



Accounting Standard Update 2010-20 defines two levels of disaggregation – portfolio segment and class of loan. In addition, a third level of disaggregation is by measurement attribute.

- A **portfolio segment** is the level at which a creditor develops and documents a systematic methodology for determining its allowance, such as by type of loan, industry or risk rate (for example, auto, real estate, commercial or unsecured loans).
- A **class** of loan is generally a disaggregation of a portfolio segment. The principal determination of a class should be based on the initial measurement attribute and secondarily by the level the entity uses when assessing and monitoring risk and the performance of the portfolio, such as by type of borrower, type of loan or type of collateral (for example, if a segment has been defined as auto loans then a class could include new, used or indirect auto loans).
- A **measurement attribute** is a level at which a creditor develops a credit risk profile, such as by creditworthiness category or internally assigned grade (for example, grades of pass, special mention or substandard assigned to the loans within the portfolio).

Disclosures about the Credit Quality of Financing Receivables and the Allowance for Credit Losses	
Accounting Standards Codification- Section 310-10-	
Disclosure	Presentation Level
ALLOWANCE FOR CREDIT LOSSES	
Description of accounting policies and methodology including descriptions of factors that influenced management's judgment including both historical losses and existing economic conditions	Segment
Discussion of risk characteristics relevant to each portfolio segment	Segment
Identify any changes to accounting policies or methodology from prior year and rationale for the change	Segment
Description of management's charge-off policy	Segment
Activity in the allowance account, including balances at the beginning and end of each period, additions, write-downs, and recoveries	Segment
Quantitative effect of any policy or methodology changes that affect current year provision	Segment
Amount of any significant purchases of financing receivables	Segment
Amount of any significant sales or reclassifications of financing receivables	Segment
Balance of allowance account at end of each period presented disaggregated on the basis of the entity's impairment method and separately disclose the amounts collectively evaluated for impairment, amounts individually evaluated for impairment and amounts related to loans acquired with deteriorated credit quality	Segment
Recorded investment in financing receivables at end of each period related to balances in the allowance, disaggregated on the basis of the entity's impairment method and separately disclose the amounts collectively evaluated for impairment, amounts individually evaluated for impairment and amounts related to loans acquired with deteriorated credit quality	Segment



Disclosures about the Credit Quality of Financing Receivables and the Allowance for Credit Losses	
Accounting Standards Codification- Section 310-10-	
Disclosure	Presentation Level
CREDIT QUALITY INFORMATION	
Policy for determining past due delinquency status	Class
Description of credit quality indicators and recorded investment by each indicator	Class
If an entity discloses internal risk ratings, provide qualitative information on how internal risk ratings relate to likelihood of loss	Class
Date or range of dates in which the information was updated for each credit quality indicator	Class
Analysis of the age of the recorded investment in financing receivables that are past due	Class
Recorded investment in loans past due 90 days or more for which interest is still accruing	Class
IMPAIRED FINANCING RECEIVABLES	
Management's policy for individually assessing loans for impairment	Class
Management's policy for recognizing interest income on impaired loans including how cash receipts are recorded	Class
Recorded investment in impaired loans with a related allowance and amount of that allowance	Class
Recorded investment in impaired loans with no related allowance	Class
Total unpaid principal balance of the impaired loans	Class
Factors considered in determining loan impairment	Class
Average recorded investment in the impaired loans and the related amount of interest income recognized during time within that period that the loans were impaired	Class
Amount of interest income recognized using a cash-basis method during the time within that period that the loans were impaired, if practicable	Class
NONACCRUAL STATUS	
Policy for placing loans on nonaccrual status, recording payments and policy for resuming accrual of interest	Class
Recorded investment in loans on nonaccrual status	Class



Disclosures about the Credit Quality of Financing Receivables and the Allowance for Credit Losses	
Accounting Standards Codification- Section 310-10-	
Disclosure	Presentation Level
MODIFICATIONS AND SUBSEQUENT DEFAULTS	
Information about how the financing receivables were modified	Class
Information about the financial effects of modifications made	Class
Information about how modifications are factored into the allowance estimate	Segment
Types and amounts of financing receivables modified as troubled debt restructurings within the previous 12 months for which there was a default during the period	Class
Information about how subsequent defaults are factored into the allowance estimate	Segment
* The listed effective dates are based on Harbinger Technology Solutions' interpretation of Accounting Standards Update 2010-20 requirements. Please refer to your Accountant or Auditor for further advice on effective dates related to this Update	