Asset-Backed
Criteria Report

Asset-Backed Commercial Paper Explained

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This report replaces Fitch's previous report, "Understanding Asset-Backed Commercial Paper," dated Feb. 1, 1999.

■ Summary

An asset-backed commercial paper (ABCP) program is composed of a bankruptcy-remote special purpose vehicle (SPV), or conduit, that issues commercial paper (CP) and uses the proceeds of such issuance primarily to obtain interests in various types of assets, either through asset purchase or secured lending transactions. An ABCP program includes key parties that perform various services for the conduit, credit enhancement that provides loss protection, and liquidity facilities that assist in the timely repayment of CP.

The repayment of CP issued by a conduit depends primarily on the cash collections received from the conduit's underlying asset portfolio and a conduit's ability to issue new CP. The main risks faced by ABCP investors are asset deterioration in the conduit's underlying portfolio, potential timing mismatches between the cash flows of the underlying asset interests and the repayment obligations of maturing CP, a conduit's inability to issue new CP, and risks associated with asset servicers. To protect investors from these risks, ABCP programs and the asset interests financed through them are structured with various protections, such as credit enhancement, liquidity support, and CP stop-issuance and wind-down triggers.

Fitch's analysis of ABCP programs involves an examination of the legal status of the conduit, key parties to the program, investment guidelines, and credit enhancement and liquidity facilities. Fitch also focuses on the structure and characteristics of individual transactions to ensure that the credit quality of each transaction is commensurate with the rating of the CP issued by the conduit. Fitch may look to a program's credit and investment policy and the ability of the sponsor or administrative agent to determine the eligibility and appropriateness of transactions. When necessary, Fitch conducts a more in-depth transaction analysis, involving a review of the specific asset interests, sellers, obligors, credit enhancement, and stop-issuance and wind-down triggers associated with the acquired assets. Fitch also conducts ongoing surveillance to monitor the performance of a program's portfolio and ensure that the program's administrative agent is complying with all investment guidelines and reporting requirements.

As of Sept. 30, 2001, there were approximately 280 active ABCP programs, with more than $691 billion in outstanding CP. Steady market growth has been fueled by continued growth of multiseller programs and rapid increase in the establishment of securities-backed programs. Furthermore, the introduction of new asset types funded through ABCP programs has steadily increased.

November 8, 2001

Overview

Asset-Backed Commercial Paper

ABCP is short-term debt, generally limited to a tenor of no more than 270 days and issued either on an interest-bearing or discount basis. Typically, ABCP is exempt from the registration requirements of the Securities Act of 1933 (the Act). The exemption may be based on Section 3(a)3 of the Act, which requires the proceeds of CP issuance, which cannot have a maturity exceeding nine months, to be used to finance current transactions, or 4(2) of the Act, which applies to CP that does not involve a public offering and is generally sold only to accredited investors. ABCP may also be exempt from registration if the CP is fully supported by a bank guarantee, as provided in Section 3(a)2 of the Act.

The proceeds of ABCP issuance are primarily used to obtain interests in various assets. Some common assets financed through ABCP conduits include trade receivables, consumer debt receivables, auto and equipment loans and leases, and collateralized debt obligations. Such financings may take the form of a traditional asset purchase or a secured loan. Often, transactions entered into by conduits represent the acquisition of undivided interests in revolving pools of assets, as opposed to individual asset purchases. ABCP conduits may also invest in securities, including asset- and mortgaged-backed securities, corporate and government bonds, and CP issued by other entities. Some ABCP conduits may also make unsecured corporate loans.

Repayment of ABCP is generally dependent on the collections received from the asset interests contained in the program's underlying asset portfolio and the issuance of new CP. Additionally, ABCP conduits can draw on liquidity facilities to repay maturing CP. However, new CP issuance and liquidity fundings are usually conditioned upon the continued satisfactory performance of the assets financed through the original issuance of the maturing CP.

Conduits

The term "ABCP conduit" is typically used when referring to the CP issuing vehicle of an ABCP program. Conduits are usually nominally capitalized SPVs, owned by management companies independent from the sponsor and structured to be bankruptcy remote. Bankruptcy remoteness is accomplished by limiting the scope of a conduit's business activities, restricting the liabilities a conduit may incur, and requiring nonpetition clauses in the agreements executed by the key parties and sellers to the program.

Typically, ABCP conduits contract with various agents to obtain services in connection with the administration and operation of a program. Typical agents involved in an ABCP program are the administrative agent, the issuing and paying agent, the collateral agent, the referral agent, and the manager.

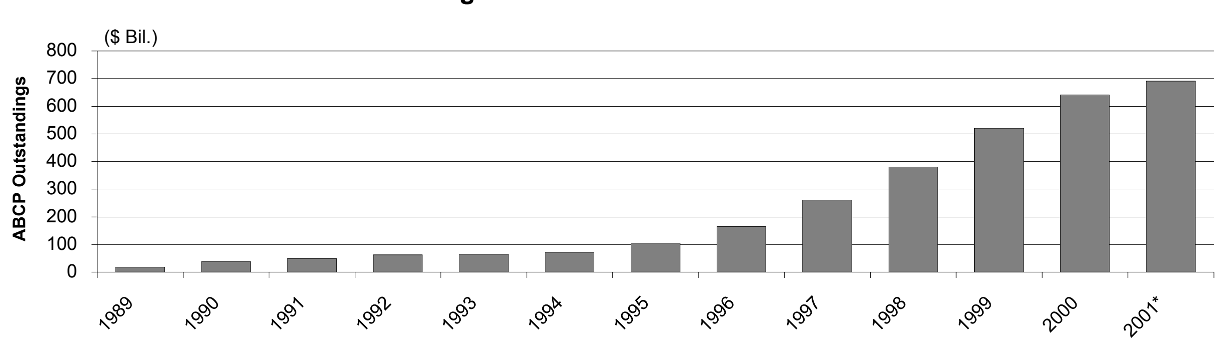
While ABCP programs share certain features with term securitizations, they may differ in the following ways:

- Conduits' investments in assets can be revolving and fluctuate in size.
- Conduits may invest in various asset types, thereby creating diversified portfolios.
- Conduits frequently fund long-term assets by issuing short-term liabilities, relying on liquidity support for potential repayment shortfalls caused by asset and liability timing mismatches.
- In conduits, there is no scheduled amortization of assets and liabilities since the additional issuance of CP may be used to, and in most cases is expected to, maintain the conduit's investment in assets.

Credit and Liquidity Support

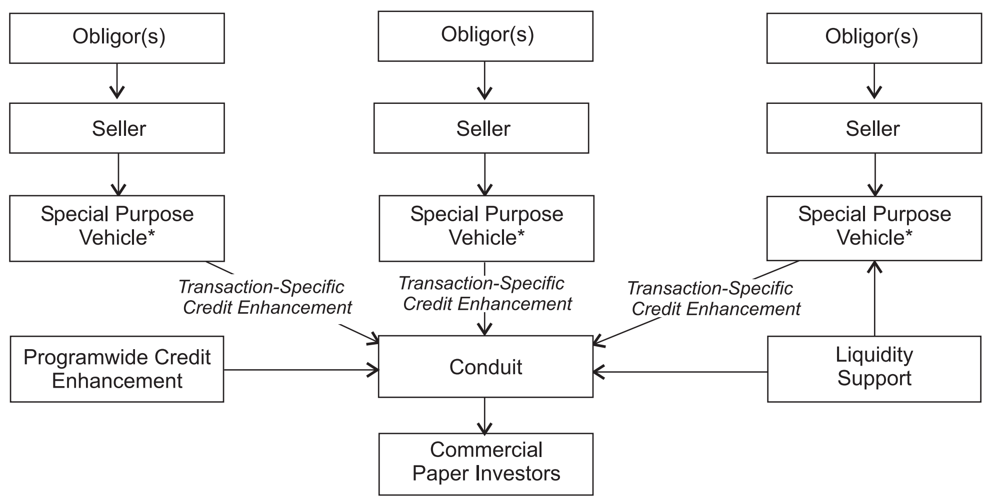
ABCP programs usually benefit from some combination

Growth of ABCP Market Outstandings



*As of Sept. 30. ABCP – Asset-backed commercial paper. Source: Federal Reserve Board.

Partially Supported Multiseller Structural Overview



*The use of a special purpose vehicle may not be utilized.

of credit enhancement on a transaction-specific and programwide level to protect against losses occurring in the underlying asset portfolios. Credit enhancement may exist in various forms and is generally sized based on the type and credit quality of the underlying assets. Although credit enhancement is sized to ensure that the credit quality of the underlying transaction is commensurate with the credit rating of the CP issued by the conduit, if losses exceed the amount of credit enhancement, the conduit may be unable to repay maturing ABCP in full.

ABCP programs are also structured with liquidity facilities to assist in the timely repayment of CP for reasons generally not associated with the credit risks of the underlying assets. These reasons include risks associated with asset servicers or cash flow timing mismatches between the underlying asset portfolio and CP repayment obligations. Liquidity facilities may also serve as alternative funding sources in the event a conduit is unable to issue new CP to repay maturing CP or to acquire additional asset interests under a committed transaction.

Types of ABCP Programs

ABCP programs are generally sponsored by financial institutions or large corporations and established to finance the sponsors' own assets or, if a sponsor is a financial institution, to provide financing alternatives to the sponsor's clients. ABCP programs may also be used to move assets off of a sponsor's balance sheet. Typically, there are three common structures of ABCP programs, differentiated by the sponsor's role in referring the assets to be financed through the program and the purpose of the financing.

The first program structure is referred to as "single seller," in which the program sponsor is the sole originator of the financed assets. The program sponsor of a single-seller program principally uses the conduit as an alternative source of funding for its own business activities.

The second program structure is referred to as "multiseller," in which the program sponsor is generally a financial institution seeking to provide financing alternatives to its clients. The multiseller structure provides the flexibility to purchase a variety of assets from many different sellers. A variation of the multiseller structure is a loan-backed program that makes short-term, unsecured loans to the sponsor's corporate clients.

The third program structure is called "securities backed," in which the program sponsor is a financial institution seeking arbitrage opportunities or capital relief associated with moving assets off balance sheet. Securities-backed programs invest in securities, including rated asset-backed, mortgage-backed, and corporate securities. These programs may be cash flow structures that employ a buy-and-hold strategy or market value structures that are designed for more active trading.

ABCP programs may be structured to incorporate elements of both securities-backed and multiseller strategies, thus giving the sponsor the flexibility to serve its own needs, as well as those of its clients.

ABCP programs can be further classified as fully supported or partially supported based on the level of external credit support provided to the program. While partially supported programs are evidenced by less than 100% credit enhancement, all CP issued by fully supported programs is backed by 100% programwide credit support. This full support can be in the form of, among other things, a guarantee, a letter of credit, a surety bond, a total rate of a return swap, or a liquidity facility that provides credit protection. The credit quality of the assets purchased and the structure of transactions entered into by fully supported programs are inconsequential to the rating of the CP since the ultimate repayment of CP relies on the third-party credit support provider. Despite this fact, most fully supported programs maintain minimum credit quality standards approved by the program sponsors.

■ Rating Methodology

Key Parties

Sponsor

A program sponsor initiates the creation of an ABCP program but typically does not provide the equity for the conduit. Rather, ABCP conduits are usually owned by unaffiliated third-party equity providers who many times will appoint an affiliate to serve as the program's manager.

Financial institutions that sponsor ABCP programs often refer assets and borrowers to the programs. Typically, transactions referred to programs must meet minimum credit quality standards based on the sponsors' normal credit approval process. Fitch's initial review of an ABCP program includes an examination of the sponsor's internal credit approval process.

Despite not owning the conduit, sponsors usually retain a financial stake in the ABCP program by providing credit enhancement, liquidity support, or both. In single-seller programs, sponsors usually provide credit enhancement in the form of overcollateralization. In multiseller and securities-backed programs, sponsors usually provide credit enhancement in the form of a letter of credit, subordinated interest, or a purchase commitment.

Administrative Agent

Most ABCP conduits enter into contractual agreements with an administrative agent to conduct the day-to-day operations of the program. Often, the administrative agent is the program sponsor or a subsidiary of the program sponsor or, in some cases, an independent third-party entity. Duties of the administrative agent generally relate to the daily operations of the program; the issuance, sale, and repayment of CP; and credit advisory services.

The administrative agent's duties in connection with the day-to-day operations of the program include:

- Arranging for the execution and safekeeping of the program documents.
- Maintaining operating accounts.
- Investing excess funds in permitted investments.
- Maintaining general accounting records.
- Preparing financial statements and arranging audits.
- Preserving books and records.
- Giving notices to other key parties.
- Preparing monthly portfolio reports.

The administrative agent's duties in connection with the issuance and repayment of CP include:

- Instructing the issuing and paying agent and the depositary.
- Purchasing and selling assets.
- Extending loans to borrowers.
- Determining when draws on liquidity and credit enhancement facilities are necessary.

The administrative agent's role may also include credit advisory services such as:

- Identifying and referring new sellers to the conduit.
- Conducting due diligence reviews of prospective sellers.
- Structuring the acquisition of asset interests and any necessary hedging arrangements.
- Monitoring the ongoing performance of each transaction.

The duties of the administrative agent are typically set forth in a program's administration agreement or credit and investment policy, which may also outline the credit review process that guides the administrative agent in making investment decisions.

Given the importance of the administrative agent to a conduit's operations, the rating process includes an on-site review of the administrative agent and its facilities. This review, which takes place every 18 months, includes interviews with management and staff personnel, as well as an assessment of operating policies and surveillance procedures. Fitch also examines the administrative agent's information systems, including hardware and software configurations, system capacity, report generating ability, system security, data back-up systems, and disaster recovery procedures.

If the administrative agent is engaged in providing credit advisory services, the scope of Fitch's review includes the administrative agent's experience in the industry, structuring capability, and credit approval process. Furthermore, Fitch verifies the integrity of the administrative agent's underwriting policies and procedures by randomly selecting and reviewing credit files of specific transactions.

Manager

The manager of an ABCP program is typically an independent third party, unaffiliated with the sponsoring institution, responsible for appointing a board of directors, scheduling and holding board meetings, providing office space, and performing other tasks to maintain a conduit's independent corporate existence.

Issuing and Paying Agent and Depositary

The issuing and paying agent is responsible for the settlement and record keeping pertaining to the issuance and repayment of CP. The depositary is responsible for maintaining a special purpose trust account, into which the proceeds from the issuance of CP are deposited and from which funds to repay maturing CP are withdrawn. Often, the roles of issuing and paying agent and depositary are assumed by the same third-party entity acting under a single agreement.

CP Placement Agent

Generally, all ABCP programs appoint one or more CP placement agents to coordinate the actual sale of CP. Placement agents usually work closely with the administrative agent to determine the face or principal amount, maturities, interest or discount rates, and denominations of CP to be issued. Placement agents also distribute offering materials to purchasers and prospective purchasers of CP.

Collateral Agent

For programs in which the ABCP is a secured obligation, a collateral agent may be appointed to maintain a first priority security interest in the conduits' assets, property, rights, and interests for the benefit of the secured parties, which include CP investors. In addition, a collateral agent may reserve the right to assume control of a program's operating accounts to ensure that collections are applied in accordance with the program's payment priority schedule. Furthermore, upon the occurrence of certain program termination events, a collateral agent may be required to enforce a conduit's rights under purchase and lending agreements, which may include seizing and liquidating asset interests.

Asset Quality

The analysis of transactions entered into by ABCP conduits focuses on the characteristics of the purchased assets, the quality of sellers, and the credit risk of obligors. The review process may involve a review of transaction documents, loss estimation based on obligor distribution and historical asset performance, seller credit quality and underwriting policies, servicer capabilities, legal opinions, and, in certain circumstances, an on-site review of the seller.

The primary objective of Fitch's transaction review is to determine the required amount of transaction-specific credit enhancement and structural protections necessary to reduce the risk of the transaction to a level commensurate with the credit rating of the CP. This credit enhancement may take the form of overcollateralization, a third-party guarantee, recourse to a qualified seller, loss reserves, or another form acceptable to Fitch. Also, transaction-specific liquidity facilities may be structured to provide credit protection for the associated transaction and may qualify as a substitute for traditional forms of transaction-specific credit enhancement. Since the objective of Fitch's individual transaction reviews is to ensure that the transaction, on a stand-alone basis, is structured to support the rating of the CP, programwide credit enhancement generally is not considered when sizing the required amount of transaction-specific loss protection.

When determining the necessary amount of transaction-specific loss protection, Fitch applies asset-specific term securitization criteria. However, given the unique features of ABCP conduit transactions, such as the short-term nature of risk and possible credit support provided by liquidity facilities, Fitch may make certain adjustments to the standard criteria.

Fitch may not require a review of transactions entered into by conduits that are fully supported or "wrapped" by programwide credit enhancement or liquidity providers. Under such circumstances, the risk characteristics of the underlying transactions become less critical to the rating process because the fully supporting credit enhancement or liquidity facility is ultimately relied upon for the full repayment of CP.

Additionally, programs with administrative agents or sponsors that have proven track records and an experienced structuring team may be granted a status referred to as "post review." Select transactions entered into by post-review conduits do not require rating affirmations from Fitch prior to closing and, therefore, are reviewed on a post-closing basis. Post-review programs must adhere to formal credit and investment policies that set the eligibility standards for transactions.

Credit and Investment Policy

ABCP programs may be governed by formal credit and investment policies that establish guidelines for investment eligibility, transaction structuring, and portfolio composition. Such policies can be instrumental in ensuring that administrative agents and investment advisors make investment decisions consistent with the expected credit quality and composition of asset portfolios. Furthermore, credit and investment policies may specify required levels of liquidity and credit support and, if necessary, conditions under which conduits must divest of asset interests.

A credit and investment policy will usually specify the following:

- Minimum seller credit quality requirements.
- Minimum asset eligibility criteria.
- Requirements for loss reserves or other forms of credit enhancement.
- Transaction size limits.
- Required structural elements for certain purchase or lending transactions.
- Obligor concentration limits.
- Hedging requirements.
- Surveillance and reporting procedures.
- Diversification parameters regarding asset type, geographic exposure, and credit quality.

A credit and investment policy should also demonstrate a standard of care equal to that used for the sponsor's own asset portfolio. When a formal credit and investment policy is used, strict adherence is expected, and divergence is permitted only with Fitch's prior approval.

Assets

Asset interests underlying ABCP programs vary widely and commonly include trade receivables, credit card receivables, equipment loans and leases, automobile loans and leases, bank loans, consumer loans, manufactured housing loans, and dealer floor plan loans. Some conduits may also purchase rated asset-backed, mortgage-backed, and corporate securities, as well as make unsecured corporate loans.

ABCP conduits may also provide warehousing facilities, where assets accumulate until a term securitization can be executed.

If a transaction involves a limited number of discrete assets, the quality of those assets can be assessed mainly from the credit quality of the underlying obligors. However, if a pool of assets with a large number of unidentified obligors is being securitized, the seller's underwriting procedures must be evaluated in conjunction with an analysis based on historical data for losses, delinquencies, and turnover rates.

Careful consideration must also be given to assets originated in foreign countries, since laws and regulations affecting the assets may affect the proper transfer of interests. Unless Fitch determines that a standardized legal structure of securitization exists in the applicable jurisdiction, Fitch requires a full review of any transaction involving foreign assets.

Sellers

The quality of asset sellers is important in the analysis of ABCP conduit transactions. This is especially true if a seller continues to act as the servicer of the asset, since default by a seller/servicer can have adverse consequences on an asset's cash flow.

However, a unique feature of ABCP conduits is that liquidity facilities generally cover servicer risk. Therefore, when a seller acts as the servicer of a purchased asset, liquidity will cover the risk of default by such seller so long as the underlying asset is performing. Notwithstanding this protection, since a seller's underwriting policy and servicing ability may still affect the quality and performance of an asset, seller evaluation is an important part of the review process. Moreover, for a transaction where the seller is the provider of loss protection, as in the case of dynamically adjusted overcollateralization or recourse, the credit quality of the seller could directly affect the performance of the transaction.

Generally, investment-grade sellers are assumed to have acceptable origination policies and servicing capabilities. Therefore, Fitch may rely on a sponsor or administrative agent's due diligence of an investment grade seller rather than conduct its own on-site review. For non-investment-grade sellers, sellers in single-seller programs, or if Fitch determines further assessment is necessary due to the complexity of the transferred assets or the transaction structure, Fitch may conduct its own on-site review of a seller. In such a review, Fitch focuses on, among other things, credit extension policies and procedures, collection process, data processing, and reporting systems.

The guidelines for seller credit quality are especially important for multiseller programs because they typically involve numerous sellers representing a variety of industries and asset types. Diversity is often ensured through the use of concentration limits for individual sellers, industries, geographic locations, and asset types. As a result, the portfolios of multiseller programs can be highly diverse and are generally less reliant on the performance of any one asset or transaction.

As protection for CP investors, many transactions contain CP stop-issuance or liquidation events that are tied to the credit rating of a seller or the occurrence of an event of default related to a seller. Such protections are useful in strengthening a transaction's structure since deterioration of a seller's credit rating may signal deterioration of the assets originated by that seller. It is important to note, however, that the occurrence of a stop-issuance or liquidation event must not relieve the credit enhancement and liquidity providers' obligation to fund the repayment of maturing CP.

Obligors

Obligors are the entities obligated to make the payments that are the source of an asset's cash flow. The credit quality of obligors, therefore, is a critical factor in determining the risk of the assets underlying an ABCP program. Defaulted assets are usually defined based on the solvency of the underlying obligors, payment delinquency, or writeoff. Since many liquidity facilities do not fund against defaulted assets and CP cannot be issued against defaulted assets, the sizing of appropriate transaction-specific credit enhancement will be driven generally by an analysis of obligor risk.

Many transactions in ABCP programs involve revolving pools of assets with large numbers of undisclosed obligors, which makes the determination of ongoing obligor composition difficult. In such instances, Fitch relies on a portfolio approach and an analysis of the historical performance of a seller's asset portfolio to quantify credit risk and size loss protection.

Under the portfolio approach, to quantify obligor risk, obligor concentration limits are established on a transaction-specific basis. Concentration limits can be used to limit exposure to a single obligor, obligors with certain credit ratings or scores, obligors with particular leverage ratios or other defined financial parameters, or obligors located in specific geographic locations. Additionally, this approach generally incorporates limits on the eligible assets included in the transaction to only those with obligors that meet certain minimum credit standards.

An analysis of historical performance typically focuses on past performance of a seller's portfolio, which includes a review of losses, delinquencies, dilutions, and turnover. This methodology is most effective for a homogeneous group of assets in which obligor diversification is maintained and formal underwriting standards ensure stable asset quality.

Obligor diversification can be required at both the programwide and transaction levels. Notwithstanding such defined limits, programs often allow some exceptions to obligor concentration limits, usually permitting highly rated obligors to exceed limits up to certain levels based on their credit rating, provided that the exempted obligors are subject to stringent monitoring and annual review.

Rated Securities

For conduit transactions that involve the purchase of explicitly rated securities, the ratings of the securities are generally relied upon to determine whether, on a stand-alone basis, the transactions can support the rating of the CP. If a security has a short-term rating, such rating will be used in this process. If a security has only a long-term rating, the long-term rating may be translated into its short-term equivalent for the purpose of this process *(see table below)*. Furthermore, for transactions that involve making unsecured loans, the senior unsecured credit ratings of the borrowers of such loans are relied upon for this purpose.

Securities or borrowers with credit ratings lower than a level commensurate with the CP issued by a conduit may be added to a program if the conduit's programwide credit enhancement level is adjusted in accordance with Fitch's loss coverage methodology. Fitch often looks to the rating distribution of a conduit's entire securities and loan portfolio to

Rating Conversion Table

Long-Term Rating	Short-Term Rating Equivalent
'AAA' to 'AA–'	'F1+'
'A+' to 'A–'	'F1'
'BBB+' to 'BBB'	'F2'
'BBB–'	'F3'
Below 'BBB–'	Considered unrated

determine the amount of credit enhancement required to support the rating of the CP.

Credit Enhancement

Generally, ABCP programs are structured with credit enhancement to protect against losses on the programs' underlying asset portfolios. Credit enhancement may be either transaction-specific or programwide, or a combination of both. It can exist in various forms and can be provided on either an internal or external basis. For credit enhancement provided on an external basis — that is, provided by a third party to the transaction or program — the rating of the credit enhancement provider must be rated at least equivalent to that of the CP.

Transaction-specific credit enhancement provides loss protection for a particular transaction only and cannot be used to cover losses stemming from other transactions in the conduit's asset portfolio. Programwide credit enhancement is designed to cover losses stemming from any asset in the portfolio. If a program is structured with both transaction-specific and programwide credit enhancement, transaction-specific enhancement usually serves as a first layer of loss protection, while the programwide facility serves as a second layer of loss protection, absorbing losses in excess of applicable transaction-specific enhancement.

As discussed above, transaction-specific credit enhancement should be sized and structured to address the unique characteristics and credit risk of the underlying asset. It may take the form of overcollateralization, a third-party guarantee, recourse to a qualified seller, loss reserves, or another form acceptable to Fitch. Typically, transactions involving revolving pools of assets have dynamic credit enhancement, whereby the size of the credit enhancement fluctuates based on the performance of the underlying asset pool.

Programwide credit support may exist in the form of an irrevocable loan facility, subordinated debt, a letter of credit, a surety bond, a guarantee, or another form acceptable to Fitch. Programwide credit enhancement may be fixed in size or fluctuate based on the size and configuration of the asset portfolio.

For multiseller programs in which each transaction is structured, on a stand-alone basis, to a level commensurate with the rating of the CP, the required amount of programwide credit enhancement is typically a fixed percentage. Under such circumstances, programwide credit enhancement provides an additional layer of loss protection and may better address pooling risk — the increased risk to the portfolio associated with the inclusion of additional assets. Because Fitch's short-term ratings address the likelihood of the first dollar of loss, as opposed to loss severity, programwide structural protections are necessary to mitigate pooling risk.

In contrast with multiseller programs, programwide credit enhancement for security- or loan-backed programs is generally dynamic and fluctuates in size based on the rating distribution of a program's portfolio.

In some programs, certain highly rated assets are excluded from the calculation of the required minimum amount of programwide credit enhancement. This is because their credit quality meets or exceeds the requisite level necessary to be consistent with the rating of the CP issued by the conduit.

Liquidity Support

Liquidity support refers to the internal and external sources of funds available to ABCP conduits to repay maturing CP on a timely basis. Because internal sources of liquidity, or collections on assets, may be insufficient to repay maturing CP, most ABCP programs are structured with at least 100% external liquidity support.

Form and Structure

External liquidity support is provided by third-party financial institutions and usually takes the form of loan or asset purchase facilities. These facilities provide alternative sources of funds for a conduit to repay maturing CP when it is unable to issue new CP and either the conduit is experiencing asset and liability cash flow mismatches or the conduit cannot liquidate assets in a timely manner. These facilities may also provide alternative funding sources for conduits to meet funding or purchase commitments when they cannot issue new CP.

Generally, liquidity facilities also cover shortfalls in collections caused by servicer defaults. Liquidity must be available to repay maturing CP even if an underlying servicer's bankruptcy proceeding disrupts the cash collection process. Conversely, most liquidity facilities do not cover cash shortages caused by deterioration of assets, and available credit enhancement is relied upon to cover resulting losses.

Liquidity facilities may exist on either a transaction-specific or programwide level. In either case, external liquidity support may exist in the form of a liquidity loan agreement (LLA) or liquidity asset purchase agreement (LAPA). Under a LLA, the liquidity provider agrees to lend funds on a committed basis to the conduit when requested. Under a LAPA, the liquidity provider agrees to purchase an asset on a committed basis from the conduit when requested. Liquidity facilities usually have a term of 364 days and are renewable at the option of the provider, with certain conditions.

The term and structure of liquidity facilities must ensure that they provide liquidity backstop for the entire tenor of the CP issued by the conduit. This can be accomplished by employing an issuance test that ensures that all CP issued is backed by a liquidity facility with a remaining term greater than that of the related CP. Alternatively, liquidity facilities may be structured with a non-extension draw provision that allows an ABCP conduit to draw on a liquidity facility if the liquidity provider does not consent to an extension of its liquidity commitment. The proceeds from a non-extension draw are usually retained in a segregated account and are available for liquidity purposes only, until the non-extending liquidity provider has been replaced or the associated CP is repaid in full. If a non-extension draw provision exists, CP can be issued beyond the original expiry date of the liquidity facility.

Under exceptional circumstances, internal liquidity support can reduce the necessity for 100% external liquidity support. One such circumstance is when CP maturities are match funded to the maturities of the assets in the conduit's underlying portfolio. In this case, the assets have maturity dates that either match or precede the maturities of the CP issued in connection with the financing of such assets. Absent a default of the assets, the matching of asset and liability maturities ensures the full and timely repayment of the CP. Match-funded assets typically include CP issued by other entities and high-quality, short-term loans.

Another circumstance that may reduce the need for 100% external liquidity support is when marketable securities or a pool of highly liquid assets with a predictable cash flow are combined with strict management of CP maturities.

Liquidity Providers

In most cases, the rating of CP issued by a conduit can only be as high as that of the conduit's liquidity providers since it is the liquidity providers' obligation to provide funds that is relied upon to repay maturing CP in the event a liquidity draw becomes necessary. As a result, notwithstanding limited exceptions, liquidity providers must have minimum credit ratings commensurate with the desired rating of the CP issued by a conduit.

In the event a liquidity provider is downgraded to a level below that of the CP, the administrative agent may be required to replace the downgraded provider with another qualified provider within a defined period, typically 30 to 60 days. If the administrative agent does not replace the downgraded provider, the administrative agent may draw on the downgraded provider's commitment or reduce the size of the related asset pool to eliminate the need for the commitment of the downgraded provider or risk a downgrade of the CP.

Exceptions to Funding

Agreements governing liquidity facilities usually include defined circumstances whereby liquidity providers are relieved of their obligation to provide liquidity funding. These circumstances are also referred to as "funding outs".

For a liquidity facility to be effective, funding outs should be specifically limited. The following funding outs are generally accepted:

- Involuntary or voluntary bankruptcy of the conduit.
- Funding in amounts related to defaulted assets (as explicitly defined in the related asset purchase agreement).
- Depletion of transaction-specific or programwide credit enhancement.
- Funding amounts in excess of a provider's commitment.

The funding out related to the bankruptcy of a conduit is generally permissible because most ABCP conduits are structured to be bankruptcy remote. Thus, relieving liquidity providers of their obligations due to the bankruptcy of an ABCP conduit is perceived to be highly unlikely.

The funding out related to defaulted assets is included when the liquidity facility provides liquidity support only and does not assume any credit risk. The definition of defaulted assets varies among transactions but is based typically on obligor bankruptcy; number of day's delinquent; or the credit rating of the security, obligor, or loan borrower.

Generally, liquidity providers are relieved from funding in amounts related to defaulted assets through a borrowing base test for a LLA or a purchase price formula for a LAPA, which reduces the liquidity funding by amounts attributed to defaulted assets. Under such provisions, liquidity providers are only obligated to fund an amount that reflects the amount of nondefaulted assets. This approach is commonly used for a transaction involving an undivided interest in a revolving asset pool.

The funding out related to the depletion of transaction-specific or programwide credit enhancement may refer to either the depletion of a loss reserve or the default of a third-party insurer or guarantor. In instances in which this funding out explicitly refers to the depletion of credit enhancement, certain asset liquidation or CP stop-issuance triggers that are tied to the performance of the underlying assets or the depletion of related credit enhancement may be required. The purpose of such triggers is to increase the likelihood that all CP is repaid before liquidity becomes unavailable.

Some liquidity facilities go beyond just providing liquidity support and provide credit support, as well. For such liquidity facilities, funding outs are limited to the bankruptcy or insolvency of the conduit and funding in excess of a provider's commitment.

Stop-Issuance and Wind-Down Triggers

To minimize losses resulting from a deteriorating asset portfolio or upon the occurrence of an event that threatens the conduit's ability to repay maturing CP in full, ABCP programs are typically structured with mandatory CP stop-issuance or wind down triggers. These triggers can be set at the transaction-specific and programwide level. If breached, these triggers may, with respect to a specific transaction or the entire asset portfolio, cause the conduit to immediately cease issuing new CP or begin liquidating its asset portfolio.

Transaction-specific triggers may include the occurrence of any of the following events:

- Insolvency or bankruptcy of a seller/servicer.
- Downgrade of a seller's long- or short-term credit rating below a specified level.
- Cross-default of a seller under other debt obligations.
- Material adverse change in a seller/servicer's ability to perform its duties as servicer.
- Deterioration of portfolio assets below specified levels of writeoffs, delinquencies, or dilution.
- Depletion of credit enhancement below a required minimum amount.
- Default or breach of any covenant, representation, or warranty by a seller or servicer.

Programwide triggers may include the occurrence of the following:

- Failure of the conduit to repay maturing CP or an outstanding liquidity advance when due.
- Any program documents cease to be in full force and effect.
- Default or breach of any covenant, representation, or warranty by the conduit.
- The net worth of the conduit falls below a certain level.
- Draws on programwide credit enhancement exceed a certain amount.

Legal Issues

The structuring of ABCP programs and individual transactions involves addressing intricate legal issues concerning the establishment and preservation of the conduit's bankruptcy-remote status, proper transfer of asset interests from sellers to the conduit, and acquisition and maintenance of security interests in assets.

Bankruptcy-Remote Status

ABCP conduits are generally structured to be bankruptcy remote, unless the full amount of CP is supported by an unconditional guarantee. Bankruptcy remoteness is generally accomplished by limiting the scope of the conduit's business; restricting the liabilities the conduit may incur; preserving the separate identity of the conduit from its owners, affiliates, and service providers; and ensuring that all key parties to the program agree not to file or join in the filing of an involuntary bankruptcy petition against the conduit until at least one year and one day after the last maturing CP issued by the conduit is paid in full. Since an ABCP conduit has little or no incentive to voluntarily file for bankruptcy, the satisfaction of these requirements is sufficient to deem an ABCP conduit bankruptcy remote. Notably, however, adherence to these characteristics does not make a conduit bankruptcy proof.

Transfer of Interests

With the exception of purchases of rated securities and direct lending, the acquisition of asset interests from sellers by ABCP conduits may involve a complex legal process. The transfer of an asset interest from a seller to an ABCP conduit typically involves an intermediate SPV, or transferor. In this process, the seller first sells the assets to the intermediate SPV via a true sale. The SPV then assigns the rights and interests in the asset to the conduit. This structure is referred to as "two tier" since the seller is not conveying the asset interest directly to the conduit but through an intermediary. This structure is designed to isolate the transferred asset from the seller's estate in the event of the seller's bankruptcy.

However, the imposition of an intermediary SPV between a seller and the conduit may not ensure that assets and collections will continue to flow to the conduit unencumbered upon the bankruptcy of the

Two-Tier Legal Structure

seller. This is especially true if the seller acts as servicer of the assets. This potential risk to CP investors is nonetheless mitigated by the presence of liquidity facilities that should be available to fund any timing mismatch caused by the bankruptcy. Because of such liquidity support, Fitch does not require that transactions utilize a two-tier structure.

Security Interest

The relative position of rights and claims of CP investors vis-à-vis other creditors against an ABCP conduit is an important aspect of the structure of an ABCP conduit. CP investors, together with other creditors, often maintain a first priority perfected security interest in a conduit's assets. These other creditors often include liquidity providers, programwide credit enhancement providers, hedge counterparties, and other contracted parties. However, the debt of a conduit, including CP, may be unsecured as long as the conduit's debt financing activities are severely restricted and assets are free of any liens.

The order of priority in allocating the cash flow of a conduit's underlying asset portfolio is an important part of the conduit structure and should be explicitly defined in the program documents. Normally, claims of CP investors rank above those of other creditors, except for fees owed to a program's agents and payments owed to swap counterparties. Additionally, a collateral agent or administrative agent is usually responsible for enforcing the rights of the secured parties, collecting the proceeds of asset liquidations upon the occurrence of termination events, and distributing such proceeds in the appropriate manner.

Key parties to ABCP programs are also required generally to waive set-off rights and to limit recourse provisions to ensure that CP investors are protected against potential conflicts of interest. In the context of ABCP programs, set-off rights can arise if a third party seeks to mitigate a claim that an ABCP conduit has against it by simultaneously asserting a claim against the conduit (such as for service fees owed by the conduit). If such netting of obligations were permitted, the result could be detrimental to other creditors of the conduit.

To ensure that key parties cannot circumvent the payment priority schedule set forth in the program documents and undermine the rights and claims of CP investors, key parties to ABCP programs often have limited recourse against the conduits. Limited recourse provisions prohibit obligations from constituting claims under the applicable insolvency laws, except for amounts explicitly proscribed to be payable to specific parties under a security agreement or other program documents, and are limited to amounts available from the assets.

Legal Opinions

To confirm the integrity of an ABCP program structure, Fitch expects certain opinions of counsel to be rendered. Fitch reviews opinions as to matters regarding the formation and standing of the conduit, its authority to enter into the various transactions, compliance with relevant laws, and other corporate issues. If an ABCP conduit is not owned by one of the recognized independent management companies in the business of owning such conduits, Fitch reviews opinions regarding the consolidation of the conduit with that of its owner in the case of owner insolvency.

In the case of an ABCP program with 100% external liquidity support, typically Fitch does not review opinions of counsel addressing the transfer of the assets from the seller to the conduit as long as the preservation of perfected security interests in and true sales of assets are not conditions precedent to a liquidity provider's obligation to fund. In the case of an ABCP program that is not supported by 100% external liquidity, Fitch will generally review opinions addressing asset transfer. In all cases, Fitch expects to receive a corporate opinion on behalf of the applicable liquidity providers.

■ Surveillance

Fitch monitors all ABCP programs rated by the firm on an ongoing basis by thoroughly reviewing monthly performance reports provided by the conduits. Monthly reports generally include the following information:

- CP outstandings.
- Transaction-specific and programwide credit enhancement levels.
- Amounts and providers of available liquidity support facilities.
- Asset portfolio composition, which may include data indicating aging schedules, chargeoffs, dilutions, collections, obligor exposure, and industry- and asset-type concentration.
- Amounts and providers of hedging arrangements.

Fitch surveillance information is available on the Fitch web site at www.fitchratings.com.

Asset-Backed Commercial Paper Programs Rated by Fitch

(As of the Date of This Report)

Program	Sponsor	Notes	Rating
Abacas Investments Ltd.;Abacas Investments LLC	Quadrant Capital Ltd.	CP/MTN ECP/EMTN Senior Subordinated Note	'F1+/AAA' 'F1+/AAA' 'A'
Abel Funding Pty Ltd.; Tasman Funding Inc.	ABN AMRO Bank N.V.		'F1+'
ACE Funding Series 1999-1 Resimac MBS	Societe Generale Australia Ltd.	MTN	'AAA'
ACE Overseas Corp.; ACE Overseas Limited	Societe Generale Australia Ltd.		'F1+'
Aeltus CBO V, Ltd.	Aeltus Investment Management, Inc.		'F1+'
Albion Capital Corp. S.A.	The Bank of Tokyo-Mitsubishi, Ltd.		'F1'
Amedis Commercial Finance Ltd.	BRED Banque Populaire		'F1+'
APEX Funding Corp.	The Bank of Tokyo-Mitsubishi, Ltd.		'F1'
APRECO, Inc.	Citicorp North America, Inc.		'F1+'
Arcadia Funding Corp.	The Bank of Tokyo-Mitsubishi, Ltd.		'F1'
AriesOne Metafolio Corp.	IBEX Capital Markets, LLC		'F1'
ASAP Funding Limited; ASAP Funding Inc.	Alliance Capital Management, L.P.		'F1+'
Asia Pacific Receivables Corporation Ltd. (APRC)	Credit Lyonnais (Australia)		'F1'
Aspen Funding Corp.	Deutsche Bank AG		'F1+'
Asset Backed Capital Ltd.; Asset Backed Capital Finance, Inc.	Quadrant Capital Ltd.	CP/MTN ECP/EMTN Medium-Term Subordinated Senior Note	'F1+/AAA' 'F1+/AAA' 'A'
Asset Backed Securitisation Corporation Ltd.; ABSC Capital Corporation Ltd. (ABSC)	Canadian Imperial Bank Commerce (Singapore)		'F1+'
Asset One Securitization, LLC	Societe Generale		'F1'
Asset Portfolio Funding Corp. (APFC)	J.P. Morgan Chase & Co.		'F1+'
Asset Securitization Cooperative Corp. (ASCC)	Canadian Imperial Bank Commerce		'F1+'
Astro Capital Corp.	The Industrial Bank of Japan, Ltd.		'F1'
Atlantic Asset Securitization Corp.	Credit Lyonnais		'F1'
Atlantis One Funding Corp.	Rabobank International		'F1+'
Atlantis Two Funding Corp.	Rabobank International		'F2'
Austra Corp.	Societe Generale		'F1+'
Autobahn Funding Co., LLC	Deutsche Zentral-Genossenschaftsbank AG		'F1'
Bavaria Finance Funding LLC	Bayerische Hypo und Vereinsbank AG (New York)		'F1+'
Belford Capital Group, LLC	The Liberty Hampshire Co., LLC	CP/MTN EMTN	'F1/AAA' 'AAA'
Beta Finance Corp.; Beta Finance Inc.	Citibank International plc	CP/MTN ECP/EMTN	'F1+/AAA' 'F1+/AAA'
BILLS Securitisation Limited	Deutsche Bank AG		'F1+'
Bishops Gate Residential Mortgage Trust	Cendant Mortgage Corp.	CP Series 1999-1Term Notes Series 1998-2 MTN	'F1' 'AAA' 'AAA'
Black Diamond USA Funding Corp.	J.P. Morgan Chase & Co.		'F1'
Breeds Hill Capital Co.	The Liberty Hampshire Co., LLC		'F1'
Broadway Capital Corp.	The Bank of Tokyo-Mitsubishi, Ltd.		'F1'
Bunge Asset Funding Corp.	Bunge International Ltd.		'F1'
CERTAIN Funding Ltd.; Certain Funding Corp.	Societe Generale	CP ECP	'F1+' 'F1+'
Check Point Charlie, Inc.	Bankgesellschaft Berlin AG		'F1+'
CIESCO, L.P.	Citicorp North America, Inc.	CP/MTN	'F1+/AAA'
Citibank Credit Card Issuance Trust, Dakota Notes Class 2001-A3	Citibank (South Dakota), N.A. Citibank (Nevada), N.A.		'F1'
Concord Minutemen Capital Co.	The Liberty Hampshire Co., LLC		'F1'
Conduit Asset Backed Securities Co. Ltd. (CABS)	Artesia Bank		'F1+'
Cooperative Association of Tractor Dealers – Series A (CATD)	Cooperative Association of Tractor Dealers, Inc.		'F1'
Cooperative Association of Tractor Dealers – Series B (CATD)	Cooperative Association of Tractor Dealers, Inc.		'F1'
Corporate Asset Funding Company, Inc. (CAFCO)	Citicorp North America, Inc.		'F1+'
Corporate Asset Securitization Australia Limited Inc. (CASAL)	Citicorp North America, Inc.		'F1+'
Corporate Australasian Securitisation Transactions Pty Ltd. (CAST)	Citibank, N.A.		'F1+'
Corporate Receivables Corp. (CRC)	Citicorp North America, Inc.		'F1+'
Crown Point Capital Co.	The Liberty Hampshire Co., LLC		'F1'
CXC Inc.	Citicorp North America, Inc.		'F1+'
DE Group Dividend & Income Fund	Delaware Investment Management		'F1'
Dealers Capital Access Trust (DCAT)	Cooperative Association of Tractor Dealers, Inc.		'F1'
Declaration Funding I, Ltd.	Independence Fixed Income Assoc.		'F1'
Delaware Funding Corp.	J.P. Morgan Chase & Co.		'F1+'
Discover Card Master Trust I, Series 2000-A, Newcastle Certificates	Discover Bank		'F1+'
Dollar Thrifty Funding Corp.	Dollar Thrifty Automotive Group		'F1'
Duff & Phelps Utility Income Fund	Duff & Phelps Investment Management		'F1+'

CP – Commercial paper. ECP – Euro commercial paper. MTN – Medium-term note. EMTN – Euro medium-term note. SLN – Structured liquidity note. A$CP – Australian dollar commercial paper. NR – Not rated.

Asset-Backed Commercial Paper Programs Rated by Fitch (continued)

(As of the Date of This Report)

Program	Sponsor	Notes	Rating
Dynamic Funding Corp.	The Fuji Bank, Ltd.		'F1'
EagleFunding Capital Corp.	FleetBoston Financial Corp.		'F1'
Eagle I CBO, Ltd.	Federated Investment Counseling	CP	'F1'
		Class A-1 Notes	'AA'
		Class A-2 Notes	'AA'
		Class A-3 Notes	'AA'
		Class A-4 Notes	NR
		Class B Preferred Shares	NR
EFG Funding, LLC	Educational Finance Group, Inc.		'F1'
Eiffel Funding LLC	Caisse des Depots et Consignations Financial Products		'F1'
Eminent Funding I, Ltd.	TCW Asset Management Co.		'F1'
Enron Funding Corp.	Enron Corp.		'F1+'
Enterprise Funding Corporation	Bank of America, N.A.		'F1+'
Eureka Securtization plc; Eureka Securitization, Inc.	Citibank, N.A.	CP	'F1+'
		ECP/EMTN	'F1+/AAA'
		Mezzanine Note	'A'
Exelsior Finance Limited; Exelsior, Inc.	XL Partners/Pareto Partners	CP/MTN	'F1+/AAA'
Falcon Asset Securitization Corp.	Banc One, NA		'F1+'
Fidex PLC	BNP Paribas	CP	'F1'
		ECP	'F1'
Five Finance Corp.; Five Finance Inc.	Citibank International plc	CP/MTN	'F1+/AAA'
		ECP/EMTN	'F1+/AAA'
Four Winds Funding Corp.	Commerzbank Aktiengesellschaft		'F1'
Four Winds Funding LLC	Commerzbank Aktiengesellschaft		'F1'
Galaxy Funding, Inc.	Firstar Bank, N.A.		'F1+'
Giro Balanced Funding Corp.	Bayerische Landesbank Girozentrale		'F1'
Giro Funding US Corp.	Bayerische Landesbank Girozentrale		'F1+'
Golden Funding Corp.	System Capital Corporation	CP/MTN	'F1/AA'
Gotham Funding Corp.	The Bank of Tokyo-Mitsubishi, Ltd.		'F1'
Great Lakes Funding Capital Corp.	Canadian Imperial Bank Commerce (London)		'F1'
Greyhawk Funding LLC	Westdeutsche Landesbank Girozentrale		'F1+'
Halogen Capital Co., LLC	The Liberty Hampshire Co., LLC		'F1+'
Harwood Street Funding II, LLC	Centex Home Equity Corp.	SLN	'F1+'
		Subordinated Note	'BBB'
High Peak Funding LLC	Erste Bank der Oesterreichischen Sparkassen AG		'F1'
Hilton Managers Acceptance Corp.	Hilton Hotel Corp.		'F1'
Holdenby Capital Co., LLC	The Liberty Hampshire Co., LLC		'F1'
Holland Limited Securitization, Inc.	ING Baring (U.S.) Capital Markets LLC		'F1'
Indigo Funding Ltd. – Series Cogevolt	Bayerische Landesbank Girozentrale (Paris)		'F1'
Indigo Funding Ltd. – Series Crystal	Bayerische Landesbank Girozentrale (Paris)		'F1'
Indigo Funding Ltd. – Series Titriwatt	Bayerische Landesbank Girozentrale (Paris)		'F1+'
Ivory Funding Corp.	Banc One, NA	CP	'F1'
		ECP	'F1'
Jefferson Smurfit Finance Corp.	Smurfit-Stone Container Corp.		'F1'
JMG Funding L.P.	ML Leasing Equipment Corp.		'F1+'
Jupiter Securitization Corp.	Banc One, NA	CP	'F1+'
		ECP	'F1+'
Kitty Hawk Funding Corp.	Bank of America		'F1+'
Lexington Parker Capital Co.	The Liberty Hampshire Co., LLC		'F1'
Liberty Lighthouse Co., LLC	The Liberty Hampshire Co., LLC	CP/MTN	'F1/AAA'
		EMTN	'AAA'
Loch Ness Ltd.	The Royal Bank of Scotland plc	CP	'F1'
		ECP	'F1'
Lockhart Funding LLC	Zions First National Bank		'F1'
Madison Funding Corp.	Sumitomo Mitsui Banking Corporation Group		'F1'
MAN Finance Corporation Asset Trust	MAN Capital Corp.		'F1'
Manhattan Asset Funding Co. LLC	Sumitomo Mitsui Banking Corporation Group		'F1'
Maximilian Capital Corporation	Bayerische Hypo und Vereinsbank AG (Singapore)		'F1'
MBNA Credit Card Master Note Trust Class A (2001-Emerald)	MBNA		'F1+'
Mermaid Funding Corp.	Rabobank International		'F2'
Methusaleh Capital Company LLC	The Liberty Hampshire Co., LLC		'F2'
MOAT Funding LLC	J.P. Morgan Chase & Co.		'F1+'
Moriarity Ltd.	Abbey National Treasury Services plc		'F1+'
MPF Limited	Alliance Capital Management, L.P.		'F1'
MPF II Limited	Alliance Capital Management, L.P.		'F1'
Neptune Funding Corp.	Rabobank International		'F1'
Newbury Funding CBO I, Ltd.	Colonial Advisory Services, Inc.		'F1'
Newport Funding Corp.	Deutsche Bank AG		'F1+'
Nieuw Amersterdam Receivables Corp.	Rabobank International		'F1'

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Asset-Backed Commercial Paper Programs Rated by Fitch (continued)

(As of the Date of This Report)

Program	Sponsor	Notes	Rating
Nuveen Funding, LLC	Nuveen Senior Loan Asset Management		'F1+'
Old Line Funding	Royal Bank of Canada		'F1+'
Paradigm Funding	Westdeutsche Landesbank Girozentrale		'F1'
Park Avenue Receivables Corp. (PARCO)	J.P. Morgan Chase & Co.		'F1'
Pegasus Four Ltd.	Alliance Capital Management, L.P.		'F1'
Pegasus Three Ltd.	Alliance Capital Management, L.P.		'F1'
Perry Antipodes Trust No. 1	Bank of America, N.A. (Sydney)		'F1+'
Perry Funding Corp.	Bank of America N.T. & S.A.		'F1+'
Perry Global Funding Limited – Series A	Bank of America, N.A.		'F1+'
Perry Global Funding Limited – Series B	Bank of America, N.A.		'F1'
Perry III Funding Corp.	Bank of America N.T. & S.A.		'F1+'
Phebus Finance S.A.	Credit Commercial de France		'F1'
Preferred Receivables Funding Corp. (PREFCO)	Banc One, NA		'F1+'
Quincy Capital Corp. (QCC)	Bank of America, N.A.		'F1+'
Receivables Capital Corp. (RCC)	Bank of America, N.A.		'F1+'
Rembrandt International Company Holdings Inc.	ING Bank N.V.		'F1'
Repeat Offering Securitisation Entity, Inc. (R.O.S.E.); Repeat Offering Securitisation Entity, No. 2 Inc.	National Westminster Bank plc		'F1+'
Rosy Blue International S.A.	KBC Bank N.V.	CP ECP	'F1+ 'F1+'
Scaldis Capital Limited	Fortis Bank S.A./N.V.	CP ECP	'F1+' 'F1+'
Sigma Finance Corp.; Sigma Finance, Inc.	Gordian Knot Ltd.	CP/MTN ECP/EMTN ACP/AMTN	'F1+/AAA' 'F1+/AAA' 'F1+/AAA'
Silver Tower Funding Ltd.; Silver Tower US Funding, LLC	Dresdner Bank AG	CP ECP/EMTN	'F1+' 'F1+/AAA'
Special Purpose Accounts Receivables Cooperative Corp. (SPARC)	Canadian Imperial Bank Commerce		'F1'
SPICE I	J.P. Morgan Chase & Co.		'F1+'
SPICE II	J.P. Morgan Chase & Co.		'F1+'
Star Marketers Acceptance Corp.	Texaco Inc.; Shell Oil Co.; Saudi Aramco		'F1'
Stellar Funding Group, Inc.	Firstar Bank, N.A.		'F1+'
STRAIT Capital Corporation	Sumitomo Mitsui Banking Corporation Group		'F1'
Strategic Asset Funding Corp. – Series A (SAFCO A)	Sanwa Bank, Ltd.		'F1'
Strategic Asset Funding Corp. – Series B (SAFCO B)	Sanwa Bank, Ltd.		'F1'
Sunbelt Funding Corp.	Compass Bank		'F1'
Sunflowers Funding Corp.	ABN AMRO Bank N.V.		'F1+'
Superior Funding Capital Corp.	Canadian Imperial Bank Commerce (London)	CP ECP	'F1+' 'F1+'
Tannehill Capital Corp.	The Liberty Hampshire Co., LLC		'F1'
Thesee Limited	BNP Paribas		'F1'
Three Crowns Funding LLC	Skandinaviska Enskilda Banken		'F1'
Three Rivers Funding Corp.	Mellon Bank, N.A.		'F1'
Thunder Bay Funding Inc.	Royal Bank of Canada		'F1'
Tiger Peg Capital Corp.	Exxon Mobil Corp.		'F1'
Trainer Wortham First Republic CBO I, Ltd.	Trainer Wortham & Co., Inc.		'F1+'
Tricon Capital Corp.	TRICON Global Restaurants, Inc.		'F1'
United Airlines First Funding Corporation	United Air Lines, Inc.		'F1'
Vehicle Services of America	Vehicle Services of America Ltd.		'F1+'
Victory Receivables Corp.	The Bank of Tokyo-Mitsubishi, Ltd.		'F1'
VistaOne Metafolio, LLC	IBEX Capital Markets, LLC		'F1'
Voyager Funding	US Bank, N.A.		'F1'
VVR Funding, LLC	Van Kampen Investment Advisory Corp.		'F1+'
WCP Funding, Inc.	Citicorp North America, Inc.		'F1+'
Westways Funding I, Ltd.	TCW Funds Management, Inc.		'F1'
Westways Funding II, Ltd.	TCW Funds Management, Inc.		'F1'
Westways Funding III, Ltd.	TCW Funds Management, Inc.		'F1'
Westways Funding IV, Ltd.	TCW Funds Management, Inc.		'F1'
Westways Funding V, Ltd.	TCW Funds Management, Inc.		'F1'
Working Capital Management Co. L.P.	The Industrial Bank of Japan, Ltd.		'F1'

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