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MetLife®

August 2, 2010

BY EMAIL: rule-comments@sec.gov

Ms. Elizabeth M. Murphy
Secretary
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549
Attention: Rule Comments

Re: Release Nos. 33-9117; 34-61858; File No. S7-08-10; RIN 3235-AK37 (the "ABS Release")

Dear Ms. Murphy:

We are encouraged that the SEC, other regulators and Congress recognize the securitization market as a major financing source for the economy and for consumers, but that fundamental changes to certain practices are needed to ensure the market's long-term sustainability. MetLife believes that many of the requirements in the ABS Release will go a long way toward restoring investor confidence in this market.

MetLife, Inc. and its insurance affiliates are large investors in the securitization market, purchasing securities primarily to fund core insurance products, which provide critical financial protection for over 70 million customers worldwide. MetLife Bank (collectively referred to herein with MetLife, Inc. and its insurance affiliates as "MetLife") also participates in the securitization market both as an originator and servicer of conforming and non-conforming mortgage and reverse mortgage loans. As of December 31, 2009, the general accounts of MetLife's insurance companies held approximately $73 billion of structured finance securities comprising $44 billion of residential mortgage-backed securities, $16 billion of commercial-backed securities and $13 billion of asset-backed securities.

MetLife welcomes the opportunity to submit this letter (this "Comment Letter") in response to the SEC's request for comment regarding the ABS Release and the proposed amendments to Regulation AB and related rules and regulations set forth therein ("New Regulation AB"). We greatly appreciate the concern that the SEC has devoted to repairing and revitalizing the securitization market. In general, we support the SEC's positions in the broad categories of enhanced disclosure and improved alignment of interests among sponsors, servicers and investors.

In this Comment Letter, we will first discuss key lessons that we have learned from the crisis in the ABS market and we will then present our comments regarding ABS offering requirements except for disclosure requirements, which for clarity purposes we have included in a third, and final, section.

We recognize that the issuance of the ABS Release preceded the enactment of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act") by approximately three months. However, there are certain aspects of the Dodd-Frank Act (such as those relating to securitization reform and joint rulemaking requirements) that will likely influence the SEC's rulemaking regarding the ABS Release and New Regulation AB. Accordingly, we have addressed certain relevant aspects of the Dodd-Frank Act in this Comment Letter.

Lessons from the ABS Market

As the SEC is aware, since the beginning of the financial crisis in 2007, all asset sectors within the ABS market have experienced unprecedented losses and disruption. For a variety of reasons, some ABS sectors have performed better than others throughout the crisis. Although each of the ABS sectors needs to be improved in the broad categories outlined in the ABS Release, important lessons can be gleaned from those ABS sectors that have outperformed others during the financial crisis.

In this regard, a pertinent example is provided by comparing the Credit Card ABS and Auto Loan ABS sectors to the RMBS and CMBS sectors. Credit Card ABS and Auto Loan ABS did not experience the severity of loss increases, bond downgrades or bond losses that occurred in other ABS sectors, such as RMBS and CMBS. In our opinion, the difference was primarily attributable to the underwriting of the underlying collateral, and the degree of alignment (or misalignment) of interests between the sponsors, servicers and investors, as further explained below:

- Underwriting: As the Commission may be aware, a major contributing factor to the financial crisis was that RMBS and CMBS contained underlying collateral backed by real-estate assets that borrowers and underwriters presumed would perpetually increase in value. This frequently led to aggressive underwriting in the form of excessive leverage. In contrast, Auto Loan ABS and Credit Card ABS contain underlying collateral that is either backed by depreciating assets (i.e., automobiles) or is not backed by physical assets at all (i.e., unsecured consumer credit cards). Due to the nature of underlying collateral in Credit Card and Auto Loan ABS, there is limited opportunity for borrowers to speculate on the potential for increased asset values and a take-out through refinancing (when compared with RMBS or CMBS). This has taught us that, going forward, it is extremely important for market participants and regulators to build additional safeguards, especially for ABS transactions backed by assets that can be overleveraged, such as real-estate related assets.

- Alignment of Interests: The successful alignment of interests that exists within the Credit Card ABS sector has two key components. The first component is the "seller's interest" (where the Credit Card sponsor retains risk in the securitization), which is similar to the SEC's proposal on risk retention. We believe this "skin in the game" results in a better alignment of interests with investors at the point of origination, as well as with regard to the ongoing management and servicing of the assets. The second component is the business model of Credit Card sponsors. Unlike the "originate to securitize" business model, for most Credit Card sponsors credit cards are a core business that is independent of securitization. Thus, the ABS market is both a major and diversified source of financing for such an important business. These two components cause the Credit Card sponsors to behave as a "partner" with the ABS investors.

ABS Offering Requirements[1]

Applicability

We agree that more needs to be done to reform many of the practices that were present in the securitization industry in recent years. We also agree that it is critical to make available a more fulsome set of information that will enable investors to conduct more rigorous analysis when making investment decisions in ABS transactions. In this regard, we recommend that the SEC go one step further than what has been proposed in the ABS Release.

We believe it is important for New Regulation AB to make a fundamental distinction between public/quasi-public ABS markets and private ABS markets, otherwise there is a significant risk that participants will use the quasi-public ABS market for regulatory arbitrage:

- Public and Quasi-Public ABS Markets. For public ABS deals (such as deals registered on Form SF-1 or SF-3) and quasi-public ABS deals (such as those relying on Rule 144A) (collectively "Public ABS and Quasi-Public ABS"), we recommend that risk retention, ongoing disclosure and improved third-party review and governance requirements (which we introduce and discuss below) should apply across the board. These standards should be in place when transactions have the hallmarks of public transactions – namely, offerings that are executed rapidly over the course of a few business days where there is little room for negotiation by investors of the terms and conditions of the securitization documents (other than the price of the securities being offered). If such requirements are not extended to all Public ABS and Quasi-Public ABS, it is quite conceivable that the Form SF-1 market, and, even more likely, that the Rule 144A market, will be used to circumvent the strengthened shelf registration requirements being proposed for offerings registered on Form SF-3.

- Private ABS Market. With regard to privately negotiated ABS transactions (such as transactions relying on Regulation D or Section 4(2)), we recommend that sponsors, issuers and sophisticated investors be free to negotiate any disclosure, risk retention, third-party review or other requirements as they see fit. Broad market or systemic risk concerns are not implicated by the Private ABS Market, and flexibility should be afforded to participants in this market, including the private negotiation of risk allocation among such participants

[1] The comments set forth in this Section are responsive to Sections II and VI of the ABS Release.

Risk Retention

The SEC has asked whether risk retention is an appropriate shelf eligibility condition for ABS transactions. In MetLife's view, the risk retention requirement is a critical aspect of New Regulation AB and should be expanded to be considered an "offering eligibility condition" for all Public and Quasi-Public ABS. As a major ABS investor, we welcome the SEC's efforts to improve alignment of interests among market participants with this extremely important enhancement in ABS transactions. Given the uncertainty surrounding credit rating definitions and accuracy (as well as undue reliance by investors), we also believe that no longer requiring investment grade ratings as a shelf eligibility condition is an appropriate change. In our opinion, the "skin-in-the-game" concept of risk retention will more closely align the interests of sponsors and investors, and will help to improve the level of discipline applied to asset origination, as well as appropriate on-going collateral management.

- 5% Vertical Strip. To more closely align the interests of sponsors and investors and to improve the likelihood of disciplined underwriting by market participants, the risk retention requirement should be uniformly applied so that the depositors are required to retain no less than 5% of par value in each credit tranche transferred or sold to investors (i.e., a "vertical strip") on the closing date. This vertical strip should be retained throughout the life of the transaction. We recommend a simple approach involving an easily calculable and identifiable requirement that is clearly understood by all market participants. This requirement should apply across all ABS asset classes and should apply to the sponsor/securitizer because the sponsor is usually – although not always – the aggregator of assets.

- Hedging Strategies and Transfers. With regard to hedging strategies and transfers, credit risk hedges or transfers specific to a particular retained security should not be permitted during the life of the securitization because any such strategies would be very likely to undermine the risk retention requirement. However, macro hedges and currency and interest rate hedges should be allowed at any time.

- Benefits of Risk Retention Outweigh Risks of Undue Reliance by Investors. The SEC has asked whether it is possible that ABS investors might unduly rely on an appearance that interests between sponsors and investors are aligned through risk retention. Although MetLife believes this possibility exists, we think the benefit to be gained by establishing a risk retention requirement outweighs the risk of undue investor reliance. While it is possible for certain investors to over-rely on new regulatory requirements as a substitute for careful due diligence, we believe that risk retention requirements address a separate issue because they are meant to more closely align the interests between the ABS sponsor and the ABS investors, regardless of how ABS investors behave. Moreover, requiring unhedged risk retention in new ABS transactions will likely improve upon the level of discipline applied to asset origination that was lacking in many prior transactions involving sponsors who relied on the much criticized "originate to distribute" securitization model.

- Disclosure Alone Would be an Insufficient Approach. The SEC has asked whether risk retention should be made a disclosure requirement (rather than a shelf eligibility condition), which would permit the level of retained risk in ABS transactions to be a purely voluntary matter influenced by market forces. Risk retention is an important building block for an improved ABS market. The purpose of risk retention is to align the sponsor's incentives with the investors' interests for the life of the transaction, whereas the purpose of disclosure is to increase transparency. MetLife strongly believes that a disclosure-centric approach will not be sufficient to address issues regarding alignment of interest and the level of discipline applied to asset origination and is likely to suffer from the same shortcomings recently experienced in ABS. We recommend that the SEC require risk retention for all Public ABS and Quasi-Public ABS Offerings.

- Accounting Treatment of Retained Risk. The SEC has asked how the proposed risk retention requirements would impact how sellers account for a transfer of assets in a securitization. In a large number of ABS transactions, the deal sponsor is also the servicer. Often, the servicer is presumed to have control over the most significant decisions in the securitization trust. Under current accounting standards, it is not clear whether the proposed risk retention requirement would be construed as a "potentially significant variable interest". If the proposed risk retention requirement is construed as "potentially significant", this would preclude sales treatment and force the sponsor to consolidate the securitization trust. In particular, this could have a long-term impact on the sustainability of the securitization market among regulated depository institutions. We encourage the SEC to collaborate with the FASB and other regulators (such as the FDIC) to ensure that the 5% retention requirement would not be considered a potentially significant variable interest for evaluating consolidation requirements pursuant to Statement of Financial Accounting Standards 167 (now Codification Topic 810).

- Alternative Forms of Risk Retention. The SEC has asked whether any alternative forms of risk retention should be permitted in lieu of the 5% vertical strip requirement. We believe that the SEC should not permit alternative forms of risk retention. A uniform requirement that sponsors retain a 5% vertical strip will help create a sustainable securitization market by making market participants more likely to engage in disciplined underwriting. The permissible alternatives to risk retention set forth in §941(b) of the Dodd-Frank Act and other proposed alternatives have pitfalls that we fear will render them ineffective. These are some of the reasons why MetLife does not support alternative risk retention options:

  "Qualified Residential Mortgages" in RMBS:

  The Dodd-Frank Act directs regulators to define certain mortgage loans as "qualified residential mortgages" and to exempt securitizations created with such "qualified residential mortgages" from the proposed risk retention requirements (i.e., 5% vertical strip). Establishing a set of parameters to define "qualified mortgages" pose the risks described below to the future of RMBS:

  - Narrowly defined parameters would lack the flexibility to respond to shifts in the market. For example, while fixed-rate mortgages have lower risk under certain economic conditions, under certain other conditions, floating-rate mortgages are less risky. Furthermore, consumers that are not able to qualify for mortgages under narrowly-defined parameters may be unfairly disadvantaged in the form of higher borrowing costs or a complete lack of access to residential mortgages.

- Broadly defined parameters can result in loan origination that simply satisfies the required terms, while relaxing other critical aspects of credit underwriting. In this scenario, there would be no benefit to the market or consumers from having the "qualified residential mortgage" requirement.

- Regardless of the scope of the parameters, mortgage finance is constantly evolving. One of the challenges is for regulation to keep pace with these changes. For example, "fixed rate" mortgages now appear in many proposed definitions of "qualified residential mortgages" – even though such a feature may not be best for all borrowers in all markets. Moreover, recent experience has shown that fixed rate mortgages can be risky and have losses far exceeding most pre-crisis estimates.

In light of the fundamental concerns cited above, we recommend that risk retention should be required for all residential mortgages involving Public ABS and Quasi-Public ABS, without exception. We caution the SEC that adopting a "qualified residential mortgage" exemption may be detrimental to the overall market. If a "qualified residential mortgage" exemption must be implemented under the Dodd-Frank Act, we believe that our concerns may be mitigated to a degree by requiring "qualified residential mortgages" to conform to the underwriting standards of Government Sponsored Entities (such as Fannie Mae or Freddie Mac).

Third-Party Risk Retention in CMBS:

Among other things, §941(b) of the Dodd-Frank Act provides that regulations may be adopted by Federal banking regulators and the SEC pursuant to which first-loss positions held by third-party purchasers would count against the sponsor's 5% risk retention requirement. As the Commission staff are likely aware, third-party purchasers with an ability to perform due diligence on individual assets already exist in CMBS through so-called "B-piece buyers". Despite its presence in CMBS transactions, this feature failed to prevent the excesses that led to the collapse of the CMBS market.

Furthermore, in its existing form, the B-piece model has added pernicious conflicts of interest that the CMBS industry has not been able to resolve. To our knowledge, B-piece buyers in CMBS typically purchase their bonds at a steep discount to par value. This not only reduces the size of their invested capital at risk, but poses a substantial conflict of interest with other CMBS bondholders because: (a) the B-piece buyer is often associated with the transaction's special servicer, (b) the B-piece buyer has control rights in the transaction, and (c) the priority of payments in many transactions favors junior bondholders (such as B-piece buyers) in certain common workout situations.

We believe that the primary purpose of the risk retention requirement is to align the interests of the sponsor and the investors in order to make it more likely that sponsors will engage in disciplined underwriting. While having bondholders with an ability to perform due diligence on the individual assets in the pool (such as the B-piece buyers) may be beneficial on some levels, it neither outweighs nor replaces the serious need for a fundamental re-alignment of interest between the CMBS sponsors and the CMBS investors through required risk retention.

Other Alternative Forms of Risk Retention:

There are multiple complexities associated with the other alternatives suggested in the ABS Release, which could make their implementation impractical. Some examples include:

- Properly defining “representative” or “random” assets
- Properly tracking and validating selection processes
- Verifying maintenance of appropriate exposure for the life of the transaction
- Creation of additional conflicts of interest

For the reasons set forth above, MetLife urges the Commission to adopt a uniform 5% risk retention requirement across all ABS asset sectors as an “offering eligibility condition” for all new issuances of Public ABS and Quasi-Public ABS.

Third-Party Review of Repurchase Obligations

The SEC has asked whether the concept of a third-party opinion regarding a depositor’s compliance with representations, warranties and repurchase obligations is an appropriate shelf-eligibility condition for ABS. Based on careful analysis, we do not believe such a requirement, without more of a transparent review and enforcement mechanism for investors, would be effective from an investor perspective. This is because we do not feel that such an opinion will sufficiently address the two central issues at hand:

- How breaches of representations and warranties are discovered in ABS transactions; and

- How remedies for such breaches are enforced.

MetLife believes that a better approach would be for the SEC to focus on the obstacles to collective action by investors that are inherent in many ABS transactions. Such obstacles have frustrated the “discovery” by investors of breaches of representations and warranties and investor enforcement of such breaches. Government Sponsored Enterprises (such as Fannie Mae and Freddie Mac) and private loan investors are able to gain access to underwriting files in order to make a claim that an underlying loan is in breach of representations and warranties. In contrast, investors in securitized pools need to overcome many unnecessary obstacles in order to gain this access and, in effect, are blocked from exercising their rights to put back ineligible collateral. Accordingly, MetLife believes that the concept of a third-party review of repurchase obligations would be an *appropriate component* of an "offering eligibility condition" for Public ABS and Quasi-Public ABS that includes the following additional substantive and procedural improvements:

- Strengthening Representations, Warranties and Audit/Inspection Rights. MetLife recommends that representations, warranties and audit and inspection rights should be strengthened to address issues investors have encountered in the recent past in obtaining information or cooperation from trustees, sponsors, administrators and servicers in securitization transactions. Furthermore, audit and inspection rights should be strengthened to make it easier for investors to direct trustees to verify compliance with applicable representations, warranties and covenants, as well as with requirements to provide adequate information to support loan modifications by the servicer.

- Standardizing Representations, Warranties and Remedies. In addition, MetLife believes that standardization of representations and warranties (and remedies for related breaches) would increase efficiency and transparency of securitizations. For example, in many non-agency RMBS securitizations, the representations and warranties are generally made only by the issuer (which is typically a newly-formed special purpose vehicle), while in others the sponsor joins the issuer in making such representations and warranties. We believe sponsors should always join the issuer in making these representations and warranties so that a creditworthy entity (i.e., the sponsor) would also be responsible for satisfying any repurchase obligations.

- Enhanced Due Diligence/Put Back Rights. We believe it is more effective for the SEC to require Public ABS and Quasi-Public ABS documents to include triggers that require a forensic review of asset-level representations and warranties during the life of a securitization by an independent and qualified due diligence firm so that put-back rights can be exercised in a timely manner vis à vis the sponsor. Appropriate triggers would include: (a) all early payment defaults; (b) all loans that become seriously delinquent (i.e., 60 days delinquent); and (c) all loans for which the servicer or trustee suspects a breach.

  To further enhance investors' ability to put back assets to the sponsors, bondholders representing 5% or more of a transaction should be able to direct the trustee to poll investors to vote on whether the forensic review described above should be performed. After the bondholders' vote on any put-back to the sponsor (as described under "Enhanced Voting Rights" below), the sponsor would need to repurchase the non-compliant assets. To the extent that a sponsor does not comply with its repurchase obligation, we believe that independent arbitration would be an efficient means of resolving any disputes between the securitization vehicle's trustee (as directed by the investors) and the sponsor.

- Enhanced Voting Rights. The vast majority of securitization transactions require a 25%-in-interest voting threshold to be achieved before the trustee can be directed by investors to take certain actions, such as to poll investors whether to exercise rights or remedies under the securitization documents.

  Because the identity of investors is often unknown (as discussed in the paragraph below), it is extraordinarily difficult for investors to organize and take coordinated action to protect their rights. Accordingly, we believe the SEC should enhance the ability of all bondholders to exercise voting rights in securitizations by establishing an "offering eligibility condition" that would require Public ABS and Quasi-Public ABS documents to include the following terms:

Investors Initiating Action: 5%-in-interest of investors (who are not affiliated with the sponsor or servicer) would be permitted to direct the trustee to poll investors as to whether to exercise any investor rights or remedies under the securitization documents. Pertinent examples include, but are not limited to, whether to (a) pursue inspections, examinations and audits for securitization document compliance (such as re-underwriting loans using program guidelines and re-computing underwriting figures, reviewing collateral appraisals to reconcile origination values, etc.); (b) obtain adequate information to support loan modifications by the servicer; or (c) replace the trustee or servicer.

Voting on Action Initiated by Investors: After action has been initiated by a 5%-in-interest investor vote, the securitization documents should be required to contain a majority-in-interest voting threshold on the action to be decided upon, where the denominator is based on the interests held by the investors who cast a vote on the matter (subject to a reasonable quorum for the vote), rather than the current practice, which typically contains a voting threshold based on a majority-in-interest of outstanding securitization obligations.

Impose Reasonable Time Constraints and Cooperation Covenants on Trustees, Servicers and Sponsors: Under all circumstances, trustees, servicers and sponsors must be placed under reasonable time constraints and be subject to reasonable cooperation covenants so as not to hinder or delay investors from initiating action, voting on action or otherwise exercising their rights under the securitization documents.

- Bond Ownership Transparency. MetLife also requests that the SEC require Public ABS and Quasi-Public ABS documentation to include a mechanism to provide transparency regarding investors who beneficially own securitization obligations. Currently, it is very difficult to identify bondholders in Public ABS and Quasi-Public ABS because the securities are held by custodians or brokers in "street name" via the Depository Trust Company. This makes any communication to and among bondholders very difficult and time consuming, and, as a practical matter, is likely to have a material adverse effect on the ability of investors to act jointly to exercise any substantive protections or rights that are contained in the documentation. This circumstance causes problems for the marketplace because there is no means of quickly communicating with all investors in a securitization. To address this issue, MetLife believes the SEC should mandate Public ABS and Quasi-Public ABS documents to require that one entity involved in each securitization have, on a real-time basis, knowledge of the legal names and contact information for each beneficial owner of bonds. The use of this information would be limited to instances involving investor communication or collective investor action, while respecting investor confidentiality concerns. For example, a bondholder would be able to request that the trustee or information aggregator send a letter to all other investors in a particular issue notifying these parties as to suspected breaches of representations and warranties. Thus, each investor could determine (on its own) whether it wanted to disclose its identity in order to pursue available rights or remedies.

CEO Certification

The SEC sought comment on whether to include CEO certifications as an additional shelf eligibility condition. MetLife does not believe that a certification of the CEO or other senior officer of the depositor should be required or would provide incremental value to investors. Little value or comfort is added from a "best of knowledge" certification. In fact, we believe it is likely that investors would unduly rely on such certifications. Instead of relying on such certifications, we believe that strengthened disclosures and put back rights would provide investors with adequate means to make informed investment decisions and to assert their rights.

Disclosure Requirements[2]

General Requirements

MetLife broadly supports the expanded disclosure requirements associated with shelf registration. As mentioned above, MetLife believes that the SEC should require these enhanced disclosure requirements as an "offering eligibility condition" for all Public and Quasi-Public ABS transactions. In our view, ABS issuers should no longer be permitted to suspend Exchange Act reporting due to passage of time or number of registered holders because this could lead to weaker investment analysis and judgment, potentially hurting both issuers and investors, and we support the restrictions on suspension of Exchange Act reporting in ABS transactions under §942 of the Dodd-Frank Act. Delayed, incomplete or inconsistent reporting could undermine the positive impact that New Regulation AB would have on the ABS markets.

Although covered bonds are not technically considered ABS, we believe it is important for the SEC to consider applying the ABS disclosure rules to covered bond transactions. Many of the assets involved in covered bond transactions are of the same type used in ABS transactions (e.g., mortgages, credit card receivables) and the issuers have the right to manage and switch out collateral during the life of the transaction. By requiring covered bond issuers to provide the same disclosure as for ABS transactions, investors will be able to make better investment decisions within and across asset sectors.

MetLife has the following general observations regarding disclosure for all ABS sectors:

- For all ABS sectors (other than CMBS, discussed below), MetLife believes that the same disclosure should be required for offering documents and on-going reports. We recognize that certain data will be static, while other data will change from month to month.

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[2] The comments set forth in this Section are responsive to Sections II and III of the ABS Release.

- Subject to applicable privacy laws, any information that is required to be disclosed by the SEC under New Regulation AB should be provided to investors without any requirement to execute confidentiality agreements in order to obtain access to such information.

- MetLife agrees that the SEC should require standardized disclosure templates (either through Schedules L and L-D or by adopting existing industry standards) with the relevant fields for each ABS sector. The key benefit of standard disclosure would be a significantly enhanced ability for investors to compare and contrast different ABS transactions in connection with their investment decisions and ongoing portfolio management.

- We support the SEC's proposal regarding loan-level information for all ABS sectors, other than than for CMBS (where we support the use of an existing industry standard) and for Credit Card ABS (where we support the use of grouped asset data), both of which are discussed below. We believe the proposed disclosure is a significant enhancement to the disclosure that is currently provided. Disclosure of loan-level information will provide investors with greater insight into the underlying ABS collateral mix and will enable them to better predict asset performance. We, however, request that the Commission require several additional loan-level data points for both disclosure at issuance and for on-going reporting. We have listed these loan-level data points on Schedule A, which is attached to this Comment Letter.

- For all sectors, MetLife believes that sponsors and their affiliates should disclose all of their holdings in a transaction beyond the required 5% vertical slice, and that servicers and their affiliates should disclose all of their holdings in a transaction, regardless of amount. This is critical because investors should be informed of the various conflicts of interest that may drive sponsor and servicer behavior. For example, if a servicer (or its affiliate) owns a material amount of the subordinate bonds in a securitization that contains delinquency triggers, the servicer might have a disincentive to recognize any delinquencies that could adversely affect the subordinate bondholders. While this increased transparency may not deter such behavior, at a minimum, investors will be informed that the potential for such behavior may exist.

- There is a significant time lag between the time when the information becomes available and when the proposed disclosure is required to be provided. We recommend that the required disclosures be provided on the determination date rather than 15 days thereafter.

CMBS

MetLife believes there are two facts about the CMBS sector that differentiate it from other ABS sectors, which need to be considered to determine the most effective path for establishing CMBS disclosure requirements:

- Under the auspices of the CRE Finance Council (formerly known as Commercial Mortgage Securities Association), the CMBS industry has adopted a timely and extensive reporting standard – known as the Investor Reporting Package – that covers many of the more relevant data points that investors need from on-going reporting. In MetLife's view, this is a more robust reporting standard than proposed Schedule L-D and is provided in a more timely fashion than that proposed by the SEC.

- Typically, the loan originator and the loan servicer are not related in CMBS transactions, which makes the unification of items in Schedule L and Schedule L-D, which we propose for other ABS sectors, impractical for the CMBS sector.

In light of these two facts, regulators might want to consider a different approach to establishing disclosure requirements for CMBS than the approach used in other ABS sectors. Below are MetLife's asset-level disclosure recommendations for CMBS at the time of issuance and on an on-going basis.

- <u>Asset-level disclosure at issuance</u>. We believe the required use of the proposed Schedule L as part of the new issue filing process for CMBS is reasonable. Many of the data points required in this Schedule are currently provided in what is typically labeled "Annex-A" in the offering documentation. There are, however, several disclosure items that we believe would significantly improve the current reporting practices and the proposed Schedule L requirements. They are as follows:

  Actual versus Underwritten metrics: In addition to providing underwritten property performance metrics such as NOI, NCF, etc., it is imperative that issuers also provide a minimum 3-year history of operating performance for each of these metrics.

  Complete versus Top 3 Tenant information: While providing information on the 3 largest tenants for every property is helpful, it is not sufficient information for CMBS investors to adequately evaluate portfolio exposures. In fact, it is possible that the largest aggregate tenant exposures might arise from tenants other than the 3 largest tenants in each property. Because of this practical likelihood, we believe that investors can (and do) underestimate their true portfolio-level tenant exposures. Therefore, information on all tenants should be provided.

  Rent rolls: The level of loan concentration in CMBS is substantially higher than that in most other ABS sectors. For this reason, investors need to fully understand in detail the risk of every loan in a CMBS pool. This exercise is impossible without the disclosure of rent rolls for every property detailing lease terms for every tenant.

  Full Indebtedness information for each Property: In addition to providing information regarding the securitized debt on each property in a transaction, issuers should be required to provide the terms for any other debt that is serviced with the cash flows from such property, regardless of the ranking of such other debt in relation to the securitized debt. Additionally, issuers should disclose whether, to what extent and the conditions under which borrowers are permitted under the transaction documents to place additional debt on the same property in the future.

  Standardized Borrower and Tenant information: Investors need a practical way to quickly identify their exposure to individual borrowers and tenants, but this is currently nearly impossible not only because of the limited disclosure but also because processing the data is overly burdensome. Borrower and tenant identification should be provided using a standardized convention (such as the parent company's ticker or CUSIP when they have publicly traded equity or debt, or alternatively using the full legal name of the parent company). This way, investors would more easily be able to identify their portfolio level exposures.

We believe that incorporating the above items in the required asset-level disclosure for new CMBS issuances will significantly improve transparency in the sector and provide investors with better tools to more adequately evaluate their investment decisions.

- On-going asset-level reporting. As indicated earlier, the CMBS industry has put a timely, standardized reporting process in place – the CRE Finance Council's Investor Reporting Package. When comparing this standard with the proposed process and disclosure for Schedule L-D, we feel that the current industry standard provides a substantially superior alternative for investors both in terms of timing and level of detail. For that reason, we strongly suggest that the SEC should not pursue the proposed requirement for ongoing reporting for CMBS in its current form as it would risk having the industry move to a lower standard than what is currently in place.

  Instead, we strongly recommend that the SEC adopt the CMBS industry standard in the form of the CRE Finance Council's Investor Reporting Package – both in terms of timing of reporting and level of detail, and focus on areas where the standard could be improved from its current form. Some of these areas include:

  - Provide complete rent rolls for every property in a transaction at least once per year.
  - Provide complete disclosure of the alternatives evaluated before modifying a loan, including: different appraisal values obtained, discount rate used to determine NPV of modification and liquidation alternatives, etc.
  - Provide all of the terms for a modification or assumption.
  - Migrate the format of the industry reporting standard to XML.

  We believe that it would be detrimental for investors if the industry moved to the proposed requirement contained in the ABS Release because, as indicated above, the current industry standard for CMBS is substantially superior to the proposed disclosure requirement. Further, the additional information suggested above would address some of the key weaknesses of the current industry standard.

RMBS

MetLife believes that the additional loan and asset information proposed by the SEC will greatly benefit residential mortgage loan and servicing markets. These fields will enhance the ability of investors to evaluate the ongoing credit quality of mortgage loan pools and increase market efficiency. Most of the fields required in the SEC's proposal were already part of the American Securitization Forum's Project on Residential Securitization Transparency and Reporting (also referred to as "ASF Project RESTART") and therefore should not entail significant changes to what servicers were already committed to moving toward.

We believe that many of the fields identified in the SEC's proposal will provide new transparency into loan servicing operations. The list includes many fields that specifically address the effectiveness of loss mitigation strategies and foreclosure timelines that are generally not available to investors today. Currently, limited data from servicers on many aspects of their operations makes it difficult for investors to evaluate and select the most-efficient loan servicers. Past presentations from, and our own conversations with, servicers make it clear that they perform significant and detailed analysis of their operations. In our view, this indicates that the vast majority of the new data points would be readily available to servicers.

We also believe that servicers should provide updated borrower information whenever such information is obtained. For instance, FICO scores should be updated whenever a servicer acquires a new score. As part of the loan modification process, servicers obtain credit scores and this information, along with the date of the FICO score, should be supplied to investors. Similarly, home appraisals and corresponding Loan to Value Ratios should be updated if new appraisals are obtained for any reason, as well as any new debt or income information that may become available.

We believe that the modification fields should identify all modifications regardless of the type or source. We would like to see both the type of modification undertaken (HAMP or other), reasons for qualification and the actual changes to the loan that were made (interest rate, balance, etc).

Credit Card ABS

While we do not dismiss the importance of loan level information for Credit Card ABS, current technological limitations make it impractical for most investors to analyze and evaluate data from millions of charge card and credit card accounts held within each Credit Card ABS master trust structure. For this reason alone, we believe that, at this time, such granular data may not add the sought-after value for investors in Credit Card ABS transactions.

Short of requiring account level information, we agree with the SEC that grouped asset data in Credit Card ABS transactions should be disclosed. We believe the Commission should require such information be made available monthly, which is consistent with current reporting practices and loan level disclosures for other asset classes (i.e. RMBS, CMBS and CDO). To avoid duplicative processes for issuers and to satisfy disclosure requirements, we believe it would be sufficient for Credit Card ABS offering documentation to be required to include the latest monthly reports.

We believe the requirement to provide monthly grouped asset data and related performance information will allow investors to better appreciate unique risk attributes of different collateral pools by establishing a link between collateral characteristics and reported performance information (i.e. payment rate, charge-offs, delinquencies), which is not currently available.

Among other things, the ABS Release comment letter submitted to the SEC today by The American Securitization Forum ("ASF") proposes a set of three reports for disclosure of pool asset data in Credit Card ABS: (i) a "Representative Line Data Report"; (ii) a "Collateral Report" and (iii) a "Report on Charged-Off Accounts". In light of the ASF's proposal, we offer two alternatives regarding grouped asset data:

1) We believe the grouped asset data report proposed by ASF (known as the "Representative Line Data Report") is only appropriate if combined with an additional report that we identify as the "Yield Reconciliation Report", which is attached hereto as Schedule B-1. This is because the ASF's Representative Line Data Report omits Yield (interest, fees, etc.), which is an important cash flow variable. The ASF's argument for the omission is that the information becomes proprietary when provided on such a granular level. To address this concern, our proposed Yield Reconciliation Report provides such information on a pool-level basis.

2) In the alternative, if it is not feasible to provide the Yield Reconciliation Report that we have proposed in Item 1 above, we propose a more extensive set of grouped asset data (attached hereto as Schedule B-2) that would be provided in lieu of the ASF's Representative Line Data Report (the "Extended Grouped Asset Data Report"). Taken together, we believe the Extended Grouped Asset Data Report in conjunction with the ASF's Collateral Report and Report on Charged-Off Accounts would provide adequate collateral performance information.

Auto Loan ABS

We appreciate the level of diligence the SEC has given to the disclosure requirement for auto loan ABS. While investors should generally consider additional information to be beneficial, the incremental benefit of some proposed fields may be difficult to justify as compared to the costs of providing such information. Schedule A attached hereto lists what we believe are the most salient loan level data fields for investor analytical purposes. In addition to some of the fields in Schedule L and L-D, we propose that three additional data points be included that should yield significant value to investors. The three fields are:

- Loan to Value
- Payment to Income Ratio
- Payment Extension

CDO Sector

We believe that the CDO sector is unique among all ABS sectors in two ways:

- The collateral pool is typically composed of corporate or structured securities for which disclosure is available. For this reason, asset level disclosure requirements at origination can be limited to the short list proposed in Schedule L, Item 10. However, we suggest a few more data points to help identify the assets being securitized, which are set forth on Schedule A attached hereto.

- CDOs typically include reinvestment periods of up to 7 years. During that time, collateral pool assets may be traded or replaced. Therefore, on-going asset level reporting is especially important since the whole collateral pool may change over time. CDOs currently report all trading activity and portfolio performance metrics on a monthly basis. We are generally satisfied with the level of disclosure in these reports but we recommend a standardized reporting format across all issuers/trustees. (In our experience, the CDO reporting format used by Bank of New York (as trustee) is of a very high quality). In addition, we would also recommend using XML to conform CDOs with all other ABS sectors because most CDO reporting is currently provided in PDF, which is a "fixed" format.

In addition, Schedule A attached hereto sets forth all of the required and/or additional data fields that we believe should be included for Autos, Student Loans and Equipment.

Waterfall Computer Program and Application of XML

The SEC has asked a number of questions regarding the proposed requirement of a waterfall computer program. MetLife believes that requiring a waterfall computer program for Public ABS and Quasi-Public ABS has the potential to address a significant shortcoming in the ABS sector: the offering documentation is often opaque and subject to interpretation, which can lead to modeling errors. By requiring issuers and depositors to mechanically establish exactly how the waterfall is intended to work (and to bear legal liability in connection therewith), substantial ambiguity can be removed. There are, however, key practical limitations with the SEC's proposal in its current form which diminish the benefit of this requirement.

In order to evaluate ABS, institutional investors typically use waterfall and asset performance information systems offered by third-party data providers, such as Intex, Trepp, Bloomberg and others. Many investors have built extensive IT system infrastructure around these platforms and are unlikely to move away from them. If the SEC's proposal stops (as it currently does) with the requirement that issuers provide the waterfall program, there are no assurances that the third-party data providers that most investors employ will use this program and that investors will realize the benefits from this initiative.

We recommend that the SEC require all offering documents to indicate which third-party analytical provider will model the transaction according to the waterfall computer program and to require the issuer and sponsor to certify that such data provider has complied with the waterfall computer program and to impose a penalty for breaching such certification. This proposal would achieve the desired outcomes of (a) subjecting issuers and sponsors to securities law liability for the interpretation, disclosure and implementation of the mechanics of the waterfall structure and (b) permitting investors to continue to use third-party platforms if they so desire. The current industry practice already provides investors with analytical tools on the mechanics of the structure (i.e. Intex CDI files) prior to settlement. As such, we do not believe it will be onerous for issuers to codify and continue this practice. The missing element in today's practice is that the on-going interpretation of the securitization documents (including the waterfall) and the subsequent modeling of the transactions are often left to third-party analytical providers. We believe that the issuers and sponsors should have liability under the securities laws regarding the mechanics of the structure (both at issuance and in connection with on-going reporting). In situations where issues of contractual interpretation arise, we believe it is critical for investors to be informed of such interpretations through on-going disclosure of such interpretations so that investors can either accept such interpretation or act collectively to challenge such interpretation. Without this additional step, we fear that this promising initiative will not sufficiently extend the practical benefit to ABS investors.

Furthermore, given investors' pervasive use of third-party data providers, we encourage the SEC to ensure that all required reporting such as Schedule L, Schedule L-D or industry standard reporting, be made available to these data providers before new issue pricing (Schedule L) or immediately after each determination date (Schedule L-D or industry standard reports), as appropriate. In combination with the waterfall computer program this will assure investors that any valuation projections they develop through third-party data provider systems use the most current information and an accurate allocation of asset cash flows. The SEC should consider the time required by these third-party data providers to process reports when determining regulatory reporting timelines such as those required under proposed Rule 430D and in Rule 424(h) Filings.

With respect to investors that do not utilize third-party data providers (or arguably to data providers themselves), the SEC's proposal to require reporting in a standardized format such as XML will prove highly valuable to complement the computer waterfall program initiative. Given the high volume of asset-level data involved in any transaction, investors need a way to efficiently process this information. If reporting information continues to be provided in "fixed" formats (such as PDF or XLS) that do not permit data to be efficiently processed and analyzed electronically by investors, then handling the information would remain a time-consuming, manual process. This would be overly burdensome for investors. Sadly, without establishing a standardized reporting format that allows data to be extracted easily, although a vast amount of information would be delivered under New Regulation AB, much of it would never be used by its intended audience, the investors. For this reason we applaud this groundbreaking SEC initiative to establish a standardized and efficient reporting protocol, such as XML, for asset-level reporting, whether in the context of the proposed Schedules or for current/future industry-governed reporting standards.

Rule 430D

The SEC has asked a series of questions regarding the new five business day investor review requirement that would be set forth in New Rule 430D, as well as prospectus filing requirements under proposed Rule 424(h). MetLife broadly agrees with the five business day investor review requirement proposed in New Rule 430D, as well as the need to file updated prospectuses under proposed Rule 424(h). From an investor perspective, we do not have any concerns relative to exposing a transaction to the markets for a period of time. Consistent with our view on the "offering eligibility conditions", we believe the five business day review requirement (including resetting the review period under Rule 424(h)) should be expanded to apply to all Public ABS and Quasi-Public ABS transactions.

With regard to data analysis, we believe five business days is a reasonable period of time for investors to analyze data related to a registered ABS offering, with one important qualification – the asset and waterfall information must be provided to investors at the beginning of such five day period in a usable, standard format such as XML, or in a form that can quickly be analyzed by recognized market data providers, such as Intex, Trepp, Bloomberg, or others.

Moreover, we do not believe that the filing of standardized and tagged asset-level information and a waterfall computer program would reduce the amount of time investors need to consider transaction-specific information. In our experience, investors typically rely on market data providers such as those mentioned above, for waterfall modeling purposes.

Rule 424(h)

The SEC has asked several questions regarding the content of Rule 424(h) prospectuses, including whether a Rule 424(h) prospectus should exclude pricing-related information and whether material changes to an existing Rule 424(h) prospectus should trigger a new waiting period. With regard to pricing-dependent information, MetLife believes it is reasonable for the Rule 424(h) filing to exclude such information. With respect to whether material changes to an existing Rule 424(h) prospectus should trigger a new filing (and a new five business day waiting period), we believe a "principles-based" approach rather than a "rules-based" approach would be preferable. From our perspective as an investor, we would recommend requiring a new filing and a new five-business day waiting period if a change to any part of, or party to, the transaction occurs that a reasonable investor would consider to be material to its decision to invest in a Public ABS or Quasi-Public ABS offering. Some examples of changes that we believe the SEC should deem to be material include:

- Changes to more than 1% of the collateral pool, including changes at the property, tenant, or borrower level.

- Any changes to the priority of payment (i.e., waterfall).

- Any changes of any service provider or party to the transaction.

- Any changes to the terms in the documents related to the transaction (e.g. pooling and servicing agreement, trust agreement, intercreditor agreements, etc.), including, without limitation, changes to any representations and warranties, covenants or indemnities originally contained in such documents.

In addition, the new Rule 424(h) filing or new Rule 144A offering memorandum should be in the form of a new prospectus or new offering memorandum (rather than a supplement).

Identity of Transaction Parties and History of Repurchases

The SEC has asked a number of questions regarding identification of transaction parties and static pool information. We have the following general responses in this regard:

- We believe disclosure of all originators in a securitization is very important information for investors for investment guideline and risk management purposes.

- Reporting of actual repurchases or settlements and related details (i.e. repurchase amount, settlement amount, date of repurchase or settlement, reasons for repurchases and claim date) should be disclosed. In addition, repurchase claims ultimately resolved through binding arbitration pursuant to which such claims are determined to be valid (but still have not been repurchased) should also be disclosed. However, we do not believe it is appropriate to require disclosure of gross amounts of assets that were not legally required to be repurchased because such information might include data regarding invalid claims, which may confuse the market.

- Consistent with our view regarding risk retention, we believe disclosure of any retained economic interest in the transaction (whether at or above any minimum requirement) is appropriate.

*   *   *

Thank you in advance for providing MetLife with the opportunity to comment on the ABS Release. If you have any questions concerning the views or recommendations MetLife has expressed in this Comment Letter, please feel free to contact either Charles Scully of our Investments Department (at 973.355.4227; cscully@metlife.com) or Kristin Smith of our Government and Industry Relations Department (at 202.466.6224; ksmith4@metlife.com).

Very truly yours,

Charles S. Scully
Managing Director – Structured Finance
Metropolitan Life Insurance Company

cc: The Honorable Mary L. Schapiro
The Honorable Kathleen L. Casey
The Honorable Elisse B. Walter
The Honorable Luis A. Aguilar
The Honorable Troy A. Paredes

Meredith Cross, Director, Division of Corporation Finance
Paula Dubberly, Deputy Director, Division of Corporation Finance

Loan-Level Fields

SCHEDULE A - Loan Level Fields

Sector	Required / Additional Fields	Form of the Fields	Rationale for Fields
CDO (Corporate Credit)	Facility Type	Term Loan Revolver High Yield Bond …	Defines part of the capital structure
	Purchase Price	Number	Value of assets
	Lien	First Lien Second Lien Unsecured …	Credit Support
	Industry	Healthcare Transportation Financials …	Industry of Issuer
	Facility/Issuer Rating	Ba1/BB+ …	
	Default Status	Yes/No	
	LIBOR Floor	2%	Coupon determinant
	Parent Company		Help define affiliated exposures
Equipment Loan / Equipment Lease	Equip manufacturer	Text	Determine credit quality of equipment
	Equip model	Text	Determine credit quality of equipment
	Model year	Date	Determine credit quality of equipment
	Equipment Value at time of origination	Number	Determine credit quality of equipment
	Equipment Value source	Text	Determine credibility of source of value
	Residual value	Number	Determine credit quality of equipment
	Source of base residual value	Text	Determine credibility of source of value
	Obligor Name	Text	Obligor concentration and credit worthiness of obligor
	Expanded Obligor industry choices	SIC codes	Industry concentration and industry risk
	Payment type	Monthly Quarterly Semi-annual Annual Balloon Other	Access frequency of asset side cashflows

SCHEDULE A - Loan Level Fields

Sector	Required / Additional Fields	Form of the Fields	Rationale for Fields
Student Loan	Loan Type	Stafford Consolidation Heal PLUS SLS	Identify type of loan and risk associated with the different types
	Loan Program	Insured Uninsured	Identify government guaranteed loans
	Origination channel	School-channel Direct-to-consumer	Identify risk associated with origination channel
	SAP Margin	Number	Determine asset side interest rate
	SAP Index	CP Index T-Bill Index	Determine asset side interest rate
	Borrower Index	Fixed Rate Prime Index T-Bill Index ...	Determine borrower credit worthiness
	School Name/Code	Text / Number	Determine borrower credit worthiness
	School certified enrollment, and date of last confirmation	Month/Year	Determine borrower credit worthiness
	Expanded list of School Type	Four Year/Grad Consolidation Loan / School Uncoded Vocational/Technical Community College/2 Year ...	Determine risk associated with school type
	Major	Text	Determine borrower credit worthiness
	Graduation date	Month/Year	Determine borrower credit worthiness
	GPA	Number	Determine borrower credit worthiness
	Scheduled date to enter repayment/date entered repayment	Month/Year	Access borrower default timing curve
	Deferment reason	In-School: Full Time In-School: Half Time Graduate Fellowship Rehabilitation Training Teacher Shortage Internship/ Residency Training Temporary Total Disability Armed Forces or Public Health Services National Oceanic and Atmospheric Administration Corps Peace Corps, ACTION Program and Tax-Exempt Organization Volunteer Unemployment Parental Leave Mother Entering/Reentering Work Force Economic Hardship Military	Determine borrower credit worthiness

SCHEDULE A - Loan Level Fields

Sector	Required / Additional Fields	Form of the Fields	Rationale for Fields
Student Loan	Forbearance reason	Financial difficulties due to personal problems Reduced-Payment Forbearance Medical or Dental Internship/Residency Department of Defense Student Loan Repayment Programs National Service Child Care Provider Loan Forgiveness Debt Exceeds Monthly Income Teacher Loan Forgiveness Local or National Emergency Military Mobilization Designated Disaster Area Repayment Accommodation Death Teacher Loan Forgiveness Borrower Ineligible for Deferment Delinquency before a Deferment or Certain Forbearances Late Notification of Out-of-School Dates Bankruptcy Filing Total and Permanent Disability Repurchase of a Non-Bankruptcy Claim Death Closed School Closed School or False Certification False Certification—Identity Theft Delinquency after Deferment or Mandatory Forbearance Documentation Collection and Processing Unpaid Refund Discharge Unpaid Refund New Out-of-School Dates after Conversion Loan Sale or Transfer Ineligible Summer Bridge Extension Cure Natural Disasters, Local or National Emergency, Military Mobilization	Determine borrower credit worthiness
	Type of Borrower Benefit Utilized	Text	Borrower eligibility for rate reduction
	Amount of Borrower Benefit	Number	Percentage of rate reduction
	Rehabilitation indicator	Text	Determine borrower credit worthiness

SCHEDULE A - Loan Level Fields

Sector	Required / Additional Fields	Form of the Fields	Rationale for Fields
Auto	Loan number. Provide the unique identification number of the loan.	Number	**Item 1(a)(2) Schedule L**
	Originator. Identify the name or MERS organization number of the originator entity. If the asset is a security, identify the name of the issuer.	Text or Number	**Item 1(a)(4) Schedule L**
	Origination date. Provide the origination date of the loan.	Month/Year	**Item 1(a)(5) Schedule L**
	Original loan amount. Provide the original principal balance of the loan.	Number	**Item 1(a)(6) Schedule L**
	Original loan term. Provide the original number of scheduled monthly payments on the loan.	Number	**Item 1(a)(7) Schedule L**
	Asset maturity date. Indicate the month and year in which the final payment on the asset is scheduled to be made.	Month/Year	**Item 1(a)(8) Schedule L**
	Original interest rate. Provide the rate of interest at the time of origination of the asset.	%	**Item 1(a)(10) Schedule L**
	Amortization type. Indicate whether the interest rate on the asset is fixed or adjustable.	1=Fixed 2=Adjustable	**Item 1(a)(12) Schedule L**
	Original interest only term. Indicate the number of months in which the obligor is permitted to pay only interest on the asset.	Number	**Item 1(a)(13) Schedule L**
	Current loan balance. Provide the outstanding principal balance of the loan.	Number	**Item 1(b)(2) Schedule L Item 1(f)(7) Schedule L-D**
	Current interest rate. Indicate the interest rate in effect on the asset .	%	**Item 1(b)(3) Schedule L Also Include in Schedule L-D**
	Monthly payment amount. Provide the scheduled monthly payment on the loan.	Number	**Similar to Item 1(b)(4) Schedule L Similar to Item 1(f)(1) Schedule L-D**
	Current delinquency status. Indicate the number of days the obligor is delinquent.	Number	**Similar to Item 1(b)(5) Schedule L Similar to Item 1(f)(12) Schedule L-D**
	Remaining term to maturity. Provide the actual number payments remaining.	Number	**Similar to Item 1(b)(8) Schedule L Similar to Item 1(f)(18) Schedule L-D**
	Modification Type. Indicate the code that describe the type of modifications.	1=Payment Extension 2=Forbearance 3=Capitalization 4=Payment Holiday 5=Others	**Similar to Item 1(h) Schedule L-D**

SCHEDULE A - Loan Level Fields

Sector	Required / Additional Fields	Form of the Fields	Rationale for Fields
Auto	Repurchase amount. Provide the amount paid for the loan if repurchased during the reporting period.	Number	**Similar to Item 1(i) Schedule L-D**
	Repurchase reason. Indicate the code that describes the reason for the repurchase.	1=Modifications 2= Breach Reps & Warrants 3= Others	**Item 1(i)(4) Schedule L-D**
	Charged-off principal amount. Specify the amount of uncollected principal charged-off.	Number	**Item 1(k)(1) Schedule L-D**
	Payment type. Specify the code indicating whether payments are required monthly or if a balloon payment is due.	1=Monthly 2=Balloon 98=Other	**Item 4(a)(1) Schedule L**
	Subvented. Indicate yes or no as to whether the original interest rate on the loan reflects vehicle manufacturer rate subvention.	1=Yes 2=No	**Item 4(a)(2) Schedule L Item 4(a) Schedule L-D**
	Amounts recovered. If the loan was previously charged-off, specify any amounts received and applied in the reporting period.	Number	**Item 4(b) Schedule L-D**
	Vehicle manufacturer. Provide the name of the manufacturer of the financed vehicle.	Text	**Item 4(b)(2) Schedule L**
	Vehicle model. Provide the name of the model of the financed vehicle.	Text 98=Unknown 99=Privacy	**Item 4(b)(3) Schedule L**
	New or used. Indicate whether the financed vehicle was new or used at the time of origination.	1=New 2=Used	**Item 4(b)(4) Schedule L**
	Model year. Provide the model year of the financed vehicle.	Year	**Item 4(b)(5) Schedule L**
	Source of vehicle value. Specify the code that describes the source of the vehicle value.	1= Dealer's Invoice Price 2= MSRP 3= Kelly Blue Book 4= Black Book 5= Other	**Similar to Item 4(b)(8) Schedule L**
	Repossessed. Indicate yes or no whether the financed vehicle has been repossessed.	1=Yes 2=No	**Item 4(c) Schedule L-D**
	Obligor credit score type. Specify the type of the standardized credit score used to evaluate the obligor	1= Experian 2= TransUnion 3= Equifax 4= Vantage Score 5= Other	**Similar to Item 4(c)(1) Schedule L**
	Liquidation proceeds. If the financed vehicle has been liquidated, provide the total amount of proceeds received and applied in the reporting period.	Number	**Similar to Item 4(c)(1) Schedule L-D**

SCHEDULE A - Loan Level Fields

Sector	Required / Additional Fields	Form of the Fields	Rationale for Fields
Auto	Obligor credit score. Provide the standardized credit score of the obligor at the time of origination. Request specific FICO for each loan. An alternative would be FICO ranges as illustrated.	FICO 1= up to 499 2= 500-549 3= 550-599 4= 600-649 5= 650-699 6= 700-749 7= 750-799 8= 800+ 98= No score -commercial 99= No score -personal	**Item 4(c)(3)** **Schedule L**
	Co-obligor credit score. Provide the standardized credit score of the co-obligor at the time of origination. Request specific FICO for each loan. An alternative would be FICO ranges as illustrated.	FICO 0= No co-obligor 1= up to 499 2= 500-549 3= 550-599 4= 600-649 5= 650-699 6= 700-749 7= 750-799 8= 800+ 98= No score -commercial 99= No score -personal	**Item 4(c)(6)** **Schedule L**
	Obligor income verification.	1= Yes 2= No	**Similar to Item 4(c)(7)** **Schedule L-D**
	Geographic location of obligor. Provide current state of obligor.	Text	**Item 4(c)(21)** **Schedule L**
	Loan-To-Value. Provide the original loan amount as a percentage of the value of the financed vehicle at the time of origination. Request specific LTV for each loan. An alternative would be LTV ranges as illustrated.	1= <80 2=81-90 3= 91-100 4= 101-110 5=111-120 6= >120 99= Unavailable	**New Item**
	Payment-to-income ratio. Provide the scheduled monthly payment on the loan as a percentage of all obligor total income of all obligors at the time of origination.	1= 0-10 2= 11-15 3= 16-20 4= 21+ 99= Not available	**New Item**
	Payment extension. Indicate the number of months an account was extended during the reporting period.	0= 0 months 1= 1 month 2= 2 months 3= 3 months 99= Other	**New Item**

Schedule B-1

Yield Reconciliation Report

Schedule B-1

Yield Reconciliation Report

Monthly Cash Flows

	Cash Collections (Monthly Basis)
+	Interest
+	Recoveries
+	Fees
+	Interchange
+	Discounted Principal (Principal Collection re-categorized as Finance Charge Collection)
+	Other cash inflows
	Cost of Funds (Monthly Basis)
-	Coupon Pmt of All Outstanding Series
-	Servicer Fees
-	Trustee Fees
+/-	Derivatives (inflow/outflow)
-	Other costs/fees
	Charge-Offs (Monthly Basis)
-	Charge-Offs from Bankruptcy
-	Charge-Offs from Contractual Defaults
=	1 Month Excess Spread

Master Trust Assets (Monthly Basis)

	Receivables Amount Outstanding - Beginning
	Receivables Amount Outstanding - Beginning (net of Discounting)
+	Amount of Receivables Purchased
-	Amount of Receivables Removed
-	Amount of Receivables Paid (Collections)
-	Gross Charge-Offs
=	Receivables Amount Outstanding - Ending
	Receivables Amount Outstanding - Ending (net of Discounting)
	Notional Balance of Receivables Discounted
	Principal Receivables after Discount
	Discount Rate in Effect

Master Trust Liabilities (Monthly Basis)

Owner's Trust	Original Amt	Current Amt	WD Amt	Principal Funding Acct	Interest Shortfall	Actual Credit Enh	Req Credit Enh	ExSp Trigger	ExSp Actual	Stated Maturity	Legal Final
Series 2006-1, class A											
Series 2006-1, class B											
Series 2006-1, class C											
Series 2006-1, class D											
Total Series 2006-1											
Series 2006-2, class A											
Series 2006-2, class B											
Series 2006-2, class C											
Series 2006-2, class D											
Total Series 2006-2											
Aggregate Invested Amount											

Issuance Trust	Original Amt	Current Amt	WD Amt	Principal Funding Acct	Interest Shortfall	Actual Credit Enh	Req Credit Enh	ExSp Trigger	ExSp Actual	Encumbered Amt
Class A										NA
Class B										
Class C										
Class D										
Aggregate Invested Amount										

Seller's Interest
Minimum Required Seller's Interest

RESERVE ACCOUNT TRIGGER

Reported 3M Excess Spread for Trigger Calc	[XX%]						
Excess Spread Account Threshold	4.50%	4.00%	3.50%	3.00%	2.50%	2.00%	0.00%
Required Reserve Account (%)	1.25%	2.00%	2.75%	3.50%	4.50%	6.00%	6.00%
Actual Reserve Account (%)							
Actual Reserve Account ($)							

Cash Collateral Account ($)
Other Reserve Accounts ($)

Commencement of Accumulation or Amortization Period (if any):

Early Redemption Events - For example:	3M Excess Spread %	Base Rate Trigger	Non-Asset Triggers
Please outline all events relevant to the master trust.	Threshold	Threshold	YES/NO
	Actual	Actual	

Extended Grouped Asset Data Report

Schedule B-2

Extended Grouped Asset Data Report

TOTAL REPLINES	2,079	(approx.)							
Expected Buckets	9	7	11						3
Replines	**FICO**	**Age**	**State**	**Region**	**Credit Limit**	**Current Balance**	**# of Accounts**	**Gross Coupon**	**Adjustable Rate Index**
1	500 or less	12 - 24 mth	IN	Midwest / Central East	71,500.00	67,736.95	2,568	6.00	Fixed
2	500 to 550	24 - 36 mos.	MS	South / Central East	84,800.00	79,486.88	15,875	7.65	Fixed
3	550 to 600	36 - 48 mos.	IN	Midwest / Central East	101,700.00	96,911.61	25,792	6.50	Fixed
4	600 to 650	36 - 48 mth	GA	South / Atlantic	182,502.00	0.00	25,985	10.20	LIBOR_6MO
5	650 to 700	48-60 mos.	FL	South / Atlantic	60,000.00	56,865.55	86,453	6.00	Fixed
6	700 to 750	Over 60 Mos.	Other	Other	122,400.00	115,480.66	24,982	6.38	Fixed
7	750 to 800	12 mth or Less	WA	West / Pacific North	114,300.00	0.00	28,212	9.99	Fixed
8	800 or greater	12 - 24 mth	TX	South / Central West	211,964.00	0.00	35,325	6.99	LIBOR_6MO
9	Unknown	24 - 36 mos.	OK	South / Central West	93,500.00	0.00	66,313	8.65	LIBOR_6MO
10	500 to 550	36 - 48 mos.	FL	South / Atlantic	104,625.00	111,842.78	31,451	9.62	LIBOR_6MO
11	550 to 600	36 - 48 mth	IN	Midwest / Central East	136,800.00	131,754.82	2,659,846	8.37	LIBOR_6MO
12	600 to 650	48-60 mos.	FL	South / Atlantic	115,500.00	0.00	53,618	6.80	LIBOR_6MO
13	650 to 700	Over 60 Mos.	TX	South / Central West	68,000.00	65,824.43	3,643,168	8.55	Fixed
14	700 to 750	12 mth or Less	LA	South / Central West	94,736.00	90,553.29	38,224	6.88	Fixed
15	750 to 800	12 - 24 mth	TX	South / Central West	90,000.00	86,671.05	552,175	7.85	Fixed