

GreenSky, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

(United States Dollars in thousands, except per share data, unless otherwise stated)

receivables held for sale activities is recorded within interest income and other gains (losses), net in the Consolidated Statements of Operations. We sold loan receivables held for sale to certain Bank Partners on the following dates during the years ended December 31:

2019		2018		2017	
Date	Amount	Date	Amount	Date	Amount
March 27	\$ 63,673	May 21	\$ 9,552	June 29	\$ 17,900
November 1	13,752	June 27	50,614	December 21	54,171
December 27	14,521	September 27	48,176		
		December 20	30,684		
Total	<u>\$ 91,946</u>		<u>\$ 139,026</u>		<u>\$ 72,071</u>

- (2) We temporarily hold certain loan receivables, which are originated by a Bank Partner, while non-originating Bank Partner eligibility is being determined. Once we determine that a loan receivable meets the investment requirements of an eligible Bank Partner, we transfer the loan receivable to the Bank Partner at cost plus any accrued interest. The reported amount also includes loan receivables that have been placed on non-accrual and non-payment status while we investigate consumer inquiries.
- (3) We received recovery payments of \$50, \$57 and \$238 during the years ended December 31, 2019, 2018 and 2017, respectively. Recoveries of principal and finance charges and fees on previously written off loan receivables held for sale are recognized on a collected basis as other gains and interest income, respectively, in the Consolidated Statements of Operations. Separately, during the years ended December 31, 2019, 2018, and 2017, write offs and other were reduced by \$312, \$431, and \$406, respectively, related to cash proceeds received from transferring our rights to Charged-Off Receivables attributable to loan receivables held for sale. The cash proceeds received were recorded within other gains (losses), net in the Consolidated Statements of Operations.

The following table presents activities associated with our loan receivable sales and servicing activities during the periods indicated.

	Year Ended December 31,		
	2019	2018	2017
Gain (loss) on sold loan receivables held for sale	\$ —	\$ —	\$ (500)
Cash Flows			
Sales of loans	\$ 91,946	\$ 139,026	\$ 72,071
Servicing fees	3,901	2,321	2,821

The following tables present information about sold loan receivables held for sale that are not recorded in our Consolidated Balance Sheets, but with which we have a continuing involvement through our servicing arrangements with our Bank Partners. The sold loan receivables held for sale are pooled with other loans originated by the Bank Partners for purposes of determining escrow balances and incentive payments. The escrow balances represent our only direct exposure to potential losses associated with these sold loan receivables.

	December 31,	
	2019	2018
Total principal balance	\$ 326,556	\$ 357,060
Delinquent loans (unpaid principal balance)	18,033	23,385

	Year Ended December 31,		
	2019	2018	2017
Net charge-offs (unpaid principal balance)	\$ 16,333	\$ 11,355	\$ 8,574