compensation expense net of an estimated forfeiture rate and therefore only recognize compensation expense for those options expected to vest over the service period of the award. Calculating stock-based compensation expense requires the input of subjective assumptions, including the expected term of the options, stock price volatility, and the pre-vesting forfeiture rate. We estimate the expected life of options granted based on historical exercise patterns, which we utilize as the means of estimating future behavior. Because our stock only became publicly traded in December 2014, we do not have enough data upon which to estimate volatility based on historical performance. We estimate the volatility of our common stock on the date of grant using historical data of public companies we judge to be reasonably comparable, e.g., companies in similar industries that recently completed initial public offerings of comparable size. In the near future, upon achieving a reasonable base of historical performance data, we will utilize historical and/or implied volatility as part of our assumptions.

The assumptions used in calculating the fair value of stock-based awards represent our best estimates, but these estimates involve inherent uncertainties and the application of management judgment. As a result, if factors change and we use different assumptions, our stock-based compensation expense could be materially different in the future. In addition, we are required to estimate the expected pre-vesting award forfeiture rate, and recognize expense only for those options expected to vest. We estimate this forfeiture rate based on historical experience of our stock-based awards that are granted and canceled before vesting. If our actual forfeiture rate is materially different from our original estimates, the stock-based compensation expense could be significantly different from what we have recorded in the current period. Changes in the estimated forfeiture rate can have a significant effect on reported stock-based compensation expense, as the effect of adjusting the forfeiture rate for all current and previously recognized expense for unvested awards is recognized in the period the forfeiture estimate is changed. If the actual forfeiture rate is higher than the estimated forfeiture rate, then an adjustment will be made to increase the estimated forfeiture rate, which will result in a decrease to the expense recognized in our consolidated financial statements. If the actual forfeiture rate is lower than the estimated forfeiture rate, then an adjustment will be made to lower the estimated forfeiture rate, which will result in an increase to the expense recognized in our consolidated financial statements.

Income Taxes

We recognize deferred tax assets and liabilities for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases, as well as for operating loss and tax credit carryforwards. We measure deferred tax assets and liabilities using enacted tax rates expected to apply to taxable income in the years in which we expect to recover or settle those temporary differences. We recognize the effect of a change in tax rates on deferred tax assets and liabilities in the results of operations in the period that includes the enactment date. We reduce the measurement of a deferred tax asset, if necessary, by a valuation allowance if it is more likely than not that we will not realize some or all of the deferred tax asset.

Uncertain tax positions are recognized only when we believe it is more likely than not that the tax position will be upheld upon examination by the taxing authorities based on the merits of the position. We recognize interest and penalties, if any, related to unrecognized income tax uncertainties in income tax expense. We did not have any accrued interest or penalties associated with uncertain tax positions in any of the reporting periods included in this report.

Recently Issued Accounting Pronouncements and JOBS Act Election

Recent Accounting Pronouncements Not Yet Adopted

In May 2014, the FASB issued ASU 2014-09, *Revenue Recognition* , which creates ASC 606, *Revenue from Contracts with Customers* , and supersedes ASC 605, *Revenue Recognition* . ASU 2014-09 requires revenue to be recognized in an amount that reflects the consideration to which the entity expects to be entitled in exchange for goods or services as described in ASU 2014-09. In July 2015, the FASB voted to defer the effective date of the new revenue standard by one year. The new guidance will be effective for annual reporting periods beginning after December 15, 2017, including interim periods within that reporting period. Early adoption is permitted, but not before the original effective date of December 15, 2016. We completed our assessment of the impact of the new revenue standard noting that revenue generated in accordance with ASC 310, *Receivables* , and ASC 860, *Transfers and Servicing* , is explicitly excluded from the scope of ASC 606. Accordingly, we have concluded that our interest income, gains on loan sales and loan servicing income will not be effected by the adoption of ASC 606. Marketing fees from our issuing bank partner will be within the scope of ASC 606. However, we believe that ASC 606 will have little, if any, impact on the timing and amount of revenue recognition as compared to the current guidance. We will adopt the requirements of the new standard effective January 1, 2018 and intend to apply the modified retrospective method of adoption. We do not expect a material impact from the adoption of ASC 606 and do not expect to record a cumulative effect at the date of initial application.

In February 2016, the FASB issued ASU 2016-02, *Leases* , which creates ASC 842, *Leases* , and supersedes ASC 840, *Leases* . ASU 2016-02 requires lessees to recognize a right-of-use asset and lease liability for all leases with terms of more than 12 months. Recognition, measurement and presentation of expenses will depend on classification as a finance or operating lease. The new guidance will be effective for annual reporting periods beginning after December 15, 2018, including interim periods within that reporting period and is applied retrospectively. Early adoption is permitted. We are currently in the process of assessing the impact the adoption of this guidance will have on our consolidated financial statements.

In June 2016, the FASB issued ASU 2016-13, Measurement of Credit Losses on Financial Instruments. ASU 2016-13 will change the impairment model and how entities measure credit losses for most financial assets. The standard requires entities to use the new expected credit loss impairment model which will replace the incurred loss model used today. The new standard will be effective for annual reporting periods beginning after December 15, 2019. Early adoption is permitted, but not prior to December 15, 2018. We are currently assessing the impact that the adoption of this standard will have on our consolidated financial statements.

JOBS Act

Under the JOBS Act, we meet the definition of an “emerging growth company.” We have irrevocably elected to opt out of the extended transition period for complying with new or revised accounting standards pursuant to Section 107(b) of the JOBS Act.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

Market risk is the risk of loss to future earnings, values or future cash flows that may result from changes in the price of a financial instrument. The value of a financial instrument may change as a result of changes in interest rates, exchange rates, commodity prices, equity prices and other market changes. We are exposed to market risk related to changes in interest rates and foreign currency exchange rates.

Interest Rate Sensitivity

Our cash and cash equivalents as of December 31, 2017 consisted of cash maintained in several FDIC insured operating accounts, which may exceed FDIC insured amounts. Our primary exposure to market risk for our cash and cash equivalents is interest income sensitivity, which is affected by changes in the general level of U.S. interest rates. Given the currently low U.S. interest rates, we generate only a de minimis amount of interest income from these deposits.

We are subject to interest rate risk in connection with borrowings under our debt agreements which are subject to variable interest rates. As of December 31, 2017 , we had $397.7 million of outstanding borrowings under debt agreements with variable interest rates. An increase of one percentage point in interest rates would result in an approximately $4.0 million increase in our annual interest expense on our outstanding borrowings at December 31, 2017 . Any debt we incur in the future may also bear interest at variable rates. Any increase in interest rates in the future will likely affect our borrowing costs under all of our sources of capital for our lending activities.

Foreign Currency Exchange Risk

Substantially all of our revenue and operating expenses are denominated in U.S. dollars. As a result of our Canadian operations and our growing Australia operations, as of December 31, 2017 , we are subject to greater foreign currency exchange rate risk as compared to December 31, 2016. Foreign currency exchange rate risk is the possibility that our financial position or results of operations could be positively or negatively impacted by fluctuations in exchange rates. We are currently exploring the feasibility of an expanded hedging program which may include natural hedges as well as derivative instruments such as forwards, options and/or swaps. To date, such hedging has not been material. We intend to enter into these transactions only to hedge underlying risk reasonably related to our business and not for speculative purposes.

Item 8. Consolidated Financial Statements and Supplementary Data

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Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors of On Deck Capital, Inc. and subsidiaries

Opinion on the Financial Statements
We have audited the accompanying consolidated balance sheets of On Deck Capital, Inc. and subsidiaries (the Company) as of December 31, 2017 and 2016, the related consolidated statements of operations and comprehensive income, changes in equity, and cash flows for each of the three years in the period ended December 31, 2017, and the related notes and financial statement schedule listed in the Index at Item 15(a)(2) (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2017 and 2016, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2017, in conformity with U.S. generally accepted accounting principles.

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

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 2012.

New York, NY
March 2, 2018

ON DECK CAPITAL, INC. AND SUBSIDIARIES

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

	December 31, 2017	December 31, 2016
Assets		
Cash and cash equivalents	$ 71,362	$ 79,554
Restricted cash	43,462	44,432
Loans held for investment	952,796	1,000,445
Less: Allowance for loan losses	(109,015)	(110,162)
Loans held for investment, net	843,781	890,283
Loans held for sale	—	373
Property, equipment and software, net	23,572	29,405
Other assets	13,867	20,044
Total assets	$ 996,044	$ 1,064,091
Liabilities and equity		
Liabilities:		
Accounts payable	$ 2,674	$ 5,271
Interest payable	2,330	2,122
Funding debt	684,269	726,639
Corporate debt	7,985	27,966
Accrued expenses and other liabilities	32,730	38,496
Total liabilities	729,988	800,494
Commitments and contingencies (Note 12)		
Stockholders' equity (deficit):		
Common stock—$0.005 par value, 1,000,000,000 shares authorized and 77,284,266 and 74,801,825 shares issued and 73,822,001 and 71,605,708 outstanding at December 31, 2017 and 2016, respectively.	386	374
Treasury stock—at cost	(7,965)	(6,697)
Additional paid-in capital	492,509	477,526
Accumulated deficit	(222,833)	(211,299)
Accumulated other comprehensive loss	(52)	(379)
Total On Deck Capital, Inc. stockholders' equity	262,045	259,525
Noncontrolling interest	4,011	4,072
Total equity	266,056	263,597
Total liabilities and equity	$ 996,044	$ 1,064,091

The accompanying notes are an integral part of these consolidated financial statements.

ON DECK CAPITAL, INC. AND SUBSIDIARIES

Consolidated Statements of Operations and Comprehensive Income
(in thousands, except share and per share data)

	Year Ended December 31,		
	2017	2016	2015
Revenue:			
Interest income	$ 334,575	$ 264,844	$ 195,048
Gain on sales of loans	2,485	14,411	53,354
Other revenue	13,890	12,062	6,365
Gross revenue	350,950	291,317	254,767
Cost of revenue:			
Provision for loan losses	152,926	149,963	74,863
Funding costs	45,435	32,448	20,244
Total cost of revenue	198,361	182,411	95,107
Net revenue	152,589	108,906	159,660
Operating expense:			
Sales and marketing	52,786	67,011	60,575
Technology and analytics	53,392	58,899	42,653
Processing and servicing	18,076	19,719	13,053
General and administrative	41,916	48,345	45,304
Total operating expense	166,170	193,974	161,585
Income (loss) from operations	(13,581)	(85,068)	(1,925)
Other expense:			
Interest expense	(764)	(414)	(306)
Total other expense	(764)	(414)	(306)
Loss before provision for income taxes	(14,345)	(85,482)	(2,231)
Provision for income taxes	—	—	—
Net income (loss)	(14,345)	(85,482)	(2,231)
Net loss attributable to noncontrolling interest	2,811	2,524	958
Net income (loss) attributable to On Deck Capital, Inc. common stockholders	$ (11,534)	$ (82,958)	$ (1,273)
Net income (loss) per share attributable to On Deck Capital, Inc. common shareholders:			
Basic and diluted	$ (0.16)	$ (1.17)	$ (0.02)
Weighted-average common shares outstanding:			
Basic and Diluted	72,890,313	70,934,937	69,545,238
Comprehensive loss:			
Net loss	$ (14,345)	$ (85,482)	$ (2,231)
Other comprehensive loss:			
Foreign currency translation adjustment	594	(20)	(678)
Comprehensive loss	(13,751)	(85,502)	(2,909)
Comprehensive loss attributable to noncontrolling interests	(267)	13	306
Net loss attributable to noncontrolling interest	2,811	2,524	958
Comprehensive loss attributable to On Deck Capital, Inc. common stockholders	$ (11,207)	$ (82,965)	$ (1,645)

The accompanying notes are an integral part of these consolidated financial statements.

ON DECK CAPITAL, INC. AND SUBSIDIARIES

Consolidated Statements of Changes in Equity
(in thousands, except share data)

	On Deck Capital, Inc.'s stockholders' equity								
	Common Stock		Additional Paid-in Capital	Accumulated Deficit	Treasury Stock	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity	Noncontrolling interest	Total Equity (Deficit)
	Shares	Amount							
Balance—January 1, 2015	69,032,818	$ 360	$ 442,969	$ (127,068)	$ (5,656)	$ —	$ 310,605	$ —	$ 310,605
Stock-based compensation	—	—	10,750	—	—	—	10,750	—	10,750
Investments by noncontrolling interests	—	—	—	—	—	—	—	7,873	7,873
Vesting of restricted stock units	88,124	1	40	—	—	—	41	—	41
Exercise of stock options	747,224	4	210	—	—	—	214	—	214
Employee stock purchase plan	202,732	1	3,243	—	—	—	3,244	—	3,244
Repurchases of common stock	(10,690)	—	—	—	(187)	—	(187)	—	(187)
Other comprehensive income	—	—	—	—	—	(372)	(372)	(306)	(678)
Other	—	—	(209)	—	—	—	(209)	—	(209)
Net loss (loss)	—	—	—	(1,273)	—	—	(1,273)	(958)	(2,231)
Balance—December 31, 2015	70,060,208	$ 366	$ 457,003	$ (128,341)	$ (5,843)	$ (372)	$ 322,813	$ 6,609	$ 329,422
Stock-based compensation	—	—	17,385	—	—	—	17,385	—	17,385
Issuance of common stock through vesting of restricted stock units and option exercises	1,237,969	6	197	—	—	—	203	—	203
Employee stock purchase plan	456,008	2	2,941	—	—	—	2,943	—	2,943
Repurchases of common stock	(148,477)	—	—	—	(854)	—	(854)	—	(854)
Other comprehensive income	—	—	—	—	—	(7)	(7)	(13)	(20)
Net income (loss)	—	—	—	(82,958)	—	—	(82,958)	(2,524)	(85,482)
Balance—December 31, 2016	71,605,708	$ 374	$ 477,526	$ (211,299)	$ (6,697)	$ (379)	$ 259,525	$ 4,072	$ 263,597
Stock-based compensation	—	—	12,690	—	—	—	12,690	—	12,690
Issuance of common stock through vesting of restricted stock units and option exercises	2,014,497	10	454	—	—	—	464	—	464
Employee stock purchase plan	467,944	2	1,839	—	—	—	1,841	—	1,841
Repurchases of common stock	(266,148)	—	—	—	(1,268)	—	(1,268)	—	(1,268)
Investment by noncontrolling interests	—	—	—	—	—	—	—	3,440	3,440
Return of equity to noncontrolling interests	—	—	—	—	—	—	—	(957)	(957)
Other comprehensive Income	—	—	—	—	—	327	327	267	594
Other	—	—	—	—	—	—	—	—	—
Net income (loss)	—	—	—	(11,534)	—	—	(11,534)	(2,811)	(14,345)
Balance—December 31, 2017	73,822,001	$ 386	$ 492,509	$ (222,833)	$ (7,965)	$ (52)	$ 262,045	$ 4,011	$ 266,056

The accompanying notes are an integral part of these consolidated financial statements.

ON DECK CAPITAL, INC. AND SUBSIDIARIES

Consolidated Statements of Cash Flows
(in thousands)

	Year Ended December 31,		
	2017	2016	2015
Cash flows from operating activities			
Net income (loss)	$ (14,345)	$ (85,482)	$ (2,231)
Adjustments to reconcile net loss to net cash provided by operating activities:			
Provision for loan losses	152,926	149,963	74,863
Depreciation and amortization	9,951	9,462	6,508
Amortization of debt issuance costs	3,806	4,538	2,837
Stock-based compensation	12,515	15,915	11,582
Amortization of net deferred origination costs	48,219	36,040	32,939
Changes in servicing rights, at fair value	2,097	4,997	1,270
Gain on sales of loans	(2,485)	(14,411)	(53,354)
Unfunded loan commitment reserve	535	(307)	2,922
Gain on extinguishment of debt	(312)	(1,372)	(421)
Changes in operating assets and liabilities:			
Other assets	4,768	(1,942)	(12,269)
Accounts payable	(2,597)	2,570	236
Interest payable	208	1,365	(62)
Accrued expenses and other liabilities	(6,206)	5,580	16,034
Originations of loans held for sale	(49,813)	(304,258)	(445,968)
Capitalized net deferred origination costs of loans held for sale	(1,667)	(10,269)	(17,601)
Proceeds from sale of loans held for sale	51,463	314,627	489,364
Principal repayments of loans held for sale	1,135	7,235	12,298
Net cash provided by operating activities	210,198	134,251	118,947
Cash flows from investing activities			
Change in restricted cash	970	(5,969)	(9,015)
Purchases of property, equipment and software	(1,340)	(6,640)	(13,692)
Capitalized internal-use software	(2,919)	(4,645)	(4,197)
Originations of term loans and lines of credit, excluding rollovers into new originations	(1,758,600)	(1,826,085)	(1,162,537)
Proceeds from sale of loans held for investment	24,826	75,787	177,014
Payments of net deferred origination costs	(44,778)	(47,082)	(28,353)
Principal repayments of term loans and lines of credit	1,639,117	1,232,272	872,551
Other	—	(201)	(186)
Purchase of loans	(13,840)	(6,671)	—
Net cash used in investing activities	(156,564)	(589,234)	(168,415)
Cash flows from financing activities			
Investments by noncontrolling interests	3,443	—	7,873
Purchase of treasury shares	(1,268)	(855)	—
Proceeds from exercise of stock options and warrants	454	197	251
Payments of initial public offering costs	—	—	(1,845)
Redemption of common stock and warrants	—	—	(187)
Issuance of common stock under employee stock purchase plan	1,838	2,606	1,825

	Year Ended December 31,		
	2017	2016	2015
Proceeds from the issuance of funding debt	177,581	752,443	212,562
Proceeds from the issuance of corporate debt	34,200	25,300	2,700
Payments of debt issuance costs	(4,108)	(6,281)	(1,690)
Repayments of funding debt principal	(219,479)	(398,682)	(219,957)
Repayments of corporate debt principal	(54,200)	—	(12,000)
Distribution to noncontrolling interest	(957)	—	—
Net cash provided by (used in) financing activities	(62,496)	374,728	(10,468)
Effect of exchange rate changes on cash and cash equivalents	670	(13)	(675)
Net increase (decrease) in cash and cash equivalents	(8,192)	(80,268)	(60,611)
Cash and cash equivalents at beginning of year	79,554	159,822	220,433
Cash and cash equivalents at end of year	$ 71,362	$ 79,554	$ 159,822
Supplemental disclosure of other cash flow information			
Cash paid for interest	$ 41,918	$ 24,778	$ 15,394
Supplemental disclosures of non-cash investing and financing activities			
Loans transferred from loans held for sale to loans held for investment	$ —	$ 884	$ 1,348
Stock-based compensation included in capitalized internal-use software	$ 175	$ 1,470	$ 877
Unpaid principal balance of term loans rolled into new originations	$ 306,250	$ 273,453	$ 265,933

The accompanying notes are an integral part of these consolidated financial statements.

ON DECK CAPITAL, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

1. Organization

On Deck Capital, Inc.'s principal activity is providing financing to small businesses located throughout the United States as well as Canada and Australia, through term loans and lines of credit. We use technology and analytics to aggregate data about a business and then quickly and efficiently analyze the creditworthiness of the business using our proprietary credit-scoring model. We originate most of the loans in our portfolio and also purchase loans from an issuing bank partner. We subsequently transfer most of our loan volume into one of our wholly-owned subsidiaries or sell them through OnDeck *Marketplace* ® .

2. Summary of Significant Accounting Policies

Basis of Presentation and Principles of Consolidation

We prepare our consolidated financial statements and footnotes in accordance with accounting principles generally accepted in the United States of America, or GAAP as contained in the Financial Accounting Standards Board, or FASB, Accounting Standards Codification, or ASC. All intercompany transactions and accounts have been eliminated in consolidation. Certain reclassifications have been made to the prior year amounts to conform to the current year presentation. When used in these notes to consolidated financial statements, the terms "we," "us," "our" or similar terms refers to On Deck Capital, Inc. and its consolidated subsidiaries.

In the second quarter of 2015, we acquired a 55% interest in On Deck Capital Australia PTY LTD, or OnDeck Australia, with the remaining 45% owned by unrelated third parties. Additionally, in the third quarter of 2015, we acquired a 67% interest in an entity with the remaining 33% owned by an unrelated third party strategic partner for the purpose of providing small business loans to customers of the third party. In the second quarter of 2017, we ceased the operations of this entity. We consolidate the financial position and results of operations of these entities. The noncontrolling interest, which is presented as a separate component of our consolidated equity, represents the minority owners' proportionate share of the equity of the jointly owned entities. The noncontrolling interest is adjusted for the minority owners' share of the earnings, losses, investments and distributions.

Segment Reporting

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision maker ("CODM") for purposes of allocating resources and evaluating financial performance. Based upon the way our CODM reviews financial information and makes operating decisions and considering that our CODM reviews financial information on a consolidated basis for purposes of allocating resources and evaluating financial performance, our operations constitute a single operating segment and one reportable segment. Substantially all revenue was generated and all assets were held in the United States during the years ended December 31, 2017 , 2016 and 2015 .

Use of Estimates

The preparation of financial statements in conformity with GAAP requires us to make estimates and assumptions that affect the reported amounts in the consolidated financial statements and accompanying notes. Significant estimates include allowance for loan losses, stock-based compensation expense, servicing assets/liabilities, loans purchased, capitalized software development costs, the useful lives of long-lived assets and valuation allowance for deferred tax assets. We base our estimates on historical experience, current events and other factors we believe to be reasonable under the circumstances. These estimates and assumptions are inherently subjective in nature; actual results may differ from these estimates and assumptions.

Cash and Cash Equivalents

Cash and cash equivalents include checking, savings and money market accounts. We consider all highly liquid investments with original maturities of three months or less at the time of purchase to be cash equivalents.

Restricted Cash

Restricted cash represents funds held in accounts as reserves on certain debt facilities and as collateral for issuing bank partner transactions. We have no ability to draw on such funds as long as they remain restricted under the applicable arrangements

Loans Held for Investment and Loans Held for Sale

Loans Held for Investment

Loans held for investment consist of term loans and lines of credit that require daily or weekly repayments. We have both the ability and intent to hold these loans to maturity. When we originate a term loan, the borrower grants us a security interest in its assets which we may perfect by publicly filing a financing statement. Loans held for investment are carried at amortized cost, reduced by a valuation allowance for loan losses estimated as of the balance sheet dates. In accordance with ASC Subtopic 310-20, *Nonrefundable Fees and Other Costs* , the amortized cost of a loan is equal to the unpaid principal balance, plus net deferred origination costs. Net deferred origination costs are comprised of certain direct origination costs, net of all loan origination fees received. Loan origination fees include fees charged to the borrower related to origination that increase the loan's effective interest yield. Loan origination costs are limited to direct costs attributable to originating a loan, including commissions and personnel costs directly related to the time spent by those individuals performing activities related to loan origination. Direct origination costs in excess of loan origination fees received are included in the loan balance and for term loans are amortized over the life of the term loan using the effective interest method, while for lines of credit principal amounts drawn are amortized using the straight-line method over 6 months.

When a term loan is originated in conjunction with the extinguishment of a previously issued term loan, also known as a renewal, we determine whether such subsequent term loan is a new loan or a modification to an existing loan in accordance with ASC 310-20. If accounted for as a new loan, any remaining unamortized net deferred costs are recognized when the new loan is originated. Further, when a renewal is accounted for as a new loan, the cash flows of the origination and related net deferred origination costs of that new loan are presented as (i) operating cash outflows on the Statement of Cash Flows if the renewal is designated to be sold or (ii) as investing cash outflows if the renewal is designated to be held for investment. If a renewal is accounted for as a modification, any remaining unamortized net deferred costs are amortized over the life of the modified loan. When a renewal is accounted for as a modification, the additional cash flows associated with the origination and related net deferred origination costs of that modification are presented on the Statement of Cash Flows within the same section as the originally issued term loan prior to renewal.

Purchase of Loans

From time to time, we may purchase loans that we previously sold to third parties. We generally determine the price we are willing to pay for those loans through arm's-length negotiations and by using a discounted cash flow model that contains certain unobservable inputs such as discount rate, renewal rate and default rate, with adjustments that management believes a market participant would consider. We may also obtain third-party valuations of pools of loans we are considering purchasing. Upon purchase, loans are recorded at their acquisition price which represents fair value. The amortized cost of the purchased loans, which includes unpaid principal balances and any related premiums or discounts, when applicable, are included in loans held for investment on the consolidated balance sheets.

Loans Held for Sale

OnDeck *Marketplace* is our proprietary whole loan sale platform whereby we sell certain term loans to third-party institutional investors and retain the related servicing rights. We sell these whole loans to purchasers in exchange for a cash payment. A loan is initially classified as held for sale when the whole loan is identified for sale and a plan exists for the sale. A loan that is initially designated as held for sale or held for investment may be reclassified when our intent for that loan changes. When a loan held for sale is reclassified to held for investment, the loan is recorded at amortized cost and a provision for loan loss is recorded. When a loan held for investment is reclassified to held for sale, any allowance for loan loss related to that loan is released. Loans held for sale, inclusive of net deferred origination costs, are recorded at the lower of amortized cost or fair value until the loans are sold or reclassified. To determine the fair value of loans held for sale we utilize industry-standard modeling, such as discounted cash flow models, to arrive at an estimate of fair value and may utilize third-party service providers to assist in the valuation process.

Servicing Rights

We service loans that we have sold to third parties and upon such sale, we may recognize a servicing asset or liability, collectively referred to as servicing rights. Receiving more than adequate compensation, as defined by ASC Topic 860 *Transfers and Servicing* , results in the recognition of a servicing asset. Receiving less than adequate compensation results in a servicing liability. Servicing assets and liabilities are recorded at fair value and are presented as a component of other assets or accrued expenses and other liabilities, respectively. The initial recognition of a servicing asset results in a corresponding increase to gain on sales of loans. The initial recognition of a servicing liability results in a corresponding decrease to gain on sales of loans. Subsequent adjustments to the fair value of servicing rights are recognized as an adjustment to other revenue. The initial recognition includes both servicing rights resulting from transfers of financial assets and when applicable, changes in inputs or assumptions used in the valuation model.

We utilize industry-standard modeling, such as discounted cash flow models, to arrive at an estimate of fair value and may utilize third-party service providers to assist in the valuation process. Significant assumptions used in valuing our servicing rights are as follows:

- Adequate compensation: We estimate adequate compensation as the rate a willing market participant would require to service loans with similar characteristics as those in the serviced portfolio. In the event of a lack of transparency and quantity of transactions related to trades of servicing rights of comparable loans (i.e., loans with comparable terms, unpaid principal balances, renewal rates and default rates) we may consider the actual cost incurred as a basis for determining what a market participant would require to service the loans.
- Discount rate: For servicing rights on loans, the discount rate reflects the time value of money and a risk premium intended to reflect the amount of compensation market participants would require.
- Renewal rate: We estimate the timing and probability that a borrower may renew their loan in advance of scheduled repayment, thus reducing the projected unpaid principal balance and expected term of the loan, which are used to project future servicing revenues.
- Default rate: We estimate the timing and probability of loan defaults and write-offs, thus reducing the projected unpaid principal balance and expected term of the loan, which are used to project future servicing revenues.

Allowance for Loan Losses

The allowance for loan losses (“ALLL”) is established with respect to our loans held for investment through periodic charges to the provision for loan losses. Loan losses are charged against the ALLL when we believe that the future collection of principal is unlikely. Subsequent recoveries, if any, are credited to the ALLL.

We evaluate the creditworthiness of our portfolio on a pooled basis due to its composition of small, homogeneous loans with similar general credit risk characteristics and diversification among variables including industry and geography. We use a proprietary forecasted loss rate at origination for new loans that have not had the opportunity to make payments when they are first funded. The forecasted loss rate is updated daily to reflect actual loan performance and the underlying ALLL model is updated monthly to reflect our assumptions. The allowance is subjective as it requires material estimates, including such factors as historical trends, known and inherent risks in the loan portfolio, adverse situations that may affect borrowers’ ability to repay and current economic conditions. Other qualitative factors considered may include items such as uncertainties in forecasting and modeling techniques, changes in portfolio composition, business conditions and emerging trends. Recovery of the carrying value of loans is dependent to a great extent on conditions that may be beyond our control. Any combination of the aforementioned factors may adversely affect our loan portfolio resulting in increased delinquencies and loan losses and could require additional provisions for credit losses, which could impact future periods.

Accrual for Unfunded Loan Commitments and Off-Balance Sheet Credit Exposures

For our lines of credit, we estimate probable losses on unfunded loan commitments similarly to the ALLL process and include the calculated amount in accrued expenses and other liabilities. We believe the accrual for unfunded loan commitments is sufficient to absorb estimated probable losses related to these unfunded credit commitments. The determination of the adequacy of the accrual is based on evaluations of the unfunded credit commitments, including an assessment of the probability of commitment usage, credit risk factors for lines of credit outstanding to these customers and the terms and expiration dates of the unfunded credit commitments.

Accrual for Third-Party Representations

We have made certain representations to third parties that purchase loans through OnDeck *Marketplace* . Our obligations under those representations are not secured by escrows or similar arrangements. However, if we determine it is probable that representations may be breached, we could be required to accrue certain liabilities. Any significant estimated post-sale obligations or contingent obligations to the purchaser of the loans, such as loan repurchase obligations or excess loss indemnification obligations, would be accrued if probable and estimable in accordance with ASC 450, *Contingencies* . There are no restricted assets related to these agreements. As of December 31, 2017 and 2016 , we have not incurred any significant losses and/or material liability for probable obligations requiring accrual.

Nonaccrual Loans, Restructured Loans and Charged-Off Loans

We consider a loan to be delinquent when the daily or weekly payments are one day past due. We place loans on nonaccrual status and stop accruing interest income on loans that are delinquent and non-paying. Loans are returned to accrual status if they are brought to non-delinquent status or have performed in accordance with the contractual terms for a reasonable period of time and, in our judgment, will continue to make periodic principal and interest payments as scheduled.

Certain borrowers who have experienced or are expected to experience financial difficulty may not be able to maintain their regularly scheduled and contractually required payments. Following discussions with us, such borrowers may temporarily make reduced payments and/or make payments on a less frequent basis than contractually required. As part of our effort to maximize loan recoverability and as a temporary accommodation to the borrower, we may voluntarily forebear from pursuing our legal rights and remedies under the applicable loan agreement, which loan agreement we do not modify and which remains in full force and effect.

Generally, after the 90 th day of delinquency, we will make an initial assessment of whether an individual loan should be charged off based on payment status and information gathered through collection efforts. A loan is charged off when we determine it is probable that we will be unable to collect all of the remaining principal payments.

Deferred Debt Issuance Costs and Debt

We borrow from various lenders to finance our lending activities and general corporate operations. Costs incurred in connection with financings, such as banker fees, origination fees and legal fees, are classified as deferred debt issuance costs. We capitalize these costs and amortize them over the expected life of the related financing agreements. The related fees are expensed immediately upon early extinguishment of the debt. In a debt modification, the initial issuance costs and any additional fees incurred as a result of the modification are deferred over the term of the modified agreement. Deferred debt issuance costs are amortized using the effective interest method for term debt and the straight-line method for revolving lines of credit. Interest expense and the amortization of deferred debt issuance costs incurred on debt used to fund loan originations are presented as funding costs in our consolidated statements of operations. Interest expense and the amortization of deferred debt issuance costs incurred on debt used to fund general corporate operations are recorded as interest expense, a component of other expense, in our consolidated statements of operations. Deferred debt issuance costs are presented as a reduction of debt in accordance with ASU 2015-03, *Interest —Imputation of Interest (Subtopic 835-30): Simplifying the Presentation of Debt Issuance Costs.* Refer to *Recently Adopted Accounting Standards* for additional details.

Property, Equipment and Software

Property, equipment and software consists of computer and office equipment, purchased software, capitalized internal-use software costs and leasehold improvements. Property, equipment and software are carried at cost less accumulated depreciation and amortization. Depreciation and amortization expense are recognized over the estimated useful lives of the assets using the straight-line method. Leasehold improvements are amortized over the shorter of the terms of the respective leases or the estimated lives of the improvements.

In accordance with ASC Subtopic 350-40, *Internal-Use Software,* we begin to capitalize the costs to develop software for our website and other internal uses when the following criteria are met: (i) the preliminary project stage is completed (ii) we have authorized funding (iii) it is probable that the project will be completed and (iv) we conclude that the software will perform the function intended. Capitalized internal-use software costs primarily include salaries and payroll-related costs for employees directly involved in the development efforts, software licenses acquired and fees paid to outside consultants.

Software development costs incurred prior to meeting the criteria for capitalization and costs incurred for training and maintenance are expensed as incurred. Certain upgrades and enhancements to existing software that result in additional functionality are capitalized. Capitalized software development costs are amortized using the straight-line method over their expected useful lives, which is generally three years.

We review long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying values of those assets may not be recoverable. An impairment loss will be recognized only if the carrying value of a long-lived asset is not recoverable and exceeds its fair market value. If there is an indication of impairment, we will estimate the future cash flows (undiscounted and without interest charges) expected from the use of the asset and its eventual disposition. If an impairment is determined to exist, the impairment loss will be measured as the amount by which the carrying value of the asset exceeds its fair value and recorded in the period the determination is made. Assets held for sale are reported at the lower of the carrying amount or fair value, less costs to sell.

Revenue Recognition

Interest Income

We generate revenue primarily through interest and origination fees earned on loans originated and held to maturity.

For term loans, we recognize interest and origination fee revenue over the terms of the underlying loans using the effective interest method. For lines of credit, we recognize interest income when earned in accordance with terms of the contract. Origination fees collected but not yet recognized as revenue are netted with direct origination costs and presented as a component of loans in our consolidated balance sheets.

Historically, borrowers who elected to prepay term loans were required to pay future interest and fees that would have been assessed had the term loan been repaid in accordance with its original agreement. Beginning in December 2014, certain term loans may be eligible for a discount of future interest and fees that would have been assessed had the loan been repaid in accordance with its original agreement.

Gain on Sales of Loans

We account for OnDeck *Marketplace* loan sales in accordance with ASC Topic 860, *Transfers and Servicing,* which states that a transfer of a financial asset, a group of financial assets, or a participating interest in a financial asset is accounted for as a sale if all of the following conditions are met:

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

For the years ended December 31, 2017 , 2016 and 2015 , all sales met the requirements for sale treatment in accordance with ASC Topic 860, *Transfers and Servicing* . We record the gain or loss on the sale of a loan at the sale date in an amount equal to the proceeds received, adjusted for initial recognition of servicing assets or liabilities obtained at the date of sale, less outstanding principal and net deferred origination costs. A change in inputs or assumptions used in the valuation model related to servicing assets or liabilities is recognized as a component of gain on sales of loans.

Other Revenue

Other revenue includes servicing revenue related to loans serviced for others, fair value adjustments to servicing rights, platform fees, monthly fees charged to customers for our line of credit, and marketing fees earned from our issuing bank partner, which are recognized as the related services are provided.

Stock-Based Compensation

In accordance with ASC Topic 718, *Compensation—Stock Compensation* , all stock-based compensation provided to employees, including stock options and restricted stock units, or RSU's, is measured based on the grant-date fair value of the awards and recognized as compensation expense on a straight-line basis over the period during which the award holder is required to perform services in exchange for the award (the vesting period). The fair value of stock options is estimated using the Black-Scholes-Merton Option Pricing Model. The use of the option valuation model requires subjective assumptions, including the fair value of our common stock, the expected term of the option and the expected stock price volatility, which is based on our stock as well as our peer companies. RSU's issued to employees and directors are measured based on the fair values of the underlying stock on the dates of grant. Additionally, the recognition of stock-based compensation expense requires an estimation of the number of options and RSUs that will ultimately be forfeited. Estimated forfeitures are subsequently adjusted to reflect actual forfeiture.

Options typically vest at a rate of 25% after one year from the vesting commencement date and then monthly over an additional three -year period. The options expire ten years from the grant date or, for terminated employees, 90 days after the employee’s termination date. RSUs typically vest at a rate of 25% annually, over four annual vesting periods. Compensation expense for the fair value of the options and RSUs at their grant date is recognized ratably over the vesting period.

Performance-Based Restricted Stock Units

In the third quarter of 2016, the Compensation Committee of the Board of Directors approved performance-based compensation awards to certain members of executive management and other key personnel. The performance-based compensation awards consist of performance-based restricted stock units, or PRSUs, to be settled solely in shares of our common stock, as well as performance units, to be settled solely in cash. The value of the awards is based on achieving a target performance level established by the Compensation Committee and the award value may increase or decrease based on actual performance relative to the target level. The compensation expense related to the PRSUs and performance units will be recorded on a straight-line basis with the expense being adjusted prospectively as our estimate of the expected performance is reassessed each reporting period.

Advertising Costs

Advertising costs are expensed as incurred and are included within sales and marketing in our consolidated statements of operations. For the years ended December 31, 2017 , 2016 and 2015 , advertising costs totaled $15.0 million , $20.1 million and $22.5 million , respectively.

Foreign Currency

In accordance with ASC 830, *Foreign Currency Matters,* we have determined the functional currency of our subsidiary, OnDeck Australia, is the Australian dollar. We translate the financial statements of this subsidiary to U.S. dollars using month-

end exchange rates for assets and liabilities, and average exchange rates for revenue and expenses. Translation gains and losses are recorded in accumulated other comprehensive loss as a component of stockholders' equity. As of December 31, 2017 and 2016 , we recorded a translation gain of $327,000 and a loss of $7,000 , respectively. For the years ended December 31, 2017 , 2016 , and 2015, the remeasurement of transactions designated in currencies other than our functional currency resulted in a gain of $1.6 million and $0.2 million , and a loss of $1.3 million respectively, and was recorded within general and administrative expenses in our consolidated statements of operations.

Income Taxes

In accordance with ASC 740, *Income Taxes* , we recognize deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the financial reporting and tax basis of assets and liabilities, as well as for operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates in effect for the year in which the differences are expected to reverse. Valuation allowances are recorded to reduce deferred tax assets to the amount we believe is more likely than not to be realized.

Uncertain tax positions are recognized only when we believe it is more likely than not that the tax position will be upheld on examination by the taxing authorities based on the merits of the position. We recognize interest and penalties, if any, related to uncertain tax positions in income tax expense. We did not have any accrued interest or penalties associated with uncertain tax positions as of December 31, 2017 and 2016 .

We file income tax returns in the United States for federal, state and local jurisdictions. We are no longer subject to U.S. federal, certain states, and local income tax examinations for years prior to 2014, with certain states no longer subject for years prior to 2013, although carryforward attributes that were generated prior to 2014 may still be adjusted upon examination by the Internal Revenue Service if used in a future period.

Fair Value Measurement

In accordance with ASC 820, *Fair Value Measurement* , we use a three-tier fair value hierarchy to classify and disclose all assets and liabilities measured at fair value on a recurring basis, as well as assets and liabilities measured at fair value on a non-recurring basis, in periods subsequent to their initial measurement. The hierarchy requires us to use observable inputs when available, and to minimize the use of unobservable inputs when determining fair value. The three tiers are defined as follows:

Level 1: Quoted prices in active markets or liabilities in active markets for identical assets or liabilities, accessible by us at the measurement date.

Level 2: Quoted prices for similar assets or liabilities in active markets, or quoted prices for identical or similar assets or liabilities in markets that are not active, or other observable inputs other than quoted prices.

Level 3: Unobservable inputs for assets or liabilities for which there is little or no market data, which require us to develop our own assumptions. These unobservable assumptions reflect estimates of inputs that market participants would use in pricing the asset or liability. Valuation techniques include the use of option pricing models, discounted cash flows, or similar techniques, which incorporate our own estimates of assumptions that market participants would use in pricing the instrument or valuations that require significant management judgment or estimation.

A financial instrument’s categorization within the valuation hierarchy is based on the lowest level of input that is significant to the fair value measurement.

Basic and Diluted Net Loss per Common Share

Basic net loss per common share is computed by dividing net loss attributable to On Deck Capital, Inc. common stockholders by the weighted-average number of common shares outstanding for the period and excludes the effects of any potentially dilutive securities.

Diluted net loss per common share includes the dilution that would occur upon the exercise or conversion of all potentially dilutive securities into common stock using the “treasury stock” or “if converted” methods, as applicable. Diluted net loss per common share is computed by using the weighted-average number of common shares outstanding, plus, for periods with net income attributable to common stockholders, the potential dilutive effects of stock options, warrants and unvested restricted stock. Due to net losses for the years ended December 31, 2017 , 2016 and 2015 , basic and diluted net loss per common share were the same, as the effect of potentially dilutive securities was anti-dilutive.

Recently Adopted Accounting Standards

In April 2015, the FASB issued Accounting Standards Update, or ASU, 2015-03, *Interest—Imputation of Interest (Subtopic 835-30): Simplifying the Presentation of Debt Issuance Costs* . The ASU simplifies the presentation of debt issuance costs by requiring that unamortized debt issuance costs be presented as a reduction of the applicable liability rather than an asset. The guidance was effective on January 1, 2016 and was required to be applied retrospectively. Accordingly, $4.2 million of deferred debt issuance costs on the consolidated balance sheet at December 31, 2015 has been reclassified to be presented as a reduction of the carrying value of the associated debt to conform with the current period presentation.

In March 2016, the FASB issued ASU 2016-09, *Improvements to Employee Share-Based Payment Accounting* . ASU 2016-09 will simplify several aspects of accounting for share-based payment award transactions which include the income tax consequences, classification of awards as either equity or liabilities, classification on the statement of cash flows and forfeiture rate calculations. The new guidance will be effective for annual reporting periods beginning after December 15, 2016. Early adoption is permitted in any interim or annual period. The adoption of this guidance did not have a material impact on our consolidated financial statements.

Recent Accounting Pronouncements Not Yet Adopted as of December 31, 2017

In May 2014, the FASB issued ASU 2014-09, *Revenue Recognition* , which creates ASC 606, *Revenue from Contracts with Customers* , and supersedes ASC 605, *Revenue Recognition* . ASU 2014-09 requires revenue to be recognized in an amount that reflects the consideration to which the entity expects to be entitled in exchange for goods or services and also requires additional disclosure about the nature, amount, timing, and uncertainty of revenue and cash flows from customer contracts. The new guidance will be effective for annual reporting periods beginning after December 15, 2017, including interim periods within that reporting period. Early adoption is permitted for annual reporting periods beginning after December 15, 2016. In March 2016, the FASB issued ASU 2016-08, *Principal versus Agent Considerations* , which makes amendments to the new revenue standard on assessing whether an entity is a principal or an agent in a revenue transaction and impacts whether an entity reports revenue on a gross or net basis. In April 2016, the FASB issued ASU 2016-10, *Identifying Performance Obligations and Licensing* , which makes amendments to the new revenue standard regarding the identification of performance obligations and accounting for the license of intellectual property. In May 2016, the FASB issued ASU 2016-12, *Narrow-Scope Improvements and Practical Expedients* , which makes amendments to the new revenue standard regarding assessing collectibility, presentation of sales taxes, noncash consideration and completed contracts and contract modifications at the time of transition to the new standard. Each amendment has the same effective date and transition requirements as the new revenue recognition standard. We completed our assessment of the impact of the new revenue standard noting that revenue generated in accordance with ASC 310, *Receivables* , and ASC 860, *Transfers and Servicing* , is explicitly excluded from the scope of ASC 606. Accordingly, we have concluded that our interest income, gains on loan sales and loan servicing income will not be effected by the adoption of ASC 606. Marketing fees from our issuing bank partner will be within the scope of ASC 606. However, we believe that ASC 606 will have little, if any, impact on the timing and amount of revenue recognition as compared to the current guidance. We adopted the requirements of the new standard effective January 1, 2018 and applied the modified retrospective method of adoption. The adoption of ASC 606 did not have a material effect and we did not record a cumulative effect at the date of initial application.

In February 2016, the FASB issued ASU 2016-02, *Leases* , which creates ASC 842, *Leases* , and supersedes ASC 840, *Leases* . ASU 2016-02 requires lessees to recognize a right-of-use asset and lease liability for all leases with terms of more than 12 months. Recognition, measurement and presentation of expenses will depend on classification as a finance or operating lease. The new guidance will be effective for annual reporting periods beginning after December 15, 2018, including interim periods within that reporting period and is applied retrospectively. Early adoption is permitted. We are currently assessing the impact that the adoption of this guidance will have on our consolidated financial statements.

In June 2016, the FASB issued ASU 2016-13, *Measurement of Credit Losses on Financial Instruments* . ASU 2016-13 will change the impairment model and how entities measure credit losses for most financial assets. The standard requires entities to use the new expected credit loss impairment model which will replace the incurred loss model used today. The new guidance will be effective for annual reporting periods beginning after December 15, 2019. Early adoption is permitted, but not prior to December 15, 2018. We are currently assessing the impact that the adoption of this guidance will have on our consolidated financial statements.

3. Net Loss Per Common Share

Basic and diluted net loss per common share is calculated as follows (in thousands, except share and per share data):

	Year Ended December 31,		
	2017	2016	2015
Numerator:			
Net loss	$ (14,345)	$ (85,482)	$ (2,231)
Less: net loss attributable to noncontrolling interest	2,811	2,524	958
Net loss attributable to On Deck Capital, Inc. common stockholders	$ (11,534)	$ (82,958)	$ (1,273)
Denominator:			
Weighted-average common shares outstanding, basic and diluted	72,890,313	70,934,937	69,545,238
Net loss per common share, basic and diluted	$ (0.16)	$ (1.17)	$ (0.02)

Diluted loss per common share is the same as basic loss per common share for all periods presented because the effects of potentially dilutive items were anti-dilutive given our net losses. The following common share equivalent securities have been excluded from the calculation of weighted-average common shares outstanding because the effect is anti-dilutive for the periods presented:

	Year Ended December 31,		
	2017	2016	2015
Anti-Dilutive Common Share Equivalents			
Warrants to purchase common stock	22,000	22,000	309,792
Restricted stock units	3,342,640	3,888,768	1,853,452
Stock options	7,918,853	11,426,296	10,711,321
Employee stock purchase program	127,487	243,208	—
Total anti-dilutive common share equivalents	11,410,980	15,580,272	12,874,565

The weighted-average exercise price for warrants to purchase 2,007,846 shares of common stock was $10.70 as of December 31, 2017 . For the year ended December 31, 2017 and 2016 , a warrant to purchase 1,985,846 shares of common stock was excluded from anti-dilutive common share equivalents as performance conditions had not been met.

4. Interest Income

Interest income was comprised of the following components for the years ended December 31 (in thousands):

	2017	2016	2015
Interest on unpaid principal balance	$ 382,983	$ 300,713	$ 227,579
Interest on deposits	132	171	408
Amortization of net deferred origination costs	(48,540)	(36,040)	(32,939)
Total interest income	$ 334,575	$ 264,844	$ 195,048

5. Loans Held for Investment, Allowance for Loan Losses and Loans Held for Sale

Loans Held for Investment and Allowance for Loan Losses

Loans held for investment consisted of the following as of December 31 (in thousands):

	2017	2016
Term loans	$ 804,227	$ 864,066
Lines of credit	132,012	116,385
Total unpaid principal balance	936,239	980,451
Net deferred origination costs	16,557	19,994
Total loans held for investment	$ 952,796	$ 1,000,445

During the twelve months ended December 31, 2017, we paid $ 13.8 million to purchase term loans that we previously sold to a third party which are included in the unpaid principal balance of loans held for investment.

We include both loans we originate and loans funded by our issuing bank partners and later purchased by us as part of our originations. During the years ended December 31, 2017 , 2016 and 2015 we purchased loans in the amount of $523.0 million , $534.1 million and $231.7 million , respectively.

The activity in the allowance for loan losses for the years ended December 31 consisted of the following (in thousands):

	2017	2016	2015
Balance at January 1	$ 110,162	$ 53,311	$ 49,804
Provision for loan losses	152,926	149,963	74,863
Loans charged off	(171,272)	(100,382)	(78,485)
Recoveries of loans previously charged off	17,199	7,270	7,129
Allowance for loan losses at December 31	$ 109,015	$ 110,162	$ 53,311

When loans are charged-off, we may continue to attempt to recover amounts from the respective borrowers and guarantors, or pursue our rights through formal legal action. Alternatively, we may sell such previously charged-off loans to a third-party debt collector. The proceeds from these sales are recorded as a component of the recoveries of loans previously charged off. For the years ended December 31, 2017 , 2016 and 2015 , previously charged-off loans sold accounted for $8.3 million , $4.4 million and $5.5 million , respectively, of recoveries of loans previously charged off.

As of December 31, 2017 and December 31, 2016 , our off-balance sheet credit exposure related to the undrawn line of credit balances was $204.6 million and $164.5 million , respectively. The related reserve on unfunded loan commitments was $4.4 million and $3.9 million as of December 31, 2017 and December 31, 2016 , respectively. Net adjustments to the accrual for unfunded loan commitments are included in general and administrative expenses.

The following table contains information, on a combined basis, regarding the unpaid principal balance of loans we originated and the amortized cost of loans purchased from third parties other than our issuing bank partner related to non-delinquent, paying and non-paying delinquent loans as of December 31 (in thousands):

	2017	2016
Non-delinquent loans	$ 850,060	$ 890,297
Delinquent: paying (accrual status)	49,252	36,073
Delinquent: non-paying (non-accrual status)	36,927	54,081
Total	$ 936,239	$ 980,451

The portion of the allowance for loan losses attributable to non-delinquent loans was $74.0 million and $59.5 million as of December 31, 2017 and December 31, 2016 , respectively, while the portion of the allowance for loan losses attributable to delinquent loans was $35.0 million and $50.7 million as of December 31, 2017 and December 31, 2016 , respectively.

The following table shows an aging analysis of the unpaid principal balance related to loans held for investment by delinquency status as of December 31 (in thousands):

	2017	2016
By delinquency status:		
Non-delinquent loans	$ 850,060	$ 890,297
1-14 calendar days past due	23,611	25,899
15-29 calendar days past due	12,528	15,990
30-59 calendar days past due	22,059	22,677
60-89 calendar days past due	12,809	13,952
90 + calendar days past due	15,172	11,636
Total unpaid principal balance	$ 936,239	$ 980,451

Loans Held for Sale

Loans held for sale consisted of the following as of December 31 (in thousands):

	2017	2016
Loans held for sale	$ —	$ 370
Net deferred origination costs	—	3
Loans held for sale, net	$ —	$ 373

6. Servicing Rights

As of December 31, 2017 and 2016 , we serviced term loans we sold with a remaining unpaid principal balance of $ 181.0 million and $222.0 million , respectively. During the years ended December 31, 2017 , 2016 and 2015 , we sold through OnDeck *Marketplace* loans with an unpaid principal balance of $72.5 million , $368.3 million and $600.0 million , respectively.

For the years ended December 31, 2017 , 2016 and 2015 , we earned $1.1 million , $1.2 million and $3.5 million of servicing revenue, respectively.

The following table summarizes the activity related to the fair value of our servicing assets for the year ended December 31 :

	2017	2016
Fair value at the beginning of period	$ 1,131	$ 3,489
Addition:		
Servicing resulting from transfers of financial assets	1,120	2,690
Changes in fair value:		
Change in inputs or assumptions used in the valuation model	—	—
Other changes in fair value [1]	(2,097)	(5,048)
Fair value at the end of period (Level 3)	$ 154	$ 1,131

[1] Represents changes due to collection of expected cash flows through December 31, 2017 and 2016 .

7. Property, Equipment and Software, net

Property, equipment and software, net, consisted of the following as of December 31 (in thousands):

	Estimated Useful Life	2017	2016
Computer/office equipment	36 months	$ 15,419	$ 15,671
Capitalized internal-use software	36 months	24,784	21,789
Leasehold improvements	Life of lease	18,336	18,025
Total property, equipment and software, at cost		58,539	55,485
Less accumulated depreciation and amortization		(34,967)	(26,080)
Property, equipment and software, net		$ 23,572	$ 29,405

Amortization expense on capitalized internal-use software costs was $4.9 million , $4.2 million and $2.8 million for the years ended December 31, 2017 , 2016 and 2015 , respectively, and is included as a component of technology and analytics in our consolidated statements of operations.

8. Debt

The following table summarizes our outstanding debt as of December 31 (in thousands):

Description	Type	Maturity Date	Weighted Average Interest Rate at December 31, 2017	December 31, 2017	December 31, 2016
Funding Debt:					
ODAST II Agreement	Securitization Facility	May 2020 (1)	4.7%	$ 250,000	$ 250,000
ODART Agreement	Revolving	March 2019	4.1%	102,058	133,767
RAOD Agreement	Revolving	November 2018	4.9%	86,478	99,985
ODAF Agreement	Revolving	February 2020 (2)	8.6%	75,000	100,000
ODAC Agreement	Revolving	May 2019	8.7%	62,350	65,486
PORT II Agreement	Revolving	December 2018	3.9%	63,851	52,397
Other Agreements	Various	Various (3)	Various	50,706	30,887
				690,443	732,522
Deferred Debt Issuance Cost				(6,174)	(5,883)
Total Funding Debt				684,269	726,639
Corporate Debt:					
Square 1 Agreement	Revolving	October 2018	5.5%	8,000	28,000
Deferred Debt Issuance Cost				(15)	(34)
Total Corporate Debt				$ 7,985	$ 27,966

(1) The period during which remaining cash flow can be used to purchase additional loans expires April 2018.
(2) The period during which new borrowings may be made under this debt facility expires in February 2019.
(3) Maturity dates range from January 2018 through November 2020.

Certain of our loans held for investment are pledged as collateral for borrowings in our funding debt facilities. These loans totaled $852.3 million and $886.4 million as of December 31, 2017 and 2016 , respectively. Our corporate debt facility is collateralized by substantially all of our assets.

During the three years ended December 31, 2017 , the following significant activity took place related to our debt facilities:

PORT Agreement

On June 12, 2015, through a wholly-owned bankruptcy remote subsidiary, we entered into a $100 million revolving line of credit with Bank of America, N.A. ("PORT Agreement"). The facility bears interest at LIBOR plus 2.25% , and was to mature in June 2017. In December 2016, we voluntarily paid down the funding debt outstanding with this facility in conjunction with the entering into of the PORT II Agreement. The remaining unamortized deferred issuance costs related to the PORT Agreement of $0.2 million were written-off and are included within Funding Costs.

RAOD Agreement

On May 22, 2015, through a wholly-owned bankruptcy remote subsidiary, we entered into a $50 million revolving line of credit with SunTrust Bank ("RAOD Agreement"). The facility bears interest at LIBOR plus 3.00% , and matures in May 2017. On February 26, 2016, the RAOD Agreement was amended to increase the borrowing capacity from $50 million to $100 million . On May 25, 2017, we renewed the RAOD facility with amended terms which provided for an extension of the revolving commitment period to November 22, 2018; a decrease in the interest rate to LIBOR + 2.5% from LIBOR + 3.0% ; and various technical, definitional, conforming and other changes.

ODAC Agreement

On May 22, 2015, amendments were made to the ODAC Agreement to, among other items, extend the commitment termination date to May 2017 and to provide for the utilization of up to the entire ODAC facility solely for the financing of our line of credit. In addition to other changes, this facility is now exclusively used to our line of credit. On April 28, 2016, we amended the ODAC Agreement to increase the revolving commitment from an aggregate amount of $50 million to $75 million , increase the interest rate from LIBOR plus 8.25% to LIBOR plus 9.25% , increase in the borrowing base advance rate from 70% to 75% and make certain other related changes. On May 4, 2017, we renewed the ODAC facility with amended terms, which provided for an increase in the revolving commitments from $75 million to 100 million and an extension of the revolving commitment period to May 3, 2019. The interest rate decreased to LIBOR (minimum of 0.75%) + 7.25% from LIBOR (minimum of 0.0%) + 9.25% and the advance rate increased from 75% to 85% .

ODAST II Agreement

On May 17, 2016, we, through a wholly-owned subsidiary, OnDeck Asset Securitization Trust II LLC, or the ODAST II, entered into a $250 million asset-backed securitization facility with Deutsche Bank Trust Company Americas, as indenture trustee. The notes under the facility were issued in two classes; Class A in the amount of $211.5 million and Class B in the amount of $38.5 million . The Class A and Class B notes bear interest at a fixed rate of 4.21% and 7.63% , respectively. Interest only payments began in June 2016 and are payable monthly through May 2018. Beginning June 2018, monthly payments will consist of both principal and interest with a final maturity of May 2020. Concurrent with the closing of the ODAST II securitization, we voluntarily prepaid in full $175 million of funding debt outstanding from our prior asset-backed securitization transaction, or the ODAST Agreement.

ODART Agreement

On October 7, 2015 an amendment was made to the ODART Agreement which included an amendment for a decrease in Class A interest rate to the applicable cost of funds rate plus 2.25% , the extension of the commitment termination date of the ODART Agreement by approximately one year to September 15, 2017, the extension of the date on or prior to which early termination fees may be payable in the event of a termination or other permanent reduction of the revolving commitments by approximately one year to May 15, 2017, and the ability to make certain partial commitment terminations without early termination fees, the ability to use up to a specified portion of the facility for financing of our weekly pay term loans and, the termination of the Class B revolving lending commitment, the effect of which is to reduce the total facility capacity to $150 million ; the termination was made at ODART's request and consented to by the Class B Revolving Lender. The ODART Second A&R Credit Agreement also contemplates the reintroduction, at ODART's election and administrative agent's consent, of one or more Class B Revolving Lending resulting in Class B commitments up to $17.6 million , thereby potentially restoring the facility size to up to $167.6 million . The borrowing base advance rate for reintroduced Class B revolving loans is 95% and the interest rate will be LIBOR plus 7.00% .

On June 17, 2016 an amendment was made to the ODART Agreement, to reintroduce Class B revolving loans from the Class B Revolving Lender resulting in additional funding capacity of $12.4 million , thereby increasing the total revolving commitment from $150 million to $162.4 million , establishing a Class B interest rate equal to LIBOR plus 8% , a borrowing base advance rate for the Class B revolving loans of 92% and make certain other changes.

On March 20, 2017, we entered into an amendment and restatement of the ODART Agreement which provided for a $50 million increase in the maximum amount of the Class A revolving loans and an increase up to $1.8 million in the maximum amount of the Class B revolving loans, thereby increasing the total facility size up to $214.1 million , an extension of the revolving commitment period during which ODART may utilize funding capacity under the Deutsche Bank Facility to March 20, 2019, a borrowing base advance rate for the Class A revolving loans of 85% and a borrowing base advance rate for the Class B revolving loans of 91% ; and various technical, definitional, conforming and other changes.

ODAF Agreement

On August 19, 2016, we, through a wholly-owned subsidiary, entered into a $100 million asset-backed revolving debt facility, or the ODAF Agreement. The commitment bears interest at LIBOR plus 7.25% , has a borrowing base advance rate of up to 80% and matures in August 2019. On February 14, 2017, we entered into an amendment of the ODAF I Agreement which provided for an increase in the Lenders' revolving commitment from an aggregate amount of $100 million to $150 million , the extension of the revolving commitment termination date by approximately six months to February 14, 2019, and various technical, definitional, conforming and other changes.

PORT II Agreement

On December 8, 2016, we, through a wholly-owned subsidiary, entered into a $200 million (consisting of $125 million Class A commitments, with the Class A Lenders having the ability to, in their sole discretion and on an uncommitted basis, make additional Class A loans of up to $75 million) asset-backed revolving debt facility, or the PORT II Agreement. The commitment bears interest at a specified base rate, generally the daily CP rate, plus 2.25% (Class A), has a borrowing base advance rate of 83% and matures in December 2018. Concurrent with the closing of the PORT II revolving debt facility, we voluntarily prepaid in full funding debt outstanding from another asset-backed revolving debt facility, the PORT Agreement.

Square 1 Agreement

We amended and restated this revolving debt facility in November 2014 to (i) extend its maturity date to October 2015; (ii) decrease the interest rate to prime plus 1.25% , with a floor of 4.5% per annum; and (iii) increase our borrowing capacity to $20 million . On October 2, 2015 an amendment was made to the Square 1 Agreement which extended the date of maturity of our corporate revolving line of credit from October 2015 to October 2016, added a minimum monthly interest payment and modified certain financial and portfolio covenants. In November 2016 we amended the Square 1 Agreement to increase the revolving commitment from an aggregate amount of $20 million to $30 million while also extending the maturity to October 2018.

As of December 31, 2017 , future maturities of our borrowings were as follows (in thousands):

2018	$	277,642
2019		297,938
2020		122,863
2021		—
Thereafter		—
Total	$	698,443

9. Income Tax

Our financial statements include a total income tax expense of $0 on net losses of $14.3 million , $85.5 million and $2.2 million for the years ended December 31, 2017 , 2016 and 2015 , respectively. A reconciliation of the difference between the provision for income taxes and income taxes at the statutory U.S. federal income tax rate is as follows for the years ended December 31 :

	2017	2016	2015
Federal statutory rate	34.0 %	34.0 %	34.0 %
Effect of:			
Change in valuation allowance	(34.5)%	(36.5)%	(28.0)%
Federal effect of change in state and local tax valuation allowance	0.5 %	2.5 %	(6.0)%
Income tax provision effective rate	— %	— %	— %

The significant components of our deferred tax asset were as follows as of December 31 (in thousands):

	2017	2016
Deferred tax assets relating to:		
Net operating loss carryforwards	$ 20,476	$ 25,880
Loan loss reserve	27,186	40,897
Imputed interest income	424	800
Deferred rent	1,892	2,670
Miscellaneous items	45	174
Total gross deferred tax assets	50,023	70,421
Deferred tax liabilities:		
Internally developed software	3,912	2,224
Property, equipment and software	4,242	6,747
Origination costs	4,078	7,417
Miscellaneous items	40	430
Total gross deferred tax liabilities	12,272	16,818
Net deferred tax asset	37,751	53,603
Less: valuation allowance	(37,751)	(53,603)
Net deferred tax asset less valuation allowance	$ —	$ —

In assessing the realizability of deferred tax assets, we consider whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. We consider the scheduled reversal of deferred tax liabilities, projected future taxable income, and planned tax strategies in making this assessment. Based upon the level of historical losses and projections for future taxable income over the periods in which the deferred tax assets are deductible, we believe it is more likely than not that we will not realize the benefits of these deductible differences in the future. Therefore, we have recorded a full valuation allowance on our net deferred tax asset.

Deductions that are not deemed more likely than not to withstand examination by a taxing authority are considered to be "uncertain tax positions" as defined in ASC 740 *Income Taxes* . Prior to January 1, 2016, we had not recognized any uncertain tax positions. During the year ended December 31, 2016 , we claimed deductions on our U.S. federal tax return for certain expenses related to our initial public offering that were validated at the level of substantial authority, but did not exceed the "more likely than not" threshold. We estimate the tax-effected exposure of these deductions to be approximately $2.2 million . These deductions did not result in any change to our tax payable or our provision for income taxes, both of which were $0 as of and for the year ended December 31, 2017 . These deductions will increase our deferred tax asset as well as the corresponding valuation allowance. There will be no financial statement benefit derived from this additional deferred tax asset until such time as the valuation allowance is released.

Our net operating loss carryforwards for federal income tax purposes were approximately $82.1 million , $69.7 million and $50.6 million at December 31, 2017 , 2016 and 2015 , respectively, and, if not utilized, will expire at various dates beginning in 2029. State net operating loss carryforwards were $81.3 million , $68.9 million and $49.8 million at December 31, 2017 , 2016 and 2015 , respectively. Net operating loss carryforwards and tax credit carryforwards reflected above may be limited due to historical and future ownership changes.

Recently Enacted Tax Reform Bill

On December 22, 2017, the Tax Cuts and Jobs Act, or Tax Act, was signed into U.S. law and included numerous provisions that significantly revise existing tax law. The Tax Act introduces changes, including the reduction of the corporate income statutory tax rate from 35% to 21% for tax years beginning after December 31, 2017, an increase in bonus depreciation and the deductibility of certain depreciable assets, limitations on the deductibility of net interest expense, changes to net operating loss carryover and carryback rules, the transition of U.S international taxation from a worldwide tax system to a territorial system, and reductions in the amount of executive pay that could qualify as a tax deduction. The Company is currently evaluating the impact of the Tax Act on its consolidated financial statements.

On December 22, 2017, the SEC issued Staff Accounting Bulletin No. 118, *Income Tax Accounting Implications of the Tax Cuts and Jobs Act,* or SAB 118, to assist registrants in accounting for the tax effects of the Tax Act specifically when an accounting analysis of the Tax Act is incomplete for registrant's financial statements for the reporting period in which the Tax Act became law. SAB 118 permits us to record provisional amounts during a measurement period not to extend beyond one year of the enactment date. In accordance with SAB 118, we have been able to reasonably estimate the effect the change in the corporate tax rate will have on our deferred tax asset. At December 31, 2017, our deferred tax asset has been provisionally remeasured and adjusted by $18.8 million from $56.6 million to $37.8 million . Because a full valuation allowance has been and will continue to be recorded against our deferred tax asset, an amount corresponding to the reduction of the deferred tax asset has been released from the valuation allowance. These two adjustments offset each other and result in no net impact to our results of operations.

10. Fair Value of Financial Instruments

Assets and Liabilities Measured at Fair Value on a Recurring Basis Using Significant Unobservable Inputs (Level 3)

We evaluate our financial assets and liabilities subject to fair value measurements on a recurring basis to determine the appropriate level at which to classify them for each reporting period. Due to the lack of transparency and quantity of transactions related to trades of servicing rights of comparable loans, we utilize an income valuation technique to estimate fair value. We utilize industry-standard modeling, such as discounted cash flow models, to arrive at an estimate of fair value and may utilize third-party service providers to assist in the valuation process. This determination requires significant judgments to be made.

The following tables present information about our assets and liabilities that are measured at fair value on a recurring basis as of December 31 (in thousands):

	2017			
Description	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets :				
Servicing assets	$ —	$ —	$ 154	$ 154
Total assets	$ —	$ —	$ 154	$ 154

	2016			
Description	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets :				
Servicing assets	$ —	$ —	$ 1,131	$ 1,131
Total assets	$ —	$ —	$ 1,131	$ 1,131

There were no transfers between levels for the year ended December 31, 2017 or December 31, 2016 .

The following tables presents quantitative information about the significant unobservable inputs used for certain of our Level 3 fair value measurement as of December 31 :

	December 31, 2017			
	Unobservable input	**Minimum**	**Maximum**	**Weighted Average**
Servicing assets	Discount rate	30.00%	30.00%	30.00%
	Cost of service [1]	0.04%	0.13%	0.12%
	Renewal rate	41.06%	51.83%	49.59%
	Default rate	10.63%	10.92%	10.70%

[1] Estimated cost of servicing a loan as a percentage of unpaid principal balance.

	December 31, 2016			
	Unobservable input	**Minimum**	**Maximum**	**Weighted Average**
Servicing assets	Discount rate	30.00%	30.00%	30.00%
	Cost of service [1]	0.09%	0.14%	0.11%
	Renewal rate	46.20%	56.54%	50.14%
	Default rate	10.32%	10.75%	10.48%

[1] Estimated cost of servicing a loan as a percentage of unpaid principal balance.

Changes in certain of the unobservable inputs noted above may have a significant impact on the fair value of our servicing asset. The following table summarizes the effect adverse changes in estimate would have on the fair value of the servicing asset as of December 31, 2017 and December 31, 2016 given a hypothetical changes in default rate and cost to service (in thousands):

	December 31, 2017	December 31, 2016
	Servicing Assets	
Default rate assumption:		
Default rate increase of 25%	$ (40)	$ (98)
Default rate increase of 50%	$ (76)	$ (188)
Cost to service assumption:		
Cost to service increase by 25%	$ (63)	$ (60)
Cost to service increase by 50%	$ (126)	$ (120)

Assets and Liabilities Disclosed at Fair Value

Because our loans held for investment, loans held for sale and fixed-rate debt are not measured at fair value, we are required to disclose their fair value in accordance with ASC 825. Due to the lack of transparency and comparable loans, we utilize an income valuation technique to estimate fair value. We utilize industry-standard modeling, such as discounted cash flow models, to arrive at an estimate of fair value and may utilize third-party service providers to assist in the valuation process. This determination requires significant judgments to be made. The following tables summarize the carrying value and fair value of our loans held for investment, loans held for sale and fixed-rate debt (in thousands):

	December 31, 2017				
Description	Carrying Value	Fair Value	Level 1	Level 2	Level 3
Assets **:**					
Loans held for investment	$ 843,781	$ 932,343	$ —	$ —	$ 932,343
Loans held for sale	—	—	—		—
Total assets	$ 843,781	$ 932,343	$ —	$ —	$ 932,343
Description					
Liabilities:					
Fixed-rate debt	$ 300,706	$ 293,512	$ —	$ —	$ 293,848
Total fixed-rate debt	$ 300,706	$ 293,512	$ —	$ —	$ 293,848

	December 31, 2016				
Description	Carrying Value	Fair Value	Level 1	Level 2	Level 3
Assets **:**					
Loans held for investment	$ 890,283	$ 979,780	$ —	$ —	$ 979,780
Loans held for sale	373	394	—		394
Total assets	$ 890,656	$ 980,174	$ —	$ —	$ 980,174
Description					
Liabilities:					
Fixed-rate debt	$ 280,886	$ 275,200	$ —	$ —	$ 275,200
Total fixed-rate debt	$ 280,886	$ 275,200	$ —	$ —	$ 275,200

The following techniques and assumptions are used in estimating fair value:

Loans held for investment and loans held for sale - Fair value is based on discounted cash flow models which contain certain unobservable inputs such as discount rate, renewal rate and default rate.

Fixed-rate debt - Our ODAST II Agreement and certain other agreements are considered fixed-rate debt. Fair value of our fixed rate debt is based on a discounted cash flow model with an unobservable input of discount rate. For our variable rate debt, carrying value approximates fair value.

11. Stock-Based Compensation and Employee Benefit Plans

Equity incentives are currently issued to employees and directors in the form of stock options and RSUs under our 2014 Equity Incentive Plan. Our 2007 Stock Option Plan was terminated in connection with our Initial Public Offering (IPO). Accordingly, no additional equity incentives are issuable under this plan although it continues to govern outstanding awards granted thereunder. Additionally, we offer an Employee Stock Purchase Plan through the 2014 Employee Stock Purchase Plan and a 401(k) plan to employees.

Options

The following table summarizes the assumptions used for estimating the fair value of stock options granted under our equity plans for the years ended December 31 :

	2017	2016	2015
Risk-free interest rate	2.32% - 2.42%	1.40% - 2.54%	1.65% - 2.13%
Expected term (years)	5.0	5.0 - 6.0	5.5 - 6.0
Expected volatility	42% - 44%	46% - 54%	41% - 47%
Dividend yield	—%	—%	—%
Weighted-average grant date fair value per share	$1.66	$2.65	$5.70

The following is a summary of option activity for the year ended December 31, 2017 :

	Number of Options	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value (in thousands)
Outstanding at January 1, 2017	11,426,296	$ 6.10	—	—
Granted	368,894	$ 4.13	—	—
Exercised	(1,407,646)	$ 0.85	—	—
Forfeited	(1,310,438)	$ 8.55	—	—
Expired	(1,158,253)	$ 11.45	—	—
Outstanding at December 31, 2017	7,918,853	$ 5.75	6.4	$ 17,792
Exercisable at December 31, 2017	6,080,899	$ 5.16	5.8	$ 16,989
Vested or expected to vest as of December 31, 2017	7,876,541	$ 5.75	6.4	$ 17,778

Total compensation cost related to nonvested option awards not yet recognized as of December 31, 2017 was $5.6 million and will be recognized over a weighted-average period of approximately 1.6 years. The aggregate intrinsic value of employee options exercised during the years ended December 31, 2017 , 2016 and 2015 was $5.3 million , $3.0 million and $10.8 million , respectively.

Restricted Stock Units

The following table summarizes our activities of RSUs and PRSUs during the year ended December 31, 2017 :

	Number of RSUs	Weighted-Average Grant Date Fair Value
Unvested at January 1, 2017	3,888,768	$ 8.46
RSUs and PRSUs granted	2,074,077	$ 4.63
RSUs vested	(770,664)	$ 8.50
RSUs forfeited/expired	(1,849,541)	$ 7.84
Unvested at December 31, 2017	3,342,640	$ 6.18
Expected to vest after December 31, 2017	2,843,933	$ 6.31

During the year ended December 31, 2016, in addition to granting RSUs, we also granted 194,207 PRSUs. For each of the three annual performance periods, one-third (1/3) of the total PRSUs may vest depending upon achievement of performance-based targets. Participants have the ability to earn up to 150% of the baseline award based on certain levels of achievement in excess of the relevant target performance level or could earn less than the baseline award, or nothing at all, based on certain levels of achievement below the relevant target performance level. Measurement of performance is based on a 12 -month period ending June 30 of each year. The first tranche did not vest due to the performance-based targets not being achieved. The second tranche

was granted with a grant date fair value of $4.67 during the year ended December 31, 2017. Performance goals have yet to be established for the twelve-month performance period ending June 30, 2019.

As of December 31, 2017 , there was $14.3 million of unrecognized compensation cost related to unvested RSUs and PRSUs, which is expected to be recognized over a weighted-average period of 2.6 years .

Employee Stock Purchase Plan

As of December 31, 2017 , there was $0.1 million of unrecognized compensation expense related to the ESPP.

The assumptions used to calculate our Black-Scholes-Merton Option Pricing Model for each stock purchase right granted under the ESPP were as follows for the year ended December 31 :

	2017	2016	2015
Risk-free interest rate	1.17%	0.39%	0.27%
Expected term (years)	0.50	0.50	0.50
Expected volatility	37%	52%	42%
Dividend yield	—%	—%	—%

Stock-based compensation expense related to stock options, RSUs, PRSUs and the ESPP are included in the following line items in our accompanying consolidated statements of operations for the year ended December 31 (in thousands):

	2017	2016	2015
Sales and marketing	$ 2,429	$ 4,002	$ 3,081
Technology and analytics	2,300	3,422	2,582
Processing and servicing	483	869	544
General and administrative	7,303	7,622	5,375
Total	$ 12,515	$ 15,915	$ 11,582

401(k) Plan

We maintain a 401(k) defined contribution plan that covers substantially all of our employees. Participants may elect to contribute their annual compensation up to the maximum limit imposed by federal tax law. During the years ended December 31, 2017 , 2016 and 2015 we had $1.2 million , $1.4 million , and $1.0 million in employer related match expense, respectively.

12. Commitments and Contingencies

Lease Commitments

Operating Leases

In January 2013, we entered into an operating lease in Virginia for office space, which was amended in January 2015 (as amended, “Virginia Lease”) to extend the term of the lease and rent additional space. The Virginia Lease calls for monthly rental payments of $65,000 , subject to escalation, and provides for a rent holiday of approximately six months and an aggregate $1 million leasehold improvement incentive.

During 2014 and 2015, we amended the lease of our corporate headquarters in New York City (as amended, “New York Lease”) to extend the term of the lease and rent additional space. We will occupy additional spaces under the New York Lease incrementally, as spaces becomes available, at which time we will incur additional rent payments. For all spaces delivered to us under the New York Lease as of December 31, 2017 , our average monthly fixed rent payment will be approximately $0.5 million , subject to escalations. We are entitled to rent credits aggregating $3.8 million and a tenant improvement allowance not to exceed $5.8 million for all spaces delivered to us under the New York Lease as of December 31, 2017 . The New York Lease is expected to terminate in December 2026.

In April 2015, we provided notice of termination to the landlord of one of our office spaces in Denver, Colorado (“Original Denver Lease”) resulting in a termination fee of $0.4 million , which was included in general and administrative expenses for the year ended December 31, 2015. The lease on that office space ("Original Denver Lease") expired in January 2016.

In June 2015, we entered into a sublease in Denver, Colorado ("New Denver Lease") as the subtenant. The New Denver Lease calls for an average monthly fixed rent payment of approximately $144,000 . The New Denver Lease also provides for a four -month rent holiday and a tenant improvement allowance not to exceed $2.6 million and is scheduled to expire in April 2026.

In May 2017, we entered into an operating lease in Australia for office space. The Australia lease calls for an average monthly fixed rent payment of approximately $34,000 and is scheduled to expire in July 2020.

Certain of our leases have free or escalating rent payment provisions. We recognize rent expense under such leases on a straight-line basis over the term of the lease and record the difference between the rent paid and the straight-line rent expense as deferred rent within other liabilities on our consolidated balance sheets. Improvements funded by tenant allowances are recorded as leasehold improvements and depreciated over the improvements' estimated useful lives or the remaining lease term, whichever is shorter. The incentive is recorded as deferred rent and amortized over the term of the lease.

Rent expense incurred totaled $7.1 million , $7 million , and $4.3 million for the years ended December 31, 2017, 2016, and 2015.

Lease Commitments

At December 31, 2017 , future minimum lease commitments under operating and capital leases, net of sublease income of $1.4 million , for the remaining terms of the operating leases were as follows (in thousands):

For the years ending December 31,		
2018	$	8,633
2019		9,225
2020		9,270
2021		9,192
2022		8,915
Thereafter		33,497
Total	$	78,732

In February 2018, we terminated an operating lease for certain property in New York. Taking such termination into effect, our minimum lease commitments would be reduced, in total, by approximately $17.5 million .

Concentrations of Credit Risk

Financial instruments that potentially subject us to significant concentrations of credit risk consist principally of cash, cash equivalents, restricted cash and loans. We hold cash, cash equivalents and restricted cash in accounts at regulated domestic financial institutions in amounts that exceed or may exceed FDIC insured amounts and at non-U.S. financial institutions where deposited amounts may be uninsured. We believe these institutions to be of acceptable credit quality and we have not experienced any related losses to date.

We are exposed to default risk on loans we originate and hold and that we purchase from our issuing bank partner. We perform an evaluation of each customer's financial condition and during the term of the customer's loan(s), we have the contractual right to limit a customer's ability to take working capital loans or other financing from other lenders that may cause a material adverse change in the financial condition of the customer.

Concentrations of Revenue

For the year ended December 31, 2015, we had one group of customers that accounted for approximately 13% of total revenue, which was recognized through gain on sales of loans.

The top three states in which we, or our issuing bank partner, originated loans were California , Florida , and Texas , representing approximately 14% , 9% , and 9% of our total loan originations, respectively, in both 2017 and 2016 . These geographic concentrations expose us to risks associated with localized natural disasters, local political or economic forces as well as state-level regulatory risks.

Contingencies

From time to time we are subject to legal proceedings and claims in the ordinary course of business. The results of such matters cannot be predicted with certainty. However, we believe that the final outcome of any such current matters will not result in a material adverse effect on our consolidated financial condition, consolidated results of operations or consolidated cash flows.

13. Quarterly Financial Information (unaudited)

The following table contains selected unaudited financial data for each quarter of 2017 and 2016 . The unaudited information should be read in conjunction with our financial statements and related notes included elsewhere in this report. We believe that the following unaudited information reflects all normal recurring adjustments necessary for a fair presentation of the information for the periods presented. The operating results for any quarter are not necessarily indicative of results for any future period.

	December 31, 2017	September 30, 2017	June 30, 2017	March 31, 2017	December 31, 2016	September 30, 2016	June 30, 2016	March 31, 2016
Gross revenues	87,741	83,666	86,651	92,892	81,829	77,371	69,502	62,615
Net revenue	42,098	32,754	42,302	35,435	16,260	32,333	28,857	31,456
Net income (loss)	4,358	(4,532)	(2,569)	(11,602)	(36,460)	(17,173)	(18,708)	(13,141)
Net loss attributable to common stockholders	5,096	(4,074)	(1,498)	(11,058)	(35,857)	(16,634)	(17,895)	(12,573)
Basic	0.07	(0.06)	(0.02)	(0.15)	(0.50)	(0.23)	(0.25)	(0.18)
Diluted	0.07	(0.06)	(0.02)	(0.15)	(0.50)	(0.23)	(0.25)	(0.18)

14. Subsequent events

Subsequent to December 31, 2017 , we terminated our lease agreement with respect to a portion of our office space in New York. In connection with the termination, we expect to record a net charge of approximately $3.2 million in the quarter ending March 31, 2018 including a surrender fee of approximately $2.6 million . The net charge will include the surrender fee and approximately $4.0 million related to the impairment of leasehold improvements and other fixed assets in the surrendered space, which will be partially offset by other deferred credits.

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

None.

Item 9A. Controls and Procedures

Disclosure Controls and Procedures

As required by Rule 13a-15 under the Exchange Act, management has evaluated, with the participation of our Chief Executive Officer and Chief Financial Officer, the effectiveness of our disclosure controls and procedures as of the end of the period covered by this report. Disclosure controls and procedures refer to controls and other procedures designed to ensure that information required to be disclosed in the reports we file or submit under the Exchange Act are recorded, processed, summarized, and reported within the time periods specified in the rules and forms of the SEC. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by us in our reports that we file or submit under the Exchange Act are accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding our required disclosure. In designing and evaluating our disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management was required to apply its judgment in evaluating and implementing possible controls and procedures.

Based on the foregoing evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that, as of December 31, 2017 , the end of the period covered by this report, our disclosure controls and procedures were effective at a reasonable assurance level.

Management's Annual Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting for the Company as defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act. The Company's internal control over financial reporting is a process designed by, or under the supervision of, our Chief Executive Officer and Chief Financial Officer, and effected by our board of directors, management and other personnel, 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. Internal control over financial reporting includes those policies and procedures that:

- pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of our assets;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that our receipts and expenditures are being made only in accordance with authorizations of our management and directors; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on our financial statements.

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

Our management, under the supervision of our Chief Executive Officer and Chief Financial Officer, assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2017 using the criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). Based on this assessment and those criteria, our Chief Executive Officer and our Chief Financial Officer concluded that our internal control over financial reporting was effective as of December 31, 2017 to provide reasonable assurance of the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with U.S. generally accepted accounting principles.

This Annual Report on Form 10-K does not include an attestation report of our registered public accounting firm on our internal control over financial reporting due to an exemption established by the JOBS Act for "emerging growth companies."

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting during the quarter ended December 31, 2017 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. Other Information

None.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

The information required by this item will be included under the caption “Directors, Executive Officers and Corporate Governance” in our Proxy Statement for the 2017 Annual Meeting of Stockholders to be filed with the SEC within 120 days of the fiscal year ended December 31, 2017 , which we refer to as our 2018 Proxy Statement, and is incorporated herein by reference.

The Company has a “Code of Business Conduct and Ethics Policy” that applies to all of our employees, including our Principal Executive Officer, Principal Financial Officer, Principal Accounting Officer and our Board of Directors. A copy of this code is available on our website at http://investors.ondeck.com. We intend to satisfy the disclosure requirement under Item 5.05 of Form 8-K regarding amendment to, or waiver from, a provision of our Code of Business Conduct and Ethics Policy by posting such information on our investor relations website under the heading “Governance—Governance Documents” at http://investors.ondeck.com.

Item 11. Executive Compensation

The information required by this item will be included under the captions “Executive Compensation” and under the subheadings “Board’s Role in Risk Oversight,” “Non-Employee Director Compensation,” “Outside Director Compensation Policy,” and “Compensation Committee Interlocks and Insider Participation” under the heading “Directors, Executive Officers and Corporate Governance” in the 2018 Proxy Statement and is incorporated herein by reference.

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

The information required by this item will be included under the captions “Security Ownership of Certain Beneficial Owners and Management” and under the subheading “Potential Payments upon Termination or Change in Control” and “Equity Benefit and Stock Plans” under the heading “Executive Compensation” in the 2018 Proxy Statement and is incorporated herein by reference.

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

The information required by this item will be included under the captions “Certain Relationships and Related Transactions” and “Directors, Executive Officers and Corporate Governance—Director Independence” in the 2018 Proxy Statement and is incorporated herein by reference.

Item 14. Principal Accounting Fees and Services

The information required by this item will be included under the caption “Proposal Two: Ratification of Selection of Independent Registered Public Accountants” in the 2018 Proxy Statement and is incorporated herein by reference.

PART IV

Item 15. Exhibits, Financial Statement Schedules

Item 15(a)(1) - Financial Statements and Schedules

See “Index to Consolidated Financial Statements” in Item 8 of this Annual Report on Form 10-K.

Item 15(a)(2) - Financial Statements Schedules

Schedule II—Valuation and Qualifying Accounts

Years Ended December 31, 2017 , 2016 and 2015

Description	Balance at Beginning of Period	Charged to Cost and Expenses	Charged to Other Accounts	Deductions—Write offs	Balance at End of Period
			(in thousands)		
Allowance for Loan Losses:					
2017	110,162	152,926	17,199	(171,272)	109,015
2016	53,311	149,963	7,270	(100,382)	110,162
2015	49,804	74,863	7,129	(78,485)	53,311
Deferred tax asset valuation allowance:					
2017	53,603	(826)	3,779	(18,805)	37,751
2016	31,978	(24,209)	45,834	—	53,603
2015	26,090	(2,514)	8,402	—	31,978

Item 15(a)(3)

The exhibits filed or incorporated by reference as part of this Annual Report on Form 10-K are listed in the Exhibit Index immediately preceding the exhibits. We have identified in the Exhibit Index each management contract and compensation plan filed as an exhibit to this Annual Report on Form 10-K in response to Item 15(a)(3) of Form 10-K.

SIGNATURES

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

On Deck Capital, Inc.

/s/ Howard Katzenberg

Howard Katzenberg
Chief Financial Officer
(Principal Financial Officer)

Date: March 2, 2018

/s/ Nicholas Sinigaglia

Nicholas Sinigaglia
Chief Accounting Officer
(*Principal Accounting Officer*)

Date: March 2, 2018

POWER OF ATTORNEY

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

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

Signature	Title	Date
/s/ Noah Breslow Noah Breslow	Chief Executive Officer and Director (Principal Executive Officer)	March 2, 2018
/s/ Howard Katzenberg Howard Katzenberg	Chief Financial Officer (Principal Financial Officer)	March 2, 2018
/s/ Nicholas Sinigaglia Nicholas Sinigaglia	Chief Accounting Officer (Principal Accounting Officer)	March 2, 2018
/s/ David Hartwig David Hartwig	Director	March 2, 2018
/s/ Daniel Henson Daniel Henson	Director	March 2, 2018
/s/ Bruce P. Nolop Bruce P. Nolop	Director	March 2, 2018
/s/ James D. Robinson James D. Robinson III	Director	March 2, 2018
/s/ Jane J. Thompson Jane J. Thompson	Director	March 2, 2018
/s/ Ronald F. Verni Ronald F. Verni	Director	March 2, 2018
/s/ Neil E. Wolfson Neil E. Wolfson	Director	March 2, 2018

Exhibit Index

Exhibit Number	Description	Filed / Incorporated by Reference from Form *	Incorporated by Reference from Exhibit Number	Date Filed
3.1	Amended and Restated Certificate of Incorporation	8-K	3.1	12/22/2014
3.2	Third Amended and Restated Bylaws	8-K	3.1	8/3/2016
4.1	Form of common stock certificate.	S-1	4.1	11/10/2014
4.2	Ninth Amended and Restated Investors' Rights Agreement, dated March 13, 2014, by and among the Registrant and certain of its stockholders.	S-1	4.2	11/10/2014
4.3	Form of warrant to purchase common stock.	S-1	4.6	11/10/2014
10.1+	Form of Indemnification Agreement between the Registrant and each of its directors and executive officers.	S-1	10.1	11/10/2014
10.2+	Amended and Restated 2007 Stock Incentive Plan and forms of agreements thereunder.	S-1	10.2	11/10/2014
10.3+	2014 Equity Incentive Plan and forms of agreements thereunder.	S-1/A	10.3	12/4/2014
10.4+	2014 Employee Stock Purchase Plan and form of agreement thereunder.	S-1/A	10.4	12/4/2014
10.5+	Employee Bonus Plan.	S-1	10.5	11/10/2014
10.6+	Outside Director Compensation Policy as amended through July 29, 2016.	10-K	10.6	3/2/2017
10.7+	Confirmatory Employment Offer Letter between the Registrant and Noah Breslow dated October 30, 2014.	S-1	10.7	11/10/2014
10.8+	Confirmatory Employment Offer Letter between the Registrant and Howard Katzenberg dated November 3, 2014.	S-1	10.9	11/10/2014
10.9+	Form of Change in Control and Severance Agreement between the Registrant and Noah Breslow.	10-Q	10.1	11/7/2017
10.10+	Form of Change in Control and Severance Agreement between the Registrant and other executive officers.	10-Q	10.2	11/7/2017
10.11+	Form of Performance Unit Agreement	8-K	10.1	9/21/2016
10.12	Lease, dated September 25, 2012, by and between the Registrant and 1400 Broadway Associates L.L.C.	S-1	10.12	11/10/2014
10.12.1	Lease Modification Agreement, dated March 3, 2015, by and between Registrant and ESRT 1400 Broadway, L.P.	10-K	10.21	3/10/2015
10.13	Fourth Amended and Restated Credit Agreement, dated as of March 20, 2017, by and among OnDeck Account Receivables Trust 2013-1 LLC, as Borrower, the Lenders party thereto from time to time, Deutsche Bank AG, New York Branch, as Administrative Agent for the Lenders and Collateral Agent for the Secured Parties, Deutsche Bank Trust Company Americas, as Paying Agent for the Lenders, and Deutsche Bank Securities Inc., as Syndication Agent, Documentation Agent and Lead Arranger.	10-Q	10.2	5/9/2017
10.14	Second Amended and Restated Loan and Security Agreement, dated March 21, 2011, by and among Small Business Asset Fund 2009 LLC, each Lender party thereto from time to time and Deutsche Bank Trust Company Americas, as amended January 10, 2014.	S-1	10.15	11/10/2014
10.15	Fourth Amended and Restated Credit Agreement, dated as of May 4, 2017, by and among On Deck Asset Company, LLC, as Borrower, the Lenders party thereto from time to time, WM 2016-1, LLC, as Administrative Agent, and Deutsche Bank Trust Company Americas, as Paying Agent and as Collateral Agent for the Secured Parties.	10-Q	10.1	8/7/2017

10.16	Base Indenture, dated May 17, 2016, by and between OnDeck Asset Securitization Trust II LLC and Deutsche Bank Trust Company Americas	10-Q	10.2	8/9/2016
10.17	Series 2016-1 Indenture Supplement, dated May 17, 2016, by and between OnDeck Asset Securitization Trust II LLC and Deutsche Bank Trust Company Americas	10-Q	10.3	8/9/2016
10.18	Note Issuance and Purchase Agreement, dated as of November 25, 2015, by and among OnDeck Asset Pool, LLC, in its capacity as Issuer, the Purchasers party thereto from time to time, Jefferies Funding LLC, as Administrative Agent for the Purchasers, and Deutsche Bank Trust Company Americas, as Paying Agent and as Collateral Agent for the Secured Parties	10-K	10.19	3/3/2016
10.19	Form of Managed Applicant Commission Agreement between the Registrant and its funding advisors.	S-1	10.20	11/10/2014
10.20	Third Amended and Restated Credit Agreement, dated as of December 15, 2017, by and among Receivable Assets of OnDeck, LLC, as Borrower, the Lenders party thereto from time to time, SunTrust Bank, as Administrative Agent for the Class A Revolving Lenders and Wells Fargo Bank, N.A., as Paying Agent and as Collateral Agent for the Secured Parties.	Filed herewith.		
10.21	Credit Agreement, dated August 19, 2016, by and among OnDeck Asset Funding I LLC, as Borrower, the Lenders party thereto from time to time, Ares Agent Services, L.P., as Administrative Agent for the Lenders and Collateral Agent for the Secured Parties and Wells Fargo Bank, N.A., as Paying Agent	10-Q	10.1	11/7/2016
10.22	Second Amended and Restated Loan and Security Agreement, dated June 30, 2016, by and among On Deck Capital, Inc., as Borrower, Pacific Western Bank, as Lender and ODWS, LLC, as Guarantor.	10-K	10.23	3/2/2017
10.23	First Amendment to the Second Amended and Restated Loan and Security Agreement, dated October 11, 2016, by and among On Deck Capital, Inc., as Borrower, Pacific Western Bank, as Lender and ODWS, LLC, as Guarantor.	10-K	10.24	3/2/2017
10.24	Second Amendment to the Second Amended and Restated Loan and Security Agreement, dated November 17, 2016, by and among On Deck Capital, Inc., as Borrower, Pacific Western Bank, as Lender and ODWS, LLC, as Guarantor.	10-K	10.25	3/2/2017
10.25	Credit Agreement, dated as of December 8, 2016, by and among Prime OnDeck Receivable Trust II, LLC, as Borrower, the Lenders party thereto from time to time, Credit Suisse, AG, New York Branch, as Administrative Agent for the Class A Lenders, and Wells Fargo Bank, N.A., as Paying Agent and as Collateral Agent	10-K	10.26	3/2/2017
10.26	Amendment No. 1, dated February 14, 2017, to the Credit Agreement by and among OnDeck Asset Funding I LLC, the Lenders thereto from time to time, and Ares Agent Services, L.P., as Administrative Agent for the Lenders party thereto.	10-Q	10.1	5/9/2017
21.1	List of subsidiaries of the Registrant.	Filed herewith.		
23.1	Consent of Ernst & Young LLP, Independent Registered Public Accounting Firm.	Filed herewith.		

31.1	Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, Rule 13a-14(a)/15d-14(a), by Chief Executive Officer.	Filed herewith.
31.2	Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, Rule 13a-14(a)/15d-14(a), by Chief Financial Officer.	Filed herewith.
32.1	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, by Chief Executive Officer.	Filed herewith.
32.2	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, by Chief Financial Officer.	Filed herewith.
101.INS	XBRL Instance Document	Filed herewith.
101.SCH	XBRL Taxonomy Extension Schema Document	Filed herewith.
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document	Filed herewith.
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document	Filed herewith.
101.LAB	XBRL Taxonomy Extension Labels Linkbase Document	Filed herewith.
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document	Filed herewith.

* All exhibits incorporated by reference to the Registrant's Form S-1 or S-1/A registration statements relate to Registration No. 333-200043

\+ Indicates a management contract or compensatory plan.

THIRD AMENDED AND RESTATED CREDIT AGREEMENT
dated as of December 15, 2017

among

RECEIVABLE ASSETS OF ONDECK, LLC,
as Borrower

VARIOUS LENDERS,

and

Suntrust Bank,
as Administrative Agent

and

WELLS FARGO BANK, N.A.,
as Paying Agent and Collateral Agent

$119,736,850 Credit Facility

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APPENDICES: A Revolving Commitments
B Notice Addresses
C Eligibility Criteria
D Excess Concentration Amounts
E Portfolio Performance Covenants

SCHEDULES: 1.1(a) Financial Covenants
1.1(b) Class B Revolving Lenders

EXHIBITS: A-1 Form of Funding Notice
B-1 Form of Class A Revolving Loan Note
B-2 Form of Class B Revolving Loan Note
C-1 Form of Compliance Certificate
C-2 Form of Borrowing Base Report and Certificate
D Form of Assignment Agreement
E Form of Certificate Regarding Non-Bank Status
F-1 Form of Third Amendment Effective Date Certificate
F-2 Form of Solvency Certificate
G Form of Controlled Account Voluntary Payment Notice
H Form of Receivables Purchase Agreement

THIRD AMENDED AND RESTATED CREDIT AGREEMENT

This **THIRD AMENDED AND RESTATED CREDIT AGREEMENT** , dated as of December 15, 2017, is entered into by and among **Receivable Assets of ONDECK, LLC** , a Delaware limited liability company (**"Company"**), the Lenders party hereto from time to time and **SUNTRUST BANK** , as Administrative Agent for the Lenders (in such capacity, **"Administrative Agent"**), **WELLS FARGO BANK, N.A.,** as Paying Agent (in such capacity, **"Paying Agent"**) and as Collateral Agent for the Secured Parties (in such capacity, **"Collateral Agent"**).

RECITALS:

WHEREAS, capitalized terms used in these Recitals shall have the respective meanings set forth for such terms in Section 1.1 hereof;

WHEREAS , Company, the Class A Lenders party hereto, the Administrative Agent, the Collateral Agent and the Paying Agent are parties to that certain Second Amended and Restated Credit Agreement dated as of May 25, 2017 (as amended, modified or supplemented from time to time, the **"Existing Credit Agreement"**); and

WHEREAS , in order to continue the existing indebtedness of the Company and to increase the Class B Revolving Commitments to $19,736,850, the Company has requested that the Existing Credit Agreement be amended and restated in its entirety (the **"Amendment and Restatement"**), and the Class A Lenders and the Class B Lenders party hereto are willing to do so on the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the premises and the agreements, provisions and covenants herein contained, the parties hereto agree as follows:

SECTION 1. DEFINITIONS AND INTERPRETATION

1.1 Definitions . The following terms used herein, including in the preamble, recitals, exhibits and schedules hereto, shall have the following meanings:

"10-20 Day Delinquent Receivable" means, as of any date of determination, any Receivable with a Missed Payment Factor of (x) with respect to Daily Pay Receivables, more than ten (10) but less than twenty-one (21) and a Payment has been received on such Receivable on at least one of the last three Payment Dates, and (y) with respect to Weekly Pay Receivables, more than two (2) but less than or equal to four (4), and a Payment has been received on such Receivable on the last Payment Date.

"2017 Consolidated Net Income" means the Consolidated Net Income of Holdings and its Subsidiaries for the Fiscal Year ending December 31, 2017.

"2018 Consolidated Net Income" means the Consolidated Net Income of Holdings and its Subsidiaries for the Fiscal Year ending December 31, 2018.

"Accrued Interest Amount" means, as of any day, the aggregate amount of all accrued and unpaid interest on the Revolving Loans payable hereunder.

"ACH Agreement" has the meaning set forth in the Servicing Agreement.

"ACH Receivable" means each Receivable with respect to which the underlying Receivables Obligor has entered into an ACH Agreement.

"Act" as defined in Section 4.25 .

"Adjusted EPOB" means, as of any date of determination, the excess of (a) the Eligible Portfolio Outstanding Principal Balance as of such date over (b) the sum of, without duplication, (i) the aggregate Excess Concentration Amounts as of such date and (ii) the product of 70% and the aggregate Eligible Portfolio Outstanding Principal Balance of all 10-20 Day Delinquent Receivables as of such date.

"Adjusted Interest Collections" means, with respect to all Receivables and any Monthly Period, an amount equal to (a) the product of (i) the sum of (x) all Collections received during such Monthly Period that were not applied by the Servicer to reduce the Outstanding Principal Balances of the Pledged Receivables in accordance with Section 2(a)(i) of the Servicing Agreement and (y) all Collections received during such Monthly Period that were recoveries with respect to Charged-Off Receivables (net of amounts, if any, retained by any third party collection agent) and (ii) (A) for Daily Pay Receivables, the quotient of 21 divided by the number of Business Days in such Monthly Period or (B) for Weekly Pay Receivables, the quotient of 4.3333 divided by the number of Payment Dates in such Monthly Period (which for the avoidance of any doubt may be either 4 or 5 Payment Dates in any given Monthly Period) minus (b) the aggregate amount paid by Company on the related Interest Payment Date pursuant to clauses (a)(i) , (a)(ii) , (a)(iii) , (a)(v) and (a)(vii) of Section 2.12 .

"Administrative Agent" as defined in the preamble hereto.

"Adverse Effect" means, with respect to any action, that such action will (a) result in the occurrence of an Event of Default or (b) materially and adversely affect (i) the amount or timing of payments to be made to the Lenders pursuant to this Agreement or (ii) the existence, perfection, priority or enforceability of any security interest in a material amount of the Pledged Receivables taken as a whole or in any material part.

" **Adverse Proceeding** " means any non-frivolous action, suit, proceeding (whether administrative, judicial or otherwise), governmental investigation or arbitration (whether or not purportedly on behalf of Company or Holdings) at law or in equity, or before or by any Governmental Authority, domestic or foreign, whether pending or, to the knowledge of Company or Holdings, threatened in writing against Company or Holdings, or any of their respective property (it being acknowledged that any action, suit, proceeding, governmental investigation or arbitration by a Governmental Authority against Company and/or Holdings, as applicable, will not be considered frivolous for purposes of this definition).

"Affected Party" means any Lender, SunTrust Bank, in its individual capacity and in its capacity as Administrative Agent, Paying Agent and, with respect to each of the foregoing, the parent company or holding company that controls such Person.

"Affiliate" means, with respect to any specified Person, another Person that directly, or indirectly through one or more intermediaries, controls or is controlled by or is under common control with the Person specified. For purposes of this definition, " control " means the power to direct the management and policies of a Person, directly or indirectly, whether through ownership of voting securities, by contract or otherwise; and " controlled " and " controlling " have meanings correlative to the foregoing.

"Agent" means each of the Administrative Agent, the Paying Agent and the Collateral Agent.

"Aggregate Amounts Due" as defined in Section 2.14 .

"Agreement" means this Third Amended and Restated Credit Agreement, dated as of December 15, 2017, as it may be amended, supplemented or otherwise modified from time to time.

"Amendment and Restatement" as defined in the Recitals hereto.

"Applicable Class A Advance Rate" means 76%.

"Applicable Class B Advance Rate" means 91%.

"Approved Fund" means any Person that, in the ordinary course of its business, is engaged in making, purchasing, holding or investing in bank loans and similar extensions of credit that generally have an original par amount in excess of $10,000,000 and that is administered or managed by an entity that is not included in the list of entities set forth in clause (b) of the definition of Direct Competitor or any Affiliate thereof.

" **Approved State** " shall mean each of the 50 United States of America and the District of Columbia.

"Asset Purchase Agreement" means that certain Amended and Restated Asset Purchase Agreement dated as of the Second Amendment Effective Date, by and between Company, as Purchaser, and the Seller, as amended, modified or supplemented from time to time, whereby the Seller has agreed to sell and Company has agreed to purchase Eligible Receivables from time to time.

"Assignment Agreement" means an Assignment and Assumption Agreement substantially in the form of Exhibit D , with such amendments or modifications as may be approved by Administrative Agent.

"Authorized Officer" means, as applied to any Person, any individual holding the position of chairman of the board (if an officer), chief executive officer, president, chief financial officer, general counsel, treasurer, corporate secretary or controller (or, in each case, the equivalent thereof).

"Backup Servicer" means Portfolio Financial Servicing Company or any replacement thereof appointed pursuant to the Backup Servicing Agreement.

"Backup Servicing Agreement" means that certain Backup Servicing Agreement dated as of the Original Closing Date, among the Company, the Administrative Agent and Backup Servicer, as amended by that certain Amendment No. 1 to Backup Servicing Agreement, dated the First Amendment Effective Date and by that certain Amendment No. 2 to Backup Servicing Agreement, as of the Second Amendment Effective Date, and as it may be amended, modified or supplemented from time to time.

"Backup Servicing Fee" shall have the meaning attributed to such term in the Backup Servicing Agreement.

"Bankruptcy Code" means Title 11 of the United States Code entitled " **Bankruptcy** ," as now and hereafter in effect, or any successor statute.

"Base Rate" means, for any day, a rate per annum (rounded upward, if necessary, to the next 1/100th of 1%) equal to the greatest of (a) the Prime Rate in effect on such day (or if such day is not a Business Day, the immediately preceding Business Day), (b) the Federal Funds Effective Rate in effect on such day

(or if such day is not a Business Day, the immediately preceding Business Day) plus 0.50%, and (c) the LIBO Rate for such day plus 1.00%.

"Blocked Account Control Agreement" shall have the meaning attributed to such term in the Security Agreement.

"Borrower Distribution" as defined in Section 6.5 .

"Borrowing Base Certificate" means a certificate substantially in the form of Exhibit C-2 , executed by an Authorized Officer of Company and delivered to Administrative Agent, Paying Agent, Collateral Agent and each Lender, which sets forth the calculation of the Class A Borrowing Base and the Class B Borrowing Base, including a calculation of each component thereof.

"Borrowing Base Deficiency" means either a Class A Borrowing Base Deficiency or a Class B Borrowing Base Deficiency, as applicable.

"Borrowing Base Report" means a report substantially in the form of Exhibit C-2 , executed by an Authorized Officer of Company and delivered to Administrative Agent, Paying Agent, Collateral Agent and each Lender, which attaches a Borrowing Base Certificate.

"Business Day" means any day excluding Saturday, Sunday and any day which is a legal holiday under the laws of the State of New York or is a day on which banking institutions located in New York are authorized or required by law or other governmental action to close.

"Capital Lease" means, as applied to any Person, any lease of any property (whether real, personal or mixed) by that Person (i) as lessee that, in conformity with GAAP, is or should be accounted for as a capital lease on the balance sheet of that Person or (ii) as lessee which is a transaction of a type commonly known as a "synthetic lease" (i.e., a transaction that is treated as an operating lease for accounting purposes but with respect to which payments of rent are intended to be treated as payments of principal and interest on a loan for Federal income tax purposes).

"Capital Stock" means any and all shares, interests, participations or other equivalents (however designated) of capital stock of a corporation, any and all equivalent ownership interests in a Person (other than a corporation), including, without limitation, partnership interests and membership interests, and any and all warrants, rights or options to purchase or other arrangements or rights to acquire any of the foregoing.

"Cash" means money, currency or a credit balance in any demand, securities account or deposit account; *provided, however* , that notwithstanding anything to the contrary contained herein, "Cash" shall exclude any amounts that would not be considered "cash" under GAAP or "cash" as recorded on the books of Holdings and its Subsidiaries.

"Cash Equivalents" means, as of any day, (a) marketable securities (i) issued or directly and unconditionally guaranteed as to interest and principal by the United States Government or (ii) issued by any agency of the United States the obligations of which are backed by the full faith and credit of the United States, in each case maturing within one year after such day; (b) marketable direct obligations issued by any state of the United States or any political subdivision of any such state or any public instrumentality thereof, in each case maturing within one year after such day and having, at the time of the acquisition thereof, a rating of at least A-1 from S&P or at least P-1 from Moody's; (c) commercial paper maturing no more than one year from the date of creation thereof and having, at the time of the acquisition thereof, a rating of at least A-1 from S&P or at least P-1 from Moody's; (d) certificates of deposit or bankers' acceptances maturing

within one year after such day and issued or accepted by any Lender or by any commercial bank organized under the laws of the United States or any state thereof or the District of Columbia that (i) is at least "adequately capitalized" (as defined in the regulations of its primary Federal banking regulator) and (ii) has Tier 1 capital (as defined in such regulations) of not less than $100,000,000; and (e) shares of any money market mutual fund that (i) has substantially all of its assets invested continuously in the types of investments referred to in clauses (a) and (b) above, (ii) has net assets of not less than $500,000,000 and (iii) has the highest rating obtainable from either S&P or Moody's.

"Certificate Regarding Non-Bank Status" means a certificate substantially in the form of Exhibit E .

"Change of Control" means, at any time: (a) any "person" or "group" of related persons (as such terms are given meaning in the Exchange Act and the rules of the SEC thereunder) is or becomes the owner, beneficially or of record, directly or indirectly, of more than 35% (on a fully diluted basis) of the economic and voting interests (including the right to elect directors or similar representatives) in the Capital Stock of Holdings; (b) the sale, lease, transfer, conveyance or other disposition, in one or a series of related transactions, of all or substantially all of the assets of Holdings and its Subsidiaries taken as a whole to any "person" (as such term is given meaning in the Exchange Act and the rules of the SEC thereunder); (c) at any time during any consecutive two-year period after the Original Closing Date, individuals who at the beginning of such period constituted the board of directors of Holdings (together with any new directors whose election or appointment by the board of directors of Holdings or whose nomination for election by the shareholders of Holdings was approved by a vote of a majority of the directors of Holdings then still in office who were either directors at the beginning of such period or whose election, appointment or nomination for election was previously so approved) cease for any reason to constitute a majority of the board of directors of Holdings then in office; or (d) Holdings shall cease to beneficially own and control 100% on a fully diluted basis of the economic and voting interest in the Capital Stock of Company free and clear of any Lien (other than any Lien as to which the holder thereof (such holder, an " **Equity Lienholder** ") has provided the Administrative Agent, for the benefit of the Lenders, a Protective Undertakings Certification).

"Charged-Off Receivable " means a Receivable which, in each case, consistent with the Underwriting Policies, has or should have been written off Company's books as uncollectable.

"Chattel Paper" means any "chattel paper", as such term is defined in the UCC, including electronic chattel paper, now owned or hereafter acquired by the Company.

"Class" means a class of Revolving Loans hereunder, designated Class A Revolving Loans or Class B Revolving Loans.

"Class A Applicable Margin" means with respect to each Class A Revolving Lender, the "Class A Applicable Margin" described in the Fee Letter between Company and such Class A Revolving Lender.

"Class A Borrowing Base" means, as of any day, an amount equal to the lesser of:

(a) (i) the Applicable Class A Advance Rate multiplied by the Adjusted EPOB at such time, plus (ii) the aggregate amount of Collections in the Lockbox Account and the Collection Account to the extent such Collections and other funds have already been applied to reduce the Eligible Portfolio Outstanding Principal Balance minus (iii) 105% of the sum of the Accrued Interest Amount as of such day and the aggregate amount of all accrued and unpaid fees and expenses due hereunder and under the Servicing

Agreement, the Backup Servicing Agreement, the Custodial Agreement and the Successor Servicing Agreement; and

(b) the Class A Revolving Commitments on such day.

With respect to any calculation of the Class A Borrowing Base with respect to any Credit Date solely for the purpose of determining Class A Revolving Availability for a requested Class A Revolving Loan, the Class A Borrowing Base will be calculated on a pro forma basis giving effect to the Eligible Receivables to be purchased with the proceeds of such Loan. With respect to any calculation of the Class A Borrowing Base for any other purpose, the Class A Borrowing Base at any time shall be determined by reference to the most recent Borrowing Base Certificate delivered to the Collateral Agent and the Administrative Agent, Paying Agent and each Lender with such adjustments as the Paying Agent identifies pursuant to Section 2.21 .

"Class A Borrowing Base Deficiency" means, as of any day, the amount, if any, by which the Total Utilization of Class A Revolving Commitments exceeds the Class A Borrowing Base.

"Class A Indemnitee" means an Indemnitee who is a Class A Revolving Lender, an Affiliate of a Class A Revolving Lender or an officer, partner, director, trustee, employee or agent of a Class A Revolving Lender.

"Class A Register" as defined in Section 2.4(b)(i) .

"Class A Revolving Availability" means, as of any date of determination, the amount, if any, by which the Class A Borrowing Base exceeds the Total Utilization of Class A Revolving Commitments.

"Class A Revolving Commitment" means the commitment of a Class A Revolving Lender to make or otherwise fund any Class A Revolving Loan and **"Class A Revolving Commitments"** means such commitments of all Class A Revolving Lenders in the aggregate. The amount of each Class A Revolving Lender's Class A Revolving Commitment, if any, is set forth on Appendix A or in the applicable Assignment Agreement, subject to any adjustment or reduction pursuant to the terms and conditions hereof. The Administrative Agent shall update Appendix A from time to time to reflect any changes in Class A Revolving Commitments. The aggregate amount of the Class A Revolving Commitments as of the Third Amendment Effective Date is $100,000,000. The Class A Revolving Commitment of each Class A Revolving Lender will be equal to zero on the Revolving Commitment Termination Date.

"Class A Revolving Exposure" means, with respect to any Class A Revolving Lender as of any date of determination, (i) prior to the termination of the Class A Revolving Commitments, that Lender's Class A Revolving Commitment; and (ii) after the termination of the Class A Revolving Commitments, the aggregate outstanding principal amount of the Class A Revolving Loans of that Lender.

"Class A Revolving Lender" means each financial institution listed on the signature pages hereto as a Class A Revolving Lender, and any other Person that becomes a party hereto as a Class A Revolving Lender pursuant to an Assignment Agreement.

"Class A Revolving Loan" means a Loan made by a Class A Revolving Lender to Company pursuant to Section 2.1 .

"Class A Revolving Loan Note" means a promissory note in the form of Exhibit B-1 hereto, as it may be amended, supplemented or otherwise modified from time to time.

"Class B Applicable Margin" means with respect to each Class B Revolving Lender the "Class B Applicable Margin" described in any Fee Letter between Company and such Class B Revolving Lender.

"Class B Borrowing Base" means, as of any day, an amount equal to the lesser of:

(a) (i) the sum of the Applicable Class B Advance Rate multiplied by the Adjusted EPOB at such time, plus (ii) the aggregate amount of Collections in the Lockbox Account and the Collection Account to the extent such Collections and other funds have already been applied to reduce the Eligible Portfolio Outstanding Principal Balance, minus (iii) 105% of the sum of the Accrued Interest Amount as of such day and the aggregate amount of all accrued and unpaid fees and expenses due hereunder and under the Servicing Agreement, the Backup Servicing Agreement, the Custodial Agreement and the Successor Servicing Agreement, minus (iv) the aggregate outstanding principal amount of the Class A Revolving Loans as of such date; and

(b) the Class B Revolving Commitments on such day.

With respect to any calculation of the Class B Borrowing Base with respect to any Credit Date solely for the purpose of determining Class B Revolving Availability for a requested Class B Revolving Loan, the Class B Borrowing Base will be calculated on a pro forma basis giving effect to the Eligible Receivables to be purchased with the proceeds of such Loan. With respect to any calculation of the Class B Borrowing Base for any other purpose, the Class B Borrowing Base at any time shall be determined by reference to the most recent Borrowing Base Certificate delivered to the Collateral Agent, the Administrative Agent, Paying Agent and each Lender, as adjusted to reflect any adjustments identified by the Paying Agent pursuant to Section 2.21 .

"Class B Borrowing Base Deficiency" means, as of any day, the amount, if any, by which the Total Utilization of Class B Revolving Commitments exceeds the Class B Borrowing Base.

"Class B Indemnitee" means an Indemnitee who is a Class B Revolving Lender, an Affiliate of a Class B Revolving Lender or an officer, partner, director, trustee, employee or agent of a Class B Revolving Lender.

"Class B Minimum Utilization Amount" means an amount equal to the percentage set forth in any Fee Letter between Company and a Class B Revolving Lender.

"Class B Register" as defined in Section 2.4(b)(ii) .

"Class B Revolving Availability" means, as of any date of determination, the amount, if any, by which the Class B Borrowing Base exceeds the Total Utilization of Class B Revolving Commitments.

"Class B Revolving Commitment" means the commitment of a Class B Revolving Lender to make or otherwise fund any Class B Revolving Loan and **"Class B Revolving Commitments"** means such commitments of all Class B Revolving Lenders in the aggregate. The aggregate amount of the Class B Revolving Commitments as of the Third Amendment Effective Date is $19,736,850. The Administrative Agent shall update Appendix A from time to time to reflect any changes in Class B Revolving Commitments. The Class B Revolving Commitment of each Class B Revolving Lender will be equal to zero on the Revolving Commitment Termination Date.

"Class B Revolving Exposure" means, with respect to any Class B Revolving Lender as of any date of determination, (i) prior to the termination of the Class B Revolving Commitments, that Lender's

Class B Revolving Commitment; and (ii) after the termination of the Class B Revolving Commitments, the aggregate outstanding principal amount of the Class B Revolving Loans of that Lender.

"Class B Revolving Lender" means each financial institution listed on the signature pages hereto as a Class B Revolving Lender, and any other Person that becomes a party hereto as a Class B Revolving Lender pursuant to an Assignment Agreement. Each Class B Revolving Lender, as of the Third Amendment Effective Date, is listed on Schedule 1.1(b) hereto.

"Class B Revolving Loan" means a Loan made by a Class B Revolving Lender to Company pursuant to Section 2.1 .

"Class B Revolving Loan Note" means a promissory note in the form of Exhibit B-2 , as it may be amended, supplemented or otherwise modified from time to time.

"Collateral" means, collectively, all of the real, personal and mixed property (including Capital Stock) in which Liens are purported to be granted pursuant to the Collateral Documents as security for the Obligations.

"Collateral Agent" as defined in the preamble hereto, and any successors or assigns thereto.

"Collateral Documents" means the Security Agreement, the Control Agreements and all other instruments, documents and agreements delivered by, or on behalf or at the request of, Company or Holdings pursuant to this Agreement or any of the other Credit Documents, as the case may be, in order to grant to, or perfect in favor of, Collateral Agent, for the benefit of Secured Parties, a Lien on any real, personal or mixed property of Company as security for the Obligations or to protect or preserve the interests of Collateral Agent or the Secured Parties therein.

"Collateral Receipt and Exception Report" shall mean the "Trust Receipt" as defined in the Custodial Agreement.

"Collection Account" means a Securities Account with account number 84176300 at Wells Fargo Bank, N.A. in the name of Company.

"Collections" means, with respect to each Pledged Receivable, any and all cash collections and other cash proceeds of such Pledged Receivable (whether in the form of cash, checks, wire transfers, electronic transfers or any other form of cash payment), including, without limitation, all prepayments, all overdue payments, all prepayment penalties and early termination penalties, all finance charges, if any, all amounts collected as interest, fees (including, without limitation, any servicing fees, any origination fees, any loan guaranty fees and, any platform fees), or charges for late payments with respect to such Pledged Receivable, all recoveries with respect to each Charged-Off Receivable (net of amounts, if any, retained by any third party collection agent), all investment proceeds and other investment earnings (net of losses and investment expenses) on Collections as a result of the investment thereof pursuant to Section 6.7 , all proceeds of any sale, transfer or other disposition of any Pledged Receivable by Company and all deposits, payments or recoveries made in respect of any Pledged Receivable to any Controlled Account, or received by Company in respect of a Pledged Receivable, and all payments representing a disposition of any Pledged Receivable.

"Company" as defined in the preamble hereto.

"Compliance Certificate" means a Compliance Certificate substantially in the form of Exhibit C-1 .

"Compliance Review" as defined in Section 5.5(b) .

"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.

"Consolidated Liquidity" means, as of any day, an amount determined for Holdings and its Subsidiaries, on a consolidated basis, equal to the sum of (i) unrestricted Cash and Cash Equivalents of Holdings and its Subsidiaries, as of such day, (ii) amounts (if any) in the Reserve Account as of such date, (iii) the sum of the Class A Revolving Availability and the Class B Revolving Availability as of such day and (iv) the aggregate amount of all unused and available credit commitments under any credit facilities of Holdings and its Subsidiaries, as of such day; *provided* , that, as of such day, all of the conditions to funding such amounts under clause (iii) and (iv), as the case may be, have been fully satisfied (other than delivery of prior notice of funding and pre-funding notices, opinions and certificates that are reasonably capable of delivery as of such day) and no lender under such credit facilities shall have refused to make a loan or other advance thereunder at any time after a request for a loan was made thereunder.

"Consolidated Total Debt" means, as at any date of determination, the aggregate stated balance sheet amount of all Indebtedness of Holdings and its Subsidiaries determined on a consolidated basis in accordance with GAAP, including all accrued and unpaid interest on the foregoing, provided, that accounts payable, accrued expenses, liabilities for leasehold improvements and deferred revenue of Holdings and its Subsidiaries shall not be included in any determination of Consolidated Total Debt.

"Contractual Obligation" means, as applied to any Person, any provision of any Security issued by that Person or of any indenture, mortgage, deed of trust, contract, undertaking, agreement or other instrument to which that Person is a party or by which it or any of its properties is bound or to which it or any of its properties is subject.

"Control Agreements" means collectively, the Lockbox Account Control Agreement, the Securities Account Control Agreement and the Blocked Account Control Agreement.

"Controlled Account" means each of the Reserve Account, the Collection Account and the Lockbox Account, and the " **Controlled Accounts** " means all of such accounts.

"Controlled Account Bank" means Wells Fargo Bank, N.A.

"Convertible Indebtedness" means any Indebtedness of Holdings that (a) is convertible to equity, including convertible preferred stock, (b) requires no payment of principal thereof or interest thereon and (c) is fully subordinated to all indebtedness for borrowed money of Holdings, as to right and time of payment and as to any other rights and remedies thereunder, including, an agreement on the part of the holders of such Indebtedness that the maturity of such Indebtedness cannot be accelerated prior to the maturity date of such indebtedness for borrowed money.

"Credit Date" means the date of a Credit Extension.

"Credit Document" means any of this Agreement, the Revolving Loan Notes, if any, the Collateral Documents, the Asset Purchase Agreement, any Receivables Purchase Agreement, the Servicing Agreement, the Backup Servicing Agreement, the Custodial Agreement and all other documents, instruments or agreements executed and delivered by Company or Holdings for the benefit of any Agent or any Lender in connection herewith.

"Credit Extension" means the making of a Revolving Loan.

"Custodial Agreement" mean the Custodial Services Agreement, dated as of the Original Closing Date, by and between the Company, Servicer, Custodian, Collateral Agent and Administrative Agent, as it may be amended, supplemented or otherwise modified from time to time.

"Custodian" means Wells Fargo Bank, N.A., in its capacity as the provider of services under the Custodial Agreement, or any successor thereto in such capacity appointed in accordance with the Custodial Agreement.

"Daily Pay Receivable" means any Receivable for which a Payment is generally due on every Business Day.

" **Debtor Relief Laws** " means the Bankruptcy Code of the United States, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief Laws of the United States or other applicable jurisdictions from time to time in effect and affecting the rights of creditors generally.

"Default" means a condition or event that, after notice or lapse of time or both, would constitute an Event of Default.

"Default Excess" means, with respect to any Defaulting Lender, the excess, if any, of such Defaulting Lender's Pro Rata Share of the aggregate outstanding principal amount of Revolving Loans of all Lenders (calculated as if all Defaulting Lenders (other than such Defaulting Lender) had funded all of their respective Defaulted Loans) over the aggregate outstanding principal amount of all Revolving Loans of such Defaulting Lender.

"Default Period" means, with respect to any Defaulting Lender, the period commencing on the date of the applicable Funding Default, and ending on the earliest of the following dates: (i) the date on which all Revolving Commitments are cancelled or terminated and/or the Obligations are declared or become immediately due and payable, (ii) the date on which (a) the Default Excess with respect to such Defaulting Lender shall have been reduced to zero (whether by the funding by such Defaulting Lender of any Defaulted Loans of such Defaulting Lender or by the non-pro rata application of any payments of the Revolving Loans in accordance with the terms of this Agreement), and (b) such Defaulting Lender shall have delivered to Company and Administrative Agent a written reaffirmation of its intention to honor its obligations hereunder with respect to its Revolving Commitments, and (iii) the date on which Company, Administrative Agent and Requisite Lenders waive all Funding Defaults of such Defaulting Lender in writing.

"Defaulted Loan" as defined in Section 2.18 .

"Defaulted Receivable" means, with respect to any date of determination, a Receivable which (i) is a Charged-Off Receivable or (ii) has a Missed Payment Factor of (x) with respect to Daily Pay Receivables, sixty (60) or higher or (y) with respect to Weekly Pay Receivables, twelve (12) or higher.

"Defaulting Lender" as defined in Section 2.18 .

"Delinquent Receivable" means, as of any date of determination, any Receivable with a Missed Payment Factor of one (1) or higher as of such date.

"Deposit Account" means a "deposit account" (as defined in the UCC), including a demand, time, savings, passbook or like account with a bank, savings and loan association, credit union or like organization, other than an account evidenced by a negotiable certificate of deposit.

"Designated Officer" means, with respect to Company, any Person with the title of Chief Executive Officer, Chief Financial Officer or Chief Legal Officer.

"Determination Date" means the last day of each Monthly Period.

"Direct Competitor" means (a) any Person engaged in the same or similar line of business as Holdings, (b) any Person that is a direct competitor of Holdings or any Subsidiary of Holdings and is identified as such by the Company to the Administrative Agent prior to the Original Closing Date (as such list is updated by the Company from time to time, and acknowledged in writing by the Administrative Agent (such acknowledgment not to be unreasonably withheld)) in the list set forth in the Undertakings Agreement, or (c) any Affiliate of any such Person; provided that, any Person (other than any Person listed in clause (b) and their Affiliates) that either (i) both (A) has a market capitalization equal to or greater than $5 billion and (B) that is in the business of investing in commercial loans that generally have an original par amount in excess of $10,000,000 or (ii) that is an Approved Fund, shall in either case not be deemed a "Direct Competitor" hereunder.

"Disposition Notice" as defined in Section 8.8(a) .

"Document Checklist" shall have the meaning attributed to such term in the Custodial Agreement.

"Dollars" and the sign **"$"** mean the lawful money of the United States.

"Domestic Subsidiary" means any Subsidiary that is organized under the laws of the United States of America, any State or territory thereof or the District of Columbia.

"E-Sign Receivable" means any Receivable for which the signature or record of agreement of the Receivables Obligor is obtained through the use and capture of electronic signatures, click-through consents or other electronically recorded assents.

"Eligible Assignee" means (i) any Lender or any Lender Affiliate (other than a natural person), and (ii) any other Person (other than a natural Person) approved by Company and Administrative Agent (each such approval not to be unreasonably withheld), so long as no Default or Event of Default has occurred and is continuing; provided , that (y) neither Holdings nor any Affiliate of Holdings shall, in any event, be an Eligible Assignee, and (z) no Direct Competitor shall be an Eligible Assignee so long as no Specified Event of Default has occurred and is continuing.

"Eligible Non-Select Portfolio Outstanding Principal Balance" means, as of any date of determination, the sum of the Outstanding Principal Balance for all Eligible Receivables that are Non-Select Receivables as of such dat **e.**

"Eligible Portfolio Outstanding Principal Balance" means, as of any date of determination, the sum of the Outstanding Principal Balance for all Eligible Receivables as of such date.

"Eligible Product" means the following Receivable product types: On Deck Core Loans and Select Receivables.

"Eligible Receivable" means a Receivable with respect to which the Eligibility Criteria are satisfied as of the applicable date of determination.

"Eligible Receivables Obligor" means a Receivables Obligor that satisfies the criteria specified in Appendix C hereto under the definition of "Eligible Receivables Obligor", subject to any changes agreed to by the Requisite Class A Revolving Lenders, the Requisite Class B Revolving Lenders and Company from time to time after the Original Closing Date.

"Eligible Select Portfolio Outstanding Principal Balance" means, as of any date of determination, the sum of the Outstanding Principal Balance for all Eligible Receivables that are Select Receivables as of such date.

"Eligibility Criteria" means the criteria specified in Appendix C hereto under the definition of **"** Eligibility Criteria", subject to any changes agreed to by the Requisite Class A Revolving Lenders, the Requisite Class B Revolving Lenders and Company from time to time after the Original Closing Date.

"Employee Benefit Plan" means any "employee benefit plan" as defined in Section 3(3) of ERISA which is or was sponsored, maintained or contributed to by, or required to be contributed by, Holdings, any of its Subsidiaries or any of their respective ERISA Affiliates.

"Equity Lienholder" has the meaning set forth in the definition of "Change of Control".

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended to the date hereof and from time to time hereafter, and any successor statute.

"ERISA Affiliate" means, as applied to any Person, (i) any corporation which is a member of a controlled group of corporations within the meaning of Section 414(b) of the Internal Revenue Code of which that Person is a member; (ii) any trade or business (whether or not incorporated) which is a member of a group of trades or businesses under common control within the meaning of Section 414(c) of the Internal Revenue Code of which that Person is a member; and (iii) any member of an affiliated service group within the meaning of Section 414(m) or (o) of the Internal Revenue Code of which that Person, any corporation described in clause (i) above or any trade or business described in clause (ii) above is a member. Any former ERISA Affiliate of a Person shall continue to be considered an ERISA Affiliate of such Person within the meaning of this definition with respect to the period such entity was an ERISA Affiliate of such Person and with respect to liabilities arising after such period, but only to the extent that such Person could be liable under the Internal Revenue Code or ERISA as a result of its relationship with such former ERISA Affiliate.

"ERISA Event" means (i) a "reportable event" within the meaning of Section 4043 of ERISA and the regulations issued thereunder with respect to any Pension Plan (excluding those for which the provision for thirty (30) day notice to the PBGC has been waived by regulation); (ii) the failure to meet the minimum funding standard of Section 412 of the Internal Revenue Code with respect to any Pension Plan (whether or not waived in accordance with Section 412(c) of the Internal Revenue Code) or the failure to make by its due date a required installment under Section 430(j) of the Internal Revenue Code with respect to any Pension Plan or the failure to make any required contribution to a Multiemployer Plan; (iii) the provision by the administrator of any Pension Plan pursuant to Section 4041(a)(2) of ERISA of a notice of intent to terminate such plan in a distress termination described in Section 4041(c) of ERISA; (iv) the withdrawal by Holdings, any of its Subsidiaries or any of their respective ERISA Affiliates from any Pension Plan with two or more contributing sponsors or the termination of any such Pension Plan resulting in liability to Holdings, any of its Subsidiaries or any of their respective Affiliates pursuant to Section 4063 or 4064 of ERISA; (v) the institution by the PBGC of proceedings to terminate any Pension Plan, or the occurrence of any event or condition which might constitute grounds under ERISA for the termination of, or the appointment of a trustee to administer, any Pension Plan; (vi) the imposition of liability on Holdings, any of its Subsidiaries or any of their respective ERISA Affiliates pursuant to Section 4062(e) or 4069 of ERISA or by reason of the

application of Section 4212(c) of ERISA; (vii) the withdrawal of Holdings, any of its Subsidiaries or any of their respective ERISA Affiliates in a complete or partial withdrawal (within the meaning of Sections 4203 and 4205 of ERISA) from any Multiemployer Plan if there is any potential liability therefor, or the receipt by Holdings, any of its Subsidiaries or any of their respective ERISA Affiliates of notice from any Multiemployer Plan that it is in reorganization or insolvency pursuant to Section 4241 or 4245 of ERISA, or that it intends to terminate or has terminated under Section 4041A or 4042 of ERISA; (viii) the occurrence of an act or omission which could give rise to the imposition on Holdings, any of its Subsidiaries or, with respect to any Pension Plan or Multiemployer Plan, any of their respective ERISA Affiliates of fines, penalties, taxes or related charges under Chapter 43 of the Internal Revenue Code or under Section 409, Section 502(c), (i) or (l), or Section 4071 of ERISA in respect of any Employee Benefit Plan; (ix) the assertion of a material claim (other than routine claims for benefits) against any Employee Benefit Plan of Holdings, any of its Subsidiaries, or, with respect to any Pension Plan or Multiemployer Plan, any of their respective ERISA Affiliates, or the assets thereof, or against Holdings, any of its Subsidiaries or, with respect to any Pension Plan or Multiemployer Plan, any of their respective ERISA Affiliates in connection with any Employee Benefit Plan; (x) receipt from the Internal Revenue Service of notice of the failure of any Pension Plan (or any other Employee Benefit Plan intended to be qualified under Section 401(a) of the Internal Revenue Code) to qualify under Section 401(a) of the Internal Revenue Code, or the failure of any trust forming part of any Pension Plan to qualify for exemption from taxation under Section 501(a) of the Internal Revenue Code; or (xi) the imposition of a Lien pursuant to Section 430(k) of the Internal Revenue Code or pursuant to Section 303(k) of ERISA with respect to any Pension Plan.

"Event of Default" means each of the events set forth in Section 7.1 .

" **Excess Concentration Amounts** " means the amounts set forth on Appendix D hereto.

"Excess Spread" means, with respect to any Determination Date for any Monthly Period, the product of (a) 12 times (b) the percentage equivalent of a fraction (i) the numerator of which is the excess, if any, of (x) the Adjusted Interest Collections for such Monthly Period over (y) the aggregate Outstanding Principal Balance of all Pledged Receivables that became Defaulted Receivables during such Monthly Period and (ii) the denominator of which is the average daily Outstanding Principal Balance of Pledged Receivables for such Monthly Period.

"Exchange Act" means the Securities Exchange Act of 1934, as amended from time to time, and any successor statute.

"Excluded Taxes" means any of the following Taxes imposed on or with respect to a Lender or required to be withheld or deducted from a payment to a Lender, (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 Lender being organized under the laws of, or having its principal office or its applicable lending office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes, (b) 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 Revolving Loan or Revolving Commitment pursuant to a law in effect on the date on which (i) such Lender acquires such interest in the Revolving Loan or Revolving Commitment or (ii) such Lender changes its lending office, except in each case to the extent that, pursuant to Section 2.16(b) , 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 Recipient's failure to comply with Section 2.16(d)(i) or Section 2.16(d)(ii) and (d) any U.S. federal withholding Taxes imposed under FATCA.

"Existing Credit Agreement" as defined in the Recitals hereto.

"Existing Credit Documents" as defined in Section 1.4 .

"Existing Obligations" as defined in Section 1.4 .

"FATCA" means Sections 1471 through 1474 of the Internal Revenue Code of 1986, as amended, as of the date of this agreement (or any amended or successor version that is substantially comparable and not materially more onerous to comply with), and any current or future regulations promulgated thereunder or official interpretations thereof.

"Federal Funds Effective Rate" means, for any day, the weighted average of the rates on overnight federal funds transactions with members of the Federal Reserve System of the United States arranged by federal funds brokers, as published on the next succeeding Business Day by the Federal Reserve Bank of New York, or, if such rate is not so published for any day that is a Business Day, the average (rounded upwards, if necessary to the next 1/100th of 1%) of the quotations for the day for such transactions received by the Administrative Agent from three federal funds brokers of recognized standing selected by it.

"Fee Letters" means (a) the letter agreement dated as of the Second Amendment Effective Date between the Company and each Class A Revolving Lender party thereto and (b) the letter agreement dated as of the Third Amendment Effective Date between the Company and each Class B Revolving Lender a party thereto, as such Fee Letters are amended, modified or supplemented from time to time.

"Financial Covenants " means the financial covenants set forth on Schedule 1.1(a) hereto.

"Financial Officer Certification" means, with respect to the financial statements for which such certification is required, the certification of the chief financial officer (or the equivalent thereof) of Holdings that such financial statements fairly present, in all material respects, the financial condition of Holdings and its Subsidiaries as at the dates indicated and the results of their operations and their cash flows for the periods indicated, subject to changes resulting from audit and normal year-end adjustments.

"First Amendment Effective Date" means February 26, 2016.

"First Priority" means, with respect to any Lien purported to be created in any Collateral pursuant to any Collateral Document, that such Lien is perfected and is the only Lien to which such Collateral is subject.

"Fiscal Quarter" means a fiscal quarter of any Fiscal Year.

"Fiscal Year" means the fiscal year of Holdings and its Subsidiaries ending on December 31 of each calendar year.

"Funding Default" as defined in Section 2.18 .

"Funding Account" has the meaning set forth in Section 2.11(a) .

"Funding Notice" means a notice substantially in the form of Exhibit A-1 .

"GAAP" means, subject to the limitations on the application thereof set forth in Section 1.2 , United States generally accepted accounting principles in effect as of the date of determination thereof.

"Governmental Authority" means any federal, state, municipal, national or other government, governmental department, commission, board, bureau, court, agency or instrumentality or

political subdivision thereof or any entity or officer exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to any government or any court, in each case whether associated with a state of the United States, the United States, or a foreign entity or government.

"Governmental Authorization" means any permit, license, authorization, plan, directive, consent order or consent decree of or from any Governmental Authority.

"Highest Concentration Industry Code" means, on any date of determination, the Industry Code shared by Receivables Obligors of Eligible Receivables having the highest aggregate Outstanding Principal Balance.

"Highest Lawful Rate" means the maximum lawful interest rate, if any, that at any time or from time to time may be contracted for, charged, or received under the laws applicable to any Lender which are presently in effect or, to the extent allowed by law, under such applicable laws which may hereafter be in effect and which allow a higher maximum nonusurious interest rate than applicable laws now allow.

"Historical Financial Statements" means as of the Third Amendment Effective Date, (i) the audited financial statements of Holdings and its Subsidiaries, for the Fiscal Year ended 2016, consisting of balance sheets and the related consolidated statements of income, stockholders' equity and cash flows for such Fiscal Year, and (ii) for the interim period from January 1, 2017 to the Third Amendment Effective Date, internally prepared, unaudited financial statements of Holdings and its Subsidiaries, consisting of a balance sheet and the related consolidated statements of income, stockholders' equity and cash flows for each quarterly period completed prior to forty-six (46) days before the Third Amendment Effective Date, in the case of clauses (i) and (ii), certified by the chief financial officer (or the equivalent thereof) of Holdings that they fairly present, in all material respects, the financial condition of Holdings and its Subsidiaries as at the dates indicated and the results of their operations and their cash flows for the periods indicated, subject, if applicable, to changes resulting from audit and normal year-end adjustments.

"Holdings" means On Deck Capital, Inc., a Delaware corporation.

"Increased-Cost Lenders" as defined in Section 2.19 .

"Indebtedness" as applied to any Person, means, without duplication, (i) all indebtedness for borrowed money; (ii) that portion of obligations with respect to Capital Leases that is properly classified as a liability on a balance sheet in conformity with GAAP; (iii) notes payable and drafts accepted representing extensions of credit whether or not representing obligations for borrowed money; (iv) any obligation owed for all or any part of the deferred purchase price of property or services (excluding trade payables incurred in the ordinary course of business that are unsecured and not overdue by more than six (6) months unless being contested in good faith and any such obligations incurred under ERISA); (v) all indebtedness secured by any Lien on any property or asset owned or held by that Person regardless of whether the indebtedness secured thereby shall have been assumed by that Person or is nonrecourse to the credit of that Person; (vi) the face amount of any letter of credit issued for the account of that Person or as to which that Person is otherwise liable for reimbursement of drawings; (vii) the direct or indirect guaranty, endorsement (otherwise than for collection or deposit in the ordinary course of business), co-making, discounting with recourse or sale with recourse by such Person of the obligation of another; (viii) any obligation of such Person the primary purpose or intent of which is to provide assurance to an obligee that the obligation of the obligor thereof will be paid or discharged, or any agreement relating thereto will be complied with, or the holders thereof will be protected (in whole or in part) against loss in respect thereof; (ix) any liability of such Person for an obligation of another through any Contractual Obligation (contingent or otherwise) (a) to purchase, repurchase or otherwise acquire such obligation or any security therefor, or to provide funds for the payment or discharge of such

obligation (whether in the form of loans, advances, stock purchases, capital contributions or otherwise) or (b) to maintain the solvency or any balance sheet item, level of income or financial condition of another if, in the case of any agreement described under subclauses (a) or (b) of this clause (ix), the primary purpose or intent thereof is as described in clause (viii) above; and (x) all obligations of such Person in respect of any exchange traded or over the counter derivative transaction, whether entered into for hedging or speculative purposes.

"Indemnified Liabilities" means, collectively, any and all liabilities, obligations, losses, damages, penalties, claims, costs, expenses and disbursements of any kind or nature whatsoever (excluding any amounts not otherwise payable by Company under Section 2.16(b)(iii) but including the reasonable and documented fees and disbursements of one (1) counsel for Class A Indemnitees, one counsel for Class B Indemnitees and one (1) counsel for the Collateral Agent and Paying Agent in connection with any investigative, administrative or judicial proceeding commenced or threatened by any Person, whether or not any such Indemnitee shall be designated as a party or a potential party thereto, and any reasonable and documented fees or expenses incurred by Indemnitees in enforcing this indemnity), whether direct, indirect or consequential and whether based on any federal, state or foreign laws, statutes, rules or regulations (including securities and commercial laws, statutes, rules or regulations), on common law or equitable cause or on contract or otherwise, that may be imposed on, incurred by, or asserted against any such Indemnitee, in any manner relating to or arising out of this Agreement or the other Credit Documents, any Related Agreement, or the transactions contemplated hereby or thereby (including the Lenders' agreement to make Credit Extensions or the use or intended use of the proceeds thereof, or any enforcement of any of the Credit Documents (including any sale of, collection from, or other realization upon any of the Collateral)).

"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 Company under any Credit Document and (b) to the extent not otherwise described in (a), Other Taxes.

"Indemnitee" as defined in Section 9.3 .

"Indemnitee Agent Party" as defined in Section 8.6 .

"Independent Manager" as defined in Section 6.15 .

"Industry Code" means, with respect to any Receivables Obligor of an Eligible Receivable, the NAICS industry code under which the business of such Receivables Obligor has been classified by Holdings.

"Intangible Assets" means assets that are considered to be intangible assets under GAAP, including customer lists, goodwill, computer software, copyrights, trade names, trademarks, patents, franchises, licenses, unamortized deferred charges, unamortized debt discount and capitalized research and development costs.

"Intercreditor Side Letter" means that certain letter agreement, dated as of the Third Amendment Effective Date, among the Administrative Agent, the Class A Revolving Lenders party thereto, the Class B Revolving Lenders party thereto, the Company, the Paying Agent and the Collateral Agent.

"Interest Payment Date" means the fifteenth calendar day after the end of each Monthly Period, and if such date is not a Business Day, the next succeeding Business Day.

"Interest Period" means an interest period (i) initially, commencing on and including the Original Closing Date and ending on but excluding the initial Interest Payment Date; and (ii) thereafter,

commencing on and including each Interest Payment Date and ending on and excluding the immediately succeeding Interest Payment Date; provided , that no Interest Period with respect to any portion of the Revolving Loans shall extend beyond the Revolving Commitment Termination Date.

"Interest Rate Determination Date" means, with respect to any Interest Period, the date that is four (4) Business Days prior to each Interest Payment Date.

"Internal Revenue Code" means the Internal Revenue Code of 1986, as amended to the date hereof and from time to time hereafter, and any successor statute.

"Investment" means (i) any direct or indirect purchase or other acquisition by Company of, or of a beneficial interest in, any of the Securities of any other Person; (ii) any direct or indirect redemption, retirement, purchase or other acquisition for value, from any Person, of any Capital Stock of such Person; and (iii) any direct or indirect loan, advance (other than advances to employees for moving, entertainment and travel expenses, drawing accounts and similar expenditures in the ordinary course of business) or capital contributions by Company to any other Person, including all indebtedness and accounts receivable from that other Person that are not current assets or did not arise from sales to that other Person in the ordinary course of business. The amount of any Investment shall be the original cost of such Investment plus the cost of all additions thereto, without any adjustments for increases or decreases in value, or write-ups, write-downs or write-offs with respect to such Investment.

"Joint Venture" means a joint venture, partnership or other similar arrangement, whether in corporate, partnership or other legal form; provided , in no event shall any corporate Subsidiary of any Person be considered to be a Joint Venture to which such Person is a party.

"Largest OPB Receivable" means, as of any date of determination, the aggregate Eligible Receivables owing by the single Receivables Obligor having the largest aggregate Outstanding Principal Balance.

"Lender" means each Class A Revolving Lender and each Class B Revolving Lender.

"Lender Affiliate" means, as applied to any Lender or Agent, any Related Fund and any Person directly or indirectly controlling (including any member of senior management of such Person), controlled by, or under common control with, such Lender or Agent. For the purposes of this definition, "control" (including, with correlative meanings, the terms "controlling," "controlled by" and "under common control with"), as applied to any Person, means the possession, directly or indirectly, of the power (i) to vote 10% or more of the Securities having ordinary voting power for the election of directors of such Person or (ii) to direct or cause the direction of the management and policies of that Person, whether through the ownership of voting securities or by contract or otherwise.

"Leverage Ratio" means the ratio as of any day of (a) Consolidated Total Debt, excluding Subordinated Indebtedness and Convertible Indebtedness, as of such day, to (b) the sum of (i) Holdings' total stockholders' equity as of such day, (ii) Warranty Liability as of such day and (iii) the sum of Subordinated Indebtedness and Convertible Indebtedness as of such day.

"LIBO Rate" means, for any Revolving Loan (or portion thereof) for any Interest Period, the rate per annum determined by, with respect to the (i) Class A Revolving Loans, the Administrative Agent, and (ii) Class B Revolving Loans, the Administrative Agent, in each case at approximately 11:00 a.m., London time, on the second Business Day before the first day of such Interest Period by reference to the 30-day ICE Benchmark Administration Limited London interbank offered rate per annum for deposits in Dollars for a

period equal to one month (as set forth by the Bloomberg Information Service or any successor thereto or any other service selected by the Administrative Agent in its sole discretion); provided , that if such rate is not available at such time for any reason, then the "LIBO Rate" shall be the rate per annum (rounded upward to the nearest 1/16th of 1%) listed in The Wall Street Journal, "Money Rates" table at or about 10:00 a.m., New York City time, two Business Days prior to the beginning of the related Interest Period (or, if no such rate is listed two Business Days prior to the beginning of the related Interest Period, the rate listed on the Business Day on which such rate was last listed), and provided , further , that this rate shall not be less than zero at any time. If at any time the Administrative Agent determines (which determination shall be conclusive absent manifest error) that adequate and reasonable means do not exist for ascertaining the LIBO Rate (including, without limitation, because the LIBO Rate is not available or published on a current basis), then the Administrative Agent and the Company shall endeavor to establish an alternate rate of interest to the LIBO Rate that gives due consideration to the then prevailing market convention for determining a rate of interest for syndicated loans in the United States at such time, and shall enter into an amendment to this Agreement to reflect such alternate rate of interest and such other related changes to this Agreement as may be applicable. Notwithstanding anything to the contrary in Section 9.5, such amendment shall become effective without any further action or consent of any other party to this Agreement so long as the Administrative Agent shall not have received, within five Business Days of the date notice of such alternate rate of interest is provided to the Lenders, a written notice from each of the Class A Requisite Lenders and the Class B Requisite Lenders stating that such Lenders object to such amendment.

"Lien" means (i) any lien, mortgage, pledge, assignment, security interest, charge or encumbrance of any kind (including any agreement to give any of the foregoing, any conditional sale or other title retention agreement, and any lease in the nature thereof) and any option, trust or other preferential arrangement having the practical effect of any of the foregoing, and (ii) in the case of Securities, any purchase option, call or similar right of a third party with respect to such Securities.

"Limited Liability Company Agreement" means the Amended and Restated Limited Liability Company Agreement of the Company, dated as of May 22, 2015.

"Lockbox Account" means a Deposit Account with account number 1830043117 at MB Financial Bank, N.A. in the name of Company.

"Lockbox Account Control Agreement" shall have the meaning attributed to such term in the Security Agreement.

"Lockbox System" as defined in Section 2.11(d) .

"Margin Stock" as defined in Regulation U of the Board of Governors of the Federal Reserve System as in effect from time to time.

"Master Record" as defined in the Custodial Agreement.

" **Material Adverse Effect** " means, with respect to any event or circumstance and any Person, a material adverse effect on: (i) the business, assets, financial condition or results of operations of such Person and its consolidated Subsidiaries, if any, taken as a whole; (ii) the ability of such Person to perform its material obligations under the Credit Documents; (iii) the validity or enforceability of any Credit Document to which such Person is a party; or (iv) the existence, perfection, priority or enforceability of any security interest in a material amount of the Pledged Receivables taken as a whole or in any material part.

"Material Contract" means any contract or other arrangement to which Company is a party (other than the Credit Documents or the Related Agreements) for which breach, nonperformance, cancellation or failure to renew could reasonably be expected to have a Material Adverse Effect.

"Material Modification" means, with respect to any Receivable, a reduction in the interest rate, an extension of the term, a reduction in, or change in frequency of, any required Payment or extension of a Payment Date (other than a temporary modification made in accordance with the Underwriting Policies) or a reduction in the Outstanding Principal Balance.

"Materials" as defined in Section 5.5(b) .

"Maximum 15 Day Delinquency Rate" means, with respect to any Monthly Period, the percentage equivalent of a fraction (i) the numerator of which is the aggregate Outstanding Principal Balance of all Delinquent Receivables (other than Defaulted Receivables) that are Pledged Receivables that have a Missed Payment Factor of (x) with respect to Daily Pay Receivables, fifteen (15) or higher or (y) with respect to Weekly Pay Receivables, three (3) or higher, in each case, as of the last day of such Monthly Period and (ii) the denominator of which is the aggregate Outstanding Principal Balance of all Receivables (other than Defaulted Receivables) that are Pledged Receivables as of the last day of such Monthly Period.

" **Maximum Default Rate** " means, with respect to any Monthly Period, the percentage equivalent of a fraction (i) the numerator of which is the aggregate Outstanding Principal Balance of all Pledged Receivables that became Defaulted Receivables during such Monthly Period and (ii) the denominator of which is the average daily Outstanding Principal Balance of all Pledged Receivables for such Monthly Period.

"Maximum Delinquency Rate" means, with respect to any Monthly Period, the percentage equivalent of a fraction (i) the numerator of which is the aggregate Outstanding Principal Balance of all Delinquent Receivables (other than Defaulted Receivables) that are Pledged Receivables as of the last day of such Monthly Period and (ii) the denominator of which is the aggregate Outstanding Principal Balance of all Receivables (other than Defaulted Receivables) that are Pledged Receivables as of the last day of such Monthly Period.

"Maximum Upfront Fee" means, with respect to each Receivable, the greater of (a) $695 and (b) 5.0% of the original aggregate unpaid principal balance of such Receivable.

"Missed Payment Factor" means, in respect of any Receivable, an amount equal to the sum of (a) the amount equal to (i) the total past due amount of Payments in respect of such Receivable, divided by (ii) the required periodic Payment in respect of such Receivable as set forth in the related Receivables Agreement and (b) the number of Payment Dates, if any, past the Receivable maturity date on which a Payment was due but not received.

"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 commenced on the Original Closing Date and ended on the last day of the calendar month in which the Original Closing Date occurred.

"Monthly Reporting Date" means the third Business Day prior to each Interest Payment Date.

"Monthly Servicing Report" shall have the meaning attributed to such term in the Servicing Agreement.

"Moody's" means Moody's Investor Services, Inc.

"Multiemployer Plan" means any Employee Benefit Plan which is a "multiemployer plan" as defined in Section 3(37) of ERISA.

"NAIC" means The National Association of Insurance Commissioners, and any successor thereto.

" **NAICS** " means the North American Industry Classification System.

"Net Asset Sale Proceeds" means, with respect to any Permitted Asset Sale, an amount equal to: (i) Cash payments received by, or on behalf of, Company from such Permitted Asset Sale, minus (ii) any bona fide direct costs incurred in connection with such Permitted Asset Sale to the extent paid or payable to non-Affiliates, including (a) income or gains taxes payable by the seller as a result of any gain recognized in connection with such Permitted Asset Sale during the tax period the sale occurs and (b) a reasonable reserve for any recourse for a breach of the representations and warranties made by Company to the purchaser in connection with such Permitted Asset Sale; provided that upon release of any such reserve, the amount released shall be considered Net Asset Sale Proceeds.

"Net Cash Proceeds" shall mean with respect to any equity issuance, the cash proceeds thereof, net of all taxes and reasonable investment banker's fees, underwriting discounts or commissions, reasonable legal fees and other reasonable costs and other expenses incurred in connection therewith.

"Non-Consenting Lender" as defined in Section 2.19 .

"Non-Select Portfolio Weighted Average Receivable Yield" means as of any date of determination, the quotient, expressed as a percentage, obtained by dividing (a) the sum, for all Eligible Receivables that are Non-Select Receivables, of the product of (i) the Receivable Yield for each such Non-Select Receivable multiplied by (ii) the Outstanding Principal Balance of such Non-Select Receivable as of such date, by (b) the Eligible Non-Select Portfolio Outstanding Principal Balance as of such date.

"Non-Select Receivable" means a Receivable that is not an Select Receivable.

"Non-US Lender" as defined in Section 2.16(d)(i) .

"Obligations" means all obligations of every nature of Company from time to time owed to the Agents (including former Agents), the Lenders or any of them, in each case under any Credit Document, whether for principal, interest (including interest which, but for the filing of a petition in bankruptcy with respect to Company, would have accrued on any Obligation, whether or not a claim is allowed against Company for such interest in the related bankruptcy proceeding), fees, expenses, indemnification or otherwise.

"On Deck Core Loans" means Receivables designated as such in the Underwriting Policies.

"On Deck Score" means that numerical value that represents Holdings' evaluation of the creditworthiness of a business and its likelihood of default on a commercial loan or other similar credit arrangement generated by "version 5" of the proprietary methodology developed and maintained by Holdings, as such methodology is applied in accordance with the other aspects of the Underwriting Policies, as such methodology may be revised and updated from time to time in accordance with Section 6.17 .

"Organizational Documents" means (i) with respect to any corporation, its certificate or articles of incorporation or organization, as amended, and its by-laws, as amended, (ii) with respect to any limited partnership, its certificate of limited partnership, as amended, and its partnership agreement, as amended, (iii) with respect to any general partnership, its partnership agreement, as amended, and (iv) with respect to any limited liability company, its articles of organization or certificate of formation, as amended, and its operating agreement, as amended. In the event any term or condition of this Agreement or any other Credit Document requires any Organizational Document to be certified by a secretary of state or similar governmental official, the reference to any such "Organizational Document" shall only be to a document of a type customarily certified by such governmental official.

"Original Closing Date" means May 22, 2015.

"Other Connection Taxes" means, with respect to any Lender, Taxes imposed as a result of a present or former connection between such Lender and the jurisdiction imposing such Tax (other than connections arising from such Lender 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 Credit Document, or sold or assigned an interest in any Revolving Loan or Credit 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 Loan Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment (other than an assignment made pursuant to Section 2.19).

"Outstanding Principal Balance" means, as of any date with respect to any Receivable, the unpaid principal balance of such Receivable as set forth on the Servicer's books and records as of the close of business on the immediately preceding Business Day; *provided, however* , that the Outstanding Principal Balance of any Pledged Receivable that has become a Charged-Off Loan will be zero.

"Participant Register" as defined in Section 9.6(h) .

"Paying Agent" as defined in the preamble hereto, and any successors or assigns thereto.

" **Payment** " means, with respect to any Receivable, the required scheduled loan payment in respect of such Receivable, as set forth in the applicable Receivable Agreement.

" **Payment Dates** " means, with respect to any Receivable, the date a payment is due in accordance with the Receivable Agreement with respect to such Receivable as in effect as of the date of determination.

"PBGC" means the Pension Benefit Guaranty Corporation or any successor thereto.

"Pension Plan" means any Employee Benefit Plan, other than a Multiemployer Plan, which is subject to Section 412 of the Internal Revenue Code or Section 302 of ERISA.

"Permitted Asset Sale" means so long as all Net Asset Sale Proceeds are contemporaneously remitted to the Collection Account, (a) the sale by Company of Receivables to Holdings pursuant to any repurchase obligations of Holdings under the Asset Purchase Agreement, (b) the sale by the Servicer on behalf of Company of Charged-Off Receivables to any third party in accordance with the Servicing Standard, provided , that such sales are made without representation, warranty or recourse of any kind by Company

(other than customary representations regarding title and absence of liens on the Charged-Off Receivables, and the status of Company, due authorization, enforceability, no conflict and no required consents in respect of such sale), (c) the sale by Company of Receivables to Holdings who immediately thereafter sells such Receivables to a special-purpose Subsidiary of Holdings, so long as, (i) the amount received by Company therefore and deposited into the Collection Account is no less than the aggregate Outstanding Principal Balances of such Receivables, (ii) such sale is made without representation, warranty or recourse of any kind by Company (other than customary representations regarding title, absence of liens on the Receivables, status of Company, due authorization, enforceability, no conflict and no required consents in respect of such sale), (iii) the manner in which such Receivables were selected by Company does not adversely affect the Lenders and (iv) the agreement pursuant to which such Receivables were sold to Holdings or such special-purpose Subsidiary, as the case may be, contains an obligation on the part of Holdings or such special-purpose Subsidiary to not file or join in filing any involuntary bankruptcy petition against Company prior to the end of the period that is one year and one day after the payment in full of all Obligations of Company under this Agreement and not to cooperate with or encourage others to file involuntary bankruptcy petitions against Company during the same period, and (d) the sale by Company of Receivables with the written consent of the Administrative Agent, the Requisite Class A Revolving Lenders and the Requisite Class B Revolving Lenders.

"Permitted Discretion" means, with respect to any Person, a determination or judgment made by such Person in good faith in the exercise of reasonable (from the perspective of a secured lender) credit or business judgment.

"Permitted Investments" means the following, subject to qualifications hereinafter set forth: (i) obligations of, or obligations guaranteed as to principal and interest by, the U.S. government or any agency or instrumentality thereof, when such obligations are backed by the full faith and credit of the United States of America; (ii) federal funds, unsecured certificates of deposit and time deposits of any bank, the short-term debt obligations of which are rated A-1+ (or the equivalent) by each of the rating agencies and, if it has a term in excess of three months, the long-term debt obligations of which are rated AAA (or the equivalent) by each of the Moody's and S&P; (iii) deposits that are fully insured by the Federal Deposit Insurance Corp. (FDIC); (iv) only to the extent permitted by Rule 3a-7 under the Investment Company Act of 1940, investments in money market funds which invest substantially all their assets in securities of the types described in clauses (i) through (iii) above that are rated in the highest rating category by Moody's or S&P; and (v) such other investments as to which the Administrative Agent consent in its sole discretion. Each of the Permitted Investments may be purchased by the Paying Agent or Collateral Agent through an affiliate of the Paying Agent or Collateral Agent.

Notwithstanding the foregoing, " **Permitted Investments** " (i) shall exclude any security with the S&P's "r" symbol (or any other rating agency's corresponding symbol) attached to the rating (indicating high volatility or dramatic fluctuations in their expected returns because of market risk), as well as any mortgage-backed securities and any security of the type commonly known as "strips"; (ii) shall not have maturities in excess of one year; (iii) shall be limited to those instruments that have a predetermined fixed dollar of principal due at maturity that cannot vary or change; and (iv) shall exclude any investment where the right to receive principal and interest derived from the underlying investment provides a yield to maturity in excess of 120% of the yield to maturity at par of such underlying investment. Interest may either be fixed or variable, and any variable interest must be tied to a single interest rate index plus a single fixed spread (if any), and move proportionately with that index. No investment shall be made which requires a payment above par for an obligation if the obligation may be prepaid at the option of the issuer thereof prior to its maturity. All investments shall mature or be redeemable upon the option of the holder thereof on or prior to

the earlier of (x) three months from the date of their purchase or (y) the Business Day preceding the day before the date such amounts are required to be applied hereunder.

"Person" means and includes natural persons, corporations, limited partnerships, general partnerships, partnerships, limited liability companies, limited liability partnerships, joint stock companies, Joint Ventures, associations, companies, trusts, banks, trust companies, land trusts, business trusts or other organizations, whether or not legal entities, and Governmental Authorities.

" **Pledged Receivables** " shall have the meaning attributed to such term in the Servicing Agreement.

"Portfolio" means the Receivables purchased by Company from Holdings pursuant to the Asset Purchase Agreement.

"Portfolio Performance Covenant" means the portfolio performance covenants specified in Appendix E .

"Prime Rate" means, as of any day, the rate of interest per annum equal to the prime rate publicly announced by the majority of the eleven largest commercial banks chartered under United States Federal or State banking law as its prime rate (or similar base rate) in effect at its principal office. The determination of such eleven largest commercial banks shall be based upon deposits as of the prior year-end, as reported in the American Banker or such other source as may be reasonably selected by the Paying Agent.

"Principal Office" means, for Administrative Agent, Administrative Agent's "Principal Office" as set forth on Appendix B , or such other office as Administrative Agent may from time to time designate in writing to Company and each Lender; provided , however , that for the purpose of making any payment on the Obligations or any other amount due hereunder or any other Credit Document, the Principal Office of Administrative Agent shall be as set forth on Appendix B (or such other location within the City and State of New York as Administrative Agent may from time to time designate in writing to Company and each Lender).

"Pro Rata Share" means, as the context may require, with respect to (a) any Class A Revolving Lender, the percentage obtained by dividing (i) the Class A Revolving Exposure of that Lender by (ii) the aggregate Class A Revolving Exposure of all Class A Revolving Lenders, (b) any Class B Revolving Lender, the percentage obtained by dividing (i) the Class B Revolving Exposure of that Lender by (ii) the aggregate Class B Revolving Exposure of all Class B Revolving Lenders and (c) any Lender, the percentage obtained by dividing (i) the Revolving Exposure of that Lender by (ii) the aggregate Revolving Exposure of all Lenders.

"Protective Undertaking Certification" means a certification provided by an Equity Lienholder to the Administrative Agent, for the benefit of the Lenders, in form and substance reasonably satisfactory to the Administrative Agent, whereby such Equity Lienholder certifies that such Equity Lienholder will not (a) cause the Company to commence a voluntary or involuntary proceeding under any Debtor Relief Law, (b) in connection with any such proceeding, challenge the "true sale" characterization of any sale of Receivables by Holdings to the Company, or (c) in connection with any such proceeding, attempt to cause the Company to be "substantively consolidated" with Holdings or any other Person.

"Re-Aged" means returning a delinquent, open-end account to current status without collecting the total amount of principal, interest, and fees that are contractually due.

"Receivable" means any loan or similar contract with a Receivables Obligor pursuant to which Holdings or the Receivables Account Bank extends credit to such Receivables Obligor including all

rights under any and all security documents or supporting obligations related thereto, including the applicable Receivable Agreements.

"Receivable Agreements" means, collectively, with respect to any Receivable, a Business Loan and Security Agreement, a Business Loan and Security Agreement Supplement or Loan Summary, the Authorization Agreement for Direct Deposit (ACH Credit) and Direct Payments (ACH Debit), in each case, in substantially the form provided to the Administrative Agent on or prior to the Third Amendment Effective Date and as may be amended, supplemented or modified from time to time in accordance with the terms of this Agreement and the other documents related thereto to which the Receivables Obligor is a party.

"Receivable File" means, with respect to any Receivable, (i) copies of each applicable document listed in the definition of "Receivable Agreements," (ii) the UCC financing statement, if any, filed against the Receivables Obligor in connection with the origination of such Receivable and (iii) copies of each of the documents required by, and listed in, the Document Checklist attached to the Custodial Agreement, each of which may be in electronic form.

"Receivable Yield" means, with respect to any Receivable, the imputed interest rate that is calculated on the basis of the expected aggregate annualized rate of return (calculated inclusive of all interest and fees (other than any Upfront Fees)) of such Receivable over the life of such Receivable.

Such calculation shall assume:

(a) 52 Payment Dates per annum, for Weekly Pay Receivables; and

(b) 252 Payment Dates per annum, for Daily Pay Receivables.

"Receivables Account Bank" means, with respect to any Receivable, (i) BofI Federal Bank, a federal savings institution, (ii) Celtic Bank, a Utah chartered industrial bank or (iii) with the consent of the Administrative Agent (not to be unreasonably withheld, conditioned or delayed), any other institution organized under the laws of the United States of America or any State thereof and subject to supervision and examination by federal or state banking authorities that originates and owns Loans for the Seller pursuant to a Receivables Program Agreement.

"Receivables Guarantor" means with respect to any Receivables Obligor, (a) each holder of the Capital Stock (or equivalent ownership or beneficial interest) of such Receivables Obligor in the case of a Receivables Obligor which is a corporation, partnership, limited liability company, trust or equivalent entity, who has agreed to unconditionally guarantee all of the obligations of the related Receivables Obligor under the related Receivable Agreements or (b) the natural person operating as the Receivables Obligor, if the Receivables Obligor is a sole proprietor.

"Receivables Obligor" means with respect to any Receivable, the Person or Persons obligated to make payments with respect to such Receivable, excluding any Receivables Guarantor referred to in clause (a) of the definition of "Receivables Guarantor."

"Receivables Program Agreement" means the (i) Business Loan Marketing, Servicing and Purchase Agreement, dated as of June 6, 2014, between Holdings and Celtic Bank Corporation, a Utah industrial bank (as amended, modified or supplemented from time to time), and (ii) any other agreement between Holdings and a Receivables Account Bank pursuant to which Holdings may refer applicants for small business loans conforming to the Underwriting Policies to such Receivables Account Bank and such Receivables Account Bank has the discretion to fund or not fund a loan to such applicant based on its own evaluation of such applicant and containing those provisions as are reasonably necessary to ensure that the

transfer of small business loans by such Receivables Account Bank to Holdings thereunder are treated as absolute sales.

"Receivables Purchase Agreement" means a Bill of Sale and Assignment of Assets, by and between Holdings and any Subsidiary of Holdings, in substantially the form of Exhibit H hereto.

"Register" means a Class A Register or Class B Register, as applicable.

"Regulation D" means Regulation D of the Board of Governors of the Federal Reserve System, as in effect from time to time.

"Related Agreements" means, collectively the Organizational Documents of Company and each Receivables Program Agreement.

"Related Fund" means, with respect to any Lender that is an investment fund or managed account, any other investment fund or managed account that invests in commercial loans or similar debt instruments and that is managed or advised by the same investment advisor as such Lender or by an Affiliate of such investment advisor.

"Related Security" shall have the meaning attributed to such term in the Asset Purchase Agreement.

"Replacement Lender" as defined in Section 2.19 .

"Requirements of Law" means as to any Person, any law (statutory or common), treaty, rule, ordinance, order, judgment, Governmental Authorization, or regulation or determination of an arbitrator or of a Governmental Authority, in each case applicable to or binding upon the Person or any of its property or to which the Person or any of its property is subject.

"Requisite Class A Revolving Lenders" means one or more Class A Revolving Lenders having or holding Class A Revolving Exposure and representing more than 50% of the sum of the aggregate Class A Revolving Exposure of all Class A Revolving Lenders.

"Requisite Class B Revolving Lenders" means one or more Class B Revolving Lenders having or holding Class B Revolving Exposure and representing more than 50% of the sum of the aggregate Class B Revolving Exposure of all Class B Revolving Lenders.

"Requisite Lenders" means (a) until the Revolving Commitment Termination Date shall have occurred and all Class A Revolving Loans and all other Obligations owing to the Class A Revolving Lenders have been paid in full in cash, the Requisite Class A Revolving Lenders and (b) thereafter, the Requisite Class B Revolving Lenders.

"Reserve Account" means a Deposit Account with account number 84176301 at Wells Fargo Bank N.A. in the name of Company.

"Reserve Account Funding Amount" means, on any day the excess, if any, of (a) the Reserve Account Funding Requirement as of such day, over (b) the amount then on deposit in the Reserve Account.

"Reserve Account Funding Requirement" means, on any day, the sum of (a) the product of (i) 100 basis points and (ii) the Total Utilization of Class A Revolving Commitments as of such day, and

(b) the product of (i) 100 basis points and (ii) the Total Utilization of Class B Revolving Commitments as of such day.

"Responsible Officer" means, when used with respect to any Person, any officer of such Person, including any president, vice president, executive vice president, assistant vice president, treasurer, secretary, assistant secretary or any other officer thereof customarily performing functions similar to those performed by the individuals who at the time shall be such officers, respectively, or to whom any matter is referred because of such officer's knowledge of or familiarity with the particular subject and having direct responsibility for the administration of this Agreement and the other Credit Documents to which such Person is a party.

"Restricted Junior Payment" means (i) any dividend or other distribution, direct or indirect, on account of any shares of any class of Capital Stock of Company now or hereafter outstanding, except a dividend payable solely in shares of Capital Stock to the holders of that class; (ii) any redemption, retirement, sinking fund or similar payment, purchase or other acquisition for value, direct or indirect, of any shares of any class of Capital Stock of Company now or hereafter outstanding; and (iii) any payment made to retire, or to obtain the surrender of, any outstanding warrants, options or other rights to acquire shares of any class of Capital Stock of Company now or hereafter outstanding.

"Revolving Availability" means Class A Revolving Availability or Class B Revolving Availability, as applicable.

"Revolving Commitment" means a Class A Revolving Commitment or Class B Revolving Commitment, as applicable.

"Revolving Commitment Period" means the period from the Original Closing Date to but excluding the Revolving Commitment Termination Date.

"Revolving Commitment Termination Date" means the earliest to occur of (i) November 22, 2018; (ii) the date the Revolving Commitments are permanently reduced to zero pursuant to Section 2.9(a) ; and (iii) the date of the termination of the Revolving Commitments pursuant to Section 7.1 .

"Revolving Exposure" means, (a) with respect to any Class A Revolving Lender as of any date of determination, such Class A Revolving Lender's Class A Revolving Exposure and (b) with respect to any Class B Revolving Lender as of any date of determination, such Class B Revolving Lender's Class B Revolving Exposure.

"Revolving Loan" means a Class A Revolving Loan or a Class B Revolving Loan, as applicable.

"Revolving Loan Note" means Class A Revolving Loan Note or a Class B Revolving Loan Note, as applicable.

"Rolling 3-Month Average Excess Spread" means, for any Monthly Period, the arithmetic average Excess Spread for such Monthly Period and the two (2) Monthly Periods immediately preceding such Monthly Period.

"Rolling 3-Month Average Maximum 15 Day Delinquency Rate" means, for any Monthly Period, the arithmetic average Maximum 15 Day Delinquency Rate for such Monthly Period and the two (2) Monthly Periods immediately preceding such Monthly Period.

"Rolling 3-Month Average Maximum Default Rate" means, for any Monthly Period, the arithmetic average Maximum Default Rate for such Monthly Period and the two (2) Monthly Periods immediately preceding such Monthly Period.

"Rolling 3-Month Average Maximum Delinquency Rate" means, for any Monthly Period, the arithmetic average Maximum Delinquency Rate for such Monthly Period and the two (2) Monthly Periods immediately preceding such Monthly Period.

"S&P" means Standard & Poor's Ratings Services, a Standard & Poor's Financial Services LLC business, and its permitted successors and assigns.

"Second Amendment Effective Date" means May 25, 2017.

"Secured Parties" shall have the meaning attributed to such term in the Security Agreement.

"Securities" means any stock, shares, partnership interests, voting trust certificates, certificates of interest or participation in any profit-sharing agreement or arrangement, options, warrants, bonds, debentures, notes, or other evidences of indebtedness, secured or unsecured, convertible, subordinated or otherwise, or in general any instruments commonly known as "securities" or any certificates of interest, shares or participations in temporary or interim certificates for the purchase or acquisition of, or any right to subscribe to, purchase or acquire, any of the foregoing.

"Securities Account" means a "securities account" (as defined in the UCC).

"Securities Account Control Agreement" shall have the meaning attributed to such term in the Security Agreement.

"Securities Act" means the Securities Act of 1933, as amended from time to time, and any successor statute.

"Security Agreement" means that certain Security Agreement dated as of the Original Closing Date between Company and the Collateral Agent, as it may be amended, restated or otherwise modified from time to time.

"Select Portfolio Weighted Average Receivable Yield" means as of any date of determination, the quotient, expressed as a percentage, obtained by dividing (a) the sum, for all Eligible Receivables that are Select Receivables, of the product of (i) the Receivable Yield for each such Select Receivable multiplied by (ii) the Outstanding Principal Balance of such Select Receivable as of such date, by (b) the Eligible Select Portfolio Outstanding Principal Balance as of such date.

"Select Receivables" means a Receivable designated as "Select" in the Underwriting Policies and classified as such by Holdings.

"Seller" has the meaning set forth in the Asset Purchase Agreement.

"Servicer" means Holdings, in its capacity as the "Servicer" under the Servicing Agreement, and, after any removal or resignation of Holdings as the "Servicer" in accordance with the Servicing Agreement, any Successor Servicer.

"Servicer Default" shall have the meaning attributed to such term in the Servicing Agreement.

"Servicing Agreement" means that certain Servicing Agreement dated as of the Original Closing Date between Company, Holdings and the Administrative Agent, as amended by Amendment No. 1 to Servicing Agreement dated as of the Second Amendment Effective Date, and as it may be amended, restated or otherwise modified from time to time, and, after the appointment of any Successor Servicer, the Successor Servicing Agreement to which such Successor Servicer is a party, as it may be amended, restated or otherwise modified from time to time.

"Servicing Fees" shall have the meaning attributed to such term in the Servicing Agreement; provided, however that, after the appointment of any Successor Servicer, the Servicing Fees shall mean the Successor Servicer Fees payable to such Successor Servicer.

"Servicing Reports" means the Servicing Reports delivered pursuant to the Servicing Agreement, including the Monthly Servicing Report.

"Servicing Standard" shall have the meaning attributed to such term in the Servicing Agreement.

"Servicing Transition Expenses" means all reasonable, out-of-pocket costs and expenses actually incurred by the Successor Servicer in connection with the assumption of servicing of the Pledged Receivables by a Successor Servicer after the delivery of a Termination Notice to the Servicer.

"Servicing Transition Period" means the period commencing on the giving of a Termination Notice and ending such number of days thereafter as shall be determined by the Administrative Agent in its Permitted Discretion.

"Solvency Certificate" means a Solvency Certificate of the chief financial officer (or the equivalent thereof) of each of Holdings and Company substantially in the form of Exhibit F-2 .

"Solvent" means, with respect to Company or Holdings, that as of the date of determination, both (i) (a) the sum of such entity's debt (including contingent liabilities) does not exceed the present fair saleable value of such entity's present assets; (b) such entity's capital is not unreasonably small in relation to its business as contemplated on the Original Closing Date; and (c) such entity has not incurred and does not intend to incur, or believe (nor should it reasonably believe) that it will incur, debts beyond its ability to pay such debts as they become due (whether at maturity or otherwise); and (ii) such entity is "solvent" within the meaning given that term and similar terms under laws applicable to it relating to fraudulent transfers and conveyances. For purposes of this definition, the amount of any contingent liability at any time shall be computed as the amount that, in light of all of the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability (irrespective of whether such contingent liabilities meet the criteria for accrual under Statement of Financial Accounting Standard No. 5).

"Specified Event of Default" means any Event of Default occurring under Sections 7.1(a) , (g) or (h) .

"Subordinated Indebtedness" means any Indebtedness of Holdings that is fully subordinated to all senior indebtedness for borrowed money of Holdings, as to right and time of payment and as to any other rights and remedies thereunder, including, an agreement on the part of the holders of such Indebtedness that the maturity of such Indebtedness cannot be accelerated prior to the maturity date of such senior indebtedness for borrowed money.

"Subsidiary" means, with respect to any Person, any corporation, partnership, limited liability company, association, or other business entity of which more than 50% of the total voting power of shares of stock or other ownership interests entitled (without regard to the occurrence of any contingency) to vote in the election of the Person or Persons (whether directors, managers, trustees or other Persons performing similar functions) having the power to direct or cause the direction of the management and policies thereof is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person or a combination thereof; provided , in determining the percentage of ownership interests of any Person controlled by another Person, no ownership interest in the nature of a "qualifying share" of the former Person shall be deemed to be outstanding.

"Subsidiary Receivables" means certain Receivables (i) owned by any Subsidiary of Holdings, and (ii) sold by such Subsidiary of Holdings to Holdings pursuant to a Receivables Purchase Agreement, and immediately thereafter sold by Holdings to Company, in each case, on one or more Transfer Dates.

"Successor Servicer" shall have the meaning attributed to such term in the Servicing Agreement.

"Successor Servicing Agreement" shall have the meaning attributed to such term in the Servicing Agreement.

"Successor Servicer Fees" means the servicing fees payable to a Successor Servicer pursuant to a Successor Servicing Agreement.

"Tangible Net Worth" means, as of any day, the total of (a) Holdings' total stockholders' equity, minus (b) all Intangible Assets of Holdings, minus (c) all amounts due to Holdings from its Affiliates, plus (d) any Convertible Indebtedness, plus (e) any Warranty Liability.

"Tax" means any present or future tax, levy, impost, duty, assessment, charge, fee, deduction or withholding of any nature and whatever called, by whomsoever, on whomsoever and wherever imposed, levied, collected, withheld or assessed, including any interest, additions to tax or penalties applicable thereto.

"Terminated Lender" as defined in Section 2.19 .

" **Termination Date** " means the date on, and as of, which (a) all Revolving Loans have been repaid in full in cash, (b) all other Obligations (other than contingent indemnification obligations for which demand has not been made) under this Agreement and the other Credit Documents have been paid in full in cash or otherwise completely discharged, and (c) the Revolving Commitment Termination Date shall have occurred.

"Termination Notice" shall have the meaning attributed to such term in the Servicing Agreement.

"Third Amendment Effective Date" means the date of this Agreement.

"Third Amendment Effective Date Certificate" means a Third Amendment Effective Date Certificate substantially in the form of Exhibit F-1 .

"Total Utilization of Class A Revolving Commitments" means, as at any date of determination, the aggregate principal amount of all outstanding Class A Revolving Loans.

"Total Utilization of Class B Revolving Commitments" means, as at any date of determination, the aggregate principal amount of all outstanding Class B Revolving Loans.

"Transaction Costs" means the fees, costs and expenses payable by Holdings or Company on or within ninety (90) days after (i) the Original Closing Date, (ii) the First Amendment Effective Date, (iii) the Second Amendment Effective Date or (iv) the Third Amendment Effective Date, in connection with the transactions contemplated by the Credit Documents.

"Transfer Date" has the meaning assigned to such term in the Asset Purchase Agreement.

"UCC" means the Uniform Commercial Code (or any similar or equivalent legislation) as in effect in any applicable jurisdiction.

"UCC Agent" means Corporation Service Company, a Delaware corporation, in its capacity as agent for Holdings or other entity providing secured party representation services for Holdings from time to time.

" **Undertakings Agreement** " means that certain agreement, dated as of the Original Closing Date, and as it may be amended, restated or otherwise modified from time to time, by and among Holdings, the Company, the lenders party thereto, the Paying Agent and the Administrative Agent.

"Underwriting Policies" means the credit policies and procedures of Holdings, including the underwriting guidelines and OnDeck Score methodology, and the collection policies and procedures of Holdings, in each case in effect as of the Third Amendment Effective Date and in substantially the form provided to the Administrative Agent on or prior to the Third Amendment Effective Date, as such policies, procedures, guidelines and methodologies may be amended from time to time in accordance with Section 6.17 .

"Upfront Fees" means, with respect to any Receivable, the sum of any fees charged by Holdings or the Receivables Account Bank, as the case may be, to a Receivables Obligor in connection with the disbursement of a loan, as set forth in the Receivables Agreement related to such Receivable, which are deducted from the initial amount disbursed to such Receivables Obligor, including the "Origination Fee" set forth on the applicable Receivable Agreement.

"Volcker Rule" means the common rule entitled "Proprietary Trading and Certain Interests and Relationships with Covered Funds" published at 79 Fed. Reg. 5779 et seq.

"Warranty Liability" means, as of any day, the aggregate stated balance sheet fair value of all outstanding warrants exercisable for redeemable convertible preferred shares of Holdings determined in accordance with GAAP.

"Weekly Pay Receivable" means any Receivable for which a Payment is generally due once per week.

1.2 Accounting Terms . Except as otherwise expressly provided herein, all accounting terms not otherwise defined herein shall have the meanings assigned to them in conformity with GAAP. Financial statements and other information required to be delivered by Company to Lenders pursuant to Section 5.1(a) and Section 5.1(b) shall be prepared in accordance with GAAP as in effect at the time of such preparation (and delivered together with the reconciliation statements provided for in Section 5.1(d) , if applicable). If at any time any change in GAAP would affect the computation of any financial ratio or requirement set forth in any Credit Document, and either Company, the Requisite Lenders or the Administrative Agent shall so

request, the Administrative Agent, the Lenders and Company shall negotiate in good faith to amend such ratio or requirement to preserve the original intent thereof in light of such change in GAAP; provided that, until so amended, (a) such ratio or requirement shall continue to be computed in accordance with GAAP and accounting principles and policies in conformity with those used to prepare the Historical Financial Statements and (b) Company shall provide to the Administrative Agent and each Lender financial statements and other documents required under this Agreement or as reasonably requested hereunder setting forth a reconciliation between calculations of such ratio or requirement made before and after giving effect to such change in GAAP. If Administrative Agent, Company and the Administrative Agent cannot agree upon the required amendments within thirty (30) days following the date of implementation of any applicable change in GAAP, then all financial statements delivered and all calculations of financial covenants and other standards and terms in accordance with this Agreement and the other Credit Documents shall be prepared, delivered and made without regard to the underlying change in GAAP.

1.3 Interpretation, etc.

Any of the terms defined herein may, unless the context otherwise requires, be used in the singular or the plural, depending on the reference. References herein to any Section, Appendix, Schedule or Exhibit shall be to a Section, an Appendix, a Schedule or an Exhibit, as the case may be, hereof unless otherwise specifically provided. The use herein of the word “include” or “including,” when following any general statement, term or matter, shall not be construed to limit such statement, term or matter to the specific items or matters set forth immediately following such word or to similar items or matters, whether or not no limiting language (such as “without limitation” or “but not limited to” or words of similar import) is used with reference thereto, but rather shall be deemed to refer to all other items or matters that fall within the broadest possible scope of such general statement, term or matter.

1.4 **Amendment and Restatement** . In order to facilitate the Amendment and Restatement:

(a) Each of the parties hereto hereby agree that upon the effectiveness of this Agreement, the terms and provisions of the Existing Credit Agreement shall be and hereby are amended and restated to the extent provided by this Agreement.

(b) All of the "Obligations" (as defined in the Existing Credit Agreement, the **“Existing Obligations”**) outstanding under the Existing Credit Agreement and other “Credit Documents” (as defined in the Existing Credit Agreement, the **“Existing Credit Documents”**) shall continue as Obligations hereunder to the extent not repaid on the Third Amendment Effective Date, and this Agreement is given as a substitution of and modification of, to the extent provided herein, and not as a payment of or novation of, the indebtedness, liabilities and Existing Obligations of the Company under the Existing Credit Agreement, and neither the execution and delivery of this Agreement nor the consummation of any other transaction contemplated hereunder is intended to constitute a novation or rescission of the Existing Credit Agreement or any obligations hereunder.

SECTION 2. LOANS

2.1 Revolving Loans .

(a) Revolving Commitments .

(i) During the Revolving Commitment Period, subject to the terms and conditions hereof, including, without limitation delivery of an updated Borrowing Base Certificate and Borrowing Base Report pursuant to Section 3.2(a)(i) , each Class A Revolving Lender severally agrees to make Class A Revolving

Loans to Company in an aggregate amount up to but not exceeding such Class A Revolving Lender's Revolving Commitment; provided that no Class A Revolving Lender shall make any such Class A Revolving Loan or portion thereof to the extent that, after giving effect to such Class A Revolving Loan:

(a) the Total Utilization of Class A Revolving Commitments exceeds the Class A Borrowing Base;

(b) a Class A Borrowing Base Deficiency or a Class B Borrowing Base Deficiency exists; or

(c) the aggregate outstanding principal amount of the Class A Revolving Loans funded by such Class A Revolving Lender hereunder shall exceed its Class A Revolving Commitment.

(ii) During the Revolving Commitment Period, subject to the terms and conditions hereof, including, without limitation delivery of an updated Borrowing Base Certificate and Borrowing Base Report pursuant to Section 3.2(a)(i), each Class B Revolving Lender severally agrees to make Class B Revolving Loans to Company in an aggregate amount up to but not exceeding such Lender's Class B Revolving Commitment; provided that no Class B Revolving Lender shall make any such Class B Revolving Loan or portion thereof to the extent that, after giving effect to such Class B Revolving Loan:

(a) the Total Utilization of Class B Revolving Commitments exceeds the Class B Borrowing Base;

(b) a Class A Borrowing Base Deficiency or a Class B Borrowing Base Deficiency exists; or

(c) the aggregate outstanding principal amount of the Class B Revolving Loans funded by such Class B Revolving Lender hereunder shall exceed its Class B Revolving Commitment.

(b) Amounts borrowed pursuant to Section 2.1(a) may be repaid and reborrowed during the Revolving Commitment Period subject to the terms, if any, set forth in a Fee Letter, and any repayment of the Revolving Loans (other than (i) pursuant to Section 2.10 (which circumstance shall be governed by Section 2.10), (ii) on any Interest Payment Date upon which no Event of Default has occurred and is continuing (which circumstance shall be governed by Section 2.12(a)) or (iii) on a date upon which an Event of Default has occurred and is continuing (which circumstances shall be governed by Section 2.12(b)) shall be applied as directed by Company, provided that the Company (A) may not repay (x) the Class A Revolving Loans more than three (3) times per week and (y) the Class B Revolving Loans more than one (1) time per calendar month; provided, further, that the Company may make one (1) additional repayment of Class B Revolving Loans during the last week of any calendar quarter with the prior written consent of the Requisite Class B Revolving Lenders, (B) must deliver to the Administrative Agent, the Paying Agent and the Class B Revolving Lenders a Controlled Account Voluntary Payment Notice pursuant to Section 2.11(c)(vii) in connection with such repayment and (C) each repayment of the Class A Revolving Loans or Class B Revolving Loans shall be in a minimum amount of $250,000. Each Lender's Revolving Commitment shall expire on the Revolving Commitment Termination Date and all Revolving Loans and all other amounts owed hereunder with respect to the Revolving Loans and the Revolving Commitments shall be paid in full no later than such date.

(c) Borrowing Mechanics for Revolving Loans.

(i) Class A Revolving Loans shall be made in an aggregate minimum amount of $50,000, and Class B Revolving Loans shall be made in an aggregate minimum amount of $50,000.

(ii) Whenever Company desires that Lenders make Revolving Loans, Company shall deliver a fully executed and delivered Funding Notice to (A) the Administrative Agent, the Paying Agent and the Custodian no later than 11:00 a.m. (New York City time) at least one (1) Business Day in advance of the proposed Credit Date with respect to Class A Revolving Loans and (B) the Class B Revolving Lenders, the Paying Agent and the Custodian no later than 11:00 a.m. (New York City time) five (5) Business Days in advance of the proposed Credit Date with respect to Class B Revolving Loans, other than any borrowing of Class B Revolving Loans on the Third Amendment Effective Date, which Funding Notice may be delivered three (3) Business Days in advance of the Third Amendment Effective Date. Each such Funding Notice shall be delivered with a Borrowing Base Certificate reflecting sufficient Class A Revolving Availability and Class B Revolving Availability, as applicable, for the requested Revolving Loans and a Borrowing Base Report.

(iii) Each Lender shall make the amount of its Revolving Loan available to the Paying Agent not later than 1:00 p.m. (New York City time) on the applicable Credit Date by wire transfer of same day funds in Dollars to the Funding Account, and the Paying Agent shall remit such funds to the Company not later than 3:00 p.m. (New York City time) by wire transfer of same day funds in Dollars from the Funding Account to another account of Company designated in the related Funding Notice.

(iv) Company may borrow Class A Revolving Loans pursuant to this Section 2.1, purchase Eligible Receivables pursuant to Section 2.11(c)(vii)(C) and/or repay Class A Revolving Loans pursuant to Section 2.11(c)(vii)(B) no more than three (3) times per week. Company may borrow Class B Revolving Loans pursuant to this Section 2.1 no more than one (1) time a calendar month; provided , that the Company may make one (1) additional borrowing of Class B Revolving Loans during the last week of any calendar quarter with the written consent (to be given in their sole discretion) of the Requisite Class B Revolving Lenders provided , further , that with respect to the first borrowing of Class B Revolving Loans by Company, not including a borrowing, if any, on the Third Amendment Effective Date, the related Funding Notice shall not be delivered to the Class B Revolving Lenders prior to January 2, 2018.

(d) Deemed Requests for Revolving Loans to Pay Required Payments . All payments of principal, interest, fees and other amounts payable to Lenders of any Class under this Agreement or any Credit Document may be paid from the proceeds of Revolving Loans of such Class, made pursuant to a Funding Notice from Company pursuant to Section 2.1(c) .

2.2 Pro Rata Shares . All Revolving Loans of each Class shall be made by Class A Revolving Lenders or Class B Revolving Lenders, as applicable, simultaneously and proportionately to their respective Pro Rata Shares, it being understood that no Lender shall be responsible for any default by any other Lender in such other Lender's obligation to make a Revolving Loan requested hereunder nor shall any Revolving Commitment of any Lender be increased or decreased as a result of a default by any other Lender in such other Lender's obligation to make a Revolving Loan requested hereunder.

2.3 Use of Proceeds . The proceeds of Revolving Loans, if any, made on the Original Closing Date shall be applied by Company to (a) acquire Eligible Receivables from Holdings pursuant to the Asset Purchase Agreement and (b) pay Transaction Costs. The proceeds of the Revolving Loans made after the Original Closing Date shall be applied by Company to (a) finance the acquisition of Eligible Receivables from Holdings pursuant to the Asset Purchase Agreement, (b) pay Transaction Costs and ongoing fees and expenses of Company hereunder, (c) make other payments in accordance with Section 2.12 . and (d) in the case of Revolving Loans made pursuant to Section 2.1(d) , to make payments of principal, interest, fees and other amounts owing to the Lenders under the Credit Documents. The proceeds of the Class B Revolving

Loans may also be used to make a Borrower Distribution in accordance with Section 6.5 . No portion of the proceeds of any Credit Extension shall be used in any manner that causes or might cause such Credit Extension or the application of such proceeds to violate Regulation T, Regulation U or Regulation X of the Board of Governors of the Federal Reserve System or any other regulation thereof or to violate the Exchange Act.

2.4 Evidence of Debt; Register; Lenders' Books and Records; Notes .

(a) Lenders' Evidence of Debt . Each Lender shall maintain on its internal records an account or accounts evidencing the Obligations of Company to such Lender, including the amounts of the Revolving Loans made by it and each repayment and prepayment in respect thereof. Any such recordation shall be conclusive and binding on Company, absent manifest error; provided , that the failure to make any such recordation, or any error in such recordation, shall not affect any Lender's Revolving Commitments or Company's Obligations in respect of any applicable Revolving Loans; and provided further , in the event of any inconsistency between the Registers and any Lender's records, the recordations in the Registers shall govern absent manifest error.

(b) Registers .

(i) Class A Register . The Administrative Agent, acting for this purpose as an agent of the Company, shall maintain at its Principal Office a register for the recordation of the names and addresses of the Class A Revolving Lenders and the Class A Revolving Commitments and Class A Revolving Loans of each Class A Revolving Lender from time to time (the **"Class A Register"**). The Class A Register shall be available for inspection by Company or any Class A Revolving Lender at any reasonable time and from time to time upon reasonable prior notice. The Administrative Agent shall record in the Class A Register the Class A Revolving Commitments and the Class A Revolving Loans, and each repayment or prepayment in respect of the principal amount of the Class A Revolving Loans, and any such recordation shall be conclusive and binding on Company and each Class A Revolving Lender, absent manifest error; provided , failure to make any such recordation, or any error in such recordation, shall not affect any Class A Lender's Class A Revolving Commitments or Company's Obligations in respect of any Class A Revolving Loan. Company hereby designates the entity serving as the Administrative Agent to serve as Company's agent solely for purposes of maintaining the Class A Register as provided in this Section 2.4 , and Company hereby agrees that, to the extent such entity serves in such capacity, the entity serving as the Administrative Agent and its officers, directors, employees, agents and affiliates shall constitute " **Indemnitees** ."

(ii) Class B Register . The Administrative Agent, acting for this purpose as an agent of the Company, shall maintain at its Principal Office a register for the recordation of the names and addresses of the Class B Revolving Lenders and the Class B Revolving Commitments and Class B Revolving Loans of each Class B Revolving Lender from time to time (the **"Class B Register"**). The Class B Register shall be available for inspection by Company or any Class B Revolving Lender at any reasonable time and from time to time upon reasonable prior notice. The Administrative Agent shall record in the Class B Register the Class B Revolving Commitments and the Class B Revolving Loans, and each repayment or prepayment in respect of the principal amount of the Class B Revolving Loans, and any such recordation shall be conclusive and binding on Company and each Class B Revolving Lender, absent manifest error; provided , failure to make any such recordation, or any error in such recordation, shall not affect any Class B Lender's Class B Revolving Commitments or Company's Obligations in respect of any Class B Revolving Loan. Company hereby designates the Administrative Agent to serve as Company's agent solely for purposes of maintaining the Class B Register as provided in this Section 2.4 , and Company hereby agrees that, to the extent such entity

serves in such capacity, the Administrative Agent and its officers, directors, employees, agents and affiliates shall constitute " **Indemnitees** ."

(c) Revolving Loan Notes . If so requested by any Lender by written notice to Company (with a copy to Administrative Agent) at least two (2) Business Days prior to the Original Closing Date, or at any time thereafter, Company shall execute and deliver to such Lender (and/or, if applicable and if so specified in such notice, to any Person who is an assignee of such Lender pursuant to Section 9.6) on the Original Closing Date (or, if such notice is delivered after the Original Closing Date, promptly after Company's receipt of such notice) a Class A Revolving Loan Note or Class B Revolving Loan Note, as applicable, to evidence such Lender's Revolving Loans.

2.5 Interest on Loans .

(a) Except as otherwise set forth herein, (i) the Class A Revolving Loans shall accrue interest daily in an amount equal to the product of (A) the unpaid principal amount thereof as of such day and (B) (x) during any period in which no Event of Default has occurred and is continuing, the LIBO Rate for such period plus the Class A Applicable Margin, and (y) during any period in which an Event of Default has occurred and is continuing, the Base Rate for such period plus the Class A Applicable Margin, and (ii) the Class B Revolving Loans shall accrue interest daily in an amount equal to the product of (A) the greater of the unpaid principal amount thereof as of such day and the Class B Minimum Utilization Amount and (B) (x) during any period in which no Event of Default has occurred and is continuing, the LIBO Rate for such period plus the Class B Applicable Margin, and (y) during any period in which an Event of Default has occurred and is continuing, the Base Rate for such period plus the Class B Applicable Margin.

(b) Interest payable pursuant to Section 2.5(a) shall be computed on the basis of a 360-day year, in each case for the actual number of days elapsed in the period during which it accrues. In computing interest on any Revolving Loan, the date of the making of such Revolving Loan or the first day of an Interest Period applicable to such Revolving Loan shall be included, and the date of payment of such Revolving Loan or the expiration date of an Interest Period applicable to such Revolving Loan shall be excluded; provided , if a Revolving Loan is repaid on the same day on which it is made, one (1) day's interest shall be paid on that Revolving Loan. The Administrative Agent shall provide an invoice of the interest accrued and to accrue to each Interest Payment Date on its Revolving Loans not later than 3:00 p.m. (New York city time) on the Interest Rate Determination Date immediately preceding such Interest Payment Date.

(c) Except as otherwise set forth herein, interest on each Revolving Loan shall be payable in arrears (i) on and to each Interest Payment Date; (ii) upon the request of the Administrative Agent (unless such prepayment results in a permanent reduction of the Revolving Commitments), upon any prepayment of that Revolving Loan, whether voluntary or mandatory, to the extent accrued on the amount being prepaid; and (iii) at maturity.

2.6 Reserved .

2.7 Fees.

(a) Company agrees to pay to each Person entitled to payment thereunder, in the amounts and at the times set forth in the Fee Letters.

(b) Except as otherwise set forth in a Fee Letter, all fees referred to in Section 2.7(a) shall be calculated on the basis of a 360-day year and the actual number of days elapsed and shall be payable monthly in arrears on (i) each Interest Payment Date during the Revolving Commitment Period, commencing

on the first such date to occur after the Original Closing Date, and (ii) on the Revolving Commitment Termination Date.

2.8 Repayment on or Before Revolving Commitment Termination Date . Company shall repay (i) the Revolving Loans and (ii) all other Obligations (other than contingent indemnification obligations for which demand has not been made) under this Agreement and the other Credit Documents, in each case, in full in cash on or before the Revolving Commitment Termination Date.

2.9 Voluntary Commitment Reductions .

(a) Subject to payment of any prepayment premium described in Section 2.9(c) , except as otherwise set forth in a Fee Letter, Company may, upon not less than three (3) Business Days' prior written notice to Administrative Agent and the Class B Revolving Lenders at any time and from time to time terminate in whole or permanently reduce in part the Revolving Commitments in an amount up to the amount by which the Class A Revolving Commitments exceed the Total Utilization of Class A Revolving Commitments or the Class B Revolving Commitments exceed the Total Utilization of Class B Revolving Commitments, as applicable, in each case at the time of such proposed termination or reduction; provided , any such partial reduction of the Class A Revolving Commitments shall be in an aggregate minimum amount of $500,000 and integral multiples of $100,000 in excess of that amount and any such partial reduction of the Class B Revolving Commitments shall be in an aggregate minimum amount of $100,000 and integral multiples of $100,000 in excess of that amount.

(b) Company's notice shall designate the date (which shall be a Business Day) of such termination or reduction and the amount of any partial reduction, and such termination or reduction of the Revolving Commitments shall be effective on the date specified in Company's notice and shall reduce the Revolving Commitment of each applicable Class A Revolving Lender and/or Class B Revolving Lender proportionately to its applicable Pro Rata Share thereof.

(c) If Company voluntarily reduces or terminates any Class A Revolving Commitments as provided in Section 2.9(a) , Company shall pay to Paying Agent, on behalf of the Class A Revolving Lenders whose Class A Revolving Commitments were terminated or reduced, on the date of such reduction or termination, the amounts (if any) described in the Undertakings Agreement.

2.10 Borrowing Base Deficiency . Company shall prepay the Revolving Loans within two (2) Business Day of the earlier of (i) an Authorized Officer or the Chief Financial Officer (or in each case, the equivalent thereof) of Company becoming aware that a Borrowing Base Deficiency exists and (ii) receipt by Company of notice from any Agent or any Lender that a Borrowing Base Deficiency exists, in each case in an amount equal to such Borrowing Base Deficiency, which shall be applied first , to prepay the Class A Revolving Loans as necessary to cure any Class A Borrowing Base Deficiency, and, second , to prepay the Class B Revolving Loans as necessary to cure any Class B Borrowing Base Deficiency.

2.11 Controlled Accounts .

(a) Company shall establish and maintain cash management systems reasonably acceptable to the Administrative Agent, including, without limitation, with respect to blocked account arrangements. Other than a segregated trust account (the " **Funding Account** ") maintained at the Paying Agent into which proceeds of Revolving Loans may be funded at the direction of Company, Company shall not establish or maintain a Deposit Account or Securities Account other than a Controlled Account and Company shall not, and shall cause Servicer not to deposit Collections or proceeds thereof in a Securities Account or Deposit Account which is not a Controlled Account (provided , that, inadvertent and non-

reoccurring errors by Servicer in applying such Collections or proceeds that are promptly, and in any event within two (2) Business Days after Servicer or Company has (or should have had in the exercise of reasonable diligence) knowledge thereof, cured shall not be considered a breach of this covenant). All Collections and proceeds of Collateral shall be subject to an express trust for the benefit of Collateral Agent on behalf of the Secured Parties and shall be delivered to Lenders for application to the Obligations or any other amount due under any other Credit Document as set forth in this Agreement.

(a) (b) On or prior to the Original Closing Date, Company shall cause to be established and maintained, (i) a trust account (or sub-accounts) in the name of Company and under the sole dominion and control of, the Collateral Agent designated as the " **Collection Account** " in each case bearing a designation clearly indicating that the funds and other property credited thereto are held for Collateral Agent for the benefit of the Lenders and subject to the applicable Securities Account Control Agreement and (ii) a Deposit Account into which the proceeds of all Pledged Receivables, including by automatic debit from Receivables Obligors' operating accounts, shall be deposited in the name of Company designated as the " **Lockbox Account** " as to which the Collateral Agent has sole dominion and control over such account for the benefit of the Secured Parties within the meaning of Section 9-104(a)(2) of the UCC pursuant to the Lockbox Account Control Agreement. The Lockbox Account Control Agreement will provide that all funds (less an amount of up to $10,000 or such other amount as shall be mutually agreed in writing (which writing may be via electronic mail) between the Administrative Agent and the Company) in the Lockbox Account will be swept daily into the Collection Account.

(c) Lockbox System.

(i) Company has established pursuant to the Lockbox Account Control Agreement and the other Control Agreements for the benefit of the Collateral Agent, on behalf of the Secured Parties, a system of lockboxes and related accounts or deposit accounts as described in Sections 2.11(a) and (b) (the " **Lockbox System** ") into which (subject to the proviso in Section 2.11(a)) all Collections shall be deposited.

(ii) Company shall have identified a method reasonably satisfactory to Administrative Agent to grant Backup Servicer (and its delegates) access to the Lockbox Account when the Backup Servicer has become the Successor Servicer in accordance with the Credit Documents, for purposes of initiating ACH transfers from Receivables Obligors' operating accounts after the Original Closing Date.

(iii) Company shall not establish any lockbox or lockbox arrangement without the consent of the Administrative Agent in its sole discretion, and prior to establishing any such lockbox or lockbox arrangement, Company shall cause each bank or financial institution with which it seeks to establish such a lockbox or lockbox arrangement, to enter into a control agreement with respect thereto in form and substance satisfactory to the Administrative Agent in its sole discretion.

(iv) Without the prior written consent of the Administrative Agent, Company shall not (A) change the general instructions given to the Servicer in respect of payments on account of Pledged Receivables to be deposited in the Lockbox System or (B) change any instructions given to any bank or financial institution which in any manner redirects any Collections or proceeds thereof in the Lockbox System to any account which is not a Controlled Account.

(v) Company acknowledges and agrees that (A) the funds on deposit in the Lockbox System shall continue to be collateral security for the Obligations secured thereby, and (B)

upon the occurrence and during the continuance of an Event of Default, at the election of the Requisite Lenders, the funds on deposit in the Lockbox System may be applied as provided in Section 2.12(b).

(vi) Company has directed, and will at all times hereafter direct, the Servicer to direct payment from each of the Receivables Obligors on account of Pledged Receivables directly to the Lockbox System. Company agrees (A) to instruct the Servicer to instruct each Receivables Obligor to make all payments with respect to Pledged Receivables directly to the Lockbox System and (B) promptly (and, except as set forth in the proviso to this Section 2.11(c)(vi), in no event later than two (2) Business Days following receipt) to deposit all payments received by it on account of Pledged Receivables, whether in the form of cash, checks, notes, drafts, bills of exchange, money orders or otherwise, in the Lockbox System in precisely the form in which they are received (but with any endorsements of Company necessary for deposit or collection), and until they are so deposited to hold such payments in trust for and as the property of the Collateral Agent; provided, however, that with respect to any payment received that does not contain sufficient identification of the account number to which such payment relates or cannot be processed due to an act beyond the control of the Servicer, such deposit shall be made no later than the second Business Day following the date on which such account number is identified or such payment can be processed, as applicable.

(vii) So long as no Event of Default has occurred and shall be continuing, Company or its designee shall be permitted to direct the investment of the funds from time to time held in the Collection Account (and, with respect to clauses (B) and (C) below, the Reserve Account) (A) in Permitted Investments and to sell or liquidate such Permitted Investments and reinvest proceeds from such sale or liquidation in other Permitted Investments (but none of the Collateral Agent, the Administrative Agent or the Lenders shall have liability whatsoever in respect of any failure by the Controlled Account Bank to do so), with all such proceeds and reinvestments to be held in the Collection Account; provided, however, that the maturity of the Permitted Investments on deposit in the Collection Account shall be no later than the Business Day immediately preceding the date on which such funds are required to be withdrawn therefrom pursuant to this Agreement, (B) to repay the Revolving Loans in accordance with Section 2.1(b), provided, however, that (w) in order to effect any such repayment from a Controlled Account, Company shall deliver to the Administrative Agent, the Paying Agent and the Class B Revolving Lenders a Controlled Account Voluntary Payment Notice in substantially the form of Exhibit G hereto no later than 12:00 p.m. (New York City time) on the Business Day prior to the date of any such repayment specifying the date of prepayment, the amount to be repaid per Class and the Controlled Account from which such repayment shall be made, (x) no more than three (3) repayments of Class A Revolving Loans pursuant to Section 2.1 may be made in any calendar week, (y) the minimum amount of any such repayment on the Revolving Loans shall be $50,000, and (z) after giving effect to each such repayment, an amount equal to not less than the sum of (i) any Reserve Account Funding Amount and (ii) the aggregate of 105% of the aggregate pro forma amount of interest, fees and expenses projected to be due hereunder and under the Servicing Agreement, the Backup Servicing Agreement, the Custodial Agreement and the Successor Servicing Agreement, if any, for the remainder of the applicable Interest Period, based on the Accrued Interest Amount on such date and a projection of the interest to accrue on the Revolving Loans during the remainder of the applicable Interest Period using the same assumptions as are contained in the calculation of the Accrued Interest Amount, and the Total Utilization of Class A Revolving Commitments and the Total Utilization of Class B Revolving Commitments on such date (after giving effect to such repayments), shall remain in the Controlled Accounts, or (C) to purchase additional Eligible Receivables pursuant to the terms and conditions of the Asset Purchase Agreement, provided, that a Borrowing Base Certificate (evidencing sufficient Revolving Availability after giving effect to the release of Collections and the making of any Revolving Loan being made on such date and that

after giving effect to the release of Collections, no event has occurred and is continuing that constitutes, or would result from such release that would constitute, a Borrowing Base Deficiency, Default or Event of Default) and a Borrowing Base Report shall be delivered to the Administrative Agent, the Paying Agent, the Class B Revolving Lenders and the Custodian no later than 11:00 a.m. (New York City time) at least two (2) Business Days in advance of any such proposed purchase or release, (w) if such purchase of Eligible Receivables were being funded with Revolving Loans, the conditions for making such Revolving Loans on such date contained in Section 3.2(a)(iii) and Section 3.2(a)(vi) would be satisfied as of such date, and provided further, that if such withdrawal from the Collection Account does not occur simultaneously with the making of a Revolving Loan by the Lenders hereunder pursuant to the delivery of a Funding Notice, such withdrawal shall be considered a "Revolving Loan" solely for purposes of Section 2.1(c)(iv) , (x) no more than three (3) borrowings of Class A Revolving Loans pursuant to Section 2.1 may be made in any calendar week, (y) no more than one (1) borrowing of Class B Revolving Loans pursuant to Section 2.1 may be made in any calendar month; provided , that the Company may make one (1) additional borrowing of Class B Revolving Loans during the last week of any calendar quarter with the written consent (to be given in their sole discretion) of the Requisite Class B Revolving Lenders and (z) after giving effect to such release, an amount equal to not less than the sum of (i) any Reserve Account Funding Amount and (ii) the aggregate of 105% of the aggregate pro forma amount of interest, fees and expenses projected to be due hereunder and under the Servicing Agreement, the Backup Servicing Agreement, the Custodial Agreement and the Successor Servicing Agreement, if any, for the remainder of the applicable Interest Period, based on the Accrued Interest Amount on such date and a projection of the interest to accrue on the Revolving Loans during the remainder of the applicable Interest Period using the same assumptions as are contained in the calculation of the Accrued Interest Amount, and the Total Utilization of Class A Revolving Commitments and the Total Utilization of Class B Revolving Commitments on such date shall remain in the Controlled Accounts.

(viii) All income and gains from the investment of funds in the Collection Account shall be retained in the Collection Account until each Interest Payment Date, at which time such income and gains shall be applied in accordance with Section 2.12(a) or (b) (or, if sooner, until utilized for a repayment pursuant to Section 2.11(c)(vii)(B) or a purchase of additional Eligible Receivables pursuant to Section 2.11(c)(vii)(C)), as the case may be. As between Company and Collateral Agent, Company shall treat all income, gains and losses from the investment of amounts in the Collection Account as its income or loss for federal, state and local income tax purposes.

(d) Reserve Account . On or prior to the Original Closing Date, Company shall cause to be established and maintained a Deposit Account in the name of Company designated as the "Reserve Account" as to which the Collateral Agent has control over such account for the benefit of the Lenders within the meaning of Section 9-104(a)(2) of the UCC pursuant to the Blocked Account Control Agreement. The Reserve Account will be funded with funds available therefor pursuant to Section 2.12(a) . At any time after the giving of a Termination Notice by the Administrative Agent, the Paying Agent shall at the written direction of the Administrative Agent withdraw an amount from the Reserve Account required to pay Servicing Transition Expenses during the Servicing Transition Period (provided, for the avoidance of doubt, only one such withdrawal may be made from the Reserve Account to pay Servicing Transition Expenses). On the first Interest Payment Date after the occurrence and during the continuance of an Event of Default, the Paying Agent shall at the written direction of the Administrative Agent transfer into the Collection Account for application on such Interest Payment Date in accordance with Section 2.12(b) the amount by which the amount in the Reserve Account exceeds the excess, if any, of $100,000 over the aggregate amount previously withdrawn from the Reserve Account to pay Servicing Transition Expenses. If the first Interest Payment Date after the end of a Servicing Transition Period is during the continuance of an Event of Default,

the Paying Agent shall at the written direction of the Administrative Agent transfer into the Collection Account for application on such Interest Payment Date in accordance with Section 2.12(b) all amounts in the Reserve Account.

2.12 Application of Proceeds.

(a) Application of Amounts in the Collection Account . So long as no Event of Default has occurred and is continuing (after giving effect to the application of funds in accordance herewith on the relevant date) and the Revolving Commitment Termination Date has not yet occurred, on each Interest Payment Date, all amounts in the Collection Account and all amounts (if any) in the Reserve Account in excess of the Reserve Account Funding Requirement as of such day shall be applied by the Paying Agent based on the Monthly Servicing Report as follows:

(i) *first,* to Company, on a *pari passu* basis, (A) amounts sufficient for Company to maintain its limited liability company existence and to pay similar expenses up to an amount not to exceed $1,000 in any Fiscal Year, and only to the extent not previously distributed to Company during such Fiscal Year pursuant to clause (ix) below, and (B) to pay any accrued and unpaid Servicing Fees;

(ii) *second,* on a *pari passu* basis, (A) to the Backup Servicer to pay any accrued and unpaid Backup Servicing Fees; (B) to the Custodian to pay any costs, fees and indemnities then due and owing to the Custodian; and (C) to the Controlled Account Bank to pay any costs, fees and indemnities then due and owing to the Controlled Account Bank (in respect of the Controlled Accounts), (D) to Administrative Agent to pay any costs, fees or indemnities then due and owing to Administrative Agent under the Credit Documents; (E) to Collateral Agent to pay any costs, fees or indemnities then due and owing to Collateral Agent under the Credit Documents; and (F) to Paying Agent to pay any costs, fees or indemnities then due and owing to Paying Agent under the Credit Documents; *provided* , *however* , that the aggregate amount of costs, fees or indemnities payable to the Backup Servicer, Administrative Agent, the Custodian, the Collateral Agent, the Controlled Account Bank (in respect of the Controlled Accounts) and the Paying Agent pursuant to this clause (ii) shall not exceed $450,000 in any Fiscal Year;

(iii) *third,* on a *pro rata* basis, to the Administrative Agent for further distribution to the Class A Revolving Lenders to pay costs, fees, and accrued interest (calculated in accordance with Section 2.5(a)) on the Class A Revolving Loans and expenses payable pursuant to the Credit Documents;

(iv) *fourth* , on a *pro rata* basis, to the Administrative Agent for further distribution to the Class A Lenders in an amount necessary to reduce any Class A Borrowing Base Deficiency to zero;

(v) *fifth,* to the Administrative Agent for further distribution on a *pro rata* basis, to the Class B Revolving Lenders to pay costs, fees, and accrued interest (calculated in accordance with Section 2.5(a)) on the Class B Revolving Loans and expenses payable pursuant to the Credit Documents;

(vi) *sixth* , to the Administrative Agent for further distribution on a *pro rata* basis, to the Class B Revolving Lenders in an amount necessary to reduce any Class B Borrowing Base Deficiency to zero;

(vii) *seventh* , to pay to the Backup Servicer, the Administrative Agent, the Custodian, the Collateral Agent, the Controlled Account Bank (in respect of the Controlled Accounts) and the Paying Agent any costs, fees or indemnities not paid in accordance with clause (ii) above;

(viii) *eighth* , to the Reserve Account an amount equal to any Reserve Account Funding Amount;

(ix) *ninth* , to pay all other Obligations or any other amount then due and payable hereunder;

(x) *tenth* , at the election of Company, on a *pro rata* basis, to the Administrative Agent for further distribution to the Class A Revolving Lenders and the Class B Revolving Lenders, as applicable, to repay the principal of the Revolving Loans; and

(xi) *eleventh* , provided that no Borrowing Base Deficiency would occur after giving effect to such distribution, any remainder to Company or as Company shall direct consistent with Section 6.5 .

(b) Notwithstanding anything herein to the contrary, upon the occurrence and during the continuance of an Event of Default, on each Interest Payment Date, all amounts in the Controlled Accounts shall be applied by the Paying Agent based on the Monthly Servicing Report as follows:

(i) *first,* to Company, on a *pari passu* basis, (A) amounts sufficient for Company to maintain its limited liability company existence and to pay similar expenses up to an amount not to exceed $1,000 in any Fiscal Year, and only to the extent not previously distributed to Company during such Fiscal Year pursuant to Section 2.12(a)(i) or 2.12(a)(xi) above, and (B) to pay any accrued and unpaid Servicing Fees;

(ii) *second,* on a *pari passu* basis, (A) to the Backup Servicer to pay any accrued and unpaid Backup Servicing Fees; (B) to the Custodian to pay any costs, fees and indemnities then due and owing to the Custodian; and (C) to the Controlled Account Bank to pay any costs, fees and indemnities then due and owing to the Controlled Account Bank (in respect of the Controlled Accounts), (D) to Administrative Agent to pay any costs, fees or indemnities then due and owing to Administrative Agent under the Credit Documents; (E) to Collateral Agent to pay any costs, fees or indemnities then due and owing to Collateral Agent under the Credit Documents; and (F) to Paying Agent to pay any costs, fees or indemnities then due and owing to Paying Agent under the Credit Documents;

(iii) *third,* to the Administrative Agent for further distribution on a *pro rata* basis, to the Class A Revolving Lenders to pay costs, fees, and accrued interest (calculated in accordance with Section 2.5(a)) on the Class A Revolving Loans and expenses payable pursuant to the Credit Documents;

(iv) *fourth* , to the Administrative Agent for further distribution on a *pro rata* basis, to the Class A Revolving Lenders until the Class A Revolving Loans are paid in full;

(v) *fifth,* to the Administrative Agent for further distribution on a *pro rata* basis, to the Class B Revolving Lenders to pay costs, fees, and accrued interest (calculated in accordance with Section 2.5(a)) on the Class B Revolving Loans and expenses payable pursuant to the Credit Documents;

(iv) *sixth* , to the Administrative Agent for further distribution on a *pro rata* basis, to the Class B Revolving Lenders until the Class B Revolving Loans are paid in full;

(vii) *seventh,* to pay all other Obligations or any other amount then due and payable hereunder; and

(viii) *eighth,* any remainder to Company.

2.13 General Provisions Regarding Payments .

(a) All payments by Company of principal, interest, fees and other Obligations shall be made in Dollars in immediately available funds, without defense, recoupment, setoff or counterclaim, free of any restriction or condition, and paid not later than 12:00 p.m. (New York City time) on the date due via wire transfer of immediately available funds. Funds received after that time on such due date shall be deemed to have been paid by Company on the next Business Day (provided, that any repayment made pursuant to Section 2.11(c)(vii)(B) or any application of funds by Paying Agent pursuant to Section 2.12 on any Interest Payment Date shall be deemed for all purposes to have been made in accordance with the deadlines and payment requirements described in this Section 2.13).

(b) All payments in respect of the principal amount of any Revolving Loan (other than, unless requested by the Administrative Agent, voluntary prepayments of Revolving Loans or payments pursuant to Section 2.10) shall be accompanied by payment of accrued interest on the principal amount being repaid or prepaid.

(c) Paying Agent shall promptly distribute to each Class A Revolving Lender and each Class B Revolving Lender, at such address as such Lender shall indicate in writing, the applicable Pro Rata Share of each such Lender of all payments and prepayments of principal and interest due hereunder, together with all other amounts due with respect thereto, including, without limitation, all fees payable with respect thereto, to the extent received by Paying Agent.

(d) Whenever any payment to be made hereunder shall be stated to be due 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 the payment of interest hereunder or of the commitment fees hereunder.

(e) Except as set forth in the proviso to Section 2.13(a) , Paying Agent shall deem any payment by or on behalf of Company hereunder to them that is not made in same day funds prior to 12:00 p.m. (New York City time) to be a non-conforming payment. Any such payment shall not be deemed to have been received by Paying Agent until the later of (i) the time such funds become available funds, and (ii) the applicable next Business Day. Paying Agent shall give prompt notice via electronic mail to Company and Administrative Agent if any payment is non-conforming. Any non-conforming payment may constitute or become a Default or Event of Default in accordance with the terms of Section 7.1(a) . Interest shall continue to accrue on any principal as to which a non-conforming payment is made until such funds become available funds (but in no event less than the period from the date of such payment to the next succeeding applicable Business Day) at the rate otherwise applicable to such paid amount from the date such amount was due and payable until the date such amount is paid in full.

2.14 Ratable Sharing . Lenders hereby agree among themselves that, except as otherwise provided herein or in the Collateral Documents with respect to amounts realized from the exercise of rights with respect to Liens on the Collateral, if any of them shall, whether by voluntary payment (other than a voluntary

prepayment of Revolving Loans made and applied in accordance with the terms hereof), through the exercise of any right of set-off or banker's lien, by counterclaim or cross action or by the enforcement of any right under the Credit Documents, or otherwise, or as adequate protection of a deposit treated as cash collateral under the Bankruptcy Code, receive payment or reduction of a proportion of the aggregate amount of principal, interest, fees and other amounts then due and owing to such Lender hereunder or under the other Credit Documents (collectively, the **"Aggregate Amounts Due"** to such Lender) which is greater than such Lender would be entitled pursuant to this Agreement (after giving effect to the priority of payments determining application of payments to the Class A Lenders and the Class B Lenders, respectively), then the Lender receiving such proportionately greater payment shall (a) notify Administrative Agent, Paying Agent and each Lender of the receipt of such payment and (b) apply a portion of such payment to purchase participations (which it shall be deemed to have purchased from each seller of a participation simultaneously upon the receipt by such seller of its portion of such payment) in the Aggregate Amounts Due to the other Lenders so that the recovery of such Aggregate Amounts Due shall be shared by the applicable Lenders in proportion to the Aggregate Amounts Due to them pursuant to this Agreement; provided , if all or part of such proportionately greater payment received by such purchasing Lender is thereafter recovered from such Lender upon the bankruptcy or reorganization of Company or otherwise, those purchases shall be rescinded and the purchase prices paid for such participations shall be returned to such purchasing Lender ratably to the extent of such recovery, but without interest. Company expressly consents to the foregoing arrangement and agrees that any holder of a participation so purchased may exercise any and all rights of banker's lien, setoff or counterclaim with respect to any and all monies owing by Company to that holder with respect thereto as fully as if that holder were owed the amount of the participation held by that holder.

2.15 Increased Costs; Capital Adequacy.

(a) Compensation for Increased Costs and Taxes . Subject to the provisions of Section 2.16 (which shall be controlling with respect to the matters covered thereby), in the event that any Affected Party shall determine (which determination shall, absent manifest error, be final and conclusive and binding upon all parties hereto) that any law, treaty or governmental rule, regulation or order, or any change therein or in the interpretation, administration or application thereof (including the introduction of any new law, treaty or governmental rule, regulation or order), or any determination of a court or Governmental Authority, in each case that becomes effective after the Third Amendment Effective Date, or compliance by such Affected Party with any guideline, request or directive issued or made after the date hereof (or with respect to any Lender which becomes a Lender after the date hereof, effective after such date) by any central bank or other Governmental Authority or quasi-Governmental Authority (whether or not having the force of law): (i) subjects such Affected Party (or its applicable lending office) to any additional Tax (other than (A) Indemnified Taxes, (B) Taxes described in clauses (b) through (d) of the definition of Excluded Taxes and (C) Connection Income Taxes) with respect to this Agreement or any of the other Credit Documents or any of its obligations hereunder or thereunder or any payments to such Affected Party (or its applicable lending office) of principal, interest, fees or any other amount payable hereunder; (ii) imposes, modifies or holds applicable any reserve (including any marginal, emergency, supplemental, special or other reserve), special deposit, compulsory loan, FDIC or other insurance or charge or similar requirement against assets held by, or deposits or other liabilities in or for the account of, or advances or loans by, or other credit extended by, or any other acquisition of funds by, any office of such Affected Party; or (iii) imposes any other condition (other than with respect to a Tax matter) on or affecting such Affected Party (or its applicable lending office) or its obligations hereunder; and the result of any of the foregoing is to increase the cost to such Affected Party of agreeing to make, making or maintaining Loans hereunder or to reduce any amount received or receivable by such Affected Party (or its applicable lending office) with respect thereto; then, in any such case, if such Affected Party deems such change to be material, Company shall promptly pay to such Affected Party, upon receipt of the statement referred to in the next sentence, such additional amount or amounts (in

the form of an increased rate of, or a different method of calculating, interest or otherwise as such Affected Party in its sole discretion shall determine) as may be necessary to compensate such Affected Party for any such increased cost or reduction in amounts received or receivable hereunder and any reasonable expenses related thereto. Such Affected Party shall deliver to Company (with a copy to Administrative Agent and Paying Agent) a written statement, setting forth in reasonable detail the basis for calculating the additional amounts owed to such Affected Party under this Section 2.15(a), which statement shall be conclusive and binding upon all parties hereto absent manifest error.

(b) Capital Adequacy Adjustment. In the event that any Affected Party shall have determined in its sole discretion (which determination shall, absent manifest effort, be final and conclusive and binding upon all parties hereto) that (i) the adoption, effectiveness, phase-in or applicability of any law, rule or regulation (or any provision thereof) regarding capital adequacy, or any change therein or in the interpretation or administration thereof by any Governmental Authority, central bank or comparable agency charged with the interpretation or administration thereof, or (ii) compliance by any Affected Party (or its applicable lending office) or any company controlling such Affected Party with any guideline, request or directive regarding capital adequacy (whether or not having the force of law) of any such Governmental Authority, central bank or comparable agency, in each case after the Third Amendment Effective Date, has or would have the effect of reducing the rate of return on the capital of such Affected Party or any company controlling such Affected Party as a consequence of, or with reference to, such Affected Party's Loans or Revolving Commitments, or participations therein or other obligations hereunder with respect to the Loans to a level below that which such Affected Party or such controlling company could have achieved but for such adoption, effectiveness, phase-in, applicability, change or compliance (taking into consideration the policies of such Affected Party or such controlling company with regard to capital adequacy), then from time to time, within five (5) Business Days after receipt by Company from such Affected Party of the statement referred to in the next sentence, Company shall pay to such Affected Party such additional amount or amounts as will compensate such Affected Party or such controlling company on an after-tax basis for such reduction. Such Affected Party shall deliver to Company (with a copy to Administrative Agent and Paying Agent) a written statement, setting forth in reasonable detail the basis for calculating the additional amounts owed to such Affected Party under this Section 2.15(b), which statement shall be conclusive and binding upon all parties hereto absent manifest error. For the avoidance of doubt, subsections (i) and (ii) of this Section 2.15 shall apply, without limitation, to all requests, rules, guidelines or directives concerning liquidity and capital adequacy issued by any Governmental Authority (x) under or in connection with the implementation of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, as amended to the date hereof and from time to time hereafter, and any successor statute and (y) in connection with the implementation of the recommendations of the Bank for International Settlements or the Basel Committee on Banking Regulations and Supervisory Practices (or any successor or similar authority), regardless of the date adopted, issued, promulgated or implemented.

(c) Delay in Requests. Failure or delay on the part of any Affected Party to demand compensation pursuant to the foregoing provisions of this Section 2.15 shall not constitute a waiver of such Affected Party's right to demand such compensation, provided that Company shall not be required to compensate an Affected Party pursuant to the foregoing provisions of this Section 2.15 for any increased costs incurred or reductions suffered more than one hundred twenty (120) days prior to the date that such Affected Party notifies Company of the matters giving rise to such increased costs or reductions and of such Affected Party's intention to claim compensation therefor.

Notwithstanding anything to the contrary in this Section 2.15, with respect to any Affected Party, the Company shall not be required to pay any increased costs under this Section 2.15 if the payment of such

increased cost would cause the Company's all-in cost of borrowing hereunder, for the applicable period to be in excess of the LIBO Rate plus 10%.

2.16 Taxes; Withholding, etc.

(a) Payments to Be Free and Clear . Subject to Section 2.16(b) , all sums payable by Company hereunder and under the other Credit Documents shall (except to the extent required by law) be paid free and clear of, and without any deduction or withholding on account of, any Tax imposed, levied, collected, withheld or assessed by or within the United States or any political subdivision in or of the United States or any other jurisdiction from or to which a payment is made by or on behalf of Company or by any federation or organization of which the United States or any such jurisdiction is a member at the time of payment.

(b) Withholding of Taxes . If Company or any other Person is required by law to make any deduction or withholding on account of any such Tax from any sum paid or payable by Company to an Affected Party under any of the Credit Documents: (i) Company shall notify Paying Agent of any such requirement or any change in any such requirement as soon as Company becomes aware of it; (ii) Company or the Paying Agent shall make such deduction or withholding and pay any such Tax to the relevant Governmental Authority before the date on which penalties attach thereto, such payment to be made (if the liability to pay is imposed on Company) for its own account or (if that liability is imposed on Paying Agent or such Affected Party, as the case may be) on behalf of and in the name of Paying Agent or such Affected Party; (iii) if such Tax is an Indemnified Tax, the sum payable by Company in respect of which the relevant deduction, withholding or payment is required shall be increased to the extent necessary to ensure that, after the making of that deduction, withholding or payment (and any withholdings imposed on additional amounts payable under this paragraph), such Affected Party receives on the due date a net sum equal to what it would have received had no such deduction, withholding or payment been required or made; and (iv) within thirty (30) days after paying any sum from which it is required by law to make any deduction or withholding, and within thirty (30) days after the due date of payment of any Tax which it is required by clause (ii) above to pay, Company shall deliver to Paying Agent evidence satisfactory to the other Affected Parties of such deduction, withholding or payment and of the remittance thereof to the relevant taxing or other authority. Each party hereto agrees that the Paying Agent and Company have the right to withhold on payments (without any corresponding gross-up) where a party fails to comply with the documentation requirements set forth in Section 2.16(d) . Upon request from the Paying Agent, the Company will provide such additional information that it may have to assist the Paying Agent in making any withholdings or informational reports.

(c) Indemnification by Company . Company shall indemnify each Affected Party, within ten (10) days after demand therefor, for the full amount of any Indemnified Taxes 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 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 Company by an Affected Party (with a copy to the Paying Agent), or by the Paying Agent on its own behalf or on behalf of an Affected Party, shall be conclusive absent manifest error.

(d) Evidence of Exemption or Reduced Rate From U.S. Withholding Tax .

(i) Each Lender and the Administrative Agent that is not a United States Person (as such term is defined in Section 7701(a)(30) of the Internal Revenue Code) for U.S. federal income tax purposes (a **"Non-US Lender"**) shall, to the extent it is legally entitled to do so, deliver to Paying Agent and the Company, on or prior to the Original Closing Date (in the case of each Lender listed

on the signature pages hereof on the Original Closing Date) or on or prior to the date of the Assignment Agreement pursuant to which it becomes a Lender (in the case of each other Lender), and at such other times as may be necessary in the determination of Company or Paying Agent (each in the reasonable exercise of its discretion), (A) two original copies of Internal Revenue Service Form W-8BEN, W-8BEN-E, W-8ECI or W-8IMY, as applicable (with appropriate attachments) (or any successor forms), properly completed and duly executed by such the Administrative Agent or such Lender, and such other documentation required under the Internal Revenue Code and reasonably requested by Company or the Paying Agent to establish that the Administrative Agent or such Lender is not subject to, or is eligible for a reduction in the rate of, deduction or withholding of United States federal income tax with respect to any payments to Administrative Agent or such Lender of principal, interest, fees or other amounts payable under any of the Credit Documents, or (B) if such the Administrative Agent or such Lender is not a "bank" or other Person described in Section 881(c)(3) of the Internal Revenue Code and cannot deliver Internal Revenue Service Form W-8IMY or W-8ECI pursuant to clause (A) above and is relying on the so called "portfolio interest exception", a Certificate Regarding Non-Bank Status together with two original copies of Internal Revenue Service Form W-8BEN or W-8BEN-E, as applicable (or any successor form), properly completed and duly executed by the Administrative Agent or such Lender, and such other documentation required under the Internal Revenue Code and reasonably requested by Company or the Paying Agent to establish that the Administrative Agent or such Lender is not subject, or is eligible for a reduction in the rate of, to deduction or withholding of United States federal income tax with respect to any payments to the Administrative Agent or such Lender of interest payable under any of the Credit Documents. The Administrative Agent and each Lender required to deliver any forms, certificates or other evidence with respect to United States federal income tax withholding matters pursuant to this Section 2.16(d)(i) or Section 2.16(d)(ii) hereby agrees, from time to time after the initial delivery by the Administrative Agent or such Lender of such forms, certificates or other evidence, whenever a lapse in time or change in circumstances renders such forms, certificates or other evidence obsolete or inaccurate in any material respect, that the Administrative Agent or such Lender shall promptly deliver to Company and the Paying Agent two new original copies of Internal Revenue Service Form W-8BEN, W-8BEN-E, W-8IMY, or W-8ECI, or, if relying on the "portfolio interest exception", a Certificate Regarding Non-Bank Status and two original copies of Internal Revenue Service Form W-8BEN or W-8BEN-E, as applicable (or any successor form), as the case may be, properly completed and duly executed by the Administrative Agent or such Lender, and such other documentation required under the Internal Revenue Code and reasonably requested by Company or Paying Agent to confirm or establish that the Administrative Agent or such Lender is not subject to, or is eligible for a reduction in the rate of, deduction or withholding of United States federal income tax with respect to payments to the Administrative Agent or such Lender under the Credit Documents, or notify Paying Agent and Company of its inability to deliver any such forms, certificates or other evidence.

(ii) Any Lender and the Administrative Agent that is a U.S. Person shall deliver to Company and the Paying Agent on or prior to the date on which such Lender becomes a Lender under this Agreement on the Original Closing Date or pursuant to an Assignment Agreement (and from time to time thereafter upon the reasonable request of Company or the Paying Agent), executed originals of IRS Form W-9 certifying that such Lender is a U.S. Person and exempt from U.S. federal backup withholding tax.

(iii) If a payment made to the Administrative Agent or a Lender under any Credit Document would be subject to U.S. federal withholding Tax imposed by FATCA if the Administrative Agent or 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), the

Administrative Agent or such Lender shall deliver to Company and the Paying Agent at the time or times reasonably requested by Company or the Paying 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 Company or the Paying Agent as may be necessary for Company and the Paying Agent to comply with their obligations under FATCA and to determine that the Administrative Agent or such Lender has complied with the Administrative Agent's or such Lender's obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this Section 2.16(d)(iii) , "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

(e) Payment of Other Taxes by the Company . The Company 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.

2.17 Obligation to Mitigate . Each Lender agrees that, as promptly as practicable after the officer of such Lender responsible for administering its Revolving Loans becomes aware of the occurrence of an event or the existence of a condition that would cause such Lender to become an Affected Lender or that would entitle such Lender to receive payments under Section 2.15 and/or Section 2.16 , it will, to the extent not inconsistent with the internal policies of such Lender and any applicable legal or regulatory restrictions, use reasonable efforts to (a) make, issue, fund or maintain its Credit Extensions through another office of such Lender, or (b) take such other measures as such Lender may deem reasonable, if as a result thereof the additional amounts which would otherwise be required to be paid to such Lender pursuant to 2.15 and/or 2.16 would be materially reduced and if, as determined by such Lender in its sole discretion, the making, issuing, funding or maintaining of such Revolving Commitments or Revolving Loans through such other office or in accordance with such other measures, as the case may be, would not otherwise adversely affect such Revolving Commitments or Revolving Loans or the interests of such Lender; provided , such Lender will not be obligated to utilize such other office pursuant to this Section 2.17 unless Company agrees to pay all reasonable and incremental expenses incurred by such Lender as a result of utilizing such other office as described above. A certificate as to the amount of any such expenses payable by Company pursuant to this Section 2.17 (setting forth in reasonable detail the basis for requesting such amount) submitted by such Lender to Company (with a copy to Administrative Agent) shall be conclusive absent manifest error.

2.18 Defaulting Lenders . Anything contained herein to the contrary notwithstanding, in the event that other than at the direction or request of any regulatory agency or authority, any Lender defaults (in each case, a **"Defaulting Lender"**) in its obligation to fund (a **"Funding Default"**) any Revolving Loan (in each case, a **"Defaulted Loan"**), then (a) during any Default Period with respect to such Defaulting Lender, such Defaulting Lender shall be deemed not to be a "Lender" for purposes of voting on any matters (including the granting of any consents or waivers) with respect to any of the Credit Documents; (b) to the extent permitted by applicable law, until such time as the Default Excess, if any, with respect to such Defaulting Lender shall have been reduced to zero, (i) any voluntary prepayment of the Revolving Loans shall be applied to the Revolving Loans of other Lenders of the applicable Class as if such Defaulting Lender had no Revolving Loans outstanding and the Revolving Exposure of such Defaulting Lender were zero, and (ii) any mandatory prepayment of the Revolving Loans of the applicable Class shall be applied to the Revolving Loans of other Lenders (but not to the Revolving Loans of such Defaulting Lender) of such Class as if such Defaulting Lender had funded all Defaulted Loans of such Class of such Defaulting Lender, it being understood and agreed that Company shall be entitled to retain any portion of any mandatory prepayment of the Revolving Loans of the applicable Class that is not paid to such Defaulting Lender solely as a result of the operation of the provisions of this clause (b); and (c) the Total Utilization of Class A Revolving Commitments or the Total Utilization of Class B Revolving Commitments, as applicable, as at any date of determination shall be

calculated as if such Defaulting Lender had funded all Defaulted Loans of such Defaulting Lender. No Revolving Commitment of any Lender shall be increased or otherwise affected, and, except as otherwise expressly provided in this Section 2.18 , performance by Company of its obligations hereunder and the other Credit Documents shall not be excused or otherwise modified as a result of any Funding Default or the operation of this Section 2.18 . The rights and remedies against a Defaulting Lender under this Section 2.18 are in addition to other rights and remedies which Company may have against such Defaulting Lender with respect to any Funding Default and which Administrative Agent or any Lender may have against such Defaulting Lender with respect to any Funding Default or violation of Section 8.5(c) .

2.19 Removal or Replacement of a Lender . Anything contained herein to the contrary notwithstanding, in the event that: (a) (i) any Lender (an **"Increased-Cost Lender"**) shall give notice to Company that such Lender is entitled to receive payments under Section 2.15 and/or Section 2.16 , (ii) the circumstances which entitle such Lender to receive such payments shall remain in effect, and (iii) such Lender shall fail to withdraw such notice within five (5) Business Days after Company's request for such withdrawal; or (b) (i) any Lender shall become a Defaulting Lender, (ii) the Default Period for such Defaulting Lender shall remain in effect, and (iii) such Defaulting Lender shall fail to cure the default as a result of which it has become a Defaulting Lender within five (5) Business Days after Company's request that it cure such default; or (c) in connection with any proposed amendment, modification, termination, waiver or consent with respect to any of the provisions hereof as contemplated by Section 9.5(b) , the consent of Administrative Agent and Requisite Lenders shall have been obtained but the consent of one or more of such other Lenders (each a **"Non-Consenting Lender"**) whose consent is required shall not have been obtained and (ii) no Default or Event of Default shall then exist; then, with respect to each such Increased-Cost Lender, Defaulting Lender or Non-Consenting Lender (the **"Terminated Lender"**), Company may, by giving written notice to any Terminated Lender of its election to do so, elect to cause such Terminated Lender (and such Terminated Lender and, if applicable, each other such Lender hereby irrevocably agrees) to assign its outstanding Revolving Loans and its Revolving Commitments, if any, in full to one or more Eligible Assignees identified by Company (each a **"Replacement Lender"**) in accordance with the provisions of Section 9.6 ; provided , (1) on the date of such assignment, the Replacement Lender shall pay to the Terminated Lender and, if applicable, such other Lenders, an amount equal to the sum of (A) an amount equal to the principal of, and all accrued interest on, all outstanding Revolving Loans of the Terminated Lender and, if applicable, such other Lenders, and (B) an amount equal to all accrued, but theretofore unpaid fees owing to such Terminated Lender and, if applicable, such other Lenders, pursuant to Section 2.7 ; (2) on the date of such assignment, Company shall pay any amounts payable to such Terminated Lender and, if applicable, such other Lenders pursuant to Section 2.15 and/or Section 2.16 and any other amounts due to such Terminated Lender and, if applicable, such other Lenders; and (3) in the event such Terminated Lender is an Increased-Cost Lender, such assignment will result in a reduction in any claims for payments under Section 2.15 and/or Section 2.16 , as applicable, and (4) in the event such Terminated Lender is a Non-Consenting Lender, each Replacement Lender shall consent, at the time of such assignment, to each matter in respect of which such Terminated Lender was a Non-Consenting Lender. Upon the prepayment of all amounts owing to any Terminated Lender and, if applicable, such other Lenders and the termination of such Terminated Lender's Revolving Commitments and, if applicable, the Revolving Commitments of such other Lenders, such Terminated Lender and, if applicable, such other Lenders shall no longer constitute a "Lender" for purposes hereof; provided , any rights of such Terminated Lender and, if applicable, such other Lenders to indemnification hereunder shall survive as to such Terminated Lender and such other Lenders.

2.20 The Paying Agent. (a) The Lenders hereby appoint Wells Fargo Bank, N.A. as the initial Paying Agent. All payments of amounts due and payable in respect of the Obligations that are to be made from amounts withdrawn from the Collection Account pursuant to Section 2.12 shall be made by the Paying

Agent based on the Monthly Servicing Report (upon which the Paying Agent shall be entitled to conclusively rely).

(b) The Paying Agent hereby agrees that, subject to the provisions of this Section, it shall:

(i) hold any sums held by it for the payment of amounts due with respect to the Obligations in trust for the benefit of the Persons entitled thereto until such sums shall be paid to such Persons or otherwise disposed of as herein provided and pay such sums to such Persons as herein provided;

(ii) give the Administrative Agent and the Class B Revolving Lenders notice of any default by the Company in the making of any payment required to be made with respect to the Obligations of which it has actual knowledge;

(iii) comply with all requirements of the Internal Revenue Code and any applicable State law with respect to the withholding from any payments made by it in respect of any Obligations of any applicable withholding taxes imposed thereon and with respect to any applicable reporting requirements in connection therewith; and

(iv) provide to the Agents such information as is required to be delivered under the Internal Revenue Code or any State law applicable to the particular Paying Agent, relating to payments made by the Paying Agent under this Agreement.

(c) Each Paying Agent (other than the initial Paying Agent) shall be appointed by the Lenders with the prior written consent of the Company (if required), in accordance with Section 2.20(r) .

(d) The Company shall indemnify the Paying Agent and its officers, directors, employees and agents for, and hold them harmless against any loss, liability or expense incurred, other than in connection with the willful misconduct, fraud, gross negligence or bad faith on the part of the Paying Agent, arising out of or in connection with the performance of its obligations under and in accordance with this Agreement, including the costs and expenses of defending itself against any claim or liability in connection with the exercise or performance of any of its powers or duties under this Agreement. All such amounts shall be payable in accordance with Section 2.12 and such indemnity shall survive the termination of this Agreement and the resignation or removal of the Paying Agent.

(e) The Paying Agent undertakes to perform such duties, and only such duties, as are expressly set forth in this Agreement. No implied covenants or obligations shall be read into this Agreement against the Paying Agent. The Paying Agent may conclusively rely on the truth of the statements and the correctness of the opinions expressed in any certificates or opinions furnished to the Paying Agent pursuant to and conforming to the requirements of this Agreement.

(f) The Paying Agent shall not be liable for any action taken or not taken by it (i) with the consent or at the direction or request of Requisite Lenders or the Administrative Agent or other relevant instructing party expressly permitted hereunder, or (ii) in the absence of its own fraud, gross negligence or willful misconduct as determined by a court of competent jurisdiction, no longer subject to appeal or review.

(g) The Paying Agent shall not be charged with knowledge of any event or information, including any Default or Event of Default unless a Responsible Officer of the Paying Agent obtains actual knowledge or receives written notice of such event from the Company, the Servicer or the Administrative Agent, as the case may be. The receipt and/or delivery of reports and other information under this Agreement by the Paying Agent, and any publicly-available information, shall not constitute notice or actual or

constructive knowledge of any such event or information, including any Default or Event of Default contained therein.

(h) The Paying Agent shall not be required to expend or risk its own funds or otherwise incur financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if there shall be reasonable grounds for believing that the repayment of such funds or adequate indemnity against such risk or liability shall not be reasonably assured to it, and none of the provisions contained in this Agreement shall in any event require the Paying Agent to perform, or be responsible for the manner of performance of, any of the obligations of the Company under this Agreement.

(i) The Paying Agent may conclusively rely and shall be protected in acting or refraining from acting upon any resolution, certificate of an Authorized Officer, any Monthly Servicing Report, certificate of auditors or any other certificate, statement, instrument, opinion, report, notice, request, consent, order, appraisal, bond or other paper or document reasonably believed by it to be genuine and to have been signed or presented by the proper party or parties.

(j) The Paying Agent may consult with counsel of its choice with regard to legal questions arising out of or in connection with this Agreement and the advice or opinion of such counsel shall be full and complete authorization and protection in respect of any action taken, omitted or suffered by the Paying Agent in good faith and in accordance therewith.

(k) The Paying Agent shall be under no obligation to exercise any of the rights, powers or remedies vested in it by this Agreement or to institute, conduct or defend any litigation under this Agreement or in relation to this Agreement, at the request, order or direction of the Administrative Agent, any Lender or any Agent pursuant to the provisions of this Agreement, unless the Administrative Agent, on behalf of the Secured Parties, such Lender or such Agent shall have offered to the Paying Agent security or indemnity satisfactory to it against the costs, expenses and liabilities that may be incurred therein or thereby.

(l) Except as otherwise expressly set forth in Section 2.21 , the Paying Agent shall not be bound to make any investigation into the facts of matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, approval, bond or other paper or document, unless requested in writing so to do by the Administrative Agent; provided, that if the payment within a reasonable time to the Paying Agent of the costs, expenses or liabilities likely to be incurred by it in the making of such investigation shall be, in the opinion of the Paying Agent, not reasonably assured by the Company, the Paying Agent may require reasonable indemnity against such cost, expense or liability as a condition to so proceeding. The reasonable expense of every such examination shall be paid by the Company or, if paid by the Paying Agent, shall be reimbursed by the Company to the extent of funds available therefor pursuant to Section 2.12 .

(m) The Paying Agent shall not be responsible for the acts or omissions of the Administrative Agent, the Company, the Servicer, any Agent, any Lender or any other Person, and may assume compliance by such parties with their obligations, unless a Responsible Officer of the Paying Agent shall have received written notice to the contrary.

(n) Any Person into which the Paying Agent may be merged or converted or with which it may be consolidated, or any Person resulting from any merger, conversion or consolidation to which to Paying Agent shall be a party, or any Person succeeding to the business of the Paying Agent, shall be the successor of the Paying Agent under this Agreement, without the execution or filing of any paper or any further act on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

(o) The Paying Agent shall not be liable for ensuring that the Secured Parties' interest in the Collateral is valid or enforceable, and does not assume and shall have no responsibility for, and makes no representation as to, monitoring the status of any lien or performance or value of any Collateral.

(p) If the Paying Agent shall at any time receive conflicting instructions from the Administrative Agent and the Company or the Servicer or any other party to this Agreement and the conflict between such instructions cannot be resolved by reference to the terms of this Agreement, the Paying Agent shall follow the instructions of the Administrative Agent. The Paying Agent may rely upon the validity of documents delivered to it, without investigation as to their authenticity or legal effectiveness, and the parties to this Agreement will hold the Paying Agent harmless from any claims that may arise or be asserted against the Paying Agent because of the invalidity of any such documents or their failure to fulfill their intended purpose.

(q) The Paying Agent is authorized, in its sole discretion, to disregard any and all notices or instructions given by any other party hereto or by any other person, firm or corporation, except only such notices or instructions as are herein provided for and orders or process of any court entered or issued with or without jurisdiction. If any property subject hereto is at any time attached, garnished or levied upon under any court order or in case the payment, assignment, transfer, conveyance or delivery of any such property shall be stayed or enjoined by any court order, or in case any order, judgment or decree shall be made or entered by any court affecting such property or any part hereof, then and in any of such events the Paying Agent is authorized, in its sole discretion, to rely upon and comply with any such order, writ, judgment or decree, and if it complies with any such order, writ, judgment or decree it shall not be liable to any other party hereto or to any other person, firm or corporation by reason of such compliance even though such order, writ, judgment or decree maybe subsequently reversed, modified, annulled, set aside or vacated.

(r) The Paying Agent may: (i) terminate its obligations as Paying Agent under this Agreement (subject to the terms set forth herein) upon at least 30 days' prior written notice to the Company, the Servicer and the Administrative Agent; provided, however, that, without the consent of the Administrative Agent, such resignation shall not be effective until a successor Paying Agent reasonably acceptable to the Administrative Agent and, so long as no Event of Default is then existing, the Company (such consent not to be unreasonably withheld or delayed) shall have accepted appointment by the Lenders as Paying Agent, pursuant hereto and shall have agreed to be bound by the terms of this Agreement; or (ii) be removed at any time upon thirty (30) days' written notice by the Administrative Agent (acting at the direction of the Requisite Lenders), delivered to the Paying Agent, the Company and the Servicer. In the event of such termination or removal, the Lenders with, so long as no Event of Default is then existing, the consent of the Company (such consent not to be unreasonably withheld or delayed) shall appoint a successor paying agent. If, however, a successor paying agent is not appointed by the Lenders within sixty (60) days after the giving of notice of resignation or removal, the Paying Agent may petition a court of competent jurisdiction for the appointment of a successor Paying Agent.

(s) Any successor Paying Agent appointed pursuant hereto shall (i) execute, acknowledge, and deliver to the Company, the Servicer, the Administrative Agent, and to the predecessor Paying Agent an instrument accepting such appointment under this Agreement. Thereupon, the resignation or removal of the predecessor Paying Agent shall become effective and such successor Paying Agent, without any further act, deed or conveyance, shall become fully vested with all the rights, powers, duties, and obligations of its predecessor as Paying Agent under this Agreement, with like effect as if originally named as Paying Agent. The predecessor Paying Agent shall upon payment of its fees and expenses deliver to the successor Paying Agent all documents and statements and monies held by it under this Agreement; and the Company and the predecessor Paying Agent shall execute and deliver such instruments and do such other things as

may reasonably be requested for fully and certainly vesting and confirming in the successor Paying Agent all such rights, powers, duties, and obligations.

(t) The Company shall reimburse the Paying Agent for the reasonable out-of-pocket expenses of the Paying Agent actually incurred in connection with the succession of any successor Paying Agent including in transferring any funds in its possession to the successor Paying Agent.

(u) The Paying Agent shall have no obligation to invest and reinvest any cash held in the Collection Account or any other moneys held by the Paying Agent pursuant to this Agreement in the absence of timely and specific written investment direction from Company. In no event shall the Paying Agent be liable for the selection of investments or for investment losses incurred thereon. The Paying Agent shall have no liability in respect of losses incurred as a result of the liquidation of any investment prior to its stated maturity or the failure of the Company to provide timely written investment direction.

(v) If the Paying Agent shall be uncertain as to its duties or rights hereunder or under any other Credit Documents or shall receive instructions from any of the parties hereto pursuant to this Agreement which, in the reasonable opinion of the Paying Agent, are in conflict with any of the provisions of this Agreement or another Credit Document to which it is a party, the Paying Agent shall be entitled (without incurring any liability therefor to the Company or any other Person) to (i) consult with counsel of its choosing and act or refrain from acting based on the advice of such counsel and (ii) refrain from taking any action until it shall be directed otherwise in writing by all of the parties hereto or by final order of a court of competent jurisdiction.

(w) The Paying Agent shall incur no liability nor be responsible to Company or any other Person for delays or failures in performance resulting from acts beyond its control that significantly and adversely affect the Paying Agent's ability to perform with respect to this Agreement. Such acts shall include, but not be limited to, acts of God, strikes, work stoppages, acts of terrorism, civil or military disturbances, nuclear or natural catastrophes, or the unavailability of the Federal Reserve Bank wire or telex or other wire or communication facility.

(x) The Paying Agent may execute any of its powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys, provided that the Paying Agent shall remain obligated and liable for the administration of its duties hereunder, to the same extent and under the same terms and conditions as if it alone were acting as Paying Agent.

(y) The Paying Agent shall not be required to take any action that is not in accordance with applicable law. The right of the Paying Agent to perform any permissive or discretionary act enumerated in this Agreement or any related document shall not be construed as a duty.

(z) Knowledge of the Paying Agent shall not be attributed or imputed to Wells Fargo's other roles in the transaction and knowledge of the Custodian, Collateral Agent or Controlled Account Bank shall not be attributed or imputed to the Paying Agent (other than those where the roles are performed by the same group or division within Wells Fargo or otherwise share the same Responsible Officers), or any affiliate, line of business, or other division of Wells Fargo (and vice versa).

(aa) The Paying Agent shall not be responsible for filing any financing or continuation statements or recording any documents or instruments in any public office at any time or times or otherwise perfecting any security interest in the Collateral. It is expressly agreed, to the maximum extent permitted by applicable law, that the Paying Agent shall have no responsibility for (A) monitoring the perfection, continuation of perfection or the sufficiency or validity of any security interest in or related to the Collateral,

(B) taking any necessary steps to preserve rights against any Person with respect to any Collateral, or (C) taking any action to protect against any diminution in value of the Collateral.

(bb) The Lenders hereby authorize and direct the Paying Agent to execute and deliver the Undertakings Agreement.

2.21 Duties of Paying Agent .

(a) Borrowing Base Reports . Upon receipt of any Borrowing Base Report and the related Borrowing Base Certificate delivered pursuant to Section 2.1(c)(ii) , Section 2.11(c)(vii)(B) or Section 2.11(c)(vii)(C) , Paying Agent shall, on the Business Day following receipt of such Borrowing Base Report, to the extent that Paying Agent has access to all information necessary to perform the duties set forth herein:

(i) compare the ending Eligible Portfolio Outstanding Principal Balance set forth in such Borrowing Base Report with the aggregate Outstanding Principal Balance of the Eligible Receivables listed in the Master Record and identify any discrepancy;

(ii) compare the number of Pledged Receivables listed in the Master Record with the number of Pledged Receivables provided to the Paying Agent by the Servicer pursuant to Section 4.3 of the Custodial Agreement as the number of Pledged Receivables for which the Custodian holds a Receivables File pursuant to the Custodial Agreement and identify any discrepancy;

(iii) confirm that each Pledged Receivable listed in the Master Record has a unique loan identification number;

(iv) compare the amount set forth in such Borrowing Base Report as the amount on deposit in the Collection Account with the amount shown on deposit in the Collection Account as of the date of such Borrowing Base Report and identify any discrepancy;

(v) in the case of a Borrowing Base Report delivered pursuant to Section 2.11(c)(vii)(B) or Section 2.11(c)(vii)(C) , recalculate the amount set forth in such Borrowing Base Report as the amount that will be on deposit in the Collection Account after giving effect to the related repayment of Loans or the related purchase of Eligible Receivables set forth therein and identify any discrepancy;

(vi) confirm that the Accrued Interest Amount and an estimate of accrued fees as of the date of repayment or the Transfer Date, as the case may be, multiplied by 105%, is the amount set forth in such Borrowing Base Request as 105% of the estimated amount of accrued interest and fees and identify any discrepancy;

(vii) recalculate the Class A Revolving Availability and the Class B Revolving Availability, based on the Class A Borrowing Base and the Class B Borrowing Base set forth in such Borrowing Base Report and the Total Utilization of Class A Revolving Commitments and the Total Utilization of Class B Revolving Commitments set forth in the Paying Agent's records and identify any discrepancies;

(viii) in the case of a Borrowing Base Report delivered pursuant to Section 3.2(a)(i) , (A) confirm that the Class A Revolving Loans requested in the related Funding Request are not greater than the Class A Revolving Availability and the amount of Class B Revolving Loans requested in the related Funding Request are not greater than the Class B Revolving Availability and (B) confirm that, after giving effect to such Revolving Loans, the Total Utilization of Class A Revolving Loans

will not exceed the Class A Revolving Commitments and the Total Utilization of Class B Revolving Loans will not exceed the Class B Revolving Commitments; and

(ix) notify the Administrative Agent and the Lenders of the results of such review.

(b) Monthly Servicing Reports . Upon receipt of any Monthly Servicing Report delivered pursuant to Section 5.1(f) , Paying Agent shall, to the extent that Paying Agent has access to all information necessary to perform the duties set forth herein:

(i) compare the Eligible Portfolio Outstanding Principal Balance set forth therein with the aggregate Outstanding Principal Balance of the Eligible Receivables listed in the Master Record and identify any discrepancy;

(ii) confirm the aggregate repayments of Revolving Loans during the period covered by the Monthly Servicing Report set forth therein with the Borrowing Base Reports delivered to Paying Agent pursuant to Section 2.11(c)(vii)(B) during such period and identify any discrepancies;

(iii) compare the amount set forth therein as the amount on deposit in the Collection Account with the amount shown on deposit in the Collection Account as of the date of such Monthly Servicing Report and identify any discrepancy;

(iv) compare the amount of accrued and unpaid interest and unused fees payable to the Class A Revolving Lenders and the amount of accrued and unpaid interest and unused fees payable to the Class B Revolving Lenders, respectively, set forth therein to the amounts set forth in the related invoices received by Paying Agent and identify any discrepancies;

(v) compare the amount of Servicing Fees payable to the Servicer set forth therein to the amount set forth in the related invoice received by Paying Agent and identify any discrepancy;

(vi) compare the amount of Backup Servicing Fees and expenses payable to the Backup Servicer set forth therein to the amounts set forth in the related invoice received by Paying Agent and identify any discrepancy;

(vii) compare the amount of fees and expenses payable to the Custodian set forth therein to the amounts set forth in the related invoice received by Paying Agent and identify any discrepancy;

(viii) compare the amount of fees and expenses payable to the Collateral Agent set forth therein to the amounts set forth in the related invoice received by Paying Agent and identify any discrepancy;

(ix) compare the amount of fees and expenses payable to the Paying Agent set forth therein to the amounts set forth in the related invoice submitted by Paying Agent and identify any discrepancy;

(x) recalculate the Class A Revolving Availability and the Class B Revolving Availability based on the Class A Borrowing Base and the Class B Borrowing Base set forth therein and the Total Utilization of Class A Revolving Commitments and the Total Utilization of Class B Revolving Commitments set forth in the Paying Agent's records and identify any discrepancies; and

(xi) notify the Administrative Agent and the Lenders of the results of such review.

(c) For the avoidance of doubt, Paying Agent's sole responsibility with respect to the obligations set forth in Section 2.21 is to compare or confirm information in the Borrowing Base Report or Monthly Servicing Report, as applicable, in accordance with Section 2.21 based on the information indicated therein received by Paying Agent from Company, the Servicer or the Custodian, as the case may be.

2.22 Collateral Agent.

(a) The Collateral Agent shall be entitled to the same rights, protections, indemnities and immunities as the Paying Agent hereunder.

(b) In addition to Section 2.22(a) , the Collateral Agent shall be entitled to the following additional protections:

(i) The Collateral Agent shall have no duty (A) to see to any recording, filing, or depositing of this Agreement or any agreement referred to herein or any financing statement or continuation statement evidencing a security interest, or to see to the maintenance of any such recording or filing or depositing or to any rerecording, re-filing or re-depositing of any thereof, (B) to see to any insurance, or (C) to see to the payment or discharge of any tax, assessment, or other governmental charge or any lien or encumbrance of any kind owing with respect to, assessed or levied against, any part of the Collateral;

(ii) The Collateral Agent shall be authorized to, but shall not be responsible for, filing any financing or continuation statements or recording any documents or instruments in any public office at any time or times or otherwise perfecting any security interest in the Collateral. It is expressly agreed, to the maximum extent permitted by applicable law, that the Collateral Agent shall have no responsibility for (A) monitoring the perfection, continuation of perfection or the sufficiency or validity of any security interest in or related to the Collateral, (B) taking any necessary steps to preserve rights against any Person with respect to any Collateral, or (C) taking any action to protect against any diminution in value of the Collateral;

(iii) The Collateral Agent shall be fully justified in failing or refusing to take any action under this Agreement and any other Credit Document (A) if such action would, in the reasonable opinion of the Collateral Agent, in good faith (which may be based on the advice or opinion of counsel), be contrary to applicable law, this Agreement or any other Credit Document, (B) if such action is not provided for in this Agreement or any other Credit Document, (C) if, in connection with the taking of any such action hereunder, under any other Credit Document that would constitute an exercise of remedies, it shall not first be indemnified to its satisfaction by the Administrative Agent and/or the Lenders against any and all risk of nonpayment, liability and expense that may be incurred by it, its agents or its counsel by reason of taking or continuing to take any such action, or (D) if the Collateral Agent would be required to make payments on behalf of the Lenders pursuant to its obligations as Collateral Agent hereunder, it does not first receive from the Lenders sufficient funds for such payment;

(iv) The Collateral Agent shall not be required to take any action under this or any other Credit Document if taking such action (A) would subject the Collateral Agent to a tax in any jurisdiction where it is not then subject to a tax, or (B) would require the Collateral Agent to qualify to do business in any jurisdiction where it is not then so qualified;

(v) Neither the Collateral Agent nor its respective officers, directors, employees or agents shall be liable for failure to demand, collect or realize upon any of the Collateral or for any delay in doing so or shall be under any obligation to sell or otherwise dispose of any Collateral upon the request of the Administrative Agent or the Lenders, or to take any other action whatsoever with regard to the Collateral or any part thereof. The powers conferred on the Collateral Agent hereunder are solely to protect the Collateral Agent's and the Lenders' interests in the Collateral and shall not impose any duty upon the Collateral Agent to exercise any such powers. The Collateral Agent shall be accountable only for amounts that it actually receives as a result of the exercise of such powers, and neither it nor any of its officers, directors, employees or agents shall be responsible to the Administrative Agent or the Lenders for any act or failure to act hereunder, except for its own fraud, gross negligence or willful misconduct.

2.23 Intention of Parties .

It is the intention of the parties that the Revolving Loans be characterized as indebtedness for federal income tax purposes. The terms of the Revolving Loans shall be interpreted to further this intention and neither the Lenders nor Company will take an inconsistent position on any federal, state or local tax return.

SECTION 3. CONDITIONS PRECEDENT

3.1 Conditions Precedent to Effectiveness of the Existing Credit Agreement. The Existing Credit Agreement became effective on the Second Amendment Effective Date subject to the satisfaction of the conditions precedent set forth in Section 3.1 of the Existing Credit Agreement.

3.2 Conditions Precedent to Effectiveness of the Amended and Restated Credit Agreement

. The amendment and restatement of the Existing Credit Agreement provided for hereby shall become effective on the Third Amendment Effective Date subject to the satisfaction, or waiver in accordance with Section 9.5 , of the following conditions on or before the Third Amendment Effective Date:

(a) Credit Documents and Related Agreements . The Administrative Agent shall have received copies of each Credit Document, originally executed and delivered by each applicable Person and copies of each Related Agreement.

(b) Organizational and Capital Structure . The organizational structure and capital structure of Company shall be as described in Section 4.2 .

(d) Transaction Costs . On or prior to the Third Amendment Effective Date, Company shall have delivered to Administrative Agent, Company's reasonable best estimate of the Transaction Costs (other than fees payable to any Agent).

(e) Governmental Authorizations and Consents . Company and Holdings shall have obtained all Governmental Authorizations and all consents of other Persons, in each case that are necessary or advisable to be obtained by them, in connection with the transactions contemplated by the Credit Documents and each of the foregoing shall be in full force and effect and in form and substance reasonably satisfactory to the Administrative Agent. All applicable waiting periods shall have expired without any action being taken or threatened by any competent authority which would restrain, prevent or otherwise impose adverse conditions on the transactions contemplated by the Credit Documents or the financing thereof and no action, request for stay, petition for review or rehearing, reconsideration, or appeal with

respect to any of the foregoing shall be pending, and the time for any applicable agency to take action to set aside its consent on its own motion shall have expired.

(f) Opinions of Counsel to Company and Holdings . The Administrative Agent and counsel to Administrative Agent shall have received executed copies of the favorable written opinions of DLA Piper LLP, counsel for Company and Holdings, as to such matters as the Administrative Agent may reasonably request, dated as of the Third Amendment Effective Date and otherwise in form and substance reasonably satisfactory to the Administrative Agent (and Company hereby instructs, and Holdings shall instruct, such counsel to deliver such opinions to Agents and Lenders).

(g) Third Amendment Effective Date Certificate . Holdings and Company shall have delivered to the Administrative Agent an originally executed Third Amendment Effective Date Certificate, together with all attachments thereto.

(h) No Litigation . There shall not exist any action, suit, investigation, litigation or proceeding or other legal or regulatory developments, pending or threatened in any court or before any arbitrator or Governmental Authority that, in the reasonable discretion of the Administrative Agent, singly or in the aggregate, materially impairs any of the transactions contemplated by the Credit Documents or that would reasonably be expected to result in a Material Adverse Effect.

(i) Reserve Account . Company shall have deposited an amount equal to the Reserve Account Funding Requirement into the Reserve Account.

(j) No Material Adverse Change . Since December 31, 2016, no event, circumstance or change shall have occurred that has caused or evidences, either in any case or in the aggregate, a Material Adverse Effect.

(k) Completion of Proceedings . All partnership, corporate and other proceedings taken or to be taken in connection with the transactions contemplated hereby and all documents incidental thereto shall be satisfactory in form and substance to the Administrative Agent and counsel to Administrative Agent, and the Administrative Agent, and counsel to Administrative Agent shall have received all such counterpart originals or certified copies of such documents as they may reasonably request.

The Administrative Agent and each Lender, by delivering its signature page to this Agreement, shall be deemed to have acknowledged receipt of, and consented to and approved, each Credit Document and each other document required to be approved by the Administrative Agent, Requisite Lenders or Lenders, as applicable on the Third Amendment Effective Date.

3.3 Conditions to Each Credit Extension .

(a) Conditions Precedent . The obligation of each Lender to make any Revolving Loan on any Credit Date, including if applicable the Third Amendment Effective Date, is subject to the satisfaction, or waiver in accordance with Section 9.5 , of the following conditions precedent:

(i) Administrative Agent, the Paying Agent, the Custodian and the Class B Revolving Lenders shall have received a fully executed and delivered Funding Notice together with a Borrowing Base Certificate, evidencing sufficient Revolving Availability with respect to the requested Revolving Loans, and a Borrowing Base Report;

(ii) both before and after making any Revolving Loans requested on such Credit Date, the Total Utilization of Class A Revolving Commitments shall not exceed the Class A Borrowing

Base and the Total Utilization of Class B Revolving Commitments shall not exceed the Class B Borrowing Base;

(iii) as of such Credit Date, the representations and warranties contained herein and in the other Credit Documents shall be true and correct in all material respects on and as of that Credit Date to the same extent as though made on and as of that date, other than those representations and warranties which are qualified by materiality, in which case, such representation and warranty shall be true and correct in all respects on and as of that Credit Date, except, in each case, to the extent such representations and warranties specifically relate to an earlier date, in which case such representations and warranties shall have been true and correct in all material respects, or true and correct in all respects, as the case may be on and as of such earlier date;

(iv) as of such Credit Date, no event shall have occurred and be continuing or would result from the consummation of the applicable Credit Extension that would constitute an Event of Default or a Default;

(v) the Administrative Agent, the Class B Revolving Lenders and the Paying Agent shall have received the Borrowing Base Report for the Business Day prior to the Credit Date which shall be delivered on a pro forma basis for the first Credit Date hereunder;

(vi) in accordance with the terms of the Custodial Agreement, Company has delivered, or caused to be delivered to the Custodian, the Receivable File related to each Receivable, if any, that is, on such Credit Date, being transferred and delivered to Company pursuant to the Asset Purchase Agreement, and the Administrative Agent has received a Collateral Receipt and Exception Report from the Custodian, which Collateral Receipt and Exception Report is acceptable to the Administrative Agent in its Permitted Discretion; and

Notwithstanding anything contained herein to the contrary, neither the Paying Agent nor the Collateral Agent shall be responsible or liable for determining whether any conditions precedent to making a Loan have been satisfied.

(b) Notices . Any Funding Notice shall be executed by an Authorized Officer in a writing delivered to Administrative Agent, the Class B Revolving Lenders and the Paying Agent.

SECTION 4. REPRESENTATIONS AND WARRANTIES

In order to induce Agents and Lenders to enter into this Agreement and to make each Credit Extension to be made thereby, Company represents and warrants to each Agent and Lender, on the Third Amendment Effective Date, and on each Credit Date and on each Transfer Date following the Third Amendment Effective Date, that the following statements are true and correct:

4.1 Organization; Requisite Power and Authority; Qualification; Other Names . Company (a) is duly organized or formed, validly existing and in good standing under the laws of the State of Delaware, (b) has all requisite power and authority to own and operate its properties, to carry on its business as now conducted and as proposed to be conducted, to enter into the Credit Documents to which it is a party and to carry out the transactions contemplated thereby, and (c) is qualified to do business and in good standing in every jurisdiction where its assets are located and wherever necessary to carry out its business and operations, except in jurisdictions where the failure to be so qualified or in good standing has not had, and would not reasonably be expected to result in a Material Adverse Effect. Company does not operate or do business under any assumed, trade or fictitious name. Company has no Subsidiaries.

4.2 Capital Stock and Ownership . The Capital Stock of Company has been duly authorized and validly issued and is fully paid and non-assessable. As of the Original Closing Date, there is no existing option, warrant, call, right, commitment or other agreement to which Company is a party requiring, and there is no membership interest or other Capital Stock of Company outstanding which upon conversion or exchange would require, the issuance by Company of any additional membership interests or other Capital Stock of Company or other Securities convertible into, exchangeable for or evidencing the right to subscribe for or purchase, a membership interest or other Capital Stock of Company. All membership interests in the Company as of the Third Amendment Effective Date are owned by Holdings.

4.3 Due Authorization . The execution, delivery and performance of the Credit Documents to which Company is a party have been duly authorized by all necessary action of Company.

4.4 No Conflict . The execution, delivery and performance by Company of the Credit Documents to which it is party and the consummation of the transactions contemplated by the Credit Documents do not and will not (a) violate in any material respect any provision of any law or any governmental rule or regulation applicable to Company, any of the Organizational Documents of Company, or any order, judgment or decree of any court or other Governmental Authority binding on Company; (b) conflict with, result in a breach of or constitute (with due notice or lapse of time or both) a default under any Contractual Obligation of Company; (c) result in or require the creation or imposition of any Lien upon any of the properties or assets of Company (other than any Liens created under any of the Credit Documents in favor of Collateral Agent, on behalf of Secured Parties); or (d) require any approval of stockholders, members or partners or any approval or consent of any Person under any Contractual Obligation of Company, except as would not reasonably be expected to result in a Material Adverse Effect.

4.5 Governmental Consents . The execution, delivery and performance by Company of the Credit Documents to which Company is a party and the consummation of the transactions contemplated by the Credit Documents do not and will not require any registration with, consent or approval of, or notice to, or other action to, with or by, any Governmental Authority except for filings and recordings with respect to the Collateral to be made, or otherwise delivered to Collateral Agent for filing and/or recordation, as of the Original Closing Date other than (a) those that have already been obtained and are in full force and effect, or (b) any consents or approvals the failure of which to obtain will not have a Material Adverse Effect.

4.6 Binding Obligation . Each Credit Document to which Company is a party has been duly executed and delivered by Company and is the legally valid and binding obligation of Company, enforceable against Company in accordance with its respective terms, except as may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or limiting creditors' rights generally or by equitable principles relating to enforceability.

4.7 Eligible Receivables . Each Receivable that is identified by Company as an Eligible Receivable in a Borrowing Base Certificate satisfies all of the criteria set forth in the definition of Eligibility Criteria.

4.8 Historical Financial Statements . The Historical Financial Statements were prepared in conformity with GAAP and fairly present, in all material respects, the financial position, on a consolidated basis, of the Persons described in such financial statements as at the respective dates thereof and the results of operations and cash flows, on a consolidated basis, of the entities described therein for each of the periods then ended, subject, in the case of any such unaudited financial statements, to changes resulting from audit and normal year-end adjustments.

4.9 No Material Adverse Effect . Since December 31, 2016, no event, circumstance or change has occurred that has caused or evidences, either in any case or in the aggregate, a Material Adverse Effect.

4.10 Adverse Proceedings, etc. There are no Adverse Proceedings (other than counter claims relating to ordinary course collection actions by or on behalf of Company) pending against Company that challenges Company's right or power to enter into or perform any of its obligations under the Credit Documents to which it is a party or that would reasonably be expected to result in a Material Adverse Effect. Company is not (a) in violation of any applicable laws in any material respect, or (b) subject to or in default with respect to any judgments, writs, injunctions, decrees, rules or regulations of any court or any federal, state, municipal or other Governmental Authority, except as would not reasonably be expected to result in a Material Adverse Effect.

4.11 Payment of Taxes . Except as otherwise permitted under Section 5.3 , all material tax returns and reports of Company required to be filed by it have been timely filed, and all material taxes shown on such tax returns to be due and payable and all assessments, fees and other governmental charges upon Company and upon its properties, assets, income, businesses and franchises which are due and payable have been paid when due and payable except those which are being contested in good faith by appropriate proceedings diligently conducted and for which adequate reserves have been provided in accordance with GAAP. Company knows of no proposed tax assessment against Company which is not being actively contested by Company in good faith and by appropriate proceedings; provided , such reserves or other appropriate provisions, if any, as shall be required in conformity with GAAP shall have been made or provided therefor.

4.12 Title to Assets . Company has no fee, leasehold or other property interests in any real property assets. Company has good and valid title to all of its assets reflected in the most recent financial statements delivered pursuant to Section 5.1 . Except as permitted by this Agreement, all such properties and assets are free and clear of Liens. All Liens purported to be created in any Collateral pursuant to any Collateral Document in favor of Collateral Agent are First Priority Liens.

4.13 No Indebtedness . Company has no Indebtedness, other than Indebtedness incurred under (or contemplated by) the terms of this Agreement or otherwise permitted hereunder.

4.14 No Defaults . Company is not in default in the performance, observance or fulfillment of any of the obligations, covenants or conditions contained in any of its Contractual Obligations, and no condition exists which, with the giving of notice or the lapse of time or both, could constitute such a default, except where the consequences, direct or indirect, of such default or defaults, if any, would not reasonably be expected to result in a Material Adverse Effect.

4.15 Material Contracts . Company is not a party to any Material Contracts.

4.16 Government Contracts . Company is not a party to any contract or agreement with any Governmental Authority, and the Pledged Receivables are not subject to the Federal Assignment of Claims Act (31 U.S.C. Section 3727) or any similar state or local law.

4.17 Governmental Regulation . Company is not subject to regulation under the Public Utility Holding Company Act of 2005, the Federal Power Act or the Investment Company Act of 1940 (without reliance on the exemptions provided under Sections 3(c)(1) or 3(c)(7) thereof) or under any other federal or state statute or regulation which may limit its ability to incur Indebtedness or which may otherwise render all or any portion of the Obligations unenforceable. Company is not a "registered investment company" or

a company "controlled" by a "registered investment company" or a "principal underwriter" of a "registered investment company" as such terms are defined in the Investment Company Act of 1940.

4.18 Margin Stock . Company is not engaged principally, or as one of its important activities, in the business of extending credit for the purpose of purchasing or carrying any Margin Stock. No part of the proceeds of the Revolving Loans made to Company will be used to purchase or carry any such Margin Stock or to extend credit to others for the purpose of purchasing or carrying any such Margin Stock or for any purpose that violates, or is inconsistent with, the provisions of Regulation T, U or X of the Board of Governors of the Federal Reserve System.

4.19 Employee Benefit Plans . No ERISA Event has occurred or is reasonably expected to occur that, when taken together with all other such ERISA Events for which liability is reasonably expected to occur, could reasonably be expected to result in a Material Adverse Effect. Company does not maintain or contribute to any Employee Benefit Plan.

4.20 Solvency; Fraudulent Conveyance . Company is and, upon the incurrence of any Credit Extension by Company on any date on which this representation and warranty is made, will be, Solvent. Company is not transferring any Collateral with any intent to hinder, delay or defraud any of its creditors. Company shall not use the proceeds from the transactions contemplated by this Agreement to give preference to any class of creditors. Company has given fair consideration and reasonably equivalent value in exchange for the sale of the Receivables by Holdings under the Asset Purchase Agreement.

4.21 Compliance with Statutes, etc. Company is in compliance in all material respects with all applicable statutes, regulations and orders of, and all applicable restrictions imposed by, all Governmental Authorities, in respect of the conduct of its business and the ownership of its property, except as would not reasonably be expected to result in a Material Adverse Effect.

4.22 Matters Pertaining to Related Agreements .

(a) Delivery . Company has delivered, or caused to be delivered, to each Agent and each Lender complete and correct copies of (i) each Related Agreement and of all exhibits and schedules thereto as of the Original Closing Date, and (ii) copies of any material amendment, restatement, supplement or other modification to or waiver of each Related Agreement entered into after the Original Closing Date.

(b) The Asset Purchase Agreement creates a valid transfer and assignment to Company of all right, title and interest of Holdings in and to all Pledged Receivables and all Related Security conveyed to Company thereunder and Company has a First Priority perfected security interest therein. Company has given reasonably equivalent value to Holdings in consideration for the transfer to Company by Holdings of the Pledged Receivables and Related Security pursuant to the Asset Purchase Agreement.

(c) Each Receivables Program Agreement creates a valid transfer and assignment to Holdings of all right, title and interest of the Receivables Account Bank in and to all Receivables and Related Security conveyed or purported to be conveyed to Holdings thereunder. Holdings has given reasonably equivalent value to the Receivables Account Bank in consideration for the transfer to Holdings by the Receivables Account Bank of the Receivables and Related Security pursuant to the applicable Receivables Program Agreement.

4.23 Disclosure . No documents, certificates, written statements or other written information furnished to Lenders by or on behalf of Holdings or Company for use in connection with the transactions contemplated hereby, taken as a whole, contains any untrue statement of a material fact, or taken as a whole,

omits to state a material fact (known to Holdings or Company, in the case of any document not furnished by either of them) necessary in order to make the statements contained therein not misleading in light of the circumstances in which the same were made, provided, that , projections and pro forma financial information contained in such materials were prepared based upon good faith estimates and assumptions believed by the preparer thereof to be reasonable at the time made, it being recognized by Lenders that such projections as to future events are not to be viewed as facts and that actual results during the period or periods covered by any such projections may differ from the projected results and such differences may be material.

4.24 Patriot Act . To the extent applicable, Company and Holdings are in compliance, in all material respects, with the (a) Trading with the Enemy Act, as amended, and each of the foreign assets control regulations of the United States Treasury Department (31 C.F.R., Subtitle B, Chapter V, as amended) and any other enabling legislation or executive order relating thereto, and (b) Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism (USA Patriot Act of 2001) (the **"Act"**). No part of the proceeds of the Revolving Loans will be used, 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 to the date hereof and from time to time hereafter, and any successor statute.

4.25 Remittance of Collections.

Company represents and warrants that each remittance of Collections by it hereunder to any Agent or any Lender hereunder will have been (a) in payment of a debt incurred by Company in the ordinary course of business or financial affairs of Company and (b) made in the ordinary course of business or financial affairs.

4.26 Tax Status.

(a) Company is, and shall at all relevant times continue to be, a "disregarded entity" within the meaning of U.S. Treasury Regulation § 301.7701-3.

(b) Company is not and will not at any relevant time become an association (or a publicly traded partnership) taxable as a corporation for U.S. federal income tax purposes.

SECTION 5. AFFIRMATIVE COVENANTS

Company covenants and agrees that until the Termination Date, Company shall perform (or cause to be performed, as applicable) all covenants in this Section 5 .

5.1 Financial Statements and Other Reports . Unless otherwise provided below, Company or its designee will deliver to each Agent and each Lender:

(a) Quarterly Financial Statements . Promptly after becoming available, and in any event within forty-five (45) days after the end of each Fiscal Quarter (other than the fourth Fiscal Quarter) of each Fiscal Year, the consolidated balance sheet of Holdings as at the end of such Fiscal Quarter and the related consolidated statements of income, stockholders' equity and cash flows of Holdings for such Fiscal Quarter and for the period from the beginning of the then current Fiscal Year to the end of such Fiscal Quarter, setting forth in each case in comparative form the corresponding figures for the corresponding periods of the previous Fiscal Year, all in reasonable detail, together with a Financial Officer Certification with respect thereto;

(b) Annual Financial Statements . Promptly after becoming available, and in any event within ninety (90) days after the end of each Fiscal Year, (i) the consolidated balance sheets of Holdings as at the end of such Fiscal Year and the related consolidated statements of income, stockholders' equity and cash flows of Holdings for such Fiscal Year, setting forth in each case in comparative form the corresponding figures for the previous Fiscal Year, in reasonable detail, together with a Financial Officer Certification with respect thereto; and (ii) with respect to such consolidated financial statements a report thereon of Ernst & Young LLP or other independent certified public accountants of recognized national standing as to going concern and scope of audit, and shall state that such consolidated financial statements fairly present, in all material respects, the consolidated financial position of Holdings as at the dates indicated and the results of their operations and their cash flows for the periods indicated in conformity with GAAP applied on a basis consistent with prior years (except as otherwise disclosed in such financial statements) and that the examination by such accountants in connection with such consolidated financial statements has been made in accordance with generally accepted auditing standards);

(c) Compliance Certificates . Together with each delivery of financial statements of Holdings pursuant to Sections 5.1(a) and 5.1(b) , a duly executed and completed Compliance Certificate;

(d) Statements of Reconciliation after Change in Accounting Principles . If, as a result of any change in accounting principles and policies from those used in the preparation of the Historical Financial Statements, the consolidated financial statements of (i) Holdings and (ii) Company delivered pursuant to Section 5.1(a) or 5.1(b) will differ in any material respect from the consolidated financial statements that would have been delivered pursuant to such subdivisions had no such change in accounting principles and policies been made, then, together with the first delivery of such financial statements after such change, one or more statements of reconciliation for all such prior financial statements in form and substance reasonably satisfactory to Administrative Agent;

(e) Public Reporting . The obligations in Sections 5.1(a) and (b) may be satisfied by furnishing, at the option of Holdings, the applicable financial statements as described above or an Annual Report on Form 10-K or Quarterly Report on Form 10-Q for Holdings for any Fiscal Year, as filed with the U.S. Securities and Exchange Commission.

(f) Collateral Reporting .

(i) On each Monthly Reporting Date, with each Funding Notice, and at such other times as any Agent or Lender shall request in its Permitted Discretion, a Borrowing Base Certificate (calculated as of the close of business of the previous Monthly Period or as of a date no later than three (3) Business Days prior to such request), together with a reconciliation to the most recently delivered Borrowing Base Certificate and Borrowing Base Report, in form and substance reasonably satisfactory to Administrative Agent. Each Borrowing Base Certificate delivered to Administrative Agent, the Class B Revolving Lenders and Paying Agent shall bear a signed statement by an Authorized Officer certifying the accuracy and completeness in all material respects of all information included therein. The execution and delivery of a Borrowing Base Certificate shall in each instance constitute a representation and warranty by Company to Administrative Agent, the Class B Revolving Lenders and Paying Agent that each Receivable included therein as an "Eligible Receivable" is, in fact, an Eligible Receivable. For avoidance of doubt, and without derogation of the Company's obligations hereunder, in the event any request for a Revolving Loan, or a Borrowing Base Certificate or other information required by this Section 5.1(f) is delivered to Administrative Agent, the Class B Revolving Lenders and Paying Agent by Company electronically or otherwise without signature, such request, or such Borrowing Base Certificate or other information shall, upon such delivery, be deemed to be signed and certified on behalf of Company by an Authorized Officer and constitute a

representation to Administrative Agent, the Class B Revolving Lenders and Paying Agent as to the authenticity thereof. The Administrative Agent shall have the right to review and adjust any such calculation of the Borrowing Base to reflect exclusions from Eligible Receivables or such other matters as are necessary to determine the Borrowing Base, but in each case only to the extent the Administrative Agent is expressly provided such discretion by this Agreement.

(ii) On each Monthly Reporting Date, the Master Record and the Monthly Servicing Report to Administrative Agent, the Class B Revolving Lenders and Paying Agent on the terms and conditions set forth in the Servicing Agreement.

(g) Notice of Default . Promptly, and in any event within two (2) Business Days, upon an Authorized Officer of Company obtaining knowledge (i) of any condition or event that constitutes a Default or an Event of Default or that notice has been given to Holdings or Company with respect thereto; (ii) that any Person has given any notice to Holdings or Company or taken any other action with respect to any event or condition set forth in Section 7.1(b) ; (iii) that a breach of any Portfolio Performance Covenant shall have occurred; or (iv) of the occurrence of any event or change that has caused or evidences, either in any case or in the aggregate, a Material Adverse Effect, a certificate of its Authorized Officers specifying the nature and period of existence of such condition, event or change, or specifying the notice given and action taken by any such Person and the nature of such claimed Event of Default, default, event or condition, and what action Holdings or Company, as applicable, has taken, is taking and proposes to take with respect thereto;

(h) Notice of Litigation . Promptly upon any Authorized Officer of Company obtaining knowledge of an Adverse Proceeding that is reasonably likely to have a Material Adverse Effect, written notice thereof together with such other information as may be reasonably available to Company or Holdings to enable Lenders and their counsel to evaluate such matters;

(i) ERISA . (i) Promptly upon any Authorized Officer of Company becoming aware of the occurrence of or forthcoming occurrence of any ERISA Event, a written notice specifying the nature thereof, what action Holdings, any of its Subsidiaries or any of their respective ERISA Affiliates has taken, is taking or proposes to take with respect thereto and, when known, any action taken or threatened by the Internal Revenue Service, the Department of Labor or the PBGC with respect thereto; and (ii) with reasonable promptness, copies of (1) each Schedule SB (Actuarial Information) to the annual report (Form 5500 Series) filed by Holdings, any of its Subsidiaries or any of their respective ERISA Affiliates with the Internal Revenue Service with respect to each affected Pension Plan; (2) all notices received by Holdings, any of its Subsidiaries or any of their respective ERISA Affiliates from a Multiemployer Plan sponsor concerning an ERISA Event; and (3) copies of such other documents or governmental reports or filings relating to any affected Employee Benefit Plan of Holdings or any of its Subsidiaries thereof, or, with respect to any affected Pension Plan or affected Multiemployer Plan, any of their respective ERISA Affiliates (with respect to an affected Multiemployer Plan, to the extent that Holdings or the Subsidiary or ERISA Affiliate, as applicable, has rights to access such documents, reports or filings), as any Agent or Lender shall reasonably request;

(j) Information Regarding Collateral . Prior written notice to Collateral Agent and Administrative Agent of any change (i) in Company's corporate name, (ii) in Company's identity, corporate structure or jurisdiction of organization, or (iii) in Company's Federal Taxpayer Identification Number. Company agrees not to effect or permit any change referred to in the preceding sentence unless all filings have been made under the UCC or otherwise that are required in order for Collateral Agent to continue at all times following such change to have a valid, legal and perfected security interest in all the Collateral and for the Collateral at all times following such change to have a valid, legal and perfected security interest as contemplated in the Collateral Documents;

(k) Other Information .

(i) not later than Friday of each week (or if such day is not a Business Day, the immediately preceding Business Day) in which a Borrowing Base Report has not otherwise been delivered hereunder, a Borrowing Base Report; and

(ii) such material information and data with respect to Holdings or any of its Subsidiaries as from time to time may be reasonably requested by any Agent or Lender, in each case, which relate to Company's or Holdings' financial or business condition or the Collateral.

5.2 Existence . Except as otherwise permitted under Section 6.8 , Company will at all times preserve and keep in full force and effect its existence and all rights and franchises, licenses and permits material to its business.

5.3 Payment of Taxes and Claims . Company will pay all material Taxes imposed upon it or any of its properties or assets or in respect of any of its income, businesses or franchises before any penalty or fine accrues thereon, and all claims (including claims for labor, services, materials and supplies) for sums that have become due and payable and that by law have or may become a Lien upon any of its properties or assets, prior to the time when any penalty or fine shall be incurred with respect thereto; provided , no such Tax or claim need be paid if it is being contested in good faith by appropriate proceedings promptly instituted and diligently conducted, so long as (a) adequate reserve or other appropriate provision, as shall be required in conformity with GAAP shall have been made therefor, and (b) in the case of a Tax or claim which has or may become a Lien against any of the Collateral, such contest proceedings conclusively operate to stay the sale of any portion of the Collateral to satisfy such Tax or claim. Company will not file or consent to the filing of any consolidated income tax return with any Person (other than Holdings or any of its Subsidiaries). In addition, Company agrees to pay to the relevant Governmental Authority in accordance with applicable law any current or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies (including, without limitation, mortgage recording taxes, transfer taxes and similar fees) imposed by any Governmental Authority that arise from any payment made hereunder or from the execution, delivery or registration of, or otherwise with respect to, this Agreement or any Credit Document.

5.4 Insurance . Company shall cause Holdings to maintain or cause to be maintained, with financially sound and reputable insurers, (a) all insurance required to be maintained under the Servicing Agreement, (b) business interruption insurance reasonably satisfactory to Administrative Agent, and (c) casualty insurance, such public liability insurance, third party property damage insurance with respect to liabilities, losses or damage in respect of the assets, properties and businesses of Holdings and its Subsidiaries as may customarily be carried or maintained under similar circumstances by Persons of established reputation engaged in similar businesses, in each case in such amounts (giving effect to self-insurance), with such deductibles, covering such risks and otherwise on such terms and conditions as shall be customary for such Persons. Each Agent and Lender hereby agrees and acknowledges that the insurance maintained by Holdings on the Original Closing Date satisfies the requirements set forth in this Section 5.4 .

5.5 Inspections; Compliance Audits .

(a) At any time during the existence of an Event of Default, and otherwise not more than one (1) time during the 2017 Fiscal Year nor more than two (2) times per other Fiscal Year, Company will, upon reasonable advance notice by the Administrative Agent, permit or cause to be permitted, as applicable, one or more authorized representatives designated by the Administrative Agent and the Class B Revolving Lenders to visit and inspect (a "Compliance Review") during normal working hours any of the properties of Company or Holdings to (i) inspect, copy and take extracts from relevant financial and accounting records,

and to discuss its affairs, finances and accounts with any Person, including, without limitation, employees of Company or Holdings and independent public accountants and (ii) verify the compliance by Company or Holdings with the Credit Agreement, the other Credit Documents and/or the Underwriting Policies, as applicable; provided , that Company shall not be obligated to pay more than $100,000 in the aggregate during any Fiscal Year in connection with any Compliance Review and inspection pursuant to Section 2.4 of the Custodial Agreement; provided , further that such expense reimbursement limitation shall not apply to a Compliance Review conducted during the existence of an Event of Default. In connection with any such Compliance Review, Company will permit any authorized representatives designated by the Administrative Agent and the Class B Revolving Lenders to review Company's form of Receivable Agreements, Underwriting Policies, information processes and controls, and compliance practices and procedures (" **Materials** "). Such authorized representatives may make written recommendations regarding Company's compliance with applicable Requirements of Law, and Company shall consult in good faith with the Administrative Agent and the Class B Revolving Lenders regarding such recommendations. The Administrative Agent and the Class B Revolving Lenders agree to use a single independent certified public accountants or other third-party provider in connection with any Compliance Review pursuant to this Section 5.5 and the results of such review will be provided to the Administrative Agent and the Class B Revolving Lenders.

(b) If the Administrative Agent engages any independent certified public accountants or other third-party provider to prepare any report in connection with the Compliance Review, the Administrative Agent shall make such report available to any Lender, upon request, provided, that delivery of any such report may be conditioned on prior receipt by such independent certified public accountants or other third party provider of the acknowledgements and agreements that such independent certified public accountants or third party provider customarily requires of recipients of reports of that kind.

(c) In connection with a Compliance Review, the Administrative Agent or its designee may contact a Receivables Obligor as reasonably necessary to perform such inspection or Compliance Review, as the case may be, provided, however, such contact shall be made in the name of, and in cooperation with, Holdings and Company.

5.6 Compliance with Laws . Company shall, and shall cause Holdings to, comply with the Requirements of Law, noncompliance with which could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

5.7 Separateness . The Company shall at all times comply with the separateness covenants set forth in the Company's Limited Liability Company Agreement.

5.8 Further Assurances . At any time or from time to time upon the request of any Agent or Lender, Company will, at its expense, promptly execute, acknowledge and deliver such further documents and do such other acts and things as such Agent or Lender may reasonably request in order to effect fully the purposes of the Credit Documents, including providing Lenders with any information reasonably requested pursuant to Section 9.21 . In furtherance and not in limitation of the foregoing, Company shall take such actions as the Administrative Agent may reasonably request from time to time to ensure that the Obligations are secured by substantially all of the assets of Company.

5.9 Communication with Accountants .

(a) At any time during the existence of an Event of Default, Company authorizes Administrative Agent to communicate directly with Company's independent certified public accountants and authorizes and shall instruct such accountants to communicate directly with Administrative Agent and

authorizes such accountants to (and, upon Administrative Agent's request therefor (at the request of any Agent), shall request that such accountants) communicate to Administrative Agent information relating to Company with respect to the business, results of operations and financial condition of Company (including the delivery of audit drafts and letters to management), provided that advance notice of such communication is given to Company, and Company is given a reasonable opportunity to cause an officer to be present during any such communication.

(b) If the independent certified public accountants report delivered in connection with Section 5.1(b) is qualified, then the Company authorizes the Administrative Agent to communicate directly with the Company's independent certified public accountants with respect to such qualification, provided that advance notice of such communication is given to the Company, and the Company is given a reasonable opportunity to cause an officer to be present during any such communication.

(c) The failure of the Company to be present during any communication permitted under Section 5.9(a) and/or Section 5.9(b) after the Company has been given a reasonable opportunity to cause an officer to be present shall in no way impair the rights of the Administrative Agent under Section 5.9(a) and/or Section 5.9(b) .

5.10 Acquisition of Receivables from Holdings . With respect to each Pledged Receivable, Company shall (a) acquire such Receivable pursuant to and in accordance with the terms of the Asset Purchase Agreement, (b) take all actions necessary to perfect, protect and more fully evidence Company's ownership of such Receivable, including, without limitation, executing or causing to be executed (or filing or causing to be filed) such other instruments or notices as may be necessary or appropriate and (c) take all additional action that the Administrative Agent may reasonably request to perfect, protect and more fully evidence the respective interests of Company, the Agents and the Lenders.

5.11 Class B Revolving Lenders Information Rights . Company shall provide to the Class B Revolving Lenders (a) substantially contemporaneously with its provision to the Administrative Agent any written information required to be provided to the Administrative Agent under any Credit Document, and (b) prompt written notice of (i) any Event of Default under this Agreement and (ii) any written waiver or consent provided under, or any amendment of, any Credit Document.

SECTION 6. NEGATIVE COVENANTS

Company covenants and agrees that, until the Termination Date, Company shall perform (or cause to be performed, as applicable) all covenants in this Section 6 .

6.1 Indebtedness . Company shall not directly or indirectly, create, incur, assume or guaranty, or otherwise become or remain directly or indirectly liable with respect to any Indebtedness, except the Obligations.

6.2 Liens . Company shall not directly or indirectly, create, incur, assume or permit to exist any Lien on or with respect to any property or asset of any kind (including any document or instrument in respect of goods or accounts receivable) of Company, whether now owned or hereafter acquired, or any income or profits therefrom, or file or permit the filing of, or permit to remain in effect, any financing statement or other similar notice of any Lien with respect to any such property, asset, income or profits under the UCC of any State or under any similar recording or notice statute, except Liens in favor of Collateral Agent for the benefit of Secured Parties granted pursuant to any Credit Document.

6.3 Equitable Lien . If Company shall create or assume any Lien upon any of its properties or assets, whether now owned or hereafter acquired, other than Liens created under the Credit Documents, it

shall make or cause to be made effective provisions whereby the Obligations will be secured by such Lien equally and ratably with any and all other Indebtedness secured thereby as long as any such Indebtedness shall be so secured; provided , notwithstanding the foregoing, this covenant shall not be construed as a consent by Requisite Lenders to the creation or assumption of any such Lien not otherwise permitted hereby.

6.4 No Further Negative Pledges . Except pursuant to the Credit Documents Company shall not enter into any Contractual Obligation prohibiting the creation or assumption of any Lien upon any of its properties or assets, whether now owned or hereafter acquired.

6.5 Restricted Junior Payments . Company shall not through any manner or means or through any other Person to, directly or indirectly, declare, order, pay, make or set apart, or agree to declare, order, pay, make or set apart, any sum for any Restricted Junior Payment except that, Restricted Junior Payments may be made by Company from time to time with respect to any amounts distributed to Company (a) in accordance with Section 2.12(a)(xi) or (b) from and after the occurrence and during the continuation of an Event of Default, in accordance with Section 2.12(b)(viii) only. Notwithstanding anything herein to the contrary, on any Credit Date with respect to a Credit Extension of a Class B Revolving Loan, Company may without further action on the part of Company distribute the proceeds of such Class B Revolving Loan to Holdings so long as no Class B Borrowing Base Deficiency or Class A Borrowing Base Deficiency has occurred or would result therefrom (a " **Borrower Distribution** ").

6.6 Subsidiaries . Company shall not form, create, organize, incorporate or otherwise have any Subsidiaries.

6.7 Investments . Company shall not, directly or indirectly, make or own any Investment in any Person, including without limitation any Joint Venture, except Investments in Cash, Permitted Investments and Receivables (and property received from time to time in connection with the workout or insolvency of any Receivables Obligor), and Permitted Investments in the Controlled Accounts.

6.8 Fundamental Changes; Disposition of Assets; Acquisitions . Company shall not enter into any transaction of merger or consolidation, or liquidate, wind-up or dissolve itself (or suffer any liquidation or dissolution), or convey, sell, lease or sub lease (as lessor or sublessor), exchange, transfer or otherwise dispose of, in one transaction or a series of transactions, all or any part of its business, assets or property of any kind whatsoever, whether real, personal or mixed and whether tangible or intangible, whether now owned or hereafter acquired (other than, provided no Event of Default pursuant to Section 7.1(a) , 7.1(g) , 7.1(h) or 7.1(p) has occurred and is continuing, Permitted Asset Sales, provided , that Permitted Asset Sales under clause (d) of the definition thereof shall be permitted at all times subject to receipt of the consent required therein), or acquire by purchase or otherwise (other than acquisitions of Eligible Receivables, or Permitted Investments in a Controlled Account (and property received from time to time in connection with the workout or insolvency of any Receivables Obligor)) the business, property or fixed assets of, or stock or other evidence of beneficial ownership of, any Person or any division or line of business or other business unit of any Person.

6.9 Sales and Lease-Backs . Company shall not, directly or indirectly, become or remain liable as lessee or as a guarantor or other surety with respect to any lease of any property (whether real, personal or mixed), whether now owned or hereafter acquired, which Company (a) has sold or transferred or is to sell or to transfer to any other Person, or (b) intends to use for substantially the same purpose as any other property which has been or is to be sold or transferred by Company to any Person in connection with such lease.

6.10 Transactions with Shareholders and Affiliates . Company shall not, directly or indirectly, enter into or permit to exist any transaction (including the purchase, sale, lease or exchange of any property or the rendering of any service) with any holder of ten percent (10%) or more of any class of Capital Stock

of Holdings or any of its Subsidiaries or with any Affiliate of Holdings or of any such holder other than the transactions contemplated or permitted by the Credit Documents and the Related Agreements.

6.11 Conduct of Business . From and after the Original Closing Date, Company shall not engage in any business other than the businesses engaged in by Company on the Original Closing Date.

6.12 Fiscal Year . Company shall not change its Fiscal Year-end from December 31 st .

6.13 Servicer; Backup Servicer; Custodian . Company shall use its commercially reasonable efforts to cause Servicer, the Backup Servicer and the Custodian respectively, to comply at all times with the applicable terms of the Servicing Agreement, the Backup Servicing Agreement and the Custodial Agreement respectively. The Company may not (i) terminate, remove, replace Servicer, Backup Servicer or the Custodian or (ii) subcontract out any portion of the servicing or permit third party servicing other than the Backup Servicer, except, in each case, as expressly set forth in the applicable Credit Document and subject to satisfaction of the related requirements therein. The Administrative Agent may not terminate, remove, replace Servicer, Backup Servicer or the Custodian except as expressly set forth in the applicable Credit Document and subject to satisfaction of the related requirements therein.

6.14 Acquisitions of Receivables. Company may not acquire Receivables from any Person other than Holdings pursuant to the Asset Purchase Agreement.

6.15 Independent Manager. Company shall not fail at any time to have at least one independent manager (an " **Independent Manager** ") who:

(a) is provided by a nationally recognized provider of independent directors;

(b) is not and has not been employed by Company or Holdings or any of their respective Subsidiaries or Affiliates as an officer, director, partner, manager, member (other than as a special member in the case of single member Delaware limited liability companies), employee, attorney or counsel of, Company or Holdings or any of their respective Affiliates within the five years immediately prior to such individual's appointment as an Independent Manager, provided that this paragraph (b) shall not apply to any person who serves as an independent director or an independent manager for any Affiliate of any of Company or Holdings;

(c) is not, and has not been within the five years immediately prior to such individual's appointment as an Independent Manager, a customer or creditor of, or supplier to, Company or Holdings or any of their respective Affiliates who derives any of its purchases or revenue from its activities with Company or Holdings or any of their respective Affiliates thereof (other than a *de minimis* amount);

(d) is not, and has not been within the five years immediately prior to such individual's appointment as an Independent Manager, a person who controls or is under common control with any Person described by clause (b) or (c) above;

(e) does not have, and has not had within the five years immediately prior to such individual's appointment as an Independent Manager, a personal services contract with Company or Holdings or any of their respective Subsidiaries or Affiliates, from which fees and other compensation received by the person pursuant to such personal services contract would exceed 5% of his or her gross revenues during the preceding calendar year;

(f) is not affiliated with a tax-exempt entity that receives, or has received within the five years prior to such appointment as an Independent Manager, contributions from Company or Holdings or

any of their respective Subsidiaries or Affiliates, in excess of the lesser of (i) 3% of the consolidated gross revenues of Holdings and its Subsidiaries during such fiscal year and (ii) 5% of the contributions received by the tax-exempt entity during such fiscal year;

(g) is not and has not been a shareholder (or other equity owner) of any of Company or Holdings or any of their respective Affiliates within the five years immediately prior to such individual's appointment as an Independent Manager;

(h) is not a member of the immediate family of any Person described by clause (b) through (g) above;

(i) is not, and was not within the five years prior to such appointment as an Independent Manager, a financial institution to which Company or Holdings or any of their respective Subsidiaries or Affiliates owes outstanding Indebtedness for borrowed money in a sum exceeding more than 5% of Holdings' total consolidated assets;

(j) has prior experience as an independent director or manager for a corporation or limited liability company whose charter documents required the unanimous consent of all independent directors thereof 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

(k) has at least three (3) years of employment experience with one or more entities that provide, in the ordinary course of their respective businesses, advisory, management or placement services to issuers of securitization or structured finance instruments, agreements or securities.

Upon Company learning of the death or incapacity of an Independent Manager, Company shall have ten (10) Business Days following such death or incapacity to appoint a replacement Independent Manager. Any replacement of an Independent Manager will be permitted only upon (a) two (2) Business Days' prior written notice to each Agent and Lender, (b) Company's certification that any replacement manager will satisfy the criteria set forth in clauses (a)-(i) of this Section 6.15 and (c) the Administrative Agent' written consent to the appointment of such replacement manager. For the avoidance of doubt, other than in the event of the death or incapacity of an Independent Manager, Company shall at all times have an Independent Manager and may not terminate any Independent Manager without the prior written consent of the Administrative Agent, which consent the Administrative Agent may withhold in its sole discretion.

6.16 Organizational Agreements . Except as otherwise expressly permitted by other provisions of this Agreement or any other Credit Document, Company shall not (a) amend, restate, supplement or modify, or permit any amendment, restatement, supplement or modification to, its Organizational Documents, without obtaining the prior written consent of the Requisite Lenders to such amendment, restatement, supplement or modification, as the case may be; (b) agree to any termination, amendment, restatement, supplement or other modification to, or waiver of, or permit any termination, amendment, restatement, supplement or other modification to, or waivers of, any of the provisions of any Credit Document without the prior written consent of the Requisite Lenders; or (c) amend, restate, supplement or modify in any material respect, or permit any amendments, restatements, supplements or modifications in any material respect, to any Receivables Program Agreement in a manner that could reasonably be expected to be materially adverse to the Lenders.

6.17 Changes in Underwriting or Other Policies . Company shall provide the Administrative Agent and the Requisite Class B Revolving Lenders (collectively, the **"Notice Parties"**) with prior written notice of any change or modification to the Underwriting Policies that would reasonably be expected to be

adverse to the Lenders. Without the prior consent of the Administrative Agent and the Requisite Class B Revolving Lenders, such consent not to be unreasonably withheld, conditioned or delayed (with any such consent being deemed to be automatically granted by the Administrative Agent and the Requisite Class B Revolving Lenders on the fifteenth (15th) calendar day after the Administrative Agent and the Requisite Class B Revolving Lenders confirms receipt of notice of the applicable change unless the Administrative Agent or the Requisite Class B Revolving Lenders shall have notified the Company in writing that the requested consent is not being provided and its rationale therefor), the Company shall not agree to, and shall cause Holdings not to, (a) make any change to (i) the forms of Business Loan and Security Agreement, Business Loan and Security Agreement Supplement and Loan Summary used to originate Receivables from the form provided to the Administrative Agent prior to the Third Amendment Effective Date, or (ii) the form of Authorization Agreement for Direct Deposit (ACH Credit) and Direct Payments (ACH Debit) used in connection with the origination of Loans in substantially the form provided to the Administrative Agent on or prior to the Third Amendment Effective Date that, in any such case, would reasonably be expected to result in an Adverse Effect, or (b) make any change to the Underwriting Policies that would reasonably be expected to be materially adverse to the Lenders (provided , that any change to the Underwriting Policies which (A) has the effect of modifying the Eligibility Criteria or (B) changes the calculation of the Class A Borrowing Base and the Class B Borrowing Base shall be deemed to be materially adverse to the Lenders for purposes of this Section 6.17) .

6.18 Receivable Program Agreements . The Company shall (a) perform and comply with its obligations under the Receivables Program Agreements and (b) enforce the rights and remedies afforded to it against the Receivables Account Bank under the Receivables Program Agreements, except where the failure to do so, individually or in the aggregate, would not reasonably be expected to result in an Adverse Effect.

SECTION 7. EVENTS OF DEFAULT

7.1 Events of Default . If any one or more of the following conditions or events shall occur.

(a) Failure to Make Payments When Due . Other than with respect to a Borrowing Base Deficiency, failure by Company to pay (i) when due, the principal on any Revolving Loan whether at stated maturity, by acceleration or otherwise; (ii) within two (2) Business Days after its due date, any interest on any Revolving Loan or any fee due hereunder; (iii) within thirty (30) days after its due date, any other amount due hereunder; or (iv) the amounts required to be paid pursuant to Section 2.8 on or before the Revolving Commitment Termination Date; or

(b) Default in Other Agreements .

(i) Failure of Company to pay when due any principal of or interest on or any other amount payable in respect of one or more items of Indebtedness (other than Indebtedness referred to in Section 7.1(a)), in each case beyond the grace period, if any, provided therefor; or (ii) breach or default by Company with respect to any other material term of (1) one or more items of Indebtedness referred to in clause (i) above, or (2) any loan agreement, mortgage, indenture or other agreement relating to such item(s) of Indebtedness, in each case beyond the grace period, if any, provided therefore, if the effect of such breach or default is to cause, or to permit the holder or holders of that Indebtedness (or a trustee on behalf of such holder or holders), to cause, that Indebtedness to become or be declared due and payable (or subject to a compulsory repurchase or redeemable) prior to its stated maturity or the stated maturity of any underlying obligation, as the case may be;

(ii) (A) Failure of Holdings or any Domestic Subsidiary of Holdings (other than Company) to pay when due any principal of or interest on or any other amount payable in respect of

one or more items of Indebtedness for borrowed money with a principal amount in excess of $1,000,000, in each case beyond the grace period, if any, provided therefor; or (B) breach or default by Holdings or any Domestic Subsidiary of Holdings (other than Company) with respect to any other material term of (1) one or more items of Indebtedness for borrowed money with a principal amount in excess of $1,000,000, or (2) any loan agreement, mortgage, indenture or other agreement relating to such item(s) of Indebtedness for borrowed money, and, in each case described in this clause (B), such failure, breach or default, as the case may be, results in the acceleration of amounts owed thereunder, provided that any such failure, breach or default, as the case may be, and acceleration, if applicable, shall constitute an Event of Default hereunder only after the Administrative Agent shall have provided written notice to Company that such failure, breach or default constitutes an Event of Default hereunder; or

(c) Breach of Certain Covenants. Failure of Company to perform or comply with any term or condition contained in Section 2.3 , Section 2.11 , Section 5.1(g) , Section 5.1(h) , Section 5.1(j) , Section 5.2 , Section 5.7 or Section 6 , or failure to distribute Collections in accordance with Section 2.12 ; or

(d) Breach of Representations, etc. Any representation or warranty, certification or other statement made or deemed made by Company or Holdings (or Holdings as Servicer) in any Credit Document or in any statement or certificate at any time given by Company or Holdings (or Holdings as Servicer) in writing pursuant hereto or thereto or in connection herewith or therewith shall be false in any material respect, other than any representation, warranty, certification or other statement which is qualified by materiality or "Material Adverse Effect", in which case, such representation, warranty, certification or other statement shall be true and correct in all respects, in each case, as of the date made or deemed made and such default shall not have been remedied or waived within thirty (30) days after the earlier of (i) an Authorized Officer of Company or Holdings becoming aware of such default, or (ii) receipt by Company of notice from any Agent or Lender of such default; or

(e) Other Defaults Under Credit Documents . Company or Holdings shall default in the performance of or compliance with any term contained herein or any of the other Credit Documents other than any such term referred to in any other Section of this Section 7.1 and such default shall not have been remedied or waived within thirty (30) days (or, in the case of a default under (A) Section 5.1(f), five (5) Business Days or (B) Section 5.1(k)(i) , two (2) Business Days) after the earlier of (i) an Authorized Officer of Company or Holdings becoming aware of such default, or (ii) receipt by Company or Holdings of notice from Administrative Agent or any Lender of such default; or

(f) Breach of Portfolio Performance Covenants . A breach of any Portfolio Performance Covenant shall have occurred and the Administrative Agent shall have provided written notice to the Company that an Event of Default under this Section 7.1(f) has occurred and is continuing; or

(g) Involuntary Bankruptcy; Appointment of Receiver, etc. (i) A court of competent jurisdiction shall enter a decree or order for relief in respect of Company or Holdings in an involuntary case under the Bankruptcy Code or under any other applicable bankruptcy, insolvency or similar law now or hereafter in effect, which decree or order is not stayed; or any other similar relief shall be granted under any applicable federal or state law; or (ii) an involuntary case shall be commenced against Company or Holdings under the Bankruptcy Code or under any other applicable bankruptcy, insolvency or similar law now or hereafter in effect; or a decree or order of a court having jurisdiction in the premises for the appointment of a receiver, liquidator, sequestrator, trustee, custodian or other officer having similar powers over Company or Holdings, or over all or a substantial part of its respective property, shall have been entered; or there shall have occurred the involuntary appointment of an interim receiver, trustee or other custodian of Company

or Holdings for all or a substantial part of its respective property; or a warrant of attachment, execution or similar process shall have been issued against any substantial part of the property of Company or Holdings, and any such event described in this clause (ii) shall continue for sixty (60) days without having been dismissed, bonded or discharged; or

(h) Voluntary Bankruptcy; Appointment of Receiver, etc . (i) Company or Holdings shall have an order for relief entered with respect to it or shall commence a voluntary case under the Bankruptcy Code or under any other applicable bankruptcy, insolvency or similar law now or hereafter in effect, or shall consent to the entry of an order for relief in an involuntary case, or to the conversion of an involuntary case to a voluntary case, under any such law, or shall consent to the appointment of or taking possession by a receiver, trustee or other custodian for all or a substantial part of its respective property; or Company or Holdings shall make any assignment for the benefit of creditors; or (ii) Company or Holdings shall be unable, or shall fail generally, or shall admit in writing its inability, to pay its debts as such debts become due; or the board of directors (or similar governing body) of Company or Holdings (or any committee thereof) shall adopt any resolution or otherwise authorize any action to approve any of the actions referred to herein or in Section 7.1(g) ; or

(i) Judgments and Attachments .

(i) Any money judgment, writ or warrant of attachment or similar process (to the extent not adequately covered by insurance as to which a solvent and unaffiliated insurance company has acknowledged coverage) shall be entered or filed against Company or any of its assets and shall remain undischarged, unvacated, unbonded or unstayed for a period of thirty (30) days; or

(ii) Any money judgment, writ or warrant of attachment or similar process involving (i) in any individual case an amount in excess of $2,000,000 or (ii) in the aggregate at any time an amount in excess of $5,000,000 (in either case to the extent not adequately covered by insurance as to which a solvent and unaffiliated insurance company has acknowledged coverage) shall be entered or filed against Holdings (or Holdings as Servicer) or any of its assets and shall remain undischarged, unvacated, unbonded or unstayed for a period of sixty (60) days; or

(iii) Any tax lien or lien of the PBGC shall be entered or filed against Company or Holdings (involving, with respect to Holdings only, an amount in excess of $1,000,000) or any of their respective assets and shall remain undischarged, unvacated, unbonded or unstayed for a period of ten (10) days;

(j) Dissolution . Any order, judgment or decree shall be entered against Company or Holdings decreeing the dissolution or split up of Company or Holdings, as the case may be, and such order shall remain undischarged or unstayed for a period in excess of thirty (30) days; or

(k) Employee Benefit Plans . (i) There shall occur one or more ERISA Events which individually or in the aggregate results in or might reasonably be expected to result in a Material Adverse Effect during the term hereof or result in a Lien being imposed on the Collateral; or (ii) Company shall establish or contribute to any Employee Benefit Plan; or

(l) Change of Control . A Change of Control shall occur; or

(m) Collateral Documents and other Credit Documents . Company or Holdings shall contest the validity or enforceability of any Credit Document in writing or deny in writing that it has any further

liability, including with respect to future advances by Lenders, under any Credit Document to which it is a party; or

(n) Servicing Agreement . A Servicer Default shall have occurred and be continuing; or

(o) Backup Servicer Default . The Backup Servicing Agreement shall terminate for any reason and, provided that the Administrative Agent shall have used commercially reasonable efforts to timely engage a replacement Backup Servicer following such termination, within ninety (90) days of such termination no replacement agreement with an alternative backup servicer shall be effective; or

(p) Borrowing Base Deficiency; Repurchase Failure. (i) Failure by Company to cure any Borrowing Base Deficiency within two (2) Business Days after the due date thereof, or (ii) failure of Holdings to repurchase any Receivable as and when required under the Asset Purchase Agreement; or

(q) Collateral Documents and other Credit Documents . At any time after the execution and delivery thereof, (i) this Agreement or any Collateral Document ceases to be in full force and effect (other than in accordance with its terms) or shall be declared null and void by a court of competent jurisdiction or the enforceability thereof shall be impaired in any material respect, or the Collateral Agent shall not have or shall cease to have a valid and perfected Lien in any Collateral purported to be covered by the Collateral Documents with the priority required by the relevant Collateral Document (in each case, other than (A) by reason of a release of Collateral in accordance with the terms hereof or thereof or (B) the satisfaction in full of the Obligations and any other amount due hereunder or any other Credit Document in accordance with the terms hereof); or (ii) any of the Credit Documents for any reason, other than the satisfaction in full of all Obligations and any other amount due hereunder or any other Credit Document (other than contingent indemnification obligations for which demand has not been made), shall cease to be in full force and effect (other than in accordance with its terms) or shall be declared to be null and void by a court of competent jurisdiction or a party thereto, as the case may be, or Holdings shall repudiate its obligations thereunder or shall contest the validity or enforceability of any Credit Document in writing; or

(r) Breach of Financial Covenants . A breach of any Financial Covenant shall have occurred; or

(s) Investment Company Act . Holdings or Company become subject to any federal or state statute or regulation which may render all or any portion of the Obligations unenforceable, or Company becomes a company "controlled" by a "registered investment company" or a "principal underwriter" of a "registered investment company" as such terms are defined in the Investment Company Act of 1940;

THEN , upon the occurrence of any Event of Default, the Administrative Agent may, and shall, at the written request of the Requisite Lenders (in all cases subject to the terms of the Intercreditor Side Letter), take any of the following actions: (w) upon notice to the Company, terminate the Revolving Commitments, if any, of each Lender having such Revolving Commitments, (x) upon notice to the Company, declare the unpaid principal amount of and accrued interest on the Revolving Loans and all other Obligations immediately due and payable, in each case without presentment, demand, protest or other requirements of any kind, all of which are hereby expressly waived by Company; (y) direct the Collateral Agent to enforce any and all Liens and security interests created pursuant to the Collateral Documents and (z) take any and all other actions and exercise any and all other rights and remedies of the Administrative Agent under the Credit Documents; provided that upon the occurrence of any Event of Default described in Section 7.1(g) or 7.1(h) , the unpaid principal amount of and accrued interest on the Revolving Loans and all other Obligations shall immediately become due and payable, and the Revolving Commitments shall automatically and immediately terminate,

in each case without presentment, demand, protest or other requirements of any kind, all of which are hereby expressly waived by Company.

SECTION 8. AGENTS

8.1 Appointment of Agents . Each Lender hereby authorizes SunTrust Bank to act as Administrative Agent to the Lenders hereunder and under the other Credit Documents and each Lender hereby authorizes SunTrust Bank, in such capacity, to act as its agent in accordance with the terms hereof and the other Credit Documents. Each Lender hereby authorizes Wells Fargo Bank N.A., to act as the Collateral Agent and Paying Agent on its behalf under the Credit Documents. Each Agent hereby agrees to act upon the express conditions contained herein and the other Credit Documents, as applicable. The provisions of this Section 8 are solely for the benefit of Agents and Lenders and neither Company or Holdings shall have any rights as a third party beneficiary of any of the provisions thereof. In performing its functions and duties hereunder, each Agent (other than Administrative Agent) shall act solely as an agent of Lenders and does not assume and shall not be deemed to have assumed any obligation towards or relationship of agency or trust with or for Holdings or any of its Subsidiaries.

8.2 Powers and Duties . Each Lender irrevocably authorizes each Agent (other than Administrative Agent) to take such action on such Lender's behalf and to exercise such powers, rights and remedies hereunder and under the other Credit Documents as are specifically delegated or granted to such Agent by the terms hereof and thereof, together with such powers, rights and remedies as are reasonably incidental thereto. Each Lender irrevocably authorizes Administrative Agent to take such action on such Lender's behalf and to exercise such powers, rights and remedies hereunder and under the other Credit Documents as are specifically delegated or granted to Administrative Agent by the terms hereof and thereof, together with such powers, rights and remedies as are reasonably incidental thereto. Each Agent shall have only those duties and responsibilities that are expressly specified herein and the other Credit Documents. Each such Agent may exercise such powers, rights and remedies and perform such duties by or through its agents or employees. No such Agent shall have, by reason hereof or any of the other Credit Documents, a fiduciary relationship in respect of any Lender; and nothing herein or any of the other Credit Documents, expressed or implied, is intended to or shall be so construed as to impose upon any such Agent any obligations in respect hereof or any of the other Credit Documents except as expressly set forth herein or therein.

8.3 General Immunity .

(a) No Responsibility for Certain Matters . No Agent shall be responsible to any Lender for the execution, effectiveness, genuineness, validity, enforceability, collectability or sufficiency hereof or any other Credit Document or for any representations, warranties, recitals or statements made herein or therein or made in any written or oral statements or in any financial or other statements, instruments, reports or certificates or any other documents furnished or made by any Agent to Lenders or by or on behalf of Company or Holdings to any Agent or any Lender in connection with the Credit Documents and the transactions contemplated thereby or for the financial condition or business affairs of Company or Holdings or any other Person liable for the payment of any Obligations or any other amount due hereunder or any other Credit Document, nor shall any Agent be required to ascertain or inquire as to the performance or observance of any of the terms, conditions, provisions, covenants or agreements contained in any of the Credit Documents or as to the use of the proceeds of the Revolving Loans or as to the existence or possible existence of any Event of Default or Default or to make any disclosures with respect to the foregoing. Anything contained herein to the contrary notwithstanding, neither the Paying Agent nor the Administrative Agent shall not have any liability arising from confirmations of the amount of outstanding Revolving Loans or the component amounts thereof.

(b) Exculpatory Provisions Relating to Agents . No Agent nor any of its officers, partners, directors, employees or agents shall be liable to Lenders for any action taken or omitted by any Agent under or in connection with any of the Credit Documents except to the extent caused by such Agent's gross negligence or willful misconduct, as determined by a court of competent jurisdiction in a final, non-appealable order. Each such Agent shall be entitled to refrain from any act or the taking of any action (including the failure to take an action) in connection herewith or any of the other Credit Documents or from the exercise of any power, discretion or authority vested in it hereunder or thereunder unless and until such Agent shall have received instructions in respect thereof from the Administrative Agent or the Requisite Lenders, as applicable (or such other Lenders as may be required to give such instructions under Section 9.5) and, upon receipt of such instructions from the Administrative Agent or Requisite Lenders, as applicable (or such other Lenders, as the case may be), such Agent shall be entitled to act or (where so instructed) refrain from acting, or to exercise such power, discretion or authority, in accordance with such instructions. Without prejudice to the generality of the foregoing, (i) each such Agent shall be entitled to rely, and shall be fully protected in relying, upon any communication, instrument or document believed by it to be genuine and correct and to have been signed or sent by the proper Person or Persons, and shall be entitled to rely and shall be protected in relying on opinions and judgments of attorneys (who may be attorneys for Holdings and Company), accountants, experts and other professional advisors selected by it; and (ii) no Lender shall have any right of action whatsoever against any such Agent as a result of such Agent acting or (where so instructed) refraining from acting hereunder or any of the other Credit Documents in accordance with the instructions of Requisite Lenders (or such other Lenders as may be required to give such instructions under Section 9.5). For the avoidance of doubt, the Paying Agent and the Collateral Agent shall take direction hereunder only in accordance with the written direction of the Administrative Agent (and not at the direction of any Lender or the Requisite Lenders).

8.4 Agents Entitled to Act as Lender . Any agency hereby created shall in no way impair or affect any of the rights and powers of, or impose any duties or obligations upon, any Agent in its individual capacity as a Lender hereunder. With respect to its participation in the Revolving Loans, each Agent shall have the same rights and powers hereunder as any other Lender and may exercise the same as if it were not performing the duties and functions delegated to it hereunder, and the term "Lender" shall, unless the context clearly otherwise indicates, include each Agent in its individual capacity. Any Agent and its Affiliates may accept deposits from, lend money to, own securities of, and generally engage in any kind of banking, trust, financial advisory or other business with Holdings or any of its Affiliates as if it were not performing the duties specified herein, and may accept fees and other consideration from Company for services in connection herewith and otherwise without having to account for the same to Lenders.

8.5 Lenders' Representations, Warranties and Acknowledgment .

(a) Each Lender represents and warrants that it has made its own independent investigation of the financial condition and affairs of Holdings and Company in connection with Credit Extensions hereunder and that it has made and shall continue to make its own appraisal of the creditworthiness of Holdings and Company. No Agent shall have any duty or responsibility, either initially or on a continuing basis, to make any such investigation or any such appraisal on behalf of Lenders or to provide any Lender with any credit or other information with respect thereto, whether coming into its possession before the making of the Revolving Loans or at any time or times thereafter, and no Agent shall have any responsibility with respect to the accuracy of or the completeness of any information provided to Lenders.

(b) Each Lender, by delivering its signature page to this Agreement, shall be deemed to have acknowledged receipt of, and consented to and approved, each Credit Document and each other document required to be approved by any Agent, Requisite Lenders or Lenders, as applicable on the Third Amendment Effective Date.

8.6 Right to Indemnity . Each Lender, in proportion to its Pro Rata Share, severally agrees to indemnify each Agent, their Affiliates and their respective officers, partners, directors, trustees, employees and agents of each Agent (each, an **"Indemnitee Agent Party"**), to the extent that such Indemnitee Agent Party shall not have been reimbursed by Company or Holdings, for and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses (including counsel fees and disbursements) or disbursements of any kind or nature whatsoever which may be imposed on, incurred by or asserted against such Indemnitee Agent Party in exercising its powers, rights and remedies or performing its duties hereunder or under the other Credit Documents or otherwise in its capacity as such Indemnitee Agent Party in any way relating to or arising out of this Agreement or the other Credit Documents, **IN ALL CASES, WHETHER OR NOT CAUSED BY OR ARISING, IN WHOLE OR IN PART, OUT OF THE COMPARATIVE, CONTRIBUTORY, OR SOLE NEGLIGENCE OF SUCH INDEMNITEE AGENT PARTY** ; provided , no Lender shall be liable for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting from such Indemnitee Agent Party's gross negligence or willful misconduct, as determined by a court of competent jurisdiction in a final non-appealable order. If any indemnity furnished to any Indemnitee Agent Party for any purpose shall, in the opinion of such Indemnitee Agent Party, be insufficient or become impaired, such Indemnitee Agent Party may call for additional indemnity and cease, or not commence, to do the acts indemnified against until such additional indemnity is furnished; provided , in no event shall this sentence require any Lender to indemnify any Indemnitee Agent Party against any liability, obligation, loss, damage, penalty, action, judgment, suit, cost, expense or disbursement in excess of such Lender's Pro Rata Share thereof; provided, this sentence shall not be deemed to require any Lender to indemnify any Indemnitee Agent Party against any liability, obligation, loss, damage, penalty, action, judgment, suit, cost, expense or disbursement described in the proviso in the immediately preceding sentence; and provided , further , that this Section 8.6 is subject to the terms of the Intercreditor Side Letter.

8.7 Successor Administrative Agent and Collateral Agent .

(a) Administrative Agent .

(i) Administrative Agent may resign at any time by giving thirty (30) days' prior written notice thereof to the Lenders and Company. Upon any such notice of resignation, the Requisite Lenders shall have the right, upon five (5) Business Days' notice to Company, to appoint a successor Administrative Agent provided , that the appointment of a successor Administrative Agent shall require the approval of the Requisite Class B Revolving Lenders and (so long as no Default or Event of Default has occurred and is continuing) Company's approval, which approval shall not be unreasonably withheld, delayed or conditioned. Upon the acceptance of any appointment as Administrative Agent hereunder by a successor Administrative Agent, that successor Administrative Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring Administrative Agent and the retiring Administrative Agent shall promptly (i) transfer to such successor Administrative Agent all records and other documents necessary or appropriate in connection with the performance of the duties of the successor Administrative Agent under the Credit Documents, and (ii) take such other actions, as may be necessary or appropriate in connection with the appointment of such successor Administrative Agent, whereupon such retiring Administrative Agent shall be discharged from its duties and obligations hereunder. After any retiring Administrative Agent's resignation hereunder as Administrative Agent, the provisions of this Section 8 shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Administrative Agent hereunder. If Administrative Agent is a Class A Revolving Lender or an Affiliate thereof on the date on which the Revolving Commitment Termination Date shall have occurred and all Class A Revolving Loans and all other Obligations owing to the Class A Revolving Lenders have been paid in full in

cash, such Administrative Agent shall provide immediate notice of resignation to the Company and the Class B Revolving Lenders, and the Requisite Class B Revolving Lenders shall have the right, upon five (5) Business Days' notice to the Company, to appoint a successor Administrative Agent; provided , that the appointment of any successor Administrative Agent that is not a Class B Revolving Lender or an Affiliate thereof shall require (so long as no Default or Event of Default has occurred and is continuing) Company's approval, which approval shall not be unreasonably withheld, delayed or conditioned.

(ii) Notwithstanding anything herein to the contrary, Administrative Agent may assign its rights and duties as Administrative Agent hereunder to one of its Affiliates without the prior written consent of, or prior written notice to, Company or the Revolving Lenders; *provided* that Company and the Lenders may deem and treat such assigning Administrative Agent as Administrative Agent for all purposes hereof, unless and until such assigning Administrative Agent provides written notice to Company and the Lenders of such assignment. Upon such assignment such Affiliate shall succeed to and become vested with all rights, powers, privileges and duties as Administrative Agent hereunder and under the other Credit Documents.

(b) Collateral Agent .

(i) Collateral Agent may resign at any time by giving thirty (30) days' prior written notice thereof to Lenders and Company. Upon any such notice of resignation, the Requisite Lenders shall have the right, upon five (5) Business Days' notice to Company, to appoint a successor Collateral Agent *provided* , that the appointment of a successor Collateral Agent shall require (so long as no Default or Event of Default has occurred and is continuing) Company's approval, which approval shall not be unreasonably withheld, delayed or conditioned. If, however, a successor Collateral Agent is not appointed within sixty (60) days after the giving of notice of resignation, the Collateral Agent may petition a court of competent jurisdiction for the appointment of a successor Collateral Agent. Upon the acceptance of any appointment as Collateral Agent hereunder by a successor Collateral Agent, that successor Collateral Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring Collateral Agent and the retiring Collateral Agent shall promptly (i) transfer to such successor Collateral Agent all sums, Securities and other items of Collateral held under the Collateral Documents, together with all records and other documents necessary or appropriate in connection with the performance of the duties of the successor Collateral Agent under the Credit Documents, and (ii) execute and deliver to such successor Collateral Agent such amendments to financing statements, and take such other actions, as may be necessary or appropriate in connection with the appointment of such successor Collateral Agent and the assignment to such successor Collateral Agent of the security interests created under the Collateral Documents, whereupon such retiring Collateral Agent shall be discharged from its duties and obligations hereunder. After any retiring Collateral Agent's resignation hereunder as Collateral Agent, the provisions of this Section 8 shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Collateral Agent hereunder.

(ii) Notwithstanding anything herein to the contrary, Collateral Agent may assign its rights and duties as Collateral Agent hereunder to one of its Affiliates without the prior written consent of, or prior written notice to, Company or the Lenders; *provided* that Company and the Lenders may deem and treat such assigning Collateral Agent as Collateral Agent for all purposes hereof, unless and until such assigning Collateral Agent provides written notice to Company and the Lenders of such assignment. Upon such assignment such Affiliate shall succeed to and become vested with all rights, powers, privileges and duties as Collateral Agent hereunder and under the other Credit Documents.

8.8 Collateral Documents .

(a) Collateral Agent under Collateral Documents . Each Lender hereby further authorizes Collateral Agent, on behalf of and for the benefit of the Secured Parties, to be the agent for and representative of the Secured Parties with respect to the Collateral and the Collateral Documents. Subject to Section 9.5 , without further written consent or authorization from Lenders, Collateral Agent may execute any documents or instruments necessary to release any Lien encumbering any item of Collateral that is the subject of a sale or other disposition of assets permitted hereby or to which Requisite Lenders (or such other Lenders as may be required to give such consent under Section 9.5) have otherwise consented. Anything contained in any of the Credit Documents to the contrary notwithstanding, Company, the Agents and each Lender hereby agree that (i) no Lender shall have any right individually to realize upon any of the Collateral, it being understood and agreed that all powers, rights and remedies hereunder may be exercised solely by Collateral Agent acting at the written direction of the Administrative Agent (unless otherwise expressly set forth herein or in another Credit Document), on behalf of the Secured Parties in accordance with the terms hereof and all powers, rights and remedies under the Collateral Documents may be exercised solely by Collateral Agent acting at the written direction of the Administrative Agent, and (ii) in the event of a foreclosure by Collateral Agent (acting at the written direction of the Administrative Agent; provided, that the Administrative Agent shall have provided each Class B Revolving Lender 30 days' prior written notice of its intent to direct the Collateral Agent to start the foreclosure process) on any of the Collateral pursuant to a public or private sale, Collateral Agent or any Lender may be the purchaser of any or all of such Collateral at any such sale and Collateral Agent, as agent for and representative of Secured Parties (but not any Lender or Lenders in its or their respective individual capacities unless Requisite Lenders shall otherwise agree in writing) shall be entitled, for the purpose of bidding and making settlement or payment of the purchase price for all or any portion of the Collateral sold at any such public sale, to use and apply any of the Obligations or any other amount due hereunder as a credit on account of the purchase price for any collateral payable by Collateral Agent at such sale. In the event of a foreclosure by Collateral Agent (acting at the written direction of the Administrative Agent), on any of the Collateral pursuant to a public or private sale, the Collateral Agent will seek firm bids from at least two bidders and the Class B Revolving Lenders or its designee (collectively, the " **Bidders** ") for the purchase of all or a portion of the Collateral for scheduled settlement substantially in accordance with the then-current market practice in the principal market for the Collateral; provided, that the Class B Revolving Lenders shall have the right but not the obligation to provide any firm bid. The Collateral Agent shall sell the Collateral to the Bidder(s) providing the highest firm bid or weighted average of combined firm bids; provided , however , that in the event two or more Bidders provide equal firm bids constituting the highest firm bid, and one such Bidder is a Class B Revolving Lender, the firm bid provided by such Class B Revolving Lender shall be deemed to constitute the highest firm bid; provided , further that if the bid from the Class B Revolving Lender is not the highest or if the Class B Revolving Lender does not make a bid, and the initial firm bid is in an amount less than the amount necessary to pay in full the Class B Revolving Loans then outstanding (after application of the proceeds thereof to the then outstanding Class A Revolving Loans), the Class B Revolving Lender shall be given three (3) Business Days' prior written notice of such sale and shall have the right of first refusal with respect to such sale. If one or more firm bids cannot be obtained in accordance with the foregoing, then the Collateral Agent shall use commercially reasonable efforts to obtain firm bids again by following the same process until a firm bid is obtained and settlement is completed.

SECTION 9. MISCELLANEOUS

9.1 Notices . Unless otherwise specifically provided herein, any notice or other communication herein required or permitted to be given to Company, Collateral Agent, Paying Agent or Administrative Agent shall be sent to such Person's address as set forth on Appendix B or in the other relevant Credit Document, and in the case of any Lender, the address as indicated on Appendix B or otherwise indicated to Administrative Agent in writing. Each notice hereunder shall be in writing and may be personally served, telexed or sent by telefacsimile or United States mail or courier service and shall be deemed to have been given when delivered in person or by courier service and signed for against receipt thereof, upon receipt of telefacsimile or telex, or three (3) Business Days after depositing it in the United States mail with postage prepaid and properly addressed; provided , no notice to any Agent shall be effective until received by such Agent, provided , however, that Company may deliver, or cause to be delivered, the Borrowing Base Certificate, Borrowing Base Report, Funding Notices, Controlled Account Voluntary Payment Notice and any financial statements or reports (including the Financial Plan and any collateral performance tests) by electronic mail pursuant to procedures approved by the Administrative Agent until any Agent or Lender notifies Company that it can no longer receive such documents using electronic mail. Any Borrowing Base Certificate, Borrowing Base Report, Funding Notice, Controlled Account Voluntary Payment Notice or financial statements or reports sent to an electronic 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, if available, return electronic mail or other written acknowledgement), provided , that if such document is sent after 5:00 p.m. Eastern Standard time, such document shall be deemed to have been sent at the opening of business on the next Business Day.

9.2 Expenses . Company agrees to pay promptly (a) (i) all the Administrative Agent's actual, reasonable and documented out-of-pocket costs and expenses (including reasonable and customary fees and expenses of counsel to the Administrative Agent of negotiation, preparation, execution and administration of the Credit Documents and any consents, amendments, waivers or other modifications thereto, (ii) reasonable and customary fees and expenses of a single counsel to the Class A Revolving Lenders in connection with any consents, amendments, waivers or other modifications to the Credit Documents; and (iii) reasonable and customary fees and expenses of counsel (including regulatory counsel) to the Class B Revolving Lenders in connection with this Agreement in an aggregate amount as set forth in the Fee Letter, and reasonable and customary fees and expenses of a single counsel to the Class B Revolving Lenders in connection with any consents, amendments, waivers or other modifications to the Credit Documents; (b) all the actual, documented out-of-pocket costs and reasonable out-of-pocket expenses of creating, perfecting and enforcing Liens in favor of Collateral Agent, for the benefit of Secured Parties, including filing and recording fees, expenses and taxes, stamp or documentary taxes, search fees, title insurance premiums and reasonable and documented out-of-pocket fees, expenses and disbursements of a single counsel for all Lenders; (c) subject to the terms of this Agreement (including any limitations set forth in Section 5.5), all the Administrative Agent's actual, reasonable and documented out-of-pocket costs and reasonable fees, expenses for, and disbursements of any of Administrative Agent's, auditors, accountants, consultants or appraisers incurred by Administrative Agent; (d) subject to the terms of this Agreement, all the actual, reasonable and documented out-of-pocket costs and expenses (including the reasonable fees, expenses and disbursements of any appraisers, consultants, advisors and agents employed or retained by Collateral Agent and its counsel) in connection with the custody or preservation of any of the Collateral; (e) subject in all cases to any express limitations set forth in any Credit Document, all other actual, reasonable and documented out-of-pocket costs and expenses incurred by each Agent in connection with the syndication of the Revolving Loans and Commitments and the negotiation, preparation and execution of the Credit Documents and any consents, amendments, waivers or other modifications thereto and the transactions contemplated thereby; and (f) after the occurrence of a Default or an Event of Default, all documented, out-of-pocket costs and expenses, including reasonable attorneys' fees, and costs of settlement, incurred by any Agent or any Lender in enforcing any Obligations of or in collecting any payments due from Company or Holdings hereunder or

under the other Credit Documents by reason of such Default or Event of Default (including in connection with the sale of, collection from, or other realization upon any of the Collateral) or in connection with any refinancing or restructuring of the credit arrangements provided hereunder in the nature of a "work out" or pursuant to any insolvency or bankruptcy cases or proceedings.

9.3 Indemnity .

(a) In addition to the payment of expenses pursuant to Section 9.2 , whether or not the transactions contemplated hereby shall be consummated, Company agrees to defend (subject to Indemnitees' selection of counsel), indemnify, pay and hold harmless, each Affected Party and each Agent, their Affiliates and their respective officers, partners, directors, trustees, employees and agents (each, an **"Indemnitee"**), from and against any and all Indemnified Liabilities, **in all cases, whether or not caused by or arising, in whole or in part, out of the comparative, contributory, or sole negligence of such INDEMNITEE** excluding any amounts not otherwise payable by Company under Section 2.16(b)(iii) ; provided , Company shall not have any obligation to any Indemnitee hereunder with respect to any Indemnified Liabilities to the extent such Indemnified Liabilities arise from the gross negligence, bad faith or willful misconduct, as determined by a court of competent jurisdiction in a final non-appealable order of that Indemnitee. To the extent that the undertakings to defend, indemnify, pay and hold harmless set forth in this Section 9.3 may be unenforceable in whole or in part because they are violative of any law or public policy, Company shall contribute the maximum portion that it is permitted to pay and satisfy under applicable law to the payment and satisfaction of all Indemnified Liabilities incurred by Indemnitees or any of them.

(b) To the extent permitted by applicable law, no party hereto shall assert, and all parties hereto hereby waive, any claim against any other parties and their respective Affiliates, directors, employees, attorneys or agents, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) (whether or not the claim therefor is based on contract, tort or duty imposed by any applicable legal requirement) arising out of, in connection with, as a result of, or in any way related to, this Agreement or any Credit Document or any agreement or instrument contemplated hereby or thereby or referred to herein or therein, the transactions contemplated hereby or thereby, any Revolving Loan or the use of the proceeds thereof or any act or omission or event occurring in connection therewith, and all parties hereto hereby waive, release and agree not to sue upon any such claim or any such damages, whether or not accrued and whether or not known or suspected to exist in its favor.

9.4 Reserved .

9.5 Amendments and Waivers .

(a) Requisite Lenders' Consent . Subject to Sections 9.5(b) and 9.5(c) , no amendment, modification, termination or waiver of any provision of the Credit Documents, or consent to any departure by Company or Holdings therefrom, shall in any event be effective without the written concurrence of Company, Administrative Agent and the Requisite Lenders.

(b) Affected Lenders' Consent . Without the written consent of each Lender (other than a Defaulting Lender) that would be affected thereby (without giving effect to any distinctions between the Class A Lenders and the Class B Lenders), no amendment, modification, termination, or consent shall be effective if the effect thereof would:

(i) extend the scheduled final maturity of any Revolving Loan or Revolving Loan Note;

(ii) waive, reduce or postpone any scheduled repayment (but not prepayment);

(iii) reduce the rate of interest on any Revolving Loan (other than any waiver of any increase in the interest rate applicable to any Revolving Loan pursuant to Section 2.8) or any fee payable hereunder;

(iv) extend the time for payment of any such interest or fees;

(v) reduce the principal amount of any Revolving Loan;

(vi) (x) amend the definition of "Class A Borrowing Base" or "Class B Borrowing Base" or (y) amend, modify, terminate or waive Section 2.12 , Section 2.13 or Section 2.14 or any provision of this Section 9.5(b) or Section 9.5(c) ;

(vii) amend the definition of **"Requisite Lenders", "Requisite Class A Revolving Lenders," "Requisite Class B Revolving Lenders," "Class A Revolving Exposure," "Class B Revolving Exposure," "Committed Lender Pro Rata Share," "Pro Rata Share," "Applicable Class A Advance Rate," "Applicable Class B Advance Rate," "Class A Revolving Availability," "Class B "Revolving Availability"** or any definition used therein **;** provided , with the consent of Administrative Agent, Company and the Requisite Lenders, additional extensions of credit pursuant hereto may be included in the determination of **"Requisite Lenders"** or **"Pro Rata Share"** on substantially the same basis as the Revolving Commitments and the Revolving Loans are included on the Original Closing Date;

(viii) release all or substantially all of the Collateral except as expressly provided in the Credit Documents; or

(ix) consent to the assignment or transfer by Company or Holdings of any of its respective rights and obligations under any Credit Document.

(c) Other Consents . Subject to the terms of the Intercreditor Side Letter, no amendment, modification, termination or waiver of any provision of the Credit Documents, or consent to any departure by Company or Holdings therefrom, shall:

(i) increase any Revolving Commitment of any Lender over the amount thereof then in effect without the consent of such Lender; provided , no amendment, modification or waiver of any condition precedent, covenant, Default or Event of Default shall constitute an increase in any Revolving Commitment of any Lender;

(ii) amend, modify, terminate or waive any provision of Section 3.2(a) with regard to any Credit Extension of the Class A Revolving Lenders without the consent of the Class A Requisite Lenders; or amend, modify, terminate or waive any provision of Section 3.2(a) with regard to any Credit Extension of the Class B Revolving Lenders without the consent of the Requisite Class B Revolving Lenders;

(iii) amend the definitions of **"Eligibility Criteria"** or **"Eligible Receivables Obligor"** or amend any portion of Appendix C without the consent of each of the Requisite Class A Revolving Lenders and the Requisite Class B Revolving Lenders;

(iv) amend or modify any provision of Sections 2.11 , other than Sections 2.11(c)(vii) and 2.11(d) , without the consent of each of the Requisite Class A Revolving Lenders and the Requisite Class B Revolving Lenders;

(v) amend or modify any provision of Section 7.1 without the consent of each of the Requisite Class A Revolving Lenders and the Requisite Class B Revolving Lenders; provided, however, that, notwithstanding the foregoing, any waiver of the occurrence of a Default or an Event of Default shall only require the consent of the Requisite Lenders; or

(vi) amend, modify, terminate or waive any provision of Section 8 as the same applies to any Agent, or any other provision hereof as the same applies to the rights or obligations of any Agent, in each case without the consent of such Agent. In the event of any amendment or waiver of this Agreement without the consent of the Collateral Agent or Paying Agent, the Company shall promptly deliver a copy of such amendment or waiver to the Collateral Agent and the Paying Agent upon the execution thereof.

(d) Execution of Amendments, etc. Administrative Agent may, but shall have no obligation to, with the concurrence of the Requisite Lenders or any Lender, execute amendments, modifications, waivers or consents on behalf of the Requisite Lenders or such Lender. Any waiver or consent shall be effective only in the specific instance and for the specific purpose for which it was given. No notice to or demand on Company or Holdings in any case shall entitle Company or Holdings to any other or further notice or demand in similar or other circumstances. Any amendment, modification, termination, waiver or consent effected in accordance with this Section 9.5 shall be binding upon each Lender at the time outstanding, each future Lender and, if signed by Company, on Company. Notwithstanding anything to the contrary contained in this Section 9.5 , if the Administrative Agent and Company shall have jointly identified an obvious error or any error or omission of a technical nature, in each case that is immaterial (as determined by the Administrative Agent in its sole discretion), in any provision of the Credit Documents, then the Administrative Agent (as applicable, and in its respective capacity thereunder, the Administrative Agent or Collateral Agent) and Company shall be permitted to amend such provision and such amendment shall become effective without any further action or consent by the Requisite Lenders if the same is not objected to in writing by the Requisite Lenders within five (5) Business Days following receipt of notice thereof.

9.6 Successors and Assigns; Participations .

(a) Generally . This Agreement shall be binding upon the parties hereto and their respective successors and assigns and shall inure to the benefit of the parties hereto and the successors and assigns of Lenders. Neither Company's rights or obligations hereunder nor any interest therein may be assigned or delegated by it without the prior written consent of all Lenders. Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, Indemnitee Agent Parties under Section 8.6 , Indemnitees under Section 9.3 , their respective successors and assigns permitted hereby and, to the extent expressly contemplated hereby, Affiliates of each of the Agents and Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) Register . Company, the Paying Agent, Administrative Agent and Lenders shall deem and treat the Persons listed as Lenders in the Registers as the holders and owners of the corresponding Commitments and Revolving Loans listed therein for all purposes hereof, and no assignment or transfer of any such Revolving Commitment or Revolving Loan shall be effective, in each case, unless and until an Assignment Agreement effecting the assignment or transfer thereof shall have been delivered to and accepted by Administrative Agent and recorded in the Registers as provided in Section 9.6(e) . Prior to such recordation, all amounts owed with respect to the applicable Revolving Commitment or Revolving Loan

shall be owed to the Lender listed in the Registers as the owner thereof, and any request, authority or consent of any Person who, at the time of making such request or giving such authority or consent, is listed in the Registers as a Lender shall be conclusive and binding on any subsequent holder, assignee or transferee of the corresponding Revolving Commitments or Revolving Loans.

(c) Right to Assign . Each Lender shall have the right at any time to sell, assign or transfer all or a portion of its rights and obligations under this Agreement, including, without limitation, all or a portion of its Revolving Commitment or Revolving Loans owing to it or other Obligations (provided , however , that each such assignment shall be of a uniform, and not varying, percentage of all rights and obligations under and in respect of any Revolving Loan and any related Revolving Commitments) to any Person constituting an Eligible Assignee. Each such assignment pursuant to this Section 9.6(c) (other than an assignment to any Person meeting the criteria of clause (i) of the definition of the term of "Eligible Assignee") shall be in an aggregate amount of not less than $1,000,000 (or such lesser amount as may be agreed to by Company and Administrative Agent or as shall constitute the aggregate amount of the Revolving Commitments and Revolving Loans of the assigning Lender) with respect to the assignment of the Revolving Commitments and Revolving Loans.

(d) Mechanics . The assigning Lender and the assignee thereof shall execute and deliver to Administrative Agent an Assignment Agreement, together with such forms, certificates or other evidence, if any, with respect to United States federal income tax withholding matters as the assignee under such Assignment Agreement may be required to deliver to Administrative Agent pursuant to Section 2.16(d) .

(e) Notice of Assignment . Upon the Administrative Agent's receipt and acceptance of a duly executed and completed Assignment Agreement and any forms, certificates or other evidence required by this Agreement in connection therewith, Administrative Agent, shall (i) record the information contained in such notice in the Class A Register or the Class B Register, as applicable, (ii) give prompt notice thereof to Company, and (iii) maintain a copy of such Assignment Agreement.

(f) Representations and Warranties of Assignee . Each Lender, upon execution and delivery of this Agreement or upon executing and delivering an Assignment Agreement, as the case may be, represents and warrants as of the Third Amendment Effective Date or as of the applicable Effective Date (as defined in the applicable Assignment Agreement) that (i) it is an Eligible Assignee; (ii) it has experience and expertise in the making of or investing in commitments or loans such as the applicable Revolving Commit-ments or Revolving Loans, as the case may be; and (iii) it will make or invest in, as the case may be, its Revolving Commitments or Revolving Loans for its own account in the ordinary course of its business and without a view to distribution of such Revolving Commitments or Revolving Loans within the meaning of the Securities Act or the Exchange Act or other federal securities laws (it being understood that, subject to the provisions of this Section 9.6 , the disposition of such Revolving Commitments or Revolving Loans or any interests therein shall at all times remain within its exclusive control).

(g) Effect of Assignment . Subject to the terms and conditions of this Section 9.6 , as of the "Effective Date" specified in the applicable Assignment Agreement: (i) the assignee thereunder shall have the rights and obligations of a "Lender" hereunder to the extent such rights and obligations hereunder have been assigned to it pursuant to such Assignment Agreement and shall thereafter be a party hereto and a "Lender" for all purposes hereof; (ii) the assigning Lender thereunder shall, to the extent that rights and obligations hereunder have been assigned thereby pursuant to such Assignment Agreement, relinquish its rights (other than any rights which survive the termination hereof under Section 9.8) and be released from its obligations hereunder (and, in the case of an Assignment Agreement covering all or the remaining portion of an assigning Lender's rights and obligations hereunder, such Lender shall cease to be a party hereto; provided , anything contained in any of the Credit Documents to the contrary notwithstanding, such assigning

Lender shall continue to be entitled to the benefit of all indemnities hereunder as specified herein with respect to matters arising prior to the effective date of such assignment; (iii) the Revolving Commitments shall be modified to reflect the Revolving Commitment of such assignee and any Revolving Commitment of such assigning Lender, if any; and (iv) if any such assignment occurs after the issuance of any Revolving Note hereunder, the assigning Lender shall, upon the effectiveness of such assignment or as promptly thereafter as practicable, surrender its applicable Revolving Loan Notes to Administrative Agent for cancellation, and thereupon Company shall issue and deliver new Revolving Loan Notes, if so requested by the assignee and/or assigning Lender, to such assignee and/or to such assigning Lender, with appropriate insertions, to reflect the new Revolving Commitments and/or outstanding Revolving Loans of the assignee and/or the assigning Lender.

(h) Participations . Each Lender shall have the right at any time to sell one or more participations to any Person (other than Holdings, any of its Subsidiaries or any of its Affiliates or a Direct Competitor) in all or any part of its Revolving Commitments, Revolving Loans or in any other Obligation. The holder of any such participation, other than an Affiliate of the Lender granting such participation, shall not be entitled to require such Lender to take or omit to take any action hereunder except with respect to any amendment, modification or waiver that would (i) extend the final scheduled maturity of any Revolving Loan or Revolving Loan Note in which such participant is participating, or reduce the rate or extend the time of payment of interest or fees thereon (except in connection with a waiver of applicability of any post-default increase in interest rates) or reduce the principal amount thereof, or increase the amount of the participant's participation over the amount thereof then in effect (it being understood that a waiver of any Default or Event of Default or of a mandatory reduction in the Revolving Commitment shall not constitute a change in the terms of such participation, and that an increase in any Revolving Commitment or Revolving Loan shall be permitted without the consent of any participant if the participant's participation is not increased as a result thereof), (ii) consent to the assignment or transfer by Company of any of its rights and obligations under this Agreement, or (iii) release all or substantially all of the Collateral under the Collateral Documents (except as expressly provided in the Credit Documents) supporting the Revolving Loans hereunder in which such participant is participating. Company agrees that each participant shall be entitled to the benefits of Sections 2.15 or 2.16 to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to clause (c) of this Section; provided , (i) a participant shall not be entitled to receive any greater payment under Sections 2.15 or 2.16 than the applicable Lender would have been entitled to receive with respect to the participation sold to such participant, except to the extent such entitlement to receive a greater payment results from a change in law that occurs after the participant acquired the applicable participation, unless the sale of the participation to such participant is made with Company's prior written consent, and (ii) a participant that would be a Non-US Lender if it were a Lender shall not be entitled to the benefits of Section 2.16 unless Company (through a Designated Officer) is notified of the participation at the time it is sold to such participant and such participant agrees, for the benefit of Company, to comply with Section 2.16 as though it were a Lender. To the extent permitted by law, each participant also shall be entitled to the benefits of Section 9.4 as though it were a Lender, provided such Participant agrees to be subject to Section 2.14 as though it were a Lender. Any Lender that sells such a participation shall, acting solely for this purpose as an agent of the Company, 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 such participation and other obligations under this Agreement (the " **Participant Register** "); provided that no Lender shall have any obligation to disclose all or any portion of the Participant Register to any Person other than Company (through a Designated Officer), including the identity of any Participant or any information relating to a Participant's interest or obligations under any Credit Document, except to the extent that such disclosure is necessary to establish that such Commitment, Loan or other obligation 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, the Paying Agent (in its capacity as Paying Agent) shall have no responsibility for maintaining a Participant Register. The Participant Register shall be available for inspection by Company at any reasonable time and from time to time upon reasonable prior notice. Company shall not disclose the identity of any Participant of any Lender or any information relating to such Participant's interest or obligation to any Person, provided that Company may make (1) disclosures of such information to Affiliates of such Lender and to their agents and advisors provided that such Persons are informed of the confidential nature of the information and will be instructed to keep such information confidential, and (2) disclosures required or requested by any Governmental Authority or repre-sentative thereof or by the NAIC or pursuant to legal or judicial process or other legal proceeding; provided , that unless specifically prohibited by applicable law or court order, Company shall make reasonable efforts to notify the applicable Lender of any request by any Governmental Authority or representative thereof (other than any such request in connection with any examina-tion of the financial condition or other routine examination of Company by such Governmental Authority) for disclosure of any such non-public information prior to disclosure of such information.

(i) Certain Other Assignments . In addition to any other assignment permitted pursuant to this Section 9.6 any Lender may assign, pledge and/or grant a security interest in, all or any portion of its Revolving Loans, the other Obligations owed by or to such Lender, and its Revolving Loan Notes, if any, to secure obligations of such Lender including, without limitation, any Federal Reserve Bank as collateral security pursuant to Regulation A of the Board of Governors of the Federal Reserve System and any operating circular issued by such Federal Reserve Bank; provided , no Lender, as between Company and such Lender, shall be relieved of any of its obligations hereunder as a result of any such assignment and pledge, and provided further , in no event shall the applicable Federal Reserve Bank, pledgee or trustee be considered to be a “Lender” or be entitled to require the assigning Lender to take or omit to take any action hereunder.

9.7 Independence of Covenants . All covenants hereunder shall be given independent effect so that if a particular action or condition is not permitted by any of such covenants, the fact that it would be permitted by an exception to, or would otherwise be within the limitations of, another covenant shall not avoid the occurrence of a Default or an Event of Default if such action is taken or condition exists.

9.8 Survival of Representations, Warranties and Agreements . All representations, warranties and agreements made herein shall survive the execution and delivery hereof and the making of any Credit Extension. Notwithstanding anything herein or implied by law to the contrary, the agreements of Company set forth in Sections 2.15 , 2.16 , 9.2 , 9.3 and 9.10 , the agreements of Lenders set forth in Sections 2.14 and 8.6 shall survive the payment of the Revolving Loans and the termination hereof.

9.9 No Waiver; Remedies Cumulative . No failure or delay on the part of any Agent or any Lender in the exercise of any power, right or privilege hereunder or under any other Credit Document shall impair such power, right or privilege or be construed to be a waiver of any default or acquiescence therein, nor shall any single or partial exercise of any such power, right or privilege preclude other or further exercise thereof or of any other power, right or privilege. The rights, powers and remedies given to each Agent and each Lender hereby are cumulative and shall be in addition to and independent of all rights, powers and remedies existing by virtue of any statute or rule of law or in any of the other Credit Documents. Any forbearance or failure to exercise, and any delay in exercising, any right, power or remedy hereunder shall not impair any such right, power or remedy or be construed to be a waiver thereof, nor shall it preclude the further exercise of any such right, power or remedy.

9.10 Marshalling; Payments Set Aside . Neither any Agent nor any Lender shall be under any obligation to marshal any assets in favor of Company or any other Person or against or in payment of any

or all of the Obligations or any other amount due hereunder. To the extent that Company makes a payment or payments to Administrative Agent or Lenders (or to Administrative Agent, on behalf of Lenders), or Administrative Agent, Collateral Agent or Lenders enforce any security interests or exercise their rights of setoff, and such payment or payments or the proceeds of such enforcement or setoff or any part thereof are subsequently invalidated, declared to be fraudulent or preferential, set aside and/or required to be repaid to a trustee, receiver or any other party under any bankruptcy law, any other state or federal law, common law or any equitable cause, then, to the extent of such recovery, the obligation or part thereof originally intended to be satisfied, and all Liens, rights and remedies therefor or related thereto, shall be revived and continued in full force and effect as if such payment or payments had not been made or such enforcement or setoff had not occurred.

9.11 Severability . In case any provision in or obligation hereunder or any Revolving Loan Note or other Credit Document shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations, or of such provision or obligation in any other jurisdiction, shall not in any way be affected or impaired thereby.

9.12 Obligations Several; Actions in Concer t. The obligations of Lenders hereunder are several and no Lender shall be responsible for the obligations or Commitment of any other Lender hereunder. Nothing contained herein or in any other Credit Document, and no action taken by Lenders pursuant hereto or thereto, shall be deemed to constitute Lenders as a partnership, an association, a joint venture or any other kind of entity. Anything in this Agreement or any other Credit Document to the contrary notwithstanding, each Lender hereby agrees with each other Lender that no Lender shall take any action to protect or enforce its rights arising out of this Agreement or any Revolving Loan Note or otherwise with respect to the Obligations without first obtaining the prior written consent of the Administrative Agent, it being the intent of Lenders that any such action to protect or enforce rights under this Agreement and any Revolving Loan Note or otherwise with respect to the Obligations shall be taken in concert and at the direction or with the consent of the Administrative Agent.

9.13 Headings . Section headings herein are included herein for convenience of reference only and shall not constitute a part hereof for any other purpose or be given any substantive effect.

9.14 APPLICABLE LAW. THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

9.15 CONSENT TO JURISDICTION .

(A) ALL JUDICIAL PROCEEDINGS BROUGHT AGAINST COMPANY ARISING OUT OF OR RELATING HERETO OR ANY OTHER CREDIT DOCUMENT, OR ANY OF THE OBLIGATIONS, MAY BE BROUGHT IN ANY STATE OR FEDERAL COURT OF COMPETENT JURISDICTION IN THE STATE, COUNTY AND CITY OF NEW YORK. BY EXECUTING AND DELIVERING THIS AGREEMENT, COMPANY, FOR ITSELF AND IN CONNECTION WITH ITS PROPERTIES, IRREVOCABLY (a) ACCEPTS GENERALLY AND UNCONDITIONALLY THE NONEXCLUSIVE JURISDICTION AND VENUE OF SUCH COURTS; (b) WAIVES ANY DEFENSE OF FORUM NON CONVENIENS; (c) AGREES THAT SERVICE OF ALL PROCESS IN ANY SUCH PROCEEDING IN ANY SUCH COURT MAY BE MADE BY REGISTERED OR CERTIFIED MAIL, RETURN RECEIPT REQUESTED, TO COMPANY AT ITS ADDRESS PROVIDED IN ACCORDANCE WITH SECTION 9.1 AND TO ANY PROCESS AGENT APPOINTED BY IT IS SUFFICIENT TO CONFER PERSONAL JURISDICTION OVER COMPANY IN ANY SUCH PROCEEDING IN ANY SUCH COURT, AND OTHERWISE

CONSTITUTES EFFECTIVE AND BINDING SERVICE IN EVERY RESPECT; AND (d) AGREES THAT AGENTS AND LENDERS RETAIN THE RIGHT TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR TO BRING PROCEEDINGS AGAINST COMPANY IN THE COURTS OF ANY OTHER JURISDICTION.

(B) COMPANY HEREBY AGREES THAT PROCESS MAY BE SERVED ON IT BY CERTIFIED MAIL, RETURN RECEIPT REQUESTED, TO THE ADDRESSES PERTAINING TO IT AS SPECIFIED IN SECTION 9.1 OR ON HOLDINGS, WHICH COMPANY HEREBY APPOINTS AS ITS AGENT FOR SERVICE OF PROCESS HEREUNDER. ANY AND ALL SERVICE OF PROCESS AND ANY OTHER NOTICE IN ANY SUCH ACTION, SUIT OR PROCEEDING SHALL BE EFFECTIVE AGAINST COMPANY IF GIVEN BY REGISTERED OR CERTIFIED MAIL, RETURN RECEIPT REQUESTED, OR BY ANY OTHER MEANS OR MAIL WHICH REQUIRES A SIGNED RECEIPT, POSTAGE PREPAID, MAILED AS PROVIDED ABOVE. IN THE EVENT HOLDINGS SHALL NOT BE ABLE TO ACCEPT SERVICE OF PROCESS AS AFORESAID AND IF COMPANY SHALL NOT MAINTAIN AN OFFICE IN NEW YORK CITY, COMPANY SHALL PROMPTLY APPOINT AND MAINTAIN AN AGENT QUALIFIED TO ACT AS AN AGENT FOR SERVICE OF PROCESS WITH RESPECT TO THE COURTS SPECIFIED IN THIS SECTION 9.15 ABOVE, AND ACCEPTABLE TO THE ADMINISTRATIVE AGENT, AS COMPANY'S AUTHORIZED AGENT TO ACCEPT AND ACKNOWLEDGE ON COMPANY'S BEHALF SERVICE OF ANY AND ALL PROCESS WHICH MAY BE SERVED IN ANY SUCH ACTION, SUIT OR PROCEEDING.

9.16 WAIVER OF JURY TRIAL. EACH OF THE PARTIES HERETO HEREBY AGREES TO WAIVE ITS RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING HEREUNDER OR UNDER ANY OF THE OTHER CREDIT DOCUMENTS OR ANY DEALINGS BETWEEN THEM RELATING TO THE SUBJECT MATTER OF THIS LOAN TRANSACTION OR THE LENDER/BORROWER RELATIONSHIP THAT IS BEING ESTABLISHED. THE SCOPE OF THIS WAIVER IS INTENDED TO BE ALL-ENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY BE FILED IN ANY COURT AND THAT RELATE TO THE SUBJECT MATTER OF THIS TRANSACTION, INCLUDING CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS AND ALL OTHER COMMON LAW AND STATUTORY CLAIMS. EACH PARTY HERETO ACKNOWLEDGES THAT THIS WAIVER IS A MATERIAL INDUCEMENT TO ENTER INTO A BUSINESS RELATIONSHIP, THAT EACH HAS ALREADY RELIED ON THIS WAIVER IN ENTERING INTO THIS AGREEMENT, AND THAT EACH WILL CONTINUE TO RELY ON THIS WAIVER IN ITS RELATED FUTURE DEALINGS. EACH PARTY HERETO FURTHER WARRANTS AND REPRESENTS THAT IT HAS REVIEWED THIS WAIVER WITH ITS LEGAL COUNSEL AND THAT IT KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL. THIS WAIVER IS IRREVOCABLE, MEANING THAT IT MAY NOT BE MODIFIED EITHER ORALLY OR IN WRITING (OTHER THAN BY A MUTUAL WRITTEN WAIVER SPECIFICALLY REFERRING TO THIS SECTION 9.16 AND EXECUTED BY EACH OF THE PARTIES HERETO), AND THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS HERETO OR ANY OF THE OTHER CREDIT DOCUMENTS OR TO ANY OTHER DOCUMENTS OR AGREEMENTS RELATING TO THE REVOLVING LOANS MADE HEREUNDER. IN THE EVENT OF LITIGATION, THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.

9.17 Confidentiality . Each Agent and Lender shall hold all non-public information regarding Holdings and its Affiliates and their businesses obtained by such Lender or Agent confidential and shall not disclose information of such nature, it being understood and agreed by Company that, in any event, a Lender or Agent may make (a) disclosures of such information to Affiliates of such Lender or Agent and to their agents, auditors, attorneys and advisors (and to other persons authorized by a Lender or Agent to organize, present or disseminate such information in connection with disclosures otherwise made in accordance with this Section 9.17) provided that such Persons are informed of the confidential nature of the information and agree to keep, or with respect to the Collateral Agent and Paying Agent will be instructed to keep, such information confidential, provided , further that no disclosure shall be made to any Person that is a Direct Competitor or, with respect to the Collateral Agent and Paying Agent only, any Person that the Collateral Agent and/or Paying Agent has actual knowledge is a Direct Competitor, (b) disclosures of such information reasonably required by any bona fide or potential assignee, transferee or participant in connection with the contemplated assignment, transfer or participation by such Lender of any Revolving Loans or any participations therein, provided that such Persons are informed of the confidential nature of the information and agree to keep such information confidential pursuant to a non-disclosure agreement, (c) disclosure to any rating agency when required by it provided that such Persons are informed of the confidential nature of the information and agree to keep, or with respect to the Collateral Agent and Paying Agent will be instructed to keep, such information confidential, (d) disclosures required by any applicable statute, law, rule or regulation or requested by any Governmental Authority or representative thereof or by any regulatory body or by the NAIC or pursuant to legal or judicial process or other legal proceeding; provided , that unless specifically prohibited by applicable law or court order, each Lender or Agent shall make reasonable efforts to notify Company of any request by any Governmental Authority or representative thereof (other than any such request in connection with any examination of the financial condition or other routine examination of such Lender or Agent by such Governmental Authority) for disclosure of any such non-public information prior to disclosure of such information, and (e) any other disclosure authorized by the Company in writing in advance. Notwithstanding the foregoing, (i) the foregoing shall not be construed to prohibit the disclosure of any information that is or becomes publicly known or information obtained by a Lender or Agent from sources other than the Company other than as a result of a disclosure by an Agent or Lender in violation of this Section 9.17 , and (ii) on or after the Original Closing Date, the Administrative Agent may, at its own expense issue news releases and publish "tombstone" advertisements and other announcements generally describing this transaction in newspapers, trade journals and other appropriate media (which may include use of logos of Company or Holdings) (collectively, " **Trade Announcements** "). Company shall not issue, and shall cause Holdings not to issue, any Trade Announcement using the name of any Agent or Lender, or their respective Affiliates or referring to this Agreement or the other Credit Documents, or the transactions contemplated thereunder except (x) disclosures required by applicable law, regulation, legal process or the rules of the Securities and Exchange Commission or (y) with the prior approval of Administrative Agent (such approval not to be unreasonably withheld).

9.18 Usury Savings Clause . Notwithstanding any other provision herein, the aggregate interest rate charged or agreed to be paid with respect to any of the Obligations, including all charges or fees in connection therewith deemed in the nature of interest under applicable law shall not exceed the Highest Lawful Rate. If the rate of interest (determined without regard to the preceding sentence) under this Agreement at any time exceeds the Highest Lawful Rate, the outstanding amount of the Revolving Loans made hereunder shall bear interest at the Highest Lawful Rate until the total amount of interest due hereunder equals the amount of interest which would have been due hereunder if the stated rates of interest set forth in this Agreement had at all times been in effect. In addition, if when the Revolving Loans made hereunder are repaid in full the total interest due hereunder (taking into account the increase provided for above) is less than the total amount of interest which would have been due hereunder if the stated rates of interest set forth in this Agreement had at all times been in effect, then to the extent permitted by law, Company shall pay to

Administrative Agent an amount equal to the difference between the amount of interest paid and the amount of interest which would have been paid if the Highest Lawful Rate had at all times been in effect. Notwithstanding the foregoing, it is the intention of Lenders and Company to conform strictly to any applicable usury laws. Accordingly, if any Lender contracts for, charges, or receives any consideration which constitutes interest in excess of the Highest Lawful Rate, then any such excess shall be cancelled automatically and, if previously paid, shall at such Lender's option be applied to the outstanding amount of the Revolving Loans made hereunder or be refunded to Company. In determining whether the interest contracted for, charged, or received by Administrative Agent or a Lender exceeds the Highest Lawful Rate, such Person may, to the extent permitted by applicable law, (a) characterize any payment that is not principal as an expense, fee, or premium rather than interest, (b) exclude voluntary prepayments and the effects thereof, and (c) amortize, prorate, allocate, and spread in equal or unequal parts the total amount of interest, throughout the contemplated term of the Obligations hereunder.

9.19 Counterparts . This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original, but all such counterparts together shall constitute but one and the same instrument.

9.20 Effectiveness . This Agreement shall become effective upon the execution of a counterpart hereof by each of the parties hereto and receipt by Company and Administrative Agent of written or telephonic notification of such execution and authorization of delivery thereof.

9.21 Patriot Act . Each Lender and Administrative Agent (for itself and not on behalf of any Lender) hereby notifies Company that pursuant to the requirements of the Act, it is required to obtain, verify and record information that identifies Company, which information includes the name and address of Company and other information that will allow such Lender or Administrative Agent, as applicable, to identify Company in accordance with the Act.

[Remainder of page intentionally left blank **]**

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first written above.

RECEIVABLE ASSETS OF ONDECK, LLC, as Company

By: /s/ Howard Katzenberg
Name: Howard Katzenberg
Title: Chief Financial Officer

SUNTRUST BANK,
as Administrative Agent

By: /s/ Emily Shields
Name: Emily Shields
Title: First Vice President

SUNTRUST BANK,
as a Lender

By: /s/ Emily Shields
Name: Emily Shields
Title: First Vice President

WELLS FARGO BANK, N.A.,
as Paying Agent and Collateral Agent

By: /s/ Chris Wall
Name: Chris Wall
Title: Assistant Vice President

Please signify your agreement to and acceptance of the foregoing by executing this letter in the space provided below.

Very truly yours,

FIXED INCOME OPPORTUNITIES NERO, LLC,
as Class B Revolving Lender

By: BlackRock Financial Management, Inc., its
Investment Manager

By: /s/ Rick Rieder
Name: Rick Rieder
Title: Chief Investment Officer

Exhibit 21.1

SUBSIDIARIES OF ON DECK CAPITAL, INC.

Name	Jurisdiction
OnDeck Capital UK LTD	United Kingdom
On Deck Payment Support, LLC	Delaware
On Deck Asset Company, LLC	Delaware
On Deck Capital Australia PTY LTD	Australia
OnDeck Account Receivables Trust 2013-1 LLC	Delaware
Canada On Deck Asset Funding, LP	Ontario
OnDeck Canada Holdings, Inc.	Delaware
OnDeck Capital Canada, ULC (f/k/a On Deck Capital Canada, Inc.)	British Columbia
Prime OnDeck Receivable Trust II, LLC	Delaware
Receivables Assets of OnDeck, LLC	Delaware
OnDeck Australia Loan Funding I Pty Ltd	Australia
OnDeck Australia Loan Funding Trust I	Australia
ODIP, LLC	Delaware
OnDeck Asset Securitization Trust II LLC	Delaware
ODWS, LLC	Delaware
OnDeck Asset Funding I LLC	Delaware
1119641 B.C. LTD	British Columbia
Small Business Asset Fund II LLC	Delaware
Small Business Funding Trust	Delaware

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the following Registration Statements:

1. Registration Statement (Form S-8 No. 333-200998) of On Deck Capital, Inc.
2. Registration Statement (Form S-8 No. 333-209938) of On Deck Capital, Inc.
3. Registration Statement (Form S-3 No. 333-216800) of On Deck Capital, Inc.
4. Registration Statement (Form S-8 No. 333-216801) of On Deck Capital, Inc.

of our report dated March 2, 2018, with respect to the consolidated financial statements of On Deck Capital, Inc. and subsidiaries, included in this Annual Report (Form 10-K) of On Deck Capital, Inc. for the year ended December 31, 2017.

/s/ Ernst & Young LLP

New York, New York
March 2, 2018

Exhibit 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT TO SECURITIES EXCHANGE ACT RULES 13a-14(a) AND 15d-14(a), AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Noah Breslow, certify that:

1. I have reviewed this Annual Report on Form 10-K of On Deck Capital, 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: March 2, 2018

/s/ Noah Breslow

Noah Breslow
Chief Executive Officer

Exhibit 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER PURSUANT TO SECURITIES EXCHANGE ACT RULES 13a-14(a) AND 15d-14(a), AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Howard Katzenberg, certify that:

1. I have reviewed this Annual Report on Form 10-K of On Deck Capital, 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: March 2, 2018

/s/ Howard Katzenberg

Howard Katzenberg
Chief Financial Officer

Exhibit 32.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Noah Breslow, hereby certify, as of the date hereof, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, in my capacity as Chief Executive Officer of On Deck Capital, Inc. (the " ***Company*** "), that, to my knowledge, the Annual Report of the Company on Form 10-K for the fiscal year ended December 31, 2017 as filed with the Securities and Exchange Commission (the " ***Report*** ") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 2, 2018

/s/ Noah Breslow

Noah Breslow
Chief Executive Officer

Exhibit 32.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Howard Katzenberg, hereby certify, as of the date hereof, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, in my capacity as Chief Financial Officer of On Deck Capital, Inc. (the " ***Company*** "), that, to my knowledge, the Annual Report of the Company on Form 10-K for the fiscal year ended December 31, 2017 as filed with the Securities and Exchange Commission (the " ***Report*** ") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 2, 2018

/s/ Howard Katzenberg

Howard Katzenberg
Chief Financial Officer