



SOFID Risk Disclosure

BEFORE YOU MAY USE SOFID, IT IS IMPORTANT THAT YOU READ AND FULLY UNDERSTAND THE FOLLOWING RISK DISCLOSURE.

This SOFID Risk Disclosure ("Disclosure") is provided by SoFi Bank, National Association ("SoFi Bank" or the "Issuer") and its affiliates (together with SoFi Bank, "SoFi," "we," "our," or "us") and describes important risks associated with SoFiUSD ("SOFID").

This Disclosure is incorporated by reference into the [SOFID Terms of Use](#) (the "Terms") and uses the capitalized terms defined in the Terms. In the event of any inconsistency between this Disclosure and the Terms, the Terms shall control.

You should carefully consider whether acquiring, holding, transferring, or otherwise using SOFID is appropriate for you in light of your circumstances, risk tolerance, understanding of digital assets, and financial condition. Your use of SOFID is entirely at your own risk. The risks described in this Disclosure are not exhaustive.

To the extent permitted by law and except as expressly provided in the Terms, we are not responsible or liable for any losses, damages, or claims that you may incur arising out of or relating to these or other risks inherent in the acquisition, holding, transfer, redemption, or other uses of SOFID.

1. Nature of SOFID

SOFID is a digital asset designed to maintain a stable value relative to the U.S. Dollar ("USD") and function as a payment and settlement instrument.

SOFID:

- Is not a "deposit" as defined in 12 U.S.C. § 1813(l);
- Is not a demand deposit, savings deposit, or other deposit liability;
- Is not insured by the Federal Deposit Insurance Corporation ("FDIC");
- Is not insured by the Securities Investor Protection Corporation ("SIPC");
- Is not cash or legal tender; and
- Does not represent a claim against the United States or any government agency.

Although SoFi Bank is a federally regulated national bank, SOFID itself is not a bank deposit and is not covered by deposit insurance.

Except for SoFi Customers under separate written agreements, holders of SOFID generally do not have a direct contractual right to redeem SOFID with the Issuer. Holding SOFID does not create a trust, escrow, bailment, or custodial relationship with respect to any Reserve Assets or



other assets of the Issuer. Holders of SOFID have no direct ownership interest in any specific Reserve Asset. SOFID does not create a secured claim or priority claim against any Reserve Assets.

2. Stablecoin-Specific Risks

2.1 Redemption Risk

Redemption of SOFID for USD is available only to SoFi Customers pursuant to separate agreements. If you acquire SOFID through secondary markets, from an exchange, from a third party, or through an on-chain transfer, you may not have any direct contractual right to redeem SOFID with the Issuer. Your ability to exit your position may depend entirely on secondary market liquidity.

We may suspend, delay, or limit issuance or redemption due to legal or regulatory requirements; sanctions or financial crime concerns; operational or cybersecurity events; liquidity stress events; disruptions affecting Reserve Assets; disruptions affecting Supported Blockchains; or safety and soundness considerations. There is no guarantee that redemption will always be available, immediate, or without limitation. Even where redemption is available, it may be subject to operational processing times, minimum thresholds, compliance review, or liquidity management considerations.

2.2 Stablecoin De-Peg Risk

SOFID is designed to maintain a 1:1 value relative to USD. However, secondary market trading prices may fluctuate above or below \$1.00; market liquidity may deteriorate during stress events; rapid redemption activity may create temporary imbalances; and loss of market confidence may cause SOFID to trade below \$1.00.

Stable value depends on market confidence, liquidity, operational integrity, and orderly redemption mechanisms. Periods of market stress, rapid selling or redemption activity, trading venue outages, liquidity provider withdrawal, negative news, or a loss of market confidence may cause market prices to deviate materially from \$1.00, widen bid-ask spreads, or impair your ability to sell SOFID at or near par. In extreme market stress scenarios, secondary market prices may deviate materially and for prolonged periods.

2.3 Reserve Asset Risk

SOFID is intended to be fully backed by Reserve Assets on a 1:1 basis. However, Reserve Assets may consist of cash, cash equivalents, and other permitted instruments; market conditions may affect the liquidity of Reserve Assets; custodians or counterparties holding



Reserve Assets may fail or become insolvent; and legal or regulatory changes may affect permissible reserve composition.

In the event of insolvency, receivership, or resolution of SoFi Bank, treatment of SOFID and Reserve Assets will be governed by applicable federal banking and insolvency law; access to funds may be delayed; claims relating to SOFID may be treated as general unsecured claims of the Issuer and may rank pari passu with other unsecured obligations; and outcomes may involve legal uncertainty. In the event SoFi Bank enters receivership or resolution, the Federal Deposit Insurance Corporation or another governmental authority may take control of the Issuer and may transfer, restructure, or repudiate obligations in accordance with applicable law.

2.4 Reserve Reporting Limitations

Any reserve report, attestation, or disclosure we publish is generally point-in-time information as of the stated “as of” date, may be delayed, and may not reflect intraday changes. Such reporting is not a guarantee that Reserve Assets will be immediately available to support redemptions in all circumstances. Reserve reporting does not create any direct claim, lien, or security interest in favor of any holder.

Reserve Assets may be valued using methodologies permitted under applicable law and supervisory guidance (which may include amortized cost, fair value, or other permitted approaches), and such valuations may differ from liquidation value during stress events. Reports and attestations do not guarantee future reserve composition, future liquidity, or secondary market prices.

2.5 No FDIC Insurance

SOFID is not a deposit and is not insured by the FDIC. Even though some Reserve Assets may be held in bank accounts, holders of SOFID do not have pass-through deposit insurance, direct ownership of insured deposit accounts, or individual FDIC coverage. Losses are possible.

2.6 Changes to SOFID; Wind-Down Risk

SOFID may be modified, migrated, suspended, limited, or discontinued as described in the Terms, including in response to legal or regulatory requirements, supervisory expectations, security incidents, operational constraints, or other risk events. The Issuer may also designate an additional or substitute issuer of SOFID under the Terms. Any such change may affect the availability, functionality, liquidity, or value of SOFID, including during any wind-down period. During any wind-down, liquidity may be limited and market prices may be volatile.



3. Blockchain and Technology Risks

3.1 Blockchain Network Risk

SOFID exists on Supported Blockchains. Blockchain networks are decentralized and not controlled by us; may experience forks, rollbacks, reorganizations, or consensus failures; may be subject to validator compromise or “51% attacks”; and may experience congestion, delays, outages, or changes to network rules or economics (including changes in fees or transaction processing).

We do not control and cannot guarantee the continued operation, integrity, or security of any Supported Blockchain.

Supported Blockchains may experience forks, airdrops, rollbacks, reorganizations, upgrades, changes in consensus mechanisms, or other network events (“Network Events”). Network Events may affect the functionality, transferability, or value of SOFID, may cause transaction reversals or delays, and may result in multiple competing versions of a blockchain. We have no obligation to support any Network Event, to support any forked network, or to distribute any assets, tokens, or other property that may arise from an airdrop, fork, or similar event. Third-party exchanges, wallets, and platforms may also choose not to support Network Events, which may impair liquidity or access.

For additional information on risks associated with blockchains and digital assets, refer to the [SoFi Crypto Risk Disclosure](#).

3.2 Smart Contract and Migration Risk

SOFID may rely on smart contracts. Smart contracts may contain coding vulnerabilities or errors, may require upgrades or migration, and may be subject to exploits.

We may deploy updated smart contracts or migrate SOFID. Failure to follow migration instructions may result in loss of access to supported interfaces, reduced functionality, or incompatibility with exchanges or wallets.

3.3 Irreversibility of Transactions; No Chargebacks

Transfers of SOFID and other blockchain transactions generally cannot be reversed, canceled, or charged back, even if made by mistake or as a result of fraud, theft, hacking, or unauthorized activity. You may not receive the consumer protections that apply to traditional payment methods, including credit cards, debit cards, ACH transfers, or wires. We do not guarantee the identity, creditworthiness, or legitimacy of any counterparty to an on-chain transaction.



We may not be able to investigate, recover, or reimburse losses involving external wallets, secondary market transactions, or on-chain transfers, except as expressly provided in the Terms or a separate written agreement. You may permanently lose your SOFID if you transfer SOFID to an incorrect wallet address, an incompatible network, or a sanctioned address.

3.4 Cross-Chain, Bridging, and Wrapped Asset Risks

SOFID may be made available on multiple blockchains, and third parties may create bridged, wrapped, or synthetic versions of SOFID without our involvement or approval. Bridges, wrapping protocols, and cross-chain mechanisms may be subject to smart contract exploits, validator compromise, governance failures, operational failures, or loss of backing, any of which may result in loss, theft, unavailability, de-pegging, or permanent impairment of bridged or wrapped versions of SOFID.

We do not control and are not responsible for any third-party bridge, wrapper, exchange, or other service, and we may treat only the versions of SOFID issued by us on Supported Blockchains as supported under the Terms.

3.5 Administrative Controls Risk

SOFID may be implemented through smart contracts that include administrative or compliance features. To the extent enabled by applicable smart contracts or protocols, we (or our designees) may pause or restrict transfers, block or denylist wallet addresses, freeze SOFID at certain addresses, burn SOFID, reissue or replace SOFID, or otherwise restrict functionality (collectively, "Administrative Controls").

Administrative Controls may be exercised without prior notice where we determine such action is necessary or appropriate due to legal or regulatory requirements, sanctions or financial crime risk, security incidents, suspected compromise, operational events, or Supported Blockchain disruptions. If Administrative Controls are exercised, SOFID may become non-transferable, non-redeemable, or otherwise impaired, and you may be unable to access or use SOFID through certain wallets, exchanges, or platforms. Exercise of Administrative Controls may adversely affect liquidity or market price. We have no obligation to exercise Administrative Controls in any particular circumstance, subject to applicable law.

3.6 Errors; Mistaken Transactions; Corrections

As described in the Terms, errors may occur in connection with SOFID, including errors in issuance, redemption, transfers facilitated through the SoFi Platform, reserve reporting, or operational records. We may take corrective actions as permitted by the Terms and applicable law. Such actions may affect SOFID balances, transferability, or redemption processes.



4. Compliance and Legal Risks

4.1 Sanctions and Financial Crime Risk

SOFID is subject to U.S. economic sanctions laws, anti-money laundering requirements, counter-terrorist financing laws, and other financial crime regulations.

We may block wallet addresses; freeze SOFID; refuse issuance or redemption; restrict transfers; or surrender assets pursuant to legal process. SOFID and related assets may also be subject to seizure, forfeiture, garnishment, restraining orders, turnover orders, or other legal process. We will comply with valid legal process and may be legally prohibited from providing notice to you before or during such actions. Such actions may occur without advance notice and may be permanent.

4.2 Regulatory Risk

The legal framework governing payment stablecoins is evolving. Governmental authorities may impose new capital or reserve requirements; restrict issuance or redemption; require structural changes; mandate suspension or wind-down; or otherwise limit the operation or distribution of SOFID. Regulatory changes may materially affect the operation, availability, or value of SOFID. Governmental authorities may determine that SOFID constitutes a security, commodity, deposit, or other regulated instrument, which could materially affect its operation or availability.

4.3 Jurisdictional Restrictions

Access to SOFID may be restricted or prohibited based on your location, residency, or applicable laws and regulations, including sanctions restrictions or other jurisdictional limitations. We may implement geo-restrictions or other controls and may change eligibility criteria over time.

4.4 Public Blockchain Transparency; Privacy and Traceability Risks

Transactions involving SOFID may be recorded on public blockchains and may be publicly visible, traceable, and linkable to wallet addresses. We or third parties may use blockchain analytics and other tools to analyze transactions and associate wallet addresses with individuals or entities.

We may collect, use, and share information about on-chain activity and wallet addresses with service providers and authorities for compliance, fraud prevention, security, and risk management purposes, consistent with applicable law and the SoFi Privacy Policy. Even if you



do not disclose your identity publicly, your transactions may be traced and attributed to you by us or others.

4.5 Tax Risk

Transactions involving SOFID may result in taxable gains or losses, income recognition, and reporting obligations. Tax treatment of digital assets is complex and may change. You are solely responsible for determining and satisfying your tax obligations, including any information reporting or withholding requirements that may apply to you.

5. Operational and Third-Party Risks

5.1 Operational Risk

Access to SOFID may be interrupted due to system failures, cybersecurity incidents, vendor outages, infrastructure disruptions, or maintenance events. No system is immune from failure.

5.2 Third-Party Risk

If you acquire, hold, or transact in SOFID through an exchange, broker, custodian, wallet provider, or other third party, you are exposed to that third party's operational, cybersecurity, legal, and insolvency risks, and you may have only contractual rights against that third party, not against us. You may have no recourse against us for losses resulting from the insolvency or misconduct of a third party.

SOFID may rely on custodians, financial institutions, liquidity providers, infrastructure providers, and blockchain analytics vendors. Failures, insolvency, misconduct, or service interruptions of third parties may adversely affect SOFID.

5.3 Cybersecurity and Fraud Risk

SOFID, Supported Blockchains, and related infrastructure are subject to hacking, phishing, social engineering, smart contract exploits, validator compromise, malware, and denial-of-service attacks. Security breaches may result in irreversible loss.

Fraudsters may attempt to impersonate SoFi or the Issuer through fake websites, apps, emails, text messages, social media, or other communications designed to obtain your credentials or induce transfers. We will never ask you to provide your private keys or to send SOFID to "verify" your account.



5.4 Loss of Access Risk

You may permanently lose access to SOFID if you lose private keys, wallet credentials, or authentication devices. We cannot recover assets transferred to external wallets. In the event we provide custodial services subject to a separate written agreement, we cannot restore access to any SOFID without proper verification.

6. Not Investment Advice; Risks Not Exhaustive

SOFID is not offered as an investment product. We do not provide investment, legal, or tax advice. We do not owe you any fiduciary duty in connection with SOFID.

This Disclosure is provided for informational purposes and to describe certain risks associated with SOFID; it does not describe all risks and should not be relied upon as legal, regulatory, tax, or investment advice. This Disclosure does not constitute any representation, warranty, or guarantee regarding SOFID, Reserve Assets, redemption availability, or regulatory treatment.

The risks described in this Disclosure are not exhaustive.

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