April 14th, 2017

The Honorable Mike Crapo, Chairman
The Honorable Sherrod Brown, Ranking Member
Senate Committee on Banking, Housing, and Urban Affairs
534 Dirksen Senate Office Building
Washington, D.C., 20510

Dear Chairman Crapo and Ranking Member Brown,

The Structured Finance Industry Group (SFIG) appreciates the opportunity to submit the following policy document, *Regulatory Reform: Securitization Industry Proposals to Support Growth in the Real Economy*, in response to your March 20th request for public comments concerning proposals to foster economic growth.

As you may know, SFIG is a member-based, trade industry advocacy group focused on improving and strengthening the broader structured finance and securitization markets. We represent over 350 institutional members and over 10,000 individual industry participants from all sectors of the securitization market including issuers, investors, financial intermediaries, law firms, accounting firms, technology firms, rating agencies, servicers and trustees.

This policy document and the proposals contained therein reflect the perspectives of our collective membership as it concerns challenges facing the securitization market—challenges that impact capital and liquidity needs for the real economy in the U.S.

We respectfully acknowledge that our submission contains a number of issues for your consideration. Our comprehensive approach to the Committee's request seeks to provide context and hopefully serves as a practical roadmap for needed reforms. For securitization markets and their participants, it is the cumulative effect of regulatory layering and unintended consequences that hamper the growth of our markets.

SFIG and its members applaud the Senate Banking Committee's bipartisan focus on economic growth and market participation, and stand ready as a resource to support those policy ends. We look forward to working with you and hope you will view SFIG as a valuable partner.

Respectfully,

Richard Johns
Executive Director

Structured Finance Industry Group

Regulatory Reform: Securitization Industry Proposals to Support Growth in the Real Economy

April 14, 2017

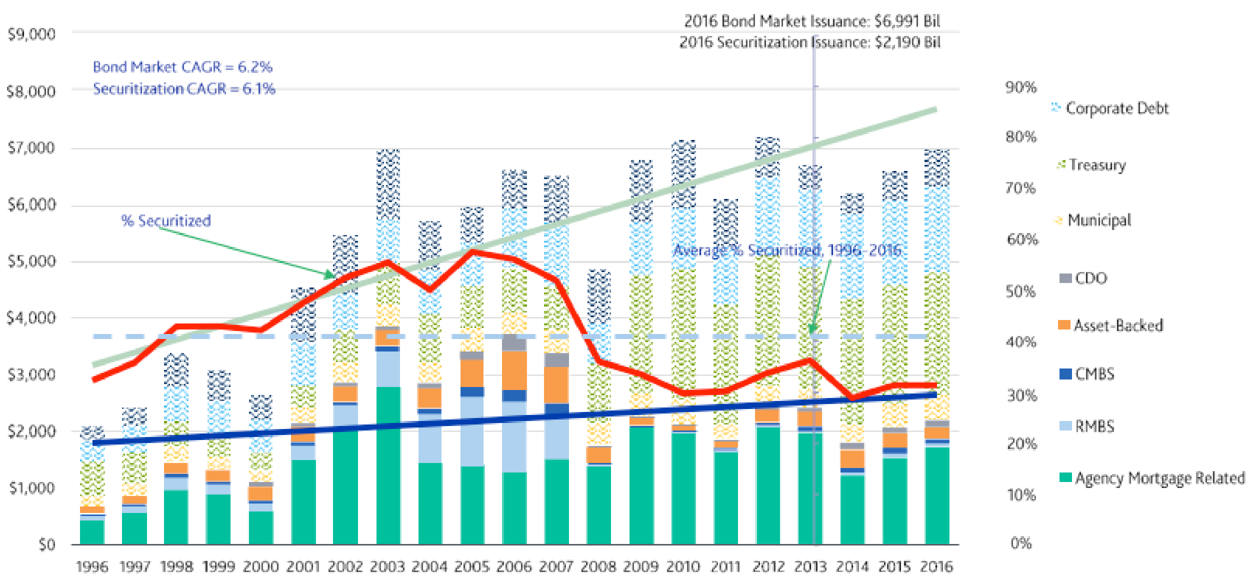
Introduction

Founded in March 2013, the Structured Finance Industry Group ("SFIG") is a member-based, trade industry advocacy group focused on improving and strengthening the broader structured finance and securitization market. SFIG provides an inclusive network for securitization professionals to collaborate and, as industry leaders, drive necessary changes, be advocates for the securitization community, share best practices and innovative ideas, and educate industry members through conferences and other programs. With over 350 institutional members, SFIG's membership represents all sectors of the securitization market including investors, issuers, financial intermediaries, law firms, accounting firms, technology firms, rating agencies, servicers and trustees.

SFIG's membership believes that securitization is an essential source of funding for the real economy, representing $2.2 trillion, or nearly 31% of America's roughly $7 trillion of annual bond issuance (see graph).[1] Securitization is a vibrant market supplying diverse fixed income investment options to a broad range of institutional and retail investors and provides consumers and businesses with access to low cost funding and capital.

Post Crisis Securitization Continues to Finance More Than 30% of Annual U.S. Capital Markets Funding Needs

U.S. Bond Market Annual Issuance, 1996-2016
$ Billions



---

[1]Source: SIFMA, Moody's

One of the core policy responses to the financial crisis was the adoption of a wide variety of new regulations applicable to the securitization industry, largely in the form of the Dodd-Frank Wall Street Reform and Consumer Protection Act ("Dodd-Frank"). While many post-crisis analysts believe that the crisis laid bare the need for meaningful regulatory reform, SFIG members believe that any such regulation must:

1. Reduce risk in a manner such that benefits outweigh costs, including operational costs and inefficiencies;
2. Be coherent and consistent across the various sectors and across similar risk profiles;
3. Be operationally feasible from both a transactional and a loan origination basis so as not to compromise provision of credit to the real economy;
4. Be valued by key market participants; and
5. Be implemented in a targeted way (i.e. without unintended consequences).

In this paper, we will distinguish between the types of regulation we believe to be necessary and productive versus those that are, at the very least, not helpful and, in some cases, harmful. To support this approach, we believe it is helpful to evaluate financial market regulations, specifically those related to securitization, under three distinct categories, notably those that are:

1. Transactional in nature; i.e., directly impact the securitization market via a focus on underlying deal structures;
2. Banking rules that include securitization reform within their mandate; and
3. Banking rules that simply do not contemplate securitization and, therefore, may result in unintended consequences.

Sections 1-3 will explore the key regulations that fall into the first two categories and recommend a framework that could solve some of the most troubling issues. Section 4 will highlight the rules that did not specifically contemplate securitization and suggest a few targeted fixes. Appendix 1 includes a list of regulations that may benefit from operational modifications or refreshed cost-benefit analyses.

Finally, we would like to emphasize that SFIG is a consensus-based, multiple-constituent industry group. Therefore, this paper does not represent all member opinions – in fact, achieving unanimity across such a vast industry as to the future direction of regulatory reform would be nearly impossible. Our goal for this paper is to identify where pragmatic, effective solutions that may be implemented without severely impacting any one industry participant group. For an in-depth understanding of our members' positions on a variety of topics, including Regulation AB II and risk retention, please see our website. If you have any questions, please contact info@sfindustry.org.

Section 1: Transactional Specific Securitization Regulations

Two major regulations that directly affect securitization transactions are the credit risk retention rule and disclosure requirements as required under Regulation AB II. In both instances, a natural tension exists between the two key types of market players: investors and issuers. Investors generally seek greater levels of disclosure and assurances that originators/issuers have sufficient “skin-in-the-game”. Issuers, on the other hand, generally warn against excessive costs, limited benefits, and potential loss of control over proprietary models and transaction structures.

Risk Retention

Risk retention regulation, a joint-agency effort[2], has been brought into question, especially in light of reform proposals authored by key policymakers (e.g., House Financial Services Committee Chairman Jeb Hensarling’s proposed Choice Act, which would eliminate risk retention for non-RMBS asset classes if depository institutions hold at least 10% capital).[3] We are not witnessing, however, a black and white response from the most affected parties, namely the issuers and investors.

While investors were initially supportive of the risk retention concept across all asset classes, some investors – notably those focused on high quality assets – do not necessarily place a high value on a regulatory mandated level of risk retention, especially for certain “plain vanilla” asset classes like credit card and prime auto. There remains, however, broad consensus across investors for certain asset classes, notably certain types of collateralized loan obligations (“CLO”) and commercial mortgage-backed securities (“CMBS”), where market participants believe that minimum required levels of risk retention requirements have promoted a significant improvement in loan underwriting. These investors, therefore, continue to look very favorably upon risk retention requirements.

Contrary to investors, some issuers were initially against the concept of a mandated level of risk retention. Other issuers have always had “skin-in-the-game” and believed alignment of interests to be important. Arguments posed included: the fact that alignment of interests already existed or indeed may not be warranted for high performing collateral; increased cost of capital and funding in relation to the retained tranche; and costs associated with implementation. Following implementation of the risk retention rule, while many issuers would maintain the above arguments, there are some who, having now absorbed the cost of implementation, value the greater transparency and potential market stability and reductions in issuance spreads that they have seen in certain transactions that didn’t previously hold risk retention since the rule became effective.

Given the mixed market sentiment, rather than upending risk retention as a concept, we believe it would make more sense to revisit some of the more technical areas within the rules. Most importantly, the industry should explore proposing modifications to the current “qualified loan” exemptions for high performing asset classes like auto and equipment, as defined in the final risk retention rules, to ensure

---

[2] Department of the Treasury (Office of the Comptroller of the Currency), Federal Reserve System, Federal Deposit Insurance Corporation, Federal Housing Finance Agency, Securities and Exchange Commission, and Department of Housing and Urban Development

[3] https://www.congress.gov/bill/114th-congress/house-bill/5983/text?q=%7B%22search%22%3A%5B%22choice+act%22%5D%7D&r=3

they correspond with the actual origination model of each distinct asset class. For example, auto finance often involves facilitating the sale of a vehicle when a customer is at a dealership. We believe that, among other changes, the elimination of the down payment requirement might be a viable improvement to the rule. With respect to equipment collateral, much of the equipment financed has a useful life that exceeds the permitted maximum five-year amortization for a “qualified commercial loan.” As an example, a loan to a customer with extremely good credit for an asset with an expected useful life in excess of 10 years (such as an airplane or machine used in mining) would be disqualified solely if the loan was not paid in full within five years. Lastly, another example cited by issuers relates to student loans, where asset-backed securities (“ABS”) collateralized or otherwise backed solely by Federal Family Education Loan Program (“FFELP”) loans (FFELP ABS) could be exempt because FFELP loans are Federally-guaranteed. We believe that there is a good argument to be made that FFELP loans should not be subject to risk retention thresholds that exceed the actual risk to investors. Appendix 1 provides in more detail additional suggested technical corrections.

Regulation AB II

Regulation AB II, promulgated by the Securities and Exchange Commission (“SEC”), sets forth asset level disclosure requirements for auto loans, CMBS, and residential mortgage-backed securities (“RMBS”). The rule also states that asset level disclosures were still under consideration for student loans, credit cards, equipment loans and leases, and floorplan (both auto and equipment). SFIG members spent almost two years developing consensus (or near consensus) positions regarding asset level disclosure for these open asset classes.

We have enclosed our comment letters to the SEC regarding the open asset classes. In most cases, we achieved broad consensus, but our comment letters take care to outline dissenting opinions in certain instances. In summary, we have recommended the following approaches:

- **Credit and Charge Card**: Support an alternative disclosure and reporting package that builds upon the SEC's proposal, but with important modifications designed to provide more extensive metrics on collateral performance without disclosing proprietary information. SFIG’s proposal is designed to give investors significantly more information than has been provided historically while protecting confidentiality. SFIG members also developed credit card disclosure best practices on quarterly static pool reporting and concentration data with our Investor and Credit Card Issuer members.

- **Auto Floorplan:** Support an alternative disclosure and reporting package that is grounded in the grouped account data proposal outlined by the SEC for the credit and charge card sector.

- **Equipment Loan and Lease & Floorplan**: Support a disclosure and reporting package comprised of group-level information, together with enhanced pool-level information, as opposed to asset-level information. The proposed disclosure and reporting package includes: (1) an enhanced monthly standardized servicer summary that will be identical for all issuers and facilitate the comparison of the types of information that can be compared across programs and (2) forms of detailed reports that would comprise group-level data reporting with enhanced pool-level reports. The disclosure and reporting package was designed to provide significantly more information while protecting the confidentiality of the underlying business obligors.

- **Student Loan**: Support loan level disclosure for student loans disclosure based upon three categories: FFELP, In-school private loans and consolidation loans. For FFELP and In-School Private Loans, SFIG's Issuer and Investor members achieved consensus to recommend providing 76 and 80 specific loan level data fields, respectively. SFIG's Consolidation Loans loan level data field proposal represents the requests of our Investor members only, as none of SFIG members, at the time of our comment letter, were issuers of SLABS backed by Consolidation Loans.

The challenge the industry now faces is "what happens with the part of the rule that is still to be finalized?" Since the rule proposal is now over five years old, there is a potential for the rule to be re-proposed in order to solicit fresh public opinion thereby creating risk that significant additional delay may occur, leaving the market with a continued dichotomy between asset classes. It also creates risk that the "second half" of the rule, once finalized, could be subject to different standards than those already adopted for CMBS, RMBS and Auto.

Assuming full repeal of the rule is out of the question – an assumption that would be unanimously endorsed by investors, who rely heavily on the transparency of information to support their credit underwriting process – there appears to be only three ways forward for the SEC; either:

1. Re-propose the rule for those asset classes not yet finalized;
2. Do nothing; or,
3. Issue a final rule without re-proposal.

With regard to option 1, as highlighted above, this would leave the market with a continued dichotomy that most market participants would rather avoid. It would however, allow some participants the opportunity to offer refreshed perspectives recognizing changes in the market since the financial crisis.

With regard to option 2, while it does not present a solution to the fact that it leaves the market with inconsistency of having final rules for some asset classes but not others, it would at least remove market ambiguity and uncertainty as to the future of regulation.

With regard to option 3, under the assumption that the SEC would prefer a completed rule and eliminate the inconsistency of having final rules for some asset classes but not others, we would urge that, for any such rulemaking, the SEC consider the industry consensus established via SFIG submissions.

Irrespective of the chosen direction, it is imperative that the intentions of the SEC are communicated to the market over the short-term.

Section 2: Banking Regulations that Deliberately Encapsulate the Securitization Industry

As outlined above, certain regulations that are intended to increase investor confidence sometimes do so at some expense to the issuer. Similarly, measures taken to try to reduce costs or other impacts to issuers may be taken at the expense of something investors value. Market specific or transactional regulations can often have the effect of decreasing one driver of market liquidity while increasing another, leaving the net effect difficult to predict. These tensions may very well be justified in ensuring we do not see markets overheat or become irrational. Essentially we are dealing with natural policy tensions where both issuer and investor arguments are open to reasonable debate regarding each particular regulation.

There are no such market tradeoffs, however, regarding some of the most significant regulations implemented since the financial crisis, particularly those related to ABS and RMBS capital and liquidity requirements. These regulations go far beyond what is necessary, and have contributed to making financial markets markedly less efficient and cost effective. Consequently, such regulations have negatively impacted both issuers and investors by driving up securitization costs, thereby harming the end consumer and business borrowers.

To be very clear, securitization allows investors to provide financing to originators of loans. When regulations are unduly punitive to the extent that they impact market liquidity, it is the end-user of those loans that is negatively impacted. When credit card liquidity is impacted, the American consumer has less access to day-to-day funds; when auto liquidity is impacted, the American consumer has less capability to buy a vehicle and auto manufacturers will sell fewer vehicles; when student loan liquidity is impacted, higher education becomes more expensive and difficult for Americans to access; when Equipment, CLO and CMBS markets are impacted, funding to U.S. businesses of all sizes is reduced, including many of the nation's small businesses which form the backbone of the US economy; and when RMBS market liquidity is negatively impacted, the ability of U.S. consumers to buy homes is compromised. In short, every single individual in the U.S. is impacted by securitization, the mechanism by which the market enables delivery of funding to the real economy. When general banking rules extend across securitization to the extent that they become overly restrictive, it is the real economy that suffers as a consequence.

Capital Regulation

Capital is a measure of equity that an organization can use to protect against future unexpected losses. It can be derived either externally, via capital markets, or organically by the generation and retention of profit.

Below we focus on three different elements of capital regulation: the Basel Committee on Banking Supervision ("Basel") III Securitization Framework, the Fundamental Review of the Trading Book, and accounting-driven capital redundancy.

- The **Basel III Securitization Framework**, issued in 2014 and amended in July 2016, has increased the capital required for securitization by multiples of previous requirements. In fact, these rules require banks to hold much more capital against ABS than they would be required to hold against the underlying assets themselves. In essence, the rules disadvantage securitization funding. This is particularly striking because securitization is a way of decreasing risk through diversification and higher liquidity. Furthermore, the historical performance of ABS, particularly high quality ABS, does not justify such stringent requirements (see chart below on p. 11). As with the liquidity rules, discussed below, it is hard to see this treatment as anything other than a deliberate effort to contract the ABS and RMBS markets, with the inevitable consequence of reducing funding to consumers and businesses. We recommend recalibrating the securitization hierarchy in the framework. Specifically, we recommend recalibrating or removing the maturity factor, M_T, from the SEC-IRBA calculation, and reducing p in the SEC-SA calculation to 0.5.

- Basel also finalized in early 2016 the **Fundamental Review of the Trading Book (FRTB)** rules that, if adopted, would pose a major threat to securitization in the United States. Although the likely impact of the rules is not yet precisely clear, it is clear that the FRTB rules would require bank broker-dealers to maintain far higher levels of capital in connection with their ABS market-making activities than they are required to under the current regulatory regime—perhaps more than twice as high. Increased capital required is estimated to range from 32% to 200% depending on each bank's diversification benefit, asset class, and ratings. As a result, bid-ask spreads are expected to increase by the same 32% to 200%. Again, there is no evidence supporting the need for such high capital requirements. Moreover, there is no indication that the design of the FRTB rules took account of the cumulative effect of other regulations that increase capital requirements, such as Dodd-Frank and Basel III. We believe that the proposed changes to the Basel III Securitization Framework we have articulated in the preceding paragraph will reduce or all but eliminate the current negative outcome of FRTB.

  One essential element of the U.S. ABS market is its use of broker-dealers for market-making, or simply put, assuming the risk of holding a position in a particular security in order to facilitate the trading of that security. Market-making by bank broker-dealers has historically provided significant liquidity to the ABS markets. However, we have already seen changes in the level of secondary market support provided by bank broker-dealers and, if the FRTB rules are implemented in the U.S. in their current form, profitability associated with secondary trading in securitized products would be further compromised resulting in bank broker-dealers requiring bid-ask spreads and/or trading volumes to increase substantially to achieve targeted returns. A more likely outcome would be that the economics lead dealers to further curtail their market-making of ABS or simply stop making markets altogether. This contraction in the secondary market would drastically reduce the liquidity of ABS and risk disruption of the broader market. Historically, one of the most important characteristics of ABS has been their high liquidity, and the removal of this confidence factor would surely decrease demand for these securities, leading to less issuance, higher cost for the consumer, and ultimately less financing for the real economy.

- While many of our concerns relate to actual risk-based capital regulations, we would also like to highlight a key change that occurred under accounting standards through **the post-financial crisis adoption of FAS 166 (true sale accounting rule) & 167 (consolidation for SPEs accounting rule).** Prior to the financial crisis, accounting rules allowed for off-balance sheet treatment of sponsored transactions. These rules were subsequently amended to require that such transactions be consolidated when issuers possessed control and held a potentially significant economic interest in the entities. These revised accounting rules, known as FAS 166 and FAS 167, although adopted post crisis, were conceived of and proposed pre-crisis, and were designed around the goals of open recognition of transactions on the face of the balance sheet rather than taking account of the level of contractual risk that was transferred. Nevertheless, following the crisis, U.S regulatory agencies elected to link regulatory risk-based capital treatment (a risk transfer concept) to accounting-based consolidation (a recognition and disclosure concept) decisions. As a result, irrespective of the particular history of an issuer, the economics of a funding transaction, or the level of risk transfer that had been achieved and contractually agreed upon by all parties, regulators would assume that any transaction where an issuer maintained control and held a retained interest would receive no capital relief. In short, the regulatory assumption is that no risk has been transferred to investors. We believe this assumption is fundamentally incorrect considering the significant losses that investors suffered during the crisis, and the resulting global regulatory response subsequent to the crisis to prevent reoccurrence of those losses. These erroneous assumptions create additional and duplicative capital requirements and reduce the amount of funding available to the real economy.

The failure of risk-based capital rules to account for contractual risk transfer by taking the "convenience route" of linking GAAP accounting and regulatory accounting fails to appropriately analyze the facts and circumstances of a transaction, and applies an overly punitive one-size-fits-all approach based on accounting recognition and disclosure considerations rather than appropriate risk-based capital criteria.

We strongly recommend that there be an appropriate separation between GAAP consolidation treatment and determination of regulatory capital treatment. Using accounting treatment to determine required levels of capital is an example of applying the considerations of one discipline to completely different regimes. SFIG members believe that regulatory capital levels should be divorced from GAAP treatment. Transactions should be separately evaluated for risk and related regulatory capital requirements – accounting rules should not be at play in this determination.

Liquidity Regulation

The liquidity coverage ratio ("LCR") was introduced initially as a response to the perceived need to improve short-term resilience in the liquidity risk profiles of banking organizations. To address this need, Basel first produced a consultation paper in 2009 and subsequently published revised international liquidity coverage ratio standards as part of the Basel III capital and liquidity reform package in 2013.

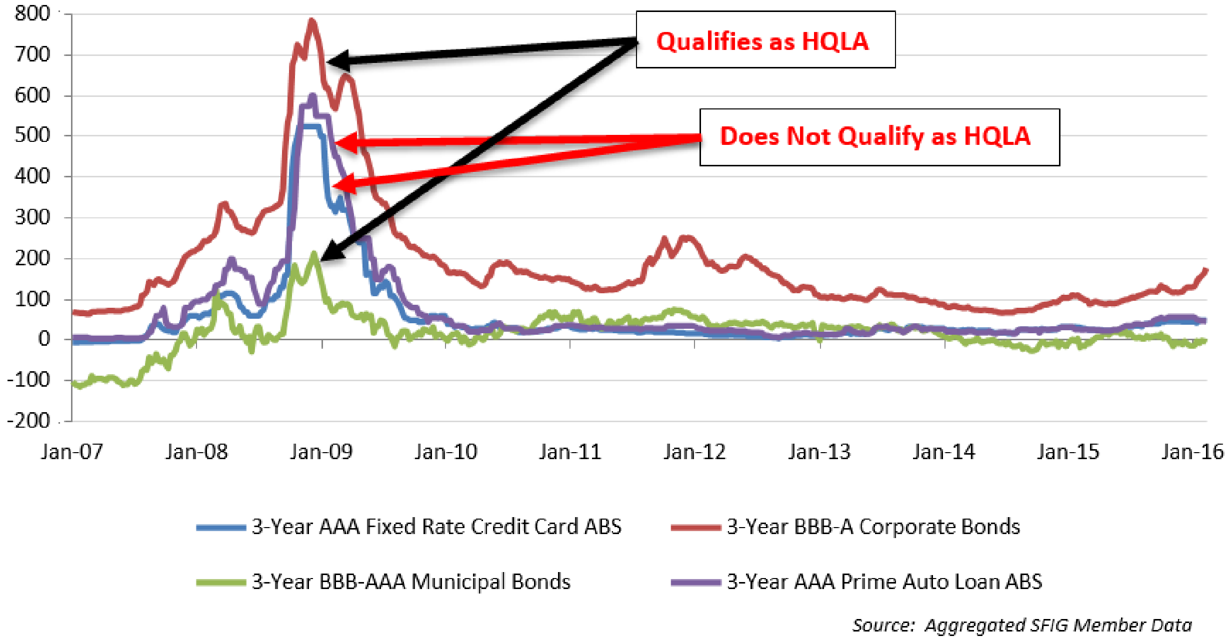
The goal of the rule is to make sure that banking entities retain enough high quality liquid assets ("HQLA") in their portfolios to sustain a 30-day period of stress. The regulation specifies what assets may qualify as HQLA and sets different levels of liquidity credit for different types of assets. For example, while cash is treated as 100% liquid, investment grade corporate debt is only counted at 50% of its face value, which reflects the regulators' assumption that corporate debt would be more difficult to monetize during a period of financial stress.

HQLA Designations Under the Final U.S. LCR Rule

Type of Liquid Asset	Description	Haircut	Cap
Level 1	Highest quality and most liquid assets *Example: U.S. Treasury Securities*	No haircut	No cap
Level 2A	Relative price stability with significant liquidity *Example: GSE Securities*	15%	When combined with Level 2B liquid assets, cannot exceed 40% of total HQLA
Level 2B	More price volatility and less liquidity *Example: Investment grade corporate debt and exchange traded corporate equity securities*	50%	Cannot exceed 15% of total HQLA

It does not appear that the liquidity treatment was determined based upon the actual performance of each asset class during the crisis. The treatment of ABS - as non-liquid - is particularly striking when compared to that of corporate debt. For example, investment grade corporate bonds are considered high quality liquid assets for purposes of LCR compliance, though they are subject to a 50% haircut for assumed loss of value in the case of a crisis. Yet AAA rated "plain vanilla" ABS are considered entirely non-liquid, notwithstanding that such assets have historically performed as well as or better than most investment grade corporate debt (as demonstrated by the chart below). Indeed, investors commonly refer to AAA-rated prime auto ABS as "treasury surrogates," or "cash equivalents."

Comparison of Card and Auto ABS Spreads to Corporate and Municipal Bond Spreads (2007-2016)



During the crisis, corporate investment grade debt experienced an 18% price decline at peak, compared to just a 13% decline in AAA automotive loan-backed securities and a 16% decline in AAA credit-card debt-backed securities. During the recent financial crisis, ABS as a category retained a high degree of liquidity. Plain vanilla ABS generally maintained its ability to access markets, albeit at wider spreads, and many issuers had zero need for government intervention programs (i.e. TALF) to maintain liquidity. At the very least, plain vanilla ABS should be entitled to the same 50% discount treatment as investment grade corporate debt. Clear evidence shows that even in a deep recession, price declines for AAA-rated ABS would not come close to 50%. For example, the Federal Reserve's *Collateral Margins for the Primary Dealer Credit Facility* was 82% for ABS at the height of the crisis (August 2009) – and this included all securitizations such as CDOs.[4] The haircuts for plain vanilla ABS (e.g., credit card, equipment, and auto) were far lower. This punitive treatment of ABS has measurably negative consequences for many important sectors in the real economy, and to the provision of funding to consumers and small businesses.

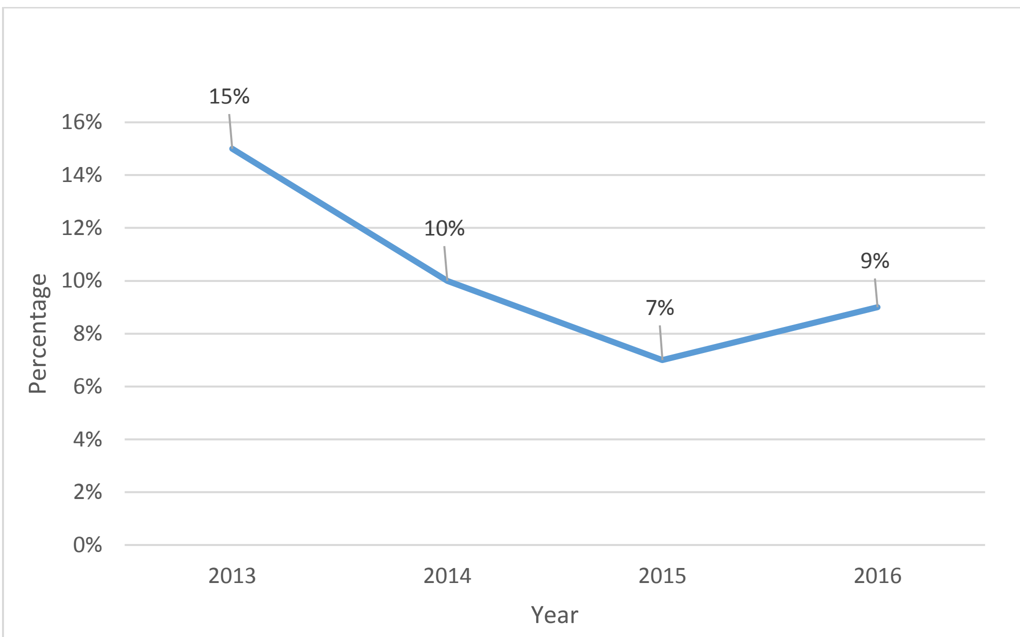
The LCR treatment of all types of private label RMBS is also questionable. Like all other ABS, RMBS are treated as illiquid, regardless of whether they contain QM loans that are considered so safe that the related sponsor is exempted from all credit retention requirements. The market considers such high quality, resilient mortgages highly liquid. Yet, in contradiction to the risk retention rule, from the perspective of the regulators, the inclusion of such loans in a security has no bearing on the liquidity of

[4] Federal Reserve, Collateral Margins For The Primary Dealer Credit Facility (March 17, 2008 To February 1, 2010)

that security. We do not agree with this rationale. Regardless of whether or not one supports Dodd-Frank, it would seem that rules required by this law would have an intrinsic value from a liquidity perspective.

Furthermore, the October 2014 implementation of the LCR in the U.S. has reduced bank demand and market liquidity in ABS, largely because U.S. regulators treated ABS as categorically non-HQLA, regardless of performance and trading volume. This includes securities backed by prime-auto loans, equipment, prime credit card debt, student loans, and qualified ("QM") mortgages. The chart below shows that bank investment in ABS declined 40% from 15% in 2013 to 9% in 2016.

Bank Investor as a Percentage of Total Investors in ABS New Issue 2013-2016[5]



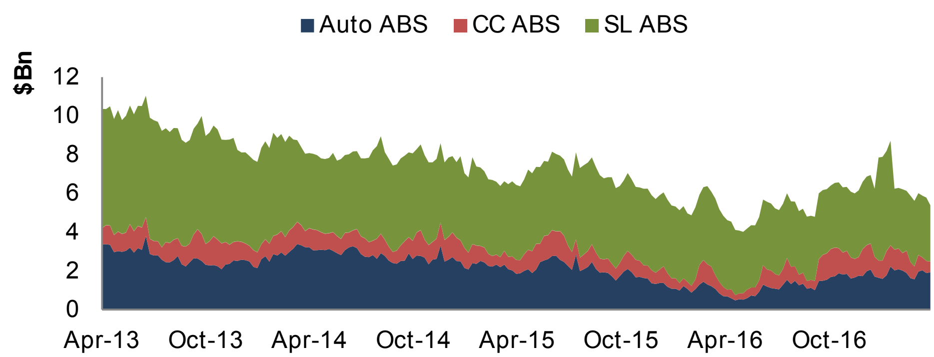
The LCR is not the only problematic U.S. liquidity regulation. The net stable funding ratio ("NSFR"), a rule that addresses liquidity over a longer time horizon, is susceptible of the same criticisms because ABS and MBS are treated similarly to their treatment under the LCR. U.S. regulators have not, to date, finalized the NSFR for U.S. bank implementation. The NSFR could have a detrimental long-term effect on ABS liquidity if it is not calibrated to reflect the liquidity of the U.S. marketplace.

Finally, the combination of the current liquidity rules and anticipated capital regime has been felt acutely in ABS market liquidity. For example, as the below graphs demonstrate, primary dealer holdings of credit card, auto and student loan ABS have decreased by more than 40% since this particular data

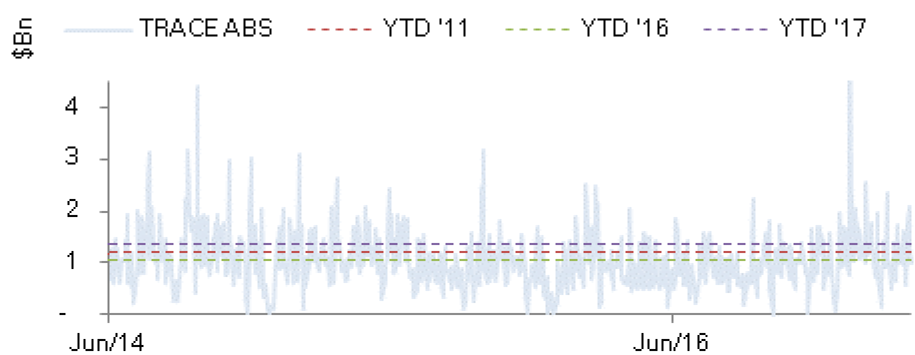
[5] Source: Credit Suisse, for US transactions underwritten by Credit Suisse, February 15, 2017

series started to be collected in 2013. Furthermore, average daily trading volume is down 14.2% from a year ago, and 20.3% compared to the same period in 2014.[6]

Primary Dealer Holdings of ABS



TRACE Daily ABS Trading Volumes



[6] Analysis by Deutsche Bank Securities Inc., Source: New York Fed, FINRA

Section 3: Assessing the Value of Transactional Regulations to Mitigate the Damage Caused by Overly Punitive Banking Regulations

We have now covered two overarching types of regulations: those that some key market participants value (resulting in a natural tension with other participants) and those that the market as a whole categorically views as misguided. As discussed in the previous two sections, the implementation of various Dodd-Frank requirements following the crisis, such as risk retention and enhanced disclosure requirements under Regulation AB II, has created significant changes across practices of the entire securitization industry. If these changes have any value at all, then how can ABS or RMBS previously deemed to have no liquidity value, still be deemed to have no value after the implementation of Dodd-Frank? Similarly, regulators appear poised to enact much more punitive capital requirements for banks that invest in ABS or RMBS. The regulator perspective appears to be that the post-crisis changes enacted under Dodd-Frank are worthless for both capital and liquidity purposes. Effectively we are being told that “zero plus something of value equals zero.”

We would, instead, encourage policymakers to approach capital and liquidity regulation in a different manner, namely one that takes into account improved underwriting via robust disclosure and risk retention (skin-in-the-game) regimes. In other words, ABS or MBS that meet important requirements, i.e., high quality securitization (“HQS”), should be afforded improved capital and liquidity treatment.

To provide a brief overview, the development of the HQS concept stems from efforts by the G20, global standard setters, and regulators to strengthen the financial system following the 2008 crisis. The focus thus far has been largely European driven and European centric. In light of a sluggish economy, policy makers in Europe have looked to securitization as a way in which to boost the supply of credit to the economy.

We believe that the more formal recognition of the inherent high quality of certain U.S. ABS and MBS could also attract more investment and further facilitate the use of securitization as an important funding tool for our nation’s consumers and small businesses. To be clear, we are not proposing the adoption of a new set of standards; rather, any HQS policy in the U.S. should be based on a simple model that recognizes the “skin-in-the-game” and disclosure requirements already in place under current regulation and links adoption of those market enhancements to reductions in certain regulatory requirements. If the U.S. were to adopt such an approach, with banks that invest in recognized types of HQS receiving regulatory relief, more credit could be responsibly injected into the financial system and overall economy.

The Basel HQS framework currently identifies “simple, transparent, and comparable” securities as those that meet certain requirements around asset risk, structural risk, and fiduciary and servicer risk. Key requirements include holding appropriate risk retention and making sufficient disclosures. We believe that ABS or RMBS that meet robust risk retention requirements already in place in the U.S. are more likely to have strong underwriting criteria, as evidenced, for example, in the CLO and CMBS markets.

Furthermore, a strong disclosure regime and resulting transparency allows for greater investor understanding of and confidence in specific securities. Therefore, we recommend that ABS and RMBS that meet risk retention and disclosure requirements receive Level 2B Liquidity Treatment under the LCR (and similar treatment under the NSFR) – please refer back to page 10. We would further propose that the standards for “liquid and readily marketable” and “reliable source of liquidity” as defined under LCR are reevaluated to ensure they are operationally viable for ABS securities, and indeed all capital markets securities. Furthermore, banks that invest in these securities should be required to hold less punitive levels of capital and issuers that issue securities from such robust platforms should be entitled to programmatic capital relief, recognizing that investors have clearly assumed risk on a well-disclosed transaction where sufficient alignment of interests and division of risk exists.

Conceptually, we believe there is significant merit in the above approach:

1. It incentivizes “good behavior” by the markets, notably to embrace disclosure and risk retention requirements;
2. It helps eliminate elements of capital and liquidity regulations that the market has universally rejected as redundant and harmful, thereby simultaneously reducing the cost of implementation of disclosure and retention practices; and
3. It enables appropriate allocation of capital between transacting parties, eliminating cases of redundant capital where issuers and investors hold capital for the same risk of loss.

Section 4: Banking Regulations that "Inadvertently" Impact Securitization Markets

We have, thus far, provided a framework that could correct for regulatory overreaction related to the ABS and RMBS markets by linking highly punitive capital and liquidity requirements to regulations that have proven largely effective. In this Section, we turn to regulations that were not directed at and did not account for ABS and RMBS, but, nonetheless, as interpreted and/or written, have resulted in unintended consequences for the securitization markets.

Daily Margin Posting and Collection (CFTC + Prudential Regulators (FDIC, FCA, FRB, FHFA, and OCC) – Dodd-Frank Title VII, Section 731

Dodd-Frank Title VII centers on derivatives reform. One of the regulatory interpretations of Title VII included the requirement that, effective March 1, 2017, a U.S. swap provider be required to collect and post margin when it enters into a swap contract with a "financial end user." Under the rules, a majority of securitization SPVs will be captured within that definition, and as a result will be subject to initial margin requirements and variation margin requirements applicable to all financial end users.[7]

We do not believe that securitization SPVs should be required to post margin as they do not pose the same risk of nonpayment as other financial end users and, therefore, do not present the same risks to the safety and soundness of swap providers or of the broader financial system. An asset-backed issuer is structured as a bankruptcy-remote SPV established solely to finance a specific pool of assets. The SPV is a distinct legal entity, the assets are legally isolated from the sponsor or originator that created it, and the SPV is operated in accordance with organizational documents that limit its permitted activities. SPVs commonly undertake contractual covenants designed to maximize the likelihood that they would not be consolidated with the estate of the originator in the case of insolvency. These structural safeguards that address concerns about the bankruptcy risk of an SPV benefit all of the SPV's secured creditors, including, significantly, swap counterparties. In addition to the above structural protections, the requirement for an SPV to post cash variation margin on a daily basis is unnecessary because of the substantial overcollateralization and priority payments requirements mandated by investors which already sufficiently protect swap counterparties from counterparty credit risk.

SFIG members and staff have met with regulators and Congressional staff on several occasions, requesting an exemption for securitization SPVs. Our concerns relate to both new swap contracts and existing swap contracts:

- For securitizations entered into after the March 1st compliance date, securitization SPVs will need to be structured to accommodate the requirement to post margin. In order to comply with the margin requirements, a securitization SPV would need to fund variation margin in one of two ways: either (1) by establishing a cash reserve account funded up front and from monthly

[7] SFIG, "Proposed Rules re: Margin and Capital Requirements for Covered Swap Entities," November 24, 2014.

cash flows generated by the SPV's assets, designated as a source for posting margin, or (2) with a committed loan facility under which the SPV can borrow money to post margin when required. Both of these options would make securitization an expensive and economically unattractive financing option for issuers and, as a result, could increase the cost of loans for borrowers.

- The new margin requirements do not apply to an SPV swap that was entered into prior to March 1, 2017. However, if an existing swap must be amended, novated or otherwise modified, it could result in a legacy transaction having to comply with the new margin requirements. Securitization SPVs are generally passive entities that are severely restricted in the types of activities in which they can engage under their organizational documents. Because of restrictions on the SPV's ability to novate the swap contract to a new counterparty if the original swap provider breaches its obligations under the swap contract, the ratings on outstanding bonds issued by the securitization SPV may be downgraded.[8] Such downgrades could result in market disruption, particularly if investors are forced to reallocate their holdings.

On February 13th, the CFTC issued a time-limited no-action letter stating that, from March 1, 2017 to September 1, 2017, the Division of Swap Dealer and Intermediary Oversight (DSIO) will not recommend an enforcement action against a swap dealer for failure to comply with the variation margin requirements for swaps that are subject to a March 1, 2017 compliance date.

On February 23rd, the Federal Reserve and the OCC issued guidance explaining how supervisors should examine compliance with margin requirements. This guidance was not as clear-cut as the CFTC's no-action relief. The Federal Reserve and the OCC expect swap entities covered by the rule to prioritize their compliance efforts surrounding the March 1st deadline "according to the size and risk of their counterparties." For counterparties that do not present significant credit and market risks, the agencies expect swap entities to make good faith efforts to comply with the final rule in a timely manner, but no later than September 1, 2017.

However, in order to minimize the possibility of unnecessary downgrades and resulting market disruption, we urge the regulators to offer permanent no-action relief for legacy securitization SPVs. Additionally, given the protections built into securitization SPVs, we also believe that all swaps entered into as securitization SPVs (regardless of when) should be exempted from the daily margin posting and collection requirements. Otherwise, issuers will likely face higher costs that could be passed on to consumers and small business borrowers.

Volcker (FRB, CFTC, FDIC, OCC and SEC) /Dodd-Frank Title VI, Section 619

The Volcker Rule generally prohibits or restricts a banking entity from investing in, sponsoring, or having certain relationships with, a covered fund. The definition of covered fund is overly broad beyond its original intent of including hedge funds and private equity funds, therefore pulling in certain securitization structures.

[8] SFIG, "Proposed Rules re: Margin and Capital Requirements for Covered Swap Entities," November 24, 2014.

Securitization structures are distinguishable from hedge funds and private equity funds which engage in proprietary trading activities. However, while the Final Rule excludes “loan securitizations” from the definition of covered fund, it does not clearly take into account all plain vanilla securitizations, leading to uncertainty in the market.

We believe regulators should explicitly carve securitization structures out from the definition of covered fund. Since securitization structures do not engage in proprietary trading activities, this carve out would be consistent with the Volcker Rule's intent to prohibit banking entities from indirectly engaging in proprietary trading by investing in private equity funds and hedge funds.

Section 5: Conclusion

The securitization industry serves as a mechanism for allowing institutional investors to deliver funding to the real economy, both to individual consumers of credit and to businesses of all sizes. This segment of credit reduces the real economy’s reliance on the banking system to deliver such funding, thereby reducing systemic risk.

It is important that both issuers of securitization bonds and investors in those bonds align at an appropriate balance in their goals to allow those issuers to maintain a business model that is not unduly penalized for using securitization as a funding tool, while at the same time, ensuring investors have confidence in the market via “skin in the game” and sufficiency of disclosure.

When broad banking regulations, such as increased capital and liquidity rules, specifically target securitization on a punitive basis, the cumulative effect of the rules creates disincentives across the entire industry, whether you are an issuer, and investor or a market-maker. Today, this impacts the US real economy negatively, with abundant data highlighting the reduction in liquidity supply to the sector.

There are three key areas where congressional and regulatory action is needed to alleviate this impact, eliminate redundant capital and liquidity provisions, and allow the return of that capital and liquidity to the spur real economic growth, notably:

1. Recognize the value of market/transactional rules as a basis for mitigating capital and liquidity risk and apply appropriate relief to the relevant banking regulations covering those areas;
2. Eliminate cases where more general banking regulations inadvertently capture securitization in their purview, by clarifying the rules to allow exceptions and no-action examples; and
3. Review market/transactional rules for “easy fixes” that allow more straightforward or less costly implementation without compromising the substance of those rules and the benefits that investors assign to that substance.

For additional detail on the specific rules incorporated within this proposal, please refer to SFIG’s website at sfindustry.org or contact us at info@sfindustry.org.

Appendix 1

Earlier this year, SFIG conducted a survey amongst our membership, seeking feedback on regulation that they believed was inconsistent with the principles we outlined in the Introduction section, above. Specifically,

1. Reduce risk in a manner where benefits outweigh costs;
2. Be coherent across sectors;
3. Be operationally feasible from both a transactional and a loan origination basis so as not to compromise provision of credit to the real economy;
4. Be valued by key market participants; and
5. Be implemented in a targeted way (i.e. without unintended consequences).

Given the nature of this survey request, the vast majority of respondents were issuers. Therefore, we would like to emphasize, as further detailed below, that these points listed in Appendix I are primarily a list of concerns, in particular recommended modifications of regulations, provided by some issuers. **Importantly, this list does not represent all member opinions; and, in some cases, the majority of investors and/or the majority of issuers may not agree with all or some of suggested, individually listed, modification and, therefore, it may not represent an industry consensus.** In order to gain industry consensus on many of the below points, we would recommend a roundtable process that would provide a wide-range of industry participants to share their perspectives. In particular, we would aim to achieve efficiencies for issuers without compromising the substance of the rules.

Rule 17g-5 (SEC) / Dodd-Frank Title IX, Section 932

- As part of the Nationally Recognized Statistical Rating Organizations ("NRSRO") Final Rule, Rule 17g-5 states that arrangers must maintain password-protected website with information furnished to NRSROs. Non-hired NRSROs must issue ratings for at least 10% of the securities whose websites they have accessed.
- Issuers and rating agencies report that non-hired rating agencies do not access this information and it provides no useful purpose. Furthermore, we are aware of no unsolicited ratings that have been assigned since the adoption of Rule 17g-5. The rule is clearly not achieving its stated purposes and the cost to issuers of maintaining these websites and posting information to them exceeds any benefit to industry.
- SFIG members recommend initiating a retrospective cost-benefit analysis and substantive review since the rule has not achieved its stated purpose.

Rule 17g-7 (SEC) / Dodd-Frank Title IX, Section 932

- As part of the NRSRO Final Rule, Rule 17g-7 requires rating agencies to post a description of "industry standard" reps, warranties and enforcement mechanisms (and comparisons among similar ABS) for investors to be able to compare in their credit decisions.
- However, investors do not access the information, generally not finding it useful given lack of standardization of data reported. Therefore, rating agencies are spending time and money posting information that investors are not accessing.
- SFIG members recommend initiating a retrospective cost-benefit analysis.

Regulation AB II

Regulation AB II: Implementation Challenges

- Some issuer groups are confronted with certain implementation challenges to the asset level disclosure requirements under the final rules of Regulation AB II for automobile, RMBS and CMBS. For example, auto issuers would suggest technical corrections to make improvement to properly reflect simple interest receivables and leases and to make interpretation clarifications and technical corrections to certain asset level data fields.
- SFIG members recommend industry consensus should be sought beginning with industry roundtable process. This would enable market consensus to be built around potential improvements to the rule, especially around operational and implementation issues and for that same feedback to be used to support improvements to any potential final rules for the "unfinished" asset classes (such as student loans).

Regulation AB II: Waiting Period after Filing Red for Public ABS Offerings

- Some issuers recommend eliminating or reducing 3-business day waiting period to one business day between filing preliminary prospectus offering document and the date of transaction pricing.
- Alternatively, some issuers recommend considering this reduction only for "seasoned sponsors."
- SFIG members recommend industry consensus should be sought beginning with industry roundtable process.

Risk Retention

- Some issuers recommend a simplified version of eligible horizontal residual interest that does not require fair value determination.
- Some issuers recommend allowing participation interests as a permitted form of risk retention.
- Some issuers recommend considering representative sample as a permitted form of risk retention.

- Some issuers recommend exceptions to U.S. Risk Retention requirements for transactions that comply with European risk retention requirements.
- Some issuers recommend aligning the definition of non-U.S. Person in the rule so the foreign offering exemption works for non-U.S. transactions that comply with Reg S.
- SFIG members recommend industry consensus should be sought beginning with industry roundtable process.

Derivatives

- SFIG members recommend amending the bankruptcy code to explicitly permit "flip clauses."
- Some SFIG members recommend changing Regulation AB Item 1115 to allow financial reporting by only a guarantor rather than by both the bank/swaps subsidiary and the guarantor that is an SEC reporting company.

CFPB Proposed "No Arbitration" Rule (Docket No. CFPB-2016-0020, Arbitration Agreements, 81 Fed. Reg. 32,830 (proposed May 24, 2016) (to be codified at 12 C.F.R. pt. 1040))

- In line with the charge of the CFPB, sound and effective consumer protections are paramount to our members.
- However, SFIG members believe that, if adopted, the Proposed "No Arbitration" Rule may cause a disruption to the securitization market and risk restricting the availability of funding sources that make consumer financing accessible to Americans of all incomes.
- SFIG members urge the CFPB not only to redraft this Proposed "No Arbitration" Rule in response to public comment, but first to reopen its Congressionally-mandated study period, and – as also directed by Congress – analyze relevant data in order to articulate a satisfactory explanation for any subsequent agency action. Further, if subsequent action is deemed appropriate, we encourage the CFPB to evaluate multiple modes of regulatory intervention, including those that allow for greater consumer choice in the form of a class action waiver opt-out.

FDIC Safe Harbor

- Some issuers recommend considering modifying the "commingling" requirement under the FDIC Safe Harbor Rules.
- The Safe Harbor Rule protects transfers of financial assets by a bank in connection with a securitization transaction that satisfies specified conditions. One of those conditions relates to commingling.
- Industry standard typically supports highly rated entities commingling intra-month with monthly deposits of collections on the applicable monthly payment date. However, under the FDIC Safe

Harbor, even the most highly rated banks must make daily deposits within two business days after receipt of the collections.

- SFIG members recommend applying the industry standard commingling provisions to FDIC Safe Harbor Rules, whereby highly rated banks may commingle intra-month.

Investment Company Act: Rule 3a-7

- When the SEC's Division of Corporation Finance adopted Regulation AB, it made clear that equipment and auto lease deals could use the ABS disclosure rules rather than the more cumbersome and difficult rules for corporate issuers by having a definition of "asset-backed security" that includes the equipment or auto residual interest, even though the equipment or vehicles are not technically "financial assets that convert to cash by their terms."
- SFIG members recommend conforming amendments to the Rule 3a-7 definition of "asset-backed security" by the Division of Investment Management to more clearly apply to auto and equipment lease deals consistent with the SEC's Reg AB definition.

Dodd-Frank Section 939A

- Section 939A of Dodd-Frank provides that all federal regulatory agencies must "remove any reference to or requirement of reliance on credit ratings."
- SFIG members recommend eliminating or modifying this prohibition, as its broad requirement to prohibit even reference to credit ratings effectively prohibits the use of external credit ratings even as one factor of creditworthiness.

Dodd-Frank Section 621 (Conflicts of Interest)

- SFIG members agree with the intent of Section 621 to prohibit securitization participants from intentionally designing ABS to fail or default while such participants profit from the securities' failures. However, SFIG believes Section 621, as currently drafted, unintentionally would prohibit various transaction participants to assume roles and perform different functions as part of a securitization transaction, which should not be expressly prohibited under Section 621.
- SFIG members recommend industry consensus should be sought beginning with industry roundtable process with a goal of striking a balance between prohibiting ABS parties from profiting from transactions they "designed to fail" and preserving the healthy functioning of U.S. capital markets.

Rule 15Ga-1 (Reporting of Demands to Repurchase Assets)

- Some issuers recommend reconsidering the applicability of Rule 15Ga-1 to Regulation D transactions.

- Under Rule 15Ga-1, the SEC requires quarterly and annual reporting of demands to repurchase assets from securitization trusts due to breaches of representations or warranties. Given Regulation D transactions are generally exempt from EDGAR filings Rule 15Ga-1 applicability to Regulation D transactions is inconsistent in its application.
- SFIG members recommend industry consensus be sought beginning with an industry roundtable process.

Structured Finance Industry Group

June 23, 2015

Via email: rule-comments@sec.gov

Mr. Brent J. Fields
Secretary
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090

Re: Outstanding Proposed Rules under Regulation AB II (File No. S7-08-10)

Dear Mr. Fields:

On August 27, 2014, the Securities and Exchange Commission (the "Commission" or "SEC") adopted final rules under Regulation AB that substantially revise the offering process, disclosure and reporting requirements for registered offerings of asset-backed securities ("ABS").[1] More than four years after publishing its original Regulation AB II rule proposals,[2] and after a partial re-proposal in July 2011,[3] and a partial re-opening of the comment period in February 2014,[4] the Commission has implemented several key areas of reform, but has deferred taking action on several other significant aspects of its original rule proposals (the "Outstanding Proposals"), including:

---

[1] The Commission adopted these final rules, referred to as "Regulation AB II," in Release Nos. 33-9638; 34-72982; File No. S7-08-10, dated September 4, 2014 (the "2014 ABS Adopting Release"). Asset-Backed Securities Disclosure and Registration, 79 Fed. Reg. 57184 (Sep. 24, 2014).

[2] The Commission originally proposed Regulation AB II in Release Nos. 33-9117; 34-61858; File No. S7-08-10, dated April 7, 2010 (the "2010 ABS Proposing Release"). Asset-Backed Securities, 75 Fed. Reg. 23328 (May 3, 2010).

[3] The Commission re-proposed certain of its Regulation AB II rule proposals in light of the provisions of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the "Dodd-Frank Act") and comments received on its original proposals in Release Nos. 33-9244; 34-64968; File No. S7-08-10, dated July 26, 2011 (the "2011 ABS Re-Proposing Release"). Re-Proposal of Shelf Eligibility Conditions for Asset-Backed Securities, 76 Fed. Reg. 47948 (Aug. 5, 2011).

[4] The Commission re-opened the comment period on Regulation AB II to solicit further public comment on a proposed approach to disseminate potentially sensitive asset-level data in Release Nos. 33 9552; 34-71611 File No. S7-08-10, dated February 25, 2014. Re-Opening of Comment Period for Asset-Backed Securities Release, 79 Fed. Reg. 11361 (Feb. 28, 2014).

- Requiring grouped-account disclosure for credit and charge card ABS;
- Adopting asset-level disclosure requirements for equipment loans and leases, floorplan financings, and student loans;[5]
- Requiring issuers to provide the same disclosure for private placements and resales of structured finance products as is required for registered offerings of those products;
- Filing a computer waterfall program that gives effect to the contractual cash flow provisions of the transaction agreements; and
- Further accelerating the filing deadlines for transaction agreements in connection with shelf takedowns to no later than the date the Rule 424(h) preliminary prospectus is required to be filed.[6]

Following adoption of the final rules, the Commission staff has indicated that the Commission continues to actively consider these Outstanding Proposals and, in light of the passage of time, has encouraged market participants to provide supplemental comment on these areas of proposed rulemaking.

The Structured Finance Industry Group ("SFIG")[7] appreciates the opportunity to provide comment on the Outstanding Proposals, each of which represents a significant area of potential reform that has been the subject of substantial, and often mixed, market commentary. At this time, we provide comment on the Outstanding Proposals relating to disclosure for underlying pool assets (the "Outstanding Pool Asset Disclosure Proposals"). More specifically, we provide comment in this letter on the Commission's proposals to require grouped account data for credit and charge card ABS and asset-level information for auto dealer floorplan ABS and equipment loan and equipment lease ABS.

The views presented in this letter are the product of a concerted effort by representatives of all segments of the securitization market to offer the Commission a current industry response to the Outstanding Pool Asset Disclosure Proposals. During the process, our members advocated their respective interests which, in many cases, were competing. When divergent views developed, such as between issuers and investors, further meetings were held and special efforts were made to find common ground and reach a practical compromise that effectively addressed the

---

5 The final rules adopted as part of Regulation AB II require asset-level information in prospectuses and in ongoing reports for ABS backed by residential mortgages, commercial mortgages, auto loans, auto leases, and debt securities (including resecuritizations). The Commission has not yet adopted its proposal for asset-level disclosure for any other asset class.

6 The final rules accelerate the filing deadlines for final transaction agreements in connection with shelf takedowns to no later than the date the final prospectus is required to be filed.

7 SFIG is a member-based, trade industry advocacy group focused on improving and strengthening the broader structured finance and securitization market. SFIG provides an inclusive network for securitization professionals to collaborate and, as industry leaders, drive necessary changes, be advocates for the securitization community, share best practices and innovative ideas, and educate industry members through conferences and other programs. Members of SFIG represent all sectors of the securitization market including issuers, investors, financial intermediaries, law firms, accounting firms, technology firms, rating agencies, servicers, and trustees. Further information can be found at www.sfindustry.org.

competing concerns. At this time, we have achieved consensus among investors and issuers on certain of the Outstanding Pool Asset Disclosure Proposals and have presented the specific recommendations of our members on those proposed rules in this letter.[8] Where consensus could not be reached, each view was taken into consideration and expressed accordingly in this letter. We urge the Commission to carefully consider each of the views set forth in this letter.

Our investor and issuer members are also actively engaged in discussions regarding the Commission's disclosure proposals for equipment dealer floorplan ABS and student loan ABS. Investors and issuers have had constructive discussions in each of these asset sectors and remain optimistic that consensus is achievable. We expect to continue these discussions among our members and will submit a supplemental letter to the Commission addressing both of these asset sectors as soon as practicable.

Finally, we also plan to continue discussions on the remaining Outstanding Proposals and may provide one or more supplemental letters to the Commission focused on those topics at a later time. We note, however, that more than five years have passed since the Outstanding Proposals were originally published for comment. In the intervening period of time, there have been significant changes in the securitization markets, the participants in those markets, and the regulatory landscape in which those markets operate. With these changes, the views of industry participants have continued to evolve as well. As a result, while we appreciate the opportunity to provide comment on the Outstanding Pool Asset Disclosure Proposals at this time, we urge the Commission to continue to defer action on the remaining Outstanding Proposals until at least such time as the Commission has taken any final action on the Outstanding Pool Asset Disclosure Proposals. This would give market participants an opportunity to digest the full complement of enhanced disclosure requirements relating to underlying pool assets adopted under Regulation AB II and to formulate current views on the remaining Outstanding Proposals in light of those enhanced disclosure requirements.

OUTSTANDING POOL ASSET DISCLOSURE PROPOSALS

In the 2010 ABS Proposing Release, for most ABS offerings, the Commission proposed to require asset-level information in XML format to be included in prospectuses and periodic reports filed on EDGAR. The asset-level information included standardized data points that are generally applicable to most asset classes and additional data points for specified asset classes, including residential mortgages, commercial mortgages, auto loans, auto leases, equipment loans, equipment leases, floorplan financings, corporate debt and resecuritizations. For credit and charge card ABS, the Commission proposed to require "grouped account data" in XML format to be included in the prospectus and periodic reports filed on EDGAR.

In the 2011 ABS Re-Proposing Release, the Commission requested additional comment regarding the data disclosure requirement of Section 942(b) of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 ("Dodd-Frank") as they relate to equipment sector ABS. In particular, the Commission requested information about the impact of asset-level and

---

[8] For the avoidance of doubt, the disclosure recommendations of our members contained in this letter are in addition to, rather than in place of, any existing disclosure requirements under Regulation AB.

group-level disclosure for equipment loan, equipment lease and equipment dealer floorplan ABS, and solicited suggestions for implementing Dodd-Frank Section 942(b) in a way that is both feasible for issuers and sufficient for investors.

The final rules adopted as part of Regulation AB II require asset-level information in prospectuses and in ongoing reports for ABS backed by residential mortgages, commercial mortgages, auto loans, auto leases, and debt securities (including resecuritizations), but the Commission's proposals to require grouped account data for credit and charge card ABS and asset-level information for auto dealer floorplan ABS, equipment loan, equipment lease and equipment dealer floorplan ABS, and student loan ABS remain outstanding.

I. Grouped-Account Disclosure for Credit and Charge Card ABS

A. General

The Commission has proposed to exclude credit and charge card ABS from the requirements to provide asset-level data because it believes that level of information would result in an overwhelming volume of data that may not be useful to investors and providing the data may be cost-prohibitive for issuers. Instead of providing asset-level data, the Commission has proposed that issuers of ABS backed by credit and charge cards provide grouped account data lines in XML format to be included in the prospectus and periodic reports filed on EDGAR.

As noted by the Commission, "grouped account data" would be created by compressing the underlying asset-level data into combinations of standardized distributional groups using asset-level characteristics and providing specified data about these groups. In order to create a grouped account data line, each group based on each of these characteristics would be combined with all groups for all other characteristics. All possible combinations would result in 14,256 grouped account data lines.[9]

Our issuer members and most of our investor members agree that asset-level data for credit and charge card ABS, where pools contain as many as 20 to 45 million accounts, would be neither feasible for issuers nor necessary for investors. Our investor members support enhanced disclosure standards at the pool level for credit and charge card ABS and believe that access to enhanced data that is updated throughout the life of a transaction should foster more in-depth independent analysis within the credit and charge card ABS market. Our issuer members observe that, while the Commission has proposed to exclude credit and charge card ABS from asset-level data requirements, its grouped account data proposal would still require issuers to disclose commercially-sensitive proprietary information about origination, underwriting and

---

[9] The Commission also requested comment on whether to propose revisions to Item 1111 of Regulation AB, to require enhanced pool-level data for credit and charge cards. The proposed enhanced pool-level data is neither viable nor appropriate because much of the requested information is proprietary, not collected by issuers, or not material. Examples of information that most credit card issuers do not track for their own business purposes include information relating to an obligor's status regarding homeownership, type of employment, level of education and debt-to-income ratio. Even in the rare instances in which this information is available, it is collected at origination and not updated on an ongoing basis.

pricing models that is critical to the viability of their businesses.[10] Issuers are also concerned that compiling the extensive information and developing the required infrastructure to comply with the Commission's proposal would increase the cost of securitization in a significant manner. Issuers are concerned that the Commission's grouped account data proposal could, therefore, eliminate securitization as a viable funding source for credit and charge card ABS or, at a minimum, drive issuers away from the securitization markets and seriously impair liquidity in that market. On the other hand, investors are concerned that a lack of adequate upfront and ongoing transparency would present a significant risk to market stability and liquidity, especially in times of market disruptions, and therefore support disclosure requirements that provide investors with the ability to conduct in-depth analysis.

In light of these observations and concerns, if the Commission determines to adopt enhanced disclosure requirements for underlying pool assets for credit and charge card ABS issuers, our issuer and investor members support an alternative disclosure and reporting package that builds upon the Commission's proposal but with important modifications designed to provide more extensive metrics on collateral performance without disclosing proprietary information. These enhanced disclosure and reporting standards should, in turn, facilitate more in-depth analysis without jeopardizing market liquidity. Our investor and issuer members are also engaged in ongoing conversations regarding certain other collateral performance information that may have a bearing on the recommendations made in this letter. We plan to continue discussions on that topic and expect to provide further views to the Commission as soon as practicable.

B. Recommendation on Disclosure for Underlying Pool Assets

Under our proposal for credit and charge card ABS, issuers would provide the following three reports: (i) Representative Line Data Report; (ii) Collateral Report; and (iii) Report on Charged Off Accounts. Each of the proposed reports was developed to provide investors with more granular information about the underlying asset pool in order to perform better analysis of future payments on credit and charge card ABS. The information in each of the proposed reports would be provided in XML format.

The Representative Line Data Report is a modified version of the Commission's grouped account data proposal. The Collateral Report is a modified version of the pool-level information disclosure concept outlined in the Commission's request for comment to Item 1111. Information regarding charge-offs, a significant performance benchmark for credit and charge card securitization programs, is disclosed in the Report on Charged-Off Accounts. These reports are designed to give investors significantly more information about charge-offs and other data than has been provided historically while protecting issuers' interest in maintaining the confidentiality of proprietary information about their current underwriting and other credit extension processes.

Generally, the combined disclosure included in the proposed Representative Line Data Report, Collateral Report and Report on Charged-Off Accounts would provide information on more

---

[10] Because of the continuous re-extension of credit in a revolving credit or charge card account information that otherwise might not be proprietary or sensitive in the context of an amortizing asset securitization would reveal important, confidential information about the issuer's business in the context of a revolving asset securitization.

metrics than would be provided under either the Commission's grouped account data proposal or the pool-level information outlined in the Commission's request for comment on Item 1111.

Each of the three proposed reports is described in more detail below.

1. Representative Line Data Report

In a Representative Line Data Report, issuers would provide information about the underlying pool in the form of grouped account representative data lines. The Representative Line Data Report is a modified version of the Commission's grouped account data proposal. In this report, the data would be grouped by a combination of the following characteristics:

(a) *Credit Score*. If the credit score used is FICO, the groupings would be: (1) No score; (2) Less than 600; (3) 600-659; (4) 660-719; (5) 720-779; and (6) 780 and over. If another credit score is used, an issuer would designate similar groupings and provide explanatory disclosure. Credit scores may only be purchased on a statistically significant random sample of the underlying pool which may be used to populate this table.

(b) *Account Age*. The groupings would be accounts that are: (1) less than 12 months; (2) 12 to 23 months; (3) 24 to 35 months; (4) 36 to 47 months; (5) 48 to 59 months; and (6) 60 or more months.

(c) *Geographic Region*.[11] The groupings for geographic regions would be: (1) Northeast; (2) Midwest; (3) South; and (4) West.

(d) *Adjustable Rate Index*. The groupings for the adjustable rate indexes would be: (1) Fixed; (2) LIBOR; and (3) Prime.

In order to create a grouped account data line, each group based on each of these characteristics would be combined with all groups for all other characteristics. For each grouped account data

---

[11] For purposes of the Representative Line Data Report, Collateral Report and Report on Charged-Off Accounts, states would be grouped into Geographic Regions as follows:

Northeast: Connecticut, Maine, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, and Vermont

Midwest: Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, and Wisconsin

South: Alabama, Arkansas, Delaware, District of Columbia, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, North Carolina, Oklahoma, Puerto Rico, South Carolina, Tennessee, Texas, Virgin Islands, Virginia and West Virginia

West: Alaska, American Samoa, Arizona, California, Colorado, Guam, Hawaii, Idaho, Montana, Nevada, New Mexico, Northern Mariana Islands, Oregon, Trust Territory of the Pacific Islands, Utah, Washington and Wyoming

In the case of ABS that are backed by foreign assets, the groupings for geographic regions would depend on factors relevant to the particular transaction, including demographic information relating to the jurisdiction(s) in which the assets are located.

line in the Representative Line Data Report, issuers would provide the following information: (1) aggregate credit limit; (2) aggregate account balance; and (3) number of accounts.

An illustration of the Representative Line Data Report is included as Exhibit Card A to this letter.

2. Collateral Report

In a Collateral Report, issuers would provide pool-level statistical information in prescribed distributional groups or incremental ranges. The Collateral Report is a modified version of the pool-level information disclosure concept outlined in the Commission's request for comment on Item 1111. In this Collateral Report, data would be grouped by a combination of the following characteristics:

(a) *Credit Score*. If the credit score used is FICO, the distributional groups would be: (1) No score; (2) Less than 600; (3) 600-629; (4) 630-659; (5) 660-689; (6) 690-719; (7) 720-779; and (8) 780 and over. If another credit score is used, an issuer would designate similar groupings and provide explanatory disclosure. Credit scores may only be purchased on a statistically significant random sample of the underlying pool which may be used to populate this table.

(b) *Delinquencies*. The distributional groups for number of days delinquent would be: (1) current to 29 days; (2) 30-59 days; (3) 60-89 days; (4) 90-119 days; (5) 120-149 days; (6) 150-179 days; and (7) 180 days and over. If an issuer uses different delinquency groups as a matter of internal policy, the issuer would designate those groupings and provide explanatory disclosure.

(c) *Credit Limit*. The distributional groups for credit limit would be: (1) less than $1,000; (2) $1,000-$4,999.99; (3) $5,000-$9,999.99; (4) $10,000-$19,999.99; (5) $20,000-$29,999.99; (6) $30,000-$39,999.99; (7) $40,000-$49,999.99; (8) $50,000 or greater; and (9) Other. If accounts are grouped into the "Other" category, the issuer must include a footnote explaining why the accounts did not fit into one of the prescribed groups.

(d) *Account Balance*. The distributional groups for account balance would be: (1) credit balance; (2) no balance; (3) less than $1,000; (4) $1,000-$4,999.99; (5) $5,000-$9,999.99; (6) $10,000-$19,999.99; (7) $20,000-$29,999.99; (8) $30,000-$39,999.99; (9) $40,000-$49,999.99; and (10) $50,000 or more.

(e) *Account Age*. The distributional groups for account age would be: (1) less than 12 months; (2) 12-23 months; (3) 24-35 months; (4) 36-47 months; (5) 48-59 months; (6) 60-83 months; (7) 84-119 months; and (8) 120 or more months.

(f) *Top 10 States by Account Balance*. The distributional groups would be the top 10 states by aggregate account balance. The remaining accounts would be grouped into the category "Other."[12]

(g) *Geographic Region*. The distributional groups for geographic regions would be: (1) Northeast; (2) Midwest; (3) South; and (4) West.

For each data line in each distributional group in the Collateral Report, issuers would provide the following information: (1) number of accounts, (2) aggregate account balance; (3) percentage of aggregate account balance; (4) other than for the credit limit distributional group table described in subsection 2.(c) above, average credit limit; (5) average utilization rate; (6) other than for the account age distributional group table described in subsection 2.(e) above, average account age; (7) percentage of account obligors that are full payers; (8) percentage of account obligors that are minimum payers; (9) other than for the credit score distributional group table described in subsection 2.(a) above, average credit score; and (10) other than for the delinquencies distributional group described in subsection 2.(b) above, (A) percentage of aggregate account balance that is 30-59 days delinquent; (B) percentage of aggregate account balance that is 60-89 days delinquent; and (C) percentage of aggregate account balance that is 90 days or more delinquent.

For the information regarding average credit score described in clause (9) above, (i) credit scores may only be purchased on a statistically significant random sample of the underlying pool which may be used to populate the credit score data lines; and (ii) if the credit score used is not FICO, an issuer would provide similar information and explanatory disclosure. If an issuer uses different delinquency distributional groups than those described in (10)(A), (B) and (C) above as a matter of internal policy, the issuer would designate those groupings and provide explanatory disclosure. Any data line in the Collateral Report containing an average may exclude zero-balance and inactive accounts so long as the issuer provides explanatory disclosure.

An illustration of the Collateral Report is included as Exhibit Card B to this letter.

3. Report on Charged-Off Accounts

In a Report on Charged-Off Accounts, issuers would provide additional statistical information regarding the composition of charged-off accounts in prescribed distributional groups or incremental ranges. In this Report on Charged-Off Accounts, data on accounts that are charged off during the relevant period would be grouped by a combination of the following characteristics:

(a) *Credit Score*. If the credit score used is FICO, the distributional groups would be: (1) No score; (2) Less than 600; (3) 600-629; (4) 630-659; (5) 660-689; (6) 690-719; (7) 720-779; and (8) 780 and over. If another credit score is used, an issuer

[12] In the case of ABS that are backed by foreign assets, for purposes of the Collateral Report and Report on Charged-Off Accounts, the distributional groups would depend on factors relevant to the particular transaction, including demographic information relating to the jurisdiction(s) in which the assets are located.

would designate similar groupings and provide explanatory disclosure. Credit scores may only be purchased on a statistically significant random sample of the underlying pool which may be used to populate this table. Also, credit scores are not purchased for charged-off accounts and, therefore, the information in this table would be based on the most recently refreshed credit scores for the charged-off accounts, to the extent they are available.

(b) *Account Balance*. The distributional groups for account balance would be: (1) no balance; (2) less than $1,000; (3) $1,000-$4,999.99; (4) $5,000-$9,999.99; (5) $10,000-$19,999.99; (6) $20,000-$29,999.99; (7) $30,000-$39,999.99; (8) $40,000-$49,999.99; and (9) $50,000 or greater.

(c) *Credit Limit*. The distributional groups for credit limit would be: (1) less than $1,000; (2) $1,000-$4,999.99; (3) $5,000-$9,999.99; (4) $10,000-$19,999.99; (5) $20,000-$29,999.99; (6) $30,000-$39,999.99; (7) $40,000-$49,999.99; (8) $50,000 or greater; and (9) Other. If accounts are grouped into the "Other" category, the issuer must include a footnote explaining why the accounts did not fit into one of the prescribed groups.

(d) *Account Age*. The distributional groups for account age would be: (1) less than 12 months; (2) 12-23 months; (3) 24-35 months; (4) 36-47 months; (5) 48-59 months; (6) 60-83 months; (7) 84-119 months; and (8) 120 or more months.

(e) *Top 10 States by Account Balance*. The distributional groups would be the top 10 states by aggregate account balance at the time of charge-off. The remaining accounts would be grouped into the category "other."

(f) *Geographic Region*. The distributional groups for geographic regions would be: (1) Northeast; (2) Midwest; (3) South; and (4) West.

For each data line in each distributional group in the Report on Charged-Off Accounts, issuers would provide the following information: (1) number of accounts; (2) percentage of aggregate charged-off accounts; (3) aggregate account balance at time of charge-off; and (4) percentage of aggregate account balance of charged-off accounts.

An illustration of the Report on Charged-Off Accounts is included as <u>Exhibit Card C</u> to this letter.

C. When Credit and Charge Card Pool Information Would Be Required

Consistent with the Commission's proposal, the proposed disclosure package would be an integral part of the prospectus, and would be filed with the Rule 424(h) prospectus and at the time of the final prospectus under Rule 424(b).[13] In addition, we agree with the Commission that investors and market participants would benefit from receiving updated information about the underlying asset pool. However, given the size and seasoning of credit card portfolios and

---

[13] The most recent periodic increment for the data contained in the proposed disclosure package would be as of a date no later than 135 days prior to the date of first use of the prospectus.

charge card portfolios, the portfolio characteristics do not change often enough to warrant monthly updates. Rather than filing updated disclosure reports with each report on Form 10-D, issuers and investors agree that a quarterly update is sufficient.[14] These quarterly updates would continue for the entire life of any credit or charge card ABS issued after the implementation date for any related final rules, subject to Rule 15d-22 under the Securities Exchange Act of 1934.

* * * * *

[14] We note, however, that the requirement under Item 6.05 for Form 8-K will still apply, so updates to the collateral disclosure would be filed under the circumstances contemplated by Item 6.05 should a material change occur.

II. Disclosure Requirements for Auto Dealer Floorplan ABS[15]

A. General

The Commission has proposed to require auto dealer floorplan issuers to disclose loan-level data for each floorplan receivable in a pool both in the prospectus at the time of offering and in subsequently-filed periodic reports. Our members agree with the Commission that an investor's access to robust information regarding pool assets is important to enable informed investment decisions and support enhanced disclosure standards at the pool level for auto dealer floorplan ABS. Issuers are concerned, however, that the loan-level disclosure requirements contained in the Commission's proposal would require significant changes from current disclosure standards in the auto dealer floorplan ABS market and that, if adopted without modification, unintended consequences have the potential to significantly hamper or even dismantle the auto dealer floorplan ABS market.[16]

Like credit and charge cards, auto dealer floorplan financings involve a dynamic of re-extending credit as the dealer sells one financed vehicle and then finances another vehicle acquired for its showroom. Our issuer members indicate that providing current pricing information would describe the issuer's current pricing models and other decisions made in managing the accounts in a way that would reveal sensitive information and limit an issuer's ability to be competitive. Under the Commission's loan-level disclosure proposal, auto dealer floorplan issuers would be required to disclose commercially-sensitive proprietary information about origination, underwriting and pricing models that is critical to the viability of their businesses. Each originator and servicer of floorplan accounts has devoted an enormous amount of time and resources to develop its own models and strategies for underwriting, pricing and servicing. Issuers are concerned, therefore, that competitors would be able to derive critical components of these models and strategies from the loan-level data proposed to be required by the Commission.

Issuers also observe that disclosure of loan-level information as required under the Commission's proposal could jeopardize a floorplan sponsor's relationship with its dealers. In their view, loan-level information would make it easy to identify the location and identity of an individual dealership.[17] Once a competitor has identified an individual dealer, disclosure of

---

[15] Throughout Section II of this letter, references to "floorplan" ABS, "floorplan" receivables, "floorplan" sponsors and the like are intended as references to floorplan financings in the auto dealer sector, unless the context indicates otherwise.

[16] Floorplan sponsors are either owned by, or have significant commercial ties to, auto manufacturers, and the manufacturers are dependent on the ability of the sponsors to provide floorplan financing to dealers. As a result, the ability to issue floorplan ABS is critical to the auto industry and, in turn, is important to the economy as a whole.

[17] The identity of an individual dealership can readily be ascertained by disclosure of the dealership's zip code (as contemplated by Item 9(c)(3) on the originally-proposed Schedule L), since there typically are not even two dealerships of the same vehicle brand in the same zip code. However, disclosure of other information about the location of the dealership and the vehicles financed would also make it easy to identify an individual dealer.

information about the individual loans made to that dealer would reveal confidential information about the dealer's business. Floorplan ABS sponsors may have confidentiality agreements in place with dealers that would prohibit this type of data disclosure. Even in the absence of a confidentiality agreement, issuers believe that such disclosure would be damaging to a floorplan ABS sponsor's relationships with its dealers, as the dealers would consider it a breach of trust. To avoid the disclosure of their confidential information, many dealers may choose to finance their vehicle inventories through banks that do not fund their floorplan financing businesses through the securitization markets. One adverse effect of such a change, from the issuer's standpoint, could be a decline in volume in the floorplan ABS market. In addition, floorplan sponsors believe that these banks have previously cut back on their floorplan lending in difficult economic cycles, which ultimately could become problematic for dealers and, in turn, auto manufacturers in a subsequent downturn in the economy.

The Commission's loan-level data proposals for floorplan ABS would also require issuers to produce an overwhelming volume of data. Proposed Schedule L contemplated 34 data items for floorplan loans. Because as many as 620,000 vehicles are financed through a floorplan master trust at any one time, some floorplan issuers would be required to report as many as 21.1 million data points in a prospectus. And the burden would only be exacerbated in the context of ongoing reports, where it is proposed that 51 data items be tracked for floorplan loans, which translates into as many as 31.6 million data points being tracked and reported each month. Issuers believe that compiling the extensive information and developing the required infrastructure to comply with the Commission's loan-level disclosure proposal would, therefore, increase the cost of securitization in a significant manner.

Issuers are concerned that the Commission's loan-level data proposal could, therefore, eliminate securitization as a viable funding source for floorplan financing assets, which in turn would further limit the availability of credit and increase the costs of doing business in the automobile industry. Some investors share the related concern that a significant decrease in the amount of high quality auto dealer floorplan ABS could seriously impair liquidity in that market. On the other hand, investors are concerned that a lack of adequate upfront and ongoing transparency would present a significant risk to market stability and liquidity, especially in times of market disruptions, and therefore they support disclosure requirements that provide investors with the ability to conduct in-depth analysis.

At the same time, some of our investor members observe that loan-level disclosure and reporting requirements would result in a significant volume of data and most of our investors believe the related cost of processing this data is not outweighed by the benefit of receiving it. For example, some of these investors model auto dealer floorplan ABS using group-level data and do not currently have the means to do so using loan-level data. These investors would have to invest in additional processes and other resources to be able to analyze loan-level data, at a cost that would exceed the benefits loan-level data might have over group-level disclosure. While the remainder of our investors are not concerned with the volume of data under loan-level disclosure, they do support the proposal recommended below, as they find it a practical compromise and common ground for the industry as a whole.

In light of these observations and concerns, if the Commission determines to adopt enhanced disclosure requirements for underlying pool assets for auto dealer floorplan ABS, our issuer and investor members support an alternative disclosure and reporting package that will provide extensive metrics on collateral performance and enable informed investment decisions without disclosing commercially-sensitive proprietary information about issuers' floorplan financing businesses. This alternative package is grounded in the grouped account data proposal outlined by the Commission for the credit and charge card sector, which our members believe is a model that provides investors with robust information regarding the floorplan receivables underlying floorplan ABS and thereby enables informed investment decisions without jeopardizing market liquidity.[18]

B. Recommendation on Disclosure for Underlying Pool Assets

Under our proposal for floorplan ABS, issuers would provide the following three reports: (i) Monthly Representative Line Data Report, (ii) Quarterly Representative Line Data Reports and (iii) Quarterly Dealer Risk Rating Migration Analysis. Each of the proposed reports was developed to provide investors with significantly more information about the underlying asset pool than has been provided historically in order to enable investors to perform better analysis of floorplan ABS while protecting issuers' interest in maintaining the confidentiality of proprietary information about their current underwriting and other credit extension processes. The information in each of the proposed reports would be provided in XML format.

1. Monthly Representative Line Data Report

In a Monthly Representative Line Data Report, issuers would provide statistical information about the underlying pool in the form of grouped account representative data lines on a monthly basis. In this report, the data would be grouped by a combination of the following characteristics:

(a) *Dealer Risk Group*. The groupings would be based on the risk classification used by the sponsor to assess the financial condition of each dealer. Among current floorplan issuers, the number of risk groupings ranges from three to five. The sponsor will designate its groupings and provide explanatory disclosure.

(b) *Geographic Location*. The groupings would be based on the appropriate geographic territories selected by the sponsor and, in most cases, would be based on the geographic regions or divisions established by the U.S. Census Bureau. For example, a floorplan issuer with a large number of dealer customers may use the four census regions, nine census divisions and a category of "National" as the groupings for geographic location. However, a floorplan issuer with a relatively small number of dealer customers (*e.g.*, 300) spread out across the United States

---

[18] Floorplan financings are more akin to credit card financings because each securitized pool contains a high volume of individual revolving loans, each of which has a relatively small value and a relatively short tenor. Like credit cards, the underlying floorplan loans are not individually underwritten. Rather, the floorplan sponsor underwrites the dealer at account origination and then continues to monitor the dealer over time. A floorplan loan is made each time the dealer purchases a vehicle from a manufacturer.

may elect to use only the four census regions and a category of "National" as the groupings for geographic location.

In order to create a grouped account representative data line, each group based on each of these characteristics would be combined with each of the groups for all other characteristics. For each grouped account representative data line in the Monthly Representative Line Data Report, issuers would provide the following information: (1) number of accounts; (2) percentage of accounts; (3) loan age distribution (*i.e.*, number of days outstanding broken into subcategories designated by the issuer); (4) beginning of period principal balance; (5) principal collections; (6) principal adjustments; (7) principal reductions – re-designated accounts; (8) defaulted loans; (9) new loans; (10) added loans (additional designated accounts); (11) end of period principal balance; (12) percentage of end of period principal balance; (13) payment rate; (14) losses or recoveries; (15) loss rate (based on the methodology defined by the issuer in the prospectus); (16) interest collections; and (17) used vehicle balance.

An illustration of the Monthly Representative Line Data Report is included as Exhibit Auto Dealer Floorplan A to this letter.

2. Quarterly Representative Line Data Reports

In addition, on a quarterly basis, issuers would provide statistical information about the underlying pool in the form of grouped account representative data lines. The Quarterly Representative Line Data Reports would consist of the following three reports: (a) Report on Age Distribution of Loans by Risk Group; (b) Report on Age Distribution of Loan by Financed Vehicle Type; and (c) Report on Account Balance Distribution. While a majority of investors agree that quarterly reports are sufficient, a significant percent of our investors believe these reports should be provided on a monthly basis.

a. Report on Age Distribution of Loans by Risk Group

In this report, data would be grouped by a combination of the following characteristics:

(a) *Loan Age Distribution*. The issuer will designate the appropriate loan age distributional groupings based on the number of days the loan has been outstanding. For purposes of this report, the age of a loan starts from the date the related vehicle was initially financed by the dealer.

(b) *Dealer Risk Group*. The distributional groupings would be based on the risk classification used by the sponsor to assess the financial condition of each dealer. Among current floorplan issuers, the number of risk groupings ranges from three to five. The issuer will designate its groupings and provide explanatory disclosure.

To create the grouped account representative data lines, each receivable age distributional group would be combined with each risk classification distributional group. For each grouped account representative data line in the Report on Age Distribution of Loans by Risk Group, issuers would provide the percentage of aggregate account balance represented by that data line (1) as of the end of each of the previous five fiscal years and (2) as of the end of both the most recently completed fiscal quarter and the corresponding fiscal quarter from the immediately prior fiscal year.

b. Report on Age Distribution of Loans by Financed Vehicle Type

In this report, data would be grouped by a combination of the following characteristics:

(a) *Line*. The distributional groupings would be based on whether the vehicles are "new" or "used."

(b) *Vehicle Type*. The issuer will designate the appropriate vehicle type distributional groupings based on: make; make and model; category (*e.g*., car, medium truck, heavy truck, etc.); or make and category. Only vehicle types that represent 2% or more of the pool will be represented as individual groups and all remaining vehicle types will be represented in distributional groupings titled "Other New Models" or "Other Used Models," as appropriate.

To create the grouped account representative data lines, each line distributional group would be combined with each vehicle type distributional group. For each grouped account representative data line in the Report on Age Distribution of Loans by Financed Vehicle Type, issuers would provide the following information: (1) percentage of aggregate pool balance; and (2) loan age distribution. For purposes of this report, the age of a loan starts from the date the related vehicle was initially financed by the dealer.

c. Report on Account Balance Distribution

In this report, data would be grouped by a combination of the following characteristics:

(a) *Account Balance*. The issuer will designate the appropriate account balance distributional groupings based on ranges that are meaningful for the applicable pool.

(b) *Dealer Risk Group*. The distributional groupings would be based on the risk classification used by the sponsor to assess the financial condition of each dealer. Among current floorplan issuers, the number of risk groupings ranges from three to five. The issuer will designate its groupings and provide explanatory disclosure.

To create the grouped account representative data lines, each account balance distributional group would be combined with each risk classification distributional group. For each grouped account representative data line in the Report on Account Balance Distribution, issuers would provide the following information: (1) principal of loans outstanding; (2) percentage of aggregate principal of loans; (3) number of designated accounts; and (4) percentage of aggregate number of designated accounts.

Illustrations of the Quarterly Representative Line Data Reports are included as Exhibit Auto Dealer Floorplan B to this letter.

3. Quarterly Dealer Risk Rating Migration Analysis Reports

In addition, on a quarterly basis, issuers would provide statistical information about the movement of dealer accounts among Dealer Risk Groups. Most issuers will need to prepare this data manually, making it difficult to provide this data more frequently. Furthermore, dealer risk ratings do not change with great frequency, resulting in the operational burden of providing this information more frequently outweighing the benefit to investors. The Quarterly Dealer Risk Migration Analysis Reports would consist of the following two reports: (a) a Rolling Period Dealer Risk Migration Report and (b) a Quarter-over-Quarter Dealer Risk Migration Report.

a. Rolling Period Dealer Risk Migration Report

In this report, data would be presented on a rolling period designated by the issuer. Depending on the issuer's systems capabilities, an issuer may initially need to amass data for the designated rolling period. Data would be grouped by Dealer Risk Group. The distributional groupings would be based on the risk classification used by the sponsor to assess the financial condition of each dealer. Among current floorplan issuers, the number of risk groupings ranges from three to five. The issuer will designate its groupings and provide explanatory disclosure.

For each distributional grouping, issuers would present (1) the number of dealer accounts in the related Dealer Risk Group as of the end of a current period (*e.g.*, as of March 31, Year 6) and as of the same date in the first year of the rolling period (*e.g.*, in the case of a three-year rolling period, as of March 31, Year 4), (2) the number of dealer accounts in the related Dealer Risk Group that had migrated from each other Dealer Risk Group during the same rolling period and (3) the number of dealer accounts added to and removed from the related Dealer Risk Group during the same rolling period.

b. Quarter-over-Quarter Dealer Risk Migration Report

In this report, data would once again be grouped by Dealer Risk Group and the distributional groupings would once again be based on the risk classification used by the sponsor to assess the financial condition of each dealer. As noted above, among current floorplan issuers, the number of risk groupings ranges from three to five. The issuer will designate its groupings and provide explanatory disclosure.

For each distributional grouping, issuers would present (1) the number of dealer accounts in the related Dealer Risk Group as of the end of a current quarterly period (*e.g.*, as of March 31, Year 6) and as of the end of the preceding quarterly period (*e.g.*, as of December 31, Year 5), (2) the number of dealer accounts in the related Dealer Risk Group that had migrated from each other Dealer Risk Group since the end of the preceding quarterly period and (3) the number of dealer accounts added to and removed from the related Dealer Risk Group since the end of the preceding quarterly period.

Illustrations of the Quarterly Dealer Risk Migration Analysis Reports are included as Exhibit Auto Dealer Floorplan C to this letter.

C. When Auto Dealer Floorplan Pool Information Would Be Required

We propose that the most recent Quarterly Representative Line Data Reports and the most recent Rolling Period Dealer Risk Migration Report be an integral part of the prospectus, and would be filed with the Rule 424(h) prospectus and at the time of the final prospectus under Rule 424(b).[19] Issuers and investors agree that, because the Monthly Representative Line Data Report includes data regarding the prior month's loan activity only, the Monthly Representative Line Data Report should not be part of the prospectus but instead should be filed with each Distribution Report on Form 10-D. Investors and issuers also agree that, because the Quarter-over-Quarter Dealer Risk Migration Report includes data regarding dealer risk migration since the end of the preceding quarterly period only, the Quarter-over-Quarter Dealer Risk Migration Report should not be part of the prospectus but instead should be filed with the Distribution Report on Form 10-D for the distribution period in which the related current quarterly period ended. The Quarterly Representative Line Data Reports and the Rolling Period Dealer Risk Migration Report would be filed as part of the issuer's Distribution Report on Form 10-D relating to the first full reporting period that follows the last day of the issuing entity's fiscal quarter, beginning with the issuing entity's first completed fiscal quarter on or after the date on which the related ABS were issued.

*   *   *   *   *

[19] The most recent periodic increment for the data contained in the proposed disclosure package would be as of a date no later than 135 days prior to the date of first use of the prospectus.

III. Disclosure Requirements for Equipment Loan/Lease ABS

A. General

As discussed above, in the 2011 ABS Re-Proposing Release, the Commission requested additional comment regarding the data disclosure requirements of Dodd-Frank Section 942(b) as they relate to ABS backed by equipment loans, equipment leases and equipment dealer floorplan receivables ("Equipment ABS"). In particular, the Commission requested information about the impact of asset-level and group-level disclosure for loan and lease-backed Equipment ABS ("Equipment Loan/Lease ABS"). In addition, the Commission requested suggestions for implementing Section 942(b), specifically addressing Section 7(c) of the Securities Act, in a way that is both feasible for Equipment ABS issuers and sufficient for investors. Under Section 7(c) of the Securities Act, the Commission is required to set standard data presentation formats that would facilitate comparison across similar asset types and provide asset-level disclosure if such data are necessary for investors to independently perform due diligence.

In its Equipment ABS commentary in the 2011 ABS Re-Proposing Release, the Commission correctly noted that there are a variety of views regarding disclosure from both Equipment ABS issuers and investors, as evidenced by the mixed responses received on the original proposal. For Equipment ABS market participants, these differing views are neither unexpected nor unusual. In our own efforts to find common ground and reach a practical compromise on data disclosure requirements for Equipment Loan/Lease ABS, our membership was unable to reach consensus. As a result, each view has been taken into consideration and expressed accordingly in this letter.

The Equipment ABS sector is small with a limited number of issuers but from a diverse number of industries and with highly different business models. In 2014, the entire Equipment ABS market, both public and Rule 144A, was a total of $13.285 billion ABS (excluding rail, container and aviation) issued by twenty issuers.[20] Unlike the other ABS sectors, such as credit cards, mortgage loans, or autos, the Equipment ABS market stands alone as the only longstanding ABS sector with a wide variety of types of assets within the sector and, for a majority of issuers, the number of assets in a typical pool is also much lower than the number found in pools for other asset sectors. The variety of assets within the sector and limited assets within a pool results in differing sensitivities regarding disclosure of information, as noted by the Commission in its request for clarification of equipment commentators' position regarding disclosure. Additionally, unlike other asset classes, in Equipment Loan/Lease ABS, due to the lack of uniformity in both the types of collateral and the terms of the underlying contracts, loan-level asset disclosure poses a significant risk of identification of a specific obligor and its commercial information. For example, if an Equipment Loan pool includes four large marine transactions along with a variety of other equipment, loan-level disclosure such as that required for the auto class would easily allow identification of the individual obligor, resulting in disclosure of the obligor's confidential

---

[20] Source: Societe Generale, IGM, Bloomberg (covers both "retail" and "dealer floorplan").

financial information. In addition, loan-level data could be matched with Uniform Commercial Code (UCC) financing statements, which provide borrower names and addresses, resulting in disclosure of other confidential information of the obligor. Some equipment issuers would be prohibited from including certain assets in pools due to confidentiality agreements required by the obligors, while others could be driven away from the securitization market due to disclosure of competitive data. If loan-level information is required, there is a risk that several major issuers would be compelled to access other funding markets in order to avoid dissemination of what they perceive as proprietary and confidential customer information. This in turn will undoubtedly lead to higher financing costs with negative implications to profitability. There will also be some issuers that do not have access to other viable funding sources, which will make them less competitive or, worse yet, could threaten their viability.

In light of these observations and concerns, if the Commission determines to adopt enhanced disclosure requirements for underlying pool assets for Equipment Loan/Lease ABS, the vast majority of our issuer members and a majority of our investor members support an alternative disclosure and reporting package that includes an enhanced monthly standardized servicer summary ("Servicer Summary") that will be identical for all issuers and will greatly facilitate the comparison of the types of information that can be compared across programs, together with the forms of detailed reports that would comprise group-level data reporting with enhanced pool-level reports. The standardized Servicer Summaries would advance the Commission's goal of standardization and would make analysis more uniform and convenient for investors. These issuers and investors believe the reports described in Section III.B below balance the benefits of enhanced investor disclosure against the potential identification of individual business obligors and disclosure of confidential information belonging to the individual obligors (customers of the issuer/sponsor) from more granular disclosure.

At the same time, a significant minority of our investor members favor monthly loan-level disclosure and reporting for Equipment Loan/Lease ABS transactions. These investors believe that provision of loan-level granularity would provide greater insight into the asset pool than a pool-level or group-level data framework, and they believe loan-level data is necessary in order to adequately analyze Equipment Loan/Lease ABS transactions. Furthermore, standardization of data across issuers would enable investors to compare asset pools and issuers and better identify market risks. These investors believe that provision of loan-level data will also strengthen the Equipment Loan/Lease ABS market and make it more resilient over the long term.

Investors supporting loan-level disclosure indicate the need to be able to independently evaluate risks embedded in the underlying collateral pool and that they should have access to granular information on par with the information a bank or finance company utilizes in underwriting a loan. Loan-level information allows an investor to develop potentially more refined risk estimations by removing opacity created by pool- or group-level data and permitting investors to use their own assumptions and risk indicators at a loan level. Pre-set pool-level data may impair a customizable analysis of information by an investor and presupposes that critical credit metrics and indicators do not change over time, which aren't otherwise disclosed in the future. The loan-level investors do not feel comfortable making such a presumption, and believe a loan-level disclosure and reporting regime will provide necessary flexibility to fulfill their needs even if changes in the market occur. Providing raw loan-level information across a broad range of collateral characteristics will allow investors to develop customized prepay, default, gross loss and loss severity assumptions which take into account the risk-layering characteristics that they believe are most predictive, and then refine those assumptions over time using the ongoing monthly data. Investors understand and appreciate that privacy laws and similar considerations intended to avoid specific obligor identification may prevent an issuer from disclosing certain fields of loan-level data in certain cases, and investors are not seeking information that may cause an issuer to contravene such laws or that would result in specific obligor identification. However, these investors believe such disclosure concerns can be addressed without abandoning the loan-level construct.

A list of the loan-level fields these investors believe are relevant and necessary, on a monthly basis, is included as Exhibit Investor Equipment Loan/Lease A. However, as noted above, if any of these loan-level fields contravene privacy laws or would result in specific obligor identification ("Sensitive Fields"), the investors would support those Sensitive Fields being provided on a monthly group-representation-line basis. Specifically, in addition to monthly loan-level disclosure for all non-Sensitive Fields, issuers would provide a monthly group-level report whereby any Sensitive Fields would be the prescribed distributional fields and for each data line for each combination of distribution fields, all the other loan-level fields would be presented on an average or weighted average basis, as appropriate.

Some loan-level investors also question whether loan-level data requirements would cause a significant reduction in the volume of Equipment Loan/Lease ABS issuance and do not believe that the large amounts of data produced would be overwhelming to investors. They note that loan-level data is produced in other sectors of the market, such as RMBS and, more recently, marketplace lending, and that the amount of ongoing loan-level data provided demonstrates that large amounts of ongoing data can be provided by loan originators and accepted by retail and institutional investors.

Loan-level investors also acknowledge that Equipment ABS generally consists of a more heterogeneous asset pool than auto ABS. However, they believe that this differentiation heightens the necessity of loan-level information given the lack of uniformity of collateral types, loan-level data will provide better comparability and value assessments on individual assets across the issuer pool. Pool-level or group-level data does not provide sufficient information to value individual assets.

Finally, there is a dissenting view among issuer members that providing investors additional data, in the form of monthly updated pool-level statistics (in the format as currently provided at issuance in offering documents) and the proposed standardized servicer summary, should provide the material information necessary to independently make investment decisions, while also addressing privacy and competition concerns of the issuers. This dissenting view believes disclosure at a more granular level may divulge proprietary pricing information and confidential business strategy to an extent previously not obtainable, and may increase the possibility of identifying a specific customer through various approaches including matching data to UCC filings. The resulting anti-competitive effects may cause harm to equipment sales of the manufacturers, the negotiating power and profitability of independent dealers (if utilized) and their relationships with customers.

B. Recommendation on Disclosure for Underlying Pool Assets

Under the proposal for Equipment Loan/Lease ABS, which is supported almost unanimously by our issuer members and by a majority of our investor members, issuers would provide the reports set out in the following subsections. Each of the proposed reports was developed to provide investors with significantly more information about the underlying asset pool than has been provided historically in order to enable investors to perform a deeper analysis of Equipment Loan/Lease ABS while protecting issuers' interest in maintaining the confidentiality of the proprietary information of their obligors and their obligors' businesses.

1. Standardized Servicer Summary

Equipment Loan/Lease ABS issuers propose to provide a monthly standardized Servicer Summary. At present, issuers provide monthly payment and performance reporting to investors, filed on Form 10-D. But these reports currently feature differing information and formats. As indicated in Exhibits Equipment Servicer S-1 and S-2, there would be separate standardized Servicer Summaries for each of the two major types of equipment collateral, loans (Exhibit Equipment Servicer S-1) and leases (Exhibit Equipment Servicer S-2). These summaries would pull data directly from the currently-filed Form 10-D reports and provide an easy-to-use view of the transaction in a single place. The Equipment Loan/Lease ABS issuers would provide the standardized Servicer Summaries to investors electronically on the Internet in a standard downloadable format such as an Excel spreadsheet to facilitate data comparisons by investors.

Within collateral types, the standardized Servicer Summaries would utilize the same forms and data fields for all Equipment Loan/Lease ABS issuers. As a result, they would facilitate comparison among different securitizations and different issuers.

2. Group-level and pool-level disclosure generally

Equipment Loan/Lease ABS issuers propose to provide the group-level disclosure outlined below, together with the enhanced pool-level disclosure illustrated in Exhibits Equipment Pool A-1 through A-9 (loans) and Equipment Pool B-1 through B-9 (leases) for the initial offering. It is important to note that these exhibits are intended as minimum disclosure standards. Equipment Loan/Lease ABS issuers should retain the ability to provide additional disclosure as appropriate or desired.

3. Timing and contents of disclosure

Under this disclosure system, the applicable Servicer Summaries and pool-level disclosures described in Exhibits Equipment Servicer S-1 (loans) and S-2 (leases) and Exhibits Equipment Pool A-1 through A-9 (loans) and Equipment Pool B-1 through B-9 (leases) would be provided in the prospectus in XML format as of the cutoff date. In addition to the pool-level reports, the group-level disclosures found below in Exhibits Equipment Group A-1 and B-1 through B-3 (loans) and Equipment Group C-1 and C-2 and D-1 through D-3 (leases) would also be provided in the prospectus in XML format as of the cutoff date.

Going forward following issuance, the Servicer Summary disclosures would continue to be provided monthly in XML format, and all group-level disclosures (including Exhibits Equipment Group B-1 and B-2 and D-1 and D-2, which disclose delinquencies and thus begin to be provided the first quarter following issuance) would be provided quarterly in XML format. On an ongoing basis, therefore, the group-level disclosures described below would take the place of the pool-level disclosures provided in the prospectus, and so Exhibits Equipment Group A through Equipment Group D would be provided in lieu of Exhibits Equipment Pool A through Equipment Pool B. The provision of periodic reports would allow investors to view pool performance over time. Again, it is important to note that these exhibits would be intended as minimum disclosure standards. Equipment Loan/Lease ABS issuers should retain the ability to provide additional disclosure as appropriate or desired.

In summary, the following exhibits would be provided at the indicated times under this disclosure system:

- Servicer Summary Exhibits Equipment Servicer S-1 (loans) and Equipment Servicer S-2 (leases): Monthly.
- Pool-level Exhibits Equipment Pool A through Pool B (as applicable for asset type): As of cutoff date.
- Group-level Exhibits Equipment Group A (loans) and Group C (leases): As of cutoff date and updated quarterly.
- Group-level Exhibits Equipment Group B (loans) and Group D (leases): Quarterly following issuance.

While a majority of the investors that support group-level reporting believe that providing group-level reporting on a quarterly basis is sufficient, a significant percent of our investors believe these reports should be provided on a monthly basis.

4. Description of pool-level disclosure tables – Collateral Disclosure for Equipment Loan Pools.

In Offering Materials, issuers would provide statistical information about the underlying pool, as illustrated in Exhibits Equipment Pool A-1 through Pool A-9 (loans). Please note that references to “Loans” include finance leases and references to “leases” refer to operating leases. Because the linking of multiple data points is the primary source of concern for commercial privacy, this information is provided in separate, pool-level tables that nevertheless provide significant information to investors. In this disclosure, data would be presented based on the following characteristics:

a. Collateral Disclosure – General.

This disclosure, displayed as Exhibit Equipment Pool A-1, will provide a series of data points for purposes of summarizing pool characteristics and orientating investors to the data that follows. The following data points will be provided as of the cutoff date:

(i) *As of Date*. The cutoff date as of which data is provided.

(ii) *Aggregate Collateral Balance*. The collateral balance on the As of Date.

(iii) *Average Aggregated Collateral Balance*. On the As of Date, the Aggregate Collateral Balance divided by the Number of Loans.

(iv) *Number of Loans*. The number of loans in the pool on the As of Date.

(v) *Weighted Average APR*. The average annual percentage rate (or, alternatively, "yield" as defined by the issuer in the prospectus), as calculated by the issuer on the As of Date.

(vi) *APR Range*. The highest and lowest APR (or, alternatively, "yield" as defined by the issuer in the prospectus) in the pool on the As of Date.

(vii) *Weighted Average Remaining Term (months)*. The weighted average of the loans in the pool based on each loan's remaining term to maturity and its outstanding collateral balance on the As of Date.

(viii) *Remaining Term Range (months)*. The highest and lowest remaining term to maturity in the pool on the As of Date.

(ix) *Weighted Average Original Term (months)*. The weighted average of the loans in the pool based on each loan's term and outstanding collateral balance on the cutoff date.

b. Collateral Disclosure – State.

This disclosure, displayed as <u>Exhibit Equipment Pool A-2</u>, will provide a breakout of the states in which the largest number of loans by collateral balance are located. The following data points will be provided as of the cutoff date:

(i) *State*. A line will be provided for any state in which 5% or more of the pool assets are located, measured as a percentage of the current collateral balance. This listing is intended as a minimum floor for disclosure purposes; issuers would be free to include additional states. Collateral not disclosed in an individual state disclosure line would be included in the data line "Other."

(ii) *Number of Loans*. The number of loans in a given State.

(iii) *Aggregate Current Collateral Balance*. The current collateral balance in a given State.

(iv) *Percentage*. The percentage of the current collateral balance represented by the Aggregate Current Collateral Balance in a given State.

c. Collateral Disclosure – Equipment Type.

This disclosure, displayed as Exhibit Equipment Pool A-3, will provide a breakout of the types of equipment covered by the largest number of loans by collateral balance. The following data points will be provided as of the cutoff date:

(i) *Equipment Type*. To reflect the varied types of assets that are commonly securitized in Equipment ABS, issuers retain discretion to report "equipment type" in the manner classified by the issuer's business model and described in the Offering Materials. If an issuer uses a different classification of "equipment type," such as "computers" or "construction and mining," as a matter of internal policy, the issuer would designate those classifications and provide explanatory disclosure in the Offering Materials. At a minimum, the issuer may not consolidate into "Other" an "equipment type" constituting 10% or more of the pool as of the cutoff date.

(ii) *Internal Credit Rating*. For each Equipment Type, the Number of Loans, Aggregate Current Collateral Balance and Percentage in a given Internal Credit Rating. The Internal Credit Rating is based on the risk classification used by the issuer to assess the credit risk of the loan transaction and disclosed in the Offering Materials. The Internal Credit Rating will be established and fixed as of the cutoff date. If Internal Credit Rating is not used by an issuer, the range of APR would be used as an alternative.

(iii) *Number of Loans*. The number of loans in a given Equipment Type.

(iv) *Aggregate Current Collateral Balance*. The current collateral balance in a given Equipment Type.

(v) *Percentage*. The percentage of the current collateral balance represented by the Aggregate Current Collateral Balance in a given Equipment Type.

d. Collateral Disclosure – New/Used.

This disclosure, displayed as Exhibit Equipment Pool A-4, will provide a breakout of the new and used equipment for the collateral. The following data points will be provided as of the cutoff date:

(i) *Number of Loans*. The number of loans for new and used equipment.

(ii) *Aggregate Current Collateral Balance*. The current collateral balance for new and used equipment.

(iii) *Percentage*. The percentage of the current collateral balance represented by the Aggregate Current Collateral Balance for new and used equipment.

e. Collateral Disclosure – Payment Frequency.

Because equipment loans commonly are structured with differing payment frequencies, this disclosure, displayed as Exhibit Equipment Pool A-5, will provide a breakout of the payment frequency for the collateral. The following data points will be provided as of the cutoff date:

(i) *Frequency*. The frequency with which the underlying loans are scheduled to pay. To reflect the varied types of assets that are commonly securitized in Equipment ABS, issuers retain discretion to report categories relevant to their business model and would provide explanatory disclosure in the Offering Materials if different from Annual, Semiannual, Quarterly, or Monthly. The issuer may not consolidate into "Other" a specific payment frequency for 10% or more of the pool as of the cutoff date, measured as a percentage of the Aggregate Current Collateral Balance.

(ii) *Number of Loans*. The number of loans in a given payment Frequency.

(iii) *Aggregate Current Collateral Balance*. The current collateral balance in a given payment Frequency.

(iv) *Percentage*. The percentage of the current collateral balance represented by the Aggregate Current Collateral Balance in a given payment Frequency.

f. Collateral Disclosure – Current Balance.

This disclosure, displayed as Exhibit Equipment Pool A-6, will provide a breakout of the current collateral balance. The following data points will be provided as of the cutoff date:

(i) *Current Balance*. A series of current collateral balance ranges. Because collateral balances for Equipment ABS are dramatically different depending on the underlying collateral type, the specific ranges for "Current Balance" will be defined and explained by the issuer in the Offering Materials based on the issuer's business model, provided that (1) no more than 10% of the pool will be grouped in one "Current Balance" as of the cutoff date or (2) if (1) cannot be satisfied, a minimum of 10 ranges of "Current Balance" will be disclosed.

(ii) *Number of Loans*. The number of loans in a given Current Balance range.

(iii) *Aggregate Current Collateral Balance*. The current collateral balance in a given Current Balance range.

(iv) *Percentage*. The percentage of the current collateral balance represented by the Aggregate Current Collateral Balance in a given Current Balance range.

g. Collateral Disclosure – APR.

This disclosure, displayed as Exhibit Equipment Pool A-7, will provide a breakout of the current annual percentage rate ranges for the collateral. The following data points will be provided as of the cutoff date:

(i) *APR*. A series of current annual percentage rate ranges corresponding to the pool, as calculated by the issuer. Because APR rates for Equipment ABS are different depending on the underlying collateral type, the specific ranges for "APR" will be defined and explained by the issuer in the Offering Materials based on the issuer's business model, provided that (1) no more than 10% of the pool will be grouped in one range for "APR" as of the cutoff date or (2) if (1) cannot be satisfied, a minimum of 10 ranges of "APR" will be disclosed.

(ii) *Number of Loans*. The number of loans in a given APR range.

(iii) *Aggregate Current Collateral Balance*. The current collateral balance in a given APR range.

(iv) *Percentage*. The percentage of the current collateral balance represented by the Aggregate Current Collateral Balance in a given APR range.

h. Collateral Disclosure – Obligor Concentration

This disclosure, displayed as Exhibit Equipment Pool A-8, will provide a breakout of obligor concentration for the top 10 obligors and all obligors with concentration in excess of 5% of the pool. The following data points will be provided as of the cutoff date:

(i) *Number of Loans*. The number of loans for a given obligor.

(ii) *Aggregate Current Collateral Balance*. The current collateral balance for a given obligor.

(iii) *Percentage*. The percentage of the current collateral balance represented by the Aggregate Current Collateral Balance for a given obligor.

i. Scheduled Payments.

This disclosure, displayed as Exhibit Equipment Pool A-9, will provide a breakout of the scheduled payments for the pool. The following data points will be provided as of the cutoff date:

(i) *Collection Period*. The periodic payment period on which principal and interest payments are scheduled to be remitted to investors.

(ii) *Number of Loans*. The number of loans scheduled to be in the pool as of a given Collection Period.

(iii) *Scheduled Payments*. The aggregate amount of payments scheduled to be received by investors as of a given Collection Period.

5. Description of pool-level disclosure tables – Collateral Disclosure for Equipment Lease Pools.

In a Collateral Report, issuers would provide statistical information about the underlying pool, as illustrated in Exhibits Equipment Pool B-1 through Pool B-9 (leases). Because the linking of multiple data points is the primary source of danger for commercial privacy, this information is provided in separate, pool-level tables that nevertheless provide significant information to investors. In this disclosure, data would be presented based on the following characteristics:

a. Collateral Disclosure – General.

This disclosure, displayed as Exhibit Equipment Pool B-1, will provide a series of data points for purposes of summarizing pool characteristics and orientating investors to the data that follows. The following data points will be provided as of the cutoff date:

(i) *As of Date*. The cutoff date as of which data is provided.

(ii) *Aggregate Acquisition Cost*. The aggregate cost of the leased assets on the As of Date.

(iii) *Average Securitization Value*. On the As of Date, the Aggregate Acquisition Cost divided by the Number of Leases.

(iv) *Aggregate Residual Value*. On the As of Date, the aggregate amount of residual value, to the extent that it is included in the rated cash flows.

(v) *Number of Leases*. The number of leases in the pool on the As of Date.

(vi) *Weighted Average Securitization Rate*. The average annual lease rate, as calculated by the issuer on the As of Date.

(vii) *Securitization Rate Range*. The highest and lowest lease rate in the pool on the As of Date.

(viii) *Weighted Average Remaining Term (months)*. The weighted average of the leases in the pool based on each lease's remaining term to maturity and its outstanding collateral balance on the As of Date.

(ix) *Remaining Term Range (months)*. The highest and lowest remaining term to maturity in the pool on the As of Date.

(x) *Weighted Average Original Term (months)*. The weighted average of the leases in the pool based on each lease's term and outstanding collateral balance on the cutoff date.

b. Collateral Disclosure – State.

This disclosure, displayed as Exhibit Equipment Pool B-2, will provide a breakout of the states in which the largest number of leases by aggregate securitization value are located. The following data points will be provided as of the cutoff date:

(i) *State*. A line will be provided for any state in which 5% or more of the pool assets are located, measured as a percentage of the current aggregate securitization value. This listing is intended as a minimum floor for disclosure purposes; issuers would be free to include additional states. Collateral not disclosed in an individual state disclosure line would be included in the data line "Other."

(ii) *Number of Leases*. The number of leases in a given State.

(iii) *Aggregate Securitization Value*. The securitization value in a given State.

(iv) *Percentage*. The percentage of the aggregate securitization value represented by the Aggregate Securitization Value in a given State.

(v) *Aggregate Residual Value*. The aggregate amount of residual value in a given State, to the extent that it is included as a part of securitized cash flows and where residual cash flows are considered as credit enhancement and used to size the capital structure.

c. Collateral Disclosure – Equipment Type.

This disclosure, displayed as Exhibit Equipment Pool B-3, will provide a breakout of the types of equipment covered by the largest number of leases by aggregate securitization value. The following data points will be provided as of the cutoff date:

(i) *Equipment Type*. To reflect the varied types of assets that are commonly securitized in Equipment ABS, issuers retain discretion to report "equipment type" in the manner classified by the issuer's business model and described in the Offering Materials. If an issuer uses a different classification of "equipment type," such as "computers" or "construction and mining," as a matter of internal policy, the issuer would designate those classifications and provide explanatory disclosure in the Offering Materials. At a minimum, the issuer may not consolidate into "Other" an "equipment type" constituting 10% or more of the pool as of the cutoff date.

(ii) *Internal Credit Rating*. For each Equipment Type, the Number of Leases, Aggregate Securitization Value, Percentage and, if applicable, Aggregate Residual Value in a given Internal Credit Rating. The Internal Credit Rating is based on the risk classification used by the issuer to assess the credit risk of the loan transaction and disclosed in the Offering Materials. The Internal Credit Rating will be established and fixed as of the cutoff date. If Internal Credit Rating is not used by an issuer, the range of APR would be used as an alternative.

(iii) *Number of Leases*. The number of leases in a given Equipment Type.

(iv) *Aggregate Securitization Value*. The aggregate securitization value in a given Equipment Type.

(v) *Percentage*. The percentage of the aggregate securitization value represented by the Aggregate Securitization Value in a given Equipment Type.

(vi) *Aggregate Residual Value*. The current aggregate amount of residual value in a given Equipment Type, to the extent that it is included as a part of securitized cash flows and where residual cash flows are considered as credit enhancement and used to size the capital structure.

d. Collateral Disclosure – New/Used.

This disclosure, displayed as Exhibit Equipment Pool B-4, will provide a breakout of the new and used equipment for the pool. The following data points will be provided as of the cutoff date:

(i) *Number of Leases*. The number of leases for new and used equipment.

(ii) *Aggregate Securitization Value*. The aggregate securitization value for new and used equipment.

(iii) *Percentage*. The percentage of the aggregate securitization value represented by the Aggregate Securitization Value for new and used equipment.

(iv) *Aggregate Residual Value*. The aggregate amount of residual value for new and used equipment, to the extent that it is included as a part of securitized cash flows and where residual cash flows are considered as credit enhancement and used to size the capital structure.

e. Collateral Disclosure – Payment Frequency.

Because equipment leases commonly are structured with differing payment frequencies, this disclosure, displayed as Exhibit Equipment Pool B-5, will provide a breakout of the payment frequency for the pool. The following data points will be provided as of the cutoff date:

(i) *Frequency*. The frequency with which the underlying leases in the pool are scheduled to pay. To reflect the varied types of assets that are commonly securitized in Equipment ABS, issuers retain discretion to report categories relevant to their business model and would provide explanatory disclosure in the Offering Materials. The issuer may not consolidate into "Other" a specific payment frequency for 10% or more of the pool as of the cutoff date, measured as a percentage of the Aggregate Securitization Value.

(ii) *Number of Leases*. The number of leases in a given payment Frequency.

(iii) *Aggregate Securitization Value*. The aggregate securitization value in a given payment Frequency.

(iv) *Percentage*. The percentage of the aggregate securitization value represented by the Aggregate Securitization Value in a given payment Frequency.

(v) *Aggregate Residual Value*. The aggregate amount of residual value in a given payment Frequency, to the extent that it is included as a part of securitized cash flows and where residual cash flows are considered as credit enhancement and used to size the capital structure.

f. Collateral Disclosure – Current Securitization Value.

This disclosure, displayed as Exhibit Equipment Pool B-6, will provide a breakout of the current securitization value for the pool. The following data points will be provided as of the cutoff date:

(i) *Current Securitization Value*. A series of current securitization value ranges corresponding to the pool. Because securitization values for Equipment ABS are dramatically different depending on the underlying collateral type, the specific ranges for "Current Securitization Value" will be defined and explained by the issuer in the Offering Materials based on the issuer's business model, provided that (1) no more than 10% of the pool will be grouped in one "Current Securitization Value" as of the cutoff date or (2) if (1) cannot be satisfied, a minimum of 10 ranges of "Current Securitization Value" will be disclosed.

(ii) *Number of Leases*. The number of leases in a given Current Securitization Value range.

(iii) *Aggregate Securitization Value*. The aggregate securitization value in a given Current Securitization Value range.

(iv) *Percentage*. The percentage of the aggregate securitization value represented by the Aggregate Securitization Value in a given Current Securitization Value range.

(v) *Aggregate Residual Value*. The aggregate amount of residual value in a given Current Securitization Value range, to the extent that it is included as a part of securitized cash flows and where residual cash flows are considered as credit enhancement and used to size the capital structure.

g. Collateral Disclosure – Securitization Rate.

This disclosure, displayed as Exhibit Equipment Pool B-7, will provide a breakout of the current securitization rate ranges for the pool. The following data points will be provided as of the cutoff date:

(i) *Securitization Rate*. A series of current annual lease rate ranges corresponding to the pool, as calculated by the issuer. Because annual lease rates for Equipment ABS are different depending on the underlying collateral type, the specific ranges for "Securitization Rate" will be defined and explained by the issuer in the Offering Materials based on the issuer's business model, provided that (1) no more than 10% of the pool will be grouped in one range for "Securitization Rate" as of the cutoff date or (2) if (1) cannot be satisfied, a minimum of 10 ranges of "Securitization Rate" will be disclosed.

(ii) *Number of Leases*. The number of leases in a given Securitization Rate range.

(iii) *Aggregate Securitization Value*. The aggregate securitization value in a given Securitization Rate range.

(iv) *Percentage*. The percentage of the aggregate securitization value represented by the Aggregate Securitization Value in a given Securitization Rate range.

(v) *Aggregate Residual Value*. The aggregate amount of residual value in a given Securitization Rate range, to the extent that it is included as a part of securitized cash flows and where residual cash flows are considered as credit enhancement and used to size the capital structure.

h. Collateral Disclosure – Obligor Concentration

This disclosure, displayed as Exhibit Equipment Pool B-8, will provide a breakout of obligor concentration for the top 10 obligors and all obligors with concentration in excess of 5% of the pool. The following data points will be provided as of the cutoff date:

(i) *Number of Leases*. The number of leases for a given obligor.

(ii) *Aggregate Securitization Value*. The aggregate securitization value for a given obligor.

(iii) *Percentage*. The percentage of the aggregate securitization value represented by the Aggregate Securitization Value for a given obligor.

i. Scheduled Payments.

This disclosure, displayed as Exhibit Equipment Pool B-9, will provide a breakout of the scheduled payments and booked residuals included in the rated cash flows for the pool. The following data points will be provided as of the cutoff date:

(i) *Collection Period*. The periodic payment period on which payments are scheduled to be remitted to investors. Because collection periods for Equipment ABS vary depending on the underlying collateral type, these ranges will change as appropriate from issuer to issuer.

(ii) *Number of Leases*. The number of leases scheduled to be in the pool as of a given Collection Period.

(iii) *Scheduled Payments*. The aggregate amount of payments scheduled to be received by investors as of a given Collection Period.

(iv) *Booked Residual Value*. The aggregate amount of scheduled residual value, to the extent that it is included as a part of securitized cash flows and where residual cash flows are considered as credit enhancement and used to size the capital structure.

6. Description of group-level disclosure tables – Representative Line Data Reports for Equipment Loan Groups.

In a Representative Line Data Report, issuers would provide statistical information about the underlying pool. The report illustrated in Exhibit Equipment Group A-1 would be provided as of the cutoff date and updated quarterly in XML format; the reports illustrated in Exhibits Equipment Group B-1 through B-3 would be provided quarterly following issuance in XML format.

Issuers observe that, unlike auto, where it is standard in the industry that changes occur on a monthly basis, in the equipment industry with varied structures and terms, quarterly reporting is more appropriate. Issuers note that equipment assets frequently pay annually, semiannually, or quarterly in addition to monthly, as opposed to the monthly payments used almost exclusively in the auto class. On the other hand, while a majority of the investors that support group-level reporting believe that providing group-level reporting on a quarterly basis is sufficient, a significant percent of the investors supporting group-level reporting believe these reports should be provided on a monthly basis. These investors point to the facts that (1) all outstanding Equipment Loan/Lease ABS pay cash flows to investors on a monthly basis and these investors believe it is important for investor transparency that the frequency of reporting ties to the frequency of investor cash flow payments, even for non-monthly pay collateral, and (2) a significant percent of issued Equipment Loan/Lease ABS include, at a minimum, a considerable portion of underlying assets that are monthly-pay obligations.

a. Line Data Disclosure & Report – Account Information by Group.

In this disclosure and report, as illustrated in Exhibit Equipment Group A-1, data would be grouped by every combination of the following characteristics based on values at the time of loan origination:

(i) *Equipment Type*. To reflect the varied types of assets that are commonly securitized in Equipment ABS, issuers retain discretion to report "equipment type" in the manner classified by the issuer's business model and described in the Offering Materials. If an issuer uses a different classification of "equipment type," such as "computers" or "construction and mining," as a matter of internal policy, the issuer would designate those classifications and provide explanatory disclosure in the Offering Materials. At a minimum, the issuer may not consolidate into "Other" an "equipment type" constituting 10% or more of the pool as of the cutoff date. Issuers would also retain discretion to consolidate smaller or highly concentrated subgroups to avoid customer identification.

(ii) *New/Used*. A line would be provided for the new and used equipment in the pool.

(iii) *Payment Frequency*. The frequency with which the underlying loans in the pool are scheduled to pay. To reflect the varied types of assets that are commonly securitized in Equipment ABS, issuers retain discretion to report categories relevant to their business model and would provide explanatory disclosure in the Offering Materials. The issuer may not consolidate into "Other" a specific payment frequency for 10% or more of the pool as of the cutoff date, measured as a percentage of the Aggregate Current Collateral Balance.

(iv) *Region*. A line would be provided setting forth the geographic location of the assets in the pool, based on the appropriate geographic territories selected by the sponsor. Typical breakdowns would be (A) Northeast, (B) Northwest, (C) Southeast, and (D) Southwest. Unless specific obligor identification is at risk, a minimum of 4 geographic regions will be used.

(v) *Original Term*. A line would be provided for the term of the underlying assets in months as of the origination date. To reflect the varied types of assets that are commonly securitized in Equipment ABS, issuers retain discretion to report categories relevant to their business model. Typical breakdowns would be (A) 1-12 months, (B) 13-24 months, (C) 25-36 months, (D) 37-48 months, (E) 49-60 months, (F) 61-72 months, (G) 73-84 months, and (H) More than 84 months.

For each combination of Equipment Type, New/Used, Payment Frequency, Region, and Original Term, a separate data line would be provided setting forth the following data for the collateral, as of the cutoff date or the end of the reporting period, as applicable:

(i) *Number of Loans*. The number of loans for a given representative data line.

(ii) *Aggregate Original Collateral Balance*. The collateral balance at origination for a given representative data line.

(iii) *Aggregate Current Collateral Balance*. The current collateral balance for a given representative data line.

(iv) *Weighted Average Remaining Term (months)*. The remaining term to maturity of the loans for a given representative data line based on each loan's remaining term to maturity and its outstanding collateral balance as of the end of the reporting period.

(v) *Contract APR Range*. Because APR rates for Equipment ABS are different depending on the underlying collateral type, the specific ranges for "APR" will be defined and explained by the issuer in the Offering Materials based on the issuer's business model. An example of a typical breakdown would be (A) 0.00% to 3.00%, (B) 3.01% to 6.00%, (C) 6.01% to 9.00%, (D) 9.01% to 12.00%, (E) 12.01% to 15.00%, (F) 15.01% to 18.00%, (G) 18.01% to 21.00%, (H) 21.01% to 24.00%, (I) More than 24.00%.

As noted, the number of lines provided in the Representative Line Data Report will vary depending on the appropriate categories provided. However, issuers believe that the number of data lines and data points will be substantial. For instance, using the example data fields described above, there would be 2,880 group-level representative data lines and 14,400 unique data points. Such extensive requirements may cause Equipment ABS issuance to decrease, and it is important for the Commission to consider the time and expense to Equipment ABS issuers involved in producing such large amounts of data on a regular basis to avoid this possible result.

b. Line Data Report – Delinquency Data by Group.

In this report, as illustrated in Exhibit Equipment Group B-1, delinquency data would be provided based on Equipment Type categories. The following data lines would be provided:

(i) *Equipment Type*. To reflect the varied types of assets that are commonly securitized in Equipment ABS, issuers retain discretion to report "equipment type" in the manner classified by the issuer's business model and described in the Offering Materials. If an issuer uses a different classification of "equipment type," such as "computers" or "construction and mining," as a matter of internal policy, the issuer would designate those classifications and provide explanatory disclosure in the Offering Materials. At a minimum, the issuer may not consolidate into "Other" an "equipment type" constituting 10% or more of the pool as of the cutoff date. Issuers retain discretion to consolidate smaller or highly concentrated subgroups to avoid specific obligor identification.

(ii) *Internal Credit Rating*. For each Equipment Type, the Number of Loans, Aggregate Original Collateral Balance, Aggregate Current Collateral Balance, 31-60 Days Delinquent Loans, 61-90 Days Delinquent Loans, More than 90 Days Delinquent Loans, Defaulted Balance, and Net Loss in a given Internal Credit Rating. The Internal Credit Rating is based on the risk classification used by the issuer to assess the credit risk of the loan transaction and disclosed in the Offering Materials. The Internal Credit Rating will be established and fixed as of the cutoff date. If Internal Credit Rating is not used by an issuer, the range of APR would be used as an alternative.

(iii) *Number of Loans*. The number of loans for a given representative data line.

(iv) *Aggregate Original Collateral Balance*. The collateral balance at origination for a given representative data line.

(v) *Aggregate Current Collateral Balance*. The current collateral balance for a given representative data line.

(vi) *31-60 Days Delinquent*. The Number of Loans and Aggregate Current Collateral Balance that are between 31 and 60 days delinquent for a given representative data line.

(vii) *61-90 Days Delinquent*. The Number of Loans and Aggregate Current Collateral Balance that are between 61 and 90 days delinquent for a given representative data line.

(viii) *More than 90 Days Delinquent*. The Number of Loans and Aggregate Current Collateral Balance that are more than 90 days delinquent for a given representative data line.

(ix) *Defaulted Balance*. The defaulted balances for a given representative data line.

(x) *Net Loss*. The net loss for a given representative data line.

c. Line Data Report – Delinquency Data by Obligor Concentration.

In this report, as illustrated in Exhibit Equipment Group B-2, delinquency data would be provided for the top 10 obligors and all obligors with concentration in excess of 5% of the pool. The following data lines would be provided:

(i) *Number of Loans*. The number of loans for a given representative data line.

(ii) *Aggregate Original Collateral Balance*. The collateral balance at origination for a given representative data line.

(iii) *Aggregate Current Collateral Balance*. The current collateral balance for a given representative data line.

(iv) *31-60 Days Delinquent*. The Number of Loans and Aggregate Current Collateral Balance that are between 31 and 60 days delinquent for a given representative data line.

(v) *61-90 Days Delinquent*. The Number of Loans and Aggregate Current Collateral Balance that are between 61 and 90 days delinquent for a given representative data line.

(vi) *More than 90 Days Delinquent*. The Number of Loans and Aggregate Current Collateral Balance that are more than 90 days delinquent for a given representative data line.

d. Line Data Report – Prepayment and Repurchase Information by Group.

In this report, as illustrated in Exhibit Equipment Group B-3, prepayment and repurchase data would be provided based on Equipment Type categories. The following data lines would be provided:

(i) *Equipment Type*. To reflect the varied types of assets that are commonly securitized in Equipment ABS, issuers retain discretion to report "equipment type" in the manner classified by the issuer's business model and described in the Offering Materials. If an issuer uses a different classification of "equipment type," such as "computers" or "construction and mining," as a matter of internal policy, the issuer would designate those classifications and provide explanatory disclosure in the Offering Materials. At a minimum, the issuer may not consolidate into "Other" an "equipment type" constituting 10% or more of the pool as of the cutoff date. Issuers retain discretion to consolidate smaller or highly concentrated subgroups to avoid specific obligor identification.

(ii) *Prepayments*. The periodic and cumulative amount of prepayments for a given representative data line.

(iii) *Repurchases*. The periodic and cumulative amount of repurchases for a given representative data line.

7. Description of group-level disclosure tables – Representative Line Data Reports for Equipment Lease Groups.

In a Representative Line Data Report, issuers would provide statistical information about the underlying pool. The reports illustrated in Exhibits Equipment Group C-1 and C-2 would be provided as of the cutoff date and updated quarterly in XML format; the reports illustrated in Exhibits Equipment Group D-1 through D-3 would be provided quarterly following issuance in XML format.

For the reasons stated earlier in this letter, the issuers believe that differences between the auto and equipment industries render quarterly reporting more appropriate. Equipment leases frequently pay annually, semiannually, or quarterly in addition to monthly, as opposed to the monthly payments used almost exclusively in the auto class. On the other hand, while a majority of the investors that support group-level reporting believe that providing group-level reporting on a quarterly basis is sufficient, a significant percent of the investors supporting group-level reporting believe these reports should be provided on a monthly basis. These investors point to the facts that (1) all outstanding Equipment Loan/Lease ABS pay cash flows to investors on a monthly basis and these investors believe it is important for investor transparency that the frequency of reporting ties to the frequency of investor cash flow payments, even for non-monthly pay collateral, and (2) a significant percent of issued Equipment Loan/Lease ABS include, at a minimum, a considerable portion of underlying assets that are monthly-pay obligations.

a. Line Data Disclosure & Report – Lease Information by Group.

In this disclosure and report, as illustrated in Exhibit Equipment Group C-1, data would be grouped by every combination of the following distributional groups based on values at the time of lease origination:

(i) *Equipment Type*. To reflect the varied types of assets that are commonly securitized in Equipment ABS, issuers retain discretion to report "equipment type" in the manner classified by the issuer's business model and described in the Offering Materials. If an issuer uses a different classification of "equipment type," such as "computers" or "construction and mining," as a matter of internal policy, the issuer would designate those classifications and provide explanatory disclosure in the Offering Materials. At a minimum, the issuer may not consolidate into "Other" an "equipment type" constituting 10% or more of the pool as of the cutoff date. Issuers would also retain discretion to consolidate smaller or highly concentrated subgroups to avoid customer identification.

(ii) *New/Used*. A line would be provided for the new and used equipment in the pool.

(iii) *Payment Frequency*. The frequency with which the underlying leases in the pool are scheduled to pay. To reflect the varied types of assets that are commonly securitized in Equipment ABS, issuers retain discretion to report categories relevant to their business model and would provide explanatory disclosure in the Offering Materials. The issuer may not consolidate into "Other" a specific payment frequency for 10% or more of the pool as of the cutoff date, measured as a percentage of the Aggregate Current Securitization Value.

(iv) *Region*. A line would be provided setting forth the geographic location of the leases in the pool, based on the appropriate geographic territories selected by the sponsor. Typical breakdowns would be (A) Northeast, (B) Northwest, (C) Southeast, and (D) Southwest. Unless specific obligor identification is at risk, a minimum of 4 geographic regions will be used.

(v) *Original Term*. A line would be provided for the term of the underlying leases in months as of the origination date. To reflect the varied types of leases that are commonly securitized in Equipment ABS, issuers retain discretion to report categories relevant to their business model. Typical breakdowns would be (A) 1-12 months, (B) 13-24 months, (C) 25-36 months, (D) 37-48 months, (E) 49-60 months, (F) 61-72 months, (G) 73-84 months, and (H) More than 84 months.

For each combination of Equipment Type, New/Used, Payment Frequency, Region, and Original Term, a separate data line would be provided setting forth the following data for the collateral, as of the cutoff date or the end of the reporting period, as applicable:

(i) *Number of Leases*. The number of leases for a given representative data line.

(ii) *Aggregate Acquisition Cost*. The aggregate cost of the leased assets at origination for a given representative data line.

(iii) *Aggregate Current Securitization Value*. The current aggregate securitization value for a given representative data line.

(iv) *Weighted Average Remaining Term (months)*. The remaining term to maturity of the leases for a given representative data line based on each lease's remaining term to maturity and its outstanding aggregate securitization value as of the end of the reporting period.

(v) *Weighted Average Securitization Rate Range*. Because securitization rates for Equipment ABS are different depending on the underlying collateral type, the specific ranges for "Weighted Average Securitization Rate" will be defined and explained by the issuer in the Offering Materials based on the issuer's business model. An example of a typical breakdown would be (A) 0.00% to 3.00%, (B) 3.01% to 6.00%, (C) 6.01% to 9.00%, (D) 9.01% to 12.00%, (E) 12.01% to 15.00%, (F) 15.01% to 18.00%, (G) 18.01% to 21.00%, (H) 21.01% to 24.00%, (I) More than 24.00%.

As noted, the number of lines provided in the Representative Line Data Report will vary depending on the appropriate categories provided. However, issuers believe that the number of data lines and data points will be substantial. For instance, using the example data fields described above, there would be 2,880 group-level representative data lines and 14,400 unique data points. Such extensive requirements may cause Equipment ABS issuance to decrease, and it is important for the Commission to consider the time and expense to Equipment ABS issuers involved in producing such large amounts of data on a regular basis to avoid this possible result.

b. Line Data Disclosure & Report – Aggregate Residual Value by Equipment Type.

In this disclosure and report, as illustrated in Exhibit Equipment Group C-2, data would be provided based on Equipment Type categories. The following data lines would be provided:

(i) *Equipment Type*. To reflect the varied types of assets that are commonly securitized in Equipment ABS, issuers retain discretion to report "equipment type" in the manner classified by the issuer's business model and described in the Offering Materials. If an issuer uses a different classification of "equipment type," such as "computers" or "construction and mining," as a matter of internal policy, the issuer would designate those classifications and provide explanatory disclosure in the Offering Materials. At a minimum, the issuer may not consolidate into "Other" an "equipment type" constituting 10% or more of the pool as of the cutoff date.

(ii) *Aggregate Residual Value*. The aggregate residual value of each Equipment Type, to the extent that residual is included as a part of securitized cash flows and where residual cash flows are considered as credit enhancement and used to size the capital structure.

c. Line Data Report – Delinquency Data by Group.

In this report, as illustrated in Exhibit Equipment Group D-1, delinquency data would be provided based on Equipment Type categories. The following data lines would be provided:

(i) *Equipment Type*. To reflect the varied types of assets that are commonly securitized in Equipment ABS, issuers retain discretion to report "equipment type" in the manner classified by the issuer's business model and described in the Offering Materials. If an issuer uses a different classification of "equipment type," such as "computers" or "construction and mining," as a matter of internal policy, the issuer would designate those classifications and provide explanatory disclosure in the Offering Materials. At a minimum, the issuer may not consolidate into "Other" an "equipment type" constituting 10% or more of the pool as of the cutoff date. Issuers retain discretion to consolidate smaller or highly concentrated subgroups to avoid specific obligor identification.

(ii) *Internal Credit Rating*. For each Equipment Type, the Number of Leases, Aggregate Acquisition Cost, Aggregate Current Securitization Value, 31-60 Days Delinquent Leases, 61-90 Days Delinquent Leases, More than 90 Days Delinquent Leases, Defaulted Balance, and Net Loss in a given Internal Credit Rating. The Internal Credit Rating is based on the risk classification used by the issuer to assess the credit risk of the loan transaction and disclosed in the Offering Materials. The Internal Credit Rating will be established and fixed as of the cutoff date. If Internal Credit Rating is not used by an issuer, the range of APR would be used as an alternative.

(iii) *Number of Leases*. The number of leases for a given representative data line.

(iv) *Aggregate Acquisition Cost*. The aggregate securitization value at origination for a given representative data line.

(v) *Aggregate Current Securitization Value*. The current aggregate securitization value for a given representative data line.

(vi) *31-60 Days Delinquent*. The Number of Leases and Aggregate Current Securitization Value that are between 31 and 60 days delinquent for a given representative data line.

(vii) *61-90 Days Delinquent*. The Number of Leases and Aggregate Current Securitization Value that are between 61 and 90 days delinquent for a given representative data line.

(viii) *More than 90 Days Delinquent*. The Number of Leases and Aggregate Current Securitization Value that are more than 90 days delinquent for a given representative data line.

(ix) *Defaulted Balance*. The defaulted balances for a given representative data line.

(x) *Net Loss*. The net loss for a given representative data line.

d. Line Data Report – Delinquency Data by Obligor Concentration.

In this report, as illustrated in Exhibit Equipment Group D-2, delinquency data would be provided for the top 10 obligors and all obligors with concentration in excess of 5% of the pool. The following data lines would be provided:

(i) *Number of Leases*. The number of leases for a given representative data line.

(ii) *Aggregate Acquisition Cost*. The acquisition cost at origination for a given representative data line.

(iii) *Aggregate Current Securitization Value*. The current securitization value for a given representative data line.

(iv) *31-60 Days Delinquent*. The Number of Leases and Aggregate Current Securitization Value that are between 31 and 60 days delinquent for a given representative data line.

(v) *61-90 Days Delinquent*. The Number of Leases and Aggregate Current Securitization Value that are between 61 and 90 days delinquent for a given representative data line.

(vi) *More than 90 Days Delinquent*. The Number of Leases and Aggregate Current Securitization Value that are more than 90 days delinquent for a given representative data line.

e. Line Data Report – Prepayment and Repurchase Information by Group.

In this report, as illustrated in Exhibit Equipment Group D-3, prepayment and repurchase data would be provided based on Equipment Type categories. The following data lines would be provided:

(i) *Equipment Type*. To reflect the varied types of assets that are commonly securitized in Equipment ABS, issuers retain discretion to report "equipment type" in the manner classified by the issuer's business model and described in the Offering Materials. If an issuer uses a different classification of "equipment type," such as "computers" or "construction and mining," as a matter of internal policy, the issuer would designate those classifications and provide explanatory disclosure in the Offering Materials. At a minimum, the issuer may not consolidate into "Other" an "equipment type" constituting 10% or more of the pool as of the cutoff date.

(ii) *Prepayments*. The periodic and cumulative amount of prepayments for a given representative data line.

(iii) *Repurchases*. The periodic and cumulative amount of repurchases for a given representative data line.

IV. Transition Period

If the Commission adopts enhanced disclosure requirements for underlying pool assets for one or more of the asset sectors discussed in this letter, issuers request that the Commission adopt an implementation date that is no earlier than two years following the date of publication of the related final rules in the Federal Register, as the Commission did with respect to the final rules requiring asset-level information in prospectuses and in ongoing reports for ABS backed by residential mortgages, commercial mortgages, auto loans, auto leases and debt securities. Issuers have indicated that they need this as a minimum transition period in order to build the required infrastructure to implement the proposed disclosure requirements for underlying pool assets in the form we have recommended. Investors would like this enhanced disclosure as soon as possible, while providing issuers with adequate time to implement any additional disclosure requirements. It is also imperative that any such enhanced disclosure requirements apply only prospectively, to ABS issued after the implementation date.

V. Conclusion

SFIG greatly appreciates the opportunity to provide comment on the Outstanding Pool Asset Disclosure Proposals. At the same time, and as noted at the outset in this letter, more than five years have passed since the Outstanding Proposals were originally published for comment. Much has changed in the intervening period of time, including significant changes in the securitization markets and the regulatory landscape in which those markets operate. As a result, while we appreciate the opportunity to provide comment on the Outstanding Pool Asset Disclosure Proposals at this time, we urge the Commission to continue to defer action on the remaining Outstanding Proposals until at least such time as the Commission has taken any final action on the Outstanding Pool Asset Disclosure Proposals, to give market participants an opportunity to digest the full complement of enhanced disclosure requirements relating to underlying pool assets adopted under Regulation AB II and to formulate current views on the remaining Outstanding Proposals in light of those enhanced disclosure requirements.

Should you have any questions or desire any clarification concerning the matters addressed in this letter, please do not hesitate to contact me at Richard.Johns@sfindustry.org or 202-524-6301.

Sincerely,

Richard Johns

Richard Johns
Executive Director

INDEX OF EXHIBITS

EXHIBITS

DISCLOSURE REQUIREMENTS FOR CREDIT AND CHARGE CARD ABS

Exhibits

- Card A (Representative Line Data Report)
- Card B (Collateral Report)
- Card C (Report on Charged-Off Accounts)

Exhibit Card A
Illustration of Representative Line Data Report for Credit and Charge Card Pools

Grouped Account Data Line Number	Credit Score[1]	Account Age	Geographic Region[2]	Adjustable Rate Index	Aggregate Credit Limit	Aggregate Account Balance	Number of Accounts
1	No score	Less than 12 months	NE	Fixed			
2	Less than 600	12-23 months	MW	LIBOR			
3	600-659	24-35 months	S	Prime			
4	660-719	36-47 months	W	Fixed			
5	720-779	48-59 months	NE	LIBOR			
6	780 and over	60 or more months	MW	Prime			
7	No score	12-23 months	S	Fixed			
8	Less than 600	24-35 months	W	LIBOR			
9	600-659	36-47 months	NE	Prime			
10	660-719	48-59 months	MW	Fixed			
11	720-779	60 or more months	S	LIBOR			
12	780 and over	Less than 12 months	W	Prime			

[1] Credit score may only be purchased on a statistically significant random sample of the underlying pool which may be used to populate this table. If the credit score used is not FICO, an issuer would designate similar groupings and provide explanatory disclosure.

[2] In the case of asset-backed securities that are backed by foreign assets, the groupings for geographic regions would depend on factors relevant to the particular transaction, including demographic information relating to the jurisdiction(s) in which the assets are located.

Exhibit Card B
Form of Collateral Report for Credit and Charge Card Pools

Collateral Report - Credit Score[3]

Credit Score	Number of Accounts	Aggregate Account Balance	Percentage of Aggregate Account Balance	Average Credit Limit	Average Utilization Rate	Average Account Age	Percentage of Full Payers	Percentage of Minimum Payers	30-59 Days Deq.[4]	60-89 Days Deq.	90 + Days Deq.
No score											
Less than 600											
600-629											
630-659											
660-689											
690-719											
720-779											
780 and over											

[3] Credit score may only be purchased on a statistically significant random sample of the underlying pool which may be used to populate this table. If the credit score used is not FICO, an issuer would designate similar groupings and provide explanatory disclosure.

[4] For each of the tables in the Collateral Report, if an issuer uses different delinquency groups as a matter of internal policy, the issuer would designate those groupings and provide explanatory disclosure.

Collateral Report - Delinquencies[5]

Delinquency	Number of Accounts	Aggregate Account Balance	Percentage of Aggregate Account Balance	Average Credit Limit	Average Utilization Rate	Average Account Age	Percentage of Full Payers	Percentage of Minimum Payers	Average Credit Score
Current-29 days									
30-59 days									
60-89 days									
90-119 days									
120-149 days									
150-179 days									
180 or more days									

5 If an issuer uses different delinquency groups as a matter of internal policy, the issuer would designate those groupings and provide explanatory disclosure.

Collateral Report - Credit Limit

Credit Limit	Number of Accounts	Aggregate Account Balance	Percentage of Aggregate Account Balance	Average Utilization Rate	Average Account Age	Percentage of Full Payers	Percentage of Min. Payers	Average Credit Score	30-59 Days Deq.	60-89 Days Deq.	90 + Days Deq.
Less than $1000											
$1,000-$4,999.99											
$5,000-$9,999.99											
$10,000-$19,999.99											
$20,000-$29,999.99											
$30,000-$39,999.99											
$40,000-$49,999.99											
$50,000 or more											
Other[6]											

[6] If accounts are grouped into the "Other" category, the issuer must include a footnote explaining why the accounts did not fit into one of the prescribed groups.

Collateral Report - Account Balance

Account Balance	Number of Accounts	Aggregate Account Balance	Percentage of Aggregate Account Balance	Average Credit Limit	Average Utilization Rate	Average Account Age	Percentage of Full Payers	Percentage of Min. Payers	Average Credit Score	30-59 Days Deq.	60-89 Days Deq.	90 + Days Deq.
Credit Balance												
No Balance												
Less than $1000												
$1,000-$4,999.99												
$5,000-$9,999.99												
$10,000-$19,999.99												
$20,000-$29,999.99												
$30,000-$39,999.99												
$40,000-$49,999.99												
$50,000 or more												

Collateral Report - Account Age

Account Age	Number of Accounts	Aggregate Account Balance	Percentage of Aggregate Account Balance	Average Credit Limit	Average Utilization Rate	Percentage of Full Payers	Percentage of Min. Payers	Average Credit Score	30-59 Days Delinquent	60-89 Days Delinquent	90 + Days Delinquent
Less than 12 months											
12-23 months											
24-35 months											
36-47 months											
48-59 months											
60-83 months											
84-119 months											
120 or more months											

Collateral Report - Top 10 States[7]

State	Number of Accounts	Aggregate Account Balance	Percentage of Aggregate Account Balance	Average Credit Limit	Average Utilization Rate	Average Account Age	Percentage of Full Payers	Percentage of Min. Payers	Average Credit Score	30-59 Days Delinquent	60-89 Days Delinquent	90 + Days Delinquent
[State 1]												
[State 2]												
[State 3]												
[State 4]												
[State 5]												
[State 6]												
[State 7]												
[State 8]												
[State 9]												
[State 10]												
Other												

[7] In the case of asset-backed securities that are backed by foreign assets, the distributional groups would depend on factors relevant to the particular transaction, including demographic information relating to the jurisdiction(s) in which the assets are located.

Collateral Report - Geographic Region[8]

Geographic Region	Number of Accounts	Aggregate Account Balance	Percentage of Aggregate Account Balance	Average Credit Limit	Average Utilization Rate	Average Account Age	Percentage of Full Payers	Percentage of Min. Payers	Average Credit Score	30-59 Days Deq.	60-89 Days Deq.	90 + Days Deq.
Northeast												
Midwest												
South												
West												

[8] In the case of asset-backed securities that are backed by foreign assets, the groupings for geographic regions would depend on factors relevant to the particular transaction, including demographic information relating to the jurisdiction(s) in which the assets are located.

Exhibit Card C
Form of Report on Charged-Off Accounts for Credit and Charge Card Pools

Composition of Charged-Off Accounts by Credit Score
For the [3 months ended XXXX, 20XX]

Credit Score[9]	Number of Charged-Off Accounts	Percentage of Total Charged-Off Accounts	Aggregate Account Balance at Time of Charge-Off	Percentage of Total Account Balance at Time of Charge-Off
No score				
Less than 600				
600-629				
630-659				
660-689				
690-719				
720-779				
780 and Over				
Total				

[9] Credit score may only be purchased on a statistically significant random sample of the underlying pool which may be used to populate this table. Also, credit scores are not purchased for charged-off accounts and, therefore, the information in this table would be based on the most recently refreshed credit scores for the charged-off accounts, to the extent they are available. If the credit score used is not FICO, an issuer would designate similar groupings and provide explanatory disclosure.

Composition of Charged-Off Accounts by Account Balance at Time of Charge-Off
For the [3 months ended XXXX, 20XX]

Account Balance	Number of Charged-Off Accounts	Percentage of Total Charged-Off Accounts	Aggregate Account Balance at Time of Charge-Off	Percentage of Total Account Balance at Time of Charge-Off
Credit Balance				
No Balance				
Less than $1,000				
$1,000-$4,999.99				
$5,000-$9,999.99				
$10,000-$19,999.99				
$20,000-$29,999.99				
$30,000-$39,999.99				
$40,000-$49,999.99				
$50,000 or more				
Total				

Composition of Charged-Off Accounts by Credit Limit at Time of Charge-Off
For the [3 months ended XXXX, 20XX]

Credit Limit	Number of Charged-Off Accounts	Percentage of Total Charged-Off Accounts	Aggregate Account Balance at Time of Charge-Off	Percentage of Total Account Balance at Time of Charge-Off
Less than $1,000				
$1,000-$4,999.99				
$5,000-$9,999.99				
$10,000-$19,999.99				
$20,000-$29,999.99				
$30,000-$39,999.99				
$40,000-$49,999.99				
$50,000 or more				
Other[10]				
Total				

[10] If accounts are grouped into the "Other" category, the issuer must include a footnote explaining why the accounts did not fit into one of the prescribed groups.

Composition of Charged-Off Accounts by Account Age at Time of Charge-Off
For the [3 months ended XXXX, 20XX]

Account Age	Number of Charged-Off Accounts	Percentage of Total Charged-Off Accounts	Aggregate Account Balance at Time of Charge-Off	Percentage of Total Account Balance at Time of Charge-Off
Less than 12 months				
12-23 months				
24-35 months				
36-47 months				
48-59 months				
60-83 months				
84-119 months				
120 or more months				
Total				

Composition of Charged-Off Accounts by State at Time of Charge-Off
For the [3 months ended XXXX, 20XX][11]

State	Number of Charged-Off Accounts	Percentage of Total Charged-Off Accounts	Aggregate Account Balance at Time of Charge-Off	Percentage of Total Account Balance at Time of Charge-Off
[State 1]				
[State 2]				
[State 3]				
[State 4]				
[State 5]				
[State 6]				
[State 7]				
[State 8]				
[State 9]				
[State 10]				
Other				
Total				

---

[11] In the case of asset-backed securities that are backed by foreign assets, the distributional groups would depend on factors relevant to the particular transaction, including demographic information relating to the jurisdiction(s) in which the assets are located.

Composition of Charged-Off Accounts by Geographic Region at Time of Charge-Off
For the [3 months ended XXXX, 20XX][12]

Geographic Region	Number of Charged-Off Accounts	Percentage of Total Charged-Off Accounts	Aggregate Account Balance at Time of Charge-Off	Percentage of Total Account Balance at Time of Charge-Off
Northeast				
Midwest				
South				
West				
Total				

[12] In the case of asset-backed securities that are backed by foreign assets, the groupings for geographic regions would depend on factors relevant to the particular transaction, including demographic information relating to the jurisdiction(s) in which the assets are located.

DISCLOSURE REQUIREMENTS FOR AUTO DEALER FLOORPLAN ABS

Exhibits

- Auto Dealer Floorplan A (Monthly Representative Line Data Report)
- Auto Dealer Floorplan B (Quarterly Representative Line Data Reports)
- Auto Dealer Floorplan C (Quarterly Dealer Risk Rating Migration Analysis Reports)

Exhibit Auto Dealer Floorplan A
Illustration of Monthly Representative Line Data Report for Floorplan Pools

Distributional Groups		Information Presented																			
				Loan Age Distribution[15]																	
Dealer Risk Group[13]	Geographic Location[14]	Number of Accounts	Percentage of Accounts	0-120	121-180	181-270	Over 270	Beginning of Period Principal Balance	Principal Collections	Principal Adjustments	Principal Reduction - Redesignated Accounts	Defaulted Loans	New Loans	Added Loans (Additional Designated Accounts)	End of Period Principal Balance	Percentage of End of Period Principal Balance	Payment Rate	Losses or (Recoveries)	Loss Rate[16]	Interest Collections	Used Vehicle Balance
I	Midwest / East North Central		%					$	$	$	$				$	%	%	$	%	$	$
I	Midwest / West North Central																				
I	Northeast / Middle Atlantic																				
I	Northeast / New England																				
I	South / East South Central																				
I	South / South Atlantic																				
I	South / West South Central																				
I	West / Mountain																				
I	West / Pacific																				
II	Midwest / East North Central																				
II	Midwest / West North Central																				
II	Northeast / Middle Atlantic																				
II	Northeast / New England																				
II	South / East South Central																				
II	South / South Atlantic																				
II	South / West South Central																				
II	West / Mountain																				
II	West / Pacific																				
III	Midwest																				
III	Northeast																				
III	South																				
III	West																				
IV	National																				

13 Based on the risk classification used by the sponsor to assess the financial condition of each dealer.
14 Based on the appropriate geographic territories selected by the sponsor. In most cases, groupings would be based on the geographic regions or divisions established by the U.S. Census Bureau.
15 Appropriate loan age distributional groupings designated by the issuer.
16 Loss rate methodology defined by the issuer in the prospectus.

Exhibit Auto Dealer Floorplan B
Illustration of Quarterly Representative Line Data Reports for Floorplan Pools

<u>Report on Age Distribution of Loans by Risk Group</u>

Distributional Groups		Information Presented[17]						
		Three Months Ended		Year Ended December 31,				
Loan Age Distribution[18]	Dealer Risk Group[19]	Q1 Year 6	Q1 Year 5	Year 5	Year 4	Year 3	Year 2	Year 1
0-120 days outstanding	I	%	%	%	%	%	%	%
0-120 days outstanding	II							
0-120 days outstanding	III							
0-120 days outstanding	IV							
0-120 days outstanding	**Total**							
121-180 days outstanding	I							
121-180 days outstanding	II							
121-180 days outstanding	III							
121-180 days outstanding	IV							
121-180 days outstanding	**Total**							
181-270 days outstanding	I							
181-270 days outstanding	II							
181-270 days outstanding	III							
181-270 days outstanding	IV							
181-270 days outstanding	**Total**							
Over 270 days outstanding	I							
Over 270 days outstanding	II							
Over 270 days outstanding	III							
Over 270 days outstanding	IV							
Over 270 days outstanding	**Total**							

17 For each grouped account data line, issuers would provide the percentage of aggregate account balance represented by that data line (1) as of the end of each of the previous five fiscal years and (2) as of the end of both the most recently completed fiscal quarter and the corresponding fiscal quarter from the immediately prior fiscal year.
18 Appropriate loan age distributional groupings designated by the issuer. For purposes of this report, the age of a loan starts from the date the related vehicle was initially financed by the dealer.
19 Based on the risk classification used by the sponsor to assess the financial condition of each dealer.

Report on Age Distribution of Loans by Financed Vehicle Type

Distributional Groups		Information Presented				
			Loan Age Distribution (Days Outstanding)[20]			
Line	Vehicle Type[21]	Percentage of Pool	0-120	121-180	181-270	Over 270
New	Make 1/Model 1	%	%	%	%	%
New	Make 1/Model 2					
New	Make 1/Model 3					
Used	Make 1/Model 4					
New	Make 2/Model 1					
Used	Make 2/Model 2					
New	Make 2/Model 3					
New	Make 2/Model 4					
Other New Models						
Other Used Models						

[20] For purposes of this report, the age of a loan starts from the date the related vehicle was initially financed by the dealer.

[21] Appropriate vehicle type distributional groupings designated by the issuer based on: make; make and model; category (e.g., car, medium truck, heavy truck, etc.); or make and category. Each vehicle type representing 2% or more of the initial pool balance would be presented on this form. The remaining vehicle types would be represented in the distributional groups "Other New Models" or "Other Used Models," as appropriate.

Report on Account Balance Distribution

Distributional Groups		Information Presented			
Account Balance[22]	Dealer Risk Group[23]	Principal of Loans Outstanding	Percentage of Aggregate Principal of Loans	Number of Designated Accounts	Percentage of Aggregate Number of Designated Accounts
Less than $1,000,000	I	$	%		%
Less than $1,000,000	II				
Less than $1,000,000	III				
Less than $1,000,000	IV				
$1,000,000 to $2,499,999	I				
$1,000,000 to $2,499,999	II				
$1,000,000 to $2,499,999	III				
$1,000,000 to $2,499,999	IV				
$2,500,000 to $4,999,999	I				
$2,500,000 to $4,999,999	II				
$2,500,000 to $4,999,999	III				
$2,500,000 to $4,999,999	IV				
$5,000,000 to $7,499,999	I				
$5,000,000 to $7,499,999	II				
$5,000,000 to $7,499,999	III				
$5,000,000 to $7,499,999	IV				
$7,500,000 to $9,999,999	I				
$7,500,000 to $9,999,999	II				
$7,500,000 to $9,999,999	III				
$7,500,000 to $9,999,999	IV				
$10,000,000 and over	I				
$10,000,000 and over	II				
$10,000,000 and over	III				
$10,000,000 and over	IV				

22 Appropriate account balance distributional groupings designated by the issuer based on ranges that are meaningful for the applicable pool.
23 Based on the risk classification used by the sponsor to assess the financial condition of each dealer.

Exhibit Auto Dealer Floorplan C
Illustration of Quarterly Dealer Risk Rating Migration Analysis Reports for Floorplan Pools

Quarter-over-Quarter Dealer Risk Migration

Dealer Risk Group[24]	Number of Dealer Accounts	Number of Dealer Accounts		Number of Dealer Accounts Migrating From Prior Period					
	March 31, Year 6	December 31, Year 5		From Group I	From Group II	From Group III	From Group IV	Dealer Accounts Added/ Designated	Dealer Accounts Removed/ Redesignated
I	x	x		--	x	x	x	x	x
II	x	x		x	--	x	x	x	x
III	x	x		x	x	--	x	x	x
IV	x	x		x	x	x	--	x	x
Total	x	x							

Rolling [Three][25] Year Dealer Risk Migration

Dealer Risk Group	Number of Dealer Accounts	Number of Dealer Accounts		Number of Dealer Accounts Migrating From Prior Period					
	March 31, Year 6	March 31, Year 4		From Group I	From Group II	From Group III	From Group IV	Dealer Accounts Added/ Designated	Dealer Accounts Removed/ Redesignated
I	x	x		--	x	x	x	x	x
II	x	x		x	--	x	x	x	x
III	x	x		x	x	--	x	x	x
IV	x	x		x	x	x	--	x	x
Total	x	x							

24 Based on the risk classification used by the sponsor to assess the financial condition of each dealer

25 Rolling period designated by issuer. [Note: Depending on each issuer's systems capabilities, may need to build-up to rolling period over time.]

DISCLOSURE REQUIREMENTS FOR EQUIPMENT LOAN/LEASE ABS

Servicer Summary Reports

Expanded Pool Data Disclosure (Offering Materials)

Group Data Disclosure (Offering Materials) and Reports

EQUIPMENT LOAN/LEASE SERVICER SUMMARY REPORTS

Exhibits

- Equipment Servicer S-1 (Loan Servicer Report)
- Equipment Servicer S-2 (Lease Servicer Report)

Exhibit Equipment Servicer S-1 (Loans)
Form of Servicer Report for Equipment Loan Pools[26]

- **Filed monthly with Form 10-D**

SERVICER SUMMARY - LOAN ABS
Issue Name

Original Issue

$0.00	Class, Coupon, Maturity	CUSIP
$0.00	Class, Coupon, Maturity	CUSIP
$0.00	Class, Coupon, Maturity	CUSIP
$0.00	Class, Coupon, Maturity	CUSIP
$0.00	Class, Coupon, Maturity	CUSIP
$0.00	Class, Coupon, Maturity	Not Offered
$0.00	Total	

CURRENT COLLECTION PERIOD ACTIVITY

		Month/Year
Cash Available for Distribution		
	Collections For The Period	$0.00
	Reinvestment Income	$0.00
	Deposits from Cash Reserve Account to Distribution Account	$0.00
	Deposits from Principal Supplement Account to Distribution Account	
	Deposits from Pre-funding Account to Distribution Account	$0.00
	Deposits from Negative Carry Account to Distribution Account	$0.00
	Total Cash Available	$0.00
Cash Allocation (Cashflow Waterfall)		
	Servicing Fee	$0.00
	Backup Servicing Fee	$0.00
	Administration and Trustee Fee	$0.00
	Net Swap Payment	$0.00
	Class xx Interest	$0.00
	Class xx Interest	$0.00
	Class xx Interest	$0.00
	Class xx Interest	$0.00
	Class xx Interest	$0.00
	Class xx Principal	$0.00
	Class xx Principal	$0.00
	Class xx Principal	$0.00
	Class xx Principal	$0.00
	Class xx Principal	$0.00
	Deposits to Cash Reserve Account	$0.00
	Reimbursable Expenses of the Backup Servicer	$0.00
	Reimbursable Expenses of the Servicer	$0.00
	Release to Seller as Excess	$0.00
	Total Cash Distributed	$0.00

[26] All data is provided as of the end of the reporting period.

PRINCIPAL BALANCES

	Class xx Ending Principal Balance	$0.00
	Class xx Ending Principal Balance	$0.00
	Class xx Ending Principal Balance	$0.00
	Class xx Ending Principal Balance	$0.00
	Class xx Ending Principal Balance	$0.00
	Total	$0.00
		0.00
Pool Factor		0.00%
CPR		

ACCOUNT BALANCES

Cash Reserve Account		
	Specified Cash Reserve Account	$0.00
	Ending Cash Reserve Account Balance	$0.00
Supplement Account		
	Specified Principal Supplement Account Balance	$0.00
	Ending Principal Supplement Account	$0.00
Pre-funding Account		
	Ending Pre-funding Account Balance	$0.00
	Beginning Pre-funding Account Balance	
Negative Carry Account		
	Beginning Negative Carry Account Balance	$0.00
	Ending Negative Carry Account Balance	$0.00

POOL PERFORMANCE

Prepayment:		0.00%
Delinquency (60+ days past due):		
	Face Amount	$0.00
	Percent of Pool Balance	0.00%
Defaults:		
	Face Amount	$0.00
	Percent of Pool Balance	0.00%
Charged Off Amounts:		
	Face Amount	$0.00
	Percent of Pool Balance	0.00%
Recoveries:		
	Face Amount	$0.00
	Percent of Pool Balance	0.00%
Loss:	Net Loss This Period	$0.00
	Cumulative Net Loss	$0.00
	Cumulative Net Loss Percent of Original Balance	0.00%

Exhibit Equipment Servicer S-1 (Loans)

Form of Servicer Report for Equipment Loan Pools[26]

- **Filed monthly with Form 10-D**

SERVICER SUMMARY - LOAN ABS
Issue Name

Original Issue

$0.00	Class, Coupon, Maturity	CUSIP
$0.00	Class, Coupon, Maturity	CUSIP
$0.00	Class, Coupon, Maturity	CUSIP
$0.00	Class, Coupon, Maturity	CUSIP
$0.00	Class, Coupon, Maturity	CUSIP
$0.00	Class, Coupon, Maturity	Not Offered
$0.00	Total	

CURRENT COLLECTION PERIOD ACTIVITY Month/Year

Cash Available for Distribution		
	Collections For The Period	$0.00
	Reinvestment Income	$0.00
	Deposits from Cash Reserve Account to Distribution Account	$0.00
	Deposits from Principal Supplement Account to Distribution Account	
	Deposits from Pre-funding Account to Distribution Account	$0.00
	Deposits from Negative Carry Account to Distribution Account	$0.00
	Total Cash Available	$0.00
Cash Allocation (Cashflow Waterfall)		
	Servicing Fee	$0.00
	Backup Servicing Fee	$0.00
	Administration and Trustee Fee	$0.00
	Net Swap Payment	$0.00
	Class xx Interest	$0.00
	Class xx Interest	$0.00
	Class xx Interest	$0.00
	Class xx Interest	$0.00
	Class xx Interest	$0.00
	Class xx Principal	$0.00
	Class xx Principal	$0.00
	Class xx Principal	$0.00
	Class xx Principal	$0.00
	Class xx Principal	$0.00
	Deposits to Cash Reserve Account	$0.00
	Reimbursable Expenses of the Backup Servicer	$0.00
	Reimbursable Expenses of the Servicer	$0.00
	Release to Seller as Excess	$0.00
	Total Cash Distributed	$0.00

[26] All data is provided as of the end of the reporting period.

PRINCIPAL BALANCES

	Class xx Ending Principal Balance	$0.00
	Class xx Ending Principal Balance	$0.00
	Class xx Ending Principal Balance	$0.00
	Class xx Ending Principal Balance	$0.00
	Class xx Ending Principal Balance	$0.00
	Total	$0.00
		0.00
Pool Factor		0.00%
CPR		

ACCOUNT BALANCES

Cash Reserve Account		
	Specified Cash Reserve Account	$0.00
	Ending Cash Reserve Account Balance	$0.00
Supplement Account		
	Specified Principal Supplement Account Balance	$0.00
	Ending Principal Supplement Account	$0.00
Pre-funding Account		
	Ending Pre-funding Account Balance	$0.00
	Beginning Pre-funding Account Balance	
Negative Carry Account		
	Beginning Negative Carry Account Balance	$0.00
	Ending Negative Carry Account Balance	$0.00

POOL PERFORMANCE

Prepayment:		0.00%
Delinquency (60+ days past due):		
	Face Amount	$0.00
	Percent of Pool Balance	0.00%
Defaults:		
	Face Amount	$0.00
	Percent of Pool Balance	0.00%
Charged Off Amounts:		
	Face Amount	$0.00
	Percent of Pool Balance	0.00%
Recoveries:		
	Face Amount	$0.00
	Percent of Pool Balance	0.00%
Loss:	Net Loss This Period	$0.00
	Cumulative Net Loss	$0.00
	Cumulative Net Loss Percent of Original Balance	0.00%

Equipment Servicer S-1 (Loan Servicer Report)

Exhibit Equipment Servicer S-2 (Leases)
Form of Servicer Report for Equipment Lease Pools[27]

- **Filed monthly with Form 10-D**

SERVICER SUMMARY* - LEASE ABS

Issue Name

Original Issue

$0.00	Class, Coupon, Maturity	CUSIP
$0.00	Class, Coupon, Maturity	CUSIP
$0.00	Class, Coupon, Maturity	CUSIP
$0.00	Class, Coupon, Maturity	CUSIP
$0.00	Class, Coupon, Maturity	CUSIP
$0.00	Class, Coupon, Maturity	Not Offered
$0.00	Total	

CURRENT COLLECTION PERIOD ACTIVITY

		Month/Year
Cash Available for Distribution		
	Collections For The Period	$0.00
	Reinvestment Income	$0.00
	Deposits from Cash Reserve Account to Distribution Account	$0.00
	Deposits from Principal Supplement Account to Distribution Account	$0.00
	Deposits from Pre-funding Account to Distribution Account	$0.00
	Deposits from Negative Carry Account to Distribution Account	$0.00
	Total Cash Available	$0.00
Cash Allocation (Cashflow Waterfall)		
	Servicing Fee	$0.00
	Backup Servicing Fee	$0.00
	Administration and Trustee Fee	$0.00
	Net Swap Payment	$0.00
	Class xx Interest	$0.00
	Class xx Interest	$0.00
	Class xx Interest	$0.00
	Class xx Interest	$0.00
	Class xx Interest	$0.00
	Class xx Principal	$0.00
	Class xx Principal	$0.00
	Class xx Principal	$0.00
	Class xx Principal	$0.00
	Class xx Principal	$0.00
	Deposits to Cash Reserve Account	$0.00
	Reimbursable Expenses of the Backup Servicer	$0.00
	Reimbursable Expenses of the Servicer	$0.00
	Release to Seller as Excess	$0.00
	Total Cash Distributed	$0.00

[27] All data is provided as of the end of the reporting period.

PRINCIPAL BALANCES

	Class xx Ending Principal Balance	$0.00
	Class xx Ending Principal Balance	$0.00
	Class xx Ending Principal Balance	$0.00
	Class xx Ending Principal Balance	$0.00
	Class xx Ending Principal Balance	$0.00
	Total	$0.00
Pool Factor		0.00
CPR		0.00%

ACCOUNT BALANCES

Cash Reserve Account		
	Specified Cash Reserve Account	$0.00
	Ending Cash Reserve Account Balance	$0.00
Supplement Account		
	Specified Principal Supplement Account Balance	$0.00
	Ending Principal Supplement Account	$0.00
Pre-funding Account		
	Ending Pre-funding Account Balance	$0.00
	Beginning Pre-funding Account Balance	
Negative Carry Account		
	Beginning Negative Carry Account Balance	$0.00
	Ending Negative Carry Account Balance	$0.00

POOL PERFORMANCE

Prepayments:		0.00%
Delinquency (60+ days past due):		
	Face Amount	$0.00
	Percent of Pool Balance	0.00%
Defaults:		
	Face Amount	$0.00
	Percent of Pool Balance	0.00%
Charged Off Amounts:		
	Face Amount	$0.00
	Percent of Pool Balance	0.00%
Recoveries:		
	Face Amount	$0.00
	Percent of Pool Balance	0.00%
Loss:		
	Net Loss This Period	$0.00
	Cumulative Net Loss	$0.00
	Cumulative Net Loss Percent of Original Balance	0.00%

Equipment Servicer S-2 (Lease Servicer Report)

Residual Realization*

Current Month:	
Book Residual	$0.00
Residual Realization	$0.00
Residual Realization Percentage	0.00%
Cumulative:	
Book Residual	$0.00
Residual Realization	$0.00
Residual Realization Percentage	0.00%

*Only to be included when the booked residual value is included as a part of securitized cash flows and where residual cash flows are considered as credit enhancement and used to size the capital structure.

EQUIPMENT LOAN/LEASE EXPANDED POOL DATA DISCLOSURE (Offering Materials[28])

Exhibits

Loans

- Equipment Pool A-1 through A-9

Leases

- Equipment Pool B-1 through B-9

[28] As used in these Exhibits the term "Offering Materials" means the Prospectus for the securitized pool.

Exhibit Equipment Pool A-1 (Loans)
Form of Collateral Disclosure Report for Equipment Loan Pools (Offering Materials)

- **As of cutoff date**

Collateral Disclosure – General

As of Date	
Aggregate Collateral Balance	$
Average Aggregated Collateral Balance	$
Number of Loans	
Weighted Average APR*	%
APR* Range	% to %
Weighted Average Remaining Term (months)	
Remaining Term Range (months)	
Weighted Average Original Term (months)	– to –

*APR or Yield will be used by issuer as explained in Offering Materials.

Exhibit Equipment Pool A-2 (Loans)
Form of Collateral Disclosure for Equipment Loan Pools (Offering Materials)

- **As of cutoff date**

Collateral Disclosure – State

State (Location of 5% or More of Assets)*	Number of Loans	Aggregate Current Collateral Balance	Percentage
State 1			
State 2			
State 3			
State 4			
State 5			
State 6			
State 7			
State 8			
State 9			
State 10			
Other			
Total		$	%

* Any state in which 5% or more of the pool assets are located (as detailed in the Offering Materials) must be separately disclosed. This is a minimum listing. Issuers may choose to list additional states.

Exhibit Equipment Pool A-3 (Loans)
Form of Collateral Disclosure for Equipment Loan Pools (Offering Materials)

- **As of cutoff date**

Collateral Disclosure – Equipment Type*

Equipment Type*	Internal Credit Rating**	Number of Loans	Aggregate Current Collateral Balance	Percentage
Truck	A			
	B			
	C			
Construction	A			
	B			
	C			
Bus	A			
	B			
	C			
Maritime	A			
	B			
	C			
Agricultural	A			
	B			
	C			
Industrial	A			
	B			
	C			
Tech & Telecom	A			
	B			
	C			
Furniture & Fixtures	A			
	B			
	C			
Other	A			
	B			
	C			
▪ Total		$		%

*"Equipment type" as classified by issuer's business model and described in the Offering Materials. If an issuer uses a different classification of "equipment type" such as "computers" or "construction and mining" as a matter of internal policy, the issuer would designate those classifications and provide explanatory disclosure in the Offering Materials. At a minimum the issuer may not consolidate into "Other" an "equipment type" constituting 10% or more of the pool as of the cutoff date.
**Internal Credit Rating is based on the risk classification used by the issuer to assess the credit risk of the loan transaction and as disclosed in the Offering Materials. Internal Credit Rating will be established and fixed as of the cutoff date. If Internal Credit Rating is not used by issuer, the range of APR would be used as an alternative.

Exhibit Equipment Pool A-4 (Loans)
Form of Collateral Disclosure for Equipment Loan Pools (Offering Materials)

- **As of cutoff date**

Collateral Disclosure – New/Used Equipment

New/Used Equipment	Number of Loans	Aggregate Current Collateral Balance	Percentage
New			
Used			
Total		$	%

Exhibit Equipment Pool A-5 (Loans)
Form of Collateral Disclosure for Equipment Loan Pools (Offering Materials)

- **As of cutoff date**

Collateral Disclosure – Payment Frequency

Frequency*	Number of Loans	Aggregate Current Collateral Balance	Percentage
Annual			
Semiannual			
Quarterly			
Monthly			
Other			
Total		$	%

*If Payment Frequency as defined by issuer's internal business policy. If different from above, such as weekly, the issuer would designate that "Frequency" and provide explanatory disclosure. No specific payment frequency for 10% or more of the Aggregate Current Collateral Balance as of the cutoff date may be included in "Other."

Exhibit Equipment Pool A-6 (Loans)
Form of Collateral Disclosure for Equipment Loan Pools (Offering Materials)

- **As of cutoff date**

Collateral Disclosure – Current Balance

Current Balance*	Number of Loans	Aggregate Current Collateral Balance	Percentage
Up to $30,000.00			
$30,000.01 - $60,000.00			
$60,000.01 - $90,000.00			
$90,000.01 - $100,000.00			
$100,000.01 - $300,000.00			
$300,000.01 - $600,000.00			
$600,000.01 - $1,000,000.00			
$1,000,000.01 and above			
Total		%	

* The specific ranges for "Current Balance" will be defined and explained by the issuer in the Offering Materials based on the issuer's business model, provided that either (1) no more than ten percent (10%) of the pool will be grouped in one "Current Balance" as of the cutoff date or (2) if (1) can not be satisfied, a minimum of ten (10) ranges of "Current Balance" will be disclosed.

Exhibit Equipment Pool A-7 (Loans)
Form of Collateral Disclosure for Equipment Loan Pools (Offering Materials)

- **As of cutoff date**

Collateral Disclosure – APR

APR*	Number of Loans	Aggregate Current Collateral Balance	Percentage
0.00 – 1.99%			
2.00 – 3.99%			
4.00 – 5.99%			
6.00 – 7.99%			
8.00 – 9.99%			
>10.00%			
Total		$	%

*The specific ranges for "APR" will be defined and explained by the issuer in the Offering Materials based on the issuer's business model, provided that either (1) in no event will more than ten percent (10%) of the pool as of the cut off date be grouped in one range for APR or (2) if (1) can not be satisfied, a minimum of ten (10) ranges of "APR" will be disclosed.

Exhibit Equipment Pool A-8 (Loans)
Form of Collateral Disclosure for Equipment Loan Pools (Offering Materials)

- **As of cutoff date**

Obligor Concentration Disclosure: Top 10 Obligors and All Obligors with Concentration in Excess of 5% of Pool

Obligor	Number of Loans	Aggregate Current Collateral Balance	Percentage
Obligor 1			
Obligor 2			
Obligor 3			
Obligor 4			
Obligor 5			
Obligor 6			
Obligor 7			
Obligor 8			
Obligor 9			
Obligor 10			
Other			
Total		$	%

Exhibit Equipment Pool A-9 (Loans)
Scheduled Payments Disclosure for Equipment Loan Pools (Offering Materials)

- **As of cutoff date**

Scheduled Payments Disclosure

Collection Period	Number of Loans	Scheduled Payments
Month 1		
Month 2		
Month 3		
Month 4		
Month 5		
Month 6		
Month 7		
Month 8		
Month 9		
Month 10		
Month 11		
Month 12		
Month 13		
Month 14		
Etc.		
Total		$

Exhibit Equipment Pool B-1 (Leases)
Form of Collateral Disclosure for Equipment Lease Pools (Offering Materials)

- **As of cutoff date**

Collateral Disclosure – General

As of Date	
Aggregate Acquisition Cost	$
Average Securitization Value	$
Aggregate Residual Value*	$
Number of Leases	
Weighted Average Securitization Rate	%
Securitization Rate Range	% to %
Weighted Average Remaining Term (months)	
Remaining Term Range (months)	
Weighted Average Original Term (months)	– to –

*Only to be included when the booked residual value is included as a part of securitized cash flows and where residual cash flows are considered as credit enhancement and used to size the capital structure.

Exhibit Equipment Pool B-2 (Leases)
Form of Collateral Disclosure for Equipment Lease Pools (Offering Materials)

- **As of cutoff date**

Collateral Disclosure – State

State (Location of 5% or More of Assets)*	Number of Leases	Aggregate Securitization Value	Percentage	Aggregate Residual Value**
State 1				
State 2				
State 3				
State 4				
State 5				
State 6				
State 7				
State 8				
State 9				
State 10				
Other				
Total		$	%	$

*Any state in which 5% or more of the pool assets are located (as detailed in the Offering Materials) must be separately disclosed. This is a minimum listing. Issuers may choose to list additional states.
**Only to be included when the booked residual value is included as a part of securitized cash flows and where residual cash flows are considered as credit enhancement and used to size the capital structure.

Exhibit Equipment Pool B-3 (Leases)
Form of Collateral Disclosure for Equipment Lease Pools (Offering Materials)

- **As of cutoff date**

Collateral Disclosure – Equipment Type*

Equipment Type*	Internal Credit Rating**	Number of Leases	Aggregate Securitization Value	Percentage	Aggregate Residual Value***
Truck	A B C				
Construction	A B C				
Bus	A B C				
Maritime	A B C				
Agricultural	A B C				
Industrial	A B C				
Tech & Telecom	A B C				
Furniture & Fixtures	A B C				
Other	A B C				
▪ Total			$		%

*"Equipment type" as classified by issuer's business model and described in the Offering Materials. If an issuer uses a different classification of "equipment type" such as "computers" or "construction and mining" as a matter of internal policy, the issuer would designate those classifications and provide explanatory disclosure in the Offering Materials. At a minimum the issuer may not consolidate into "Other" an "equipment type" constituting 10% or more of the pool as of the cutoff date.

**Internal Credit Rating is based on the risk classification used by the issuer to assess the credit risk of the loan transaction and as disclosed in the Offering Materials. Internal Credit Rating will be established and fixed as of the cutoff date. If Internal Credit Rating is not used by issuer, the range of APR would be used as an alternative.

***Only to be included when the booked residual value is included as a part of securitized cash flows and where residual cash flows are considered as credit enhancement and used to size the capital structure.

Exhibit Equipment Pool B-4 (Leases)
Form of Collateral Disclosure for Equipment Lease Pools (Offering Materials)

- **As of cutoff date**

Collateral Disclosure – New/Used Equipment

New/Used Equipment	Number of Leases	Aggregate Securitization Value	Percentage	Aggregate Residual Value*
New				
Used				
Total		$	%	$

*Only to be included when the booked residual value is included as a part of securitized cash flows and where residual cash flows are considered as credit enhancement and used to size the capital structure.

Exhibit Equipment Pool B-5 (Leases)
Form of Collateral Disclosure for Equipment Lease Pools (Offering Materials)

- **As of cutoff date**

Collateral Disclosure – Payment Frequency

Frequency*	Number of Leases	Aggregate Securitization Value	Percentage	Aggregate Residual Value**
Annual				
Semiannual				
Quarterly				
Monthly				
Other				
Total		$	%	$

*If Payment Frequency as defined by issuer's internal business policy. If different from above, such as weekly, the issuer would designate that "Frequency" and provide explanatory disclosure. No specific payment frequency for 10% or more of the Aggregate Securitization Value as of the cutoff date may be included in "Other."

**Only to be included when the booked residual value is included as a part of securitized cash flows and where residual cash flows are considered as credit enhancement and used to size the capital structure.

Exhibit Equipment Pool B-6 (Leases)
Form of Collateral Disclosure for Equipment Lease Pools (Offering Materials)

- **As of cutoff date**

Collateral Disclosure – Current Securitization Value

Current Securitization Value*	Number of Leases	Aggregate Securitization Value	Percentage	Aggregate Residual Value**
Up to $30,000.00				
$30,000.01 - $60,000.00				
$60,000.01 - $90,000.00				
$90,000.01 - $100,000.00				
$100,000.01 - $300,000.00				
$300,000.01 - $600,000.00				
$600,000.01 - $1,000,000.00				
$1,000,000.01 and above				
Total			%	$

*The specific ranges for "Current Securitization Value" will be defined and explained by the issuer in the Offering Materials based on the issuer's business model provided that either (1) no more than ten percent (10%) of the pool will be grouped in one "Current Securitization Value" as of the cutoff date or (2) if (1) can not be satisfied, a minimum of ten (10) ranges of "Current Securitization Value" will be disclosed.

**Only to be included when the booked residual value is included as a part of securitized cash flows and where residual cash flows are considered as credit enhancement and used to size the capital structure.

Exhibit Equipment Pool B-7 (Leases)
Form of Collateral Disclosure for Equipment Lease Pools (Offering Materials)

- **As of cutoff date**

Collateral Disclosure – Securitization Rate

Securitization Rate*	Number of Leases	Aggregate Securitization Value	Percentage	Aggregate Residual Value**
0.00 – 1.99%				
2.00 – 3.99%				
4.00 – 5.99%				
6.00 – 7.99%				
8.00 – 9.99%				
>10.00%				
Total		$	%	$

*The specific ranges for "Securitization Rate" will be defined and explained by the issuer in the Offering Materials based on the issuer's business model provided that either (1) in no event will more than ten percent (10%) of the pool as of the cut off date be grouped in one range for Securitization Rates, or (2) if (1) can not be satisfied, a minimum of ten (10) ranges of "Securitization Rates" will be disclosed.

**Only to be included when the booked residual value is included as a part of securitized cash flows and where residual cash flows are considered as credit enhancement and used to size the capital structure.

Exhibit Equipment Pool B-8 (Leases)
Form of Collateral Disclosure for Equipment Lease Pools (Offering Materials)

- **As of cutoff date**

Obligor Concentration: Top 10 Obligors and All Obligors with Concentration in Excess of 5% of Pool

Obligor	Number of Leases	Aggregate Securitization Value	Percentage
Obligor 1			
Obligor 2			
Obligor 3			
Obligor 4			
Obligor 5			
Obligor 6			
Obligor 7			
Obligor 8			
Obligor 9			
Obligor 10			
Other			
Total		$	%

Exhibit Equipment Pool B-9 (Leases)
Scheduled Payments Disclosure for Equipment Lease Pools (Offering Materials)

- **As of cutoff date**

<u>Scheduled Payments Disclosure</u>

Collection Period	Number of Leases	Scheduled Payments	Booked Residual Value*
Month 1			
Month 2			
Month 3			
Month 4			
Month 5			
Month 6			
Month 7			
Month 8			
Month 9			
Month 10			
Month 11			
Month 12			
Month 13			
Month 14			
Etc.			
Total		$	$

*Only to be included when the booked residual value is included as a part of securitized cash flows and where residual cash flows are considered as credit enhancement and used to size the capital structure.

EQUIPMENT LOAN/LEASE GROUP DATA DISCLOSURE & REPORTS

Exhibits

Loans

- Equipment Group A-1
- Equipment Group B-1 through B-3

Leases

- Equipment Group C-1 and C-2
- Equipment Group D-1 through D-3

Exhibit Equipment Group A-1 (Loans)
Representative Line Data Disclosure & Report for Equipment Loan Groups[29]

- **As of cutoff date and updated quarterly**

Account Information by Group

	Distributional Groups					Accounts				
Line	Equipment Type*	New/Used	Payment Frequency**	Region***	Original Term (months)	Number of Loans	Aggregate Original Collateral Balance	Aggregate Current Collateral Balance	WA Remaining Term (months)	Contract APR Range*
1	Truck	New	Annual	Northeast	1-12					
2	Construction	Used	Semiannual	Northwest	13-24					
3	Bus	New	Quarterly	Southeast	25-36					
4	Maritime	Used	Monthly	Southwest	37-48					
5	Agricultural	New	Other	Northeast	49-60					
6	Industrial	Used	Annual	Northwest	61-72					
7	Tech & Telecom	New	Semiannual	Southeast	73-84					
8	Furniture & Fixtures	Used	Quarterly	Southwest	>84					
Total							$	$		% to %

*"Equipment type" and "APR" as classified by issuer's business model and described in the Offering Materials. If an issuer uses a different classification of "equipment type" such as "computers" or "construction and mining" as a matter of internal policy, the issuer would designate those classifications and provide explanatory disclosure in the Offering Materials. At a minimum the issuer may not consolidate into "Other" an "equipment type" constituting 10% or more of the pool as of the cutoff date. Issuers retain discretion to consolidate smaller or highly concentrated subgroups to avoid customer identification.

**Payment Frequency as defined by issuer's internal business policy. If different from above, such as weekly, the issuer would designate that "Frequency" and provide explanatory disclosure. No specific payment frequency for 10% or more of the Aggregate Current Collateral Balance as of the cutoff date may be included in "Other."

*** Unless specific obligor identification is at risk, a minimum of four (4) geographic regions will be used.

[29] All data is provided as of the cutoff date or the end of the reporting period, as applicable.

Exhibit Equipment Group B-1 (Loans)
Periodic Representative Line Data Report for Equipment Loan Groups[30]
- **Filed quarterly**

<u>Delinquency Data By Group</u>

						31-60 Days Delinquent		61-90 Days Delinquent		More than 90 Days Delinquent			
Data Line	Equipment Type*	Internal Credit Rating**	Number of Loans	Aggregate Original Collateral Balance	Aggregate Current Collateral Balance	Number of Loans	Aggregate Current Collateral Balance	Number of Loans	Aggregate Current Collateral Balance	Number of Loans	Aggregate Current Collateral Balance	Defaulted Balance	Net Loss
1	Truck	A B C											
2	Construction	A B C											
3	Bus	A B C											
4	Maritime	A B C											
5	Agricultural	A B C											
6	Industrial	A B C											
7	Tech & Telecom	A B C											
8	Furniture & Fixtures	A B C											
Cumulative													

*"Equipment type" as classified by issuer's business model and described in the Offering Materials. If an issuer uses a different classification of "equipment type" such as "computers" or "construction and mining" as a matter of internal policy, the issuer would designate those classifications and provide explanatory disclosure in the Offering Materials. At a minimum the issuer may not consolidate into "Other" an "equipment type" constituting 10% or more of the pool as of the cutoff date. Issuers retain discretion to consolidate smaller or highly concentrated subgroups to avoid specific obligor identification.

**Internal Credit Rating is based on the risk classification used by the issuer to assess the credit risk of the loan transaction and as disclosed in the Offering Materials. Internal Credit Rating will be established and fixed as of the cutoff date. If Internal Credit Rating is not used by issuer, the range of APR would be used as an alternative.

30 All data is provided as of the end of the reporting period.

Exhibit Equipment Group B-2 (Loans)
Periodic Representative Line Data Report for Equipment Loan Groups[31]

- **Filed quarterly**

Delinquency Data by Top 10 Obligor Concentration and All Obligors with Concentration in Excess of 5% of Pool

				31-60 Days Delinquent		61-90 Days Delinquent		More than 90 Days Delinquent	
Obligor	Number of Loans	Aggregate Original Collateral Balance	Aggregate Current Collateral Balance	Number of Loans	Aggregate Current Collateral Balance	Number of Loans	Aggregate Current Collateral Balance	Number of Loans	Aggregate Current Collateral Balance
Obligor 1									
Obligor 2									
Obligor 3									
Obligor 4									
Obligor 5									
Obligor 6									
Obligor 7									
Obligor 8									
Obligor 9									
Obligor 10									
Total		$	$		$		$		$

[31] All data is provided as of the end of the reporting period.

Exhibit Equipment Group B-3 (Loans)
Periodic Representative Line Data Report for Equipment Loan Groups

- **Filed Quarterly**

Prepayment and Repurchase Information by Group

Distributional Groups		Prepayments		Repurchases	
Line	Equipment Type*	Periodic	Cumulative	Periodic	Cumulative
1	Truck				
2	Construction				
3	Bus				
4	Maritime				
5	Agricultural				
6	Industrial				
7	Tech & Telecom				
8	Furniture & Fixtures				
Total		$____________________	$____________________	$____________________	$____________________

*Equipment type is classified by issuer's business model and described in the Offering Materials. If an issuer uses a different classification of "equipment type" such as "computers" or "construction and mining" as a matter of internal policy, the issuer would designate those classifications and provide explanatory disclosure in the Offering Materials. At a minimum the issuer may not consolidate into "Other" an "equipment type" constituting 10% or more of the pool as of the cutoff date. Issuers retain discretion to consolidate smaller or highly concentrated subgroups to avoid specific obligor identification.

Exhibit Equipment Group C-1 (Leases)
Periodic Representative Line Data Disclosure & Report for Equipment Lease Groups[32]
- **As of cutoff date and updated quarterly**

<u>Lease Information by Group</u>

Distributional Groups						Accounts				
Line	Equipment Type*	New/Used	Payment Frequency**	Region***	Original Term (months)	Number of Leases	Aggregate Acquisition Cost	Aggregate Current Securitization Value	WA Remaining Term (months)	WA Securitization Rate Range*
1	Truck	New	Annual	Northeast	1-12					
2	Construction	Used	Semiannual	Northwest	13-24					
3	Bus	New	Quarterly	Southeast	25-36					
4	Maritime	Used	Monthly	Southwest	37-48					
5	Agricultural	New	Other	Northeast	49-60					
6	Industrial	Used	Annual	Northwest	61-72					
7	Tech & Telecom	New	Semiannual	Southeast	73-84					
8	Furniture & Fixtures	Used	Quarterly	Southwest	>84					
Total							$	$		% to %

*"Equipment type" and "WA Securitization Rate Range" as classified by issuer's business model and described in the Offering Materials. If an issuer uses a different classification of "equipment type" such as "computers" or "construction and mining" as a matter of internal policy, the issuer would designate those classifications and provide explanatory disclosure in the Offering Materials. At a minimum the issuer may not consolidate into "Other" an "equipment type" constituting 10% or more of the pool as of the cutoff date. Issuers retain discretion to consolidate smaller or highly concentrated subgroups to avoid specific obligor identification.

**Payment Frequency as defined by issuer's internal business policy. If different from above, such as weekly, the issuer would designate that "Frequency" and provide explanatory disclosure. No specific payment frequency for 10% or more of the Aggregate Current Securitization Value as of the cutoff date may be included in "Other."

***Unless specific obligor identification is at risk, a minimum of four (4) geographic regions will be used.

32 All data is provided as of the cutoff date or the end of the reporting period, as applicable.

Exhibit Equipment Group C-2 (Leases)

Periodic Representative Line Data Disclosure & Report for Equipment Lease Groups[33]

- **As of cutoff date and updated quarterly***

Aggregate Residual Value by Equipment Type

Line	Equipment Type**	Aggregate Residual Value
1	Truck	
2	Construction	
3	Bus	
4	Maritime	
5	Agricultural	
6	Industrial	
7	Tech & Telecom	
8	Furniture & Fixtures	
Total		$

*Only to be included when the booked residual value is included as a part of securitized cash flows and where residual cash flows are considered as credit enhancement and used to size the capital structure.

**"Equipment type" as classified by issuer's business model and described in the Offering Materials. If an issuer uses a different classification of "equipment type" such as "computers" or "construction and mining" as a matter of internal policy, the issuer would designate those classifications and provide explanatory disclosure in the Offering Materials. At a minimum the issuer may not consolidate into "Other" an "equipment type" constituting 10% or more of the pool as of the cutoff date.

[33] All data is provided as of the cutoff date or the end of the reporting period, as applicable.

Exhibit Equipment Group D-1 (Leases)
Periodic Representative Line Data Report for Equipment Lease Groups[34]
- **Filed quarterly**

Delinquency Data By Group

						31-60 Days Delinquent		61-90 Days Delinquent		More than 90 Days Delinquent			
Data Line	Equipment Type*	Internal Credit Rating**	Number of Leases	Aggregate Acquisition Cost	Aggregate Current Securitization Value	Number of Leases	Aggregate Current Securitization Value	Number of Leases	Aggregate Current Securitization Value	Number of Leases	Aggregate Current Securitization Value	Defaulted Balance	Net Loss
1	Truck	A B C											
2	Construction	A B C											
3	Bus	A B C											
4	Maritime	A B C											
5	Agricultural	A B C											
6	Industrial	A B C											
7	Tech & Telecom	A B C											
8	Furniture & Fixtures	A B C											
Cumulative													

*"Equipment type" as classified by issuer's business model and described in the Offering Materials. If an issuer uses a different classification of "equipment type" such as "computers" or "construction and mining" as a matter of internal policy, the issuer would designate those classifications and provide explanatory disclosure in the Offering Materials. At a minimum the issuer may not consolidate into "Other" an "equipment type" constituting 10% or more of the pool as of the cutoff date. Issuers retain discretion to consolidate smaller or highly concentrated subgroups to avoid specific obligor identification.

**Internal Credit Rating is based on the risk classification used by the issuer to assess the credit risk of the loan transaction and as disclosed in the Offering Materials. Internal Credit Rating will be established and fixed as of the cutoff date. If Internal Credit Rating is not used by issuer, the range of APR would be used as an alternative.

34 All data is provided as of the end of the reporting period.

Exhibit Equipment Group D-2 (Leases)
Periodic Representative Line Data Report for Equipment Lease Groups[35]

- **Filed quarterly**

Delinquency Data by Top 10 Obligor Concentration and All Obligors or with Concentration in Excess of 5% of Pool

				31-60 Days Delinquent		61-90 Days Delinquent		More than 90 Days Delinquent	
Obligor	Number of Leases	Aggregate Acquisition Costs	Aggregate Current Securitization Value	Number of Leases	Aggregate Current Securitization Value	Number of Leases	Aggregate Current Securitization Value	Number of Leases	Aggregate Current Securitization Value
Obligor 1									
Obligor 2									
Obligor 3									
Obligor 4									
Obligor 5									
Obligor 6									
Obligor 7									
Obligor 8									
Obligor 9									
Obligor 10									
Total		$	$		$		$		$

35 All data is provided as of the end of the reporting period.

Exhibit Equipment Group D-3 (Leases)
Periodic Representative Line Data Disclosure & Report for Equipment Lease

- **Filed Quarterly**

Prepayment and Repurchase Information by Group

Distributional Groups		Prepayments		Repurchases	
Line	Equipment Type*	Periodic	Cumulative	Periodic	Cumulative
1	Truck				
2	Construction				
3	Bus				
4	Maritime				
5	Agricultural				
6	Industrial				
7	Tech & Telecom				
8	Furniture & Fixtures				
Total		$______	$______	$______	$______

*Equipment type is classified by issuer's business model and described in the Offering Materials. If an issuer uses a different classification of "equipment type" such as "computers" or "construction and mining" as a matter of internal policy, the issuer would designate those classifications and provide explanatory disclosure in the Offering Materials. At a minimum the issuer may not consolidate into "other" and "equipment type" constituting 10% or more of the pool as of the cutoff date.

INVESTOR LOAN-LEVEL PROPOSAL FOR EQUIPMENT LOAN/LEASE ABS

Exhibits

- Investor Equipment Loan/Lease A

Exhibit Investor Equipment Loan/Lease A - Investor Fields
Reg AB II - Equipment Loan and Lease
Loan Level Fields Requested

Loan Level Fields			
Loan Terms	**Obligor Info**	**Equipment Info**	**Performance Information**
Unique loan identifier	Unique obligor identifier	Unique equipment identifier	Unique loan identifier
Original loan balance or securitization value	Obligor industry	New / used	Unique obligor identifier
Current loan balance or securitization value	FICO score (for consumer obligor)	Equipment age (months)	Unique equipment identifier
Original term (months)	Debt to income (for consumer obligor)	Equipment value at origination	Current balance (securitization value)
Remain term (months)	Internal credit score scale (for commercial and consumer obligors)	Equipment manufacturer	Coupon rate
Seasoning (months)	Internal credit score (for commercial and consumer obligors)	Equipment model	Payment frequency
Loan to value	Obligor credit rating - S/M/F (for commercial obligor)	Equipment industry	"Obligor" watch list
Value method (MSRP, invoice)	Maximum credit line or exposure	Equipment type	Current loan status (Current, 30 DQ, 90+, default)
# Assets in Loan	Personal guaranty (for consumer obligor)	Equipment class (small / mid / large)	Historical loan status (CCCCCC369D)
Finance type (loan, lease)	State	Residual at Maturity (leases only)	Delinquency stage
Lease type (closed / open)	MSA		Delinquency amount
Coupon rate	Obligor prior default experience		Default amount
Coupon type (fix / float)	Obligor prior default recovery rate		Recovery rate
Origination date	Obligor default recovery timeframe		Recovery rate (timeframe from default)
Payment frequency			Modification
Next payment date			Modification terms
Origination channel			Repurchase amount
Originator identifier			Scheduled interest payment (current period)
Dealer Identifier			Scheduled principal payment (current period)
Dealer internal credit rating (for dealer term loans)			Prepayment amount (current period)

January 12, 2016

Via email: rule-comments@sec.gov

Mr. Brent J. Fields
Secretary
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090

Re: Supplemental Comments on Outstanding Proposed Rules under Regulation AB II – Equipment Floorplan ABS and Credit and Charge Card ABS (File No. S7-08-10)

Dear Mr. Fields:

On August 27, 2014, the Securities and Exchange Commission (the "Commission" or "SEC") adopted final rules under Regulation AB that substantially revise the offering process, disclosure and reporting requirements for registered offerings of asset-backed securities ("ABS").[1] More than four years after publishing its original Regulation AB II rule proposals,[2] and after a partial re-proposal in July 2011,[3] and a partial re-opening of the comment period in February 2014,[4] the Commission deferred taking action on several other significant aspects of its original rule proposals (the "Outstanding Proposals"), including:

---

1 The Commission adopted these final rules, referred to as "Regulation AB II," in Release Nos. 33-9638; 34-72982; File No. S7-08-10, dated September 4, 2014 (the "2014 ABS Adopting Release"). Asset-Backed Securities Disclosure and Registration, 79 Fed. Reg. 57184 (Sep. 24, 2014).

2 The Commission originally proposed Regulation AB II in Release Nos. 33-9117; 34-61858; File No. S7-08-10, dated April 7, 2010 (the "2010 ABS Proposing Release"). Asset-Backed Securities, 75 Fed. Reg. 23328 (May 3, 2010).

3 The Commission re-proposed certain of its Regulation AB II rule proposals in light of the provisions of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the "Dodd-Frank Act") and comments received on its original proposals in Release Nos. 33-9244; 34-64968; File No. S7-08-10, dated July 26, 2011 (the "2011 ABS Re-Proposing Release"). Re-Proposal of Shelf Eligibility Conditions for Asset-Backed Securities, 76 Fed. Reg. 47948 (Aug. 5, 2011).

4 The Commission re-opened the comment period on Regulation AB II to solicit further public comment on a proposed approach to disseminate potentially sensitive asset-level data in Release Nos. 33 9552; 34-71611 File No. S7-08-10, dated February 25, 2014. Re-Opening of Comment Period for Asset-Backed Securities Release, 79 Fed. Reg. 11361 (Feb. 28, 2014).

- Requiring grouped account disclosure for credit and charge card ABS;
- Adopting asset-level disclosure requirements for equipment loans and leases, floorplan financings, and student loans;[5]
- Requiring issuers to provide the same disclosure for private placements and resales of structured finance products as is required for registered offerings of those products;
- Filing a computer waterfall program that gives effect to the contractual cash flow provisions of the transaction agreements; and
- Further accelerating the filing deadlines for transaction agreements in connection with shelf takedowns to no later than the date the Rule 424(h) preliminary prospectus is required to be filed.[6]

The Structured Finance Industry Group ("SFIG")[7] previously submitted a comment letter dated as of June 23, 2015, a corrected version of which was submitted on August 20, 2015 (the "Original Letter"), in which we addressed the Outstanding Proposals relating to disclosure for underlying pool assets (the "Outstanding Pool Asset Disclosure Proposals"). At that time, we noted that we intended to follow up with further comments on certain matters, including the Outstanding Pool Asset Disclosure Proposals for equipment dealer floorplan ABS. This letter provides our comments on that topic, as well as supplementing our comments in the Original Letter on the Outstanding Pool Asset Disclosure Proposals for credit and charge card ABS.

As with the Original Letter, the views presented herein are the product of a concerted effort by representatives of the equipment dealer floorplan ABS and credit and charge card ABS segments of the securitization market to offer the Commission a current industry response to the Outstanding Pool Asset Disclosure Proposals for those asset classes. During the process, our members advocated their respective interests which, in many cases, were competing. When divergent views developed, such as between issuers and investors, further meetings were held and special efforts were made to find common ground and reach a practical compromise that effectively addressed the competing concerns. Where we have achieved consensus among investors and issuers, we have presented the specific recommendations of our members.[8] Where

---

5 The final rules adopted as part of Regulation AB II require asset-level information in prospectuses and in ongoing reports for ABS backed by residential mortgages, commercial mortgages, auto loans, auto leases, and debt securities (including resecuritizations). The Commission has not yet adopted its proposal for asset-level disclosure for any other asset class.

6 The final rules accelerate the filing deadlines for final transaction agreements in connection with shelf takedowns to no later than the date the final prospectus is required to be filed.

7 SFIG is a member-based, trade industry advocacy group focused on improving and strengthening the broader structured finance and securitization market. SFIG provides an inclusive network for securitization professionals to collaborate and, as industry leaders, drive necessary changes, be advocates for the securitization community, share best practices and innovative ideas, and educate industry members through conferences and other programs. Members of SFIG represent all sectors of the securitization market including issuers, investors, financial intermediaries, law firms, accounting firms, technology firms, rating agencies, servicers, and trustees. Further information can be found at www.sfindustry.org.

8 For the avoidance of doubt, as with the Original Letter, the disclosure recommendations of our members contained in this letter are in addition to, rather than in place of, any existing disclosure requirements under Regulation AB.

consensus could not be reached, each view was taken into consideration and expressed accordingly in this letter. We urge the Commission to carefully consider each of the views set forth in this letter.

As noted in the Original Letter, our investor and issuer members continue to be actively engaged in discussions regarding the Outstanding Pool Asset Disclosure Proposals for student loan ABS. We expect to continue these discussions among our members and will submit a supplemental letter to the Commission addressing this asset sector as soon as practicable.

Finally, we continue to plan further discussions on the remaining Outstanding Proposals and may provide one or more supplemental letters to the Commission focused on those topics at a later time. In the more than five years that have passed since the Outstanding Proposals were originally published for comment, there have been significant changes in the securitization markets, the participants in those markets, and the regulatory landscape in which those markets operate. With these changes, the views of industry participants also have continued to evolve. Therefore, SFIG urges the Commission to continue to defer action on the remaining Outstanding Proposals until the Commission has taken any final action on the Outstanding Pool Asset Disclosure Proposals. This would provide market participants an opportunity to digest the full complement of enhanced disclosure requirements relating to underlying pool assets and to take those enhanced disclosure requirements into account in formulating their views on the remaining Outstanding Proposals.

I. Disclosure Requirements for Equipment Dealer Floorplan ABS[9]

A. General

As discussed in Section III.A. of the Original Letter, in its Equipment ABS commentary in the 2011 ABS Re-Proposing Release, the Commission correctly noted that there are a variety of views regarding disclosure from both Equipment ABS issuers and investors, as evidenced by the mixed responses received on the original proposal. In our own efforts to find common ground and reach a practical compromise on data disclosure requirements for Equipment Dealer Floorplan ABS, our issuer members[10] and our investor members support a disclosure and reporting package comprised of group-level information, together with enhanced pool-level information, as opposed to loan-level information. Furthermore, except in the limited instances described below, our issuer and investor members agree on the construct of these disclosure requirements.

Even more so than the Equipment Loan/Lease ABS sector, the Equipment Dealer Floorplan ABS sector has very little volume, with only a few issuers from a diverse number of industries and

---

[9] Throughout Section I of this letter, references to “floorplan” ABS, “floorplan” receivables, “floorplan” sponsors and the like are intended as references to floorplan financings in the equipment dealer sector, unless the context indicates otherwise.

[10] There is a dissenting view among issuer members, as described below.

with unique business models.[11] Some equipment dealer floorplan issuers are finance company captives of manufacturing companies in different industries that rely heavily on independent dealerships for the sale of their equipment. Others are multi-line issuers supporting thousands of manufacturers in totally unrelated industries. Equipment dealer floorplan financing involves a revolving pool of receivables, similar to the structure of credit and charge cards. However, unlike credit and charge cards, the number of dealers in a typical pool is much lower (card ABS programs could have millions of accounts) but some equipment dealer floorplan issuers could have ABS platforms with just a few hundred accounts. or even fewer if the issuer is a captive finance company (accounts may be only in the double digits).

Our issuer members indicate that loan-level disclosure poses a significant risk of identification of a specific dealer, the dealer's private business and commercial information, and the issuer's commercially sensitive information, especially about a captive finance company's business. For example, certain issuers may have only one dealer within a specific state. In addition, regardless of the issuer, loan-level data could be matched with UCC financing statements (available state-by-state) to directly provide the dealer name and address. The potential to easily identify dealers in the asset pools of certain Equipment Dealer Floorplan ABS is among the highest of any asset class. Our issuer members are concerned, therefore, that if loan-level data disclosure is required, an anti-competitive effect could also be felt by an Equipment Dealer Floorplan sponsor due to disclosure of commercially-sensitive information about originations, underwriting and pricing models. Furthermore, our issuer members believe that it could jeopardize a sponsor's relationship with its dealers and possibly breach confidentiality agreements in place with the dealer. In order to avoid these risks, some major issuers may elect not to issue in the ABS market for the valid competitive and confidentiality concerns noted.

All of our issuer members agree that most of the concerns expressed in the Auto Dealer Floorplan ABS Section of the Original Letter (Section II.A.) are applicable to Equipment Dealer Floorplan, except that there are far fewer dealers in an Equipment Dealer Floorplan pool and the likelihood of identification of a specific obligor with loan-level data is significant. The relationship between the dealer obligor and the issuer is based on trust, and disclosure of information identifying that dealer (limited numbers in a state or geographic area) would likely drive issuers from the market and result in a significant decrease in the amount of high quality Equipment Dealer Floorplan ABS. Our issuer members generally believe the reports described in Section I.B. below balance the benefits of enhanced investor disclosure against the potential damage to the businesses of lenders from more granular disclosure.

Some of our investor members observe that loan-level disclosure and reporting requirements would result in a significant ongoing volume of data, and most of our investors believe that the related cost of processing this data would outweigh the benefit of receiving it. For example, some of our investors currently model equipment dealer floorplan ABS using group-level data and do not have the means to do so using loan-level data. These investors would have to invest

[11] In 2013, Equipment Dealer Floorplan ABS issuance was less than $1.25 billion; in 2014, issuance totaled approximately $1.325 billion; and through August 30, 2015, issuance totaled approximately $995 million. Source: IFR Market, Bloomberg and SEC filings. From 2013-2015, there have only been three different issuers of Equipment Floorplan ABS in both public and Rule 144A offerings.

in additional processes and other resources to be able to analyze loan-level data, at a cost that would exceed the benefits that loan-level data might have over group-level data. While the remainder of our investors are not concerned with the volume of data that would result from loan-level disclosure, they do support the proposal recommended below, as they find it to be a practical compromise and common ground for the industry as a whole.

There is a dissenting view among issuer members that providing investors with additional data in the form of monthly updated pool-level statistics (in the format currently provided at issuance in offering documents) and the proposed standardized servicer summary should provide the material information necessary to independently make investment decisions, while also addressing privacy and competition concerns of the issuers. According to this dissenting view, disclosure at a more granular level, including group-level, may divulge proprietary pricing information and confidential business strategy to an extent previously not obtainable, and may increase the possibility of identifying a specific dealer through various approaches, including matching data to UCC filings. In this view, the resulting anti-competitive effects may cause harm to equipment sales of the manufacturers, the negotiating power and profitability of independent dealers (if utilized) and their relationships with customers.

In light of these observations and concerns, our issuer members[12] and our investor members support a disclosure and reporting package comprised of group-level information, together with enhanced pool-level information, as opposed to loan-level information. These members support an alternative disclosure and reporting package that includes an enhanced monthly standardized servicer summary ("Servicer Summary") that will be identical for all issuers and will greatly facilitate the comparison of the types of information that can be compared across programs, together with the forms of detailed reports that would comprise enhanced pool-level and group-level data reporting. The standardized Servicer Summaries would advance the Commission's goal of standardization and would make analysis more uniform and convenient for investors.

B. Recommendation on Disclosure for Underlying Pool Assets

Under the proposal for Equipment Dealer Floorplan ABS supported by our issuer members[13] and investor members, issuers would provide the reports set out in the following subsections, each of which was developed in light of two goals. The first goal is to provide investors with significantly more information about the underlying asset pool than has been provided historically, allowing investors to perform better analysis of Equipment Dealer Floorplan ABS. The second goal is to protect issuers' interest in maintaining the confidentiality of information of the underlying obligor and the obligor's proprietary confidential business information, as well as certain proprietary information of the issuer that could be used to identify specific obligors.

---

[12] Subject to the dissenting view noted above.

[13] Subject to the dissenting view noted above, except with respect to the standardized Servicer Summary which is supported by all of our issuer members.

1. Standardized Servicer Summary

Under our Equipment Dealer Floorplan ABS disclosure proposal, issuers would provide a monthly standardized Servicer Summary. This aspect of our proposal is supported by all of our Equipment Dealer Floorplan ABS issuer members. At present, issuers provide monthly payment and performance reporting to investors, filed on Form 10-D. But these reports currently feature differing information and formats. As indicated in Exhibit Equipment Servicer S-3, there would be a standardized Servicer Summary for equipment dealer floorplans. This summary would pull data directly from the currently-filed Form 10-D reports and provide an easy-to-use view of the transaction in a single place. The Equipment Dealer Floorplan ABS issuers would also provide the standardized Servicer Summary to investors electronically on the Internet in a standard downloadable format such as an Excel spreadsheet to facilitate data comparisons by investors.

The standardized Servicer Summary would utilize the same forms and data fields for all Equipment Dealer Floorplan ABS issuers. As a result, they would facilitate comparison among different securitizations and different issuers.

2. Group-level and pool-level disclosure generally

Under our Equipment Dealer Floorplan ABS proposal, issuers would provide the group-level disclosure outlined below, together with the enhanced pool-level disclosure illustrated in Exhibits Equipment Pool C-1 through C-5 for the initial offering. It is important to note that these exhibits are intended as minimum disclosure standards. Equipment ABS issuers should retain the ability to provide additional disclosure as appropriate or desired.

3. Timing and contents of disclosure

Under this disclosure system, the Servicer Summary and pool-level disclosures described in Exhibits Equipment Servicer S-3 and Exhibits Equipment Pool C-1 through C-5 would be provided in the prospectus in XML format as of the statistical cutoff date. In addition to the pool-level reports, the group-level disclosures found below in Exhibits Equipment Group E-1 and F-1 through F-4 would also be provided in the prospectus in XML format as of the statistical cutoff date.

Going forward following issuance, the Servicer Summary disclosures would continue to be provided monthly in XML format, and all group-level disclosures (including Exhibit Equipment Group E-1, which discloses collections and delinquencies, and Exhibit Equipment Group G-1, which discloses dealer risk rating migration, and thus begin to be provided the first quarter following issuance) would be provided quarterly in XML format. On an ongoing basis, therefore, the group-level disclosures described below would take the place of the pool-level disclosures provided in the prospectus, and so Exhibits Equipment Group E-1, F-1 through F-4 and G-1 would be provided in lieu of Exhibits Equipment Pool C-1 through C-5 on a quarterly basis in XML format. The provision of periodic reports would allow investors to view performance of pool and account groupings over time. Again, it is important to note that these exhibits would be intended as minimum disclosure standards. Equipment Dealer Floorplan ABS issuers should retain the ability to provide additional disclosure as appropriate or desired.

In summary, the following exhibits would be provided at the indicated times under this disclosure system:

- Servicer Summary Exhibit Equipment Servicer S-3: Monthly.
- Pool-level Exhibits Equipment Pool C-1 through C-5: As of statistical cutoff date.
- Group-level Exhibits Equipment Group F-1 through F-4: As of statistical cutoff date and updated quarterly.
- Group-level Exhibits Equipment Group E-1 and G-1: Quarterly following issuance.

While a majority of our investor members believe that providing group-level reporting on a quarterly basis is sufficient, a significant percentage of our investor members would prefer to have these reports (other than Exhibits Equipment Group G-1) provided on a monthly basis.

4. Description of pool-level disclosure tables – Collateral Disclosure for Equipment Dealer Floorplan Pools.

In the prospectus and other offering materials used to offer the securities ("Offering Materials"), issuers would provide statistical information about the underlying dealer pool, as illustrated in Exhibits Equipment Pool C-1 through C-5. Because the linking of multiple data points is the primary source of concern for commercial privacy, this information is provided in separate, pool-level tables that nevertheless provide significant information to investors. In these reports, data would be presented based on the following characteristics:

a. Collateral Disclosure – General.

This disclosure, displayed as Exhibit Equipment Pool C-1, will provide a series of data points for the purpose of summarizing pool characteristics and orientating investors to the data that follows. The following data points will be provided as of the statistical cutoff date:

(i) *As of Date.* The statistical cutoff date as of which data is provided.

(ii) *Number of Accounts.* The number of accounts in the pool on the As of Date.

(iii) *Outstanding Balance of Collateral Receivables.* The collateral balance on the As of Date.

(iv) *Average Outstanding Balance of Collateral Receivables per Account.* The average amount owed per account in the pool on the As of Date.

(v) *Weighted Average APR.* The average annual percentage rate, as calculated by the issuer on the As of Date.

b. Collateral Disclosure – State.

This disclosure, displayed as Exhibit Equipment Pool C-2, will provide a breakout of the states in which the largest number of accounts by aggregate collateral balance are located. The following data points will be provided as of the statistical cutoff date:

(i) *State.* A line will be provided for any state in which 10% of more of the pool assets are located, measured as a percentage of the current collateral balance. This listing is intended as a minimum floor for disclosure purposes; issuers would be free to include additional states. Collateral not disclosed in an individual state disclosure line would be included in the data line "Other." Issuers may consolidate lines if necessary to avoid specific obligor identification. If consolidation results in fewer than 10 states, issuers will disclose their consolidation methodology in the Offering Materials.

(ii) *Number of Accounts.* The number of accounts in a given State.

(iii) *Aggregate Collateral Balance.* The collateral balance in a given State.

(iv) *Percentage.* The percentage of the aggregate collateral balance represented by the Aggregate Collateral Balance in a given State.

c. Collateral Disclosure – Equipment Type.

This disclosure, displayed as Exhibit Equipment Pool C-3, will provide a breakout of the types of equipment having the largest number of accounts by aggregate collateral balance. The following data points will be provided as of the statistical cutoff date:

(i) *Equipment Type.* To reflect the varied types of assets that are commonly securitized in Equipment ABS, issuers retain discretion to report "equipment type" in the manner classified by the issuer's business model and described in the Offering Materials. If an issuer uses a different classification of "equipment type," such as "computers" or "construction and mining," as a matter of internal policy, the issuer would designate those classifications and provide explanatory disclosure in the Offering Materials. At a minimum, the issuer may not consolidate into "Other" an "equipment type" constituting 10% or more of the pool as of the cutoff date.

(ii) *Number of Accounts.* The number of accounts in a given Equipment Type.

(iii) *Aggregate Collateral Balance.* The aggregate collateral balance in a given Equipment Type.

(iv) *Percentage.* The percentage of the aggregate collateral balance represented by the Aggregate Collateral Balance in a given Equipment Type.

d. Collateral Disclosure – New/Used.

This disclosure, displayed as Exhibit Equipment Pool C-4, will provide a breakout of the new and used equipment for the pool. The following data points will be provided as of the statistical cutoff date:

(i) *Number of Accounts.* The number of accounts for new and used equipment.

(ii) *Aggregate Collateral Balance.* The aggregate collateral balance for new and used equipment.

(iii) *Percentage.* The percentage of the aggregate collateral balance represented by the Aggregate Collateral Balance for new and used equipment.

e. Collateral Disclosure – Product Type.

Because dealer floorplan transaction pools commonly contain floorplan loans secured by an array of product types, this disclosure, displayed as Exhibit Equipment Pool C-5, will provide a breakout of the product types for the pool. The following data points will be provided as of the statistical cutoff date:

(i) *Product Type.* The type of product securing a dealer floorplan pool. To reflect the varied types of assets that are commonly securitized in Equipment ABS, issuers retain discretion to report "product type" in the manner classified by the issuer's business model and described in the Offering Materials. If an issuer uses a different classification of "product," such as "receivables," as a matter of internal policy, the issuer would designate those classifications and provide explanatory disclosure in the Offering Materials. At a minimum, the issuer may not consolidate into "Other" a "product" constituting 10% or more of the pool as of the cutoff date.

(ii) *Number of Accounts.* The number of accounts in a given Product Type.

(iii) *Aggregate Collateral Balance.* The aggregate collateral balance in a given Product Type.

(iv) *Percentage.* The percentage of the aggregate collateral balance represented by the Aggregate Collateral Balance in a given Product Type.

5. Description of group-level disclosure tables – Representative Line Data Reports for Equipment Dealer Floorplan Groups.

In a Representative Line Data Report, issuers would provide statistical information about the underlying pool. The reports illustrated in Exhibits Equipment Group F-1 through F-4 would be provided as of the statistical cutoff date and updated quarterly in XML format; the report illustrated in Exhibit Equipment Group E-1 would be provided quarterly following issuance in XML format.

Issuers believe that monthly reporting is inappropriate due to the nature of the financed assets. Dealers in this asset class generally make principal payments when the financed equipment is sold (which is not on a fixed schedule), or if the equipment is not sold within a specified period of time (which varies by equipment type and due to seasonality), they then make principal curtailment payments. In addition, most issuers will need to prepare much of the contemplated data manually, making it difficult to provide more frequently. One issuer has indicated that the cost of staffing required to collect, prepare and verify information on a monthly basis would outweigh all benefits of securitization.

On the other hand, while a majority of investors believe that providing group-level reporting on a quarterly basis is sufficient, a significant percentage of investors believe these reports should be provided on a monthly basis. These investors point to the facts that (1) all outstanding Equipment Dealer Floorplan ABS pay cash flows to investors on a monthly basis and these investors believe it is important for investor transparency that the frequency of reporting ties to the frequency of investor cash flow payments, even for non-monthly pay collateral and (2) a significant percentage of issued Equipment Dealer Floorplan ABS includes, at a minimum, a considerable portion of the underlying assets that are monthly-pay obligations.

a. Line Data Report – Dealer Floorplan Information.

In this report, as illustrated in Exhibit Equipment Group E-1, dealer floorplan data would be provided based on Geographic Location. To reflect the varied types of assets that are commonly securitized in Equipment ABS and the confidentiality concerns attendant upon providing granular data, issuers retain discretion to report Geographic Location relevant to their business model. The following data lines would be provided:

(i) *Geographic Location.* A line would be provided setting forth the geographic location of the assets in the pool, based on the appropriate geographic territories determined in accordance with the issuer's business model. Typical breakdowns would be (A) Northeast, (B) Northwest, (C) Southeast, and (D) Southwest. A minimum of 4 geographic regions will be used.

(ii) *Number of Accounts.* The number of accounts for a given representative data line.

(iii) *Percentage of Accounts.* The percentage of accounts based on aggregate current collateral balance as of the end of the reporting period for a given representative data line.

(iv) *Beginning Period Collateral Balance.* The aggregate collateral balance for a given representative data line as of the beginning of the reporting period. This column would correspond to the End Period Collateral Balance of the prior reporting period.

(v) *Collateral Balance of Added Receivables.* The aggregate collateral balance of receivables added to the equipment dealer floorplan during the reporting period.

(vi) *Collateral Balance of Removed Receivables.* The aggregate collateral balance of receivables removed from the equipment dealer floorplan during the reporting period.

(vii) *Collateral Balance of New Sales from Existing Accounts.* The aggregate collateral balance resulting from new sales.

(viii) *Collateral Collections.* The total collateral payments received during the reporting period.

(ix) *Collateral Balance of Defaulted Receivables.* The aggregate collateral balance of receivables that became defaulted during the reporting period.

(x) *End Period Collateral Balance.* The aggregate collateral balance for a given representative data line at the end of the reporting period.

(xi) *Payment Rate %.* The Collateral Collections divided by the Beginning Period Collateral Balance. If an issuer uses a different definition as a matter of internal policy, the issuer would define and provide explanatory disclosure in the Offering Materials.

(xii) *Non Collateral Collections.* Collections received for reasons other than normal dealer floorplan business transactions, including collections received as a result of recognition of gains or losses on repossessions following default.

(xiii) *Losses (Recoveries).* The net losses (or recoveries) on a given representative data line for the reporting period.

(xiv) *Interest Collections*. Collections attributable to interest for a given representative data line for the reporting period.

(xv) *Used Equipment Balance*. The aggregate collateral balance for a given representative data line attributable to used equipment, at the end of the reporting period. This item will be included only if used equipment is financed under the issuer's business model.

b. Line Data Disclosure & Report – Age Distribution of Loans

In this disclosure and report, as illustrated in Exhibit Equipment Group F-1, dealer floorplan data would be provided based on the period of time loans have been extended on dealer floorplans.

(i) *Loan Age Distribution.* The length of time assets have been financed on dealer floorplans, broken out by new and used (only if financed under the issuer's business model) equipment.

(ii) *Q[1/2/3/4] Year 6.* The average percentage of loans by aggregate current collateral balance for a given Loan Age Distribution over prior three month reporting period.

(iii) *Q[1/2/3/4] Year 5.* The average percentage of loans by aggregate current collateral balance for a given Loan Age Distribution over the same quarter from the prior year.

(iv) *Year 5 – Year 1.* The average percentage of loans by aggregate current collateral balance for a given Loan Age Distribution over the year ending December 31, going back for up to five prior years of the pool, if applicable.

c. Line Data Disclosure & Report – Age Distribution of Loans by Dealer Risk Group.

In this disclosure and report, as illustrated in Exhibit Equipment Group F-2, dealer floorplan data would be grouped by a combination of the following characteristics:

(i) *Loan Age Distribution.* The issuer will designate the appropriate loan age distributional groupings based on the number of days the loan has been outstanding. For purposes of this report, the age of a loan starts from the date the related equipment was initially financed by the dealer.

(ii) *Dealer Risk Group.* The distributional groupings would be based on the risk classification used by the sponsor to assess the financial condition of each dealer. Among current floorplan issuers, the number of risk groupings ranges from three to five. The issuer will designate its groupings and provide explanatory disclosure.

To create the grouped account representative data lines, each loan age distributional group would be combined with each risk classification distributional group. For each grouped account representative data line in the Report on Age Distribution of Loans by Dealer Risk Group, issuers would provide the percentage of aggregate account balance represented by that data line (1) as of the end of each of the previous five fiscal years and (2) as of the end of both the most recently completed fiscal quarter and the corresponding fiscal quarter from the immediately prior fiscal year.

d. Line Data Disclosure & Report – Age Distribution of Loans by Equipment Type/Business Line.

In this disclosure and report, dealer floorplan data would be provided based on the period of time loans have been extended on dealer floorplans, separated by equipment type/business line. The versions of this report supported by our issuer members[14] and by a supermajority of our investor members, as described below, are illustrated in Exhibit Equipment Group F-3 (Issuer Version) and Exhibit Equipment Group F-3 (Investor Version), respectively.

(i) *Equipment Type/Business Line.* To reflect the varied types of assets that are commonly securitized in Equipment ABS, all of our issuer members[15] propose to report "equipment type/business line" in the manner classified by the issuer's business model and described in the Offering Materials. If an issuer uses a different classification of "equipment type/business line," such as "computers" or "construction and mining," as a matter of internal policy, the issuer would designate those classifications and provide explanatory disclosure in the Offering Materials. At a minimum, under this proposal, the issuer may not consolidate into "Other" an "equipment type/business line" constituting 10% or more of the pool as of the cutoff date. Issuers would also retain discretion to consolidate smaller or highly concentrated subgroups to avoid specific obligor identification. Each "equipment type/business line" would be broken out by new and used (only if financed under the issuer's business model) equipment.

Our issuer members' proposal for disclosure in this report on the basis of "equipment type/business line" is supported by a minority of our investor members, but as further described below, a supermajority of our investor members believe that further differentiation of the underlying collateral beyond the "equipment type/business line" representative lines proposed by the issuer members is needed.

(ii) *Make/Manufacturer and Model.* Our issuer members note that "make/manufacturer" and "model" are not fields that are used consistently throughout industry and are not generally material to their credit decisions, so they will not always be captured by their systems. Consider a multi-line dealer that sells for multiple manufacturers, which may carry several hundred possible variations of a particular asset type. Dozens of those variations can result from differences in manufacturer, and even more when you take into account the number of makes that may be produced by a single manufacturer. The number of makes carried and financed by a dealer may expand even further if the dealer takes in trade, and finances, used equipment. And when model numbers are added into the mix, the number increases exponentially. One captive issuer member has indicated that its multi-line dealers sell more than 450 makes and models of new and used equipment. In that issuer's view, the magnitude of the required detail would move what purports to be group-level disclosure much closer to loan-level disclosure. One multi-line issuer member notes that it finances more than 1,500 manufacturers of equipment. That issuer has reviewed the publicly available make and model information from several of these

[14] Subject to the dissenting view noted above.

[15] Subject to the dissenting view noted above.

manufacturers, and even if products that it does not finance and all parts and accessories were excluded, conservatively estimates that requiring "make/manufacturer" and "model" fields could result in up to 835,000 rep lines. This issuer notes that its systems would need to have access to a constantly-updated data feed containing all model data from all of these manufacturers in order to produce this level of data.

The issue is most pronounced for small-ticket items (think of the variations in copiers sold by an office supply store) - in these circumstances, the issuer simply does not track "make/manufacturer" or "model" and, in the view of our issuer members, the cost to implement such a system would far outweigh any benefit gained from securitization. For large-ticket items of equipment (such as commercial trucks) that have been "pre-sold" and constitute a significant portion of some issuers' dealer floorplan inventory, the make of an asset in inventory can still fluctuate widely. In the view of our issuer members, this variance does not reflect dealer risk in these circumstances because the dealer's customer has been approved for financing at the time of order, and this credit approval is not conditioned or limited by a "make/manufacturer" or "model" attribute.

As introduced above, a supermajority of our investor members believe that the approximately 5 to 12 stratifications that would be provided under the "equipment type/business line" categories (depending on the specific issuer) are insufficiently detailed for investors to independently evaluate the risks and value of the securities. In their view, this stratification methodology is no more granular than that used prior to the financial crisis. Specifically, except where noted below, these investor members request additional disclosure regarding the "make/manufacturer" and "model" of the related equipment in addition to "equipment type/business line." These investor members believe it is imperative to have access to information to comprehensively evaluate and monitor, on an ongoing basis, the financial health of the dealerships and the recovery (and liquidation) value of the underlying assets backing the floorplan receivables. These investors consider ongoing reporting on the composition of the underlying equipment by "make/manufacturer" and "model" to be an important component of that evaluation and monitoring. Specifically, they note that the financial health of a dealership can be tied to the financial health of the related manufacturer(s). If a manufacturer fails or a brand is discontinued, the equipment value can be impacted, which potentially places financial stress on the applicable dealers (particularly those affiliated with a small number of manufacturers) because most of them rely on equipment sales as a significant revenue source. Even if a dealer default is unrelated to a manufacturer, these investors believe that the "make/manufacturer" and "model" are crucial to the liquidation/recovery valuation of the underlying equipment and the time horizon of that recovery.

In the view of these investor members, this information is especially important because overcollateralization is most often the largest single component in the overall credit enhancement structure of a floorplan securitization. Not only does overcollateralization provide credit support to the trust, but the collections from the additional assets also assist in repaying the outstanding notes during rapid amortization in a revolving structure.

Finally, with respect to a multi-line dealer with very extensive diversification of underlying assets by “make/manufacturer” and “model,” such as the example noted above with an estimated 835,000 rep lines, these investor members are willing to consider an alternative classification system, so long as it provides comparable levels of granularity to that of other equipment floorplan ABS issuers that report “make/manufacturer” and “model,” and the issuer provides explanatory disclosure of the different categories of its classification system in the Offering Materials.

(iii) *Percentage of Pool.* The percentage of accounts in the pool based on aggregate current collateral balance as of the end of the reporting period for a given representative data line.

(iv) *0-120 Days, 121-180 Days, 181-270 Days and 271+ Days.* The length of time assets have been financed on dealer floorplans.

e. Line Data Disclosure & Report – Account Balance Distribution of Loans by Dealer Risk Group.

In this disclosure and report, as illustrated in Exhibit Equipment Group F-4, dealer floorplan data would be grouped by every combination of the following characteristics based on values at the time of loan origination:

(i) *Loan Balance Distribution.* A series of current loan balance ranges. Because loan balances for Equipment ABS are dramatically different depending on the underlying collateral type, the specific ranges for “Current Balance” will be designated by the issuer based on ranges that are meaningful for the applicable pool and described in the Offering Materials. The issuer will retain discretion to consolidate highly concentrated or smaller groups to avoid single obligor customer identification.

(ii) *Dealer Risk Group.* Dealer risk groupings are based on the risk classification used by the issuer to assess the financial condition of each dealer and described in the Offering Materials.

For each combination of Loan Balance Distribution and Dealer Risk Group, a separate data line would be provided setting forth the following data for the collateral, as of the cutoff date or the end of the reporting period, as applicable:

(i) *Aggregate Current Collateral Balance.* The current collateral balance for a given representative data line.

(ii) *Percentage of Aggregate Collateral Balance.* The percentage of the aggregate collateral balance represented by the Aggregate Collateral Balance for a given representative data line.

(iii) *Number of Accounts.* The number of accounts for a given representative data line.

(iv) *Percentage of Aggregate Number of Accounts.* The percentage of the aggregate number of accounts represented by the Number of Accounts for a given representative data line.

6. Dealer Risk Rating Migration Analysis Report.

In addition, on a quarterly basis, issuers would provide statistical information about the movement of dealer accounts among Dealer Risk Groups, as illustrated in Exhibit Equipment Group G-1. Most issuers will need to prepare this data manually, making it difficult to provide this data more frequently. Furthermore, dealer risk ratings do not change with great frequency, resulting in the operational burden of providing this information more frequently outweighing the benefit to investors. The Quarterly Dealer Risk Migration Analysis Report would consist of the following two sub-reports: (a) a Rolling Period Dealer Risk Migration Report and (b) a Quarter-over-Quarter Dealer Risk Migration Report.

a. Rolling Period Dealer Risk Migration Report

In this report, data would be presented on a rolling period designated by the issuer. Depending on the issuer's systems capabilities, an issuer may initially need to amass data for the designated rolling period. Data would be grouped by Dealer Risk Group. The distributional groupings would be based on the risk classification used by the sponsor to assess the financial condition of each dealer. The issuer will designate its groupings and provide explanatory disclosure.

For each distributional grouping, issuers would present (1) the number of dealer accounts in the related Dealer Risk Group as of the end of a current period (*e.g.*, as of March 31, Year 6) and as of the same date in the first year of the rolling period (*e.g.*, in the case of a three-year rolling period, as of March 31, Year 4), (2) the number of dealer accounts in the related Dealer Risk Group that had migrated from each other Dealer Risk Group during the same rolling period and (3) the number of dealer accounts added to and removed from the related Dealer Risk Group during the same rolling period.

b. Quarter-over-Quarter Dealer Risk Migration Report

In this report, data would once again be grouped by Dealer Risk Group and the distributional groupings would be based on the risk classification used by the sponsor to assess the financial condition of each dealer. The issuer will designate its groupings and provide explanatory disclosure.

For each distributional grouping, issuers would present (1) the number of dealer accounts in the related Dealer Risk Group as of the end of a current quarterly period (*e.g.*, as of March 31, Year 6) and as of the end of the preceding quarterly period (*e.g.*, as of December 31, Year 5), (2) the number of dealer accounts in the related Dealer Risk Group that had migrated from each other Dealer Risk Group since the end of the preceding quarterly period and (3) the number of dealer accounts added to and removed from the related Dealer Risk Group since the end of the preceding quarterly period.

II. Grouped Account Disclosure for Credit and Charge Card ABS

A. General

As discussed in Section III.A. of the Original Letter, the Commission has proposed to exclude credit and charge card ABS from the requirements to provide asset-level data because it believes that level of information would result in an overwhelming volume of data that may not be useful to investors, and providing the data may be cost-prohibitive for issuers. Instead of providing asset-level data, the Commission has proposed that issuers of ABS backed by credit and charge cards provide grouped account data lines in XML format to be included in the prospectus and periodic reports filed on EDGAR. Our issuer members and most of our investor members agree that asset-level data for credit and charge card ABS would be neither feasible for issuers nor necessary for investors. If the Commission determines to adopt enhanced disclosure requirements for underlying pool assets for credit and charge card ABS issuers, our issuer and investor members support an alternative disclosure and reporting package described in Section III.A. of the Original Letter (the "Credit and Charge Card ABS Disclosure Package") that builds upon the Commission's proposal but with important modifications designed to provide more extensive metrics on collateral performance without disclosing proprietary information, which they believe should facilitate more in-depth analysis without jeopardizing market liquidity.

Our investor and issuer members have been engaged in ongoing conversations regarding certain other collateral performance information, and have reached agreement on a modification of their proposed Credit and Charge Card ABS Disclosure Package. This proposed disclosure package would add distributional groups in some items on the proposed Collateral Report and Report on Charged Off Accounts for asset pools with higher concentrations of lower credit scores. Our investor and issuer members also have agreed on a clarification of when updates to the reports in the Credit and Charge Card ABS Disclosure Package should be provided.

B. Revisions to Recommendation on Disclosure for Underlying Pool Assets

Under our proposal for the Credit and Charge Card ABS Disclosure Package, issuers would provide the following three reports: (i) Representative Line Data Report; (ii) Collateral Report; and (iii) Report on Charged Off Accounts. As noted above, we are proposing revisions to the latter two reports. Except to the extent specifically modified in this letter, we continue to support the proposal for the Credit and Charge Card ABS Disclosure Package set forth in our Original Letter, and reaffirm the commentary in the Original Letter.

1. Representative Line Data Report

Our proposal for the Representative Line Data Report, an illustration of which is included as Exhibit Card A to this letter, remains unchanged.

2. Collateral Report

As described in the Original Letter, in the Collateral Report, issuers would provide pool-level statistical information in prescribed distributional groups or incremental ranges. Our revised proposal would add distributional groups for asset pools with higher concentrations of lower credit scores, as described below.

(a) *Credit Score.* As proposed in the Original Letter, if the credit score used is FICO, the distributional groups generally would be: (1) No score; (2) Less than 600; (3) 600-629; (4) 630-659; (5) 660-689; (6) 690-719; (7) 720-779; and (8) 780 and over. If another credit score is used, an issuer would designate similar groupings and provide explanatory disclosure. Credit scores may only be obtained on a statistically significant random sample of the underlying pool which may be used to populate this table. However, under our revised proposal, if more than 25% of the pool is in groupings (2) and (3), or if more than 50% of the pool is in groupings (2), (3) and (4), in each case measured cumulatively by receivables balance, then the issuer would replace credit score groupings (2) and (3) in the Collateral Report with five groupings: (2a) Less than 570, (2b) 570-584, (2c) 585-599, (3a) 600-614, and (3b) 615-629.

(b) *Delinquencies.* Our proposal for disclosure regarding delinquencies in the Collateral Report remains unchanged.

(c) *Credit Limit.* As proposed in the Original Letter, the distributional groups for credit limit generally would be: (1) less than $1,000; (2) $1,000-$4,999.99; (3) $5,000-$9,999.99; (4) $10,000-$19,999.99; (5) $20,000-$29,999.99; (6) $30,000-$39,999.99; (7) $40,000-$49,999.99; (8) $50,000 or greater; and (9) Other. If accounts are grouped into the “Other” category, the issuer must include a footnote explaining why the accounts did not fit into one of the prescribed groups. Under our revised proposal, if the issuer is required to replace credit score groupings (2) and (3) in the Collateral Report with groupings (2a), (2b), (2c), (3a) and 3(b), as described above in Section II.B.2.(a), then the issuer also would replace credit limit groupings (1) and (2) in the Collateral Report with six groupings: (1a) less than $500, (1b) $500-$999.99, (2a) $1,000-$1,999.99, (2b) $2,000-$2,999.99, (2c) $3,000-$3,999.99, and (2d) $4,000-$4,999.99.

(d) *Account Balance.* As proposed in the Original Letter, the distributional groups for account balance generally would be: (1) credit balance; (2) no balance; (3) less than $1,000; (4) $1,000-$4,999.99; (5) $5,000-$9,999.99; (6) $10,000-$19,999.99; (7) $20,000-$29,999.99; (8) $30,000-$39,999.99; (9) $40,000-$49,999.99; and (10) $50,000 or more. Under our revised proposal, if the issuer is required to replace credit score groupings (2) and (3) in the Collateral Report with groupings (2a), (2b), (2c), (3a) and 3(b), as described above in Section II.B.2.(a), then the issuer also would replace account balance groupings (3) and (4) in the Collateral Report with six groupings: (3a) less than $500, (3b) $500-$999.99, (4a) $1,000-$1,999.99, (4b) $2,000-$2,999.99, (4c) $3,000-$3,999.99, and (4d) $4,000-$4,999.99.

(e) *Account Age.* Our proposal for disclosure regarding account age in the Collateral Report remains unchanged.

(f) *Top 10 States by Account Balance.* Our proposal for disclosure regarding the top 10 states by account balance in the Collateral Report remains unchanged.

(g) *Geographic Region.* Our proposal for disclosure regarding geographic region in the Collateral Report remains unchanged.

An illustration of our revised proposed Collateral Report is included as Exhibit Card B to this letter.

3. Report on Charged-Off Accounts

As described in the Original Letter, in a Report on Charged-Off Accounts, issuers would provide additional statistical information regarding the composition of charged-off accounts in prescribed distributional groups or incremental ranges. Our revised proposal would add distributional groups for asset pools with higher concentrations of lower credit scores, as described below.

(a) *Credit Score.* As proposed in the Original Letter, if the credit score used is FICO, the distributional groups generally would be: (1) No score; (2) Less than 600; (3) 600-629; (4) 630-659; (5) 660-689; (6) 690-719; (7) 720-779; and (8) 780 and over. If another credit score is used, an issuer would designate similar groupings and provide explanatory disclosure. Credit scores may only be obtained on a statistically significant random sample of the underlying pool which may be used to populate this table. Also, credit scores are not purchased for charged-off accounts and, therefore, the information in this table would be based on the most recently refreshed credit scores for the charged-off accounts, to the extent they are available. Under our revised proposal, if the issuer is required to replace credit score groupings (2) and (3) in the Collateral Report with groupings (2a), (2b), (2c), (3a) and 3(b), as described above in Section II.B.2.(a), then the issuer would replace credit score groupings (2) and (3) in the Report on Charged-Off Accounts with five groupings: (2a) Less than 570, (2b) 570-584, (2c) 585-599, (3a) 600-614, and (3b) 615-629.

(b) *Account Balance.* As proposed in the Original Letter, the distributional groups for account balance generally would be: (1) no balance; (2) less than $1,000; (3) $1,000-$4,999.99; (4) $5,000-$9,999.99; (5) $10,000-$19,999.99; (6) $20,000-$29,999.99; (7) $30,000-$39,999.99; (8) $40,000-$49,999.99; and (9) $50,000 or greater. Under our revised proposal, if the issuer is required to replace credit score groupings (2) and (3) in the Collateral Report with groupings (2a), (2b), (2c), (3a) and 3(b), as described above in Section II.B.2.(a), then the issuer also would replace account balance groupings (3) and (4) in the Report on Charged-Off Accounts with six groupings: (3a) less than $500, (3b) $500-$999.99, (4a) $1,000-$1,999.99, (4b) $2,000-$2,999.99, (4c) $3,000-$3,999.99, and (4d) $4,000-$4,999.99.

(c) *Credit Limit.* As noted in the Original Letter, the distributional groups for credit limit would be: (1) less than $1,000; (2) $1,000-$4,999.99; (3) $5,000-$9,999.99; (4) $10,000-$19,999.99; (5) $20,000-$29,999.99; (6) $30,000-$39,999.99; (7) $40,000-$49,999.99; (8) $50,000 or greater; and (9) Other. If accounts are grouped into the "Other" category, the issuer must include a footnote explaining why the accounts did not fit into one of the prescribed groups. Under our revised proposal, if the issuer is required to replace credit score groupings (2) and (3) in the Collateral Report with groupings (2a), (2b), (2c), (3a) and 3(b), as described above in Section II.B.2.(a), then the issuer also would replace credit limit groupings (1) and (2) in the Report on Charged-Off Accounts with six groupings: (1a) less than $500, (1b) $500-$999.99, (2a) $1,000-$1,999.99, (2b) $2,000-$2,999.99, (2c) $3,000-$3,999.99, and (2d) $4,000-$4,999.99.

(d) *Account Age.* Our proposal for disclosure regarding account age in the Report on Charged-Off Accounts remains unchanged.

(e) *Top 10 States by Account Balance.* Our proposal for disclosure regarding the top 10 states by account balance in the Report on Charged-Off Accounts remains unchanged.

(f) *Geographic Region.* Our proposal for disclosure regarding geographic region in the Report on Charged-Off Accounts remains unchanged.

An illustration of our revised proposed Report on Charged-Off Accounts is included as Exhibit Card C to this letter.

C. When Credit and Charge Card Pool Information Would Be Required

As described in the Original Letter, the Credit and Charge Card ABS Disclosure Package would be filed with the Rule 424(h) prospectus and at the time of the final prospectus under Rule 424(b). Further, rather than filing updated disclosure reports with each report on Form 10-D, quarterly updates to the Credit and Charge Card ABS Disclosure Package would be filed for the entire life of any credit or charge card ABS issued after the implementation date for any related final rules, subject to Rule 15d-22 under the Securities Exchange Act of 1934. As a point of clarification from our Original Letter, our issuer and investor members have agreed that these quarterly updates should be filed under cover of Form 8-K or included in a Rule 424 prospectus within 45 days following the completion of each calendar quarter.

III. Conclusion

SFIG greatly appreciates the opportunity to provide comment on the Outstanding Pool Asset Disclosure Proposals regarding equipment floorplan ABS, and to supplement our comments on the Outstanding Pool Asset Disclosure Proposals regarding credit and charge card ABS. At the same time, and as noted at the outset in this letter, much has changed in the more than five years that have passed since the Outstanding Proposals were originally published for comment, including significant changes in the securitization markets and the regulatory landscape in which those markets operate. Therefore, we urge the Commission to continue to defer action on the remaining Outstanding Proposals until it has taken any final action on the Outstanding Pool Asset Disclosure Proposals. This would provide market participants an opportunity to digest the full complement of enhanced disclosure requirements relating to underlying pool assets and to take those enhanced disclosure requirements into account when formulating their views on the remaining Outstanding Proposals.

Should you have any questions or desire any clarification concerning the matters addressed in this letter, please do not hesitate to contact me at Richard.Johns@sfindustry.org or 202-524-6301.

Sincerely,

Richard Johns

Richard Johns
Executive Director

INDEX OF EXHIBITS

EXHIBITS

DISCLOSURE REQUIREMENTS FOR EQUIPMENT DEALER FLOORPLAN ABS

Servicer Summary Reports

Expanded Pool Data Disclosure (Offering Materials)

Group Data Disclosure (Offering Materials) and Reports

EQUIPMENT DEALER FLOORPLAN SERVICER SUMMARY REPORTS

Exhibit

- Equipment Servicer S-3 (Dealer Floorplan Servicer Report)

Exhibit Equipment Servicer S-3 (Dealer Floorplan)
Form of Servicer Report for Equipment Dealer Floorplan Pools[1]
Filed monthly with Form 10-D

SERVICER SUMMARY* - DEALER FLOORPLAN ABS
Issue Name

Original Issue

$0.00	Class, Coupon, Maturity	CUSIP
$0.00	Class, Coupon, Maturity	CUSIP
$0.00	Class, Coupon, Maturity	CUSIP
$0.00	Class, Coupon, Maturity	Not Offered
$0.00	Total	

CURRENT COLLECTION PERIOD ACTIVITY

	Month/Year
Cash Available for Distribution	
Collections For The Period	$0.00
Reinvestment Income	$0.00
Deposits from Cash Reserve Account to Distribution Account	$0.00
Deposits from Principal Funding Account to Distribution Account	$0.00
Deposits from Accumulation Account to Distribution Account	$0.00
Total Cash Available	$0.00
Cash Allocation (Cashflow Waterfall)	
Servicing Fee	$0.00
Backup Servicing Fee	$0.00
Administration and Trustee Fee	$0.00
Class xx Interest	$0.00
Class xx Interest	$0.00
Class xx Principal	$0.00
Class xx Principal	$0.00
Deposits to Cash Reserve Account	$0.00
Reimbursable Expenses of the Backup Servicer	$0.00
Reimbursable Expenses of the Servicer	$0.00
Reinvested in New Receivables	$0.00
Release to Seller as Excess	$0.00
Total Cash Distributed	$0.00

PRINCIPAL BALANCES

Class xx Ending Principal Balance	$0.00
Class xx Ending Principal Balance	$0.00
Total	$0.00

[1] All data is provided as of the end of the reporting period.

ACCOUNT BALANCES

Cash Reserve Account

	Specified Cash Reserve Account	$0.00
	Ending Cash Reserve Account Balance	$0.00

Supplement Account

	Specified Principal Supplement Account Balance	$0.00
	Ending Principal Supplement Account	$0.00

Negative Carry Account

	Beginning Account Balance	$0.00
	Ending Account Balance	$0.00

POOL PERFORMANCE

Delinquency (60+ days past due):

	Face Amount	$0.00
	Percent of Pool Balance	0.00%

Defaults:

	Face Amount	$0.00
	Percent of Pool Balance	0.00%

Charged Off Amounts:

	Face Amount	$0.00
	Percent of Pool Balance	0.00%

Recoveries:

	Face Amount	$0.00
	Percent of Pool Balance	0.00%

Loss:

	Net Loss This Period	$0.00
	Cumulative Net Loss	$0.00
	Cumulative Net Loss Percent of Original Balance	0.00%

Payment Rate	0.00%

EQUIPMENT DEALER FLOORPLAN EXPANDED POOL DATA DISCLOSURE (Offering Materials[2])

Exhibits

Floorplan

- Equipment Pool C-1 through C-5

[2] As used in these Exhibits the term "Offering Materials" means the Prospectus for the securitized pool.

Exhibit Equipment Pool C-1 (Dealer Floorplan)
Form of Collateral Disclosure for Equipment Dealer Floorplan Pools (Offering Materials)

- **As of statistical cutoff date**

Collateral Disclosure – General

As of Date	
Number of Accounts	0
Outstanding Balance of Collateral Receivables	$0.00
Average Outstanding Balance of Collateral Receivables per Account	$0.00
Weighted Average APR	0.00%

Exhibit Equipment Pool C-2 (Dealer Floorplan)
Form of Collateral Disclosure for Equipment Dealer Floorplan Pools (Offering Materials)

- **As of statistical cutoff date**

Collateral Disclosure – State

State (Location of 10% or More of Assets)*	Number of Accounts	Aggregate Collateral Balance	Percentage
State 1			
State 2			
State 3			
State 4			
State 5			
State 6			
State 7			
State 8			
State 9			
State 10			
Other			
Total		$	%

*Issuers may consolidate if needed to avoid specific obligor identification. If consolidation results in fewer than 10 states, issuers will disclose consolidation methodology in Offering Materials.

Exhibit Equipment Pool C-3 (Dealer Floorplan)
Form of Collateral Disclosure for Equipment Dealer Floorplan Pools (Offering Materials)

- **As of statistical cutoff date**

Collateral Disclosure – Equipment Type

Equipment Type*	Number of Accounts	Aggregate Collateral Balance	Percentage
Truck			
Construction			
Bus			
Maritime			
Agricultural			
Industrial			
Tech & Telecom			
Furniture & Fixtures			
Other			
Total		$	%

*"Equipment type" as classified by issuer's business model and described in the Offering Materials. If an issuer uses a different classification of "equipment type" such as "computers" or "construction and mining" as a matter of internal policy, the issuer would designate those classifications and provide explanatory disclosure in the Offering Materials. At a minimum the issuer may not consolidate into "Other" an "equipment type" constituting 10% or more of the pool as of the cutoff date.

Exhibit Equipment Pool C-4 (Dealer Floorplan)
Form of Collateral Disclosure for Equipment Dealer Floorplan Pools (Offering Materials)

- **As of statistical cutoff date**

<u>Collateral Disclosure – New/Used Equipment</u>

New/Used Equipment	Number of Accounts	Aggregate Collateral Balance	Percentage
New			
Used			
Total		$	%

Exhibit Equipment Pool C-5 (Dealer Floorplan)
Form of Collateral Disclosure for Equipment Dealer Floorplan Pools (Offering Materials)

- **As of statistical cutoff date**

Collateral Disclosure – Product Type

Product Type*	Number of Accounts	Aggregate Collateral Balance	Percentage
Equipment			
Rental			
Parts			
Other			
Total		$	%

*"Product type" as classified by issuer's business model and described in the Offering Materials. If an issuer uses a different classification of "product" such as "receivables" as a matter of internal policy, the issuer would designate those classifications and provide explanatory disclosure in the Offering Materials. At a minimum the issuer may not consolidate into "Other" a "product" constituting 10% or more of the pool as of the cutoff date.

EQUIPMENT DEALER FLOORPLAN GROUP DATA DISCLOSURE & REPORTS

Exhibits

Floorplan

- Equipment Group E-1 (Quarterly Representative Line Data Report – Dealer Floorplan Information)

- Equipment Group F-1 (Quarterly Representative Line Data Report – Age Distribution of Loans)
- Equipment Group F-2 (Quarterly Representative Line Data Report – Age Distribution of Loans by Dealer Risk Group)
- Equipment Group F-3 (Issuer Version) (Quarterly Representative Line Data Report – Age Distribution of Loans by Equipment Type/Business Line)
- Equipment Group F-3 (Investor Version) (Quarterly Representative Line Data Report – Age Distribution of Loans by Equipment Type/Business Line)
- Equipment Group F-4 (Quarterly Representative Line Data Report – Account Balance Distribution of Loans by Dealer Risk Group)

- Equipment Group G-1 (Quarterly Dealer Risk Rating Migration Analysis Report)

Exhibit Equipment Group E-1 (Dealer Floorplan)
Illustration of Quarterly Representative Line Data Report for Equipment Dealer Floorplan Pools[3]

- **Filed quarterly**

Line Data Report – Dealer Floorplan Information

	Accounts		Receivable Collateral Balance Roll Forward							Performance				
Geographic Location*	Number of Accounts	Percentage of Accounts	Beginning Period Collateral Balance	Collateral Balance of Receivables from Newly-Added Accounts	Collateral Balance of Receivables from Removed Accounts	Collateral Balance of New Receivables from Existing Accounts	Collateral Collections	Collateral Balance of Defaulted Receivables	End Period Collateral Balance	Payment Rate %**	Non Collateral Collections	Losses (Recoveries)	Interest Collections	Used Equipment Balance***
Northeast	#	%	$	$	$	$	$	$	$	%	$	$	$	$
Northwest														
Southeast														
Southwest														

*Issuer may define geographic locations in accordance with issuer's business model, but must use a minimum of four (4) geographic locations.

**Payment Rate equals Collateral Collections divided by Beginning Period Collateral Balance. If an issuer uses a different definition as a matter of internal policy, the issuer would define and provide explanatory disclosure in the Offering Materials.

***Column to be included only if applicable to issuer's business model.

3 All data is provided as of the end of the reporting period.

Exhibit Equipment Group F-1 (Dealer Floorplan)
Illustration of Representative Line Data Disclosure & Report for Equipment Dealer Floorplan Pools[4]

- **As of statistical cutoff date and updated quarterly**

Line Data Report – Age Distribution of Loans

Distribution Groups		Three Months Ended		Year Ended December 31				
Loan Age Distribution		Q[1/2/3/4] Year 6	Q[1/2/3/4] Year 5	Year 5	Year 4	Year 3	Year 2	Year 1
0-360 days	- New	%	%	%	%	%	%	%
	- Used*	%	%	%	%	%	%	%
360+ days	- New							
	- Used*							

* "Used" subcategories to be included only if applicable to issuer's business model.

4 All data is provided as of the statistical cutoff date or the end of the reporting period, as applicable.

Exhibit Equipment Group F-2 (Dealer Floorplan)
Illustration of Quarterly Representative Line Data Reports for Floorplan Pools[5]

- **As of statistical cutoff date and updated quarterly**

<u>Line Data Report – Age Distribution of Loans by Dealer Risk Group</u>

Distributional Groups		Information Presented*						
		Three Months Ended		Year Ended December 31,				
Loan Age Distribution**	**Dealer Risk Group*****	**Q[1/2/3/4] Year 6**	**Q[1/2/3/4] Year 5**	**Year 5**	**Year 4**	**Year 3**	**Year 2**	**Year 1**
0-120 days outstanding	I	%	%	%	%	%	%	%
0-120 days outstanding	II							
0-120 days outstanding	III							
0-120 days outstanding	IV							
0-120 days outstanding	**Total**							
121-180 days outstanding	I							
121-180 days outstanding	II							
121-180 days outstanding	III							
121-180 days outstanding	IV							
121-180 days outstanding	**Total**							
181-270 days outstanding	I							
181-270 days outstanding	II							
181-270 days outstanding	III							
181-270 days outstanding	IV							
181-270 days outstanding	**Total**							
Over 270 days outstanding	I							
Over 270 days outstanding	II							
Over 270 days outstanding	III							
Over 270 days outstanding	IV							
Over 270 days outstanding	**Total**							

* For each grouped account data line, issuers would provide the percentage of aggregate account balance represented by that data line (1) as of the end of each of the previous five fiscal years and (2) as of the end of both the most recently completed fiscal quarter and the corresponding fiscal quarter from the immediately prior fiscal year.
** Appropriate loan age distributional groupings designated by the issuer. For purposes of this report, the age of a loan starts from the date the related equipment was initially financed by the issuer.
***Based on the risk classification used by the sponsor/issuer to assess the financial condition of each dealer.

---

[5] All data is provided as of the statistical cutoff date or the end of the reporting period, as applicable.

Exhibit Equipment Group F-3 (Dealer Floorplan)

Representative Line Data Disclosure & Report for Equipment Dealer Floorplan Pools

- **As of statistical cutoff date and updated quarterly**

Line Data Report – Age Distribution of Loans by Equipment Type/Business Line – Issuer Version

			Loan Age Distribution (Days Outstanding)*			
Equipment Type/Business Line**		Percentage of Pool	0-120 days	121-180 days	181-270 days	271 + days
Truck	- New	%	%	%	%	%
	- Used***	%	%	%	%	%
Construction	- New					
	- Used***					
Bus	- New					
	- Used***					
Maritime	- New					
	- Used***					
Agriculture	- New					
	- Used***					
Industrial	- New					
	- Used***					
Tech & Telecom	- New					
	- Used***					
Furniture & Fixtures	- New					
	- Used***					
Other	- New					
	- Used***					

* For purposes of this report, the age of a loan starts from the date the loan was made by the issuer.

** “Equipment type/business line” categories will vary, as classified by issuer’s business model and described in the Offering Materials. If an issuer uses a different classification of “equipment type/business line” such as “computers” or “construction and mining” as a matter of internal policy, the issuer would designate those classifications and provide explanatory disclosure in the Offering Materials. At a minimum the issuer may not consolidate into “Other” an “equipment type/business line” constituting 10% or more of the pool as of the cutoff date. Issuers retain discretion to consolidate smaller or highly concentrated subgroups to avoid specific obligor identification.

*** “Used” subcategories to be included only if applicable to issuer’s business model.

Exhibit Equipment Group F-3 (Dealer Floorplan)

Representative Line Data Disclosure & Report for Equipment Dealer Floorplan Pools

- **As of statistical cutoff date and updated quarterly**

<u>Line Data Report – Age Distribution of Loans by Equipment Type/Business Line – Investor Version</u>

				Loan Age Distribution (Days Outstanding)*			
Equipment Type/Business Line**	Make***	Model***	Percentage of Pool	0-120 days	121-180 days	181-270 days	271 + days
Truck	[Make 1]	[Model 1] -New	%	%	%	%	%
		[Model 1] -Used****	%	%	%	%	%
Construction	[Make 1]	[Model 1] -New					
		[Model 1] -Used****					
Bus	[Make 1]	[Model 1] -New					
		[Model 1] -Used****					
Maritime	[Make 1]	[Model 1] -New					
		[Model 1] -Used****					
Agriculture	[Make 1]	[Model 1] -New					
		[Model 1] -Used****					
Industrial	[Make 1]	[Model 1] -New					
		[Model 1] -Used****					
Tech & Telecom	[Make 1]	[Model 1] -New					
		[Model 1] -Used****					
Furniture & Fixtures	[Make 1]	[Model 1] -New					
		[Model 1] -Used****					
Other	[Make 1]	[Model 1] -New					
		[Model 1] -Used****					

* For purposes of this report, the age of a loan starts from the date the loan was made by the issuer.
** "Equipment type/business line" categories will vary, as classified by issuer's business model and described in the Offering Materials. If an issuer uses a different classification of "equipment type/business line" such as "computers" or "construction and mining" as a matter of internal policy, the issuer would designate those classifications and provide explanatory disclosure in the Offering Materials. At a minimum the issuer may not consolidate into "Other" an "equipment type/business line" constituting 10% or more of the pool as of the cutoff date. Issuers retain discretion to consolidate smaller or highly concentrated subgroups to avoid specific obligor identification.
*** "Make" and "Model" categories will vary in name and number, based on the composition of the applicable pool.
**** "Used" subcategories to be included only if applicable to issuer's business model.

Exhibit Equipment Group F-4 (Dealer Floorplan)
Representative Line Data Disclosure & Report for Equipment Dealer Floorplan Pools[6]

- **As of statistical cutoff date and updated quarterly**

Line Data Report - Account Balance Distribution of Loans by Dealer Risk Group

Distribution Groups					
Current Balance*	Dealer Risk Group**	Aggregate Current Collateral Balance	Percentage of Aggregate Collateral Balance	Number of Accounts	Percentage of Aggregate Number of Accounts
Less than $10,000,000	I	$	%		%
Less than $10,000,000	II				
Less than $10,000,000	III				
Less than $10,000,000	IV				
$10,000,000 to $25,000,000	I				
$10,000,000 to $25,000,000	II				
$10,000,000 to $25,000,000	III				
$10,000,000 to $25,000,000	IV				
$25,000,0001 to $50,000,000	I				
$25,000,0001 to $50,000,000	II				
$25,000,0001 to $50,000,000	III				
$25,000,0001 to $50,000,000	IV				
$50,000,001 to $75,000,000	I				
$50,000,001 to $75,000,000	II				
$50,000,001 to $75,000,000	III				
$50,000,001 to $75,000,000	IV				
$75,000,001 to $100,000,000	I				
$75,000,001 to $100,000,000	II				
$75,000,001 to $100,000,000	III				
$75,000,001 to $100,000,000	IV				
$75,000,001 to $100,000,000	I				
$75,000,001 to $100,000,000	II				
$75,000,001 to $100,000,000	III				
$10,000,000 and over	IV				

* Appropriate account balance distributional groupings designated by the issuer based on ranges that are meaningful for the applicable pool and described in the Offering Materials. Issuer retains discretion to consolidate highly concentrated or smaller groups to avoid single obligor customer identification.
** Based on the risk classification used by the issuer to assess the financial condition of each dealer and described in the Offering Materials.

---

6 All data is provided as of the statistical cutoff date or the end of the reporting period, as applicable.

Exhibit Equipment Group G-1 (Dealer Floorplan)
Illustration of Quarterly Dealer Risk Rating Migration Analysis Reports for Floorplan Pools[7]
- **Provided quarterly**

Quarter-over-Quarter Dealer Risk Migration

Dealer Risk Group *	Number of Dealer Accounts	Number of Dealer Accounts		Number of Dealer Accounts Migrating From Prior Period					
	March 31, Year 6	December 31, Year 5		From Group I	From Group II	From Group III	From Group IV	Dealer Accounts Added	Dealer Accounts Removed
I	x	x		--	x	x	x	x	x
II	x	x		x	--	x	x	x	x
III	x	x		x	x	--	x	x	x
IV	x	x		x	x	x	--	x	x
Total	x	x							

Rolling [Three] Year Dealer Risk Migration**

Dealer Risk Group *	Number of Dealer Accounts	Number of Dealer Accounts		Number of Dealer Accounts Migrating From Prior Period					
	March 31, Year 6	March 31, Year 4		From Group I	From Group II	From Group III	From Group IV	Dealer Accounts Added	Dealer Accounts Removed
I	x	x		--	x	x	x	x	x
II	x	x		x	--	x	x	x	x
III	x	x		x	x	--	x	x	x
IV	x	x		x	x	x	--	x	x
Total	x	x							

* Based on the risk classification used by the issuer/sponsor to assess the financial condition of each dealer.
** Rolling period designated by issuer. [Note: Depending on each issuer's systems capabilities, may need to build-up to rolling period over time.]

[7] All data is provided as of the end of the reporting period.

DISCLOSURE REQUIREMENTS FOR CREDIT AND CHARGE CARD ABS

Exhibits

- Card A (Representative Line Data Report)
- Card B (Collateral Report)
- Card C (Report on Charged-Off Accounts)

Exhibit Card A
Illustration of Representative Line Data Report for Credit and Charge Card Pools

Grouped Account Data Line Number	Credit Score[8]	Account Age	Geographic Region[9]	Adjustable Rate Index	Aggregate Credit Limit	Aggregate Account Balance	Number of Accounts
1	No score	Less than 12 months	NE	Fixed			
2	Less than 600	12-23 months	MW	LIBOR			
3	600-659	24-35 months	S	Prime			
4	660-719	36-47 months	W	Fixed			
5	720-779	48-59 months	NE	LIBOR			
6	780 and over	60 or more months	MW	Prime			
7	No score	12-23 months	S	Fixed			
8	Less than 600	24-35 months	W	LIBOR			
9	600-659	36-47 months	NE	Prime			
10	660-719	48-59 months	MW	Fixed			
11	720-779	60 or more months	S	LIBOR			
12	780 and over	Less than 12 months	W	Prime			

---

8 Credit score may only be purchased on a statistically significant random sample of the underlying pool which may be used to populate this table. If the credit score used is not FICO, an issuer would designate similar groupings and provide explanatory disclosure.

9 In the case of asset-backed securities that are backed by foreign assets, the groupings for geographic regions would depend on factors relevant to the particular transaction, including demographic information relating to the jurisdiction(s) in which the assets are located.

Exhibit Card B
Form of Collateral Report for Credit and Charge Card Pools

Collateral Report - Credit Score[10]

Credit Score	Number of Accounts	Aggregate Account Balance	Percentage of Aggregate Account Balance	Average Credit Limit	Average Utilization Rate	Average Account Age	Percentage of Full Payers	Percentage of Minimum Payers	30-59 Days Deq.[11]	60-89 Days Deq.	90 + Days Deq.
No score											
Less than 600											
600-629											
630-659											
660-689											
690-719											
720-779											
780 and over											

[10] Credit score may only be purchased on a statistically significant random sample of the underlying pool which may be used to populate this table. If the credit score used is not FICO, an issuer would designate similar groupings and provide explanatory disclosure. If more than 25% of the pool is in "Less than 600" and "600-629," or if more than 50% of the pool is in "Less than 600," "600-629" and "630-659," in each case measured by receivables balance, then the issuer would replace "Less than 600" and "600-629" in the Collateral Report – Credit Score table with five groupings: "Less than 570," " 570-584," "585-599," "600-614" and "615-629."

[11] For each of the tables in the Collateral Report, if an issuer uses different delinquency groups as a matter of internal policy, the issuer would designate those groupings and provide explanatory disclosure.

Collateral Report - Delinquencies[12]

Delinquency	Number of Accounts	Aggregate Account Balance	Percentage of Aggregate Account Balance	Average Credit Limit	Average Utilization Rate	Average Account Age	Percentage of Full Payers	Percentage of Minimum Payers	Average Credit Score
Current-29 days									
30-59 days									
60-89 days									
90-119 days									
120-149 days									
150-179 days									
180 or more days									

12 If an issuer uses different delinquency groups as a matter of internal policy, the issuer would designate those groupings and provide explanatory disclosure.

Collateral Report - Credit Limit[13]

Credit Limit	Number of Accounts	Aggregate Account Balance	Percentage of Aggregate Account Balance	Average Utilization Rate	Average Account Age	Percentage of Full Payers	Percentage of Min. Payers	Average Credit Score	30-59 Days Deq.	60-89 Days Deq.	90 + Days Deq.
Less than $1000											
$1,000-$4,999.99											
$5,000-$9,999.99											
$10,000-$19,999.99											
$20,000-$29,999.99											
$30,000-$39,999.99											
$40,000-$49,999.99											
$50,000 or more											
Other[14]											

[13] If the issuer is required to replace groupings "Less than 600" and "600-629" in the Collateral Report – Credit Score table as described in footnote 10 above, then the issuer also would replace groupings "Less than $1,000" and "$1,000-4,999.99" in the Collateral Report – Credit Limit table with six groupings: "Less than $500," "$500-$999.99," "$1,000-$1,999.99," "$2,000-$2,999.99," "$3,000-$3,999.99" and "$4,000-$4,999.99."

[14] If accounts are grouped into the "Other" category, the issuer must include a footnote explaining why the accounts did not fit into one of the prescribed groups.

Collateral Report - Account Balance[15]

Account Balance	Number of Accounts	Aggregate Account Balance	Percentage of Aggregate Account Balance	Average Credit Limit	Average Utilization Rate	Average Account Age	Percentage of Full Payers	Percentage of Min. Payers	Average Credit Score	30-59 Days Deq.	60-89 Days Deq.	90 + Days Deq.
Credit Balance												
No Balance												
Less than $1000												
$1,000-$4,999.99												
$5,000-$9,999.99												
$10,000-$19,999.99												
$20,000-$29,999.99												
$30,000-$39,999.99												
$40,000-$49,999.99												
$50,000 or more												

15 If the issuer is required to replace groupings “Less than 600” and “600-629” in the Collateral Report – Credit Score table as described in footnote 10 above, then the issuer also would replace groupings “Less than $1,000” and “$1,000-4,999.99” in the Collateral Report – Account Balance table with six groupings: “Less than $500,” “$500-$999.99,” “$1,000-$1,999.99,” “$2,000-$2,999.99,” “$3,000-$3,999.99” and “$4,000-$4,999.99.”

Collateral Report - Account Age

Account Age	Number of Accounts	Aggregate Account Balance	Percentage of Aggregate Account Balance	Average Credit Limit	Average Utilization Rate	Percentage of Full Payers	Percentage of Min. Payers	Average Credit Score	30-59 Days Delinquent	60-89 Days Delinquent	90 + Days Delinquent
Less than 12 months											
12-23 months											
24-35 months											
36-47 months											
48-59 months											
60-83 months											
84-119 months											
120 or more months											

Collateral Report - Top 10 States[16]

State	Number of Accounts	Aggregate Account Balance	Percentage of Aggregate Account Balance	Average Credit Limit	Average Utilization Rate	Average Account Age	Percentage of Full Payers	Percentage of Min. Payers	Average Credit Score	30-59 Days Delinquent	60-89 Days Delinquent	90 + Days Delinquent
[State 1]												
[State 2]												
[State 3]												
[State 4]												
[State 5]												
[State 6]												
[State 7]												
[State 8]												
[State 9]												
[State 10]												
Other												

[16] In the case of asset-backed securities that are backed by foreign assets, the distributional groups would depend on factors relevant to the particular transaction, including demographic information relating to the jurisdiction(s) in which the assets are located.

Collateral Report - Geographic Region[17]

Geographic Region	Number of Accounts	Aggregate Account Balance	Percentage of Aggregate Account Balance	Average Credit Limit	Average Utilization Rate	Average Account Age	Percentage of Full Payers	Percentage of Min. Payers	Average Credit Score	30-59 Days Deq.	60-89 Days Deq.	90 + Days Deq.
Northeast												
Midwest												
South												
West												

[17] In the case of asset-backed securities that are backed by foreign assets, the groupings for geographic regions would depend on factors relevant to the particular transaction, including demographic information relating to the jurisdiction(s) in which the assets are located.

Exhibit Card C
Form of Report on Charged-Off Accounts for Credit and Charge Card Pools

Composition of Charged-Off Accounts by Credit Score
For the [3 months ended XXXX, 20XX]

Credit Score[18]	Number of Charged-Off Accounts	Percentage of Total Charged-Off Accounts	Aggregate Account Balance at Time of Charge-Off	Percentage of Total Account Balance at Time of Charge-Off
No score				
Less than 600				
600-629				
630-659				
660-689				
690-719				
720-779				
780 and Over				
Total				

[18] Credit score may only be purchased on a statistically significant random sample of the underlying pool which may be used to populate this table. Also, credit scores are not purchased for charged-off accounts and, therefore, the information in this table would be based on the most recently refreshed credit scores for the charged-off accounts, to the extent they are available. If the credit score used is not FICO, an issuer would designate similar groupings and provide explanatory disclosure. If the issuer is required to replace groupings "Less than 600" and "600-629" in the Collateral Report – Credit Score table as described in footnote 10 above, then the issuer also would replace "Less than 600" and "600-629" in the Report on Charged-Off Accounts – Composition of Charged-Off Accounts by Credit Score table with five groupings: "Less than 570," " 570-584," "585-599," "600-614" and "615-629."

Composition of Charged-Off Accounts by Account Balance at Time of Charge-Off
For the [3 months ended XXXX, 20XX]

Account Balance[19]	Number of Charged-Off Accounts	Percentage of Total Charged-Off Accounts	Aggregate Account Balance at Time of Charge-Off	Percentage of Total Account Balance at Time of Charge-Off
Credit Balance				
No Balance				
Less than $1,000				
$1,000-$4,999.99				
$5,000-$9,999.99				
$10,000-$19,999.99				
$20,000-$29,999.99				
$30,000-$39,999.99				
$40,000-$49,999.99				
$50,000 or more				
Total				

[19] If the issuer is required to replace groupings “Less than 600” and “600-629” in the Collateral Report – Credit Score table as described in footnote 10 above, then the issuer also would replace groupings “Less than $1,000” and “$1,000-4,999.99” in the Report on Charged-Off Accounts – Composition of Charged-Off Accounts by Account Balance at Time of Charge-Off table with six groupings: “Less than $500,” “$500-$999.99,” “$1,000-$1,999.99,” “$2,000-$2,999.99,” “$3,000-$3,999.99” and “$4,000-$4,999.99.”

Composition of Charged-Off Accounts by Credit Limit at Time of Charge-Off
For the [3 months ended XXXX, 20XX]

Credit Limit[20]	Number of Charged-Off Accounts	Percentage of Total Charged-Off Accounts	Aggregate Account Balance at Time of Charge-Off	Percentage of Total Account Balance at Time of Charge-Off
Less than $1,000				
$1,000-$4,999.99				
$5,000-$9,999.99				
$10,000-$19,999.99				
$20,000-$29,999.99				
$30,000-$39,999.99				
$40,000-$49,999.99				
$50,000 or more				
Other[21]				
Total				

20 If the issuer is required to replace groupings “Less than 600” and “600-629” in the Collateral Report – Credit Score table as described in footnote 10 above, then the issuer also would replace groupings “Less than $1,000” and “$1,000-4,999.99” in the Report on Charged-Off Accounts – Composition of Charged-Off Accounts by Credit Limit at Time of Charge-Off table with six groupings: “Less than $500,” “$500-$999.99,” “$1,000-$1,999.99,” “$2,000-$2,999.99,” “$3,000-$3,999.99” and “$4,000-$4,999.99.”

21 If accounts are grouped into the “Other” category, the issuer must include a footnote explaining why the accounts did not fit into one of the prescribed groups.

Composition of Charged-Off Accounts by Account Age at Time of Charge-Off
For the [3 months ended XXXX, 20XX]

Account Age	Number of Charged-Off Accounts	Percentage of Total Charged-Off Accounts	Aggregate Account Balance at Time of Charge-Off	Percentage of Total Account Balance at Time of Charge-Off
Less than 12 months				
12-23 months				
24-35 months				
36-47 months				
48-59 months				
60-83 months				
84-119 months				
120 or more months				
Total				

Composition of Charged-Off Accounts by State at Time of Charge-Off
For the [3 months ended XXXX, 20XX][22]

State	Number of Charged-Off Accounts	Percentage of Total Charged-Off Accounts	Aggregate Account Balance at Time of Charge-Off	Percentage of Total Account Balance at Time of Charge-Off
[State 1]				
[State 2]				
[State 3]				
[State 4]				
[State 5]				
[State 6]				
[State 7]				
[State 8]				
[State 9]				
[State 10]				
Other				
Total				

[22] In the case of asset-backed securities that are backed by foreign assets, the distributional groups would depend on factors relevant to the particular transaction, including demographic information relating to the jurisdiction(s) in which the assets are located.

Composition of Charged-Off Accounts by Geographic Region at Time of Charge-Off
For the [3 months ended XXXX, 20XX][23]

Geographic Region	Number of Charged-Off Accounts	Percentage of Total Charged-Off Accounts	Aggregate Account Balance at Time of Charge-Off	Percentage of Total Account Balance at Time of Charge-Off
Northeast				
Midwest				
South				
West				
Total				

[23] In the case of asset-backed securities that are backed by foreign assets, the groupings for geographic regions would depend on factors relevant to the particular transaction, including demographic information relating to the jurisdiction(s) in which the assets are located.

June 15, 2016

Via email: rule-comments@sec.gov

Mr. Brent J. Fields
Secretary
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090

Re: Supplemental Comments on Outstanding Proposed Rules under Regulation AB II – Student Loan ABS (File No. S7-08-10)

Dear Mr. Fields:

On August 27, 2014, the Securities and Exchange Commission (the "Commission" or "SEC") adopted final rules under Regulation AB that substantially revise the offering process, disclosure and reporting requirements for registered offerings of asset-backed securities ("ABS").[1] More than four years after publishing its original Regulation AB II rule proposals,[2] and after a partial re-proposal in July 2011,[3] and a partial re-opening of the comment period in February 2014,[4] the Commission deferred taking action on several other significant aspects of its original rule proposals (the "Outstanding Proposals"), including:

- Requiring grouped account disclosure for credit and charge card ABS;

1 The Commission adopted these final rules, referred to as "Regulation AB II," in Release Nos. 33-9638; 34-72982; File No. S7-08-10, dated September 4, 2014 (the "2014 ABS Adopting Release"). Asset-Backed Securities Disclosure and Registration, 79 Fed. Reg. 57184 (Sep. 24, 2014).

2 The Commission originally proposed Regulation AB II in Release Nos. 33-9117; 34-61858; File No. S7-08-10, dated April 7, 2010 (the "2010 ABS Proposing Release"). Asset-Backed Securities, 75 Fed. Reg. 23328 (May 3, 2010).

3 The Commission re-proposed certain of its Regulation AB II rule proposals in light of the provisions of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the "Dodd-Frank Act") and comments received on its original proposals in Release Nos. 33-9244; 34-64968; File No. S7-08-10, dated July 26, 2011 (the "2011 ABS Re-Proposing Release"). Re-Proposal of Shelf Eligibility Conditions for Asset-Backed Securities, 76 Fed. Reg. 47948 (Aug. 5, 2011).

4 The Commission re-opened the comment period on Regulation AB II to solicit further public comment on a proposed approach to disseminate potentially sensitive asset-level data in Release Nos. 33 9552; 34-71611 File No. S7-08-10, dated February 25, 2014. Re-Opening of Comment Period for Asset-Backed Securities Release, 79 Fed. Reg. 11361 (Feb. 28, 2014).

- Adopting asset-level disclosure requirements for equipment loans and leases, floorplan financings, and student loans;[5]
- Requiring issuers to provide the same disclosure for private placements and resales of structured finance products as is required for registered offerings of those products;
- Filing a computer waterfall program that gives effect to the contractual cash flow provisions of the transaction agreements; and
- Further accelerating the filing deadlines for transaction agreements in connection with shelf takedowns to no later than the date the Rule 424(h) preliminary prospectus is required to be filed.[6]

The Structured Finance Industry Group ("SFIG")[7] previously submitted a comment letter dated as of June 23, 2015, a corrected version of which was submitted on August 20, 2015 (the "Original Letter"), in which we addressed the Outstanding Proposals relating to disclosure for underlying pool assets (the "Outstanding Pool Asset Disclosure Proposals") for ABS backed by credit and charge card receivables, by auto dealer floorplan loans and by equipment loans and leases. At that time, we noted that we intended to follow up with further comments on certain matters, including the Outstanding Pool Asset Disclosure Proposals for ABS backed by equipment dealer floorplan loans and by student loans ("Student Loan ABS"). SFIG subsequently submitted a supplemental letter dated January 12, 2016 (the "First Supplemental Letter"), which provided our comments on the Outstanding Pool Asset Disclosure Proposals for ABS backed by equipment dealer floorplan loans and leases, as well as supplementing our comments in the Original Letter on the Outstanding Pool Asset Disclosure Proposals for ABS backed by credit and charge card receivables. This letter provides our comments on the Outstanding Pool Asset Disclosure Proposals for Student Loan ABS.

The views presented herein are the product of a concerted effort by our members that represent the Student Loan ABS segment of the securitization market to offer the Commission a current industry response to the Outstanding Pool Asset Disclosure Proposals for that asset class. During the process, our members advocated their respective interests which, in many cases, were competing. When divergent views developed, such as between issuers and investors, further meetings were held and special efforts were made to find common ground and reach a practical

---

5 The final rules adopted as part of Regulation AB II require asset-level information in prospectuses and in ongoing reports for ABS backed by residential mortgages, commercial mortgages, auto loans, auto leases, and debt securities (including resecuritizations). The Commission has not yet adopted its proposal for asset-level disclosure for any other asset class.

6 The final rules accelerate the filing deadlines for final transaction agreements in connection with shelf takedowns to no later than the date the final prospectus is required to be filed.

7 SFIG is a member-based, trade industry advocacy group focused on improving and strengthening the broader structured finance and securitization market. SFIG provides an inclusive network for securitization professionals to collaborate and, as industry leaders, drive necessary changes, be advocates for the securitization community, share best practices and innovative ideas, and educate industry members through conferences and other programs. Members of SFIG represent all sectors of the securitization market including issuers, investors, financial intermediaries, law firms, accounting firms, technology firms, rating agencies, servicers, and trustees. Further information can be found at www.sfindustry.org.

compromise that effectively addressed the competing concerns. We are pleased to note that we have achieved consensus among our Student Loan ABS issuer and investor members as to proposed loan-level data fields for Student Loan ABS backed by Federal Family Education Loan Program loans ("FFELP Loans") and for Student Loan ABS backed by private student loans made to in-school borrowers and co-signers ("Private Student Loans"). We urge the Commission to adopt the specific recommendations of our members with respect to these matters.[8]

With respect to Student Loan ABS backed by loans made to post-school borrowers ("Consolidation Loans"), our recommendations set forth below reflect solely the requests of our Student Loan ABS investor members. Our Student Loan ABS issuer members have not expressed any opinion on these recommendations.

In the more than five years that have passed since the Outstanding Proposals were originally published for comment, there have been significant changes in the securitization markets, the participants in those markets, and the regulatory landscape in which those markets operate. With these changes, the views of industry participants also have continued to evolve. Therefore, SFIG urges the Commission to continue to defer action on the other remaining Outstanding Proposals until the Commission has taken final action on the Outstanding Pool Asset Disclosure Proposals. This would provide market participants an opportunity to digest the full complement of enhanced disclosure requirements relating to underlying pool assets and to take those enhanced disclosure requirements into account in formulating their views on the other remaining Outstanding Proposals.

I. Disclosure Requirements for Student Loan ABS

A. Our Recommendations for Loan-Level Data Fields

In the 2010 ABS Proposing Release, the Commission proposed to require 28 data fields that related specifically to Student Loan ABS. In its commentary in the 2011 ABS Re-Proposing Release, the Commission noted that it had received a mixed response to its proposal, with some commentators supporting asset-level disclosure across asset classes and some commentators suggesting that asset-level data would not be appropriate. For several asset classes, including student loans, the Commission noted that it had received various recommendations for either grouped account disclosures or grouped account and pool-level disclosures in lieu of asset-level disclosures.

Through our efforts to find common ground and reach a practical compromise on data disclosure requirements for Student Loan ABS, our Student Loan ABS issuer and investor members have agreed to support a disclosure and reporting package comprised of loan-level information for Student Loan ABS backed by FFELP Loans and for Student Loan ABS backed by Private Student Loans. Our proposals are set out in the exhibits to this letter:

---

[8] For the avoidance of doubt, as with the Original Letter, the disclosure recommendations of our members contained in this letter are in addition to, rather than in place of, any existing disclosure requirements under Regulation AB.

- Exhibit Student Loan A (Federal Family Education Loan Program (FFELP) Loans)
- Exhibit Student Loan B (Private Student Loans Made to In-School Borrowers and Co-Signers)
- Exhibit Student Loan C (Consolidation Loans)

As noted above, with respect to Student Loan ABS backed by FFELP loans and Student Loan ABS backed by Private Student Loans, our proposals set forth in Exhibits A and B represent the consensus of our Student Loan ABS issuer and investor members. As none of our members currently are issuers of Student Loan ABS backed by Consolidation Loans, our proposals set forth in Exhibit C represent the requests of our Student Loan ABS investor members. Our Student Loan ABS issuer members have not expressed any opinion on these recommendations.

We impress upon the Commission that the list of field recommendations set forth in the Exhibit for each type of student loan asset (i.e., FFELP Loans, Private Student Loans and Consolidation Loans) has been carefully and thoroughly discussed and calibrated by the applicable members for that particular type of asset. Therefore, a recommended field that appears in the Exhibit for one asset type should not be applied to any other asset type unless it also appears as a recommended field in the Exhibit for that other asset type.

B. Conditions to Certain Proposed Loan-Level Data Fields

Certain specific fields in our proposals for loan-level data for Student Loan ABS are subject to conditions, as specifically noted in the attached exhibits. These conditions fall within the following two categories.

1. Certain Loan-Level Data Fields for Loans Serviced Pursuant to Third-Party Servicing Arrangements

Third-party servicing arrangements are a common feature in the student loan business. Certain of the loan-level data fields we have proposed would require issuers to receive and disclose data that third-party servicers do not currently provide, and our Student Loan ABS issuer members are concerned that some third-party servicers cannot or will not provide all of the required data for these fields. Further, our Student Loan ABS issuer members are concerned that third-party servicers may not be obligated to provide all of the data for these fields under the terms of their existing servicing contracts. Because some student loans are serviced by third-party servicers under life-of-loan contracts, issuers may not have the ability to renegotiate the contracts to enable the data to be provided in the future. Our Student Loan ABS issuer members wish to balance the desire to provide investors with robust disclosure for the vast majority of loans where this data is expected to be available, with the ability to securitize their loan portfolios, some of which are now and will continue to be backed by asset pools serviced by third parties.

Therefore, for each of these identified proposed fields, our Student Loan ABS issuer members have proposed, and our Student Loan ABS investor members have agreed, that an issuer of Student Loan ABS would be permitted to exclude the otherwise-required data for loans representing no more than 10% of the principal balance of the initial asset pool, provided that (1) each loan for which data is excluded is serviced by a party that is not affiliated with the sponsor,

(2) the existing contract with the third-party servicer was entered into before the implementation date for providing asset-level data for Student Loan ABS (the "Implementation Date") and had not reached its expiration or maturity date (prior to giving effect to any extension entered into on or after the Implementation Date) on or after the Implementation Date and before the date the related asset-level data was provided by such third-party servicer to the issuer, and (3) the issuer has not been able to obtain the excluded data despite making a commercially reasonable, good-faith effort to negotiate with that third-party servicer to provide that data. If a Student Loan ABS issuer takes advantage of this permitted exclusion, then in an asset related document filed as an exhibit to the related Form ABS-EE pursuant to Item 1111(h)(4) of Regulation AB and Item 601(b)(103) of Regulation S-K, the issuer will represent and warrant that it has not been able to obtain the excluded data despite making a commercially reasonable, good-faith effort to negotiate with the third-party servicer to provide that data.

2. Certain Loan-Level Data Fields Related to Loan Underwriting

Our Student Loan ABS issuer members note that it is impossible retroactively to collect underwriting- related information that was not collected at the time the credit decision was made. Therefore, our Student Loan ABS issuer members have proposed, and our Student Loan ABS investor members have agreed, that certain identified proposed underwriting-related data fields will need to be collected and disclosed only for loans originated on or after the Implementation Date. We note that issuers may choose to provide these data fields voluntarily for loans originated before the Implementation Date to the extent the required information was collected and is available, but our Student Loan ABS issuer and investor members have agreed that that this information should not be required for such loans.

II. Transition Period

As noted in the Original Letter, if the Commission adopts enhanced disclosure requirements for underlying pool assets for Student Loan ABS, our issuer members have requested that the Commission adopt an Implementation Date that is no earlier than two years following the date of publication of the related final rules in the Federal Register, as the Commission did with respect to the final rules requiring asset-level information in prospectuses and in ongoing reports for ABS backed by residential mortgages, commercial mortgages, auto loans, auto leases and debt securities. Issuers have indicated that they need this as a minimum transition period in order to build the required infrastructure to implement the proposed disclosure requirements for underlying pool assets in the form we have recommended. Our Student Loan ABS issuer members reiterate this comment, particularly given the need to execute amendments to third-party servicing contracts.

As noted in the Original Letter, our Student Loan ABS investor members would like this enhanced disclosure as soon as possible, while providing issuers with adequate time to implement any additional disclosure requirements.

III. Conclusion

SFIG greatly appreciates the opportunity to provide comment on the Outstanding Pool Asset Disclosure Proposals regarding Student Loan ABS. At the same time, and as noted at the outset in this letter, much has changed in the more than five years that have passed since the Outstanding Proposals were originally published for comment, including significant changes in the securitization markets and the regulatory landscape in which those markets operate. Therefore, we urge the Commission to continue to defer action on the other remaining Outstanding Proposals until it has taken final action on the Outstanding Pool Asset Disclosure Proposals. This would provide market participants an opportunity to digest the full complement of enhanced disclosure requirements relating to underlying pool assets and to take those enhanced disclosure requirements into account when formulating their views on the other remaining Outstanding Proposals.

Should you have any questions or desire any clarification concerning the matters addressed in this letter, please do not hesitate to contact me at Richard.Johns@sfindustry.org or 202-524-6301.

Sincerely,

Richard Johns

Richard Johns
Executive Director

Index of Exhibits

Disclosure Requirements for Student Loan ABS

Exhibit Student Loan A
Federal Family Education Loan Program (FFELP) Program Loans

	Proposed Field Title	Proposed Field Instruction
	Basic Information	
1	Obligor Number	Provide the unique ID number of the obligor.
2	Asset Number	Provide the unique ID number of the loan.
3	Disbursement Date	Provide the date the first loan disbursement was made.
4	Servicer	Provide the name of the entity that services the loan.
5	Trust ID	Provide the name of the trust that owns the loan.
6	Reporting Period Begin Date	Specify the beginning date of the reporting period.
7	Reporting Period End Date	Specify the end date of the reporting period.
	Obligor Information	
8	School and Branch	Provide the Office of Postsecondary Education ID numbers of the school and branch relating to the loan as of the date of disbursement.
9	For-Profit or Not-For-Profit	Indicate whether the school is a for-profit or not-for-profit institution. Code pertains the school relating to the loan as of its date of disbursement.
10	Original School Type	Specify the code indicating the type of school related to the loan as of the date of disbursement.

	Proposed Field Title	Proposed Field Instruction
11	Separation Date	Provide the initial date following disbursement of the loan that the obligor ceased to be enrolled in school at least half-time. For obligors still in this school period, the anticipated graduation date.
12	Geographic Residence of the Obligor - Zip Code	Specify the residence of the obligor by providing the first 3 digits of the zip code as of the loan application date.
13	Obligor Age	Provide the age of the obligor as of the loan application date.
14	Geographic Residence of the Obligor - State	Specify the residence of the obligor by providing the U.S. state or territory as of the loan application date.
	Loan Balance/Term	
15	Original Loan Amount	Indicate the total disbursed principal balance.
16	Reporting Period Ending Principal Balance	Indicate the principal balance of the loan as of the end of the reporting period.
17	Original Loan Term	Indicate the stated term of the loan in months as of the loan application date.
18	Remaining Term to Maturity	Indicate the expected number of payments remaining to be made to satisfy the loan obligation.
19	Loan Maturity Date	Indicate the month and year in which the final payment of the loan is expected to be made.
20	Remaining Interest-Only Term*	Indicate the number of months following the end of the reporting period in which the obligor is expected to pay only interest on the loan.
21	Program Type	Indicate the program type of the loan, including the loan type and, for Stafford and FFELP Consolidation loans, whether the loan is subsidized or unsubsidized.

	Proposed Field Title	Proposed Field Instruction
22	Minimum Guarantee Percentage	Provide the minimum guarantee percentage of the loan.
23	Guarantor	Provide the name of the guarantor.
24	Benefit Percentage*	If applicable, provide the percentage associated with the borrower benefit. This column may be repeated for as many benefits as apply.
25	Benefit Status*	Indicate whether the obligor is actively receiving, eligible but not actively receiving, or disqualified/ineligible for the benefit. This column may be repeated for as many benefits as apply.
26	Benefit Program Type*	Indicate the type of borrower benefit (interest rate discount, rebate of original balance, rebate of monthly payment amount, etc.), if applicable. This column may be repeated for as many benefits as apply.
27	Benefit Payment Hurdle*	Indicate the number of months of payments required to receive the benefit, if applicable. This column may be repeated for as many benefits as apply.
28	Benefit Remaining Payments*	If applicable, indicate the remaining number of months until the hurdle is met. This column may be repeated for as many benefits as apply.
29	ACH Benefit Status*	Indicate whether the borrower is actively receiving, eligible but not actively receiving, or disqualified/ineligible for an ACH benefit.
30	ACH Benefit Percentage*	Provide the interest rate reduction percentage associated with the ACH benefit.
31	Rebate Fee Rate	For Consolidation loans, indicate the annual rebate fee to be remitted to the Department of Education.

	Loan Status	
32	Obligor Payment Status	Indicate the code describing whether the obligor payment status is in-school, grace period, deferment period, forbearance period, or repayment period.
33	Current Delinquency Status	Indicate the number of days the obligor is delinquent past the obligor's payment due date.
34	Payment Sub-Status	Specify the code indicating the sub-status (e.g., the specific type of deferment or forbearance, if applicable) of the obligor.
35	Forbearance Period	Indicate the total number of months during which the loan has been in a forbearance period, representing the accumulation of all forbearance periods.
36	Deferment Period	Indicate the total number of months during which the loan has been in a deferment period, representing the accumulation of all deferment periods.
37	IDR Plan*	Indicate whether the loan has ever been enrolled in an income-driven repayment plan.
38	Qualifying Payments*	Indicate the total number of payments made on the loan that qualify the loan for future loan forgiveness.
39	Number of Months to Loan Forgiveness*	Number of remaining months of qualifying payments required to meet threshold for applicable loan forgiveness program.
40	Hardship Deferment Period*	Indicate the total number of months during which the loan has been in a hardship deferment period, representing an accumulation of all hardship deferment periods.
41	Hardship Forbearance Period*	Indicate the total number of months during which the loan has been in a hardship forbearance period, representing an accumulation of all hardship forbearance periods.
42	IDR Plan Period*	Indicate the total number of months during which the loan has been enrolled in an income-driven repayment plan, if applicable.
43	Rehabilitation Loan	Indicate whether the loan is a rehabilitation loan.

	Coupon / Interest / Capitalization Fields	
44	Reporting Period Interest Rate	Indicate the current interest rate for the loan as of the end of the reporting period prior to adjustment for borrower benefits.
45	Interest Type	Indicate whether the interest rate on the loan is fixed, variable or other.
46	Interim Margin	If the loan has a variable interest rate, indicate the number of percentage points that is added to the index value to establish the new interest rate at each interest rate adjustment date while the loan in an in-school, grace, or deferment status.
47	Repayment Margin	If the loan has a variable interest rate, Indicate the number of percentage points that is added to the index value to establish the new interest rate at each interest rate adjustment date while the loan is in a repayment or forbearance status.
48	Rate Index	If the loan has a variable interest rate, specify the code that describes the type and source of the index to be used to determine the new interest rate at each interest rate adjustment date.
49	Interest Rate Reset Period	Indicate the number of months between interest rate adjustments.
50	SAP Index	Indicate the code that describes the type and source of the index to be used to determine the Special Allowance Payments Rate.
51	Negative SAP Indicator	If the rate paid by the obligor is more than the Special Allowance Payments Rate, indicate the code that indicates that the lender must repay to the U.S. Department of Education an amount sufficient to reduce the lender's yield to the Special Allowance Payments Rate.
52	Lifetime Rate Ceiling	Indicate the percentage of the maximum interest rate that can be in effect during the life of the loan.

53	Day Count Convention	Indicate the number of days per month and year that are used in the calculation of the loan's monthly interest accruals.
54	Capitalization Frequency	Indicate the frequency with which accrued and unpaid interest amounts will be added to the loan principal balance.
55	Convertible Interest Rate	Indicate whether the interest rate is convertible from fixed to floating and/or floating to fixed.
	Payment / Payment Status	
56	Convert to Repayment Date	Provide the date on which the loan first entered a repayment status, or for loans in school and grace, the date on which the loan is expected to enter repayment.
57	Payment Schedule Type	Specify the code indicating the payment schedule type of the loan (e.g., including as applicable, level payment, interest only payment, graduated payment, extended graduated payment or another defined payment schedule type).
58	Next Payment Due Date	Provide the date the next payment on the loan is due.
59	Total Billed Amount	Provide the total amount of the next payment due.
60	Reporting Period Scheduled Payment Amount*	Provide the total amount of principal and interest that was scheduled to be collected during the reporting period.
61	Reporting Period Payment Amount*	Provide the total amount of principal and interest that was collected during the reporting period.
62	Scheduled Interest Amount*	Provide the amount of interest payments that was scheduled to be collected during the reporting period.
63	Reporting Period Interest Payment Amount*	Provide the amount of interest that was collected during the reporting period.

64	Scheduled Principal Amount*	Provide the amount of principal payments that was scheduled to be collected during the reporting period.
65	Reporting Period Principal Payment Amount*	Provide the amount of principal that was collected during the reporting period.
66	Reporting Period Interest Capitalization*	Provide the incremental amount of interest that was capitalized during the reporting period.
67	Interest Accrual Balance	Provide the amount of outstanding interest that has accrued and has not been paid as of the end of the reporting period.
68	Interest Accrued to Capitalize Balance	Provide the amount of outstanding interest that has accrued and is expected to capitalize in the future, as of the end of the reporting period.
69	Unscheduled Principal Collections*	Provide the principal prepayments and other unscheduled payments of principal received on the loan during the reporting period.
70	Repayment Period	Indicate the total number of months during which the loan has been in a repayment period, representing the accumulation of all repayment periods.
71	Payments Made	Indicate the total number of payments received on the loan, representing the accumulation of all payments.
72	Remaining Period Until Change in Repayment Plan	Indicate the number of months following the end of the reporting period until the next scheduled change in the repayment plan of the loan.
73	Delinquency Bucket	Indicate the 30-day delinquency bucket based on the number of days the obligor is delinquent past the obligor’s payment due date.
74	Delinquency Amount*	If the loan is delinquent, indicate the dollar amount of payments owed to bring the loan current.
75	Claim Status	Indicate whether a guarantee claim related to the loan has been rejected.

76	IDR Payment Percentage of Level	If an IDR loan, provide the payment as a percentage of the calculated level payment for the reporting period.

---

* The data required by this field may be excluded for loans representing no more than 10% of the principal balance of the initial asset pool, provided that (1) each loan for which data is excluded is serviced by a party that is not affiliated with the sponsor or an affiliate of the sponsor (a "Third-Party Servicer"), (2) the existing contract with the Third-Party Servicer was entered into before the implementation date for providing asset-level data for ABS collateralized by student loans (the "Implementation Date") and had not reached its expiration or maturity date (prior to giving effect to any extension entered into on or after the Implementation Date) on or after the Implementation Date and before the date the related asset-level data was provided by such Third-Party Servicer to the issuer, and (3) the issuer has not been able to obtain the excluded data despite making a commercially reasonable, good-faith effort to negotiate with that third-party servicer to provide that data. If an issuer takes advantage of this permitted exclusion, then in an asset related document filed as an exhibit to the related Form ABS-EE pursuant to Item 1111(h)(4) of Regulation AB and Item 601(b)(103) of Regulation S-K, the issuer will represent and warrant that it has not been able to obtain the excluded data despite making a commercially reasonable, good-faith effort to negotiate with the Third-Party Servicer to provide that data.

Exhibit Student Loan B
Private Student Loans Made to In-School Borrowers & Co-Signers:

	Proposed Field Title	Proposed Field Instruction
	Basic Information	
1	Obligor Number	Provide the unique ID number of the obligor.
2	Asset Number	Provide the unique ID number of the loan.
3	Disbursement Date	Provide the date the first loan disbursement was made.
4	Servicer	Provide the name of the entity that services the loan.
5	School Disbursement	Indicate whether the loan was disbursed directly to the obligor's school.
6	Trust ID	Provide the name of the trust that owns the loan.
7	Reporting Period Begin Date	Specify the beginning date of the reporting period.
8	Reporting Period End Date	Specify the end date of the reporting period.
	Borrower Information	
9	School and Branch	Provide the Office of Postsecondary Education ID numbers of the school and branch relating to the loan as of the date of disbursement.
10	For-Profit or Not-For-Profit	Indicate whether the school is a for-profit or not-for-profit institution. Code pertains to the school relating to the loan as of the date of disbursement.
11	School Type	Specify the code indicating the type of school related to the loan as of the date of disbursement.

	Proposed Field Title	Proposed Field Instruction
12	Separation Date	Provide the initial date following disbursement of the loan that the borrower ceased to be enrolled in school at least half-time. For borrowers still in this school period, the anticipated graduation date.
13	Cosigner	Indicate whether the loan has a cosigner.
14	Application Date	Provide the date on which the borrower's loan application was submitted.
15	FICO Score - Borrower	If the credit decision was based primarily on the borrower, provide the borrower's FICO score as of the loan application date.
16	FICO Score – Cosigner	If the credit decision was based primarily on the cosigner, provide the cosigner's FICO score as of the loan application date.
17	FICO Rescore Date***	Specify the date on which the FICO score of the obligor upon whom the credit decision was primarily based was most recently rescored, unless prohibited by law. If not rescored, this field should reflect N/A.
18	Rescored FICO Score – Borrower***	If the credit decision was based primarily on the borrower and unless prohibited by law, provide the borrower's FICO score as of the FICO rescore date. If not rescored, this field should reflect N/A.
19	Rescored FICO Score – Cosigner***	If credit decision was based primarily on the cosigner and unless prohibited by law, provide the cosigner's FICO score as of the FICO rescore date. If not rescored, this field should reflect N/A.
20	Wage Income*	For loans originated after the compliance date, provide the dollar amount per month of stated income associated with the employment of the party upon whom the credit decision was primarily based as of the loan application date.

	Proposed Field Title	Proposed Field Instruction
21	Income Verification*	For loans originated after the compliance date, indicate the code describing the extent to which the wage income of the party upon whom the credit decision was primarily based has been verified as of the loan application date.
22	Debt-to-Income Ratio*	Provide the debt-to-income ratio, or equivalent measure, of the party upon whom the credit decision was primarily based as of the loan application date. Provide the methodology for determining the components of this ratio in the prospectus.
23	Asset Verification*	Indicate the code describing the extent to which the assets of the party used to qualify the loan have been verified.
24	Geographic Residence of the Borrower - Zip Code	Specify the residence of the borrower by providing the first 3 digits of the zip code as of the loan application date.
25	Geographic Residence of the Co-Signer – Zip Code	Specify the residence of the cosigner by providing the first 3 digits of the zip code as of the loan application date.
26	Borrower Age	Provide the age of the borrower as of the loan application date.
27	Cosigner Age	Provide the age of the cosigner as of the loan application date.
28	Geographic Residence of the Borrower - State	Specify the residence of the borrower by providing the U.S. state or territory as of the loan application date.
29	Geographic Residence of the Cosigner – State	Specify the residence of the cosigner by providing the U.S. state or territory as of the loan application date.
	Loan Balance/Term	
30	Original Loan Amount	Indicate the total disbursed principal balance.

	Proposed Field Title	Proposed Field Instruction
31	Reporting Period Ending Principal Balance	Indicate the principal balance of the loan as of the end of the reporting period.
32	Original Loan Term	Indicate the stated term of the loan in months as of the final loan approval date.
33	Remaining Term to Maturity	Indicate the expected number of payments remaining to be made to satisfy the loan obligation.
34	Loan Maturity Date	Indicate the month and year in which the final payment of the loan is expected to be made.
35	Remaining Interest-Only Term***	Indicate the number of months following the end of the reporting period in which the obligor is expected to pay only interest on the loan.
36	Program Type	Indicate the code that describes the program type of the loan.
37	Benefit Percentage***	If applicable, provide the percentage associated with the borrower benefit. This column may be repeated for as many benefits as apply.
38	Benefit Status***	Indicate whether the borrower is actively receiving, eligible but not actively receiving, or disqualified/ineligible for the benefit. This column may be repeated for as many benefits as apply.
39	Benefit Program Type***	Indicate the type of borrower benefit (interest rate discount, rebate of original balance, rebate of monthly payment amount, etc.), if applicable. This column may be repeated for as many benefits as apply.
40	Benefit Payment Hurdle***	Indicate the number of months of payments required to receive the benefit, if applicable. This column may be repeated for as many benefits as apply.
41	Benefit Remaining Payments***	If applicable, indicate the remaining number of months until the hurdle is met. This column may be repeated for as many benefits as apply.

	Proposed Field Title	Proposed Field Instruction
42	ACH Benefit Status***	Indicate whether the borrower is actively receiving, eligible but not actively receiving, or disqualified/ineligible for an ACH benefit.
43	ACH Benefit Percentage***	Provide the interest rate reduction percentage associated with the ACH benefit, if applicable.
	Loan Status	
44	Obligor Payment Status	Indicate the code describing whether the obligor payment status is in-school, grace period, deferment period, forbearance period or repayment period.
45	Current Delinquency Status	Indicate the number of days the obligor is delinquent past the obligor's payment due date.
46	Payment Sub-Status	Specify the code indicating the sub-status (e.g., the specific type of deferment or forbearance, if applicable) of the obligor.
47	Interest Rate Modification Indicator	Indicate whether the interest rate was billed at a rate lower than the original contractual rate (or, for a variable rate loan, the original contractual margin and/or original contractual interest rate index) as of the end of the reporting period.
48	Forbearance Period	Indicate the total number of months during which the loan has been in a forbearance period, representing the accumulation of all forbearance periods.
49	Deferment Period	Indicate the total number of months during which the loan has been in a deferment period, representing the accumulation of all deferment periods.
50	Hardship Forbearance Period	Indicate the total number of months during which the loan has been in a hardship forbearance period, representing an accumulation of all hardship forbearance periods.

	Coupon / Interest / Capitalization Fields	
51	Reporting Period Interest Rate	Indicate the current interest rate for the loan as of the end of the reporting period prior to adjustment for borrower benefits.
52	Interest Type	Indicate whether the interest rate on the loan is fixed, variable or other.
53	Interim Margin	If the loan has a variable interest rate, indicate the number of percentage points that is added to the index value to establish the new interest rate at each interest rate adjustment date while the loan is in an in-school, grace or deferment status.
54	Repayment Margin	If the loan has a variable interest rate, indicate the number of percentage points that is added to the index value to establish the new interest rate at each interest rate adjustment date while the loan is in a repayment or forbearance status.
55	Rate Index	If the loan has a variable interest rate, specify the code that describes the type and source of the index to be used to determine the new interest rate at each interest rate adjustment date.
56	Interest Rate Reset Period	Indicate the number of months between interest rate adjustments.
57	Lifetime Rate Ceiling	If applicable, indicate the percentage of the maximum interest rate that can be in effect during the life of the loan.
58	Lifetime Rate Floor	If applicable, indicate the percentage of the minimum interest rate that can be in effect during the life of the loan.
59	Day Count Convention	Indicate the number of days per month and year that are used in the calculation of the loan’s monthly interest accruals.
60	Capitalization Frequency	Indicate the frequency with which accrued and unpaid interest amounts will be added to the loan principal balance.

61	Convertible Interest Rate	Indicate whether the interest rate is convertible from fixed to floating and/or floating to fixed.
	Payment / Payment Status	
62	Convert to Repayment Date	Provide the date on which the loan first entered a repayment status,** or for loans in school and grace, the date on which the loan is expected to enter repayment.
63	Payment Schedule Type	Specify the code indicating the payment schedule type of the loan (e.g., including as applicable, level payment, interest only payment, graduated payment, extended graduated payment or another defined payment schedule type).
64	Next Payment Due Date	Provide the date the next payment on the loan is due.
65	Total Billed Amount	Provide the total amount of the next payment due.
66	Reporting Period Scheduled Payment Amount ***	Provide the total amount of principal and interest that was scheduled to be collected during the reporting period.
67	Reporting Period Payment Amount***	Provide the total amount of principal and interest that was collected during the reporting period.
68	Scheduled Interest Amount***	Provide the amount of interest that was scheduled to be collected during the reporting period.
69	Reporting Period Interest Payment Amount***	Provide the amount of interest that was collected during the reporting period.
70	Scheduled Principal Amount***	Provide the amount of principal that was scheduled to be collected during the reporting period.
71	Reporting Period Principal Payment Amount***	Provide the amount of principal that was collected during the reporting period.

72	Reporting Period Interest Capitalization***	Provide the incremental amount of interest that was capitalized during the reporting period.
73	Interest Accrual Balance	Provide the amount of outstanding interest that has accrued and has not been paid as of the end of the reporting period.
74	Interest Accrued to Capitalize Balance	Provide the amount of outstanding interest that has accrued and is expected to capitalize in the future, as of the end of the reporting period.
75	Unscheduled Principal Collections***	Provide the principal prepayments and other unscheduled payments of principal received on the loan during the reporting period.
76	Repayment Period	Indicate the total number of months during which the loan has been in a repayment status, representing the accumulation of all repayment periods.
77	Payments Made	Indicate the total number of payments received on the loan, representing the accumulation of all payments.
78	Remaining Period Until Change in Repayment Plan	Indicate the number of months following the end of the reporting period until the next scheduled change in the repayment plan of the loan.
79	Delinquency Bucket	Indicate the 30-day delinquency bucket based on the number of days the obligor is delinquent past the obligor's payment due date.
80	Delinquency Amount***	If the loan is delinquent, indicate the dollar amount of payments owed to bring the loan current.

____

* The data otherwise required by this field is required only for loans originated on or after the Implementation Date.

** Throughout this Exhibit B, any loan classified in "Repayment" is a loan for which interim interest only, $25 fixed payments or full principal and interest payments are due.

*** The data required by this this field may be excluded for loans representing no more than 10% of the principal balance of the initial asset pool, provided that (1) each loan for which data is excluded is serviced by a party that is not affiliated with the sponsor or an affiliate of the sponsor (a "Third-Party Servicer"), (2) the existing contract with the Third-Party Servicer was entered into before the implementation date for providing asset-level data for ABS collateralized by student loans (the "Implementation Date") and had not reached its expiration or maturity date (prior to giving effect to any extension entered into on or after the Implementation Date) on or after the Implementation Date and before the date the related asset-level data was provided by such Third-Party Servicer to the issuer, and (3) the issuer has not been able to obtain the excluded data despite making a commercially reasonable, good-faith effort to negotiate with that third-party servicer to provide that data. If an issuer takes advantage of this permitted exclusion, then in an asset related document filed as an exhibit to the related Form ABS-EE pursuant to Item 1111(h)(4) of Regulation AB and Item 601(b)(103) of Regulation S-K, the issuer will represent and warrant that it has not been able to obtain the excluded data despite making a commercially reasonable, good-faith effort to negotiate with the Third-Party Servicer to provide that data.

Exhibit Student Loan C
Consolidation Loans

	Proposed Field Title	Proposed Field Instruction
	Basic Information	
1	Obligor Number	Provide the unique ID number of the obligor.
2	Asset Number	Provide the unique ID number of the loan.
3	Disbursement Date	Provide the date the first loan disbursement was made.
4	Servicer	Provide the name of the entity that services the loan.
5	Borrower Disbursement	Indicate whether the loan was disbursed directly to the borrower.
6	Origination Channel	Specify code indicating the source (channel) from which the originator marketed the loan, the borrower applied for the loan and the originator processed the application.
7	Originator	Provide the name of the entity that originated the loan.
8	Trust ID	Provide the name of the trust that owns the loan.
9	Reporting Period Begin Date	Specify the beginning date of the reporting period.
10	Reporting Period End Date	Specify the end date of the reporting period.
	Borrower Information	
11	School and Branch	Provide the Office of Postsecondary Education ID numbers of the schools and branches relating to the loan as of the date of disbursement. Field should be repeated for as many schools and branches as are applicable.

	Proposed Field Title	Proposed Field Instruction
12	For-Profit or Not-For-Profit	Indicate whether the school is a for-profit or not-for-profit institution. Code pertains to the school relating to the loan as of the date of disbursement. Field should be repeated for as many schools as are applicable.
13	School Type	Specify the code indicating the type of school related to the loan as of the date of disbursement. Field should be repeated for as many schools as are applicable.
14	Degree Type	Specify the code indicating the type of degree that the borrower indicated on the loan application. Field should be repeated for as many degrees as are applicable.
15	Degree	Specify the code indicating the degree that the borrower indicated on the loan application. Field should be repeated for as many degrees as are applicable.
16	Separation Date	Provide the last date the borrower was enrolled in school at least half-time. For refinancing loans to borrowers still in school, the anticipated graduation date.
17	Educational Attainment	Specify the code indicating the highest educational agree attained by the borrower as of the loan application date.
18	Cosigner	Indicate whether the loan has a cosigner.
19	Loan Application Date	Provide the date on which the borrower's loan application was submitted.
20	FICO Score - Borrower	Provide the borrower's FICO score as of the loan application date.
21	FICO Score – Cosigner	If the credit decision was based primarily on the cosigner, provide the cosigner's FICO score as of the loan application date.
22	FICO Rescore Date - Borrower	Specify the date on which the FICO score of borrower was most recently rescored, unless prohibited by law. If not rescored, this field should reflect N/A.

	Proposed Field Title	Proposed Field Instruction
23	FICO Rescore Date – Cosigner	Specify the date on which the FICO score of the cosigner was most recently rescored, unless prohibited by law. If not rescored, this field should reflect N/A.
24	Rescored FICO Score – Borrower	Unless prohibited by law, provide the borrower's FICO score as of the FICO rescore date. If not rescored, this field should reflect N/A.
25	Rescored FICO Score – Cosigner	Unless prohibited by law, provide the cosigner's FICO score as of the FICO rescore date. If not rescored, this field should reflect N/A.
26	Wage Income - Borrower	Provide the dollar amount per month of stated income associated with the employment of the borrower as of the loan application date.
27	Wage Income – Cosigner	Provide the dollar amount per month of the stated income associated with the employment of the cosigner as of the application date.
28	Income Verification - Borrower	Indicate the code describing the extent to which the wage income of the borrower has been verified as of the loan application date.
29	Income Verification – Cosigner	Indicate the code describing the extent to which the wage income of the cosigner has been verified as of the loan application date.
30	Debt-to-Income Ratio - Borrower	Provide the debt-to-income ratio, or equivalent measure, of the borrower as of the loan application date. Provide the methodology for determining the components of this ratio in the prospectus.
31	Debt-to-Income Ratio – Cosigner	Provide the debt-to-income ratio, or equivalent measure, of the cosigner as of the loan application date. Provide the methodology for determining the components of this ratio in the prospectus.
32	Asset Verification - Borrower	Indicate the code describing the extent to which the assets of the borrower have been verified.

	Proposed Field Title	Proposed Field Instruction
33	Asset Verification – Cosigner	Indicate the code describing the extent to which the assets of the cosigner have been verified.
34	SIC Code of Employer – Borrower	Indicate the current Standard Industry Classification code of the borrower's employer as of the loan application date.*
35	SIC Code of Employer – Cosigner	Indicate the current Standard Industry Classification code of the cosigner's employer as of the loan application date.*
36	Length of Employment – Borrower	Indicate the number of months that the borrower had been employed by current employer as of the loan application date.
37	Length of Employment – Cosigner	Indicate the number of months that the cosigner had been employed by the current employer as of the loan application date.
38	Employment Verification - Borrower	Indicate the code describing the extent to which the employment of the borrower has been verified as of the loan application date.
39	Employment Verification – Cosigner	Indicate the code describing the extent to which the employment of the cosigner has been verified as of the loan application date.
40	Geographic Residence of the Borrower - Zip Code	Specify the residence of the borrower by providing the first 3 digits of the zip code as of the loan application date.
41	Geographic Residence of the Co-Signer – Zip Code	Specify the residence of the cosigner by providing the first 3 digits of the zip code as of the loan application date.
42	Borrower Age	Provide the age of the borrower as of the loan application date.
43	Cosigner Age	Provide the age of the cosigner as of the loan application date.

	Proposed Field Title	Proposed Field Instruction
44	Geographic Residence of the Borrower - State	Specify the residence of the borrower by providing the U.S. state or territory as of the loan application date.
45	Geographic Residence of the Cosigner – State	Specify the residence of the cosigner by providing the U.S. state or territory as of the loan application date.
	Loan Balance/Term	
46	Original Loan Amount	Indicate the total disbursed principal balance.
47	Reporting Period Ending Principal Balance	Indicate the principal balance of the loan as of the end of the reporting period.
48	Original Loan Term	Indicate the stated term of the loan in months as of the final loan approval date.
49	Remaining Term to Maturity	Indicate the expected number of payments remaining to be made to satisfy the loan obligation.
50	Loan Maturity Date	Indicate the month and year in which the final payment of the loan is expected to be made.
51	Number of Payments Made	Indicate the number of payments made since the date of disbursement of the loan.
52	Remaining Interest-Only Term	Indicate the number of months following the end of the reporting period in which the obligor is expected to pay only interest on the loan.
53	Program Type	Indicate the code that describes the program type of the loan.
54	Benefit Percentage	If applicable, provide the percentage associated with the borrower benefit. This column may be repeated for as many benefits as apply.

	Proposed Field Title	Proposed Field Instruction
55	Benefit Status	Indicate whether the borrower is actively receiving, eligible but not actively receiving, or disqualified/ineligible for the benefit. This column may be repeated for as many benefits as apply.
56	Benefit Program Type	Indicate the type of borrower benefit (interest rate discount, rebate of original balance, rebate of monthly payment amount, etc.), if applicable. This column may be repeated for as many benefits as apply.
57	Benefit Payment Hurdle	Indicate the number of months of payments required to receive the benefit, if applicable. This column may be repeated for as many benefits as apply.
58	Benefit Remaining Payments	If applicable, indicate the remaining number of months until the hurdle is met. This column may be repeated for as many benefits as apply.
59	ACH Benefit Status	Indicate whether the borrower is actively receiving, eligible but not actively receiving, or disqualified/ineligible for an ACH benefit.
60	ACH Benefit Percentage	Provide the interest rate reduction percentage associated with the ACH benefit, if applicable.
	Loan Status	
61	Most Recent 24-Month Pay History	Provide a string indicating the payment status for months listed from the oldest to most recent month for the most recent 24 months.
62	Obligor Payment Status	Indicate the code describing whether the obligor payment status is in deferment period, forbearance period or repayment period.
63	Current Delinquency Status	Indicate the number of days the obligor is delinquent past the obligor’s payment due date.

	Proposed Field Title	Proposed Field Instruction
64	Payment Sub-Status	Specify the code indicating the sub-status (e.g., the specific type of deferment or forbearance, if applicable) of the obligor.
65	Interest Rate Modification Indicator	Indicate whether the interest rate was billed at a rate lower than the original contractual rate (or, for a variable rate loan, the original contractual margin and/or original contractual interest rate index) as of the end of the reporting period.
66	Forbearance Period	Indicate the total number of months during which the loan has been in a forbearance period, representing the accumulation of all forbearance periods.
67	Deferment Period	Indicate the total number of months during which the loan has been in a deferment period, representing the accumulation of all deferment periods.
68	Hardship Forbearance Period	Indicate the total number of months during which the loan has been in a hardship forbearance period, representing an accumulation of all hardship forbearance periods.
69	Modification Flag	Indicate whether the contractual terms of the loan have ever been modified.
70	Date of Most Recent Modification	Provide the date on which the loan was most recently modified.
	Coupon / Interest / Capitalization Fields	
71	Reporting Period Interest Rate	Indicate the current interest rate for the loan as of the end of the reporting period prior to adjustment for borrower benefits.
72	Interest Type	Indicate whether the interest rate on the loan is fixed, variable or other.
73	Original Interest Rate	If the loan has a fixed interest rate, provide the rate of interest at the time the loan was originated.

	Proposed Field Title	Proposed Field Instruction
74	Original Margin	If the loan has a variable interest rate, indicate the number of percentage point that was added to the index value to establish the interest rate applicable to the loan on the date of disbursement.
75	Interim Margin	If the loan has a variable interest rate, indicate the number of percentage points that is added to the index value to establish the new interest rate at each interest rate adjustment date while the loan is in a deferment status.
76	Repayment Margin	If the loan has a variable interest rate, indicate the number of percentage points that is added to the index value to establish the new interest rate at each interest rate adjustment date while the loan is in a repayment or forbearance status.
77	Rate Index	If the loan has a variable interest rate, specify the code that describes the type and source of the index to be used to determine the new interest rate at each interest rate adjustment date.
78	Interest Rate Reset Period	Indicate the number of months between interest rate adjustments.
79	Lifetime Rate Ceiling	If applicable, indicate the percentage of the maximum interest rate that can be in effect during the life of the loan.
80	Lifetime Rate Floor	If applicable, indicate the percentage of the minimum interest rate that can be in effect during the life of the loan.
81	Day Count Convention	Indicate the number of days per month and year that are used in the calculation of the loan's monthly interest accruals.
82	Capitalization Frequency	Indicate the frequency with which accrued and unpaid interest amounts will be added to the loan principal balance.

	Proposed Field Title	Proposed Field Instruction
83	Convertible Interest Rate	Indicate whether the interest rate is convertible from fixed to floating and/or floating to fixed.
	Payment / Payment Status	
84	Convert to Repayment Date	Provide the date on which the loan first entered a repayment status.
85	Payment Schedule Type	Specify the code indicating the payment schedule type of the loan (e.g., including as applicable, level payment, interest only payment, graduated payment, extended graduated payment or another defined payment schedule type).
86	Next Payment Due Date	Provide the date the next payment on the loan is due.
87	Original Billed Amount	Provide the total amount of the initial payment owed by the borrower.
88	Total Billed Amount	Provide the total amount of the next payment due.
89	Reporting Period Scheduled Payment Amount	Provide the total amount of principal and interest that was scheduled to be collected during the reporting period.
90	Reporting Period Payment Amount	Provide the total amount of principal and interest that was collected during the reporting period.
91	Scheduled Interest Amount	Provide the amount of interest that was scheduled to be collected during the reporting period.
92	Reporting Period Interest Payment Amount	Provide the amount of interest that was collected during the reporting period.
93	Scheduled Principal Amount	Provide the amount of principal that was scheduled to be collected during the reporting period.

	Proposed Field Title	Proposed Field Instruction
94	Reporting Period Principal Payment Amount	Provide the amount of principal that was collected during the reporting period.
95	Scheduled Fee Amount	Provide the amount of fee payments that was scheduled to be collected during the reporting period.
96	Reporting Period Fee Payment Amount	Provide the amount of fees that was collected during the reporting period.
97	Reporting Period Interest Capitalization	Provide the incremental amount of interest that was capitalized during the reporting period.
98	Total Interest Capitalization	Provide the total amount of interest that has been capitalized, representing the accumulation of all reporting periods.
99	Interest Accrual Balance	Provide the amount of outstanding interest that has accrued and has not been paid as of the end of the reporting period.
100	Interest Accrued to Capitalize Balance	Provide the amount of outstanding interest that has accrued and is expected to capitalize in the future, as of the end of the reporting period.
101	Unscheduled Principal Collections	Provide the principal prepayments and other unscheduled payments of principal received on the loan during the reporting period.
102	Repayment Period	Indicate the total number of months during which the loan has been in a repayment status, representing the accumulation of all repayment periods.
103	Payments Made	Indicate the total number of payments received on the loan, representing the accumulation of all payments.
104	Remaining Period Until Change in Repayment Plan	Indicate the number of months following the end of the reporting period until the next scheduled change in the repayment plan of the loan.

	Proposed Field Title	Proposed Field Instruction
105	Delinquency Bucket	Indicate the 30-day delinquency bucket based on the number of days the obligor is delinquent past the obligor's payment due date.
106	Delinquency Amount	If the loan is delinquent, indicate the dollar amount of payments owed to bring the loan current.

---

* In addition to the data required by this field, provide in an asset related document filed as an exhibit to the related Form ABS-EE pursuant to Item 111(h)(4) of Regulation AB and Item 601(b)(103) of Regulation S-K separate tables indicating the top 10 employers of (A) all borrowers of loans in the pool, and (B) all cosigners of loans in the pool, each as of (A) the cutoff date for the loan pool, and (2) the end of the reporting period, with each entry in each of the foregoing tables indicating (x) the aggregate principal balance of the related loans and (y) the percentage represented by the number in clause (x) in relation to the aggregate principal balance of all loans in the pool on the applicable date. For this purpose, the employer of each borrower or cosigner shall be the employer identified for such borrower or cosigner, as applicable, on the loan application.