5. **Diamond uses 180 days as a cutoff for troubled receivables; Wyndham uses 120 days. Why?**

   Every company has its own internal policies with regard to charge-off of uncollectible accounts. There is no specific requirement under GAAP as to what the policy is. The fact that Wyndham uses 120 days and DRII uses 180 days doesn't make one right and the other wrong. The difference between the charge off policies between DRII and Wyndham has no impact on the net assets and results of operations of either company. What does matter is that adequate reserves are maintained against the outstanding receivables without regard to the date that receivables are charged off. Based on the differences in the charge off policy, with all other aspects being equal (such as credit quality of the portfolio and performance) you would expect that Wyndham would have a loan loss reserve that is a lower percentage of the gross outstanding receivables when compared to DRII as they have already charged off all loans greater than 120 days where DRII would still have a reserve against those receivables in the event that such receivables should ultimately be uncollectible. As of September 30, 2015, the reserve for uncollectible accounts as a percentage of gross loans receivable for DRII was 21.7% and as of December 31, 2015 Wyndham was 17.7%.