Santander Consumer USA Holdings Inc.
Form 10-Q/A
October 27, 2016

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q/A
Amendment No. 1
ý Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the quarterly period ended June 30, 2015
¨Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
Commission File Number: 001-36270
SANTANDER CONSUMER USA HOLDINGS INC.
(Exact Name of Registrant as Specified in Its Charter)

Delaware	32-0414408
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)

1601 Elm Street, Suite 800, Dallas, Texas 75201
(Address of principal executive offices) (Zip Code)
Registrant's telephone number, including area code (214) 634-1110
Not Applicable
(Former name, former address, and formal fiscal year, if changed since last report)

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 ý No ¨
Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation ST (Section 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ý No ¨
Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer", "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):
Large accelerated filer ý Accelerated filer ¨
Non-accelerated filer ¨ Smaller reporting company ¨
Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act) Yes ¨ No ý
Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding at July 31, 2015
Common Stock ($0.01 par value)	357,790,518 shares

EXPLANATORY NOTE

As used in this Amendment No. 1 on Form 10-Q/A for the quarter ended June 30, 2015 (the “Form 10-Q/A”), the terms “Company,” “our,” “us” or “we” refer to Santander Consumer USA Holdings Inc., a Delaware Corporation.

This Form 10-Q/A amends the Company’s Quarterly Report on Form 10-Q for the quarter ended June 30, 2015, as originally filed with the Securities and Exchange Commission (the “SEC”) on August 10, 2015 (the “Original Filing”). This Form 10-Q/A is being filed to restate our unaudited condensed consolidated financial statements for the three and six months ended June 30, 2015 and 2014 and to make related corrections to certain disclosures in the Original Filing. The restatement of our financial statements in this Form 10-Q/A reflects the correction of errors primarily related to (i) error in our methodology for estimating credit loss allowance for individually acquired retail installment contracts held for investment, (ii) error related to the lack of consideration of net discount when estimating the allowance for credit losses for the non-TDR portfolio of individually acquired retail installment contracts held for investment, (iii) error in our methodology for accreting / amortizing dealer discounts, subvention payments from manufacturers, and capitalized origination costs on individually acquired retail installment contracts held for investment, and (iv) error in computing the present value of expected future cash flows whereby the TDRs’ weighted-average original contractual interest rate was utilized rather than the TDRs’ weighted-average original effective interest rate as required by U.S. GAAP. The restatement also includes the correction of errors related to the income tax effects of the above errors as well as the correction of additional items for the three and six months ended June 30, 2015 and 2014. Further explanation regarding the restatement is set forth in Note 2 to the unaudited condensed consolidated financial statements included in this Form 10-Q/A.

The following sections in the Original Filing have been corrected in this Form 10-Q/A to reflect this restatement:

- Part I - Item I: Financial Information (Unaudited)
- Part I - Item 2: Management's Discussion and Analysis of Financial Condition and Results of Operations
- Part I - Item 4: Controls and Procedures
- Part II - Item 1A: Risk Factors
- Part II - Item 6: Exhibits

Our principal executive officer and principal financial officer have also provided new certifications as required by Sections 302 and 906 of the Sarbanes-Oxley Act of 2002. The certifications are included in this Form 10-Q/A as Exhibits 31.1, 31.2, 32.1 and 32.2.

For the convenience of the reader, this Form 10-Q/A sets forth the information in the Original Filing in its entirety, as such information is modified and superseded where necessary to reflect the restatement. Except as provided above, this Amendment does not reflect events occurring after the filing of the Original Filing and does not amend or otherwise update any information in the Original Filing.

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Unless otherwise specified or the context otherwise requires, the use herein of the terms " we," "our," "us," "SCUSA," and the "Company" refer to Santander Consumer USA Holdings Inc. and its consolidated subsidiaries.

Cautionary Note Regarding Forward-Looking Information

This Quarterly Report on Form 10-Q/A contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Any statements about our expectations, beliefs, plans, predictions, forecasts, objectives, assumptions, or future events or performance are not historical facts and may be forward-looking. These statements are often, but not always, made through the use of words or phrases such as "anticipates," "believes," "can," "could," "may," "predicts," "potential," "should," "will," "estimate," "plans," "projects," "continuing," "ongoing," "expects," similar words or phrases. Although we believe that the expectations reflected in these forward-looking statements are reasonable, these statements are not guarantees of future performance and involve risks and uncertainties which are subject to change based on various important factors, some of which are beyond our control. For more information regarding these risks and uncertainties as well as certain additional risks that we face, refer to the Risk Factors detailed in Item 1A of Part I of our Annual Report for the year ended December 31, 2014, as well as factors more fully described in Part I, Item 2, "Management's Discussion and Analysis of Financial Condition and Results of Operations" and elsewhere in this report, including the exhibits hereto, and subsequent reports and registration statements filed from time to time with the SEC. Among the factors that could cause our financial performance to differ materially from that suggested by the forward-looking statements are:

- we operate in a highly regulated industry and continually changing federal, state, and local laws and regulations could materially adversely affect our business;
- adverse economic conditions in the United States and worldwide may negatively impact our results;
- our business could suffer if our access to funding is reduced;
- we face significant risks implementing our growth strategy, some of which are outside our control;
- our agreement with Chrysler may not result in currently anticipated levels of growth and is subject to certain performance conditions that could result in termination of the agreement;
- our business could suffer if we are unsuccessful in developing and maintaining relationships with automobile dealerships;
- our financial condition, liquidity, and results of operations depend on the credit performance of our loans;
- loss of our key management or other personnel, or an inability to attract such management and personnel, could negatively impact our business;
- we are subject to certain bank regulations, including oversight by the OCC, the CFPB, the European Central Bank, and the Federal Reserve, which oversight and regulation may limit certain of our activities, including the timing and amount of dividends and other limitations on our business; and
- future changes in our relationship with Santander could adversely affect our operations.

If one or more of the factors affecting our forward-looking information and statements proves incorrect, its actual results, performance or achievements could differ materially from those expressed in, or implied by, forward-looking information and statements. Therefore, we caution not to place undue reliance on any forward-looking information or statements. The effect of these factors is difficult to predict. Factors other than these also could adversely affect our results, and the reader should not consider these factors to be a complete set of all potential risks or uncertainties. New factors emerge from time to time, and management cannot assess the impact of any such factor on our business or the extent to which any factor, or combination of factors, may cause results to differ materially from those contained in any forward-looking statement. Any forward-looking statements only speak as of the date of this document, and we undertake no obligation to update any forward-looking information or statements, whether written or oral, to reflect any change, except as required by law. All forward-looking statements attributable to us are expressly qualified by these cautionary statements.

Glossary

The following is a list of abbreviations, acronyms, and commonly used terms used in this Quarterly Report on Form 10-Q/A.

ABS	Asset-backed securities
Advance Rate	The maximum percentage of unpaid principal balance that a lender is willing to lend.
ALG	Automotive Lease Guide
APR	Annual Percentage Rate
ASU	Accounting Standards Update
BERC	Board Enterprise Risk Committee

Bluestem	Bluestem Brands, Inc., an online retailer for whose customers SCUSA provides financing
Board	SCUSA's Board of Directors
Capmark	Capmark Financial Group Inc., an investment company
CBP	Citizens Bank of Pennsylvania
CCAR	Comprehensive Capital Analysis and Review
CCART	Chrysler Capital Auto Receivables Trust, a securitization platform
Centerbridge	Centerbridge Partners, L.P., a private equity firm
CEO	Chief Executive Officer
CFPB	Consumer Financial Protection Bureau
CFO	Chief Financial Officer
Chrysler	Chrysler Group LLC
Chrysler Agreement	Ten-year private-label financing agreement with Chrysler
Clean-up Call	The early redemption of a debt instrument by the issuer, generally when the underlying portfolio has amortized to 10% of its original balance
Credit Enhancement	A method such as overcollateralization, insurance, or a third-party guarantee, whereby a borrower reduces default risk
Dealer Loan	A floorplan line of credit, real estate loan, working capital loan, or other credit extended to an automobile dealer
Dodd-Frank Act	Comprehensive financial regulatory reform legislation enacted by the U.S. Congress on July 21, 2010
DOJ	U.S. Department of Justice
DRIVE	Drive Auto Receivables Trust, a securitization platform
ECOA	Equal Credit Opportunity Act
ERM	Enterprise Risk Management
Employment Agreement	The amended and restated employment agreement, executed as of December 31, 2011, by and among SCUSA, Banco Santander, S.A. and Thomas G. Dundon
Exchange Act	Securities Exchange Act of 1934, as amended
FASB	Financial Accounting Standards Board
FICO®	A common credit score created by Fair Isaac Corporation that is used on the credit reports that lenders use to assess an applicant's credit risk. FICO® is computed using mathematical models that take into account five factors: payment history, current level of indebtedness, types of credit used, length of credit history, and new credit
FIRREA	Financial Institutions Reform, Recovery and Enforcement Act of 1989
Floorplan Line of Credit	A revolving line of credit that finances inventory until sold
FRB	Federal Reserve Bank of Boston
FTC	Federal Trade Commission
IPO	SCUSA's Initial Public Offering
ISDA	International Swaps and Derivative Association
LFS	Loss Forecasting Score
MEP	SCUSA's 2011 Management Equity Plan
MSA	Master Service Agreement
Nonaccretable Difference	The difference between the undiscounted contractual cash flows and the undiscounted expected cash flows of a portfolio acquired with deteriorated credit quality
NPWMD	Non-Proliferation of Weapons of Mass Destruction
OCC	Office of the Comptroller of the Currency
Original Filing	Quarterly Report on Form 10-Q for the quarter ended June 30, 2015, as originally filed with the SEC on August 10, 2015
Overcollateralization	

	A credit enhancement method whereby more collateral is posted than is required to obtain financing
OEM	Original equipment manufacturer

Private-label	Financing branded in the name of the product manufacturer rather than in the name of the finance provider
Remarketing	The controlled disposal of leased vehicles that have been reached the end of their lease term or of financed vehicles obtained through repossession
Residual Value	The future value of a leased asset at the end of its lease term
RSU	Restricted stock unit
Santander	Banco Santander, S.A.
SBNA	Santander Bank, N.A., a wholly-owned subsidiary of SHUSA. Formerly Sovereign Bank, N.A.
SCRA	Servicemembers Civil Relief Act
SCUSA	Santander Consumer USA Holdings Inc., a Delaware corporation, and its consolidated subsidiaries
SDART	Santander Drive Auto Receivables Trust, a securitization platform
SEC	U.S. Securities and Exchange Commission
Separation Agreement	The Separation Agreement dated July 2, 2015 entered into by Thomas G. Dundon with SCUSA, DDFS LLC, SHUSA, Santander Consumer USA Inc. (the wholly owned subsidiary of SCUSA) and Banco Santander, S.A.
SHUSA	Santander Holdings USA, Inc., a wholly-owned subsidiary of Santander and the majority owner of SCUSA
SUBI	Special unit of beneficial interest (in a titling trust used to finance leases)
Subvention	Reimbursement of the finance provider by a manufacturer for the difference between a market loan or lease rate and the below-market rate given to a customer
TDR	Troubled Debt Restructuring
Trusts	Special purpose financing trusts utilized in SCUSA’s financing transactions
Turn-down	A program where by a lender has the opportunity to review a credit application for approval only after the primary lender or lenders have declined the application
U.S. GAAP	U.S. Generally Accepted Accounting Principles
VIE	Variable Interest Entity
Warehouse Facility	A revolving line of credit generally used to fund finance receivable originations

PART I: FINANCIAL INFORMATION
Item 1. Condensed Consolidated Financial Statements
SANTANDER CONSUMER USA HOLDINGS INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited) (Dollars in thousands, except per share amounts)

Assets	June 30, 2015 (As Restated-Note 2)	December 31, 2014 (As Restated-Note 2)
Cash and cash equivalents	$ 28,886	$ 33,157
Finance receivables held for sale	1,564,905	46,586
Finance receivables held for investment, net	24,800,991	23,911,649
Restricted cash - $40,506 and $44,805 held for affiliates, respectively	3,086,229	1,920,857
Accrued interest receivable	394,970	364,676
Leased vehicles, net	5,173,666	4,848,593
Furniture and equipment, net of accumulated depreciation of $52,710 and $45,768, respectively	50,786	41,218
Federal, state and other income taxes receivable	234,882	498,300
Related party taxes receivable	—	467
Deferred tax asset	7,344	24,571
Goodwill	74,056	74,056
Intangible assets, net of amortization of $25,185 and $21,990, respectively	36,842	36,882
Due from affiliates	116,725	141,551
Other assets	509,228	426,188
Total assets	$ 36,079,510	$ 32,368,751
Liabilities and Equity		
Liabilities:		
Notes payable — credit facilities	$ 6,012,337	$ 6,402,327
Notes payable — secured structured financings	20,340,365	17,718,974
Notes payable — related party	4,260,000	3,690,000
Accrued interest payable	21,805	17,432
Accounts payable and accrued expenses	395,990	324,630
Federal, state and other income taxes payable	1,266	735
Deferred tax liabilities, net	558,408	463,127
Due to affiliates	77,752	88,425
Other liabilities	165,824	136,885
Total liabilities	31,833,747	28,842,535
Commitments and contingencies (Notes 6 and 11)		
Equity:		
Common stock, $0.01 par value — 1,100,000,000 shares authorized; 357,835,950 and 349,029,766 shares issued and 357,783,809 and 348,977,625 shares outstanding, respectively	3,578	3,490
Additional paid-in capital	1,682,097	1,560,519
Accumulated other comprehensive income (loss), net	(5,726)	3,553
Retained earnings	2,565,814	1,958,654
Total stockholders' equity	4,245,763	3,526,216
Total liabilities and equity	$ 36,079,510	$ 32,368,751

See notes to unaudited condensed consolidated financial statements.

SANTANDER CONSUMER USA HOLDINGS INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited) (Dollars in thousands, except per share amounts)

The assets of consolidated VIEs, presented based upon the legal transfer of the underlying assets in order to reflect legal ownership, that can
be used only to settle obligations of the consolidated VIE and the liabilities of these entities for which creditors (or beneficial interest holders)
do not have recourse to our general credit were as follows:

Assets	June 30, 2015 (As Restated-Note 2)	December 31, 2014 (As Restated-Note 2)
Restricted cash	$ 1,977,229	$ 1,626,257
Finance receivables held for sale	1,546,393	18,712
Finance receivables held for investment, net	23,036,182	21,992,901
Leased vehicles, net	5,173,666	4,848,593
Various other assets	593,497	555,509
Total assets	$ 32,326,967	$ 29,041,972
Liabilities		
Notes payable	$ 31,048,462	$ 27,822,174
Various other liabilities	80,576	55,795
Total liabilities	$ 31,129,038	$ 27,877,969

Certain amounts shown above are greater than the amounts shown in the corresponding line items in the accompanying condensed consolidated balance sheets due to intercompany eliminations between the VIEs and other entities consolidated by the Company. For example, for most of its securitizations, the Company retains one or more of the lowest tranches of bonds. Rather than showing investment in bonds as an asset and the associated debt as a liability, these amounts are eliminated in consolidation as required by U.S. GAAP.

See notes to unaudited condensed consolidated financial statements.

SANTANDER CONSUMER USA HOLDINGS INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME
(Unaudited) (Dollars in thousands, except per share amounts)

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2015 (As Restated - Note 2)	2014 (As Restated - Note 2)	2015 (As Restated - Note 2)	2014 (As Restated - Note 2)
Interest on finance receivables and loans	$1,283,651	$1,122,940	$2,476,672	$2,226,463
Leased vehicle income	243,857	148,148	475,473	257,617
Other finance and interest income	6,738	874	14,079	1,124
Total finance and other interest income	1,534,246	1,271,962	2,966,224	2,485,204
Interest expense — Including $42,450, $36,836, $86,466, and $71,079 to affiliates, respectively	150,622	128,314	299,478	252,760
Leased vehicle expense	168,767	113,491	343,620	194,826
Net finance and other interest income	1,214,857	1,030,157	2,323,126	2,037,618
Provision for credit losses	579,379	541,135	1,211,226	1,107,708
Net finance and other interest income after provision for credit losses	635,478	489,022	1,111,900	929,910
Profit sharing	21,501	24,056	35,017	56,217
Net finance and other interest income after provision for credit losses and profit sharing	613,977	464,966	1,076,883	873,693
Investment gains, net — Including zero, $5,576, zero, and $5,576 from affiliates, respectively	89,721	21,564	111,314	56,316
Servicing fee income — Including $3,991, $9,352, $9,015, and $11,576 from affiliates, respectively	28,043	22,099	52,846	32,504
Fees, commissions, and other — Including $3,032, $7,162, $8,881, and $11,072 from affiliates, respectively	96,936	98,221	200,734	187,525
Total other income	214,700	141,884	364,894	276,345
Salary and benefits expense	110,973	93,689	211,513	295,604
Repossession expense	55,470	45,648	114,296	94,079
Other operating costs — Including $5,307, $302, $5,678, and $597 to affiliates, respectively	89,065	73,374	177,531	143,149
Total operating expenses	255,508	212,711	503,340	532,832
Income before income taxes	573,169	394,139	938,437	617,206
Income tax expense	208,454	138,181	331,277	223,805
Net income	$364,715	$255,958	$607,160	$393,401
Net income	$364,715	$255,958	$607,160	$393,401
Other comprehensive income (loss):				
Change in unrealized gains (losses) on cash flow hedges, net of tax of ($2,063), $1,950, $5,559 and $720	3,564	(3,364)	(9,279)	(1,276)
Comprehensive income	$368,279	$252,594	$597,881	$392,125
Net income per common share (basic)	$1.03	$0.73	$1.72	$1.13
Net income per common share (diluted)	$1.02	$0.72	$1.71	$1.11
Dividends declared per common share	$—	$0.15	$—	$0.15

Weighted average common shares (basic)	355,091,818	348,826,897	352,272,552	348,465,666
Weighted average common shares (diluted)	359,193,738	356,381,921	355,932,481	356,008,288

See notes to unaudited condensed consolidated financial statements.

SANTANDER CONSUMER USA HOLDINGS INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF EQUITY
(Unaudited) (In thousands)

	Common Stock		Additional Paid-In	Accumulated Other Comprehensive	Retained	Total Stockholders'
	Shares	Amount	Capital	Income (Loss)	Earnings	Equity
Balance — January 1, 2014, as restated (Note 2)	346,760	$3,468	$1,409,463	$ (2,853)	$1,285,686	$2,695,764
Stock issued in connection with employee incentive compensation plans	2,168	21	18,239	—	—	18,260
Stock-based compensation expense	—	—	122,811	—	—	122,811
Net income, as restated (Note 2)	—	—	—	—	393,401	393,401
Other comprehensive income, net of taxes	—	—	—	(1,276)	—	(1,276)
Dividends declared per common share of $0.15	—	—	—	—	(52,316)	(52,316)
Balance — June 30, 2014, as restated (Note 2)	348,928	$3,489	$1,550,513	$ (4,129)	$1,626,771	$3,176,644
Balance — January 1, 2015, as restated (Note 2)	348,978	$3,490	$1,560,519	$ 3,553	$1,958,654	$3,526,216
Stock issued in connection with employee incentive compensation plans	8,806	88	113,238	—	—	113,326
Stock-based compensation expense	—	—	7,473	—	—	7,473
Tax sharing with affiliate	—	—	867	—	—	867
Net income, as restated (Note 2)	—	—	—	—	607,160	607,160
Other comprehensive loss, net of taxes	—	—	—	(9,279)	—	(9,279)
Balance — June 30, 2015, as restated (Note 2)	357,784	$3,578	$1,682,097	$ (5,726)	$2,565,814	$4,245,763

See notes to unaudited condensed consolidated financial statements.

SANTANDER CONSUMER USA HOLDINGS INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited) (Dollars in thousands)

	For the Six Months Ended June 30,	
	2015	2014
Cash flows from operating activities:	(As Restated - Note 2)	(As Restated - Note 2)
Net income	$607,160	$393,401
Adjustments to reconcile net income to net cash provided by operating activities		
Derivative mark to market	9,609	(4,955)
Provision for credit losses	1,211,226	1,107,708
Depreciation and amortization	389,346	228,503
Accretion of discount	(153,056)	(217,510)
Originations and purchases of receivables held for sale	(2,238,753)	(2,385,913)
Proceeds from sales of and collections on receivables held for sale	1,694,575	2,376,818
Investment gains, net	(111,314)	(56,316)
Stock-based compensation	7,473	122,811
Deferred tax expense	98,566	19,094
Changes in assets and liabilities:		
Accrued interest receivable	(36,004)	(59,825)
Accounts receivable	(7,738)	(11,125)
Federal income tax and other taxes	310,898	438,373
Other assets	(1,587)	(20,961)
Accrued interest payable	4,373	3,017
Other liabilities	45,396	(4,222)
Due to/from affiliates	9,151	(17,580)
Net cash provided by operating activities	1,839,321	1,911,318
Cash flows from investing activities:		
Originations of and disbursements on finance receivables held for investment	(9,320,752)	(7,899,280)
Collections on finance receivables held for investment	5,227,885	4,632,029
Proceeds from sale of loans held for investment	1,290,304	776,746
Leased vehicles purchased	(2,563,185)	(2,491,092)
Manufacturer incentives received	490,481	499,500
Proceeds from sale of leased vehicles	1,463,580	366,471
Change in revolving personal loans	(128,837)	(87,217)
Purchases of furniture and equipment	(11,583)	(11,543)
Sales of furniture and equipment	310	885
Change in restricted cash	(1,165,372)	(435,946)
Other investing activities	(3,182)	(22,979)
Net cash used in investing activities	(4,720,351)	(4,672,426)
Cash flows from financing activities:		
Proceeds from notes payable related to secured structured financings — net of debt issuance costs	7,975,856	7,717,856
Payments on notes payable related to secured structured financings	(5,364,799)	(4,526,678)
Proceeds from unsecured notes payable	3,630,000	2,407,533
Payments on unsecured notes payable	(3,060,000)	(2,807,016)
Proceeds from notes payable	13,580,175	12,684,871

Payments on notes payable	(13,970,166)	(12,622,210)
Proceeds from stock option exercises, gross	86,123	14,625
Repurchase of stock - employee tax withholding	(430)	(5,908)
Dividends paid	—	(52,316)
Net cash provided by financing activities	2,876,759	2,810,757
Net increase (decrease) in cash and cash equivalents	(4,271)	49,649
Cash — Beginning of period	33,157	10,531
Cash — End of period	$28,886	$60,180
Noncash investing and financing transactions:		
Transfer of retail installment contracts to repossessed vehicles	$828,517	$725,377

See notes to unaudited condensed consolidated financial statements.

SANTANDER CONSUMER USA HOLDINGS INC. AND SUBSIDIARIES
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Dollars in thousands, except per share amounts)
(Unaudited)

1. Description of Business, Basis of Presentation, and Significant Accounting Policies and Practices

Santander Consumer USA Holdings Inc., a Delaware Corporation (together with its subsidiaries, "SCUSA" or "the Company"), is the holding company for Santander Consumer USA Inc., an Illinois corporation, and subsidiaries, a specialized consumer finance company focused on vehicle finance and personal lending products. The Company's primary business is the indirect origination of retail installment contracts principally through manufacturer-franchised dealers in connection with their sale of new and used vehicles to retail consumers.

In conjunction with the Chrysler Agreement, a ten-year private label financing agreement with Chrysler Group that became effective May 1, 2013, the Company offers a full spectrum of auto financing products and services to Chrysler customers and dealers under the Chrysler Capital brand. These products and services include consumer retail installment contracts and leases, as well as dealer loans for inventory, construction, real estate, working capital and revolving lines of credit.

The Company also originates vehicle loans through a web-based direct lending program, purchases vehicle retail installment contracts from other lenders, and services automobile and recreational and marine vehicle portfolios for other lenders. Additionally, the Company has several relationships through which it provides personal loans, private label credit cards and other consumer finance products.

As of June 30, 2015, the Company was owned approximately 59.0% by SHUSA, a subsidiary of Santander, approximately 31.1% by public shareholders, approximately 9.8% by DDFS LLC, an entity affiliated with Thomas G. Dundon, the Company's then-Chairman and CEO and approximately 0.1% by other holders, primarily members of senior management. Pursuant to a Separation Agreement with Mr. Dundon, SHUSA was deemed to have delivered, as of July 3, 2015, an irrevocable notice to exercise the call option with respect to all the shares of Company common stock owned by DDFS LLC and consummate the transactions contemplated by the call option notice, subject to required bank regulatory approvals and any other approvals required by law being obtained (see Note 17).

Basis of Presentation

The accompanying condensed consolidated financial statements include the accounts of the Company and its subsidiaries, including certain Trusts, which are considered VIEs. The Company also consolidates other VIEs for which it was deemed to be the primary beneficiary. All intercompany balances and transactions have been eliminated in consolidation.

The accompanying condensed consolidated financial statements as of June 30, 2015 and December 31, 2014, and for the three and six months ended June 30, 2015 and 2014, have been prepared in accordance with U.S. GAAP for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, these financial statements contain all adjustments, consisting of normal recurring adjustments, necessary to present fairly the financial position, results of operations and cash flows for the periods indicated. Results of operations for the periods presented herein are not necessarily indicative of results of operations for the entire year. These financial statements should be read in conjunction with the Company's Annual Report for the year ended December 31, 2014.

Certain prior year amounts have been reclassified to conform to current year presentation; specifically, retail installment contracts held for investment, personal loans, receivables from dealers, and capital lease receivables, which previously were reported as separate line items in the condensed consolidated balance sheet, now are reported in aggregate in the condensed consolidated balance sheet as finance receivables held for investment, with disclosure of the components in Note 3 – Finance Receivables and Note 4 – Leases. Additionally, related-party assets and liabilities, which previously were disclosed separately within certain line items in the condensed consolidated balance sheet, are now reported as separate line items in the condensed consolidated balance sheet. The classification of related-party assets and liabilities reported in the condensed consolidated balance sheets as of June 30, 2015 and December 31,

2014 is as follows:

Related-Party Assets and Liabilities Classification as of

June 30, 2015	December 31, 2014
Related party taxes receivable	Federal, state and other income taxes receivable
Due from affiliates	Other assets
Notes payable – related party	Notes payable – credit facilities
Related party taxes payable	Federal, state and other income taxes payable
Due to affiliates	Accrued interest payable
	Accounts payable and accrued expenses
	Other liabilities

The reclassifications in the condensed consolidated balance sheets also are reflected in the corresponding categories in the condensed consolidated statements of cash flows.

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures of contingent assets and liabilities as of the date of the financial statements and the amount of revenue and expenses during the reporting periods. Actual results could differ from those estimates and those differences may be material. These estimates include the determination of credit loss allowance, discount accretion, impairment, expected end-of-term lease residual values, values of repossessed assets, and income taxes. These estimates, although based on actual historical trends and modeling, may potentially show significant variances over time.

Business Segment Information

The Company has one reportable segment: Consumer Finance, which includes the Company’s vehicle financial products and services, including retail installment contracts, vehicle leases, and dealer loans, as well as financial products and services related to motorcycles, recreational vehicles, and marine vehicles. It also includes the Company’s personal loan and point-of-sale financing operations.

Accounting Policies

There have been no material changes in the Company's accounting policies from those disclosed in Part II, Item 8 - Financial Statements and Supplementary Data in the Annual Report on Form 10-K for the year ended December 31, 2014.

Recently Adopted Accounting Standards

In June 2014, the FASB issued ASU 2014-11, Repurchase-to-Maturity Transactions, Repurchase Financings, and Disclosures. The standard requires entities to account for repurchase-to-maturity transactions as secured borrowings, eliminates accounting guidance on linked repurchase financing transactions, and expands disclosure requirements related to certain transfers of financial assets that are accounted for as secured borrowings. This guidance became effective for the Company January 1, 2015 and implementation did not have a significant impact on the Company’s financial position, results of operations, or cash flows.

Recent Accounting Pronouncements

In May 2014, the FASB issued ASU 2014-09, Revenue from Contracts with Customers, which provides guidance on a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. This guidance is effective for fiscal years beginning after December 15, 2017. The Company does not expect the adoption to have a material impact to the condensed consolidated financial statements.

In June 2014, the FASB issued ASU 2014-12, Accounting for Share-Based Payments When the Terms of an Award Provide That a Performance Target Could be Achieved after the Requisite Service Period. This standard affects entities that issue share-based payments when the terms of an award stipulate that a performance target could be achieved after an employee completes the requisite service period. This guidance is effective for fiscal years beginning after December 15, 2015. The Company is currently evaluating the impact of the adoption on its condensed consolidated financial statements.

In January 2015, the FASB issued ASU 2015-01, Income Statement - Extraordinary and Unusual Items. This standard simplifies income statement classification by removing the concept of extraordinary items from U.S. GAAP, and as a result, items that are both unusual and infrequent no longer will be separately reported net of tax after continuing operations. This guidance is effective for periods beginning after December 15, 2015. The Company does not expect the adoption to have a material impact to the condensed consolidated financial statements.

In February 2015, the FASB issued ASU 2015-02, Consolidation: Amendments to the Consolidation Analysis. This ASU changes the analysis that a reporting entity must perform to determine whether it should consolidate certain types of legal entities. This guidance is effective for periods beginning after December 15, 2015. The Company is in the process of evaluating the impacts of the adoption of this ASU.

In April 2015, the FASB issued ASU 2015-03, Imputation of Interest. This ASU requires that debt issuance costs, as well as discounts arising from the imputation of interest, be recorded as part of the basis of the related note, rather than as a separate asset or liability. The guidance should be applied retrospectively and will be effective for fiscal years beginning after December 31, 2015. The Company does not expect the adoption to have a material impact to the condensed consolidated financial statements.

2. Corrections of Errors

Subsequent to the issuance of the Company's June 30, 2015 condensed consolidated financial statements, the Company identified errors in its historical financial statements, including for the three and six months ended June 30, 2015 and 2014. Accordingly, the Company has restated the unaudited interim condensed consolidated financial statements as of and for the three and six months ended June 30, 2015 and 2014 to reflect the error corrections, the most significant of which are as follows:

I. Errors previously disclosed in the Company’s Annual Report on Form 10-K for the year ended December 31, 2015 filed on March 31, 2016 (the "Original 10-K"):

- The Company determined that its historical methodology for estimating its credit loss allowance for individually acquired retail installment contracts held for investment was in error as it did not estimate impairment on troubled debt restructurings (TDRs) separately from a general credit loss allowance on loans not classified as TDRs, and incorrectly applied a loss emergence period to the entire portfolio rather than only to loans not classified as TDRs. In addition, the Company determined that it had incorrectly identified the population of loans that should be classified and disclosed as TDRs and, separately, had incorrectly estimated the impairment on these loans, as of each balance sheet dates. The Company has corrected its allowance methodology accordingly, and has determined, based on this corrected methodology, the the credit loss allowance reported on the condensed consolidated balance sheets as of June 30, 2015 and December 31, 2014 was overstated by $110,462 and $56,508, respectively.
- The Company determined that subvention payments related to leased vehicles were incorrectly classified, within the income statement, as an addition to Leased vehicle income rather than a reduction of Leased vehicle expense. The subvention payments classification errors did not impact net income for any period.

The impact of the corrections of the above errors on the financial statements for the three and six months ended June 30, 2015 and 2014 was disclosed in Part II, Item 9B of the Original 10-K.

II. Errors identified subsequent to the filing of the Original 10-K:

- The Company previously used the loans’ original contractual interest rate rather than the original effective rate as the discount rate applied to expected cash flows to determine TDR impairment. ASC 310-40-35-12 requires that expected future cash flows be discounted using the original effective interest rate.

The Company has corrected the discount rate used in the determination of TDR impairment and has determined that the allowance was understated, and the net carrying balance of individually acquired retail installment contracts accordingly overstated, by $73,321 and $68,642 as of June 30, 2015 and December 31, 2014, respectively, related to this methodology error. This error also caused the provision for credit losses in the condensed consolidated statements of income and comprehensive income to be overstated by $1,402 and understated by $2,476 for the three months ended June 30, 2015 and 2014, respectively, and understated by $4,679 and $3,405 for the six months ended June 30, 2015 and 2014, respectively.

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- The Company has determined that its application of the retrospective effective interest method for accreting discounts, subvention payments from manufacturers, and other origination costs (collectively "discount") on individually acquired retail installment contracts held for investment was in error, as (i) these cost basis adjustments were accreted over the average life of a loan rather than the aggregate life of a loan pool, (ii) defaults were inappropriately considered in the estimate of future principal prepayments, (iii) the portfolio was not adequately segmented to consider different prepayment performance based on credit quality and term, (iv) remaining unaccreted balances at charge off were being recorded as interest income rather than as reductions of the net charge off, and (v) the unaccreted discount component of TDR carrying value was misstated, resulting in inaccurate TDR impairment.

(i) The Company previously had accreted discounts over the average life of the loan portfolio. However, Examples 3 and 4 in the implementation guidance to ASC 310-20, Receivables - Nonrefundable Fees and Other Costs, provide guidance on the projection of cash flows for a pool of loans and the treatment of actual and anticipated prepayments for determining the effective interest rate under the retrospective method. The guidance demonstrates an application that aligns with the aggregate life of the loan pool rather than the average loan life concept. Under the average life method previously applied by the Company, anticipated prepayments shortened the life of the portfolio and maintained the portfolio monthly cash flows constant, i.e., incorrectly accelerated the accretion of discount. Accordingly, management has determined that the use of the average life was in error.

(ii) The Company previously had considered all types of liquidations, both voluntary prepayments and charge offs, as anticipated prepayments for purposes of determining a prepayment assumption. However, the application of a prepayment assumption as described in ASC 310-20-35-26 does not allow for future expected defaults to be considered in the assumption. Accordingly, management has determined that the inclusion of future expected defaults in the anticipated prepayment assumption was in error.

(iii) The Company previously had aggregated all loans in the individually acquired retail installment contract portfolio into one pool for the purpose of estimating prepayments and determining the effective interest rate under the retrospective method. ASC 310-20-35-30 provides some characteristics to be considered when aggregating a large number of similar loans for this purpose. Management has determined that there is differentiation in prepayment behavior within its loan portfolio based on characteristics including credit quality, maturity, and period of origination. Accordingly, management has determined that the absence of segmentation into pools of homogeneous loans was in error.

(iv) The Company previously had recorded charge offs based on unpaid principal balance. The accretion of discount of charged off loans was previously reported as interest income. However, ASC 310-10, Receivables, refers to the recorded investment in the loan as the appropriate accounting basis. ASC 310-10-35-24 specifies that the recorded investment includes adjustments such as unamortized premium or discount. Accordingly, management has determined that unaccreted discounts remaining at charge off should be included in the net charge off amount recorded.

(v) As a result of the incorrect accretion methodology, as well as the exclusion of unaccreted discount, the recorded investment in TDRs was misstated, resulting in a misstatement of TDR impairment.
The Company has corrected its accretion methodology and has determined that the various aspects had the following impacts as of each period end balance sheet date:

	June 30, 2015	December 31, 2014
Overstatement of recorded investment	$161,742	$ 140,215
Overstatement of TDR impairment	(65,053)	(56,320)
Overstatement of finance receivables, net	$96,689	$ 83,895
Overstatement of finance receivables held sale	$5,511	$ (1)
Overstatement of finance receivables held for investment, net	$91,178	$ 83,896

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This error also had the following impacts on the condensed consolidated statements of income and comprehensive income:

	Three Months Ended		Six Months Ended	
	June 30, 2015	June 30, 2014	June 30, 2015	June 30, 2014
Interest on finance receivable and loans	$45,128	$43,262	$96,045	$80,866
Investment gains (losses), net	(3,053)	39	(3,399)	1,101
Provision for credit losses	(34,755)	(36,425)	(79,852)	(73,238)
	$7,320	$6,876	$12,794	$8,729

- The Company previously omitted the consideration of net unaccreted discounts when estimating the allowance for credit losses for the non-TDR portfolio of individually acquired retail installment loans held for investment under ASC 450-20. Accordingly, management has determined that the omission of consideration of net unaccreted discounts in the allowance was in error.

The Company has corrected its allowance methodology to take net unaccreted discounts into consideration, and has determined that the allowance was overstated, and the net carrying balance of individually acquired retail installment contracts accordingly understated, by $99,829 and $95,465 as of June 30, 2015 and December 31, 2014, respectively, related to this methodology error. This error also caused the provision for credit losses in the condensed consolidated statements of income and comprehensive income to be overstated by $537 and $7,270 for the three months ended June 30, 2015 and 2014, respectively, and $4,362 and $22,410 for the six months ended June 30, 2015 and 2014, respectively.

In addition to the restatement of the Company's condensed consolidated financial statements, certain information within the following notes to the condensed consolidated financial statement has been restated to reflect the corrections of errors discussed above as well as other, less significant errors and/or to add disclosure language, as appropriate.

- Note 3. Finance Receivables
- Note 4. Leases
- Note 5. Credit Loss Allowance and Credit Quality
- Note 7. Variable Interest Entities
- Note 8. Derivative Financial Instruments
- Note 9. Other Assets
- Note 10. Income Taxes
- Note 11. Commitments and Contingencies
- Note 13. Computation of Basic and Diluted Earnings per Common Share
- Note 14. Fair Value of Financial Instruments

The following table summarizes the impacts of the corrections on the condensed consolidated balance sheets as of June 30, 2015 and December 31, 2014:

	June 30, 2015				
	As Originally Reported (a)	Corrections	As Reported (b)	Corrections	As Restated
Finance receivables held for sale, net	$1,570,416	$ —	$1,570,416	$ (5,511)	$1,564,905
Finance receivables held for investment, net	24,778,311	110,462	24,888,773	(87,782)	24,800,991
Leased vehicles, net	5,189,904	—	5,189,904	(16,238)	5,173,666
Federal, state and other income taxes receivable	234,944	—	234,944	(62)	234,882
Deferred tax asset	5,152	(4,087)	1,065	6,279	7,344
Intangible assets, net	53,642	—	53,642	(16,800)	36,842
Due from affiliates	86,268	—	86,268	30,457	116,725
Other assets	486,355	—	486,355	22,873	509,228
Total assets	36,039,919	106,375	36,146,294	(66,784)	36,079,510
Federal, state and other income taxes payable	1,268	—	1,268	(2)	1,266
Deferred tax liabilities, net	556,013	37,237	593,250	(34,842)	558,408
Due to affiliates	47,295	—	47,295	30,457	77,752
Other liabilities	159,396	—	159,396	6,428	165,824
Total liabilities	31,794,469	37,237	31,831,706	2,041	31,833,747
Retained earnings	2,565,501	69,138	2,634,639	(68,825)	2,565,814
Total stockholders' equity	4,245,450	69,138	4,314,588	(68,825)	4,245,763
Total liabilities and equity	36,039,919	106,375	36,146,294	(66,784)	36,079,510

(a) Originally reported amounts included in the Quarterly Report on Form 10-Q for the period ended June 30, 2015 issued on August 10, 2015.

(b) Reported amounts included in Part II, Item 9B of the Annual Report on Form 10-K for the year ended December 31, 2015 issued on March 31, 2016.

	December 31, 2014				
	As Originally Reported (a)	Corrections	As Reported (b)	Corrections	As Restated
Finance receivables held for sale, net	$46,585	$ —	$ 46,585	$ 1	$ 46,586
Finance receivables held for investment, net	23,915,551	56,508	23,972,059	(60,410)	23,911,649
Leased vehicles, net	4,862,783	—	4,862,783	(14,190)	4,848,593
Federal, state and other income taxes receivable	502,035	—	502,035	(3,735)	498,300
Related party taxes receivable	459	—	459	8	467
Deferred tax asset	21,244	(2,164)	19,080	5,491	24,571
Intangible assets, net	53,682	—	53,682	(16,800)	36,882
Due from affiliates	102,457	—	102,457	39,094	141,551
Other assets	403,416	—	403,416	22,772	426,188
Total assets	32,342,176	54,344	32,396,520	(27,769)	32,368,751
Accounts payable and accrued expenses	315,130	—	315,130	9,500	324,630
Federal, state and other income taxes payable	319	—	319	416	735
Deferred tax liabilities, net	492,303	19,021	511,324	(48,197)	463,127
Due to affiliates	48,688	—	48,688	39,737	88,425
Other liabilities	98,654	—	98,654	38,231	136,885
Total liabilities	28,783,827	19,021	28,802,848	39,687	28,842,535
Retained earnings	1,990,787	35,323	2,026,110	(67,456)	1,958,654
Total stockholders' equity	3,558,349	35,323	3,593,672	(67,456)	3,526,216

Total liabilities and equity	32,342,176	54,344	32,396,520	(27,769)	32,368,751

(a) Originally reported amounts included in the Annual Report on Form 10-K for the year ended December 31, 2014 issued on March 2, 2015.

(b) Reported amounts included in the Annual Report on Form 10-K for the year ended December 31, 2015 issued on March 31, 2016.

The following table summarizes the impacts of the corrections on the Company's assets and liabilities related to VIEs included in the condensed consolidated financial statements as of June 30, 2015 and December 31, 2014:

	June 30, 2015				
	As Originally Reported (a)	Corrections	As Reported (b)	Corrections	As Restated
Finance receivables held for investment, net	$23,012,380	$ 199,772	$23,212,152	$(175,970)	$23,036,182
Leased vehicles, net	5,189,904	—	5,189,904	(16,238)	5,173,666
Various other assets	586,420	—	586,420	7,077	593,497
Various other liabilities	8,980	—	8,980	71,596	80,576

(a) Originally reported amounts included in the Quarterly Report on Form 10-Q for the period ended June 30, 2015 issued on August 10, 2015.

(b) Reported amounts included in Part II, Item 9B of the Annual Report on Form 10-K for the year ended December 31, 2015 issued on March 31, 2016.

	December 31, 2014				
	As Originally Reported (a)	Corrections	As Reported (b)	Corrections	As Restated
Finance receivables held for investment, net	$21,366,121	$ 66,163	$21,432,284	$560,617	$21,992,901
Leased vehicles, net	4,862,783	—	4,862,783	(14,190)	4,848,593
Various other assets	1,283,280	—	1,283,280	(727,771)	555,509
Notes payable	27,796,999	—	27,796,999	25,175	27,822,174
Various other liabilities	—	—	—	55,795	55,795

(a) Originally reported amounts included in the Annual Report on Form 10-K for the year ended December 31, 2014 issued on March 2, 2015.

(b) Reported amounts included in the Annual Report on Form 10-K for the year ended December 31, 2015 issued on March 31, 2016.

The following table summarizes the impacts of the corrections on our condensed consolidated statements of income and comprehensive income for the three and six months ended June 30, 2015:

	Three Months Ended June 30, 2015				
	As Originally Reported (a)	Corrections	As Reported (b)	Corrections	As Restated
Interest on finance receivables and loans	$1,321,245	$ —	$1,321,245	$(37,594)	$1,283,651
Leased vehicle income	355,137	(111,280)	243,857	—	243,857
Total finance and other interest income	1,683,120	(111,280)	1,571,840	(37,594)	1,534,246
Leased vehicle expense	281,118	(111,280)	169,838	(1,071)	168,767
Net finance and other interest income	1,251,380	—	1,251,380	(36,523)	1,214,857
Provision for credit losses	738,735	(122,660)	616,075	(36,696)	579,379
Net finance and other interest income after provision for credit losses	512,645	122,660	635,305	173	635,478
Net finance and other interest income after provision for credit losses and profit sharing	491,144	122,660	613,804	173	613,977
Investment gains (losses), net	86,667	—	86,667	3,054	89,721
Fees, commissions, and other	94,268	—	94,268	2,668	96,936
Total other income (loss)	208,978	—	208,978	5,722	214,700
Other operating costs	86,985	—	86,985	2,080	89,065
Total operating expenses	253,428	—	253,428	2,080	255,508
Income before income taxes	446,694	122,660	569,354	3,815	573,169
Income tax expense	161,230	45,877	207,107	1,347	208,454
Net income	$285,464	$ 76,783	$362,247	$2,468	$364,715
Net income	$285,464	$ 76,783	$362,247	$2,468	$364,715
Comprehensive income	$289,028	$ 76,783	$365,811	$2,468	$368,279
Net income per common share (basic)	$0.80	$ 0.22	$1.02	$0.01	$1.03
Net income per common share (diluted)	$0.79	$ 0.22	$1.01	$0.01	$1.02

	Six Months Ended June 30, 2015				
	As Originally Reported (a)	Corrections	As Reported (b)	Corrections	As Restated
Interest on finance receivables and loans	$2,551,247	$ —	$2,551,247	$ (74,575)	$2,476,672
Leased vehicle income	688,083	(212,610)	475,473	—	475,473
Total finance and other interest income	3,253,409	(212,610)	3,040,799	(74,575)	2,966,224
Leased vehicle expense	554,182	(212,610)	341,572	2,048	343,620
Net finance and other interest income	2,399,749	—	2,399,749	(76,623)	2,323,126
Provision for credit losses	1,344,716	(53,954)	1,290,762	(79,536)	1,211,226
Net finance and other interest income after provision for credit losses	1,055,033	53,954	1,108,987	2,913	1,111,900
Net finance and other interest income after provision for credit losses and profit sharing	1,020,016	53,954	1,073,970	2,913	1,076,883
Investment gains (losses), net	107,914	—	107,914	3,400	111,314
Fees, commissions, and other	195,401	—	195,401	5,333	200,734
Total other income (loss)	356,161	—	356,161	8,733	364,894
Other operating costs	172,998	—	172,998	4,533	177,531
Total operating expenses	498,807	—	498,807	4,533	503,340
Income before income taxes	877,370	53,954	931,324	7,113	938,437
Income tax expense	302,656	20,139	322,795	8,482	331,277
Net income	$574,714	$ 33,815	$608,529	$ (1,369)	$607,160
Net income	$574,714	$ 33,815	$608,529	$ (1,369)	$607,160
Comprehensive income	$565,435	$ 33,815	$599,250	$ (1,369)	$597,881
Net income per common share (basic)	$1.63	$ 0.10	$1.73	$ (0.01)	$1.72
Net income per common share (diluted)	$1.61	$ 0.10	$1.71	$ —	$1.71

(a) Originally reported amounts included in the Quarterly Report on Form 10-Q for the period ended June 30, 2015 issued on August 10, 2015.

(b) Reported amounts included in Part II, Item 9B of the Annual Report on Form 10-K for the year ended December 31, 2015 issued on March 31, 2016.

The following table summarizes the impacts of the corrections on our condensed consolidated statements of income and comprehensive income for the three and six months ended June 30, 2014:

	Three Months Ended June 30, 2014				
	As Originally Reported (a)	Corrections	As Reported (b)	Corrections	As Restated
Interest on finance receivables and loans	$1,163,448	$ —	$1,163,448	$ (40,508)	$1,122,940
Leased vehicle income	218,938	(58,626)	160,312	(12,164)	148,148
Total finance and other interest income	1,383,260	(58,626)	1,324,634	(52,672)	1,271,962
Leased vehicle expense	179,135	(58,626)	120,509	(7,018)	113,491
Net finance and other interest income	1,075,811	—	1,075,811	(45,654)	1,030,157
Provision for credit losses	589,136	(40,108)	549,028	(7,893)	541,135
Net finance and other interest income after provision for credit losses	486,675	40,108	526,783	(37,761)	489,022
	462,619	40,108	502,727	(37,761)	464,966

Net finance and other interest income after provision for credit losses and profit sharing					
Investment gains (losses), net	21,602	—	21,602	(38)	21,564
Fees, commissions, and other	95,030	—	95,030	3,191	98,221
Total other income (loss)	138,731	—	138,731	3,153	141,884
Other operating costs	71,889	—	71,889	1,485	73,374
Total operating expenses	211,226	—	211,226	1,485	212,711
Income before income taxes	390,124	40,108	430,232	(36,093)	394,139
Income tax expense	143,643	14,736	158,379	(20,198)	138,181
Net income	$246,481	$ 25,372	$271,853	$ (15,895)	$255,958
Net income	$246,481	$ 25,372	$271,853	$ (15,895)	$255,958
Comprehensive income	$243,117	$ 25,372	$268,489	$ (15,895)	$252,594
Net income per common share (basic)	$0.71	$ 0.07	$0.78	$ (0.05)	$0.73
Net income per common share (diluted)	$0.69	$ 0.07	$0.76	$ (0.04)	$0.72

	Six Months Ended June 30, 2014				
	As Originally Reported (a)	Corrections	As Reported (b)	Corrections	As Restated
Interest on finance receivables and loans	$2,303,777	$ —	$2,303,777	$ (77,314)	$2,226,463
Leased vehicle income	366,061	(99,541)	266,520	(8,903)	257,617
Total finance and other interest income	2,670,962	(99,541)	2,571,421	(86,217)	2,485,204
Leased vehicle expense	299,204	(99,541)	199,663	(4,837)	194,826
Net finance and other interest income	2,118,998	—	2,118,998	(81,380)	2,037,618
Provision for credit losses	1,287,730	(133,982)	1,153,748	(46,040)	1,107,708
Net finance and other interest income after provision for credit losses	831,268	133,982	965,250	(35,340)	929,910
Net finance and other interest income after provision for credit losses and profit sharing	775,051	133,982	909,033	(35,340)	873,693
Investment gains (losses), net	57,416	—	57,416	(1,100)	56,316
Fees, commissions, and other	184,334	—	184,334	3,191	187,525
Total other income (loss)	274,254	—	274,254	2,091	276,345
Other operating costs	139,991	—	139,991	3,158	143,149
Total operating expenses	529,674	—	529,674	3,158	532,832
Income before income taxes	519,631	133,982	653,613	(36,407)	617,206
Income tax expense	191,684	49,247	240,931	(17,126)	223,805
Net income	$327,947	$ 84,735	$412,682	$ (19,281)	$393,401
Net income	$327,947	$ 84,735	$412,682	$ (19,281)	$393,401
Comprehensive income	$326,671	$ 84,735	$411,406	$ (19,281)	$392,125
Net income per common share (basic)	$0.94	$ 0.24	$1.18	$ (0.05)	$1.13
Net income per common share (diluted)	$0.92	$ 0.24	$1.16	$ (0.05)	$1.11

(a) Originally reported amounts included in the Quarterly Report on Form 10-Q for the period ended June 30, 2014 issued on August 7, 2014.

(b) Reported amounts included in Part II, Item 9B of the Annual Report on Form 10-K for the year ended December 31, 2015 issued on March 31, 2016.

The following table summarizes the impacts of the corrections on our condensed consolidated statements of equity for the six months ended June 30, 2015 and 2014:

	Retained Earnings				
	As Originally Reported (a)	Corrections	As Reported (b)	Corrections	As Restated
Balance - January 1, 2015	$1,990,787	$ 35,323	$2,026,110	$ (67,456)	$1,958,654
Net income	574,714	33,815	608,529	(1,369)	607,160
Balance - June 30, 2015	2,565,501	69,138	2,634,639	(68,825)	2,565,814
	Total Stockholders' Equity				
	As Originally Reported (a)	Corrections	As Reported (b)	Corrections	As Restated
Balance - January 1, 2015	$3,558,349	$ 35,323	$3,593,672	$ (67,456)	$3,526,216

Net income	574,714	33,815	608,529	(1,369)	607,160
Balance - June 30, 2015	4,245,450	69,138	4,314,588	(68,825)	4,245,763

(a) Originally reported amounts included in the Quarterly Report on Form 10-Q for the period ended June 30, 2015 issued on August 10, 2015.

(b) Reported amounts included in Part II, Item 9B of the Annual Report on Form 10-K for the year ended December 31, 2015 issued on March 31, 2016.

	Retained Earnings				
	As Originally Reported (a)	Corrections	As Reported (b)	Corrections	As Restated
Balance - January 1, 2014	$1,276,754	$ 77,435	$1,354,189	$ (68,503)	$1,285,686
Net income	327,947	84,735	412,682	(19,281)	393,401
Balance - June 30, 2014	1,552,385	162,170	1,714,555	(87,784)	1,626,771

	Total Stockholders' Equity				
	As Originally Reported (a)	Corrections	As Reported (b)	Corrections	As Restated
Balance - January 1, 2014	$2,686,832	$ 77,435	$2,764,267	$ (68,503)	$2,695,764
Net income	327,947	84,735	412,682	(19,281)	393,401
Balance - June 30, 2014	3,102,258	162,170	3,264,428	(87,784)	3,176,644

(a) Originally reported amounts included in the Quarterly Report on Form 10-Q for the period ended June 30, 2014 issued on August 7, 2014.

(b) Reported amounts included in Part II, Item 9B of the Annual Report on Form 10-K for the year ended December 31, 2015 issued on March 31, 2016.

The following table summarizes the impacts of the corrections on our condensed consolidated statements of cash flows for the six months ended June 30, 2015 and 2014:

	Six Months Ended June 30, 2015				
	As Originally Reported (a)	Corrections	As Reported (b)	Corrections	As Restated
Cash flows from operating activities:					
Net income	$574,714	$33,815	$608,529	$(1,369)	$607,160
Adjustments to reconcile net income to net cash provided by operating activities					
Derivative mark to market	(4,424)	—	(4,424)	14,033	9,609
Provision for credit losses	1,344,716	(53,954)	1,290,762	(79,536)	1,211,226
Depreciation and amortization	606,397	(212,610)	393,787	(4,441)	389,346
Accretion of discount	(485,192)	212,610	(272,582)	119,526	(153,056)
Investment gains, net	(107,914)	—	(107,914)	(3,400)	(111,314)
Deferred tax expense (benefit)	65,863	20,139	86,002	12,564	98,566
Changes in assets and liabilities:					
Federal income tax and other taxes	314,980	—	314,980	(4,082)	310,898
Other assets	7,179	—	7,179	(8,766)	(1,587)
Other liabilities	104,349	—	104,349	(58,953)	45,396
Due to/from affiliates	(3,341)	—	(3,341)	12,492	9,151
Net cash provided by operating activities	1,841,253	—	1,841,253	(1,932)	1,839,321
Cash flows from investing activities:					
Proceeds from sale of leased vehicles	1,460,792	—	1,460,792	2,788	1,463,580
Net cash used in investing activities	(4,723,139)	—	(4,723,139)	2,788	(4,720,351)
Cash flows from financing activities:					
Proceeds from unsecured notes payable	3,905,000	—	3,905,000	(275,000)	3,630,000
Payments on unsecured notes payable	(3,335,000)	—	(3,335,000)	275,000	(3,060,000)
Proceeds from notes payable	13,305,175	—	13,305,175	275,000	13,580,175
Payments on notes payable	(13,695,166)	—	(13,695,166)	(275,000)	(13,970,166)
Cash collateral paid on derivatives	856	—	856	(856)	—
Net cash provided by financing activities	2,877,615	—	2,877,615	(856)	2,876,759

(a) Originally reported amounts included in the Quarterly Report on Form 10-Q for the period ended June 30, 2015 issued on August 10, 2015.

(b) Reported amounts included in Part II, Item 9B of the Annual Report on Form 10-K for the year ended December 31, 2015 issued on March 31, 2016.

	Six Months Ended June 30, 2014				
	As Originally Reported (a)	Corrections	As Reported (b)	Corrections	As Restated
Cash flows from operating activities:					
Net income	$327,947	$ 84,735	$412,682	$(19,281)	$393,401
Adjustments to reconcile net income to net cash provided by operating activities					
Derivative mark to market	(8,112)	—	(8,112)	3,157	(4,955)
Provision for credit losses	1,287,730	(133,982)	1,153,748	(46,040)	1,107,708
Depreciation and amortization	335,902	(99,541)	236,361	(7,858)	228,503
Accretion of discount	(403,654)	99,541	(304,113)	86,603	(217,510)
Investment gains, net	(57,416)	—	(57,416)	1,100	(56,316)
Deferred tax expense (benefit)	(13,027)	49,247	36,220	(17,126)	19,094
Changes in assets and liabilities:					
Other assets	(21,774)	—	(21,774)	813	(20,961)
Other liabilities	(899)	—	(899)	(3,323)	(4,222)
Due to/from affiliates	(22,036)	—	(22,036)	4,456	(17,580)
Net cash provided by operating activities	1,908,817	—	1,908,817	2,501	1,911,318
Cash flows from investing activities:					
Originations of and disbursements on finance receivables held for investment	(7,896,090)	—	(7,896,090)	(3,190)	(7,899,280)
Change in restricted cash	(444,333)	—	(444,333)	8,387	(435,946)
Net cash used in investing activities	(4,677,623)	—	(4,677,623)	5,197	(4,672,426)
Cash flows from financing activities:					
Cash collateral paid on derivatives	(6,569)	—	(6,569)	6,569	—
Net cash provided by financing activities	2,804,188	—	2,804,188	6,569	2,810,757

(a) Originally reported amounts included in the Quarterly Report on Form 10-Q for the period ended June 30, 2014 issued on August 7, 2014.

(b) Reported amounts included in Part II, Item 9B of the Annual Report on Form 10-K for the year ended December 31, 2015 issued on March 31, 2016.

3. Finance Receivables (As Restated)

Finance receivables held for investment includes individually acquired retail installment contracts and loans, purchased receivables portfolios, and capital leases (see Note 4). The Company's portfolio of individually acquired retail installment contracts and loans held for investment was comprised of the following at June 30, 2015 and December 31, 2014:

	June 30, 2015		
	Retail Installment Contracts Acquired Individually	Receivables from Dealers Held for Investment	Personal Loans
Unpaid principal balance	$26,027,676	$ 91,612	$2,261,726
Credit loss allowance (Note 5)	(2,927,624)	(968)	(384,735)
Discount	(796,658)	—	(2,012)
Capitalized origination costs and fees	58,544	—	1,488
Net carrying balance	$22,361,938	$ 90,644	$1,876,467

	December 31, 2014		
	Retail Installment Contracts Acquired Individually	Receivables from Dealers Held for Investment	Personal Loans
Unpaid principal balance	$24,555,106	$100,164	$2,128,769
Credit loss allowance (Note 5)	(2,586,685)	(674)	(348,660)
Discount	(749,921)	—	(1,356)
Capitalized origination costs and fees	52,964	—	1,024
Net carrying balance	$21,271,464	$99,490	$1,779,777

Purchased receivables portfolios, which were acquired with deteriorated credit quality, were comprised of the following at June 30, 2015 and December 31, 2014:

	June 30, 2015	December 31, 2014
Outstanding balance	$517,451	$ 853,219
Outstanding recorded investment, net of impairment	$361,360	$ 679,079

As of June 30, 2015, retail installment contracts held for sale and receivables from dealers held for sale totaled $1,563,893 and $1,012, respectively. As of December 31, 2014, retail installment contracts and receivables from dealers held for sale totaled $45,425 and $1,161, respectively. Sales of retail installment contracts for the three and six months ended June 30, 2015 included principal balance amounts of $2,016,675 and $2,935,753, respectively. Sales of retail installment contracts for the three and six months ended June 30, 2014 included principal balance amounts of $1,384,174 and $3,069,898, respectively. The Company retains servicing of sold retail installment contracts and was servicing $8,583,906 and $7,372,884 as of June 30, 2015 and December 31, 2014, respectively, of contracts sold to unrelated third parties. Proceeds from sales of charged-off assets for the three and six months ended June 30, 2015 were $65,587 and $103,963, respectively. Proceeds from sales of charged-off assets for the three and six months ended June 30, 2014 were zero and $1,687, respectively.

Retail installment contracts are collateralized by vehicle titles, and the Company has the right to repossess the vehicle in the event the consumer defaults on the payment terms of the contract. Most of the Company's retail installment contracts held for investment are pledged against warehouse facilities or securitization bonds (Note 6). Most of the creditors on the Company's retail installment contracts are retail consumers; however, $955,225 and $816,100 of the unpaid principal balance represented fleet contracts with commercial borrowers as of June 30, 2015 and December 31, 2014, respectively.

Borrowers on the Company's retail installment contracts held for investment are located in Texas (17%), Florida (12%), California (9%), Georgia (5%) and other states each individually representing less than 5% of the Company's total.

Receivables from dealers held for investment includes a term loan with a third-party vehicle dealer and lender that operates in multiple states. The loan allowed committed borrowings of $50,000 at June 30, 2015 and December 31, 2014, and the unpaid principal balance of the facility was $50,000 at each of those dates. The term loan will mature on December 31, 2018.

The remaining receivables from dealers held for investment are all Chrysler-related. Borrowers on these Chrysler dealer receivables are located in Ohio (37%), Virginia (26%), California (16%), New York (11%), and other states each individually representing less than 5% of the Company's total.

Borrowers on the Company's personal loans are located in California (11%), Texas (8%), New York (8%), Florida (7%), and other states each individually representing less than 5% of the Company's total.

Changes in accretable yield on the Company's purchased receivables portfolios for the periods indicated were as follows:

	For the Three Months Ended		For the Six Months Ended	
	June 30, 2015	June 30, 2014	June 30, 2015	June 30, 2014
Balance — beginning of period	$247,944	$367,180	$268,927	$407,490
Accretion of accretable yield	(21,474)	(52,395)	(49,680)	(121,209)
Reclassifications from (to) nonaccretable difference	57,990	(4,954)	65,213	23,550
Balance — end of period	$284,460	$309,831	$284,460	$309,831

During the three and six months ended June 30, 2015 and 2014, the Company did not acquire any vehicle loan portfolios for which it was probable at acquisition that not all contractually required payments would be collected.

4. Leases (As Restated)

The Company has both operating and capital leases, which are separately accounted for and recorded on the Company's condensed consolidated balance sheets. Operating leases are reported as leased vehicles, net, while capital leases are included in finance receivables held for investment, net.

Operating Leases

Leased vehicles, net, which is comprised of leases originated under the Chrysler Agreement, consisted of the following as of June 30, 2015 and December 31, 2014:

	June 30, 2015	December 31, 2014
Leased vehicles	$6,892,524	$6,306,277
Less: accumulated depreciation	(1,050,478)	(816,000)
Depreciated net capitalized cost	5,842,046	5,490,277
Manufacturer subvention payments	(678,861)	(646,232)
Origination fees and other costs	10,481	4,548
Net book value	$5,173,666	$4,848,593

During the three and six months ended June 30, 2015, the Company executed bulk sales of Chrysler Capital leases with an aggregate depreciated net capitalized cost of $755,624 and $1,316,958, respectively, and a net book value of $666,252 and $1,155,171, respectively, to a third party. The bulk sales agreements included certain provisions whereby the Company agreed to share in residual losses for lease terminations with losses over a specific percentage threshold (see Note 11). SCUSA retained servicing on the sold leases. Due to the accelerated depreciation permitted for tax purposes, these sales generated large taxable gains that the Company has deferred through a qualified like-kind exchange program. In order to qualify for this deferral, the proceeds from the sales (along with the proceeds from recent lease terminations for which the Company also intends to defer the taxable gain) are held in a qualified exchange account, which is classified as restricted cash, until reinvested in new lease originations.

The following summarizes the future minimum rental payments due to the Company as lessor under operating leases as of June 30, 2015:

Remainder of 2015	$477,980
2016	856,944
2017	484,780
2018	110,367
2019	416
Thereafter	33
Total	$1,930,520

Capital Leases

Certain leases originated by the Company are accounted for as capital leases, as the contractual residual values are nominal amounts. Capital lease receivables, net consisted of the following as of June 30, 2015 and December 31, 2014:

	June 30, 2015	December 31, 2014
Gross investment in capital leases	$196,948	$ 137,543
Origination fees and other	158	78
Less unearned income	(70,954)	(46,193)
Net investment in capital leases before allowance	126,152	91,428
Less: allowance for lease losses	(15,570)	(9,589)
Net investment in capital leases	$110,582	$ 81,839

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The following summarizes the future minimum lease payments due to the Company as lessor under capital leases as of June 30, 2015:

Remainder of 2015	$25,257
2016	50,513
2017	50,460
2018	49,396
2019	21,322
Thereafter	—
Total	$196,948

5. Credit Loss Allowance and Credit Quality (As Restated)

Credit Loss Allowance

The Company estimates credit losses on individually acquired retail installment contracts and personal loans held for investment based on delinquency status, historical loss experience, estimated values of underlying collateral, when applicable, and various economic factors. The Company maintains a general credit loss allowance for receivables from dealers based on risk ratings, and individually evaluates the loans for specific impairment as necessary. The credit loss allowance for receivables from dealers is comprised entirely of general allowances as none of these receivables have been determined to be individually impaired.

The activity in the credit loss allowance for individually acquired loans for the three and six months ended June 30, 2015 and 2014 was as follows:

	Three Months Ended June 30, 2015			Three Months Ended June 30, 2014		
	Retail Installment Contracts Acquired Individually	Receivables from Dealers Held for Investment	Personal Loans	Retail Installment Contracts Acquired Individually	Receivables from Dealers Held for Investment	Personal Loans
Balance — beginning of period	$2,748,526	$ 1,130	$352,878	$2,150,573	$ 1,035	$203,190
Provision for credit losses	454,467	(162)	121,118	446,299	(112)	103,138
Charge-offs	(803,763)	—	(97,218)	(670,344)	—	(66,966)
Recoveries	528,394	—	7,957	397,638	—	6,518
Transfers to held-for-sale	—	—	—	—	—	—
Balance — end of period	$2,927,624	$ 968	$384,735	$2,324,166	$ 923	$245,880

	Six Months Ended June 30, 2015			Six Months Ended June 30, 2014		
	Retail Installment Contracts Acquired Individually	Receivables from Dealers Held for Investment	Personal Loans	Retail Installment Contracts Acquired Individually	Receivables from Dealers Held for Investment	Personal Loans
Balance — beginning of period	$2,586,685	$ 674	$348,660	$1,949,048	$ 1,090	$179,350
Provision for credit losses	987,481	294	218,821	958,128	(167)	165,267
Charge-offs	(1,691,155)	—	(196,908)	(1,388,425)	—	(107,914)
Recoveries	1,071,730	—	14,162	805,415	—	9,177
Transfers to held for sale	(27,117)	—	—	—	—	—
Balance — end of period	$2,927,624	$ 968	$384,735	$2,324,166	$ 923	$245,880

The impairment activity related to purchased receivables portfolios for the three and six months ended June 30, 2015 and 2014 was as follows:

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	Three Months Ended June 30,		Six Months Ended June 30,	
	2015	2014	2015	2014
Balance — beginning of period	$181,024	$202,878	$186,126	$210,208
Incremental provisions for purchased receivables portfolios	—	1,106	300	17,508
Incremental reversal of provisions for purchased receivables portfolios	(4,270)	(9,296)	(9,672)	(33,028)
Balance — end of period	$176,754	$194,688	$176,754	$194,688

The Company estimates lease losses on the capital lease receivable portfolio based on delinquency status, loss experience to date, and consideration of similarity between this portfolio and individually acquired retail installment contracts as well as various economic factors. The activity in the lease loss allowance for capital leases for the three and six months ended June 30, 2015 was as follows:

	Three Months Ended June 30, 2015	Six Months Ended June 30, 2015
Balance — beginning of period	$15,182	$9,589
Provision for lease losses	8,226	14,002
Charge-offs	(17,393)	(19,390)
Recoveries	9,555	11,369
Balance — end of period	$15,570	$15,570

Delinquencies

Retail installment contracts and personal amortizing term loans are classified as non-performing when they are greater than 60 days past due as to contractual principal or interest payments. Dealer receivables are classified as non-performing when they are greater than 90 days past due. At the time a loan is placed in non-performing status, previously accrued and uncollected interest is reversed against interest income. If an account is returned to a performing status, the Company returns to accruing interest on the contract. The accrual of interest on revolving personal loans continues until the loan is charged off. A summary of delinquencies as of June 30, 2015 and December 31, 2014 is as follows:

	June 30, 2015			
	Retail Installment Contracts Held for Investment			Personal Loans
	Loans Acquired Individually	Purchased Receivables Portfolios	Total	
Principal, 31-60 days past due	$2,010,352	$ 55,663	$2,066,015	$57,285
Delinquent principal over 60 days	869,190	29,886	899,076	153,485
Total delinquent principal	$2,879,542	$ 85,549	$2,965,091	$210,770

	December 31, 2014			
	Retail Installment Contracts Held for Investment			Personal Loans
	Loans Acquired Individually	Purchased Receivables Portfolios	Total	
Principal, 31-60 days past due	$2,319,203	$ 131,634	$2,450,837	$52,452
Delinquent principal over 60 days	1,030,580	72,473	1,103,053	138,400
Total delinquent principal	$3,349,783	$ 204,107	$3,553,890	$190,852

The balances in the above tables reflect total unpaid principal rather than net investment before allowance; the difference is considered insignificant. As of June 30, 2015 and December 31, 2014, no receivables from dealers were 31 days or more delinquent.

As of June 30, 2015 and December 31, 2014, there were no receivables from dealers or finance receivables held for sale that were non-performing. Delinquencies on the capital lease portfolio, which began in 2014, were immaterial as of June 30, 2015 and December 31, 2014.

FICO® Distribution — A summary of the credit risk profile of the Company's consumer loans by FICO® distribution, determined at origination, as of June 30, 2015 and December 31, 2014 was as follows:

June 30, 2015

FICO® Band	Retail Installment Contracts Held for Investment (a)	Personal Loans (b)
<540	29.0%	3.3%
540-599	35.8%	18.7%
600-639	20.5%	21.4%
>640	14.7%	56.6%

December 31, 2014

FICO® Band	Retail Installment Contracts Held for Investment (a)	Personal Loans (b)
<540	26.4%	3.3%
540-599	32.6%	20.1%
600-639	20.5%	21.4%
>640	20.5%	55.2%

(a) Unpaid principal balance excluded from the FICO® distribution is $3,915,014 and $2,945,297 as of June 30, 2015 and December 31, 2014, respectively, as the borrowers on these loans did not have FICO® scores at origination.

(b) Unpaid principal balance excluded from the FICO® distribution is an insignificant amount of loans to borrowers that did not have FICO scores at origination.

Commercial Lending Credit Quality Indicators — The credit quality of receivables from dealers, which are considered commercial loans, is summarized according to standard regulatory classifications as follows:

Pass — Asset is well-protected by the current net worth and paying capacity of the obligor or guarantors, if any, or by the fair value less costs to acquire and sell any underlying collateral in a timely manner.

Special Mention — Asset has potential weaknesses that deserve management's close attention, which, if left uncorrected, may result in deterioration of the repayment prospects for an asset at some future date. Special Mention assets are not adversely classified.

Substandard — Asset is inadequately protected by the current net worth and paying capacity of the obligor or by the collateral pledged, if any. A well-defined weakness or weaknesses exist that jeopardize the liquidation of the debt. The loans are characterized by the distinct possibility that the Company will sustain some loss if deficiencies are not corrected.

Doubtful — Exhibits the inherent weaknesses of a substandard credit. Additional characteristics exist that make collection or liquidation in full highly questionable and improbable, on the basis of currently known facts, conditions and values. Possibility of loss is extremely high, but because of certain important and reasonable specific pending factors which may work to the advantage and strengthening of the credit, an estimated loss cannot yet be determined.

Loss — Credit is considered uncollectible and of such little value that it does not warrant consideration as an active asset. There may be some recovery or salvage value, but there is doubt as to whether, how much or when the recovery would occur.

As discussed in Note 3, the Company has $955,225 of fleet retail installment contracts with commercial borrowers. The Company's risk department performs a commercial analysis and classifies certain loans over an internal threshold based on the classifications above. As of June 30, 2015, $1,010 of fleet loans were classified as Special Mention; the remaining fleet portfolio borrowers with balances over the classification threshold all were classified as Pass.

Commercial loan credit quality indicators for receivables from dealers held for investment as of June 30, 2015 and December 31, 2014 were as follows:

	June 30, 2015	December 31, 2014
Pass	$89,603	$ 97,903
Special Mention	2,009	2,261
Substandard	—	—
Doubtful	—	—
Loss	—	—
Unpaid principal balance	$91,612	$ 100,164

Troubled Debt Restructurings

In certain circumstances, the Company modifies the terms of its finance receivables to troubled borrowers. Modifications may include a reduction in interest rate, an extension of the maturity date, rescheduling of future cash flows, or a combination thereof. A modification of finance receivable terms is considered a TDR if the Company grants a concession to a borrower for economic or legal reasons related to the debtor's financial difficulties that would not otherwise have been considered. Management considers TDRs to include all individually acquired retail installment contracts that have been modified at least once, deferred for a period of 90 days or more, or deferred at least twice. Additionally, restructurings through bankruptcy proceedings are deemed to be TDRs. For personal loans, restructurings due to credit counseling or hardship also are considered TDRs. The purchased receivables portfolio and operating and capital leases are excluded from the scope of the applicable guidance. As of June 30, 2015 and December 31, 2014, there were no receivables from dealers classified as a TDR.

The table below presents the Company's TDRs as of June 30, 2015 and December 31, 2014:

	June 30, 2015		December 31, 2014	
	Retail Installment Contracts	Personal Loans	Retail Installment Contracts	Personal Loans
Outstanding recorded investment	$4,439,192	$18,286	$4,044,070	$17,356
Impairment	(1,392,917)	(7,315)	(1,172,149)	(6,939)
Outstanding recorded investment, net of impairment	$3,046,275	$10,971	$2,871,921	$10,417

A summary of the Company's delinquent TDRs at June 30, 2015 and December 31, 2014, is as follows:

	June 30, 2015		December 31, 2014	
	Retail Installment Contracts	Personal Loans	Retail Installment Contracts	Personal Loans
Principal, 31-60 days past due	$832,189	$ 1,608	$912,555	$ 1,595
Delinquent principal over 60 days	408,436	4,515	468,272	5,131
Total delinquent TDR principal	$1,240,625	$ 6,123	$1,380,827	$ 6,726

A loan that has been classified as a TDR remains so until the loan is liquidated through payoff or charge-off. Consistent with other of the Company's retail installment contracts, TDRs are placed on nonaccrual status when the account becomes past due more than 60 days, and returns to accrual status when the account is 60 days or less past due. Average recorded investment and income recognized on TDR loans are as follows:

	Three Months Ended			
	June 30, 2015		June 30, 2014	
	Retail Installment Contracts	Personal Loans	Retail Installment Contracts	Personal Loans
Average outstanding recorded investment in TDRs	$4,421,679	$17,774	$2,851,879	$14,570
Interest income recognized	$149,915	$629	$116,198	$391

	Six Months Ended			
	June 30, 2015		June 30, 2014	
	Retail Installment Contracts	Personal Loans	Retail Installment Contracts	Personal Loans
Average outstanding recorded investment in TDRs	$4,295,809	$17,634	$2,733,537	$12,510
Interest income recognized	$331,325	$1,218	$231,437	$720

The following table summarizes the financial effects of TDRs that occurred during the three and six months ended June 30, 2015 and 2014:

	Three Months Ended			
	June 30, 2015		June 30, 2014	
	Retail Installment Contracts	Personal Loans	Retail Installment Contracts	Personal Loans
Outstanding recorded investment before TDR	$927,804	$ 4,384	$609,233	$ 4,637
Outstanding recorded investment after TDR	$933,655	$ 4,364	$614,745	$ 4,573
Number of contracts	53,850	3,671	36,684	4,116

	Six Months Ended			
	June 30, 2015		June 30, 2014	
	Retail Installment Contracts	Personal Loans	Retail Installment Contracts	Personal Loans
Outstanding recorded investment before TDR	$1,761,327	$ 9,778	$1,114,320	$ 6,748
Outstanding recorded investment after TDR	$1,775,036	$ 9,720	$1,125,289	$ 6,667
Number of contracts	102,742	8,139	68,637	6,135

A TDR is considered to have subsequently defaulted upon charge off, which for retail installment contracts is at the earlier of the date of repossession or 120 days past due and for revolving personal loans is generally the month in which the receivable becomes 180 days past due. Loan restructurings accounted for as TDRs within the previous twelve months that subsequently defaulted during the three and six months ended June 30, 2015 and 2014 are summarized in the following table:

	Three Months Ended			
	June 30, 2015		June 30, 2014	
	Retail Installment Contracts	Personal Loans	Retail Installment Contracts	Personal Loans
Recorded investment in TDRs that subsequently defaulted	$171,855	$ 1,790	$97,910	(a)
Number of contracts	9,996	1,603	6,211	(a)

	Six Months Ended			
	June 30, 2015		June 30, 2014	
	Retail Installment Contracts	Personal Loans	Retail Installment Contracts	Personal Loans
Recorded investment in TDRs that subsequently defaulted	$353,268	$3,201	$202,054	(a)
Number of contracts	20,737	3,014	12,970	(a)

(a) Subsequent defaults on personal loan TDRs were insignificant for the three and six months ended June 30, 2014.

6. Debt

Revolving Credit Facilities

The following table presents information regarding credit facilities as of June 30, 2015 and December 31, 2014:

	June 30, 2015					
	Maturity Date(s)	Utilized Balance	Committed Amount	Effective Rate	Assets Pledged	Restricted Cash Pledged
Warehouse line	June 2016	$343,021	$500,000	1.17%	$515,668	$—
Warehouse line (a)	Various	794,139	1,249,670	1.31%	1,180,412	31,154
Warehouse line (b)	June 2016	1,612,229	4,300,000	1.13%	2,351,770	61,775
Warehouse line	December 2016	1,230,177	2,500,000	1.17%	1,812,763	48,238
Warehouse line (c)	July 2015	—	500,000	—	—	—
Warehouse line (d)	September 2015	101,480	200,000	2.52%	160,197	3,249
Repurchase facility (e)	December 2015	876,605	876,605	1.76%	—	41,369
Warehouse line	March 2017	588,599	750,000	0.94%	885,384	15,324
Warehouse line (f)	November 2016	175,000	175,000	1.74%	—	6,625
Warehouse line (d)	October 2016	41,087	250,000	4.60%	63,529	2,635
Warehouse line (f)	November 2016	250,000	250,000	1.73%	—	1,486
Total facilities with third parties		6,012,337	11,551,275		6,969,723	211,855
Lines of credit with Santander and related subsidiaries (g):						
Line of credit	December 2016	500,000	500,000	2.49%	—	—
Line of credit	December 2018	—	500,000	—	—	—
Line of credit	December 2016	1,750,000	1,750,000	2.40%	—	—
Line of credit	December 2018	1,710,000	1,750,000	2.82%	—	—
Line of credit	March 2017	300,000	300,000	1.74%	—	—
Total facilities with Santander and related subsidiaries		4,260,000	4,800,000		—	—
Total revolving credit facilities		$10,272,337	$16,351,275		$6,969,723	$211,855

(a) Half of the outstanding balance on this facility matures in March 2016 and half matures in March 2017.

(b) This line is held exclusively for Chrysler Capital retail loan and lease financing. On August 7, 2015, this facility was amended into two facilities, one with a $1,260,000 commitment for retail loan funding and the other with a $2,940,000 commitment for lease funding. Both facilities have a maturity date of August 2017.

(c) This facility was terminated upon maturity on July 17, 2015.

(d) These lines are held exclusively for personal term loans.

(e) The repurchase facility is collateralized by securitization notes payable retained by the Company. This facility has rolling 30-day and 90-day maturities.

(f) These lines are collateralized by residuals retained by the Company.

(g)

These lines are also collateralized by securitization notes payable and residuals retained by the Company. As of June 30, 2015 and December 31, 2014, $2,797,230 and $2,152,625, respectively, of the aggregate outstanding balances on these facilities were unsecured.

	December 31, 2014					
	Maturity Date(s)	Utilized Balance	Committed Amount	Effective Rate	Assets Pledged	Restricted Cash Pledged
Warehouse line	June 2015	$243,736	$500,000	1.17%	$344,822	$—
Warehouse line	Various	397,452	1,244,318	1.26%	589,529	20,661
Warehouse line	June 2016	2,201,511	4,300,000	0.98%	3,249,263	65,414
Warehouse line	June 2016	1,051,777	2,500,000	1.06%	1,481,135	28,316
Warehouse line	July 2015	—	500,000	—	—	—
Warehouse line	September 2015	199,980	200,000	1.96%	351,755	13,169
Repurchase facility	Various	923,225	923,225	1.63%	—	34,184
Warehouse line	December 2015	468,565	750,000	0.93%	641,709	16,467
Warehouse line	November 2016	175,000	175,000	1.71%	—	—
Warehouse line	October 2016	240,487	250,000	2.02%	299,195	17,143
Warehouse line	November 2016	250,000	250,000	1.71%	—	2,500
Warehouse line	March 2015	250,594	250,594	0.98%	—	—
Total facilities with third parties		6,402,327	11,843,137		6,957,408	197,854
Lines of credit with Santander and related subsidiaries:						
Line of credit	December 2016	500,000	500,000	2.46%	1,340	—
Line of credit	December 2018	—	500,000	—	—	—
Line of credit	December 2016	1,750,000	1,750,000	2.33%	—	—
Line of credit	December 2018	1,140,000	1,750,000	2.85%	9,701	—
Line of credit	March 2017	300,000	300,000	1.71%	—	—
Total facilities with Santander and related subsidiaries		3,690,000	4,800,000		11,041	—
Total revolving credit facilities		$10,092,327	$16,643,137		$6,968,449	$197,854

Facilities with Third Parties

The warehouse lines and repurchase facility are fully collateralized by a designated portion of the Company's retail installment contracts (Note 3), leased vehicles (Note 4), securitization notes payables and residuals retained by the Company.

Lines of Credit with Santander and Related Subsidiaries

Through its New York branch, Santander provides the Company with $4,500,000 of long-term committed revolving credit facilities. Through SHUSA, under an agreement entered into on March 6, 2014, Santander provides the Company with an additional $300,000 of committed revolving credit, collateralized by residuals retained on its own securitizations.

The facilities offered through the New York branch are structured as three- and five-year floating rate facilities, with current maturity dates of December 31, 2016 and December 31, 2018, respectively. Santander has the option to continue to renew the term of these facilities annually going forward, thereby maintaining the three- and five-year maturities. These facilities currently permit unsecured borrowing but generally are collateralized by retail installment

contracts and retained residuals. Any secured balances outstanding under the facilities at the time of their maturity will amortize to match the maturities and expected cash flows of the corresponding collateral.

Secured Structured Financings

The following table presents information regarding secured structured financings as of June 30, 2015 and December 31, 2014:

	June 30, 2015					
	Original Estimated Maturity Date(s)	Balance	Initial Note Amounts Issued	Initial Weighted Average Interest Rate	Collateral	Restricted Cash
2011 Securitizations (a)	February 2017 - September 2017	$276,588	$2,860,320	1.41%-2.02%	$417,353	$88,404
2012 Securitizations (a)	November 2017 - December 2018	1,659,405	8,023,840	0.92%-1.68%	2,293,938	300,050
2013 Securitizations	January 2019 - January 2021	2,656,337	6,689,700	0.89%-1.59%	3,336,520	304,549
2014 Securitizations (a)	August 2018 - January 2021	3,983,728	6,800,420	1.16%-1.72%	4,958,150	372,680
2015 Securitizations (b)	September 2019 - July 2022	4,981,886	5,394,002	1.33%-2.07%	5,909,912	338,632
Public securitizations (c)		13,557,944	29,768,282		16,915,873	1,404,315
2010 Private issuances (d)	June 2011	138,894	516,000	1.29%	269,972	7,988
2011 Private issuances (e)	December 2018	554,188	1,700,000	1.46%	1,023,579	48,168
2012 Private issuances	May 2016	330	70,308	1.07%	6,848	573
2013 Private issuances (f)	September 2018-September 2020	2,619,086	2,693,754	1.13%-1.38%	3,787,493	145,727
2014 Private issuances	March 2018 - December 2021	2,069,420	3,271,175	1.05%-1.40%	2,855,681	107,362
2015 Private issuances	November 2018 - May 2020	1,400,503	1,493,750	0.88%-1.62%	1,845,042	71,782
Privately issued amortizing notes		6,782,421	9,744,987		9,788,615	381,600
Total secured structured financings		$20,340,365	$39,513,269		$26,704,488	$1,785,915

(a) In July 2015, the Company sold the residuals and retained bonds on public issuances originally executed in 2011, 2012, & 2014.

(b) In July 2015, the Company executed a securitization, issuing an additional $664,730 in Notes. In addition, this includes a series of subordinate bond transactions on the SDART platform to fund residual interests from existing securitizations.

(c) Securitizations executed under Rule 144A of the Securities Act are included within this balance.

(d) This securitization was most recently amended in May 2015 to extend the maturity date to May 2016.

(e) In July 2015, the Company advanced an additional $487,000 on private issuances originally executed in 2011.

(f) In May 2015, the Company advanced an additional $500,000 on private issuances originally executed in 2013.

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	December 31, 2014					
	Original Estimated Maturity Date(s)	Balance	Initial Note Amounts Issued	Initial Weighted Average Interest Rate	Collateral	Restricted Cash
2010 Securitizations	November 2017	$81,907	$1,632,420	1.04%	$234,706	$58,740
2011 Securitizations	June 2016 - September 2017	421,315	3,536,550	1.21%-2.80%	699,875	115,962
2012 Securitizations	November 2017 - December 2018	2,296,687	8,023,840	0.92%-1.68%	3,006,426	318,373
2013 Securitizations	January 2019 - January 2021	3,426,242	6,689,700	0.89%-1.59%	4,231,006	320,182
2014 Securitizations	August 2018 - January 2021	5,211,346	6,800,420	1.16%-1.72%	6,173,229	370,790
Public securitizations (a)		11,437,497	26,682,930		14,345,242	1,184,047
2010 Private issuances	June 2011	172,652	516,000	1.29%	303,361	8,009
2011 Private issuances	December 2018	859,309	1,700,000	1.46%-1.80%	1,316,903	52,524
2012 Private issuances	May 2016	5,682	70,308	1.07%	11,760	1,086
2013 Private issuances	September 2018 - September 2020	2,629,278	2,693,754	1.13%-1.38%	3,703,685	98,063
2014 Private issuances	November 2015 - December 2021	2,614,556	3,519,049	1.05%-1.85%	3,779,288	121,356
Privately issued amortizing notes		6,281,477	8,499,111		9,114,997	281,038
Total secured structured financings		$17,718,974	$35,182,041		$23,460,239	$1,465,085

(a) Securitizations executed under Rule 144A of the Securities Act are included within this balance.

Most of the Company's secured structured financings are in the form of public, SEC-registered securitizations. The Company also executes private securitizations under Rule 144A of the Securities Act and periodically issues private term amortizing notes, which are structured similarly to securitizations but are acquired by banks and conduits. The Company's securitizations and private issuances are collateralized by vehicle retail installment contracts and loans or leases.

Unamortized debt issuance costs are amortized as interest expense over the terms of the related notes payable using a method that approximates the effective interest method. For securitizations, the term takes into consideration the expected execution of the contractual call option, if applicable. Amortization of premium or accretion of discount on acquired notes payable is also included in interest expense using a method that approximates the effective interest method over the estimated remaining life of the acquired notes. Total interest expense on secured structured financings for the three months ended June 30, 2015 and 2014 was $70,328 and $57,217, respectively. Total interest expense on secured structured financings for the six months ended June 30, 2015 and 2014 was $131,180 and $117,079, respectively.

7. Variable Interest Entities (As Restated)

The Company transfers retail installment contracts and leased vehicles into newly formed Trusts that then issue one or more classes of notes payable backed by the collateral. The Company's continuing involvement with these Trusts is in

the form of servicing the assets and, except for the Chrysler Capital securitizations, through holding residual interests in the Trusts. These transactions are structured without recourse. The Trusts are considered VIEs under U.S. GAAP and, except for Chrysler Capital securitizations, are consolidated because the Company has: (a) power over the significant activities of each entity as servicer of its financial assets and (b) through the residual interest and in some cases debt securities held by the Company, an obligation to absorb losses or the right to receive benefits from each VIE which are potentially significant to the VIE. The Company does not retain any debt or equity interests in its Chrysler Capital securitizations, and records these transactions as sales of the associated retail installment contracts. Revolving credit facilities generally also utilize Trusts that are considered VIEs. The collateral, borrowings under credit facilities and securitization notes payable of the Company's consolidated VIEs remain on the condensed consolidated balance sheets. The Company recognizes finance charges and fee income on the retail installment contracts and leased vehicles and interest expense on the debt, and records a provision for credit losses to cover

probable inherent losses on the contracts. All of the Trusts are separate legal entities and the collateral and other assets held by these subsidiaries are legally owned by them and are not available to other creditors.

The Company also uses a titling trust to originate and hold its leased vehicles and the associated leases, in order to facilitate the pledging of leases to financing facilities or the sale of leases to other parties without incurring the costs and administrative burden of retitling the leased vehicles. This titling trust is considered a VIE.

On-balance sheet variable interest entities

The Company retains servicing for receivables transferred to the Trusts and receives a monthly servicing fee on the outstanding principal balance. Supplemental fees, such as late charges, for servicing the receivables are reflected in fees, commissions and other income. As of June 30, 2015 and December 31, 2014, the Company was servicing $27,360,458 and $24,611,624, respectively, of gross retail installment contracts that have been transferred to consolidated Trusts. The remainder of the Company's retail installment contracts remain unpledged.

A summary of the cash flows received from consolidated securitization trusts during the three and six months ended June 30, 2015 and 2014, is as follows:

	Three Months Ended		Six Months Ended	
	June 30, 2015	June 30, 2014	June 30, 2015	June 30, 2014
Assets securitized	$6,085,282	$5,758,620	$10,067,137	$9,074,868
Net proceeds from new securitizations (a)	$4,918,906	$4,983,763	$7,975,856	$7,717,856
Cash received for servicing fees (b)	173,641	154,521	335,603	301,353
Net distributions from Trusts (b)	616,342	540,751	1,072,395	958,872
Total cash received from Trusts	$5,708,889	$5,679,035	$9,383,854	$8,978,081

(a) Includes additional advances on existing securitizations.

(b) These amounts are not reflected in the accompanying condensed consolidated statements of cash flows because the cash flows are between the VIEs and other entities included in the consolidation.

Off-balance sheet variable interest entities

The Company has completed sales to VIEs that met sale accounting treatment in accordance with the applicable guidance. Due to the nature, purpose, and activity of the transactions, the Company determined for consolidation purposes that it either does not hold potentially significant variable interests or is not the primary beneficiary as a result of the Company's limited further involvement with the financial assets. For such transactions, the transferred financial assets are removed from the Company's condensed consolidated balance sheets. In certain situations, the Company remains the servicer of the financial assets and receives servicing fees that represent adequate compensation. The Company also recognizes a gain or loss for the difference between the cash proceeds and carrying value of the assets sold.

During the three and six months ended June 30, 2015, the Company sold $768,561 of gross retail installment contracts to a VIE in an off-balance sheet securitization. During the six months ended June 30, 2014, the Company sold $774,183 of gross retail installment contracts to a VIE in an off-balance sheet securitization. During the three months ended June 30, 2014, the Company executed no off-balance sheet securitizations. As of June 30, 2015 and December 31, 2014, the Company was servicing $2,429,141 and $2,157,808, respectively, of gross retail installment contracts that have been sold in these and other off-balance sheet Chrysler Capital securitizations. Other than repurchases of sold assets due to standard representations and warranties, the Company has no exposure to loss as a result of its involvement with these VIEs.

A summary of the cash flows received from off-balance sheet securitization trusts during the three and six months ended June 30, 2015 and 2014 is as follows:

	Three Months Ended		Six Months Ended	
	June 30, 2015	June 30, 2014	June 30, 2015	June 30, 2014
Receivables securitized	$768,561	$—	$768,561	$774,183
Net proceeds from new securitizations	$785,983	$—	$785,983	$765,327
Cash received for servicing fees	6,319	4,184	11,623	6,972
Total cash received from securitization trusts	$792,302	$4,184	$797,606	$772,299

8. Derivative Financial Instruments (As Restated)

The Company manages its exposure to changing interest rates using derivative financial instruments. In certain circumstances, the Company is required to hedge its interest rate risk on its secured structured financings and the borrowings under its revolving credit facilities. The Company uses both interest rate swaps and interest rate caps to satisfy these requirements and to hedge the variability of cash flows on securities issued by securitization Trusts and borrowings under the Company's warehouse lines of credit. Certain of the Company's interest rate swap agreements are designated as cash flow hedges for accounting purposes. Changes in the fair value of derivatives designated as cash flow hedges are recorded as a component of accumulated other comprehensive income (AOCI), to the extent that the hedge relationships are effective, and amounts are reclassified from AOCI to earnings as the forecasted transactions impact earnings.

The Company's remaining interest rate swap agreements, as well as its interest rate cap agreements, the corresponding options written in order to offset the interest rate cap agreements, a total return swap and a total return settlement agreement, are not designated as hedges for accounting purposes. Changes in the fair value of derivative instruments not designated as hedges for accounting purposes are reflected in earnings as a component of interest expense.

The underlying notional amounts and aggregate fair values of these agreements at June 30, 2015 and December 31, 2014, were as follows:

	June 30, 2015		December 31, 2014	
	Notional	Fair Value	Notional	Fair Value
Interest rate swap agreements designated as cash flow hedges	$8,895,000	$(11,080)	$8,020,000	$3,827
Interest rate swap agreements not designated as hedges	3,128,000	(9,322)	3,206,000	(12,175)
Interest rate cap agreements	8,002,020	29,423	7,541,385	49,762
Options for interest rate cap agreements	8,002,020	(29,446)	7,541,385	(49,806)
Total return swap	—	—	250,594	(1,736)
Total return settlement	1,404,726	(59,065)	1,404,726	(48,893)

See Note 14 for additional disclosure of fair value and balance sheet location of the Company's derivative financial instruments.

In March 2014, the Company entered into a financing arrangement with a third party whereby the Company pledged certain bonds retained in its own securitizations in exchange for $250,594 in cash. In conjunction with the financing arrangement, the Company entered into a total return swap related to the bonds as an effective avenue to monetize the Company's retained bonds as a source of financing. This arrangement matured and was terminated in May 2015.

The Company is the holder of a warrant that gives it the right, if certain vesting conditions are satisfied, to purchase additional shares in a company in which it has a cost method investment. This warrant was issued in 2012 and is carried at its estimated fair value of zero at June 30, 2015 and December 31, 2014.

The Company is obligated to make purchase price holdback payments on a periodic basis to a third-party originator of loans that the Company has purchased, when losses are lower than originally expected. The Company also is obligated to make total return settlement payments to this third-party originator in 2016 and 2017 if returns on the purchased loans are greater than originally expected. These purchase price holdback payments and total return settlement payments are considered to be derivatives, collectively referred to herein as "total return settlement," and accordingly are marked to fair value each reporting period.

The Company enters into legally enforceable master netting agreements that reduce risk by permitting netting of transactions, such as derivatives and collateral posting, with the same counterparty on the occurrence of certain events. A master netting agreement allows two counterparties the ability to net-settle amounts under all contracts, including any related collateral posted, through a single payment. The right to offset and certain terms regarding the collateral process, such as valuation, credit events and settlement, are contained in ISDA master agreements.

Information on the offsetting of derivative assets and derivative liabilities due to the right of offset was as follows, as of June 30, 2015 and December 31, 2014:

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	Offsetting of Financial Assets			Gross Amounts Not Offset in the Condensed Consolidated Balance Sheet		
	Gross Amounts of Recognized Assets	Gross Amounts Offset in the Condensed Consolidated Balance Sheet	Net Amounts of Assets Presented in the Condensed Consolidated Balance Sheet	Financial Instruments	Cash Collateral Received	Net Amount
June 30, 2015						
Interest rate swaps - Santander & affiliates	$910	$—	$ 910	$—	$—	$910
Interest rate swaps - third party	1,211	—	1,211	—	—	1,211
Interest rate caps - Santander & affiliates	19,049	—	19,049	—	—	19,049
Interest rate caps - third party	10,373	—	10,373	—	—	10,373
Total derivatives subject to a master netting arrangement or similar arrangement	31,543	—	31,543	—	—	31,543
Total derivatives not subject to a master netting arrangement or similar arrangement	—	—	—	—	—	—
Total derivative assets	$31,543	$—	$ 31,543	$—	$—	$31,543
Total financial assets	$31,543	$—	$ 31,543	$—	$—	$31,543
December 31, 2014						
Interest rate swaps - Santander & affiliates	$5,208	$—	$ 5,208	$—	$—	$5,208
Interest rate swaps - third party	2,946	—	2,946	—	—	2,946
Interest rate caps - Santander & affiliates	35,602	—	35,602	—	—	35,602
Interest rate caps - third party	14,160	—	14,160	—	—	14,160
Total derivatives subject to a master netting arrangement or similar arrangement	57,916	—	57,916	—	—	57,916
Total derivatives not subject to a master netting arrangement or similar arrangement	—	—	—	—	—	—
Total derivative assets	$57,916	$—	$ 57,916	$—	$—	$57,916
Total financial assets	$57,916	$—	$ 57,916	$—	$—	$57,916

	Offsetting of Financial Liabilities			Gross Amounts Not Offset in the Condensed Consolidated Balance Sheet		
	Gross Amounts of Recognized Liabilities	Gross Amounts Offset in the Condensed Consolidated Balance Sheet	Net Amounts of Liabilities Presented in the Condensed Consolidated Balance Sheet	Financial Instruments	Cash Collateral Pledged	Net Amount
June 30, 2015						
Interest rate swaps - Santander & affiliates	$17,124	$ —	$ 17,124	$ —	$(11,408)	$5,716
Interest rate swaps - third party	5,398	—	5,398	—	(5,398)	—
Back to back - Santander & affiliates	19,049	—	19,049	—	(19,049)	—
Back to back - third party	10,397	—	10,397	—	(10,397)	—
Total derivatives subject to a master netting arrangement or similar arrangement	51,968	—	51,968	—	(46,252)	5,716
Total return swap	—	—	—	—	—	—
Total return settlement	59,065	—	59,065	—	—	59,065
Total derivatives not subject to a master netting arrangement or similar arrangement	59,065	—	59,065	—	—	59,065
Total derivative liabilities	$111,033	$ —	$ 111,033	$ —	$(46,252)	$64,781
Total financial liabilities	$111,033	$ —	$ 111,033	$ —	$(46,252)	$64,781
December 31, 2014						
Interest rate swaps - Santander & affiliates	$15,783	$ —	$ 15,783	$ —	$(4,308)	$11,475
Interest rate swaps - third party	719	—	719	—	(191)	528
Back to back - Santander & affiliates	35,602	—	35,602	—	(35,602)	—
Back to back - third party	14,204	—	14,204	—	(14,204)	—
Total derivatives subject to a master netting arrangement or similar arrangement	66,308	—	66,308	—	(54,305)	12,003
Total return swap	1,736	—	1,736	—	(1,736)	—
Total return settlement	48,893	—	48,893	—	—	48,893
Total derivatives not subject to a master netting arrangement or similar arrangement	50,629	—	50,629	—	(1,736)	48,893
Total derivative liabilities	$116,937	$ —	$ 116,937	$ —	$(56,041)	$60,896
Total financial liabilities	$116,937	$ —	$ 116,937	$ —	$(56,041)	$60,896

The gross gains (losses) reclassified from accumulated other comprehensive income (loss) to net income, and gains (losses) recognized in net income, are included as components of interest expense. The impacts on the condensed consolidated statements of income and comprehensive income for the three and six months ended June 30, 2015 and 2014 were as follows:

	Three Months Ended June 30, 2015	Three Months Ended June 30, 2014

	Gains (Losses) Recognized in Interest Expense	Gross Gains (Losses) Recognized in Accumulated Other Comprehensive Income (Loss)	Gross Gains (Losses) Reclassified From Accumulated Other Comprehensive Income to Interest Expense	Gains (Losses) Recognized in Interest Expense	Gross Gains (Losses) Recognized in Accumulated Other Comprehensive Income (Loss)	Gross Gains (Losses) Reclassified From Accumulated Other Comprehensive Income to Interest Expense
Interest rate swap agreements designated as cash flow hedges	$—	$ (5,640)	$ (11,266)	$(47)	$ (7,246)	$ (1,931)
Derivative instruments not designated as hedges:						
Gains (losses) recognized in interest expense	$6,852			$3,199		
Gains (losses) recognized in operating expenses	$(2,078)			$(1,484)		

	Six Months Ended June 30, 2015			Six Months Ended June 30, 2014		
	Gains (Losses) Recognized in Interest Expense	Gross Gains (Losses) Recognized in Accumulated Other Comprehensive Income (Loss)	Gross Gains (Losses) Reclassified From Accumulated Other Comprehensive Income to Interest Expense	Gains (Losses) Recognized in Interest Expense	Gross Gains (Losses) Recognized in Accumulated Other Comprehensive Income (Loss)	Gross Gains (Losses) Reclassified From Accumulated Other Comprehensive Income to Interest Expense
Interest rate swap agreements designated as cash flow hedges	$223	$ (37,176)	$ (22,337)	$91	$ (6,592)	$ (4,595)
Derivative instruments not designated as hedges:						
Gains (losses) recognized in interest expense	$4,423			$8,388		
Gains (losses) recognized in operating expenses	$(14,033)			$(3,157)		

The ineffectiveness related to the interest rate swap agreements designated as cash flow hedges was insignificant for the three and six months ended June 30, 2015 and 2014.

9. Other Assets (As Restated)

Other assets were comprised as follows:

	June 30, 2015	December 31, 2014
Upfront fee (a)	$117,500	$ 125,000
Vehicles (b)	177,226	134,926
Manufacturer subvention payments receivable (a)	116,480	70,213
Accounts receivable	26,178	18,440
Prepaids	34,768	35,906
Derivative assets (Note 8)	29,597	34,876
Other	7,479	6,827
	$509,228	$ 426,188

(a) These amounts relate to the Chrysler Agreement. The Company paid a $150,000 upfront fee upon the May 2013 inception of the agreement. The fee is being amortized into finance and other interest income over a ten-year term. As the preferred financing provider for Chrysler, the Company is entitled to subvention payments on loans and leases with below-market customer payments.

(b) Includes vehicles obtained through repossession as well as vehicles obtained due to lease terminations.

10. Income Taxes (As Restated)

The Company recorded income tax expense of $208,454 (36.4% effective tax rate) and $331,277 (35.3% effective tax rate) during the three and six months ended June 30, 2015, respectively. The Company recorded income tax expense of $138,181 (35.1% effective tax rate) and $223,805 (36.3% effective tax rate) during the three and six months ended June 30, 2014, respectively. The decrease in effective tax rate year over year is primarily due to state rate changes due to geographic earnings mix, and laws guiding state apportionment.

The Company is a party to a tax sharing agreement requiring that the unitary state tax liability among affiliates included in unitary state tax returns be allocated using the hypothetical separate company tax calculation method. At June 30, 2015 and December 31, 2014, the Company had a net receivable from affiliates under the tax sharing agreement of zero and $467, respectively, which was included in related party taxes receivable in the condensed consolidated balance sheets.

Significant judgment is required in evaluating and reserving for uncertain tax positions. Although management believes adequate reserves have been established for all uncertain tax positions, the final outcomes of these matters may differ. Management does not believe the outcome of any uncertain tax position, individually or combined, will have a material effect on the results of operations. The reserve for uncertain tax positions, as well as associated penalties and interest, is a component of the income tax provision.

11. Commitments and Contingencies (As Restated)

The Company is obligated to make purchase price holdback payments to a third-party originator of loans that it purchases on a periodic basis, when losses are lower than originally expected. SCUSA also is obligated to make total return settlement payments to this third-party originator in 2016 and 2017 if returns on the purchased loans are greater than originally expected. These obligations are accounted for as derivatives (Note 8).

The Company has extended revolving lines of credit to certain auto dealers. Under this arrangement, the Company is committed to lend up to each dealer's established credit limit.

Under terms of agreements with a peer-to-peer personal lending platform company, the Company has committed to purchase at least the lesser of $30,000 per month or 75% of the lending platform company’s "near-prime" (as that term is defined in the agreements) originations through July 2015, and the lesser of $30,000 per month or 50% of the lending platform company’s near-prime originations thereafter through July 2017. This commitment can be reduced or canceled with 90 days’ notice.

The Company committed to purchase certain new advances on personal revolving financings originated by a third party retailer, along with existing balances on accounts with new advances, for an initial term ending in April 2020 and renewing through April 2022 at the retailer's option. Each customer account generated under the agreements generally is approved with a credit limit higher than the amount of the initial purchase, with each subsequent purchase automatically approved as long as it does not cause the account to exceed its limit and the customer is in good standing. As these credit lines do not have a specified maturity, but rather can be terminated at any time in the event of adverse credit changes or lack of use, the Company has not recorded an allowance for unfunded commitments. As of June 30, 2015 and December 31, 2014, the Company was obligated to purchase $7,922 and $7,706, respectively, in receivables that had been originated by the retailer but not yet purchased by SCUSA. The Company also is required to make a profit-sharing payment to the retailer each month if performance exceeds a specified return threshold.

Under terms of an application transfer agreement with an OEM, the Company has the first opportunity to review for its own portfolio any credit applications turned down by the OEM's captive finance company. The agreement does not require the Company to originate any loans, but for each loan originated the Company will pay the OEM a referral fee, comprised of a volume bonus fee and a loss betterment bonus fee. The loss betterment bonus fee will be calculated annually and is based on the amount by which losses on loans originated under the agreement are lower than an established percentage threshold.

The Company has agreements with SBNA to service recreational and marine vehicle portfolios. These agreements call for a periodic retroactive adjustment, based on cumulative return performance, of the servicing fee to inception of the contract. There were downward adjustments of zero and $147 for the three and six months ended June 30, 2015, respectively. There were upward adjustments of $1,329 and $3,249 for the three and six months ended June 30, 2014,

respectively.

In connection with the sale of retail installment contracts through securitizations and other sales, the Company has made standard representations and warranties customary to the consumer finance industry. Violations of these representations and warranties may require the Company to repurchase loans previously sold to on- or off-balance sheet trusts or other third parties. As of June 30, 2015, the Company had no repurchase requests outstanding. In the opinion of management, the potential exposure of other recourse obligations related to the Company's retail installment contract sales agreements will not have a material adverse effect on the Company's consolidated financial position, results of operations, or cash flows.

Santander has provided guarantees on the covenants, agreements, and obligations of the Company under the governing documents of its warehouse facilities and privately issued amortizing notes. These guarantees are limited to the obligations of SCUSA as servicer.

Under terms of the agreement with Chrysler, the Company must make revenue sharing payments to Chrysler and also must make gain-sharing payments when residual gains on leased vehicles exceed a specified threshold.

The Company has a flow agreement with Bank of America whereby the Company is committed to sell up to $300,000 of eligible loans to the bank each month through May 2018. The Company retains servicing on all sold loans and may receive or pay a servicer performance payment based on an agreed-upon formula if performance on the sold loans is better or worse, respectively, than expected performance at time of sale.

The Company has sold loans to CBP under terms of a flow agreement and predecessor sale agreements. The Company retains servicing on the sold loans and will owe CBP a loss-sharing payment capped at 0.5% of the original pool balance if losses exceed a specified threshold, established on a pool-by-pool basis. On June 25, 2015, the Company executed an amendment to the servicing agreement with CBP, which increased the servicing fee the Company receives. The Company and CBP also amended the flow agreement which reduced, effective from and after August 1, 2015, CBP's committed purchases of Chrysler Capital prime loans from a maximum of $600,000 and a minimum of $250,000 per quarter to a maximum of $200,000 and a minimum of $50,000 per quarter, as may be adjusted according to the agreement.

The Company provided SBNA with the first right to review and approve consumer vehicle lease applications, subject to volume constraints, under terms of a flow agreement that was terminated on May 9, 2015. The Company has indemnified SBNA for potential credit and residual losses on $48,226 of leases that had been originated by SBNA under this program but were subsequently determined not to meet SBNA's underwriting requirements. This indemnification agreement is supported by an equal amount of cash collateral posted by the Company in an SBNA bank account. The collateral account balance is included in restricted cash in the Company's condensed consolidated balance sheets. The Company additionally has agreed to indemnify SBNA for residual losses, up to a cap, on certain leases originated under the flow agreement between September 24, 2014 and May 9, 2015 for which SBNA and the Company had differing residual value expectations at lease inception.

In connection with the bulk sales of Chrysler Capital leases (Note 4), the Company is obligated to make quarterly payments to the purchaser sharing residual losses for lease terminations with losses over a specific percentage threshold. The estimated guarantee liability was $5,154, net, as of June 30, 2015.

On March 31, 2015, the Company executed a forward flow asset sale agreement with a third party under terms of which the Company committed to sell charged off loan receivables in bankruptcy status for at least $200,000 in proceeds. The Company and the third party executed an amendment to the forward flow asset sale agreement on June 29, 2015 which increased the committed sales of charged off loan receivables in bankruptcy status to $275,000. As of June 30, 2015, the remaining commitment was $216,380.

Legal and Regulatory Proceedings

Periodically, the Company is party to or otherwise involved in various lawsuits and other legal proceedings that arise in the ordinary course of business. On August 26, 2014, a purported securities class action lawsuit was filed in the United States District Court, Southern District of New York (the "Steck Lawsuit"). On October 6, 2014, another

purported securities class action lawsuit was filed in the District Court of Dallas County, Texas and was subsequently removed to the United States District Court, Northern District of Texas. Both lawsuits were filed against the Company, certain of its current and former directors and executive officers and certain institutions that served as underwriters in the Company's initial public offering. Each lawsuit was brought by a purported stockholder of the Company seeking to

represent a class consisting of all those who purchased or otherwise acquired securities pursuant and/or traceable to SCUSA's Registration Statement and Prospectus issued in connection with the initial public offering. Each complaint alleged that the Registration Statement and Prospectus contained misleading statements concerning the Company's auto lending business and underwriting practices. Each lawsuit asserted claims under Section 11 and Section 15 of the Securities Act of 1933 and seeks damages and other relief. In February 2015, the purported class action lawsuit pending in the United States District Court, Northern District of Texas, was voluntarily dismissed without prejudice. In June 2015, the venue of the Steck Lawsuit was transferred from the Southern District of New York to the Northern District of Texas.

Further, the Company is party to or are otherwise involved periodically in reviews, investigations, and proceedings (both formal and informal), and information-gathering requests, by government and self-regulatory agencies, including the Federal Reserve, the CFPB, the DOJ, the SEC, the FTC and various state regulatory agencies. Currently, such proceedings include a civil subpoena from the DOJ under FIRREA requesting the production of documents and communications that, among other things, relate to the underwriting and securitization of nonprime auto loans since 2007. Additionally, on October 28, 2014, the Company received a preservation letter and request for documents from the Commission requesting the preservation and production of documents and communications that, among other things, relate to the underwriting and securitization of auto loans since January 1, 2011. The Company also has received civil subpoenas from various state Attorneys General requesting similar documents and communications. The Company is complying with the requests for information and document preservation.

On February 25, 2015, the Company entered into a consent order with the DOJ, approved by the United States District Court for the Northern District of Texas, that resolves the DOJ's claims against the Company that certain of its repossession and collection activities during the period of time between January 2008 and February 2013 violated the SCRA. The consent order requires SCUSA to pay a civil fine in the amount of $55, as well as at least $9,360 to affected service members consisting of $10 plus compensation for any lost equity (with interest) for each repossession by SCUSA and $5 for each instance where SCUSA sought to collect repossession-related fees on accounts where a repossession was conducted by a prior account holder, as well as requires the Company to undertake additional remedial measures.

On July 31, 2015, the CFPB notified the Company that it had referred to the DOJ certain alleged violations by the Company of the ECOA regarding (i) statistical disparities in markups charged by automobile dealers to protected groups on loans originated by those dealers and purchased by the Company and (ii) the treatment of certain types of income in the Company's underwriting process.

The Company does not believe that there are any proceedings, threatened or pending, that, if determined adversely, would have a material adverse effect on the consolidated financial position, results of operations, or liquidity of the Company.

12. Related-Party Transactions

Related-party transactions not otherwise disclosed in these footnotes to the condensed consolidated financial statements include the following:

Interest expense, including unused fees, for affiliate lines/letters of credit for the three and six months ended June 30, 2015 and 2014, was as follows:

	Three Months Ended		Six Months Ended	
	June 30, 2015	June 30, 2014	June 30, 2015	June 30, 2014
Line of credit agreement with Santander - New York Branch (Note 6)	$26,151	$22,709	$51,635	$47,583
Line of credit agreement with SHUSA (Note 6)	1,313	1,299	2,603	1,662

Letter of credit facility with Santander - New York Branch	—	126	—	251

Accrued interest for affiliate lines/letters of credit at June 30, 2015 and December 31, 2014, was as follows:

	June 30, 2015	December 31, 2014
Line of credit agreement with Santander - New York Branch (Note 6)	$ 7,676	$ 7,750
Line of credit agreement with SHUSA (Note 6)	232	242
Letter of credit facility with Santander - New York Branch	—	128

The Company has derivative financial instruments with Santander and affiliates with outstanding notional amounts of $16,301,039 and $16,330,771 at June 30, 2015 and December 31, 2014, respectively (Note 8). The Company had a collateral overage on derivative liabilities with Santander and affiliates of $39,656 and $32,118 at June 30, 2015 and December 31, 2014, respectively. Interest expense on these agreements includes amounts totaling $14,986 and $12,702 for the three months ended June 30, 2015 and 2014, respectively, and $32,228 and $21,583 for the six months ended June 30, 2015 and 2014, respectively.

Until October 1, 2014, the Company had an agreement with SBNA whereby the Company provided SBNA with the first right to review and assess Chrysler dealer lending opportunities and, if SBNA elected, to provide the proposed financing. The Company provided servicing on all loans originated under this arrangement and was eligible to receive a servicer performance payment based on performance of the serviced loans. The Company also provided servicing on dealer loans sold to SBNA that were not subject to the servicer performance payment. Servicing fee income recognized on receivables from dealers sold to SBNA or originated by SBNA totaled $3,033 and $4,298 for the three and six months ended June 30, 2014, including $1,259 and $1,723 in servicer performance payments.

Effective October 1, 2014, the origination and servicing agreements were terminated and replaced with revised agreements requiring SCUSA to permit SBNA first right to review and assess Chrysler Capital dealer lending opportunities and requiring SBNA to pay SCUSA a Relationship Management Fee based upon the performance and yields of Chrysler Capital dealer loans held by SBNA. As of June 30, 2015 and December 31, 2014, the Company had relationship management fees receivable from SBNA of $458 and $450, respectively. The Company recognized $1,448 and $3,071 of relationship management fee income for the three and six months ended June 30, 2015, respectively. These agreements also transferred the servicing of all Chrysler Capital receivables from dealers, including receivables held by SBNA and by SCUSA, from SCUSA to SBNA. Servicing fee expense under this new agreement totaled $84 and $170 for the three and six months ended June 30, 2015, respectively. As of June 30, 2015 and December 31, 2014, the Company had $27 and $28, respectively, of servicing fees payable to SBNA. Under our exclusive relationship with Chrysler, the Company may provide advance funding to Chrysler for dealer loans originated by SBNA, which is reimbursed to the Company by SBNA. The Company had a receivable from SBNA for $7,637 and zero as of June 30, 2015 and December 31, 2014, respectively, for such advances.

Under an agreement with SBNA, the Company may originate retail consumer loans in connection with sales of vehicles that are collateral held against floorplan loans by SBNA. Upon origination, the Company remits payment to SBNA who settles the transaction with the dealer. As of June 30, 2015, the Company owed SBNA $2,078 related to such originations.

The Company received a $9,000 referral fee in connection with the original arrangement and was amortizing the fee into income over the ten-year term of the agreement. The remaining balance of the referral fee SBNA paid to SCUSA in connection with the original sourcing and servicing agreement is considered a referral fee in connection with the new agreements and will continue to be amortized into income through the July 1, 2022 termination date of the new agreements. As of June 30, 2015 and December 31, 2014, the unamortized fee balance was $7,200 and $7,650, respectively. The Company recognized $225 and $450 of income related to the referral fee for each of the three and six months ended June 30, 2015 and 2014, respectively.

The Company also has agreements with SBNA to service auto retail installment contracts and recreational and marine vehicle portfolios. Servicing fee income recognized under these agreements totaled $689 and $5,784 for the three months ended June 30, 2015 and 2014, respectively, and $2,633 and $6,649 for the six months ended June 30, 2015 and 2014, respectively. Other information on the serviced auto loan and retail installment contract portfolios for

SBNA as of June 30, 2015 and December 31, 2014 is as follows:

	June 30, 2015	December 31, 2014
Total serviced portfolio	$788,509	$ 896,300
Cash collections due to owner	22,232	21,415
Servicing fees receivable	1,829	2,171

Until May 9, 2015, the Company was party to a flow agreement with SBNA whereby SBNA had the first right to review and approve Chrysler Capital consumer vehicle lease applications. SCUSA could review any applications declined by SBNA for the Company's own portfolio. The Company provides servicing and received an origination fee on all leases originated under this agreement. Pursuant to the Chrysler Agreement, the Company pays Chrysler on behalf of SBNA for residual gains and losses on the flowed leases. The Company also services leases it sold to SBNA in 2014. Origination fee income recognized under the agreement totaled $2,807 and $6,937 for the three months ended June 30, 2015 and 2014, respectively, and $8,431 and $10,622 for the six months ended June 30, 2015 and 2014, respectively. Servicing fee income recognized on leases serviced for SBNA totaled $1,854 and $535 for the three months ended June 30, 2015 and 2014, respectively, and $3,311 and $629 for the six months ended June 30, 2015 and 2014, respectively. Other information on the consumer vehicle lease portfolio serviced for SBNA as of June 30, 2015 and December 31, 2014 is as follows:

	June 30, 2015	December 31, 2014
Total serviced portfolio	$2,438,294	$ 1,989,967
Cash collections due to owner	7	1
Lease fundings due from owner	—	3,365
Origination and servicing fees receivable	673	10,345
Revenue share reimbursement receivable	4,584	1,694

On June 30, 2014, the Company entered into an indemnification agreement with SBNA whereby SCUSA indemnifies SBNA for any credit or residual losses on a pool of $48,226 in leases originated under the flow agreement. The covered leases are non-conforming units because they did not meet SBNA's credit criteria at origination. At time of the agreement, SCUSA established a $48,226 collateral account with SBNA in restricted cash that will be released over time to SBNA, in the case of losses, and SCUSA, in the case of payments and sale proceeds. As of June 30, 2015 and December 31, 2014, the balance in the collateral account was $40,506 and $44,805, respectively. For the three and six months ended June 30, 2015 the Company recognized an indemnification expense of $2,576 and had recorded a liability of $2,127 related to the residual losses covered under the agreement.

The Company periodically sells loan and lease contracts to affiliates under certain agreements. Although no such sales occurred during the three and six months ended June 30, 2015, the Company sold leases with a depreciated net capitalized cost of $369,114 for a gain of $5,576 for the three and six months ended June 30, 2014.

Produban Servicios Informaticos Generales S.L., a Santander affiliate, is under contract with the Company to provide professional services, telecommunications, and internal and/or external applications. Expenses incurred, which are included as a component of data processing, communications and other expenses, totaled $21 and $22 for the three months ended June 30, 2015 and 2014, respectively, and $123 and $75 for the six months ended June 30, 2015 and 2014, respectively.

The Company is party to an MSA with a company in which it has a cost method investment of $6,000 and holds a warrant to increase its ownership if certain vesting conditions are satisfied. The MSA enables SCUSA to review credit applications of retail store customers. Under terms of the MSA, the Company originated personal revolving loans of $10,662 and $2,207 during the three months ended June 30, 2015 and 2014, respectively, and $18,288 and $2,911 during the six months ended June 30, 2015 and 2014, respectively.

During the three and six months ended June 30, 2015, the Company paid certain expenses incurred by the Company's then-Chairman and CEO in the operation of a private plane in which he owns a partial interest when used for SCUSA business within the contiguous 48 states. Under this practice, payment is based on a set flight time hourly rate, and the amount of reimbursement is not subject to a maximum cap per fiscal year. For the three months ended June 30, 2015 and 2014, the Company paid $125 and $141, respectively, to Meregrass, Inc., the company managing the plane's

operations, with an average rate of $5.8 per hour. For the six months ended June 30, 2015 and 2014, the Company paid $308 and $414, respectively, to Meregrass, Inc., with an average hourly rate of $5.8.
As of June 30, 2015, the Company's then-CEO and then-CFO, as well as a Santander employee who was a member of the SCUSA Board of Directors until the second quarter of 2015, each had a minority equity investment in a property in which the Company leases 373,000 square feet as its corporate headquarters. For the three months ended June 30, 2015 and 2014, the Company paid $1,979 and $54, respectively, in lease payments on this property. For the six months ended June 30, 2015 and 2014, the Company paid $2,501 and $108, respectively, in lease payments on this property. Future minimum lease payments for the 12-year term of the lease total $81,054.

The Company is party to certain agreements with a third party retailer whereby the Company is committed to purchase receivables originated by the retailer for an initial term ending in April 2020 and renewable through April 2022 at the retailer's option. In November 2014, Capmark, a company of which affiliates of Centerbridge own an approximately 32% interest, acquired the retailer. Prior to SCUSA's IPO in January 2014, Centerbridge had a 7% indirect ownership interest in SCUSA. Immediately after the IPO, Centerbridge had an approximately 1% interest in SCUSA, which had decreased to less than 1% by December 31, 2014 and further decreased to zero in February 2015. Further, an individual that was a member of SCUSA's board of directors until July 15, 2015, is a member of Centerbridge management and also serves on the board of directors of Capmark. During the three and six months ended June 30, 2015, the Company advanced $250,687 and $408,916, respectively, to the retailer, and received $249,583 and $526,943, respectively, in payments on receivables originated under its agreements with the retailer.
At June 30, 2015 and December 31, 2014, the Company had tax indemnification payments receivable of $5,472 and $5,504, respectively, representing reimbursement of tax indemnification payments made to the original equity investors in two investment partnerships now owned by the Company. One of the equity investors, Centerbridge, also was an investor in SCUSA until February 2015, and both investors had representation on SCUSA's board until July 15, 2015. These payments are expected to be recovered through tax refunds passed through to the Company as the original investors recognize tax losses related to the investments.

13. Computation of Basic and Diluted Earnings per Common Share (As Restated)

Earnings per common share is computed using the two-class method required for participating securities. Restricted stock awards are considered to be participating securities because holders of such shares have non-forfeitable dividend rights in the event of a declaration of a dividend on the Company's common shares.

For the three and six months ended June 30, 2015, the calculation of earnings per share excludes 48,800 and 1,307,113 employee stock option awards, respectively, as the effect of those securities would be anti-dilutive.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2015	2014	2015	2014
Earnings per common share				
Net income	$364,715	$255,958	$607,160	$393,401
Weighted average number of common shares outstanding before restricted participating shares (in thousands)	354,625	348,243	351,806	347,882
Weighted average number of participating restricted common shares outstanding (in thousands)	467	584	467	584
Weighted average number of common shares outstanding (in thousands)	355,092	348,827	352,273	348,466
Earnings per common share	$1.03	$0.73	$1.72	$1.13
Earnings per common share - assuming dilution				
Net income	$364,715	$255,958	$607,160	$393,401
Weighted average number of common shares outstanding (in thousands)	355,092	348,827	352,273	348,466
Effect of employee stock-based awards (in thousands)	4,102	7,555	3,659	7,542
Weighted average number of common shares outstanding - assuming dilution (in thousands)	359,194	356,382	355,932	356,008
Earnings per common share - assuming dilution	$1.02	$0.72	$1.71	$1.11

14. Fair Value of Financial Instruments (As Restated)

Fair value measurement requires that valuation techniques maximize the use of observable inputs and minimize the use of unobservable inputs and also establishes a fair value hierarchy that categorizes into three levels the inputs to valuation techniques used to measure fair value as follows:

Level 1 inputs are quoted prices in active markets for identical assets or liabilities that can be accessed as of the measurement date. Active markets are those in which transactions for the asset or liability occur in sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 inputs are those other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets and quoted prices for identical or similar assets or liabilities in markets that are not active.

Level 3 inputs are those that are unobservable for the asset or liability and are used to measure fair value to the extent relevant observable inputs are not available.

Fair value estimates, methods, and assumptions are as follows:

		June 30, 2015		December 31, 2014	
	Level	Carrying Value	Estimated Fair Value	Carrying Value	Estimated Fair Value
Cash and cash equivalents (a)	1	$28,886	$ 28,886	$33,157	$ 33,157
Receivables held for sale (b)	2	1,564,905	1,583,832	46,586	46,586
Finance receivables held for investment, net (c)	3	24,800,992	26,811,953	23,911,642	25,576,337
Restricted cash (a)	1	3,086,229	3,086,229	1,920,857	1,920,857
Notes payable — credit facilities (d)	3	6,012,337	6,012,337	6,402,327	6,402,327
Notes payable — secured structured financings (e)	2	20,340,365	20,449,462	17,718,974	17,810,062

Notes payable — related party (f)	3	4,260,000	4,260,000	3,690,000	3,690,000

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(a) Cash and cash equivalents and restricted cash — The carrying amount of cash and cash equivalents, including restricted cash, is at an approximated fair value as the instruments mature within 90 days or less and bear interest at market rates.

(b) Receivables held for sale — Receivables held for sale are carried at the lower of cost or market, as determined on an aggregate basis. The estimated fair value is based on the prices obtained or expected to be obtained in the subsequent sales usually in the following month.

(c) Finance receivables held for investment, net — The carrying value and estimated fair value of finance receivables held for investment, net are reported at the aggregate carrying value and estimated fair value of the following financial instruments:

- Retail installment contracts held for investment — Retail installment contracts held for investment are carried at amortized cost, net of credit loss allowance. The estimated fair value is calculated based on estimated market rates for similar contracts with similar credit risks.
- Personal loans, net — Personal loans are carried at amortized cost, net of credit loss allowance. The estimated fair value is calculated based on estimated market rates for similar loans with similar credit risks.
- Receivables from dealers held for investment, net — Receivables from dealers held for investment are carried at amortized cost, net of credit loss allowance. The estimated fair value is calculated based on estimated market rates for similar receivables with similar credit risks.
- Capital lease receivables, net — Capital lease receivables are carried at amortized cost, net of the allowance for lease losses. The estimated fair value is calculated based on estimated market rates for similar contracts with similar credit risks.

(d) Notes payable — credit facilities — The carrying amount of notes payable related to revolving credit facilities is estimated to approximate fair value. Management believes that the terms of these credit agreements approximate market terms for similar credit agreements.

(e) Notes payable — secured structured financings — The estimated fair value of notes payable related to secured structured financings is calculated based on market quotes for the Company's publicly traded debt and estimated market rates currently available from recent transactions involving similar debt with similar credit risks.

(f) Notes payable — related party — The carrying amount of notes payable to a related party is estimated to approximate fair value. Management believes that the terms of these credit agreements approximate market terms for similar credit agreements.

The following table presents the Company's assets and liabilities that are measured at fair value on a recurring basis at June 30, 2015 and December 31, 2014, and are categorized using the fair value hierarchy:

	Fair Value Measurements at June 30, 2015			
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Other assets — trading interest rate caps (a)	$10,373	$ —	$ 10,373	$ —
Due from affiliates — trading interest rate caps (a)	19,049	—	19,049	—
Other assets — cash flow hedging interest rate swaps (a)	1,211	—	1,211	—
Due from affiliates — cash flow hedging interest rate swaps (a)	113	—	113	—
Due from affiliates — trading interest rate swaps (a)	797	—	797	—
Due from affiliates — treasury bills	30,991	30,991	—	—

Other liabilities — trading options for interest rate caps (a)	10,397	—	10,397	—
Due to affiliates — trading options for interest rate caps (a)	19,049	—	19,049	—
Other liabilities — cash flow hedging interest rate swaps (a)	3,135	—	3,135	—
Due to affiliates — cash flow hedging interest rate swaps (a)	9,270	—	9,270	—
Other liabilities — trading interest rate swaps (a)	2,263	—	2,263	—
Due to affiliates — trading interest rate swaps (a)	7,854	—	7,854	—
Other liabilities —total return settlement (a)	59,065	—	—	59,065

	Fair Value Measurements at December 31, 2014			
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Other assets — trading interest rate caps (a)	$14,160	$ —	$ 14,160	$ —
Due from affiliates — trading interest rate caps (a)	35,602	—	35,602	—
Other assets — cash flow hedging interest rate swaps (a)	2,796	—	2,796	—
Due from affiliates — cash flow hedging interest rate swaps (a)	4,823	—	4,823	—
Other assets — trading interest rate swaps (a)	150	—	150	—
Due from affiliates — trading interest rate swaps (a)	385	—	385	—
Other liabilities — trading options for interest rate caps (a)	14,204	—	14,204	—
Due to affiliates — trading options for interest rate caps (a)	35,602	—	35,602	—
Other liabilities — cash flow hedging interest rate swaps (a)	476	—	476	—
Due to affiliates — cash flow hedging interest rate swaps (a)	3,316	—	3,316	—
Other liabilities — trading interest rate swaps (a)	243	—	243	—
Due to affiliates — trading interest rate swaps (a)	12,467	—	12,467	—
Other liabilities — total return swap (b)	1,736	—	1,736	—
Other liabilities —total return settlement (a)	48,893	—	—	48,893

(a) The valuation of is determined using widely accepted valuation techniques including discounted cash flow analysis on the expected cash flows of each derivative. This analysis reflects the contractual terms of the derivative, including the period to maturity, and uses observable market-based inputs. The Company incorporates credit valuation adjustments to appropriately reflect both its own nonperformance risk and the respective counterparty's nonperformance risk in the fair value measurement of its derivatives. In adjusting the fair value of its derivative contracts for the effect of nonperformance risk, the Company has considered the impact of netting and any applicable credit enhancements, such as collateral postings and guarantees. The Company utilizes the exception in ASC 820-10-35-18D (commonly referred to as the "portfolio exception") with respect to measuring counterparty credit risk for instruments (Note 8).

(b) The total return swap is valued based on the estimated market value of the underlying bonds pledged to the associated credit facility.

There were no amounts transferred into or out of Level 3 during the three and six months ended June 30, 2015 and 2014, respectively. The table below presents the changes in all Level 3 balances for the six months ended June 30, 2015 and 2014, respectively:

	Total Return Settlement
Fair value, December 31, 2014	$ 48,893
Settlements	(3,861)
Losses recognized in earnings	14,033
Fair value, June 30, 2015	$ 59,065

	Total Return Settlement
Fair value, December 31, 2013	$ 50,385
Settlements	(6,267)
Losses recognized in earnings	3,157
Fair value, June 30, 2014	$ 47,275

The following table presents the Company's assets and liabilities that are measured at fair value on a nonrecurring basis at June 30, 2015 and December 31, 2014, and are categorized using the fair value hierarchy:

	Fair Value Measurements at June 30, 2015			
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Other assets — vehicles	$177,226	$ —	$ 177,226	$ —

	Fair Value Measurements at December 31, 2014			
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Other assets — vehicles	$134,926	$ —	$ 134,926	$ —

The Company estimates the fair value of its vehicles, which are obtained either through repossession or lease termination, using historical auction rates and current market levels of used car prices.

15. Employee Benefit Plans

SCUSA Compensation Plan — Beginning in 2012, the Company granted stock options to certain executives, other employees, and independent directors under the MEP. The Plan was administered by the Board of Directors and enabled the Company to make stock awards up to a total of approximately 29 million common shares (net of shares canceled and forfeited), or 8.5% of the equity invested in the Company as of December 31, 2011. The MEP expired on January 31, 2015, and accordingly, no further awards will be made under this plan. In December 2013, the Board established the Omnibus Incentive Plan, which enables the Company to grant awards of nonqualified and incentive stock options, stock appreciation rights, restricted stock awards, restricted stock units and other awards that may be settled in or based upon the value of the Company's common stock up to a total of 5,192,640 common shares.

Stock options granted have an exercise price based on the estimated fair market value of the Company’s common stock on the grant date. The stock options expire after ten years and include both time vesting options and performance vesting options. The fair value of the stock options is amortized into income over the vesting period as time and performance vesting conditions are met. Under the Management Shareholders Agreement entered into by certain employees, no shares obtained through exercise of stock options could be transferred until the later of December 31, 2016, and the Company’s execution of an IPO (the later date of which is referred to as the Lapse Date). Until the Lapse Date, if an employee were to leave the Company, the Company would have the right to repurchase any or all of the stock obtained by the employee through option exercise. If the employee were terminated for cause (as defined in the Plan) or voluntarily left the Company without good reason (as defined in the Plan), in each case, prior to the Lapse Date the repurchase price would be the lower of the strike price or fair market value at the date of repurchase. If the employee were terminated without cause or voluntarily left the Company with good reason, in each case, prior to the Lapse Date the repurchase price is the fair market value at the date of repurchase. Management believes the Company’s repurchase right caused the IPO event to constitute an implicit vesting condition and therefore did not record any stock compensation expense until the date of the IPO.

On December 28, 2013, the Board approved certain changes to the Plan and the Management Shareholders Agreement, including acceleration of vesting for certain employees, removal of transfer restrictions for shares underlying a portion of the options outstanding under the Plan, and addition of transfer restrictions for shares underlying another portion of the outstanding options. All of the changes were contingent on, and effective upon, the Company’s execution of an IPO and, as such, became effective upon pricing of the IPO on January 22, 2014. Also, on December 28, 2013, the Company granted 583,890 shares of restricted stock to certain executives under terms of the Omnibus Incentive Plan. Compensation expense related to this restricted stock is recognized over a five-year vesting period, with $1,216 and $1,216 recorded for the six months ended June 30, 2015 and 2014, respectively.

On January 23, 2014, the Company executed an IPO, in which selling stockholders offered and sold to the public 85,242,042 shares of common stock at a price of $24.00 per share. The Company received no proceeds from the initial public offering. Stock-based compensation expense totaling $117,770 related to vested options was recognized upon the IPO, including expense related to accelerated vesting for certain executives of $33,845. Also, in connection with the IPO, the Company granted additional stock options under the Plan to certain executives, other employees, and an independent director with an estimated compensation cost of $10,216, which is being recognized over the awards' vesting period of five years for the employees and three years for the director. Additional stock option grants have been made during the six months ended June 30, 2015 to employees; the estimated compensation costs associated with these additional grants is $1,239 and will be recognized over the vesting periods of the awards.

A summary of the Company’s stock options and related activity as of and for the six months ended June 30, 2015 is as follows:

	Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value
Options outstanding at January 1, 2015	21,357,911	$ 10.82	7.2	$187,637
Granted	161,244	23.27	—	—
Exercised	(8,771,131)	9.86	—	(121,923)
Expired	(15,197)	9.73	—	—
Forfeited	(143,677)	14.47	—	—
Options outstanding at June 30, 2015	12,589,150	11.62	6.8	175,631
Options exercisable at June 30, 2015	8,391,322	10.29	6.6	128,261

In connection with compensation restrictions imposed on certain executive officers and other employees by the European Central Bank under the Capital Requirements Directive IV prudential rules, which require a portion of such officers' and employees' variable compensation to be paid in the form of equity, the Company granted RSUs in February and April 2015. A portion of the RSUs vested immediately upon grant, and a portion will vest annually over the next three years. In June 2015, as part of a separate long-term incentive plan, the Company granted certain officers RSUs that vest over a three-year period, with vesting dependent on Banco Santander performance over that time. After vesting, stock obtained through RSUs must be held for one year.

16. Shareholders' Equity

Treasury Stock

The Company had 52,141 shares of treasury stock outstanding with a cost of $983 as of June 30, 2015 and December 31, 2014. Prior to the IPO, the Company repurchased 3,154 shares as a result of an employee leaving the company. Additionally, 48,987 shares were withheld in December 2014 to cover income taxes related to the vesting of RSUs awarded to certain executive officers. The value of the treasury stock is immaterial and included within additional paid-in-capital.

Accumulated Other Comprehensive Income (Loss)

A summary of changes in accumulated other comprehensive income (loss), net of tax, for the three and six months ended June 30, 2015 and 2014 is as follows:

	Three Months Ended		Six Months Ended	
	June 30, 2015	June 30, 2014	June 30, 2015	June 30, 2014
Beginning balance, unrealized gains (losses) on cash flow hedges	$(9,290)	$(765)	$3,553	$(2,853)
Other comprehensive loss before reclassifications	(3,458)	(4,579)	(23,249)	(4,167)
Amounts reclassified out of accumulated other comprehensive income (loss) (a)	7,022	1,215	13,970	2,891
Ending balance, unrealized losses on cash flow hedges	$(5,726)	$(4,129)	$(5,726)	$(4,129)

(a) Amounts reclassified out of accumulated other comprehensive income (loss) during the three and six months ended June 30, 2015 and 2014 consist of the following:

	Three Months Ended June 30, 2015		Three Months Ended June 30, 2014	
Reclassification	Amount reclassified	Income statement line item	Amount reclassified	Income statement line item
Cash flow hedges:				

Settlements of derivatives	$11,266	Interest expense	$1,931	Interest expense
Tax benefit	(4,244)		(716)	
Net of tax	$7,022		$1,215	

	Six Months Ended June 30, 2015		Six Months Ended June 30, 2014	
Reclassification	Amount reclassified	Income statement line item	Amount reclassified	Income statement line item
Cash flow hedges:				
Settlements of derivatives	$22,337	Interest expense	$4,595	Interest expense
Tax expense (benefit)	(8,367)		(1,704)	
Net of tax	$13,970		$2,891	

Dividend Restrictions

The Dodd-Frank Act requires certain banks and bank holding companies, including SHUSA, to perform a stress test and submit a capital plan to the Federal Reserve on an annual basis. On March 11, 2015, the FRB informed SHUSA that, based on qualitative concerns, the FRB objected to SHUSA’s capital plan pursuant to CCAR that SHUSA had previously submitted to the FRB. This objection followed the FRB's objection to the capital plan submitted the previous year, following which objection SHUSA had entered into a written agreement with the FRB memorializing discussions under which, among other things, SHUSA is prohibited from allowing its non-wholly-owned nonbank subsidiaries, including the Company, to declare or pay any dividend, or to make any capital distribution, until such time as SHUSA has submitted to the FRB a capital plan and the FRB has issued a written non-objection to the plan, or the FRB otherwise issues its written non-objection to the proposed capital action. The Company will not pay any future dividends until such time as the FRB issues a written non-objection to a capital plan submitted by SHUSA or the FRB otherwise issues its written non-objection to the payment of a dividend by the Company.

17. Subsequent Events

Separation Agreement with Thomas G. Dundon

On July 2, 2015, the Company announced the departure of Thomas G. Dundon from his roles as Chairman of the Board and Chief Executive Officer of the Company, effective as of the close of business on July 2, 2015. In connection with his departure, and subject to the terms and conditions of his Employment Agreement, including Mr. Dundon's execution of a release of claims against the Company, Mr. Dundon became entitled to receive certain payments and benefits under his Employment Agreement. Certain of the payments, agreements to make payments and benefits may be effective only upon receipt of certain required regulatory approvals. Additionally, the Separation Agreement confirms that, upon termination of his employment, Mr. Dundon’s unvested restricted stock awards vested in full in accordance with their terms, his outstanding stock options vested in full (to the extent they were previously unvested) and that all shares acquired upon the exercise of stock options awarded to Mr. Dundon in December 2011 or other awards previously restricted became freely transferable, subject to applicable regulatory approvals and applicable law.

Mr. Dundon’s outstanding stock options will remain exercisable until the third anniversary of his resignation, and subject to certain time limitations, Mr. Dundon was permitted to exercise such options in whole, but not in part, and settle such options for a cash payment equal to the difference between the closing trading price of a share of Company common stock as of the date immediately preceding such exercise and the exercise price of such option. Mr. Dundon exercised this cash settlement option as of July 2, 2015. In addition, any service-based vesting requirements that were applicable to Mr. Dundon’s outstanding restricted stock units and deferred cash award in respect of his 2014 annual bonus were waived upon his termination of employment, and such awards will vest and be settled in accordance with the underlying award agreements.

Mr. Dundon will serve as a consultant to the Company for twelve months from the date of the Separation Agreement at a mutually agreed rate, and will continue to serve as a Director on the Company’s Board.

Pursuant to the Separation Agreement, SHUSA was deemed to have delivered as of July 3, 2015 an irrevocable notice to exercise a call option with respect to all the shares of Company common stock owned by DDFS and consummate the transactions contemplated by such call option notice, subject to required bank regulatory approvals and any other approvals required by law being obtained.

Sale of Securitization Residuals

On July 6, 2015, the Company settled a transaction to sell residual interests in certain SDART 2014 Trusts and its retained bonds in the related 2011 and 2012 vintage SDART Trusts to a third party. As of June 30, 2015, retail installment contracts of $782,267 associated with these Trusts were classified as finance receivables held for sale.

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

This Quarterly Report on Form 10-Q/A should be read in conjunction with SCUSA’s Annual Report for the year ended December 31, 2014 filed with the U.S. Securities and Exchange Commission (SEC) (2014 Annual Report on Form 10-K) and in conjunction with the condensed consolidated financial statements and the accompanying notes included elsewhere in this report. Additional information about the Company is available on SCUSA’s website at www.santanderconsumerusa.com. SCUSA’s recent annual reports on Form 10-K, quarterly reports on Form 10-Q, proxy statements, as well as other filings with the SEC, are available free of charge through SCUSA’s website by clicking on the “Investors” page and selecting “All SEC Filings.” The SEC’s website also contains current reports, information statements, and other information regarding SCUSA at www.sec.gov.

Overview

Santander Consumer USA Holdings Inc. is the holding company for Santander Consumer USA Inc., a full-service, technology-driven consumer finance company focused on vehicle finance and personal lending products. We are majority-owned (as of June 30, 2015, approximately 59.0%) by SHUSA, a wholly-owned subsidiary of Santander. The Company is managed through a single reporting segment, Consumer Finance, which includes our vehicle financial products and services, including retail installment contracts, vehicle leases, and dealer loans, as well as financial products and services related to motorcycles, RVs, and marine vehicles. It also includes our personal loan and point-of-sale financing operations.

Since May 1, 2013, we have been the preferred provider for Chrysler’s consumer loans and leases and dealer loans under terms of a ten-year agreement with Chrysler. Business generated under terms of the Chrysler Agreement is branded as Chrysler Capital. In conjunction with the Chrysler Agreement, the Company offers a full spectrum of auto financing products and services to Chrysler customers and dealers under the Chrysler Capital brand. These products and services include consumer retail installment contracts and leases, as well as dealer loans for inventory, construction, real estate, working capital and revolving lines of credit.

Under the terms of the Chrysler Agreement, certain standards were agreed to which include SCUSA meeting specified escalating penetration rates for the first five years, and Chrysler treating SCUSA in a manner consistent with comparable OEMs' treatment of their captive providers, primarily in regard to sales support. The success of the Chrysler agreement, is dependent upon the ability of both parties to meet and uphold these standards.

The target penetration rate as of April 30, 2015 (the end of the second year of the Chrysler Agreement) was 44%, and the target penetration rate for the third year is set at 54%. Our actual penetration rate as of June 30, 2015 was 28% as interest rates have remained low, causing our subvented loan and lease offers not to be materially more attractive than other lenders' offers. We remain confident about the ongoing success of the Chrysler Agreement. Since its May 1, 2013, launch, Chrysler Capital has originated $24.4 billion in retail loans and $9.4 billion in leases, and facilitated the origination of $3.0 billion in leases and dealer loans for an affiliate.

The Company also originates vehicle loans through a web-based direct lending program, purchases vehicle retail installment contracts from other lenders, and services automobile and recreational and marine vehicle portfolios for other lenders. Additionally, the Company has several relationships through which it provides unsecured consumer loans, private-label credit cards and other consumer finance products.

We have flow agreements and dedicated financing facilities in place for our Chrysler Capital business. We periodically sell consumer retail installment contracts through these flow agreements, and, when market conditions are favorable, we will access the ABS market through securitizations of consumer retail installment contracts. We also periodically enter into bulk sales of consumer vehicle leases with a third party. We typically retain servicing of loans and leases sold or securitized, and may also retain some residual risk in sales of leases. We have also entered into an agreement with the buyer of our leases whereby we will periodically sell charged-off loans.

Economic and Business Environment

The U.S. economy has continued its slow-paced recovery into 2015. According to the Bureau of Labor Statistics, unemployment declined from 5.6% at the beginning of the year to 5.3% as of June 30, 2015. The Federal Reserve continues to signal that it may raise rates in 2015. New cars are selling at a pace to exceed an annualized rate of 17 million for 2015.

Regulatory Matters

The U.S. lending industry is highly regulated under various U.S. federal laws, including the Truth-in-Lending, Equal Credit Opportunity, Fair Credit Reporting, Fair Debt Collection Practices, SCRA, and Unfair, Deceptive, or Abusive Acts or Practices, Credit CARD, Telephone Consumer Protection, FIRREA, and Gramm-Leach-Bliley Acts, as well as various state laws. We are subject to inspections, examinations, supervision, and regulation by the Commission, the CFPB, the FTC, the DOJ and by regulatory agencies in each state in which we are licensed. In addition, we are subject to certain bank regulations, including oversight by the OCC, the European Central Bank, and the Federal Reserve, which has the ability to limit certain of our activities, such as the timing and amount of dividends and certain transactions that we might otherwise desire to enter into, such as merger and acquisition opportunities, or to impose other limitations on our growth.

Regulation AB II

In response to investor requests for greater transparency, on August 27, 2014, the Commission unanimously voted to adopt final rules known as Regulation AB II, that, among other things, expanded disclosure requirements and modified the offering and shelf registration process. All filings on Forms 10-D or 10-K that are submitted after November 23, 2015 must comply with new rules and disclosures, except asset-level disclosures. These rules will affect the Company's public securitization platform.

Additionally, on August 27, 2014, the Commission adopted final rules implementing provisions of the Dodd-Frank Act relating to third-party due diligence reports for asset-backed securities. The final rules take effect nine months after they were published in the Federal Register (i.e., June 2015). These final rules have a wider impact on SCUSA than Regulation AB II as they will cover all SCUSA securitization platforms.

Additional legal and regulatory matters affecting the Company's activities are further discussed in Part I, Item 1A - Risk Factors of our 2014 annual report.

How We Assess Our Business Performance

Net income, and the associated return on assets and equity, are the primary metrics by which we judge the performance of our business. Accordingly, we closely monitor the primary drivers of net income:

- Net financing income — We track the spread between the interest and finance charge income earned on our assets and the interest expense incurred on our liabilities, and continually monitor the components of our yield and our cost of funds. In addition, we monitor external rate trends, including the Treasury swap curve and spot and forward rates.
- Net credit losses — We perform net credit loss analysis at the vintage level for individually acquired retail installment contracts, loans and leases, and at the pool level for purchased portfolios, enabling us to pinpoint drivers of any unusual or unexpected trends. We also monitor recovery rates, both industry-wide and our own. Additionally, because delinquencies are an early indicator of future net credit losses, we analyze delinquency trends, adjusting for seasonality, to determine whether or not our loans are performing in line with our original estimation.
- Other income — The various flow agreements in connection with our Chrysler relationship have resulted in a growing portfolio of assets serviced for others. These assets provide a steady stream of servicing income and may provide a gain or loss on sale. We monitor the size of the portfolio and average servicing fee rate and gain. Additionally, our personal lending business provides fee income, which we monitor as an input to return on the personal loan portfolio.
- Operating expenses — We assess our operational efficiency using our cost-to-assets ratio. We perform extensive analysis to determine whether observed fluctuations in operating expense levels indicate a trend or are the nonrecurring impact of large projects. Our operating expense analysis also includes a loan- and portfolio-level review of origination and servicing costs to assist us in assessing profitability by pool and vintage.

Because volume and portfolio size determine the magnitude of the impact of each of the above factors on our earnings, we also closely monitor origination and sales volume along with APR and discounts (including subvention and net of dealer participation).

Second Quarter 2015 Summary of Results

Our strong performance in the second quarter of 2015 highlights our ability to execute on our strategy of optimizing the mix of retained assets versus assets sold and serviced for others. These key highlights included:

- Growth of 17.9% in net finance and other interest income compared to the same quarter in 2014;
- Net income of $364.7 million compared with $256.0 million for the same quarter in 2014, or a 42.5% increase year-over-year;
- Originations of $7.6 billion, up from $7.4 billion in the prior quarter and $6.7 billion originated in the same quarter in 2014;
- Asset sales of $2.8 billion, up from $1.5 billion in the prior quarter, and up from $1.8 billion in the same quarter in 2014;
- Serviced for others portfolio of $13.1 billion, up from $11.2 billion in the prior quarter and $8.0 billion in the same period last year;
- Expense ratio of 2.1%, down slightly from the 2.2% in the prior quarter and from 2.3% in the same quarter last year despite managed asset growth and increases in headcount.

Recent Developments and Other Factors Affecting Our Results of Operations

Restatement of Previously Issued Financial Statements

As discussed further in Note 2 of the Notes to the condensed consolidated financial statements contained in this Form 10-Q/A, we are restating herein our unaudited quarterly condensed consolidated financial statements for the three and six months ended June 30, 2015 and 2014. The following discussion has been updated to reflect the effects of the restatement.

Asset Sales and Securitizations

During the second quarter of 2015, we executed four on-balance sheet securitizations, including a series of subordinate bond transactions to fund residual interests from existing securitizations, with net bonds sold of $3.4 billion and we advanced $1.5 billion on new and existing private term amortizing facilities and revolving facilities. Additionally, in line with our strategy to leverage our servicing platform and increase servicing fee income, we executed several other transactions, which are discussed in greater detail in the Liquidity Management, Funding and Capital Resources section of management's discussion and analysis.

Amendments to Flow Agreements

On June 25, 2015, we executed an amendment to the flow agreement with CBP, which increased the servicing fee the Company receives for the servicing of assets sold under the agreement. The amendment also reduced, effective from and after August 1, 2015, CBP’s committed purchases of Chrysler Capital prime loans. We have mitigated the reduction in committed purchases, in part, through further development of new business relationships, which has resulted in sales of loans to a new third party purchaser during the second quarter.

The Company also entered into an amendment to the flow agreement under which we are committed to selling charged off loan receivables in bankruptcy status. This amendment increased the committed sales of charged off loans receivable in bankruptcy.

Shelf Registration Statement

In March 2015, we filed a shelf registration statement on Form S-3 to register up to 245,593,555 shares of our common stock held by SHUSA and DDFS LLC, an entity solely owned by our then-Chairman and Chief Executive Officer. We will not receive any proceeds from the sale of any shares offered under such shelf registration statement.

Dividend Restrictions

The Dodd-Frank Act requires certain banks and bank holding companies, including SHUSA, to perform a stress test and submit a capital plan to the Federal Reserve on an annual basis. On March 11, 2015, the FRB informed SHUSA that, based on qualitative concerns, the FRB objected to SHUSA’s capital plan pursuant to CCAR that SHUSA had previously submitted to the FRB. This objection followed the FRB's objection to the capital plan submitted the previous year, following which objection SHUSA had entered into a written agreement with the FRB memorializing discussions under which, among other things, SHUSA is prohibited from allowing its non-wholly-owned nonbank subsidiaries, including the Company, to declare or pay any dividend, or to make any capital distribution, until such time as SHUSA has submitted to the FRB a capital plan and the FRB has issued a written non-objection to the plan, or

the FRB otherwise issues its written non-objection to the proposed capital action. The Company will not pay any future dividends until such time as the FRB issues a written non-objection to a capital plan submitted by SHUSA or the FRB otherwise issues its written non-objection to the payment of a dividend by the Company.

Volume

Our originations of individually acquired loans and leases, including net balance increases on revolving loans, average APR, and discount during the three and six months ended June 30, 2015 and 2014 have been as follows:

	Three Months Ended		Six Months Ended	
	June 30, 2015	June 30, 2014	June 30, 2015	June 30, 2014
	(Dollar amounts in thousands)			
Retained Originations	As Restated (a)	As Restated (a)	As Restated (a)	As Restated (a)
Retail installment contracts	$4,765,800	$3,466,983	$9,054,701	$7,643,978
Average APR	17.2 %	15.0 %	17.6 %	15.6 %
Discount	1.8 %	3.0 %	2.5 %	3.1 %
Personal loans	$257,915	$262,617	$424,407	$370,519
Average APR	19.4 %	20.0 %	18.9 %	20.2 %
Discount	—	—	—	—
Receivables from dealers	$—	$17,806	$—	$32,629
Average APR	—	3.8 %	—	3.5 %
Discount	—	—		—
Leased vehicles	$1,424,308	$889,381	$2,554,423	$2,101,380
Capital lease receivables	$8,073	$16,527	$63,803	$19,573
Total originations retained	$6,456,096	$4,653,314	$12,097,334	$10,168,079
Sold Originations				
Retail installment contracts	$927,586	$1,059,718	$2,234,410	$2,495,359
Average APR	4.3 %	4.1 %	5.1 %	4.3 %
Leased vehicles	$—	$389,657	—	389,657
Total originations sold	$927,586	$1,449,375	$2,234,410	$2,885,016
Total SCUSA originations	$7,383,682	$6,102,689	$14,331,744	$13,053,095
Facilitated Originations				
Receivables from dealers	$—	$108,759	$—	$253,512
Leased vehicles	228,572	486,446	632,471	732,114
Total originations facilitated for affiliates	$228,572	$595,205	$632,471	$985,626
Total originations	$7,612,254	$6,697,894	$14,964,215	$14,038,721

(a) Certain previously reported amounts have been restated to correct for various financial statement errors. See Footnote 2 to the condensed consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q/A.

Our asset sales for the three and six months ended June 30, 2015 and 2014 have been as follows:

	Three Months Ended		Six Months Ended	
	June 30, 2015	June 30, 2014	June 30, 2015	June 30, 2014
	(Dollar amounts in thousands)			
	As Restated (a)	As Restated (a)	As Restated (a)	As Restated (a)
Retail installment contracts	$2,016,675	$1,384,174	$2,935,753	$3,069,898
Average APR	5.6 %	4.3 %	5.3 %	5.0 %
Leased vehicles	$755,624	$369,114	1,316,958	369,114
Total asset sales	$2,772,299	$1,753,288	$4,252,711	$3,439,012

(a) Certain previously reported amounts have been restated to correct for various financial statement errors. See Footnote 2 to the condensed consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q/A.

Our ending held for investment portfolio, average APR, and remaining unaccreted discount as of June 30, 2015 and December 31, 2014 are as follows:

	June 30, 2015	December 31, 2014
	(Dollar amounts in thousands)	
	As Restated (a)	As Restated (a)
Retail installment contracts	$26,540,938	$25,401,461
Average APR	16.9 %	16.0 %
Discount	3.0 %	3.0 %
Personal loans	$2,261,726	$2,128,769
Average APR	22.8 %	23.1 %
Discount	0.1 %	0.1 %
Receivables from dealers	$91,612	$100,164
Average APR	4.3 %	4.3 %
Discount	—	—
Leased vehicles	$5,842,046	$5,490,277
Capital leases	$125,994	$91,350

(a) Certain previously reported amounts have been restated to correct for various financial statement errors. See Footnote 2 to the condensed consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q/A.

We record interest income from individually acquired retail installment contracts, personal loans and receivables from dealers in accordance with the terms of the loans, generally discontinuing and reversing accrued income once a loan becomes more than 60 days past due, except in the case of revolving personal loans, for which we continue to accrue interest until charge-off, in the month in which the loan becomes 180 days past due, and receivables from dealers, for which we continue to accrue interest until the loan becomes more than 90 days past due. Receivables from dealers and term personal loans generally are not acquired at a discount. We amortize discounts, subvention payments from manufacturers, and origination costs as adjustments to income from individually acquired retail installment contracts using the effective yield method. We amortize the discount, if applicable, on revolving personal loans straight-line over the estimated period over which the receivables are expected to be outstanding.

For individually acquired retail installment contracts, personal loans, capital leases, and receivables from dealers, we also establish a credit loss allowance for the estimated losses inherent in the portfolio. We estimate probable losses based on contractual delinquency status, historical loss experience, expected recovery rates from sale of repossessed collateral, bankruptcy trends, and general economic conditions such as unemployment rates. For loans within these portfolios that are

classified as TDRs, impairment is measured based on the present value of expected future cash flows discounted at the original effective interest rate.

We classify most of our vehicle leases as operating leases. The net capitalized cost of each lease is recorded as an asset, which is depreciated straight-line over the contractual term of the lease to the expected residual value. Lease payments due from customers are recorded as income until and unless a customer becomes more than 60 days delinquent, at which time the accrual of revenue is discontinued and reversed. The accrual is resumed and reinstated if a delinquent account subsequently becomes 60 days or less past due. Subvention payments from the manufacturer, down payments from the customer, and initial direct costs incurred in connection with originating the lease are amortized straight-line over the contractual term of the lease.

Historically, our primary means of acquiring retail installment contracts has been through individual acquisitions immediately after origination by a dealer. We also periodically purchase pools of receivables and had significant volumes of these purchases during the credit crisis. While we continue to pursue such opportunities when available, we did not purchase any pools during the six months ended June 30, 2015 and 2014. All of the retail installment contracts acquired during these periods were acquired individually. For our existing purchased receivables portfolios, which were acquired at a discount partially attributable to credit deterioration since origination, we estimate the expected yield on each portfolio at acquisition and record monthly accretion income based on this expectation. We periodically re-evaluate performance expectations and may increase the accretion rate if a pool is performing better than expected. If a pool is performing worse than expected, we are required to continue to record accretion income at the previously established rate and to record impairment to account for the worsening performance.

Selected Financial Data

	Three Months Ended		Six Months Ended	
	June 30, 2015	June 30, 2014	June 30, 2015	June 30, 2014
	(Dollar amounts in thousands, except per share data)			
Income Statement Data	As Restated (a)	As Restated (a)	As Restated (a)	As Restated (a)
Interest on individually acquired retail installment contracts	$1,149,507	$985,201	$2,201,056	$1,936,572
Interest on purchased receivables portfolios	21,474	52,395	49,680	121,209
Interest on receivables from dealers	1,158	1,276	2,468	2,606
Interest on personal loans	111,512	84,068	223,468	166,076
Interest on finance receivables and loans	1,283,651	1,122,940	2,476,672	2,226,463
Net leased vehicle income	75,090	34,657	131,853	62,791
Other finance and interest income	6,738	874	14,079	1,124
Interest expense	150,622	128,314	299,478	252,760
Net finance and other interest income	1,214,857	1,030,157	2,323,126	2,037,618
Provision for credit losses on individually acquired retail installment contracts	454,467	446,299	987,481	958,128
Increase (decrease) in impairment related to purchased receivables portfolios	(4,270)	(8,190)	(9,372)	(15,520)
Provision for credit losses on receivables from dealers	(162)	(112)	294	(167)
Provision for credit losses on personal loans	121,118	103,138	218,821	165,267
Provision for credit losses on capital leases	8,226	—	14,002	—
Provision for credit losses	579,379	541,135	1,211,226	1,107,708
Profit sharing	21,501	24,056	35,017	56,217
Other income	214,700	141,884	364,894	276,345
Operating expenses	255,508	212,711	503,340	532,832
Income before tax expense	573,169	394,139	938,437	617,206
Income tax expense	208,454	138,181	331,277	223,805
Net income	364,715	255,958	607,160	393,401
Share Data				
Weighted-average common shares outstanding				
Basic	355,091,818	348,826,897	352,272,552	348,465,666
Diluted	359,193,738	356,381,921	355,932,481	356,008,288
Earnings per share				
Basic	$1.03	$0.73	$1.72	$1.13
Diluted	$1.02	$0.72	$1.71	$1.11
Dividends declared per share	$—	$0.15	$—	$0.15
Balance Sheet Data				
Finance receivables held for investment, net	$24,800,991	$22,960,369	$24,800,991	$22,960,369
Finance receivables held for sale, net	1,564,905	123,793	1,564,905	123,793
Goodwill and intangible assets	110,898	127,693	110,898	127,693
Total assets	36,079,510	29,911,434	36,079,510	29,911,434
Total borrowings	30,612,702	26,154,610	30,612,702	26,154,610
Total liabilities	31,833,747	26,734,790	31,833,747	26,734,790
Total equity	4,245,763	3,176,644	4,245,763	3,176,644
Allowance for credit losses	3,328,897	2,570,969	3,328,897	2,570,969

	Three Months Ended		Six Months Ended	
	June 30, 2015	June 30, 2014	June 30, 2015	June 30, 2014
	(Dollar amounts in thousands)			
Other Information	As Restated (a)	As Restated (a)	As Restated (a)	As Restated (a)
Charge-offs, net of recoveries, on individually acquired retail installment contracts	$275,369	$272,706	$619,425	$583,010
Charge-offs, net of recoveries, on purchased receivables portfolios	(5,116)	15,320	(7,666)	38,843
Charge-offs, net of recoveries, on receivables from dealers	—	—	—	—
Charge-offs, net of recoveries, on personal loans	89,261	60,448	182,746	98,737
Charge-offs, net of recoveries, on capital leases	7,838	—	8,021	—
Total charge-offs, net of recoveries	367,352	348,474	802,526	720,590
End of period individually acquired retail installment contracts delinquent principal over 60 days	869,190	799,455	869,190	799,455
End of period personal loans delinquent principal over 60 days	153,485	119,443	153,485	119,443
End of period delinquent principal over 60 days	1,052,561	1,016,020	1,052,561	1,016,020
End of period assets covered by allowance for credit losses	28,507,008	25,210,483	28,507,008	25,210,483
End of period gross individually acquired retail installment contracts held for investment	26,027,676	23,675,889	26,027,676	23,675,889
End of period gross personal loans	2,261,726	1,448,709	2,261,726	1,448,709
End of period gross finance receivables and loans held for investment	29,020,270	26,483,290	29,020,270	26,483,290
End of period gross finance receivables, loans, and leases held for investment	34,862,316	30,537,540	34,862,316	30,537,540
Average gross individually acquired retail installment contracts	27,000,474	23,372,480	26,117,672	22,824,981
Average gross purchased receivables portfolios	612,821	1,416,163	689,472	1,591,711
Average Gross receivables from dealers	99,369	130,769	100,690	129,579
Average Gross personal loans	2,184,577	1,333,612	2,162,490	1,267,853
Average Gross capital leases	136,973	10,139	124,045	5,794
Average Gross finance receivables and loans	30,034,214	26,263,163	29,194,369	25,819,918
Average Gross finance receivables, loans, and leases	35,957,522	30,082,249	35,041,765	29,131,941
Average managed assets	48,113,052	37,152,056	46,266,080	35,183,237
Average total assets	35,176,930	29,390,962	34,210,310	28,583,755
Average debt	29,977,311	25,852,175	29,242,830	25,190,609
Average total equity	4,036,518	3,023,037	3,868,722	2,918,916
Ratios				
Yield on individually acquired retail installment contracts	17.0 %	16.9 %	16.9 %	17.0 %
Yield on purchased receivables portfolios	14.0 %	14.8 %	14.4 %	15.2 %
Yield on receivables from dealers	4.7 %	3.9 %	4.9 %	4.0 %
Yield on personal loans (1)	20.4 %	25.2 %	20.7 %	26.2 %
Yield on earning assets (2)	15.2 %	15.4 %	15.0 %	15.7 %
Cost of debt (3)	2.0 %	2.0 %	2.0 %	2.0 %
Net interest margin (4)	13.5 %	13.7 %	13.3 %	14.0 %
Expense ratio (5)	2.1 %	2.3 %	2.2 %	3.0 %
Return on average assets (6)	4.1 %	3.5 %	3.5 %	2.8 %
Return on average equity (7)	36.1 %	33.9 %	31.4 %	27.0 %
	4.1 %	4.7 %	4.7 %	5.1 %

Net charge-off ratio on individually acquired retail installment contracts (8)				
Net charge-off ratio on purchased receivables portfolios (8)	(3.3)%	4.3 %	(2.2)%	4.9 %
Net charge-off ratio on receivables from dealers (8)	—	—	—	—
Net charge-off ratio on personal loans (8)	16.3 %	18.1 %	16.9 %	15.6 %
Net charge-off ratio (8)	4.9 %	5.3 %	5.5 %	5.6 %
Delinquency ratio on individually acquired retail installment contracts held for investment, end of period (9)	3.3 %	3.4 %	3.3 %	3.4 %
Delinquency ratio on personal loans, end of period (9)	6.8 %	8.2 %	6.8 %	8.2 %
Delinquency ratio on loans held for investment, end of period (9)	3.6 %	3.8 %	3.6 %	3.8 %
Equity to assets ratio	11.8 %	10.6 %	11.8 %	10.6 %
Tangible common equity to tangible assets (10)	11.5 %	10.2 %	11.5 %	10.2 %
Common stock dividend payout ratio (11)	—	20.5 %	—	13.3 %
Allowance ratio (12)	11.7 %	10.2 %	11.7 %	10.2 %

(a) Certain previously reported amounts have been restated to correct for various financial statement errors. See Footnote 2 to the condensed consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q/A.

(1) Includes finance and other interest income; excludes fees

(2) "Yield on earning assets" is defined as the ratio of annualized Total finance and other interest income, net of Leased vehicle expense, to Average gross finance receivables, loans and leases

(3) “Cost of debt” is defined as the ratio of annualized Interest expense to Average debt

(4) “Net interest margin” is defined as the ratio of annualized Net finance and other interest income to Average gross finance receivables, loans and leases

(5) "Expense ratio" is defined as the ratio of annualized Operating expenses to Average managed assets

(6) “Return on average assets” is defined as the ratio of annualized Net income to Average total assets

(7) “Return on average equity” is defined as the ratio of annualized Net income to Average total equity

(8) “Net charge-off ratio” is defined as the ratio of annualized Charge-offs on a recorded investment basis, net of recoveries, to unpaid principal average balance of the respective portfolio

(9) “Delinquency ratio” is defined as the ratio of End of period Delinquent principal over 60 days to End of period gross balance of the respective portfolio*

(10) “Tangible common equity to tangible assets” is defined as the ratio of Total equity, excluding Goodwill and intangible assets, to Total assets, excluding Goodwill and intangible assets. Our Board utilizes this non-GAAP financial measure to assess and monitor the adequacy of our capitalization. This additional information is not meant to be considered in isolation or as a substitute for the numbers prepared in accordance with U.S. GAAP and may not be comparable to similarly-titled measures used by other financial institutions. A reconciliation from GAAP to this non-GAAP measure for the periods ended June 30, 2015 and 2014 is as follows:

	June 30, 2015	June 30, 2014
	(Dollar amounts in thousands)	
	As Restated (a)	As Restated (a)
Total equity	$4,245,763	$3,176,644
Deduct: Goodwill and intangibles	110,898	127,693
Tangible common equity	$4,134,865	$3,048,951
Total assets	$36,079,510	$29,911,434
Deduct: Goodwill and intangibles	110,898	127,693
Tangible assets	$35,968,612	$29,783,741
Equity to assets ratio	11.8 %	10.6 %
Tangible common equity to tangible assets	11.5 %	10.2 %

(a) Certain previously reported amounts have been restated to correct for various financial statement errors. See Footnote 2 to the condensed consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q/A.

(11) “Common stock dividend payout ratio” is defined as the ratio of Dividends declared per share of common stock to Earnings per share

(12) “Allowance ratio” is defined as the ratio of Allowance for credit losses to End of period assets covered by allowance for credit losses*

*Ratio excludes receivables held for sale

Results of Operations

The following table presents our results of operations for the three and six months ended June 30, 2015 and 2014:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2015	2014	2015	2014
	(Dollar amounts in thousands)			
	As Restated (a)	As Restated (a)	As Restated (a)	As Restated (a)
Interest on finance receivables and loans	$1,283,651	$1,122,940	$2,476,672	$2,226,463
Leased vehicle income	243,857	148,148	475,473	257,617
Other finance and interest income	6,738	874	14,079	1,124
Total finance and other interest income	1,534,246	1,271,962	2,966,224	2,485,204
Interest expense	150,622	128,314	299,478	252,760
Leased vehicle expense	168,767	113,491	343,620	194,826
Net finance and other interest income	1,214,857	1,030,157	2,323,126	2,037,618
Provision for credit losses	579,379	541,135	1,211,226	1,107,708
Net finance and other interest income after provision for credit losses	635,478	489,022	1,111,900	929,910
Profit sharing	21,501	24,056	35,017	56,217
Net finance and other interest income after provision for credit losses and profit sharing	613,977	464,966	1,076,883	873,693
Total other income	214,700	141,884	364,894	276,345
Total operating expenses	255,508	212,711	503,340	532,832
Income before income taxes	573,169	394,139	938,437	617,206
Income tax expense	208,454	138,181	331,277	223,805
Net income	$364,715	$255,958	$607,160	$393,401
Net income	$364,715	$255,958	$607,160	$393,401
Change in unrealized gains (losses) on cash flow hedges, net of tax	3,564	(3,364)	(9,279)	(1,276)
Comprehensive income	$368,279	$252,594	$597,881	$392,125

(a) Certain previously reported amounts have been restated to correct for various financial statement errors. See Footnote 2 to the condensed consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q/A.

Three and Six Months Ended June 30, 2015 Compared to Three and Six Months Ended June 30, 2014 (As Restated)

Interest on Finance Receivables and Loans

	Three Months Ended June 30,		Increase (Decrease)		Six Months Ended June 30,		Increase (Decrease)	
	2015	2014	Amount	Percent	2015	2014	Amount	Percent
	(Dollar amounts in thousands)							
Income from individually acquired retail installment contracts	$1,149,507	$985,201	$164,306	17 %	$2,201,056	$1,936,572	$264,484	14 %
Income from purchased receivables portfolios	21,474	52,395	(30,921)	(59)%	49,680	121,209	(71,529)	(59)%
Income from receivables from dealers	1,158	1,276	(118)	(9)%	2,468	2,606	(138)	(5)%
Income from personal loans	111,512	84,068	27,444	33 %	223,468	166,076	57,392	35 %
Total interest on finance receivables and loans	$1,283,651	$1,122,940	$160,711	14 %	$2,476,672	$2,226,463	$250,209	11 %

Income from individually acquired retail installment contracts increased $164 million, or 17%, from the second quarter of 2014 to the second quarter of 2015, and increased $264 million, or 14%, from the six months ended June 30, 2014 to the six months ended June 30, 2015, consistent with the growth in the average outstanding balance of our portfolio of these contracts of $3,293 million from June 30, 2014 to June 30, 2015. Additionally, originations during the three and six months ended June 30, 2015 carried an average APR of 17.2% and 17.6%, respectively, compared to an average APR of 15.0% and 15.6% for the same periods in 2014.

Income from purchased receivables portfolios decreased $31 million, or 59%, from the second quarter of 2014 to the second quarter of 2015, and decreased $72 million, or 59%, from the six months ended June 30, 2014 to the six months ended June 30, 2015 due to the continued runoff of the portfolios, as we have made no portfolio acquisitions since 2012. The average balance of the portfolios decreased from $1.4 billion in the second quarter of 2014, to $0.6 billion in the second quarter of 2015.

Income from personal loans increased $27 million, or 33%, from the second quarter of 2014 to the second quarter of 2015, and increased $57 million, or 35%, from the six months ended June 30, 2014 to the six months ended June 30, 2015, less than the growth in the average outstanding portfolio of 71% due to the increasing mix of installment loans, which are of a higher average credit quality and bear a lower average interest rate than our revolving loans.

Leased Vehicle Income and Expense

	Three Months Ended June 30,		Increase (Decrease)		Six Months Ended June 30,		Increase (Decrease)	
	2015	2014	Amount	Percent	2015	2014	Amount	Percent
	(Dollar amounts in thousands)							
Leased vehicle income	$243,857	$148,148	$95,709	65 %	$475,473	$257,617	$217,856	85 %
Leased vehicle expense	168,767	113,491	55,276	49 %	343,620	194,826	148,794	76 %
Leased vehicle income, net	$75,090	$34,657	$40,433	117 %	$131,853	$62,791	$69,062	110 %

Leased vehicle income and expense increased significantly from prior year due to the continual growth in the portfolio since we launched Chrysler Capital in 2013. Total lease originations during the three months ended June 30, 2015 were 60% higher than in the same quarter in 2014, and 26% higher than for the three months ended March 31, 2015. In addition to seasonal factors, lease originations in the second quarter were higher than the first quarter due to the termination of the SBNA forward flow program on May 9, 2015, under which SCUSA had been providing SBNA the first right to review and approve consumer vehicle lease applications. Following the termination of this flow

agreement, we reacquired first rights to additional Chrysler Capital lease originations that would have otherwise been presented to SBNA.

Interest Expense

	Three Months Ended				Six Months Ended			
	June 30,		Increase (Decrease)		June 30,		Increase (Decrease)	
	2015	2014	Amount	Percent	2015	2014	Amount	Percent
	(Dollar amounts in thousands)							
Interest expense on notes payable	$137,931	$114,914	$23,017	20 %	$266,157	$230,517	$35,640	15 %
Interest expense on derivatives	12,691	13,400	(709)	(5)%	33,321	22,243	11,078	50 %
Total interest expense	$150,622	$128,314	$22,308	17 %	$299,478	$252,760	$46,718	18 %

Interest expense on notes payable increased $23 million, or 20%, from the second quarter of 2014 to the second quarter of 2015, and increased $36 million, or 15%, from the six months ended June 30, 2014 to the six months ended June 30, 2015 consistent with the growth in average debt outstanding, which has increased 17.0% since June 30, 2014.

Interest expense on derivatives decreased $1 million, or 5%, from the second quarter of 2014 to the second quarter of 2015, and increased $11 million, or 50%, from the six months ended June 30, 2014 to the six months ended June 30, 2015 primarily due to an increase in the outstanding notional amounts on our derivatives and more unfavorable mark-to-market adjustments impacted by interest rate changes during three and six month periods in 2015 compared to the same periods in 2014. The three months ended June 30, 2015 also benefited from the expiry of the total return swap in May 2015.

Provision for Credit Losses

	Three Months Ended				Six Months Ended			
	June 30,		Increase (Decrease)		June 30,		Increase (Decrease)	
	2015	2014	Amount	Percent	2015	2014	Amount	Percent
	(Dollar amounts in thousands)							
Provision for credit losses on individually acquired retail installment contracts	$454,467	$446,299	$8,168	2 %	$987,481	$958,128	$29,353	3 %
Increase (decrease) in impairment related to purchased receivables portfolios	(4,270)	(8,190)	3,920	(48)%	(9,372)	(15,520)	6,148	(40)%
Provision for credit losses on receivables from dealers	(162)	(112)	(50)	45 %	294	(167)	461	(276)%
Provision for credit losses on personal loans	121,118	103,138	17,980	17 %	218,821	165,267	53,554	32 %
Provision for credit losses on capital leases	8,226	—	8,226	—	14,002	—	14,002	—
Provision for credit losses	$579,379	$541,135	$38,244	7 %	$1,211,226	$1,107,708	$103,518	9 %

Change in incremental increase (decrease) in impairment related to purchased receivables portfolios resulted from the release of impairment on purchased receivables in 2014 and 2015 as performance continued to improve.

Provision for credit losses on personal loans increased $18 million, or 17%, from the second quarter of 2014 to the second quarter of 2015, and increased $54 million, or 32%, from the six months ended June 30, 2014 to the six months ended June 30, 2015 primarily due to the 64% growth in the average unpaid principal balance of the portfolio and due to periodic credit reassessments performed which indicated a higher percentage of loans in the <560 FICO® band group.

We began recording provision for credit losses on capital leases subsequent to the second quarter of 2014 as we established a portfolio of leases classified as capital leases and began recording provision on these assets.

Profit Sharing

	Three Months Ended June 30,		Increase (Decrease)		Six Months Ended June 30,		Increase (Decrease)	
	2015	2014	Amount	Percent	2015	2014	Amount	Percent
	(Dollar amounts in thousands)							
Profit sharing	$21,501	$24,056	$(2,555)	(11)%	$35,017	$56,217	$(21,200)	(38)%

Profit sharing consists of revenue sharing related to the Chrysler Agreement and profit sharing on personal loans originated pursuant to our agreements with Bluestem. Profit sharing decreased moderately in the three and six months ended June 30,

2015 compared to the same periods in 2014, as the Bluestem portfolio became more seasoned reflecting increased delinquencies, and charge-offs were recognized, resulting in a decrease in the amount of payments due to Bluestem. This was partially offset by an increase in revenue sharing due to Chrysler as originations and third party sales increased.

Other Income

	Three Months Ended June 30,		Increase (Decrease)		Six Months Ended June 30,		Increase (Decrease)	
	2015	2014	Amount	Percent	2015	2014	Amount	Percent
	(Dollar amounts in thousands)							
Investment gains, net	$89,721	$21,564	$68,157	316 %	$111,314	$56,316	$54,998	98 %
Servicing fee income	28,043	22,099	5,944	27 %	52,846	32,504	20,342	63 %
Fees, commissions, and other	96,936	98,221	(1,285)	(1)%	200,734	187,525	13,209	7 %
Total other income	$214,700	$141,884	$72,816	51 %	$364,894	$276,345	$88,549	32 %
Average serviced for others portfolio	$12,343,417	$7,088,760	$5,254,657	74 %	$11,576,230	$6,058,031	$5,518,199	91 %

Investment gains increased in the three and six months ended June 30, 2015 as compared to the same periods of 2014, primarily due to the off-balance sheet securitization of loans originated under the Chrysler Agreement that occurred in April 2015. In addition to sales under our various flow agreements, we also executed two bulk lease sales to a third party during the three and six months ended June 30, 2015, whereas there were no such lease sales in 2014. One of these bulk lease sales was executed during the three months ended June 30, 2015 and resulted in a gain of approximately $13.0 million.

We record servicing fee income on loans that we service but do not own and do not report on our balance sheet. Servicing fee income increased $6 million, or 27%, from the second quarter of 2014 to the second quarter of 2015, and increased $20 million, or 63%, from the six months ended June 30, 2014 to the six months ended June 30, 2015 as we continued to grow our serviced portfolio through asset sales. Our serviced for others portfolio as of June 30, 2015 and 2014 was as follows:

	June 30, 2015	2014
	(Dollar amounts in thousands)	
SBNA dealer loans	$—	$764,869
SBNA retail installment contracts	788,509	1,017,002
SBNA leases	2,438,294	1,077,111
Total serviced for related parties	3,226,803	2,858,982
Chrysler Capital securitizations	2,429,141	1,528,072
Other third parties	7,464,827	3,590,277
Total serviced for third-parties	9,893,968	5,118,349
Total serviced for others portfolio	$13,120,771	$7,977,331

Fees, commissions, and other decreased $1 million, or 1%, from the second quarter of 2014 to the second quarter of 2015, and increased $13 million, or 7%, from the six months ended June 30, 2014 to the six months ended June 30, 2015 primarily due to additional fee income as our revolving personal loan portfolio grew. The increase in fees and commissions attributable to growth in the organic and personal loan portfolio were offset by the run-off of the purchased loan portfolio, where fees and commissions for the three and six months ended 2015 were $7.5 million and $9.7 million lower than the same periods in 2014. Additionally, we recorded $6.7 million in deficiency income from the sale of charged-off assets in the first six months of 2015.

Total Operating Expenses

	Three Months Ended				Six Months Ended			
	June 30,		Increase (Decrease)		June 30,		Increase (Decrease)	
	2015	2014	Amount	Percent	2015	2014	Amount	Percent
	(Dollar amounts in thousands)							
Compensation expense	$110,973	$93,689	$17,284	18 %	$211,513	$295,604	$(84,091)	(28)%
Repossession expense	55,470	45,648	9,822	22 %	114,296	94,079	20,217	21 %
Other operating costs	89,065	73,374	15,691	21 %	177,531	143,149	34,382	24 %
Total operating expenses	$255,508	$212,711	$42,797	20 %	$503,340	$532,832	$(29,492)	(6)%

Total operating expenses increased $43 million, or 20%, from the second quarter of 2014 to the second quarter of 2015, and decreased $29 million, or 6%, from the six months ended June 30, 2014 to the six months ended June 30, 2015 impacted most notably by salary and benefits expense.

For the second quarter of 2015, salary and benefits expenses increased by $17 million, or 18%, which was primarily attributable to an increase in average headcount of 13% compared to June 30, 2014. For the six months ended June 30, 2014 salary and benefits expense decreased $84 million, or 28%, primarily due to the non-recurrence of $120 million in stock compensation and other IPO-related expenses recorded upon and in connection with our IPO in January 2014, partly offset by increased headcount and repossession expense as a result of portfolio growth. After adjusting for the IPO-related expenses in 2014, our expense ratio decreased from 2.3% in the first six months of 2014 to 2.2% in the first six months of 2015.

Income Tax Expense

	Three Months Ended June 30,		Increase (Decrease)		Six Months Ended June 30,		Increase (Decrease)	
	2015	2014	Amount	Percent	2015	2014	Amount	Percent
	(Dollar amounts in thousands)							
Income tax expense	$208,454	$138,181	$70,273	51 %	$331,277	$223,805	$107,472	48 %
Income before income taxes	573,169	394,139	179,030	45 %	938,437	617,206	321,231	52 %
Effective tax rate	36.4 %	35.1 %			35.3 %	36.3 %		

Our effective tax rate increased from 35.1% in the second quarter of 2014 to 36.4% in the second quarter of 2015 and decreased from 36.3% in the six months ended June 30, 2014 to 35.3% in the six months ended June 30, 2015 primarily due to state rate changes due to our geographic earnings mix, and laws guiding state apportionment.

Other Comprehensive Income (Loss)

	Three Months Ended June 30,		Increase (Decrease)		Six Months Ended June 30,		Increase (Decrease)	
	2015	2014	Amount	Percent	2015	2014	Amount	Percent
	(Dollar amounts in thousands)							
Change in unrealized gains (losses) on cash flow hedges, net of tax	$3,564	$(3,364)	$6,928	(206)%	$(9,279)	$(1,276)	$(8,003)	627 %

The change in unrealized gains (losses) on cash flow hedges for the three and six months ended June 30, 2015 as compared to the three and six months ended June 30, 2014 was primarily driven by unfavorable interest rate movements in the first six months of 2015 as compared to favorable interest rate movements in the first six months of 2014.

Credit Quality

Finance Receivables

Nonprime loans comprise 83% of our portfolio as of June 30, 2015. We record an allowance for credit losses to cover our estimate of inherent losses on our individually acquired retail installment contracts and other loans and receivables.

	June 30, 2015		
	Retail Installment Contracts Acquired Individually	Receivables from Dealers Held for Investment	Personal Loans
	(Dollar amounts in thousands)		
	As Restated (a)		
Unpaid principal balance	$26,027,676	$91,612	$2,261,726
Credit loss allowance	(2,927,624)	(968)	(384,735)
Discount	(796,658)	—	(2,012)
Capitalized origination costs and fees	58,544	—	1,488
Net carrying balance	$22,361,938	$90,644	$1,876,467
Allowance as a percentage of unpaid principal balance	11.2 %	1.1 %	17.0 %
Allowance and discount as a percentage of unpaid principal balance	14.3 %	1.1 %	17.1 %

(a) Certain previously reported amounts have been restated to correct for various financial statement errors. See Footnote 2 to the condensed consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q/A.

	December 31, 2014		
	Retail Installment Contracts Acquired Individually	Receivables from Dealers Held for Investment	Personal Loans
	(Dollar amounts in thousands)		
	As Restated (a)		
Unpaid principal balance	$24,555,106	$100,164	$2,128,769
Credit loss allowance	(2,586,685)	(674)	(348,660)
Discount	(749,921)	—	(1,356)
Capitalized origination costs and fees	52,964	—	1,024
Net carrying balance	$21,271,464	$99,490	$1,779,777
Allowance as a percentage of unpaid principal balance	10.5 %	0.7 %	16.4 %
Allowance and discount as a percentage of unpaid principal balance	13.6 %	0.7 %	16.4 %

(a) Certain previously reported amounts have been restated to correct for various financial statement errors. See Footnote 2 to the condensed consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q/A.

For retail installment contracts we acquired in pools subsequent to their origination, we anticipate the expected credit losses at purchase and record income thereafter based on the expected effective yield, recording impairment if

performance is worse than expected at purchase. The balances of these purchased receivables portfolios were as follows at June 30, 2015 and December 31, 2014:

	June 30, 2015	December 31, 2014
	(Dollar amounts in thousands)	
	As Restated (a)	As Restated (a)
Outstanding balance	$517,451	$ 853,219
Outstanding recorded investment, net of impairment	$361,360	$ 679,079

(a) Certain previously reported amounts have been restated to correct for various financial statement errors. See Footnote 2 to the condensed consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q/A.

Delinquency

An account is considered delinquent if a substantial portion of a scheduled payment has not been received by the date such payment was contractually due. Delinquencies may vary from period to period based upon the average age or seasoning of the portfolio, seasonality within the calendar year, and economic factors. Historically, our delinquencies have been highest in the period from November through January due to consumers' holiday spending.
The following is a summary of delinquencies as of June 30, 2015 and December 31, 2014:

	June 30, 2015				December 31, 2014			
	Retail Installment Contracts Held for Investment (a)		Personal Loans		Retail Installment Contracts Held for Investment (a)		Personal Loans	
	Dollars (in thousands)	Percent (b)	Dollars (in thousands)	Percent (b)	Dollars (in thousands)	Percent (b)	Dollars (in thousands)	Percent (b)
Principal 31-60 days past due	$2,066,015	7.8 %	$57,285	2.5 %	$2,450,837	9.6 %	$52,452	2.5 %
Delinquent principal over 60 days	899,076	3.4 %	153,485	6.8 %	1,103,053	4.3 %	138,400	6.5 %
Total delinquent contracts	$2,965,091	11.2 %	$210,770	9.3 %	$3,553,890	14.0 %	$190,852	9.0 %

(a) Includes retail installment contracts acquired individually and purchased receivables portfolios.
(b) Percent of unpaid principal balance.
All of our receivables from dealers and all of our retail installment contracts held for sale were current as of June 30, 2015 and December 31, 2014. Delinquencies on the capital lease receivables portfolio, which commenced originations in 2014, were immaterial as of June 30, 2015 and December 31, 2014.
Credit Loss Experience
The following is a summary of our net losses and repossession activity on our finance receivables for the six months ended June 30, 2015 and 2014.

	Six Months Ended June 30,			
	2015		2014	
	Retail Installment Contracts - Held for Investment	Personal Loans	Retail Installment Contracts - Held for Investment	Personal Loans
	(Dollar amounts in thousands)			
	As Restated (a)		As Restated (a)	
Principal outstanding at period end	$26,540,938	$2,261,726	$24,948,696	$1,448,709
Average principal outstanding during the period	$25,928,493	2,162,490	$24,546,271	$1,267,853
Number of receivables outstanding at period end	1,640,965	1,952,465	1,448,472	1,694,161
Average number of receivables outstanding during the period	1,655,153	1,943,655	1,608,875	1,657,908
Number of repossessions (1)	119,690	n/a	106,375	n/a
Number of repossessions as a percent of average number of receivables outstanding (2)	14.5 %	n/a	13.2 %	n/a
Net losses	$611,759	$182,746	$621,853	$98,737
Net losses as a percent of average principal amount outstanding (2)	4.7 %	16.9 %	5.1 %	15.6 %

(a) Certain previously reported amounts have been restated to correct for various financial statement errors. See Footnote 2 to the condensed consolidated financial statements included in Part I, Item 1 of this Quarterly Report on

Form 10-Q/A.

(1) Repossessions are net of redemptions. The number of repossessions includes repossessions from the outstanding portfolio and from accounts already charged off.

(2) Annualized; not necessarily indicative of a full year's actual results.

We have had no charge-offs on our receivables from dealers and no material net charge-offs on our capital lease receivables.

Deferrals and Troubled Debt Restructurings

In accordance with our policies and guidelines, we, at times, offer extensions to consumers on our retail installment contracts, whereby the consumer is allowed to move a maximum of three payments per event to the end of the loan. Our policies and

guidelines limit the number and frequency of events that may be granted to one every six months and a maximum of eight extensions during the life of a loan. Additionally, we generally limit the granting of deferrals on new accounts until a requisite number of payments has been received. During the deferral period, we continue to accrue and collect interest on the loan in accordance with the terms of the deferral agreement.

At the time a deferral is granted, all delinquent amounts may be deferred or paid, resulting in the classification of the loan as current and therefore not considered a delinquent account. Thereafter, such account is aged based on the timely payment of future installments in the same manner as any other account.

The following is a summary of deferrals on our retail installment contracts held for investment as of the dates indicated:

	June 30, 2015		December 31, 2014	
	(Dollar amounts in thousands)			
Never deferred	$19,696,907	74.2%	$18,354,203	72.2%
Deferred once	3,431,257	12.9%	3,623,858	14.3%
Deferred twice	1,752,016	6.6 %	1,809,119	7.1 %
Deferred 3 - 4 times	1,600,828	6.0 %	1,540,713	6.1 %
Deferred greater than 4 times	59,930	0.2 %	73,568	0.3 %
Total	$26,540,938		$25,401,461	

We evaluate the results of our deferral strategies based upon the amount of cash installments that are collected on accounts after they have been deferred versus the extent to which the collateral underlying the deferred accounts has depreciated over the same period of time. Based on this evaluation, we believe that payment deferrals granted according to our policies and guidelines are an effective portfolio management technique and result in higher ultimate cash collections from the portfolio.

Changes in deferral levels do not have a direct impact on the ultimate amount of consumer finance receivables charged off by us. However, the timing of a charge-off may be affected if the previously deferred account ultimately results in a charge-off. To the extent that deferrals impact the ultimate timing of when an account is charged off, historical charge-off ratios, loss confirmation periods, and cash flow forecasts for loans classified as TDRs used in the determination of the adequacy of our allowance for credit losses are also impacted. Increased use of deferrals may result in a lengthening of the loss confirmation period, which would increase expectations of credit losses inherent in the portfolio and therefore increase the allowance for credit losses and related provision for credit losses. Changes in these ratios and periods are considered in determining the appropriate level of allowance for credit losses and related provision for credit losses.

We also may grant a modification involving a temporary reduction of monthly payment. Similar to deferrals, we believe these modifications are an effective portfolio management technique. If a customer's financial difficulty is not temporary, we may agree, or be required by a bankruptcy court, to grant a modification involving one or a combination of the following: a reduction in interest rate, a reduction in loan principal balance, or an extension of the maturity date. The servicer of our revolving personal loans also may grant concessions on such loans in the form of principal or interest rate reductions or payment plans. The following is a summary of the principal balance as of June 30, 2015 and December 31, 2014 of loans that have received these modifications and concessions:

	June 30, 2015		December 31, 2014	
	Retail Installment Contracts	Personal Loans	Retail Installment Contracts	Personal Loans
	(Dollar amounts in thousands)			
Temporary reduction of monthly payment	$1,563,024	$—	$1,372,876	$—
Bankruptcy-related accounts	110,800	—	125,978	—
Extension of maturity date	70,140	—	99,758	—
Interest rate reduction	85,725	18,286	118,074	17,347

Other	54,253	—	44,825	—
Total modified loans	$1,883,942	$18,286	$1,761,511	$17,347

A summary of our recorded investment in TDRs as of the dates indicated is as follows:

	June 30, 2015		December 31, 2014	
	Retail Installment Contracts	Personal Loans	Retail Installment Contracts	Personal Loans
	(Dollar amounts in thousands)			
	As Restated (a)		As Restated (a)	
Outstanding recorded investment	$4,439,192	$18,286	$4,044,070	$17,356
Impairment	(1,392,917)	(7,315)	(1,172,149)	(6,939)
Outstanding recorded investment, net of impairment	$3,046,275	$10,971	$2,871,921	$10,417

(a) Certain previously reported amounts have been restated to correct for various financial statement errors. See Footnote 2 to the condensed consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q/A.

A summary of the principal balance on our delinquent TDRs as of the dates indicated is as follows:

	June 30, 2015		December 31, 2014	
	Retail Installment Contracts	Personal Loans	Retail Installment Contracts	Personal Loans
	(Dollar amounts in thousands)			
Principal 31-60 days past due	$832,189	$ 1,608	$912,555	$ 1,595
Delinquent principal over 60 days	408,436	4,515	468,272	5,131
Total delinquent TDRs	$1,240,625	$ 6,123	$1,380,827	$ 6,726

As of June 30, 2015 and December 31, 2014, we did not have any dealer loans classified as TDRs and had not granted deferrals or modifications on any of these loans.

Liquidity Management, Funding and Capital Resources

We require a significant amount of liquidity to originate and acquire loans and leases and to service debt. We fund our operations through our lending relationships with fourteen third-party banks and Santander, as well as through securitization in the ABS market and large flow agreements. We seek to issue debt that appropriately matches the cash flows of the assets that we originate. We have over $4.2 billion of stockholders' equity that supports our access to the securitization markets, credit facilities, and flow agreements.

During the six months ended June 30, 2015, we completed on-balance sheet funding transactions totaling approximately $8 billion, including:

- three securitizations on our SDART platform for $3.4 billion;
- a series of seven subordinate bond transactions on our SDART platform totaling $262 million to fund residual interests from existing securitizations;
- two securitizations on our relaunched DRIVE, deeper subprime platform, for $1.7 billion;
- top-ups of three private amortizing facilities totaling $1.1 billion; and
- three private amortizing lease facilities totaling $1.5 billion

We also completed $4.3 billion in asset sales, including $1.3 billion in third-party lease sales and $1.9 billion in recurring monthly sales with our third party flow partners, in addition to executing several sales of charged off assets totaling $104 million in proceeds.

As of June 30, 2015, our debt consisted of the following:

Third party revolving credit facilities	$6,012,337
Related party revolving credit facilities	4,260,000
Total revolving credit facilities	10,272,337
Public securitizations	13,557,944
Privately issued amortizing notes	6,782,421
Total secured structured financings	20,340,365
Total debt	$30,612,702

Credit Facilities

Third-party Revolving Credit Facilities

Warehouse Lines

We use warehouse lines to fund our originations. Each line specifies the required collateral characteristics, collateral concentrations, credit enhancement, and advance rates. Our warehouse lines generally are backed by auto retail installment contracts and, in some cases, leases or personal loans. These credit lines generally have one- or two-year commitments, staggered maturities and floating interest rates. We maintain daily funding forecasts for originations, acquisitions, and other large outflows such as tax payments in order to balance the desire to minimize funding costs with our liquidity needs.

Our warehouse lines generally have net spread, delinquency, and net loss ratio limits. Generally, these limits are calculated based on the portfolio collateralizing the respective line; however, for two of our warehouse lines, delinquency and net loss ratios are calculated with respect to our serviced portfolio as a whole. Failure to meet any of these covenants could trigger increased overcollateralization requirements or, in the case of limits calculated with respect to the specific portfolio underlying certain credit lines, result in an event of default under these agreements. If an event of default occurs under one of these agreements, the lenders could elect to declare all amounts outstanding under the impacted agreement to be immediately due and payable, enforce their interests against collateral pledged under the agreement, restrict our ability to obtain additional borrowings under the agreement, and/or remove us as servicer. We have never had a warehouse line terminated due to failure to comply with any ratio or a failure to meet any covenant. A default under one of these agreements can be enforced only with respect to the impacted warehouse line.

We have a credit facility with eight banks providing an aggregate commitment of $4.2 billion for the exclusive use of providing short-term liquidity needs to support Chrysler retail financing. The facility can be used for both loan and lease financing. The facility requires reduced advance rates in the event of delinquency, credit loss, or residual loss ratios exceeding specified thresholds.

Repurchase Facility

We also obtain financing through an investment management agreement whereby we pledge retained subordinate bonds on our own securitizations as collateral for repurchase agreements with various borrowers and at renewable terms ranging from 30 to 90 days.

Lines of Credit with Santander and Related Subsidiaries

Santander historically has provided, and continues to provide, our business with significant funding support in the form of committed credit facilities. Through its New York branch, Santander provides us with $4.5 billion of long-term committed revolving credit facilities. SHUSA provides us with an additional $300 million of committed revolving credit, collateralized by residuals retained on our own securitizations.

The facilities offered through the New York branch are structured as three- and five-year floating rate facilities, with current maturity dates of December 31, 2016 and 2018. Santander has the option to allow us to continue to renew the term of these facilities annually going forward, thereby maintaining the three and five year maturities. These facilities currently permit unsecured borrowing but generally are collateralized by retail installment contracts as well as securitization notes payables and residuals by the Company. Any secured balances outstanding under the facilities at the time of their maturity will amortize to match the maturities and expected cash flows of the corresponding collateral.

There was an average outstanding balance of $3.8 billion and $3.7 billion under the facilities offered through the New York branch during the six months ended June 30, 2015 and 2014, respectively. The maximum outstanding balance during each period was $4.4 billion and $4.3 billion, respectively. There was an average outstanding balance of $300 million under the SHUSA credit facility during the six months ended June 30, 2015, and $192 million from the line's inception on March 6, 2014 through June 30, 2014; the maximum outstanding balance during each of those periods was $300 million.

Santander affiliates also serve as the counterparty for many of our derivative financial instruments.

Secured Structured Financings

Our secured structured financings primarily consist of public, SEC-registered securitizations. We also execute private securitizations under Rule 144A of the Securities Act and privately issue amortizing notes.

We obtain long-term funding for our receivables through securitization in the ABS market. ABS provides an attractive source of funding due to the cost efficiency of the market, a large and deep investor base, and tenors that appropriately match the cash flows of the debt to the cash flows of the underlying assets. The term structure of a securitization generally locks in fixed rate funding for the life of the underlying fixed rate assets, and the matching amortization of the assets and liabilities provides committed funding for the collateralized loans throughout their terms. In certain cases, we may choose to issue floating rate securities based on market conditions; in such cases, we generally execute hedging arrangements outside of the Trust to lock in our cost of funds. Because of prevailing market rates, we did not issue ABS transactions in 2008 and 2009, but we began issuing ABS again in 2010. We have been the largest issuer of retail auto ABS since 2011, and have issued a total of over $43 billion in retail auto ABS since 2010.

We execute each securitization transaction by selling receivables to securitization trusts (“Trusts”) that issue ABS to investors. In order to attain specified credit ratings for each class of bonds, these securitization transactions have credit enhancement requirements in the form of subordination, restricted cash accounts, excess cash flow, and overcollateralization, whereby more receivables are transferred to the Trusts than the amount of ABS issued by the Trusts.

Excess cash flows result from the difference between the finance and interest income received from the obligors on the receivables and the interest paid to the ABS investors, net of credit losses and expenses. Initially, excess cash flows generated by the Trusts are used to pay down outstanding debt in the Trusts, increasing overcollateralization until the targeted percentage level of assets has been reached. Once the targeted percentage level of overcollateralization is reached and maintained, excess cash flows generated by the Trusts are released to us as distributions from the Trusts. We also receive monthly servicing fees as servicer for the Trusts. Our securitizations may require an increase in credit enhancement levels if Cumulative Net Losses, as defined in the documents underlying each ABS transaction, exceed a specified percentage of the pool balance. None of our securitizations have Cumulative Net Loss percentages above their respective limits.

Our on-balance sheet securitization transactions utilize bankruptcy-remote special purpose entities, which are considered variable interest entities, that meet the requirements to be consolidated in our financial statements. Following a securitization, the finance receivables and the notes payable related to the securitized retail installment contracts remain on the condensed consolidated balance sheets. We recognize finance and interest income as well as fee income on the collateralized retail installment contracts and interest expense on the ABS issued. We also record a provision for credit losses to cover our estimate of inherent credit losses on the retail installment contracts. While these Trusts are consolidated in our financial statements, these Trusts are separate legal entities; thus, the finance receivables and other assets sold to these Trusts are legally owned by these Trusts, are available only to satisfy the notes payable related to the securitized retail installment contracts, and are not available to our creditors or our other subsidiaries.

We have completed six securitizations year-to-date in 2015, in addition to executing seven subordinate bond transactions to obtain additional liquidity from residual interests in existing securitizations. We currently have 32 securitizations outstanding in the market with a cumulative ABS balance of approximately $17 billion. Our securitizations generally have several classes of notes, with principal paid sequentially based on seniority and any excess spread distributed to the residual holder. We generally retain the lowest bond class and the residual, except in the case of off-balance sheet securitizations, which are described further below. We use the proceeds from

securitization transactions to repay borrowings outstanding under our credit facilities, originate and acquire loans and leases, and for general corporate purposes. We generally exercise clean-up call options on our securitizations when the collateral pool balance reaches 10% of its original balance.

We also periodically privately issue amortizing notes, in transactions that are structured similarly to our public and Rule 144A securitizations but are issued to banks and conduits. The Company's securitizations and private issuances are collateralized by vehicle retail installment contracts, loans and vehicle leases.

Flow Agreements

In addition to our credit facilities and secured structured financings, we have flow agreements in place with Bank of America and CBP for Chrysler Capital retail installment contracts, with another third party for charged off assets, and with SBNA for Chrysler Capital dealer loans.

In order to manage our balance sheet and provide funding for our originations, we have entered into flow agreements under which we will sell, or otherwise source to third parties, loans and leases on a periodic basis. These loans and leases are not on our balance sheet but provide a stable stream of servicing fee income and may also provide a gain or loss on sale. We continue to actively seek additional such flow agreements.

Off-Balance Sheet Financing

We periodically execute Chrysler Capital-branded securitizations under Rule 144A of the Securities Act. Because all of the notes and residual interests in these securitizations are issued to third parties, we record these transactions as true sales of the retail installment contracts securitized, and remove the sold assets from our condensed consolidated balance sheets. We executed our first off-balance sheet securitization of 2015 on April 15, selling $769 million of gross retail installment contracts.

During the six months ended June 30, 2015, we executed our first two bulk sales of leases to a third party. Due to the accelerated depreciation permitted for tax purposes, these two sales generated large taxable gains that we have deferred through a qualified like-kind exchange program. In order to qualify for this deferral, we are required to maintain the sale proceeds in escrow until reinvested in new lease originations. Because the sale proceeds also were needed to pay down the third party credit facilities on which we had financed the leases prior to their sale, we have increased our borrowings on our related party credit facilities temporarily until the sale proceeds are fully reinvested over the 180 days following each sale.

Cash Flow Comparison

We have produced positive net cash from operating activities every year since 2003. Our investing activities primarily consist of originations and acquisitions of finance receivables and leased vehicles. Our financing activities primarily consist of borrowing and repayments of debt.

	Six Months Ended June 30,	
	2015	2014
	(Dollar amounts in thousands)	
	As Restated (a)	As Restated (a)
Net cash provided by operating activities	$1,839,321	$1,911,318
Net cash used in investing activities	$(4,720,351)	$(4,672,426)
Net cash provided by financing activities	$2,876,759	$2,810,757

(a) Certain previously reported amounts have been restated to correct for various financial statement errors. See Footnote 2 to the condensed consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q/A.

Cash Provided by Operating Activities

Net cash provided by operating activities decreased $72 million from the six months ended June 30, 2014 to the six months ended June 30, 2015, primarily driven by $682 million in lower proceeds from sales and repayments of receivables held for sale, partially offset by $214 million in higher profits and $253 million in higher non-cash net expenses.

Cash Used in Investing Activities

Net cash used in investing activities increased $48 million from the six months ended June 30, 2014 to the six months ended June 30, 2015, primarily due to an additional $1.5 billion in cash outflows for originations and a $721 million increase in restricted cash, which was largely offset by a $1.1 billion increase in proceeds from lease sales of leased vehicles, as we executed our first bulk lease sales to a third party in 2015, and a $1.1 billion increase in proceeds from

sales and repayment of receivables held for investment.

Cash Provided by Financing Activities

Net cash provided by financing activities, which effectively represents a net increase in debt, increased $66 million from the six months ended June 30, 2014 to the six months ended June 30, 2015, primarily due to a $77 million increase in proceeds from stock option exercises. In addition, we did not pay any dividends during the first six months of 2015, but paid $52 million during the first six months of 2014. These positive year-over-year variances are partly offset by $63 million lower net proceeds from advances on notes payable.

Contingencies and Off-Balance Sheet Arrangements

For information regarding the Company's contingencies and off-balance sheet arrangements, refer to Note 11 - Commitments and Contingencies in the accompanying condensed consolidated financial statements.

Contractual Obligations

We lease our headquarters in Dallas, Texas, our servicing centers in Texas and Colorado, and an operations facility in California under non-cancelable operating leases that expire at various dates through 2026. There have been no material modifications to our contractual obligations since December 31, 2014. For additional information on our contractual obligations, refer to our 2014 Annual Report.

Risk Management Framework

Our risk management framework is overseen by our board of directors, our BERC, our management risk committees, our executive management team, an independent risk management function, an internal audit function and all of our associates. The BERC, along with our full board of directors, is responsible for establishing the governance over the risk management process, providing oversight in managing the aggregate risk position and reporting on the comprehensive portfolio of risk categories and the potential impact these risks can have on our risk profile. Our primary risks include, but are not limited to, credit risk, market risk, liquidity risk, operational risk and model risk. For more information regarding our risk management framework, please refer to the Risk Management Framework section of our 2014 Annual Report.

Credit Risk

The risk inherent in our loan and lease portfolios is driven by credit quality and is affected by borrower-specific and economy-wide factors such as changes in employment. We manage this risk through our underwriting and credit approval guidelines and servicing policies and practices, as well as geographic and manufacturer concentration limits. Our automated originations process reflects a disciplined approach to credit risk management. Our robust historical data on both organically originated and acquired loans provides us with the ability to perform advanced loss forecasting. Each applicant is automatically assigned a proprietary LFS using information such as FICO®, debt-to-income ratio, loan-to-value ratio, and over 30 other predictive factors, placing the applicant in one of 100 pricing tiers. The pricing in each tier is continuously monitored and adjusted to reflect market and risk trends. In addition to our automated process, we maintain a team of underwriters for manual review, consideration of exceptions, and review of deal structures with dealers. We generally tighten our underwriting requirements in times of greater economic uncertainty (including during the recent financial crisis) to compete in the market at loss and approval rates acceptable for meeting our required returns. We have also adjusted our underwriting standards to meet the requirements of our contracts such as the Chrysler agreement. In both cases, we have accomplished this by adjusting our risk-based pricing, the material components of which include interest rate, down payment, and loan-to-value.

We monitor early payment defaults and other potential indicators of dealer or customer fraud, and use the monitoring results to identify dealers who will be subject to more extensive stipulations when presenting customer applications, as well as dealers with whom we will not do business at all.

Market Risk

Interest Rate Risk

We measure and monitor interest rate risk on a monthly basis. We borrow money from a variety of market participants in order to provide loans and leases to our customers. Our gross interest rate spread, which is the different between the income we earn through the interest and finance charges on our finance receivables and lease contracts and the interest we pay on our funding, will be negatively affected if the expense incurred on our borrowings increases at a fast pace than the income generated by our assets.

Our Interest Rate Risk policy is designed to measure, monitor and manage the potential volatility in earnings stemming from changes in interest rates. We generate finance receivables which are predominantly fixed rate and borrow with a mix of fixed and variable rate funding. To the extent that our asset and liability re-pricing characteristics are not effectively matched, we may utilize interest rate derivatives, such as interest rate swap agreements, to manage to our desired outcome. As of June 30, 2015, the notional value of our interest rate hedges was $12.0 billion.

We monitor our interest rate exposure by conducting interest rate sensitivity analysis. For purposes of reflecting a possible impact to earnings, we measure the twelve-month net interest income impact of an instantaneous 100 basis point parallel shift in prevailing interest rates. As of June 30, 2015, the twelve-month impact of a 100 basis point parallel increase in the interest rate curve would decrease our net interest income by $51.1 million. In addition to the sensitivity analysis on net interest income, we also measure Market Value of Equity (MVE) to view our interest rate risk position. MVE measures the change in value of Balance Sheet instruments in response to an instantaneous 100 basis point parallel increase, including and beyond the net interest income twelve-month horizon. As of June 30, 2015, the impact of a 100 basis point parallel increase in the interest rate curve would decrease our MVE by $99.4 million.

Collateral Risk

Our lease portfolio presents an inherent risk that residual values recognized upon lease termination will be lower than those used to price the contracts at inception. Although we have elected not to purchase residual value insurance at the present time, our residual risk is somewhat mitigated by our residual risk-sharing agreement with Chrysler. We also utilize industry data, including the ALG benchmark for residual values, and employ a team of individuals experienced in forecasting residual values.

Similarly, lower used vehicle prices also reduce the amount we can recover when remarketing repossessed vehicles that serve as collateral underlying loans. We manage this risk through loan-to-value limits on originations, monitoring of new and used vehicle values using standard industry guides, and active, targeted management of the repossession process.

We do not currently have material exposure to currency fluctuations or inflation.

Liquidity Risk

We view liquidity as integral to other key elements such as capital adequacy, asset quality and profitability. Because our debt is nearly entirely serviced by collections on consumer receivables, our primary liquidity risk relates to the ability to fund originations. We have a robust liquidity policy in place to manage this risk. The liquidity policy establishes the following guidelines:

- that we maintain at least eight external credit providers (as of June 30, 2015, we had twelve);
- that we rely on Santander and affiliates for no more than 30% of our funding (as of June 30, 2015, Santander and affiliates provided 14% of our funding);
- that no single lender's commitment should comprise more than 33% of the overall committed external lines (as of June 30, 2015, the highest single lender's commitment was 21%);
- that no more than 35% of our debt mature in the next six months and no more than 65% of our debt mature in the next twelve months (as of June 30, 2015, 7% and 57%, respectively, of our debt is scheduled to mature in these timeframes); and
- that we maintain unused capacity of at least $6.0 billion, including flow agreements, in excess of our expected peak usage over the following twelve months (as of June 30, 2015, we had twelve-month rolling unused capacity of $8.4 billion).

Our liquidity policy also requires that our Asset and Liability Committee monitor many indicators, both market-wide and company-specific, to determine if action may be necessary to maintain our liquidity position. Our liquidity management tools include daily, monthly and twelve-month rolling cash requirements forecasts, monthly funding usage and availability reports, daily sources and uses reporting, structural liquidity risk exercises, and the establishment of liquidity contingency plans. We also perform quarterly stress tests in which we forecast the impact of various negative scenarios (alone and in combination), including reduced credit availability, higher funding costs, lower advance rates, lower customer interest rates, lower dealer discount rates, and higher credit losses.

We generally look for funding first from structured secured financings, second from third-party credit facilities, and last from Santander. We believe this strategy helps us avoid being overly reliant on Santander for funding. Additionally, we can reduce originations to significantly lower levels if necessary during times of limited liquidity.

We have established a qualified like-kind exchange program in order to defer tax liability on gains on sale of vehicle assets at lease termination. If we do not meet the safe harbor requirements of IRS Revenue Procedure 2003-39, we may be subject to large, unexpected tax liabilities, thereby generating immediate liquidity needs. We believe that our

compliance monitoring policies and procedures are adequate to enable us to remain in compliance with the program requirements.

Operational Risk

We are exposed to loss that occurs in the process of carrying out our business activities. These relate to failures arising from inadequate or failed processes, failures in our people or systems, or from external events. Our operational risk management program encompasses risk event reporting, analysis, and remediation; key risk indicator monitoring; and risk profile assessments. It also includes unit, system, regression, load, performance and user acceptance testing for our IT programs.

To mitigate operational risk in regards to servicing practices, we maintain an extensive compliance, internal control, and monitoring framework, which includes the gathering of corporate control performance threshold indicators, Sarbanes-Oxley testing, monthly quality control tests, ongoing monitoring of compliance with all applicable regulations, internal control documentation and review of processes, and internal audits. We also utilize internal and external legal counsel for expertise when needed. All associates upon hire and annually receive comprehensive mandatory regulatory compliance training. In addition, the Board receives annual regulatory and compliance training. We use industry-leading call mining and other software solutions that assist us in analyzing potential breaches of regulatory requirements and customer service. Our call mining software analyzes all customer service calls, converting speech to text and mining for specific words and phrases that may indicate inappropriate comments by a representative. The software also detects escalated voice volume, enabling a supervisor to intervene if necessary. This tool enables us to effectively manage and identify training opportunities for associates, as well as track and resolve customer complaints through a robust quality assurance program.

Model Risk

We mitigate model risk through a robust model validation process, which includes committee governance and a series of tests and controls. We utilize SHUSA's Model Risk Management group for all model validation to verify models are performing as expected and in line with their design objectives and business uses.

Other Information

Further information on risk factors can be found under Part II, Item 1A - “Risk Factors.”

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Incorporated by reference from Part I, Item 2 - “Management’s Discussion and Analysis of Financial Conditions and Results of Operations — Risk Management Framework” above.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer (CEO) and Chief Financial Officer (CFO), has evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a- 15(e) and 15d- 15(e) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”)), as of the end of the period covered by this Quarterly Report on Form 10-Q/A. Based on such evaluation, our CEO and CFO have concluded that as of June 30, 2015, we did not maintain effective disclosure controls and procedures because of the material weaknesses in internal control over financial reporting described below. Notwithstanding these material weaknesses, based on the additional analysis and other post-closing procedures performed, management believes that the financial statements included in this report fairly present in all material respects our financial position, results of operations, capital position, and cash flows for the periods presented, in conformity with generally accepted accounting principles (“GAAP”).

A material weakness (as defined in Rule 12b-2 under the Exchange Act) is a deficiency, or combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement in our annual or interim financial statements will not be prevented or detected on a timely basis. We have identified the following material weaknesses:

Control Environment, Risk Assessment, Control Activities and Monitoring

We did not maintain effective internal control over financial reporting related to the following areas: control environment, risk assessment, control activities and monitoring:

- Management did not effectively execute a strategy to hire and retain a sufficient complement of personnel with an appropriate level of knowledge, experience, and training in certain areas important to financial reporting.
- The tone at the top was insufficient to ensure there were adequate mechanisms and oversight to ensure accountability for the performance of internal control over financial reporting responsibilities and to ensure corrective actions were appropriately prioritized and implemented in a timely manner.
- There was not adequate management oversight of accounting and financial reporting activities in implementing certain accounting practices to conform to the Company’s policies and GAAP.
- There was not an adequate assessment of changes in risks by management that could significantly impact internal control over financial reporting or an adequate determination and prioritization of how those risks should be managed.
- There was not adequate management oversight and identification of models material to financial reporting.
- There were insufficiently documented Company accounting policies and insufficiently detailed Company procedures to put policies into effective action.
- There was a lack of appropriate tone at the top in establishing an effective control owner risk and controls self-assessment process which contributed to a lack of clarity about ownership of risks assessments and control design and effectiveness. There was insufficient governance, oversight and monitoring of the credit loss allowance and accretion processes and a lack of defined roles and responsibilities in monitoring functions.

Application of Effective Interest Method for Accretion

The Company's policies and controls related to the methodology used for applying the effective interest rate method in accordance with GAAP, specifically as it relates the review of key assumptions over prepayment curves, pool segmentation and presentation in financial statements either were not designed appropriately or failed to operate effectively. Additionally the resources dedicated to the reviews were not sufficient to identify all relevant instances of non-compliance with policies and GAAP and did not sufficiently review supporting methodologies and practices to identify variances from the Company's policy and GAAP.

The Company reported a material weakness in control environment relating to inadequate management oversight of accounting and financial reporting activities in implementing certain accounting practices to conform to the Company's policies and GAAP, and insufficiently documented Company accounting policies and insufficiently detailed Company procedures to put policies into effective action which contributed to this material weakness.

This resulted in errors in the Company's application of the effective interest method for accreting discounts, which include discounts upon origination of the loan, subvention payments from manufacturers, and other origination costs on individually acquired retail installment contracts.

This material weakness relates to the following financial statement line items: finance receivables held for investment, net, finance receivables held for sale, net, interest on finance receivables and loans, provision for credit losses, investment gains and losses, net, and the related disclosures within Note 3 - Finance Receivables and Note 5 - Credit Loss Allowance and Credit Quality.

Methodology to Estimate Credit Loss Allowance

The Company's policies and controls related to the methodology used for estimating the credit loss allowance in accordance with GAAP, specifically as it relates to the calculation of impairment for troubled debt restructurings (TDRs) separately from the general allowance on loans not classified as TDRs and the consideration of net discounts when estimating the allowance either were not designed appropriately or failed to operate effectively. Additionally the resources dedicated to the reviews were not sufficient to identify all relevant instances of non-compliance with policies and GAAP and did not sufficiently review supporting methodologies and practices to identify variances from the Company's policy and GAAP.

The Company reported a material weakness in control environment relating to inadequate management oversight of accounting and financial reporting activities in implementing certain accounting practices to conform to the Company's policies and GAAP, and insufficiently documented Company accounting policies and insufficiently detailed Company procedures to put policies into effective action which contributed to this material weakness.

This resulted in errors in the Company's methodology for determining the credit loss allowance, specifically not calculating impairment for TDRs separately from a general allowance on loans not classified as TDRs and inappropriately omitting the consideration of net discounts when estimating the allowance and recording charge-offs.

This material weakness relates to the following financial statement line items: the credit loss allowance, provision for credit losses, and the related disclosures within Note 3 - Finance Receivables and Note 5 - Credit Loss Allowance and Credit Quality.

Loans Modified as TDRs
The following controls over the identification of TDRs and inputs used to estimate TDR impairment did not operate effectively:

- Review controls of the TDR footnote disclosures and supporting information did not effectively identify that parameters used to query the loan data were incorrect.
- A review of inputs used to estimate the expected and present value of cash flows of loans modified in TDRs did not identify errors in types of cash flows included and in the assumed timing and amount of defaults and did not identify that the discount rate was incorrect.

The Company reported a material weakness in control environment relating to inadequate management oversight of accounting and financial reporting activities in implementing certain accounting practices to conform to the

Company's policies and GAAP, and insufficiently documented Company accounting policies and insufficiently detailed Company procedures to put policies into effective action, as well as ineffective execution of a strategy to hire and retain a sufficient complement of personnel with an appropriate level of knowledge, experience, and training in certain areas important to financial reporting which contributed to this material weakness.

As a result, management determined that it had incorrectly identified the population of loans that should be classified as TDRs and, separately, had incorrectly estimated the impairment on these loans due to model input errors.

This material weakness relates to the following financial statement line items: the credit loss allowance and provision for credit losses, specifically for TDR loans, and the related disclosures within Note 3 - Finance Receivables and Note 5 - Credit Loss Allowance and Credit Quality.

Development, Approval, and Monitoring of Models Used to Estimate the Credit Loss Allowance

Various deficiencies were identified in the credit loss allowance process related to review, monitoring and approval processes over models and model changes that aggregated to a material weakness. The following controls did not operate effectively:

- Review controls over data, inputs and assumptions in models used for estimating credit loss allowance and related model changes were not effective and management did not adequately challenge significant assumptions.
- Review and approval controls over the development of new models to estimate credit loss allowance and related model changes were ineffective.
- Adequate and comprehensive performance monitoring over related model output results was not performed and we did not maintain adequate model documentation.

The Company reported a material weakness in control environment relating to inadequate assessment of changes in risks by management that could significantly impact internal control over financial reporting or determination and prioritization of how those risks should be managed and ineffective execution of a strategy to hire and retain a sufficient complement of personnel with an appropriate level of knowledge, experience, and training in certain areas important to financial reporting which contributed to this material weakness.

This material weakness relates to the following financial statement line items: the credit loss allowance, provision for credit losses, and the related disclosures within Note 3 - Finance Receivables and Note 5 - Credit Loss Allowance and Credit Quality.

Identification, Governance, and Monitoring of Models Used to Estimate Accretion

Various deficiencies were identified in the accretion process related to review, monitoring and governance processes over models that aggregated to a material weakness. The following controls did not operate effectively:

- Review controls over data, inputs and assumptions in models used for estimating accretion were not effective and management did not adequately challenge significant assumptions.
- Adequate and comprehensive performance monitoring over related model output results was not performed and we did not maintain adequate model documentation.

The Company reported a material weakness in control environment relating to inadequate assessment of changes in risks by management that could significantly impact internal control over financial reporting or determination and prioritization of how those risks should be managed and inadequate management oversight and identification of models material to financial reporting as well as ineffective execution of a strategy to hire and retain a sufficient complement of personnel with an appropriate level of knowledge, experience, and training in certain areas important to financial reporting which contributed to this material weakness.

This material weakness relates to the following financial statement line items: finance receivables held for investment, net, finance receivables held for sale, net, interest on finance receivables and loans, provision for credit losses, investment gains and losses, net, and the related disclosures within Note 3 - Finance Receivables and Note 5 - Credit Loss Allowance and Credit Quality.

Review of New, Unusual or Significant Transactions

Management identified errors in the accounting treatment of certain transactions. Specifically, controls over the review of new, unusual or significant transactions related to application of the appropriate accounting and tax treatment to these transactions in accordance with GAAP did not operate effectively.

The Company reported a material weakness in control environment relating to inadequate management oversight of accounting and financial reporting activities in implementing certain accounting practices to conform to the Company's policies and GAAP, and ineffective execution of a strategy to hire and retain a sufficient complement of personnel with an appropriate level of knowledge, experience, and training in certain areas important to financial reporting which contributed to this material weakness.

This material weakness relates to various financial statement line items.

Review of Financial Statement Disclosures

Management identified errors relating to financial statement disclosures. Specifically, the Company's controls over both the preparation and review of financial statement disclosures did not operate effectively to ensure complete, accurate, and proper presentation of the financial statement disclosures in accordance with GAAP.

The Company reported a material weakness in control environment relating to inadequate management oversight of accounting and financial reporting activities in implementing certain accounting practices to conform to the Company’s policies and GAAP, and ineffective execution of a strategy to hire and retain a sufficient complement of personnel with an appropriate level of knowledge, experience, and training in certain areas important to financial reporting which contributed to this material weakness.

This material weakness relates to various disclosures in the financial statements.

Statement of Cash Flows

Management identified an error in connection with the preparation and review of the Condensed Consolidated Statement of Cash Flows ("SCF"). Specifically, controls over the review of the impact of significant and unusual transactions on the classification and presentation of the SCF did not operate effectively, which led to the misclassification of cash flows between operating activities and investing activities in the preliminary June 30, 2015 SCF for certain proceeds from loan sales. The misclassification was corrected prior to the issuance of our June 30, 2015 Quarterly Report on Form 10-Q and had no impact to previously issued interim or annual financial statements of the Company.

The Company reported a material weakness in control environment relating to inadequate management oversight of accounting and financial reporting activities in implementing certain accounting practices to conform to the Company’s policies and GAAP, and ineffective execution of a strategy to hire and retain a sufficient complement of personnel with an appropriate level of knowledge, experience, and training in certain areas important to financial reporting which contributed to this material weakness.

Remediation Status of Reported Material Weaknesses

We are currently working to remediate the material weaknesses described above, including assessing the need for additional remediation steps and implementing additional measures to remediate the underlying causes that gave rise to the material weaknesses.

The following remediation steps are among the measures currently being implemented by the Company:

- The Company has begun efforts to hire additional personnel with the requisite skillsets in certain areas important to financial reporting.
- The Company has established regular working group meetings, with appropriate oversight by management of both the Company and its parent to strengthen accountability for performance of internal control over financial reporting responsibilities and prioritization of corrective actions.
- In conjunction with developing new credit loss allowance models and refining our loss forecasting methodology to be in compliance with GAAP, the Company also is enhancing its accounting documentation relating to credit loss allowance, to demonstrate how the Company’s policies and procedures align with GAAP and produce a repeatable process.
-

Management is also in the process of performing a comprehensive review of current accounting practices to ensure compliance with the Company's accounting policies and GAAP, and to ensure sufficient specificity in procedures. Additionally, management will implement a recurring review by a team of qualified individuals.

- Processes to identify, track, and report TDRs, that take into account changes to TDRs and new modification types, were enhanced and are being documented.
- A formal and comprehensive ongoing performance monitoring plan related to credit loss allowance with specific details around the monitoring activities performed to allow for repeatable and consistent testing is being developed. This plan is intended to be consistent with the Company's overarching model risk management policy and provide a consistent methodology for measuring performance across all models.

- Management is ensuring that all models significant to financial reporting are subject to appropriate validation, documentation, and procedures.
- Model documentation is being developed, or in some cases, enhanced to address model documentation gaps related to credit loss allowance and accretion models.
- A framework and documentation is being developed to outline model security attributes/procedures for models related to credit loss allowance and models are being placed in an environment where access is restricted to authorized personnel and an audit trail is retained.
- The Company is enhancing its Material Risk Program and Assessment and documentation.

While progress has been made to enhance processes, procedures and controls related to these areas, we are still in the process of developing and implementing these processes and procedures and testing these controls and believe additional time is required to complete development and implementation, and to demonstrate the sustainability of these procedures. We believe our remedial actions will be effective in remediating the material weaknesses and we will continue to devote significant time and attention to these remedial efforts. However, the material weaknesses cannot be considered remediated until the applicable remedial processes and procedures have been in place for a sufficient period of time and management has concluded, through testing, that these controls are effective. Accordingly, the material weaknesses are not remediated at June 30, 2015.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting identified in management's evaluation pursuant to Rules 13a-15(d) or 15d-15(d) of the Exchange Act during the second quarter ended June 30, 2015 covered by this Quarterly Report on Form 10-Q/A that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Limitations on Effectiveness of Controls and Procedures

In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. In addition, the design of disclosure controls and procedures must reflect the fact that there are resource constraints and that management is required to apply judgment in evaluating the benefits of possible controls and procedures relative to their costs.

PART II: OTHER INFORMATION

Item 1. Legal Proceedings

Reference should be made to Note 11 to the Condensed Consolidated Financial Statements, which is incorporated herein by reference, for information regarding legal proceedings in which we are involved, which supplements the discussion of legal proceedings set forth in Note 12 to the Condensed Consolidated Financial Statements of our 2014 Annual Report on Form 10-K.

Item 1A. Risk Factors.

Our 2014 Annual Report includes a detailed discussion of our risk factors in Part I, Item 1A "Risk Factors." The information presented below should be read in conjunction with the risk factors and information disclosed in that Form 10-K.

Investing in our securities involves risk. Set forth below and elsewhere in this report are risk factors that could cause actual results to differ materially from the results contemplated by the forward-looking statements contained in this report. We may amend or supplement these risk factors from time to time by other reports we file with the SEC.

Lapses in internal controls including internal control over financial reporting could materially and adversely affect our operations, liquidity and/or reputation.

We have identified control deficiencies in our financial reporting process as of June 30, 2015 that constitute material weaknesses, which contributed to the restatement of the unaudited condensed consolidated financial statements in our previously filed Form 10-Q for the quarter ended June 30, 2015. See Part I, Item 4 in this Form 10-Q/A. We have initiated certain measures, including the enhancement of our model framework and documentation process and increasing the number of employees on, and the expertise of, our financial reporting team, to remediate these weaknesses, and plan to implement additional appropriate measures as part of this effort. There can be no assurance that we will be able to fully remediate our existing material weaknesses. Further, there can be no assurance that we will not suffer from other material weaknesses in the future. If we fail to remediate these material weaknesses or fail to otherwise maintain effective internal controls over financial reporting in the future, such failure could result in a material misstatement of our annual or quarterly financial statements that would not be prevented or detected on a timely basis and which could cause investors and other users to lose confidence in our financial statements, limit our ability to raise capital and have a negative effect on the trading price of our common stock. Additionally, failure to remediate the material weaknesses or otherwise failing to maintain effective internal controls over financial reporting may also negatively impact our operating results and financial condition, impair our ability to timely file our periodic reports with the SEC, subject us to additional litigation and regulatory actions and cause us to incur substantial additional costs in future periods relating to the implementation of remedial measures.

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

There were no unregistered sales of the Company's common stock during the period covered by this Quarterly Report on Form 10-Q/A.

Item 3. Defaults upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

Disclosure Pursuant to Section 219 of the Iran Threat Reduction and Syria Human Rights Act

Pursuant to Section 219 of the Iran Threat Reduction and Syria Human Rights Act of 2012, which added Section 13(r) to the Exchange Act of 1934, an issuer is required to disclose in its annual or quarterly reports, as applicable, whether it or any of its affiliates knowingly engaged in certain activities, transactions or dealings relating to Iran or with individuals or entities designated

pursuant to certain Executive Orders. Disclosure is generally required even where the activities, transactions or dealings were conducted in compliance with applicable law.

SCUSA does not have any activities, transactions, or dealings with Iran or Syria that require disclosure. The following activities are disclosed in response to Section 13(r) with respect to affiliates of Santander UK within Santander. During the period covered by this report:

- Santander UK holds frozen savings and current accounts for two customers resident in the U.K. who are currently designated by the U.S. for terrorism. The accounts held by each customer were blocked after the customer's designation and have remained blocked and dormant throughout the first half of 2015. No revenue has been generated by Santander UK on these accounts.

- An Iranian national, resident in the U.K., who is currently designated by the U.S. under the Iranian Financial Sanctions Regulations and the Non-Proliferation of Weapons of Mass Destruction ("NPWMD") designation, holds a mortgage with Santander UK that was issued prior to any such designation. No further drawdown has been made (or would be allowed) under this mortgage although we continue to receive repayment installments. In the first half of 2015, total revenue in connection with the mortgage was approximately £1,780 while net profits were negligible relative to the overall profits of Santander UK. Santander UK does not intend to enter into any new relationships with this customer, and any disbursements will only be made in accordance with applicable sanctions. The same Iranian national also holds two investment accounts with Santander Asset Management UK Limited. The accounts have remained frozen during the first half of 2015. The investment returns are being automatically reinvested, and no disbursements have been made to the customer. Total revenue for Santander in connection with the investment accounts was approximately £120 while net profits in the first half of 2015 were negligible relative to the overall profits of Santander.

In addition, Santander has certain legacy export credits and performance guarantees with Bank Mellat, which are included in the U.S. Department of the Treasury's Office of Foreign Assets Control's Specially Designated Nationals and Blocked Persons List. The Bank entered into two bilateral credit facilities in February 2000 in an aggregate principal amount of €25.9 million. Both credit facilities matured in 2012. In addition, in 2005 Banco Santander participated in a syndicated credit facility for Bank Mellat of €15.5 million, which matured on July 6, 2015. As of June 30, 2015, Santander was owed €1.2 million under this credit facility.

Santander has not been receiving payments from Bank Mellat under any of these credit facilities in recent years. Santander has been and expects to continue to be repaid any amounts due by official export credit agencies, which insure between 95% and 99% of the outstanding amounts under these credit facilities. No funds have been extended by Santander under these facilities since they were granted.

Santander also has certain legacy performance guarantees for the benefit of Bank Sepah and Bank Mellat (stand-by letters of credit to guarantee the obligations - either under tender documents or under contracting agreements - of contractors who participated in public bids in Iran) that were in place prior to April 27, 2007. However, should any of the contractors default in their obligations under the public bids, Santander would not be able to pay any amounts due to Bank Sepah or Bank Mellat because any such payments would be frozen pursuant to Council Regulation (EU) No. 961/2010.

In the aggregate, all of the transactions described above resulted in approximately €9,750 gross revenues and approximately €44,000 net loss to Santander in the first half of 2015, all of which resulted from the performance of export credit agencies rather than any Iranian entity. Santander has undertaken significant steps to withdraw from the Iranian market such as closing its representative office in Iran and ceasing all banking activities therein, including correspondent relationships, deposit taking from Iranian entities and issuing export letters of credit, except for the

legacy transactions described above. Santander is not contractually permitted to cancel these arrangements without either (i) paying the guaranteed amount - which payment would be frozen as explained above (in the case of the performance guarantees), or (ii) forfeiting the outstanding amounts due to it (in the case of the export credits). As such, Santander intends to continue to provide the guarantees and hold these assets in accordance with company policy and applicable laws.

Item 6. Exhibits

The following exhibits are included herein:

Exhibit Number	Description
3.1	Third Amended and Restated Bylaws of Santander Consumer USA Holdings Inc. (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K on May 27, 2015, File No. 333-189807)
10.1	First Amendment to Shareholders Agreement, dated May 20, 2015 (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K on May 27, 2015, File No. 333-189807)
10.2	Second Amendment to Shareholders Agreement, dated July 2, 2015 (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K on July 2, 2015, File No. 333-189807)
10.3	Separation Agreement, dated July 2, 2015 by and among Santander Consumer USA Holdings Inc., Santander Consumer USA Inc., Banco Santander, S.A., Santander Holdings USA, Inc., DDFS LLC and Thomas G. Dundon, (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K on July 2, 2015, File No. 333-189807)
10.4*	First Amendment, dated July 20, 2015, to the Separation Agreement dated July 2, 2015 by and among Santander Consumer USA Holdings Inc., Santander Consumer USA Inc., Banco Santander, S.A., Santander Holdings USA, Inc., DDFS LLC and Thomas G. Dundon.
31.1*	Chief Executive Officer certification pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2*	Chief Financial Officer certification pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1*	Chief Executive Officer certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2*	Chief Financial Officer certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS*	XBRL Instance Document
101.SCH*	XBRL Taxonomy Extension Schema
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase
101.DEF*	XBRL Taxonomy Extension Definition Linkbase
101.LAB*	XBRL Taxonomy Extension Label Linkbase
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase

* Furnished herewith.

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.

Santander Consumer USA Holdings Inc.
(Registrant)

By: /s/ Jason A. Kulas
Name: Jason A. Kulas
Title: President and Chief Executive Officer

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

Signature	Title	Date
/s/ Jason A. Kulas Jason Kulas	President and Chief Executive Officer (Principal Executive Officer)	October 27, 2016
/s/ Ismail Dawood Ismail Dawood	Chief Financial Officer (Principal Financial and Accounting Officer)	October 27, 2016