OneMain Holdings, Inc.
Form 424B7
December 15, 2017
TABLE OF CONTENTS

Filed Pursuant to Rule 424(b)(7)
Registration Statement No. 333-221391

Calculation of registration fee

Title of each class of securities to be registered	Amount to be registered	Proposed maximum offering price per share	Proposed maximum aggregate offering price	Amount of registration fee(1)
Common Stock, par value $0.01	7,500,000	$ 25.10	$ 188,250,000	$ 23,437.13

(1) Calculated in accordance with Rule 457(r) and made in accordance with Rule 456(b) of the Securities Act of 1933, as amended.

TABLE OF CONTENTS

PROSPECTUS SUPPLEMENT
(To Prospectus Dated November 7, 2017)

7,500,000 Shares

OneMain Holdings, Inc.

Common Stock

Springleaf Financial Holdings, LLC (the Selling Stockholder or the Initial Stockholder), an entity owned primarily by a private equity fund managed by an affiliate of Fortress Investment Group LLC (Fortress), is offering 7,500,000 shares of common stock of OneMain Holdings, Inc. (OMH) by this prospectus supplement and the accompanying prospectus. The shares being sold by the Selling Stockholder are beneficially owned by Fortress. Immediately after completion of this offering, the Selling Stockholder will own approximately 43.7% of our outstanding common stock. Our common stock is listed on the New York Stock Exchange (NYSE) under the symbol OMF. On December 12, 2017, the last reported sale price of our common stock on the NYSE was $27.18 per share.

The Selling Stockholder will receive all net proceeds from the sale of our common stock in this offering. OMH will not receive any proceeds.

Investing in our common stock involves risks. See Risk Factors beginning on page S-7 of this prospectus supplement and page 7 of the accompanying prospectus and those risk factors in the documents incorporated by reference in this prospectus supplement and the accompanying prospectus.

The underwriter has agreed to purchase the shares of our common stock from the Selling Stockholder at a price of $25.10 per share, which will result in approximately $188,250,000 of aggregate proceeds to the Selling Stockholder before expenses. The shares may be offered by the underwriter from time to time to purchasers directly or through agents, or through brokers in brokerage transactions on the NYSE, or to dealers in negotiated transactions or in a combination of such methods of sale, at a fixed price or prices, which may be changed, or at market prices prevailing at the time of sale, at prices related to such prevailing market prices or at negotiated prices.

Neither the Securities and Exchange Commission (the SEC) nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The underwriter expects to deliver the shares of common stock against payment on or about December 18, 2017.

Morgan Stanley

December 13, 2017

TABLE OF CONTENTS

ABOUT THIS PROSPECTUS SUPPLEMENT

This prospectus supplement and the accompanying prospectus are part of a shelf registration statement that we filed with the SEC. Under this shelf registration process, we and the Selling Stockholder may sell the securities described in the accompanying prospectus at our or their discretion in one or more offerings. You should read (i) this prospectus supplement, (ii) the accompanying prospectus, (iii) any free writing prospectus prepared by or on behalf of us or to which we have referred you and (iv) the documents incorporated by reference herein and therein that are described in this prospectus supplement and the accompanying prospectus under the heading Where You Can Find More Information.

We and the Selling Stockholder have not, and the underwriter has not, authorized anyone to provide you with any information other than that contained or incorporated by reference in this prospectus supplement, the accompanying prospectus or any free writing prospectus prepared by or on behalf of us to which we have referred you. We take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may have provided you. The Selling Stockholder and the underwriter are offering to sell, and seeking offers to buy, these securities only in jurisdictions where the offers and sales are permitted. You should assume that the information appearing in this prospectus supplement and the accompanying prospectus or any other documents incorporated by reference in either is accurate only as of the stated date of each document in which the information is contained. After the stated date, our business, financial condition, results of operations and prospects may have changed.

This prospectus supplement and the accompanying prospectus summarize certain documents and other information to which we refer you for a more complete understanding of what we discuss in this prospectus supplement and the accompanying prospectus. In making an investment decision, you should rely on your own examination of our Company (as defined herein) and the terms of this offering and our common stock, including the merits and risks involved.

We, the Selling Stockholder and the underwriter are not making any representation to any purchaser of our common stock regarding the legality of the purchaser s investment in our common stock. You should not consider any information contained or incorporated by reference in this prospectus supplement or the accompanying prospectus to be legal, business or tax advice. You should consult your own attorney, business advisor and tax advisor for legal, business and tax advice regarding an investment in our common stock.

TABLE OF CONTENTS

TABLE OF CONTENTS

Prospectus Supplement

PROSPECTUS

Certain of the states in which we are licensed to originate loans and the state in which our insurance subsidiaries are domiciled (Indiana) have laws or regulations which require regulatory approval for the acquisition of control of regulated entities. Under some state laws or regulations, there exists a presumption of control when an acquiring party acquires as little as 10% of the voting securities of a regulated entity or of a company which itself controls (directly or indirectly) a regulated entity (the threshold is 10% under the insurance statutes of Indiana and Texas). Therefore, any person acquiring 10% or more of our common stock may need the prior approval of some state insurance and/or licensing regulators, or a determination from such regulators that control has not been acquired.

TABLE OF CONTENTS

NON-GAAP FINANCIAL MEASURES

The SEC has adopted rules to regulate the use of non-GAAP financial measures in filings with the SEC and in other public disclosures. These measures are derived on the basis of methodologies other than in accordance with accounting principles generally accepted in the United States of America (GAAP).

We use adjusted pretax income (loss), a non-GAAP financial measure in this prospectus supplement and accompanying prospectus, as a key performance measure. Adjusted pretax income (loss) represents income (loss) before income taxes on a Segment Accounting Basis (as defined below) and excludes net gain on sale of SpringCastle interests, acquisition-related transaction and integration expenses, net gain (loss) on sales of personal loans and real estate loans, losses resulting from repurchases and repayments of debt attributable to OMH, net gain (loss) on fair value adjustments on debt attributable to OMH, net loss on liquidation of our United Kingdom subsidiary, restructuring and transaction costs, debt refinance costs and SpringCastle transaction costs. Management believes adjusted pretax income (loss) is useful in assessing the profitability of our segments and uses adjusted pretax income (loss) in evaluating our operating performance and as a performance goal under the Company s executive compensation programs. Adjusted pretax income (loss) is a non-GAAP measure and should be considered supplemental to, but not as a substitute for or superior to, income (loss) before income taxes, net income, or other measures of financial performance prepared in accordance with GAAP. Segment Accounting Basis refers to a basis used to report the operating results of our segments, which reflects our allocation methodologies for certain costs and excludes the impact of applying purchase accounting.

See Summary—Summary Consolidated Historical Financial Data of OMH and its Subsidiaries in this prospectus supplement for quantitative reconciliations of income (loss) before income taxes on a Segment Accounting Basis to adjusted pretax income (loss). See also Note 22 of the Notes to Consolidated Financial Statements in OMH s Annual Report on Form 10-K for the year ended December 31, 2016 and Note 16 of the Notes to Condensed Consolidated Financial Statements in OMH s Quarterly Report on Form 10-Q for the quarter ended September 30, 2017, which are incorporated by reference herein, for reconciliations of segment information on a Segment Accounting Basis to consolidated financial statement amounts.

INDUSTRY AND MARKET DATA

We obtained the market and competitive position data used or incorporated by reference in this prospectus supplement and accompanying prospectus from our own research, surveys or studies conducted by third parties and industry or general publications. Industry publications and surveys generally state that they have obtained information from sources believed to be reliable, but do not guarantee the accuracy and completeness of such information. While we believe that each of these studies and publications is reliable, neither we nor the underwriter has independently verified such data and neither we nor the underwriter makes any representation as to the accuracy of such information. Similarly, we believe our internal research is reliable, but it has not been verified by any independent sources.

FORWARD-LOOKING STATEMENTS

This prospectus supplement and the accompanying prospectus and the documents incorporated by reference herein and therein contain or incorporate by reference certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are not statements of historical fact but instead represent only management s current beliefs regarding future events. By their nature, forward-looking statements involve inherent risks, uncertainties and other important factors that may cause actual results, performance or achievements to differ materially from those expressed in or implied by such forward-looking statements. The forward-looking statements made or incorporated by reference in this prospectus supplement and the accompanying prospectus and the documents incorporated by reference herein and therein relate only to events as of the date on which the statements are made. We do not undertake any obligation to publicly update or review any forward-looking statement except as required by law, whether as a result of new information, future developments or otherwise. Forward-looking statements include, without limitation, statements concerning future plans, objectives, goals, projections, strategies, events or performance, and underlying assumptions and other statements related thereto. Statements preceded by, followed by or that otherwise include the words anticipates, appears, are likely, believes, estimates, expects, foresees, intends, plans, projects and similar expressions or future or conditional verbs suc would, should, could, may, or will, are intended to identify forward-looking statements.

S-iii

TABLE OF CONTENTS

As set forth more fully under Part I, Item 1A. Risk Factors in OMH s most recent Annual Report on Form 10-K and Part II, Item 1. Legal Proceedings and Part II, Item 1A. Risk Factors in OMH s subsequent Quarterly Reports on Form 10-Q, which are incorporated by reference herein, important factors that could cause actual results, performance or achievements to differ materially from those expressed in or implied by forward-looking statements include, without limitation, the following:

- the inability to obtain, or delays in obtaining, cost savings and synergies from the OneMain Acquisition (as defined herein), and risks and other uncertainties associated with the integration of the companies;
- unanticipated expenditures relating to the OneMain Acquisition;
- any litigation, fines or penalties that could arise relating to the OneMain Acquisition;
- the impact of the OneMain Acquisition on our relationships with employees and third parties;
- various risks relating to our continued compliance with the settlement agreement with the U.S. Department of Justice entered into in connection with the OneMain Acquisition;
- changes in general economic conditions, including the interest rate environment in which we conduct business and the financial markets through which we can access capital and also invest cash flows from our Consumer and Insurance segment;
- levels of unemployment and personal bankruptcies;
- natural or accidental events such as earthquakes, hurricanes, tornadoes, fires, or floods affecting our customers, collateral, or branches or other operating facilities;
- war, acts of terrorism, riots, civil disruption, pandemics, disruptions in the operation of our information systems, cyber-attacks or other security breaches, or other events disrupting business or commerce;
- changes in the rate at which we can collect or potentially sell our finance receivables portfolio;
- the effectiveness of our credit risk scoring models in assessing the risk of customer unwillingness or lack of capacity to repay;
- changes in our ability to attract and retain employees or key executives to support our businesses;
- changes in the competitive environment in which we operate, including the demand for our products, customer responsiveness to our distribution channels, our ability to make technological improvements and the strength and ability of our competitors to operate independently or to enter into business combinations that result in a more attractive range of customer products or provide greater financial resources;
- risks related to the acquisition or sale of assets or businesses or the formation, termination or operation of joint ventures or other strategic alliances or arrangements, including loan delinquencies or net charge-offs, integration or migration issues, increased costs of servicing, incomplete records, and retention of customers;
- the inability to successfully and timely expand our centralized loan servicing capabilities through the integration of the SFC and OMFH (as defined herein) servicing facilities;
- risks associated with our insurance operations, including insurance claims that exceed our expectations or insurance losses that exceed our reserves;
- the inability to successfully implement our growth strategy for our consumer lending business, as well as various risks associated with successfully acquiring portfolios of consumer loans, pursuing acquisitions, and/or establishing joint ventures;
- declines in collateral values or increases in actual or projected delinquencies or net charge-offs;
- changes in federal, state or local laws, regulations, or regulatory policies and practices, including the Dodd-Frank Wall Street Reform and Consumer Protection Act (which, among other things, established the Consumer Financial Protection Bureau, which has broad authority to regulate and examine financial institutions, including us), that affect our ability to conduct business or the manner in which we conduct business, such as licensing requirements, pricing limitations or restrictions on the method of

TABLE OF CONTENTS

offering products, as well as changes that may result from increased regulatory scrutiny of the sub-prime lending industry, our use of third-party vendors and real estate loan servicing, or changes in corporate or individual income tax laws or regulations;

- potential liability relating to real estate and personal loans which we have sold or may sell in the future, or relating to securitized loans, if it is determined that there was a non-curable breach of a representation or warranty made in connection with such transactions;
- the costs and effects of any actual or alleged violations of any federal, state or local laws, rules or regulations, including any litigation associated therewith, any impact to our business operations, reputation, financial position, results of operations or cash flows arising therefrom, any impact to our relationships with lenders, investors or other third parties attributable thereto, and the costs and effects of any breach of any representation, warranty or covenant under any of our contractual arrangements, including indentures or other financing arrangements or contracts, as a result of any such violation;
- the costs and effects of any fines, penalties, judgments, decrees, orders, inquiries, investigations, subpoenas or enforcement or other proceedings of any governmental or quasi-governmental agency or authority and any litigation associated therewith;
- our continued ability to access the capital markets or the sufficiency of our current sources of funds to satisfy our cash flow requirements;
- our ability to comply with our debt covenants;
- our ability to generate sufficient cash to service all of our indebtedness;
- any material impairment or write-down of the value of our assets;
- the effects of any downgrade of our debt ratings by credit rating agencies, which could have a negative impact on our cost of and/or access to capital;
- our substantial indebtedness, which could prevent us from meeting our obligations under our debt instruments and limit our ability to react to changes in the economy or our industry, or our ability to incur additional borrowings;
- the impacts of our securitizations and borrowings;
- our ability to maintain sufficient capital levels in our regulated and unregulated subsidiaries;
- changes in accounting standards or tax policies and practices and the application of such new standards, policies and practices;
- changes in accounting principles and policies or changes in accounting estimates;
- effects of the contemplated acquisition of Fortress by an affiliate of SoftBank Group Corp.;
- any failure or inability to achieve the performance requirements related to a loan portfolio initially acquired through a joint venture (the SpringCastle Portfolio) set forth in the purchase agreement, dated March 31, 2016, entered in connection with the sale of our 47% equity interest in the SpringCastle Portfolio;
- the effect of future sales of our remaining portfolio of real estate loans and the transfer of servicing of these loans, including the environmental liability and costs for damage caused by hazardous waste if a real estate loan goes into default; and
- other risks described in Risk Factors in this prospectus supplement.

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

TABLE OF CONTENTS

SUMMARY

This summary highlights the information contained elsewhere in or incorporated by reference in this prospectus supplement and the accompanying prospectus. Because this is only a summary, it does not contain all of the information that may be important to you. For a more complete understanding of this offering, we encourage you to read this entire prospectus supplement and the accompanying prospectus and the information incorporated by reference herein and therein, including the financial statements and the notes to those statements.

In this prospectus supplement, except as otherwise indicated or the context otherwise requires, the terms OMH, the Company, we, us and our refer to OneMain Holdings, Inc. (formerly Springleaf Holdings, Inc.), a Delaware corporation, and its subsidiaries, whether directly or indirectly owned.

We are a leading consumer finance company providing responsible loan products to customers through our branch network and the internet. We have over a 100-year track record of high quality origination, underwriting and servicing of personal loans, primarily to non-prime consumers. Our deep understanding of local markets and customers, together with our proprietary underwriting process and data analytics, allow us to price, manage and monitor risk effectively through changing economic conditions. With an experienced management team, a strong balance sheet, proven access to the capital markets and strong demand for consumer credit, we believe we are well positioned for future growth.

We staff each of our branch offices with local, well-trained personnel who have significant experience in the industry. Our business model revolves around an effective origination, underwriting, and servicing process that leverages each branch office s local presence in these communities along with the personal relationships developed with our customers. Credit quality is also driven by our long-standing underwriting philosophy, which takes into account each prospective customer s household budget, and his or her willingness and capacity to repay the loan.

In connection with our personal loan business, our insurance subsidiaries offer our customers credit and non-credit insurance policies covering our customers and the property pledged as collateral for our personal loans. As of September 30, 2017, we had approximately $14.4 billion of personal loans due from approximately 2.3 million customer accounts.

We also pursue strategic acquisitions and dispositions of assets and businesses, including loan portfolios and other financial assets, as well as fee-based opportunities in servicing loans for others in connection with potential strategic portfolio acquisitions through our centralized operations. We service the SpringCastle Portfolio, in which we sold our 47% ownership interest on March 31, 2016.

Our Corporate History and Corporate Information

In November 2010, an affiliate of Fortress indirectly acquired (the Fortress Acquisition) an 80% economic interest in Springleaf Finance, Inc. (SFI), a financial services holding company, from an affiliate of American International Group, Inc. (AIG). Following the Fortress Acquisition, AIG indirectly retained a 20% economic interest in SFI. All of the common stock of Springleaf Finance Corporation (SFC) is owned by SFI. Following a restructuring completed in connection with the initial public offering of the Company, all of the common stock of SFI is owned by the Company.

SFC was incorporated in Indiana in 1927 as successor to a business started in 1920. SFI was incorporated in Indiana in 1974. OMH was incorporated in Delaware in 2013. In October 2013, OMH completed an initial public offering of its common stock. On November 15, 2015, OMH acquired all of the outstanding equity interests of OneMain Financial Holdings, LLC (formerly OneMain Financial Holdings, Inc.) (OMFH) for approximately $4.5 billion in cash (the OneMain Acquisition). In connection with the OneMain Acquisition, OMH changed its name from Springleaf

Holdings, Inc. to OneMain Holdings, Inc. As a result of the OneMain Acquisition, OMFH became a wholly owned, indirect subsidiary of OMH.

As of December 12, 2017, the Initial Stockholder owns approximately 49.2% of the Company s common stock. The Initial Stockholder is owned primarily by a private equity fund managed by an affiliate of Fortress, a leading global investment manager that offers alternative and traditional investment products, and AIG Capital Corporation, a subsidiary of AIG. Immediately following completion of the offering made pursuant to this prospectus supplement, we expect that the Initial Stockholder will own approximately 43.7% of our common stock, and the economic interests of Fortress and AIG will be approximately 40.6% and 3.1%, respectively,

TABLE OF CONTENTS

immediately following the completion of the offering. The Chairman of our board of directors, Mr. Wesley Edens, is a principal and the Co-Chairman of the board of directors of Fortress.

Our executive offices are located at 601 N.W. Second Street, Evansville, Indiana 47708, and our telephone number is (812) 424-8031. Our internet address is *www.onemainfinancial.com*. The information on our website is not a part of this prospectus supplement and is not incorporated into this prospectus supplement or the accompanying prospectus by reference.

Recent Developments

SFC Debt Offering

On December 5, 2017, SFC issued $875 million aggregate principal amount of 5.625% senior notes due March 15, 2023 (the December SFC Offering). SFC intends to use the net proceeds from the December SFC Offering for general corporate purposes, which may include debt repurchases and repayments.

OMFH Securitization Offering

On December 11, 2017, OMFH completed an offering of approximately $605 million of asset-backed notes in a private offering (the December OMFH Securitization). The December OMFH Securitization included one class of senior asset-backed notes and four classes of subordinate asset-backed notes. The assets that were pledged consist of a pool of non-revolving, fixed-rate direct auto loans secured by automobiles, light-duty trucks and other vehicles. At least 5% of the initial note principal balance of each class of notes were retained by OMFH.

Maturity of SFC's 6.90% Medium-Term Notes, Series J, due December 15, 2017

On December 15, 2017, the $557 million outstanding principal amount of SFC's 6.90% Medium-Term Notes, Series J will become due and payable. SFC intends to use cash on hand to repay such notes.

Redemption of the OMFH 2019 Notes

On December 8, 2017, OMFH issued a notice of redemption to redeem all $700 million outstanding principal amount of its 6.75% Senior Notes due 2019 at a redemption price equal to 103.375%, plus accrued and unpaid interest to the redemption date. The notes will be redeemed on January 8, 2018.

TABLE OF CONTENTS

The Offering

Common Stock Offered by the Selling Stockholder
7,500,000 shares.
Use of Proceeds
The Selling Stockholder will receive all net proceeds from the sale of our common stock in this offering. We will not receive any proceeds from the sale of common stock in this offering. See Use of Proceeds.
NYSE Symbol for Common Stock
OMF.
Risk Factors
You should carefully consider the information set forth herein under Risk Factors and in the section entitled Risk Factors in the most recent Annual Report on Form 10-K filed by OMH, the sections entitled Legal Proceedings and Risk Factors in subsequent Quarterly Reports on Form 10-Q and the other information included or incorporated by reference in this prospectus supplement and the accompanying prospectus in deciding whether to purchase our common stock.
As of December 12, 2017, we had 135,349,181 shares outstanding. The number of shares of common stock outstanding as of December 12, 2017 includes unvested restricted stock awards and excludes 1,412,047 unvested restricted stock units (including performance-based restricted stock units, assuming maximum performance is achieved) that have been granted to certain of our non-employee directors, executive officers and other employees.

TABLE OF CONTENTS

SUMMARY CONSOLIDATED HISTORICAL FINANCIAL DATA OF OMH AND ITS SUBSIDIARIES

The following tables present OMH s summary historical financial information as of and for the periods described below.

The summary historical consolidated statement of operations data for the years ended December 31, 2014, 2015 and 2016 and the summary historical consolidated balance sheet data as of December 31, 2015 and 2016 have been derived from OMH s audited consolidated financial statements incorporated by reference into this prospectus supplement and the accompanying prospectus. The summary historical consolidated balance sheet data as of December 31, 2014 has been derived from OMH s audited consolidated financial statements, which are not incorporated by reference herein, and which have been revised for a change in accounting policy for the derecognition of loans within a purchased credit impaired pool.

The summary historical consolidated statement of operations data for the nine months ended September 30, 2017 and September 30, 2016 and the summary historical consolidated balance sheet data as of September 30, 2017 have been derived from OMH s unaudited condensed consolidated financial statements incorporated by reference into this prospectus supplement and the accompanying prospectus. The summary historical consolidated balance sheet data as of September 30, 2016 has been derived from OMH s unaudited condensed consolidated financial statements for the nine months then ended, which are not incorporated by reference herein, and which reflect the change in accounting policy described above. The unaudited condensed consolidated financial statements include all adjustments necessary for a fair presentation of the information set forth herein. Interim results of operations are not necessarily indicative of the results to be expected for the full year.

The summary historical financial information should be read in conjunction with Management s Discussion and Analysis of Financial Condition and Results of Operations and OMH s audited consolidated financial statements and related notes in OMH s Annual Report on Form 10-K for the year ended December 31, 2016 and Management s Discussion and Analysis of Financial Condition and Results of Operations and OMH s unaudited condensed consolidated financial statements and related notes in OMH s Quarterly Report on Form 10-Q for the quarter ended September 30, 2017, each of which is incorporated by reference herein.

	At or for the Nine Months Ended September 30,		At or for the Years Ended December 31,		
(dollars in millions, except per share amounts)	**2017**	**2016**	**2016**	**2015[a]**	**2014**
Consolidated Statements of Operations Data:					
Interest income	$ 2,339	$ 2,342	$ 3,110	$ 1,930	$ 1,973
Interest expense	612	655	856	715	734
Provision for finance receivable losses	724	674	932	716	423
Net gain on sale of SpringCastle interests	—	167	167	—	—
Net gain on sales of personal and real estate loans and related trust assets	—	18	18	—	648
Other revenues	414	441	588	262	98
Acquisition-related transaction and integration expenses	59	75	108	62	—
Other expenses	1,114	1,237	1,631	925	701
Income (loss) before income taxes	244	327	356	(226)	861

Income tax expense (benefit)		100		111		113		(133)		272
Net income (loss)		144		216		243		(93)		589
Net income attributable to non-controlling interests		—		28		28		127		126
Net income (loss) attributable to OneMain Holdings, Inc.	$	144	$	188	$	215	$	(220)	$	463
Earnings (loss) per share of OneMain Holdings, Inc.:										
Basic	$	1.07	$	1.40	$	1.60	$	(1.72)	$	4.03
Diluted	$	1.07	$	1.39	$	1.59	$	(1.72)	$	4.02