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

# FORM 10-K

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

**For the fiscal year ended December 31, 2024**

**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: 001-35477**

# Regional Management Corp.

**(Exact name of registrant as specified in its charter)**

| **Delaware** | **57-0847115** |
|---|---|
| **(State or other jurisdiction of incorporation or organization)** | **(I.R.S. Employer Identification No.)** |
| **979 Batesville Road, Suite B Greer, South Carolina** | **29651** |
| **(Address of principal executive offices)** | **(Zip Code)** |

**(864) 448-7000**
**(Registrant's telephone number, including area code)**

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

| **Title of Each Class** | **Trading Symbol** | **Name of Each Exchange on Which Registered** |
|---|---|---|
| **Common Stock, $0.10 par value** | **RM** | **New York Stock Exchange** |

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

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

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

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

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted 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 such files). Yes ☒ No ☐

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

| | | | |
|---|---|---|---|
| Large accelerated filer | ☐ | Accelerated filer | ☒ |
| Non-accelerated filer | ☐ | Smaller reporting company | ☐ |
| | | Emerging growth company | ☐ |

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

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

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

As of June 28, 2024 (the last business day of the registrant's most recently completed second fiscal quarter), the aggregate market value of the common stock held by non-affiliates of the registrant was $239,547,871 based upon the closing sale price as reported on the New York Stock Exchange. See Part II, Item 5 of this Annual Report on Form 10-K for additional information.

As of February 19, 2025, there were 9,831,461 shares of the registrant's common stock outstanding.

**Documents Incorporated by Reference**

Certain information required by Part III of this Annual Report on Form 10-K is incorporated herein by reference to the Proxy Statement for the registrant's 2025 Annual Meeting of Stockholders, which is expected to be filed pursuant to Regulation 14A within 120 days after the end of the registrant's fiscal year ended December 31, 2024.

**REGIONAL MANAGEMENT CORP.**

**ANNUAL REPORT ON FORM 10-K**

Fiscal Year Ended December 31, 2024

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**GLOSSARY**

Terms and abbreviations used in this report are defined below:

| Term or Abbreviation | Definition |
|---|---|
| 2015 Plan | 2015 Long-Term Incentive Plan |
| 2024 Plan | 2024 Long-Term Incentive Plan |
| ACH | automated clearing house |
| AFS | available-for-sale |
| APR | annual percentage rate |
| ASU | Accounting Standards Update |
| AWS | Amazon Web Services |
| Back book | loans originated from the fourth quarter of 2021 through the third quarter of 2022 and all delinquent renewals associated with loans originated prior to the fourth quarter of 2022 |
| Board | the Company's Board of Directors |
| B(W) | comparatively better shown as positives, comparatively worse shown as negatives |
| Bylaws | the Company's bylaws |
| CAGR | compound annual growth rate |
| CFPB | Consumer Financial Protection Bureau |
| CODM | Chief Operating Decision Maker |
| Code of Ethics | the Code of Business Conduct and Ethics adopted by the Board |
| Company | Regional Management Corp. |
| Consent Agreement | Consent Agreement between the CFPB and the Company dated January 4, 2024 |
| Cost of funds | annualized (as applicable) interest expense as a percentage of average net finance receivables |
| CSPU | cash-settled performance unit |
| Debt balance | the balance for each respective debt agreement, composed of principal balance and accrued interest |
| Delinquency rate | delinquent loans outstanding as a percentage of ending net finance receivables |
| Dodd-Frank Act | Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 |
| Efficiency ratio | annualized (as applicable) general and administrative expenses as a percentage of total revenue |
| ERM | enterprise risk management |
| Exchange Act | the Securities Exchange Act of 1934, as amended |
| FASB | Financial Accounting Standard Board |
| FICO | Fair Isaac Corporation |
| Funded debt-to-equity ratio | debt divided by total stockholders' equity |
| GAAP | U.S. Generally Accepted Accounting Principles |
| Inc (Dec) | comparative increases shown as positives, comparative decreases shown as negatives |
| Issuance Trust | the Company's indirect SPE through which private offerings and sales consisting of the issuance of classes of fixed-rate, asset-backed noted are completed |
| KTIP | key team member incentive program |
| LGD | loss given default |
| LIBOR | London Interbank Offered Rate |
| LTIP | long-term incentive program |
| Net credit loss ratio | annualized (as applicable) net credit losses as a percentage of average net finance receivables |
| Nortridge | Nortridge Software, LLC |
| Notice | notice provided by the CFPB to the Company dated March 7, 2023 |
| NQSO | nonqualified stock option |
| NYSE | New York Stock Exchange |
| Operating expense ratio | annualized (as applicable) general and administrative expenses as a percentage of average net finance receivables |
| PD | probability of default |
| PRSU | performance restricted stock unit |

| Term or Abbreviation | Definition |
|---|---|
| Receivables | certain retail installment contracts and promissory notes that secure certain financing arrangements |
| RMIT | Regional Management Issuance Trust |
| RMR | Regional Management Receivables |
| RMR III | Regional Management Receivables III, LLC |
| RMR IV | Regional Management Receivables IV, LLC |
| RMR V | Regional Management Receivables V, LLC |
| RMR VI | Regional Management Receivables VI, LLC |
| RMR VII | Regional Management Receivables VII, LLC |
| RSA | restricted stock award |
| RSU | restricted stock unit |
| SDIS | Senior Director of Information Security |
| SEC | Securities and Exchange Commission |
| Servicer | the Company, acting in the capacity as the servicer with respect to securitizations |
| SOFR | secured overnight financing rate |
| SPE | wholly owned, bankruptcy-remote, special purpose entity |
| Stockholders' equity ratio | total stockholders' equity as a percentage of total assets |
| TDR | troubled debt restructuring |
| Universal Proxy Rule | Exchange Act Rule 14a-19 |
| VIE | variable interest entity |
| YoY | year-over-year |

**FORWARD-LOOKING STATEMENTS**

*Each of the terms "Regional," the "Company," "we," "us," and "our" as used herein refers collectively to Regional Management Corp. and its wholly owned subsidiaries, unless otherwise stated.*

*This Annual Report on Form 10-K includes "forward-looking statements" within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, including, but not limited to, certain statements and disclosures contained in Part I, Item 1, "Business," Part I, Item 1A, "Risk Factors," and Part II, Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations." These forward-looking statements include, but are not limited to, statements about our strategies, future operations, future financial position, future revenues, projected costs, expectations regarding demand and acceptance for our financial products, growth opportunities and trends in the market in which we operate, prospects, plans and objectives of management, representations, and contentions, and are not historical facts. Forward-looking statements typically are identified by the use of terms such as "may," "will," "would," "should," "could," "likely," "intend," "expect," "plan," "project," "anticipate," "believe," "estimate," "predict," "potential," "continue," "outlook," and similar words, although some forward-looking statements are expressed differently. We may not actually achieve the plans, intentions, or expectations disclosed in our forward-looking statements, and you should not place undue reliance on our forward-looking statements. The forward-looking statements included herein reflect and contain management's current judgment and involve risks and uncertainties that could cause actual results, events, and/or performance to differ materially from the plans, intentions, and expectations disclosed in the forward-looking statements. Such risks and uncertainties include, without limitation, the risks set forth in Part I, Item 1A, "Risk Factors" in this Annual Report on Form 10-K. We do not intend to update any of these forward-looking statements or publicly announce the results of or any revisions to these forward-looking statements, other than as is required under the federal securities laws.*

*The following discussion should be read in conjunction with, and is qualified in its entirety by reference to, our audited consolidated financial statements, including the notes thereto.*

**PART I**

**ITEM 1. *BUSINESS*.**

**Overview**

We are a diversified consumer finance company that provides installment loan products primarily to customers with limited access to consumer credit from banks, thrifts, credit card companies, and other lenders. As of December 31, 2024, we operated under the name "Regional Finance" online and in branch locations in 19 states across the United States, serving 575,400 active accounts. Most of our loan products are secured, and each is structured on a fixed-rate, fixed-term basis with fully amortizing equal monthly installment payments, repayable at any time without penalty. We source our loans through our omni-channel platform, which includes our branches, centrally-managed direct mail campaigns, digital partners, and consumer website. We operate an integrated branch model in which nearly all loans, regardless of origination channel, are serviced through our branch network with the support of centralized sales, underwriting, service, collections, and administrative teams. This model provides us with frequent in-person contact with our customers, which we believe improves our credit performance and customer loyalty. Our goal is to consistently grow our finance receivables and to soundly manage our portfolio risk, while providing our customers with attractive and easy-to-understand loan products that serve their varied financial needs.

Our core products are large and small installment loans. As a complement to our loan products, we offer our customers optional payment and collateral protection insurance.

- **Large Loans** – We offer large installment loans with cash proceeds to customers ranging from $2,501 to $35,000, with terms between 18 and 60 months. Our large loans are typically secured by non-essential household goods and/or a vehicle. As of December 31, 2024, we had 259,500 large loans outstanding representing $1.3 billion in finance receivables, or an average of approximately $5,200 per loan. In 2024, 2023, and 2022, interest and fee income from large loans contributed $337.7 million, $323.9 million, and $288.5 million, respectively, to our total revenue.

- **Small Loans** – We offer small installment loans with cash proceeds to customers ranging from $500 to $2,500, with terms of up to 48 months. Our small loans are typically secured by non-essential household goods and/or, to a lesser extent, a lien on a vehicle. As of December 31, 2024, we had 314,900 small loans outstanding representing $554.7 million in finance receivables, or an average of approximately $1,800 per loan. In 2024, 2023, and 2022, interest and fee income from small loans contributed $190.8 million, $164.7 million, and $160.4 million, respectively, to our total revenue.

- **Optional Payment and Collateral Protection Insurance Products** – We offer our customers optional payment and collateral protection insurance relating to our loan products, including credit life insurance, accident and health insurance, involuntary unemployment insurance, and personal property insurance. In 2024, 2023, and 2022, insurance income, net contributed $40.7 million, $44.5 million, and $43.5 million, respectively, to our total revenue.

Through November 2022, we also offered indirect retail installment loans of up to $7,500. We ceased offering indirect retail installment loans in November 2022 to focus on growing our core loan portfolio, but we continue to own and service the loans that we previously originated. As of December 31, 2024, we had 1,000 retail loans outstanding representing $1.1 million in finance receivables, or an average of approximately $1,100 per loan.

**Industry, Customers, and Purpose**

We operate in the consumer finance industry, in which consumers are generally described as super-prime (most creditworthy), prime, near-prime, non-prime, subprime, or deep-subprime (least creditworthy). Our customers typically have less-than-perfect credit profiles and, for that reason, are generally considered subprime, non-prime, or near-prime consumers. As a result, our customers often do not qualify for prime financing from banks, thrifts, credit card providers, and other lenders. However, like prime consumers, our customers have a need and a desire to utilize credit.

Notwithstanding that many lenders are unwilling to serve our customers, we believe that responsible, transparent, and fairly priced credit products should be made available to our customers. We exist to serve that purpose, and accordingly, we offer our customers access to credit through our affordable, easy-to-understand large and small loan products, which we price on fair terms in consideration of the associated credit risk and servicing costs.

The weighted-average APR of our large loans, which are reserved for higher credit quality customers who meet more stringent underwriting requirements than those applied to small loan applicants, was 30.9% for loans originated in 2024. The

weighted-average APR of our small loans originated in 2024 was 45.2%. We believe that the rates on our products are significantly more attractive than many other credit options available to our customers, such as payday, pawn, and title loans, which often come with APRs over 300%. Our loans are also safer and more favorably structured than loans offered by alternative financial service providers. We underwrite our loans based on an applicant's ability to repay, whereas payday, pawn, and title loans are typically underwritten based on an ability to collect, either through access to the borrower's bank account or by repossession and sale of collateral. We also structure our loans on a fixed-rate, fixed-term basis with fully amortizing, equal monthly installment payments that are designed to be affordable for our customers and made over a weighted-average term of 50 months and 26 months for large and small loans, respectively (for loans originated in 2024). By comparison, payday, pawn, and title loans typically have balloon payments following short terms of 14 to 60 days.

Importantly, we further differentiate ourselves from alternative financial service providers by reporting our customers' payment performance to credit bureaus. This practice provides our customers with the opportunity to improve their credit profile by establishing a responsible payment history with us and, ultimately, to gain access to a wider range of credit options, including our own. For example, in 2024, we worked with many of our deserving customers to refinance over 25,000 of our customers' small loans into large loans, representing $147.8 million in finance receivables at origination, and resulting in a decrease in these customers' average APR from 42.8% to 31.1%. We also believe that, over time, many of our customers transition away from our company to prime sources of credit.

Our diversity of loan products with competitive, safe, and transparent pricing and terms, combined with the opportunity for our customers to improve their credit history and profile, distinguishes us in the consumer finance market, provides us with a competitive advantage, and allows us to serve an important purpose that is mutually beneficial to our customers, communities, employees, and stockholders.

**Business Model**

***Omni-Channel Platform.*** Our omni-channel platform, which includes our branches, direct mail campaigns, digital partners, and consumer website, enables us to offer a range of loan products to new, existing, and former customers throughout our markets. We began building our branch network over 35 years ago and have expanded the network to 344 branches in 19 states as of December 31, 2024. Our branch personnel market our products in a number of ways, including through customer referrals, direct telephone and mail solicitations of current and former customers, and by leveraging our direct mail program and leads generated by our digital affiliates and consumer website. Our direct mail campaigns include mailings of pre-screened convenience checks, pre-qualified offers, and invitations to apply, which enable us to market our products to millions of current and potential customers in a cost-effective manner. We have also developed our consumer website and partnered with digital lead generation sources to promote our products and facilitate loan applications and originations via the internet. We believe that our omni-channel platform provides us with a competitive advantage by giving us broad access to our existing and former customers and multiple avenues to attract new customers.

***Attractive Products for Customers with Limited Access to Credit.*** Our flexible loan products, generally ranging from $500 to $35,000 with terms of up to 60 months, are competitively priced, easy to understand, and incorporate features designed to meet the varied financial needs and credit profiles of a broad range of consumers. This product diversity distinguishes us from monoline competitors and provides us with the ability to offer our customers new loan products as their credit profiles evolve, building customer loyalty and increasing the overall value of customer relationships.

***Integrated Branch Model with Centralized Support.*** Our branch network serves as the foundation of our omni-channel platform and the primary point of contact with our customers. Nearly 73% of our loan originations in 2024 were facilitated by one of our branch locations, and nearly all loans, regardless of origination channel, are serviced through our branches, allowing us to maintain frequent, in-person contact with our customers. By integrating loan origination and loan servicing at the branch level, our employees are able to maintain a relationship with our customers throughout the life of a loan. We believe this frequent-contact, relationship-driven lending model provides greater insight into potential payment difficulties, reduces credit risk, and allows us to assess the borrowing needs of our customers, better enabling us to offer them new loan products as their credit profiles and needs evolve. In recent years, we have provided our branch network with increasing levels of centralized sales, underwriting, service, collections, and administrative support, and we plan to continue our investment in and testing of centralized support in the future.

***Consistent Portfolio Performance.*** Over the past several years, we have maintained a sharp focus on credit quality by investing in highly qualified personnel, refining underwriting practices, developing custom credit scorecards, streamlining procedures, automating underwriting decisions, and improving reporting capabilities. These investments allow us to control the credit quality of our portfolio, maintain compliance with evolving state and federal law, and react quickly whenever market dynamics may change.

We have also expanded our centralized collections department and provided our branches with improved collections tools, training, and incentives. While the economic environment has challenged our customers and stressed our portfolio credit performance in recent years, we believe that our customers and business model have remained resilient.

***Demonstrated Organic Growth.*** We have grown our total finance receivables by 67.0%, from $1.1 billion at December 31, 2019 to $1.9 billion at December 31, 2024, a CAGR of 10.8%. This receivables growth has driven a revenue increase of 65.4%, from $355.7 million in 2019 to $588.5 million in 2024, a CAGR of 10.6%. Our portfolio growth has come from expanding our geographic presence, growing our finance receivable portfolios within existing branches, and developing new products and channels, including through digital lead generation. Since 2018, we have entered 10 new states and have introduced new technologies and marketing strategies to enable remote loan closings and to extend the geographic reach of our branches.

***Experienced Management Team.*** Our executive and senior operations management teams consist of individuals experienced in installment lending and other consumer finance services. Our Chief Executive Officer has over 30 years of experience in consumer financial services, our Chief Financial and Administrative Officer has over 20 years of financial services experience, and our Chief Credit Risk Officer has over 20 years of financial and consumer lending experience. As of December 31, 2024, our state operations vice presidents averaged nearly 30 years of industry experience and over 11 years of service at Regional, while our associate vice presidents and district supervisors averaged over 20 years of industry experience and 10 years of service with Regional. Our executive and senior operations management team members intend to leverage their experience and expertise in consumer lending to grow our business, deliver high-quality service to our customers, and carefully manage our credit risk.

**Strategies**

***Expand Our Geographic Presence.*** We expect to continue to grow the receivables, revenue, and profitability of our existing branches, to open new branches within our existing geographic footprint, and to expand our operations into new states. Establishing local contact with our customers through our branch network is a key to our frequent-contact, relationship-driven lending model. We believe that there remains substantial opportunity to grow the finance receivable portfolios of our existing branches. During 2022, we expanded into Mississippi, Indiana, California, Louisiana, and Idaho, and we further expanded into Arizona during 2023. We anticipate that as our newer branches mature, their revenue will grow faster than our overall same-store revenue growth rate. We believe there is sufficient demand for consumer finance services to continue new branch openings in certain of the states where we currently operate, allowing us to capitalize on our existing infrastructure and experience in these markets. We also intend to explore opportunities for growth in states outside of our existing geographic footprint that enjoy favorable operating environments, and over time, we expect to have a national presence.

***Leverage Direct Mail Marketing.*** Direct mail campaigns are launched throughout the year but are weighted to coincide with seasonal consumer demand. In addition, we mail convenience checks in new markets as new branches open, which develops a customer base and builds finance receivables for these new branches. We plan to continue to invest in and to improve the targeting criteria, offer strategies, and testing protocols of our direct mail campaigns, which we believe will enable us to efficiently grow our receivables with improved credit performance. We expect that these efforts will allow us to increase volume at our branches by adding new customers, recapturing former customers, and creating opportunities to offer new loan products to our existing customers.

***Improve Our Digital Capabilities.*** In order to better attract and serve customers who prefer to conduct business digitally, we make an online loan application available on our consumer website, generate customer leads through digital partners, and provide our customers with online account management capabilities. Over the past few years, we have invested heavily in our digital acquisition channel and servicing tools. For example, we rolled out an improved digital prequalification experience for our customers, including expanded integrations with existing and new digital affiliates and lead generators. We also began testing a digital origination product and channel for new customers (through which new loans can be fulfilled entirely online without intervention by our personnel), we launched an enhanced customer portal, and we deployed our mobile app. These efforts enabled us to maintain new digitally sourced volumes as a percentage of total new customer volumes at over 27% in 2024, compared to nearly 29% in 2023. In the future, we will continue our focus on the digital channel. We plan to expand the testing of our digital origination product and channel to new geographies and improve the customer experience. We also expect to complete enhancements to our customer portal and mobile app, allowing our customers easy access to payment functionality and additional features. Our investment in our digital channel allows us to add capabilities, improve efficiencies, enhance the customer experience, and test new mechanisms for lead generation to diversify and expand our new business acquisition opportunities.

***Enhance Our Products, Channels, and Services.*** Over time, we intend to improve our existing product offerings, to introduce new products and services, and to capture customers through new channels and partnerships. For example, in 2020, we introduced

an enhanced auto-secured large loan product, through which we offer larger auto-secured loans to some of our highest credit quality customers. As of the end of 2024, auto-secured loans represented $206.6 million, or 10.9% of our total portfolio. In addition, in 2023 and 2024, we began to increase our marketing investment in our higher-margin small loan product, part of our barbell strategy of growing our higher-margin small loan accounts and our higher-quality auto-secured accounts. In the future, we will continue to assess new credit and non-credit products and services and expand the channels and partnerships through which we acquire customers.

***Maintain Sound Underwriting and Credit Control.*** We have invested heavily in our credit and collections functions. We plan to continue to do so in the future by maintaining highly qualified employees dedicated to managing credit risk, refining our underwriting models, and improving our collection efforts through both our branch operations and our centralized collections department. Our loan origination and servicing software platform allows us to automate our underwriting decisions, and in 2022, we introduced our next generation custom credit model, a new proprietary model that provides significant advancements in underwriting capabilities by utilizing sophisticated modeling algorithms that leverage new alternative data sources to drive more predictable outcomes and make better credit decisions at the margin. Through these efforts and others, we plan to continue to carefully manage our credit exposure as we grow our business, offer new products, access new channels, and enter new markets.

***Carefully Manage Our G&A Expenses.*** We have made significant investments in our business over the past several years, including by increasing our marketing spend to drive new business, expanding our branch network, hiring operations employees to service our growing finance receivable portfolio, and improving our credit, information technology, and data and analytics capabilities. However, during that time, we also remained keenly focused on driving operating leverage through the prudent management of our expenses. Between 2019 and 2024, our operating expense ratio decreased from 15.6% to 13.8%. As we grow our business, we will remain vigilant in our management of general and administrative expenses, with the goal of decreasing such expenses as a percentage of average net finance receivables over time.

**Loan Products**

We offer large and small installment loans to our customers. Our underwriting standards focus on our customers' ability to affordably make loan payments out of their discretionary income, with the value of pledged collateral serving as a credit enhancement rather than the primary underwriting criterion. The interest rates, fees and other charges, maximum principal amounts, and maturities for our loans vary from state to state, depending on the competitive environment and relevant laws and regulations.

Large and small loans are originated by our branch network, by our centralized sales and service team, digitally through our consumer website, and through our convenience check direct mail campaigns. Our convenience check direct mail loan offers enable prospective customers to enter into a loan with us by cashing or depositing the check attached to the loan offer, thereby agreeing to the terms of the loan as prominently set forth on the check and accompanying disclosures. When a customer enters into a loan by cashing or depositing the convenience check, our personnel gather additional information on the borrower to assist in servicing the loan.

For loans originated by our branch network or centralized sales and service team, we consider numerous factors in evaluating a potential customer's creditworthiness, such as unencumbered income, debt-to-income ratio, length of current employment, duration of residence, and a credit report detailing the applicant's credit history. Our loan origination and servicing software platform guides our branch personnel through the credit application process and automates much of the underwriting, with underwriting exceptions generally subject to review and approval by a senior operations or centralized underwriting team member. For convenience check loans, each prospect that we solicit has been pre-screened through a major credit bureau against our underwriting criteria, which includes an evaluation of the recipient's credit score, bankruptcy history, and a number of additional credit attributes relevant to the recipient's likely ability and willingness to repay the offered convenience check loan.

Loan renewals are also an important part of our business. Our customers use renewals to extend and expand their lending relationships with us. We generally offer loan renewals to existing customers who have demonstrated an ability and willingness to repay amounts owed to us. Renewals typically refinance one or more of a customer's loans into a single new loan, which in some cases will be for a larger principal balance than the customer's original loan, though we permit renewals of existing loans at or below the original loan amount. In evaluating a loan for renewal, in addition to our standard underwriting requirements, we are able to take into consideration the customer's prior payment performance with us, which we believe is a very strong indicator of the customer's future credit performance.

***Large Loans.*** In 2024, our average originated principal balance and weighted-average term for large loans were $6,001 and 50 months, respectively. The average interest and fee yield we earned on our portfolio of large loans was 26.4% for 2024. The following table sets forth the distribution of our large loan finance receivable portfolio by state as of the dates indicated.

| | At December 31, | | | | |
|---|---|---|---|---|---|
| | 2020 | 2021 | 2022 | 2023 | 2024 |
| Texas | 29 % | 31 % | 33 % | 32 % | 32 % |
| North Carolina | 14 % | 15 % | 15 % | 16 % | 17 % |
| South Carolina | 18 % | 15 % | 12 % | 11 % | 10 % |
| All Other States | 39 % | 39 % | 40 % | 41 % | 41 % |
| Total | 100 % | 100 % | 100 % | 100 % | 100 % |

The following table sets forth the total number of large loans, total large loan finance receivables, and average size per loan by state as of December 31, 2024.

| | Number of Loans | Net Finance Receivables (In thousands) | Average Size Per Loan |
|---|---|---|---|
| Texas | 71,186 | $ 427,046 | $ 5,999 |
| North Carolina | 47,635 | 223,565 | 4,693 |
| South Carolina | 24,613 | 132,623 | 5,388 |
| All Other States | 116,072 | 553,546 | 4,769 |
| Total | 259,506 | $ 1,336,780 | $ 5,151 |

***Small Loans.*** In 2024, our average originated principal balance and weighted-average term for small loans were $2,144 and 26 months, respectively. The average interest and fee yield we earned on our portfolio of small loans was 37.6% in 2024. The following table sets forth the distribution of our small loan finance receivable portfolio by state as of the dates indicated.

| | At December 31, | | | | |
|---|---|---|---|---|---|
| | 2020 | 2021 | 2022 | 2023 | 2024 |
| Texas | 37% | 35% | 33% | 30% | 27% |
| North Carolina | 17% | 16% | 16% | 13% | 13% |
| All Other States | 46% | 49% | 51% | 57% | 60% |
| Total | 100% | 100% | 100% | 100% | 100% |

The following table sets forth the total number of small loans, total small loan finance receivables, and average size per loan by state as of December 31, 2024.

| | Number of Loans | Net Finance Receivables (In thousands) | Average Size Per Loan |
|---|---|---|---|
| Texas | 82,177 | $ 148,095 | $ 1,802 |
| North Carolina | 39,549 | 71,155 | 1,799 |
| All Other States | 193,149 | 335,436 | 1,737 |
| Total | 314,875 | $ 554,686 | $ 1,762 |

**Insurance and Ancillary Products**

We also offer our customers various optional payment and collateral protection insurance products as a complement to our lending operations. Our primary insurance products include optional credit life insurance, accident and health insurance, involuntary unemployment insurance, and personal property insurance. These insurance products are optional and not a condition of the loan, and we do not sell insurance to non-borrowers. Our insurance products, including the types of products offered and their terms and conditions, vary from state to state in compliance with applicable laws and regulations. Insurance policy premiums, claims, and expenses are included in our results of operations as insurance income, net in the consolidated statements of comprehensive income. In 2024, insurance income, net was $40.7 million, or 6.9% of our total revenue.

Generally, credit life insurance provides for the payment in full of the borrower's credit obligation to the lender in the event of the borrower's death and, in some states, may provide a payment to a secondary beneficiary listed by the borrower. Credit accident and health insurance provides for the repayment of certain loan installments to the lender that come due during an insured's period of income interruption resulting from disability, illness, or injury. Credit involuntary unemployment insurance provides for repayment of certain loan installments in the event that the borrower is no longer employed as the result of a qualifying event, such as a layoff or reduction in workforce. Credit personal property insurance provides for payment following accidental loss of, or damage to, personal property collateral resulting from certain casualty events. We require that customers maintain property insurance on any personal property securing loans and offer customers the option of providing proof of such insurance purchased from a third party (such as homeowners or renters insurance) in lieu of purchasing property insurance from us. We also require proof of insurance on any vehicles securing loans, and in select markets, we offer vehicle single interest insurance on vehicles used as collateral on large and small loans.

All customers purchasing these types of insurance from us are required to sign multiple statements affirming that they understand that their purchase of insurance is optional and not a condition of the loan. In addition, a customer may cancel purchased insurance at any time during the life of the loan, including in connection with an early payoff or loan refinancing. Customers who cancel within thirty (30) days of the date of purchase receive a full refund of the insurance premium, and customers who cancel thereafter receive a refund of the unearned portion of the insurance premium.

Apart from the various optional payment and collateral protection insurance products that we offer to our customers, on certain loans, we also collect a fee from our customers and, in turn, purchase non-file insurance from an unaffiliated insurance company for our benefit in lieu of recording and perfecting our security interest in personal property collateral. Non-file insurance protects us from credit losses where, following an event of default, we are unable to take possession of personal property collateral because our security interest is not perfected (for example, in certain instances where a customer files for bankruptcy). In such circumstances, non-file insurance generally will pay to us an amount equal to the lesser of the loan balance or the collateral value, with such claims payment lowering our net credit losses.

We market and sell insurance policies as an agent of an unaffiliated insurance company, within the limitations established by our agency contracts with the unaffiliated insurance company. We then remit to the unaffiliated insurance company the premiums we collect, net of refunds on prepaid loans and net of commission on new business. The unaffiliated insurance company then cedes to our wholly owned insurance subsidiary, RMC Reinsurance, Ltd., the net insurance premium revenue and the associated insurance claims liability for all insurance products, including the non-file insurance that we purchase. Life insurance premiums are ceded as written, and non-life insurance premiums are ceded as earned. In accepting the premium revenue and associated claims liability, RMC Reinsurance, Ltd. acts as reinsurer for all insurance products that we sell to our customers and for the non-file insurance that we purchase. RMC Reinsurance, Ltd. pays the unaffiliated insurance company a ceding fee for the continued administration of all insurance products.

In addition, in select states, we offer club membership products that are administered and serviced through a third-party provider. The product generally provides certain automobile, home, travel, and other services and benefits to customers, including emergency towing and roadside assistance, emergency locksmith service, automobile repair reimbursement, stolen car expense benefit, automobile insurance deductible reimbursement, limited legal services, and various travel and other discounts. These products are not insurance, and therefore, they are not included in our results of operations as insurance income, net, but rather, they are included as part of revenue under other income. However, as with the optional insurance products that we offer, any customer purchasing these products acknowledges that the purchase is optional and not a condition of the loan and that the plan may be cancelled within 30 days for a full refund.

**Branch Network**

Our branches are generally located in visible, high-traffic locations, such as shopping centers or, to a lesser extent, commercial office buildings. We believe that our branches have an open, welcoming, and hospitable layout. In evaluating whether to locate a branch in a particular community, we examine several factors, including the demonstrated demand for consumer finance, the regulatory and political climate, and the availability of suitable employees to staff, manage, and supervise the new branch.

The following table sets forth the net finance receivables per branch based on maturity:

| Age of Branch (As of December 31, 2024) | Net Finance Receivables Per Branch as of December 31, 2024 (In thousands) | Percentage Increase From Prior Age Category | Number of Branches |
|---|---|---|---|
| Branches open less than one year | $ 1,755 | — | 7 |
| Branches open one to three years | $ 7,419 | 322.7 % | 22 |
| Branches open three to five years | $ 5,582 | (24.8 )% | 28 |
| Branches open five years or more | $ 5,438 | (2.6 )% | 287 |
| Total | $ 5,502 | | 344 |

The following table sets forth the average operating income contribution per branch for the year ended December 31, 2024, based on maturity of the branch.

| Age of Branch (As of December 31, 2024) | Average Branch Operating Income Contribution (In thousands) | Percentage Increase From Prior Age Category | Number of Branches |
|---|---|---|---|
| Branches open less than one year | $ 9 | — | 7 |
| Branches open one to three years | $ 126 | 1,300.0 % | 22 |
| Branches open three to five years | $ 290 | 130.2 % | 28 |
| Branches open five years or more | $ 647 | 123.1 % | 287 |
| Total | $ 572 | | 344 |

Historically, net finance receivables per branch and average branch operating income contribution have increased as our branches mature. Beginning in 2021 with our expansion to Illinois, we began to implement a lighter branch footprint strategy, pursuant to which we are leveraging our new technology and digital capabilities to service a wider geographic area in new branch locations. As a result, our new branches opened between 2021 and 2024 have on average grown their net finance receivables and operating income contribution at a faster pace than branches opened prior to 2021. As a result of this strategy, the net finance receivables per branch of branches open one to three years exceed that of branches open more than three years in the table above.

We calculate the average branch contribution as total revenues generated by the branch less the expenses directly attributable to the branch, including net credit losses and operating expenses, such as personnel, lease, and interest expenses. General corporate overhead, including management salaries, is not attributed to any individual branch. Accordingly, the sum of branch contributions from all of our branches is greater than our income before taxes.

**Human Capital**

As of December 31, 2024, we had 2,131 employees. All of our employees are located within the United States, and none are covered by a collective bargaining agreement. We work diligently to attract the best talent in order to meet the current and future demands of our business, and we have demonstrated a history of investing in our workforce by offering competitive compensation, comprehensive benefits, and development opportunities. In addition, to ensure that we provide a rewarding experience for our employees, we engage independent third parties to conduct periodic employee engagement surveys, enabling us to regularly measure organizational culture and engagement and to improve upon the employee experience, which in turn drives a superior customer experience. We are also committed to fostering, cultivating, and preserving a strong culture and inclusive work environment.

We also offer our employees a variety of training and development opportunities. New employees complete a comprehensive training curriculum that focuses on the company- and position-specific competencies needed to be successful. The training includes a blended approach utilizing eLearning modules, hands-on exercises, webinars, and assessments. Training content is focused on our operating policies and procedures, as well as several key compliance areas. Incentive compensation for new employees is contingent upon the successful and timely completion of the required new hire training curriculum. All current employees are also required to complete quarterly compliance training and re-certification. Additional management and developmental training is provided for those employees seeking to advance within our company.

**Payment and Loan Servicing**

We have implemented company-wide payment and loan servicing policies and procedures, which are designed to maintain consistent portfolio performance and ensure regulatory compliance. Our district supervisors, associate vice presidents, state vice presidents, and compliance and internal audit teams regularly review servicing and collection records to ensure compliance with our policies and procedures. Our centralized management information system enables regular monitoring of branch portfolio metrics by management, and the compensation opportunities of our operations employees and senior management have a significant performance component that is closely tied to credit quality, among other defined performance targets.

The responsibility for the servicing and collection of each loan generally rests with the originating branch. Borrowers who have signed up for online account access have on-demand access to their account information through Regional's website and mobile app. In addition, borrowers may elect to receive automated, one-way text messages with information regarding their account, including payment reminders. Borrowers have the option of making payments (i) in person at a branch where they may pay by cash, check, money order, debit card, or immediate, one-time future, or recurring ACH, (ii) through our customer portal via debit card or immediate, one-time future, or recurring ACH, or (iii) by immediate or one-time future debit card or ACH over the phone. In the fourth quarter of 2024, approximately 83% (by dollar amount) of customer payments were made by debit card or ACH.

If a loan becomes severely delinquent, a branch may receive co-collection assistance from our centralized servicing team or third-party collector. Our philosophy is to work with customers experiencing payment difficulties. If a customer is unable to make the required payments to bring his or her loan current, acceptable solutions to remedy a past due loan may include deferral of a payment, loan modification, loan renewal, or settlement. All solutions are intended to enable the customer to meet his or her current and future obligations in a manner that we believe will mitigate our risk, while also complying with state and federal laws and regulations, as well as our policies and procedures.

Customers are generally limited to three deferrals of their monthly payment in a rolling twelve-month period unless it is determined that an exception is warranted (e.g. due to a natural disaster or pandemic). In 2024, we began offering temporary loan modifications, allowing for reduced payments and limited interest forgiveness over a three-month period, enabling customers to bring their loan back to a current status. We generally limit the refinancing of delinquent loans to those customers who have made recent payments and for whom we have verified current employment, and we do not charge any origination fees on the refinancing of a severely delinquent loan. We believe that refinancing delinquent loans for certain deserving customers who have made periodic payments allows us to help customers resolve temporary financial setbacks and repair or sustain their credit. During 2024, we refinanced approximately $12.7 million of loans that were 60 or more days contractually past due, representing approximately 0.8% of our total loan originations in 2024. As of December 31, 2024, the outstanding balance of such refinanced loans was $11.1 million, or 0.6% of finance receivables as of such date. We may also agree to settle or permanently modify a past-due loan by accepting less than the full principal balance owed, either in a lump sum or over an established term. A settlement or permanent loan modification is only used in certain limited cases and is only offered once we have determined that we are unlikely to collect the entire outstanding balance of the loan.

For seriously delinquent accounts, we may seek legal judgments or pursue repossession of collateral. We typically initiate repossession efforts only when we have exhausted other means of collection and, in the opinion of management, the customer is unlikely to make further payments. We sell substantially all repossessed collateral through sales conducted by independent auction organizations, after the required post-repossession waiting period. Generally, we charge off loans during the month that the loan becomes 180 days contractually delinquent. Accounts without a lien on a vehicle in a confirmed Chapter 7 or Chapter 13 bankruptcy are charged off at 60 days contractually delinquent, subject to certain exceptions. Deceased borrower accounts are charged off in the month following the proper notification of passing, with the exception of borrowers with credit life insurance. We sell most of our charged-off accounts to third-party debt buyers.

**Information Technology**

We utilize a loan origination and servicing platform offered by Nortridge both to originate loans and to service our loan portfolio. We have invested in customizing the Nortridge platform to meet our needs based upon our specific products, processes, and reporting requirements. The Nortridge custom decision engine utilizes application information and a credit report detailing the applicant's credit history to generate an initial credit decision and to guide our branch employees through the loan origination process to the final credit decision. Throughout the life of the loan, our employees utilize Nortridge to, among other things, enter payments, generate collection queues, and log collection activity. Nortridge also facilitates electronic and recurring payments, automated text messaging, and customer account access through a customer portal. Nortridge logs and maintains, within our centralized information systems, a permanent record of the loan origination and servicing approvals and processes and permits all

levels of branch and centralized management to review the individual and collective performance of all branches for which they are responsible on a daily basis. We intend to continue to enhance the Nortridge platform to further leverage its capabilities and to meet our evolving needs. In addition, we will continue to invest in other software platforms that integrate with Nortridge and are expected to improve our origination and servicing capabilities.

**Competition**

The consumer finance industry is highly fragmented, with numerous competitors. We compete with several national companies operating greater than 300 branch locations each, a handful of smaller, regionally-focused companies with between 100 and 300 branches in certain of the states in which we operate, and many independent operators with fewer than 100 branches. We believe that competition between installment consumer loan companies occurs primarily on the basis of price, breadth of loan product offerings, flexibility of loan terms offered, and the quality of customer service provided. While underbanked customers may also use alternative financial services providers, such as title lenders, payday lenders, and pawn shops, these providers' products offer different terms and typically carry substantially higher interest rates and fees than our installment loans. Accordingly, we believe that alternative financial services providers are not an attractive option for customers who meet our underwriting standards, which are generally stricter than the underwriting standards of alternative financial services providers. Our loan products also compete with pure online lenders, peer-to-peer lenders, and issuers of non-prime credit cards.

**Seasonality**

Our loan volume and contractual delinquency follow seasonal trends. Demand for our loans is typically highest during the second, third, and fourth quarters, which we believe is largely due to customers borrowing money for vacation, back-to-school, and holiday spending. Loan demand has generally been the lowest during the first quarter, which we believe is largely due to the timing of income tax refunds. Delinquencies generally reach their lowest point in the first half of the year and rise in the second half of the year. Changes in quarterly growth or liquidation could result in larger allowance for credit loss releases in periods of portfolio liquidation, and larger provisions for credit losses in periods of portfolio growth. Consequently, we experience seasonal fluctuations in our operating results. However, changes in macroeconomic factors, including inflation, higher interest rates, and geopolitical conflict, have impacted our typical seasonal trends for loan volume and delinquency.

**Government Regulation**

Consumer finance companies are subject to extensive regulation, supervision, and licensing under various federal, state, and local statutes, regulations, and ordinances. Many of these laws impose detailed constraints on how we originate loans, offer optional products, collect on debt, and otherwise operate our business. The software that we use to originate loans is designed in part to aid in compliance with all applicable lending laws and regulations.

***State Lending Regulation.*** We are regulated by state agencies that regularly audit our branches and operations. In general, most state statutes establish maximum loan amounts and interest rates, as well as the types and maximum amounts of fees and insurance premiums that we may charge. These specific allowable charges vary by state. In addition, state laws regulate the keeping of books and records and other aspects of the operation of consumer finance companies, and state and federal laws regulate account collection practices. State agency approval is required to open new branches, and each of our branches is separately licensed under the laws of the state in which the branch is located. Licenses granted by the regulatory agencies in these states are subject to annual renewal and revocation for failing to comply with applicable state and federal laws and regulations. In the states in which we currently operate, licenses may be revoked only after an administrative hearing. We believe we are in compliance with state laws and regulations applicable to our lending operations in each state.

***State Insurance Regulation.*** Premiums and charges for optional collateral and credit protection insurance products are set at or below authorized statutory rates and are stated separately in our disclosures to customers, as required by the Truth in Lending Act and by various applicable state laws. We are also subject to state laws and regulations governing insurance agents in the states in which we sell insurance. State insurance regulations require that insurance agents be licensed and limit the premium amount charged for such insurance. Our captive insurance subsidiary is regulated by the insurance authorities of the Turks and Caicos Islands of the British West Indies, where the subsidiary is organized and domiciled.

***Dodd-Frank Act.*** At the federal level, Congress enacted comprehensive financial regulatory reform legislation in 2010. A significant focus of the law, known as the Dodd-Frank Act, is heightened consumer protection. The Dodd-Frank Act established the CFPB, which has regulatory, supervisory, and enforcement powers over providers of consumer financial products and services,

including explicit supervisory authority to examine and require registration of non-depository lenders and to promulgate rules that can affect the practices and activities of lenders.

The Dodd-Frank Act and the regulations promulgated thereunder may affect our operations through increased oversight of financial services products by the CFPB and the imposition of restrictions on the terms of certain loans. The CFPB has significant authority to implement and enforce federal consumer finance laws, including the protections established in the Dodd-Frank Act, as well as the authority to identify and prohibit unfair, deceptive, and abusive acts and practices. To that end, the Dodd-Frank Act gives the CFPB the authority to establish supervisory authority over a nonbank covered person that it has reasonable cause to determine is engaging, or has engaged, in conduct that poses risks to consumers.

On March 7, 2023, the CFPB provided the Company with Notice that it sought to establish supervisory authority over the Company pursuant to section 1024(a)(1)(C) of the Consumer Financial Protection Act of 2010. Under that provision, the CFPB may establish supervisory authority over any non-bank covered person that it has reasonable cause to determine is engaging, or has engaged, in conduct that poses risks to consumers with regard to the offering or provision of consumer financial products or services. The Company responded to the Notice by voluntarily consenting to the CFPB's supervisory authority and entering into a Consent Agreement. Pursuant to the Consent Agreement and related CFPB order, the CFPB will have supervisory authority over the Company for a period of two years ending January 8, 2026. The Consent Agreement does not constitute an admission by the Company that it is a nonbank covered person that is engaging, or has engaged, in conduct that poses risks to consumers with regard to the offering or provision of consumer financial products or services.

In addition to the grant of certain regulatory powers to the CFPB, the Dodd-Frank Act gives the CFPB authority to pursue administrative proceedings or litigation for violations of federal consumer financial laws. In these proceedings, the CFPB can obtain cease and desist orders (which can include orders for restitution or rescission of contracts, as well as other kinds of affirmative relief) and monetary penalties. Also, where a company has violated Title X of the Dodd-Frank Act or CFPB regulations thereunder, the Dodd-Frank Act empowers state attorneys general and state regulators to bring civil actions to remedy violations of state law.

***Other Federal Laws and Regulations.*** In addition to the Dodd-Frank Act and state and local laws, regulations, and ordinances, numerous other federal laws and regulations affect our lending operations. These laws include the Truth in Lending Act, the Equal Credit Opportunity Act, the Fair Credit Reporting Act, the Servicemembers Civil Relief Act, the Military Lending Act, the Gramm-Leach-Bliley Act, and in each case the regulations thereunder, and the Federal Trade Commission's Credit Practices Rule. These laws require us to provide complete disclosure of the principal terms of each loan to the borrower prior to the consummation of the loan transaction, prohibit misleading advertising, protect against discriminatory lending practices, govern the manner in which we report customer information to consumer reporting agencies, govern the terms of loans to servicemembers, and proscribe unfair credit practices.

- Truth in Lending Act. Under the Truth in Lending Act and Regulation Z promulgated thereunder, we must disclose certain material terms related to a credit transaction, including, but not limited to, the annual percentage rate, finance charge, amount financed, total of payments, the number and amount of payments, and payment due dates to repay the indebtedness.
- Equal Credit Opportunity Act. Under the Equal Credit Opportunity Act and Regulation B promulgated thereunder, we cannot discriminate against any credit applicant on the basis of any protected category, such as race, color, religion, national origin, sex, marital status, or age. We are also required to make certain disclosures regarding consumer rights and advise customers whose credit applications are not approved of the reasons for the denial.
- Fair Credit Reporting Act. Under the Fair Credit Reporting Act, we must provide certain information to customers whose credit applications are not approved on the basis of a report obtained from a consumer reporting agency, promptly update any credit information reported to a credit reporting agency about a customer, and have a process by which customers may inquire about credit information furnished by us to a consumer reporting agency.
- Servicemembers Civil Relief Act. The Servicemembers Civil Relief Act is designed to ease legal and financial burdens on military personnel and their families during active-duty status. We may be required to reduce interest rates on "pre-service" debts incurred by servicemembers, and we may be prohibited from pursuing certain forms of legal action against servicemembers, such as default judgments, during periods of active duty.
- Military Lending Act. The Military Lending Act applies to active duty servicemembers and their covered dependents. We are prohibited from charging a borrower covered under the Military Lending Act more than a 36% Military Annual Percentage Rate, which includes certain costs associated with the loan in calculating the rate.

•Gramm-Leach-Bliley Act. Under the Gramm-Leach-Bliley Act, we must protect the confidentiality of our customers' non-public personal information and disclose information on our privacy policy and practices, including with regard to the sharing of customers' non-public personal information with third parties. This disclosure must be provided at the time the customer relationship is established and, in some cases, at least annually thereafter.

•Credit Practices Rule. The Federal Trade Commission's Credit Practices Rule limits the types of property we may accept as collateral to secure a consumer loan.

Violations of these statutes, laws, and regulations may result in actions for damages, claims for refund of payments made, certain fines and penalties, injunctions against certain practices, and the potential forfeiture of rights to repayment of loans. In addition, because we utilize third-party debt collectors, we are responsible for oversight of their procedures and controls, as they pertain to our collection activities. For a discussion regarding how risks and uncertainties associated with the current regulatory environment may impact our future expenses, net income, and overall financial condition, see Part I, Item 1A, "Risk Factors."

**Additional Information**

The Company's principal internet address is *www.regionalmanagement.com*. The Company provides its Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, and Current Reports on Form 8-K, and all amendments to those reports, free of charge on *www.regionalmanagement.com*, as soon as reasonably practicable after they are electronically filed with, or furnished to, the SEC. The Company's consumer website is *www.regionalfinance.com*. The information contained on, or that can be accessed through, the Company's websites is not incorporated by reference into this Annual Report on Form 10-K. The Company has included its website addresses as factual references and does not intend the website addresses to be active links to such websites.

## ITEM 1A. *RISK FACTORS.*

*We operate in a rapidly changing environment that involves a number of risks, some of which are beyond our control. The following discussion highlights some of the risks that may affect our future operating results. These are the risks and uncertainties that we believe are the most important for you to consider, but the risks described below are not the only risks facing our company. Additional risks and uncertainties not presently known to us, that we currently deem immaterial, or that are similar to those faced by other companies in our industry or in business in general, may also impair our business operations. If any of the following risks or uncertainties occurs, continues, or worsens, our business, financial condition, and operating results would likely suffer. You should carefully consider the risks described below together with the other information set forth in this Annual Report on Form 10-K.*

**Risk Factor Summary**

Our business is subject to a number of material risks that may adversely affect our company. These risks are discussed in greater detail below, and include, but are not limited to, risks related to:

***Risks related to our business and operations***

•Managing our growth effectively, implementing our growth strategy, and opening new branches as planned;

•Our convenience check strategy;

•Our policies and procedures for underwriting, processing, and servicing loans;

•Our ability to collect on our loan portfolio;

•Our insurance operations;

•Exposure to credit risk and repayment risk, which risks may increase in light of adverse or recessionary economic conditions;

•The implementation of evolving underwriting models and processes, including as to the effectiveness of our custom scorecards;

•Changes in the competitive environment in which we operate or a decrease in the demand for our products;

•Geographic concentration of our loan portfolio;

•Failure of third-party service providers, including those providing information technology products;

•Changes in economic conditions in the markets we serve, including levels of unemployment and bankruptcies;

- Our ability to achieve successful acquisitions and strategic alliances;
- Our ability to make technological improvements as quickly as our competitors;
- Security breaches, cyber-attacks, failures in our information systems, or fraudulent activity;
- Our ability to originate loans;
- Our reliance on information technology resources and providers, including the risk of prolonged system outages;
- Changes in current revenue and expense trends, including trends affecting delinquencies and credit losses;
- Any future public health crises, including the impact of such crisis on our operations and financial condition;
- Changes in operating and administrative expenses;
- The departure, transition, or replacement of key personnel;
- Our ability to identify and hire qualified personnel;
- Our ability to timely and effectively implement, transition to, and maintain the necessary information technology systems, infrastructure, processes, and controls to support our operations and initiatives;
- Changes in interest rates;
- Existing sources of liquidity become insufficient or access to these sources becomes unexpectedly restricted; and
- Exposure to financial risk due to asset-backed securitization transactions.

***Risks related to regulation and legal proceedings***

- Our products and activities are strictly and comprehensively regulated;
- Changes in laws or regulations or in the interpretation or enforcement of laws or regulations;
- Changes in accounting standards, rules, and interpretations and the failure of related assumptions and estimates; and
- The impact of changes in tax laws and guidance, including the timing and amount of revenues that we may recognize.

***Risks related to the ownership of our common stock***

- Volatility in the market price of shares of our common stock;
- The timing and amount of future cash dividend payments; and
- Anti-takeover provisions in our charter documents and applicable state law.

**Risks Related to Our Business and Operations**

***We have grown significantly in recent years, and our delinquency, credit loss rates, and overall results of operations may be adversely affected if we do not manage our growth effectively.***

We have experienced substantial growth in recent years, increasing the size of our finance receivable portfolio from $1.1 billion as of December 31, 2019 to $1.9 billion at the end of 2024, a compound annual growth rate of 10.8%. We intend to continue our growth strategy in the future. As we increase the number of branches we operate, we will be required to find new, or relocate existing, employees to operate our branches and allocate resources to train and supervise those employees. The success of a branch depends significantly on the manager overseeing its operations and on our ability to enforce our underwriting standards and implement controls over branch operations. Recruiting suitable managers for new branches can be challenging, particularly in remote areas and in areas where we face significant competition. Furthermore, the annual turnover rate among our branch managers was approximately 15% in 2023 and 19% in 2024, and turnover rates of managers in our new branches may be similar or higher. Increasing the number of branches that we operate may divide the attention of our senior management or strain our ability to adapt our infrastructure and systems to accommodate our growth. If we are unable to promote, relocate, or recruit suitable managers, oversee their activities effectively, maintain our underwriting and loan servicing standards, and otherwise appropriately and effectively staff our branches, our delinquency and credit loss rates may increase and our overall results of operations may be adversely impacted.

***We face significant risks in implementing our growth strategy, some of which are outside of our control.***

We intend to continue our growth strategy, which is based on opening and acquiring branches in existing and new markets, introducing new products and channels, and increasing the finance receivable portfolios of our existing branches. Our ability to execute this growth strategy is subject to significant risks, some of which are beyond our control, including:

- the inherent uncertainty regarding general economic conditions, including the impact of inflationary pressures and higher interest rates;
- the prevailing laws and regulatory environment of each state in which we operate or seek to operate and federal laws and regulations, all of which are subject to change at any time;
- the degree of competition in new markets and its effect on our ability to attract new customers;
- our ability to identify attractive locations for new branches;
- our ability to recruit qualified personnel, particularly in remote areas and in areas where we face a great deal of competition; and
- our ability to obtain adequate financing for our expansion plans.

For example, certain states into which we may expand limit the number of lending licenses granted. For instance, Georgia and New Mexico require a "convenience and advantage" assessment of a new lending license and location prior to the granting of the license. This assessment adds time and expense to opening new locations and creates risk that our state regulator will deny an application for a new lending license due to a perceived oversaturation of existing licensed lenders in the area in which we seek to expand and operate. There can be no assurance that if we apply for a license for a new branch, whether in one of the states where we currently operate or in a state into which we would like to expand, we will be granted a license to operate. We also cannot be certain that any such license, even if granted, would be obtained in a timely manner or without burdensome conditions or limitations. In addition, we may not be able to obtain and maintain the regulatory approvals, government permits, or licenses that may be required to operate.

***We are exposed to credit risk in our lending activities.***

Our ability to collect on loans depends on the willingness and repayment ability of our borrowers. Any material adverse change in the effectiveness of our underwriting models, our implementation of such models (including through our loan origination software and processes), or the ability or willingness of a significant portion of our borrowers to meet their obligations to us, whether due to changes in general economic, political, or social conditions, the cost of consumer goods, interest rates, natural disasters, geopolitical or military conflict, acts of war or terrorism, a prolonged public health crisis, epidemic, or pandemic, or other causes over which we have no control, or to changes or events affecting our borrowers such as unemployment, major medical expenses, bankruptcy, divorce, or death, would have a material adverse impact on our earnings and financial condition. Further, a substantial majority of our borrowers are non-prime borrowers who are more likely to be affected, and more severely affected, by adverse macroeconomic conditions. We cannot be certain that our credit administration personnel, policies, and procedures will adequately adapt to changes in economic or any other conditions affecting customers and the quality of the loan portfolio.

***Our convenience check strategy exposes us to certain risks.***

A significant portion of the growth in our installment loans portfolio has been achieved through direct mail campaigns. One aspect of our direct mail campaigns involves mailing "convenience checks" to pre-screened recipients, which recipients can sign and cash or deposit, thereby agreeing to the terms of the proposed loan, which are disclosed on the front and back of the check and in the accompanying disclosures. We use convenience checks to seed new branch openings and to attract new customers to existing branches in our geographic footprint. In 2023 and 2024, loans initiated through convenience checks represented 27.3% and 27.4%, respectively, of the value of our originated installment loans. We expect that convenience checks will continue to represent a meaningful portion of our installment loan originations in the future. There are several risks associated with the use or origination of convenience checks, including the following:

- it is more difficult to maintain sound underwriting standards with convenience check customers who historically have presented a higher risk of default than customers that originate loans in our branches, as we do not meet convenience check customers prior to soliciting them and extending a loan to them, and we may not be able to verify certain elements of their financial condition, including their current employment status, income, or life circumstances;

- we rely on credit information from a third-party credit bureau that is more limited than a full credit report to pre-screen potential convenience check recipients, which may not be as effective as a full credit report or may be inaccurate or outdated;
- we face limitations on the number of potential borrowers who meet our lending criteria within proximity to our branches;
- we may not be able to continue to access the demographic and credit file information that we use to generate our mailing lists due to expanded regulatory or privacy restrictions;
- convenience checks pose a risk of fraud;
- any failure by the bank that issues and processes our convenience checks to properly process the convenience checks could limit the ability of a recipient to cash the check and enter into a loan with us;
- customers may opt out of direct mail solicitations and solicitations based on their credit file or may otherwise prohibit us from soliciting them;
- postal rates and production costs may continue to rise;
- potential changes in federal or state laws may prohibit the practice of directly mailing convenience checks to potential borrowers; and
- the bank that issues our convenience checks may exit the business, and we may be unable to find a replacement issuer bank.

In the future, we could experience one or more of these issues associated with our direct mail strategy. Any increase in the use of convenience checks will further increase our exposure to, and the magnitude of, these risks.

***The loans that we generate are generally obligations of non-prime borrowers and will likely have higher default rates than loans constituting primarily obligations of prime borrowers.***

The loans we generate are generally obligations of "non-prime" borrowers who do not qualify for, or have difficulty qualifying for, credit from traditional sources of consumer credit as result of, among other things, moderate income, limited assets, other adverse income characteristics, and/or a limited credit history or an impaired credit record, which may include a history of irregular employment, previous bankruptcy filings, repossessions of property, charged-off loans, and/or garnishment of wages.

The average interest rate charged to such "non-prime" borrowers generally is higher than that charged by commercial banks and other institutions providing traditional sources of consumer credit. These traditional sources of consumer credit typically impose more stringent credit requirements than the personal loan products that we provide. As a result of the general credit profile of our borrowers and the interest rates on the loans we make, the historical delinquency and default experience on our loans may be higher (and may be significantly higher) than those experienced by financial products arising from traditional sources of consumer credit. Additionally, delinquency and default experience on our loans is likely to be more sensitive to changes in the economic climate in the areas in which our borrowers reside.

***Social and economic factors may affect repayment of the loans comprising our loan portfolio.***

The ability of our borrowers to make payments on their loans, as well as the prepayment experience thereon, will be affected by a variety of social and economic factors. Economic factors include interest rates, unemployment levels, gasoline prices, the availability and cost of credit (including mortgages), upward adjustments in monthly mortgage payments and rents, real estate values, the rate of inflation, and consumer perceptions of economic conditions generally. Economic conditions may also be impacted by localized weather events and environmental disasters or adverse impacts from public health crises, epidemics, or pandemics. Social factors include changes in consumer confidence levels and attitudes toward incurring debt and changing attitudes regarding the stigma of personal bankruptcy.

***Our policies and procedures for underwriting, processing, and servicing loans are subject to potential failure or circumvention, which may adversely affect our results of operations.***

Except for loans originated by a centralized branch and serviced at a centralized location pursuant to a limited program we operate in select markets, a substantial portion of our underwriting activities and our credit extension decisions are made at our local branches. We rely on certain inputs and verifications in the underwriting process to be performed by individual personnel at

the branch level or a centralized location. In addition, pursuant to our operations policies and procedures, exceptions to the general underwriting criteria can be approved by central underwriting employees and certain other senior employees. We train our employees individually onsite in the branch or at a centralized location and through online training modules to make loans that conform to our underwriting standards. Such training includes critical aspects of state and federal regulatory compliance, cash handling, account management, and customer relations. Although we have standardized employee manuals and online training modules, we primarily rely on our district supervisors, with oversight by our state vice presidents, branch auditors, and headquarters personnel, to train and supervise our branch employees, rather than centralized training programs. Therefore, the quality of training and supervision may vary from district to district and branch to branch depending on the amount of time apportioned to training and supervision and individual interpretations of our operations policies and procedures. There can also be no assurance that we will be able to attract, train, and retain qualified personnel to perform the tasks that are part of the underwriting process. If the training or supervision of our personnel fails to be effective, or if we are unable to attract and retain qualified employees, it is possible that our underwriting criteria would be improperly applied to a greater percentage of such applications. If such improper applications were to increase, delinquency and losses on our loan portfolio could increase and could increase significantly.

In addition, we rely on certain third-party service providers in connection with loan underwriting and origination. Any error or failure by a third-party service provider in providing loan underwriting and origination services may cause us to originate loans to borrowers that do not meet our underwriting standards. We cannot be certain that every loan is made in accordance with our underwriting standards and rules. We have experienced instances of loans extended that varied from our underwriting standards. Variances in underwriting standards and lack of supervision could expose us to greater delinquencies and credit losses than we have historically experienced. Due to the general decentralized nature in which the loan application process occurs, employee misconduct or error in the application or closing process could also result in the origination of loans that do not satisfy our underwriting standards, which could in turn have a material adverse effect on our results of operations and financial condition.

In addition, in deciding whether to extend credit or enter into other transactions with customers and counterparties, we rely heavily on information provided by customers, counterparties, and other third parties, including credit bureaus and data aggregators, the inaccuracy or incompleteness of which may adversely affect our results of operations. We further rely on representations of customers and counterparties as to the accuracy and completeness of that information. If a significant percentage of our customers were to intentionally or negligently misrepresent any of this information, or provide incomplete information, and our internal processes were to fail to detect such misrepresentations in a timely manner, or any or all of the other components of the underwriting process described above were to fail, it could result in our approval of a loan that, based on our underwriting criteria, we would not have otherwise made. As a result, our earnings and our financial condition could be negatively impacted.

***We may be limited in our ability to collect on our loan portfolio, and the security interests securing a significant portion of our loan portfolio are not perfected, which may increase our credit losses.***

Legal and practical limitations may limit our ability to collect on our loan portfolio, resulting in increased credit losses, decreased revenues, and decreased earnings. State and federal laws and regulations restrict our collection efforts. The amounts that we are able to recover from the repossession and sale of collateral typically do not fully cover the outstanding loan balance and costs of recovery. In cases where we repossess a vehicle securing a loan, we generally sell our repossessed automobile inventory through sales conducted by independent automobile auction organizations after the required post-repossession waiting period. In certain instances, we may sell repossessed collateral other than vehicles through our branches after the required post-repossession waiting period and appropriate receipt of valid bids. In either case, such sales are made consistent with applicable state law. The proceeds we receive from such sales depend upon various factors, including the supply of, and demand for, used vehicles and other property at the time of sale. During periods of economic slowdown or recession, there may be less demand for used vehicles and other property that we desire to resell, and we may recover less from the resale than we had anticipated or may have during periods of better economic conditions.

Most of our loan portfolio is secured, but a significant portion of such security interests have not been and will not be perfected, which means that we cannot be certain that such security interests will be given first priority over other creditors. The lack of perfected security interests is one of several factors that may make it more difficult for us to collect on our loan portfolio. Additionally, for those of our loans that are unsecured, borrowers may choose to repay obligations under other indebtedness before repaying loans to us because such borrowers may feel that they have no collateral at risk. In addition, given the relatively small size of our loans, the costs of collecting loans may be high relative to the amount of the loan. As a result, many collection practices that are legally available, such as litigation, may be financially impracticable. Lastly, there is an inherent risk that a portion of the retail installment loans that we hold will be subject to certain claims or defenses that the borrower may assert against the originator of

the contract and, by extension, us as the holder of the contract. These factors may increase our credit losses, which would have a material adverse effect on our results of operations and financial condition.

***Our insurance operations are subject to a number of risks and uncertainties.***

We market and sell optional credit life, accident and health, personal property, involuntary unemployment, and vehicle single interest insurance to our borrowers in selected markets as an agent for an unaffiliated third-party insurance company. In addition, on certain loans, we collect a fee from our customers and use such fee to acquire non-file insurance from an unaffiliated insurance company for our benefit in lieu of recording and perfecting our security interest in certain personal property collateral. The unaffiliated insurance company cedes to our wholly owned insurance subsidiary, RMC Reinsurance, Ltd., all of these insurance policies, the related net insurance premium revenue and the associated insurance claims liability for such insurance products, including the non-file insurance that we purchase.

When purchased by a borrower, the optional credit insurance products benefit the borrower by insuring the borrower's payment obligations on the associated loan in the event of the borrower's inability to make monthly payments due to death, disability, or involuntary unemployment, or in the event of a casualty event associated with collateral. The borrower finances payment of the associated premium with the financed premium included in the principal balance of the applicable loan. A credit insurance product may be cancelled if, for example, (i) we request cancellation due to the borrower's default on obligations under the associated loan, (ii) the borrower prepays the principal balance of the associated loan in full, or (iii) the borrower elects to terminate the credit insurance prior to the expiration of the term thereof (which the borrower may do at any time). Generally, upon any cancellation of credit insurance, the borrower will be entitled to a refund of the unearned premium for the cancelled insurance. We typically refund insurance premiums by reducing the principal balance of the associated loan by the required refund amount, following which the unaffiliated insurance company reimburses us for the refunded amount.

Our insurance operations are subject to a number of material risks and uncertainties, including changes in laws and regulations, borrower demand for insurance products, claims experience, and insurance carrier relationships; the manner in which we are permitted to offer such products; capital and reserve requirements; the frequency and type of regulatory monitoring and reporting to which we are subject; benefits or loss ratio requirements; insurance producer licensing or appointment requirements; and reinsurance operations. In addition, because our borrowers are not required to purchase the credit insurance products that we offer, we cannot be certain that borrower demand for credit insurance products will not decrease in the future. In addition to adversely impacting our insurance income, net, any decrease in the demand for credit insurance products would negatively impact our interest and fee income because we finance substantially all of our borrowers' insurance premiums. Our insurance operations are also dependent on our lending operations as the sole source of business and product distribution. If our lending operations discontinue offering insurance products, our insurance operations would have no method of distribution. Insurance claims and policyholder liabilities are also difficult to predict and may exceed the related reserves set aside for claims and associated expenses for claims adjudication.

We are also dependent on the continued willingness of unaffiliated third-party insurance companies to participate in the credit insurance market and to offer non-file insurance to us. If our insurance provider is for any reason unable or unwilling to meet its claims and premium reimbursement payment obligations or its premium ceding obligations, we would experience increased net credit losses, regulatory scrutiny, litigation, and other losses and expenses.

Finally, in recent years, as large loans have become a greater percentage of our portfolio, the severity of non-file insurance claims has increased and non-file insurance claims expenses have exceeded non-file insurance premiums by a material amount. The resulting net loss from the non-file insurance product is reflected in our insurance income, net.

It is uncertain whether the non-file insurance product will be available to us in the future on the same terms as it is today, or at all. If the unaffiliated insurance company were to enforce limitations on our non-file loss ratios or otherwise change the terms under which it offers non-file insurance to us, our net credit losses, loss rates, and provision for credit losses could increase.

If any of these events, risks, or uncertainties were to occur or materialize, it could have a material adverse effect on our business, financial condition, and results of operations and cash flows.

***A reduction in demand for our products and a failure by us to adapt to such reduction could adversely affect our business and results of operations.***

The demand for the products we offer may be reduced due to a variety of factors, such as demographic patterns, changes in customer preferences or financial conditions, regulatory restrictions that decrease customer access to particular products, or the availability of competing products, including through alternative or competing marketing channels. For example, we are highly dependent upon selecting and maintaining attractive branch locations. These locations are subject to local market conditions, including the employment available in the area, housing costs, traffic patterns, crime, and other demographic influences, any of which may quickly change, thereby negatively impacting demand for our products in the area. Should we fail to adapt to significant changes in our customers' demand for, or access to, our products, our revenues could decrease significantly and our operations could be harmed. Even if we do make changes to existing products or introduce new products and channels to fulfill customer demand, customers may resist or may reject such products. Moreover, the effect of any product change on the results of our business may not be fully ascertainable until the change has been in effect for some time, and by that time it may be too late to make further modifications to such product without causing further harm to our business, financial condition, and results of operations.

***We face strong direct and indirect competition.***

The consumer finance industry is highly competitive, and the barriers to entry for new competitors are relatively low in the markets in which we operate. We compete for customers, locations, employees, and other important aspects of our business with many other local, regional, national, and international financial institutions, many of which have greater financial resources than we do. These competitors may leverage their greater capital or diversification in a manner that adversely affects our competitive position, including by making strategic acquisitions, including the acquisition of other competitors, or innovating new products or services.

Our installment loan operations compete with other installment lenders, as well as with alternative financial services providers (such as payday and title lenders, check advance companies, and pawnshops), online or peer-to-peer lenders, issuers of non-prime credit cards, and other competitors. We believe that future regulatory developments in the consumer finance industry may cause lenders that focus on alternative financial services to begin to offer installment loans. In addition, if companies in the installment loan business attempt to provide more attractive loan terms than is standard across the industry, we may lose customers to those competitors. With respect to installment loans, we compete primarily on the basis of price, breadth of loan product offerings, flexibility of loan terms offered, and the quality of customer service provided.

***We may attempt to pursue acquisitions or strategic alliances that may be unsuccessful.***

We may attempt to achieve our business objectives through acquisitions and strategic alliances. We compete with other companies for these opportunities, including companies with greater financial resources, and we cannot be certain that we will be able to effect acquisitions or strategic alliances on commercially reasonable terms, or at all. The identification of suitable acquisition candidates can be difficult, time-consuming, and costly, and we may not be able to successfully complete identified acquisitions. Furthermore, most acquisition targets that we have pursued previously have been significantly smaller than us. We do not have extensive experience with integrating larger acquisitions. In pursuing these transactions, we may experience, among other things:

- overvaluing potential targets;
- difficulties in integrating any acquired companies, branches, or products into our existing business, including integration of account data into our information systems;
- inability to realize the benefits we anticipate in a timely fashion, or at all;
- attrition of key personnel from acquired businesses;
- unexpected losses due to the acquisition of loan portfolios with loans originated using less stringent underwriting criteria;
- significant costs, charges, or write-downs; or
- unforeseen operating difficulties that require significant financial and managerial resources that would otherwise be available for the ongoing development and expansion of our existing operations.

***Geographic concentration of our loan portfolio may increase the risk of loss.***

Any concentration of our loan portfolio in a state or region may present unique risk concentrations. Our branches in Texas, North Carolina, and South Carolina accounted for 30%, 16%, and 10%, respectively, of our finance receivables as of December 31, 2024. Further, as of December 31, 2024, all of our operations were across 19 states. As a result, we are highly susceptible to adverse economic conditions in these areas. The unemployment and bankruptcy rates in some states in our footprint are among the highest in the country. High unemployment rates may reduce the number of qualified borrowers to whom we will extend loans, which would result in reduced loan originations. In addition, some geographic regions of the United States will, from time to time, experience weaker regional economic conditions and consequently will experience higher rates of loss and delinquency. A regional economy may be affected by the loss of jobs in certain industries, by state and local taxes, or by other factors. A region's economic condition may be directly, or indirectly, adversely affected by international events such as military conflicts or wars, prolonged public health crises, epidemics, or pandemics, national events such as civil disturbances, or natural disasters such as hurricanes, wildfires, earthquakes, and other extreme conditions (including an increase in the frequency or severity of such conditions and events as a result of climate change). These events and disasters may occur in any area of the country, even places where these events are considered unlikely. In the event that a significant portion of our loan portfolio is comprised of loans owed by borrowers residing in certain jurisdictions, economic conditions, elevated bankruptcy filings, natural disasters, or other factors affecting these jurisdictions in particular could adversely impact the delinquency and default experience of our loan portfolio, and, we could experience reduced or delayed payments on outstanding loans. Conversely, an improvement in economic conditions could result in prepayments by our borrowers of their payment obligations on our loans. As a result, we may receive principal payments on the outstanding loans earlier than anticipated, which would reduce our finance receivables and the interest income earned thereon. No assurance can be given as to the effect of economic conditions on the rate of delinquencies, prepayments, or losses on our loan portfolio with respect to any part of our geographic footprint.

Further, the concentration of our loan portfolio in one or more states would have a disproportionate effect on our business if governmental authorities in any of those states take action against us. In addition, the occurrence of any of the adverse regulatory or legislative events described in this "Risk Factors" section in states with a high concentration of our loan portfolio could materially and adversely affect our business, financial condition, and results of operations. For example, if interest rates in South Carolina, which currently are not capped, were to be capped, our business, financial condition, and results of operations would be materially and adversely affected.

***Failure of third-party service providers upon which we rely could adversely affect our operations.***

We rely on certain third-party service providers. In particular, we currently rely on two key vendors to print and mail our convenience check and other offers for direct mail marketing campaigns, and on certain other third-party service providers in connection with loan underwriting, origination, and servicing. Our reliance on these third parties can expose us to certain risks. If any of our third-party service providers, including those third parties providing services in connection with loan underwriting, origination, and servicing, are unable to provide their services timely, accurately, and effectively, or at all, it could have a material adverse effect on our business, financial condition, and results of operations and cash flows.

***A failure of information technology products and services on which we rely could disrupt our business.***

In the operation of our business, we are highly dependent upon a variety of information technology products, including our loan management system, which allows us to record, document, and manage our loan portfolio. We are party to an agreement with Nortridge pursuant to which Nortridge provides us with loan management software and related services.

We have tailored the Nortridge software to meet our specific needs. To a certain extent, we depend on the willingness and ability of Nortridge to continue to provide customized solutions and to support our evolving products and business model. In the future, Nortridge may not be willing or able to provide the services necessary to meet our loan management system needs. If this occurs, we may be forced to migrate to an alternative software package, which could cause an interruption in our operations. Such an alternative software package may also not perform as well as our exiting Nortridge software, which may adversely affect our ability to provide quality products and services to our customers or otherwise negatively impact our business, financial condition, and results of operations.

Further, the Nortridge platform may in the future fail to perform in a manner consistent with our current expectations and may be inadequate for our needs. As we are dependent upon our ability to gather and promptly transmit accurate information to key decision makers, our business, financial condition, and results of operations may be adversely affected if our loan management

system does not allow us to transmit accurate information, even for a short period of time. Failure to properly or adequately address these issues could materially impact our ability to perform necessary business operations.

Further, the Nortridge platform and other third-party software vendor products and applications are subject to damage or interruption from:

•power loss, computer systems failures, and internet, telecommunications, or data network failures;

•operator negligence or improper operation by, or supervision of, employees;

•physical and electronic loss of data or security breaches, misappropriation, and similar events;

•computer viruses;

•cyberterrorism;

•intentional acts of vandalism and similar events; and

•hurricanes, fires, floods, and other natural disasters.

Any failure of the Nortridge platform or any other third-party software vendor product systems due to any of these causes, if it is not supported by our disaster recovery plan, could cause an interruption in operations. Though we have implemented contingency and disaster recovery processes in the event of one or several technology failures, any unforeseen failure, interruption, or compromise of these systems or security measures could affect our origination, servicing, and collection of loans. The risk of possible failures or interruptions may not be adequately addressed, and such failures or interruptions could occur.

For example, in January 2020, we experienced an information technology infrastructure event caused by a system backup that affected our ability to originate branch loans and process certain methods of payment. As a result, our loan management system was not fully operational for a total of approximately seven business days. The outage had an adverse impact on our results of operations. Although the Company, with the assistance of third-party experts, addressed and resolved the issue, there can be no assurance that a similar event will not occur in the future.

We also rely on third-party software vendors to provide access to loan applications and/or screen applications. There can be no assurance that these third-party providers will continue to provide us information in accordance with our lending guidelines or that they will continue to provide us lending leads at all.

***We rely on Amazon Web Services and Microsoft Azure for our computing, storage, networking, and similar services. Any disruption of or interference with our use of the Amazon Web Services and Microsoft Azure products and services would negatively impact our operations and adversely affect our business.***

AWS and Microsoft Azure provide the technology infrastructure we use to run our business operations. The technology infrastructure provided includes data center hosting facilities operated by AWS and Microsoft Azure. Any disruption of or interference with our use of AWS or Microsoft Azure products and services would negatively impact our operations and our business would be adversely affected. If our branches or customers encounter difficulties in accessing or are unable to access our platform, we may lose customers and revenue. Due to the nature of the AWS and Microsoft Azure products and services provided, we are unable to easily transition from these vendors to other providers, and any such transition could require business downtime that could negatively impact our business. AWS and Microsoft Azure also possess broad discretion to interpret and change their terms of services and other policies that apply to us, which may be unfavorable to our business.

***Our technology platforms may not meet expectations, and we may not be able to make technological improvements as quickly as some of our competitors.***

The financial services industry is undergoing rapid technological changes, with frequent introductions of new technology-driven products, services, and marketing channels, including the use of artificial intelligence and machine-learning solutions to interact with customers, sell products and services, and support and grow a customer base. We rely on our integrated branch network as the foundation of our omni-channel platform and the primary point of contact with our active accounts. In order to serve consumers who want to reach us over the internet, we make an online loan application available on our consumer website, and we provide our customers an online customer portal, giving them online access to their account information and an electronic payment option. Our future success will depend, in part, on our ability to address the needs of our customers by using technology to provide products and services that will satisfy customer demand for convenience, as well as to create additional efficiencies in our

operations. We expect that new technologies and business processes applicable to the consumer finance industry will continue to emerge, and these new technologies and business processes may be more efficient than those that we currently use. We cannot ensure that we will be able to sustain our investment in new technology, and we may not be able to effectively implement new technology-driven products and services as quickly as some of our competitors or be successful in marketing these products and services to our customers. Failure to successfully keep pace with technological change affecting the financial services industry could cause disruptions in our operations, harm our ability to compete with our competitors, and adversely affect our business, prospects, financial condition, results of operations, and liquidity.

***Security breaches, cyber-attacks, failures in our information systems, or fraudulent activity could result in damage to our operations or lead to reputational damage.***

We rely heavily on communications and information systems to conduct our business. Each branch is part of an information network that is designed to permit us to maintain adequate cash inventory, reconcile cash balances on a daily basis, and report revenues and expenses to our headquarters. Our computer systems, software, and networks may be vulnerable to breaches (including via computer hackings), unauthorized access, misuse, computer viruses, malware or ransomware, phishing, employee error or malfeasance, or other failures or disruptions that could result in disruption to our business or the loss or theft of confidential information, including customer, employee, and business information. Any failure, interruption, or breach in security of these systems, including any failure of our back-up systems, hardware failures, or an inability to access data maintained offsite, could result in failures or disruptions in our customer relationship management, general ledger, loan, and other systems and could result in a loss of data (including loan portfolio data), a loss of customer business, or a violation of applicable privacy and other laws, subject us to additional regulatory scrutiny, or expose us to civil litigation, possible financial liability, and other adverse consequences, any of which could have a material adverse effect on our financial condition and results of operations. Furthermore, the techniques that are used to obtain unauthorized access, disable or degrade service, or sabotage systems change frequently and are often difficult to detect for long periods of time. Accordingly, we may not be able to detect immediately any such breach, which may increase the losses that we would suffer. Additionally, our existing insurance policies may be insufficient to reimburse us for all of the damages that we might incur as a result of a breach.

A security breach or cyber-attack on our computer systems could interrupt or damage our operations or harm our reputation. We have implemented systems and processes designed to protect against unauthorized access to or use of personal information and rely on encryption and authentication technology to effectively secure transmission of confidential information, including customer bank account, credit card, and other personal information. Despite the implementation of these security measures, there is no guarantee that they are adequate to safeguard against all security breaches and our systems may still be vulnerable to data theft, computer viruses, programming errors, attacks by third parties, or similar disruptive problems. We may also face new or heightened risks related to remote work among certain of our employees and use of digital operations, both of which have become more common in recent years. The continued evolution and increased usage of artificial intelligence technologies may further increase our cybersecurity risks. If we were to experience a security breach or cyber-attack, we could be required to incur substantial costs and liabilities, including, among other things, the following:

- expenses to rectify the consequences of the security breach or cyber-attack;
- liability for stolen assets or information;
- costs of repairing damage to our systems;
- lost revenue and income resulting from any system downtime caused by such breach or attack;
- increased costs of cybersecurity protection;
- costs of incentives we may be required to offer to our customers or business partners to retain their business; and
- damage to our reputation causing customers and investors to lose confidence in our company.

Further, any compromise of security or cyber-attack could deter consumers from entering into transactions that require them to provide confidential information to us. In addition, if confidential customer information or information belonging to our business partners is misappropriated from our computer systems, we could be sued by those who assert that we did not take adequate precautions to safeguard our systems and confidential data belonging to our customers or business partners, which could subject us to liability and result in significant legal fees and expenses in defending these claims. As a result, any compromise of security of our computer systems or cyber-attack could have a material adverse effect on our business, financial condition, and results of operations.

As part of our business, and subject to applicable privacy laws, we may share confidential customer information and proprietary information with vendors, service providers, and business partners. The information systems of these third parties may also be vulnerable to security breaches, and we may not be able to ensure that these third parties have appropriate security controls in place to protect the information that we share with them. If our proprietary or confidential customer information is intercepted, stolen, misused, or mishandled while in possession of a third party, it could result in reputational harm to us, loss of customer business, and additional regulatory scrutiny, and it could expose us to civil litigation and possible financial liability, any of which could have a material adverse effect on our business, financial condition, and liquidity. Although we maintain insurance that is intended to cover certain losses from such events, there can be no assurance that such insurance will be adequate or available.

We are also subject to an increasing number of cybersecurity reporting obligations. These reporting requirements have been proposed or implemented by a number of regulators in different jurisdictions, may vary in their scope and application, and could contain conflicting requirements. Certain of these rules and regulations may require us to report a cybersecurity incident before we have been able to fully assess its impact or remediate the underlying issue. Efforts to comply with such reporting requirements could divert management's attention from our cybersecurity incident response and could potentially reveal system vulnerabilities to threat actors. Failure to timely report cybersecurity incidents under these rules could also result in regulatory investigations, litigation, monetary fines, sanctions, or subject us to other forms of liability.

***Pandemics, epidemics, and similar public health crises could adversely impact our business, liquidity, financial condition, and results of operations.***

Our business could be materially and adversely affected by a new pandemic, epidemic, or similar public health crisis, or the public perception of such a crisis. If such a crisis were to arise, we may rely more heavily on online operations for customer access. If we were to experience disruptions in our online operations, including our remote origination capabilities, or are unable to timely expand our remote working infrastructure in response to government or company initiated restrictions, we may be unable to timely and effectively service accounts and perform key business functions. Disruptions in our business could also result from the inability of key personnel and/or a significant portion of our workforce or that of our vendors to fulfill their duties due to illness or restriction (such as a government or Company mandated quarantine or branch closure). We maintain business continuity plans, but there is no assurance that such plans will effectively mitigate the risks posed by any pandemic, epidemic, or similar public health crisis in the future.

The extent to which any new public health crises, epidemics, or pandemics will ultimately impact our business and financial condition will depend on future events that are difficult to forecast, including, but not limited to, the duration and severity of the event, the success of actions taken to contain, treat, and prevent the pathogen, and the speed at which normal economic and operating conditions return and are sustained.

***Centralized headquarters' functions and branch operations are susceptible to disruption by catastrophic events, which could have a material adverse effect on our business, financial condition, and results of operations.***

Our headquarters are in an office building located in Greer, South Carolina, a town located outside of Greenville, South Carolina. Our administrative and management processes are primarily provided to our branches from this centralized location. Our primary data center facilities are located in Northern Virginia, and our backup data centers are located in Ohio. RMC business operations could be disrupted if a catastrophic event, such as a tornado, power outage, or act of terror, affected Greenville, Greer, Northern Virginia, or Ohio, or the nearby areas. Severe weather events that could cause damage to our facilities or the prolonged loss of power that would disrupt our ability to provide services are occurring more frequently, and there is no guarantee that our facilities will avoid such a weather event. Any such catastrophic event(s) or other unexpected disruption of our headquarters or data center facilities could have a material adverse effect on our business, financial condition, and results of operations.

***The "decentralized" nature of our origination and servicing creates additional risks.***

We utilize a centralized branch structure in certain markets with the intent that such centralized branch service our customer base; however, we conduct significant operations through our branch offices, including key parts of the underwriting process. There can be no assurance that we will be able to attract and retain qualified personnel to perform these tasks. Inadequate staffing may result in scenarios where fraud or noncompliance with applicable law is not as readily detected and also may result in heightened exposure to potential employee misconduct, each of which could adversely affect the quality of the loans that we originate or otherwise acquire.

Our branches also serve as an important component of our ongoing servicing and collecting processes. Except for loans originated by a centralized branch and serviced at a centralized location in certain markets, the primary responsibility for the

servicing and collections process generally resides with the applicable local branch, although in the future, we may direct borrowers to remit payments through one or more lockboxes. A certain minimum level of staffing is necessary in order to ensure an adequate level of servicing and collections. For example, we seek to contact our customers soon after a loan becomes delinquent because historically, when collection efforts begin at an earlier stage of delinquency, there is a greater likelihood that the applicable personal loan will not be charged off (though there is no assurance that such historical trend will continue). Consequently, during periods of increased delinquencies, it becomes extremely important that our branches are properly staffed and trained to take appropriate action in an effort to bring delinquent balances current and ultimately avoid a loan from becoming charged off. If we are unable to attract and retain a sufficient number of qualified credit and collection personnel, it could result in increased delinquencies and credit losses on our loan portfolio.

Additionally, the "decentralized" nature of our branch model may make it more difficult for us to ensure compliance with our origination, acquisition, and servicing procedures and standards than if our operations were centralized in a single location. Similarly, given the "decentralized" and largely manual processing of a portion of payment on our loans, the possibility of delay or misdirection of payments is greater than with payments through lockboxes or electronic channels.

***The ability of our customers to make in-branch payments and any future inability to make in-branch payments may result in additional risks.***

As of December 31, 2024, our integrated branch network consisted of 344 branches across 19 states. With respect to our managed portfolio of loan products, during fiscal year 2024, approximately 12% (by dollar amount) of our loan payments were made by cash or check and received in branch, although in the future we may direct borrowers to remit payments through one or more lockboxes. Despite a recent trend in favor of payments via electronic channels, a significant number of borrowers may continue to make payments in branches, including in cash, ACH, or by debit. While we cannot estimate the percentage of borrowers without a checking account, should one or more of the branches become unavailable for any reason for the acceptance of payments, the ability to collect payments from these borrowers who would otherwise make payments at such branch may be adversely affected. Such events could result in increased delinquencies and losses on our loan portfolio. Additionally, there can be no assurance that the number of borrowers that make cash payments or payments in person at our branches in the future will not increase over current levels. In the event that such cash payments are no longer accepted, there can be no assurance that the performance of our loan portfolio would not be adversely affected, resulting in increased delinquencies and losses on our loan portfolio.

***Regular turnover among our managers and other employees at our branches makes it more difficult for us to operate our branches and increases our costs of operations, which could have an adverse effect on our business, financial condition, and results of operations.***

Our workforce is comprised primarily of employees who work on an hourly basis. In certain areas where we operate, there is significant competition for employees. In the past, we have lost employees and candidates to competitors who have been willing to pay higher compensation. Our ability to continue to expand our operations depends on our ability to attract, train, and retain a large and growing number of qualified employees. Turnover in our branches has remained at high levels during recent years, ranging from approximately 46% in 2020 to 50% in 2024. This turnover increases our cost of operations and makes it more difficult to operate our branches. Our account executives and assistant manager roles have historically experienced high turnover. We may not be able to retain and cultivate personnel at these ranks for future promotion to branch manager. If our employee turnover rates continue to increase or remain above historical levels or if unanticipated problems arise from our high employee turnover and we are unable to readily replace such employees, our business, results of operations, financial condition, and ability to continue to expand could be adversely affected.

***The departure, transition, or replacement of key personnel could significantly impact the results of our operations. If we cannot continue to hire and retain high-quality employees, our business and financial results may be negatively affected.***

Our future success significantly depends on the continued service and performance of our key management personnel. Competition for these employees is intense. Our operating results could be adversely affected by higher employee turnover or increased salary and benefit costs. Like most businesses, our employees are important to our success, and we are dependent in part on our ability to retain the services of our key management, operational, finance, and administrative personnel. We have built our business on a set of core values, and we attempt to hire employees who are committed to these values. We want to hire and retain employees who will fit our culture of compliance and of providing exceptional service to our customers. In order to compete and to continue to grow, we must attract, retain, and motivate employees, including those in executive, senior management, and operational positions. As our employees gain experience and develop their knowledge and skills, they become highly desired by other businesses. Therefore, to retain our employees, we must provide a satisfying work environment and competitive

compensation and benefits. If costs to retain our skilled employees increase, then our business and financial results may be negatively affected.

Furthermore, we may not be successful in retaining the current members of our executive or senior management team or our other key employees. The loss of the services of any of our executive officers, senior management, or key team members, including state vice presidents, or the inability to attract additional qualified personnel as needed, could have an adverse effect on our business, financial condition, and results of operations. We also depend on our district supervisors to supervise, train, and motivate our branch employees. These supervisors have significant experience with our company and within our industry and would be difficult to replace. If we lose a district supervisor to a competitor, we could also be at risk of losing other employees and customers.

***A nationwide labor shortage may impede our ability to identify and hire new employees.***

The United States currently faces a labor shortage. Our business relies on branch and headquarters personnel to oversee the initiation, review, and servicing of our loan products. Without sufficient staffing, our core business functions could be interrupted, which could affect our results of operations. Further, if we are unable to identify and hire qualified personnel, we may be unable to grow our business effectively in current or new markets.

***Employee misconduct or misconduct by third parties acting on our behalf could harm us by subjecting us to significant legal liability, regulatory scrutiny, and reputational harm.***

Our reputation is critical to maintaining and developing relationships with our existing and potential customers and third parties with whom we do business. There is a risk that our employees or third-party contractors could engage in misconduct that adversely affects our business. For example, if an employee or third-party contractor were to engage—or be accused of engaging—in illegal or suspicious activities, we could be subject to regulatory sanctions and suffer serious harm to our reputation, financial condition, customer relationships, and ability to attract future customers. Employee or third-party misconduct could prompt regulators to allege or to determine, based upon such misconduct, that we have not established adequate supervisory systems and procedures to inform employees of applicable rules or to detect and deter violations of such rules. It is not always possible to deter employee or third-party misconduct, and the precautions we take to detect and prevent misconduct may not be effective in all cases. Misconduct by our employees or third-party contractors, or even unsubstantiated allegations, could result in a material adverse effect on our reputation and our business.

***Security breaches in our branches or acts of theft, fraud, or violence could adversely affect our financial condition and results of operations.***

A portion of our account payments occur at our branches, either in person or by mail, and often consist of cash payments, which we deposit at local banks each day. This business practice exposes us daily to the potential for employee theft of funds or, alternatively, to theft and burglary due to the cash we maintain in our branches. Despite controls and procedures to prevent such losses, we have sustained losses due to employee theft and fraud (including collusion), including from the origination of fraudulent loans. We are also susceptible to break-ins at our branches, where money or customer records necessary for day-to-day operations (which also contain extensive confidential information about our customers, including financial and personally identifiable information) could be taken. A breach in the security of our branches or in the safety of our employees could result in employee injury, loss of funds or records, and adverse publicity, and could result in a loss of customer business or expose us to additional regulatory scrutiny and penalties, civil litigation, and possible financial liability, any of which could have a material adverse effect on our reputation, financial condition, and results of operations.

Our branch offices have physical customer records necessary for day-to-day operations that contain extensive confidential information about our customers, including financial and personally identifiable information. The loss or theft of customer information and data from branch offices or other storage locations could subject us to additional regulatory scrutiny and penalties, and could expose us to civil litigation and possible financial liability, which could have a material adverse effect on our business, financial condition, and results of operations.

***Our risk management efforts may not be effective.***

We could incur substantial losses and our business operations could be disrupted if we are unable to effectively identify, manage, monitor, and mitigate financial risks, such as credit risk, interest rate risk, prepayment risk, liquidity risk, and other market-related risks, as well as regulatory and operational risks related to our business, assets, and liabilities. Our risk management policies,

procedures, and techniques may not be sufficient to identify all of the risks we are exposed to, mitigate the risks we have identified, or identify additional risks to which we may become subject in the future.

***We may be unsuccessful in maintaining effective internal controls over financial reporting and disclosure controls and procedures.***

Controls and procedures are particularly important for consumer finance companies. Effective internal controls over financial reporting are necessary for us to provide reliable financial reports and, together with adequate disclosure controls and procedures, are designed to prevent fraud or material error. Any system of controls, however well-designed and operated, is based in part on certain assumptions and can provide only reasonable, not absolute, assurance that the objectives of the system are met. Section 404 of the Sarbanes-Oxley Act of 2002 requires management of public companies to develop and implement internal controls over financial reporting and evaluate the effectiveness thereof. Under standards established by the Public Company Accounting Oversight Board, a material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of our financial statements will not be prevented or detected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control over financial reporting that is less severe than a material weakness, yet important enough to merit attention by those responsible for oversight of our financial reporting. Any failure to maintain current internal controls or implement required new or improved controls, or difficulties encountered in their maintenance and/or implementation, could cause us to fail to meet our reporting obligations.

If material weaknesses or significant deficiencies in our internal control over financial reporting are discovered or occur in the future or if our controls and procedures fail or are circumvented, our consolidated financial statements may contain material misstatements, we could be required to restate our financial results, we may be unable to produce accurate and timely financial statements, and we may be unable to maintain compliance with applicable stock exchange listing requirements, any of which could have a material adverse effect on our business, results of operations, financial condition, and stock price. The discovery of a material weakness and the disclosure of that fact, even if quickly remediated, could reduce the market value of shares of our common stock. Additionally, the existence of any material weakness or significant deficiency requires management to devote significant time and incur significant expense to remediate any such material weaknesses or significant deficiency, and management may not be able to remediate any such material weaknesses or significant deficiency in a timely manner. Undetected material weaknesses in our internal controls could lead to financial statement restatements, which could have a material adverse effect on our business, financial condition, and results of operations.

***If our estimate of allowance for credit losses is not adequate to absorb actual losses, our provision for credit losses would increase, which would adversely affect our results of operations.***

We maintain an allowance for credit losses for all loans we make. To estimate the appropriate level of credit loss reserves, we consider known and relevant internal and external factors that affect loan collectability, including the total amount of loans outstanding; delinquency levels, roll rates, and trends; historical credit losses; our current collection patterns; and economic trends. Our methodology for establishing our allowance for credit losses is based on models (probability of default, loss given default), our historical loss experience, and estimates of future macroeconomic environments. If customer behavior changes because of economic, political, social, or other conditions and if we are unable to predict how the unemployment rate and general economic uncertainty may affect our credit loss allowance, our provision for credit losses may be inadequate. As of December 31, 2023, our allowance for credit losses was $187.4 million, and we had net credit losses of $178.0 million during fiscal year 2024 that related to our portfolio as of December 31, 2023. Net credit losses related to the December 31, 2023 portfolio were impacted by sustained macroeconomic stress on our customers related to elevated inflation and interest rates during 2024. As of December 31, 2024, our allowance for credit losses was $199.5 million. Maintaining the adequacy of our allowance for credit losses may require significant and unanticipated changes in our provisions for credit losses, which would materially affect our results of operations. Our allowance for credit losses, however, is an estimate, and if actual credit losses are materially greater than our credit loss allowance, our financial condition and results of operations could be adversely affected. Neither state regulators nor federal regulators regulate our allowance for credit losses.

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

We are required to use certain assumptions and estimates in preparing our financial statements under GAAP, including in determining allowances for credit losses, the fair value of financial instruments, asset impairment, reserves related to litigation and other legal matters, the fair value of share-based compensation, and other taxes and regulatory exposures. In addition, significant assumptions and estimates are involved in determining certain disclosures required under GAAP, including those involving the fair

value of our financial instruments. If the assumptions or estimates underlying our financial statements are incorrect, the actual amounts realized on transactions and balances subject to those estimates will be different, and this could have a material adverse effect on our results of operations and financial condition.

In addition, the FASB may from time-to-time review or propose changes to financial accounting and reporting standards that govern key aspects of our financial statements, including areas where assumptions or estimates are required. As a result of any changes to financial accounting or reporting standards, whether promulgated or required by the FASB or other regulators, we could be required to change certain of the assumptions or estimates we previously used in preparing our financial statements, which could negatively impact how we record and report our results of operations and financial condition generally. For additional information on the key areas for which assumptions and estimates are used in preparing our financial statements, see Part II, Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations – Critical Accounting Policies" and Note 2, "Significant Accounting Policies," of the Notes to Consolidated Financial Statements in Part II, Item 8, "Financial Statements and Supplementary Data."

***We depend to a substantial extent on borrowings under our senior revolving credit facility to fund our liquidity needs.***

We have a senior revolving credit facility committed through September 2025 that allows us to borrow up to $355.0 million, assuming we are in compliance with a number of covenants and conditions. The amount outstanding thereunder was $219.3 million ($217.8 million of outstanding debt and $1.6 million of interest payable) as of December 31, 2024, and we had $137.2 million of unused capacity on the credit facility (subject to certain covenants and conditions) at that time. During fiscal 2024, the maximum amount of borrowings outstanding under the facility at any one time was $309.7 million. The senior revolving credit facility is collateralized by certain of our assets, including substantially all of our finance receivables (other than those held by certain SPEs, as described below) and equity interests of the majority of our subsidiaries. We use our senior revolving credit facility as a source of liquidity, including for working capital and to fund the loans we make to our customers. If our existing sources of liquidity become insufficient to satisfy our financial needs or our access to these sources becomes unexpectedly restricted, we may need to try to raise additional capital in the future. If such an event were to occur, we can give no assurance that such alternate sources of liquidity would be available to us on favorable terms or at all. In addition, we cannot be certain that we will be able to replace the senior revolving credit facility when it matures on favorable terms or at all. If any of these events occur, our business, financial condition, and results of operations could be adversely affected.

***The credit agreements governing our debt contain restrictions and limitations that could affect our ability to operate our business.***

The credit agreements governing our senior revolving credit facility and revolving warehouse credit facilities contain a number of covenants that could adversely affect our business and our flexibility to respond to changing business and economic conditions or opportunities. Among other things, these covenants limit our ability to:

- incur or guarantee additional indebtedness;
- purchase loan portfolios in bulk;
- pay dividends or make distributions on our capital stock or make certain other restricted payments;
- sell assets, including our loan portfolio or the capital stock of our subsidiaries;
- enter into transactions with our affiliates;
- create or incur liens; and
- consolidate, merge, sell, or otherwise dispose of all or substantially all of our assets.

The credit agreements also impose certain obligations on us relating to our underwriting standards, recordkeeping and servicing of our loans, and our loss reserves and charge-off policies, and they require us to maintain certain financial ratios, including an interest coverage ratio. If we were to breach any covenants or obligations under our credit agreements and such breaches were to result in an event of default, our lenders could cause all amounts outstanding to become due and payable, subject to applicable grace periods. An event of default in any one credit agreement could also trigger cross-defaults under other existing and future credit agreements and other debt instruments, and materially and adversely affect our financial condition and ability to continue operating our business as a going concern.

***Our securitizations may expose us to financing and other risks, and there can be no assurance that we will be able to access the securitization market in the future, which may require us to seek more costly financing.***

As of December 31, 2024, we have completed eleven securitizations, and we may in the future securitize certain of our finance receivables to generate cash to originate new finance receivables or to pay our outstanding indebtedness. In such transactions, we typically convey a pool of finance receivables to a special purpose entity, which, in turn, conveys the finance receivables to a trust (the issuing entity). Concurrently, the issuing entity issues non-recourse notes or certificates pursuant to the terms of an indenture and/or amended and restated trust agreement, which then are transferred to the special purpose entity in exchange for the finance receivables. The securities issued by the issuing entity are secured by the pool of finance receivables. In exchange for the transfer of finance receivables to the issuing entity, we typically receive the cash proceeds from the sale of the securities issued by the issuing entity, all residual interests, if any, in the cash flows from the finance receivables after payment of the securities, and a 100% beneficial interest in the issuing entity.

Although we successfully completed securitizations during the past six years, we can give no assurances that we will be able to complete additional securitizations, including if, for example, the securitization markets become constrained or events within the Company cause investors to lack confidence in our ability to fulfill our obligations as servicer with respect to the securitizations. Further, the value of any subordinated securities that we may retain in our securitizations might be reduced or, in some cases, eliminated as a result of an adverse change in economic conditions or other factors.

Regional Management Corp. currently acts as the Servicer with respect to each securitization. If the Servicer defaults in its servicing obligations, an early amortization event could occur under each securitization and the Servicer could be replaced as servicer. Servicer defaults include, but are not limited to, the failure of the Servicer to make any payment, transfer, or deposit in accordance with applicable securitization documents; breaches of representations, warranties, or certifications made by the Servicer under applicable securitization documents; and the occurrence of certain insolvency events with respect to the Servicer. Such an early amortization event could have materially adverse consequences on our liquidity and cost of funds.

Rating agencies may also affect our ability to execute a securitization transaction or increase the costs we expect to incur from executing securitization transactions, not only by deciding not to issue ratings for our securitization transactions, but also by altering the processes and criteria they follow in issuing ratings. Rating agencies could alter their ratings processes or criteria after we have accumulated finance receivables for securitization in a manner that effectively reduces the value of those finance receivables by increasing our financing costs or otherwise requiring that we incur additional costs in order to comply with those processes and criteria. We have no ability to control or predict what actions the rating agencies may take.

Further, other matters, such as (i) accounting standards applicable to securitization transactions and (ii) capital and leverage requirements applicable to banks and other regulated financial institutions holding asset-backed securities, could result in decreased investor demand for securities issued through our securitization transactions or increased competition from other institutions that undertake securitization transactions. In addition, compliance with certain regulatory requirements, including the Dodd-Frank Act, may affect the type of securitization transactions that we are able to complete.

An inability to consummate further securitization transactions on terms similar to our existing securitization transactions, or at all, could require us to seek more costly financing and/or have a material adverse effect on our business, financial condition, and results of operations.

***We may be required to indemnify, or repurchase certain finance receivables from, purchasers of finance receivables that we have sold or securitized, or which we will sell or securitize in the future, if our finance receivables fail to meet certain criteria or characteristics or under other circumstances, which could adversely affect our results of operations, financial condition, and liquidity.***

We have entered into certain financing arrangements, including revolving warehouse credit facilities and securitizations, which are secured by Receivables. As of December 31, 2024, our outstanding principal balances of Receivables were as follows: September 2020 (approximately $49.2 million); February 2021 (approximately $103.0 million); July 2021 (approximately $193.0 million); October 2021 (approximately $131.6 million); February 2022 (approximately $244.9 million); June 2024 (approximately $199.0 million); and November 2024 (approximately $264.8 million). Our operating subsidiaries originated the Receivables and subsequently transferred the Receivables to certain of our wholly owned subsidiaries that were established for the special purpose of entering into the financing arrangements and the respective securitizations. The documents governing our financing arrangements and securitizations contain provisions that require us to repurchase the affected Receivables under certain circumstances. While our financing and securitization documents vary, they generally contain customary provisions that require us

and the special purpose entities to make certain representations and warranties about the quality and nature of the Receivables. Together with the special purpose entities, we may be required to repurchase the Receivables if a representation or warranty is later determined to be inaccurate. In such a case, we will be required to pay a repurchase price for the release of the affected Receivables.

We believe that many purchasers of loans and other counterparties to transactions like those provided for in the revolving warehouse credit facilities, the securitizations, and other similar transactions are particularly aware of the conditions under which originators or sellers of such finance receivables must indemnify for or repurchase finance receivables, and may benefit from enforcing any available repurchase remedies. If we are required to repurchase Receivables that we have sold or pledged, it could adversely affect our results of operations, financial condition, and liquidity.

***We are subject to interest rate risk resulting from general economic conditions and policies of various governmental and regulatory agencies.***

Interest rate risk arises from the possibility that changes in interest rates will affect our results of operations and financial condition. Interest rates are highly sensitive to many factors that are beyond our control, including general economic conditions and policies of various governmental and regulatory agencies. Furthermore, market conditions or regulatory restrictions on interest rates we charge may prevent us from passing any increases in interest rates along to our customers. We originate finance receivables at either prevailing market rates or at statutory limits. Subject to statutory limits, our ability to react to changes in prevailing market rates is dependent upon the speed at which our customers pay off or renew loans in our existing loan portfolio, which allows us to originate new loans at prevailing market rates. Because our large loans have longer maturities than our small loans and typically renew at a slower rate than our small loans, the rate of turnover of the loan portfolio may change as our large loans change as a percentage of our portfolio.

In addition, elevated interest rates increase our cost of capital by influencing the amount of interest we pay on our senior revolving credit facility, our revolving warehouse credit facilities, or any other floating interest rate obligations that we may incur, which would increase our operating costs and decrease our operating margins. Interest payable on our senior revolving credit facility and our revolving warehouse credit facilities is variable and could increase in the future.

For additional information, see Part II, Item 7A, “Quantitative and Qualitative Disclosures About Market Risk.”

***Our use of derivatives exposes us to credit and market risk.***

From time to time, we may enter into derivative transactions for economic hedging purposes, such as managing our exposure to interest rate risk. By using derivative instruments, we are exposed to credit and market risk, including the risk of loss associated with variations in the spread between the asset yield and the funding and/or hedge cost, default risk, and the risk of insolvency or other inability of the counterparty to a particular derivative transaction to perform its obligations. For additional information, see Part II, Item 7A, “Quantitative and Qualitative Disclosures About Market Risk.”

***Macroeconomic conditions could have a material adverse effect on our business, financial position, results of operations, and cash flows, and may increase loan defaults and affect the value and liquidity of your investment.***

We are not insulated from the pressures and potentially negative consequences of financial crises and similar risks beyond our control that have in the past and may in the future affect the capital and credit markets, the broader economy, the financial services industry, or the segment of that industry in which we operate. Our financial performance generally, and in particular the ability of our borrowers to make payments on outstanding loans, is highly dependent upon the business and economic environments in the markets where we operate and in the United States as a whole.

In recent years, the U.S. economy has undergone a period of rapid change and significant uncertainty, driven in part by elevated inflation and interest rates, as well as changing U.S. consumer spending patterns. Inflation hit a 40-year high in June 2022 at 9.1%. While the U.S. annual inflation rate was 2.9% for the twelve months ended December 31, 2024, inflation remains above the Federal Reserve Board's target of 2.0%. The Federal Reserve Board has increased rates materially in 2022 and 2023 in an effort to combat elevated inflation and began to lower interest rates in 2024 in response to moderating inflation. It remains uncertain if the Federal Reserve Board will continue to lower interest rates in 2025, and there is no guarantee that the Federal Reserve Board may not raise interest rates in the future depending on economic conditions.

During an economic downturn or recession, credit losses in the financial services industry generally increase and demand for credit products often decreases. Declining asset values, defaults on consumer loans, and the lack of market and investor confidence,

as well as other factors, all combine to decrease liquidity during an economic downturn. As a result of these factors, some banks and other lenders have suffered significant losses during economic downturns, and the strength and liquidity of many financial institutions worldwide may weaken during an economic crisis. Additionally, during an economic downturn, our loan servicing costs and collection costs may increase as we may have to expend greater time and resources on these activities. Our underwriting criteria, policies and procedures, and product offerings may not sufficiently protect our growth and profitability during a sustained period of economic downturn or recession. Any renewed economic downturn will adversely affect the financial resources of our customers and may result in the inability of our customers to make principal and interest payments on, or refinance, the outstanding debt when due.

Should economic conditions decline in the future, they may adversely affect the credit quality of our loans. In the event of increased default by borrowers under the loans, and/or a decrease in the volume of the loans we originate, our business, financial condition, and results of operations could be adversely affected.

***Failure to maintain, protect, and promote our brand may harm our business.***

Maintaining, protecting, and promoting our brand is critical to our attracting and retaining customers, investors, and employees. Harm to our brand can arise from many sources, including employee misconduct, misconduct by outsourced service providers or other counterparties, litigation or regulatory actions, failure by us to meet minimum standards of service and quality, inadequate protection of customer information, and compliance failures. Recently, financial services companies have been experiencing increased reputational risk as consumers take issue with certain of their practices. Negative publicity regarding our company (or others engaged in a similar business or activities), whether or not accurate, may damage our reputation, which could have a material adverse effect on our business, financial condition, and results of operations.

Many of our stakeholders possess increased interest in our environmental, social, and governance responsibilities. Our absolute and relative progress, or lack thereof, on environmental, social, and governance matters, along with our disclosure (or lack of disclosure) related thereto, could impact our reputation, brand, and the willingness of individuals and institutions to hold our common stock. If we do not successfully maintain, protect, and promote our brand, we may be unable to maintain and/or expand our customer and/or investor base, which may materially harm our business.

**Risks Related to Regulation and Legal Proceedings**

***Our business products and activities are strictly and comprehensively regulated at the local, state, and federal levels.***

The consumer finance industry is extensively regulated by federal, state, and local consumer protection laws and regulations, including consumer protection laws and regulations relating to the creation, collection, and enforcement of consumer contracts, such as consumer loans. Personal loans that do not comply with consumer protection laws may not be enforceable against the borrowers of those loans. These laws and regulations impose significant costs and limitations on the way we conduct and expand our business, and these costs and limitations may increase in the future if such laws and regulations are changed. These laws and regulations govern or affect, among other things:

- the interest rates and manner of calculating such rates that we may charge customers;
- terms of loans, including fees, maximum amounts, and minimum durations;
- origination practices;
- disclosure requirements, including posting of fees;
- solicitation and advertising practices;
- currency and suspicious activity reporting;
- recording and reporting of certain financial transactions;
- privacy of personal customer information;
- the types of products and services that we may offer;
- servicing and collection practices;
- approval of licenses; and
- locations of our branches.

Due to the highly regulated nature of the consumer finance industry, we are required to comply with a wide array of federal, state, and local laws and regulations that affect, among other things, the manner in which we conduct our origination and servicing operations. These laws and regulations directly impact our business and require constant compliance, monitoring, and internal and external audits. Although we have an enterprise-wide compliance framework structured to continuously evaluate our activities, compliance with applicable law is costly and may create operational constraints.

At a federal level, these laws and their implementing regulations include, among others, the Truth in Lending Act and Regulation Z, the Consumer Financial Protection Act, the Equal Credit Opportunity Act and Regulation B, the Fair Credit Reporting Act and Regulation V, as amended by the Fair and Accurate Credit Transactions Act, the Gramm-Leach-Bliley Act, the Electronic Funds Transfer Act and Regulation E, the Federal Trade Commission Act, the Servicemembers Civil Relief Act, the Military Lending Act, the Fair Debt Collection Practices Act and Regulation F, and the Telephone Consumer Protection Act, and requirements related to unfair, deceptive, or abusive acts or practices. Many states and local jurisdictions have consumer protection laws analogous to, or in addition to, those listed above, such as usury laws and state debt collection practices laws that apply to first-party lenders. These laws affect how loans are made, enforced, and collected. The U.S. government and states may pass new laws, or may amend existing laws, to further regulate the consumer finance industry, installment loans, or to reduce the finance charges or other fees applicable to personal loans.

Federal and state consumer protection laws impose requirements, including licensing requirements, and place restrictions on creditors in connection with extensions of credit and collections on personal loans and protection of sensitive customer data obtained in the origination and servicing thereof. Personal loans that do not comply with consumer protection laws may not be valid or enforceable under their terms against the borrowers of those loans. The federal and state consumer protection laws, rules, and regulations applicable to the solicitation and advertising for, underwriting of, granting, servicing, and collection of personal loans, and the protection of sensitive customer data, frequently provide for administrative penalties, as well as civil (and in some cases, criminal) liability resulting from their violation. An administrative proceeding or litigation relating to one or more allegations or findings of the violation of such laws by us could result in modifications to our methods of doing business, which could impair our ability to originate or otherwise acquire new loans or collect on our loan portfolio or result in us having to pay damages and/or cancel the balance or other amount owing under the loan associated with such violations. Our loans are subject to generally standard documentation. Thus, many borrowers may be similarly situated in so far as the provisions of their respective contractual obligations are concerned. Accordingly, allegations of violations of the provisions of applicable federal or state consumer protection laws could potentially result in a large class of claimants asserting claims against us. There is no assurance that such claims will not be asserted against us in the future.

Changes to statutes, regulations, or regulatory policies, including the interpretation, implementation, and enforcement of statutes, regulations, or policies, could affect us in substantial and unpredictable ways, including limiting the types of financial services and products that we may offer and increasing the ability of competitors to offer competing financial services and products. Compliance with laws and regulations requires us to invest increasingly significant portions of our resources in compliance planning and training, monitoring tools, and personnel, and requires the time and attention of management. These costs divert capital and focus away from efforts intended to grow our business. Because these laws and regulations are complex and often subject to interpretation, or because of a result of unintended errors, we may, from time to time, inadvertently violate these laws, regulations, and policies, as each is interpreted by our regulators. If we do not successfully comply with laws, regulations, or policies, we could be subject to fines, penalties, lawsuits, or judgments, our compliance costs could increase, our operations could be limited, and we may suffer damage to our reputation. If more restrictive laws, rules, and regulations are enacted or more restrictive judicial and administrative interpretations of current laws are issued, compliance with the laws could become more expensive or difficult. Furthermore, changes in these laws and regulations could require changes in the way we conduct our business, and we cannot predict the impact such changes would have on our profitability.

Our primary regulators are the state regulators for the states in which we operate. We operate each of our branches under licenses granted to us by these state regulators. State regulators may enter our branches and conduct audits of our records and practices at any time, with or without notice. If we fail to observe, or are not able to comply with, applicable legal requirements, we may be forced to discontinue certain product offerings, which could adversely affect our business, financial condition, and results of operations. In addition, violation of these laws and regulations could result in fines and other civil and/or criminal penalties, including the suspension or revocation of our branch licenses, rendering us unable to operate in one or more locations. All of the states in which we operate have laws governing the interest rates and fees that we can charge and required disclosure statements, among other restrictions. Violation of these laws could involve penalties requiring the forfeiture of principal and/or interest and fees that we have charged. Depending on the nature and scope of a violation, fines and other penalties for noncompliance of applicable

requirements could be significant and could have a material adverse effect on our business, financial condition, and results of operations.

While we believe that we maintain all material licenses and permits required for our current operations and are in substantial compliance with all applicable federal, state, and local laws and regulations, we may not be able to maintain all requisite licenses and permits, and the failure to satisfy those and other regulatory requirements could have a material adverse effect on our operations. In addition, changes in laws or regulations applicable to us could subject us to additional licensing, registration, and other regulatory requirements in the future or could adversely affect our ability to operate or the manner in which we conduct business. Licenses to open new branches are granted in the discretion of state regulators. Accordingly, licenses may be denied unexpectedly or for reasons outside of our control. This could hinder our ability to implement our business plans in a timely manner or at all.

As we enter new markets and develop new products and services, we may become subject to additional local, state, and federal laws and regulations. For example, although we intend to expand into new states or markets, we may encounter unexpected regulatory or other difficulties in these new states, including as they relate to securing the necessary licenses to operate, which may inhibit our growth. As a result, we may not be able to successfully execute our strategies to grow our revenue and earnings.

We are also subject to potential enforcement, supervision, or other actions that may be brought by state attorneys general or other state enforcement authorities and other governmental agencies. For example, the CFPB, state and federal banking regulators, state attorneys general, the Federal Trade Commission, the U.S. Department of Justice, and federal government agencies have imposed sanctions on consumer loan originators for practices including, but not limited to, charging borrowers excessive fees, steering borrowers to loans with higher costs or more onerous terms, imposing higher interest rates than the borrower's credit risk warrants, failing to disclose material terms of loans to borrowers, and otherwise engaging in discriminatory or unfair lending practices or unfair, deceptive, or abusive acts or practices. While we believe we are in substantial compliance with all applicable federal, state, and local laws and regulations, a contrary determination by a regulator, and any resulting action, could subject us to civil money penalties, customer remediation, and increased compliance costs, as well as damage to our reputation and brand and could limit or prohibit our ability to offer certain products and services or engage in certain business practices.

Additionally, Congress, the states, and regulatory agencies could further regulate the consumer credit industry in ways that make it more difficult for us to conduct business. Further, changes in the regulatory application or judicial interpretation of the laws and regulations applicable to financial institutions also could impact the manner in which we conduct our business. The regulatory environment in which financial institutions operate has become increasingly complex and robust, and following the financial crisis of 2008, supervisory efforts to apply relevant laws, regulations, and policies have become more intense. Any of the events described above could have a material adverse effect on all aspects of our business, financial condition, and results of operations.

***We may become involved in investigations, examinations, and proceedings by government and self-regulatory agencies, which may result in material adverse consequences to our business, financial condition, and results of operations.***

From time to time, we may become involved in formal and informal reviews, investigations, examinations, proceedings, and information-gathering requests by federal and state government and self-regulatory agencies. Should we become subject to such an investigation, examination, or proceeding, the matter could result in material adverse consequences to us, including, but not limited to, increased compliance costs, adverse judgments, significant settlements, fines, penalties, injunction, or other actions.

***Changes in laws and regulations or interpretations of laws and regulations could negatively impact our business, financial condition, and results of operations.***

The laws and regulations directly affecting our lending activities are constantly under review and are subject to change. In addition, consumer advocacy groups and various other media sources continue to advocate for governmental and regulatory action to prohibit or severely restrict various financial products, including the loan products we offer. Any changes in such laws and regulations, or the implementation, interpretation, or enforcement of such laws and regulations, could force us to modify, suspend, or cease part or, in the worst case, all of our existing operations. It is also possible that the scope of federal regulations could change or expand in such a way as to preempt what has traditionally been state law regulation of our business activities. The enactment of one or more of such regulatory changes could materially and adversely affect our business, results of operations, and prospects.

State and federal legislatures and regulators may also seek to impose new requirements or interpret or enforce existing requirements in new ways. Changes in current laws or regulations or the implementation of new laws or regulations in the future may restrict our ability to continue our current methods of operation or expand our operations. For example, in 2019, bills were

introduced to Congress that sought to prohibit the practice of directly mailing convenience checks to potential borrowers and extend the Military Lending Act's consumer protections to all consumers, including a 36 percent interest rate cap on all consumer loans. Similarly, in July 2021, the Veterans and Consumers Fair Credit Act was introduced in the Senate seeking to amend the Truth in Lending Act to effectively extend to all consumers the 36% interest rate cap that is currently only applicable to servicemembers and certain dependents under the Military Lending Act. While these bills have not become law, if similar bills were ultimately to become law, such legislation could materially and adversely affect our business, results of operations, and prospects.

Additionally, new laws and regulations could subject us to liability for prior operating activities or lower or eliminate the profitability of operations going forward by, among other things, reducing the amount of interest and fees we charge in connection with our loans or limiting the types of insurance and other ancillary products that we may offer to our customers. If these or other factors lead us to close our branches in a state, in addition to the loss of net revenues attributable to that closing, we would incur closing costs such as lease cancellation payments and we would have to write off assets that we could no longer use. If we were to suspend rather than permanently cease our operations in a state, we would also have continuing costs associated with maintaining our branches and our employees in that state, with little or no revenues to offset those costs.

In addition to state and federal laws and regulations, our business is subject to various local rules and regulations, such as local zoning regulations. Local zoning boards and other local governing bodies have been increasingly restricting the permitted locations of consumer finance companies. Any future actions taken to require special use permits for or impose other restrictions on our ability to provide products could adversely affect our ability to expand our operations or force us to attempt to relocate existing branches. If we were forced to relocate any of our branches, in addition to the costs associated with the relocation, we may be required to hire new employees in the new areas, which may adversely impact the operations of those branches. Relocation of an existing branch may also hinder our collection abilities, as our business model relies in part on the location of our branches being close to where our customers live in order to successfully collect on outstanding loans.

Changes in laws or regulations may have a material adverse effect on all aspects of our business in a particular state and on our overall business, financial condition, and results of operations, including our ability to generate new loans and the manner in which existing loans are serviced and collected.

***Financial regulatory reform has created uncertainty and could negatively impact our business, financial condition, and results of operations.***

In response to the financial crisis in 2008, the Dodd-Frank Act was signed into law on July 21, 2010. The Dodd-Frank Act requires the creation of new federal regulatory agencies and grants additional authorities and responsibilities to existing regulatory agencies to identify and address emerging systemic risks posed by the activities of financial services firms. The Dodd-Frank Act also provides for enhanced regulation of derivatives and mortgage-backed securities offerings, restrictions on executive compensation, and enhanced oversight of credit rating agencies. The Dodd-Frank Act also limits the ability of federal laws to preempt state and local consumer laws.

Additionally, the Dodd-Frank Act established the CFPB, as a consumer protection regulator tasked with regulating consumer financial services and products. Since its creation, the CFPB has been the subject of lawsuits challenging its authority. However, in May 2024, in the case of *Community Financial Services Association of America, Limited v. Consumer Financial Protection Bureau*, the U.S. Supreme Court confirmed that the statute providing funding to the CFPB does not violate the appropriations clause of the Constitution. This decision marks an end to the last pending wholesale challenge to the CFPB's constitutionality. However, there have also been legislative proposals in Congress from time to time seeking to significantly reform the CFPB's structure, authority, funding, and/or mandate. The current administration has also indicated its desire to make potentially significant changes to the regulatory enforcement and supervisory agenda of the CFPB. As a result, there is, and will continue to be, uncertainty regarding the future of the CFPB and the impact on the lending markets.

The Dodd-Frank Act impacts the offering, marketing and regulation of consumer financial products and services offered by financial institutions. The CFPB has supervision, examination, and enforcement authority over the consumer financial products and services offered by certain non-depository institutions and large insured depository institutions. For example, the CFPB may establish supervisory authority over a nonbank covered entity that it has reasonable cause to determine is engaging, or has engaged, in conduct that poses risks to consumers. The CFPB also has broad rulemaking and enforcement authority over providers of credit, savings, and payment services and products and authority to prevent "unfair, deceptive or abusive" practices. The CFPB has the authority to write regulations under federal consumer financial protection laws, and to enforce those laws against and examine large financial institutions for compliance.

On March 7, 2023, the CFPB provided the Company with Notice that it sought to establish supervisory authority over the Company pursuant to section 1024(a)(1)(C) of the Consumer Financial Protection Act of 2010. Under that provision, the CFPB may establish supervisory authority over any non-bank covered person that it has reasonable cause to determine is engaging, or has engaged, in conduct that poses risks to consumers with regard to the offering or provision of consumer financial products or services. The Company responded to the Notice by voluntarily consenting to the CFPB's supervisory authority and entering into a Consent Agreement dated January 4, 2024. Pursuant to the Consent Agreement and related CFPB order, the CFPB will have supervisory authority over the Company for a period of two years ending January 8, 2026. Depending on how the CFPB functions and its areas of focus, including but not limited to the period of time covered by the Consent Agreement, our compliance costs could increase, our ability to respond to marketplace changes may be delayed, we may be required to alter products and services that would make them less attractive to consumers, and our ability to offer products and services profitably may be impaired.

The CFPB is also authorized to pursue administrative proceedings or litigation for violations of federal consumer financial laws. In these proceedings, the CFPB can obtain cease and desist orders (which can include orders for restitution or rescission of contracts, as well as other kinds of affirmative relief) and monetary penalties ranging from $7,217 per day for minor violations of federal consumer financial laws (including the CFPB's own rules) to $36,083 per day for reckless violations and $1,443,275 per day for knowing violations. Also, where a company has violated Title X of the Dodd-Frank Act or CFPB regulations under Title X, the Dodd-Frank Act empowers state attorneys general and state regulators to bring civil actions for the kind of cease and desist orders available to the CFPB (but not for civil penalties). If the CFPB or one or more state officials find that we have violated the foregoing laws, they could exercise their enforcement powers in ways that would have a material adverse effect on Regional.

In addition to pre-existing enforcement rights for state attorneys general, the Dodd-Frank Act gives attorneys general authority to enforce the Dodd-Frank Act and regulations promulgated under the Dodd-Frank Act's authority. In conducting an investigation, the CFPB or state attorneys general may issue a civil investigative demand requiring a target company to prepare and submit, among other items, documents, written reports, answers to interrogatories, and deposition testimony. If we become subject to investigation, the required response could result in substantial costs and a diversion of management's attention and resources. In addition, the market price of our common stock could decline as a result of the initiation of a CFPB investigation of our company or even the perception that such an investigation could occur, even in the absence of any finding by the CFPB that we have violated any state or federal law.

Although many of the regulations implementing portions of the Dodd-Frank Act have been promulgated, we are still unable to predict how this significant legislation may be interpreted and enforced or the full extent to which implementing regulations and supervisory policies may affect it. The President and current Congress may impact the extent to which new or revised legislation or regulations are adopted, and whether provisions of the Dodd-Frank Act and rules promulgated thereunder, including those provisions establishing the CFPB and the rules and regulations proposed and enacted by the CFPB, may be revised, repealed, or amended. There can be no assurance that future reforms will not significantly and adversely impact our business, financial condition, and results of operations.

***We sell certain of our loans, including, in some instances, charged-off loans and loans where the borrower is in default, which could subject us to heightened regulatory scrutiny, expose us to legal action, cause us to incur losses, and/or limit or impede our collection activity.***

As part of our business model, we have purchased and sold, and may in the future purchase and sell, some of our finance receivables, including loans that have been charged-off and loans where the borrower is in default. The CFPB and other regulators recently have significantly increased their scrutiny of debt buyers and sales, especially delinquent and charged-off debt. The CFPB has criticized and/or penalized sellers of debt for insufficient documentation to support and verify the validity or amount of the debt. It has also criticized and/or penalized debt collectors for, among other things, impermissible collection tactics, attempting to collect debts that are no longer valid, misrepresenting the amount of the debt, not having sufficient documentation to verify the validity or amount of the debt, and failing to obtain or maintain proper licenses. Accordingly, our sales of loans could expose us to lawsuits or fines by regulators if we do not have sufficient documentation to support and verify the validity and amount of the loans underlying the transactions, or if we or purchasers of our loans use collection methods that are viewed as unfair, deceptive, or abusive, or if purchasers of our loans fail to obtain or maintain proper licenses.

***Our use of third-party vendors is subject to increasing regulatory attention.***

The CFPB and other regulators have issued regulatory guidance that has focused on the need for financial institutions to oversee their business relationships with service providers in a manner that ensures such service providers comply with applicable law. This results in increased due diligence and ongoing monitoring of third-party vendor relationships, thus increasing the scope of

management involvement and decreasing the benefit that we receive from using third-party vendors. Moreover, if regulators conclude that we have not met the heightened standards for oversight of our third-party vendors, we could be subject to enforcement actions, civil monetary penalties, supervisory orders to cease and desist, or other remedial actions, which could have an adverse effect on our business, financial condition, and results of operations.

***We are subject to government regulations concerning our hourly and our other employees, including minimum wage, overtime, and health care laws.***

We are subject to applicable rules and regulations relating to our relationship with our employees, including minimum wage and break requirements, pay transparency, leave requirements, health benefits, unemployment and sales taxes, overtime, and working conditions and immigration status. Legislated increases in the federal and state minimum wage and increases in additional labor cost components, such as employee benefit costs, workers' compensation insurance rates, compliance costs and fines, as well as the cost of litigation in connection with these regulations, would increase our labor costs. Unionizing and collective bargaining efforts have received increased attention nationwide in recent periods. Should our employees become represented by unions, we would be obligated to bargain with those unions with respect to wages, hours, and other terms and conditions of employment, which is likely to increase our labor costs. Moreover, as part of the process of union organizing and collective bargaining, strikes and other work stoppages may occur, which would cause disruption to our business. Similarly, many employers nationally in similar retail environments have been subject to actions brought by governmental agencies and private individuals under wage-hour laws on a variety of claims, such as improper classification of workers as exempt from overtime pay requirements and failure to pay overtime wages properly, with such actions sometimes brought as class actions. These actions can result in material liabilities and expenses. Should we be subject to employment litigation, such as actions involving wage-hour, overtime, break, and working time, it may distract our management from business matters and result in increased labor costs. In addition, we currently sponsor employer-subsidized premiums for major medical programs for eligible personnel who elect health care coverage through our insurance programs. As a result of regulatory changes, we may not be able to continue to offer health care coverage to our employees on affordable terms or at all and subsequently may face increased difficulty in hiring and retaining employees. If we are unable to locate, attract, train, or retain qualified personnel, or if our costs of labor increase significantly, our business, financial condition, and results of operations may be adversely affected.

***Our stock price or results of operations could be adversely affected by media and public perception of installment loans and of legislative and regulatory developments affecting activities within the installment lending sector.***

Consumer advocacy groups and various media sources continue to criticize alternative financial services providers (such as payday and title lenders, check advance companies, and pawnshops). These critics frequently characterize such alternative financial services providers as predatory or abusive toward consumers. If these persons were to criticize the products that we offer, it could result in further regulation of our business and could negatively impact our relationships with existing borrowers and efforts to attract new borrowers. Furthermore, our industry is highly regulated, and announcements regarding new or expected governmental and regulatory action in the alternative financial services sector may adversely impact our stock price and perceptions of our business even if such actions are not targeted at our operations and do not directly impact us.

***Legal proceedings to which we may become subject may have a material adverse impact on our financial position and results of operations.***

Like many companies in our industry, we are from time to time involved in various legal proceedings and subject to claims and other actions related to our business activities brought by borrowers and others. All such legal proceedings are inherently unpredictable and, regardless of the merits of the claims, litigation is often expensive, time-consuming, disruptive to our operations and resources, and distracting to management. If resolved against us, such legal proceedings could result in excessive verdicts and judgments, injunctive relief, equitable relief, and other adverse consequences that may affect our financial condition and how we operate our business. Similarly, if we settle such legal proceedings, it may affect our financial condition and how we operate our business. Future court decisions, alternative dispute resolution awards, business expansion, or legislative activity may increase our exposure to litigation and regulatory investigations. In some cases, substantial non-economic remedies or punitive damages may be sought. Although we maintain liability insurance coverage, there can be no assurance that such coverage will cover any particular verdict, judgment, or settlement that may be entered against us, that such coverage will prove to be adequate, or that such coverage will continue to remain available on acceptable terms, if at all. If in any legal proceeding we incur liability or defense costs that exceed our insurance coverage or that are not within the scope of our insurance coverage, it could have a material adverse effect on our business, financial condition, and results of operations.

***Current and proposed regulations related to consumer privacy, data protection, and information security could increase our costs.***

We are subject to a number of federal and state consumer privacy, data protection, and information security laws and regulations. Moreover, various federal and state regulatory agencies require us to notify customers in the event of a security breach. Federal and state legislators and regulators are increasingly pursuing new guidance, laws, and regulations in these areas. Compliance with current or future customer privacy, data protection, and information security laws and regulations could result in higher compliance, technology, or other operating costs. Any violations of these laws and regulations may require us to change our business practices or operational structure, and could subject us to legal claims, monetary penalties, sanctions, and the obligation to indemnify and/or notify customers or take other remedial actions.

**Risks Related to the Ownership of Our Common Stock**

***The market price of shares of our common stock may continue to be volatile, which could cause the value of your investment to decline.***

The market price of our common stock has been highly volatile and could be subject to wide fluctuations. Securities markets worldwide experience significant price and volume fluctuations. This market volatility, as well as general economic, market, or political conditions, could reduce the market price of shares of our common stock in spite of our operating performance. In addition, our operating results and the market price of our common stock could be below the expectations of public market analysts and investors due to a number of potential factors, including variations in our quarterly operating results, additions or departures of key management personnel, failure to meet analysts' earnings estimates, publication of research reports about our industry, litigation and government investigations, changes or proposed changes in laws or regulations or differing interpretations or enforcement thereof affecting our business, adverse market reaction to any indebtedness we may incur or securities we may issue in the future, changes in market valuations of similar companies, speculation in the press or investment community, announcements by our competitors of significant contracts, acquisitions, dispositions, strategic partnerships, joint ventures, or capital commitments, adverse publicity about the industries we participate in, or individual scandals.

***There can be no assurance of our ability to declare and pay cash dividends in future periods.***

On October 29, 2020, we announced that the Board initiated and declared a quarterly cash dividend of $0.20 per share, which was increased by our Board to $0.25 per share on June 15, 2021 and to $0.30 per share on February 9, 2022. We intend to continue to pay a quarterly cash dividend for the foreseeable future; however, the declaration, amount, and payment of any future cash dividends on shares of our common stock will be at the discretion of our Board. Our Board may take into account general and economic conditions, our financial condition and results of operations, our available cash and current and anticipated cash needs, capital requirements, contractual, legal, tax, and regulatory restrictions and such other factors as our Board may deem relevant. In addition, our ability to pay cash dividends may be limited by covenants of any existing and future outstanding indebtedness we or our subsidiaries incur, including our senior revolving credit facility. A reduction or elimination of our dividend payments in the future could have a negative effect on our stock price.

***Your stock ownership may be diluted by the future issuance of additional common stock in connection with our incentive plans, acquisitions, or otherwise.***

We have approximately 985 million shares of common stock authorized but unissued, as of February 19, 2025. Our amended and restated certificate of incorporation authorizes us to issue these shares of common stock and options, rights, warrants, and appreciation rights relating to common stock for the consideration and on the terms and conditions established by our Board in its discretion, whether in connection with acquisitions or otherwise. Our stockholders previously approved the 2024 Plan. As of December 31, 2024, subject to adjustments as provided in the 2024 Plan, the maximum aggregate number of shares of our common stock that may be issued under the 2024 Plan may not exceed the sum of (i) 381,000 shares plus, (ii) any shares remaining available for the grant of awards as of the 2024 Plan's effective date under the 2015 Plan, plus (iii) any shares subject to an award granted under the 2015 Plan which award is forfeited, cash-settled, cancelled, terminated, expires, or lapses for any reason after the 2024 Plan's effective date without the issuance of shares or pursuant to which such shares are forfeited. We have 588,865 shares available for issuance under the 2024 Plan as of February 19, 2025. In addition, our Board may recommend in the future that our stockholders approve new stock plans. Any common stock that we issue, including under the 2024 Plan or other equity incentive plans that we may adopt in the future, would dilute the percentage ownership held by our stockholders. In addition, the market price of our common stock could decline as a result of sales of a large number of shares of common stock in the market or the perception that such sales could occur. These sales, or the possibility that these sales may occur, also might make it more difficult for us to issue equity securities in the future at a time and at a price that we deem appropriate.

***Anti-takeover provisions in our charter documents and applicable state law might discourage or delay acquisition attempts for us that you might consider favorable.***

Our amended and restated certificate of incorporation and amended and restated bylaws contain provisions that may make the acquisition of our company more difficult without the approval of our Board. Among other things, these provisions:

- authorize the issuance of undesignated preferred stock, the terms of which may be established and the shares of which may be issued without stockholder approval, and which may include super voting, special approval, dividend, or other rights or preferences superior to the rights of the holders of common stock;
- prohibit stockholder action by written consent, which will require all stockholder actions to be taken at a meeting of our stockholders;
- provide that the Board is expressly authorized to make, alter, or repeal our bylaws and that our stockholders may only amend our bylaws with the approval of 80% or more of all of the outstanding shares of our capital stock entitled to vote; and
- establish advance notice requirements for nominations for elections to our Board or for proposing matters that can be acted upon by stockholders at stockholder meetings.

In addition, certain states require the approval of a state regulator for the acquisition, directly or indirectly, of more than a certain amount of the voting or common stock of a consumer finance company. The overall effect of these laws is to make it more difficult to acquire a consumer finance company than it might be to acquire control of a nonregulated corporation.

Furthermore, as a Delaware corporation, we are also subject to provisions of Delaware law, which may impair a takeover attempt that our stockholders may find beneficial. These anti-takeover provisions and other provisions under Delaware law could discourage, delay, or prevent a transaction involving a change in control of our company, including actions that our stockholders may deem advantageous, or negatively affect the trading price of our common stock. These provisions could also discourage proxy contests and make it more difficult for you and other stockholders to elect directors of your choosing and to cause us to take other corporate actions you desire.

***Our amended and restated certificate of incorporation contains a provision renouncing our interest and expectancy in certain corporate opportunities identified by our non-employee directors and their affiliates.***

Certain of our non-employee directors and their affiliates are in the business of providing buyout capital and growth capital to developing companies and may acquire interests in businesses that directly or indirectly compete with certain portions of our business. Our amended and restated certificate of incorporation provides for the allocation of certain corporate opportunities between us, on the one hand, and certain of our non-employee directors and their affiliates, on the other hand. As set forth in our amended and restated certificate of incorporation, such non-employee directors and their affiliates shall not have any duty to refrain from engaging, directly or indirectly, in the same business activities or similar business activities or lines of business in which we operate. Therefore, a non-employee director of our company may pursue certain acquisition opportunities that may be complementary to our business and, as a result, such acquisition opportunities may not be available to us. These potential conflicts of interest could have a material adverse effect on our business, financial condition, results of operations, or prospects if attractive corporate opportunities are allocated by such non-employee directors to themselves or their other affiliates instead of us.

**ITEM 1B.** ***UNRESOLVED STAFF COMMENTS.***

None.

**ITEM 1C.** ***CYBERSECURITY.***

We recognize the importance of maintaining the security of our electronic networks, information systems, and data. We face significant and persistent cybersecurity threats, including risks heightened by the numerous geographies that we serve; our reliance on complex information networks; remote work among certain of our employees; reliance on digital operations to service certain of our customers; and our use of third-party software and services. Our vendors and customers also face cybersecurity threats. A cybersecurity incident impacting our company or any of our vendors or customers could materially adversely affect our operations and/or financial condition. To protect against and prevent cybersecurity incidents, we employ a comprehensive approach where our Board and management teams work together to oversee our cybersecurity program. We are committed to maintaining robust cybersecurity oversight, controls, and strategies that are designed to help us assess, identify, and manage cybersecurity risks.

Our Board includes members with skills and experience in cybersecurity, technology, and innovation. The Board ultimately oversees cybersecurity risks and evaluates such risks as part of our ERM program. As part of our ERM processes, we utilize a formal corporate risk and governance structure that sets out the roles, responsibilities, and expectations of the various parties involved throughout our company in risk mitigation and management. The Risk Committee of the Board is responsible for approving and periodically reviewing and assessing the effectiveness of our ERM policies and procedures. The Risk Committee also assists the Board in its oversight of risks related to cybersecurity by regularly engaging with management and/or third-party consultants to assess the cyber threat landscape; evaluate our information security program; review the results of penetration testing; and analyze the design, effectiveness, and ongoing enhancement of our capabilities to monitor, prevent, and respond to cyber threats and events. The Risk Committee generally meets with management and/or third-party consultants regarding cybersecurity matters on a quarterly basis. Any material developments are reported by the Risk Committee to the Board. Further, any cybersecurity incidents deemed to have a high impact on our business are also generally reported to the Board, regardless of materiality.

Our SDIS, who holds a graduate degree in cybersecurity and several industry leading cybersecurity certifications, is the management position responsible for our overall information security program including strategy, security engineering, cyber threat detection, and response. The information security team managed by our SDIS contains certified cybersecurity professionals with broad experience and expertise in cybersecurity threat assessment and detection, mitigation technologies, cybersecurity training, incident response, cyber forensics, insider threats, and regulatory compliance, among other areas. The information security team continually evaluates our cybersecurity posture, which aligns with the National Institute of Standards and Technology Cybersecurity Framework (NIST CSF) industry standard, and makes on-going investments in our networks, in addition to performing regular testing of our environment.

In addition, we engage third-party consultants to conduct evaluations of the operational effectiveness of our security controls. These consultants perform penetration testing on our cybersecurity practices and procedures on an annual basis.

Third-party risk is assessed as part of our information security program and includes risk-tiered criteria for due diligence. Contractually, data handling third parties are required to uphold all applicable rules, laws, and regulations in addition to, when applicable, notifying us of cybersecurity events that may negatively impact us or our data.

We also require all employees to perform annual cybersecurity training. We expect our employees to follow our company-wide policies and procedures relating to cybersecurity matters, which include policies related to IT security, remote access, multifactor authentication, use of the internet and social media, and handling of confidential information, among other items. Additionally, while we have insurance coverage in place designed to address certain aspects of cyber risks, such insurance coverage may be insufficient to cover all insured losses or all types of claims that may arise.

While we have not, as of the date of this Form 10-K, experienced a cybersecurity incident that has materially affected our business strategy, results of operations, or financial condition, we may not be successful in preventing or mitigating a cybersecurity incident that could have a material adverse effect on us in the future. See Item 1A. “Risk Factors” for information about our cybersecurity risks.

**ITEM 2.** ***PROPERTIES.***

Our headquarters operations are located in an approximately 51,700 square foot leased facility in Greer, South Carolina, a town located outside of Greenville, South Carolina. As of February 19, 2025, each of our 348 branches, which are located in 19 states throughout the United States, is leased under a fixed-term lease agreement. Our branches have an average branch size of approximately 1,950 square feet.

In the opinion of management, our properties have been well-maintained, are in sound operating condition, and contain all equipment and facilities necessary to operate at present levels. We believe that all of our facilities are suitable and adequate for our present purposes. Our only reportable segment, which is our consumer finance segment, uses the properties described in this Part I, Item 2, "Properties."

**ITEM 3.** ***LEGAL PROCEEDINGS.***

The Company is involved in various legal proceedings and related actions that have arisen in the ordinary course of its business that have not been fully adjudicated. The Company's management does not believe that these matters, when ultimately concluded and determined, will have a material adverse effect on its financial condition, liquidity, or results of operations.

**ITEM 4.** ***MINE SAFETY DISCLOSURES.***

Not applicable.

## PART II

### ITEM 5. *MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES.*

**Market Information**

Our common stock is listed on the NYSE under the symbol "RM."

**Holders**

As of February 19, 2025, there were 14 registered holders of our common stock. Because many of the shares of our common stock are held by brokers and other institutions on behalf of stockholders, we are unable to determine the exact number of beneficial stockholders represented by those record holders, but we believe that there were approximately 3,699 beneficial owners of our common stock as of January 15, 2025.

**Non-Affiliate Ownership**

For purposes of calculating the aggregate market value of shares of our common stock held by non-affiliates, as set forth on the cover page of this Annual Report on Form 10-K, we have assumed that all outstanding shares are held by non-affiliates, except for shares held by each of our executive officers, directors, and 5% or greater stockholders as of June 28, 2024. In the case of 5% or greater stockholders, we have not deemed such stockholders to be affiliates unless there are facts and circumstances which would indicate that such stockholders exercise any control over our company or unless they hold 10% or more of our outstanding common stock. These assumptions should not be deemed to constitute an admission that all executive officers, directors, and 5% or greater stockholders are, in fact, affiliates of our company, or that there are no other persons who may be deemed to be affiliates of our company. Further information concerning shareholdings of our officers, directors, and principal stockholders is incorporated by reference in Part III, Item 12, "Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters" of this Annual Report on Form 10-K.

**Dividends; Stock Repurchases**

In October 2020, we announced that our Board initiated and declared a quarterly cash dividend program. The following table sets forth the dividends declared and paid for the periods indicated:

| Period | Declaration Date | Record Date | Payment Date | Dividends Declared Per Common Share |
|---|---|---|---|---|
| 1Q 24 | February 7, 2024 | February 22, 2024 | March 14, 2024 | $ 0.30 |
| 2Q 24 | May 1, 2024 | May 22, 2024 | June 12, 2024 | 0.30 |
| 3Q 24 | July 31, 2024 | August 21, 2024 | September 12, 2024 | 0.30 |
| 4Q 24 | November 6, 2024 | November 21, 2024 | December 11, 2024 | 0.30 |
| Total | | | | $ 1.20 |

On February 5, 2025, the Board declared a quarterly dividend of $0.30, payable on March 13, 2025, to stockholders of record on February 20, 2025. We currently expect that comparable quarterly cash dividends will continue to be paid in the future. We anticipate that future dividend declarations will occur in February, May, August, and November, with payment being made in March, June, September, and December.

The following table provides information regarding our share repurchase transactions during the three months ended December 31, 2024:

| | Issuer Purchases of Equity Securities | | | |
|---|---|---|---|---|
| Period | Total Number of Shares Purchased | Average Price Paid per Share | Total Number of Shares Purchased as Part of Publicly Announced Program | Approximate Dollar Value of Shares that May Yet Be Purchased Under the Program* |
| October 1, 2024 – October 31, 2024 | — | $ — | — | $ — |
| November 1, 2024 – November 30, 2024 | — | — | — | $ — |
| December 1, 2024 – December 31, 2024 | 104,542 | 33.83 | 104,542 | $ 26,463,154 |
| Total | 104,542 | $ 33.83 | 104,542 | |

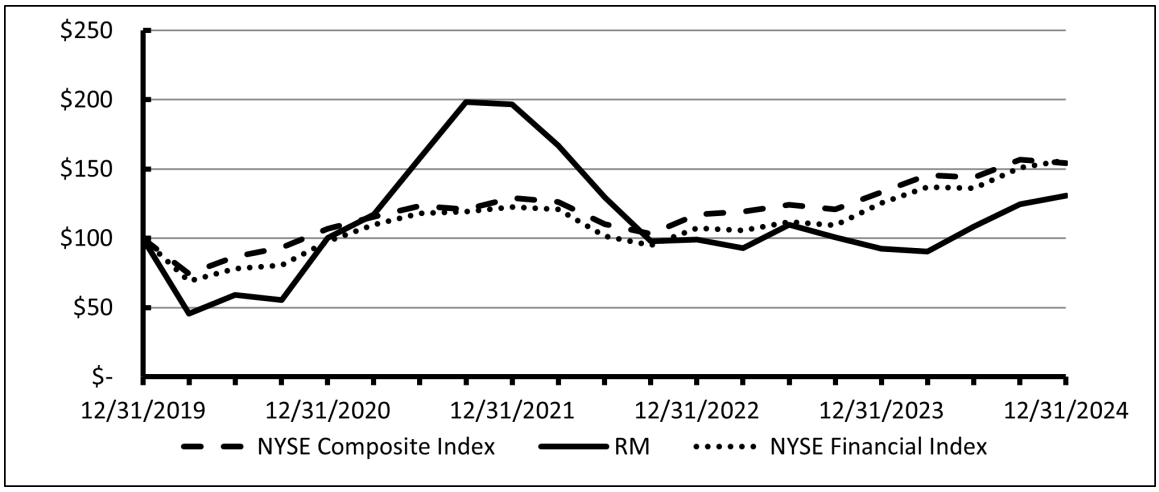
* On December 2, 2024, we announced that our Board had authorized the repurchase of up to $30.0 million of our outstanding shares of common stock. The authorization was effective immediately and extends through December 31, 2026.

The declaration, amount, and payment of any future cash dividends on shares of common stock and/or repurchases of common stock will be at the discretion of our Board. Our Board may take into account general and economic conditions; our financial condition and results of operations; our available cash and current and anticipated cash needs; capital requirements; contractual, legal, tax, and regulatory restrictions and implications on the payment of cash dividends by us to our stockholders or by our subsidiaries to us; and such other factors as our Board may deem relevant. Our senior revolving credit facility includes a provision restricting our ability to pay dividends on our common stock based upon, among other things, our interest coverage ratio and hypothetical availability under the credit facility. Likewise, certain of our credit facilities restrict certain of our wholly owned subsidiaries from paying dividends to us, subject to certain exceptions.

**Stock Performance Graph**

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

The following graph shows a comparison of the cumulative total return for our common stock, the NYSE Composite Index, and the NYSE Financial Index for the five years ended December 31, 2024. The graph assumes that $100 was invested at the market close on December 31, 2019, in the common stock of the Company, the NYSE Composite Index, and the NYSE Financial Index, and data for each assumes reinvestments of dividends. The stock price performance of the following graph is not necessarily indicative of future stock price performance.



**ITEM 6.** ***[RESERVED].***

**ITEM 7.** ***MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.***

*The following discussion and analysis should be read in conjunction with, and is qualified in its entirety by reference to, our audited consolidated financial statements and the related notes that appear in Part II, Item 8, "Financial Statements and Supplementary Data" in this Annual Report on Form 10-K. These discussions contain forward-looking statements that reflect our current expectations and that include, but are not limited to, statements concerning our strategies, future operations, future financial position, future revenues, projected costs, expectations regarding demand and acceptance for our financial products, growth opportunities and trends in the market in which we operate, prospects, and plans and objectives of management. The words "anticipates," "believes," "estimates," "expects," "intends," "may," "plans," "projects," "predicts," "will," "would," "should," "could," "potential," "continue," and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. We may not actually achieve the plans, intentions, or expectations disclosed in our forward-looking statements, and you should not place undue reliance on our forward-looking statements. Our forward-looking statements involve risks and uncertainties that could cause actual results, events, and/or performance to differ materially from the plans, intentions, and expectations disclosed in the forward-looking statements. Such risks and uncertainties include, without limitation, the risks set forth in Part I, Item 1A, "Risk Factors" in this Annual Report on Form 10-K. The forward-looking information we have provided in this Annual Report on Form 10-K pursuant to the safe harbor established under the Private Securities Litigation Reform Act of 1995 should be evaluated in the context of these factors. Forward-looking statements speak only as of the date they were made, and we undertake no obligation to update or revise such statements, except as required by the federal securities laws.*

**Overview**

We are a diversified consumer finance company that provides installment loan products primarily to customers with limited access to consumer credit from banks, thrifts, credit card companies, and other lenders. As of December 31, 2024, we operate under the name "Regional Finance" online and in 344 branch locations in 19 states across the United States, serving 575,400 active accounts. Most of our loan products are secured, and each is structured on a fixed-rate, fixed-term basis with fully amortizing equal monthly installment payments, repayable at any time without penalty. We source our loans through our omni-channel platform, which includes our branches, centrally-managed direct mail campaigns, digital partners, and our consumer website. We operate an integrated branch model in which nearly all loans, regardless of origination channel, are serviced through our branch network with the support of centralized sales, underwriting, service, collections, and administrative teams. This model provides us with frequent contact with our customers, which we believe improves our credit performance and customer loyalty. Our goal is to consistently grow our finance receivables and to soundly manage our portfolio risk, while providing our customers with attractive and easy-to-understand loan products that serve their varied financial needs.

Our products include:

- *Large Loans (>$2,500)* – As of December 31, 2024, we had 259.5 thousand large installment loans outstanding, representing $1.3 billion in net finance receivables. This included 69.5 thousand large loan convenience checks, representing $199.5 million in net finance receivables.
- *Small Loans (≤$2,500)* – As of December 31, 2024, we had 314.9 thousand small installment loans outstanding, representing $554.7 million in net finance receivables. This included 167.3 thousand small loan convenience checks, representing $260.9 million in net finance receivables.
- *Retail Loans* – As of December 31, 2024, we had 1.0 thousand retail purchase loans outstanding, representing $1.1 million in net finance receivables.
- *Optional Insurance Products* – We offer optional payment and collateral protection insurance to our direct loan customers.

Large and small installment loans are our core products and will be the drivers of future growth. We ceased accepting applications for our retail loan product offering in November 2022, to focus on growing our core loan portfolio. We continue to own and service our existing portfolio of retail loans. Our primary sources of revenue are interest and fee income from our loan products, of which interest and fees relating to large and small installment loans are the largest component. In addition to interest and fee income from loans, we derive revenue from optional insurance products purchased by customers of our direct loan products.

For additional information regarding our business operations, see Part I, Item 1, "Business."

**Outlook**

We continually assess the macroeconomic environment in which we operate in order to appropriately and timely adapt to current market conditions. Macroeconomic factors, including, but not limited to, inflationary pressures, higher interest rates, and impacts from current geopolitical events outside the U.S., may affect our business, liquidity, financial condition, and results of operations.

Due to moderating inflation and expectations for an improving economic environment, we have prudently increased the growth in our small loan portfolio. We grew the small loan portfolio by $61.2 million, or 12.4%, year-over-year. To balance the risk associated with the growth in our small loan portfolio, we deploy a barbell strategy of also originating higher-credit-quality, auto-secured loans.

Our allowance for credit losses was 10.5% of net finance receivables as of December 31, 2024. Going forward, macroeconomic conditions may necessitate changes to the macroeconomic assumptions within our forecast and to our credit loss performance outlook, either of which could lead to further changes in our allowance for credit losses, reserve rate, and provision for credit losses expense.

We have proactively diversified our funding over the past few years and continue to maintain a strong liquidity profile. As of December 31, 2024, we had $136.9 million of available liquidity, comprised of unrestricted cash on hand and immediate availability to draw down cash from our revolving credit facilities. In addition, we had $466.2 million of unused capacity on our revolving credit facilities (subject to the borrowing base) as of December 31, 2024. We believe our liquidity position provides substantial runway to support the fundamental operations of our business and to fund future growth.

**Factors Affecting Our Results of Operations**

Our business is impacted by several factors affecting our revenues, costs, and results of operations, including the following:

***Quarterly Information and Seasonality.*** Our loan volume and contractual delinquency follow seasonal trends. Demand for our loans is typically highest during the second, third, and fourth quarters, which we believe is largely due to customers borrowing money for vacation, back-to-school, and holiday spending. Loan demand has generally been the lowest during the first quarter, which we believe is largely due to the timing of income tax refunds. Delinquencies generally reach their lowest point in the first half of the year and rise in the second half of the year. Changes in quarterly growth or liquidation could result in larger allowance for credit loss releases in periods of portfolio liquidation, and larger provisions for credit losses in periods of portfolio growth. Consequently, we experience seasonal fluctuations in our operating results. However, changes in macroeconomic factors, including inflation, higher interest rates, and geopolitical conflict, have impacted our typical seasonal trends for loan volume and delinquency.

***Growth in Loan Portfolio.*** The revenue that we generate from interest and fees is largely driven by the balance of loans that we originate. We source our loans through our branches, centrally-managed direct mail program, digital partners, and our consumer website. The majority of our loans, regardless of origination channel, are serviced through our branches. Increasing the number of loans per branch and growing our state footprint allows us to increase the number of customers we are able to serve. We continue to assess our branch network for clear opportunities to add branches in new and existing states where it is favorable for us to conduct business or consolidate operations into larger branches within close geographic proximity. This branch optimization is consistent with our omni-channel strategy and builds upon our recent successes in entering new states with a lighter branch footprint, while still providing customers with best-in-class service. As we consider our growth rate, we not only consider the health of the consumer, the strength of the economy, and the credit performance of our portfolio, we also balance our commitment to deliver strong short-term results for investors while also generating the portfolio growth that will fuel our success and returns over the long-term. As we grow our portfolio, we are required to reserve for expected lifetime credit losses at the origination of each loan, which reduces net income. The related revenue benefits are recognized over the life of each loan.

***Product Mix.*** We are exposed to different credit risks and charge different interest rates and fees with respect to the various types of loans we offer. Our product mix also varies to some extent by state, and we may further diversify our product mix in the future. The interest rates and fees vary from state to state, depending on the competitive environment and relevant laws and regulations.

***Asset Quality and Allowance for Credit Losses.*** Our results of operations are highly dependent upon the credit quality of our loan portfolio. The credit quality of our loan portfolio is the result of our ability to enforce sound underwriting standards, maintain diligent servicing of the portfolio, and respond to changing economic conditions as we grow our loan portfolio.

The primary underlying factors driving the provision for credit losses for each loan type are our underwriting standards, delinquency trends, the general economic conditions in the areas in which we conduct business, loan portfolio growth, and the effectiveness of our servicing and collection efforts. We monitor these factors, and the amount and past due status of all loans, to identify trends that might require us to modify the allowance for credit losses.

***Interest Rates.*** Our costs of funds are affected by changes in interest rates, as the interest rates that we pay on certain of our credit facilities are variable. As a component of our strategy to manage the interest rate risk associated with future interest payments on our variable-rate debt, a majority of our funding was held at a fixed rate as of December 31, 2024, representing 79% of our total debt.

***Operating Costs.*** Our financial results are impacted by the costs of operations and head office functions. Those costs are included in general and administrative expenses within our consolidated statements of comprehensive income.

**Components of Results of Operations**

***Interest and Fee Income.*** Our interest and fee income consists primarily of interest earned on outstanding loans. Accrual of interest income on finance receivables is suspended when an account becomes 90 days delinquent. If the account is charged off, the accrued interest income is reversed as a reduction of interest and fee income.

Most states allow certain fees in connection with lending activities, such as loan origination fees, acquisition fees, and maintenance fees. Some states allow for higher fees while keeping interest rates lower. Loan fees are additional charges to the customer and generally are included in the annual percentage rate shown in the Truth in Lending disclosure that we make to our customers. The fees may or may not be refundable to the customer in the event of an early payoff, depending on state law. Fees are recognized as income over the life of the loan on the constant yield method.

***Insurance Income, Net.*** Our insurance operations are a material part of our overall business and are integral to our lending activities. Insurance income, net consists primarily of earned premiums, net of certain direct costs, from the sale of various optional payment and collateral protection insurance products offered to customers who obtain loans directly from us. Insurance income, net also includes the earned premiums and direct costs associated with the non-file insurance that we purchase to protect us from credit losses where, following an event of default, we are unable to take possession of personal property collateral because our security interest is not perfected. We do not sell insurance to non-borrowers. Direct costs included in insurance income, net are claims paid, claims reserves, ceding fees, and premium taxes paid. We do not allocate to insurance income, net, any other head office or branch administrative costs associated with management of insurance operations, management of our captive insurance company, marketing and selling insurance products, legal and compliance review, or internal audits.

As reinsurer, we maintain restricted reserves comprised of restricted cash and restricted AFS investments for life insurance in an amount determined by the unaffiliated insurance company. As of December 31, 2024, the restricted reserves consisted of $21.2 million of unearned premium reserves and $1.2 million of unpaid claims reserves. The unaffiliated insurance company maintains the reserves for non-life claims.

***Other Income.*** Our other income consists primarily of late charges assessed on customers who fail to make a payment within a specified number of days following the due date of the payment. In addition, interest income from restricted cash, commissions earned from the sale of club membership products, and investment income from restricted AFS securities are included in other income.

***Provision for Credit Losses.*** Provisions for credit losses are charged to income in amounts that we estimate as sufficient to maintain an allowance for credit losses at an adequate level to provide for lifetime expected credit losses on the related finance receivable portfolio. We reserve for expected lifetime credit losses at origination of each loan, while the revenue benefits are recognized over the life of the loan. Credit loss experience, current conditions, reasonable and supportable economic forecasts, delinquency of finance receivables, loan portfolio growth, the value of underlying collateral, and management's judgment are factors used in assessing the overall adequacy of the allowance and the resulting provision for credit losses. Substantial adjustments to the allowance may be necessary if there are significant changes in forecasted economic conditions or loan portfolio performance.

***General and Administrative Expenses.*** Our financial results are impacted by the costs of operations and head office functions. Those costs are included in general and administrative expenses within our consolidated statements of comprehensive income. Our general and administrative expenses are comprised of four categories: personnel, occupancy, marketing, and other.

Our personnel expenses are the largest component of our general and administrative expenses and consist primarily of the salaries and wages, overtime, contract labor, relocation costs, incentives, benefits, and related payroll taxes associated with all of our operations and head office employees.

Our occupancy expenses consist primarily of the cost of renting our facilities, all of which are leased, and the utility, depreciation of leasehold improvements and furniture and fixtures, communication services, data processing, and other non-personnel costs associated with operating our business.

Our marketing expenses consist primarily of costs associated with our direct mail campaigns (including postage and costs associated with selecting recipients), digital marketing, maintaining our consumer website, and local marketing by branches. These costs are expensed as incurred.

Other expenses consist primarily of legal, compliance, audit, and consulting costs, as well as software maintenance and support, non-employee director compensation, electronic payment processing costs, bank service charges, office supplies, credit bureau charges, and the amortization of software, software licenses, and implementation costs. We frequently experience fluctuations in other expenses as we grow our loan portfolio and expand our market footprint. For a discussion regarding how risks and uncertainties associated with the current regulatory environment may impact our future expenses, net income, and overall financial condition, see Part I, Item 1A, "Risk Factors."

***Interest Expense.*** Our interest expense consists primarily of paid and accrued interest for debt, unused line fees, and amortization of debt issuance costs on debt.

***Income Taxes.*** Income taxes consist of state and federal income taxes. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The change in deferred tax assets and liabilities is recognized in the period in which the change occurs, and the effects of future tax rate changes are recognized in the period in which the enactment of new rates occurs.

**Results of Operations**

The following table summarizes our results of operations, both in dollars and as a percentage of average net finance receivables:

| | Year Ended December 31, | | | | | |
|---|---|---|---|---|---|---|
| | 2024 | | 2023 | | 2022 | |
| *Dollars in thousands* | Amount | % of Average Net Finance Receivables | Amount | % of Average Net Finance Receivables | Amount | % of Average Net Finance Receivables |
| **Revenue** | | | | | | |
| Interest and fee income | $ 528,894 | 29.6% | $ 489,698 | 28.6% | $ 450,854 | 29.5% |
| Insurance income, net | 40,695 | 2.3% | 44,529 | 2.6% | 43,502 | 2.8% |
| Other income | 18,914 | 1.0% | 17,172 | 1.0% | 12,831 | 0.8% |
| Total revenue | 588,503 | 32.9% | 551,399 | 32.2% | 507,187 | 33.1% |
| **Expenses** | | | | | | |
| Provision for credit losses | 212,200 | 11.9% | 220,034 | 12.9% | 185,115 | 12.1% |
| Personnel | 153,789 | 8.6% | 156,872 | 9.2% | 141,243 | 9.2% |
| Occupancy | 25,823 | 1.4% | 25,029 | 1.5% | 23,809 | 1.6% |
| Marketing | 19,006 | 1.1% | 15,774 | 0.9% | 15,378 | 1.0% |
| Other | 49,080 | 2.7% | 45,444 | 2.6% | 42,098 | 2.7% |
| Total general and administrative | 247,698 | 13.8% | 243,119 | 14.2% | 222,528 | 14.5% |
| Interest expense | 74,530 | 4.2% | 67,463 | 3.9% | 34,223 | 2.2% |
| Income before income taxes | 54,075 | 3.0% | 20,783 | 1.2% | 65,321 | 4.3% |
| Income taxes | 12,848 | 0.7% | 4,825 | 0.3% | 14,097 | 1.0% |
| **Net income** | $ 41,227 | 2.3% | $ 15,958 | 0.9% | $ 51,224 | 3.3% |

Information explaining the changes in our results of operations from year-to-year is provided in the following pages.

**Comparison of December 31, 2024, Versus December 31, 2023**

The following discussion and table describe the changes in finance receivables by product type:

•*Large Loans (>$2,500)* – Large loans outstanding increased by $62.6 million, or 4.9%, to $1.3 billion at December 31, 2024, from $1.3 billion at December 31, 2023. The increase was due to growth in our auto-secured portfolio, the growth of receivables in branches opened during 2023 and 2024, and the transition of small loan customers to large loans.

•*Small Loans (≤$2,500)* – Small loans outstanding increased by $61.2 million, or 12.4%, to $554.7 million at December 31, 2024, from $493.5 million at December 31, 2023. The increase was due to growth in our higher-margin loan portfolio and the growth of receivables in branches opened during 2023 and 2024, partially offset by the transition of small loan customers to large loans.

•*Retail Loans* – Retail loans outstanding decreased $2.7 million, or 71.9%, to $1.1 million at December 31, 2024, from $3.8 million at December 31, 2023. We ceased accepting applications for our retail loan product offering in November 2022 to focus on growing our core loan portfolio.

| Dollars in thousands | Net Finance Receivables by Product December 31, 2024 | December 31, 2023 | YoY $ Inc (Dec) | YoY % Inc (Dec) |
|---|---|---|---|---|
| Large loans | $ 1,336,780 | $ 1,274,137 | $ 62,643 | 4.9 % |
| Small loans | 554,686 | 493,473 | 61,213 | 12.4 % |
| Retail loans | 1,069 | 3,800 | (2,731) | (71.9)% |
| Total | $ 1,892,535 | $ 1,771,410 | $ 121,125 | 6.8 % |
| Number of branches at period end | 344 | 346 | (2) | (0.6)% |
| Net finance receivables per branch | $ 5,502 | $ 5,120 | $ 382 | 7.5 % |

**Comparison of the Year Ended December 31, 2024, Versus the Year Ended December 31, 2023**

***Net Income.*** Net income increased $25.3 million, or 158.3%, to $41.2 million in 2024, from $16.0 million in 2023. The increase was due to an increase in revenue of $37.1 million and a decrease in provision for credit losses of $7.8 million, partially offset by increases in income taxes of $8.0 million, interest expense of $7.1 million, and general and administrative expenses of $4.6 million.

***Revenue.*** Total revenue increased $37.1 million, or 6.7%, to $588.5 million in 2024, from $551.4 million in 2023. The components of revenue are explained in greater detail below.

**Interest and Fee Income.** Interest and fee income increased $39.2 million, or 8.0%, to $528.9 million in 2024, from $489.7 million in 2023. The increase was due to a 4.5% increase in average net finance receivables and a 1.0% increase in average yield. The increase in yield was due to price increases, growth in our higher-margin small loan business, and improved credit performance. Reductions in revenue reversals from the loan sale that occurred in the fourth quarter of 2023 increased 2024 interest and fee income by an estimated $1.7 million.

The following table sets forth the average net finance receivables balance and average yield for our loan products:

| Dollars in thousands | Average Net Finance Receivables for the Year Ended December 31, 2024 | December 31, 2023 | YoY % Inc (Dec) | Average Yields for the Year Ended December 31, 2024 | December 31, 2023 | YoY % Inc (Dec) |
|---|---|---|---|---|---|---|
| Large loans | $ 1,278,683 | $ 1,242,529 | 2.9 % | 26.4% | 26.1% | 0.3 % |
| Small loans | 507,584 | 462,116 | 9.8 % | 37.6% | 35.6% | 2.0 % |
| Retail loans | 2,214 | 6,522 | (66.1)% | 16.1% | 17.3% | (1.2)% |
| Total | $ 1,788,481 | $ 1,711,167 | 4.5 % | 29.6% | 28.6% | 1.0 % |

Total originations increased to $1.7 billion in 2024, from $1.5 billion in 2023. Origination volume increased during 2024 compared to prior year due to increases in small loan convenience checks and large branch loans. The following table represents the principal balance of loans originated and refinanced:

| Dollars in thousands | Loans Originated for the Year Ended December 31, 2024 | December 31, 2023 | YoY $ Inc (Dec) | YoY % Inc (Dec) |
|---|---|---|---|---|
| Large loans | $ 973,048 | $ 928,499 | $ 44,549 | 4.8% |
| Small loans | 681,463 | 606,412 | 75,051 | 12.4% |
| Retail loans | — | 146 | (146) | (100.0)% |
| Total | $ 1,654,511 | $ 1,535,057 | $ 119,454 | 7.8% |

The following table summarizes the components of the increase in interest and fee income:

| | Components of Increase in Interest and Fee Income Year Ended December 31, 2024 Compared to Year Ended December 31, 2023 Increase (Decrease) | | | |
|---|---|---|---|---|
| *Dollars in thousands* | Volume | Rate | Volume & Rate | Net |
| Large loans | $ 9,424 | $ 4,262 | $ 124 | $ 13,810 |
| Small loans | 16,202 | 9,065 | 892 | 26,159 |
| Retail loans | (746) | (80) | 53 | (773) |
| Product mix | (2,754) | 3,086 | (332) | — |
| Total | $ 22,126 | $ 16,333 | $ 737 | $ 39,196 |

**Insurance Income, Net.** Insurance income, net decreased $3.8 million, or 8.6%, to $40.7 million in 2024, from $44.5 million in 2023. In both 2024 and 2023, personal property insurance premiums represented the largest component of aggregate earned insurance premiums, and life insurance claims expense represented the largest component of direct insurance expenses.

The following table summarizes the components of insurance income, net:

| | Insurance Premiums and Direct Expenses for the Year Ended | | | |
|---|---|---|---|---|
| *Dollars in thousands* | December 31, 2024 | December 31, 2023 | YoY $ B(W) | YoY % B(W) |
| Earned premiums | $ 57,312 | $ 59,830 | $ (2,518) | (4.2)% |
| Claims, reserves, and certain direct expenses | (16,617) | (15,301) | (1,316) | (8.6)% |
| Insurance income, net | $ 40,695 | $ 44,529 | $ (3,834) | (8.6)% |

Earned premiums during 2024 decreased by $2.5 million, and claims, reserves, and certain direct expenses increased by $1.3 million in each case compared to 2023. The decrease in earned premiums was primarily due to our strategic shifts in product and geographic mix which resulted in fewer active policies. The increase in claims, reserves, and certain direct expenses was primarily due to an increase in personal property insurance claims and reserves of $2.6 million related to hurricane activity.

**Other Income.** Other income increased $1.7 million, or 10.1%, to $18.9 million in 2024, from $17.2 million in 2023, primarily due to higher late charges of $0.9 million associated with portfolio growth, an increase in sales of our club membership products of $0.6 million, and higher investment income of $0.2 million.

***Provision for Credit Losses.*** Our provision for credit losses decreased $7.8 million, or 3.6%, to $212.2 million in 2024, from $220.0 million in 2023. The decrease was due to a decrease in net credit losses of $11.3 million, partially offset by an incremental increase in the allowance for credit losses of $3.5 million compared to 2023. The decrease in the provision for credit losses is explained in greater detail below.

**Allowance for Credit Losses.** We evaluate delinquency and losses in each of our loan products in establishing the allowance for credit losses. Our increase in the allowance for credit losses was $12.1 million, an increase of $3.5 million from $8.6 million in 2023. Our increase in 2024 was primarily due to incremental portfolio growth of $49.1 million compared to prior year growth and changes in macro conditions. The allowance for credit losses as a percentage of finance receivables decreased to 10.5% as of December 31, 2024, from 10.6% as of December 31, 2023 due to changes in estimated future macroeconomic impacts on credit losses. See Note 4, “Finance Receivables, Credit Quality Information, and Allowance for Credit Losses” of the Notes to Consolidated Financial Statements in Part II, Item 8, “Financial Statements and Supplementary Data,” for additional information regarding our allowance for credit losses.

**Net Credit Losses.** Net credit losses decreased $11.3 million, or 5.4%, to $200.1 million in 2024, from $211.4 million in 2023. Our net credit losses during 2024 were inclusive of an estimated $12.2 million benefit from accelerated charge-offs in the fourth quarter of 2023 attributable to the loan sale that occurred during the fourth quarter of 2023 and further benefited from an improved macroeconomic environment. These decreases were partially offset by an increase in net credit losses due to higher average net finance receivables during the year ended December 31, 2024. The prior-year period included impacts from the loan sales that occurred in the fourth quarters of 2022 and 2023, which resulted in a net increase in net credit losses of $1.6 million. Our net credit loss ratio was 11.2% in 2024, compared to 12.4% in 2023. The 2023 loan sale resulted in a decrease of 70 basis points to

our 2024 net credit loss ratio. The 2022 and 2023 loan sales resulted in a net increase of 10 basis points to our 2023 net credit loss ratio.

**Delinquency Performance.** Our delinquency rate increased to 7.7% as of December 31, 2024, from 6.9% as of December 31, 2023. Our delinquency rate as of December 31, 2023 was inclusive of a 90 basis point reduction from the 2023 loan sale.

The following tables include contractual delinquency balances by aging category and by product:

| | Contractual Delinquency by Aging | | | |
|---|---|---|---|---|
| *Dollars in thousands* | December 31, 2024 | | December 31, 2023 | |
| Current | $ 1,590,381 | 84.0 % | $ 1,493,341 | 84.3 % |
| 1 to 29 days past due | 156,312 | 8.3 % | 155,196 | 8.8 % |
| Delinquent accounts: | | | | |
| 30 to 59 days | 36,948 | 1.9 % | 34,756 | 1.9 % |
| 60 to 89 days | 35,242 | 1.9 % | 31,212 | 1.8 % |
| 90 to 119 days | 28,085 | 1.5 % | 27,107 | 1.5 % |
| 120 to 149 days | 23,987 | 1.3 % | 15,317 | 0.9 % |
| 150 to 179 days | 21,580 | 1.1 % | 14,481 | 0.8 % |
| Total delinquency | $ 145,842 | 7.7 % | $ 122,873 | 6.9 % |
| Total net finance receivables | $ 1,892,535 | 100.0 % | $ 1,771,410 | 100.0 % |

| | Contractual Delinquency by Product | | | |
|---|---|---|---|---|
| *Dollars in thousands* | December 31, 2024 | | December 31, 2023 | |
| Large loans | $ 88,054 | 6.6 % | $ 80,136 | 6.3 % |
| Small loans | 57,595 | 10.4 % | 42,151 | 8.5 % |
| Retail loans | 193 | 18.1 % | 586 | 15.4 % |
| Total | $ 145,842 | 7.7 % | $ 122,873 | 6.9 % |

***General and Administrative Expenses.*** Our general and administrative expenses increased $4.6 million, or 1.9%, to $247.7 million in 2024 from $243.1 million in 2023. The absolute dollar increase in general and administrative expenses is explained in greater detail below.

**Personnel.** The largest component of general and administrative expenses is personnel expense, which decreased $3.1 million, or 2.0%, to $153.8 million in 2024, from $156.9 million in 2023. The decrease was primarily due to higher capitalized loan origination costs, which reduce personnel expenses, of $2.2 million and reduction in force expenses of $1.7 million in 2023, partially offset by higher labor costs of $0.9 million.

**Occupancy.** Occupancy expenses increased $0.8 million, or 3.2%, to $25.8 million in 2024, from $25.0 million in 2023, primarily due to increased rent expense of $0.9 million.

**Marketing.** Marketing expenses increased $3.2 million, or 20.5%, to $19.0 million in 2024, from $15.8 million in 2023 primarily due to increased activity in our direct mail campaigns of $3.3 million to support growth, partially offset by lower digital marketing costs of $0.2 million.

**Other Expenses.** Other expenses increased $3.6 million, or 8.0%, to $49.1 million in 2024, from $45.4 million in 2023, primarily due to an increase in collections expense of $1.1 million and increased investment in digital and technological capabilities of $1.0 million. The prior-year period included insurance settlement proceeds of $1.0 million, which reduced other expenses. Additionally, we often experience increases in other expenses including legal expenses, bank fees, and certain professional expenses as we grow our loan portfolio and expand our market footprint.

**Operating Expense Ratio.** Our operating expense ratio decreased by 0.4% to 13.8% during 2024, from 14.2% during 2023. Our operating expense ratio has improved as we have grown our loan portfolio and controlled expense growth.

***Interest Expense.*** Interest expense increased $7.1 million, or 10.5%, to $74.5 million in 2024, compared to $67.5 million in 2023. The increase was primarily due to an increase in our cost of funds as well as an increase in the average balance of our debt

facilities. Our cost of funds increased 0.3% to 4.2% during 2024, from 3.9% during 2023. The average balance of our debt facilities increased to $1.4 billion in 2024, from $1.3 billion in 2023.

***Income Taxes.*** Income taxes increased $8.0 million, or 166.3%, to $12.8 million in 2024, from $4.8 million in 2023. The increase was primarily due to a $33.3 million increase in income before taxes compared to 2023. Our effective tax rate increased to 23.8% in 2024, compared to 23.2% in 2023. The increase in the effective tax rate was primarily related to a decrease in the research and development tax credit and offset by decreases related to non-deductible compensation and excess tax benefits related to share-based compensation.

**Comparison of the Year Ended December 31, 2023, Versus the Year Ended December 31, 2022**

For a comparison of our results of operations for the years ended December 31, 2023 and December 31, 2022, see Part II, Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations" of our Annual Report on Form 10-K for the fiscal year ended December 31, 2023 (which was filed with the SEC on February 22, 2024), which is incorporated by reference herein.

**Liquidity and Capital Resources**

Our primary cash needs relate to the funding of our lending activities and, to a lesser extent, expenditures relating to improving our technology infrastructure and expanding and maintaining our branch locations. We have historically financed, and plan to continue to finance, our short-term and long-term operating liquidity and capital needs through a combination of cash flows from operations and borrowings under our debt facilities, including our senior revolving credit facility, revolving warehouse credit facilities, and asset-backed securitization transactions, all of which are described below. We continue to seek ways to diversify our funding sources. As of December 31, 2024, we had a funded debt-to-equity ratio of 4.1 to 1.0 and a stockholders' equity ratio of 18.7%.

Cash and cash equivalents decreased to $4.0 million as of December 31, 2024, from $4.5 million as of December 31, 2023. As of December 31, 2024 and December 31, 2023 we had $132.9 million and $108.1 million, respectively, of immediate availability to draw down cash from our revolving credit facilities. Our unused capacity on our revolving credit facilities (subject to the borrowing base) was $466.2 million and $551.5 million as of December 31, 2024 and December 31, 2023, respectively. Our debt balance was $1.5 billion as of December 31, 2024 compared to $1.4 billion the prior year-end.

A summary of the future material financial obligations requiring payments as of December 31, 2024 is as follows:

| | Future Material Financial Obligations by Period | | |
|---|---|---|---|
| *Dollars in thousands* | Next Twelve Months | Beyond Twelve Months | Total |
| Principal payments on debt obligations | $ 466,626 | $ 1,007,637 | $ 1,474,263 |
| Interest payments on debt obligations | 65,822 | 76,813 | 142,635 |
| Operating lease obligations | 11,001 | 36,728 | 47,729 |
| Total | $ 543,449 | $ 1,121,178 | $ 1,664,627 |

Based upon anticipated cash flows, we believe that cash flows from operations and our various financing alternatives will provide sufficient financing for debt maturities and operations over the next twelve months, as well as into the future.

From time to time, we have extended the maturity date of and increased the borrowing limits under our senior revolving credit facility. While we have successfully obtained such extensions and increases in the past, there can be no assurance that we will be able to do so if and when needed in the future. In addition, the revolving period maturities of our securitizations and warehouse credit facilities as of December 31, 2024 (each as described below within "Financing Arrangements and Restricted Cash Reserve Accounts") ranged from February 2025 to May 2027. As of December 31, 2024, we did not exercise our rights to redeem the notes of our RMIT 2020-1 or RMIT 2021-1 securitizations, for which the revolving periods ended in September 2023 and February 2024, respectively. There can be no assurance that we will be able to secure an extension of the warehouse credit facilities or close additional securitization transactions if and when needed in the future. See Note 21, "Subsequent Events" of the Notes to Consolidated Financial Statements in Part II, Item 8, "Financial Statements and Supplementary Data," for information regarding the amendment of the RMR VI revolving warehouse credit facility following the end of the fiscal year.

***Dividends and Stock Repurchases.***

The Board may in its discretion declare and pay cash dividends on our common stock. The following table sets forth the dividends declared and paid for 2024:

| Period | Declaration Date | Record Date | Payment Date | Dividends Declared Per Common Share |
|---|---|---|---|---|
| 1Q 24 | February 7, 2024 | February 22, 2024 | March 14, 2024 | $ 0.30 |
| 2Q 24 | May 1, 2024 | May 22, 2024 | June 12, 2024 | 0.30 |
| 3Q 24 | July 31, 2024 | August 21, 2024 | September 12, 2024 | 0.30 |
| 4Q 24 | November 6, 2024 | November 21, 2024 | December 11, 2024 | 0.30 |
| Total | | | | $ 1.20 |

The Board declared $12.3 million of cash dividends on our common stock during 2024. See Note 21, "Subsequent Events" of the Notes to Consolidated Financial Statements in Part II, Item 8, "Financial Statements and Supplementary Data," for information regarding our quarterly cash dividend following the end of the year.

While we intend to pay our quarterly dividend for the foreseeable future, all subsequent dividends will be reviewed and declared at the discretion of the Board and will depend on many factors, including our financial condition, earnings, cash flows, capital requirements, level of indebtedness, statutory and contractual restrictions applicable to the payment of dividends, and other considerations that the Board deems relevant. Our dividend payments may change from time to time, and the Board may choose not to continue to declare dividends in the future.

In December 2024, we announced that the Board had authorized a $30.0 million stock repurchase program. The authorization was effective immediately and extends through December 31, 2026. As of December 31, 2024, we had repurchased 0.1 million shares of common stock at a total cost of $3.5 million.

***Cash Flow.***

**Operating Activities.** Net cash provided by operating activities in 2024 was $269.6 million, compared to $249.2 million provided by operating activities in 2023, an increase of $20.5 million. The increase was primarily due to the growth of our loan portfolio.

**Investing Activities.** Investing activities consist of originations and repayments of finance receivables, purchases of intangible assets, and purchases of property and equipment for new and existing branches. Net cash used in investing activities in 2024 was $316.1 million, compared to $278.7 million in 2023, an increase of $37.4 million. The increase was primarily driven by increased originations as we grow our loan portfolio, partially offset by increased repayments of finance receivables.

**Financing Activities.** Financing activities consist of borrowings and payments on our outstanding indebtedness. Net cash provided by financing activities in 2024 was $53.4 million, compared to $26.4 million in 2023, an increase of $27.0 million. The increase in cash provided was the result of an increase in net advances on debt instruments of $34.5 million, partially offset by an increase in payments for debt issuance costs of $3.9 million and an increase in the repurchases of common stock of $3.5 million.

***Financing Arrangements and Restricted Cash Reserve Accounts.***

As of December 31, 2024, we had five credit facilities outstanding and, from time to time, engage in the private offering and sale of asset-backed notes. We had $132.9 million and $108.1 million of immediate availability to draw down cash from our revolving credit facilities as of December 31, 2024 and December 31, 2023, respectively. As part of our overall funding strategy, we have transferred certain finance receivables to affiliated VIEs for asset-backed financing transactions. Our debt arrangements described below, other than our senior revolving credit facility, are issued by each of our RMR and RMIT SPEs, which are considered VIEs under GAAP. These debts are supported by the expected cash flows from the underlying collateralized finance receivables. Collections on these finance receivables are remitted to restricted cash collection accounts, which totaled $117.1 million and $109.9 million as of December 31, 2024 and December 31, 2023, respectively. Our debt arrangements also contain various debt covenants. We were in compliance with all such debt covenants as of December 31, 2024.

**Revolving Credit Facilities.** The following is a summary of our revolving credit facilities as of December 31, 2024:

| *Dollars in thousands* | Capacity | Debt Balance | Effective Interest Rate | Facility Cash Reserve Requirement | Restricted Cash Collection | Maturity Date |
|---|---|---|---|---|---|---|
| Senior | $ 355,000 | $ 219,339 | 7.7% | $ — | $ — | Sep 2025 |
| RMR IV warehouse | $ 125,000 | $ 4,792 | 7.5% | $ 61 | $ 256 | May 2026 |
| RMR V warehouse | $ 100,000 | $ 52,307 | 6.9% | $ 325 | $ 3,882 | Nov 2027 |
| RMR VI warehouse (1) | $ 75,000 | $ 2,443 | 7.2% | $ 32 | $ 171 | Feb 2026 |
| RMR VII warehouse | $ 125,000 | $ 37,023 | 7.0% | $ 242 | $ 2,746 | Oct 2026 |

(1) See Note 21, "Subsequent Events" of the Notes to Consolidated Financial Statements in Part II, Item 8, "Financial Statements and Supplementary Data," for information regarding the amendment of this facility following the end of the fiscal year.

**Securitizations.** The following is a summary of our securitizations as of December 31, 2024:

| *Dollars in thousands* | Issue Amount | Debt Balance | Effective Interest Rate | Restricted Cash Reserves | Restricted Cash Collection | Revolving Period Maturity | Final Maturity Date |
|---|---|---|---|---|---|---|---|
| RMIT 2020-1 | $ 180,000 | $ 46,769 | 4.3% | $ 1,875 | $ 4,849 | Sep 2023 | Oct 2030 |
| RMIT 2021-1 | $ 248,700 | $ 101,550 | 2.7% | $ 2,604 | $ 9,969 | Feb 2024 | Mar 2031 |
| RMIT 2021-2 | $ 200,000 | $ 200,191 | 2.3% | $ 2,083 | $ 16,871 | Jul 2026 | Aug 2033 |
| RMIT 2021-3 | $ 125,000 | $ 125,202 | 3.9% | $ 1,471 | $ 16,698 | Sep 2026 | Oct 2033 |
| RMIT 2022-1 | $ 250,000 | $ 250,374 | 3.6% | $ 2,646 | $ 21,469 | Feb 2025 | Mar 2032 |
| RMIT 2024-1 | $ 187,305 | $ 187,788 | 6.2% | $ 1,078 | $ 17,332 | May 2027 | July 2036 |
| RMIT 2024-2 | $ 250,000 | $ 250,558 | 5.3% | $ 1,418 | $ 22,892 | Nov 2026 | Dec 2033 |

**RMC Reinsurance.** Our wholly owned subsidiary, RMC Reinsurance, Ltd., is required to maintain reserves against life insurance policies ceded to it, as determined by the ceding company. These reserves are comprised of restricted cash and restricted AFS investments, which totaled $0.7 million and $21.7 million, respectively, as of December 31, 2024.

**Critical Accounting Policies and Estimates**

Management's discussion and analysis of financial condition and results of operations is based upon our consolidated financial statements, which have been prepared in accordance with GAAP and conform to general practices within the consumer finance industry. The preparation of these financial statements requires estimates and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses, and disclosure of contingent assets and liabilities for the periods indicated in the financial statements. Management bases estimates on historical experience and other assumptions it believes to be reasonable under the circumstances and evaluates these estimates on an ongoing basis. Actual results may differ from these estimates under different assumptions or conditions.

***Allowance for Credit Losses.***

The allowance for credit losses is based on historical credit experience, current conditions, and reasonable and supportable economic forecasts. The historical loss experience is adjusted for quantitative and qualitative factors that are not fully reflected in the historical data. In determining our estimate of expected credit losses, we evaluate information related to credit metrics, changes in our lending strategies and underwriting practices, and the current and forecasted direction of the economic and business environment. These metrics include, but are not limited to, loan portfolio mix and growth, unemployment, credit loss trends, delinquency trends, changes in underwriting, and operational risks.

We selected a PD / LGD model to estimate our base allowance for credit losses, in which the estimated loss is equal to the product of PD and LGD. Historical net finance receivables are tracked over the term of the pools to identify the incidences of loss (PDs) and the average severity of losses (LGDs).

To enhance the precision of the allowance for credit loss estimate, we evaluate our finance receivable portfolio on a pool basis and segment each pool of finance receivables with similar credit risk characteristics. As part of our evaluation, we consider loan portfolio characteristics such as product type, loan size, loan term, internal or external credit scores, delinquency status, geographical location, and vintage. Based on analysis of historical loss experience, we selected the following segmentation: product type, FICO score, and delinquency status.

As finance receivables are originated, provisions for credit losses are recorded in amounts sufficient to maintain an allowance for credit losses at an adequate level to provide for estimated losses over the contractual life of the finance receivables (considering the effect of prepayments). Subsequent changes to the contractual terms that are a result of re-underwriting are not included in the finance receivable's contractual life (considering the effect of prepayments). We use our segmentation loss experience to forecast expected credit losses. Historical information about losses generally provides a basis for the estimate of expected credit losses. We also consider the need to adjust historical information to reflect the extent to which current conditions differ from the conditions that existed for the period over which historical information was evaluated. These adjustments to historical loss information may be qualitative or quantitative in nature.

Macroeconomic forecasts are required for our allowance for credit loss model and require significant judgment and estimation uncertainty. We consider key economic factors, most notably unemployment rates, to incorporate into our estimate of the allowance for credit losses. We engaged a major rating service provider to assist with compiling a reasonable and supportable forecast which we use to support the adjustments of our historical loss experience.

Due to the judgment and uncertainty in estimating the expected credit losses, we may experience changes to the macroeconomic assumptions within our forecast, as well as changes to our credit loss performance outlook, both of which could lead to further changes in our allowance for credit losses, allowance as a percentage of net finance receivables, and provision for credit losses. Potential macroeconomic changes have created conditions that increase the level of uncertainty associated with our estimate of the amount and timing of future credit losses from our loan portfolio.

**Macroeconomic Sensitivity.** To demonstrate the sensitivity of forecasting macroeconomic conditions, we stressed our macroeconomic model with 10% increased weighting towards slower near-term growth that would have increased our reserves as of December 31, 2024 by $1.8 million.

The macroeconomic scenarios are highly influenced by timing, severity, and duration of changes in the underlying economic factors. This makes it difficult to estimate how potential changes in economic factors affect the estimated credit losses. Therefore, this hypothetical analysis is not intended to represent our expectation of changes in our estimate of expected credit losses due to a change in the macroeconomic environment, nor does it consider management's judgment of other quantitative and qualitative information which could increase or decrease the estimate.

**Regulatory Developments.**

On March 7, 2023, the CFPB provided us with Notice seeking to establish supervisory authority over us pursuant to section 1024(a)(1)(C) of the Consumer Financial Protection Act of 2010. Under that provision, the CFPB may establish supervisory authority over any non-bank covered person that it has reasonable cause to determine is engaging, or has engaged, in conduct that poses risks to consumers with regard to the offering or provision of consumer financial products or services. We responded to the Notice by voluntarily consenting to the CFPB's supervisory authority and entering into the Consent Agreement. Pursuant to the Consent Agreement and related CFPB order, the CFPB will have supervisory authority over us for a period of two years ending January 8, 2026. The Consent Agreement does not constitute an admission by us that we are a nonbank covered person who is engaging, or has engaged, in conduct that poses risks to consumers with regard to the offering or provision of consumer financial products or services. See "Government Regulation" in Part I, Item 1 "Business" and "Risks Related to Regulation and Legal Proceedings" in Part I, Item 1A "Risk Factors" for a further discussion of the regulation and regulatory risks to which we are subject.

On March 6, 2024, the SEC adopted a final rule to require registrants to disclose certain climate-related information in their registration statements and annual reports. On April 4, 2024, the SEC issued an order staying the effectiveness of the final rule pending completion of the judicial review of consolidated challenges to the rule by the U.S. Court of Appeals for the Eighth Circuit. On February 11, 2025, the Acting Chairman of the SEC directed the SEC staff to notify the U.S. Court of Appeals for the Eighth Circuit of the change in the composition of the SEC and other changed circumstances and request that the court not schedule the case for oral argument to provide time for the SEC to deliberate and determine the appropriate next steps. We will continue to monitor developments with respect to the rule.

**ITEM 7A.** ***QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.***

**Interest Rate Risk**

Interest rate risk arises from the possibility that changes in interest rates will affect our results of operations and financial condition. We originate finance receivables either at prevailing market rates or at statutory limits. Our finance receivables are structured on a fixed-rate, fixed-term basis. Accordingly, subject to statutory limits, our ability to react to changes in prevailing market rates is dependent upon the speed at which our customers pay off or renew loans in our existing loan portfolio, which allows us to originate new loans at prevailing market rates. Because our large loans have longer maturities than our small loans and typically renew at a slower rate than our small loans, our reaction time to changes may be affected as our large loans change as a percentage of our portfolio.

We also are exposed to changes in interest rates as a result of certain borrowing activities. As of December 31, 2024, the interest rates on the securitizations, which account for 79% of our debt, were fixed. We maintain liquidity and fund our business operations in part through variable-rate borrowings under a senior revolving credit facility and multiple revolving warehouse credit facilities. As of December 31, 2024, the balances and key terms of the credit facilities were as follows:

| Revolving Credit Facility | Debt Balance (in thousands) | Interest Payment Frequency | Floor | Margin | Rate Type | Effective Interest Rate |
|---|---|---|---|---|---|---|
| Senior | $ 219,339 | Monthly | 0.5% | 3.0% | 1-month SOFR | 7.7% |
| RMR IV warehouse | 4,792 | Monthly | — | 2.8% | 1-month SOFR | 7.5% |
| RMR V warehouse | 52,307 | Monthly | — | 2.1% | Conduit | 6.9% |
| RMR VI warehouse | 2,443 | Monthly | — | 2.5% | 1-month SOFR | 7.2% |
| RMR VII warehouse | 37,023 | Monthly | — | 2.4% | 1-month SOFR | 7.0% |
| Total | $ 315,904 | | | | | |

Based on the underlying rates and the outstanding balances as of December 31, 2024, an increase of 100 basis points in the rates of our revolving credit facilities would result in approximately $3.2 million of increased interest expense on an annual basis, in the aggregate, under these borrowings.

The nature and amount of our debt may vary as a result of future business requirements, market conditions, and other factors.

**ITEM 8.** ***FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.***

**REGIONAL MANAGEMENT CORP.**

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**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To the stockholders' and the Board of Directors of Regional Management Corp.

**Opinion on the Financial Statements**
We have audited the accompanying consolidated balance sheets of Regional Management Corp. and subsidiaries (the "Company") as of December 31, 2024, and 2023, the related consolidated statements of comprehensive income, stockholders' equity, and cash flows, for each of the three years in the period ended December 31, 2024, and the related notes to consolidated financial statements (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024, and 2023, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2024, in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2024, based on criteria established in Internal Control — Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 21, 2025, expressed an unqualified opinion on the Company's internal control over financial reporting.

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

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

**Critical Audit Matter**
The critical audit matter communicated below is a matter arising from the current-period audit of the financial statements that was communicated or required to be communicated to the audit committee and that (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

***Allowance for Credit Losses — Refer to Notes 2 and 4 to the consolidated financial statements***
The Company's estimate of expected credit losses in the Company's loan portfolio is recorded in the allowance for credit losses. The allowance for credit losses is based on historical credit experience, current conditions, and reasonable and supportable economic forecasts. The historical loss experience is adjusted for quantitative and qualitative factors that are not fully reflected in the historical data. In determining its estimate of expected credit losses, the Company evaluates information related to credit metrics, changes in its lending strategies and underwriting practices, and the current and forecasted direction of the economic and business environment. These metrics include, but are not limited to, loan portfolio mix and growth, unemployment, credit loss trends, delinquency trends, changes in underwriting, and operational risks.

The Company selected a Probability of Default ("PD") / Loss Given Default ("LGD") model to estimate its base allowance for credit losses, in which the estimated loss is equal to the product of PD and LGD. Historical net finance receivables are tracked over the term of the pools to identify the incidences of loss (PDs) and the average severity of losses (LGDs). To enhance the precision of the allowance for credit loss estimate, the Company evaluates its finance receivable portfolio on a pool basis and segments each pool of finance receivables with similar credit risk characteristics. As part of its evaluation, the Company considers loan portfolio characteristics such as product type, loan size, loan term, internal or external credit scores, delinquency status, geographical location, and vintage. Based on analysis of historical loss experience, the Company selected the following segmentation: product type, Fair Isaac Corporation ("FICO") score, and delinquency status.

Historical information about losses generally provides a basis for the estimate of expected credit losses. The Company also considers the need to adjust historical information to reflect the extent to which current conditions differ from the conditions that existed for the period over which historical information was evaluated. These adjustments to historical loss information may be qualitative or quantitative in nature.

Reasonable and supportable macroeconomic forecasts are required for the Company's allowance for credit loss model. The Company engaged a major rating service to assist with compiling a reasonable and supportable forecast. The Company reviews macroeconomic forecasts to use in its allowance for credit losses. The Company adjusts the historical loss experience by relevant qualitative factors for these expectations.

Given the size of the loan portfolio and the subjective nature of estimating the allowance for credit losses, auditing the allowance for credit losses involved a high degree of auditor judgment and an increased extent of effort.

*How the Critical Audit Matter Was Addressed in the Audit*
Our audit procedures related to the allowance for credit losses included the following, among others:

- We tested the design and operating effectiveness of the relevant controls related to (I) selection of the macroeconomic forecasts, (ii) execution and monitoring of the PD/LGD model, (iii) adjustments made to the historical loss experience for qualitative factors, and (iv) overall calculation of the allowance for credit losses.
- We used credit specialists to assist us in (1) evaluating the reasonableness of the PD/LGD model and relevant assumptions, and (ii) evaluating the reasonableness of design, theory, and logic of the model for estimating expected credit losses.
- We tested the completeness and accuracy of the data input into the models and assessed the reasonableness of the model's calculations of probability of default and loss given default.
- We (i) evaluated the reasonableness of management's macroeconomic forecast selection, (ii) evaluated the appropriateness and relevance of adjustments made to the historical loss experience for qualitative factors, and (iii) tested the arithmetic accuracy of the calculation of these qualitative adjustments.
- We tested the arithmetic accuracy of the calculation of the allowance for credit losses.

*/s/ DELOITTE & TOUCHE LLP*

Charlotte, North Carolina
February 21, 2025

We have served as the Company's auditor since 2022.

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To the stockholders' and the Board of Directors of Regional Management Corp.

**Opinion on Internal Control over Financial Reporting**
We have audited the internal control over financial reporting of Regional Management Corp. and subsidiaries (the "Company") as of December 31, 2024, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2024, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by COSO.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated financial statements as of and for the year ended December 31, 2024, of the Company and our report dated February 21, 2025, expressed an unqualified opinion on those financial statements.

**Basis for Opinion**
The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Auditor's Unqualified Report on Financial Statements. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

**Definition and Limitations of Internal Control over Financial Reporting**
A company's internal control over financial reporting is a process designed 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. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

*/s/ DELOITTE & TOUCHE LLP*

Charlotte, North Carolina
February 21, 2025

**Regional Management Corp. and Subsidiaries**
**Consolidated Balance Sheets**
**December 31, 2024 and 2023**
**(in thousands, except par value amounts)**

| | 2024 | 2023 |
|---|---|---|
| **Assets** | | |
| Cash | $ 3,951 | $ 4,509 |
| Net finance receivables | 1,892,535 | 1,771,410 |
| Unearned insurance premiums | (48,068) | (47,892) |
| Allowance for credit losses | (199,500) | (187,400) |
| Net finance receivables, less unearned insurance premiums and allowance for credit losses | 1,644,967 | 1,536,118 |
| Restricted cash | 131,684 | 124,164 |
| Lease assets | 38,442 | 34,303 |
| Intangible assets | 24,524 | 15,846 |
| Restricted AFS investments | 21,712 | 22,740 |
| Property and equipment | 13,677 | 13,787 |
| Deferred tax assets, net | 9,286 | 13,641 |
| Other assets | 20,866 | 29,419 |
| **Total assets** | $ 1,909,109 | $ 1,794,527 |
| **Liabilities and Stockholders' Equity** | | |
| Liabilities: | | |
| Debt | $ 1,478,336 | $ 1,399,814 |
| Unamortized debt issuance costs | (6,338) | (4,578) |
| Net debt | 1,471,998 | 1,395,236 |
| Lease liabilities | 40,579 | 36,576 |
| Accounts payable and accrued expenses | 39,454 | 40,442 |
| Total liabilities | 1,552,031 | 1,472,254 |
| Commitments and contingencies (Notes 7, 18, and 19) | | |
| Stockholders' equity: | | |
| Preferred stock ($0.10 par value, 100,000 shares authorized, none issued or outstanding) | — | — |
| Common stock ($0.10 par value, 1,000,000 shares authorized, 14,921 shares issued and 10,010 shares outstanding at December 31, 2024 and 14,566 shares issued and 9,759 shares outstanding at December 31, 2023) | 1,492 | 1,457 |
| Additional paid-in capital | 130,725 | 121,752 |
| Retained earnings | 378,482 | 349,579 |
| Accumulated other comprehensive income (loss) | 62 | (372) |
| Treasury stock (4,911 shares at December 31, 2024 and 4,807 shares at December 31, 2023) | (153,683) | (150,143) |
| Total stockholders' equity | 357,078 | 322,273 |
| **Total liabilities and stockholders' equity** | $ 1,909,109 | $ 1,794,527 |

**Regional Management Corp. and Subsidiaries**
**Consolidated Statements of Comprehensive Income**
**Years Ended December 31, 2024, 2023, and 2022**
**(in thousands, except per share amounts)**

| | 2024 | 2023 | 2022 |
|---|---|---|---|
| **Revenue** | | | |
| Interest and fee income | $ 528,894 | $ 489,698 | $ 450,854 |
| Insurance income, net | 40,695 | 44,529 | 43,502 |
| Other income | 18,914 | 17,172 | 12,831 |
| Total revenue | 588,503 | 551,399 | 507,187 |
| **Expenses** | | | |
| Provision for credit losses | 212,200 | 220,034 | 185,115 |
| | | | |
| Personnel | 153,789 | 156,872 | 141,243 |
| Occupancy | 25,823 | 25,029 | 23,809 |
| Marketing | 19,006 | 15,774 | 15,378 |
| Other | 49,080 | 45,444 | 42,098 |
| Total general and administrative expenses | 247,698 | 243,119 | 222,528 |
| | | | |
| Interest expense | 74,530 | 67,463 | 34,223 |
| Income before income taxes | 54,075 | 20,783 | 65,321 |
| Income taxes | 12,848 | 4,825 | 14,097 |
| **Net income** | $ 41,227 | $ 15,958 | $ 51,224 |
| Net income per common share: | | | |
| Basic | $ 4.28 | $ 1.70 | $ 5.51 |
| Diluted | $ 4.14 | $ 1.66 | $ 5.30 |
| Weighted-average common shares outstanding: | | | |
| Basic | 9,640 | 9,398 | 9,296 |
| Diluted | 9,957 | 9,593 | 9,656 |
| | | | |
| Other comprehensive income (loss), net of tax: | | | |
| Unrealized income (loss) on restricted AFS investments | 531 | 271 | (742) |
| Income taxes on unrealized items | (112) | (57) | 156 |
| Unrealized other comprehensive income (loss), net of tax | 419 | 214 | (586) |
| Net realized loss on restricted AFS investments | 20 | — | — |
| Income taxes on realized items | (5) | — | — |
| Reclassification adjustments included in net income, net of tax | 15 | — | — |
| Other comprehensive income (loss), net of tax | 434 | 214 | (586) |
| **Total comprehensive income** | $ 41,661 | $ 16,172 | $ 50,638 |

See accompanying notes to consolidated financial statements.

**Regional Management Corp. and Subsidiaries**
**Consolidated Statements of Stockholders' Equity**
**Years Ended December 31, 2024, 2023, and 2022**
**(in thousands)**

| | As of and for the Year Ended December 31, 2024 | | | | | | |
|---|---|---|---|---|---|---|---|
| | Common Stock Shares | Common Stock Amount | Additional Paid-in Capital | Retained Earnings | Accumulated Other Comprehensive Income (Loss) | Treasury Stock | Total |
| Beginning balance | 14,566 | $ 1,457 | $ 121,752 | $ 349,579 | $ (372) | $ (150,143) | $ 322,273 |
| Cash dividends | — | — | — | (12,324) | — | — | (12,324) |
| Issuance of restricted stock awards | 424 | 41 | (41) | — | — | — | — |
| Exercise of stock options | 66 | 7 | — | — | — | — | 7 |
| Repurchase of common stock | — | — | — | — | — | (3,540) | (3,540) |
| Shares withheld related to net share settlement | (135) | (13) | (2,926) | — | — | — | (2,939) |
| Share-based compensation | — | — | 11,940 | — | — | — | 11,940 |
| Net income | — | — | — | 41,227 | — | — | 41,227 |
| Other comprehensive income | — | — | — | — | 434 | — | 434 |
| Ending balance | 14,921 | $ 1,492 | $ 130,725 | $ 378,482 | $ 62 | $ (153,683) | $ 357,078 |

| | As of and for the Year Ended December 31, 2023 | | | | | | |
|---|---|---|---|---|---|---|---|
| | Common Stock Shares | Common Stock Amount | Additional Paid-in Capital | Retained Earnings | Accumulated Other Comprehensive Income (Loss) | Treasury Stock | Total |
| Beginning balance | 14,330 | $ 1,433 | $ 112,384 | $ 345,545 | $ (586) | $ (150,143) | $ 308,633 |
| Cash dividends | — | — | — | (11,924) | — | — | (11,924) |
| Issuance of restricted stock awards | 322 | 32 | (32) | — | — | — | — |
| Exercise of stock options | 18 | 2 | 287 | — | — | — | 289 |
| Shares withheld related to net share settlement | (104) | (10) | (2,642) | — | — | — | (2,652) |
| Share-based compensation | — | — | 11,755 | — | — | — | 11,755 |
| Net income | — | — | — | 15,958 | — | — | 15,958 |
| Other comprehensive income | — | — | — | — | 214 | — | 214 |
| Ending balance | 14,566 | $ 1,457 | $ 121,752 | $ 349,579 | $ (372) | $ (150,143) | $ 322,273 |

| | As of and for the Year Ended December 31, 2022 | | | | | | |
|---|---|---|---|---|---|---|---|
| | Common Stock | | Additional Paid-in | Retained | Accumulated Other Comprehensive | Treasury | |
| | Shares | Amount | Capital | Earnings | Loss | Stock | Total |
| Beginning balance | 14,157 | $ 1,416 | $ 104,745 | $ 306,105 | $ — | $ (129,530) | $ 282,736 |
| Cash dividends | — | — | — | (11,784) | — | — | (11,784) |
| Issuance of restricted stock awards | 224 | 22 | (22) | — | — | — | — |
| Exercise of stock options | 61 | 6 | — | — | — | — | 6 |
| Repurchase of common stock | — | — | — | — | — | (20,613) | (20,613) |
| Shares withheld related to net share settlement | (112) | (11) | (3,107) | — | — | — | (3,118) |
| Share-based compensation | — | — | 10,768 | — | — | — | 10,768 |
| Net income | — | — | — | 51,224 | — | — | 51,224 |
| Other comprehensive loss | — | — | — | — | (586) | — | (586) |
| Ending balance | 14,330 | $ 1,433 | $ 112,384 | $ 345,545 | $ (586) | $ (150,143) | $ 308,633 |

See accompanying notes to consolidated financial statements.

**Regional Management Corp. and Subsidiaries**
**Consolidated Statements of Cash Flows**
**Years Ended December 31, 2024, 2023, and 2022**
**(in thousands)**

| | 2024 | 2023 | 2022 |
|---|---|---|---|
| Cash flows from operating activities: | | | |
| Net income | $ 41,227 | $ 15,958 | $ 51,224 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | | |
| Provision for credit losses | 212,200 | 220,034 | 185,115 |
| Depreciation and amortization | 14,070 | 14,634 | 12,689 |
| Amortization of deferred originations fees and costs | (15,613) | (14,644) | (15,843) |
| Loss on disposal of property and equipment | 407 | 867 | 143 |
| Loss on sale of restricted AFS investments | 20 | — | — |
| Share-based compensation | 11,171 | 11,755 | 10,768 |
| Deferred income taxes, net | 4,238 | 112 | 4,766 |
| Changes in operating assets and liabilities: | | | |
| Increase (decrease) in unearned insurance premiums | 176 | (3,116) | 3,171 |
| (Increase) decrease in lease assets | (4,139) | 218 | (5,800) |
| (Increase) decrease in other assets | 2,553 | (4,144) | (13,271) |
| Increase (decrease) in accounts payable and accrued expenses | (1,386) | 7,628 | (14,642) |
| Increase (decrease) in lease liabilities | 4,003 | (136) | 6,012 |
| **Net cash provided by operating activities** | 268,927 | 249,166 | 224,332 |
| Cash flows from investing activities: | | | |
| Originations of finance receivables | (1,654,761) | (1,544,948) | (1,643,537) |
| Repayments of finance receivables | 1,355,266 | 1,280,134 | 1,228,495 |
| Purchases of intangible assets | (12,338) | (7,378) | (5,534) |
| Purchases of property and equipment | (5,054) | (4,692) | (5,874) |
| Purchases of restricted AFS investments | (25,408) | (5,900) | (23,974) |
| Proceeds from sale of restricted AFS investments | 2,206 | — | 3,130 |
| Proceeds from maturities of restricted AFS investments | 24,715 | 4,061 | — |
| **Net cash used in investing activities** | ) (315,374 | ) (278,723 | ) (447,294 |
| Cash flows from financing activities: | | | |
| Advances on revolving credit facilities | 1,764,971 | 1,645,346 | 1,832,412 |
| Payments on revolving credit facilities | (1,694,628) | (1,566,736) | (1,910,717) |
| Advances on securitizations | 437,305 | — | 433,720 |
| Payments on securitizations | (429,408) | (34,890) | (109,228) |
| Payments for debt issuance costs | (6,699) | (2,769) | (5,656) |
| Taxes paid related to net share settlement of equity awards | (2,450) | (2,923) | (2,993) |
| Cash dividends | (12,142) | (11,886) | (11,353) |
| Repurchases of common stock | (3,540) | — | (20,613) |
| Proceeds from exercise of stock options | — | 289 | — |
| **Net cash provided by financing activities** | 53,409 | 26,431 | 205,572 |
| **Net change in cash and restricted cash** | 6,962 | (3,126) | (17,390) |
| Cash and restricted cash at beginning of period | 128,673 | 131,799 | 149,189 |
| Cash and restricted cash at end of period | $ 135,635 | $ 128,673 | $ 131,799 |
| Supplemental cash flow information: | | | |
| Interest paid | $ 69,170 | $ 60,083 | $ 40,475 |
| Income taxes paid | $ 2,734 | $ 3,050 | $ 26,963 |
| Operating leases paid | $ 11,541 | $ 10,193 | $ 9,071 |
| Non-cash lease assets and liabilities acquired | $ 13,238 | $ 8,084 | $ 13,493 |

The following table reconciles cash and restricted cash from the Consolidated Balance Sheets to the statements above:

| | December 31, 2024 | December 31, 2023 | December 31, 2022 |
|---|---|---|---|
| Cash | $ 3,951 | $ 4,509 | $ 3,873 |
| Restricted cash | 131,684 | 124,164 | 127,926 |
| Total | $ 135,635 | $ 128,673 | $ 131,799 |

See accompanying notes to consolidated financial statements.

**Note 1. Nature of Business**

The Company was incorporated and began operations in 1987. The Company is engaged in the consumer finance business, offering large loans, small loans, and related payment and collateral protection insurance products. The Company formerly offered retail loans but ceased accepting applications for retail loan products effective November 2022. The Company continues to own and service its existing portfolio of retail loans. As of December 31, 2024, the Company operated under the name "Regional Finance" online and in branch locations in 19 states across the United States.

The Company's large loan receivables are direct loans to customers, some of which are convenience check receivables and the vast majority of which are secured by non-essential household goods, automobiles, and/or other vehicles. Convenience checks are direct loans originated by mailing checks to customers based on a pre-screening process that includes a review of the prospective customer's credit profile provided by national credit reporting bureaus or data aggregators. A recipient of a convenience check is able to enter into a loan by endorsing and depositing or cashing the check. The Company's small loan portfolio is comprised of branch small loan receivables and convenience check receivables. Branch small loan receivables are direct loans to customers and are secured by non-essential household goods and, in some instances, an automobile. Retail loan receivables consist principally of retail installment sales contracts collateralized by the purchased furniture, appliances, and other retail items and are initiated by and purchased from retailers, subject to the Company's credit approval.

The Company's loan volume and contractual delinquency follow seasonal trends. Demand for the Company's loans is typically highest during the second, third, and fourth quarters, which the Company believes is largely due to customers borrowing money for vacation, back-to-school, and holiday spending. Loan demand has generally been the lowest during the first quarter, which the Company believes is largely due to the timing of income tax refunds. Delinquencies generally reach their lowest point in the first half of the year and rise in the second half of the year. Changes in quarterly growth or liquidation could result in larger allowance for credit loss releases in periods of portfolio liquidation and larger provisions for credit losses in periods of portfolio growth. Consequently, the Company experiences seasonal fluctuations in its operating results. However, changes in macroeconomic factors, including inflation, higher interest rates, and geopolitical conflict, have impacted the Company's typical seasonal trends for loan volume and delinquency.

**Note 2. Significant Accounting Policies**

The following is a description of significant accounting policies used in preparing the financial statements. The accounting and reporting policies of the Company are in accordance with GAAP.

***Business segments:*** The Company has one reportable segment, which is the consumer finance segment.

***Principles of consolidation:*** The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. All intercompany balances and transactions have been eliminated in consolidation. The Company operates through a separate wholly owned subsidiary in each state. The Company also consolidates VIEs when it is considered to be the primary beneficiary of the VIE because it has (i) power over the significant activities of the VIE and (ii) the obligation to absorb losses or the right to receive returns that could be significant to the VIE.

***Variable interest entities:*** The Company transfers pools of loans to SPEs to secure debt for general funding purposes. These entities have the limited purpose of acquiring finance receivables, in addition to holding and making payments on the related debts. Assets transferred to each SPE are legally isolated from the Company and its affiliates, as well as the claims of the Company's and its affiliates' creditors. Further, the assets of each SPE are owned by such SPE and are not available to satisfy the debts or other obligations of the Company or any of its affiliates. The Company continues to service the finance receivables transferred to the SPEs. The lenders and investors in the debt issued by the SPEs generally only have recourse to the assets of the SPEs and do not have recourse to the general credit of the Company.

The SPEs' debt arrangements are structured to provide credit enhancements to the lenders and investors, which may include overcollateralization, subordination of interests, excess spread, and reserve funds. These enhancements, along with the isolated finance receivables pools, increase the creditworthiness of the SPEs above that of the Company as a whole. This increases the marketability of the Company's collateral for borrowing purposes, leading to more favorable borrowing terms, improved interest rate risk management, and additional flexibility to grow the business.

The SPEs are considered VIEs under GAAP and are consolidated into the financial statements of their primary beneficiary. The Company is considered to be the primary beneficiary of the SPEs because it has (i) power over the significant activities through its role as servicer of the finance receivables under each debt arrangement, (ii) the obligation to absorb losses that could be significant through note investment, if applicable, and (iii) the obligation to absorb losses or the right to receive returns that could be significant through the Company's interest in the monthly residual cash flows of the SPEs.

Consolidation of VIEs results in these transactions being accounted for as secured borrowings; therefore, the pooled receivables and the related debts remain on the consolidated balance sheet of the Company. Each debt is secured solely by the assets of the VIEs and not by any other assets of the Company. The assets of the VIEs are the only source of funds for repayment on each debt, and restricted cash held by the VIEs can only be used to support payments on the debt. The Company recognizes revenue and provision for credit losses on the finance receivables of the VIEs and interest expense on the related secured debt.

***Use of estimates:*** The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses, and disclosure of contingent assets and liabilities for the periods indicated in the financial statements. Actual results could differ from those estimates.

Estimates that are susceptible to change relate to the determination of the allowance for credit losses, the valuation of deferred tax assets and liabilities, and the fair value of financial instruments.

***Recent accounting pronouncements:*** In November 2023, the FASB issued ASU 2023-07, improving the disclosure requirements for reportable segments, primarily through enhanced disclosures about significant segment expenses. These enhanced disclosures require reporting of incremental segment information on an annual and interim basis for all public entities, including public entities with only one reportable segment, to enable investors to develop more decision-useful financial analyses. The amendments in this update are effective for annual periods beginning after December 15, 2023 and interim periods within annual periods beginning after December 15, 2024. The Company adopted and applied the update on a retrospective basis for all prior periods presented in the financial statements, and upon transition, the expense categories and amounts disclosed in the prior periods are based on the significant segment expense categories identified and disclosed in the period of adoption if applicable. Implementation of the update did not have a material effect on the Company's consolidated financial statements. See Note 20, "Segment Reporting," for the Company's enhanced disclosures to reflect the adoption of this update.

In December 2023, the FASB issued ASU 2023-09, enhancing the transparency and decision usefulness of income tax disclosures. The amendment, among other things, improves transparency of income tax disclosures by requiring more consistent categories and greater disaggregation of information in rate reconciliations, and disaggregation of income taxes paid by jurisdiction. The amendments in this update are effective for annual periods beginning after December 15, 2024, and early adoption is permitted for annual financial statements that have not yet been issued or made available for issuance. The income tax guidance should be applied on a prospective basis; however, retrospective application is permitted. The Company is currently evaluating the impact of this update on its consolidated financial statements.

In November 2024, the FASB issued ASU 2024-03, enhancing the disclosures about a company's expenses. The amendment, among other things, improves these disclosures by requiring disaggregated expense information about a company's expense types. The amendments in this update are effective for annual periods beginning after December 15, 2026, and early adoption is permitted. The enhanced expense guidance can be applied on either a prospective (for financial statements issued during reporting periods after the effective date of this ASU) or retrospective (to any or all prior periods presented) basis. The Company is currently evaluating the impact of this update on its consolidated financial statements.

***Treasury stock:*** The Company records the repurchase of shares of its common stock at cost on the settlement date of the transaction. These shares are considered treasury stock, which is a reduction to stockholders' equity. Treasury stock is included in authorized and issued shares but excluded from outstanding shares.

***Net finance receivables:*** Generally, the Company classifies finance receivables as held for investment based on management's intent at the time of origination. The Company determines classification on a receivable-by-receivable basis. The Company classifies finance receivables as held for investment due to its ability and intent to hold them until their contractual maturities. Net finance receivables consist of the Company's installment loans. The Company carries net finance receivables at amortized cost, which includes remaining principal balance, accrued interest, and net unamortized deferred origination costs and unamortized fees.

Loan renewals are a significant piece of new volume and are considered a terminal event of the previous loan. The Company may renew delinquent secured or unsecured loan accounts if the customer meets the Company's underwriting criteria and it does not appear the cause of past delinquency will affect the customer's ability to repay the renewed loan.

***Delinquency:*** The Company determines past due status using the contractual terms of the finance receivable. Delinquency is one of the primary credit quality indicators used to evaluate the allowance for credit losses for each class of finance receivables.

***Finance receivable origination fees and costs:*** Non-refundable fees received and direct costs (personnel and digital loan origination costs) incurred for the origination of finance receivables are deferred and recognized to interest income over their contractual lives using the constant yield method. Unamortized amounts are recognized in interest income at the time that finance receivables are paid in full, renewed, or charged off.

***Nonaccrual status:*** Accrual of interest income on finance receivables is suspended when an account becomes 90 days delinquent. If the account is charged off, the accrued interest income is reversed as a reduction of interest and fee income. Interest received on such loans is accounted for on the cash-basis method, until qualifying for return to accrual. Under the cash-basis method, interest income is recorded when the payment is received. Loans resume accruing interest when the past due status is brought below 90 days. The Company made a policy election to not record an allowance for credit losses related to accrued interest because it has nonaccrual and charge-off policies that result in the timely suspension and reversal of accrued interest.

***Allowance for credit losses:*** The allowance for credit losses is based on historical credit experience, current conditions, and reasonable and supportable economic forecasts. The historical loss experience is adjusted for quantitative and qualitative factors that are not fully reflected in the historical data. In determining its estimate of expected credit losses, the Company evaluates information related to credit metrics, changes in its lending strategies and underwriting practices, and the current and forecasted direction of the economic and business environment. These metrics include, but are not limited to, loan portfolio mix and growth, unemployment, credit loss trends, delinquency trends, changes in underwriting, and operational risks.

The Company selected a PD / LGD model to estimate its base allowance for credit losses, in which the estimated loss is equal to the product of PD and LGD. Historical net finance receivables are tracked over the term of the pools to identify the incidences of loss (PDs) and the average severity of losses (LGDs).

To enhance the precision of the allowance for credit loss estimate, the Company evaluates its finance receivable portfolio on a pool basis and segments each pool of finance receivables with similar credit risk characteristics. As part of its evaluation, the Company considers loan portfolio characteristics such as product type, loan size, loan term, internal or external credit scores, delinquency status, geographical location, and vintage. Based on analysis of historical loss experience, the Company selected the following segmentation: product type, FICO score, and delinquency status.

As finance receivables are originated, provisions for credit losses are recorded in amounts sufficient to maintain an allowance for credit losses at an adequate level to provide for estimated losses over the contractual life of the finance receivables (considering the effect of prepayments). Subsequent changes to the contractual terms that are a result of re-underwriting are not included in the finance receivable's contractual life (considering the effect of prepayments). The Company uses its segmentation loss experience to forecast expected credit losses. Historical information about losses generally provides a basis for the estimate of expected credit losses. The Company also considers the need to adjust historical information to reflect the extent to which current conditions differ from the conditions that existed for the period over which historical information was evaluated. These adjustments to historical loss information may be qualitative or quantitative in nature.

Reasonable and supportable macroeconomic forecasts are required for the Company's allowance for credit loss model. The Company engaged a major rating service to assist with compiling a reasonable and supportable forecast. The Company reviews macroeconomic forecasts to use in its allowance for credit losses. The Company adjusts the historical loss experience by relevant qualitative factors for these expectations. The Company does not require reversion adjustments, as the contractual lives of its portfolio are shorter than its available forecast periods.

The Company charges credit losses against the allowance for all products when an account reaches 180 days contractually delinquent, subject to certain exceptions. The Company's customer accounts without a lien on a vehicle in a confirmed bankruptcy are charged off in the month following the bankruptcy notification or at 60 days contractually delinquent, subject to certain exceptions. Deceased borrower accounts are charged off in the month following the proper notification of passing, with the exception of borrowers with credit life insurance. Subsequent recoveries of amounts charged off, if any, are credited to the allowance.

***Troubled Debt Restructurings:*** Prior to January 1, 2023, the Company classified a finance receivable as a TDR when the Company modified the finance receivable's contractual terms for economic or other reasons related to the borrower's financial difficulties and granted a concession that it would not have otherwise considered. Modifications primarily included an interest rate reduction and/or term extension to reduce the borrower's monthly payment. Once a loan was classified as a TDR, it remained a TDR for the purpose of calculating the allowance for credit losses for the remainder of its contractual term.

The Company established its allowance for credit losses related to its TDRs by calculating the present value of all expected cash flows (discounted at the finance receivable's effective interest rate prior to modification) less the amortized costs of the aggregated pool. The Company used the modified interest rates and certain assumptions, including expected credit losses and recoveries, to estimate the expected cash flows from its TDRs.

Following the adoption of ASU 2022-02 on January 1, 2023, as discussed above, the Company no longer separately measures the allowance for credit losses on TDRs, and the impact to the allowance for credit losses of loan modifications made to borrowers experiencing financial difficulties is incorporated into the overall portfolio assessment as further described in the allowance for credit losses significant accounting policy.

***Property and equipment:*** Leasehold improvements are depreciated over the shorter of their useful lives or the remaining term of the lease. Furniture and equipment are depreciated on the straight-line method over their estimated useful lives, generally five to ten years. Maintenance and repairs are charged to expense as incurred.

***Leases:*** The Company leases its current headquarters building. Branch offices are leased under non-cancellable leases of three to seven years with renewal options. The Company's lease liability is based on the present value of the remaining minimum rental payments using a discount rate that is based on the Company's incremental borrowing rate on its senior revolving credit facility. The Company's lease asset includes right-of-use assets equaling the lease liability, net of prepaid rent and deferred rents that existed as of the adoption of the current lease accounting standard. The Company assesses its leased assets for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If a lease is impaired, the impairment loss is recognized in lease costs and the right-of-use asset is reduced to the impaired value.

Lease agreements with terms of twelve months or less are not capitalized as part of lease assets or liabilities and are expensed as incurred. The Company accounts for each separate lease component of a contract and its associated non-lease components as a single lease component for its branch leases. The Company has elected not to apply this policy in relation to the corporate headquarters lease. The Company has also determined that it is reasonably certain that the first option to extend lease contracts will be exercised for new branch locations; therefore, the first option to extend is included in the lease asset and liability calculation.

***Restricted cash:*** Restricted cash includes cash and cash equivalents for which the Company's ability to withdraw funds is contractually limited. The Company's restricted cash consists of cash reserves that are maintained as collateral for potential credit life insurance claims and cash restricted for debt servicing of the Company's revolving warehouse credit facilities and securitizations.

***Restricted AFS investments:*** The Company classifies its investments in debt securities that were purchased with the Company's restricted cash as restricted AFS investments and carries the investments at fair value. Unrealized gains and losses, net of taxes, are excluded from earnings and reported in other comprehensive income or loss until realized. The unrealized gains and losses, net of taxes, are recorded on the consolidated balance sheet in accumulated other comprehensive income or loss in stockholders' equity. Realized gains and losses from the sale of AFS investments are specifically identified and reclassified from accumulated other comprehensive income or loss and included within earnings on the consolidated statement of income.

***Derivative instruments:*** The Company held derivative instruments in the form of interest rate caps for the purpose of mitigating a portion of its exposure to interest rate risk. Derivative instruments are recorded at fair value and included in other assets, with their resulting gains or losses recognized in interest expense. Changes in fair value are reported as an adjustment to net income in computing cash flows from operating activities.

***Offsetting assets and liabilities:*** GAAP permits entities to present derivative receivables and derivative payables with the same counterparty and the related cash collateral receivables and payables on a net basis on the Consolidated Balance Sheet when a legally enforceable master netting agreement exists. GAAP also permits securities financing activities to be presented on a net basis when specified conditions are met, including the existence of a legally enforceable master netting agreement. The Company has elected to net such balances where it has determined that the specified conditions are met. As of September 30, 2022, the Company no longer held offsetting assets or liabilities.

***Income recognition:*** Interest income is recognized using the interest method (constant yield method). Therefore, the Company recognizes revenue from interest at an equal rate over the term of the loan. Unearned finance charges on pre-compute contracts are rebated to customers utilizing statutory methods, which in many cases is the sum-of-the-years' digits method. The difference between income recognized under the constant yield method and the statutory method is recognized as an adjustment to interest income at the time of rebate.

The Company recognizes income on credit life insurance, credit personal property insurance, and vehicle single interest insurance using the sum-of-the-years' digits or straight-line methods over the terms of the policies. The Company recognizes income on credit accident and health insurance using the average of the sum-of-the-years' digits and the straight-line methods over the terms of the policies. The Company recognizes income on credit involuntary unemployment insurance using the straight-line method over the terms of the policies. Rebates are computed using statutory methods, which in many cases match the GAAP method, and where it does not match, the difference between the GAAP method and the statutory method is recognized in income at the time of rebate. Fee income for non-file insurance is recognized using the sum-of-the-years' digits method over the loan term.

Charges for late fees are recognized as income when collected.

***Share-based compensation:*** The Company measures compensation cost for share-based awards at estimated fair value and recognizes compensation expense over the service period for awards expected to vest. The Company uses the closing stock price on the date of grant as the fair value of RSAs, performance-contingent RSUs, and service-based RSUs. The fair value of NQSOs is determined using the Black-Scholes valuation model, and the fair value of PRSUs is determined using the Monte Carlo valuation model. The Black-Scholes and Monte Carlo models require the input of assumptions, including expected volatility, expected dividends, expected term, risk-free interest rate, and a discount associated with post-vest holding restrictions, changes to which can affect the fair value estimate. Expected volatility is based on the Company's historical stock price volatility. Expected dividends are calculated using the expected dividend yield (annualized dividends divided by the grant date stock price). The expected term is calculated by using the simplified method (average of the vesting and original contractual terms) due to insufficient historical data to estimate the expected term. The risk-free rate is based on the zero-coupon U.S. Treasury bond rate over the expected term of the awards. The estimated discount associated with post-vest holding restrictions is calculated using a blend of the Finnerty and Chaffe models. In addition, the estimation of share-based awards that will ultimately vest requires judgment, and to the extent actual results or updated estimates differ from current estimates, such amounts will be recorded as a cumulative adjustment in the period estimates are revised.

***Marketing costs:*** Marketing costs are expensed as incurred.

***Income taxes:*** The Company records a tax provision for the anticipated tax consequences of its reported operating results. The provision for income taxes is computed using the asset and liability method, under which deferred tax assets and liabilities are recognized for the future tax consequences attributable to temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effects of future tax rate changes are recognized in the period when the enactment of new rates occurs.

The Company recognizes the financial statement effects of a tax position when it is more likely than not, based on technical merits, the position will be sustained upon examination. The tax benefits of the position recognized in the consolidated financial statements are then measured based on the largest amount of benefit that is greater than 50% likely to be realized upon settlement with a taxing authority.

The Company recognizes the tax benefits or deficiencies from the exercise or vesting of share-based awards in the income tax line of the consolidated statements of comprehensive income, in the period of exercise or vesting.

***Earnings per share:*** Earnings per share have been computed based on dividing net income by the weighted-average number of common shares outstanding during each reporting period presented. Common shares issuable upon the exercise of share-based compensation, which are computed using the treasury stock method, are included in the computation of diluted earnings per share. The Company uses the treasury stock method to calculate the effect of outstanding awards, by computing total employee proceeds as the sum of the amount employees must pay upon exercise of the awards and the amount of unearned share-based compensation costs attributable to future services.

**Note 3. Concentrations of Credit Risk**

Customers living in Texas, North Carolina, and South Carolina accounted for 30%, 16%, and 10%, respectively, of the Company's net finance receivables as of December 31, 2024. Given the primary concentration of the Company's portfolio of finance receivables in these states, such customers' ability to honor their installment contracts may be affected by economic conditions in these states.

The Company maintains amounts in bank accounts which, at times, may exceed federally insured limits. The Company has not experienced losses in such accounts, which are maintained with large domestic banks. Management believes the Company's exposure to credit risk is minimal for these accounts.

**Note 4. Finance Receivables, Credit Quality Information, and Allowance for Credit Losses**

Net finance receivables for the periods indicated consisted of the following:

| | December 31, | |
|---|---|---|
| *Dollars in thousands* | **2024** | **2023** |
| Large loans | $ 1,336,780 | $ 1,274,137 |
| Small loans | 554,686 | 493,473 |
| Retail loans | 1,069 | 3,800 |
| Total | $ 1,892,535 | $ 1,771,410 |

Net finance receivables included net deferred origination fees of $15.7 million and $15.1 million as of December 31, 2024 and 2023, respectively.

The credit quality of the Company's finance receivable portfolio is dependent on the Company's ability to enforce sound underwriting standards, maintain diligent servicing of the portfolio, and respond to changing economic conditions as it grows its portfolio. The allowance for credit losses uses FICO scores and delinquency by product type as key data points in estimating the allowance. The Company uses six FICO band categories to assess FICO scores. The first three FICO band categories include subprime FICO scores below 620. The fourth and fifth FICO band categories include near-prime FICO scores ranging from 620 to 659. The sixth FICO band category includes prime FICO scores of 660 or higher.

Net finance receivables by product, FICO band at origination, and origination year as of December 31, 2024 are as follows:

| | Net Finance Receivables by Origination Year | | | | | | |
|---|---|---|---|---|---|---|---|
| *Dollars in thousands* | 2024 | 2023 | 2022 | 2021 | 2020 | Prior | Total Net Finance Receivables |
| **Large Loans:** | | | | | | | |
| FICO Band | | | | | | | |
| 1 | $ 86,776 | $ 37,750 | $ 12,457 | $ 3,950 | $ 793 | $ 373 | $ 142,099 |
| 2 | 55,211 | 19,464 | 6,171 | 1,602 | 173 | 92 | 82,713 |
| 3 | 90,642 | 35,777 | 16,579 | 4,224 | 339 | 59 | 147,620 |
| 4 | 125,867 | 52,564 | 25,521 | 6,140 | 570 | 100 | 210,762 |
| 5 | 137,243 | 58,604 | 28,564 | 8,148 | 784 | 36 | 233,379 |
| 6 | 300,714 | 140,149 | 62,303 | 15,514 | 1,464 | 63 | 520,207 |
| Total | $ 796,453 | $ 344,308 | $ 151,595 | $ 39,578 | $ 4,123 | $ 723 | $ 1,336,780 |
| **Small Loans:** | | | | | | | |
| FICO Band | | | | | | | |
| 1 | $ 67,809 | $ 11,905 | $ 1,737 | $ 257 | $ 40 | $ 26 | $ 81,774 |
| 2 | 32,851 | 5,799 | 689 | 59 | 4 | 2 | 39,404 |
| 3 | 52,846 | 9,456 | 873 | 49 | 4 | 1 | 63,229 |
| 4 | 67,200 | 12,903 | 924 | 39 | 5 | 5 | 81,076 |
| 5 | 75,458 | 16,882 | 1,313 | 22 | 3 | 3 | 93,681 |
| 6 | 160,551 | 32,671 | 2,263 | 29 | 5 | 3 | 195,522 |
| Total | $ 456,715 | $ 89,616 | $ 7,799 | $ 455 | $ 61 | $ 40 | $ 554,686 |
| **Retail Loans:** | | | | | | | |
| FICO Band | | | | | | | |
| 1 | $ — | $ — | $ — | $ — | $ — | $ 2 | $ 2 |
| 2 | — | — | 66 | 2 | — | — | 68 |
| 3 | — | — | 188 | 27 | — | 1 | 216 |
| 4 | — | — | 237 | 55 | 4 | 2 | 298 |
| 5 | — | — | 187 | 47 | — | — | 234 |
| 6 | — | — | 199 | 51 | — | 1 | 251 |
| Total | $ — | $ — | $ 877 | $ 182 | $ 4 | $ 6 | $ 1,069 |
| **Total Loans:** | | | | | | | |
| FICO Band | | | | | | | |
| 1 | $ 154,585 | $ 49,655 | $ 14,194 | $ 4,207 | $ 833 | $ 401 | $ 223,875 |
| 2 | 88,062 | 25,263 | 6,926 | 1,663 | 177 | 94 | 122,185 |
| 3 | 143,488 | 45,233 | 17,640 | 4,300 | 343 | 61 | 211,065 |
| 4 | 193,067 | 65,467 | 26,682 | 6,234 | 579 | 107 | 292,136 |
| 5 | 212,701 | 75,486 | 30,064 | 8,217 | 787 | 39 | 327,294 |
| 6 | 461,265 | 172,820 | 64,765 | 15,594 | 1,469 | 67 | 715,980 |
| Total | $ 1,253,168 | $ 433,924 | $ 160,271 | $ 40,215 | $ 4,188 | $ 769 | $ 1,892,535 |

Net finance receivables by product, FICO band, and origination year as of December 31, 2023 are as follows:

| | Net Finance Receivables by Origination Year | | | | | | |
|---|---|---|---|---|---|---|---|
| *Dollars in thousands* | 2023 | 2022 | 2021 | 2020 | 2019 | Prior | Total Net Finance Receivables |
| **Large Loans:** | | | | | | | |
| FICO Band | | | | | | | |
| 1 | $ 83,107 | $ 28,068 | $ 9,542 | $ 2,510 | $ 980 | $ 347 | $ 124,554 |
| 2 | 46,855 | 16,964 | 5,342 | 1,077 | 309 | 83 | 70,630 |
| 3 | 86,191 | 45,778 | 14,999 | 2,201 | 316 | 66 | 149,551 |
| 4 | 120,054 | 65,753 | 20,712 | 3,481 | 592 | 55 | 210,647 |
| 5 | 128,901 | 69,706 | 23,779 | 4,043 | 496 | 22 | 226,947 |
| 6 | 291,795 | 144,663 | 46,630 | 7,936 | 732 | 52 | 491,808 |
| Total | $ 756,903 | $ 370,932 | $ 121,004 | $ 21,248 | $ 3,425 | $ 625 | $ 1,274,137 |
| **Small Loans:** | | | | | | | |
| FICO Band | | | | | | | |
| 1 | $ 64,664 | $ 10,459 | $ 1,625 | $ 172 | $ 68 | $ 18 | $ 77,006 |
| 2 | 31,289 | 5,886 | 724 | 36 | 11 | 9 | 37,955 |
| 3 | 51,222 | 8,099 | 717 | 31 | 6 | 1 | 60,076 |
| 4 | 65,743 | 10,074 | 679 | 19 | 10 | 3 | 76,528 |
| 5 | 74,207 | 13,838 | 632 | 14 | 4 | 1 | 88,696 |
| 6 | 126,400 | 25,679 | 1,111 | 15 | 5 | 2 | 153,212 |
| Total | $ 413,525 | $ 74,035 | $ 5,488 | $ 287 | $ 104 | $ 34 | $ 493,473 |
| **Retail Loans:** | | | | | | | |
| FICO Band | | | | | | | |
| 1 | $ 1 | $ — | $ 2 | $ 1 | $ 1 | $ 5 | $ 10 |
| 2 | — | 213 | 30 | — | — | — | 243 |
| 3 | — | 634 | 211 | 3 | 1 | 1 | 850 |
| 4 | — | 650 | 352 | 36 | — | 4 | 1,042 |
| 5 | — | 508 | 278 | 24 | — | 4 | 814 |
| 6 | — | 524 | 286 | 28 | 2 | 1 | 841 |
| Total | $ 1 | $ 2,529 | $ 1,159 | $ 92 | $ 4 | $ 15 | $ 3,800 |
| **Total Loans:** | | | | | | | |
| FICO Band | | | | | | | |
| 1 | $ 147,772 | $ 38,527 | $ 11,169 | $ 2,683 | $ 1,049 | $ 370 | $ 201,570 |
| 2 | 78,144 | 23,063 | 6,096 | 1,113 | 320 | 92 | 108,828 |
| 3 | 137,413 | 54,511 | 15,927 | 2,235 | 323 | 68 | 210,477 |
| 4 | 185,797 | 76,477 | 21,743 | 3,536 | 602 | 62 | 288,217 |
| 5 | 203,108 | 84,052 | 24,689 | 4,081 | 500 | 27 | 316,457 |
| 6 | 418,195 | 170,866 | 48,027 | 7,979 | 739 | 55 | 645,861 |
| Total | $ 1,170,429 | $ 447,496 | $ 127,651 | $ 21,627 | $ 3,533 | $ 674 | $ 1,771,410 |

Credit losses by product and origination year for the periods indicated are as follows:

| | Year Ended December 31, 2024 | | | | | | |
|---|---|---|---|---|---|---|---|
| *Dollars in thousands* | 2024 | 2023 | 2022 | 2021 | 2020 | Prior | Total Credit Losses |
| Large loans | $ 9,699 | $ 67,711 | $ 39,070 | $ 11,197 | $ 1,541 | $ 474 | $ 129,692 |
| Small loans | 13,156 | 55,584 | 11,316 | 822 | 42 | 33 | 80,953 |
| Retail loans | — | — | 441 | 232 | 14 | 10 | 697 |
| Total | $ 22,855 | $ 123,295 | $ 50,827 | $ 12,251 | $ 1,597 | $ 517 | $ 211,342 |

| | Year Ended December 31, 2023 | | | | | | |
|---|---|---|---|---|---|---|---|
| *Dollars in thousands* | 2023 | 2022 | 2021 | 2020 | 2019 | Prior | Total Credit Losses |
| Large loans | $ 14,529 | $ 78,938 | $ 33,616 | $ 5,116 | $ 1,465 | $ 254 | $ 133,918 |
| Small loans | 14,484 | 60,298 | 10,244 | 599 | 60 | 7 | 85,692 |
| Retail loans | — | 776 | 431 | 88 | 24 | 4 | 1,323 |
| Total | $ 29,013 | $ 140,012 | $ 44,291 | $ 5,803 | $ 1,549 | $ 265 | $ 220,933 |

The contractual delinquency of the net finance receivable portfolio by product and aging for the periods indicated are as follows:

| | December 31, 2024 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Large | | Small | | Retail | | Total | |
| *Dollars in thousands* | $ | % | $ | % | $ | % | $ | % |
| Current | $ 1,139,070 | 85.2% | $ 450,603 | 81.2% | $ 708 | 66.2% | $ 1,590,381 | 84.0% |
| 1 to 29 days past due | 109,656 | 8.2% | 46,488 | 8.4% | 168 | 15.7% | 156,312 | 8.3% |
| Delinquent accounts: | | | | | | | | |
| 30 to 59 days | 22,909 | 1.7% | 13,998 | 2.5% | 41 | 3.9% | 36,948 | 1.9% |
| 60 to 89 days | 21,493 | 1.6% | 13,699 | 2.5% | 50 | 4.7% | 35,242 | 1.9% |
| 90 to 119 days | 16,609 | 1.3% | 11,443 | 2.1% | 33 | 3.1% | 28,085 | 1.5% |
| 120 to 149 days | 14,357 | 1.1% | 9,602 | 1.7% | 28 | 2.6% | 23,987 | 1.3% |
| 150 to 179 days | 12,686 | 0.9% | 8,853 | 1.6% | 41 | 3.8% | 21,580 | 1.1% |
| Total delinquency | $ 88,054 | 6.6% | $ 57,595 | 10.4% | $ 193 | 18.1% | $ 145,842 | 7.7% |
| Total net finance receivables | $ 1,336,780 | 100.0% | $ 554,686 | 100.0% | $ 1,069 | 100.0% | $ 1,892,535 | 100.0% |
| Net finance receivables in nonaccrual status | $ 54,228 | 4.1% | $ 34,465 | 6.2% | $ 137 | 12.8% | $ 88,830 | 4.7% |

| | December 31, 2023 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Large | | Small | | Retail | | Total | |
| *Dollars in thousands* | $ | % | $ | % | $ | % | $ | % |
| Current | $ 1,084,518 | 85.1% | $ 406,203 | 82.4% | $ 2,620 | 69.0% | $ 1,493,341 | 84.3% |
| 1 to 29 days past due | 109,483 | 8.6% | 45,119 | 9.1% | 594 | 15.6% | 155,196 | 8.8% |
| Delinquent accounts: | | | | | | | | |
| 30 to 59 days | 22,587 | 1.7% | 12,053 | 2.4% | 116 | 3.1% | 34,756 | 1.9% |
| 60 to 89 days | 19,844 | 1.6% | 11,253 | 2.3% | 115 | 3.0% | 31,212 | 1.8% |
| 90 to 119 days | 16,951 | 1.3% | 10,030 | 2.0% | 126 | 3.2% | 27,107 | 1.5% |
| 120 to 149 days | 10,938 | 0.9% | 4,247 | 0.9% | 132 | 3.5% | 15,317 | 0.9% |
| 150 to 179 days | 9,816 | 0.8% | 4,568 | 0.9% | 97 | 2.6% | 14,481 | 0.8% |
| Total delinquency | $ 80,136 | 6.3% | $ 42,151 | 8.5% | $ 586 | 15.4% | $ 122,873 | 6.9% |
| Total net finance receivables | $ 1,274,137 | 100.0% | $ 493,473 | 100.0% | $ 3,800 | 100.0% | $ 1,771,410 | 100.0% |
| Net finance receivables in nonaccrual status | $ 44,627 | 3.5% | $ 21,850 | 4.4% | $ 394 | 10.4% | $ 66,871 | 3.8% |

The accrual of interest income on finance receivables is suspended when an account becomes 90 days delinquent. If a loan is charged off, the accrued interest is reversed as a reduction of interest and fee income. The Company reversed $23.6 million, $24.2 million, and $20.2 million of accrued interest as a reduction of interest and fee income for the years ended December 31, 2024, 2023, and 2022, respectively.

The following are reconciliations of the allowance for credit losses by product for the periods indicated:

| | As of and for the Year Ended December 31, 2024 | | | |
|---|---|---|---|---|
| *Dollars in thousands* | Large | Small | Retail | Total |
| Beginning balance | $ 127,992 | $ 58,736 | $ 672 | $ 187,400 |
| Provision for credit losses | 128,190 | 83,861 | 149 | 212,200 |
| Credit losses | (129,692) | (80,953) | (697) | (211,342) |
| Recoveries | 7,016 | 4,182 | 44 | 11,242 |
| Ending balance | $ 133,506 | $ 65,826 | $ 168 | $ 199,500 |
| Net finance receivables | $ 1,336,780 | $ 554,686 | $ 1,069 | $ 1,892,535 |
| Allowance as percentage of net finance receivables | 10.0% | 11.9% | 15.7% | 10.5% |

| | As of and for the Year Ended December 31, 2023 | | | |
|---|---|---|---|---|
| *Dollars in thousands* | Large | Small | Retail | Total |
| Beginning balance | $ 119,592 | $ 57,915 | $ 1,293 | $ 178,800 |
| Provision for credit losses | 136,638 | 82,745 | 651 | 220,034 |
| Credit losses | (133,918) | (85,692) | (1,323) | (220,933) |
| Recoveries | 5,680 | 3,768 | 51 | 9,499 |
| Ending balance | $ 127,992 | $ 58,736 | $ 672 | $ 187,400 |
| Net finance receivables | $ 1,274,137 | $ 493,473 | $ 3,800 | $ 1,771,410 |
| Allowance as percentage of net finance receivables | 10.0% | 11.9% | 17.7% | 10.6% |

| | As of and for the Year Ended December 31, 2022 | | | |
|---|---|---|---|---|
| *Dollars in thousands* | Large | Small | Retail | Total |
| Beginning balance | $ 96,494 | $ 61,294 | $ 1,512 | $ 159,300 |
| Provision for credit losses | 106,925 | 76,513 | 1,677 | 185,115 |
| Credit losses | (87,236) | (82,842) | (1,985) | (172,063) |
| Recoveries | 3,409 | 2,950 | 89 | 6,448 |
| Ending balance | $ 119,592 | $ 57,915 | $ 1,293 | $ 178,800 |
| Net finance receivables | $ 1,208,185 | $ 481,605 | $ 9,603 | $ 1,699,393 |
| Allowance as percentage of net finance receivables | 9.9% | 12.0% | 13.5% | 10.5% |

The Company uses certain loan modification programs for borrowers experiencing financial difficulties as a loss mitigation strategy to improve collectability of the loans and assist customers through financial setbacks. The programs consist of offering payment deferrals, refinancing, and, in limited instances, settlements. Customers may also pursue financial assistance through external sources, such as filing for bankruptcy protection. Modification programs available to our customers are described in more detail below:

- Customers with temporary hardships may be offered payment deferrals related to past due payments. Such deferrals extend the customer's maturity date and are generally considered insignificant delays, unless the deferral exceeds three deferrals in a rolling twelve-month period.
- Customers with delinquent loans who have made recent payments and have verified current employment are allowed to refinance their loan with a reduced interest rate and/or term extension, making the monthly payments more affordable.
- The Company may also agree to settle a past-due loan by accepting less than the full principal balance owed, in certain limited cases, once it is determined that collection of the entire outstanding balance is unlikely.

•Customers who receive bankruptcy protection may receive principal forgiveness, interest rate reductions, and/or term extensions.

The information relating to modifications made to borrowers experiencing financial difficulty and their related percentage of applicable net finance receivables for the periods indicated are as follows:

| | As of and for the Year Ended December 31, 2024 | | | | | |
|---|---|---|---|---|---|---|
| | Large | | Small | | Total | |
| *Dollars in thousands* | $ | % | $ | % | $ | % |
| Interest rate reduction & term extension | $ 9,155 | 0.8 % | $ 1,446 | 0.2 % | $ 10,601 | 0.6 % |
| Term extension | 1,792 | 0.1 % | 386 | 0.1 % | 2,178 | 0.1 % |
| Interest rate reduction | 5,729 | 0.4 % | 2,545 | 0.5 % | 8,274 | 0.4 % |
| Principal forgiveness, interest rate reduction, & term extension | 586 | — | 28 | — | 614 | — |
| Total | $ 17,262 | 1.3 % | $ 4,405 | 0.8 % | $ 21,667 | 1.1 % |

| | As of and for the Year Ended December 31, 2023 | | | | | |
|---|---|---|---|---|---|---|
| | Large | | Small | | Total | |
| *Dollars in thousands* | $ | % | $ | % | $ | % |
| Interest rate reduction & term extension | $ 12,687 | 1.0% | 2,112 | 0.4% | $ 14,799 | 0.8% |
| Principal forgiveness, interest rate reduction, & term extension | 288 | — | 37 | — | 325 | — |
| Term extension | 930 | 0.1% | 346 | 0.1% | 1,276 | 0.1% |
| Total | $ 13,905 | 1.1% | $ 2,495 | 0.5% | $ 16,400 | 0.9% |

The financial effects of the modifications made to borrowers experiencing financial difficulty for the periods indicated are as follows:

| | | Year Ended December 31, 2024 |
|---|---|---|
| Loan Modification | Product | Financial Effect |
| Principal forgiveness | Large loans | Reduced the amortized cost basis of the loans by $1.3 million. |
| | Small loans | Reduced the amortized cost basis of the loans by $0.5 million. |
| Interest rate reduction | Large loans | Reduced the weighted-average contractual interest rate by 12.6%. |
| | Small loans | Reduced the weighted-average contractual interest rate by 24.4%. |
| Term extension | Large loans | Added a weighted-average 1.5 years to the life of loans. |
| | Small loans | Added a weighted-average 1.4 years to the life of loans. |

| | | Year Ended December 31, 2023 |
|---|---|---|
| Loan Modification | Product | Financial Effect |
| Principal forgiveness | Large loans | Reduced the amortized cost basis of the loans by $1.0 million. |
| | Small loans | Reduced the amortized cost basis of the loans by $0.5 million. |
| Interest rate reduction | Large loans | Reduced the weighted-average contractual interest rate by 10.7%. |
| | Small loans | Reduced the weighted-average contractual interest rate by 13.6%. |
| Term extension | Large loans | Added a weighted-average 1.5 years to the life of loans. |
| | Small loans | Added a weighted-average 1.4 years to the life of loans. |

The following tables provide the amortized cost basis for modifications made to borrowers experiencing financial difficulty within the previous twelve months that subsequently defaulted. The Company defines payment default as 90 days past due for this disclosure. The respective amounts for each modification for the periods indicated are as follows:

| | As of and for the Year Ended December 31, 2024 | | |
|---|---|---|---|
| *Dollars in thousands* | Large | Small | Total |
| Interest rate reduction & term extension | $ 1,608 | $ 319 | $ 1,927 |
| Term extension | 231 | 52 | 283 |
| Interest rate reduction | 858 | 280 | 1,138 |
| Principal forgiveness, interest rate reduction, & term extension | 30 | 6 | 36 |
| Total | $ 2,727 | $ 657 | $ 3,384 |

| *Dollars in thousands* | As of and for the Year Ended December 31, 2023 | | |
|---|---|---|---|
| | Large | Small | Total |
| Interest rate reduction & term extension | $ 1,334 | $ 248 | $ 1,582 |
| Term extension | 27 | 3 | 30 |
| Principal forgiveness, interest rate reduction, & term extension | 16 | 3 | 19 |
| Total | $ 1,377 | $ 254 | $ 1,631 |

The contractual delinquencies of loans that were modified to borrowers experiencing financial difficulty within the previous twelve months for the periods indicated are as follows:

| *Dollars in thousands* | December 31, 2024 | | |
|---|---|---|---|
| | Large | Small | Total |
| Current | $ 13,207 | $ 3,138 | $ 16,345 |
| 30 - 89 days past due | 2,410 | 799 | 3,209 |
| 90+ days past due | 1,645 | 468 | 2,113 |
| Total (1) | $ 17,262 | $ 4,405 | $ 21,667 |

(1) Excludes modified finance receivables that subsequently charged off of $1.4 million and $0.2 million in large and small loans, respectively.

| *Dollars in thousands* | December 31, 2023 | | |
|---|---|---|---|
| | Large | Small | Total |
| Current | $ 11,289 | $ 1,993 | $ 13,282 |
| 30 - 89 days past due | 1,691 | 325 | 2,016 |
| 90+ days past due | 925 | 177 | 1,102 |
| Total (1) | $ 13,905 | $ 2,495 | $ 16,400 |

(1) Excludes modified finance receivables that subsequently charged off of $1.8 million and $0.4 million in large and small loans, respectively.

Prior to January 1, 2023, the Company classified a loan as a TDR finance receivable when the Company modified a loan's contractual terms for economic or other reasons related to the borrower's financial difficulties and granted a concession that it would not have otherwise considered.

The following table provides the number and amount of net finance receivables modified and classified as TDRs during the period presented:

| *Dollars in thousands* | Year Ended December 31, 2022 | |
|---|---|---|
| | Number of Loans | TDR Net Finance Receivables (1) |
| Large loans | $ 3,554 | $ 20,537 |
| Small loans | 3,651 | 6,920 |
| Retail loans | 15 | 37 |
| Total | 7,220 | |
| | $ | $ 27,494 |

(1) Represents the post-modification net finance receivables balance of loans that have been modified during the period and resulted in a TDR.

The following table provides the number of accounts and amortized cost basis of finance receivables that subsequently defaulted within the periods indicated (that were modified as a TDR in the preceding 12 months). The Company defines payment default as 90 days past due for this disclosure. The respective amounts and activity for the period indicated is as follows:

| | Year Ended December 31, 2022 | |
|---|---|---|
| *Dollars in thousands* | Number of Loans | TDR Net Finance Receivables (1) |
| Large loans | 1,307 | $ 7,704 |
| Small loans | 1,365 | 2,712 |
| Retail loans | 6 | 16 |
| Total | 2,678 | $ 10,432 |

(1) Only includes defaults occurring within 12 months of a loan being designated as a TDR. Represents the corresponding balance of TDR net finance receivables at the end of the month in which they defaulted.

**Note 5. Restricted Available-for-Sale Investments**

The following tables reconcile the amortized cost, gross unrealized gains and losses included in accumulated other comprehensive income or loss, and estimated fair value of the Company's restricted AFS investments as of the periods indicated:

| | December 31, 2024 | | | |
|---|---|---|---|---|
| *Dollars in thousands* | Amortized Cost | Gross Unrealized Gains | Gross Unrealized Losses | Estimated Fair Value |
| Restricted investments | $ 21,633 | $ 92 | $ (13) | $ 21,712 |

| | December 31, 2023 | | | |
|---|---|---|---|---|
| *Dollars in thousands* | Amortized Cost | Gross Unrealized Gains | Gross Unrealized Losses | Estimated Fair Value |
| Restricted investments | $ 23,211 | $ 1 | $ (472) | $ 22,740 |

The following tables include the gross unrealized losses and estimated fair values of restricted AFS investments that were in a continuous unrealized loss position, for which no allowance for credit loss has been recorded, as of the periods indicated:

| | December 31, 2024 | | | | | |
|---|---|---|---|---|---|---|
| | Less than 12 Months | | 12 Months or Longer | | Total | |
| *Dollars in thousands* | Estimated Fair Value | Gross Unrealized Losses | Estimated Fair Value | Gross Unrealized Losses | Estimated Fair Value | Gross Unrealized Losses |
| Restricted investments | $ 2,205 | $ (13) | $ — | $ — | $ 2,205 | $ (13) |

| | December 31, 2023 | | | | | |
|---|---|---|---|---|---|---|
| | Less than 12 Months | | 12 Months or Longer | | Total | |
| *Dollars in thousands* | Estimated Fair Value | Gross Unrealized Losses | Estimated Fair Value | Gross Unrealized Losses | Estimated Fair Value | Gross Unrealized Losses |
| Restricted investments | $ — | $ — | $ 18,633 | $ (472) | $ 18,633 | $ (472) |

The restricted AFS investments consist of U.S. Treasuries which are measured at fair value and include accrued interest receivables of $13 thousand and $0.3 million as of December 31, 2024 and 2023, respectively. The investments consist of highly rated securities backed by the U.S. federal government. As a result, the Company has not recorded an allowance for credit losses related to the restricted AFS investments.

The following tables include the amortized cost and estimated fair values of restricted AFS investments by contractual maturity as of the period indicated:

| | December 31, 2024 | |
|---|---|---|
| *Dollars in thousands* | Amortized Cost | Estimated Fair Value |
| Due in one year | $ 19,415 | $ 19,507 |
| Due within one year to five years | 2,218 | 2,205 |
| Due within five years to ten years | — | — |
| Due after ten years | — | — |
| Total | $ 21,633 | $ 21,712 |

The Company had no gross realized gains but had gross realized losses of $20 thousand during the year ended December 31, 2024. The Company had no gross realized gains or losses during the years ended December 31, 2023 and 2022, respectively. For additional information on the Company's restricted AFS investments, see Note 13, "Disclosure About Fair Value of Financial Instruments."

**Note 6. Property and Equipment**

For the periods indicated, property and equipment consisted of the following:

| | December 31, | |
|---|---|---|
| *Dollars in thousands* | 2024 | 2023 |
| Furniture, fixtures, and equipment | $ 28,285 | $ 27,228 |
| Leasehold improvements | 18,033 | 16,880 |
| Property and equipment cost | 46,318 | 44,108 |
| Less accumulated depreciation | 32,641 | 30,321 |
| Property and equipment, net | $ 13,677 | $ 13,787 |

Depreciation expense for the years ended December 31, 2024, 2023, and 2022 totaled $4.8 million, $4.6 million, and $4.1 million, respectively.

**Note 7. Leases**

The Company maintains lease agreements related to its branch network and for its corporate headquarters. The branch lease agreements range from three to seven years and generally contain options to extend from three to five years. The corporate headquarters lease agreement is for eleven years and contains options to extend for ten years. All of the Company’s lease agreements are considered operating leases. None of the Company’s lease payments are dependent on an index that may change after the commencement date.

Future minimum lease payments on the Company's lease liabilities are as follows:

| *Dollars in thousands* | December 31, 2024 |
|---|---|
| 2025 | $ 11,001 |
| 2026 | 10,516 |
| 2027 | 8,369 |
| 2028 | 5,691 |
| 2029 | 4,214 |
| Thereafter | 7,938 |
| Total | 47,729 |
| Present value adjustment | (7,150) |
| Lease liability | $ 40,579 |

The Company's operating and short-term lease expenses are presented below:

| | Year Ended December 31, | | |
|---|---|---|---|
| *Dollars in thousands* | 2024 | 2023 | 2022 |
| Operating leases | $ 11,526 | $ 10,587 | $ 9,457 |
| Short-term leases | 221 | 447 | 745 |
| Total | $ 11,747 | $ 11,034 | $ 10,202 |

The Company's weighted-average remaining lease term and discount rate for the periods indicated are as follows:

| | December 31, 2024 | December 31, 2023 |
|---|---|---|
| Weighted-average remaining lease term (in years) | 5.1 | 5.5 |
| Weighted-average discount rate | 6.2% | 5.7% |

Rent expense for the years ended December 31, 2024, 2023, and 2022 equaled $11.7 million, $11.0 million, and $10.2 million, respectively. In addition to rent, the Company typically pays for all operating expenses, property taxes, and repairs and maintenance on properties that it leases.

**Note 8. Intangible Assets**

The following table provides the gross carrying amount and related accumulated amortization of intangible assets for the periods indicated:

| | December 31, 2024 | | | December 31, 2023 | | |
|---|---|---|---|---|---|---|
| *Dollars in thousands* | Gross Carrying Amount | Accumulated Amortization | Net Carrying Amount | Gross Carrying Amount | Accumulated Amortization | Net Carrying Amount |
| Software | $ 43,869 | $ (20,061) | $ 23,808 | $ 30,825 | $ (15,695) | $ 15,130 |
| Other | 950 | (234) | 716 | 950 | (234) | 716 |
| Total | $ 44,819 | $ (20,295) | $ 24,524 | $ 31,775 | $ (15,929) | $ 15,846 |

Intangible amortization expense for the years ended December 31, 2024, 2023, and 2022 totaled $4.4 million, $3.7 million, and $2.9 million, respectively. As of December 31, 2024, the Company's weighted-average amortization period for software was 6.0 years. The following table sets forth the future amortization of software:

| *Dollars in thousands* | Amount |
|---|---|
| 2025 | $ 5,186 |
| 2026 | 5,189 |
| 2027 | 4,033 |
| 2028 | 3,289 |
| 2029 | 2,599 |
| Thereafter | 3,512 |
| Total | $ 23,808 |

**Note 9. Other Assets**

Other assets include the following as of the periods indicated:

| | December 31, | |
|---|---|---|
| *Dollars in thousands* | 2024 | 2023 |
| Prepaid expenses | $ 8,690 | $ 9,661 |
| Credit insurance receivable | 2,840 | 2,759 |
| Card payments receivable | 2,587 | 5,666 |
| Warehouse credit facilities debt issue costs | 2,236 | 2,362 |
| Income tax receivable | 1,708 | 7,260 |
| Other | 2,805 | 1,711 |
| Total | $ 20,866 | $ 29,419 |

**Note 10. Interest Rate Caps**

The Company previously purchased interest rate cap contracts to manage the risk associated with LIBOR-based borrowings. Each contract was collateralizable and contained a strike rate against the one-month LIBOR. When the one-month LIBOR exceeded the strike rate, the counterparty remitted to the Company for the excess over the strike rate. No payment was required by the Company or the counterparty when the one-month LIBOR was below the strike rate.

As of September 30, 2022, the Company no longer maintained interest rate cap protections.

The following is a summary of changes in fair value of the interest rate caps for the periods indicated:

| | As of and for the Years Ended December 31 | | |
|---|---|---|---|
| *Dollars in thousands* | 2024 | 2023 | 2022 |
| Beginning balance | $ — | $ — | $ 6,586 |
| Purchases | — | — | — |
| Sales | — | — | (19,720) |
| Fair value adjustment included as a decrease in interest expense | — | — | 13,134 |
| Ending balance | $ — | $ — | $ — |

**Note 11. Variable Interest Entities**

As part of its overall funding strategy, the Company has transferred certain finance receivables to affiliated VIEs for asset-backed financing transactions, including securitizations. The Company's revolving warehouse credit facilities and securitizations are issued by the Company's SPEs, which are considered VIEs under GAAP and are consolidated into the financial statements of their primary beneficiary.

These debts are supported by the expected cash flows from the underlying collateralized finance receivables. Collections on these finance receivables are remitted to restricted cash collection accounts, which totaled $117.1 million and $109.9 million as of December 31, 2024 and December 31, 2023, respectively. Cash inflows from the finance receivables are distributed to the lenders/investors, the service providers, and/or the residual interest that the Company owns in accordance with a monthly contractual priority of payments. The SPEs pay a servicing fee to the Company, which is eliminated in consolidation. Distributions from the SPEs to the Company are permitted under the debt arrangements.

At each sale of receivables from the Company's affiliates to the SPEs, the Company makes certain representations and warranties about the quality and nature of the collateralized receivables. The debt arrangements require the Company to repurchase the receivables in certain circumstances, including circumstances in which the representations and warranties made by the Company concerning the quality and characteristics of the receivables are inaccurate. Assets transferred to each SPE are legally isolated from the Company and its affiliates, as well as the claims of the Company's and its affiliates' creditors. Further, the assets of each SPE are owned by such SPE and are not available to satisfy the debts or other obligations of the Company or any of its affiliates.

The following table presents the assets and liabilities of our consolidated VIEs:

| | 2024 | 2023 |
|---|---|---|
| **Assets** | | |
| Cash | $ 378 | $ 378 |
| Net finance receivables | 1,317,604 | 1,278,568 |
| Allowance for credit losses | (136,850) | (133,207) |
| Restricted cash | 130,970 | 123,899 |
| Other assets | 3,078 | 2,880 |
| **Total assets** | $ 1,315,180 | $ 1,272,518 |
| **Liabilities** | | |
| Net debt | 1,253,096 | 1,200,380 |
| Accounts payable and accrued expenses | 19 | 218 |
| **Total liabilities** | $ 1,253,115 | $ 1,200,598 |

**Note 12. Debt**

The following is a summary of the Company's debt as of the periods indicated:

| | December 31, 2024 | | | December 31, 2023 | | |
|---|---|---|---|---|---|---|
| *Dollars in thousands* | Debt | Unamortized Debt Issuance Costs (1) | Net Debt | Debt | Unamortized Debt Issuance Costs (1) | Net Debt |
| Revolving credit facilities | $ 315,904 | $ (437) | $ 315,467 | $ 245,546 | $ (606) | $ 244,940 |
| Securitizations | 1,162,432 | (5,901) | 1,156,531 | 1,154,268 | (3,972) | 1,150,296 |
| Total | $ 1,478,336 | $ (6,338) | $ 1,471,998 | $ 1,399,814 | $ (4,578) | $ 1,395,236 |
| Unused amount of revolving credit facilities (subject to borrowing base) | $ 466,164 | | | $ 551,508 | | |

(1) Unamortized debt issuance costs related to the revolving warehouse credit facilities are presented within other assets in the consolidated balance sheets. These credit facilities had $2.2 million and $2.4 million in such costs as of December 31, 2024 and December 31, 2023, respectively.

**Revolving Credit Facilities:** The Company's revolving credit facilities are secured by substantially all of the Company's finance receivables and equity interests of the majority of its subsidiaries. The Company pays unused commitment fees on its revolving credit facilities, generally based upon the average outstanding balance. As of December 31, 2024, the Company held $4.0 million in unrestricted cash. The Company had $132.9 million of immediate available liquidity to draw down cash under the senior revolving credit facility and had no immediate availability to draw down cash under any of its revolving warehouse credit facilities as of December 31, 2024; however, each of the Company's revolving warehouse credit facilities holds restricted cash reserves to satisfy provisions of its respective credit agreement.

The following table includes the key terms under each of the Company's revolving credit facilities as of December 31, 2024:

| *Dollars in thousands* | Total Credit Facility | Debt Balance | Restricted Cash Reserves | Advance Rate Cap | Current Advance Rate | Unused Commitment Fee | Revolving Period End Date | Maturity Date |
|---|---|---|---|---|---|---|---|---|
| Senior (1) | $ 355,000 | $ 219,339 | $ — | 83% | 75% | 0.5% - 1.0% | N/A | Sep 2025 |
| RMR IV warehouse | 125,000 | 4,792 | 61 | 79% | 79% | 0.4% - 0.7% | May 2025 | May 2026 |
| RMR V warehouse (2) | 100,000 | 52,307 | 325 | 80% | 80% | 0.4% - 0.7% | Nov 2026 | Nov 2027 |
| RMR VI warehouse (3) (4) | 75,000 | 2,443 | 32 | 75% | 75% | 0.5% | Feb 2025 | Feb 2026 |
| RMR VII warehouse (5) | 125,000 | 37,023 | 242 | 76% | 76% | 0.4% - 0.7% | N/A | Oct 2026 |
| Total | $ 780,000 | $ 315,904 | $ 660 | | | | | |

(1) In February 2024, the Company amended its senior revolving credit facility to, among other things, reduce the availability under the facility from $420 million to $355 million and extend the maturity date to September 2025.

(2) Following a November 2024 amendment, the revolving period end date is now November 2026 (previously November 2024).

(3) Following a March 2024 amendment, advances on the facility are capped at 75% of eligible finance receivables (previously 80%).

(4) See Note 21, "Subsequent Events," for information regarding the amendment of this facility following the end of the fiscal year.

(5) In October 2024, the Company amended its RMR VII warehouse credit facility to, among other things, (i) increase the credit facility to $125 million (previously $75 million); (ii) decrease the advance rate cap to 76% (previously 80%); (iii) extend the scheduled commitment termination date to October 2026 (previously October 2024); and (iv) align the legal final maturity date and scheduled commitment termination date (previously the revolving period end date).

Borrowings under the revolving credit facilities bear interest, payable monthly, at a rate equal to the sum of any applicable floor, benchmark adjustment, margin, and the market rate of each respective rate type that was effective as of December 31, 2024 (as follows):

| | Floor | Benchmark Adjustment | Margin | Rate Type | Effective Interest Rate |
|---|---|---|---|---|---|
| Senior | 0.5% | 0.1% | 3.0% | 1-month SOFR | 7.7% |
| RMR IV warehouse | — | 0.1% | 2.8% | 1-month SOFR | 7.5% |
| RMR V warehouse | — | — | 2.1% | Conduit | 6.9% |
| RMR VI warehouse | — | 0.1% | 2.5% | 1-month SOFR | 7.2% |
| RMR VII warehouse (1) | — | — | 2.4% | 1-month SOFR | 7.0% |

(1) Following an October 2024 amendment, the margin was reduced to 2.40% (previously 3.00%).

**Securitizations:** From time to time, the Company and its SPE, RMR III, complete private offerings and sales of asset-backed notes through the Company's Issuance Trusts. The asset-backed notes are secured by finance receivables and other related assets that RMR III purchased from the Company, which RMR III then sells and transfers to the Issuance Trusts. The Issuance Trusts hold restricted cash reserves to satisfy provisions of the transaction documents. Borrowings under the securitizations bear interest, payable monthly, and principal repayments begin the month subsequent to the end of the revolving period. Prior to maturity, the Company may redeem the notes in full, but not in part, at its option on securitization-specific, designated dates. No payments of principal of the notes will be made during the revolving periods.

The following table includes the key terms under each of the Company's securitizations as of December 31, 2024:

| *Dollars in thousands* | Issue Date | Issue Amount | Debt Balance | Restricted Cash Reserves | Effective Interest Rate | Revolving Period End Date | Maturity Date |
|---|---|---|---|---|---|---|---|
| RMIT 2020-1 | Sep 2020 | $ 180,000 | $ 46,769 | $ 1,875 | 4.3% | Sep 2023 | Oct 2030 |
| RMIT 2021-1 | Feb 2021 | 248,700 | 101,550 | 2,604 | 2.7% | Feb 2024 | Mar 2031 |
| RMIT 2021-2 | Jul 2021 | 200,000 | 200,191 | 2,083 | 2.3% | Jul 2026 | Aug 2033 |
| RMIT 2021-3 | Oct 2021 | 125,000 | 125,202 | 1,471 | 3.9% | Sep 2026 | Oct 2033 |
| RMIT 2022-1 | Feb 2022 | 250,000 | 250,374 | 2,646 | 3.6% | Feb 2025 | Mar 2032 |
| RMIT 2024-1 (1) | Jun 2024 | 187,305 | 187,788 | 1,078 | 6.2% | May 2027 | Jul 2036 |
| RMIT 2024-2 (2) | Nov 2024 | 250,000 | 250,558 | 1,418 | 5.3% | Nov 2026 | Dec 2033 |
| Total | | $ 1,441,005 | $ 1,162,432 | $ 13,175 | | | |

(1) In June 2024, the Company, its SPE, RMR III, and the Company's indirect SPE, RMIT 2024-1, completed a private offering and sale of $187 million of asset-backed notes. The transaction consisted of the issuance of four classes of fixed-rate, asset-backed notes by RMIT 2024-1. The asset-backed notes are secured by finance receivables and other related assets that RMR III purchased from the Company, which RMR III then sold and transferred to RMIT 2024-1. Prior to maturity in July 2036, the Company may redeem the notes in full, but not in part, at its option on any note payment date on or after the payment date occurring in June 2027. No payments of principal of the notes will be made during the revolving period.

(2) In November 2024, the Company, its SPE, RMR III, and the Company's indirect SPE, RMIT 2024-2, completed a private offering and sale of $250 million of asset-backed notes. The transaction consisted of the issuance of four classes of fixed-rate, asset-backed notes by RMIT 2024-1. The asset-backed notes are secured by finance receivables and other related assets that RMR III purchased from the Company, which RMR III then sold and transferred to RMIT 2024-1. Prior to maturity in December 2033, the Company may

redeem the notes in full, but not in part, at its option on any note payment date on or after the payment date occurring in December 2026. No payments of principal of the notes will be made during the revolving period.

***RMIT 2022-2B Securitization:*** In October 2022, the Company, its wholly owned SPE, RMR III, and its indirect wholly owned SPE, RMIT 2022-2B, completed a private offering and sale of $200 million of asset-backed notes. In November 2024, the Company and RMR III exercised the right to make an optional principal repayment in full, and in connection with such prepayment, the securitization terminated.

The Company's debt arrangements are subject to certain covenants, including monthly and annual reporting, maintenance of specified interest coverage and debt ratios, restrictions on distributions, limitations on other indebtedness, and certain other restrictions. As of December 31, 2024, the Company was in compliance with all debt covenants.

The following is a summary of estimated future principal payments required on outstanding debt:

| *Dollars in thousands* | Amount |
|---|---|
| 2025 | $ 466,626 |
| 2026 | 285,124 |
| 2027 | 499,389 |
| 2028 | 196,828 |
| 2029 | 26,296 |
| Thereafter | — |
| Total | $ 1,474,263 |

**Note 13. Stockholders' Equity**

***Stock repurchase program:*** In December 2024, the Company announced that the Board had authorized a $30 million stock repurchase program. The authorization was effective immediately and extends through December 31, 2026. As of December 31, 2024, the Company had repurchased 105 thousand shares of common stock at a total cost of $3.5 million.

The following is a summary of the Company's repurchased shares of common stock for the periods indicated:

| | Year Ended December 31, | | |
|---|---|---|---|
| *Dollars in thousands, except per share amounts* | 2024 | 2023 | 2022 |
| Common stock repurchased | 105 | — | 437 |
| Weighted-average cost per share | $ 33.86 | $ — | $ 47.14 |
| Total cost of common stock repurchased | $ 3,540 | $ — | $ 20,613 |

***Quarterly cash dividend:*** The Board may in its discretion declare and pay cash dividends on the Company's common stock. The following table presents the dividends declared per share of common stock for the periods indicated:

| | Year Ended December 31, | | |
|---|---|---|---|
| | 2024 | 2023 | 2022 |
| Dividends declared per common share | $ 1.20 | $ 1.20 | $ 1.20 |

See Note 21, "Subsequent Events," for information regarding the Company's cash dividend following the end of the fiscal year.

**Note 14. Disclosure About Fair Value of Financial Instruments**

The following methods and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value:

**Cash and restricted cash:** Cash and restricted cash is recorded at cost, which approximates fair value due to its highly liquid nature.

**Restricted AFS investments:** The fair value of U.S. Treasury securities is priced using an external pricing service which the Company corroborates using a secondary external vendor. For additional information on the Company's restricted AFS investments, see Note 5, "Restricted Available-for-Sale Investments."

**Net finance receivables:** The Company determines the fair value of net finance receivables using a discounted cash flows methodology. The application of this methodology requires the Company to make certain estimates and judgments. These estimates and judgments include, but are not limited to, prepayment rates, default rates, loss severity, and risk-adjusted discount rates.

**Debt:** The Company estimates the fair value of debt using estimated credit marks based on an index of similar financial instruments (credit facilities) and projected cash flows from the underlying collateralized finance receivables (securitizations), each discounted using a risk-adjusted discount rate.

Certain of the Company's assets estimated fair value are classified and disclosed in one of the following three categories:

Level 1 – Quoted market prices in active markets for identical assets or liabilities.

Level 2 – Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data.

Level 3 – Unobservable inputs that are not corroborated by market data.

In determining the appropriate levels, the Company performs an analysis of the assets and liabilities that are estimated at fair value. At each reporting period, all assets and liabilities for which the fair value measurement is based on significant unobservable inputs are classified as Level 3.

The following table includes the carrying amounts and estimated fair values of financial assets and liabilities disclosed but not carried at fair value:

| | December 31, 2024 | | December 31, 2023 | |
|---|---|---|---|---|
| *Dollars in thousands* | Carrying Amount | Estimated Fair Value | Carrying Amount | Estimated Fair Value |
| **Assets** | | | | |
| Level 1 | | | | |
| Cash | $ 3,951 | $ 3,951 | $ 4,509 | $ 4,509 |
| Restricted cash | 131,684 | 131,684 | 124,164 | 124,164 |
| Level 3 | | | | |
| Net finance receivables, less unearned insurance premiums and allowance for credit losses | 1,644,967 | 1,695,325 | 1,536,118 | 1,603,737 |
| **Liabilities** | | | | |
| Level 3 | | | | |
| Debt | 1,478,336 | 1,428,607 | 1,399,814 | 1,308,349 |

The following table includes the carrying amounts and estimated fair values of amounts the Company measures at fair value on a recurring basis:

| | December 31, 2024 | | December 31, 2023 | |
|---|---|---|---|---|
| *Dollars in thousands* | Carrying Amount | Estimated Fair Value | Carrying Amount | Estimated Fair Value |
| **Assets** | | | | |
| Level 2 | | | | |
| Restricted AFS investments | 21,712 | 21,712 | 22,740 | 22,740 |

As of the periods indicated above, there were no financial assets or liabilities measured at fair value on a non-recurring basis.

**Note 15. Income Taxes**

The Company and its subsidiaries file a consolidated federal income tax return. The Company files consolidated or separate state income tax returns as required by individual states in which it operates. The Company is generally no longer subject to federal, state, or local income tax examinations by taxing authorities before 2021. However, the Company remains subject to examination in Wisconsin for its 2020 tax return and in Texas for its 2018, 2019, and 2020 tax returns.

Income tax expense attributable to total income before income taxes consists of the following for the periods indicated:

| | Year Ended December 31, | | |
|---|---|---|---|
| *Dollars in thousands* | 2024 | 2023 | 2022 |
| Current: | | | |
| Federal | $ 7,886 | $ 3,567 | $ 7,383 |
| State and local | 724 | 1,146 | 1,948 |
| | 8,610 | 4,713 | 9,331 |
| Deferred: | | | |
| Federal | 3,821 | 289 | 5,247 |
| State and local | 417 | (177) | (481) |
| | 4,238 | 112 | 4,766 |
| Total | $ 12,848 | $ 4,825 | $ 14,097 |

Income tax expense differed from the amount computed by applying the federal income tax rate to total income before income taxes as a result of the following:

| | Year Ended December 31, | | | | | |
|---|---|---|---|---|---|---|
| | 2024 | | 2023 | | 2022 | |
| *Dollars in thousands* | $ | % | $ | % | $ | % |
| Federal tax expense at statutory rate | $ 11,356 | 21.0% | $ 4,364 | 21.0% | $ 13,717 | 21.0% |
| Increase (reduction) in income taxes resulting from: | | | | | | |
| State tax, net of federal benefit | 1,124 | 2.1% | 882 | 4.2% | 1,134 | 1.7% |
| Non-deductible compensation | 1,334 | 2.5% | 1,021 | 4.9% | 627 | 1.0% |
| Excess tax (benefits) deficiencies from share-based awards | (67) | (0.1)% | 301 | 1.4% | (344) | (0.5)% |
| Research and development | (859) | (1.6)% | (1,459) | (7.0)% | (1,222) | (1.9)% |
| Other | (40) | (0.1)% | (284) | (1.3)% | 185 | 0.3% |
| Total | $ 12,848 | 23.8% | $ 4,825 | 23.2% | $ 14,097 | 21.6% |

Net deferred tax assets and liabilities consist of the following as of the periods indicated:

| | December 31, | |
|---|---|---|
| *Dollars in thousands* | **2024** | **2023** |
| Deferred tax assets: | | |
| Allowance for credit losses | $ 47,296 | $ 44,200 |
| Lease liability | 9,716 | 8,711 |
| Unearned insurance commissions | 7,760 | 7,729 |
| Research and experimental expenditures | 4,408 | 4,100 |
| Share-based compensation | 3,011 | 2,870 |
| Accrued expenses | 2,444 | 2,542 |
| State net operating loss carryforward | 1,638 | 1,548 |
| Unearned premium reserves | 234 | 225 |
| Other | 59 | 134 |
| Deferred tax assets | 76,566 | 72,059 |
| | | |
| Deferred tax liabilities: | | |
| Fair market value adjustment of net finance receivables | 49,942 | 42,713 |
| Lease assets | 9,207 | 8,173 |
| Deferred loan costs | 4,162 | 3,658 |
| Depreciation and software amortization | 2,580 | 2,353 |
| Prepaid expenses | 1,305 | 1,521 |
| Other | 84 | — |
| Deferred tax liabilities | 67,280 | 58,418 |
| Deferred tax assets, net | $ 9,286 | $ 13,641 |

The Company had a state net operating loss carryforward of approximately $52.0 million as of December 31, 2024. These carryforwards are available to offset future taxable income. If not used, the carryforward will expire beginning in 2032.

Companies are not permitted to recognize the tax benefit attributable to a tax position unless such position is more likely than not to be sustained upon examination by taxing authorities, based solely on the technical merits of the position. At December 31, 2024, the Company had $1.0 million of unrecognized tax benefits that, if recognized, would affect the effective tax rate. The Company recognizes interest and penalties accrued related to unrecognized tax benefits in the income tax line of the consolidated statements of comprehensive income. The Company recognized approximately $0.1 million, $0.1 million, and $19 thousand of interest and penalties during the years ended December 31, 2024, 2023, and 2022, respectively.

The following schedule reconciles unrecognized tax positions for the periods indicated:

| | As of and for the Years Ended December 31, | | |
|---|---|---|---|
| *Dollars in thousands* | **2024** | **2023** | **2022** |
| Beginning balance | $ 733 | $ 414 | $ — |
| Additions based on tax positions related to the current year | 247 | 268 | 233 |
| Additions for tax positions of prior years | 4 | 51 | 181 |
| Ending balance | $ 984 | $ 733 | $ 414 |

**Note 16. Earnings Per Share**

The following schedule reconciles the computation of basic and diluted earnings per share for the periods indicated:

| *Dollars in thousands, except per share amounts* | Year Ended December 31, 2024 | 2023 | 2022 |
|---|---|---|---|
| Numerator: | | | |
| Net income | $ 41,227 | $ 15,958 | $ 51,224 |
| Denominator: | | | |
| Weighted-average shares outstanding for basic earnings per share | 9,640 | 9,398 | 9,296 |
| Effect of dilutive securities | 317 | 195 | 360 |
| Weighted-average shares adjusted for dilutive securities | 9,957 | 9,593 | 9,656 |
| Earnings per share: | | | |
| Basic | $ 4.28 | $ 1.70 | $ 5.51 |
| Diluted | $ 4.14 | $ 1.66 | $ 5.30 |

The Company excluded outstanding shares of common stock totaling 0.2 million, 0.4 million, and 0.3 million for the years ended December 31, 2024, 2023, and 2022, respectively, from the computation of diluted earnings per share because they were anti-dilutive.

**Note 17. Share-Based Compensation**

The Company previously adopted the 2015 Plan (including re-approval as amended and restated in April 2017 and May 2021). On May 16, 2024, the stockholders of the Company approved the 2024 Plan. As of December 31, 2024, subject to adjustments as provided in the 2024 Plan, the maximum aggregate number of shares of the Company's common stock that could be issued under the 2024 Plan could not exceed the sum of (i) 381,000 shares plus (ii) any shares remaining available for the grant of awards as of May 16, 2024 under the 2015 Plan, plus (iii) any shares subject to an award granted under the 2015 Plan which award is forfeited, cash-settled, cancelled, terminated, expires, or lapses for any reason after May 16, 2024 without the issuance of shares or pursuant to which such shares are forfeited (subject to adjustment for anti-dilution purposes as provided in the 2024 Plan). Of the amount described in the preceding sentence, no more than 381,000 shares may be issued under the 2024 Plan pursuant to the grant of incentive stock options (subject to adjustment for anti-dilution purposes). As of May 16, 2024, there were 1.0 million shares available for grant under the 2024 Plan, inclusive of shares previously available for grant under the 2015 Plan that were rolled over to the 2024 Plan. No further grants will be made under the 2015 Plan. However, awards that are outstanding under the 2015 Plan will continue in accordance with their respective terms. As of December 31, 2024, there were 0.5 million shares available for grant under the 2024 Plan.

For the years ended December 31, 2024, 2023, and 2022, the Company recorded share-based compensation expense of $11.2 million, $11.8 million, and $10.8 million, respectively. As of December 31, 2024, unrecognized share-based compensation expense to be recognized over future periods approximated $11.2 million. This amount will be recognized as expense over a weighted-average period of 1.6 years. Share-based compensation expenses are recognized on a straight-line basis over the requisite service period of the agreement. All share-based compensation is classified as equity awards. During the year ended December 31, 2024, share-based compensation of $0.8 million was capitalized as software. There was no capitalization of share-based compensation for the years ended December 31, 2023 and 2022.

The Company allows for the settlement of share-based awards on a net share basis. With net share settlement, the employee does not surrender any cash or shares upon the exercise of stock options or the vesting of stock awards or stock units. Rather, the Company withholds the number of shares with a value equivalent to the option exercise price (for stock options) and the statutory tax withholding (for all share-based awards). Net share settlements have the effect of reducing the number of shares that would have otherwise been issued as a result of exercise or vesting.

**Long-term incentive program:** The Company issues PRSUs, service-based RSUs, and RSAs to certain members of senior management under the Company's LTIP. Recurring annual grants are made at the discretion of the Board. The annual grants are subject to cliff- and graded-vesting, generally concluding at the end of the third calendar year and subject to continued employment or as otherwise provided in the underlying award agreements. Vested PRSUs are subject to an additional one-year holding period following the vesting date. The actual value of the PRSUs that may be earned can range from 0% to 150% of target based on positive or negative cumulative total shareholder return concluding at the end of the third calendar year.

Prior to 2022, the Company issued NQSOs, performance-contingent RSUs, CSPUs, and RSAs to certain members of senior management under the LTIP. The CSPUs were cash incentive awards, and the associated expense was not based on the market price of the Company's common stock. These annual grants were subject to cliff- and graded-vesting, generally concluding at the end of the third calendar year and subject to continued employment or as otherwise provided in the underlying award agreements. The actual value of the performance-contingent RSUs and CSPUs that could be earned ranged from 0% to 150% of target based on the percentile ranking of the Company's compound annual growth rate of pre-provision net income and pre-provision net income per share compared to a public company peer group over a three-year performance period.

**Key team member incentive program:** The Company also has a KTIP for certain other members of senior management. Recurring annual participation in the program is at the discretion of the Board and executive management. The annual grants are subject to graded-vesting, generally concluding at the end of the third calendar year and subject to continued employment or as otherwise provided in the underlying award agreements.

Prior to 2024, the annual grant was subject to performance over a one-year period. Payout under the program ranged from 0% to 150% of target based on the achievement of five Company performance metrics and individual performance goals (subject to continued employment and certain other terms and conditions of the program). If earned, an RSA was issued following the one-year performance period that vested ratably over a subsequent two-year period (subject to continued employment or as otherwise provided in the underlying award agreement).

**Inducement and retention program:** From time to time, the Company issues stock awards and other long-term incentive awards in conjunction with employment offers to select new employees and retention grants to select existing employees. The Company issues these awards to attract and retain talent and to provide market competitive compensation. The grants have various vesting terms, including fully-vested awards at the grant date, cliff-vesting, and graded-vesting over periods of up to five years (subject to continued employment or as otherwise provided in the underlying award agreements).

**Non-employee director compensation program:** The Company awards its non-employee directors a cash retainer and shares of restricted common stock. The RSAs are granted on the fifth business day following the Company's annual meeting of stockholders and fully vest upon the earlier of the first anniversary of the grant date or the completion of the directors' annual service to the Company (so long as the period between the date of the annual stockholders' meeting related to the grant date and the date of the next annual stockholders' meeting is not less than 50 weeks).

The following are the terms and amounts of the awards issued under the Company's share-based incentive programs:

**Non-qualified stock options:** The exercise price of all stock options is equal to the Company's closing stock price on the date of grant. Stock options are subject to various vesting terms, including graded- and cliff-vesting over periods of up to five years. In addition, stock options vest and become exercisable in full or in part under certain circumstances, including following the occurrence of a change of control (as defined in the option award agreements). Participants who are awarded options must exercise their options within a maximum of ten years of the grant date.

The fair value of option grants was estimated on the grant date using the Black-Scholes option-pricing model. Beginning in 2022, the Company no longer issues NQSOs as part of its annual long-term incentive program.

The following table summarizes the stock option activity for the year ended December 31, 2024:

| *Dollars in thousands, except per share amounts* | Number of Shares | Weighted-Average Exercise Price Per Share | Weighted-Average Remaining Contractual Life (Years) | Aggregate Intrinsic Value |
|---|---|---|---|---|
| Options outstanding at January 1, 2024 | 509 | $ 23.32 | | |
| Granted | — | — | | |
| Exercised | (65) | 21.06 | | |
| Forfeited | — | — | | |
| Expired | — | — | | |
| Options outstanding at December 31, 2024 | 444 | $ 23.65 | 4.4 | $ 4,584 |
| Options exercisable at December 31, 2024 | 444 | $ 23.65 | 4.4 | $ 4,584 |

The following table provides additional stock option information for the periods indicated:

| | Year Ended December 31, | | |
|---|---|---|---|
| *Dollars in thousands, except per share amounts* | 2024 | 2023 | 2022 |
| Weighted-average grant date fair value per share | $ — | $ — | $ — |
| Intrinsic value of options exercised | $ 718 | $ 277 | $ 2,142 |
| Fair value of stock options that vested | $ — | $ 544 | $ 849 |

**Performance restricted stock units:** Compensation expense for PRSUs is based on the fair value of the award estimated on the grant date using the Monte Carlo valuation model. The following are the weighted-average assumptions for the PRSU grants for the periods indicated:

| | Year Ended December 31, | | |
|---|---|---|---|
| | 2024 | 2023 | 2022 |
| Expected volatility | 42.48 % | 40.18 % | 39.24 % |
| Expected dividends | 2.30 % | 2.24 % | — |
| Risk-free rate | 5.21 % | 5.21 % | 1.05 % |
| Discount for post-vesting restrictions | 9.19 % | 8.48 % | 11.93 % |

The following table summarizes PRSU activity for the year ended December 31, 2024:

| *Dollars and units in thousands, except per unit amounts* | Units | Weighted-Average Grant Date Fair Value Per Unit |
|---|---|---|
| Non-vested units at January 1, 2024 | 175 | $ 39.94 |
| Granted | 136 | 26.21 |
| Achieved performance adjustment | — | — |
| Vested | — | — |
| Forfeited | — | — |
| Non-vested units at December 31, 2024 | 311 | $ 33.93 |

The following table provides additional PRSU information for the periods indicated:

| | Year Ended December 31, | | |
|---|---|---|---|
| *Dollars in thousands, except per unit amounts* | 2024 | 2023 | 2022 |
| Weighted-average grant date fair value per unit | $ 26.21 | $ 32.40 | $ 52.07 |
| Fair value of PRSUs that vested | $ — | $ — | $ — |

**Performance-contingent restricted stock units:** Compensation expense for performance-contingent RSUs is based on the Company's closing stock price on the date of grant and the probability that certain financial goals will be achieved over the performance period. Compensation expense is estimated based on expected performance and is adjusted at each reporting period.

The following table summarizes performance-contingent RSU activity for the year ended December 31, 2024:

| *Dollars in thousands, except per unit amounts* | Units | Weighted-Average Grant Date Fair Value Per Unit |
|---|---|---|
| Non-vested units at January 1, 2024 | 45 | $ 30.22 |
| Granted (target) | — | — |
| Achieved performance adjustment | — | — |
| Vested | (45 ) | 30.22 |
| Forfeited | — | — |
| Non-vested units at December 31, 2024 | — | $ — |

The following table provides additional performance-contingent RSU information for the periods indicated:

| | Year Ended December 31, | | |
|---|---|---|---|
| *Dollars in thousands, except per unit amounts* | 2024 | 2023 | 2022 |
| Weighted-average grant date fair value per unit | $ — | $ — | $ — |
| Fair value of RSUs that vested | $ 1,371 | $ 1,445 | $ 513 |

**Restricted stock units:** The fair value and compensation expense of the primary portion of the Company's service-based RSUs are calculated using the Company's closing stock price on the date of grant. These RSUs include RSUs granted pursuant to the Company's LTIP.

The following table summarizes service-based RSU activity for the year ended December 31, 2024:

| *Dollars and units in thousands, except per unit amounts* | Units | Weighted-Average Grant Date Fair Value Per Unit |
|---|---|---|
| Non-vested units at January 1, 2024 | — | $ — |
| Granted (target) | 53 | 28.20 |
| Vested | (18) | 28.20 |
| Forfeited | — | — |
| Non-vested units at December 31, 2024 | 35 | $ 28.20 |

The following table provides additional service-based RSU information for the periods indicated:

| | Year Ended December 31, | | |
|---|---|---|---|
| *Dollars in thousands, except per unit amounts* | 2024 | 2023 | 2022 |
| Weighted-average grant date fair value per unit | $ 28.20 | $ — | $ — |
| Fair value of RSUs that vested | $ 500 | $ — | $ — |

**Restricted stock awards:** The fair value and compensation expense of the primary portion of the Company's RSAs are calculated using the Company's closing stock price on the date of grant. These RSAs include director awards, inducement awards, RSAs granted pursuant to the Company's LTIP, and, beginning in 2024, RSAs granted pursuant to the Company's KTIP.

Prior to 2024, the Company's KTIP was administered as a performance-based program. The fair value and compensation expense of RSAs granted pursuant to the Company's performance-based KTIP was calculated using the Company's closing stock price on the date of grant and the probability that certain financial goals would be achieved over the performance period. Compensation expense was estimated based on expected performance and was adjusted at each reporting period.

The following table summarizes RSA activity for the year ended December 31, 2024:

| *Dollars in thousands, except per share amounts* | Shares | Weighted-Average Grant Date Fair Value Per Share |
|---|---|---|
| Non-vested shares at January 1, 2024 | 190 | $ 35.89 |
| Granted | 372 | 28.52 |
| Vested | (217) | 34.36 |
| Forfeited | (11) | 31.83 |
| Non-vested shares at December 31, 2024 | 334 | $ 28.80 |

The following table provides additional RSA information for the periods indicated:

| | Year Ended December 31, | | |
|---|---|---|---|
| *Dollars in thousands, except per share amounts* | 2024 | 2023 | 2022 |
| Weighted-average grant date fair value per share | $ 28.52 | $ 34.25 | $ 40.76 |
| Fair value of RSAs that vested | $ 7,467 | $ 8,787 | $ 7,274 |

**Note 18. Commitments and Contingencies**

In the normal course of business, the Company has been named as a defendant in legal actions in connection with its activities. Some of the actual or threatened legal actions include claims for compensatory damages or claims for indeterminate amounts of damages. The Company contests liability and the amount of damages, as appropriate, in each pending matter.

Where available information indicates that it is probable that a liability has been incurred and the Company can reasonably estimate the amount of that loss, the Company accrues the estimated loss by a charge to net income.

However, in many legal actions, it is inherently difficult to determine whether any loss is probable, or even reasonably possible, or to estimate the amount of loss. This is particularly true for actions that are in their early stages of development or where plaintiffs seek indeterminate damages. In addition, even where a loss is reasonably possible or an exposure to loss exists in excess of the liability already accrued, it is not always possible to reasonably estimate the size of the possible loss or range of loss. Before a loss, additional loss, range of loss, or range of additional loss can be reasonably estimated for any given action, numerous issues may need to be resolved, including through lengthy discovery, following determination of important factual matters, and/or by addressing novel or unsettled legal questions.

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

While the Company will continue to identify legal actions where it believes a material loss to be reasonably possible and reasonably estimable, there can be no assurance that material losses will not be incurred from claims that the Company has not yet been notified of or are not yet determined to be probable, or reasonably possible and reasonable to estimate.

The Company expenses legal costs as they are incurred.

**Note 19. Insurance Products and Reinsurance of Certain Risks**

RMC Reinsurance, Ltd. is a wholly owned insurance subsidiary of the Company. The Company sells optional insurance products to its customers in connection with its lending operations. These optional products include credit life, credit accident and health, credit property, vehicle single interest, and credit involuntary unemployment insurance. The type and terms of our optional insurance products vary from state to state based on applicable laws and regulations. Insurance premiums are remitted to an unaffiliated company that issues the policy to the customer. This unaffiliated company cedes the premiums to RMC Reinsurance, Ltd. Life insurance premiums are ceded to the Company as written and non-life products are ceded as earned. Unearned insurance premiums represent insurance premiums, net of premiums held by the unaffiliated insurance underwriter, that will be earned over the terms of the policies.

The Company maintains a restricted reserve comprised of restricted cash and restricted AFS investments for life insurance claims in an amount determined by the ceding company. At December 31, 2024 and 2023, the restricted reserves consisted of $21.2 million and $21.9 million of unearned premium reserves, respectively, and $1.2 million of unpaid claim reserves for both periods. For non-life products, the Company had no unpaid claim reserves at both December 31, 2024 and 2023, as changes in claim reserves are settled between the Company and the unaffiliated insurance underwriter as they are incurred. For the year ended December 31, 2024, non-life unpaid claim reserves, included in insurance income, net as presented in the table below, increased $0.8 million. For the year ended December 31, 2023, non-life unpaid claim reserves decreased $0.2 million, and increased $0.5 million for the year ended December 31, 2022.

Insurance income, net consists primarily of earned premiums, net of certain direct costs, from the sale of various optional payment and collateral protection insurance products offered to customers who obtain loans directly from the Company. Earned premiums are accounted for over the period of the underlying reinsured policies using assumptions consistent with the policy terms. Direct costs included in insurance income, net are claims paid, changes in claims reserves, ceding fees, and premium taxes paid. The Company does not allocate to insurance income, net, any other head office or branch administrative costs associated with managing its insurance operations, managing its captive insurance company, marketing and selling insurance products, legal and compliance review, or internal audits.

The following table summarizes the components of insurance income, net for the periods indicated:

| | Insurance Premiums and Direct Expenses | | |
|---|---|---|---|
| *Dollars in thousands* | 2024 | 2023 | 2022 |
| Earned premiums | $ 57,312 | $ 59,830 | $ 60,190 |
| Claims, reserves, and certain direct expenses | (16,617) | (15,301) | (16,688) |
| Insurance income, net | $ 40,695 | $ 44,529 | $ 43,502 |

Apart from the various optional payment and collateral protection insurance products that the Company offers to customers, on certain loans, the Company also collects a fee from customers and, in turn, purchases non-file insurance from an unaffiliated insurance company for its benefit in lieu of recording and perfecting its security interest in personal property collateral. Non-file insurance protects the Company from credit losses where, following an event of default, it is unable to take possession of personal property collateral because its security interest is not perfected (for example, in certain instances where a customer files for bankruptcy). In such circumstances, non-file insurance generally will pay to the Company an amount equal to the lesser of the loan balance or the collateral value.

**Note 20. Segment Reporting**

The Company has one reportable segment: consumer finance. The Company allocates resources and assesses financial performance on a consolidated basis because its product offerings require similar technology and marketing strategies, and do not significantly differ on the bases of geographic areas and/or related regulatory environments. The Company's chief executive officer is the CODM, and is responsible for allocating resources and assessing financial performance.

The Company's consolidated net income is the measure used by the CODM in evaluating the segment profit or loss of the Company. The CODM uses net income results and impacts to assess performance and drive decision-making when allocating resources. The Company's financial results include the following measures' amounts for the periods indicated that are either reviewed by the CODM or are otherwise regularly provided to the CODM:

| | Year Ended December 31, | | |
|---|---|---|---|
| *Dollars in thousands* | 2024 | 2023 | 2022 |
| Interest income | $ 491,308 | $ 454,856 | $ 416,969 |
| Fee income | 37,586 | 34,842 | 33,885 |
| Insurance income, net | 40,695 | 44,529 | 43,502 |
| Other income | 18,914 | 17,172 | 12,831 |
| Provision for credit losses | 212,200 | 220,034 | 185,115 |
| Share-based compensation expense | 11,171 | 11,755 | 10,768 |
| Depreciation and amortization expense | 9,186 | 8,218 | 7,072 |
| Interest expense | 74,530 | 67,463 | 34,223 |
| Income tax expense | 12,848 | 4,825 | 14,097 |

As part of the CODM's review and evaluation process for allocating resources, the CODM is provided with only the consolidated expenses as noted on the face of the Company's consolidated statements of comprehensive income.

The following table presents the Company's revenues from external customers for each significant product and service for the periods indicated:

| | Year Ended December 31, | | |
|---|---|---|---|
| *Dollars in thousands* | 2024 | 2023 | 2022 |
| Large loans | $ 337,708 | $ 323,898 | $ 288,516 |
| Small loans | 190,830 | 164,671 | 160,419 |
| Retail loans | 356 | 1,129 | 1,919 |
| Interest and fee income | 528,894 | 489,698 | 450,854 |
| Insurance income, net | 40,695 | 44,529 | 43,502 |
| Other income | 18,914 | 17,172 | 12,831 |
| Total revenue | $ 588,503 | $ 551,399 | $ 507,187 |

The Company operates in the consumer finance industry within the United States and, therefore, does not have any customer concentration or international operations. See Note 3, “Concentrations of Credit Risk,” for additional information regarding the risks relating to geographic concentration.

During the process for allocating resources for the Company, the CODM also receives asset information, primarily relating to total assets. Total assets were $1.9 billion and $1.8 billion as of December 31, 2024 and 2023, respectively. The Company’s balance sheet expenditures for long-lived assets either reviewed by the CODM or are otherwise regularly provided to the CODM are included in the Company’s Consolidated Statements of Cash Flows. These expenditures are represented as “Purchases of intangible assets,” “Purchases of property and equipment,” and “Operating leases paid” within the referenced statements.

**Note 21. Subsequent Events**

***RMR VI revolving warehouse credit facility amendment:*** In January 2025, the Company amended its RMR VI revolving warehouse credit facility to, among other things, (i) address changes to the definitions of “Concentration Limits” and “Level II Trigger Event,”
(ii) add certain additional direct and indirect subsidiaries of the Company to the definition of “Originator,” (iii) extend the “Scheduled Commitment Termination Date” to February 2027, (iv) make certain clarifications to the eligibility criteria for “Eligible Receivables,” (v) add definitions and amend related provisions to allow for interest on the loans to accrue based on the Daily Simple Secured Overnight Financing Rate (as defined therein), and (vi) address amendments to and the incorporation of certain definitions relating to the pledge of receivables representing an undivided fractional participation interests in such receivables originated by a bank partner upon the satisfaction of certain conditions.

Certain pricing terms were modified pursuant to an amended and restated fee letter agreement. The terms of the amended and restated fee letter agreement reduced the margin applied in calculating the rate of interest on the advances made pursuant to the RMR VI Credit Agreement to 2.05% per annum. The amended revolving warehouse credit facility is described in greater detail in the Current Report on Form 8-K filed by the Company with the SEC on February 5, 2025.

***Quarterly cash dividend:*** In February 2025, the Company announced that the Board declared a quarterly cash dividend of $0.30 per share. The dividend will be paid on March 13, 2025 to shareholders of record at the close of business on February 20, 2025. The declaration, amount, and payment of any future cash dividends on shares of the Company’s common stock will be at the discretion of the Board.

**ITEM 9.** ***CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.***

Not applicable.

**ITEM 9A.** ***CONTROLS AND PROCEDURES.***

**Evaluation of Disclosure Controls and Procedures**

Our management, with the participation of our chief executive officer and chief financial officer, evaluated the effectiveness of our disclosure controls and procedures as of December 31, 2024. The term "disclosure controls and procedures," as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act, means controls and other procedures of a company that are designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the company's management, including its principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure.

Based on the evaluation of our disclosure controls and procedures as of December 31, 2024, our chief executive officer and chief financial officer concluded that, as of such date, our disclosure controls and procedures were effective. Management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives, and management necessarily applies its judgment in evaluating the cost–benefit relationship of possible controls and procedures.

**Management's Report on Internal Control Over Financial Reporting**

Our management is responsible for the preparation, integrity, accuracy, and fair presentation of the consolidated financial statements appearing in this Annual Report on Form 10-K for the fiscal year ended December 31, 2024. The financial statements were prepared in conformity with GAAP and include amounts based on judgments and estimates by management.

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Rule 13a-15(f) under the Exchange Act. Our internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the consolidated financial statements in accordance with GAAP. Our internal control over financial reporting is supported by internal audits, appropriate reviews by management, policies and guidelines, careful selection and training of qualified personnel, and codes of ethics adopted by our Company's Board that are applicable to all directors, officers, and employees of our Company.

Because of its inherent limitations, no matter how well designed, internal control over financial reporting may not prevent or detect all misstatements. Internal controls can only provide reasonable assurance with respect to financial statement preparation and presentation. Further, the evaluation of the effectiveness of internal control over financial reporting was made as of a specific date, and continued effectiveness in future periods is subject to the risks that the controls may become inadequate because of changes in conditions or that the degree of compliance with the policies and procedures may decline.

Management assessed the effectiveness of our internal control over financial reporting, with the participation of our chief executive officer and chief financial officer, as of December 31, 2024. In conducting this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission in *Internal Control—Integrated Framework* (2013). Based on this assessment, management believes that we maintained effective internal control over financial reporting as of December 31, 2024. Our independent registered public accounting firm for the fiscal year ended December 31, 2024, Deloitte & Touche, LLP, has issued an attestation report on our internal control over financial reporting, which appears in Part II, Item 8, "Financial Statements and Supplementary Data."

**Changes in Internal Control Over Financial Reporting**

There were no changes in our internal control over financial reporting during the quarter ended December 31, 2024 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

**ITEM 9B.** ***OTHER INFORMATION.***

**Rule 10b5-1 Trading Arrangements**

During the three months ended December 31, 2024, none of the Company's officers or directors adopted or terminated a "Rule 10b5-1 trading arrangement" or a "non-Rule 10b5-1 trading arrangement," as such terms are defined in Item 408(a) of Regulation S-K.

**Adoption of Second Amended and Restated Bylaws**

On February 19, 2025, our Board approved an amendment and restatement of our Bylaws, effective February 19, 2025, to (i) add procedural and informational requirements for stockholders that intend to use the Universal Proxy Rule under Exchange Act Rule 14a-19 and (ii) make other administrative changes primarily to reflect recent Delaware law developments, in each case as further described below.

***Advance Notice Amendments:*** The advance notice amendments require stockholders to make certain representations to the Company, certify compliance with the Universal Proxy Rule, and submit nominee questionnaires to the Secretary of the Company.

***Administrative Amendments:*** The Board also approved certain administrative amendments to the Bylaws to conform the provisions related to (i) notices of adjournments, including with respect to remote meetings of stockholders, and (ii) stockholder lists, in each case to updated Delaware law provisions. In addition, these administrative amendments provide that any stockholder soliciting proxies from other stockholders must use a proxy card color other than white, which color is reserved for the exclusive use by the Board.

The foregoing description is qualified in its entirety by reference to the Second Amended and Restated Bylaws, which are attached hereto as Exhibit 3.2 and incorporated herein by reference.

**ITEM 9C.** ***DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS.***

Not applicable.

## PART III

**ITEM 10.** ***DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE.***

The information required under this item is incorporated herein by reference to the information presented under the headings "Board of Directors and Corporate Governance Matters—Committees of the Board," "Board of Directors and Corporate Governance Matters—Insider Trading Policy," "Executive Officers," "Stockholder Proposals—Proposal No. 1: Election of Directors," "Delinquent Section 16(a) Reports" (to the extent reported therein), and "Insider Trading Policy" in the Company's definitive proxy statement pursuant to Regulation 14A, which proxy statement will be filed with the SEC not later than 120 days after the end of the Company's fiscal year ended December 31, 2024.

Our Board has adopted a Code of Ethics. The Code of Ethics applies to all of our directors, officers, and employees and is posted on the Company's Investor Relations website under the "Governance" tab at *www.regionalmanagement.com*. A stockholder may request a copy of the Code of Ethics by contacting our Corporate Secretary at 979 Batesville Road, Suite B, Greer, SC 29651. To the extent permissible under applicable law, the rules of the SEC, and NYSE listing standards, we intend to disclose on our website any amendment to our Code of Ethics, or any grant of a waiver from a provision of our Code of Ethics, that requires disclosure under applicable law, the rules of the SEC, or NYSE listing standards.

**ITEM 11.** ***EXECUTIVE COMPENSATION.***

The information required under this item is incorporated herein by reference to the information presented under the headings "Board of Directors and Corporate Governance Matters—Compensation Committee Interlocks and Insider Participation," "Board of Directors and Corporate Governance Matters—Director Compensation," "Compensation Discussion and Analysis," "Compensation Committee Report," "Executive Compensation Tables," "Summary of Employment Arrangements with Executive Officers," and "Summary of Company Incentive Plans" in the Company's definitive proxy statement pursuant to Regulation 14A, which proxy statement will be filed with the SEC not later than 120 days after the end of the Company's fiscal year ended December 31, 2024.

**ITEM 12.** ***SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS.***

The information required under this item is incorporated herein by reference to the information presented under the headings "Other Information—Security Ownership of Certain Beneficial Owners and Management" and "Executive Compensation Tables—Equity Compensation Plan Information" in the Company's definitive proxy statement pursuant to Regulation 14A, which proxy statement will be filed with the SEC not later than 120 days after the end of the Company's fiscal year ended December 31, 2024.

**ITEM 13.** ***CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE.***

The information required under this item is incorporated herein by reference to the information presented under the headings "Other Information—Certain Relationships and Related Person Transactions," "Board of Directors and Corporate Governance Matters—Board Independence," and "Board of Directors and Corporate Governance Matters—Current Directors and Director Nominees" in the Company's definitive proxy statement pursuant to Regulation 14A, which proxy statement will be filed with the SEC not later than 120 days after the end of the Company's fiscal year ended December 31, 2024.

**ITEM 14.** ***PRINCIPAL ACCOUNTING FEES AND SERVICES.***

The information required under this item is incorporated herein by reference to the information presented under the heading "Stockholder Proposals—Proposal No. 2: Ratification of Appointment of Independent Registered Public Accounting Firm" in the Company's definitive proxy statement pursuant to Regulation 14A, which proxy statement will be filed with the SEC not later than 120 days after the end of the Company's fiscal year ended December 31, 2024.

**PART IV**

**ITEM 15.** ***EXHIBITS, FINANCIAL STATEMENT SCHEDULES.***

(a) The following documents are filed as part of this report:

(1) Financial Statements:

(i) Reports of Independent Registered Public Accounting Firms

(ii) Consolidated Balance Sheets at December 31, 2024 and December 31, 2023

(iii) Consolidated Statements of Comprehensive Income for the Years Ended December 31, 2024, December 31, 2023, and December 31, 2022

(iv) Consolidated Statements of Stockholders' Equity for the Years Ended December 31, 2024, December 31, 2023, and December 31, 2022

(v) Consolidated Statements of Cash Flows for the Years Ended December 31, 2024, December 31, 2023, and December 31, 2022

(vi) Notes to Consolidated Financial Statements

(2) Financial Statement Schedules: None. Financial statement schedules have been omitted because the required information is included in our consolidated financial statements contained elsewhere in this Annual Report on Form 10-K.

(3) Exhibits: The exhibits listed in the following index are filed as a part of this Annual Report on Form 10-K.

| | | | Incorporated by Reference | | | |
|---|---|---|---|---|---|---|
| Exhibit Number | Exhibit Description | Filed Herewith | Form | File Number | Exhibit | Filing Date |
| 3.1 | Amended and Restated Certificate of Incorporation of Regional Management Corp. | | 8-K | 001-35477 | 3.1 | 04/02/2012 |
| 3.2 | Second Amended and Restated Bylaws of Regional Management Corp. | X | | 001-35477 | | |
| 4.1 | Indenture, dated September 23, 2020, by and among Regional Management Issuance Trust 2020-1, as issuer, Regional Management Corp., as servicer, Wells Fargo Bank, N.A., as indenture trustee, and Wells Fargo Bank, N.A., as account bank | | 8-K | 001-35477 | 4.1 | 09/29/2020 |
| 4.2 | Indenture, dated February 18, 2021, by and among Regional Management Issuance Trust 2021-1, as issuer, Regional Management Corp., as servicer, Wells Fargo Bank, N.A., as indenture trustee, and Wells Fargo Bank, N.A., as account bank | | 8-K | 001-35477 | 4.1 | 02/23/2021 |
| 4.3 | Indenture, dated July 22, 2021, by and among Regional Management Issuance Trust 2021-2, as issuer, Regional Management Corp., as servicer, Wells Fargo Bank, N.A., as indenture trustee, and Wells Fargo Bank, N.A., as account bank | | 8-K | 001-35477 | 4.1 | 07/22/2021 |
| 4.4 | Indenture, dated October 8, 2021, by and among Regional Management Issuance Trust 2021-3, as issuer, Regional Management Corp., as servicer, Wells Fargo Bank, N.A., as indenture trustee, and Wells Fargo Bank, N.A., as account bank | | 8-K | 001-35477 | 4.1 | 10/12/2021 |
| 4.5 | Indenture, dated February 22, 2022, by and among Regional Management Issuance Trust 2022-1, as issuer, Regional Management Corp., as servicer, and Computershare Trust Company National Association, as indenture trustee | | 8-K | 001-35477 | 4.1 | 02/22/2022 |

| Exhibit Number | Exhibit Description | Filed Herewith | Incorporated by Reference | | | |
|---|---|---|---|---|---|---|
| | | | Form | File Number | Exhibit | Filing Date |
| 4.6 | Indenture, dated October 20, 2022, by and among Regional Management Issuance Trust 2022-2B, as issuer, Regional Management Corp., as servicer, and Computershare Trust Company, N.A., as indenture trustee and securities intermediary | | 8-K | 001-35477 | 4.1 | 10/20/2022 |
| 4.7 | Indenture, dated June 13, 2024, by and among Regional Management Issuance Trust 2024-1, as issuer, Regional Management Corp., as servicer, and Computershare Trust Company, N.A., as indenture trustee | | 8-K/A | 001-35477 | 4.1 | 06/20/2024 |
| 4.8 | Indenture, dated November 26, 2024, by and among Regional Management Issuance Trust 2024-2, as issuer, Regional Management Corp., as servicer, and Computershare Trust Company, N.A., as indenture trustee | | 8-K | 001-35477 | 4.1 | 11/27/2024 |
| 4.9 | Description of Securities | | 10-K | 001-35477 | 4.4 | 03/16/2020 |
| 10.1.1 | Cooperation Agreement, dated as of January 26, 2018, by and between Basswood Capital Management, L.L.C. and the Company | | 8-K | 001-35477 | 10.1 | 01/29/2018 |
| 10.1.2 | Letter Agreement, dated November 28, 2022, by and between Regional Management Corp. and Basswood Capital Management, L.L.C. | | 8-K | 001-35477 | 10.3 | 11/29/2022 |
| 10.2.1 | Seventh Amended and Restated Loan and Security Agreement, dated September 20, 2019, by and among Regional Management Corp. and certain of its subsidiaries named as borrowers therein, the financial institutions named as lenders therein, and Wells Fargo Bank, National Association, as Agent | | 8-K | 001-35477 | 10.1 | 09/20/2019 |
| 10.2.2 | First Amendment to Seventh Amended and Restated Loan and Security Agreement, dated as of October 15, 2020, by and among Regional Management Corp. and its subsidiaries named as borrowers therein, the financial institutions named as lenders therein, and Wells Fargo Bank, National Association, as agent | | 8-K | 001-35477 | 10.1 | 10/16/2020 |
| 10.2.3 | Second Amendment to Seventh Amended and Restated Loan and Security Agreement, dated as of February 9, 2021, by and among Regional Management Corp. and its subsidiaries named as borrowers therein, the financial institutions named as lenders therein, and Wells Fargo Bank, National Association, as agent | | 8-K | 001-35477 | 10.1 | 02/10/2021 |
| 10.2.4 | Third Amendment to Seventh Amended and Restated Loan and Security Agreement, dated as of August 23, 2021, by and among Regional Management Corp. and its subsidiaries named as borrowers therein, the financial institutions named as lenders therein, and Wells Fargo Bank, National Association, as agent | | 8-K | 001-35477 | 10.1 | 08/24/2021 |
| 10.2.5 | Fourth Amendment to Seventh Amended and Restated Loan and Security Agreement, dated as of December 17, 2021, by and among Regional Management Corp. and its subsidiaries named as borrowers therein, the financial institutions named as lenders therein, and Wells Fargo Bank, National Association, as agent | | 8-K | 001-35477 | 10.1 | 12/21/2021 |

| Exhibit Number | Exhibit Description | Filed Herewith | Incorporated by Reference | | | |
|---|---|---|---|---|---|---|
| | | | Form | File Number | Exhibit | Filing Date |
| 10.2.6 | Fifth Amendment to Seventh Amended and Restated Loan and Security Agreement, dated as of September 7, 2022, among Regional Management Corp. as a borrower and its subsidiaries named as borrowers therein, the financial institutions named as lenders therein, and Wells Fargo Bank, National Association, as agent | | 8-K | 001-35477 | 10.1 | 09/12/2022 |
| 10.2.7 | Sixth Amendment to Seventh Amended and Restated Loan and Security Agreement, dated as of November 22, 2022, by and among Regional Management Corp. and its subsidiaries named as borrowers therein, the financial institutions named as lenders therein, and Wells Fargo Bank, National Association, as agent | | 8-K | 001-35477 | 10.1 | 11/29/2022 |
| 10.2.8 | Seventh Amendment to Seventh Amended and Restated Loan and Security Agreement, dated as of March 21, 2023, by and among Regional Management Corp. and its subsidiaries named as borrowers therein, the financial institutions named as lenders therein, and Wells Fargo Bank, National Association, as agent | | 10-Q | 001-35477 | 10.2 | 05/05/2023 |
| 10.2.9 | Eighth Amendment to Seventh Amended and Restated Loan and Security Agreement, dated as of February 5, 2024, by and among Regional Management Corp. and its subsidiaries named as borrowers therein, the financial institutions named as lenders therein, and Wells Fargo Bank, National Association, as agent | | 8-K | 001-35477 | 10.1 | 02/07/2024 |
| 10.2.10 | Ninth Amendment to Seventh Amended and Restated Loan and Security Agreement, dated as of June 18, 2024, by and among Regional Management Corp. and its subsidiaries named as borrowers therein, the financial institutions named as lenders therein, and Wells Fargo Bank, National Association, as agent | | 8-K/A | 001-35477 | 10.1 | 06/20/2024 |
| 10.3.1 | Credit Agreement, dated April 19, 2021 by and among Regional Management Receivables IV, LLC, as borrower, Regional Management Corp., as servicer, the lenders and agents from time to time parties thereto, Wells Fargo Bank, National Association as account bank and backup servicer and Wells Fargo Bank, National Association as administration agent | | 8-K | 001-35477 | 10.2 | 04/20/2021 |
| 10.3.2 | Amendment No. 1 to the Credit Agreement, dated as of December 17, 2021, by and among Regional Management Corp., as servicer, Regional Management Receivables IV, LLC, as borrower, Wells Fargo Bank, National Association, as agent and committed lender and Wells Fargo Bank, National Association, as administrative agent | | 8-K | 001-35477 | 10.3 | 12/21/2021 |
| 10.3.3 | Amendment No. 2 to the Credit Agreement, dated as of August 11, 2022, by and among Regional Management Corp., as servicer, Regional Management Receivables IV, LLC, as borrower, Wells Fargo Bank, National Association, as agent and committed lender, and Wells Fargo Bank, National Association, as administrative agent | | 10-K | 001-35477 | 10.4.3 | 02/24/2023 |

| Exhibit Number | Exhibit Description | Filed Herewith | Incorporated by Reference | | | |
|---|---|---|---|---|---|---|
| | | | Form | File Number | Exhibit | Filing Date |
| 10.3.4 | Amendment No. 3 to the Credit Agreement, dated as of September 7, 2022, by and among Regional Management Corp., as servicer, Regional Management Receivables IV, LLC, as borrower, Wells Fargo Bank, National Association, as agent and committed lender, and Wells Fargo Bank, National Association, as administrative agent | | 8-K | 001-35477 | 10.3 | 09/12/2022 |
| 10.3.5 | Amendment No. 4 to the Credit Agreement dated as of April 13, 2023, by and among Regional Management Corp., as servicer, Regional Management Receivables IV, LLC, as borrower, the lenders and agents party thereto, Wells Fargo Bank, National Association, as administrative agent, and Wells Fargo Bank, National Association, acting through its Corporate Trust Services division, as account bank and backup servicer | | 10-Q | 001-35477 | 10.3 | 08/04/2023 |
| 10.3.6 | Amendment No. 5 to the Credit Agreement dated as of May 15, 2023, by and among Regional Management Corp., as servicer, Regional Management Receivables IV, LLC, as borrower, the lenders and agents party thereto, Wells Fargo Bank, National Association, as administrative agent, and Wells Fargo Bank, National Association, acting through its Corporate Trust Services division, as account bank and backup servicer | | 8-K | 001-35477 | 10.1 | 05/19/2023 |
| 10.3.7 | Omnibus Amendment to Credit Agreement and Account Control Agreement and Consent, dated as of March 29, 2024, by and among Regional Management Corp., as servicer, Regional Management Receivables IV, LLC, as borrower, the lenders party thereto, Wells Fargo Bank, National Association, as administrative agent, and Computershare Trust Company, N.A. (as successor to Wells Fargo Bank National Association), acting through its Corporate Trust Services division, as account bank and backup servicer | | 8-K | 001-35477 | 10.1 | 04/03/2024 |
| 10.4.1 | Credit Agreement, dated April 28, 2021 by and among Regional Management Receivables V, LLC, as borrower, Regional Management Corp., as servicer, the lenders from time to time parties thereto, Wells Fargo Bank, National Association as account bank and backup servicer and JPMorgan Chase Bank, N.A. as administration agent | | 8-K | 001-35477 | 10.1 | 04/29/2021 |
| 10.4.2 | Amendment No.1 to the Credit Agreement, dated as of December 17, 2021, by and among Regional Management Corp., as servicer, Regional Management Receivables V, LLC, as borrower, the lenders from time to time parties thereto, Wells Fargo Bank, National Association, acting as its corporate trust services division, including its successors and permitted assigns, as account bank and backup servicer, and JPMorgan Chase Bank, N.A., as administrative agent | | 8-K | 001-35477 | 10.4 | 12/21/2021 |

| Exhibit Number | Exhibit Description | Filed Herewith | Incorporated by Reference | | | |
|---|---|---|---|---|---|---|
| | | | Form | File Number | Exhibit | Filing Date |
| 10.4.3 | Amendment No. 2 to the Credit Agreement, dated as of August 11, 2022, by and among Regional Management Corp., as servicer, Regional Management Receivables V, LLC, as borrower, the lenders party thereto, JPMorgan Chase Bank, N.A., as administrative agent, and Wells Fargo, National Association, acting as its corporate trust services division, as account bank and backup servicer | | 10-K | 001-35477 | 10.5.3 | 02/24/2023 |
| 10.4.4 | Amendment No. 3 to the Credit Agreement, dated as of September 30, 2022, by and among Regional Management Corp., as servicer, Regional Management Receivables V, LLC, as borrower, the lenders party thereto, JPMorgan Chase Bank, N.A., as administrative agent, and Wells Fargo, National Association, acting as its corporate trust services division, as account bank and backup servicer | | 10-K | 001-35477 | 10.5.4 | 02/24/2023 |
| 10.4.5 | Amendment No. 4 to the Credit Agreement, dated as of November 22, 2022, by and among Regional Management Corp., as servicer, Regional Management Receivables V, LLC, as borrower, the lenders party thereto, JPMorgan Chase Bank, N.A., as administrative agent, and Wells Fargo, National Association, acting as its corporate trust services division, as account bank and backup servicer | | 8-K | 001-35477 | 10.2 | 11/29/2022 |
| 10.4.6 | Amendment No. 5 to the Credit Agreement, dated as of March 29, 2024, by and among Regional Management Corp., as servicer, Regional Management Receivables V, LLC, as borrower, the lenders from time to time parties thereto, Wells Fargo Bank, National Association, acting through its Corporate Trust Services division, including its successors and permitted assigns, as account bank and backup servicer, and JPMorgan Chase Bank, N.A., as administrative agent | | 8-K | 001-35477 | 10.2 | 04/03/2024 |
| 10.4.7 | Amendment No. 6 to the Credit Agreement, dated as of November 25, 2024, by and among Regional Management Corp., as servicer, Regional Management Receivables V, LLC, as borrower, the lenders from time to time parties thereto, JPMorgan Chase Bank, N.A., as administrative agent, and Computershare Trust Company, National Association, as successor by merger to Wells Fargo Bank, National Association, acting through its Corporate Trust Services division, including its successors and permitted assigns, as account bank and backup servicer | | 8-K | 001-35477 | 10.1 | 11/27/2024 |
| 10.5.1 | Credit Agreement, dated as of February 2, 2023, by and among Regional Management Corp., as servicer, Regional Management Receivables VI, LLC, as borrower, the lenders and agents parties thereto, Regions Bank, as administrative agent, and Computershare Trust Company, N.A., as securities intermediary and backup servicer | | 8-K | 001-35477 | 10.1 | 02/08/2023 |

| Exhibit Number | Exhibit Description | Filed Herewith | Incorporated by Reference | | | |
|---|---|---|---|---|---|---|
| | | | Form | File Number | Exhibit | Filing Date |
| 10.5.2 | First Amendment to Credit Agreement and Consent, dated as of March 29, 2024, by and among Regional Management Corp., as servicer, Regional Management Receivables VI, LLC, as borrower, the lenders parties thereto, and Regions Bank, as administrative agent | | 8-K | 001-35477 | 10.3 | 04/03/2024 |
| 10.6.1 | Credit Agreement, dated as of April 3, 2023, by and among Regional Management Corp., as servicer, Regional Management Receivables VII, LLC, as borrower, the lenders and agents parties thereto, BMO Capital Markets Corp., as administrative agent, and Computershare Trust Company, N.A., as securities intermediary and backup servicer | | 8-K | 001-35477 | 10.1 | 04/06/2023 |
| 10.6.2 | First Amendment to Credit Agreement and Consent, dated as of March 29, 2024, by and among Regional Management Corp., as servicer, Regional Management Receivables VII, LLC, as borrower, the lenders parties thereto, and BMO Capital Markets Corp., as administrative agent | | 8-K | 001-37547 | 10.4 | 04/03/2024 |
| 10.6.3 | Second Amendment to Credit Agreement and Consent, dated as of October 3, 2024, by and among Regional Management Corp., as servicer, Regional Management Receivables VII, LLC, as borrower, the Bank of Montreal, as the committed lender, and BMO Capital Markets Corp., as administrative agent. | | 8-K | 001-35477 | 10.1 | 10/08/2024 |
| 10.7 | Sale and Servicing Agreement, dated September 23, 2020, by and among Regional Management Receivables III, LLC, as depositor, Regional Management Corp., as servicer, the subservicers party thereto, Regional Management Issuance Trust 2020-1, as issuer, and Regional Management North Carolina Receivables Trust, acting thereunder solely with respect to the 2020-1A SUBI | | 8-K | 001-35477 | 10.1 | 09/29/2020 |
| 10.8 | Sale and Servicing Agreement, dated February 18, 2021, by and among Regional Management Receivables III, LLC, as depositor, Regional Management Corp., as servicer, the subservicers party thereto, Regional Management Issuance Trust 2021-1, as issuer, and Regional Management North Carolina Receivables Trust, acting thereunder solely with respect to the 2021-1A SUBI | | 8-K | 001-35477 | 10.1 | 02/23/2021 |
| 10.9 | Sale and Servicing Agreement, dated July 22, 2021, by and among Regional Management Receivables III, LLC, as depositor, Regional Management Corp., as servicer, the subservicers party thereto, Regional Management Issuance Trust 2021-2, as issuer, and Regional Management North Carolina Receivables Trust, acting thereunder solely with respect to the 2021-2A SUBI | | 8-K | 001-35477 | 10.1 | 07/22/2021 |
| 10.10 | Sale and Servicing Agreement, dated October 8, 2021, by and among Regional Management Receivables III, LLC, as depositor, Regional Management Corp., as servicer, the subservicers party thereto, and Regional Management Issuance Trust 2021-3, as issuer | | 8-K | 001-35477 | 10.1 | 10/12/2021 |

| Exhibit Number | Exhibit Description | Filed Herewith | Incorporated by Reference | | | |
|---|---|---|---|---|---|---|
| | | | Form | File Number | Exhibit | Filing Date |
| 10.11 | Sale and Servicing Agreement, dated February 22, 2022, by and among Regional Management Receivables III, LLC, as depositor, Regional Management Corp., as servicer, the subservicers party thereto, Regional Management Issuance Trust 2022-1, as issuer, and Regional Management North Carolina Receivables Trust, acting thereunder solely with respect to the 2022-1A SUBI | | 8-K | 001-35477 | 10.1 | 02/22/2022 |
| 10.12 | Sale and Servicing Agreement, dated October 20, 2022, by and among Regional Management Receivables III, LLC, as depositor, Regional Management Corp., as servicer, the subservicers party thereto, Regional Management Issuance Trust 2022-2B, as issuer, and Regional Management North Carolina Receivables Trust, acting thereunder solely with respect to the 2022-2B SUBI | | 8-K | 001-35477 | 10.1 | 10/20/2022 |
| 10.13 | Sale and Servicing Agreement, dated June 13, 2024, by and among Regional Management Receivables III, LLC, as depositor, Regional Management Corp., as servicer, the subservicers party thereto, Regional Management Issuance Trust 2024-1, as issuer, and Regional Management North Carolina Receivables Trust, acting thereunder solely with respect to the 2024-1A SUBI | | 8-K/A | 001-35477 | 10.2 | 06/20/2024 |
| 10.14 | Sale and Servicing Agreement, dated November 26, 2024, by and among Regional Management Receivables III, LLC, as depositor, Regional Management Corp., as servicer, the subservicers party thereto, Regional Management Issuance Trust 2024-2, as issuer, and Regional Management North Carolina Receivables Trust, acting thereunder solely with respect to the 2024-2A SUBI | | 8-K | 001-35477 | 10.2 | 11/27/2024 |
| 10.15.1† | Regional Management Corp. 2015 Long-Term Incentive Plan (As Amended and Restated Effective May 20, 2021) | | 8-K | 001-35477 | 10.1 | 05/21/2021 |
| 10.15.2† | Declaration of Amendment to Regional Management Corp. 2015 Long-Term Incentive Plan (As Amended and Restated Effective May 20, 2021) | | 10-Q | 001-35477 | 10.1 | 05/06/2022 |
| 10.15.3† | Form of Nonqualified Stock Option Agreement under the 2015 Long-Term Incentive Plan (form for grants prior to April 27, 2017) | | 8-K | 001-35477 | 10.3 | 04/28/2015 |
| 10.15.4† | Form of Nonqualified Stock Option Agreement under the 2015 Long-Term Incentive Plan (form for grants on or after April 27, 2017) | | 8-K | 001-35477 | 10.2 | 05/02/2017 |
| 10.15.5† | Form of Performance-Contingent Restricted Stock Unit Award Agreement under the 2015 Long-Term Incentive Plan | | 8-K | 001-35477 | 10.3 | 05/02/2017 |
| 10.15.6† | Form of Cash-Settled Performance Unit Award Agreement under the 2015 Long-Term Incentive Plan | | 8-K | 001-35477 | 10.4 | 05/02/2017 |
| 10.15.7† | Form of Restricted Stock Award Agreement under the 2015 Long-Term Incentive Plan | | 8-K | 001-35477 | 10.5 | 05/02/2017 |
| 10.15.8† | Form of Stock Award Agreement under the 2015 Long-Term Incentive Plan | | 8-K | 001-35477 | 10.6 | 05/02/2017 |
| 10.15.9† | Form of Performance Restricted Stock Unit Award Agreement | | 8-K | 001-35477 | 10.1 | 02/18/2022 |
| 10.16.1† | Regional Management Corp. 2024 Long-Term incentive Plan | | 8-K | 001-35477 | 10.1 | 05/20/2024 |

| Exhibit Number | Exhibit Description | Filed Herewith | Incorporated by Reference | | | |
|---|---|---|---|---|---|---|
| | | | Form | File Number | Exhibit | Filing Date |
| 10.16.2† | Form of Nonqualified Stock Option Agreement under the 2024 Long-Term Incentive Plan | | 10-Q | 001-35477 | 10.2 | 08/02/2024 |
| 10.16.3† | Form of Restricted Stock Award Agreement under the 2024 Long-Term Incentive Plan | | 10-Q | 001-35477 | 10.3 | 08/02/2024 |
| 10.16.4† | Form of Restricted Stock Unit Award Agreement under the 2024 Long-Term Incentive Plan | | 10-Q | 001-35477 | 10.4 | 08/02/2024 |
| 10.16.5† | Form of Performance Restricted Stock Unit Award Agreement under the 2024 Long-Term Incentive Plan | | 10-Q | 001-35477 | 10.5 | 08/02/2024 |
| 10.16.6† | Form of Stock Award Agreement under the 2024 Long-Term Incentive Plan | | 10-Q | 001-35477 | 10.6 | 08/02/2024 |
| 10.17† | Regional Management Corp. Annual Incentive Plan | | 10-Q | 001-35477 | 10.7 | 08/02/2024 |
| 10.18† | Summary of Non-Employee Director Compensation Program | | 10-K | 001-35477 | 10.16 | 03/04/2022 |
| 10.19† | Regional Management Corp. Executive Severance and Change in Control Plan | | 8-K | 001-35477 | 10.1 | 04/10/2023 |
| 10.20† | Form of Retention Award Agreement | | 8-K | 001-35477 | 10.1 | 03/13/2015 |
| 19.1 | Regional Management Corp. Insider Trading Policy | X | | | | |
| 21.1 | Subsidiaries of Regional Management Corp. | X | | | | |
| 23.1 | Consent of Deloitte & Touche LLP | X | | | | |
| 31.1 | Rule 13a-14(a) / 15(d)-14(a) Certification of Principal Executive Officer | X | | | | |
| 31.2 | Rule 13a-14(a) / 15(d)-14(a) Certification of Principal Financial Officer | X | | | | |
| 32.1 | Section 1350 Certifications | X | | | | |
| 97.1 | Regional Management Corp. Dodd-Frank Act Compensation Recoupment (Clawback) Policy | | 10-K | 001-35477 | 97.1 | 2/22/2024 |
| 101.INS | XBRL Instance Document—the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document | | | | | |
| 101.SCH | Inline XBRL Taxonomy Extension Schema With Embedded Linkbase Documents | | | | | |
| 104 | Cover Page Interactive Data File—the cover page XBRL tags are embedded within the Inline XBRL document contained in Exhibit 101 | | | | | |

† Indicates a management contract or a compensatory plan, contract, or arrangement.

**ITEM 16. *FORM 10-K SUMMARY.***

None.

**SIGNATURES**

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

Regional Management Corp.

Date: February 21, 2025

/s/ Robert W. Beck
Robert W. Beck
President and Chief Executive Officer

**POWER OF ATTORNEY**

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Robert W. Beck and Harpreet Rana, and each of them, jointly and severally, as true and lawful attorneys-in-fact and agents, with full power of substitution and re-substitution for him/her and in his/her name, place, and stead, in any and all capacities, to sign any and all amendments to this Annual Report on Form 10-K, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done, as fully to all intents and purposes as he/she might or could do in person, hereby ratifying and confirming all which said attorneys-in-fact and agents or any of them, or their or his/her substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities indicated on February 21, 2025.

| | | |
|---|---|---|
| /s/ Robert W. Beck | Name:<br>Title: | Robert W. Beck<br>President, Chief Executive Officer, and Director<br>(principal executive officer) |
| /s/ Harpreet Rana | Name:<br>Title: | Harpreet Rana<br>Executive Vice President and Chief Financial and Administrative Officer<br>(principal financial officer) |
| /s/ Steven B. Barnette | Name:<br>Title: | Steven B. Barnette<br>Vice President and Chief Accounting Officer<br>(principal accounting officer) |
| /s/ Carlos Palomares | Name:<br>Title: | Carlos Palomares<br>Chair of the Board of Directors |
| /s/ Jonathan D. Brown | Name:<br>Title: | Jonathan D. Brown<br>Director |
| /s/ Roel C. Campos | Name:<br>Title: | Roel C. Campos<br>Director |
| /s/ Maria Contreras-Sweet | Name:<br>Title: | Maria Contreras-Sweet<br>Director |
| /s/ Michael R. Dunn | Name:<br>Title: | Michael R. Dunn<br>Director |
| /s/ Steven J. Freiberg | Name:<br>Title: | Steven J. Freiberg<br>Director |
| /s/ Sandra K. Johnson, Ph.D. | Name:<br>Title: | Sandra K. Johnson, Ph.D.<br>Director |