FREED ABS Trust 2020-2CP

$188,560,000 Asset Backed Securities

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May 20, 2020

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KBRA KROLL BOND RATING AGENCY

Executive Summary

This new issue report is based on information regarding the underlying unsecured consumer loans and the terms of the securitization as of May 20, 2020. This report does not constitute a recommendation to buy, hold, or sell securities.

Rated Notes					
Class	Initial Amount ($)	Interest Rate	Legal Final Maturity Date	Initial Credit Enhancement (%)	KBRA Rating
Class A	$123,120,000	4.52%	Jun 18, 2027	45.00%	A+ (sf)
Class B	$37,710,000	5.50%	Jun 18, 2027	28.00%	BBB (sf)
Class C	$27,730,000	6.00%	Jun 18, 2027	15.50%	BB+ (sf)
Total	$188,560,000				

Transaction Overview

This transaction represents the sixth overall ABS securitization collateralized by unsecured consumer loans originated through Freedom Financial Asset Management ("FFAM" or the "Company"). FREED ABS Trust 2020-2CP ("FREED 2020-2CP" or the "Issuer") issued three classes of notes totaling $188.56 million. The proceeds from the sale of the notes will be used to purchase the loans and related rights from FREED ABS Master Depositor Trust (the "Depositor"), who purchased the loans from the Loan Seller, to fund the reserve account and to pay transaction expenses. The Depositor will in turn sell the loans to the Issuer.

Freedom Financial Network ("FFN"), the parent company to FFAM, is a San Mateo, CA based company with operations in Tempe, AZ. FFN was founded in 2002 and offers consumer debt settlement services such as: consumer education, installment loans, and debt restructuring, through its three subsidiary companies ("Freedom Debt Relief, LLC ("FDR"), FFAM, and bills.com) and a fund ("Freedom Consumer Credit Fund" or "FCCF"). Since 2002 two private equity firms, Vulcan Capital, and Stone Point Capital have invested in Pantheon Partners, LLC which is the parent holding company of FFN.

FFAM offers the following products:

- ConsolidationPlus ("C+") loans are exclusively offered to clients of FDR, a related debt settlement company, in order to resolve debt problems for consumers. C+ loans are fixed rate, fully amortizing unsecured consumer loans with original balances ranging from $1,000-$75,000, original terms of 1-6 years, and a fixed interest rate of 22.90%. The primary purpose of C+ loans is debt settlement.
- FreedomPlus ("F+") loans which are fixed rate, fully amortizing unsecured consumer loans with original balances ranging from $7,500-$40,000, original terms of 2-5 years and a fixed interest rate ranging from 4.99% to 26.99%. The primary purpose of the F+ loans is debt consolidation.

Only C+ loans will be included in FREED 2020-2CP. All of the loans in FREED 2020-2CP were originated by Cross River Bank, ("CRB" or "Cross River") a New Jersey state-chartered commercial bank insured by the Federal Deposit Insurance Corporation (FDIC). Origination fees of 4.90% are charged to the borrower based on the borrower's risk profile, loan term and product. The origination fee is deducted from the borrower's total loan proceeds prior to disbursement. The loans included in the transaction were all underwritten under Cross River and FFAM's credit guidelines. Since inception FFAM has facilitated over $4.8 billion in loans.

As noted above, the subject transaction will only include C+ loans, unlike FREED 2020-FP1, which contained F+ collateral. Key structural differences from the prior deal include lower initial overcollateralization, but the transaction is structured to build to a higher target overcollateralization and higher initial credit enhancement for the Class A and lower initial credit enhancement for the subordinated classes. The transaction has initial credit enhancement levels of 45.00% for the Class A Notes, 28.00% for the Class B Notes, and 15.50% for the Class C Notes. Credit enhancement consists of overcollateralization, subordination (in the case of the Class A and Class B Notes), a reserve account funded at closing and subsequent periods, and excess spread.

Transaction Parties	
Issuer	FREED ABS Trust 2020-2CP ("FREED 2020-2CP")
Grantor Trust	FREED ABS Grantor Trust 2020-2CP
Sponsor & Administrator	Series B, a Series of Freedom Consumer Credit Fund, LLC
Managing Member & Servicer	Freedom Financial Asset Management, LLC ("FFAM")
Depositor	FREED ABS Master Depositor Trust
Loan Seller	FCCF Warehouse Trust 2018-1
Loan Data Agent	DV01
Indenture Trustee, Note Registrar, Paying Agent, Certificate Registrar, Collateral Agent, and Back-Up Servicer	Wilmington Trust, National Association
Backup Servicer Subcontractor	Nelnet Servicing, LLC, d/b/a Firstmark Services ("Firstmark")
Owner Trustee, Grantor Trust Trustee and Grantor Trust Certificate Registrar	Wilmington Savings Fund Society, FSB
Vault Provider	eOriginal Inc.
Funding Bank and Originator	Cross River Bank ("CRB")

Key Credit Considerations

Potential COVID-19 Implications The economic effects of COVID-19 have the potential to impact this transaction and Freedom's business operations, including the Company's financial performance and liquidity, originations, and credit performance of its managed portfolio. The financial impact of COVID-19 has resulted in rising unemployment, which can adversely impact the performance of the transaction and unsecured consumer loans in general. Owing to KBRA's expectations of high and rising unemployment, KBRA increased its base case default assumptions for the subject pool in a manner that was consistent with a recent portfolio review of the sector detailed in the following report: **U.S. Unsecured Consumer ABS Securities on**	-

Watch Report. The review resulted with the FREED 2019-2 Class A and Class B notes placed on Watch Developing and the Class C notes placed on Watch Downgrade. For the FREED 2020-1 ("FREED 2020-FP1") the Class A notes were placed on Watch Developing and Class B and Class C notes were placed on Watch Downgrade.	

Company's Response to COVID-19

In response to COVID-19, the Company is focused on their operational response and is closely monitoring performance trends. The Company has taken the following steps to manage their business during this unprecedented time:

- Underwriting: Freedom tightened their credit box for both C+ and F+ loan originations. The Company eliminated higher risk tiers, eliminated certain states and added risk adjustments for industries that have been most impacted from COVID-19, increased verifications focusing on employer stability and increased pricing. Manual underwriting continues to be key differential as underwriters are focused on identifying and classifying customers' circumstances, loan use, and income stability.
- Servicing: Borrower assistance programs have been increased to ensure customers immediately impacted by the coronavirus are helped. Currently, customers are eligible for two-month deferrals with an option of a 3rd month should the crisis continue longer than anticipated with manager approval. Customers are asked to clarify impact (i.e. job loss, household income reduction, caring for others) before deferrals are granted. All NSF, late charges, and check fees have been suspended across the portfolio and credit bureau reporting for delinquent loans also suspended. The FREED 2020-2CP collateral pool includes approximately 8.46% of loans with granted deferrals. KBRA ran sensitivity cashflows to account for these payment deferrals and the required reserve account is sufficient to cover any potential liquidity shortfalls.
- Operations: All employees transitioned to working remotely over the span of a few weeks, and internal resources were shifted to the collections team to address higher inbound call volume.
- Crisis Monitoring: The Company initiated daily management meetings and reporting to quickly react to portfolio signals and external events in real time. They are in close communication with their partner bank to make underwriting changes rapidly without significant delays.
- Capital and liquidity: Freedom entered the pandemic in a strong profitable position having generated a net income of $109 million for the year ending 2019. As of April 2020, the Company had over $150 million in cash at the parent level and FCCF had approximately $246 million in undrawn, committed warehouse lines.

As the economic effects of COVID-19 materialize and government stimulus subsides, the Company expects to convert more borrowers to FDR, the debt consolidation side of the business, and for C+ originations to increase.

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Experienced Management

Freedom's senior management team is led by co-founders and co-CEOs Brad Stroh and Andrew Housser. Both co-founders have experience in the financial services industry and with private equity and startup companies. FFN was founded in 2002 as a provider of debt settlement services and is now a full spectrum national consumer finance company with over 2,800 employees.

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FFN has managed through the 2008 financial crisis and members of the senior management team managed loan portfolios through favorable and unfavorable credit environments. Management has extensive consumer finance experience in risk management, legal and regulatory compliance, marketing, and developing underwriting processes and credit scoring models. Senior management and department heads have been with the company for an average of 2.5 years.

Transaction Structure

The credit enhancement levels are sufficient to cover KBRA's corresponding stressed cash flow assumptions for each rated note class. The transaction is structured to de-lever, thereby increasing the level of credit enhancement over time, which is beneficial to the maintenance of the note ratings. Credit enhancement is comprised of overcollateralization, subordination of junior note classes (except for the Class C notes), a cash reserve account, and excess spread.

Cash Flow Priority: FREED 2020-2CP utilizes a sequential pay structure where the Class A notes receive principal payments prior to all subordinate notes. Once Class A is paid in full, Class B, and then Class C receive principal payments.

Overcollateralization: Initial OC is 15.00% of the initial pool balance and will build to a target of 40.00% of the current pool balance, subject to a floor equal to 3.25% of the initial pool balance. If a cumulative net loss ("CNL") trigger is breached, the transaction will enter full turbo where all available funds will be used to sequentially pay down the outstanding notes.

Subordination: Total subordination is 29.50% and 12.50% for the Class A and Class B Notes, respectively.

Cash Reserve Account: A cash reserve account funded at closing will equal approximately 0.50% of the initial pool balance and will build to a target equal to 1.00% of the initial pool balance.

Excess Spread: Gross excess spread before losses is approximately 16.24%, based on a weighted average contract rate of 22.90% less 1.28% servicing fees plus other fees and a weighted average life adjusted note coupon of 5.38%.

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Full Spectrum Lender

FFAM offers C+ and F+ loan products and only C+ loans will be included in FREED 2020-2CP.

FFAM facilitates the origination of C+ Loans exclusively offered to clients of FDR, a related debt settlement company, in order to resolve debt problems for consumers with an average FICO score of 567. C+ Loans are fixed rate, fully amortizing unsecured consumer loans with original balances ranging from $1,000-$75,000, original terms of 1-6 years, and a fixed interest rate of 22.90%. These loans help expedite the customer out of debt settlement and are only offered to clients who have been enrolled in FDR for at least six months while making timely deposits into their dedicated accounts.

Underwriting C+ loans to existing FDR clients allows the Company to gain deeper insight into borrower performance. Information gathered in connection with debt settlement is not available in credit bureau data. Through this program, FFAM has information advantages about US consumers across the credit spectrum relative to other MPL platforms that focus on specific credit segments.

FFAM also offers F+ Loans which are fixed rate, fully amortizing unsecured consumer loans with original balances ranging from $7,500-$40,000, original terms of 2-5 years and a fixed interest rate ranging from 4.99% to 26.99%. As of March 31, 2020, the Company has facilitated

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the origination of over $1.84 billion C+ loans and $3.00 billion F+ loans. FFAM competes with other Market Place Lending ("MPL") platforms for these borrowers.	
Manual Underwriting Supported by Credit Scoring Model FFAM utilizes an automated proprietary 3rd generation credit model complemented by experienced underwriters who manually complete the loan application process. This approach is unique compared to other MPL platforms that try to remove the manual review process and focus on automation and efficiencies. The Company's current proprietary credit model 3.0 was developed using the Company's historical originations and credit bureau information. The Company underwrites each loan using information from the borrower's application and credit report in conjunction with the Credit Model to generate an expected loss rate and price. All borrowers speak to a Freedom salesperson who conducts a customer interview regarding matters such as the purpose of the loan, recent applications for credit, credit card cash advances and other relevant underwriting criteria. If an application is not automatically approved, an underwriter uses FFAM's credit model recommendation to assist with the manual review of the application and can make risk adjustments based on factors not identified in the automated model. The loan undergoes a second review before it is funded. FFAM's Quality Assurance team reviews each underwriters' applications to assess whether loans were underwritten in compliance with the Company's policies and procedures. Quality, productivity and loan performance are factored into each underwriter's incentive plans.	+
Limited Collateral Performance Data FFN began operations in 2002 as a debt settlement company. Freedom's first consumer installment loan was funded in 2008 under the C+ program. FFAM provided KBRA with static pool performance data since 1Q 2014 leaving only a few quarterly vintages that have completed a full loss cycle. In order to address the limited performance data, KBRA used publicly available consumer loan data originated through comparable marketplace lenders' programs to supplement FFAM's limited data and developed loss assumptions to account for potential volatility in losses.	-/+
Higher Losses on Recent Vintages of C+ Loans Losses on recent vintages of C+ loans are higher. Performance on early vintages was primarily driven by lower approval rates to FDR clients. In 2017, the Company deliberately expanded credit and increased approval rates while continuing to maintain a healthy return profile. The Company continues to adjust approval rates and believes their credit model can assist in projecting future performance. KBRA was conservative in determining the base case loss expectation.	-
Freedom Servicing and Experienced Back-Up Servicer Freedom services loans through its in-house servicing department and in-house post-charge-off collections team. Approximately 96% of C+ and 83% of F+ borrowers pay via Automated Clearing House ("ACH"). The pre-charge-off servicing team places a welcome call to every borrower within 48 hours of funding to confirm the borrower's correct contact information and payment requirements. Freedom's in-house post-charge-off collection team uses analytical tools to identify loans that offer the most potential recovery based on credit bureau attributes. Freedom's in-house recovery strategy does not utilize a forward flow agreement or rely on	+

relationships with collection agencies. KBRA believes FFAM has the appropriate systems, controls and experience to service the loan portfolio. In this transaction, Wilmington Trust, National Association will serve as backup servicer and has subcontracted Firstmark Services to perform the duties and obligations of the backup servicer. The ongoing duties of Firstmark as backup servicer prior to a servicer default will include receiving a monthly data tape of the portfolio, reviewing the monthly servicer report, and verifying the accuracy of the information in the remittance reports based on the data tape. Firstmark provides loan servicing for Nelnet, Inc's portfolio and for third party clients. The company has offices in Aurora, CO, Madison, WI, and Lincoln, NE. Having Firstmark as the backup servicer is viewed as a credit positive.	
Alignment of Interests Freedom's business model ensures an alignment of interests among the Company, the originating bank and institutional loan buyers. CRB originates the Loans using FFAM's credit policy and earns an origination fee. Freedom sells loans using a random allocation process whereby the majority of its loans are sold via whole loan sales directly from CRB to institutional loan buyers, including Freedom Consumer Credit Fund, LLC ("FCCF"). FCCF is a multi-series limited liability company that acquires pools of C+ and F+ Loans. In addition to being the managing partner, FFAM holds $32 million of internal capital within FCCF, representing a 13% ownership position. FFAM was determined to be the primary beneficiary of FCCF, and the balances and activities of FCCF are consolidated in FFAM's financial statements. The Fund currently only invests in Loans originating from FFAM's C+ and F+ programs and buys approximately 50% of Freedom's total production. Additionally, FFAM receives i) an annual management fee based on all loans (excluding 60+ day delinquent loans), ii) a management fee based on the outstanding loan amount and iii) a "backend" profit sharing interest that may be pari passu with the investor or subject to a hurdle rate, and therefore has an interest in the ongoing performance of the loans originated through the program.	+
FDIC and CFPB Enforcement Actions FFAM and its affiliates have settled several enforcement actions with federal regulators regarding its C+ program. In March 2018, FFAM entered into a consent order (the "FDIC Consent Order") with the Federal Deposit Insurance Corporation ("FDIC"). The FDIC Consent Order required FFAM to pay a civil money penalty of $493,500, deposit $20,000,000 into a segregated account to fund restitution payments and to submit to the FDIC a restitution plan specifying how restitution will be effected. FFAM has funded the segregated account. In July 2019, FDR, the Bureau of Consumer Financial Protection (the "CFPB") and FDR's co-chief executive officer, Andrew Housser, entered into a joint stipulation and a proposed Stipulated Final Judgment and Order (collectively, the "CFPB Consent Order"). The CFPB Consent Order requires FDR to pay $20,000,000 to the CFPB for the purpose of providing restitution to affected consumers and an additional $5,000,000 civil money penalty to the CFPB, of which $493,500 is required to be remitted in light of the civil money penalty under the FDIC Consent Order. FDR has paid these amounts to the CFPB. Additional information on both the FDIC Consent Order and the CFPB Consent Order can be found in the Regulatory section of this report.	-

MPL Regulatory Environment

The marketplace lending industry continues to attract attention from various regulators and consumer advocates.

On the federal level, some regulators have attempted to clarify certain issues faced by marketplace lenders ("MPLs"). In November 2019, both the Office of the Comptroller of the Currency (the "OCC") and the Federal Deposit Insurance Corporation (the "FDIC") issued proposed rules meant to address confusion resulting from the Madden decision, including the effect of a sale, assignment, or transfer on a loan's valid interest rate. The comment periods for the OCC and FDIC proposed rules end on January 21, 2020 and February 4, 2020, respectively.

Although regulators under the current presidential administration have been less aggressive in pursuing federal regulatory action, state regulators and state attorneys general may step in in place of federal regulators, which could expose lenders to a patchwork of requirements. For instance, in New York, in June 2019, a group of credit card consumers filed complaints against the special purpose entities of credit card securitization transactions sponsored by two national banks. The complaints refer to certain Madden arguments and although the cases are in early stages, they may result in similar litigation against MPLs participating in securitizations.

Loans facilitated through Freedom's program are not currently available to residents of NY, CT, VT, CO, nor WV.

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Financial Strength, Profitability and Diverse Funding Sources

Pantheon Partners, LLC, the parent company of Freedom Financial Network, is a closely held private company that is owned by the Company's founders and two private equity investors, Stone Point Capital and Vulcan Capital. KBRA reviewed the Company's audited financial statements for, December 2016 through 2018 and management's prepared financial statements through 1Q 2020. KBRA noted that the Company has been profitable for the past five years.

FCCF has two revolving warehouse lines that have a total capacity of $450 million and mature in 3Q21 and 4Q21 respectively. As of April 2020, $204 million has been drawn leaving a remaining capacity of $246 million. In addition, the Company has demonstrated the ability to lower their funding costs by accessing the securitization market through rated ABS transactions.

Another source of liquidity is provided by selling loans to unaffiliated whole-loan buyers and to FCCF. As of March 31, 2020; FCCF had $244 million in members' capital and is purchasing approximately 50% of FFAM's loan production. FFAM has forward flow purchase arrangements with several large institutional whole loan buyers.

Freedom's ability to generate net income is viewed favorably. In addition, the operational risk of the Company is partially mitigated by Company's time in business, the multiple lines of credit, prior securitizations, the diversity of loan buyers, the readiness of the back-up servicer and the high level of loss each class of notes can withstand under stress scenarios. The Company's ownership by the founding members of the executive team demonstrate a deep commitment to the Company.

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Geographic Diversity, Clean Collateral and Seasoning

The loan pool is geographically diverse with the top three states based on current balance (CA, TX & FL) representing approximately 43% of the total portfolio. All loans in the transaction are current as of the cutoff date. The loan pool has a weighted average original term of 49 months

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and is seasoned an average of 3 months. The collateral pool includes approximately 8.46% of loans with granted deferrals. KBRA ran sensitivity cashflows to account for these payment deferrals and the required reserve account is sufficient to cover any potential liquidity shortfalls.

Due to the regulatory uncertainty in those states, FREED 2020-2CP will not include loans made to borrowers who are NY, CT, VT, CO, or WV residents at the time of their loan application.

Relationship with Cross River Bank

Cross River is the originator for all loans originated through the Freedom program. Cross River originates loans for other online lending platforms that are direct competitors of Freedom. If Freedom's relationship with Cross River ends or the terms of the agreement are modified in a manner adverse to Freedom, the Company's profitability and ability to operate the program may be negatively impacted. The current agreement with Cross River ends in December 2021, which will automatically renew for successive two-year terms, subject to certain early termination provisions as set forth in the agreements. Freedom could also form relationships with other originating banks or obtain state licenses for each of the states in which it operates. FFAM currently holds lending licenses, collections licenses or similar authorizations in 17 states and operates in 37.

KBRA rates Cross River Bank's Senior Unsecured Debt BBB+. More information on KBRA's ratings of the institution can be found **here**.

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Internet Lending

Internet-based lending is inherently riskier than in-person lending, as there is a greater potential for falsification of information and borrower fraud. Applicants may also misrepresent their intentions regarding loan purpose or treat their obligations on the loans originated through the internet as having less significance and a lower payment priority to those loans originated through traditional lending sources where they may have other business relationships. Therefore, a MPL needs to possess adequate internal controls and robust fraud detection procedures.

FFAM is not a true online lender. The Company utilizes digital channels to source applications and technology to facilitate the origination of loans. However, their high-touch underwriting approach where all borrowers undergo a manual underwriting process allows FFAM to limit fraud.

To prevent fraud, FFAM employs a series of third-party customer verifications and a proprietary fraud scoring model to screen loan applications. Fraud is minimized via reliance on third-party verified data points that are hard to falsify because they are actively used in the loan application or funding process. Variables in the fraud scoring model include in some cases, and are not limited to, (i) bank account verification, (ii) phone number verification, (iii) email verification, (iv) address verification, and (v) disbursing funds directly to the borrower's Dedicated Account (in the case of C+ Loans) or disbursing proceeds directly to the borrower's existing creditors (in the case of F+ Loans). KBRA believes the Company has adequate fraud detection and prevention techniques.

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Representations and Warranties

Freedom will make certain representations and warranties regarding the characteristics of the loans and the process in which they were originated and to the loan as of the closing date. If any loan level representations turn out to be untrue and such misrepresentations are not contested by Freedom in good faith, Freedom must cure the breach or repurchase the ineligible loans. For more detail on the loan level representations and warranties, refer to the Eligibility

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Representations summarized at the end of this report or KBRA's Representation and Warranties Disclosure available on KBRA's website **here**.

Transaction Summary

The chart below summarizes the characteristics of the collateral pool and credit enhancement of this transaction compared to the most recent FREED transactions.

Deal Name	FREED 2020-2CP	FREED 2020-FP1	FREED 2019-2
Transaction Date	5/20/2020*	1/30/2020	10/17/2019
Collateral Stratification			
Pool Balance	$221,838,536	$408,595,251	$620,717,719
Number of Loans	13,408	25,506	37,439
Avg Loan Balance	$16,545	$16,020	$16,579
Wtd Avg Coupon	22.90%	18.57%	20.06%
Wtd Avg Original FICO	566	698	654
Wtd Avg Original Term (mths)	49	48	49
Wtd Avg Remaining Term (mths)	46	45	47
Wtd Avg Seasoning	3	3	2
% F+ Loans	0.00%	100.00%	68.34%
% C+ Loans	100.00%	0.00%	31.66%
FICO Distribution			
500 and Below	3.46%	--	1.08%
501 to 550	32.97%	--	11.33%
551 to 600	44.95%	--	14.02%
601 to 650	16.15%	12.97%	14.02%
651 to 700	2.33%	43.48%	31.37%
701 to 750	0.13%	31.42%	20.88%
751 to 800	0.00%	10.26%	6.17%
801 to 850	0.01%	1.86%	1.14%
Geographic Concentration			
State 1	CA: 16.90%	CA: 14.29%	CA: 15.23%
State 2	TX: 14.87%	TX: 11.34%	TX: 12.99%
State 3	FL: 11.18%	FL: 8.10%	FL: 8.88%
Note Balance			
Class A	$123,120,000	$247,000,000	$343,820,000
Class B	$37,710,000	$45,350,000	$90,410,000
Class C	$27,730,000	$48,420,000	$84,470,000
Total	$188,560,000	$340,770,000	$518,700,000
% Credit Enhancement			
Initial O/C	15.00%	16.60%	12.50%
Target O/C	40.00%	16.60%	12.50%
O/C Floor	3.25%	3.25%	3.25%
Reserve Account	0.50%(1)	0.50%(1)	0.50%(1)
Gross Excess Spread			
Collateral Interest Rate (Weighted)	22.90%	18.57%	20.05%
Note Coupon (Weighted)	5.38%	3.22%	3.53%
Servicing Fees	1.28%	1.10%	1.10%
Total Gross Excess Spread	16.24%	14.24%	15.42%
% Total Initial Credit Enhancement			
A+ Class	45.00%	--	42.50%
A Class	--	40.05%	--
BBB Class	28.00%	28.95%	27.25%
BB+ Class	15.50%	--	--
BB Class	--	17.10%	13.00%
KBRA Base Case Cumulative Net Loss Expectation			
KBRA Base Case Loss Range	17.25% - 19.25%	13.30% - 15.30%	13.15% - 15.15%

*Collateral stratification is based on April 30, 2020.

(1) Reserve Account will build to a target of 1.00%.

Key Changes from FREED ABS Trust 2020-FP1

Since the FREED 2020-FP1 transaction, there have been some changes for Freedom, in the composition of the collateral and the structure for the FREED 2020-2CP transaction.

Company	
Impact of COVID-19	KBRA believes the economic effects of COVID-19 have the potential to impact this transaction and Freedom's business operations, including the Company's financial performance and liquidity, originations, and credit performance of their managed portfolio, among others. This was considered in the rating process for the subject transaction.
Collateral	
Only C+ loans	Compared to FREED 2020-FP1, which only contains F+ loans, the collateral only includes C+ loans and as of the statistical cutoff date in the FREED 2020-2CP transaction contains higher average loan balance ($16,545 vs. $16,020), higher collateral interest rate (22.90% vs. 18.57%), lower weighted average FICO at origination (566 vs. 698) and similar seasoning (3 months vs. 3 months).

Performance of KBRA rated Freedom transactions

Below is the performance summary for KBRA rated FREED transactions which are still outstanding. Data are as of the April 2020 collection period. FREED 2019-2 closed on October 17, 2019, and FREED 2020-FP1 closed on January 30, 2020.

Deal	Months Seasoned	Pool Factor	Current CNL	CNL Trigger	Most Senior Class Remaning	Initial Senior Class Credit Enhancement	Current Senior Class Credit Enhancement	Current O/C	Target O/C	Initial KBRA Base Case Loss Expectation	Current KBRA Base Case Loss Expectation	Closing Date
FREED 2019-2	6	81.16%	1.69%	7.00%	A	42.50%	50.08%	12.50%	12.50%	13.15% - 15.15%	13.15% - 15.15%	10/17/2019
FREED 2020-1	2	90.57%	0.03%	3.75%	A	40.05%	43.04%	16.60%	16.60%	13.30% - 15.30%	13.30% - 15.30%	1/30/2020

As noted previously, the financial impact of COVID-19 has resulted in rising unemployment, which can adversely impact the performance of the subject pool and unsecured consumer loans in general. Owing to KBRA's expectations of high and rising unemployment, KBRA increased its base case default assumptions for the subject pool in a manner that was consistent with a recent portfolio review of the sector detailed in the following report: **U.S. Unsecured Consumer ABS Securities on Watch Report**. The review resulted with the FREED 2019-2 Class A and Class B notes placed on Watch Developing and the Class C notes placed on Watch Downgrade. For the FREED 2020-FP1 the Class A notes were placed on Watch Developing and Class B and Class C notes were placed on Watch Downgrade.

KBRA Process

KBRA analyzed the transaction using the **Global Consumer Loan ABS Rating Methodology** published on November 28, 2017 and the **Global Structured Finance Counterparty Methodology** published on August 8, 2018. KBRA's consumer loan methodology incorporates an analysis of: (1) the underlying collateral pool, (2) the originator's historical static pool data, segmented by characteristics including credit quality and product type, (3) the proposed capital structure for the transaction, (4) KBRA's operational assessment of the originator and servicer and (5) the legal structure, transaction documents, and legal opinions. KBRA also conducted an on-site operation review of Freedom at its Tempe, AZ office in August 2019. Additionally, KBRA has ongoing and frequent updates from the Company.

In addition to the above, KBRA increased its base case default assumptions that were developed using the originator's historical static pool data owing to COVID-19 related economic concerns surrounding unemployment levels.

Marketplace Lender Review

FFN a San Mateo, CA based company with operations in Tempe, AZ was founded in 2002, offering debt settlement services such as: consumer education, installment loans, and debt restructuring. FFN consists of three companies and a fund that operate under Freedom Financial Funding, LLC.:

- **Freedom Debt Relief** ("FDR") a debt settlement company
- **bills.com** a consumer education website and prime mortgage lead generator
- **Freedom Financial Asset Management** ("FFAM") a consumer lending company offering prime and subprime consumer installment loans
- **Freedom Consumer Credit Fund** ("FCCF") a consumer credit fund targeting 10-12% annual returns. FFAM is the managing member.

FFN's first consumer installment loan was funded in 2008 under the C+ program. C+ is an invitation only product offered to subprime FDR customers. The F+ program offers unsecured consumer loans to borrowers primarily for the purpose of consolidating debt. F+ was launched in 2014 and falls under FFAM. FFAM has facilitated the origination of over $1.84 billion C+ loans and $3.00 billion of F+ loans over its lifetime. In 2019, the Company's revenue totaled over $700 million. FFAM's revenue comes from up-front marketing fees, servicing fees, and performance-based profit share agreements.

Management & Ownership

FFN was founded in 2002 by Andrew Housser and Brad Stroh by offering debt settlement services through FDR. In 2008 and 2014, FFN expanded its business lines by offering consumer loans through their C+ and F+ programs, respectively and is now a full spectrum national consumer finance company with over 2,800 employees. Pantheon Partners, LLC is the parent holding company of all the Freedom Companies. It is a private holding company, which through its subsidiaries, originates, finances, and services debt settlement services and consumer lending products in the United States.

Since 2002 two private equity firms, Vulcan Capital, and Stone Point Capital have invested in the Company.

Members of Freedom's management team bring experience spanning consumer lending, marketplace lending, financial regulation, financial technology, internet and private equity investing.

Brad Stroh, Co-Founder and Co-Chief Executive Officer

Brad co-founded FFN in 2002 and bills.com in 2005. Prior to founding Freedom, Brad worked at TA Associates, CIVC Partners, and Doll Capital Management. Brad also worked with two startups in product roles: Trigo Technologies (sold to IBM) and Luminous Networks. Brad received his MBA from Stanford Business School, where he was an Arjay Miller Scholar, and received a BA from Amherst College.

Andrew Housser, Co-Founder and Co-Chief Executive Officer

Andrew co-founded FFN in 2002 and bills.com in 2005. Previously, Andrew worked in the financial services industry, doing private equity investing with Littlejohn & Co., a $550 million private equity fund, and worked in investment banking for Salomon Smith Barney. Andrew sits on the board of directors of several startup companies. Andrew received his MBA from Stanford Business School, where he was an Arjay Miller Scholar and received a BA from Dartmouth College where he graduated Summa Cum Laude and Phi Beta Kappa.

Chris Capozzi, Chief Financial Officer

Chris joined Freedom from General Electric in 2017. At GE he was the Chief Risk Officer and managed the company's enterprise risk monitoring and management programs. Prior to this role Chris was the Chief Financial Officer of GE Capital Corporate Finance, a $21B diversified midmarket commercial lending and leasing business. Over his 18-year career at GE, Chris also held leadership roles in GE Capital and GE Water. Chris received his MBA from Columbia Business School and he received a BA from Boston College.

Joseph Toms, President and CIO

Joe was a C-Level executive at both LendingClub and Prosper. At LendingClub he created the company's investment subsidiary LC Advisors. At Prosper, he was the Chief Investment Officer and President of Prosper Funding LLC. Prior to his direct lending experience, he spent 25 years in asset management working for U.S. and European institutional accounts managing a variety of different investment products.

Originations & Underwriting

ConsolidationPlus (C+) Loans

C+ loans are made exclusively to clients of FDR with an average FICO of 567. The loan is intended to resolve debt problems for consumers. Currently C+ loans have a maximum interest rate equal to 22.90%, origination fees generally up to 5.00%, and original terms up to 73 months. C+ amounts vary based on the amount needed to settle the borrower's debt (but do not exceed $75,000).

FreedomPlus (F+) Loans

FFAM markets to potential F+ borrowers through a variety of channels of which include:

- cross-selling to existing FDR customers
- direct mail,
- digital channels (including partnerships, affiliates, email, direct to site, and referral marketing)

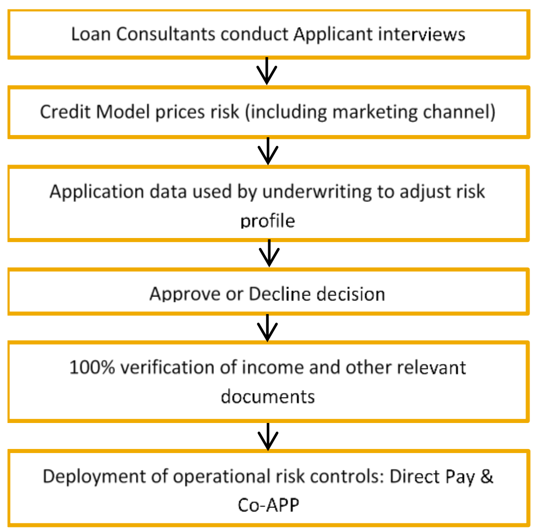
FFAM receives more than 110,000 consumer leads every month. A typical F+ borrower has an income of $97,000 a year and a 700 FICO. Borrowers can apply for a loan over the web or by phone.

FFAM completes the following processes before an F+ loan is funded:

1. **Applicant Interviews**: A loan application is received either through the website or over the phone. Nearly all borrowers will speak to a FFAM salesperson who will conduct a customer interview regarding matters such as the purpose of the loan, recent applications for credit, credit card cash advances and other relevant underwriting criteria. During the loan application process, FFAM encourages applicants to apply with a co-applicant.
2. **Credit Model Price Risk**: After an applicant is conditionally approved for a loan offer, the application passes through the Company's automated underwriting model and the loan is priced based on the risk of loss. The Company's Credit Model 3.0 has been in place since 2018. The model was developed on the Company's historical originations and incorporates credit bureau information.
3. **Underwriting Adjustments:** Those F+ loans that are not approved or denied on an automated basis will go through review by FFAM's underwriting team. A FFAM underwriter completes a manual review and flags any irregularities. The underwriter will use supporting documents provided and information from the interview to verify that the borrower qualifies for the offer. The underwriter also makes pricing adjustments on factors that the automated credit model or a FICO score may not capture. There are three key factors in the consumer's application in order to qualify for lower interest rates on their loans: the presence of a co-applicant, if the consumer elects to utilize direct pay with loan proceeds remitted to payoff existing debt, and whether the borrower has retirement assets.

4. **Verification:** Upon completion and approval of the underwriter's review, the applicant's income will be verified by inspecting supporting documents that were requested earlier in the process. Loan Consultant's will over-the-phone verify the borrower's identity. Upon successful verification, the application will be sent to Cross River Bank for automated credit approval and funding. Automated and manual identity checks are performed during the application process using credit bureau and public record data, as well as more advanced fraud prevention tools like verifying ownership of bank accounts, creditors being paid, phone numbers, and email addresses. Within 48 hours of funding, the borrower will receive a welcome call from the Servicing team which confirms the applicant's contact information and understanding of the loan terms and that the first payment will be due within 30 days of funding.

The diagram below shows the process overview:



Origination fees are charged to the borrower if the loan is funded. The fee is a percentage of the amount borrowed and ranges from 0%-5% depending on the loan grade and term. The fee is added to the principal balance and the net proceeds are transferred electronically to the borrower's bank account and/or paid directly to the borrower's creditors if the direct-pay option is chosen.

If the loan application for a C+ loan is approved, CRB will disburse the proceeds directly to the borrower's dedicated account to be applied to pay certain of the borrower's outstanding debts and debt settlement fees.

Minimum Credit Requirements

CRB and FFAM maintain minimum credit requirements for all loans. Any loan that meets these predetermined requirements may receive a loan offer which is subject to completion of all verification processes prior to being funded. CRB retains the origination fee and pays a marketing fee to FFAM.

C+ Loan's Minimum Underwriting Guidelines*	
Borrower Requirements	▪ Applicant is not in active bankruptcy ▪ Enrolled in FDR debt settlement program at least 6 months prior to applying for loan ▪ Applicant has timely made 3 scheduled deposits into Dedicated Account ▪ At least 18 years of age

Ability to Pay	▪ Maximum loan payment to income (PTI) ratio of 25% ▪ Maximum net disposable income (DTI) ratio of 70%
Income Verification	▪ All borrowers undergo income verification

F+ Loans Minimum Underwriting Guidelines*	
Borrower Requirements	▪ At least 18 years of age ▪ A U.S. citizen or permanent resident ▪ Verified bank account and Social Security Number ▪ Credit history of at least 36 months ▪ More than 2 open trade lines on credit report
FICO Score	▪ Minimum 620 FICO Score
Ability to Pay	▪ Must demonstrate the ability to repay the loan (various criteria/procedures are used including DTI thresholds, income and employment verification)
Income Verification	▪ All borrowers undergo income verification ▪ All borrowers link a checking account or a savings account

**As of April 30, 2020, F+ loans are not available to consumers in NY, CT, VT, CO, WV.*

Credit Scoring Model

C+ and F+ loans are currently originated under Credit Model 3.0 which has been in place since 2018. Only C+ loans will be included in FREED 2020-2CP. The Company's credit model was developed using historical originations and credit bureau information. The Company underwrites each loan using information from the borrower's application and credit report in conjunction with the Credit Model to generate an expected loss rate and price.

FFAM assigns internal ratings to each loan based on the output of the credit model. For C+ loans and F+, internal scores range from 1 to 3 with 1 being the lowest risk loans and 3 being the highest risk loans.

Freedom's loan program's credit decisioning and scoring models are based on algorithms that evaluate a number of factors, including behavioral data, transactional data, and employment information, and are then adjusted by FFAM's underwriting group.

Variables in the C+ credit model include, but are not limited to:

(i) applicant's loan-to-income (LTI) ratio
(ii) total number of installment trades that are 30 days or more delinquent or derogatory in the last 6 months
(iii) total number of credit inquiries
(iv) the number of payments from the applicant's primary bank account that have been returned for non-sufficient funds and

(v) number of deposits into the applicant's Dedicated Account that have been returned for non-sufficient funds.

Variables in the F+ credit model include, but are not limited to:
(i) applicant's FICO score
(ii) total number of open installment loans opened in the last 12 months
(iii) debt-to-income (DTI) ratio
(iv) loan-to-income (LTI) ratio
(v) total number of credit inquiries made in last 6 months
(vi) number of month's since most recent credit inquiry and
(vii) number of months since most recent personal financial credit inquiry.

Interest Rate Discounts

Borrowers are eligible for lower interest rates on their loans based on the following key factors:

<u>Direct-pay:</u> The Company sends the loan funds directly to the borrower's creditors. This ensures the proceeds are used for their intended purpose and reduces the chance that the new loan results in a higher debt burden for the borrower. Approximately 70% of F+ loans funded utilized the Direct-pay option.

<u>Co-Application:</u> This discount requires two borrowers to provide a personal guarantee on the loan, having a co-applicant reduce the probability of default.

<u>Retirement assets:</u> Applicants are asked to provide retirement accounts during the application phase. Borrowers who exhibit retirement planning are viewed as establishing right behaviors and lower risk.

The Company views applications with these key factors as lower risk and is placing a greater emphasis on these factors.

Manual Adjustments and Verifications

FFAM's team of underwriters review most applications twice before funding. The Company gives their underwriters the authority to make manual adjustments to the application as the automated credit model may miss factors that the underwriter is able to identify.

The initial application is either conditionally approved or declined based on FFAM's credit model. Conditionally approved applications are passed to an underwriter for review and a consultative interview of the borrower. Items that may be identified during the interview that may not be reflected through automated underwriting or a FICO score may include:

- an unwillingness to pay down other lines of personal debt
- recent large increases in debt
- small amounts that fell to collections which are weighed too heavily in a FICO score
- frequency at which customer takes out personal loans.

For C+ loans, underwriters review the applicants' FDR accounts to determine which debts are eligible to be settled with the loan proceeds.

The final review is a 100% verification of income and other relevant documents which ensure that the initial decision parameters are met and help to ensure the identity of the borrower.

Fraud Detection

To prevent fraud, FFAM employs a series of third-party customer verifications and a proprietary fraud scoring model to screen loan applications. Fraud is minimized via reliance on third-party verified data points that are difficult to falsify because they are actively used in the loan application or funding process. Variables in the fraud scoring model include in some cases, and are not limited to:

(i) bank account verification
(ii) phone number verification
(iii) email verification
(iv) address verification
(v) disbursing funds directly to the borrower's Dedicated Account (in the case of C+ Loans) or disbursing proceeds directly to the borrower's existing creditors (in the case of F+ Loans).

Cross River Bank

Loans originated through FFAM are originated by Cross River Bank ("CRB"), a New Jersey state-chartered commercial bank insured by the FDIC, using CRB's credit and underwriting policy. CRB retains ownership of the loans facilitated through FFAM for a seasoning period after origination, before they are sold to a third-party identified by FFAM. CRB receives an origination fee. FFAM holds the right to service all such loans and, in many cases, holds a "backend" profit sharing interest that may be pari passu with the investor or subject to a hurdle rate, and therefore has an interest in the ongoing performance of the loans originated through the FFAM.

KBRA rates Cross River Bank's Senior Unsecured Debt BBB+. More information on KBRA's ratings of the institution can be found **here**.

Regulatory

FFAM is licensed in 17 states and operates in 37 states as a source of consumer loans on behalf of CRB. CRB mandates that FFAM operate with "bank-like" compliance protocols, including the performance of third-party audits to assess FFAM's compliance regime and adherence to agreed upon procedures. Loans facilitated through Freedom's program are not currently available to residents of NY, CT, VT, CO, nor WV.

Given the highly regulated environment in which Freedom operates, the Company has adopted a pro-active approach to compliance and regulatory matters, including outreach meetings with state and federal regulators and leadership roles within industry trade groups. The Company's legal & compliance group, led by Mike Freedman, currently has 20 full-time professionals and engages ongoing 3rd party compliance reviews.

FDIC Enforcement Action

On March 22, 2018, FFAM and CRB entered into separate consent agreements with the Federal Deposit Insurance Corporation ("FDIC") with respect to the Freedom Loan Program. The FDIC subsequently issued consent orders on March 28, 2018. The FFAM 's consent order ("the FFAM Consent Order") requires FFAM, among other items, to take certain steps to provide "restitution" to certain consumers for the period from June 26, 2013 through March 28, 2018 with respect to: (i) settlement and related fees paid by certain consumers for settlement of debts that such consumers negotiated on their own, either in whole or in part, with or without coaching; (ii) interest paid by certain consumers on a C+ Loan for any period beyond the maximum payment term in such consumer's loan agreement; and (iii) interest accrued and paid by certain consumers on debts not settled within 45 days from the date such consumers entered into C+ Loan Agreements under the 30-45 day promotion (or within 90 days under the 30-90 day campaign).

The FFAM Consent Order also requires FFAM to pay a civil money penalty of $493,500. To effect the restitution, the FFAM Consent Order requires FFAM to deposit $20 million into a segregated account to fund restitution payments and to submit to the FDIC a restitution plan specifying how restitution will be effected. FFAM has funded the Segregated Account.

CFPB Enforcement Action

On November 8, 2017, the CFPB filed a complaint against FDR and its co-chief executive officer, Mr. Andrew Housser in the United States District Court for the Northern District of California alleging violations of law in FDR's debt settlement business. On July 7, 2019, the CFPB, FDR, and Mr. Housser entered into a joint stipulation and a proposed Stipulated Final Judgment and Order in settlement of this complaint.

Without admitting or denying any allegations in this complaint, FDR agreed to pay certain restitution and monetary penalties and take certain remedial actions, including the following. FDR may not misrepresent, or assist others in misrepresenting, expressly or impliedly, (a) whether any present "Creditor" will negotiate debt settlements directly with FDR; (b) FDR's present ability to negotiate or settle a consumer's debt; or (c) the circumstances in which FDR will charge fees. FDR may not request or receive a fee in consideration for an outcome involving a consumer's debt that does not include a settlement with the Creditor but that FDR considers to be a resolution of the debt. FDR must clearly and prominently disclose to consumers before enrollment in FDR's debt-relief services, that (i) in some instances, FDR may request that the consumer negotiate directly with the Creditor; (ii) if FDR requests that the consumer negotiate directly with the Creditor, the consumer may decline to do so and either request that FDR continue attempts to negotiate with the Creditor or withdraw the debt from FDR's debt-relief program without charge or penalty at any time before it is settled; and (iii) if the consumer withdraws a debt from FDR's debt-relief program, the consumer is entitled to receive all funds in his or her Settlement Account other than funds earned by FDR for debt-settlement services in compliance with the Telemarketing Sales Rule.

The Consent Order requires FDR to pay $20 million to the CFPB for the purpose of providing restitution to affected consumers and an additional $5 million civil money penalty to the CFPB, of which $493,500 is required to be remitted in light of the civil money penalty under the FFAM Consent Order. FDR has paid these amounts to the CFPB.

Servicing & Collections

FFAM performs all servicing functions in-house. FFAM's servicing team is based out of Tempe, AZ.

Most FFAM borrowers sign their loan agreements using the DocuSign process. The DocuSign process produces an electronic portable document file of the loan agreement that contains evidentiary data that is sealed by a third-party certification as the "original" or single authoritative copy of the loan agreement. The authoritative copy is stored in an electronic vault maintained using eOriginal, Inc. software. Some FFAM borrowers sign their loan agreements manually and mail the loan agreement to FFAM. In these instances, FFAM scans the loan agreement into a PDF and destroys the paper version. FFAM then uploads the PDF to an eVault and certifies to eOriginal that such PDF is the only copy FFAM has, and that PDF is designated as the authoritative copy in an eVault.

Before funding, an ACH "opt-in" option is included which approximately 96% of C+ borrowers and 83% of F+ borrowers elect this option. For borrowers who sign up to make payments by recurring ACH debit, periodic ACH transfers will be made directly from the borrower's bank account into the servicing collection account, which is held at Wells Fargo Bank, N.A. In addition, payments may be mailed to a lockbox maintained by Wells Fargo. The servicing team also places a welcome call to every borrower within 48 hours of funding to confirm the borrower's correct contact information and payment requirements.

FFAM employs a targeted high-touch strategy for its riskiest borrowers. This high touch strategy consists of regular calls and communication, with the goal of staying high in the payment hierarchy. Monthly accounts are also reviewed for signs of credit deterioration. If a Freedom loan becomes delinquent, actions that may be taken by the servicer include i) collection of past due amounts, ii) adjusting the due date for any payment, iii) adjusting the frequency of payments (for C+ loans only), iv) deferral of payments, v) settlement, vi) modification of the loan terms, and vii) litigation. The specific actions taken with respect to any delinquent Freedom loan depend upon a number of factors including the borrower's payment history and whether the borrower has a hardship (such as a decrease in income or increase in unavoidable expenses, i.e. medical costs) that arose after the borrower obtained the Freedom loan.

Collection activities taken by Freedom with respect to a delinquent loan may include sending letters, emails or making telephone calls to the borrower and any applicable co-borrower. Attempts to reach delinquent borrowers are made at approved, systemic, intervals in the delinquency cycle in accordance with Freedom's policies and procedures. As a first option, FFAM's loan servicing team will attempt to arrange for the borrower to pay the amount necessary to bring the loan current, either in one lump sum payment or in a series of payments over a period of time.

From time to time, FFAM may offer deferrals to delinquent borrowers. Generally, deferrals are not offered to borrowers who are more than one payment past due or have previously received a deferral. A deferral is not permitted unless, after the deferral, the account would be current or due for the current month's payment. To be approved for a deferral, a borrower must provide a hardship and confirm that he or she will be able to resume payments after the deferred payment.

In response to COVID-19, Freedom modified its Emergency Operations Procedure and began offering deferrals to impacted customers. Customers who suffer impact from COVID-19 may defer up to two payments to the end of their contract. The option of a third payment is available by policy, but only upon Manager Approval.

In addition to deferrals, FFAM may otherwise modify a loan when the borrower has a financial hardship. Typically such modifications consist of a reduction in the monthly payment amount, resulting in an increase in the repayment period. A reduction in the monthly payment amount that would either cause the repayment period to be extended by more than 12 months or cause the total repayment period to be greater than 72 months requires approval by senior management.

Freedom hires experienced collectors with an average of 5-8 years of experience. The collections team includes early stage (1-59 DPD), late stage (60-119 DPD), and charge-off (120+) collection activities. To ensure compliance a third-party call monitoring is in place.

Freedom loans are generally charged off in full when the loan becomes 120 days past due, if the borrower files for bankruptcy or in the case of identity fraud. When a loan is charged off, FFAM ceases any attempt to contact the borrower regarding the delinquency, but FFAM will continue to consider borrower-initiated settlement requests. The Company does not currently sell post charged-off accounts to third-parties. Freedom is currently working to finalize contracts of sales of charged-off loans and anticipate including a partner for future flow sales within the next twelve months.

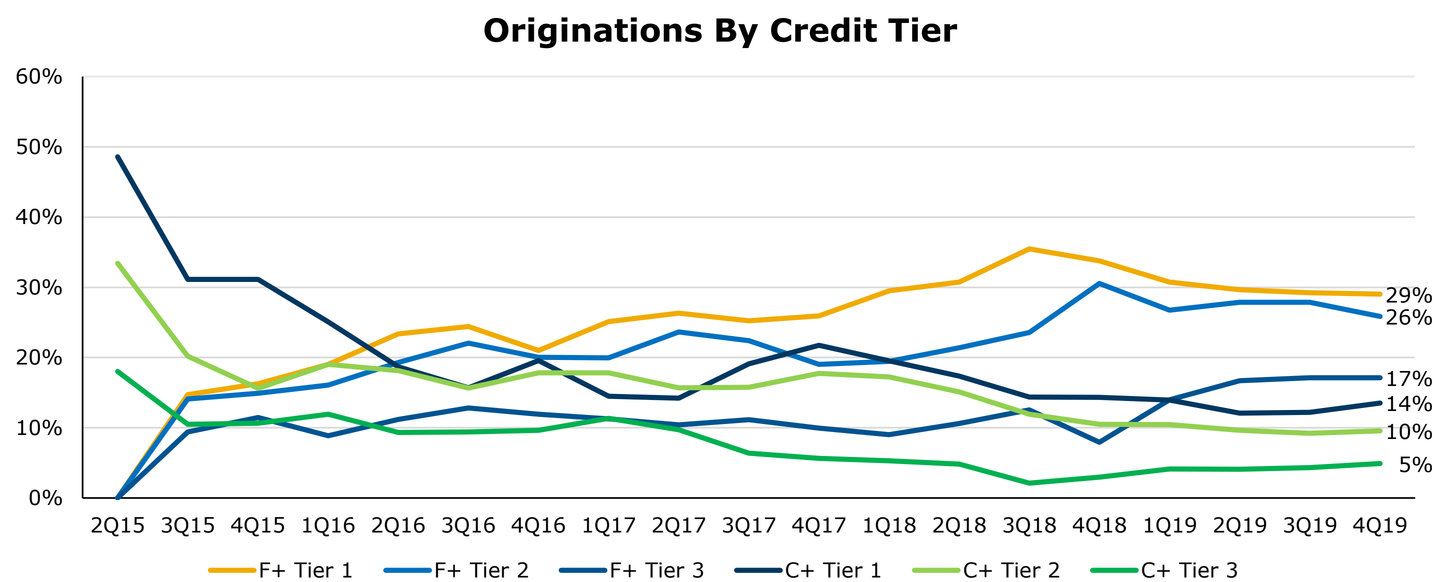
Servicing Policies	
Deferral Policy	▪ Borrower has suffered a temporary hardship ▪ Generally, not offered to borrowers with >1 payment past due or who have previously received a deferral ▪ Extends the payment date ▪ Account must be current or due for the current month's payment after the deferral is granted ▪ Repeat deferral requests must be supported by hardship documentation and approved by senior management
Modification Policy	▪ Granted when borrower has a financial hardship ▪ Typically reduces the monthly payment amount resulting in an increase in the repayment period ▪ Reductions that cause the repayment period to extend >12 months or increase the term >72 months requires approval by senior management
Charge-off Policy	▪ Last day of the month in which the loan became 120 days past due ▪ Borrower is deceased or in the case of identify fraud ▪ Borrower has filed for bankruptcy

Backup Servicer

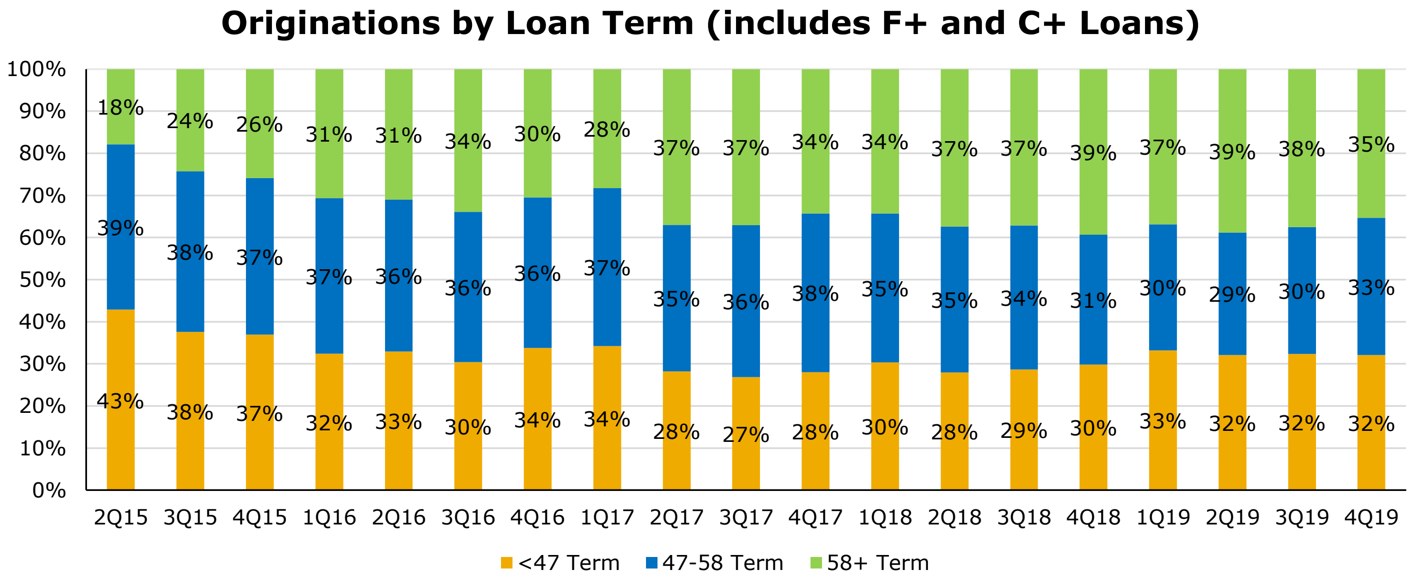
In this transaction, Wilmington Trust will serve as backup servicer and has subcontracted Nelnet Servicing, LLC, d/b/a Firstmark Services ("Firstmark") to perform the duties and obligations of the backup servicer. The ongoing duties of Firstmark as backup servicer prior to a servicer default will include receiving a monthly data tape of the portfolio, reviewing the monthly servicer report, and verifying the accuracy of the information in the remittance reports based on the data tape. Firstmark provides loan servicing for Nelnet, Inc's portfolio and for third party clients. The company has offices in Aurora, CO, Madison, WI, and Lincoln, NE.

Historical Performance

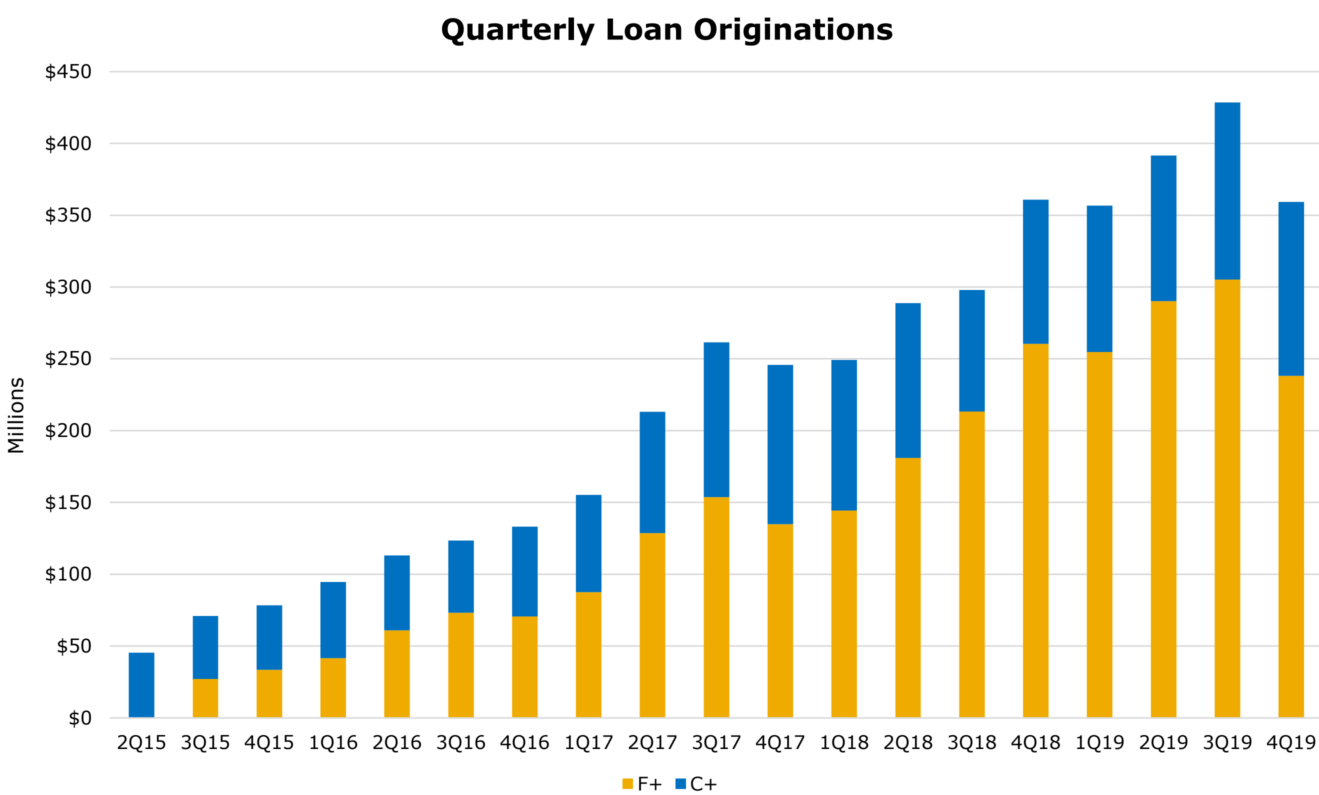
Freedom originates both C+ and F+ loans with credit tiers ranging from 1 to 3. Since 2Q18, Freedom's F+ tiers, Tier 1 and Tier 2, constitute the highest percentage of originations.



The graph below reflects the trends in origination for the different terms of loans. Loans with terms greater than 58 months make up the largest portion of originations.

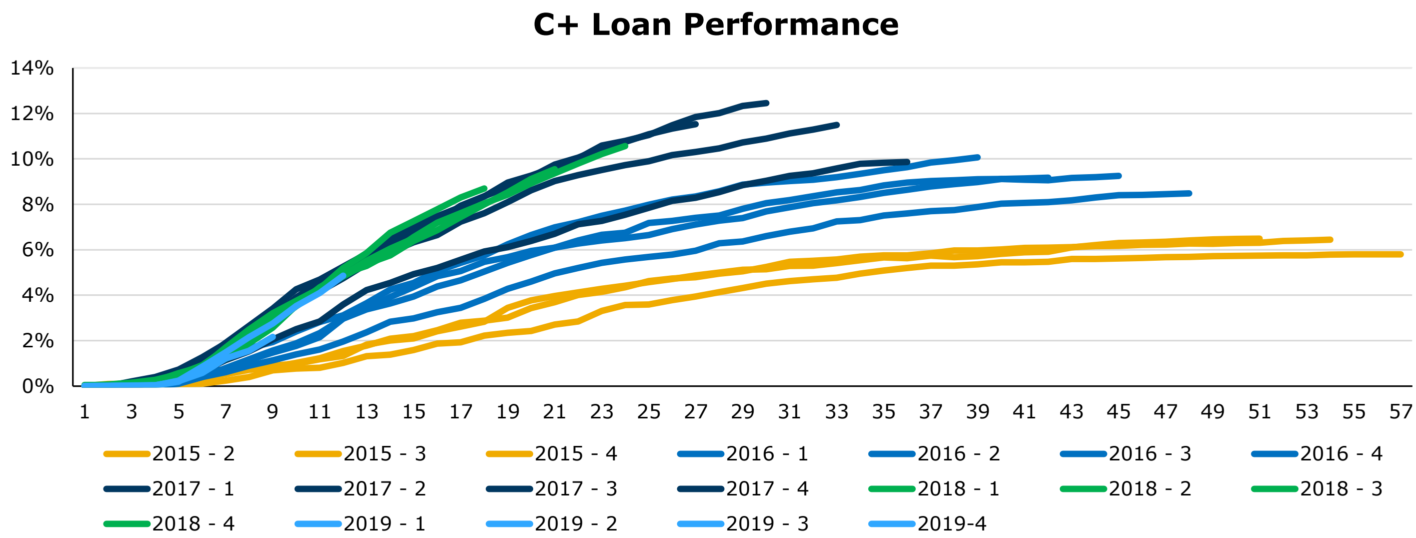


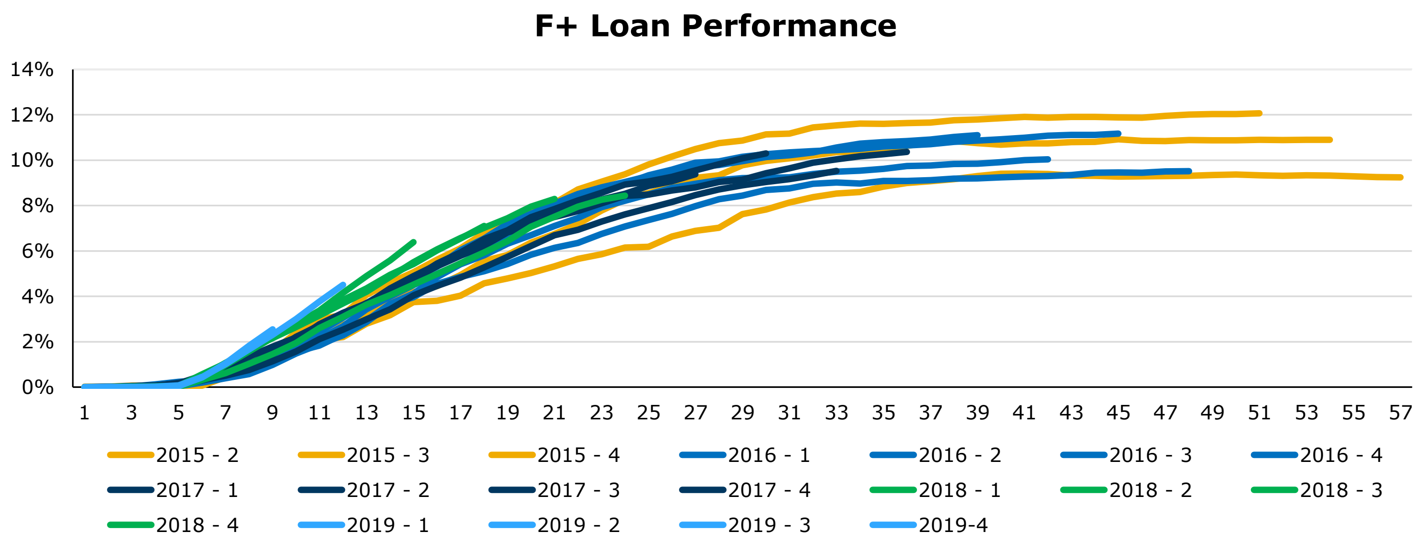
Since inception, the Freedom program facilitated originations of over $4.4 billion. Origination volume reached a new high of $428 million in 3Q19. The graph below shows quarterly origination volume from 2Q15 to 4Q19.



The charts below show the quarterly cumulative gross loss of static pool vintages for C+ and F+ loans originated through the program from 2Q15 – 4Q19, segmented by program as of December 2019.

Losses on recent vintages of C+ loans are higher. Performance on early vintages was primarily driven by lower approval rates to FDR clients. In 2017, the Company deliberately expanded credit and increased approval rates while continuing to maintain a healthy return profile. The Company continues to adjust approval rates and believes their credit model can assist in projecting future performance. KBRA was conservative in determining the base case loss expectation for the C+ loans.





Collateral Analysis

As of the April 30, 2020 statistical cutoff date, the FREED 2020-2CP collateral pool is comprised of 100% loans originated under the C+ program. Tier 1 through Tier 3 are represented within the C+ program, with Tier 1 and Tier 3 comprising 47.11% and 16.87% of the principal balance, respectively. Borrowers in the C+ program have an average FICO of 566 at origination. All loans have an interest rate of 22.90% and are categorized into three credit tiers based on Freedom's estimate of net annualized losses.

Credit Tier	Number of Loans	Percentage of Number of Loans (%)	Principal Balance ($)	Percentage of Principal Balance	W.A FICO	W.A. Interest Rate
1	6,334	47.24%	104,513,040	47.11%	576	22.90%
2	4,828	36.01%	79,589,626	35.88%	560	22.90%
3	2,246	16.75%	37,735,870	17.01%	552	22.90%
Total / WA Avg	**13,408**	**100.00%**	**221,838,536**	**100.00%**	**566**	**22.90%**

As of April 30, 2020.

The tables below show the loan pool distributions by principal balance and scheduled payment amounts. Approximately 68% of the principal balances of the loans have a principal balance between $10,000 - $30,000. Approximately 11% of the loans have an original balance between $0 - $10,000.

Principal Balance ($)	Number of Loans	Principal Balance ($)	Percentage of Principal Balance	Weighted Average FICO	W.A. Interest Rate
0 to 10,000	3,252	23,964,547	10.80%	569	22.90%
10,000 to 20,000	6,628	94,859,312	42.76%	564	22.90%
20,000 to 30,000	2,302	55,199,262	24.88%	567	22.90%
30,000 to 40,000	796	27,110,762	12.22%	567	22.90%
40,000 to 50,000	290	12,817,550	5.78%	567	22.90%
50,000 to 60,000	108	5,904,312	2.66%	576	22.90%
60,000 to 70,000	32	1,982,791	0.89%	575	22.90%
Total	**13,408**	**221,838,536**	**100.00%**	**566**	**22.90%**

As of April 30, 2020.

Scheduled Loan Payment ($)	Number of Loans	Principal Balance ($)	Percentage of Principal Balance	Weighted Average FICO	W.A. Interest Rate
50 to 100	91	492,481	0.22%	551	22.90%
100 to 150	655	5,196,930	2.34%	556	22.90%
150 to 200	1,102	11,148,932	5.03%	559	22.90%
200 to 250	1,300	15,242,270	6.87%	559	22.90%
250 to 300	1,413	17,818,782	8.03%	562	22.90%
300 to 350	1,316	17,819,557	8.03%	563	22.90%
350 to 400	1,288	18,226,678	8.22%	563	22.90%
400 to 450	1,015	15,505,919	6.99%	564	22.90%
450 to 500	921	15,509,069	6.99%	565	22.90%
500 to 550	731	13,292,539	5.99%	568	22.90%
550 to 600	651	12,708,785	5.73%	567	22.90%
600 to 650	496	10,269,154	4.63%	569	22.90%
650 to 700	434	9,387,788	4.23%	568	22.90%
700 to 750	357	8,436,852	3.80%	570	22.90%
750+	1,638	50,782,799	22.89%	573	22.90%
Total	**13,408**	**221,838,536**	**100.00%**	**566**	**22.90%**

As of April 30, 2020

Borrowers in the FREED 2020-2CP pool have an average FICO score of 566 at origination with the majority of loans (78%) in the 501 – 600 range. The FICO distribution of the pool are shown below.

FICO at Origination	Number of Loans	Percentage of Number of Loans	Principal Balance ($)	Percentage of Principal Balance	Weighted Average FICO	W.A. Interest Rate
450 and Below	9	0.07%	88,719	0.04%	439	22.90%
451 to 500	537	4.01%	7,577,635	3.42%	488	22.90%
501 to 550	4,426	33.01%	73,141,520	32.97%	531	22.90%
551 to 600	5,757	42.94%	99,722,194	44.95%	573	22.90%
601 to 650	2,318	17.29%	35,822,394	16.15%	620	22.90%
651 to 700	340	2.54%	5,173,666	2.33%	664	22.90%
701 to 750	19	0.14%	294,997	0.13%	721	22.90%
751 to 800	1	0.01%	3,663	0.00%	755	22.90%
801 to 850	1	0.01%	13,747	0.01%	804	22.90%
Total	**13,408**	**100.00%**	**221,838,536**	**100.00%**	**566**	**22.90%**

As of April 30, 2020.

The highest state concentrations in FREED 2020-2CP are CA (16.90%), TX (14.87%) and FL (11.18%). FREED 2020-2CP will not include loans made to borrowers who are NY, CT, VT, CO, or WV residents at the time of their loan application. The tables below show state concentrations as well as weighted average borrower rates for loans originated within each state.

State	Number of Loans	Principal Balance ($)	Percentage of Principal Balance	WA Borrower APR
California	2,281	37,479,711	16.90%	25.45%
Texas	1,904	32,995,924	14.87%	25.41%
Florida	1,579	24,809,396	11.18%	25.38%
Pennsylvania	894	15,108,831	6.81%	25.39%
North Carolina	740	11,913,281	5.37%	25.41%
Michigan	704	11,479,274	5.17%	25.38%
Virginia	561	9,963,028	4.49%	25.41%
Maryland	493	8,376,849	3.78%	25.48%
Arizona	396	7,792,318	3.51%	25.37%
Indiana	458	7,439,372	3.35%	25.35%
Missouri	453	7,339,535	3.31%	25.37%
Massachusetts	301	6,211,389	2.80%	25.34%
Alabama	325	5,101,202	2.30%	25.48%
Minnesota	315	4,830,032	2.18%	25.43%
Oklahoma	258	4,092,177	1.84%	25.40%
Arkansas	251	3,702,706	1.67%	25.44%
New Mexico	183	2,805,981	1.26%	25.41%
Nevada	167	2,736,038	1.23%	25.40%
Kentucky	163	2,651,907	1.20%	25.33%
Mississippi	146	2,304,638	1.04%	25.32%
Nebraska	149	2,291,174	1.03%	25.44%
Ohio	178	2,177,624	0.98%	26.25%
South Dakota	92	1,563,325	0.70%	25.37%
Montana	76	1,262,797	0.57%	25.32%
Utah	74	1,154,196	0.52%	25.41%

State	Number of Loans	Principal Balance ($)	Percentage of Principal Balance	WA Borrower APR
Delaware	59	1,039,444	0.47%	25.42%
Alaska	62	995,791	0.45%	25.44%
Idaho	61	865,508	0.39%	25.47%
District of Columbia	26	448,269	0.20%	25.56%
Georgia	18	281,514	0.13%	25.42%
South Carolina	9	202,643	0.09%	25.51%
Washington	9	97,874	0.04%	25.78%
Louisiana	6	91,409	0.04%	25.78%
Illinois	6	88,764	0.04%	25.58%
New Jersey	6	79,831	0.04%	25.73%
Tennessee	5	64,783	0.03%	25.53%
Total	**13,408**	**221,838,536**	**100.00%**	**25.42%**

As of April 30, 2020.

KBRA Comparative Analytic Tool (“KCAT”)

The chart below compares the pool characteristics and structure of the FREED 2020-2CP transaction against recent securitizations of unsecured consumer loans originated through online marketplace lending platforms.

Deal Name	FREED 2020-2CP	LLEND 2019-1	AVNT 2019-B	CLUB 2018-NP1
Transaction Date	5/20/2020*	11/13/2019	9/18/2019	3/21/2018
Collateral Stratification				
Pool Balance (as of cutoff date)	$221,838,536	$168,663,583	$352,800,468	$354,347,729
Number of Loans	13,408	14,706	61,510	48,336
Avg Loan Balance	$16,545	$11,469	$5,736	$7,331
Wtd Avg Coupon	22.90%	24.24%	24.88%	26.96%
Wtd Avg FICO	566	556	650	639
Wtd Avg Original Term (mths)	49	46	35	38
Wtd Avg Remaining Term (mths)	46	37	33	34
Wtd Avg Seasoning	3	9	2	4
FICO Distribution				
500 and Below	3.46%	11.36%	580 - 599: 4.14%	600 - 619: 10.25%
501 to 550	32.97%	36.39%	600 - 619: 14.15%	620 - 639: 33.30%
551 to 600	44.95%	34.87%	620 - 639: 22.22%	640 - 659: 56.45%
601 to 650	16.15%	15.03%	640 - 659: 26.43%	--
651 to 700	2.33%	2.14%	660 - 679: 17.10%	--
701+	0.14%	0.22%	680 - 699: 7.91%	--
--	--	--	700 - 719: 4.00%	--
--	--	--	720+: 4.05%	--
Geographic Concentration				
State 1	CA: 16.90%	NJ: 13.59%	TX: 10.39%	CA: 12.56%
State 2	TX: 14.87%	CA: 12.74%	CA: 8.09%	NY: 8.17%
State 3	FL: 11.18%	TX: 9.63%	FL: 7.94%	TX: 7.91%
Note Balance				
Class A	$123,120,000	$108,620,000	$250,136,000	$180,717,000
Class B	$37,710,000	$20,660,000	$55,036,000	$42,876,000
Class C	$27,730,000	$24,200,000	$22,932,000	$78,134,000
Total	$188,560,000	$153,480,000	$328,104,000	$301,727,000
% Credit Enhancement				
Initial O/C	15.00%	9.00%	7.00%	14.85%
Target O/C	40.00%	14.50%	21.00%	34.55%
O/C Floor	3.25%	2.00%	5.00%	7.00%
Reserve Account	0.50%(1)	1.00%	0.46%	0.50%
Gross Excess Spread				
Collateral Interest Rate (Weighted)	22.90%	21.08%	24.88%	26.96%
Note Coupon (Weighted)	5.38%	3.82%	3.21%	4.06%
Servicing Fees	1.28%	1.00%	2.25%	1.00%
Total Gross Excess Spread	16.24%	16.26%	19.42%	21.90%
% Total Initial Credit Enhancement				
A+ Class	45.00%	--	--	--
A Class	--	36.60%	--	--
A- Class	--	--	29.56%	49.50%
BBB Class	28.00%	24.35%	--	37.40%
BBB- Class	--	--	13.96%	--
BB+ Class	15.50%	--	--	--
BB Class	--	--	--	15.35%
BB- Class	--	10.00%	7.46%	--
KBRA Base Case Cumulative Net Loss Expectation				
KBRA Base Case Loss Range	17.25% - 19.25%	13.90% - 15.90%	13.75% - 15.75%	19.35% - 21.35%

*Collateral stratification is based on April 30, 2020.

(1) Reserve Account will build to a target of 1.00%.

To download the KCAT, please click **here**.

KBRA Loss Expectation

KBRA reviewed quarterly static pool gross loss data, segmented by the variables that are most predictive of loss performance for Freedom's loans:

- Internal Credit Score
- Loan Product

KBRA Indicative Assumptions		
Tier	**KBRA Base Case CGL**	**Distribution (4/30/2020)**
C+ Tier 1	11.70%	47.11%
C+ Tier 2	21.25%	35.88%
C+ Tier 3	30.00%	17.01%
Overall	**18.25%***	**100.00%**

*rounded

Using this analysis, and the pool mix as of the statistical cutoff date, KBRA derived a weighted average base case cumulative gross loss rate of approximately 18.25%.

Cash Flow Modeling

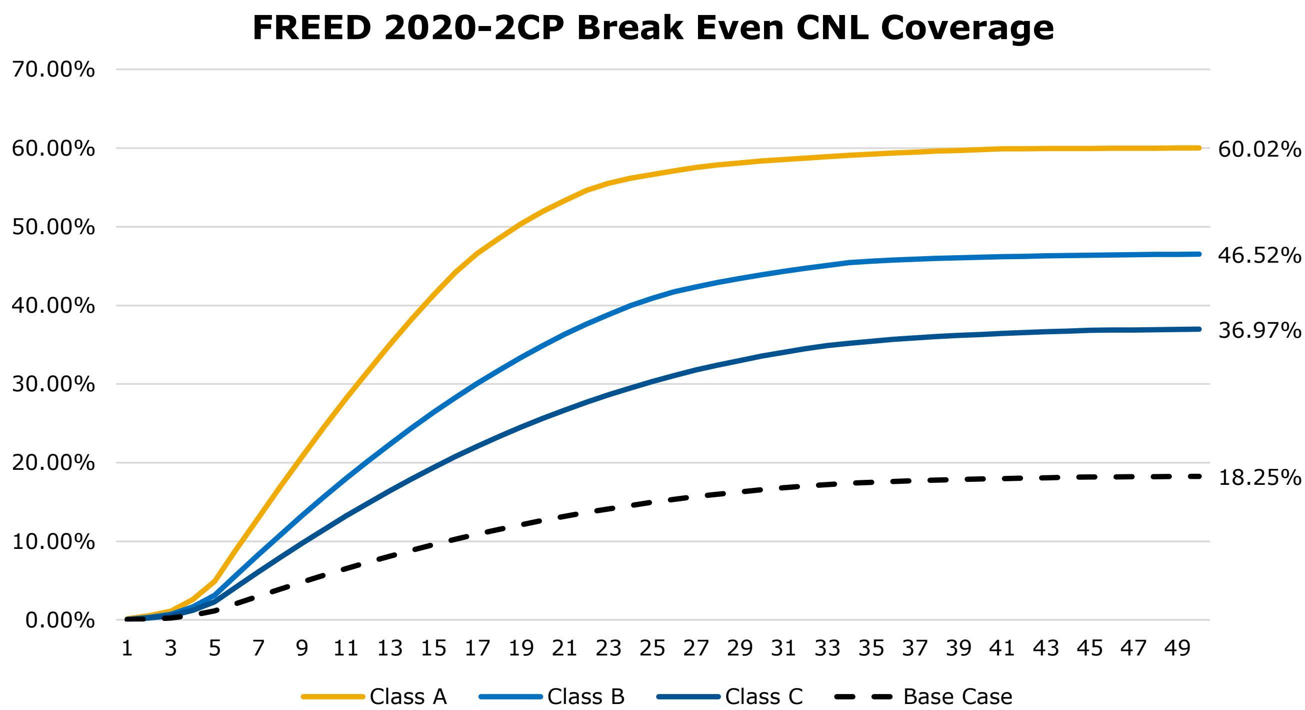
KBRA performed cash flow modeling on the FREED 2020-2CP transaction to determine whether the proposed enhancement levels are sufficient to warrant the requested ratings for each of the rated classes. KBRA's cash flow stresses included the following assumptions:

Cash Flow Modeling Inputs	
Item	Input
Weighted Avg. CNL	18.25%
Recovery Rate	0.00%
CPR(1)	Variable
Derived Timing Curve	40/40/16/4%

(1) Ranged from 15% - 20%

Under these assumptions, the cash flow stresses resulted in the following coverage levels of the base case cumulative net loss assumption:

Cash Flow Modeling Results			
Class	Breakeven CGL	Breakeven CNL	Breakeven CNL Multiple
Class A	60.02%	60.02%	3.29x
Class B	46.52%	46.52%	2.55x
Class C	36.97%	36.97%	2.03x



Rating Sensitivity Analysis

The ratings assigned to FREED 2020-2CP will be monitored through the life of the transaction. If performance of the transaction, including losses, differs meaningfully from the expected levels, KBRA may consider making a rating change.

The table below illustrates the potential for downgrade of each rated class if the expected cumulative net loss levels exceed initial expectations based upon the leverage in the transaction currently. 'Stable' means a downgrade is unlikely. 'Moderate' means a potential downgrade of up to one rating category is possible. 'Severe' indicates a multi-category downgrade is possible.

In addition to providing insight into the risk of rating migration, the table also indicates which scenarios may cause particular classes to default. Any scenario that indicates 'Default' for a class means that our cash flow projection indicated a default in the payment of principal under that scenario.

		Class and Initial Rating		
CNL Increase	Resulting CNL	Class A	Class B	Class C
Current Base Case CNL	18.25%	Stable	Stable	Stable
5%	19.16%	Stable	Stable	Stable
15%	20.99%	Moderate	Moderate	Stable
25%	22.81%	Moderate	Moderate	Moderate
95%	35.59%	Severe	Severe	Severe
105%	37.41%	Severe	Severe	Default

It should be noted that many factors, including economic stress, market conditions and servicing operations can impact the performance of the loan pool and influence rating decisions, both positively and negatively. To the degree that the pool performance meets or exceeds expectations for an extended period, rating stability can improve over time. Conversely, the emergence of compelling evidence that the pool will likely underperform could warrant significant rating action. If there is the need for any change in the rating of any class of notes, KBRA will provide a detailed explanation as to the rationale for such change in rating and the likelihood and factors surrounding any further potential rating changes.

ESG Considerations

KBRA ratings incorporate relevant credit factors, including those that relate to Environmental Social Governance (ESG). The following section highlights ESG considerations that are generally associated with ABS securitizations such as the subject transaction.

Environmental Factors

Geographic Risk
High state concentration leaves the collateral pool susceptible to adverse economic conditions, regional recessions and natural disasters which may negatively affect loan performance or collections. Certain states are vulnerable to natural disasters such as earthquakes, wildfires, and hurricanes. The occurrence of such an event may cause increased voluntary or involuntary delinquencies for loans in the transaction. The collateral pool as of the statistical cutoff is geographically diverse as described in the following **Key Credit Consideration**.

Social Factors

Perception of the Subprime Lending Market
The Company targets near prime and subprime customers for their C+ product. These customers may have low income, limited financial means and a negative or limited credit history. Without proper underwriting and controls, these borrowers have a relatively higher risk of default. Additionally, the subprime lending market attracts the attention of regulators and consumer advocacy groups to ensure lenders provide proper disclosure, do not engage in deceptive lending practices, ensure borrowers have the ability to repay loans, and charge interest rates that are in compliance with applicable law. Based on one’s view of this sector, it may be interpreted that these lenders are providing credit to an underserved demographic or conversely that they are engaging in predatory lending. This perception could cause lenders and capital providers to exit this market in an economic downturn of if social acceptance is negative, which could impact the Company’s **Financial Position and Liquidity**.

Governance Factors

Experience of Management, Historical Performance
Historical performance data, which includes defaults, recoveries and prepayments, are important considerations used to predict future performance of the underlying assets. The Company has limited historical performance data, including data that has not been tested through an economic contraction. The Company provided six years of historical data from 2014 to 4Q2019. KBRA segmented this data by certain borrower or loan attributes and relied on more recent vintage cohorts to establish assumptions for the collateral supporting this transaction.

The Company has a stable management team with a high degree of experience. The company operates a traditional business model with transparent business processes as further discussed **here**.

Loan Servicing and Collections
Servicing and collection efforts on consumer loans is a highly regulated process governed by applicable state and federal laws such as the Fair Debt Collection Practices Act (“FDCPA”), among many others. Failure to collect fairly and protect non-public personal information may result in fines, reputational harm and changes to business practices. The Company was established in 2002 and has a long operating history in loan servicing and has no significant outstanding regulatory violations regarding collection practices. The policies are regularly reviewed and updated as necessary.

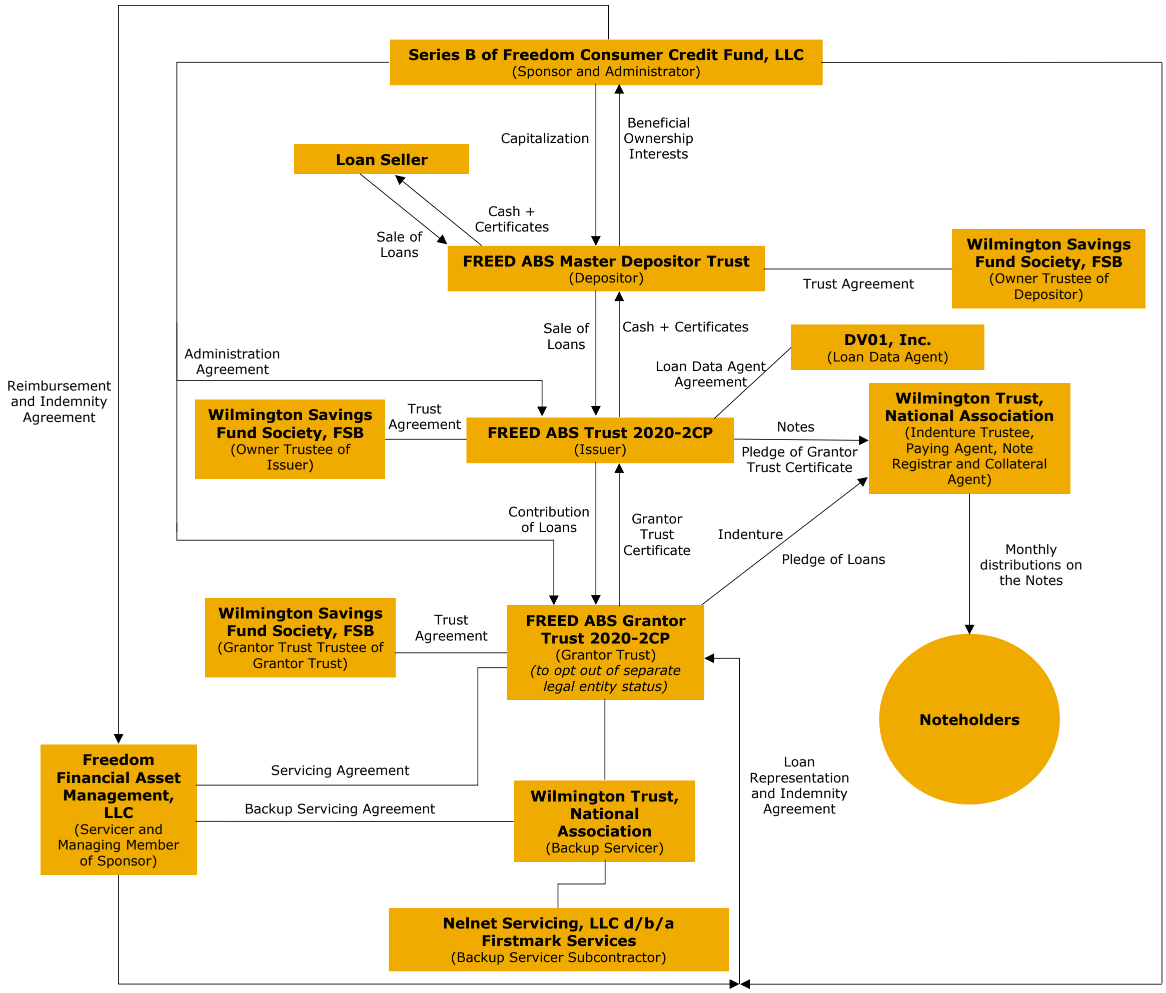
Transaction Structure
Transaction structure is an important governance factor in structured finance transactions as many structural aspects, such as adherence to representations and warranties, compliance with origination standards and eligibility criteria, reporting of collateral performance, and segregation and application of cashflows, require parties to act in good faith and certify the accuracy of such information. Failure to do

so could impact actual performance and KBRA's ratings. KBRA considers various aspects of the transaction structure in its analysis, including, but not limited to, the bankruptcy remoteness of collateral, perfection of collateral security interests, how loans are underwritten and serviced, and the transaction waterfall, as well as the operative documents and key parties involved in effectuating transaction functions. KBRA holistically considers these structural features, credit enhancement, transaction documents, and the capabilities of key parties during the course of our credit analysis and ratings assignment process. A summary of the transaction's structure can be found in the **Transaction Structure** section.

Regulatory and Compliance Policies

The Company has an experienced compliance and legal department that manages legal and regulatory risks and compliance with applicable laws. This department helps identify weaknesses in and evaluates the effectiveness of Company controls enabling adherence to regulatory requirements. The Company maintains a compliance management system (CMS) for managing oversight of third-party vendors, managing policies and procedure documents and for tracking, responding, analyzing and mitigating any consumer complaints. The Company also maintains a compliance training program for staff that includes companywide training for all employees and specialized training for certain business functions. A summary of the Regulatory and Compliance Management function can be found in the **Regulatory** section.

Transaction Structure

Legal Structure	
Transaction Structure	The FREED 2020-2CP Notes are newly issued asset-backed securities collateralized by a pool of unsecured consumer loans. The following diagram illustrates the basic securitization structure: 
Credit Enhancement	The credit enhancement provides the Notes with protection against losses and delays in payment on the loans or other cash flow shortfalls. The credit enhancement for the Notes will consist of overcollateralization, subordination (in the case of the Class A and Class B Notes), a reserve account and excess spread.

Credit Enhancement Summary	
Initial OC	15.00%
Target OC*	40.00%
OC Floor^	3.25%
Intial Reserve^	0.50%
Target Reserve^	1.00%

* % of current Collateral Balance
^ % of original Collateral Balance

Initial credit enhancement levels are 45.00% for the Class A Notes, 28.00% for the Class B Notes, and 15.50% for the Class C Notes.

Overcollateralization:

Overcollateralization represents the amount by which the collateral balance exceeds the principal balance of the notes. The initial overcollateralization amount will equal 15.00% of the current outstanding principal balance of the statistical cut-off date pool balance. Overcollateralization will build to a target of 40.00% of the current pool balance and is subject to a 3.25% of original balance floor.

Subordination:

Payments on the Class B Notes are subordinated to payments on the Class A notes, while payments on the Class C notes are subordinated to payment on the Class A and Class B Notes. Subordination for the Class A Notes will be 29.50% of the initial pool balance and consist of the Class B Notes and Class C Notes. Subordination of the Class B Notes will be 12.50% and consist of the Class C Notes.

Reserve Account:

A cash reserve account funded at closing will equal approximately 0.50% of the initial pool balance and will build to a target equal to 1.00% of the initial pool balance.

Excess Spread:

Projected WAL weighted annual excess spread is estimated to be 16.24%. This is based on the average borrower interest rate on the consumer loans of 22.90% less 1.28% servicing fees plus other fees and a weighted average life adjusted note rate of 5.38%.

The table below summarizes the annual excess spread calculation:

Excess Spread Summary	
Collateral Interest Rate	22.90%
Weighted Average Coupon	5.38%
Servicing Fees	1.28%
Annual Excess Spread:	**16.24%**

The table below summarizes the credit enhancement available for each class of notes.

Rated Notes										
Class	Initial Amount	% of Total Collateral	O/C	Subordination	Reserve Account	Initial Hard CE	Target Hard CE	Interest Rate	Legal Final Maturity Date	WAL to Maturity
Class A	$123,120,000	55.50%	15.00%	29.50%	0.50%	45.00%	70.00%	4.52%	Jun 18, 2027	0.60
Class B	$37,710,000	17.00%	15.00%	12.50%	0.50%	28.00%	53.00%	5.50%	Jun 18, 2027	2.08
Class C	$27,730,000	12.50%	15.00%	0.00%	0.50%	15.50%	40.50%	6.00%	Jun 18, 2027	3.13
O/C	33,278,536	15.00%								
Total	221,838,536	100.00%								

Priority of Payments Prior to an Event of Default and Acceleration of the Notes

Prior to an acceleration of the Notes following an event of default, collections will be applied as follows:

Available Funds for each Distribution Date prior to an Event of Default resulting in acceleration of the Notes will be applied in the following order or priority:

↓

Indenture Trustee, Owner Trustee, Grantor Trust Trustee, Note Registrar, Certificate Registrar, Grantor Trust Certificate Registrar, Paying Agent, Collateral Agent and Backup Servicer fees, expenses, and indemnities up to applicable caps and annual limitations

↓

Servicing fees up to applicable monthly limitations, Ancillary Fees, Collection Fees and Successor Servicer Transition Costs up to applicable caps and annual limitations

↓

Administrator and Loan Data Agent fees, expenses, and indemnities up to applicable caps and annual limitations

↓

Class A Interest Distributable amount, pro rata

↓

First Priority Principal Distribution Amount, if any

↓

Class B Interest Distributable amount, pro rata

↓

Second Priority Principal Distribution Amount, if any

↓

Class C Interest Distributable amount, pro rata

↓

Third Priority Principal Distribution Amount, if any

↓

Amounts, if any, required to replenish the Reserve Fund

↓

Regular Principal Distribution Amount, if any

↓

Unpaid amounts to the Indenture Trustee, Owner Trustee, Grantor Trust Trustee, Certificate Registrar, Grantor Trust Certificate Registrar, Note Registrar, Paying Agent, Servicer, Administrator, Backup Servicer, Collateral Agent, Vault Provider and the Loan Data Agent

↓

Remaining Available Funds will be applied by the Paying Agent in accordance with the priorities set forth in the Trust Agreement

Principal Payments on the Notes will be made in the following order of priority

↓

First, to pay principal on the Class A Notes, pro rata, until balance has been reduced to zero

↓

Second, to pay principal on the Class B Notes, pro rata, until balance has been reduced to zero

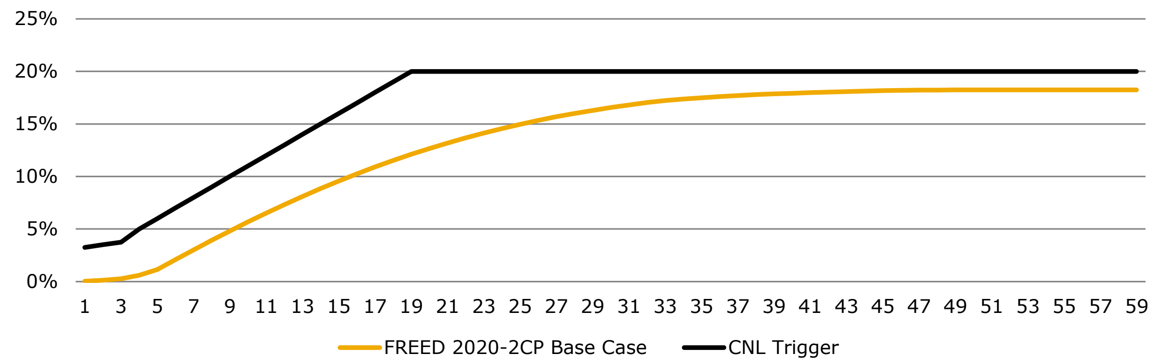
↓

Third, to pay principal on the Class C Notes, pro rata, until balance has been reduced to zero

Events of Default	The occurrence and continuance of any of the following events will constitute an event of default under the Indenture. If the Event of Default has occurred and is continuing and 51% of the controlling class of noteholders enforces the Event of Default, the Notes become immediately due and payable. 1. failure to pay any interest on any Note when due and payable, and such default continues for five Business Days; 2. failure to repay in full the then outstanding principal of any class of notes on the related Maturity Date; 3. default in the observance or performance of any material covenant or agreement of the Issuer or the Grantor Trust and such default continues or not be cured for a period of 30 days; 4. any representation or warranty of the Issuer or Grantor Trust made in the Indenture is incorrect in any material adverse respect and has not been cured for 30 days; 5. the filing of a decree or order for relief with respect to the Issuer, the Grantor Trust or substantial part of the collateral, in an involuntary case under any applicable debtor relief law, and such decree or order remains unstayed and in effect for a period of 60 consecutive days; 6. the commencement by the Issuer of a voluntary case under any such debtor relief law, or the failure by the Issuer generally to pay its debts as such debts; or 7. the Issuer or the Grantor Trust shall be required to register as an "investment company" under the Investment Company Act of 1940, as amended.
Amortization Events	An Amortization Event will occur if either (i) the Pool Balance as of the last day of the related Collection Period is equal or less than 15% of the Cutoff Date Pool Balance (and the Redemption Holder has not exercised its redemption right pursuant to the Indenture), or (ii) a Cumulative Net Loss Ratio Amortization Event has occurred for such Distribution Date (when the Cumulative Net Loss Ratio exceeds the level in the table below). If an Amortization Event exists, all available funds remaining after replenishing the reserve account will be applied to the principal distribution allocation until such Amortization Event no longer exists.
Cumulative Net Loss Ratio	"Cumulative Net Loss Ratio" means, with respect to any Distribution Date, the fraction, expressed as a percentage, the numerator of which is the Cumulative Net Loss Amount for such Distribution Date and the denominator of which is the Cutoff Date Pool Balance. A Cumulative Net Loss Ratio Amortization Event occurs if the Cumulative Net Loss Ratio with respect to such Distribution Date exceeds the Cumulative Net Loss Ratio shown below:

Period	CNL	Period	CNL	Period	CNL	Period	CNL
0	0.00%	15	16.00%	30	20.00%	45	20.00%
1	3.25%	16	17.00%	31	20.00%	46	20.00%
2	3.50%	17	18.00%	32	20.00%	47	20.00%
3	3.75%	18	19.00%	33	20.00%	48	20.00%
4	5.00%	19	20.00%	34	20.00%	49	20.00%
5	6.00%	20	20.00%	35	20.00%	50	20.00%
6	7.00%	21	20.00%	36	20.00%	51	20.00%
7	8.00%	22	20.00%	37	20.00%	52	20.00%
8	9.00%	23	20.00%	38	20.00%	53	20.00%
9	10.00%	24	20.00%	39	20.00%	54	20.00%
10	11.00%	25	20.00%	40	20.00%	55	20.00%
11	12.00%	26	20.00%	41	20.00%	56	20.00%
12	13.00%	27	20.00%	42	20.00%	57	20.00%
13	14.00%	28	20.00%	43	20.00%	58	20.00%
14	15.00%	29	20.00%	44	20.00%	59+	20.00%

Cumulative Net Default Ratio Trigger



Priority of Payments following an Event of Default and acceleration of the Notes	The Collections received on any such Loans will be applied as Available Funds in accordance with the priority of payments.

Following an Event of Default and acceleration of the Notes, Available Funds for each Distribution Date will be applied in the following order of priority:

↓

Fees, expenses, and indemnities due to Servicer, Successor Servicer, Backup Servicer, Indenture Trustee, Owner Trustee, Grantor Trust Trustee, Note Registrar, Paying Agent, Collateral Agent, Certificate Registrar, Grantor Trust Certificate Registrar, Vault Provider, Administrator, and Loan Data Agent in each case, without any cap (except for the Loan Data Agent)

↓

Class A Interest Distributable Amount, pro rata

↓

Principal on the Class A Notes, pro rata, until balance has been reduced to zero

↓

Class B Interest Distributable Amount, pro rata

↓

Principal on the Class B Notes, pro rata, until balance has been reduced to zero

↓

Class C Interest Distributable Amount, pro rata

↓

Principal on the Class C Notes, pro rata, until balance has been reduced to zero

↓

Unpaid amounts to the Loan Data Agent

↓

Remaining Available Funds will be applied by the Paying Agent in accordance with the priorities set forth in the Trust Agreement

Servicer Event of Default	A Servicer Event of Default means the occurrence of any of the following: 1. any failure by the Servicer to remit any collections or to make any payment, transfer or deposit as required under the Servicing Agreement; or 2. failure by the Servicer to deliver the Monthly Report within two (2) business days of the due date; or 3. failure by the Servicer to duly observe or perform any other material covenant or agreement in any of the basic documents, which has a Material Adverse Effect on the Grantor Trust, and is not remedied within thirty (30) days after the earlier of the Servicer obtaining knowledge of such failure or the Servicer receiving notice of such failure; or 4. any representation, warranty or certification made by the Servicer in any document to which Servicer is a party shall prove to be untrue or incomplete, which has a Material Adverse Effect on the Grantor Trust, and is not remedied within thirty (30) days after the earlier of the Servicer obtaining knowledge of such failure or the Servicer receiving notice of such failure; or 5. the occurrence of any insolvency event relating to the Servicer; or 6. an event that has a Material Adverse Effect on the Servicer. In case of (3) or (4) above, the servicer may, but shall be under no obligation to, purchase the affected Loan by depositing into the payment account the related purchase price. Upon receipt of such purchase price into the payment account, Grantor Trust will transfer its interest in such purchased loan to the Servicer or the Servicer's designee.
Representations & Warranties	For more detailed information regarding the representations, warranties and enforcement mechanisms available under the transaction documents, please see KBRA's FREED 2020-2CP Representations and Warranties Disclosure, which is being published contemporaneously with this report. The Representations and Warranties Disclosure is available **here**.