



OnDeck Asset Securitization Trust LLC Series 2014-1

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Ratings

Series 2014-1	Amount	Interest Rate	Rating	Rating Action
Class A	\$156,680,000	[TBD%]	BBB (sf)	New Rating – Provisional
Class B	\$18,320,000	[TBD%]	BB (sf)	New Rating – Provisional

Transaction Parties and Related Information

Issuer:	OnDeck Asset Securitization Trust LLC
Seller:	OnDeck Capital, Inc.
Servicer:	OnDeck Capital, Inc.
Indenture Trustee and Custodian:	Deutsche Bank Trust Company Americas
Depositor Loan Trustee and Issuer Loan Trustee:	Deutsche Bank Trust Company Americas
Backup Servicer:	Portfolio Financial Servicing Company
Primary Asset of the Trust:	The primary assets of the Issuer will be small business loans originated by the Seller.
DBRS Rating Methodology:	Rating Methodology for CLOs and CDOs of Large Corporate Credit
Interest Distribution Dates:	Monthly (17th of the month)
First Interest Distribution Date:	June 17, 2014
Legal Final:	Class A: May 17, 2018 Class B: May 17, 2018
Revolving Period:	Two years ending May 30, 2016

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Executive Summary

DBRS has assigned provisional ratings to OnDeck Asset Securitization Trust LLC Series 2014-1 (Series 2014-1) as listed above. The Series 2014-1 transaction represents the initial securitization of a portfolio of small business loans originated by OnDeck Capital, Inc.

OnDeck Capital, Inc. (OnDeck or the Company) is a U.S.-based specialty finance business focused on lending to small business customers. OnDeck provides loans to small businesses in the United States that have historically been underserved by traditional financial institutions and may have experienced challenges obtaining affordable or timely financing. The Company has developed a platform using predictive modeling, data aggregation and electronic payment technology, which enables it to service this target market. After starting lending in 2007, OnDeck has made approximately 29,000 loans to approximately 18,000 customers (each an Obligor) with a total proceeds of over \$1 billion. As of March 31, 2014, OnDeck had approximately \$300 million in outstanding loans to approximately 9,000 Obligors.¹

OnDeck serves as both the originator and servicer for the Series 2014-1 transaction. Portfolio Financial Servicing Company (PFSC) is the backup servicer for the transaction and has experience servicing daily pay and merchant cash advance businesses. Since 2010, PFSC has served as backup servicer for six other OnDeck financing facilities. The presence of a backup servicer mitigates potential servicing disruptions that may result from the Company's inability to continue as servicer. Deutsche Bank Trust Company Americas is both the Indenture Trustee and Custodian for the transaction.

Credit enhancement in the transaction consists of overcollateralization, subordination, excess spread and a reserve account. The initial amount of overcollateralization is expected to be 4.50% of the closing pool's closing date balance. The subordination refers to the Class B notes, which are subordinated to the Class A notes. The reserve account will be .50% of the initial pool balance; it will be funded at inception and is non-declining. Initial Class A credit enhancement of 15.00% will include a .50% reserve account, overcollateralization of 4.50% and 10.00% subordination. Initial B credit enhancement of 5.00% will include a .50% reserve account and overcollateralization of 4.50%. Interest on the notes is payable monthly and at a fixed rate.

The transaction utilizes a master trust structure which will include the sale of assets to a newly formed special-purpose entity and pledge of those assets under an indenture with issuance of the notes pursuant to an indenture supplement. The transaction will revolve for an initial two-year period that expires in 2016, after which principal on the notes will be paid sequentially, beginning with the Class A notes.

Rating Rationale

The provisional ratings are based upon a review by DBRS of the following analytical considerations:

- Transaction capital structure, assigned ratings and form and sufficiency of available credit enhancement.
 - Credit enhancement levels are sufficient to support DBRS-projected cumulative net loss assumptions under various stress scenarios.
 - The ability of the transaction to withstand stressed cash flow assumptions and repay investors in accordance with the terms of the transaction documents. For this transaction, the rating addresses the payment of timely interest on a monthly basis and principal by the legal final maturity date.
- The transaction parties' capabilities with regard to originations, underwriting and servicing.
 - DBRS has performed an operational risk review of OnDeck and considers the entity to be an acceptable originator. DBRS also deems OnDeck to be an acceptable servicer of

¹ Obligor means with respect to any loan the person or persons obligated to make payments with respect to such loan.

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- business loans with the presence of an acceptable back-up servicer that will assume servicing responsibilities in the case of OnDeck no longer able to service the pool.
- PFSC is an experienced back-up servicer in the daily pay commercial loan space is the back-up servicer for the transaction and has been back-up servicer for OnDeck since 2010 in a variety of debt facilities. DBRS believes PFSC is an acceptable back-up servicer for this transaction.
- The credit quality of the collateral and the performance of OnDeck's small business loan portfolio and proposed pool.
 - The pool is comprised of are short term loans with a weighted average remaining term of approximately 8.4 months.
 - The pool has a weighted average yield on the collateral pool is 54.4%, which provides a significant level of first loss protection in the form of excess spread.
 - The personal credit of the business owners comprising the pool is fairly strong. The weighted average Fair, Issac and Company (FICO) score of the pool is 688 with 78.9% having a FICO score of at least 650.
 - The pool is geographically diverse with no state comprising more than 16.2% of the total and the top five states comprising 43.3% of the pool.
 - The pool is diversified across a wide range of industries with no industry accounting for more than 12.5% of the total and the top five industries comprising 58.3% of the pool.
 - Eligibility criteria to maintain the pool's credit quality is set forth in the legal documents for the revolving period.
 - The transaction has both collateral pool and servicer financial solvency performance triggers that protect the noteholders in stressed environments.
 - There are early amortization triggers based on the performance of the collateral pool including minimum yield yield, minium excess spread, minimum asset sufficiency and maximum delinquency levels. If these triggers are breached, an early amortization event will occur.
 - There are other collateral pool performance triggers based on minimum excess spread and maximum delinquency levels. If these triggers are breached the back-up servicer will transition to a "Hot Back-up" status.
 - The servicer is required to maintain certain financial covenants based on liquidity, tangible net work, leverage ratio and unrestricted cash; failure to do so would result in a servicing transfer event.
 - The legal structure and presence of legal opinions which address the true sale of the assets to the issuer, the non-consolidation of the special-purpose vehicle with OnDeck, and that the trust has a valid first-priority security interest in the assets and is consistent with the DBRS methodology *Legal Criteria for U.S. Structured Finance Transactions*.

Methodology

The transaction was rated using the Rating CLOs and CDOs of Large Corporate Credit methodology with the methodology typically applied to pools of large corporate obligations. DBRS has adjusted the correlations used in the methodology to reflect the difference in credit risk between large to small and mid- size corporate credits to which OnDeck lends as described further in the Cash Flow Analysis section.

Company Information

OnDeck, Inc., a Delaware Corporation, is a U.S.-based specialty finance business focused on lending to small business customers. The Company was founded in 2006 and began lending in 2007. OnDeck originates short term working capital loans to small businesses with year round operations located throughout the U.S.

OnDeck is headquartered in New York, NY and has regional offices in Arlington, Virginia and Denver, Colorado and as of March 31, 2014 had 277 full time employees. The Company is backed by venture capital investors including Institutional Venture Partners, Google Venture, RRE Ventures, First Round Capital and

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SAP Ventures. After starting lending in 2007, OnDeck has since made approximately 29,000 loans to approximately 18,000 customers with total proceeds of over \$1 billion across a wide range of industries. As of March 31, 2014 OnDeck had approximately \$300 million in outstanding loans to approximately 9,000 Obligor. Loan sizes typically range between \$5,001 and \$250,000 with repayment terms ranging from three to twenty-four months.

OnDeck provides loans to small businesses in the U.S. have historically been underserved by traditional financial institutions which may have experienced challenges obtaining affordable or timely financing. The Company has developed a platform using predictive modeling, data aggregation and electronic payment technology which enable it to service this target market. Traditional lenders generally focus on small business owners' personal credit history while OnDeck focuses, not only on the small business owners' personal credit history, but also on the performance of each of the small businesses using a broad array of traditional and nontraditional data sources. The Company has developed a proprietary end-to-end lending platform which includes an on-line based origination platform, a proprietary credit scoring model, and an automated collection platform that collects ACH payments from Obligor each business day.

OnDeck originates new small business loans through three primary origination channels: Direct, Platform and Broker. The Company also originates new loans to repeat Obligor through the same three primary channels. The Direct channel allows OnDeck to acquire Obligor through a variety of marketing techniques including direct mail, online media, and email. OnDeck has originated loans through the Direct channel since 2007 and originated approximately 43% of their loans through this channel in 2013.

In the Platform channel, the Company connects with prospective borrowers through customized strategic relationships with third party partners that have access to the small business community. OnDeck has originated loans through the Platform channel since 2011 and originated approximately 10% of their loans through this channel in 2013. Utilizing the Broker channel, the Company connects with prospective Obligor by entering into relationships with third-party independent brokers that typically offer a variety of financial services to small businesses including commission-based business loan brokerage services. OnDeck has originated loans through the Broker channel since 2007 and originated approximately 47% of their loans through this channel in 2013.

The Company also purchases small business loans originated by the BofI Federal Bank (BoFI) that have been sourced by the Company's origination channels. BoFI originates these loans in five states where OnDeck does not directly originate loans. OnDeck utilizes BoFI as an originator in these states due to state level banking regulations. When OnDeck refers applicants to BoFI, those Obligor need to satisfy both the Company and BoFI's underwriting standards.

OnDeck originates both term and revolving loans to Obligor with payment frequencies ranging from once per business day to weekly to small businesses. The current securitization will include only term loans that pay daily through ACH. The original loan balances range in size from \$5,001 to \$250,000 and the original loan terms range from three to twenty-four months. The original size of each loan is a function of the requested borrowing amount and OnDeck's credit risk assessment of the prospective Obligor's ability to repay the loan. As of March 31, 2014, the average principal amount outstanding was approximately \$32,405 the average original loan size of the outstanding loans was approximately \$44,657 with a weighted average Loan Yield of approximately 57.07% and the weighted average original term was approximately 11.6 months.

The Company's executive management team has been together since 2011 and has a strong background in financial technology, business development and marketing. The executive team includes senior members with strong entrepreneurial and technological backgrounds. The team also includes members with financial experience at American Express and Swift Capital.

Originations and Underwriting

As noted, OnDeck originates loans through three channels - Direct, Broker and Platform. Direct consists of direct mail, telemarketing, paid search, and online advertising. Broker origination utilizes independent third party brokers as the initial point of contact for Obligor. Platform deals are agreements with other companies



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that allow OnDeck to access their customers. Direct origination has grown at a rate of approximately 400% year over year (YOY) and the Broker channel grew at approximately 80% YOY. Currently, Direct is approximately 43%, Broker is approximately 47% and Platform is approximately 10% of the monthly origination volume.

OnDeck only engages in commercial lending and does not provide consumer loans. The Company lends to over 700 industries (as defined by six digit standard industrial classification (SIC) codes), the more frequent industries comprising restaurants, retailers, healthcare and service providers. The typical Obligor has been in business nearly 10 years, has over \$960,000 in annual revenues and a FICO score of approximately 660.

Underwriting

Currently, OnDeck's underwriting processes are performed out of their Virginia office pursuant to written underwriting guidelines. Loan size ranges between \$5,001 and \$250,000 with repayment terms from three to twenty-four months. Loan size and terms are determined based on the creditworthiness of the Obligor. The Company also obtains both business and personal credit reports and a LexusNexus report for every loan originated. The customer must supply (at least) the three most current months of bank statements in order to be approved, in addition to, registering for business daily payments via ACH.

OnDeck leverages its technology to conduct credit analysis including a cash flow analysis. The Company utilizes current bank statement, merchant processing, public record, and social media data to verify information on the Obligor's application. The underwriting process consists of five components:

- **Applicant Qualification:** Confirming the applicant fits the target profile and does not exceed any portfolio concentrations by analyzing the merchant's time in business, industry and geography, and customer diversification.
- **Cash Flow Analysis:** Using verifiable sources of cash flow to determine the cash-flow profile of business. Includes analyzing the merchant's average bank balance, monthly deposit/withdrawal volume, number of negative balance days, credit card processing volumes, and average ticket size.
- **Risk Tiering:** Segmenting portfolio by expected default buckets and proprietary risk tiers. Involves analyzing the proprietary OnDeck score, FICO scores, and existing Uniform Commercial Code (UCC) filings.
- **Loan Amount and Pricing:** Match loan term, amount, and pricing to optimize for expected profitability by analyzing: cash coverage ratios, debt utilization, risk type, and sales channel.
- **Confirmatory Diligence:** Ensure applicant is a real business and guarantors are legal owners by inspecting LexisNexis reports, completing reviews of all closing documents, reviewing tax returns and utility bills. A complete review of all closing documents is undertaken.

At a minimum, all Obligors must be for-profit businesses with an established revenue stream; business must be open with current ownership for at least 12 months; have at least \$100,000/year in verifiable business revenue; and the industry type must fit the profile of the OnDeck business (i.e. no adult entertainment venues, funeral homes, gas stations, travel agencies, tax preparers etc.). Below is a summary of some of the minimum requirements necessary to obtain a loan:



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<u>Requirements</u>	
Maximum Loan Term	24 Months ⁵
Maximum Loan Amount	\$250,000
Minimum Time in Business ¹	1 Year
Minimum Credit Score (FICO ^{®2}) of Personal Guarantor ³	500
Most Recent Bankruptcy In File	>2 years
Most Recent Foreclosure In File	>2 years
Minimum OnDeck Score TM	442
Minimum Annual Revenue	\$100,000
Number of Monthly Bank Statements	3
Minimum Transactions per Month ⁴	5 Deposits
Minimum Average Bank Balance ⁴	\$1,000
Minimum Ending Bank Balance ⁴	\$0

¹ Time in business may include time the business was operated by previous business owners.
² FICO[®] is a registered trademark of Fair Isaac & Co.
³ Where there is more than one personal guarantor, OnDeck utilizes the weighted average FICO score by percentage ownership interest of each such personal guarantor.
⁴ Any of these requirements may be overridden, subject to the presence of factors that OnDeck believes will mitigate the risks associated with such exception.
⁵ Only loans with terms less than or equal to 18 months will be eligible loans.

OnDeck underwrites small business loans using its proprietary credit methodology, the “OnDeck Score.” This score is a statistically derived credit model that is built on historical loan performance data. A set of pre-defined underwriting guidelines are used to generate underwriting decisions based on the OnDeck Score as well as additional attributes related to merchant’s credit risk and ability to pay as described above.

The OnDeck Score seeks to identify (relatively) low risk merchants on the basis of cash flow, credit history, and business attributes.

- **Cash Flow:** high bank balance; absence of overdrafts; high deposit frequency; stable trend of deposits and withdrawals.
- **Credit History:** no missed payments; no recent tax liens; few recent credit inquiries; established credit relationships with other lenders.
- **Business Attributes:** extended time in business; broad customer base; manage and own inventory; year round operations.

The Company states that personal guarantees are required for all loans and signatures are obtained from all guarantors with over 50% ownership.

Consideration is also given to the outlook for each business’ geographic location and industry. Therefore, loans with higher risk characteristics are mitigated through lower loans amounts. Ultimately, more weight is placed on small business credit scores than on personal credit scores.

The underwriting team has limited authority to make credit policy exceptions with compensating factors and these exceptions must not exceed 15% of all approvals.

Loan proceeds are delivered to the Obligor by wire funding or ACH to the business bank account that was reviewed during the underwriting process.



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Fraud Prevention

Fraud procedures are focused on a multifaceted data driven approach with a concentration on bank statement tampering. As a result, loan processors and underwriters go through training on how to spot fraud in bank statements and merchant processing statements which includes metadata checks.

Servicing

Servicing and Collections

OnDeck's credit philosophy as it relates to collections is to identify payment problems, as well as credit deterioration indicating the potential for problems, early enough to permit OnDeck to address these problems through a workout program. In an effort to ensure factual accuracy and good customer service, the Company records all collection calls.

The collections cycle for an account begins at one (1) day delinquent and delinquent loans are charged-off at 90 days delinquent. During the collections cycle, the account is placed into one of five different levels that correlate with specific delinquency severities and collection tactics. Accounts primarily move through the levels based on their days past due. However, an account can be "fast tracked" through the levels, if circumstances are deemed to require a more aggressive approach.

For the first three delinquent payments, OnDeck's payment system attempts to auto-debit a makeup payment on the subsequent day to resolve the delinquency. After three consecutively missed payments (three business days), a loan is considered technically to be in default, at which point OnDeck's payment system ceases initiating the automated debit transactions until communication is made with the Obligor. Automated debits are only restarted if the delinquent Obligor has signaled intent to pay and re-continue his/her daily payments. For each day that passes and no makeup payments are made, the account becomes an additional day delinquent.

Level One: An account is placed into Level One on the first day it becomes delinquent. Upon notice of a missed payment, the Collections Department immediately conducts a risk evaluation to determine the customer's financial status by reviewing a new credit bureau report and a new Lexis/Nexis report, as well as a review of the bank account if the Obligor has enrolled in OnDeck's daily bank account monitoring service. This information is then contrasted with the Obligor's original application data to determine if the customer is experiencing financial hardship.

Upon notification of any missed payment, a Transaction Error Alert Email is automatically sent to the delinquent Obligor. In addition, an agent from the First Response Collector attempts to contact the delinquent Obligor. Specifically, phone calls are placed to each number on file during normal business hours at least 1 time per days. On the sixth calendar day of delinquency, the account is moved to Level Two.

Level Two: An account enters Level Two on the sixth day of delinquency. Accounts in this stage continue to receive phone calls, e-mails, and letters; however, all communications are initiated by the Collections Department (i.e., not the First Response Collector). If the Collections Department has been unable to make contact with the Obligor during normal business hours, attempts are made to contact during evenings and weekends. In addition, OnDeck sends physical letters to the Obligor. The first letter is sent if no contact has been made after the account enters Level Two. A second, more direct letter is sent at 10 days delinquent if no positive contact has been made. A third letter is sent at 15 days delinquent if the delinquent Obligor remains unresponsive. This third letter notifies the customer of OnDeck's capacity to place the customer into a workout program and encourages the customer to contact OnDeck to make payment arrangements. On the 30th day of delinquency, an account is sent the fourth collections letter. On the 31st calendar day of delinquency, the account is moved to Level Three.

Level Three: An account enters Level Three on the 31st day of delinquency. Accounts in this stage continue to receive phone calls, e-mails, and letters from the Collections Department during and outside of normal business hours. A fifth collections letter is sent on the 36th day of delinquency. On the 45th day of

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delinquency, an account receives a sixth letter warning of impending legal action (which may include binding arbitration).

By this stage, if the Collections Department has not had positive contact with the customer, a site visit to the business or home may be ordered and conducted by a third party vendor. Pictures of the exterior and interior of the business or exterior of the home are taken and the delinquent Obligor is hand-delivered a copy of a letter that reminds the Obligor of the potential to be placed into a workout program and also warns that liquidating any assets without OnDeck's written permission is in violation of the Business Loan and Security Agreement and the UCC filing. During this time, OnDeck may place the account in the "skip tracing" process, if necessary. On the 61st calendar day of delinquency, the account is moved to the Litigation Level, at which point a final demand letter is sent to the customer.

Litigation Level: An account enters the Litigation Level on the 61st day of delinquency and remains in this stage until the litigation or arbitration has been completed or the account reaches 90 days delinquent. Accounts continue to receive phone calls, e-mails, and letters from the Collections Department. On the 75th day of delinquency, an account is assigned to an attorney for legal work to begin and the account is sent a letter warning of OnDeck's intent to legally take possession of business assets as per their UCCs. An additional site visit may be ordered to determine if the business has closed or to visit the customer's personal address. Based on the results of this site visit, the Collections Department may elect to enter the Obligor into the "skip tracing" process.

Write-Off and Recovery: Once an account becomes 90 days delinquent or the litigation phase has ended, a write-off report is prepared. Once an account is written off, OnDeck may continue to work the account for an additional 180 days. When all internal collection activities have been exhausted, the account can be placed with a 3rd Party Collections Agency.

Loss Mitigation

To assess whether a workout program is appropriate for the merchant, a Collections Representative first conducts the risk evaluation. This includes a new evaluation of the Obligor's credit reports, a review of the initial site visit conducted by OnDeck, and phone interview with the customer to determine whether their delinquency problem is expense, revenue, or receivables related. Other topics addressed on the call include gathering information on what steps the customer has taken to rectify the situation, their plans to reduce expenses during this period, whether they have defaulted on obligations to other creditors, and other basic information about the business status (# employees on staff, revenue trends, cash levels, etc.). OnDeck may also require the customer to provide additional documentation to confirm the customer's reduced capacity to pay (additional bank statements, merchant processing statements, and other documents that may be required by the Collections Department).

After a review of the additional documents, the Collections Department determines a new weekly payment amount based on current cash flows and revenue metrics. Once this weekly payment amount has been determined, a second phone interview is conducted with the customer, during which time the new weekly payment amount is proposed and an affirmation is sought. In most situations, this results in a new payment amount, reduced by the same percentage by which the merchant's monthly cash flow has declined.

For all workout programs, to compensate for the missed and slower payments during the workout period, the term of the original loan is extended until all outstanding principal and interest is paid in full (i.e., new daily payments are added to the Obligor's payment schedule). The platform system will automatically extend out the maturity date by the necessary amount to ensure that the customer does not have a balloon payment. All workout programs expire after 30 calendar days. At the end of a customer's 30-day workout period, their daily payment and payment frequency automatically resets back to the contractual amount.

OnDeck may extend the workout arrangement if requested by the customer, and approved by a senior collector based on a de novo review of bank and merchant processing statements. If the customer's financial situation has not improved, the workout schedule may be extended for an additional 30 days.

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Once it is deemed that a customer's temporary cash flow issues have been resolved, their payment schedule is increased back to the contractually obligated amount. From a collection stage perspective, the customer is re-categorized from "Level-Two Workout" to "Level Two-Late".

Bankruptcy and Charge-offs

Whenever an official bankruptcy notice has been received, the account is immediately placed on hold and attempts to contact the Obligor for payments are ceased. In addition, a member of the Collections Department conducts an asset evaluation to determine what assets the Obligor had at origination and determines if OnDeck had any priority liens. If OnDeck is in the first lien position for the Obligor's assets, a lift of stay will be requested through the bankruptcy court and, if approved, the assets will be taken back by OnDeck and liquidated.

OnDeck charges off any debt that is greater than 90 days past due and in a non-paying state. Bankruptcies are charged off immediately.

Disaster Recovery

All On Deck facilities are backed up to onsite data appliances. These appliances securely transmit backed up data to Barracuda Networks, where it is replicated to two separate offsite locations. Restores can be done at the file, directory, or server level. Origination data is backed up every 30 minutes and payments are backed up twice a week. The last full disaster recovery test was performed in March 2014 with no material issues identified.

Backup Servicing

Portfolio Financial Servicing Company (PFSC) located in Portland, Oregon is the warm to hot back up servicer on this transaction. DBRS deems PFSC to be an acceptable back-up servicer for the transaction. PFSC has been in business for 21 years, has approximately 100 employees and first entered the daily pay loan space in 2009. The company is currently performing primary servicing on 56 distinct portfolios totaling approximately \$6 Billion and back up servicing functions on approximately 78 distinct credit facilities or securitized pools (40 companies/issuers) totaling approximately \$6 Billion.

PFSC entered into its first back up servicing arrangement with OnDeck in February 2010 and has served as the back-up servicer on six subsequent OnDeck transactions. Over the years, PFSC has conducted several onsite visits to On Deck, mapped the portfolio to their system and performed a monthly reconciliation and certification.

For this transaction, PFSC will be acting initially as a warm back-up servicer that will convert to a hot back-up servicer within 30 days, if certain triggers are breached. These triggers include if excess spread were to decline below 15.00% or delinquencies were to exceed 12.50%. In its role as back-up servicer, PFSC will be receiving daily data files that include all of the information necessary to facilitate daily ACH processing including each Obligor's ABA routing and account number. The Company will be conducting monthly reconciliation and issuing a back-up servicer certification noting any exceptions to the Issuer, Servicer and Trustee. Additionally, PFSC will have "view" access to the various depository accounts that will convert to full access in the event of the termination of On Deck as servicer.

There are limited opportunities for PFSC to resign as back-up servicer and specifically include: (i) the ongoing non-payment of fees or expenses owed to PFSC, (ii) changes to the legal or regulatory environment that, based on an opinion of counsel, would prevent PFSC from performing its duties as back up servicer, or (iii) a material unremedied failure by the Issuer to observe a covenant or agreement.

Since the OnDeck portfolio is relatively standard from a conversion and servicing perspective (i.e. no tax escrow, no financed collateral, no insurance tracking and no invoicing requirements) DBRS believes the back-up servicer arrangement with PFSC is adequate; particularly given their numerous years of prior experience acting as a back-up servicer for OnDeck. Additionally, the 30 days of interest payments that are being reserved in the transaction, which will be used to cover any shortfalls during a transfer to the back up servicer, helps to ensure the timely payment of interest to investors.

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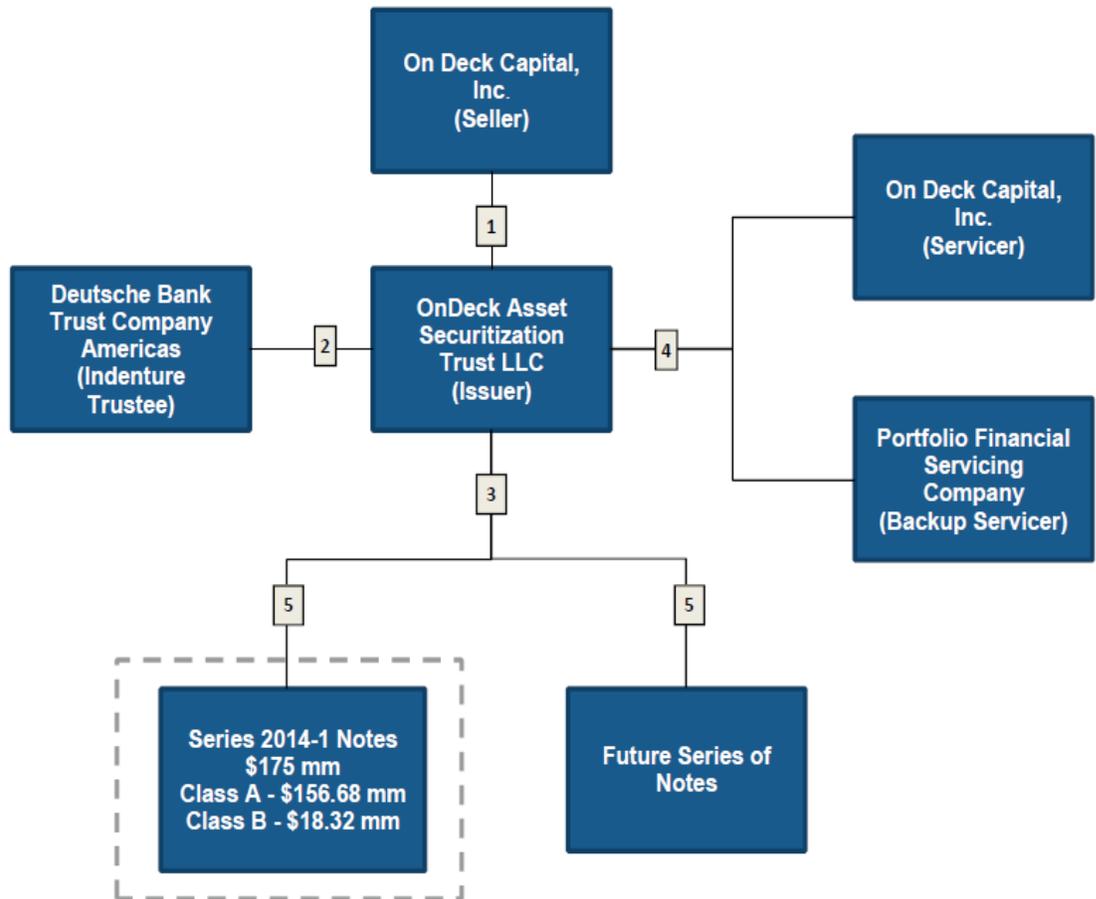
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Transaction Structure

The transaction is structured as a master trust and will allow for future issuance of additional series. Each series of notes will be created by an Indenture Supplement. The initial series contains a two-year revolving/reinvestment period after which the series notes will amortize until the notes are reduced to zero.



- (1) On the Closing Date, the Seller will transfer loans to the Issuer for cash available from the sale of the Series 2014-1 Notes or as a contribution of capital to the Issuer. From time to time thereafter, the Seller may transfer additional loans to the Issuer for cash available from payments on the loans owned by the Issuer, the issuances of additional series of notes or otherwise as contributions to capital of the Issuer.
- (2) The Issuer pledges the loans it acquires from the Seller and certain other assets to the Indenture Trustee to secure its notes, including the Series 2014-1 Notes.
- (3) The Issuer issues the Series 2014-1 Notes and from time to time in the future may issue additional series of notes.
- (4) The Servicer services the loans and remits payments on the loans received from the obligors to the lockbox account or the collection account. The Backup Servicer will provide certain services in respect of reports generated by the Servicer and other matters and, in the event that the Servicer is terminated after a Servicer Default, will agree at the request of the Indenture Trustee to act as the successor servicer.
- (5) The Indenture Trustee uses collections on the loans allocated to the Series 2014-1 Notes to make payments on the Series 2014-1 Notes pursuant to the payment priorities and will use collections allocated to any other series of notes issued by the Issuer to make payments on those notes in accordance with the priorities set forth in the applicable indenture supplement.

The Issuer will apply the net proceeds from the sale of the OnDeck Series 2014-1 notes to acquire the pool of loans from OnDeck Capital, currently financed in warehouse facilities and to make the initial deposit to the reserve account.

OnDeck Capital as originator, seller and servicer will make certain representations and warranties with respect to each contract sold pursuant to the Loan Purchase Agreement, including those comprising the initial

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and subsequent purchases. Each representation and warranty will be made as of the Closing Date in the case of the initial contracts and on the applicable date of each transfer with respect to additional contracts. All rights and remedies in respect of such representations and warranties will be assigned to the Indenture Trustee for the secured parties.

The servicing agreement will require the Servicer to cause all funds collected and received pursuant to each pooled loan to be paid directly into the Lockbox Account or the Collection Account. On or prior to the date of the Base Indenture, the Issuer, the Collection/Lockbox Account Depository and the Indenture Trustee shall have entered into the Collection Account Control Agreement and the Lockbox Account Control Agreement pursuant to which the Collection/Lockbox Account shall be established and maintained for the benefit of the noteholders.

Under the Base Indenture (and Supplemental Indentures), the Issuer and the Indenture Trustee are authorized to cause all collections due and to become due to be remitted directly to the Collection or Lockbox Account. The Issuer agrees that if any Collections shall be received by the Issuer in an account other than the Collection Account or the Lockbox Account, such monies will not be commingled by the Issuer with any of its other funds but shall be held in trust by the Issuer for, and immediately (but in any event within two Business Days from receipt) remitted to, the Indenture Trustee.

Total Available Collections means, with respect to any Payment Date,

- (i) Aggregate amount of Collections allocated to the Series 2014-1 Collection Account;
- (ii) Investment income on amounts on deposit in the Series 2014-1 Collection Account; and
- (iii) Investment income on amounts on deposit in the Series 2014-1 Interest and Expense Account

Priority of Payments

On each payment date the Indenture Trustee shall apply the Total Available Amount in the Series 2014-1 Settlement Account in the following order of priority:

1. To the Indenture Trustee and Custodian, all accrued and unpaid fees, expenses and indemnities then due, but not exceeding the Annual Indenture Trustee Fee Limit as long as no Event of Default has occurred;
2. To the Servicer, the servicing fee but not exceeding the Annual Backup Servicer Fee Limit;
3. To the Back-up Servicer the back-up servicing fee;
4. The Interest Payment;
 - a. Pro-rata to each Class A Noteholder, and
 - b. Pro-rata to each Class B Noteholder,
5. As long as no Series 2014-1 Asset Amount Deficiency exists (i.e. sufficient eligible assets available to maintain the total amount of invested assets equal to the outstanding notes plus required credit enhancement), to reinvest in additional loans;
 - a. If eligible assets are not available to maintain parity, then to pay down outstanding notes until parity is achieved,
6. To the Reserve Account until it reaches the Required Reserve Account Amount;
7. To the Indenture Trustee, the Custodian and/or the Back-Up Servicer any additional fees, expenses and indemnities not otherwise paid in 1, 2 or 4 above; and
8. To the Issuer, an amount equal to the balance remaining in the Settlement Account.

After an Event of Default or during the Amortization Period, following 5 above, remaining Total Available Amount will be paid as principal payment to the Notes:

1. Pro-rata to each Class A Noteholder until paid off; and
2. Pro-rata to each Class B Noteholder until paid off.

Events of Default, with respect to any Series of Notes, means any one of the following events:

1. The SEC reaches a final determination that the Issuer is an “investment company” within the meaning of the Investment Company Act;

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2. The Issuer receives a final determination that it will be treated as an association taxable as a corporation for federal income tax purposes;
3. An Insolvency Event shall have occurred with respect to the Issuer;
4. The default in the payment of interest on any Note, and such default shall continue for a period of five Business Days;
5. The default in the payment of principal of any Note; or
6. Default in the observance or performance of any covenant or agreement of the Issuer made in the transaction documents which default materially and adversely affects the interests of the Noteholders and not be cured for a period of thirty (30) days.

Amortization Event: with respect to a specific Series of Notes, means any one of the following events:

1. Any **Trigger Event** shall occur as of any Monthly Reporting Date;
 - a. The three month average Weighted Average Loan Yield was less than 45.00%,
 - b. The three month average Weighted Average Excess Spread was less than 10.00%, or
 - c. The three month average Delinquency Ratio was greater than 16.00%,
2. A Series 2014-1 Reserve Account Deficiency shall occur and continue for at least three Business Days;
3. A Series 2014-1 Asset Amount Deficiency shall occur and continue for at least three Business Days;
4. An Insolvency Event of the Seller or the Servicer; or
5. Any **Servicer Default** shall occur;
 - a. Any failure by the Servicer to make any payment, transfer or deposit, or, if applicable, to give instructions or notice to the Indenture Trustee to make such payment, transfer or deposit on or before the date such payment, transfer or deposit or such instruction or notice is required to be made or given under this Agreement or the Indenture, and such failure shall continue for five (5) Business Days,
 - b. Any representation or warranty made by the Servicer in this Agreement or in any statement or certificate at any time given by the Servicer in writing pursuant to this Agreement or the Indenture is incorrect when made and such inaccuracy has a material and adverse effect on the interests of the Noteholders and such inaccuracy is not cured for a period of thirty (30) consecutive days after the earlier of (A) the date on which an Authorized Officer of the Servicer obtains actual knowledge thereof or (B) the date on which written notice of such inaccuracy, requiring the same to be remedied, is given to the Servicer by the Indenture Trustee or the Requisite Noteholders,
 - c. Any failure by the Servicer to comply with any of its agreements or covenants and such failure has a material and adverse effect on the interests of the Noteholders and such failure is not cured for a period of thirty (30) consecutive days after the earlier of (A) the date on which an Authorized Officer of the Servicer obtains actual knowledge thereof or (B) the date on which written notice of such failure, requiring the same to be remedied, shall have been given to the Servicer by the Indenture Trustee or the Requisite Noteholders,
 - d. An Insolvency Event shall have occurred with respect to the Servicer, or
 - e. With respect to any Series of Notes Outstanding, any other event specified as an “**Additional Servicer Default**” for purposes of this Agreement in the related Indenture Supplement;
 - i. Consolidated Liquidity as of the last day of any Fiscal Quarter is less than \$12,000,000,
 - ii. Tangible Net Worth as of the last day of any Fiscal Quarter is less than \$50,000,000,
 - iii. The Leverage Ratio as of the last day of any Fiscal Quarter is greater than 8.0, or
 - iv. Unrestricted Cash and Cash Equivalents of OnDeck and its Subsidiaries as of the last day of Fiscal Quarter are less than \$8,000,000.

So long as a Servicer Default shall not have been remedied, either the Indenture Trustee or the Requisite Noteholders may by notice in writing to the Servicer terminate all the rights and obligations of the Servicer under the Servicing Agreement. On or after the receipt by the Servicer of a Termination Notice, all authority

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and power to service the Pooled Loans shall pass to and be vested in the Backup Servicer or any other successor servicer appointed by the Indenture Trustee or the Requisite Noteholders.

1. Any Event of Default with respect to the Series 2014-1 Notes shall occur;
2. Failure on the part of the Issuer (i) to make any payment or deposit required by the terms of the Base Indenture or Indenture Supplement which failure continues unremedied for at least five (5) Business Days after the date such payment or deposit is required to be made or (ii) duly to observe or perform any covenants or agreements of the Issuer set forth in the Base Indenture or Indenture Supplement, which failure materially and adversely affects the interests of the Series 2014-1 Noteholders, and which failure shall continue or not be cured for a period of thirty (30) days after there shall have been given to the Issuer by the Indenture Trustee or the Issuer and the Indenture Trustee by a Majority in Interest, written notice specifying such default and requiring it to be remedied;
3. Any representation or warranty made by the Issuer in the Base Indenture or Indenture Supplement, or any information required to be delivered by the Issuer to the Indenture Trustee shall prove to have been incorrect when made or when delivered, which incorrect representation or warranty or information materially and adversely affects the interests of the Series 2014-1 Noteholders and continues to be incorrect for a period of thirty (30) days after there shall have been given to the Issuer by the Indenture Trustee or the Issuer and the Indenture Trustee by a Majority in Interest, written notice thereof;
4. Failure on the part of the Seller (i) to make any payment required by the terms of the Loan Purchase Agreement (or within the applicable grace period which shall not exceed five (5) Business Days after the date such payment is required to be made) or (ii) duly to observe or perform any covenants or agreements of the Seller in the Loan Purchase Agreement, which failure materially and adversely affects the interests of the Series 2014-1 Noteholders, and which failure shall continue unremedied for a period of thirty (30) days after there shall have been given to the Seller by the Indenture Trustee or the Seller and the Indenture Trustee by a Majority in Interest, written notice specifying such failure and requiring it to be remedied;
5. The Indenture Trustee shall for any reason fail to have a valid and perfected first priority security interest in any material portion of the Collateral and such failure continues for at least two (2) Business Days or any of the Seller, the Issuer or any Affiliate of either thereof shall assert that the Indenture Trustee does not have a valid and perfected first priority security interest in any material portion of the Collateral; or
6. Any of the Transaction Documents shall cease, for any reason, to be in full force and effect, other than in accordance with its terms;

Servicing Fee Rate is equal to 3.00% of what amount per annum.

Back-up Servicing Fee: The Back-up Servicing Fee will be a monthly fee equal to the greater of one twelfth of 0.0325% on the aggregate Discounted Pool Balance as of the Payment Date occurring immediately prior to the related Collection Period.

In accordance with the terms of the Servicing Agreement, Portfolio Financial Servicing Company (PFSC) will act and assume certain of the rights and responsibilities of the Servicer upon its termination as Servicer under the Servicing Agreement.

Optional Redemption

The Issuer will have the option to prepay the Series 2014-1 Notes, in whole, but not in part, on any payment date following the revolving period.

If the Issuer elects to redeem the Notes, it will deposit or cause to be deposited in the Collection Account an amount equal to the sum of (a) Aggregate Outstanding Note Balance, (b) all accrued and unpaid interest thereon at the related Note Rates up to such date of redemption and (c) all fees, expenses and other reimbursable amounts owing to the Noteholders, the Originator, the Trustee, the Securities Intermediary, the Custodian, the Back-up Servicer and the Servicer.



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The Issuer will give notice of an intended optional redemption at least 15 days prior to the redemption date to the Trustee and the Noteholders. Upon receipt of such notice and such deposit, the Trustee will, within five (5) Business Days, provide notice of redemption to each Noteholder at such Noteholder's address as listed in the note register.

Sale of Collateral

Following the occurrence of an Event of Default and the acceleration of the Notes, the Trustee may as a remedy sell a portion or all of the collateral so long as either:

1. 100% of Noteholders consents to or directs such sale; or
2. Liquidation or the proceeds of such sale or liquidation available to be distributed to the Noteholders are sufficient to pay in full all amounts then due with respect to the Notes and all amounts owed to the Servicer, Originator, Trustee, Securities Intermediary, Custodian, and Back-up Servicer set forth in the Indenture.

“Eligible Loan” means a Loan that satisfied each of the following criteria as of Transfer Date for such Loan:

1. Such Loan represents a legal, valid and binding obligation of the related Obligor and related Guarantor, enforceable against such Obligor and related Guarantor, in accordance with its 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;
2. Such Loan was originated in the ordinary course of the Seller's or the Loan Account Bank's business;
3. Such Loan was underwritten and originated in accordance with the Underwriting Policies;
4. Such Loan was originated in all material respects in accordance with, and complies in all material respects with, all applicable Requirements of Law, including any applicable usury laws and credit protection laws;
5. Such Loan is due from an Eligible Obligor;
6. All obligations under such Loan are guaranteed pursuant to an unconditional personal guaranty by the related Guarantor;
7. Such Loan is fully amortizing over its term with an Outstanding Principal Balance that amortizes each day Payments are received thereunder;
8. Payments are due and payable under such Loan on each Business Day in equal installments, a portion of which is applied thereunder to the payment of interest and a portion of which is applied thereunder to the payment of principal;
9. Such Loan is not an Online Product.
10. Such Loan is denominated and payable in Dollars;
11. Such Loan is an ACH Loan - authorization agreement executed by an Obligor in favor of OnDeck relating to the Obligor's business banking account, providing for the direct debit of payments on a Loan pursuant to OnDeck's automatic payment plan and the direct deposit of disbursements into the Lockbox Account.;
12. Such Loan has been fully disbursed, the Obligor thereof has no additional right to further fundings under the related Loan Agreement and the related Loan Agreement requires that the Loan proceeds be used for business purposes and not for personal, family or household purposes;
13. The proceeds of such Loan were not used to satisfy, in whole or part, any Indebtedness owed or owing by the Obligor thereof to the Seller, a Loan Account Bank, the Issuer or any Affiliate of the Seller, except for any refinancing of an existing Loan if all Payments under such existing Loan were contractually current prior to its refinancing and at least the Minimum Payment Percentage in effect on such Transfer Date of all Payments due and payable at the time of origination under such existing Loan were paid at the time of its refinancing;
14. Such Loan (i) is not subject to any defense (including any defense arising out of violations of usury laws), counterclaim, right of set off or right of rescission (or any such right of rescission has expired in accordance with applicable law) and (ii) is due from an Obligor that has not asserted any defense, counterclaim, right of set off or right of rescission with respect to such Loan;
15. Such Loan was originated by the Seller or a Loan Account Bank without fraud on the part of any Person, including, without limitation, the Obligor thereof or any other party involved in its origination;

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16. Such Loan is not a Charged-Off Loan and has not been Re-Aged;
17. as of the Loan Determination Date in effect for such Transfer Date, at least one Payment had been received on such Loan, such Loan was not a Delinquent Loan and the Seller had no actual knowledge of the existence of any default, breach, violation or other event permitting the acceleration of the maturity of such Loan under the terms of the related Loan Agreement or that with notice or the lapse of time would permit acceleration of such Loan under the terms of the related Loan Agreement;
18. Such Loan has an Outstanding Principal Balance of the Maximum Outstanding Principal Balance (**\$250,000**) in effect on such Transfer Date or less;
19. Such Loan has an original term that does not exceed the Maximum Original Term (**18-Months**) (in effect on such Transfer Date;
20. Such Loan has a Loan Yield greater than or equal to 19.0% per annum;
21. Such Loan is due from an Obligor that was assigned an OnDeck Score greater than 441 as of the date of its underwriting;
22. Such Loan has been serviced by OnDeck since origination in all material respects in accordance with the Servicing Standard;
23. None of the terms, conditions or provisions of such Loan or the related Loan Agreement has been amended, modified, restructured or waived except in accordance with the Underwriting Policies;
24. Such Loan constitutes an “account” (as defined in the UCC), a “payment intangible” (as defined in the UCC) or proceeds thereof and is not Chattel Paper;
25. If such Loan was originated by the Seller, it was originated in, and is governed by the laws of, Virginia;
26. If such Loan was originated by a Loan Account Bank, (i) such Loan Account Bank underwrote, approved, processed and disbursed the proceeds of such Loan out of an office or branch of such Loan Account Bank in a jurisdiction where such Loan Account Bank is authorized to do business and (ii) such Loan is governed by the laws of a jurisdiction where such Loan Account Bank is authorized to do business;
27. Immediately prior to the sale or contribution of such Loan to the Issuer pursuant to the Loan Purchase Agreement, the Seller had good and marketable title to such Loan, free and clear of all Liens (other than any Lien which has been or will be terminated concurrently with such sale or contribution to the Issuer);
28. Under the related Loan Agreement such Loan is freely assignable and does not require the consent of the Obligor thereof or any other Person as a condition to any transfer, sale or assignment of any rights thereunder to or by the Issuer;
29. When sold or contributed to the Issuer by the Seller pursuant to the Loan Purchase Agreement, such Loan will be owned by the Issuer, free and clear of all Liens (other than Permitted Liens);
30. The Seller has caused its master computer records relating to such Loan to be clearly and unambiguously marked to show that such Loan has been sold and/or contributed by the Seller to the Issuer pursuant to the Loan Purchase Agreement and pledged by the Issuer to the Indenture Trustee pursuant to the Base Indenture;
31. Such Loan (A) had an original unpaid principal balance of \$20,000 or less or (B)(i) the Seller has filed a UCC-1 Financing Statement against the Obligor thereof describing such Loan and the Related Security and naming such Obligor, as debtor, the Seller or the UCC Agent (or a wholly owned Subsidiary of the UCC Agent), as secured party, and the Issuer, as assignee, and (ii) if such UCC-1 Financing Statement names the UCC Agent (or a wholly owned Subsidiary of the UCC Agent) as secured party, (x) the Agency Agreement is in full force and effect and (y) the related Loan Agreement states that the Seller may file UCC Financing Statements against the Obligor thereof which names the Seller or its secured party representative as the secured party thereon;
32. Copies (or electronic copies) of each of the documents required by, and listed in, the Document Checklist attached to the Custodial Agreement are included in the Loan File with respect to such Loan and such Loan File has been delivered to and accepted by the Custodian in accordance with Section 2.2(b)(i) of the Custodial Agreement;
33. If such Loan is an E-Sign Loan, it was originated in accordance with all applicable laws governing the collection of electronic signatures or records; and
34. Such Loan was selected from all Loans owned by the Seller or, in the case of the initial Transfer Date, all Loans owned by the Seller or one of the Seller’s Subsidiaries, in each case satisfying each



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of the aforesaid criteria as of such Transfer Date using no selection procedures adverse to the Issuer or the Noteholders.

“Eligible Obligor” means an Obligor that satisfied each of the following criteria as of the Transfer Date for the related Loan:

1. Such Obligor is domiciled in the United States (or a territory thereof);
2. Such Obligor is not a Governmental Authority;
3. Such Obligor is not subject to any proceedings under the Bankruptcy Code or under any other applicable bankruptcy, insolvency or similar law now or hereafter in effect;
4. Such Obligor is not an employee or Affiliate of the Issuer or the Seller or an employee of an Affiliate of the Issuer or the Seller;
5. Such Obligor is not a natural Person;
6. Each Guarantor with respect to such Obligor is a natural person and is a legal U.S. resident;
7. Such Obligor has not closed or sold its business;
8. Such Obligor does not operate in a prohibited industry as described in the Underwriting Policies;
9. Such Obligor is not a party to any other loan or advance arrangements similar to those provided by the Seller with another lender or advance provider, in each case that lends or advances funds based on such Obligor’s future collections or credit card receipts; and
10. Such Obligor is a business that has been operating for at least one year.

“Aggregate Excess Concentration Amount” is the product of (x) the Series 2014-1 Invested Percentage on such date and (y) the sum of the amount the loan pool exceeds the following Concentration Amounts:



Company Name	Concentration Amount	Percentage of Pool Outstanding Principal Balance	
OnDeck Asset Securitization Trust LLC Series 2014-1 Report Date: April 30, 2014	Obligors Located in California	20.0%	
	Obligors Located in Florida	15.0%	
	Obligors Located in New York	15.0%	
	Obligors Located in Texas	15.0%	
	Obligors Located in Any Other State	10.0%	
	Obligor Businesses in Highest Concentration Industry Code	25.0%	
	Obligor Businesses in Any Other Single Industry Code	20.0%	
	Loans with Original Terms in Excess of the One Year Equivalent	20.0%	
	Loans with Outstanding Principal Balances in Excess of \$75,000	30.0%	
	Loans with Outstanding Principal Balances in Excess of \$125,000	12.5%	
	Loans with Outstanding Principal Balances in Excess of \$200,000	3.5%	
	Obligors with OnDeck Scores of less than 470	20.0%	
	Obligors with OnDeck Scores of less than 500	60.0%	
	Obligors with OnDeck Scores of less than 530	80.0%	
	Obligors in Business Less than 2 Years	10.0%	
	Obligors in Business Less than 5 Years	40.0%	
	Loans Subject to Material Modifications	5.0%	
	Loans that are not Renewal Loans	65.0%	
	<p>“Series 2014-1 Average Balance Maximum Amount” is \$40,000. “Series 2014-1 Maximum Original Term” is eighteen (18) months. “Series 2014-1 Maximum Outstanding Principal Balance” is \$250,000.</p>		
	<p>Collateral Description</p> <hr/> <p>The 2014-1 transaction pool characteristics are as of the March 31, 2014 statistical cut-off date. The receivables securitized in this transaction will be a pool of small business loans. Summary statistics of the current portfolio data are presented below.</p>		



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Current Aggregate Principal Balance	183,246,079
Pool Factor	0.73
Number of Loans	5,397
Average Current Balance	33,953
Average Original Balance	46,733
Maximum Original Balance	250,000,000
Minimum Original Balance	5,001
Weighted Average APR	54.4%
Maximum APR%	134.4%
Minimum APR%	28.7%
Weighted Average Original Term (months)	11.0
Weighted Average Remaining Term (months)	8.4
Weighted Average FICO	688
Weighted Average OnDeck Score	508
Loan - New Customer	55.5%
Loan - Renewal	44.5%
FICO Score	
<= 549	0.7%
550 to 599	2.6%
600 to 649	17.9%
650 to 699	39.1%
700 to 749	28.2%
750 >=	11.7%
OnDeck Score	
442 to 469	12.8%
470 to 499	44.6%
500 to 529	22.3%
530 >=	20.3%
Industry (top 5)	
Building and Development	12.5%
Food service	12.3%
Automotive	11.4%
Business equipment and services	11.2%
Retailers (except food and drug)	10.9%
State (top 5)	
CA	16.2%
FL	8.4%
NY	7.6%
TX	7.0%
NJ	4.1%



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The historical delinquency performance of the Company's portfolio in 15 day increments is presented in the table below.

	3/31/2014	3/31/2013	12/31/2013	12/31/2012	12/31/2011	12/31/2010	12/31/2009
Number of Term Loans Outstanding	9,669	4,292	7,786	3,490	1,675	1,025	882
Aggregate Unpaid Principal Balance	\$313,322,755	\$106,864,981	\$229,833,132	\$85,571,638	\$41,427,428	\$20,417,429	\$16,140,405
Delinquency Balance in Days							
1-14 missed payment factor	\$15,494,449	\$6,255,291	\$12,336,681	\$5,621,743	\$2,343,056	\$814,028	\$607,295
15-30 missed payment factor	\$6,857,278	\$2,802,918	\$5,295,883	\$2,820,784	\$837,885	\$437,837	\$246,794
31-45 missed payment factor	\$5,550,005	\$1,709,610	\$3,185,375	\$1,262,546	\$540,846	\$259,399	\$166,436
46-60 missed payment factor	\$3,948,969	\$1,540,489	\$2,675,916	\$1,138,246	\$84,268	\$215,902	\$187,517
60+ missed payment factor	\$4,417,598	\$945,445	\$3,067,358	\$719,116	\$238,291	\$63,766	\$579,555
Delinquency % in Days							
1-14 missed payment factor	4.95%	5.85%	5.37%	6.57%	5.66%	3.99%	3.76%
15-30 missed payment factor	2.19%	2.62%	2.30%	3.30%	2.02%	2.14%	1.53%
31-45 missed payment factor	1.77%	1.60%	1.39%	1.48%	1.31%	1.27%	1.03%
46-60 missed payment factor	1.26%	1.44%	1.16%	1.33%	0.20%	1.06%	1.16%
60+ missed payment factor	1.41%	0.88%	1.33%	0.84%	0.58%	0.31%	3.59%

The cumulative default performance of the Company's quarterly vintages from 2013 and annual vintages from 2009-2012 is summarized below.

	Origination Vintage (based on calendar year)						
	2013 Q3	2013 Q2	2013 Q1	2012	2011	2010	2009
Number of Loans Originated	3,482	2,837	2,285	5,464	2,670	1,763	1,067
Aggregate Original Principal Balance	\$124,084,338	\$93,786,287	\$76,113,883	\$173,765,853	\$89,744,118	\$53,863,900	\$30,018,600
Cumulative Net Losses (as a % of original principal balance)[1]							
Months since origination							
1	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
2	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
3	0.01%	0.00%	0.00%	0.00%	0.09%	0.00%	0.12%
4	0.11%	0.67%	0.31%	0.42%	0.51%	0.14%	0.12%
5	1.10%	1.62%	1.16%	2.20%	1.43%	0.61%	0.16%
6	2.59%	2.35%	2.39%	3.57%	2.34%	1.14%	0.28%
7		2.96%	3.53%	5.03%	3.37%	2.12%	0.41%
8		4.25%	4.78%	5.82%	4.38%	3.25%	1.85%
9		5.40%	5.09%	6.31%	4.71%	4.13%	3.06%
10			5.76%	6.64%	5.31%	4.66%	3.37%
11			6.40%	6.96%	5.67%	4.75%	4.84%
12			7.11%	7.21%	5.80%	4.84%	5.44%
13				7.36%	5.98%	4.89%	6.03%
14				7.54%	6.14%	4.91%	6.50%
15				7.74%	6.20%	4.93%	6.99%
16					6.17%	4.94%	7.12%
17					6.26%	4.91%	7.38%
18					6.32%	4.92%	7.46%

[1] Cumulative net losses (as a % of original principal balance) are only included for those vintages and months since origination for which performance history exists for each Loan of such vintage over such number of months since origination.

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Credit Enhancement

Credit enhancement for the OnDeck Securitization Trust LLC Series 2014-1 transaction will comprise of overcollateralization, subordination, a reserve account and available excess spread.

Overcollateralization

The Required Overcollateralization Amount will equal 4.50% of the initial pool balance.

Subordination

Subordination for the Class A notes will be 15.00% of the initial pool balance and will comprise of the Class B notes.

Reserve Account

A fully funded non-declining reserve account will equal .50% of the initial pool balance.

Excess Spread

The initial excess spread in the transaction is estimated to equal approximately [\bullet] % per annum based on a finance yield of 54.00% less 3.00% servicing fee, .50% other fees and an assumed blended note rate of [\bullet] %.

Cash Flow Analysis

DBRS analyzed the performance of OnDeck's quarterly origination data from 2007 through 2013. The quarterly vintages were segmented by a number of key risk dimensions including credit score band, origination channel, loan size, loan term and industry. In determining an expected base case loss figure, DBRS focused primarily on the credit score band, loan term and industry concentrations. DBRS also factored into the base case loss figure an assumption that the pool's composition will migrate from its initial characteristics to a worst-case composition based on the transaction eligibility, excess concentration and reinvestment criteria, as described in the section on Transaction Structure. DBRS assumed no recovery for defaulted loans. DBRS assumed a range of 6.38% to 7.50% as its base case loss figure.

DBRS used its Large Pool Default Model to determine a Lifetime Total Default Rate at each rating level. In this analysis, DBRS utilized higher correlation assumptions than typically used for large corporate credits set forth in the methodology given the higher potential credit risk in small business loans. For example, correlations for Obligor in similar industries were increased by over 50% versus those typically used for large corporations. DBRS expected the break-even default rate to meet the Lifetime Total Default Rate for each assigned rating.

DBRS performed a cash flow analysis to determine the break-even default rate for each class of debt for each assigned rating. This was completed by incorporating certain cash flow assumptions including compression of the excess spread to levels where triggers were breached and utilization of amounts available in the reserve account.

The results of the break-even default rate analysis indicate that both the Class A and Class B Notes are able to withstand default rates above the expected Lifetime Total Default Rate for the assigned rating levels, which is 28.95% and 20.66%, respectively.

Legal Structure

The Seller will transfer the obligations to the Issuer. Counsel to the Seller will render opinions indicating the "true sale" of the assets from the Seller to the Issuer, and the enforceability of the documents against the Sellers, Issuer and the assets of the Issuer on the closing date. Counsel to the Company will also render an opinion stating that the indenture and the pledges and grants thereunder create a valid security interest in the

**Company Name**

OnDeck Asset
Securitization Trust LLC
Series 2014-1

Report Date:

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obligations for securing payment of the notes of the issuer and that the creditors of the seller/transferor or any OnDeck affiliate could not successfully look to the assets of the issuer for satisfaction of such parties obligations. The transaction will revolve for an initial two-year period that expires in 2016, after which principal on the notes will be paid sequentially, beginning with the Class A notes. In addition, the Series 2014-1 transaction structure, representation and warranties, and documentation were reviewed for consistency with the DBRS Legal Criteria for U.S. Structured Finance Transactions dated September 2009.

Representations and Warranties

The Rule 17g-7 Report of Representations and Warranties is hereby incorporated by reference and can be found at www.dbrs.com.

Notes:

All figures are in U.S. dollars unless otherwise noted.

This report is based on information as of April 30, 2014, unless otherwise noted. Subsequent information may result in material changes to the rating assigned herein and/or the contents of this report.

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