Section 1: 10-Q (10-Q)

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended March 31, 2017

OR

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

For the transition period from to

Commission file number 001-36129

ONEMAIN HOLDINGS, INC.

(Exact name of registrant as specified in its charter)

Delaware	**27-3379612**
(State of Incorporation)	(I.R.S. Employer Identification No.)
601 N.W. Second Street, Evansville, IN	**47708**
(Address of principal executive offices)	(Zip Code)

(812) 424-8031
(Registrant's telephone number, including area code)

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

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

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

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

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

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

At May 1, 2017, there were 135,297,802 shares of the registrant's common stock, $0.01 par value, outstanding.

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GLOSSARY

Terms and abbreviations used in this report are defined below.

Term or Abbreviation	Definition
1999 Indenture	Indenture dated as of May 1, 1999 between SFC and Wilmington
2014-A Notes	asset-backed notes issued in March 2014 by the Springleaf Funding Trust 2014-A
2016 Annual Report on Form 10-K	Annual Report on Form 10-K for the fiscal year ended December 31, 2016
30 - 89 Delinquency ratio	net finance receivables 30 - 89 days past due as a percentage of net finance receivables
5.25% SFC Notes	$700 million of 5.25% Senior Notes due 2019 issued by SFC and guaranteed by OMH
8.25% SFC Notes	$1.0 billion of 8.25% Senior Notes due 2020 issued by SFC and guaranteed by OMH
ABS	asset-backed securities
Adjusted pretax income (loss)	a non-GAAP financial measure; income (loss) before income tax expense (benefit) on a Segment Accounting Basis and excludes acquisition-related transaction and integration expenses, net gain on sale of SpringCastle interests, SpringCastle transaction costs, and losses resulting from repurchases and repayments of debt
AHL	American Health and Life Insurance Company
ASC	Accounting Standards Codification
ASU	Accounting Standards Update
Average debt	average of debt for each day in the period
Average net receivables	average of monthly average net finance receivables (net finance receivables at the beginning and end of each month divided by 2) in the period
Blackstone	collectively, BTO Willow Holdings II, L.P. and Blackstone Family Tactical Opportunities Investment Partnership—NQ—ESC L.P.
CDO	collateralized debt obligations
CFPB	Consumer Financial Protection Bureau
Citigroup	CitiFinancial Credit Company
CMBS	commercial mortgage-backed securities
Dodd-Frank Act	the Dodd-Frank Wall Street Reform and Consumer Protection Act
Exchange Act	Securities Exchange Act of 1934, as amended
FA Loans	purchased credit impaired finance receivables related to the Fortress Acquisition
FASB	Financial Accounting Standards Board
FHLB	Federal Home Loan Bank
FICO score	a credit score created by Fair Isaac Corporation
Financial Funding VII LSA	loan and security agreement entered into on April 13, 2017 with OneMain Financial Funding VII, LLC and third party lenders whereby it can borrow up to a maximum principal balance of $650 million
Fixed charge ratio	earnings less income taxes, interest expense, extraordinary items, goodwill impairment, and any amounts related to discontinued operations, divided by the sum of interest expense and any preferred dividends
Fortress	Fortress Investment Group LLC
Fortress Acquisition	FCFI Acquisition LLC, an affiliate of Fortress, acquired an 80% economic interest for a cash purchase price of $119 million, effective November 30, 2010
GAAP	generally accepted accounting principles in the United States of America
Gross charge-off ratio	annualized gross charge-offs as a percentage of average net receivables
Independence	Independence Holdings, LLC
Indiana DOI	Indiana Department of Insurance
Initial Stockholder	Springleaf Financial Holdings, LLC

Term or Abbreviation	Definition
Junior Subordinated Debenture	$350 million aggregate principal amount of 60-year junior subordinated debt issued by SFC under an indenture dated January 22, 2007, by and between SFC and Deutsche Bank Trust Company, as trustee, and guaranteed by OMH
Lendmark Sale	the sale of 127 Springleaf branches to Lendmark Financial Service, LLC, effective April 30, 2016
LIBOR	London Interbank Offered Rate
Logan Circle	Logan Circle Partners, L.P.
Merit	Merit Life Insurance Co.
Nationstar	Nationstar Mortgage LLC
Net charge-off ratio	annualized net charge-offs as a percentage of average net receivables
Net interest income	interest income less interest expense
NRZ	New Residential Investment Corp.
ODART	OneMain Direct Auto Receivables Trust
OM Loans	purchased credit impaired personal loans acquired in the OneMain Acquisition
OMFH	OneMain Financial Holdings, LLC
OMFH Indenture	Indenture entered into on December 11, 2014, as amended or supplemented from time to time, by OMFH and certain of its subsidiaries in connection with the issuance of the OMFH Notes
OMFH Notes	collectively, $700 million aggregate principal amount of 6.75% Senior Notes due 2019 and $800 million in aggregate principal amount of 7.25% Senior Notes due 2021
OMFH Supplemental Indenture	supplemental indenture dated as of November 8, 2016, to the OMFH Indenture
OMFIT	OneMain Financial Issuance Trust
OMH	OneMain Holdings, Inc.
OneMain	OMFH, collectively with its subsidiaries
OneMain Acquisition	Acquisition of OneMain from CitiFinancial Credit Company, effective November 1, 2015
Other SFC Notes	collectively, approximately $5.2 billion aggregate principal amount of senior notes, on a senior unsecured basis, and the Junior Subordinated Debenture, on a junior subordinated basis, issued by SFC and guaranteed by OMH
Recovery ratio	annualized recoveries on net charge-offs as a percentage of average net receivables
retail sales finance	collectively, retail sales contracts and revolving retail accounts
RMBS	residential mortgage-backed securities
RSAs	restricted stock awards
RSUs	restricted stock units
SCP Loans	purchased credit impaired loans acquired through the SpringCastle Joint Venture
Segment Accounting Basis	a basis used to report the operating results of our segments, which reflects our allocation methodologies for certain costs and excludes the impact of applying purchase accounting
Settlement Agreement	a Settlement Agreement with the U.S. Department of Justice entered into by OMH and certain of its subsidiaries on November 13, 2015, in connection with the OneMain Acquisition
SFC	Springleaf Finance Corporation
SFC Base Indenture	Indenture dated as of December 3, 2014
SFC First Supplemental Indenture	supplemental indenture dated as of December 3, 2014, to the SFC Base Indenture
SFC Guaranty Agreements	agreements entered into on December 30, 2013 by OMH whereby it agreed to fully and unconditionally guarantee the payments of principal, premium (if any) and interest on the Other SFC Notes
SFC Second Supplemental Indenture	supplemental indenture dated as of April 11, 2016, to the SFC Base Indenture
SFC Trust Guaranty Agreement	agreement entered into on December 30, 2013 by OMH whereby it agreed to fully and unconditionally guarantee the related payment obligations under the trust preferred securities in connection with the Junior Subordinated Debenture

Term or Abbreviation	Definition
SFI	Springleaf Finance, Inc.
SLFT	Springleaf Funding Trust
SpringCastle Interests Sale	the March 31, 2016 sale by SpringCastle Holdings, LLC and Springleaf Acquisition Corporation of the equity interest in the SpringCastle Joint Venture
SpringCastle Joint Venture	joint venture among SpringCastle America, LLC, SpringCastle Credit, LLC, SpringCastle Finance, LLC and SpringCastle Acquisition LLC in which SpringCastle Holdings, LLC previously owned a 47% equity interest in each of SpringCastle America, LLC, SpringCastle Credit, LLC and SpringCastle Finance, LLC and Springleaf Acquisition Corporation previously owned a 47% equity interest in SpringCastle Acquisition LLC
SpringCastle Portfolio	loans acquired through the SpringCastle Joint Venture
Springleaf	OMH and its subsidiaries (other than OneMain)
Tangible equity	total equity less accumulated other comprehensive income or loss
Tangible managed assets	total assets less goodwill and other intangible assets
TDR finance receivables	troubled debt restructured finance receivables
Texas DOI	Texas Department of Insurance
Triton	Triton Insurance Company
Trust preferred securities	capital securities classified as debt for accounting purposes but due to their terms are afforded, at least in part, equity capital treatment in the calculation of effective leverage by rating agencies
UK	United Kingdom
UPB	unpaid principal balance
VFN	variable funding notes
VIEs	variable interest entities
Weighted average interest rate	annualized interest expense as a percentage of average debt
Wilmington	Wilmington Trust, National Association
Yield	annualized finance charges as a percentage of average net receivables
Yosemite	Yosemite Insurance Company

PART I — FINANCIAL INFORMATION

Item 1. Financial Statements.

ONEMAIN HOLDINGS, INC. AND SUBSIDIARIES
Condensed Consolidated Balance Sheets (Unaudited)

(dollars in millions, except par value amount)	March 31, 2017	December 31, 2016
Assets		
Cash and cash equivalents	**$ 787**	$ 579
Investment securities	**1,755**	1,764
Net finance receivables:		
Personal loans (includes loans of consolidated VIEs of $9.1 billion in 2017 and $9.5 billion in 2016)	**13,240**	13,577
Real estate loans	**139**	144
Retail sales finance	**9**	11
Net finance receivables	**13,388**	13,732
Unearned insurance premium and claim reserves	**(558)**	(586)
Allowance for finance receivable losses (includes allowance of consolidated VIEs of $471 million in 2017 and $501 million in 2016)	**(666)**	(689)
Net finance receivables, less unearned insurance premium and claim reserves and allowance for finance receivable losses	**12,164**	12,457
Finance receivables held for sale	**148**	153
Restricted cash and restricted cash equivalents (includes restricted cash and restricted cash equivalents of consolidated VIEs of $526 million in 2017 and $552 million in 2016)	**558**	568
Goodwill	**1,422**	1,422
Other intangible assets	**477**	492
Other assets	**662**	688
Total assets	**$ 17,973**	$ 18,123
Liabilities and Shareholders' Equity		
Long-term debt (includes debt of consolidated VIEs of $7.9 billion in 2017 and $8.2 billion in 2016)	**$ 13,679**	$ 13,959
Insurance claims and policyholder liabilities	**749**	757
Deferred and accrued taxes	**8**	9
Other liabilities (includes other liabilities of consolidated VIEs of $12 million in 2017 and 2016)	**432**	332
Total liabilities	**14,868**	15,057
Commitments and contingent liabilities (Note 14)		
Shareholders' equity:		
Common stock, par value $.01 per share; 2,000,000,000 shares authorized, 135,301,202 and 134,867,868 shares issued and outstanding at March 31, 2017 and December 31, 2016, respectively	**1**	1
Additional paid-in capital	**1,550**	1,548
Accumulated other comprehensive loss	**(2)**	(6)
Retained earnings	**1,556**	1,523
Total shareholders' equity	**3,105**	3,066
Total liabilities and shareholders' equity	**$ 17,973**	$ 18,123

See Notes to Condensed Consolidated Financial Statements.

ONEMAIN HOLDINGS, INC. AND SUBSIDIARIES
Condensed Consolidated Statements of Operations (Unaudited)

(dollars in millions, except per share amounts)	Three Months Ended March 31, 2017	2016
Interest income:		
Finance charges	**$ 756**	$ 785
Finance receivables held for sale originated as held for investment	**3**	46
Total interest income	**759**	831
Interest expense	**202**	226
Net interest income	**557**	605
Provision for finance receivable losses	**245**	197
Net interest income after provision for finance receivable losses	**312**	408
Other revenues:		
Insurance	**103**	114
Investment	**19**	20
Net gain on sale of SpringCastle interests	**—**	167
Other	**19**	2
Total other revenues	**141**	303
Other expenses:		
Operating expenses:		
Salaries and benefits	**186**	214
Acquisition-related transaction and integration expenses	**23**	33
Other operating expenses	**142**	167
Insurance policy benefits and claims	**45**	45
Total other expenses	**396**	459
Income before income taxes	**57**	252
Income taxes	**24**	87
Net income	**33**	165
Net income attributable to non-controlling interests	**—**	28
Net income attributable to OneMain Holdings, Inc.	**$ 33**	$ 137
Share Data:		
Weighted average number of shares outstanding:		
Basic	**135,218,586**	134,694,759
Diluted	**135,573,167**	134,907,748
Earnings per share:		
Basic	**$ 0.25**	$ 1.02
Diluted	**$ 0.25**	$ 1.01

See Notes to Condensed Consolidated Financial Statements.

ONEMAIN HOLDINGS, INC. AND SUBSIDIARIES
Condensed Consolidated Statements of Comprehensive Income (Unaudited)

(dollars in millions)	Three Months Ended March 31, 2017	2016
Net income	**$ 33**	$ 165
Other comprehensive income:		
Net change in unrealized gains on non-credit impaired available-for-sale securities	**10**	27
Foreign currency translation adjustments	**—**	6
Income tax effect:		
Net unrealized gains on non-credit impaired available-for-sale securities	**(3)**	(10)
Foreign currency translation adjustments	**—**	(2)
Other comprehensive income, net of tax, before reclassification adjustments	**7**	21
Reclassification adjustments included in net income:		
Net realized gains on available-for-sale securities	**(4)**	(2)
Income tax effect:		
Net realized gains on available-for-sale securities	**1**	1
Reclassification adjustments included in net income, net of tax	**(3)**	(1)
Other comprehensive income, net of tax	**4**	20
Comprehensive income	**37**	185
Comprehensive income attributable to non-controlling interests	**—**	28
Comprehensive income attributable to OneMain Holdings, Inc.	**$ 37**	$ 157

See Notes to Condensed Consolidated Financial Statements.

ONEMAIN HOLDINGS, INC. AND SUBSIDIARIES
Condensed Consolidated Statements of Shareholders' Equity (Unaudited)

(dollars in millions)	OneMain Holdings, Inc. Shareholders' Equity: Common Stock	Additional Paid-in Capital	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	OneMain Holdings, Inc. Shareholders' Equity	Non-controlling Interests	Total Shareholders' Equity
Balance, January 1, 2017	**$ 1**	**$ 1,548**	**$ (6)**	**$ 1,523**	**$ 3,066**	**$ —**	**$ 3,066**
Share-based compensation expense, net of forfeitures	**—**	**7**	**—**	**—**	**7**	**—**	**7**
Withholding tax on share-based compensation	**—**	**(5)**	**—**	**—**	**(5)**	**—**	**(5)**
Other comprehensive income	**—**	**—**	**4**	**—**	**4**	**—**	**4**
Net income	**—**	**—**	**—**	**33**	**33**	**—**	**33**
Balance, March 31, 2017	**$ 1**	**$ 1,550**	**$ (2)**	**$ 1,556**	**$ 3,105**	**$ —**	**$ 3,105**
Balance, January 1, 2016	$ 1	$ 1,533	$ (33)	$ 1,308	$ 2,809	$ (79)	$ 2,730
Share-based compensation expense, net of forfeitures	—	7	—	—	7	—	7
Excess tax benefit from share-based compensation	—	2	—	—	2	—	2
Withholding tax on share-based compensation	—	(5)	—	—	(5)	—	(5)
Change in non-controlling interests:							
Distributions declared to joint venture partners	—	—	—	—	—	(18)	(18)
Sale of equity interests in SpringCastle joint venture	—	—	—	—	—	69	69
Other comprehensive income	—	—	20	—	20	—	20
Net income	—	—	—	137	137	28	165
Balance, March 31, 2016	$ 1	$ 1,537	$ (13)	$ 1,445	$ 2,970	$ —	$ 2,970

See Notes to Condensed Consolidated Financial Statements.

ONEMAIN HOLDINGS, INC. AND SUBSIDIARIES
Condensed Consolidated Statements of Cash Flows (Unaudited)

(dollars in millions)	Three Months Ended March 31, 2017	2016
Cash flows from operating activities		
Net income	$ 33	$ 165
Reconciling adjustments:		
Provision for finance receivable losses	245	197
Depreciation and amortization	98	151
Deferred income tax charge (benefit)	25	(43)
Share-based compensation expense, net of forfeitures	7	7
Net gain on sale of SpringCastle interests	—	(167)
Other	(2)	(1)
Cash flows due to changes in:		
Other assets and other liabilities	75	51
Insurance claims and policyholder liabilities	(38)	(24)
Taxes receivable and payable	(3)	67
Accrued interest and finance charges	4	12
Other, net	—	1
Net cash provided by operating activities	444	416
Cash flows from investing activities		
Net principal collections (originations) of finance receivables held for investment and held for sale	30	(125)
Proceeds from sale of SpringCastle interests, net of restricted cash released	—	26
Cash received from CitiFinancial Credit Company	—	23
Available-for-sale securities purchased	(132)	(154)
Trading and other securities purchased	—	(1)
Available-for-sale securities called, sold, and matured	162	175
Trading and other securities called, sold, and matured	2	13
Other, net	(3)	(2)
Net cash provided by (used for) investing activities	59	(45)
Cash flows from financing activities		
Proceeds from issuance of long-term debt, net of commissions	366	1,673
Repayments of long-term debt	(666)	(2,335)
Distributions to joint venture partners	—	(18)
Excess tax benefit from share-based compensation	—	2
Withholding tax on share-based compensation	(5)	(5)
Net cash used for financing activities	(305)	(683)

Condensed Consolidated Statements of Cash Flows (Unaudited) (Continued)

(dollars in millions)	At or for the Three Months Ended March 31, 2017	2016
Effect of exchange rate changes on cash and cash equivalents	—	1
Net change in cash and cash equivalents and restricted cash and restricted cash equivalents	198	(311)
Cash and cash equivalents and restricted cash and restricted cash equivalents at beginning of period	1,147	1,615

Cash and cash equivalents and restricted cash and restricted cash equivalents at end of period	**$ 1,345**	$ 1,304
Supplemental cash flow information		
Cash and cash equivalents	**$ 787**	$ 716
Restricted cash and restricted cash equivalents	**558**	588
Total cash and cash equivalents and restricted cash and restricted cash equivalents	**$ 1,345**	$ 1,304
Supplemental non-cash activities		
Transfer of finance receivables held for investment to finance receivables held for sale (prior to deducting allowance for finance receivable losses)	**$ —**	$ 1,608
Transfer of finance receivables to real estate owned	**2**	2
Net unsettled investment security purchases	**(19)**	—

Restricted cash and restricted cash equivalents represent funds required to be set aside by local state authorities for the payment of state specific insurance licenses, as well as funds to be used for future debt payments relating to our securitization transactions and escrow deposits.

See Notes to Condensed Consolidated Financial Statements.

ONEMAIN HOLDINGS, INC. AND SUBSIDIARIES
Notes to Condensed Consolidated Financial Statements (Unaudited)
March 31, 2017

1. Business and Basis of Presentation

OneMain Holdings, Inc. is referred to in this report as "OMH" or, collectively with its subsidiaries, whether directly or indirectly owned, the "Company," "we," "us," or "our." OMH is a Delaware corporation. At March 31, 2017, the Initial Stockholder owned approximately 57% of OMH's common stock. The Initial Stockholder is owned primarily by a private equity fund managed by an affiliate of Fortress.

OMH is a financial services holding company whose principal subsidiaries are SFI and Independence. SFI's principal subsidiary is SFC, and Independence's principal subsidiary is OMFH. SFC and OMFH are financial services holding companies with subsidiaries engaged in the consumer finance and insurance businesses.

BASIS OF PRESENTATION

We prepared our condensed consolidated financial statements using GAAP. These statements are unaudited. The year-end condensed balance sheet data was derived from our audited financial statements, but does not include all disclosures required by GAAP. The statements include the accounts of OMH, its subsidiaries (all of which are wholly owned, except for certain indirect subsidiaries associated with the SpringCastle Joint Venture, in which we owned a 47% equity interest prior to March 31, 2016), and VIEs in which we hold a controlling financial interest and for which we are considered to be the primary beneficiary as of the financial statement date.

We eliminated all material intercompany accounts and transactions. We made judgments, estimates, and assumptions that affect amounts reported in our condensed consolidated financial statements and disclosures of contingent assets and liabilities. In management's opinion, the condensed consolidated financial statements include the normal, recurring adjustments necessary for a fair statement of results. Ultimate results could differ from our estimates. We evaluated the effects of and the need to disclose events that occurred subsequent to the balance sheet date. To conform to the 2017 presentation, we have reclassified certain items in prior periods of our condensed consolidated financial statements. Also, to conform to the new alignment of our segments, as further discussed in Note 16, we have revised our prior period segment disclosures.

The condensed consolidated financial statements in this report should be read in conjunction with the consolidated financial statements and related notes included in our 2016 Annual Report on Form 10-K. We follow the same significant accounting policies for our interim reporting.

2. Recent Accounting Pronouncements

ACCOUNTING PRONOUNCEMENTS RECENTLY ADOPTED

Investments

In March of 2016, the FASB issued ASU 2016-07, *Simplifying the Transition to the Equity Method of Accounting*, which eliminates the requirement that, when an investment qualifies for use of the equity method of accounting as a result of an increase in the level of ownership interest or degree of influence, an investor must adjust the investment, results of operations, and retained earnings retroactively on a step-by-step basis as if the equity method of accounting had been in effect during all previous periods that the investment had been held. The ASU requires that an entity that has available-for-sale securities recognize, through earnings, the unrealized holding gain or loss in accumulated other comprehensive income at the date the investment becomes qualified for use of the equity method of accounting. The amendment in this ASU became effective prospectively for annual periods, and interim periods within those annual periods, beginning after December 15, 2016. We have adopted this ASU as of January 1, 2017 and concluded that it does not have an impact on our consolidated financial statements.

Statement of Cash Flows

In November of 2016, the FASB issued ASU 2016-18, *Statement of Cash Flows*, which simplifies the presentation of restricted cash on the statement of cash flows by requiring entities to include restricted cash and restricted cash equivalents in the reconciliation of cash and cash equivalents. The amendments in this ASU become effective for fiscal years beginning after December 15, 2017, and interim periods within those fiscal years. We have elected to early adopt this ASU as of January 1, 2017 and presented this change on a retrospective basis for all periods presented. We have concluded that this ASU does not have a material impact on our consolidated financial statements.

Technical Corrections and Improvements

In January of 2017, the FASB issued ASU 2017-03, *Accounting Changes and Error Corrections*, to enhance the footnote disclosure guidelines for ASUs 2014-09, 2016-02, and 2016-13. The amendments to this transition guidance became effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2016. We have adopted this ASU as of January 1, 2017 on a prospective basis. We have concluded that this ASU does not have a material impact on our consolidated financial statements.

ACCOUNTING PRONOUNCEMENTS TO BE ADOPTED

Revenue Recognition

In May of 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers*, which provides a consistent revenue accounting model across industries. In August of 2015, the FASB issued ASU 2015-14, *Revenue from Contracts with Customers - Deferral of the Effective Date*, to defer the effective date of the new revenue recognition standard by one year, which would result in the ASU becoming effective for annual periods, and interim periods within those annual periods, beginning after December 15, 2017. In March of 2016, the FASB issued ASU 2016-08, *Principal versus Agent Considerations*, which clarifies the implementation of the guidance on principal versus agent considerations from ASU 2014-09. ASU 2016-08 does not change the core principle of the guidance in ASU 2014-09, but rather clarifies the distinction between principal versus agent considerations when implementing ASU 2014-09. In April of 2016, the FASB issued ASU 2016-10, *Identifying Performance Obligations and Licensing*, to clarify the implementation guidance of ASU 2014-09 relating to performance obligations and licensing. In May of 2016, the FASB issued ASU 2016-12, *Narrow-Scope Improvements and Practical Expedients*, to clarify guidance in ASU 2014-09 related to assessing collectability, presentation of sales taxes, noncash consideration, and completed contracts/contract modifications. In December of 2016, the FASB issued ASU 2016-20, *Technical Corrections and Improvements to Topic 606*, which improves the guidance specific to the amendments in ASU 2014-09. We believe that the adoption of this ASU will not have a material effect on our consolidated financial statements, and we are in the process of quantifying the expected impact.

Financial Instruments

In January of 2016, the FASB issued ASU 2016-01, *Recognition and Measurement of Financial Assets and Financial Liabilities*, which simplifies the impairment assessment of equity investments. The update requires equity investments to be measured at fair value with changes recognized in net income. This ASU eliminates the requirement to disclose the methods and assumptions to estimate fair value for financial instruments, requires the use of the exit price for disclosure purposes, requires the change in liability due to a change in credit risk to be presented in other comprehensive income, requires separate presentation of financial assets and liabilities by measurement category and form of asset (securities and loans), and clarifies the need for a valuation allowance on a deferred tax asset related to available-for-sale securities. The amendments in this ASU become effective prospectively for annual periods, and interim periods within those annual periods, beginning after December 15, 2017. We are evaluating whether the adoption of this ASU will have a material effect on our consolidated financial statements.

In March of 2017, the FASB issued ASU 2017-08, *Receivables - Nonrefundable Fees and Other Costs*, which amends the amortization period for certain purchased callable debt securities held at a premium. This ASU shortens the amortization period for the premium from the adjustment of yield over the contractual life of the instrument to the earliest call date. The amendments in this ASU become effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2018. We are evaluating whether the adoption of this ASU will have a material effect on our consolidated financial statements.

Leases

In February of 2016, the FASB issued ASU 2016-02, *Leases*. The ASU requires lessees to recognize a right-to-use asset and a liability for the obligation to make payments on leases with terms greater than 12 months and to disclose information related to the amount, timing and uncertainty of cash flows arising from leases, including various qualitative and quantitative requirements. The amendments in this ASU become effective for annual periods, and interim periods within those annual periods, beginning after December 15, 2018. We believe that the adoption of this ASU will have a material effect on our consolidated financial statements, and we are in the process of quantifying the expected impact.

Revenue Recognition and Derivatives and Hedging

In May of 2016, the FASB issued ASU 2016-11, *Revenue Recognition and Derivatives and Hedging*, to rescind certain SEC guidance in Topic 605 and Topic 815 as ASU 2014-09 becomes effective. Our adoption of ASU 2014-09 will bring us into alignment with this ASU. We believe that the adoption of this ASU will not have a material effect on our consolidated financial statements.

Allowance for Finance Receivables Losses

In June of 2016, the FASB issued ASU 2016-13, *Financial Instruments-Credit Losses: Measurement of Credit Losses on Financial Instruments.* The ASU significantly changes the way that entities will be required to measure credit losses. The new standard requires that the estimated credit loss be based upon an “expected credit loss” approach rather than the “incurred loss” approach currently required. The new approach will require entities to measure all expected credit losses for financial assets based on historical experience, current conditions, and reasonable forecasts of collectability. It is anticipated that the expected credit loss model will require earlier recognition of credit losses than the incurred loss approach.

The ASU requires that credit losses for purchased financial assets with a more-than-insignificant amount of credit deterioration since origination that are measured at amortized cost basis be determined in a similar manner to other financial assets measured at amortized cost basis; however, the initial allowance for credit losses is added to the purchase price of the financial asset rather than being reported as a credit loss expense. Subsequent changes in the allowance for credit losses are recorded in earnings. Interest income should be recognized based on the effective rate, excluding the discount embedded in the purchase price attributable to expected credit losses at acquisition.

The ASU also requires companies to record allowances for held-to-maturity and available-for-sale debt securities rather than write-downs of such assets.

In addition, the ASU requires qualitative and quantitative disclosures that provide information about the allowance and the significant factors that influenced management’s estimate of the allowance.

The ASU will become effective for the Company for fiscal years beginning January 1, 2020. Early adoption is permitted for fiscal years beginning January 1, 2019. We believe the adoption of this ASU will have a material effect on our consolidated financial statements and we are in the process of quantifying the expected impacts.

Statement of Cash Flows

In August of 2016, the FASB issued ASU 2016-15, *Statement of Cash Flows*, which clarifies how certain cash receipts and cash payments are presented and classified in the statement of cash flows. The amendments in this ASU will become effective for fiscal years beginning after December 15, 2017, and interim periods within those fiscal years. We are evaluating whether the adoption of this ASU will have a material effect on our consolidated financial statements.

Income Taxes

In October of 2016, the FASB issued ASU 2016-16, *Income Taxes*, which requires entities to recognize the income tax consequences of an intra-entity transfer of an asset other than inventory when the transfer occurs. The amendments in this ASU will become effective for annual reporting periods beginning after December 15, 2017, including interim periods within those annual reporting periods. We are evaluating whether the adoption of this ASU will have a material effect on our consolidated financial statements.

Business Combinations

In January of 2017, the FASB issued ASU 2017-01, *Business Combinations*, to clarify the definition of a business, which establishes a process to determine when an integrated set of assets and activities can be deemed a business combination. The amendments in this ASU become effective for annual periods, and interim periods within those annual periods, beginning after December 15, 2017. We are evaluating whether the adoption of this ASU will have a material effect on our consolidated financial statements.

Goodwill Impairment

In January of 2017, the FASB issued ASU 2017-04, *Intangibles-Goodwill and Other*, which simplifies the test for goodwill impairment by eliminating Step 2 in the impairment process. The amendments in this ASU will become effective for fiscal years beginning after December 15, 2019, and interim periods within those fiscal years. We believe that the adoption of this ASU will not have a material impact on our consolidated financial statements.

Compensation and Benefits

In March of 2017, the FASB issued ASU 2017-07, *Compensation-Retirement Benefits*, to improve the presentation of the net periodic pension cost and net periodic postretirement benefit costs. It requires that a company present separately the service cost component on the income statement. The amendments in this ASU become effective for annual periods, and interim periods within those annual periods, beginning after December 15, 2017. We are evaluating whether the adoption of this ASU will have a material effect on our consolidated financial statements.

We do not believe that any other accounting pronouncements issued during the three months ended March 31, 2017, but not yet effective, would have a material impact on our consolidated financial statements or disclosures, if adopted.

3. Finance Receivables

Our finance receivable types include personal loans, real estate loans, and retail sales finance as defined below:

- ***Personal loans* —** are secured by consumer goods, automobiles, or other personal property or are unsecured, typically non-revolving with a fixed-rate and a fixed, original term of three to six years. At March 31, 2017, we had over 2.1 million personal loans representing $13.2 billion of net finance receivables, compared to 2.2 million personal loans totaling $13.6 billion at December 31, 2016.

- ***Real estate loans* —** are secured by first or second mortgages on residential real estate, generally have maximum original terms of 360 months, and are considered non-conforming. Real estate loans may be closed-end accounts or open-end home equity lines of credit and are primarily fixed-rate products. Since we ceased originating real estate loans in January of 2012, our real estate loans have been in a liquidating status.

- ***Retail sales finance* —** include retail sales contracts and revolving retail accounts. Retail sales contracts are closed-end accounts that represent a single purchase transaction. Revolving retail accounts are open-end accounts that can be used for financing repeated purchases from the same merchant. Retail sales contracts are secured by the personal property designated in the contract and generally have maximum original terms of 60 months. Revolving retail accounts are secured by the goods purchased and generally require minimum monthly payments based on the amount financed calculated after the most recent purchase or outstanding balances. Our retail sales finance portfolio is in a liquidating status.

Components of net finance receivables held for investment by type were as follows:

(dollars in millions)	Personal Loans	Real Estate Loans	Retail Sales Finance	Total
March 31, 2017				
Gross receivables *	**$ 14,856**	**$ 137**	**$ 10**	**$ 15,003**
Unearned finance charges and points and fees	**(1,843)**	**1**	**(1)**	**(1,843)**
Accrued finance charges	**144**	**1**	**—**	**145**
Deferred origination costs	**83**	**—**	**—**	**83**
Total	**$ 13,240**	**$ 139**	**$ 9**	**$ 13,388**
December 31, 2016				
Gross receivables *	$ 15,405	$ 142	$ 12	$ 15,559
Unearned finance charges and points and fees	(2,062)	1	(1)	(2,062)
Accrued finance charges	151	1	—	152
Deferred origination costs	83	—	—	83
Total	$ 13,577	$ 144	$ 11	$ 13,732

* Gross receivables are defined as follows:

- ***Finance receivables purchased as a performing receivable*** — gross finance receivables equal the UPB for interest bearing accounts and the gross remaining contractual payments for precompute accounts. Additionally, the remaining unearned discount, net of premium established at the time of purchase, is included in both interest bearing and precompute accounts to reflect the finance receivable balance at its initial fair value;

- ***Finance receivables originated subsequent to the OneMain Acquisition and the Fortress Acquisition*** — gross finance receivables equal the UPB for interest bearing accounts and the gross remaining contractual payments for precompute accounts;

- ***Purchased credit impaired finance receivables*** — gross finance receivables equal the remaining estimated cash flows less the current balance of accretable yield on the purchased credit impaired accounts; and

- ***TDR finance receivables*** — gross finance receivables equal the UPB for interest bearing accounts and the gross remaining contractual payments for precompute accounts. Additionally, the remaining unearned discount, net of premium established at the time of purchase, is included in both interest bearing and precompute accounts previously purchased as a performing receivable.

At March 31, 2017 and December 31, 2016, unused lines of credit extended to customers by the Company were immaterial.

CREDIT QUALITY INDICATOR

We consider the delinquency status of our finance receivables as our primary credit quality indicator. We monitor delinquency trends to manage our exposure to credit risk. When finance receivables are 60 days past due, we consider them delinquent and transfer collections management of these accounts to our centralized operations, as these accounts are considered to be at increased risk for loss. At 90 days or more past due, we consider our finance receivables to be nonperforming.

The following is a summary of net finance receivables held for investment by type and by number of days delinquent:

(dollars in millions)	Personal Loans	Real Estate Loans	Retail Sales Finance	Total
March 31, 2017				
Net finance receivables:				
Performing				
Current	**$ 12,652**	**$ 102**	**$ 9**	**$ 12,763**
30-59 days past due	**164**	**8**	**—**	**172**
60-89 days past due	**120**	**4**	**—**	**124**
Total performing	**12,936**	**114**	**9**	**13,059**
Nonperforming				
90-179 days past due	**296**	**5**	**—**	**301**
180 days or more past due	**8**	**20**	**—**	**28**
Total nonperforming	**304**	**25**	**—**	**329**
Total	**$ 13,240**	**$ 139**	**$ 9**	**$ 13,388**
December 31, 2016				
Net finance receivables:				
Performing				
Current	$ 12,920	$ 102	$ 11	$ 13,033
30-59 days past due	174	9	—	183
60-89 days past due	130	4	—	134
Total performing	13,224	115	11	13,350
Nonperforming				
90-179 days past due	349	8	—	357
180 days or more past due	4	21	—	25
Total nonperforming	353	29	—	382
Total	$ 13,577	$ 144	$ 11	$ 13,732

We accrue finance charges on revolving retail finance receivables up to the date of charge-off at 180 days past due. Our revolving retail finance receivables that were more than 90 days past due and still accruing finance charges at March 31, 2017 and at December 31, 2016 were immaterial. Our personal loans and real estate loans do not have finance receivables that were more than 90 days past due and still accruing finance charges.

PURCHASED CREDIT IMPAIRED FINANCE RECEIVABLES

Our purchased credit impaired finance receivables consist of receivables purchased in connection with the OneMain Acquisition and the Fortress Acquisition.

Prior to March 31, 2016, our purchased credit impaired finance receivables also included the SpringCastle Portfolio, which was purchased in connection with the joint venture acquisition of the SpringCastle Portfolio. On March 31, 2016, we sold the SpringCastle Portfolio in connection with the SpringCastle Interests Sale.

We report the carrying amount (which initially was the fair value) of our purchased credit impaired finance receivables in net finance receivables, less allowance for finance receivable losses or in finance receivables held for sale as discussed below.

At March 31, 2017 and December 31, 2016, finance receivables held for sale totaled $148 million and $153 million, respectively, which include purchased credit impaired finance receivables, as well as TDR finance receivables. Therefore, we are presenting the financial information for our purchased credit impaired finance receivables and TDR finance receivables combined for finance receivables held for investment and finance receivables held for sale in the tables below. See Note 5 for further information on our finance receivables held for sale.

Information regarding our purchased credit impaired finance receivables held for investment and held for sale were as follows:

(dollars in millions)	OM Loans	FA Loans (a)	Total
March 31, 2017			
Carrying amount, net of allowance	**$ 273**	**$ 68**	**$ 341**
Outstanding balance (b)	**379**	**105**	**484**
Allowance for purchased credit impaired finance receivable losses	**29**	**8**	**37**
December 31, 2016			
Carrying amount, net of allowance	$ 324	$ 70	$ 394
Outstanding balance (b)	444	107	551
Allowance for purchased credit impaired finance receivable losses	29	8	37

(a) Purchased credit impaired FA Loans held for sale included in the table above were as follows:

(dollars in millions)	March 31, 2017	December 31, 2016
Carrying amount	**$ 53**	$ 54
Outstanding balance	**81**	83

(b) Outstanding balance is defined as UPB of the loans with a net carrying amount.

The allowance for purchased credit impaired finance receivable losses at March 31, 2017 and December 31, 2016, reflected the carrying value of the purchased credit impaired FA Loans being higher than the present value of the expected cash flows.

Changes in accretable yield for purchased credit impaired finance receivables held for investment and held for sale were as follows:

(dollars in millions)	OM Loans	SCP Loans	FA Loans	Total
Three Months Ended March 31, 2017				
Balance at beginning of period	**$ 59**	**$ —**	**$ 60**	**$ 119**
Accretion (a)	**(11)**	**—**	**(1)**	**(12)**
Balance at end of period	**$ 48**	**$ —**	**$ 59**	**$ 107**
Three Months Ended March 31, 2016				
Balance at beginning of period	$ 151	$ 375	$ 66	$ 592
Accretion (a)	(24)	(16)	(2)	(42)
Reclassifications from nonaccretable difference (b)	—	—	10	10
Transfer due to finance receivables sold	—	(359)	—	(359)
Other (c)	(23)	—	—	(23)
Balance at end of period	$ 104	$ —	$ 74	$ 178

(a) Accretion on our purchased credit impaired FA Loans held for sale included in the table above were immaterial.

(b) Reclassifications from nonaccretable difference represents the increases in accretable yield resulting from higher estimated undiscounted cash flows.

(c) Other reflects a measurement period adjustment in the first quarter of 2016 based on a change in the expected cash flows in the purchase credit impaired portfolio related to the OneMain Acquisition. The measurement period adjustment created a decrease of $23 million to the beginning balance of the OM Loans accretable yield.

TDR FINANCE RECEIVABLES

Information regarding TDR finance receivables held for investment and held for sale were as follows:

(dollars in millions)	Personal Loans	Real Estate Loans *	Total
March 31, 2017			
TDR gross finance receivables	**$ 163**	**$ 133**	**$ 296**
TDR net finance receivables	**164**	**134**	**298**
Allowance for TDR finance receivable losses	**73**	**11**	**84**
December 31, 2016			
TDR gross finance receivables	$ 151	$ 133	$ 284
TDR net finance receivables	152	134	286
Allowance for TDR finance receivable losses	69	11	80

* TDR real estate loans held for sale included in the table above were as follows:

(dollars in millions)	March 31, 2017	December 31, 2016
TDR gross finance receivables	**$ 88**	$ 89
TDR net finance receivables	**88**	90

As of March 31, 2017, we had no commitments to lend additional funds on our TDR finance receivables.

TDR average net receivables held for investment and held for sale and finance charges recognized on TDR finance receivables held for investment and held for sale were as follows:

(dollars in millions)	Personal Loans *	SpringCastle Portfolio	Real Estate Loans *	Total
Three Months Ended March 31, 2017				
TDR average net receivables	**$ 153**	**$ —**	**$ 134**	**$ 287**
TDR finance charges recognized	**6**	**—**	**2**	**8**
Three Months Ended March 31, 2016				
TDR average net receivables	$ 63	$ 11	$ 201	$ 275
TDR finance charges recognized	1	—	3	4

* TDR finance receivables held for sale included in the table above were as follows:

(dollars in millions)	Personal Loans	Real Estate Loans	Total
Three Months Ended March 31, 2017			
TDR average net receivables	**$ —**	**$ 89**	**$ 89**
TDR finance charges recognized	**—**	**1**	**1**
Three Months Ended March 31, 2016			
TDR average net receivables	$ 2	$ 92	$ 94
TDR finance charges recognized	—	1	1

Information regarding the new volume of the TDR finance receivables held for investment and held for sale were as follows:

(dollars in millions)	Personal Loans (a)	SpringCastle Portfolio	Real Estate Loans (a)	Total
Three Months Ended March 31, 2017				
Pre-modification TDR net finance receivables	**$ 44**	**$ —**	**$ 3**	**$ 47**
Post-modification TDR net finance receivables:				
Rate reduction	**$ 39**	**$ —**	**$ 3**	**$ 42**
Other (b)	**4**	**—**	**—**	**4**
Total post-modification TDR net finance receivables	**$ 43**	**$ —**	**$ 3**	**$ 46**
Number of TDR accounts	**6,438**	**—**	**64**	**6,502**
Three Months Ended March 31, 2016				
Pre-modification TDR net finance receivables	$ 50	$ 1	$ 4	$ 55
Post-modification TDR net finance receivables:				
Rate reduction	$ 46	$ 1	$ 3	$ 50
Other (b)	3	—	1	4
Total post-modification TDR net finance receivables	$ 49	$ 1	$ 4	$ 54
Number of TDR accounts	6,916	157	89	7,162

(a) TDR finance receivables held for sale included in the table above were immaterial.

(b) “Other” modifications primarily include forgiveness of principal or interest.

Net finance receivables held for investment and held for sale that were modified as TDR finance receivables within the previous 12 months and for which there was a default during the period to cause the TDR finance receivables to be considered nonperforming (90 days or more past due) were as follows:

(dollars in millions)	Personal Loans	SpringCastle Portfolio	Real Estate Loans (a)	Total
Three Months Ended March 31, 2017				
TDR net finance receivables (b)	**$ 12**	**$ —**	**$ 1**	**$ 13**
Number of TDR accounts	**1,793**	**—**	**6**	**1,799**
Three Months Ended March 31, 2016				
TDR net finance receivables (b) (c)	$ 2	$ —	$ 1	$ 3
Number of TDR accounts	400	19	20	439

(a) TDR real estate loans held for sale included in the table above that defaulted during the previous 12-month period were less than $1 million for the three months ended March 31, 2017 and $1 million for the three months ended March 31, 2016.

(b) Represents the corresponding balance of TDR net finance receivables at the end of the month in which they defaulted.

(c) TDR SpringCastle Portfolio loans for the three months ended March 31, 2016 that defaulted during the previous 12-month period were less than $1 million and, therefore, are not quantified in the combined table above.

4. Allowance for Finance Receivable Losses

Changes in the allowance for finance receivable losses by finance receivable type were as follows:

(dollars in millions)	Personal Loans	SpringCastle Portfolio	Real Estate Loans	Retail Sales Finance	Consolidated Total
Three Months Ended March 31, 2017					
Balance at beginning of period	**$ 669**	**$ —**	**$ 19**	**$ 1**	**$ 689**
Provision for finance receivable losses	**244**	**—**	**1**	**—**	**245**
Charge-offs	**(296)**	**—**	**(1)**	**—**	**(297)**
Recoveries	**29**	**—**	**—**	**—**	**29**
Balance at end of period	**$ 646**	**$ —**	**$ 19**	**$ 1**	**$ 666**
Three Months Ended March 31, 2016					
Balance at beginning of period	$ 541	$ 4	$ 46	$ 1	$ 592
Provision for finance receivable losses	179	14	4	—	197
Charge-offs	(145)	(17)	(2)	(1)	(165)
Recoveries	12	3	1	—	16
Other *	—	(4)	—	—	(4)
Balance at end of period	$ 587	$ —	$ 49	$ —	$ 636

* Other consists of the elimination of allowance for finance receivable losses due to the sale of the SpringCastle Portfolio on March 31, 2016, in connection with the SpringCastle Interests Sale.

The allowance for finance receivable losses and net finance receivables by type and by impairment method were as follows:

(dollars in millions)	Personal Loans	Real Estate Loans	Retail Sales Finance	Total
March 31, 2017				
Allowance for finance receivable losses:				
Collectively evaluated for impairment	**$ 544**	**$ —**	**$ 1**	**$ 545**
Purchased credit impaired finance receivables	**29**	**8**	**—**	**37**
TDR finance receivables	**73**	**11**	**—**	**84**
Total	**$ 646**	**$ 19**	**$ 1**	**$ 666**
Finance receivables:				
Collectively evaluated for impairment	**$ 12,774**	**$ 70**	**$ 9**	**$ 12,853**
Purchased credit impaired finance receivables	**302**	**23**	**—**	**325**
TDR finance receivables	**164**	**46**	**—**	**210**
Total	**$ 13,240**	**$ 139**	**$ 9**	**$ 13,388**
Allowance for finance receivable losses as a percentage of finance receivables	**4.88%**	**13.70%**	**4.72%**	**4.97%**
December 31, 2016				
Allowance for finance receivable losses:				
Collectively evaluated for impairment	$ 571	$ —	$ 1	$ 572
Purchased credit impaired finance receivables	29	8	—	37
TDR finance receivables	69	11	—	80
Total	$ 669	$ 19	$ 1	$ 689
Finance receivables:				
Collectively evaluated for impairment	$ 13,072	$ 76	$ 11	$ 13,159
Purchased credit impaired finance receivables	353	24	—	377
TDR finance receivables	152	44	—	196
Total	$ 13,577	$ 144	$ 11	$ 13,732
Allowance for finance receivable losses as a percentage of finance receivables	4.93%	13.31%	4.42%	5.01%

5. Finance Receivables Held for Sale

We report finance receivables held for sale of $148 million at March 31, 2017 and $153 million at December 31, 2016, which are carried at the lower of cost or fair value and consist entirely of real estate loans. At March 31, 2017 and December 31, 2016, the fair value of our finance receivables held for sale exceeded the cost. We used the aggregate basis to determine the lower of cost or fair value of finance receivables held for sale.

SPRINGCASTLE PORTFOLIO

During March of 2016, we transferred $1.6 billion of loans of the SpringCastle Portfolio (after deducting allowance for finance receivable losses) from held for investment to held for sale due to management’s intent to no longer hold these finance receivables for the foreseeable future. We simultaneously sold our interests in these finance receivables held for sale on March 31, 2016 in the SpringCastle Interests Sale and recorded a net gain in other revenues at the time of sale of $167 million.

We did not have any other material transfer activity to or from finance receivables held for sale during the three months ended March 31, 2017 and 2016.

6. Investment Securities

AVAILABLE-FOR-SALE SECURITIES

Cost/amortized cost, unrealized gains and losses, and fair value of available-for-sale securities by type were as follows:

(dollars in millions)	Cost/ Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value
March 31, 2017				
Fixed maturity available-for-sale securities:				
Bonds				
U.S. government and government sponsored entities	**$ 35**	**$ —**	**$ —**	**$ 35**
Obligations of states, municipalities, and political subdivisions	**138**	**1**	**(1)**	**138**
Certificates of deposit and commercial paper	**5**	**—**	**—**	**5**
Non-U.S. government and government sponsored entities	**121**	**1**	**—**	**122**
Corporate debt	**998**	**10**	**(5)**	**1,003**
Mortgage-backed, asset-backed, and collateralized:				
RMBS	**100**	**1**	**(1)**	**100**
CMBS	**105**	**—**	**(1)**	**104**
CDO/ABS	**114**	**—**	**—**	**114**
Total bonds	**1,616**	**13**	**(8)**	**1,621**
Preferred stock (a)	**16**	**—**	**(1)**	**15**
Common stock (a)	**17**	**1**	**—**	**18**
Other long-term investments	**2**	**—**	**—**	**2**
Total (b)	**$ 1,651**	**$ 14**	**$ (9)**	**$ 1,656**
December 31, 2016				
Fixed maturity available-for-sale securities:				
Bonds				
U.S. government and government sponsored entities	$ 31	$ —	$ —	$ 31
Obligations of states, municipalities, and political subdivisions	145	1	(1)	145
Non-U.S. government and government sponsored entities	119	—	(1)	118
Corporate debt	1,024	8	(7)	1,025
Mortgage-backed, asset-backed, and collateralized:				
RMBS	101	—	(1)	100
CMBS	109	—	(1)	108
CDO/ABS	102	—	—	102
Total bonds	1,631	9	(11)	1,629
Preferred stock (a)	17	—	(1)	16
Common stock (a)	16	1	—	17
Other long-term investments	2	—	—	2
Total (b)	$ 1,666	$ 10	$ (12)	$ 1,664

(a) The Company employs an income equity strategy targeting investments in stocks with strong current dividend yields. Stocks included have a history of stable or increasing dividend payments.

(b) Excludes an immaterial interest in a limited partnership that we account for using the equity method and FHLB common stock of $1 million at March 31, 2017 and December 31, 2016, which is classified as a restricted investment and carried at cost.

Fair value and unrealized losses on available-for-sale securities by type and length of time in a continuous unrealized loss position were as follows:

	Less Than 12 Months		12 Months or Longer		Total	
(dollars in millions)	Fair Value	Unrealized Losses *	Fair Value	Unrealized Losses *	Fair Value	Unrealized Losses
March 31, 2017						
Bonds:						
U.S. government and government sponsored entities	**$ 20**	**$ —**	**$ —**	**$ —**	**$ 20**	**$ —**
Obligations of states, municipalities, and political subdivisions	**62**	**(1)**	**8**	**—**	**70**	**(1)**
Non-U.S. government and government sponsored entities	**29**	**—**	**2**	**—**	**31**	**—**
Corporate debt	**300**	**(4)**	**21**	**(1)**	**321**	**(5)**
RMBS	**56**	**(1)**	**12**	**—**	**68**	**(1)**
CMBS	**60**	**(1)**	**6**	**—**	**66**	**(1)**
CDO/ABS	**69**	**—**	**2**	**—**	**71**	**—**
Total bonds	**596**	**(7)**	**51**	**(1)**	**647**	**(8)**
Preferred stock	**6**	**—**	**6**	**(1)**	**12**	**(1)**
Common stock	**5**	**—**	**1**	**—**	**6**	**—**
Total	**$ 607**	**$ (7)**	**$ 58**	**$ (2)**	**$ 665**	**$ (9)**
December 31, 2016						
Bonds:						
U.S. government and government sponsored entities	$ 18	$ —	$ —	$ —	$ 18	$ —
Obligations of states, municipalities, and political subdivisions	99	(1)	2	—	101	(1)
Non-U.S. government and government sponsored entities	55	(1)	1	—	56	(1)
Corporate debt	416	(6)	8	(1)	424	(7)
RMBS	74	(1)	1	—	75	(1)
CMBS	66	(1)	5	—	71	(1)
CDO/ABS	64	—	3	—	67	—
Total bonds	792	(10)	20	(1)	812	(11)
Preferred stock	6	—	8	(1)	14	(1)
Common stock	2	—	1	—	3	—
Total	$ 800	$ (10)	$ 29	$ (2)	$ 829	$ (12)

* Unrealized losses on certain available-for-sale securities were less than $1 million and, therefore, are not quantified in the table above.

On a lot basis, we had 979 and 1,331 investment securities in an unrealized loss position at March 31, 2017 and December 31, 2016, respectively. We do not consider the unrealized losses to be credit-related, as these unrealized losses primarily relate to changes in interest rates and market spreads subsequent to purchase. Additionally, at March 31, 2017, we had no plans to sell any investment securities with unrealized losses, and we believe it is more likely than not that we would not be required to sell such investment securities before recovery of their amortized cost.

We continue to monitor unrealized loss positions for potential impairments. During the three months ended March 31, 2017, we did not recognize any other-than-temporary impairment credit losses on our available-for-sale securities in investment revenues. We recognized less than $1 million of other-than-temporary impairment credit losses on corporate debt in investment revenues during the three months ended March 31, 2016.

During the three months ended March 31, 2017 and 2016, there were no material additions or reductions in the cumulative amount of credit losses (recognized in earnings) on other-than-temporarily impaired available-for-sale securities.

The proceeds of available-for-sale securities sold or redeemed and the resulting net realized gains were as follows:

	Three Months Ended March 31,	
(dollars in millions)	**2017**	**2016**
Proceeds from sales and redemptions	**$ 113**	$ 113
Net realized gains *	**$ 4**	$ 2

* Realized losses on available-for-sale securities sold or redeemed during the three months ended March 31, 2017 and 2016 were less than $1 million and, therefore, are not quantified in the table above.

Contractual maturities of fixed-maturity available-for-sale securities at March 31, 2017 were as follows:

(dollars in millions)	Fair Value	Amortized Cost
Fixed maturities, excluding mortgage-backed, asset-backed, and collateralized securities:		
Due in 1 year or less	$ 198	$ 198
Due after 1 year through 5 years	584	582
Due after 5 years through 10 years	314	310
Due after 10 years	207	207
Mortgage-backed, asset-backed, and collateralized securities	318	319
Total	$ 1,621	$ 1,616

Actual maturities may differ from contractual maturities since issuers and borrowers may have the right to call or prepay obligations. We may sell investment securities before maturity for general corporate and working capital purposes and to achieve certain investment strategies.

The fair value of securities on deposit with third parties totaled $528 million and $465 million at March 31, 2017 and December 31, 2016, respectively.

TRADING AND OTHER SECURITIES

The fair value of other securities by type was as follows:

(dollars in millions)	March 31, 2017	December 31, 2016
Fixed maturity other securities:		
Bonds		
Non-U.S. government and government sponsored entities	**$ 1**	$ 1
Corporate debt	**84**	85
Mortgage-backed, asset-backed, and collateralized:		
RMBS	**1**	1
CMBS	**1**	1
CDO/ABS	**5**	5
Total bonds	**92**	93
Preferred stock	**6**	6
Total	**$ 98**	$ 99

Mark-to-market gains on trading and other securities held at March 31, 2017 and 2016, respectively, were less than $1 million for the three months ended March 31, 2017, and totaled $3 million for the same period in 2016. Net realized gains (losses) on trading and other securities sold or redeemed during the 2017 and 2016 periods were immaterial for the three months ended March 31, 2017 and 2016. Other securities are those securities for which the fair value option was elected. Our remaining trading securities were sold in the first quarter of 2016.

7. Transactions with Affiliates of Fortress

SUBSERVICING AGREEMENT

Nationstar subservices the real estate loans of certain of our indirect subsidiaries (collectively, the "Owners"). Investment funds managed by affiliates of Fortress indirectly own a majority interest in Nationstar. The Owners paid Nationstar subservicing fees of less than $1 million for the three months ended March 31, 2017 and 2016.

INVESTMENT MANAGEMENT AGREEMENT

Logan Circle provides investment management services for Springleaf investments. Logan Circle is a wholly owned subsidiary of Fortress. Costs and fees incurred for these investment management services were less than $1 million for the three months ended March 31, 2017 and 2016.

SALE OF EQUITY INTEREST IN SPRINGCASTLE JOINT VENTURE

On March 31, 2016, we sold our 47% equity interest in the SpringCastle Joint Venture, which owns the SpringCastle Portfolio, to certain subsidiaries of NRZ and Blackstone. NRZ is managed by an affiliate of Fortress.

Unless we are terminated, we will continue to act as the servicer of the SpringCastle Portfolio for the SpringCastle Funding Trust pursuant to a servicing agreement. Servicing fees revenue totaled $10 million for the three months ended March 31, 2017. At March 31, 2017 and December 31, 2016, the servicing fees receivable from the SpringCastle Funding Trust totaled $3 million.

8. Long-term Debt

Principal maturities of long-term debt (excluding projected repayments on securitizations and revolving conduit facilities by period) by type of debt at March 31, 2017 were as follows:

	Senior Debt				
(dollars in millions)	Securitizations	Revolving Conduit Facilities	Medium Term Notes	Junior Subordinated Debt	Total
Interest rates (a)	2.04% - 6.94%	2.59%	5.25% - 8.25%	2.77%	
Second quarter 2017	$ —	$ —	$ —	$ —	$ —
Third quarter 2017	—	—	257	—	257
Fourth quarter 2017	—	—	1,030	—	1,030
First quarter 2018	—	—	—	—	—
Remainder of 2018	—	—	—	—	—
2019	—	—	1,396	—	1,396
2020	—	—	1,299	—	1,299
2021	—	—	1,449	—	1,449
2022-2067	—	—	300	350	650
Securitizations (b)	7,951	—	—	—	7,951
Revolving conduit facilities (b)	—	10	—	—	10
Total principal maturities	$ 7,951	$ 10	$ 5,731	$ 350	$ 14,042
Total carrying amount	$ 7,933	$ 10	$ 5,564	$ 172	$ 13,679
Debt issuance costs (c)	$ (19)	$ —	$ (14)	$ —	$ (33)

(a) The interest rates shown are the range of contractual rates in effect at March 31, 2017. Effective January 16, 2017, the interest rate on the UPB of the Junior Subordinated Debenture became a variable floating rate (determined quarterly) equal to 3-month LIBOR plus 1.75%, or 2.77% as of March 31, 2017. Prior to January 16, 2017, the interest rate on the UPB of the Junior Subordinated Debenture was a fixed rate of 6.00%.

(b) Securitizations and borrowings under revolving conduit facilities are not included in the above maturities by period due to their variable monthly repayments. See Note 9 for further information on our long-term debt associated with securitizations and revolving conduit facilities.

(c) Debt issuance costs are reported as a direct deduction from long-term debt, with the exception of debt issuance costs associated with our revolving conduit facilities, which totaled $13 million at March 31, 2017 and are reported in other assets.

GUARANTY AGREEMENTS

8.25% SFC Notes

On April 11, 2016, OMH entered into the SFC Second Supplemental Indenture, pursuant to which it agreed to fully and unconditionally guarantee, on a senior unsecured basis, the payments of principal, premium (if any) and interest on the 8.25% SFC Notes. As of March 31, 2017, $1.0 billion aggregate principal amount of the 8.25% SFC Notes were outstanding.

5.25% SFC Notes

On December 3, 2014, OMH entered into the SFC Base Indenture and the SFC First Supplemental Indenture, pursuant to which it agreed to fully and unconditionally guarantee, on a senior unsecured basis, the payments of principal, premium (if any) and interest on the 5.25% SFC Notes. As of March 31, 2017, $700 million aggregate principal amount of the 5.25% SFC Notes were outstanding.

Other SFC Notes

On December 30, 2013, OMH entered into SFC Guaranty Agreements whereby it agreed to fully and unconditionally guarantee the payments of principal, premium (if any) and interest on the Other SFC Notes. The Other SFC Notes consisted of the following: 8.25% Senior Notes due 2023; 7.75% Senior Notes due 2021; 6.00% Senior Notes due 2020; the Junior Subordinated Debenture; and all senior notes outstanding on December 30, 2013, issued pursuant to the 1999 Indenture, between SFC and Wilmington (the successor trustee to Citibank N.A.). The Junior Subordinated Debenture underlies the trust preferred securities sold by a trust sponsored by SFC. On December 30, 2013, OMH entered into the SFC Trust Guaranty Agreement whereby it agreed to fully and unconditionally guarantee the related payment obligations under the trust preferred securities. As of March 31, 2017, $2.9 billion aggregate principal amount of the Other SFC Notes were outstanding.

The OMH guarantees of SFC's long-term debt discussed above are subject to customary release provisions.

OMFH Notes

On December 11, 2014, OMFH and certain of its subsidiaries entered into the OMFH Indenture, among OMFH, the guarantors listed therein and The Bank of New York Mellon, as trustee, in connection with OMFH's issuance of the OMFH Notes. The OMFH Notes are OMFH's unsecured senior obligations, guaranteed on a senior unsecured basis by each of its wholly owned domestic subsidiaries, other than certain subsidiaries, including its insurance subsidiaries and securitization subsidiaries. As of March 31, 2017, $1.5 billion aggregate principal amount of the OMFH Notes were outstanding.

On November 8, 2016, OMH entered into the OMFH Supplemental Indenture, pursuant to which OMH agreed to fully, unconditionally and irrevocably guarantee the outstanding OMFH Notes in accordance with and subject to the terms of the OMFH Indenture. Further, as permitted by the terms of the OMFH Indenture, OMFH intends to satisfy its reporting obligations under the OMFH Indenture with respect to providing OMFH financial information to the holders of the OMFH Notes by furnishing financial information relating to the Company.

The OMH guarantees of OMFH's long-term debt discussed above are subject to customary release provisions.

9. Variable Interest Entities

CONSOLIDATED VIES

As part of our overall funding strategy and as part of our efforts to support our liquidity from sources other than our traditional capital market sources, we have transferred certain finance receivables to VIEs for asset-backed financing transactions, including securitization and conduit transactions. We have determined that SFC or OMFH is the primary beneficiary of these VIEs and, as a result, we include each VIE's assets, including any finance receivables securing the VIE's debt obligations, and related liabilities in our consolidated financial statements and each VIE's asset-backed debt obligations are accounted for as secured borrowings. SFC or OMFH is deemed to be the primary beneficiary of each VIE because SFC or OMFH has the ability to direct the activities of the VIE that most significantly impact its economic performance, including the losses it absorbs and its right to receive economic benefits that are potentially significant. Such ability arises from SFC's or OMFH's and their affiliates' contractual right to service the finance receivables securing the VIEs' debt obligations. To the extent we retain any subordinated debt obligation or residual interest in an asset-backed financing facility, we are exposed to potentially significant losses and potentially significant returns.

The asset-backed debt obligations issued by the VIEs are supported by the expected cash flows from the underlying finance receivables securing such debt obligations. Cash inflows from these finance receivables are distributed to repay the debt obligations and related service providers in accordance with each transaction's contractual priority of payments, referred to as the "waterfall." The holders of the asset-backed debt obligations have no recourse to the Company if the cash flows from the underlying finance receivables securing such debt obligations are not sufficient to pay all principal and interest on the asset-backed debt obligations. With respect to any asset-backed financing transaction that has multiple classes of debt obligations, substantially all cash inflows will be directed to the senior debt obligations until fully repaid and, thereafter, to the subordinate debt obligations on a sequential basis. We retain an interest and credit risk in these financing transactions through our ownership of the residual interest in each VIE and, in some cases, the most subordinate class of debt obligations issued by the VIE, which are the first to absorb credit losses on the finance receivables securing the debt obligations. We expect that any credit losses in the pools of finance receivables securing the asset-backed debt obligations will likely be limited to our subordinated and residual retained interests. We have no obligation to repurchase or replace qualified finance receivables that subsequently become delinquent or are otherwise in default.

We parenthetically disclose on our consolidated balance sheets the VIE's assets that can only be used to settle the VIE's obligations and liabilities if its creditors have no recourse against the primary beneficiary's general credit. The carrying amounts of consolidated VIE assets and liabilities associated with our securitization trusts were as follows:

(dollars in millions)	March 31, 2017	December 31, 2016
Assets		
Cash and cash equivalents	**$ 2**	$ 3
Finance receivables:		
Personal loans	**9,109**	9,509
Allowance for finance receivable losses	**471**	501
Restricted cash and restricted cash equivalents	**526**	552
Other assets	**13**	14
Liabilities		
Long-term debt	**$ 7,944**	$ 8,240
Other liabilities	**14**	16

SECURITIZED BORROWINGS

Each of our securitizations contains a revolving period ranging from one to five years during which no principal payments are required to be made on the related asset-backed notes, except for the ODART 2016-1 securitization which has no revolving period. The indentures governing our securitizations borrowings contain early amortization events and events of default, that, if triggered, may result in the acceleration of the obligation to pay principal and interest on the related asset-backed notes.

Our securitized borrowings at March 31, 2017 consisted of the following:

(dollars in millions)	Current Note Amounts Outstanding	Current Weighted Average Interest Rate	Original Revolving Period
Consumer Securitizations:			
SLFT 2015-A (a)	$ 1,163	3.47%	3 years
SLFT 2015-B (b)	314	3.78%	5 years
SLFT 2016-A (c)	500	3.10%	2 years
OMFIT 2014-1 (d)	264	2.74%	2 years
OMFIT 2014-2 (e)	682	3.26%	2 years
OMFIT 2015-1 (f)	1,229	3.74%	3 years
OMFIT 2015-2 (g)	1,250	3.07%	2 years
OMFIT 2015-3 (h)	293	4.21%	5 years
OMFIT 2016-1 (i)	459	4.01%	3 years
OMFIT 2016-2 (j)	816	4.50%	2 years
OMFIT 2016-3 (k)	317	4.33%	5 years
Total consumer securitizations	7,287		
Auto Securitization:			
ODART 2016-1 (l)	396	2.45%	—
ODART 2017-1 (m)	268	2.61%	1 year
Total auto securitizations	664		
Total secured structured financings	$ 7,951		

(a) **SLFT 2015-A Securitization.** On February 26, 2015, we issued $1.2 billion of notes backed by personal loans. The notes mature in November 2024.

(b) **SLFT 2015-B Securitization.** On April 7, 2015, we issued $314 million of notes backed by personal loans. The notes mature in May 2028.

(c) **SLFT 2016-A Securitization.** On December 14, 2016, we issued $532 million of notes backed by personal loans. The notes mature in November 2029. We initially retained $32 million of the asset-backed notes.

(d) **OMFIT 2014-1 Securitization.** On April 17, 2014, we issued $760 million of notes backed by personal loans. The notes mature in June 2024.

(e) **OMFIT 2014-2 Securitization.** On July 30, 2014, we issued $1.2 billion of notes backed by personal loans. The notes mature in September 2024.

(f) **OMFIT 2015-1 Securitization.** On February 5, 2015, we issued $1.2 billion of notes backed by personal loans. The notes mature in March 2026.

(g) **OMFIT 2015-2 Securitization.** On May 21, 2015, we issued $1.3 billion of notes backed by personal loans. The notes mature in July 2025.

(h) **OMFIT 2015-3 Securitization.** On September 29, 2015, we issued $293 million of notes backed by personal loans. The notes mature in November 2028.

(i) **OMFIT 2016-1 Securitization.** On February 10, 2016, we issued $500 million of notes backed by personal loans. The notes mature in February 2029. We initially retained $86 million of the Class C and Class D notes. On May 17, 2016, $45 million of the notes represented by Class C were sold.

(j) **OMFIT 2016-2 Securitization.** On March 23, 2016, we issued $890 million of notes backed by personal loans. The notes mature in March 2028. We initially retained $157 million of the Class C and Class D notes. On July 25, 2016, $83 million of the notes represented by Class C were sold.

(k) **OMFIT 2016-3 Securitization.** On June 7, 2016, we issued $350 million of notes backed by personal loans. The notes mature in June 2031. We initially retained $33 million of the Class D notes.

(l) **ODART 2016-1 Securitization.** On July 19, 2016, we issued $754 million of notes backed by direct auto loans. The maturity dates of the notes occur in January 2021 for the Class A notes, May 2021 for the Class B notes, September 2021 for the Class C notes and February 2023 for the Class D notes. We initially retained $54 million of the Class D notes.

(m) **ODART 2017-1 Securitization.** On February 1, 2017, we issued $300 million of notes backed by direct auto loans. The maturity dates of the notes occur in October 2020 for the Class A notes, June 2021 for the Class B notes, August 2021 for the Class C notes, December 2021 for the Class D notes, and January 2025 for the Class E notes. We initially retained $11 million of the Class A notes, $1 million of each of the Class B, Class C, and Class D notes, and the entire $18 million of the Class E notes.

Call of 2014-A Notes. On February 15, 2017, we exercised our right to redeem the 2014-A Notes for a redemption price of $188 million, which excluded $33 million for the Class D Notes owned by Twenty First Street, a wholly owned subsidiary of SFC, on February 15, 2017, the date of the optional redemption. The outstanding principal balance of the asset-backed notes was $221 million on the date of the optional redemption.

REVOLVING CONDUIT FACILITIES

As of March 31, 2017, our borrowings under conduit facilities consisted of the following:

(dollar in millions)	Note Maximum Balance	Amount Drawn	Revolving Period End
Midbrook 2013-VFN1 Trust (a)	$ 50	$ —	February 2018
Sumner Brook 2013-VFN1 Trust	350	10	January 2018
Springleaf 2013-VFN1 Trust	850	—	January 2018
Whitford Brook 2014-VFN1 Trust	250	—	June 2018
First Avenue Funding LLC	250	—	June 2018
Second Avenue Funding LLC	250	—	June 2018
Seine River Funding, LLC	500	—	December 2019
OneMain Financial B3 Warehouse Trust	350	—	January 2019
OneMain Financial B4 Warehouse Trust	750	—	February 2019
OneMain Financial B5 Warehouse Trust (b)	450	—	February 2019
OneMain Financial B6 Warehouse Trust	600	—	February 2019
Total	$ 4,650	$ 10	

(a) **Midbrook 2013-VFN1 Trust.** On February 24, 2017, the maximum principal balance decreased from $100 million to $50 million. See Note 18 for information on the subsequent termination of the note purchase agreement with Midbrook 2013-VFN1 Trust.

(b) **OneMain Financial B5 Warehouse Trust.** See Note 18 for information on the subsequent termination of the note purchase agreement with OneMain Financial B5 Warehouse Trust.

VIE INTEREST EXPENSE

Other than our retained subordinate and residual interests in the remaining consolidated VIEs, we are under no obligation, either contractually or implicitly, to provide financial support to these entities. Consolidated interest expense related to our VIEs for the three months ended March 31, 2017 totaled $80 million, compared to $100 million for the three months ended March 31, 2016.

DECONSOLIDATED VIES

As a result of the SpringCastle Interests Sale on March 31, 2016, we deconsolidated the securitization trust holding the underlying loans of the SpringCastle Portfolio and previously issued securitized interests, which were reported in long-term debt.

10. Insurance

Changes in the reserve for unpaid claims and loss adjustment expenses (not considering reinsurance recoverable) were as follows:

	At or for the Three Months Ended March 31,	
(dollars in millions)	**2017**	**2016**
Balance at beginning of period	**$ 158**	$ 177
Less reinsurance recoverables	**(26)**	(26)
Net balance at beginning of period	**132**	151
Additions for losses and loss adjustment expenses incurred to:		
Current year	**52**	64
Prior years *	**(4)**	(18)
Total	**48**	46
Reductions for losses and loss adjustment expenses paid related to:		
Current year	**(13)**	(15)
Prior years	**(40)**	(36)
Total	**(53)**	(51)
Net balance at end of period	**127**	146
Plus reinsurance recoverables	**27**	28
Balance at end of period	**$ 154**	$ 174

* Reflects (i) a redundancy in the prior years' net reserves of $4 million at March 31, 2017 primarily due to credit disability and credit involuntary unemployment insurance claims developing more favorably than anticipated, and (ii) a redundancy in the prior years' net reserves of $18 million at March 31, 2016 primarily due to credit disability and credit involuntary unemployment insurance claims developing more favorably than anticipated.

11. Earnings Per Share

The computation of earnings per share was as follows:

(dollars in millions, except per share data)	Three Months Ended March 31, 2017	2016
Numerator (basic and diluted):		
Net income attributable to OneMain Holdings, Inc.	**$ 33**	$ 137
Denominator:		
Weighted average number of shares outstanding (basic)	**135,218,586**	134,694,759
Effect of dilutive securities *	**354,581**	212,989
Weighted average number of shares outstanding (diluted)	**135,573,167**	134,907,748
Earnings per share:		
Basic	**$ 0.25**	$ 1.02
Diluted	**$ 0.25**	$ 1.01

* We have excluded the following shares in the diluted earnings per share calculation for the three months ended March 31, 2017 and 2016 because these shares would be anti-dilutive, which could impact the earnings per share calculation in the future:

- three months ended March 31, 2017: 30,685 performance-based shares and 755,631 service-based shares; and
- three months ended March 31, 2016: 579,432 performance-based shares and 1,011,860 service-based shares.

Basic earnings per share is computed by dividing net income by the weighted-average number of shares outstanding during each period. Diluted earnings per share is computed based on the weighted-average number of common shares plus the effect of dilutive potential common shares outstanding during the period using the treasury stock method. Dilutive potential common shares represent outstanding unvested RSUs and RSAs.

12. Accumulated Other Comprehensive Income (Loss)

Changes, net of tax, in accumulated other comprehensive income (loss) were as follows:

(dollars in millions)	Unrealized Gains (Losses) Available-for-Sale Securities	Retirement Plan Liabilities Adjustments	Foreign Currency Translation Adjustments	Total Accumulated Other Comprehensive Income (Loss)
Three Months Ended March 31, 2017				
Balance at beginning of period	**$ (1)**	**$ (4)**	**$ (1)**	**$ (6)**
Other comprehensive income before reclassifications	**7**	**—**	**—**	**7**
Reclassification adjustments from accumulated other comprehensive income (loss)	**(3)**	**—**	**—**	**(3)**
Balance at end of period	**$ 3**	**$ (4)**	**$ (1)**	**$ (2)**
Three Months Ended March 31, 2016				
Balance at beginning of period	$ (14)	$ (19)	$ —	$ (33)
Other comprehensive income before reclassifications	17	—	4	21
Reclassification adjustments from accumulated other comprehensive income (loss)	(1)	—	—	(1)
Balance at end of period	$ 2	$ (19)	$ 4	$ (13)

Reclassification adjustments from accumulated other comprehensive income (loss) to the applicable line item on our condensed consolidated statements of operations were as follows:

(dollars in millions)	Three Months Ended March 31, 2017	2016
Unrealized gains on available-for-sale securities:		
Reclassification from accumulated other comprehensive income (loss) to investment revenues, before taxes	**$ 4**	$ 2
Income tax effect	**(1)**	(1)
Reclassification from accumulated other comprehensive income (loss) to investment revenues, net of taxes	**$ 3**	$ 1

13. Income Taxes

At March 31, 2017, we had a net deferred tax asset of $149 million, compared to $176 million at December 31, 2016. The decrease in net deferred tax asset of $27 million was primarily due to changes in the fair value of our finance receivables and amortization of goodwill for tax purposes.

The effective tax rate for the three months ended March 31, 2017 was 41.5%, compared to 34.5% for the same period in 2016. The effective tax rate for the three months ended March 31, 2017 differed from the federal statutory rate primarily due to the effect of state income taxes and discrete expense from share-based compensation. The effective tax rate for the three months ended March 31, 2016 differed from the federal statutory rate primarily due to the effect of the non-controlling interests in the previously owned SpringCastle Portfolio.

We are currently under examination of our U.S. federal tax return for the years 2011 to 2013 by the Internal Revenue Service. Management believes it has adequately provided for taxes for such years.

Our gross unrecognized tax benefits, including related interest and penalties, totaled $17 million at March 31, 2017 and $16 million at December 31, 2016. We accrue interest related to uncertain tax positions in income tax expense. The amount of any change in the balance of uncertain tax liabilities over the next 12 months is not expected to be material to our consolidated financial statements.

14. Contingencies

LEGAL CONTINGENCIES

In the normal course of business, we have been named, from time to time, as defendants in various legal actions, including arbitrations, class actions and other litigation arising in connection with our activities. Some of the actual or threatened legal actions include claims for substantial compensatory and/or punitive damages or claims for indeterminate amounts of damages. While we will continue to evaluate legal actions to determine whether a loss is reasonably possible or probable and is reasonably estimable, there can be no assurance that material losses will not be incurred from pending, threatened or future litigation, investigations, examinations, or other claims.

We contest liability and/or the amount of damages, as appropriate, in each pending matter. Where available information indicates that it is probable that a liability had been incurred at the date of the condensed consolidated financial statements and we can reasonably estimate the amount of that loss, we accrue the estimated loss by a charge to income. In many actions, however, it is inherently difficult to determine whether any loss is probable or even reasonably possible or to estimate the amount of any loss. In addition, even where loss is reasonably possible or an exposure to loss exists in excess of the liability already accrued with respect to a previously recognized loss contingency, it is not always possible to reasonably estimate the size of the possible loss or range of loss.

For certain legal actions, we cannot reasonably estimate such losses, particularly for actions that are in their early stages of development or where plaintiffs seek substantial or indeterminate damages. Numerous issues may need to be resolved, including through potentially lengthy discovery and determination of important factual matters, and by addressing novel or unsettled legal questions relevant to the actions in question, before a loss or additional loss or range of loss or additional loss can be reasonably estimated for any given action.

For certain other legal actions, we can estimate reasonably possible losses, additional losses, ranges of loss or ranges of additional loss in excess of amounts accrued, but do not believe, based on current knowledge and after consultation with counsel, that such losses will have a material adverse effect on our condensed consolidated financial statements as a whole.

Federal Securities Class Actions

On January 17, 2017, a putative class action lawsuit, *Paddock v. OneMain Holdings, Inc., et al.*, was filed in the U.S. District Court for the Southern District of Indiana, naming as defendants the Company, certain of its officers, and Fortress. The lawsuit alleged violations of the Exchange Act by the Company and the named officers for allegedly making materially misleading statements and/or omitting material information regarding the financial condition and results of operations of the Company, including projected net income, following the OneMain Acquisition. The action was filed on behalf of a putative class of persons who purchased or otherwise acquired the Company’s common stock between March 3, 2015 and November 7, 2016. The complaint sought an award of unspecified compensatory damages, an award of pre-judgment and post-judgment interest, reasonable attorneys’ fees, expert fees and other costs, and equitable relief as the court may deem just and proper. On February 17, 2017, the plaintiff voluntarily dismissed the action without prejudice.

On February 10, 2017, a putative class action lawsuit, *Galestan v. OneMain Holdings, Inc., et al.*, was filed in the U.S. District Court for the Southern District of New York, naming as defendants the Company and certain of its officers. The lawsuit alleges violations of the Exchange Act by the Company and the named officers for allegedly making materially misleading statements and/or omitting material information regarding the financial condition and results of operations of the Company, including projected net income, following the OneMain Acquisition. The action was filed on behalf of a putative class of persons who purchased or otherwise acquired the Company’s common stock between February 25, 2016 and November 7, 2016. The complaint seeks an award of unspecified compensatory damages, an award of interest, reasonable attorneys’ fees, expert fees and other costs, and equitable relief as the court may deem just and proper. On March 23, 2017, the court appointed a lead plaintiff for the putative class and approved the lead plaintiff’s selection of counsel. The Company believes that the allegations specified in the complaint are without merit, and intends to vigorously defend against the claims. Pursuant to a schedule approved by the court, the lead plaintiff has until May 30, 2017 to file an amended complaint. As the lawsuit is in the preliminary stages, the Company is unable to estimate a reasonably possible range of loss, if any, that may result from the lawsuit.

SALES RECOURSE OBLIGATIONS

At March 31, 2017, our reserve for sales recourse obligations totaled $15 million, which primarily related to our real estate loan sales in 2014, with a minimal portion of the reserve related to net charge-off sales of our finance receivables. We did not establish any additional reserves for sales recourse obligations associated with the personal loans sold in the Lendmark Sale or our real estate loan sales in 2016 based on the credit quality of the loans sold and the terms of each transaction. During the three months ended March 31, 2017 and 2016, we had no repurchase activity related to these sales and no material activity related to our sales recourse obligations.

At March 31, 2017, there were no material repurchase requests with loss exposure that management believed would not be covered by the reserve. However, we will continue to monitor any repurchase activity in the future and will adjust the reserve accordingly. When recourse losses are reasonably possible or exposure to such losses exists in excess of the liability already accrued, it is not always possible to reasonably estimate the size of the possible recourse losses or range of losses.

15. Benefit Plans

During the three months ended March 31, 2017 and 2016, the components of net periodic benefit cost with respect to our defined benefit pension plans were immaterial. We do not currently fund post retirement benefits.

16. Segment Information

Our segments coincide with how our businesses are managed. At March 31, 2017, our two segments included:

- ***Consumer and Insurance*** — We originate and service personal loans (secured and unsecured) through our branch network and our centralized operations. We also offer credit insurance (life insurance, disability insurance, and involuntary unemployment insurance), non-credit insurance, and auto membership plans provided by a third party. Our branch network conducts business in 44 states. Our centralized operations underwrite and process certain loan applications that we receive from our branch network or through an internet portal. If the applicant is "in footprint," located near an existing branch, our centralized operations make the credit decision regarding the application and then request, but do not require, the customer to visit a nearby branch for closing, funding and servicing. If the applicant is "out of footprint," not located near a branch, our centralized operations originate the loan.

- ***Acquisitions and Servicing*** — We service the SpringCastle Portfolio that was acquired through the SpringCastle Joint Venture. On March 31, 2016, the SpringCastle Portfolio was sold in connection with the sale of our equity interest in the SpringCastle Joint Venture. These loans consist of unsecured loans and loans secured by subordinate residential real estate mortgages and include both closed-end accounts and open-end lines of credit. These loans are in a liquidating status and vary in substance and form from our originated loans. Unless we are terminated, we will continue to provide the servicing for these loans pursuant to a servicing agreement, which we service as unsecured loans because the liens are subordinated to superior ranking security interests.

The remaining components (which we refer to as "Other") consist of our non-originating legacy operations, which include (i) our liquidating real estate loan portfolio as discussed below, (ii) our liquidating retail sales finance portfolio (including retail sales finance accounts from our legacy auto finance operation), and (iii) our short equity personal loans that we are no longer originating.

Beginning in 2017, management no longer views or manages our real estate assets as a separate operating segment. Therefore, we are now including Real Estate, which was previously presented as a distinct reporting segment, in "Other." To conform to this new alignment of our segments, we have revised our prior period segment disclosures.

The accounting policies of the segments are the same as those disclosed in Note 3 to the consolidated financial statements of our 2016 Annual Report on Form 10-K, except as described below.

Due to the nature of the OneMain Acquisition and the Fortress Acquisition, we applied purchase accounting. However, we report the operating results of Consumer and Insurance, Acquisitions and Servicing, and Other using the Segment Accounting Basis, which (i) reflects our allocation methodologies for certain costs, primarily interest expense, loan loss reserves, and acquisition costs, to reflect the manner in which we assess our business results and (ii) excludes the impact of applying purchase accounting (eliminates premiums/discounts on our finance receivables and long-term debt at acquisition, as well as the amortization/accretion in future periods).

We allocate revenues and expenses (on a Segment Accounting Basis) to each segment using the following methodologies:

Interest income	Directly correlated with a specific segment.
Interest expense	*Acquisitions and Servicing* - This segment includes interest expense specifically identified to the SpringCastle Portfolio. *Consumer and Insurance and Other* - The Company has securitization debt and unsecured debt. The Company first allocates interest expense to its segments based on actual expense for securitizations and secured term debt and using a weighted average for unsecured debt allocated to the segments. Total average unsecured debt is allocated as follows: • *Consumer and Insurance* - receives remainder of unallocated average debt; and • *Other* - at 100% of asset base. (Asset base represents the average net finance receivables including finance receivables held for sale.)
Provision for finance receivable losses	Directly correlated with a specific segment, except for allocations to Other, which are based on the remaining delinquent accounts as a percentage of total delinquent accounts.
Other revenues	Directly correlated with a specific segment, except for: (i) net gain (loss) on repurchases and repayments of debt, which is allocated to the segments based on the interest expense allocation of debt and (ii) gains and losses on foreign currency exchange, which are allocated to the segments based on the interest expense allocation of debt.
Acquisition-related transaction and integration expenses	Consists of: (i) acquisition-related transaction and integration costs related to the OneMain Acquisition, including legal and other professional fees, which we primarily report in Other, as these are costs related to acquiring the business as opposed to operating the business; (ii) software termination costs, which are allocated to Consumer and Insurance; and (iii) incentive compensation incurred above and beyond expected cost from acquiring and retaining talent in relation to the OneMain Acquisition, which are allocated to each of the segments based on services provided.
Other expenses	*Salaries and benefits* - Directly correlated with a specific segment. Other salaries and benefits not directly correlated with a specific segment are allocated to each of the segments based on services provided. *Other operating expenses* - Directly correlated with a specific segment. Other operating expenses not directly correlated with a specific segment are allocated to each of the segments based on services provided. *Insurance policy benefits and claims* - Directly correlated with a specific segment.

The “Segment to GAAP Adjustment” column in the following tables primarily consists of:

- *Interest income* - reverses the impact of premiums/discounts on purchased finance receivables and the interest income recognition under guidance in ASC 310-20, *Nonrefundable Fees and Other Costs*, and ASC 310-30, *Loans and Debt Securities Acquired with Deteriorated Credit Quality*, and reestablishes interest income recognition on a historical cost basis;

- *Interest expense* - reverses the impact of premiums/discounts on acquired long-term debt and reestablishes interest expense recognition on a historical cost basis;

- *Provision for finance receivable losses* - reverses the impact of providing an allowance for finance receivable losses upon acquisition and reestablishes the allowance on a historical cost basis and reverses the impact of recognition of net charge-offs on purchased credit impaired finance receivables and reestablishes the net charge-offs on a historical cost basis;

- *Other revenues* - reestablishes the historical cost basis of mark-to-market adjustments on finance receivables held for sale and on realized gains/losses associated with our investment portfolio;

- *Acquisition-related transaction and integration expenses* - reestablishes the amortization of purchased software assets on a historical cost basis;

- *Other expenses* - reestablishes expenses on a historical cost basis by reversing the impact of amortization from acquired intangible assets and including amortization of other historical deferred costs; and

- *Assets* - revalues assets based on their fair values at the effective date of the OneMain Acquisition and the Fortress Acquisition.

The following tables present information about the Company's segments, as well as reconciliations to the condensed consolidated financial statement amounts.

(dollars in millions)	Consumer and Insurance	Acquisitions and Servicing	Other (a)	Eliminations	Segment to GAAP Adjustment	Consolidated Total
At or for the Three Months Ended March 31, 2017						
Interest income	**$ 798**	**$ —**	**$ 6**	**$ —**	**$ (45)**	**$ 759**
Interest expense	**186**	**—**	**6**	**—**	**10**	**202**
Provision for finance receivable losses	**239**	**—**	**1**	**—**	**5**	**245**
Net interest income (loss) after provision for finance receivable losses	**373**	**—**	**(1)**	**—**	**(60)**	**312**
Other revenues	**137**	**12**	**—**	**—**	**(8)**	**141**
Acquisition-related transaction and integration expenses	**20**	**—**	**6**	**—**	**(3)**	**23**
Other expenses	**348**	**11**	**6**	**—**	**8**	**373**
Income (loss) before income tax expense (benefit)	**$ 142**	**$ 1**	**$ (13)**	**$ —**	**$ (73)**	**$ 57**
Assets	**$ 15,335**	**$ 2**	**$ 701**	**$ —**	**$ 1,935**	**$ 17,973**
At or for the Three Months Ended March 31, 2016						
Interest income	$ 849	$ 102	$ 16	$ —	$ (136)	$ 831
Interest expense	175	20	13	—	18	226
Provision for finance receivable losses	232	14	2	—	(51)	197
Net interest income after provision for finance receivable losses	442	68	1	—	(103)	408
Net gain on sale of SpringCastle interests	—	167	—	—	—	167
Other revenues	141	11	(11)	(11)	6	136
Acquisition-related transaction and integration expenses	28	—	9	—	(4)	33
Other expenses	388	26	3	(11)	20	426
Income (loss) before income tax expense (benefit)	167	220	(22)	—	(113)	252
Income before income taxes attributable to non-controlling interests	—	28	—	—	—	28
Income (loss) before income tax expense (benefit) attributable to OneMain Holdings, Inc.	$ 167	$ 192	$ (22)	$ —	$ (113)	$ 224
Assets (b)	$ 15,807	$ 106	$ 960	$ —	$ 2,261	$ 19,134

(a) Real Estate segment has been combined with "Other" for the prior period.

(b) During the third quarter of 2016, we identified an incorrect allocation of our total assets within the segment footnote of our Quarterly Reports on Form 10-Q for the quarterly periods ended March 31, 2016 and June 30, 2016. As a result of this finding, total assets at March 31, 2016 were understated by $4.5 billion in our Consumer and Insurance segment and overstated by $4.5 billion in our asset eliminations. The applicable prior period amounts have been corrected in the table above.

17. Fair Value Measurements

The fair value of a financial instrument is the amount that would be expected to be received if an asset were to be sold or the amount that would be paid to transfer a liability in an orderly transaction between market participants at the measurement date. The degree of judgment used in measuring the fair value of financial instruments generally correlates with the level of pricing observability. Financial instruments with quoted prices in active markets generally have more pricing observability and less judgment is used in measuring fair value. Conversely, financial instruments traded in other-than-active markets or that do not have quoted prices have less observability and are measured at fair value using valuation models or other pricing techniques that require more judgment. An other-than-active market is one in which there are few transactions, the prices are not current, price quotations vary substantially either over time or among market makers, or little information is released publicly for the asset or liability being valued. Pricing observability is affected by a number of factors, including the type of financial instrument, whether the financial instrument is listed on an exchange or traded over-the-counter or is new to the market and not yet established, the characteristics specific to the transaction, and general market conditions.

The following table summarizes the fair values and carrying values of our financial instruments and indicates the fair value hierarchy based on the level of inputs we utilized to determine such fair values:

	Fair Value Measurements Using			Total Fair Value	Total Carrying Value
(dollars in millions)	Level 1	Level 2	Level 3		
March 31, 2017					
Assets					
Cash and cash equivalents	**$ 683**	**$ 104**	**$ —**	**$ 787**	**$ 787**
Investment securities	**33**	**1,714**	**8**	**1,755**	**1,755**
Net finance receivables, less allowance for finance receivable losses	**—**	**—**	**13,522**	**13,522**	**12,722**
Finance receivables held for sale	**—**	**—**	**151**	**151**	**148**
Restricted cash and restricted cash equivalents	**558**	**—**	**—**	**558**	**558**
Other assets *	**—**	**1**	**30**	**31**	**33**
Liabilities					
Long-term debt	**$ —**	**$ 14,220**	**$ —**	**$ 14,220**	**$ 13,679**
December 31, 2016					
Assets					
Cash and cash equivalents	$ 506	$ 73	$ —	$ 579	$ 579
Investment securities	31	1,724	9	1,764	1,764
Net finance receivables, less allowance for finance receivable losses	—	—	13,891	13,891	13,043
Finance receivables held for sale	—	—	159	159	153
Restricted cash and restricted cash equivalents	568	—	—	568	568
Other assets *	—	1	34	35	37
Liabilities					
Long-term debt	$ —	$ 14,498	$ —	$ 14,498	$ 13,959

* Includes commercial mortgage loans, escrow advance receivable, and receivables related to sales of real estate loans and related trust assets.

FAIR VALUE MEASUREMENTS — RECURRING BASIS

The following tables present information about our assets measured at fair value on a recurring basis and indicates the fair value hierarchy based on the levels of inputs we utilized to determine such fair value:

	Fair Value Measurements Using			Total Carried
(dollars in millions)	Level 1	Level 2	Level 3 (a)	At Fair Value
March 31, 2017				
Assets				
Cash equivalents in mutual funds	$ 470	$ —	$ —	$ 470
Cash equivalents in securities	—	104	—	104
Investment securities:				
Available-for-sale securities				
Bonds:				
U.S. government and government sponsored entities	—	35	—	35
Obligations of states, municipalities, and political subdivisions	—	138	—	138
Certificates of deposit and commercial paper		5	—	5
Non-U.S. government and government sponsored entities	—	122	—	122
Corporate debt	—	1,002	1	1,003
RMBS	—	100	—	100
CMBS	—	104	—	104
CDO/ABS	—	111	3	114
Total bonds	—	1,617	4	1,621
Preferred stock	8	7	—	15
Common stock	18	—	—	18
Other long-term investments	—	—	2	2
Total available-for-sale securities (b)	26	1,624	6	1,656
Other securities				
Bonds:				
Non-U.S. government and government sponsored entities	—	1	—	1
Corporate debt	—	82	2	84
RMBS	—	1	—	1
CMBS	—	1	—	1
CDO/ABS	—	5	—	5
Total bonds	—	90	2	92
Preferred stock	6	—	—	6
Total other securities	6	90	2	98
Total investment securities	32	1,714	8	1,754
Restricted cash in mutual funds	540	—	—	540
Total	$ 1,042	$ 1,818	$ 8	$ 2,868

(a) Due to the insignificant activity within the Level 3 assets during the three months ended March 31, 2017, we have omitted the additional disclosures relating to the changes in Level 3 assets measured at fair value on a recurring basis and the quantitative information about Level 3 unobservable inputs.

(b) Excludes an immaterial interest in a limited partnership that we account for using the equity method and FHLB common stock of $1 million at March 31, 2017, which is carried at cost.

(dollars in millions)	Fair Value Measurements Using Level 1	Level 2	Level 3 (a)	Total Carried At Fair Value
December 31, 2016				
Assets				
Cash equivalents in mutual funds	$ 307	$ —	$ —	$ 307
Cash equivalents in securities	—	73	—	73
Investment securities:				
Available-for-sale securities				
Bonds:				
U.S. government and government sponsored entities	—	31	—	31
Obligations of states, municipalities, and political subdivisions	—	145	—	145
Non-U.S. government and government sponsored entities	—	118	—	118
Corporate debt	—	1,025	—	1,025
RMBS	—	100	—	100
CMBS	—	108	—	108
CDO/ABS	—	98	4	102
Total bonds	—	1,625	4	1,629
Preferred stock	8	8	—	16
Common stock	17	—	—	17
Other long-term investments	—	—	2	2
Total available-for-sale securities (b)	25	1,633	6	1,664
Other securities				
Bonds:				
Non-U.S. government and government sponsored entities	—	1	—	1
Corporate debt	—	83	2	85
RMBS	—	1	—	1
CMBS	—	1	—	1
CDO/ABS	—	5	—	5
Total bonds	—	91	2	93
Preferred stock	6	—	—	6
Total other securities	6	91	2	99
Total investment securities	31	1,724	8	1,763
Restricted cash in mutual funds	553	—	—	553
Total	$ 891	$ 1,797	$ 8	$ 2,696

(a) Due to the insignificant activity within the Level 3 assets during 2016, we have omitted the additional disclosures relating to the changes in Level 3 assets measured at fair value on a recurring basis and the quantitative information about Level 3 unobservable inputs.

(b) Excludes an immaterial interest in a limited partnership that we account for using the equity method and FHLB common stock of $1 million at December 31, 2016, which is carried at cost.

We had no transfers between Level 1 and Level 2 during the three months ended March 31, 2017.

FAIR VALUE MEASUREMENTS — NON-RECURRING BASIS

We measure the fair value of certain assets on a non-recurring basis when events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. Net impairment charges recorded on assets measured at fair value on a non-recurring basis were immaterial for the three months ended March 31, 2017 and 2016.

FAIR VALUE MEASUREMENTS — VALUATION METHODOLOGIES AND ASSUMPTIONS

See Note 23 of the Notes to Consolidated Financial Statements in Part II - Item 8 included in our 2016 Annual Report on Form 10-K for information regarding our methods and assumptions used to estimate fair value.

18. Subsequent Events

REVOLVING CONDUIT FACILITIES

On April 13, 2017, Midbrook 2013-VFN1 Trust and OneMain Financial B5 Warehouse Trust voluntarily terminated their note purchase agreements with their respective lenders. Concurrent with the termination of the note purchase agreements, we entered into the Financial Funding VII LSA with the same third party lenders who were parties to the terminated note purchase agreements. We may borrow up to a maximum principal balance of $650 million under the Financial Funding VII LSA, and amounts borrowed will be backed by personal loans acquired from subsidiaries of OMFH from time to time. No amounts were borrowed at closing, but may be borrowed from time to time over a 31-month revolving period which ends in October 2019, subject to the satisfaction of customary conditions precedent. During the revolving period, any amounts borrowed can be paid down in whole or in part and then redrawn. Following the revolving period, the principal balance of any outstanding loans, if any, will be reduced as cash payments are received on the underlying personal loans and will be due and payable in full in November 2021.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

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

Forward-Looking Statements

This report contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are not statements of historical fact but instead represent only management's current beliefs regarding future events. By their nature, forward-looking statements involve inherent risks, uncertainties and other important factors that may cause actual results, performance or achievements to differ materially from those expressed in or implied by such forward-looking statements. We caution you not to place undue reliance on these forward-looking statements that speak only as of the date they were made. We do not undertake any obligation to publicly release any revisions to these forward-looking statements to reflect events or circumstances after the date of this report or to reflect the occurrence of unanticipated events or the non-occurrence of anticipated events. Forward-looking statements include, without limitation, statements concerning future plans, objectives, goals, projections, strategies, events or performance, and underlying assumptions and other statements related thereto. Statements preceded by, followed by or that otherwise include the words "anticipates," "appears," "are likely," "believes," "estimates," "expects," "foresees," "intends," "plans," "projects" and similar expressions or future or conditional verbs such as "would," "should," "could," "may," or "will," are intended to identify forward-looking statements. Important factors that could cause actual results, performance or achievements to differ materially from those expressed in or implied by forward-looking statements include, without limitation, the following:

- the inability to obtain, or delays in obtaining, cost savings and synergies from the OneMain Acquisition and risks and other uncertainties associated with the integration of the companies;
- unanticipated expenditures relating to the OneMain Acquisition;
- any litigation, fines or penalties that could arise relating to the OneMain Acquisition;
- the impact of the OneMain Acquisition on our relationships with employees and third parties;
- various risks relating to our continued compliance with the Settlement Agreement;
- changes in general economic conditions, including the interest rate environment in which we conduct business and the financial markets through which we can access capital and also invest cash flows from our Consumer and Insurance segment;
- levels of unemployment and personal bankruptcies;
- natural or accidental events such as earthquakes, hurricanes, tornadoes, fires, or floods affecting our customers, collateral, or branches or other operating facilities;

- war, acts of terrorism, riots, civil disruption, pandemics, disruptions in the operation of our information systems, cyber-attacks or other security breaches, or other events disrupting business or commerce;
- changes in the rate at which we can collect or potentially sell our finance receivables portfolio;
- the effectiveness of our credit risk scoring models in assessing the risk of customer unwillingness or lack of capacity to repay;
- changes in our ability to attract and retain employees or key executives to support our businesses;
- changes in the competitive environment in which we operate, including the demand for our products, customer responsiveness to our distribution channels, our ability to make technological improvements, and the strength and ability of our competitors to operate independently or to enter into business combinations that result in a more attractive range of customer products or provide greater financial resources;
- risks related to the acquisition or sale of assets or businesses or the formation, termination or operation of joint ventures or other strategic alliances or arrangements, including loan delinquencies or net charge-offs, integration or migration issues, increased costs of servicing, incomplete records, and retention of customers;
- the inability to successfully and timely expand our centralized loan servicing capabilities through the integration of the Springleaf and OneMain servicing facilities;
- risks associated with our insurance operations, including insurance claims that exceed our expectations or insurance losses that exceed our reserves;
- the inability to successfully implement our growth strategy for our consumer lending business as well as various risks associated with successfully acquiring portfolios of consumer loans, pursuing acquisitions, and/or establishing joint ventures;
- declines in collateral values or increases in actual or projected delinquencies or net charge-offs;
- changes in federal, state or local laws, regulations, or regulatory policies and practices, including the Dodd-Frank Act (which, among other things, established the CFPB, which has broad authority to regulate and examine financial institutions, including us), that affect our ability to conduct business or the manner in which we conduct business, such as licensing requirements, pricing limitations or restrictions on the method of offering products, as well as changes that may result from increased regulatory scrutiny of the sub-prime lending industry, our use of third-party vendors and real estate loan servicing, or changes in corporate or individual income tax laws or regulations;
- potential liability relating to real estate and personal loans which we have sold or may sell in the future, or relating to securitized loans, if it is determined that there was a non-curable breach of a representation or warranty made in connection with such transactions;
- the costs and effects of any actual or alleged violations of any federal, state or local laws, rules or regulations, including any litigation associated therewith, any impact to our business operations, reputation, financial position, results of operations or cash flows arising therefrom, any impact to our relationships with lenders, investors or other third parties attributable thereto, and the costs and effects of any breach of any representation, warranty or covenant under any of our contractual arrangements, including indentures or other financing arrangements or contracts, as a result of any such violation;
- the costs and effects of any fines, penalties, judgments, decrees, orders, inquiries, investigations, subpoenas, or enforcement or other proceedings of any governmental or quasi-governmental agency or authority and any litigation associated therewith;
- our continued ability to access the capital markets or the sufficiency of our current sources of funds to satisfy our cash flow requirements;
- our ability to comply with our debt covenants;
- our ability to generate sufficient cash to service all of our indebtedness;

- any material impairment or write-down of the value of our assets;
- the effects of any downgrade of our debt ratings by credit rating agencies, which could have a negative impact on our cost of and/or access to capital;
- our substantial indebtedness, which could prevent us from meeting our obligations under our debt instruments and limit our ability to react to changes in the economy or our industry, or our ability to incur additional borrowings;
- the impacts of our securitizations and borrowings;
- our ability to maintain sufficient capital levels in our regulated and unregulated subsidiaries;
- changes in accounting standards or tax policies and practices and the application of such new standards, policies and practices;
- changes in accounting principles and policies or changes in accounting estimates;
- effects of the contemplated acquisition of Fortress by an affiliate of SoftBank Group Corp.;
- any failure or inability to achieve the SpringCastle Portfolio performance requirements set forth in the SpringCastle Interests Sale purchase agreement; and
- the effect of future sales of our remaining portfolio of real estate loans and the transfer of servicing of these loans, including the environmental liability and costs for damage caused by hazardous waste if a real estate loan goes into default.

We also direct readers to other risks and uncertainties discussed in other documents we file with the SEC.

If one or more of these or other risks or uncertainties materialize, or if our underlying assumptions prove to be incorrect, our actual results may vary materially from what we may have expressed or implied by these forward-looking statements. We caution that you should not place undue reliance on any of our forward-looking statements. You should specifically consider the factors identified in this report that could cause actual results to differ before making an investment decision to purchase our common stock. Furthermore, new risks and uncertainties arise from time to time, and it is impossible for us to predict those events or how they may affect us.

Overview

We are a leading provider of responsible personal loan products, primarily to non-prime customers. Our network of nearly 1700 branch offices in 44 states as of March 31, 2017 and expert personnel is complemented by our online personal loan origination capabilities and centralized operations, which allow us to reach customers located outside our branch footprint. Our digital platform provides current and prospective customers the option of obtaining an unsecured personal loan via our website, *www.onemainfinancial.com.* (The information on our website is not incorporated by reference into this report.) In connection with our personal loan business, we offer our customers credit and non-credit insurance.

In addition, we service or sub-service loans owned by third-parties; pursue strategic acquisitions and dispositions of assets and businesses, including loan portfolios or other financial assets; and may establish joint ventures or enter into other strategic alliances or arrangements from time to time.

OUR PRODUCTS

Our product offerings include:

- ***Personal Loans —*** We offer personal loans through our branch network and over the Internet through our centralized operations to customers who generally need timely access to cash. Our personal loans are typically non-revolving with a fixed-rate and a fixed, original term of three to six years and are secured by consumer goods, automobiles, or other personal property or are unsecured. At March 31, 2017, we had over 2.1 million personal loans, representing $13.2 billion of net finance receivables, of which 37% were secured by titled collateral, compared to 2.2 million personal loans totaling $13.6 billion at December 31, 2016, of which 36% were secured by titled collateral.

- ***Insurance Products —*** We offer our customers credit insurance (life insurance, disability insurance, and involuntary unemployment insurance) and non-credit insurance through both our branch network and our centralized operations. Credit insurance and non-credit insurance products are provided by our subsidiaries, Merit, Yosemite, AHL and Triton. We also offer auto membership plans of an unaffiliated company.

Our non-originating legacy products include:

- ***Real Estate Loans —*** We ceased originating real estate loans in January of 2012, and during 2014, we sold $6.4 billion real estate loans held for sale. During 2016, we sold $308 million real estate loans held for sale. The remaining real estate loans may be closed-end accounts or open-end home equity lines of credit, generally have a fixed rate and maximum original terms of 360 months, and are secured by first or second mortgages on residential real estate. Predominantly, our first lien mortgages are serviced by third-party servicers, and we continue to provide servicing for our second lien mortgages (home equity lines of credit). At March 31, 2017, we had $139 million of real estate loans held for investment, of which 94% were secured by first mortgages, compared to $144 million at December 31, 2016, of which 93% were secured by first mortgages. Real estate loans held for sale totaled $148 million and $153 million at March 31, 2017 and December 31, 2016, respectively.

- ***Retail Sales Finance —*** We ceased purchasing retail sales contracts and revolving retail accounts in January of 2013. We continue to service the liquidating retail sales contracts and will provide revolving retail sales financing services on our revolving retail accounts. We refer to retail sales contracts and revolving retail accounts collectively as “retail sales finance.”

OUR SEGMENTS

At March 31, 2017, we had two operating segments:

- Consumer and Insurance; and
- Acquisitions and Servicing.

Beginning in 2017, we include Real Estate, which was previously presented as a distinct reporting segment, in “Other.” See Note 16 of the Notes to Condensed Consolidated Financial Statements in Part I - Item 1 of this report for further information on this change in our segment alignment and for more information about our segments. To conform to the new alignment of our segments, we have revised our prior period segment disclosures.

Recent Developments and Outlook

We continue to execute our strategy to increase the proportion of our loan originations secured by titled collateral (which typically have lower yields and credit losses relative to unsecured personal loans), particularly within the former OneMain branches where secured loan originations have historically represented a smaller proportion of total originations than those of the former Springleaf branches. As we continue to increase secured loans as a proportion of our total loan portfolio, our yields may be lower in future periods relative to our historical yields; however, we also expect a proportional improvement in net credit losses over time as our portfolio matures and as secured loans become a greater proportion of our total loan portfolio.

With the systems conversion of the former OneMain branches having been successfully completed in the first quarter of 2017, we expect to be well positioned to resume growth in our net finance receivables beginning in the second quarter of 2017. In addition, with the successful execution of our secured lending and credit risk management strategies, we expect to experience lower future credit losses beginning in the second quarter of 2017. No assurance can be given, however, that these actions and strategies will be effective, that we will be successful in implementing these actions and strategies, or that we will not incur increased credit losses or declines in or lower growth of our personal loan net finance receivables in the future.

We expect to realize approximately $275 million - $300 million of cost synergies from the OneMain Acquisition by the end of 2017. This level of cost synergies is expected to include approximately $200 million of reductions in operating expenses to be fully realized by the end of the fourth quarter of 2017, as well as an incremental $75 million - $100 million of costs that we do not expect to incur as a result of the OneMain Acquisition. We also anticipate incurring approximately $275 million of acquisition-related expenses to consolidate the two operating companies. As of March 31, 2017, we had incurred approximately $193 million of acquisition-related transaction and integration expenses ($23 million incurred during the three months ended March 31, 2017).

The estimated synergies were derived by comparing the operating expenses expected in the second half of 2017 of the combined operations to the sum of operating expenses expected to be generated on a stand-alone basis, as if each company had the same business strategies. The foregoing estimates of synergies and charges in connection with consolidating the two companies and expectations regarding when they will be fully reflected in our results are subject to various risks, uncertainties and assumptions, many of which are beyond our control. Therefore, no assurance can be given as to when or if they will be realized.

With our experienced management team, long track record of successfully accessing the capital markets, and strong demand for consumer credit, we believe we are well positioned to execute on our strategic priorities of capturing the benefits of the OneMain Acquisition and strengthening our capital base through the following key initiatives:

- Reinvigorating growth in receivables through enhanced marketing strategies and product options, including an expansion of our direct auto lending;
- Growing secured lending originations with a goal of enhancing credit performance;
- Leveraging scale and cost discipline across the Company to realize a total of approximately $275 million - $300 million of aggregate acquisition cost synergies, as previously discussed;
- Reducing leverage; and
- Maintaining a strong liquidity level and diversified funding sources.

Assuming the U.S. economy continues to experience slow to moderate growth, we expect to continue our long history of strong credit performance and believe the strong credit quality of our loan portfolio will continue as the result of our disciplined underwriting practices and ongoing collection efforts. We have continued to see some migration of customer activity away from traditional channels, such as direct mail, to online channels (primarily serviced through our branch network), where we believe we are well suited to capture volume due to our scale, technology, and deployment of advanced analytics.

Tax Reform Proposals

The new presidential administration and several members of the U.S. Congress have indicated significant reform of various aspects of the U.S. tax code as a top legislative priority. A number of proposals for tax reform, including significant changes to corporate tax provisions, are currently under consideration. Such changes could have a material impact, either positive or negative, on our deferred tax assets and liabilities and our consolidated financial position, results of operations and cash flows, depending on the nature and extent of any changes to the U.S. tax code that are ultimately enacted into law. Additionally, changes to the U.S. tax code could more broadly impact the U.S. economy, which could potentially result in a material impact, either positive or negative, on the demand for our products and services and the ability of our customers to repay their loans. We cannot predict if or when any of these proposals to reform the U.S. tax code will be enacted into law and, accordingly, no assurance can be given as to whether or to what extent any changes to the U.S. tax code will impact us or our customers or our financial position, results of operations or cash flows.

Results of Operations

CONSOLIDATED RESULTS

See the table below for our consolidated operating results and selected financial statistics. A further discussion of our operating results for each of our operating segments is provided under "Segment Results" below.

(dollars in millions, except per share amounts)	At or for the Three Months Ended March 31, 2017	2016
Interest income	**$ 759**	$ 831
Interest expense	**202**	226
Provision for finance receivable losses	**245**	197
Net interest income after provision for finance receivable losses	**312**	408
Net gain on sale of SpringCastle interests	**—**	167
Other revenues	**141**	136
Acquisition-related transaction and integration expenses	**23**	33
Other expenses	**373**	426
Income before income taxes	**57**	252
Income taxes	**24**	87
Net income	**33**	165
Net income attributable to non-controlling interests	**—**	28
Net income attributable to OMH	**$ 33**	$ 137
Share Data:		
Weighted average number of shares outstanding:		
Basic	**135,218,586**	134,694,759
Diluted	**135,573,167**	134,907,748
Earnings per share:		
Basic	**$ 0.25**	$ 1.02
Diluted	**$ 0.25**	$ 1.01
Selected Financial Statistics (a)		
Finance receivables held for investment:		
Net finance receivables	**$ 13,388**	$ 13,836
Number of accounts	**2,154,034**	2,201,321
Finance receivables held for sale:		
Net finance receivables	**$ 148**	$ 776
Number of accounts	**2,714**	146,302
Finance receivables held for investment and held for sale: (b)		
Average net receivables	**$ 13,513**	$ 16,076
Yield	**22.67 %**	20.64 %
Gross charge-off ratio	**8.91 %**	4.11 %
Recovery ratio	**(0.89)%**	(0.39)%
Net charge-off ratio	**8.02 %**	3.72 %
30-89 Delinquency ratio	**2.21 %**	1.89 %
Origination volume	**$ 1,812**	$ 2,361
Number of accounts originated	**243,652**	328,057

(a) See "Glossary" at the beginning of this report for formulas and definitions of our key performance ratios.

(b) Includes personal loans held for sale for the 2016 period in connection with the Lendmark Sale, but excludes real estate loans held for sale for both periods in order to be comparable with our segment statistics disclosed in "Segment Results."

Comparison of Consolidated Results for the Three Months Ended March 31, 2017 and 2016

Interest income decreased $72 million for the three months ended March 31, 2017 when compared to the same period in 2016 due to the following:

- ***Finance charges*** decreased $29 million primarily due to the net of the following:

    - ***Average net receivables held for investment*** decreased primarily due to (i) the SpringCastle Interests Sale and (ii) our liquidating real estate loan portfolio, including the transfers of $257 million and $50 million of real estate loans to finance receivables held for sale on June 30, 2016 and November 30, 2016, respectively. This decrease was partially offset by the continued growth of our personal loan portfolio.

    - ***Yield on finance receivables held for investment*** increased primarily due to lower amortization of purchase premium on non-credit impaired finance receivables. This increase was partially offset by the continued growth of secured personal loans, which generally have lower yields relative to our unsecured personal loans.

- ***Interest income on finance receivables held for sale*** decreased $43 million primarily due to the transfer of $608 million of our personal loans to finance receivables held for sale on September 30, 2015, which were sold in the Lendmark Sale on May 2, 2016.

Interest expense decreased $24 million for the three months ended March 31, 2017 when compared to the same period in 2016 primarily due to the net of the following:

- ***Average debt*** decreased primarily due to (i) the elimination of the debt associated with the SpringCastle Interests Sale and (ii) net debt repurchases and repayments during the past 12 months relating to our conduit facilities. This decrease was partially offset by net debt issuances during the past 12 months relating to our securitization transactions. See Notes 8 and 9 of the Notes to Condensed Consolidated Financial Statements in Part I - Item 1 of this report for further information on our long-term debt, securitization transactions and our conduit facilities.

- ***Weighted average interest rate on our debt*** increased primarily due to (i) SFC's offering of the 8.25% SFC Notes in April of 2016 and (ii) the elimination of debt associated with the SpringCastle Interests Sale, which generally had a lower interest rate relative to our other indebtedness. This increase was partially offset by the repurchase of $600 million unsecured notes, which had a higher interest rate relative to our other indebtedness, in connection with SFC's offering of the 8.25% SFC Notes.

Provision for finance receivable losses increased $48 million for the three months ended March 31, 2017 when compared to the same period in 2016 primarily due to higher net charge-offs in the 2017 period resulting from (i) the increase in delinquency of our personal loans from the significant amount of transition activity that took place in the third quarter of 2016 that charged-off in the first quarter of 2017 and (ii) growth of our personal loan portfolio during the past 12 months. This increase was partially offset by (i) the absence of net charge-offs on the previously owned SpringCastle Portfolio and (ii) the impairment taken on purchased credit impaired loans in the first quarter of 2016.

Net gain on sale of SpringCastle interests of $167 million for the three months ended March 31, 2016 reflected the net gain associated with the sale of our equity interest in the SpringCastle Joint Venture on March 31, 2016.

Other revenues increased $5 million for the three months ended March 31, 2017 when compared to the same period in 2016 primarily due to the net of (i) three months of servicing income for the SpringCastle Portfolio in the 2017 period totaling $10 million, (ii) $5 million lower net charge-offs recognized on finance receivables held for sale and provision adjustments for liquidated held for sale accounts during the 2017 period, and (iii) a decrease in insurance revenues of $11 million during the 2017 period reflecting a decrease in canceled and runoff business and lower earned credit and non-credit premiums.

Acquisition-related transaction and integration costs of $23 million and $33 million for the three months ended March 31, 2017 and 2016, respectively, reflected costs relating to the OneMain Acquisition and the Lendmark Sale, including branch and system conversions, information technology costs, certain compensation and benefit related costs, and other costs and fees that would not have been incurred in the ordinary course of business. See "Non-GAAP Financial Measures" below for further information regarding these costs.

Other expenses decreased $53 million for the three months ended March 31, 2017 when compared to the same period in 2016 due to the following:

- ***Salaries and benefits*** decreased $28 million primarily due to a decrease in average staffing as a result of our integration of the two legacy companies.

- ***Other operating expenses*** decreased $25 million primarily due to our continued integration efforts, which resulted in lower professional fees of $16 million and lower costs related to a transition services agreement with Citigroup of $9 million.

Income taxes totaled $24 million for the three months ended March 31, 2017 compared to $87 million for the same period in 2016. The effective tax rate for the three months ended March 31, 2017 was 41.5% compared to 34.5% for the same period in 2016. The effective tax rate for the three months ended March 31, 2017 differed from the federal statutory rate primarily due to the effect of state income taxes and discrete expense from share-based compensation. The effective tax rate for the three months ended March 31, 2016 differed from the federal statutory rate primarily due to the effect of the non-controlling interests in the previously owned SpringCastle Portfolio.

NON-GAAP FINANCIAL MEASURES

Adjusted Pretax Income (Loss)

Management uses adjusted pretax income (loss), a non-GAAP financial measure, as a key performance measure of our segments. Adjusted pretax income (loss) represents income (loss) before income taxes on a Segment Accounting Basis and excludes acquisition-related transaction and integration expenses, net gain on sale of SpringCastle interests, SpringCastle transaction costs, and losses resulting from repurchases and repayments of debt. Management believes adjusted pretax income (loss) is useful in assessing the profitability of our segments and uses adjusted pretax income (loss) in evaluating our operating performance. Adjusted pretax income (loss) is a non-GAAP measure and should be considered supplemental to, but not as a substitute for or superior to, income (loss) before income taxes, net income, or other measures of financial performance prepared in accordance with GAAP.

The reconciliations of income (loss) before income taxes attributable to OMH on a Segment Accounting Basis to adjusted pretax income (loss) attributable to OMH (non-GAAP) by segment were as follows:

	Three Months Ended March 31,	
(dollars in millions)	**2017**	**2016**
Consumer and Insurance		
Income before income taxes - Segment Accounting Basis	**$ 142**	$ 167
Adjustments:		
Acquisition-related transaction and integration expenses	**20**	28
Net loss on repurchases and repayments of debt	**1**	8
Adjusted pretax income (non-GAAP)	**$ 163**	$ 203
Acquisitions and Servicing		
Income before income taxes attributable to OMH - Segment Accounting Basis	**$ 1**	$ 192
Adjustments:		
Net gain on sale of SpringCastle interests	**—**	(167)
SpringCastle transaction costs	**—**	1
Adjusted pretax income attributable to OMH (non-GAAP)	**$ 1**	$ 26
Other		
Loss before income tax benefit - Segment Accounting Basis	**$ (13)**	$ (22)
Adjustments:		
Acquisition-related transaction and integration expenses	**6**	9
Adjusted pretax loss (non-GAAP)	**$ (7)**	$ (13)

Acquisition-related transaction and integration expenses incurred as a result of the OneMain Acquisition and the Lendmark Sale include (i) compensation and employee benefit costs, such as retention awards and severance costs, (ii) accelerated amortization of acquired software assets, (iii) rebranding to the OneMain brand, (iv) branch infrastructure and other fixed asset integration costs, (v) information technology costs, such as internal platform development, software upgrades and licenses, and technology termination costs, (vi) legal fees and project management costs, (vii) system conversions, including payroll, marketing, risk, and finance functions, and (viii) other costs and fees directly related to the OneMain Acquisition and integration.

Segment Results

See Note 16 of the Notes to Condensed Consolidated Financial Statements in Part I - Item 1 of this report for (i) a description of our segments, (ii) reconciliations of segment totals to condensed consolidated financial statement amounts, (iii) methodologies used to allocate revenues and expenses to each segment, and (iv) further discussion of the differences in our Segment Accounting Basis and GAAP.

CONSUMER AND INSURANCE

Adjusted pretax income and selected financial statistics for Consumer and Insurance (which are reported on an adjusted Segment Accounting Basis) were as follows:

	At or for the Three Months Ended March 31,	
(dollars in millions)	**2017**	**2016**
Interest income	**$ 798**	$ 849
Interest expense	**186**	175
Provision for finance receivable losses	**239**	232
Net interest income after provision for finance receivable losses	**373**	442
Other revenues	**138**	149
Other expenses	**348**	388
Adjusted pretax income (non-GAAP)	**$ 163**	$ 203
Selected Financial Statistics (a)		
Finance receivables held for investment:		
Net finance receivables	**$ 13,157**	$ 12,984
Number of accounts	**2,147,394**	2,175,628
Finance receivables held for sale:		
Net finance receivables	**$ —**	$ 606
Number of accounts	**—**	143,254
Finance receivables held for investment and held for sale: (b)		
Average net receivables	**$ 13,261**	$ 13,545
Yield	**24.39 %**	25.15 %
Gross charge-off ratio	**9.58 %**	8.12 %
Recovery ratio	**(1.11)%**	(0.62)%
Net charge-off ratio	**8.47 %**	7.50 %
30-89 Delinquency ratio	**2.17 %**	1.84 %
Origination volume	**$ 1,812**	$ 2,343
Number of accounts originated	**243,652**	328,057

(a) See “Glossary” at the beginning of this report for formulas and definitions of our key performance ratios.

(b) Includes personal loans held for sale for the 2016 period in connection with the Lendmark Sale.

Comparison of Adjusted Pretax Income for the Three Months Ended March 31, 2017 and 2016

Interest income decreased $51 million for the three months ended March 31, 2017 when compared to the same period in 2016 due to the following:

- ***Finance charges*** decreased $9 million primarily due to the net of the following:
    - ***Average net receivables held for investment*** increased primarily due to the continued growth of our loan portfolio.
    - ***Yield on finance receivables held for investment*** decreased primarily due to the continued growth of secured personal loans, which generally have lower yields relative to our unsecured personal loans.
- ***Interest income on finance receivables held for sale*** of $42 million for the three months ended March 31, 2016 resulted from the transfer of personal loans to finance receivables held for sale on September 30, 2015, which were sold in the Lendmark Sale on May 2, 2016.

Interest expense increased $11 million for the three months ended March 31, 2017 when compared to the same period in 2016 primarily due to an increase in the utilization of financing from unsecured notes, which generally have higher interest rates relative to our other indebtedness.

Provision for finance receivable losses increased $7 million for the three months ended March 31, 2017 when compared to the same period in 2016 primarily due to higher net charge-offs in the 2017 period resulting from (i) the increase in delinquency of our personal loans from the significant amount of transition activity that took place in the third quarter of 2016 that charged-off in the first quarter of 2017 and (ii) growth of our personal loan portfolio during the past 12 months. This increase was partially offset by the continued refinement of our estimates of allowance for finance receivable losses and their related assumptions based on ongoing integration and alignment of collection and charge-off practices.

Other revenues decreased $11 million for the three months ended March 31, 2017 when compared to the same period in 2016 due to a decrease in insurance revenues during the 2017 period reflecting a decrease in canceled and runoff business and lower earned credit and non-credit premiums.

Other expenses decreased $40 million for the three months ended March 31, 2017 when compared to the same period in 2016 due to the net of the following:

- ***Salaries and benefits*** decreased $24 million primarily due to a decrease in average staffing as a result of our integration of the two legacy companies.
- ***Other operating expenses*** decreased $22 million primarily due to our continued integration efforts, which resulted in lower professional fees of $13 million and lower costs related to a transition services agreement with Citigroup of $9 million.
- ***Insurance policy benefits and claims*** increased $6 million primarily due to a claim reserve release during 2016.

ACQUISITIONS AND SERVICING

Adjusted pretax income attributable to OMH and selected financial statistics for Acquisitions and Servicing (which are reported on an adjusted Segment Accounting Basis) were as follows:

	At or for the Three Months Ended March 31,	
(dollars in millions)	**2017**	**2016**
Interest income	**$ —**	$ 102
Interest expense	**—**	20
Provision for finance receivable losses	**—**	14
Net interest income after provision for finance receivable losses	**—**	68
Other revenues	**12**	11
Other expenses	**11**	25
Adjusted pretax income (non-GAAP)	**1**	54
Pretax income attributable to non-controlling interests	**—**	28
Adjusted pretax income attributable to OMH (non-GAAP)	**$ 1**	$ 26
Selected Financial Statistics *		
Finance receivables held for investment:		
Average net receivables	**$ —**	$ 1,656
Yield	**—%**	24.70%
Net charge-off ratio	**—%**	3.44%

* See “Glossary” at the beginning of this report for formulas and definitions of our key performance ratios.

On March 31, 2016, we sold our equity interest in the SpringCastle Joint Venture, the primary component of our Acquisitions and Servicing segment.

OTHER

“Other” consists of our non-originating legacy operations, which include (i) our liquidating real estate loan portfolio as discussed below, (ii) our liquidating retail sales finance portfolio (including retail sales finance accounts from our legacy auto finance operation), and (iii) our short equity personal loans that we are no longer originating.

Beginning in 2017, management no longer views or manages our real estate assets as a separate operating segment. Therefore, we are now including Real Estate, which was previously presented as a distinct reporting segment, in “Other.” To conform to this new alignment of our segments, we have revised our prior period segment disclosures.

Adjusted pretax loss of the Other components (which are reported on an adjusted Segment Accounting Basis) were as follows:

	Three Months Ended March 31,	
(dollars in millions)	**2017**	**2016**
Interest income	**$ 6**	$ 16
Interest expense	**6**	13
Provision for finance receivable losses	**1**	2
Net interest income (loss) after provision for finance receivable losses	**(1)**	1
Other revenues	**—**	(11)
Other expenses	**6**	3
Adjusted pretax loss (non-GAAP)	**$ (7)**	$ (13)

Net finance receivables of the Other components (which are reported on a Segment Accounting Basis) were as follows:

	March 31,	
(dollars in millions)	2017	2016
Net finance receivables held for investment:		
Personal loans	**$ 6**	$ 15
Real estate loans	**148**	542
Retail sales finance	**10**	20
Total	**$ 164**	$ 577
Net finance receivables held for sale:		
Real estate loans	**$ 151**	$ 170

Credit Quality

FINANCE RECEIVABLE COMPOSITION

The following table presents the composition of our finance receivables for each of the Company's segments on a Segment Accounting Basis, as well as reconciliations to our total net finance receivables on a GAAP basis:

(dollars in millions)	Consumer and Insurance	Other	Segment to GAAP Adjustment	Consolidated Total
March 31, 2017				
Personal loans	**$ 13,157**	**$ 6**	**$ 77**	**$ 13,240**
Real estate loans	**—**	**148**	**(9)**	**139**
Retail sales finance	**—**	**10**	**(1)**	**9**
Total	**$ 13,157**	**$ 164**	**$ 67**	**$ 13,388**
December 31, 2016				
Personal loans	$ 13,455	$ 11	$ 111	$ 13,577
Real estate loans	—	153	(9)	144
Retail sales finance	—	12	(1)	11
Total	$ 13,455	$ 176	$ 101	$ 13,732

The largest component of our finance receivables and primary source of our interest income is our personal loan portfolio. Our personal loans are typically non-revolving with a fixed-rate and a fixed, original term of three to six years and are secured by consumer goods, automobiles, or other personal property or are unsecured. At March 31, 2017, 37% of our personal loans were secured by titled collateral, compared to 36% at December 31, 2016.

Distribution of Finance Receivables by FICO Score

There are many different categorizations used in the consumer lending industry to describe the creditworthiness of a borrower, including prime, non-prime, and sub-prime. We track and analyze the performance of our finance receivable portfolio using many different parameters, including FICO scores, which is widely recognized in the consumer lending industry.

We group FICO scores into the following credit strength categories:

- Prime: FICO score of 660 or higher
- Non-prime: FICO score of 620-659
- Sub-prime: FICO score of 619 or below

Our customers are described as prime at one end of the credit spectrum and sub-prime at the other. Our customers' demographics are in many respects near the national median, but may vary from national norms in terms of credit and repayment histories. Many of our customers have experienced some level of prior financial difficulty or have limited credit experience and require higher levels of servicing and support from our branch network.

Our net finance receivables grouped into the following categories based solely on borrower FICO credit scores at the purchase, origination, renewal, or most recently refreshed date were as follows:

(dollars in millions)	Personal Loans	Real Estate Loans	Retail Sales Finance	Total
March 31, 2017 *				
FICO scores				
660 or higher	**$ 3,671**	**$ 40**	**$ 5**	**$ 3,716**
620-659	**3,360**	**25**	**1**	**3,386**
619 or below	**6,206**	**72**	**3**	**6,281**
Unavailable	**3**	**2**	**—**	**5**
Total	**$ 13,240**	**$ 139**	**$ 9**	**$ 13,388**
December 31, 2016				
FICO scores				
660 or higher	$ 3,424	$ 41	$ 5	$ 3,470
620-659	3,383	23	2	3,408
619 or below	6,747	77	4	6,828
Unavailable	23	3	—	26
Total	$ 13,577	$ 144	$ 11	$ 13,732

* The shift in FICO distribution reflects the alignment in FICO versions across OMH. As of March 31, 2017, the legacy Springleaf FICO scores were refreshed to FICO 08 version, which is comparable with the legacy OneMain FICO version.

DELINQUENCY

We consider the delinquency status of our finance receivable as the primary indicator of credit quality. We monitor delinquency trends to evaluate the risk of future credit losses and employ advanced analytical tools to manage our exposure and appetite. Our branch team members work with customers through occasional periods of financial difficulty and offer a variety of borrower assistance programs to help customers continue to make payments. Team members also actively engage in collection activities throughout the early stages of delinquency. We closely track and report the percentage of receivables that are 30-89 days past due as a benchmark of portfolio quality, collections effectiveness, and as a strong indicator of losses in coming quarters.

When finance receivables are 60 days past due, we consider them delinquent and transfer collections management of these accounts to our centralized operations, as these accounts are considered to be at increased risk for loss. Use of our centralized operations teams for managing late stage delinquency allows us to apply more advanced collections technologies/tools and drives operating efficiencies in servicing. At 90 days past due, we consider our finance receivables to be nonperforming.

The following table presents (i) delinquency information of the Company's segments on a Segment Accounting Basis, (ii) reconciliations to our total net finance receivables on a GAAP basis, by number of days delinquent, and (iii) delinquency ratios as a percentage of net finance receivables:

(dollars in millions)	Consumer and Insurance	Other	Segment to GAAP Adjustment	Consolidated Total
March 31, 2017				
Current	**$ 12,571**	**$ 125**	**$ 67**	**$ 12,763**
30-59 days past due	**164**	**9**	**(1)**	**172**
Delinquent (60-89 days past due)	**120**	**4**	**—**	**124**
Performing	**12,855**	**138**	**66**	**13,059**
Nonperforming (90+ days past due)	**302**	**26**	**1**	**329**
Total net finance receivables	**$ 13,157**	**$ 164**	**$ 67**	**$ 13,388**
Delinquency ratio				
30-89 days past due	**2.17%**	**7.83%**	*****	**2.21%**
30+ days past due	**4.45%**	**23.99%**	*****	**4.67%**
60+ days past due	**3.20%**	**18.65%**	*****	**3.38%**
90+ days past due	**2.29%**	**16.16%**	*****	**2.45%**
December 31, 2016				
Current	$ 12,799	$ 131	$ 103	$ 13,033
30-59 days past due	174	10	(1)	183
Delinquent (60-89 days past due)	130	4	—	134
Performing	13,103	145	102	13,350
Nonperforming (90+ days past due)	352	31	(1)	382
Total net finance receivables	$ 13,455	$ 176	$ 101	$ 13,732
Delinquency ratio				
30-89 days past due	2.26%	8.32%	*	2.31%
30+ days past due	4.88%	25.88%	*	5.09%
60+ days past due	3.59%	20.16%	*	3.76%
90+ days past due	2.62%	17.56%	*	2.78%

* Not applicable.

ALLOWANCE FOR FINANCE RECEIVABLE LOSSES

We record an allowance for finance receivable losses to cover expected losses on our finance receivables. Our allowance for finance receivable losses may fluctuate based upon our continual review of the credit quality of the finance receivable portfolios and changes in economic conditions.

Changes in the allowance for finance receivable losses for each of the Company’s segments on a Segment Accounting Basis, as well as reconciliations to our total allowance for finance receivable losses on a GAAP basis, were as follows:

(dollars in millions)	Consumer and Insurance	Acquisitions and Servicing	Other	Segment to GAAP Adjustment	Consolidated Total
Three Months Ended March 31, 2017					
Balance at beginning of period	**$ 732**	**$ —**	**$ 31**	**$ (74)**	**$ 689**
Provision for finance receivable losses	**239**	**—**	**1**	**5**	**245**
Charge-offs	**(313)**	**—**	**(2)**	**18**	**(297)**
Recoveries	**36**	**—**	**—**	**(7)**	**29**
Balance at end of period	**$ 694**	**$ —**	**$ 30**	**$ (58)**	**$ 666**
Allowance ratio	**5.28%**	**—%**	**18.24%**	**(a)**	**4.97%**
Three Months Ended March 31, 2016					
Balance at beginning of period	$ 769	$ 4	$ 70	$ (251)	$ 592
Provision for finance receivable losses	232	14	2	(51)	197
Charge-offs	(275)	(17)	(5)	132	(165)
Recoveries	21	3	1	(9)	16
Other (b)	—	(4)	—	—	(4)
Balance at end of period	$ 747	$ —	$ 68	$ (179)	$ 636
Allowance ratio	5.76%	—%	11.82%	(a)	4.60%

(a) Not applicable.

(b) Consists of the elimination of allowance for finance receivable losses due to the sale of the SpringCastle Portfolio on March 31, 2016, in connection with the sale of our equity interest in the SpringCastle Joint Venture.

The delinquency status of our finance receivable portfolio, along with the level of our TDR finance receivables, are the primary drivers that can cause fluctuations in our allowance for finance receivable losses from period to period. We monitor the allowance ratio to ensure we have a sufficient level of allowance for finance receivable losses to cover estimated incurred losses in our finance receivable portfolio.

See Note 4 of the Notes to Condensed Consolidated Financial Statements in Part I - Item 1 of this report for more information about the changes in the allowance for finance receivable losses.

TDR FINANCE RECEIVABLES

We make modifications to our finance receivables to assist borrowers during times of financial difficulties. When we modify a loan’s contractual terms for economic or other reasons related to the borrower’s financial difficulties and grant a concession that we would not otherwise consider, we classify that loan as a TDR finance receivable.

Information regarding TDR finance receivables held for investment for each of the Company's segments on a Segment Accounting Basis, as well as reconciliations to information regarding our total TDR finance receivables held for investment on a GAAP basis, were as follows:

(dollars in millions)	Consumer and Insurance	Other	Segment to GAAP Adjustment	Consolidated Total
March 31, 2017				
TDR net finance receivables	**$ 399**	**$ 72**	**$ (261)**	**$ 210**
Allowance for TDR finance receivable losses	**146**	**23**	**(85)**	**84**
December 31, 2016				
TDR net finance receivables	$ 421	$ 71	$ (296)	$ 196
Allowance for TDR finance receivable losses	154	23	(97)	80

Liquidity and Capital Resources

SOURCES OF FUNDS

We finance the majority of our operating liquidity and capital needs through a combination of cash flows from operations, securitization debt, borrowings from conduit facilities, unsecured debt and equity, and may also utilize other corporate debt facilities in the future. As a holding company, all of the funds generated from our operations are earned by our operating subsidiaries.

Securitizations and Borrowings from Revolving Conduit Facilities

During the three months ended March 31, 2017, we (i) completed one auto securitization and (ii) exercised our right to redeem the asset-backed notes issued by SLFT 2014-A. See "Structured Financings" later in this section for further information on each of our securitization transactions.

Net borrowings under the notes of our existing revolving conduit facilities totaled $10 million for the three months ended March 31, 2017.

See Notes 8 and 9 of the Notes to Condensed Consolidated Financial Statements in Part I - Item 1 of this report for further information on our long-term debt, consumer loan securitization transactions and conduit facilities.

Subsequent to March 31, 2017, we completed the following transactions:

- On April 13, 2017, Midbrook 2013-VFN1 Trust and OneMain Financial B5 Warehouse Trust voluntarily terminated their note purchase agreements with their respective lenders. Concurrent with the termination of the note purchase agreements, we entered into the Financial Funding VII LSA with the same third party lenders who were parties to the terminated note purchase agreements. Under the Financial Funding VII LSA, we may borrow up to a maximum principal balance of $650 million. See Note 18 of the Notes to Condensed Consolidated Financial Statements in Part I - Item 1 of this report for further information on these subsequent transactions.

- On April 27, 2017, we drew $60 million of the variable funding notes issued by Sumner Brook 2013-VFN1 Trust.

USES OF FUNDS

Our operating subsidiaries' primary cash needs relate to funding our lending activities, our debt service obligations, our operating expenses (including acquisition-related transaction and integration expenses), payment of insurance claims and, to a lesser extent, expenditures relating to upgrading and monitoring our technology platform, risk systems, and branch locations.

At March 31, 2017, we had $787 million of cash and cash equivalents, and during the three months ended March 31, 2017, we generated net income of $33 million. Our net cash inflow from operating and investing activities totaled $503 million for the three months ended March 31, 2017. At March 31, 2017, our remaining scheduled principal and interest payments for 2017 on our existing debt (excluding securitizations) totaled $1.7 billion. As of March 31, 2017, we had $4.1 billion UPB of unencumbered personal loans and $357 million UPB of unencumbered real estate loans (including $210 million held for sale).

Based on our estimates and taking into account the risks and uncertainties of our plans, we believe that we will have adequate liquidity to finance and operate our businesses and repay our obligations as they become due for at least the next 12 months.

We have previously purchased portions of our unsecured indebtedness, and we may elect to purchase additional portions of our unsecured indebtedness in the future. Future purchases may be made through the open market, privately negotiated transactions with third parties, or pursuant to one or more tender or exchange offers, all of which are subject to terms, prices, and consideration we may determine.

LIQUIDITY

Operating Activities

Net cash provided by operations of $444 million for the three months ended March 31, 2017 reflected net income of $33 million, the impact of non-cash items, and a favorable change in working capital of $38 million. Net cash provided by operations of $416 million for the three months ended March 31, 2016 reflected net income of $165 million, the impact of non-cash items, and a favorable change in working capital of $107 million.

Investing Activities

Net cash provided by investing activities of $59 million for the three months ended March 31, 2017 was primarily due to net principal collections of finance receivables held for investment and held for sale and net sales, calls, and maturities of available-for-sale securities. Net cash used for investing activities of $45 million for the three months ended March 31, 2016 was primarily due to net principal originations of finance receivables held for investment, partially offset by the SpringCastle Interests Sale, a purchase price adjustment from the OneMain Acquisition, and net sales, calls, and maturities of available-for-sale securities.

Financing Activities

Net cash used for financing activities of $305 million and $683 million for the three months ended March 31, 2017 and 2016, respectively, were primarily due to net repayments of long-term debt.

Liquidity Risks and Strategies

SFC's and OMFH's credit ratings are non-investment grade, which have a significant impact on our cost of, and access to, capital. This, in turn, can negatively affect our ability to manage our liquidity and our ability or cost to refinance our indebtedness.

There are numerous risks to our financial results, liquidity, capital raising, and debt refinancing plans, some of which may not be quantified in our current liquidity forecasts. These risks include, but are not limited, to the following:

- our inability to grow or maintain our personal loan portfolio with adequate profitability;
- the effect of federal, state and local laws, regulations, or regulatory policies and practices;
- potential liability relating to real estate and personal loans which we have sold or may sell in the future, or relating to securitized loans; and
- the potential for disruptions in the debt and equity markets.

The principal factors that could decrease our liquidity are customer delinquencies and defaults, a decline in customer prepayments, a prolonged inability to adequately access capital market funding, and unanticipated expenditures in connection with the integration of OneMain. We intend to support our liquidity position by utilizing some or all the following strategies:

- maintaining disciplined underwriting standards and pricing for loans we originate or purchase and managing purchases of finance receivables;
- pursuing additional debt financings (including new securitizations and new unsecured debt issuances, debt refinancing transactions and revolving conduit facilities), or a combination of the foregoing;

- purchasing portions of our outstanding indebtedness through open market or privately negotiated transactions with third parties or pursuant to one or more tender or exchange offers or otherwise, upon such terms and at such prices, as well as with such consideration, as we may determine; and
- obtaining new and extending existing secured revolving facilities to provide committed liquidity in case of prolonged market fluctuations.

However, it is possible that the actual outcome of one or more of our plans could be materially different than expected or that one or more of our significant judgments or estimates could prove to be materially incorrect.

OUR INSURANCE SUBSIDIARIES

Our insurance subsidiaries are subject to state regulations that limit their ability to pay dividends. State law restricts the amounts that Merit and Yosemite may pay as dividends without prior notice to the Indiana DOI and the amounts that AHL and Triton may pay as dividends without prior notice to the Texas DOI. The maximum amount of dividends, referred to as “ordinary dividends,” for an Indiana or Texas domiciled life insurance company that can be paid without prior approval in a 12 month period (measured retrospectively from the date of payment) is the greater of: (i) 10% of policyholders’ surplus as of the prior year-end; or (ii) the statutory net gain from operations as of the prior year-end. Any amount greater must be approved by the Indiana DOI or Texas DOI prior to its payment. The maximum ordinary dividends for an Indiana or Texas domiciled property and casualty insurance company that can be paid without prior approval in a 12 month period (measured retrospectively from the date of payment) is the greater of: (i) 10% of policyholders’ surplus as of the prior year-end; or (ii) the statutory net income. Any amount greater must be approved by the Indiana DOI or Texas DOI prior to its payment. These approved dividends are called “extraordinary dividends.” Our insurance subsidiaries did not pay any dividends during the three months ended March 31, 2017. AHL and Triton paid extraordinary dividends to OMFH totaling $37 million during the three months ended March 31, 2016.

DEBT COVENANTS

SFC Debt Agreements

The debt agreements to which SFC and its subsidiaries are a party include customary terms and conditions, including covenants and representations and warranties. Some or all of these agreements also contain certain restrictions, including (i) restrictions on the ability to create senior liens on property and assets in connection with any new debt financings and (ii) SFC’s ability to sell or convey all or substantially all of its assets, unless the transferee assumes SFC’s obligations under the applicable debt agreement. In addition, the OMH guarantees of SFC’s long-term debt discussed above are subject to customary release provisions.

With the exception of the Junior Subordinated Debenture, none of our debt agreements require SFC or any of its subsidiaries to meet or maintain any specific financial targets or ratios. However, certain events, including non-payment of principal or interest, bankruptcy or insolvency, or a breach of a covenant or a representation or warranty, may constitute an event of default and trigger an acceleration of payments. In some cases, an event of default or acceleration of payments under one debt agreement may constitute a cross-default under other debt agreements resulting in an acceleration of payments under the other agreements.

As of March 31, 2017, SFC was in compliance with all of the covenants under its debt agreements.

Junior Subordinated Debenture. In January of 2007, SFC issued the Junior Subordinated Debenture, consisting of $350 million aggregate principal amount of 60-year junior subordinated debt. The Junior Subordinated Debenture underlies the trust preferred securities sold by a trust sponsored by SFC. SFC can redeem the Junior Subordinated Debenture at par beginning in January of 2017. Effective January 16, 2017, the interest rate on the UPB of the Junior Subordinated Debenture became a variable floating rate (determined quarterly) equal to 3-month LIBOR plus 1.75%, or 2.77% as of March 31, 2017. Prior to January 16, 2017, the interest rate on the UPB of the Junior Subordinated Debenture was a fixed rate of 6.00%.

Pursuant to the terms of the Junior Subordinated Debenture, SFC, upon the occurrence of a mandatory trigger event, is required to defer interest payments to the holders of the Junior Subordinated Debenture (and not make dividend payments to SFI) unless SFC obtains non-debt capital funding in an amount equal to all accrued and unpaid interest on the Junior Subordinated Debenture otherwise payable on the next interest payment date and pays such amount to the holders of the Junior Subordinated Debenture. A mandatory trigger event occurs if SFC’s (i) tangible equity to tangible managed assets is less than 5.5% or (ii) average fixed charge ratio is not more than 1.10x for the trailing four quarters.

Based upon SFC's financial results for the 12 months ended March 31, 2017, a mandatory trigger event did not occur with respect to the interest payment due in April of 2017, as SFC was in compliance with both required ratios discussed above.

OMFH Debt Agreements

None of OMFH's debt agreements require OMFH or any of its subsidiaries to meet or maintain any specific financial targets or ratios. However, the OMFH Indenture does contain a number of covenants that limit, among other things, OMFH's ability and the ability of most of its subsidiaries to incur additional debt; create liens securing certain debt; pay dividends on or make distributions in respect of its capital stock or make investments or other restricted payments; create restrictions on the ability of its restricted subsidiaries to pay dividends to OMFH or make certain other intercompany transfers; sell certain assets; consolidate, merge, sell or otherwise dispose of all or substantially all of its assets; and enter into certain transactions with affiliates. The OMFH Indenture also contains customary events of default which would permit the trustee or the holders of the OMFH Notes to declare the OMFH Notes to be immediately due and payable if not cured within applicable grace periods, including the nonpayment of principal, interest or premium, if any, when due; violation of covenants and other agreements contained in the OMFH Indenture; payment default after final maturity or cross acceleration of certain material debt; certain bankruptcy and insolvency events; material judgment defaults; and the failure of any guarantee of the notes, other than in accordance with the terms of the OMFH Indenture or such guarantee. On November 8, 2016, OMH agreed to fully, unconditionally, and irrevocably guarantee the OMFH Notes.

As of March 31, 2017, OMFH was in compliance with all of the covenants under its debt agreements.

Structured Financings

We execute private securitizations under Rule 144A of the Securities Act of 1933. As of March 31, 2017, our structured financings consisted of the following:

(dollars in millions)	Initial Note Amounts Issued (a)	Initial Collateral Balance (b)	Current Note Amounts Outstanding	Current Collateral Balance (b)	Current Weighted Average Interest Rate (a)	Collateral Type	Original Revolving Period
Consumer Securitizations:							
SLFT 2015-A	$ 1,163	$ 1,250	$ 1,163	$ 1,250	3.47%	Personal loans	3 years
SLFT 2015-B	314	335	314	336	3.78%	Personal loans	5 years
SLFT 2016-A	500	560	500	559	3.10%	Personal loans	2 years
OMFIT 2014-1	760	1,004	264	473	2.74%	Personal loans	2 years
OMFIT 2014-2	1,185	1,325	682	764	3.26%	Personal loans	2 years
OMFIT 2015-1	1,229	1,397	1,229	1,349	3.74%	Personal loans	3 years
OMFIT 2015-2	1,250	1,346	1,250	1,305	3.07%	Personal loans	2 years
OMFIT 2015-3	293	330	293	319	4.21%	Personal loans	5 years
OMFIT 2016-1	459	569	459	542	4.01%	Personal loans	3 years
OMFIT 2016-2	816	1,007	816	972	4.50%	Personal loans	2 years
OMFIT 2016-3	317	397	317	383	4.33%	Personal loans	5 years
Total consumer securitizations	8,286	9,520	7,287	8,252			
Auto Securitizations:							
ODART 2016-1	700	754	396	456	2.45%	Direct auto loans	—
ODART 2017-1	268	300	268	300	2.61%	Direct auto loans	1 year
Total auto securitizations	968	1,054	664	756			
Total secured structured financings	$ 9,254	$ 10,574	$ 7,951	$ 9,008			

(a) Represents securities sold at time of issuance or at a later date and does not include retained notes.

(b) Represents UPB of the collateral supporting the issued and retained notes.

In addition to the structured financings included in the table above, we had access to 11 conduit facilities with a total borrowing capacity of $4.7 billion as of March 31, 2017, as discussed in Note 9 of the Notes to Condensed Consolidated Financial Statements in Part I - Item 1 of this report. At March 31, 2017, $10 million was drawn under these facilities.

See “Liquidity and Capital Resources - Sources of Funds - Securitizations and Borrowings from Revolving Conduit Facilities” above for information on the securitization and conduit transactions completed subsequent to March 31, 2017.

Our securitizations have served to partially replace secured and unsecured debt in our capital structure with more favorable non-recourse funding. Our overall funding costs are positively impacted by our increased usage of securitizations, as we typically execute these transactions at interest rates significantly below those of our unsecured debt.

Off-Balance Sheet Arrangements

We have no material off-balance sheet arrangements as defined by SEC rules. We had no off-balance sheet exposure to losses associated with unconsolidated VIEs at March 31, 2017 or December 31, 2016, other than certain representations and warranties associated with the sales of the mortgage-backed retained certificates during 2014. As of March 31, 2017, we had no repurchase activity related to these sales.

Critical Accounting Policies and Estimates

We describe our significant accounting policies used in the preparation of our consolidated financial statements in Note 3 of the Notes to Consolidated Financial Statements in Part II, Item 8 of our 2016 Annual Report on Form 10-K. We consider the following policies to be our most critical accounting policies because they involve critical accounting estimates and a significant degree of management judgment:

- allowance for finance receivable losses;
- purchased credit impaired finance receivables;
- TDR finance receivables;
- fair value measurements; and
- goodwill and other intangible assets.

There have been no material changes to our critical accounting policies or to our methodologies for deriving critical accounting estimates during the three months ended March 31, 2017.

Recent Accounting Pronouncements

See Note 2 of the Notes to Condensed Consolidated Financial Statements in Part I - Item 1 of this report for discussion of recently issued accounting pronouncements.

Seasonality

Our personal loan volume is generally highest during the second and fourth quarters of the year, primarily due to marketing efforts, seasonality of demand, and increased traffic in branches after the winter months. Demand for our personal loans is usually lower in January and February after the holiday season. Delinquencies on our personal loans are generally lowest in the first quarter and tend to rise throughout the remainder of the year. These seasonal trends contribute to fluctuations in our operating results and cash needs throughout the year.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

There have been no material changes to our market risk previously disclosed in Part II, Item 7A of our 2016 Annual Report on Form 10-K.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

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

As of March 31, 2017, we carried out an evaluation of the effectiveness of our disclosure controls and procedures, as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act. This evaluation was conducted under the supervision of, and with the participation of our management, including our Chief Executive Officer and our Chief Financial Officer. Based on our evaluation, our Chief Executive Officer and our Chief Financial Officer concluded that our disclosure controls and procedures were effective as of March 31, 2017 to provide the reasonable assurance described above.

Changes in Internal Control over Financial Reporting

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

PART II — OTHER INFORMATION

Item 1. Legal Proceedings.

See Note 14 of the Notes to Condensed Consolidated Financial Statements in Part I - Item 1 of this report.

Item 1A. Risk Factors.

Since our transition services agreement with Lendmark expired on May 1, 2017, the risk factor entitled "***The DOJ may impose additional conditions or penalties relating to the Lendmark Sale that could adversely affect us.***" previously disclosed in Part I, Item 1A of our 2016 Annual Report on Form 10-K is no longer applicable and is hereby deleted.

There have been no other material changes to our risk factors previously disclosed in Part I, Item 1A of our 2016 Annual Report on Form 10-K.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

PURCHASE OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED PURCHASERS

Share repurchase activity for the three months ended March 31, 2017 was as follows:

Period	Total Number of Shares Purchased *	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number of Shares that May Yet Be Purchased Under the Plans or Programs
January 1, 2017 - January 31, 2017	—	$ —	—	—
February 1, 2017 - February 28, 2017	2,151	27.94	—	—
March 1, 2017 - March 31, 2017	—	—	—	—
Total	2,151			

* Represents the surrender of shares to OMH in an amount equal to the amount of tax withheld in satisfaction of the withholding obligations of certain employees in connection with the vesting of restricted shares. As of the date of this report, OMH has no publicly announced plans or programs to repurchase OMH common stock.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

None.

Item 6. Exhibits.

Exhibits are listed in the Exhibit Index beginning on page 64 and incorporated by reference herein.

Signature

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

ONEMAIN HOLDINGS, INC.
(Registrant)

Date: May 5, 2017

By: /s/ Scott T. Parker
Scott T. Parker
Executive Vice President and Chief Financial Officer
(Duly Authorized Officer and Principal Financial Officer)

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Exhibit Index

Exhibit	
10.1 *	Severance and Release Agreement, dated as of March 31, 2016, for Mary McDowell, filed herewith as Exhibit 10.1.
10.2 *	Consulting Agreement, dated as of April 1, 2016, between OneMain Holdings, Inc. and Mary McDowell, filed herewith as Exhibit 10.2.
10.3 *	Amendment No. 3 to Second Amended and Restated Limited Liability Company Agreement of Springleaf Financial Holdings, LLC, dated as of April 5, 2017, filed herewith as Exhibit 10.3.
31.1	Rule 13a-14(a)/15d-14(a) Certifications of the President and Chief Executive Officer of OneMain Holdings, Inc.
31.2	Rule 13a-14(a)/15d-14(a) Certifications of the Executive Vice President and Chief Financial Officer of OneMain Holdings, Inc.
32.1	Section 1350 Certifications.
101	Interactive data files pursuant to Rule 405 of Regulation S-T: (i) Condensed Consolidated Balance Sheets, (ii) Condensed Consolidated Statements of Operations, (iii) Condensed Consolidated Statements of Comprehensive Income (Loss), (iv) Condensed Consolidated Statements of Shareholders' Equity, (v) Condensed Consolidated Statements of Cash Flows, and (vi) Notes to Condensed Consolidated Financial Statements.

* Management contract or compensatory plan or arrangement.

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Section 2: EX-10.1 (EXHIBIT 10.1)

Exhibit 10.1

SEVERANCE AND RELEASE AGREEMENT

I ("Employee") understand that my employment with OneMain Group LLC (the "Company") will be terminated, and the Company is providing me with at least 2 weeks of notice prior to my termination. I will receive pay, at my current base salary (less applicable tax and payroll deductions), and agree to work through March 31, 2016. The Company, however, may, at its sole discretion, not require me to work each of those days, but I will be paid through March 31, even if I do not work the entire period. Employee's last active day of employment prior to the Separation Date shall be the "Last Day Worked" and be the last day on which employee is requested to perform any services for Company or any of its affiliates. I understand that if I sign this Agreement and do not revoke it, additional severance pay and certain benefits also will be made available to me on the terms set forth below.

My "Termination Date" will be March 31, 2016. The lump sum Severance Payment will be made to me within 21 days of the Termination Date or 21 days after the date that the Company receives this Agreement signed by me, whichever date is later. After the Last Day Worked, I agree not to represent myself as being an employee, officer, attorney, agent or representative of the Company or its affiliates for any purpose. If I sign this Agreement, I will receive 46 (forty-six weeks ("Severance Period") of severance pay at my current base salary as a lump sum payment (less tax withholdings) ("Severance Payment"). In addition, if I sign this Agreement, I will be eligible for certain outplacement services. I acknowledge that if I resign voluntarily or I am terminated for cause prior to my last day of active employment, I will not be entitled to severance, and this Agreement will be void.

I understand that all benefits available to me as an employee of the Company shall cease as of the Termination Date in accordance with the terms of the specific benefit plans. Further, my eligibility for coverage under the Short Term and Long Term Disability programs, my 401(k) contributions and matches, and all other benefits not mentioned in this Agreement will cease as March 31, 2016.

In return for the Severance Payment and eligibility for outplacement, I agree that I am waiving and releasing the Company, its parents and affiliated companies (including OneMain Holdings, Inc. and all of its parents and subsidiaries) (collectively “Affiliates”), and their past or present officers, directors, employees and agents (collectively the “Releasees”), from all claims, controversies, demands, promises, actions, suits, grievances, complaints, charges, damages, debts, bonuses, stock options, promises, costs, expenses, attorneys’ fees and remedies of any kind (whether known or unknown, individually or collectively) that I may have against any Releasee which arises from or relates to my employment with the Company or any of its Affiliates, or the termination of my employment with the Company or any of its Affiliates, whether in law, equity, contract or tort. This Release applies to Claims that I know about and that I may not know about that arose any time up to the date that I sign this Agreement. This waiver includes, without limitation, claims under the Age Discrimination in Employment Act of 1967, as amended, the Older Workers Benefit Protection Act (OWBPA), Title VII of the Civil Rights Act of 1964, the Civil Rights Act of 1991, the Americans With Disabilities Act, the West Virginia Human Rights Act, W. Va. CSR §77-6-3, any federal, state and local “plant closing” or similar laws (including the federal Worker Adjustment and Retraining Notification Act

(WARN)), and any other federal, state or local law, statute, regulation or ordinance applicable to my employment or the termination of my employment with the Company or any of its Affiliates. I acknowledge that I am not waiving any rights or claims that may arise after the date that I execute this Agreement.

I acknowledge that severance paid under this Agreement is not intended to duplicate any other severance, pay continuation or advance notice obligations that the Company may have under any other plans, programs, employment contracts, or applicable law, such as WARN or similar state law. If other severance, pay continuation or advance notice obligations exist, the severance paid under this Agreement will be reduced accordingly (but to no less than $250) or, alternatively, an appropriate amount of severance paid under this Agreement (up to the total amount paid less $250) shall be returned to the Company or shall be treated as having been paid to satisfy those other obligations. When applying this provision to WARN obligations or other advance notice obligations, severance payments will be reduced only to the extent either (a) the Company provides paid leave in connection with satisfying the notice obligation, or (b) the Company provides, or is obligated to provide, payments or damages as a result of its failure to provide advance notice.

I enter into this Agreement as a compromise and in full and final settlement of all disputed claims, if any, I may have against any of the Releasees as of the date I sign this Agreement. This Agreement does not constitute an admission of any liability or wrongdoing by any Releasee or me and the Releasees deny they are legally obligated to me for any claim or that they have engaged in any wrongdoing.

This Agreement does not modify or affect any vested rights that I may have under the Springleaf Financial Services Retirement Plan[1] or the Springleaf Financial Services 401K Plan, or to restricted stock units granted to me pursuant to the Springleaf Holdings, Inc., 2013 Omnibus Incentive Plan and Exhibit A thereto, dated October 16, 2013, as amended, including the vesting provisions related to termination set forth therein. Furthermore, this release does not waive any claims that the controlling law clearly states may not be released by settlement. I further understand that nothing in this Agreement generally prevents me from filing a charge or complaint with, or from participating in an investigation or proceeding conducted by, the EEOC, NLRB, or any other federal, state or local agency charged with the enforcement of any employment laws, although by signing this Agreement I am waiving my right to individual relief based on claims asserted in such a charge or complaint. Subject to the foregoing, I represent and warrant that I not have filed, directly or indirectly, nor caused to be filed, any legal proceeding against the Company or its Affiliates in any state, federal, arbitral or administrative forum having jurisdiction over claims of employment discrimination, claims for wages, benefits or other compensation or other claims related to my employment which are still pending and have not been dismissed or otherwise resolved.

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[1] The Springleaf Financial Services Retirement Plan is also known as, and may be referred to as, the American General Finance Retirement Plan.

Through my Termination Date, I agree that I must comply with all stock ownership commitments and all personal trading policies that applied to me during my employment. The personal trading restrictions imposed by these policies apply to all personal trading accounts (“Personal Accounts”) held by me as well as the personal accounts of immediate family members if they are subject to the Policies (“Related Accounts”). Failure to abide by the applicable trading restrictions for both Personal and Related Accounts may result in trade cancellation with all associated costs borne by the account holders. To pre-clear transactions or if I have questions regarding personal trading, I should contact the Legal Department at 812-468-5656.

I confirm that I (i) have or will have received all compensation due me as a result of services performed for the Company and its affiliates upon the receipt of my final paycheck and acknowledge that I am not entitled to any further wages, bonuses or other compensation from the Company in any manner; (ii) have reported to the Company any and all work-related injuries incurred by me during my employment by the Company; and (iii) have been properly provided any leave of absence because of my or a family member’s health condition and have not been subjected to any improper treatment, conduct or actions due to a request for or taking such leave.

I agree that if I am presently an officer and/or director of the Company or an Affiliate, I hereby resign as an officer and/or director of the Company and all related companies and affiliates (as applicable), effective as of March 31, 2016.

I agree to reasonably cooperate with the Company or its Affiliates and their counsel with regard to any past, present or future legal, regulatory, governmental investigation, or other proceeding or matter that relates to or arises out of business I conducted on behalf of the Company or its Affiliates; and that the information provided or that will be provided by me therein will be truthful and correct. The Company will reimburse me for any reasonable out-of-pocket expenses incurred in connection with this provision to the extent such are reimbursable under the Company’s expense management policies in effect at the time.

I will not retain, remove or disclose the Company’s or its Affiliates’ confidential business information, and I will promptly return all company, including without limitation, identification cards or badges, access codes or devices, keys, laptops, computers, telephones, mobile phones, hand-held electronic devices, credit cards, electronically stored documents or files, physical files and any other company property in my possession.

If I am rehired or reassigned by the Company or an Affiliate to a position with comparable compensation (being 75 % or greater of my base salary at the Termination Date) before the end of the Severance Period, I agree that I will repay the Company a prorated amount of the lump sum severance payment based on the number of days remaining in the Severance Period after my rehire date.

I understand that any loan, advance or similar obligation (“Obligation”) that I may owe to the Company in connection with my employment shall be governed by the terms of any agreement related to the Obligation. Further, I acknowledge that I remain responsible for all such Obligations, unless agreed to otherwise in writing between me and the Company.

I fully understand the terms of this Agreement and agree to keep the terms of this Agreement confidential (i.e., to not disclose the terms other than to my immediate family, tax or legal advisors). Nothing in this paragraph is intended to prohibit or restrict me from disclosing this Agreement or providing truthful information concerning it or the Company's business activities to any government or regulatory agency or from responding to a valid court order or subpoena. Except with regard to an inquiry by a government or regulatory agency, I agree to promptly give notice to the Company at the address below of any attempts to compel disclosure of this Agreement or its terms.

I also understand that I have until May 15, 2016 to consider this Agreement before signing it; that the Company has advised me in writing, by this paragraph, to consult with an attorney before signing this Agreement; and that the payments and benefits set forth in this Agreement exceed anything that I am already entitled to receive. I agree with the Company that changes, whether material or immaterial, do not restart the running of the above deadline for responding.

I agree that from now until 12 months after my Termination Date, I will not, directly or indirectly (regardless of who initiates the communication) solicit, participate in the solicitation or recruitment of, or in any manner encourage or provide assistance to, any employee, consultant or agent of the Company or any Affiliate to terminate his or her employment or other relationship with the Company or any Affiliate, or to leave his or her employment or other relationship with the Company or any Affiliate for any engagement in any capacity with any other person or entity. Any additional obligations I may have under another non-solicitation agreement or other restrictive covenant also will continue, and will remain in full force and effect.

I agree that from now until 12 months after my Termination Date, I will not directly or indirectly solicit business from any Covered Customers (as defined below) of the Company or any Affiliate to provide any services and/or products that are directly or indirectly competitive with the services or products of the Company or any Affiliate, on my behalf or on behalf of any other person or entity; or otherwise attempt to directly or indirectly influence such customers to divert their business from any Affiliates. "Covered Customer" means a person or entity who (a) has an ongoing business relationship with an Affiliate prior to any interference by me, and (b) I either had contact with, supervised contact with, or had access to confidential information or trade secrets about at any time during the year preceding my last day worked for the Company. I further stipulate that the foregoing restriction is reasonably limited by geography in that the restriction is inherently, narrowly limited to the place or location where the Covered Customer is available for solicitation.

I agree that I will not at any time make, publish or communicate to any person or entity or in any public forum any defamatory or disparaging remark, comment or statement concerning the Company, its businesses, or any of its employees, officers and directors. This provision, however, does not, in any way, restrict or impede me from exercising protected rights to the extent that such rights cannot be waived by agreement or from complying with any applicable law or regulation or a valid order of a court of competent jurisdiction or an authorized government agency, provided that such compliance does not exceed that required by the law, regulation or order. I agree to promptly provide written notice of any such order to the Company's Senior Human Resources Officer.

I understand that, if I am a holder of an H1B or other company sponsored employment visa, the Company will issue payment to me for the reasonable cost of a one-way economy/coach airfare ticket to the country of my last place of residence outside the United States. This payment will be issued as soon as practicable but no later than the date of payment of the Severance Payment. I acknowledge and agree that I am exclusively responsible for maintenance of my status in the United States (and any immediate family members) from the Last Day Worked until my departure from the United States. Furthermore, I understand that if I am an H1B holder, the Company will notify the U.S. Citizenship and Immigration Service that my employment in H1B status has ended.

I agree that any disputes involving interpretation or enforcement of this Agreement will be resolved through mediation and arbitration in accordance with the terms of the Springleaf Finance Employee Dispute Resolution Program in effect at the time the dispute arises, subject to the terms and restrictions of the Program.

If any portion or provision of this Agreement is found to be invalid, illegal or unenforceable in any respect, it is the intent of the parties that a court or arbitrator so finding shall revise or modify the provisions found to be invalid, illegal or unenforceable and the remaining provisions hereof shall nevertheless remain and be valid and binding with the same force and effect as if the invalid, illegal or unenforceable provisions were originally deleted or omitted.

Understood and Agreed to by:

EMPLOYEE:

Signature: /s/ Mary H. McDowell Date: 4/1/16
Mary H. McDowell

Print Name: Mary H. McDowell

COMPANY:

Signature: /s/ Angela Celestin Date: 4/4/16
Angela Celestin

Print Name: Angela Celestin

Return this Agreement to: OneMain Financial Holdings, LLC, Attn: Angela Celestin, Executive VP Human Resources, 100 International Drive, 18th Floor, Baltimore, MD 21202

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Section 3: EX-10.2 (EXHIBIT 10.2)

Exhibit 10.2

CONSULTING AGREEMENT

This Consulting Agreement (the "Agreement") is by and between OneMain Holdings, Inc. (collectively with its parents and affiliates, "OneMain") and Mary H. McDowell, (the "Consultant").

Premises

OneMain desires to have the Consultant perform certain consulting duties as requested by OneMain according to the terms outlined below.

Terms of Agreement

NOW, THEREFORE, the Consultant and OneMain agree as follows:

1. **Consulting Services**. The Consultant will provide consulting services to OneMain as an independent contractor upon the terms and conditions set forth in this Agreement. The scope of the consulting services to be provided shall be as set forth in the Statement of Work ("SOW") attached to this Agreement and incorporated herein for all purposes.

2. **Length of Agreement.** The term of this Agreement will be from April 1, 2016 through December 31, 2016, subject to earlier termination as described below. This Agreement may be extended periodically if both parties agree in writing. Nothing in this Agreement is intended to require Consultant to provide or for OneMain to use Consultant's services for a minimum number of hours per week or month.

3. **Terms for Consulting; Duties.** The Consultant will be an independent contractor performing such services as requested by the OneMain entities and as are mutually agreed to by the Consultant and OneMain from time to time, including the services described on the attached SOW. The Consultant agrees to provide all services in a professional and competent manner, and in accordance with generally accepted standards for the type of work performed.

4. **Fees for Services.** The Consultant will be paid the fees for services as set forth in the attached SOW. Any related expenses incurred while providing consulting services will be reimbursed at Consultant's cost, but only if pre-approved by OneMain. The Consultant will be responsible for payment of her normal overhead costs, including without limitation, office space, supplies, insurance premiums, and employee wages, taxes, and benefits. OneMain, at its discretion, provide support or office space to Consultant when Consultant is performing services for OneMain.

5. **Billing for Services.** Consultant will be paid a prorated portion of the fee (see SOW) monthly on the first of the month with the first payment being due on May 1, 2016. Consultant shall submit invoices for any expenses incurred on a monthly basis or as otherwise noted in the SOW. Invoices should be sent to: Angela Celestin, Executive Vice President - Human

Resources, OneMain Financial Group, LLC, 100 International Dr., 18th Floor, Baltimore, Maryland 21202. The invoices will be paid within 30 business days of receipt.

6. **Termination of Services.** Either party may terminate this Agreement at any time by providing 15 days prior written notice to the other party. Unless termination is for cause as set out below, OneMain will be liable for payment for any services provided or approved expenses incurred prior to, but not for any services provided or expenses incurred after, the notice of termination is received by either party.

OneMain may also terminate this Agreement for cause at any time if the Consultant engages in misconduct or any fraudulent or dishonest act against OneMain or in connection with providing services to OneMain; the Consultant violates any applicable law or regulation relating to dishonesty or respecting OneMain's business, or which disqualifies the Consultant from being affiliated with OneMain; a Federal or state regulatory agency requires the Consultant's termination or removal from the duties required for the Consultant's position; the Consultant habitually neglects her duties or provides substandard service; or the Consultant otherwise violates any of the terms of this Agreement. If the Consultant's services are terminated for cause, any fees that have not been paid will be forfeited and not paid to the Consultant.

Upon termination of this Agreement, the obligations in Section 7(B) through 7(D) shall continue through December 31, 2016. The obligations in Section 7(A) and 7(E) shall survive any termination or the expiration of this Agreement.

7. **Obligations of the Consultant During and After Term of Agreement.**

A. A. **Confidential Information.** As used in this agreement, "Confidential Information" means all information, whether written or oral, that is (i) not generally known by others, (ii) is directly or indirectly disclosed by a party to this Agreement ("Disclosing Party") to the other party ("Receiving Party"); and (iii) is confidential or proprietary to Consultant or ONEMAIN, and that ONEMAIN and Consultant are obligated to treat as confidential or proprietary. Any information that a party reasonably considers or treats as Confidential Information will be presumed to be Confidential Information. Confidential Information may include, but is not limited to: (i) customer lists or information or internal employee census information; (ii) proprietary computer software, including any programs, source or object codes, data bases, specifications, techniques, technical information, know-how and other related information; (iii) strategic business and financial information, including future marketing and business plans, data and related documentation and/or information; (iv) technical and business requirement information, including business strategies, pricing, initiatives, and other nonpublic information; (v) data and information of a third party received by a Receiving Party hereunder whether received directly from the Disclosing Party or indirectly from a third party at the specific instruction or request of the Disclosing Party; and (vi) any other trade secrets.

The Parties acknowledge that, during the term of this Agreement, the Parties and their employees and agents will produce and have access to the other parties' Confidential Information. Therefore, during and subsequent to the term of this Agreement, the Parties agree to hold in confidence and not directly or indirectly disclose, use, copy, or otherwise utilize any such Confidential Information, in whole or in part, for its own benefit or the benefit of a third party. Confidential Information does not include any information known generally to the public, information which is already known to the party through sources other than the other party, information which is made public through no fault of the party, information compelled to be disclosed by public authority, or any information of a type not otherwise considered confidential by persons engaged in the same business or a business similar to that of either party. All records, files, documents and other material (or copies thereof) relating to a Party's business which the other Party prepares, uses or comes into contact with are and remain the sole property of the Party, and will not be removed or used by the other Party without written consent, and will be promptly returned upon termination of this Consulting Agreement, or upon request.

Further, Consultant will not to communicate any of its work efforts with OneMain to any outside party without prior written approval from OneMain.

B. **Status of Customers.** Any of OneMain's customers are and will remain as such customers, and the Consultant agrees not to attempt to solicit such customers for or on behalf of any other person or entity during or after the term of this Agreement.

C. **Work Product/Business Leads.** The Consultant acknowledges that all developments, inventions, ideas, documents, business leads or opportunities, customer lists, information on potential customers or markets, findings, reports, writings, disclosures, discoveries, and other work product of any nature (the "Work Product") which the Consultant develops (solely or in conjunction with others) while providing services to OneMain under this Agreement are being developed on OneMain's behalf and will become OneMain's sole property (and to the extent legally permissible, will be classified as "work made for hire"); and the Consultant acknowledges that she has no proprietary or other ownership interest in the Work Product. The Consultant expressly assigns all of her rights relating to the Work Product to OneMain, and agrees to provide OneMain with documentation of this assignment if necessary.

D. **Other Consulting.** Consultant may provide consulting services to other individuals or companies. However, Consultant agrees not to engage in any activity which could conflict or interfere with the performance of its duties under this Agreement, or which could result in a conflict of interest. Further, Consultant will not own, manage, operate, join, control, be employed by, participate in, or be connected with any business, individual, partner, firm, corporation, or other entity that directly or indirectly competes with the Company or its Affiliates in the business of direct consumer non-real estate finance (including internet lending) and credit insurance anywhere in the United States during the Term of this Agreement. Notwithstanding the foregoing, the following shall not be deemed a violation of this Agreement: any "beneficial ownership" either individually or as a member of a "group" (as such terms are used in Rule 13d of the general rules and regulations under the Securities Exchange Act of 1934) of stock, but not more than five percent (5%) of the voting stock, of any public company.

E. **Non-Disparagement.** During the term of this Agreement and at all times thereafter, Consultant shall not, except to the extent required by law or legal process, make, or cause to be made, any statement or communicate any information (whether oral or written) that disparages or reflects negatively on the OneMain, or any of its respective officers, directors, partners, shareholders, attorneys, employees and agents.

F. **Irreparable Harm.** Consultant also acknowledges that any violation of this confidentiality agreement would cause OneMain irreparable harm, and that in addition to seeking damages for such violations, OneMain may seek an injunction to prevent Consultant or its agents from committing future violations.

8. **Status as Independent Contractor.** The Consultant confirms that she is acting as a consultant and independent contractor. Consultant further agrees and acknowledges that she is not an employee of OneMain, and as such is not entitled to benefits provided to current OneMain employees, including but not limited to health insurance and pension benefits.

9. **Taxes.** As an independent contractor, the Consultant will be responsible for payment of all applicable taxes relating to her services, including income taxes, and payment of employment taxes for its employees. OneMain may report all payments made under this Agreement to the appropriate Federal and state taxing authorities, as it believes necessary or appropriate, including applicable “1099” reporting.

10. **Convictions and Bonding.** Certain laws and policies may restrict OneMain’s ability to use consultants who have engaged in dishonesty or a breach of trust. By signing this Agreement, Consultant represents and warrants that no charges are currently pending against and that Consultant has never been convicted of a crime (or participated in any form of first offenders' or pretrial diversion program) involving dishonesty or a breach of trust; and has never been held liable for any acts of dishonesty. Consultant also represents and warrants that no company has ever refused to issue or carry a bond for Consultant.

11. **General Provisions**.

A. **Assignment; Successors.** The services the Consultant is providing are personal in nature, and she may not assign or delegate any of the services she provides (except for secretarial or clerical functions) without OneMain’s prior written consent. Nothing in this Agreement will be construed to prevent OneMain from assigning or transferring all or substantially all of its business and assets, or from merging into or otherwise combining with, any other entity. In such an event, OneMain will assign all of its rights and obligations under this Agreement to the acquiring or successor corporation.

B. **Governing Law.** This Agreement will be interpreted and enforced in accordance with the laws of the State of Maryland.

C. **Indemnification.** Consultant agrees to indemnify and hold OneMain harmless from and against any and all liability, losses, damages, claims or causes of action, and expenses connected therewith, including reasonable attorney’s fees, caused or asserted to have been caused, directly or indirectly, as a result of Consultant’s performance, negligent or otherwise, under this Agreement.

D. **Arbitration.** Except as identified below, the parties agree to submit to final and binding arbitration any dispute, controversy or claim relating to this Agreement, the relationship created by this Agreement, or any breach or default in the performance of the terms and conditions thereof (whether based on contract, tort, statute (including but not limited to discrimination laws) or otherwise); and arbitration shall be the exclusive forum for resolution of any claims related to this Agreement. The arbitration will be conducted by the American Arbitration Association ("AAA") in accordance with the AAA's Commercial Arbitration Rules then in effect (or any successor). Any such claim must be initiated by written notice to the other party within 120 days of the claimed breach. The matter will be decided by a single arbitrator, who will submit a written statement of the reasons for the decision. Notwithstanding the foregoing, if the Consultant violates any of the provisions relating to confidentiality or solicitation, OneMain may seek temporary injunctive relief in state or federal court pending the decision of an arbitrator regarding injunctive relief. Any decision of the arbitrator will be kept confidential, except where otherwise required by law.

E. **Prior Agreements Not Enforceable**. This Agreement contains the entire agreement of the parties regarding this matter; and any prior representations, promises or agreements (whether oral or written) which are not in this Agreement are superseded and not enforceable.

F. **Notices.** Any notices provided hereunder must be in writing and shall be deemed effective upon the earlier of one (1) business day following personal delivery (including personal delivery by telecopy or telex), or the third (3^{rd}) business day after mailing by first class mail to the recipient at the address indicated below:

To OneMain:

OneMain Financial Group, LLC
100 International Dr.
18^{th} Floor
Baltimore, Maryland 21202
Attn: April Park, General Counsel

To Consultant:

Mary McDowell
21 Hidden Valley Airpark
Shady Shores, TX 76208

or to such other address or to the attention of such other person as the recipient party will have specified by prior written notice to the sending party.

G. **Amendment.** The terms of this Agreement may not be changed, amended or waived except by another written document signed by all parties.

H. **Compliance Audit/Review.** OneMain, including any governmental regulatory agency having supervisory authority over OneMain, will have the right during the term hereof and during Consultant's normal business hours, upon not less than seven (7) days' prior written notice to review Consultant's and any of its agent's compliance with any and all applicable laws and the terms of this Agreement including any Addenda, Schedules, or Exhibits thereto. Consultant will be responsible for assuring reasonable cooperation with OneMain or its regulators in connection with such reviews and will provide OneMain or its regulators or obtain for OneMain or its regulators access to such properties, records and personnel and facilities as OneMain or its regulators may reasonably require for such purpose; provided however, OneMain shall comply with Consultant's security policies. All information obtained during the review, including the results of such review, shall be subject to the confidentiality obligations contained in this Agreement, except as necessary for either party to pursue any legal and/or equitable rights available to it in a court of competent jurisdiction and provided that any such information may be shared by OneMain with its regulators. If as a result of any such Audit or Review, OneMain believes that Consultant is not in compliance with applicable law or the terms of this Agreement, then OneMain may, at OneMain's sole discretion, either (a) suspend such performance under this Agreement and any applicable Addenda, Schedule(s) or Exhibits without penalty until such noncompliance is remedied and Consultant provides OneMain with adequate assurance of future compliance, or (b) terminate the Agreement in accordance with the termination provisions hereof.

I. **Severability**. Any provision of this Agreement which is deemed by a court of competent jurisdiction to be invalid, illegal or unenforceable in any jurisdiction shall, as to that jurisdiction and subject to this paragraph be ineffective to the extent of such invalidity, illegality or unenforceability, without affecting in any way the remaining provisions hereof in such jurisdiction or rendering that or any other provisions of this Agreement invalid, illegal, or unenforceable in any other jurisdiction. If any covenant should be deemed invalid, illegal or unenforceable by a court of competent jurisdiction because its scope is considered excessive, such covenant shall be modified so that the scope of the covenant is reduced only to the minimum extent necessary to render the modified covenant valid, legal and enforceable.

J. **Waiver**. The waiver by either party of the other party's prompt and complete performance, or breach or violation, of any provision of this Agreement shall not operate nor be construed as a waiver of any subsequent breach or violation, and the failure by any party hereto to exercise any right or remedy which it may possess hereunder shall not operate nor be construed as a bar to the exercise of such right or remedy by such party upon the occurrence of any subsequent breach or violation. No waiver shall be deemed to have occurred unless set forth in a writing executed by or on behalf of the waiving party. No such written waiver shall be deemed a continuing waiver unless specifically stated therein, and each such waiver shall operate only as to the specific term or condition waived and shall not constitute a waiver of such term or condition for the future or as to any act other than that specifically waived.

K. **Captions**. The captions of this Agreement are for convenience and reference only and in no way define, describe, extend or limit the scope or intent of this Agreement or the intent of any provision hereof.

L. **Construction**. The parties acknowledge that this Agreement is the result of arm's-length negotiations between sophisticated parties, each afforded representation by legal counsel. Each and every provision of this Agreement shall be construed as though both parties participated equally in the drafting of the same, and any rule of construction that a document shall be construed against the drafting party shall not be applicable to this Agreement.

ONEMAIN HOLDINGS, INC.

By: /s/ Angela Celestin
Name: Angela Celestin
Title: Executive Vice President - Human Resources

CONSULTANT: MARY H. MCDOWELL

/s/ Mary H. McDowell

STATEMENT OF WORK

OneMain Financial Group, LLC

Independent Contractor	Mary H. McDowell
Engagement Start Date	April 1, 2016
Description of Engagement	Consultant shall perform such duties as are requested by OneMain from time to time, including without limitation: advice on, participation in and support for OneMain's interests in industry and trade issues and associations; assistance with OneMain marketing efforts; support for, and participation in, community and advocacy relations efforts; assistance with coordinating financial literacy outreach and investment; involvement with the Company's Diversity Council; and other matters as reasonably requested by OneMain's CEO. Notwithstanding the foregoing, nothing herein shall prohibit Consultant from (i) participating in trade associations or industry organizations or engaging in charitable, civic or political activities, (ii) engaging in personal investment activities for Consultant or (iii) accepting directorships unrelated to OneMain, provided that such activities are not for the benefit of any business, individual, partner, firm, corporation, or other entity that directly or indirectly competes with OneMain in the business of direct consumer non-real estate finance (including internet lending) and credit insurance, do not give rise to any conflict of interests with OneMain, or do not interfere, individually or in the aggregate, with the performance of obligations under this Agreement.
Approximate Length	9 Months (through December 31, 2016)
Billing Details	Consultant shall be paid at the rate in 9 monthly installments of $16,667 for a total fee for the Term of $150,000. Consultant shall invoice any expenses incurred monthly as set forth in the Agreement.

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Section 4: EX-10.3 (EXHIBIT 10.3)

Exhibit 10.3

AMENDMENT NO. 3 TO
SECOND AMENDED AND RESTATED
LIMITED LIABILITY COMPANY AGREEMENT

This AMENDMENT NO. 3 TO SECOND AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT (this "Amendment"), dated as of April 5, 2017, amends that certain Second Amended and Restated Limited Liability Company Agreement of Springleaf Financial Holdings, LLC, a Delaware limited liability company (the "Company"), dated as of June 6, 2013, as amended on October 13, 2015 and October 26, 2015, by and among the Company and the Members (the "Agreement").

W I T N E S S E T H

WHEREAS, in connection with the continued employment of Scott T. Parker and Robert Hurzeler (the "Executives") by OneMain Holdings, Inc. (formerly Springleaf Holdings, Inc.), it has been proposed that, among other things, (i) Mr. Parker surrender to the Company for cancellation his outstanding Series B-2 Incentive Units (the "B-2 Surrender"), (ii) Jay Levine and John Anderson each surrender to the Company for cancellation a portion of their outstanding Series B-1 Incentive Units (the "B-1 Surrender"), and (iii) the Executives be awarded newly-issued Series B-2 Incentive Units (the "Issuance");

WHEREAS, in connection with the foregoing, (i) the Board has approved each of the B-1 Surrender, the B-2 Surrender and the Issuance and (ii) the Board and the Members holding a Majority Interest have determined to amend the Agreement in accordance with Section 14.1 of the Agreement as set forth herein and have adopted and approved the Amendment; and

WHEREAS, capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and undertakings contained herein and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. The definition of "Aggregate Series B-1 Incentive Unit Percentage" is hereby amended and restated in its entirety to read as follows:

> ""Aggregate Series B-1 Incentive Unit Percentage" of a Member as of a specified date shall mean the percentage determined by dividing (A) the aggregate number of Series B-1 Incentive Units held by such Member as of such date by (B) 9,492.

2. The definition of "Aggregate Series B-2 Incentive Unit Percentage" is hereby amended and restated in its entirety to read as follows:

> ""Aggregate Series B-2 Incentive Unit Percentage" of a Member as of a specified date shall mean the percentage determined by dividing (A) the aggregate number of Series B-2 Incentive Units held by such Member as of such date by (B) 2,052.

3. The last sentence of Section 5.1(g) is hereby amended and restated in its entirety to read as follows:

"Except as otherwise determined by FCFI (solely with respect to Series B-2 Incentive Units), the parties hereto acknowledge and agree that the Series A Incentive Units and the Series B Incentive Units are intended to be "profits interests" for U.S. federal income tax purposes as of the date of issuance thereof within the meaning of Rev. Proc. 93-27, 1993-2 C.B. 343, as clarified by Rev. Proc. 2001-43, 2001-2 C.B. 191."

4. Section 6.5 is hereby amended and restated in its entirety to read as follows:

6.5 Series B Distributions. Distributions from Series B to its Members shall be allocated and made from Distributable Proceeds attributable to Series B in the following manner and priority:

(a) First, 100% of all Distributions shall be made to the holders of the Series B Common Units in proportion to each such holder's Aggregate Series B Common Unit Percentage, until the aggregate amount distributed to holders of the Series B Common Units pursuant to this Section 1.1(a), equals $1,280,080,000 (the Distributions made pursuant to this Section 1.1(a) being referred to herein as "Series B First Priority Distributions");

(b) Second, after Series B First Priority Distributions shall have been made, (x) 82.5% of any subsequent Distributions shall be made to the holders of Series B Common Units in accordance with their respective Aggregate Series B Common Unit Percentages, and (y) 17.5% of any such Distributions shall be made to the holders of Series B-1 Incentive Units in accordance with their respective Aggregate Series B-1 Incentive Unit Percentages until the aggregate amount distributed to holders of the Series B Common Units and Series B-1 Incentive Units pursuant to Section 6.5(a) and this Section 6.5(b) equals $1,780,859,375; provided that to the extent the full 17.5% is not distributable hereunder due to the outstanding Series B-1 Incentive Units representing less than 100% of the total number of Series B-1 Incentive Units outstanding as of October 9, 2013, any remaining amounts shall be distributed to the holders of the Series B Common Units in accordance with their respective Aggregate Series B Common Unit Percentages (the Distributions made pursuant to this Section 6.5(b) being referred to herein as "Series B Second Priority Distributions");

(c) Third, after Series B Second Priority Distributions shall have been made, (x) 82.5% of any subsequent Distributions shall be made to the holders of Series B Common Units in accordance with their respective Aggregate Series B Common Unit Percentages, (y) 14.5% of any such Distributions shall be made to the holders of Series B-1 Incentive Units in accordance with their respective Aggregate Series B-1 Incentive Unit Percentages; provided that to the extent the full 14.5% (or any amount of distributions reallocated to the Series B-1 Incentive Units pursuant to the proviso in clause (z) of this Section 6.5(c)) is not distributable hereunder due to the outstanding Series B-1 Incentive Units representing less than 100% of the total number of Series B-1 Incentive Units authorized, any remaining amounts shall be distributed to the holders of the Series B Common Units in accordance with their respective Aggregate Series B Common Unit Percentages, and (z) 3.0% of any such Distributions shall be made to holders of Series B-2 Incentive Units in accordance with their respective Aggregate Series B-2 Incentive Unit Percentages; provided that to the extent the full 3.0% is not distributable hereunder due to the outstanding Series B-2 Incentive Units representing less than 100% of the total number of Series B-2 Incentive Units authorized, any remaining amounts shall be distributed to the holders of the Series B-1 Incentive Units in accordance with their respective Aggregate Series B-1 Incentive Unit Percentages, until the aggregate amount distributed to holders of the Series B Common Units, Series B-1 Incentive Units and Series B-2 Incentive

Units pursuant to Section 6.5(a), Section 6.5(b) and this Section 6.5(c) equals $3,455,234,375 (the Distributions made pursuant to this Section 6.5(c) being referred to herein as "Series B Third Priority Distributions"); and

(d) Fourth, after Series B Third Priority Distributions shall have been made, (w) 82.500% of any subsequent Distributions shall be made to the holders of Series B Common Units in accordance with their respective Aggregate Series B Common Unit Percentages, (x) 13.833% of any such Distributions shall be made to the holders of Series B-1 Incentive Units in accordance with their respective Aggregate Series B-1 Incentive Unit Percentages; provided that to the extent the full 13.833% (or any amount of distributions reallocated to the Series B-1 Incentive Units pursuant to the provisos in clauses (y) and (z) of this Section 6.5(d)) is not distributable hereunder due to the outstanding Series B-1 Incentive Units representing less than 100% of the total number of Series B-1 Incentive Units authorized, any remaining amounts shall be distributed to the holders of the Series B Common Units in accordance with their respective Aggregate Series B Common Unit Percentages, (y) 3.000% of any such Distributions shall be made to holders of Series B-2 Incentive Units in accordance with their respective Aggregate Series B-2 Incentive Unit Percentages; provided that to the extent the full 3.000% is not distributable hereunder due to the outstanding Series B-2 Incentive Units representing less than 100% of the total number of Series B-2 Incentive Units authorized, any remaining amounts shall be distributed to the holders of the Series B-1 Incentive Units in accordance with their respective Aggregate Series B-1 Incentive Unit Percentages, and (z) 0.666% of any such Distributions shall be made to holders of Series B-3 Incentive Units in accordance with their respective Aggregate Series B-3 Incentive Unit Percentages; provided that to the extent the full 0.666% is not distributable hereunder due to the outstanding Series B-3 Incentive Units representing less than 100% of the total number of Series B-3 Incentive Units authorized, any remaining amounts shall be distributed to the holders of the Series B-1 Incentive Units in accordance with their respective Aggregate Series B-1 Incentive Unit Percentages.

5. The first sentence of Section 7.5(a) is hereby amended and restated in its entirety to read as follows:

"Except as otherwise determined by FCFI (solely with respect to Series B-2 Incentive Units), the Tax Matters Member of each Series is hereby authorized and directed to cause such Series to make an election to value any Incentive Units issued by such Series as compensation for services to or for the benefit of such the Company or such Series (collectively, "Compensatory Interests") at liquidation value (the "Safe Harbor Election"), as the same may be permitted pursuant to or in accordance with the finally promulgated successor rules to Proposed Treasury Regulations Section 1.83-3(1) and IRS Notice 2005-43 (collectively, the "Proposed Rules")."

6. The Membership Table included as Schedule A to the Agreement is hereby replaced with the Membership Table attached hereto as Exhibit A.

7. The provisions (or portions thereof) of the Agreement which have not been modified or amended by this Amendment shall remain in full force and effect.

8. This Amendment shall be governed by and construed in accordance with the laws of the State of Delaware without regard to the principles of conflicts of laws thereof.

9. In accordance with Section 14.1(d), this Amendment shall be binding on all Members and Assignees, whether or not such Member or Assignee has executed the Agreement or this Amendment.

10. This Amendment may be executed in two or more counterparts by the parties hereto, each of which when so executed will be an original, but all of which together will constitute one and the same instrument.

[The remainder of this page is intentionally left blank.]

IN WITNESS WHEREOF, the undersigned have caused this Agreement to be executed and delivered by their respective officers thereunto duly as of the date first above written.

COMPANY:

SPRINGLEAF FINANCIAL HOLDINGS, LLC

By: /s/ Randal Nardone
Name: Randal Nardone
Title: President

MEMBER OF THE COMPANY HOLDING A MAJORITY INTEREST:

FCFI ACQUISITION LLC

By: /s/ Randal Nardone
Name: Randal Nardone
Title: President

MANAGEMENT MEMBERS

JAY LEVINE

/s/ Jay Levine

JOHN ANDERSON

/s/ John Anderson

SCOTT PARKER

/s/ Scott Parker

MEMBERSHIP TABLE

Name & Address (including fax number) of Member	Initial Capital Contribution to Series A	Initial Capital Contribution to Series B	Additional Capital Contributions to Series A	Additional Capital Contributions to Series B	Number of Series A Common Units and Aggregate Series A Common Unit Percentage	Number of Series B Common Units and Aggregate Series B Common Unit Percentage	Number of Series A Incentive Units and Aggregate Series A Incentive Unit Percentage	Number of Series B-1 Incentive Units and Aggregate Series B-1 Incentive Unit Percentage	Number of Series B-2 Incentive Units and Aggregate Series B-2 Incentive Unit Percentage	Number of Series B-3 Incentive Units and Aggregate Series B-3 Incentive Unit Percentage
FCFI Acquisition LLC c/o Fortress Investment Group LLC 1345 Avenue of the Americas, 46th Floor New York, NY 10019 (F) (212) 798-6120 Attn: Mr. Randal A. Nardone E-mail: rnardone@fortress.com with a copy (which shall not constitute notice) to: Skadden, Arps, Slate, Meagher & Flom LLP Four Times Square New York, New York 10036 (F) (212) 735-2000 Attention: Gregory A. Fernicola Joseph A. Coco		$1,280,000,000				1,280,000 Units; 99.9955%				
AIG Capital Corporation c/o American International Group, Inc. 80 Pine Street New York, NY 10005 (F) (212) 425-2175 Attn: General Counsel and the Observer, as from time to time appointed by AIG Capital E-mail: Jeff.Swiatek@aig.com with a copy (which shall not constitute notice) to: Weil, Gotshal & Manges LLP 767 Fifth Avenue New York, NY 10153 (F) (212) 310-8007 Attention: Michael J. Aiello Joseph T. Verdesca	$240,000,000 (Series A-1); $80,000,000 (Series A-2)				240,000 (Series A-1); 80,000 (Series A-2); 99.994%					
Jay Levine Address, e-mail and fax number as shown in the Company's personnel records			$13.333.33 (Series A-1)	$44,775.703	13.422 (Series A-1) 0.004%	34.124 0.0027%	2,000 Units; 66.66%	6,328 Units; 66.66%		

John Anderson Address, e-mail and fax number as shown in the Company’s personnel records			$6,666.76 (Series A-1)	$22,387.920	6.711 (Series A-1) 0.002%	17.063 0.0013%	1,000 Units; 33.33%	3,164 Units; 33.33%		

Name & Address (including fax number) of Member	Initial Capital Contribution to Series A	Initial Capital Contribution to Series B	Additional Capital Contributions to Series A	Additional Capital Contributions to Series B	Number of Series A Common Units and Aggregate Series A Common Unit Percentage	Number of Series B Common Units and Aggregate Series B Common Unit Percentage	Number of Series A Incentive Units and Aggregate Series A Incentive Unit Percentage	Number of Series B-1 Incentive Units and Aggregate Series B-1 Incentive Unit Percentage	Number of Series B-2 Incentive Units and Aggregate Series B-2 Incentive Unit Percentage	Number of Series B-3 Incentive Units and Aggregate Series B-3 Incentive Unit Percentage
Scott T. Parker Address, e-mail and fax number as shown in the Company's personnel records				$7,659.457 (deemed contribution attributable to purchased Units)		3.233 0.0003%			1,368 Units 66.6%	
Robert Hurzeler Address, e-mail and fax number as shown in the Company's personnel records									684 Units 33.3%	
David Hogan Address, e-mail and fax number as shown in the Company's personnel records				$2,588.460 (deemed contribution attributable to purchased Units)		1.078 0.0001%				228 Units 50%
Bradford Borchers Address, e-mail and fax number as shown in the Company's personnel records				$2,588.460 (deemed contribution attributable to purchased Units)		1.078 0.0001%				228 Units 50%

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Section 5: EX-31.1 (EXHIBIT 31.1)

Exhibit 31.1

Certifications

I, Jay N. Levine, President and Chief Executive Officer, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of OneMain Holdings, Inc. (the "registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 5, 2017

/s/ Jay N. Levine
Jay N. Levine
President and Chief Executive Officer

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Section 6: EX-31.2 (EXHIBIT 31.2)

Exhibit 31.2

Certifications

I, Scott T. Parker, Executive Vice President and Chief Financial Officer, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of OneMain Holdings, Inc. (the "registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 5, 2017

/s/ Scott T. Parker
Scott T. Parker
Executive Vice President and Chief Financial Officer

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Section 7: EX-32.1 (EXHIBIT 32.1)

Exhibit 32.1

Certifications

In connection with the Quarterly Report on Form 10-Q for the quarter ended March 31, 2017 of OneMain Holdings, Inc. (the "Company") as filed with the Securities and Exchange Commission on the date hereof (the "Report"), each of Jay N. Levine, President and Chief Executive Officer of the Company, and Scott T. Parker, Executive Vice President and Chief Financial Officer of the Company, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Jay N. Levine
Jay N. Levine
President and Chief Executive Officer

/s/ Scott T. Parker
Scott T. Parker
Executive Vice President and Chief Financial Officer

Date: May 5, 2017

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