

MEMORANDUM

To: Commission File No. S7-08-10
Commission File No. DF Title IX – Asset-Backed Securities

From: Rolaine S. Bancroft
Attorney-Advisor
Office of Rulemaking
Division of Corporation Finance
U.S. Securities and Exchange Commission

Date: March 8, 2011

Re: Telephone call with members of the Financial Services Roundtable and letter

On March 8, 2011, Paula Dubberly, Katherine Hsu, Rolaine Bancroft and Jay Knight of the Division of Corporation Finance; Emre Carr and Stas Nikolova the Division of Risk, Strategy and Financial Innovation; and Bryant Morris from the Office of the General Counsel participated in a telephone call with representatives of the Financial Services Roundtable. The topics discussed were the Commission's April 7, 2010 proposing release regarding asset-backed securities and Title IX, Subtitle D, Section 941 of the Dodd-Frank Wall Street Reform and Consumer Protection Act. List of attendees and letter are attached.

Attachment

Representatives

- 1) Caterpillar Financial Services Corporation - Bryon Koepke
- 2) CNH Capital LLC - Rob Kirby and Julie Schlueter
- 3) Deere & Company - Chad Volkert, Perry Akin, and John Rauber
- 4) Navistar Financial Corporation – John Haugh
- 5) Volvo Financial Services - Kim Costello and Brian Burket
- 6) Financial Services Roundtable - Scott Talbott

CAPTIVE COMMERCIAL EQUIPMENT ABS ISSUER GROUP

Caterpillar Financial Services Corporation
CNH Capital LLC
Deere & Company
Navistar Financial Corporation
Volvo Financial Services, a division of VFS US LLC

March 8, 2011

The Honorable Mary L. Schapiro
Chairman
Securities and Exchange Commission
100 F Street, N.E.
Washington, DC 20549

Mr. John E. Bowman
Acting Director
Office of Thrift Supervision
1700 G Street, NW
Washington, DC 20552

The Honorable Sheila C. Bair
Chairman
Federal Deposit Insurance Corporation
550 17th Street, NW
Washington, DC 20429-9990

The Honorable Timothy F. Geithner
Secretary of the Treasury
Department of the Treasury
1500 Pennsylvania Avenue, NW
Washington, DC 20220

The Honorable Ben S. Bernanke
Chairman
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue
Washington, DC 20551

Mr. John G. Walsh
Acting Comptroller of the Currency
250 E Street, SW
Washington, DC 20219-0001

Re: CCEQ Conference Call on March 8, 2011 to discuss Sections 941 and 942 of Dodd-Frank Act

Dear Ladies and Gentlemen:

As a follow up to our letter dated February 1, 2011 regarding Investor Feedback, the undersigned companies are prepared to present on the conference call our conclusions and recommendations regarding Risk Retention and Disclosure Requirements based on feedback received from investors.

In this letter, we are submitting our proposed disclosure forms and providing comments on the following topics:

1. Paperwork Reduction Act: Background and PRA Reporting and Cost Burden Estimates,
2. Benefit-Cost Analysis: Reporting and Risk Retention,

3. Consideration of Burden on Competition and Promotion of Efficiency, Competition and Capital Formation, and
4. General Instructions for:
 - A. Rule as to Use of Form CCEQ Servicer Summary
 - B. Events to be Reported and Time for Filing of CCEQ Servicer Summary
 - C. Rule as to Use of Form CCEQ Strat Tables
 - D. Events to be Reported and Time for Filing of CCEQ Strat Tables.

We appreciate the continued opportunity to discuss these issues with the Commission and other regulatory agencies.

Sincerely,

The Captive Commercial Equipment ABS Issuer Group

Caterpillar Financial Services Corporation

CNH Capital LLC

Deere & Company

Navistar Financial Corporation

Volvo Financial Services, a division of VFS US LLC

CCEQ SERVICER SUMMARY* - RETAIL ABS

Issue Name

Original Issue

\$0.00	Class, Coupon, Maturity	Cusip Number
\$0.00	Class, Coupon, Maturity	Cusip Number
\$0.00	Class, Coupon, Maturity	Cusip Number
\$0.00	Class, Coupon, Maturity	Cusip Number
\$0.00	Class, Coupon, Maturity	Cusip Number
\$0.00	Class, Coupon, Maturity	Not Offered
\$0.00	Total	

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

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

ACCOUNT BALANCES	
Spread Account	
Specified Spread Account	\$0.00
Ending Spread Account Balance	\$0.00
Supplement Account	
Specified Principal Supplement Account Balance	\$0.00
Ending Principal Supplement Account	\$0.00
Pre-funding Account	
Ending Pre-funding Account Balance	\$0.00
Beginning Pre-funding Account Balance	
Negative Carry Account	
Beginning Negative Carry Account Balance	\$0.00
Ending Negative Carry Account Balance	\$0.00

POOL PERFORMANCE	
Delinquency (60+ days past due):	
Face Amount	\$0.00
Percent of Pool Balance	0.00%
Loss:	
Net Loss This Period	\$0.00
Cummulative Net Loss	\$0.00
Cummulative Net Loss Percent of Original Balance	0.00%

* See definitions in attached report.

CCEQ SERVICER SUMMARY* - FLOORPLAN ABS

Issue Name

Original Issue

\$0.00	Class, Coupon, Maturity	Cusip Number
\$0.00	Class, Coupon, Maturity	Not offered
\$0.00	Total	

CURRENT COLLECTION PERIOD ACTIVITY

Month/Year

Cash Available for Distribution

Collections For The Period	\$0.00
Reinvestment Income	\$0.00
Deposits from Spread Account to Distribution Account	\$0.00
Deposits from Principal Funding Account to Distribution Account	\$0.00
Deposits from Accumulation Account to Distribution Account	\$0.00
Total Cash Available	\$0.00

Cash Allocation (Cashflow Waterfall)

Servicing Fee	\$0.00
Backup Servicing Fee	\$0.00
Administration and Trustee Fee	\$0.00
Class xx Interest	\$0.00
Class xx Interest	\$0.00
Class xx Principal	\$0.00
Class xx Principal	\$0.00
Deposits to Spread Account	\$0.00
Reimbursable Expenses of the Backup Servicer	\$0.00
Reimbursable Expenses of the Servicer	\$0.00
Reinvested in New Receivables	\$0.00
Release to Seller as Excess	\$0.00
Total Cash Distributed	\$0.00

PRINCIPAL BALANCES

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

ACCOUNT BALANCES

Spread Account

Specified Spread Account	\$0.00
Ending Spread Account Balance	\$0.00

Supplement Account

Specified Principal Supplement Account Balance	\$0.00
Ending Principal Supplement Account	\$0.00

Accumulation Account

Beginning Account Balance	\$0.00
Ending Account Balance	\$0.00

POOL PERFORMANCE

Delinquency (60+ days past due):

Face Amount	\$0.00
Percent of Pool Balance	0.00%

Loss:

Net Loss This Period	\$0.00
Cummulative Net Loss	\$0.00
Cummulative Net Loss Percent of Original Pool Balance	0.00%

Payment Rate

0.00%

* See definitions in attached report.

QUARTERLY CCEQ STRAT TABLES - RETAIL ABS*

Issue Name

As of Date	Quarter/Year	Quarter/Year	Quarter/Year
Aggregate Balance	\$0.00		
Average Aggregated Balance	\$0.00		
Number of Receivables	0		
Weighted Average APR	0.00%		
Weighted Average APR Range	0.00% to 0.00%		
Weighted Average Remaining Term (mos)	0.00		
Weighted Average Remaining Term Range (mos)	0 to 0		
Weighted Average Original Term (mos)	0.00		
Weighted Average Original Term Range (mos)	0 to 0		

Distribution by APR of Receivables

APR Range	Balance
0-1.99%	0.00%
2.00-3.99%	0.00%
4.00-5.99%	0.00%
6.00-7.99%	0.00%
8.00-9.99%	0.00%
10.00% and above	0.00%
Total	100.00%

Distribution by Equipment Type

Type	Balance
New	0.00%
Used	0.00%
Total	100.00%
Equipment or Industry Type	
Agriculture	0.00%
Construction	0.00%
Transportation	0.00%
Other	0.00%
Total	100.00%

Distribution by Payment Frequency

Frequency	Balance
Annual	0.00%
Semiannual	0.00%
Quarterly	0.00%
Monthly	0.00%
Other	0.00%
Total	100.00%

Distribution by Current Balance

Current Balance	Balance
up to \$30,000.00	0.00%
30,000.01 - 60,000.00	0.00%
60,000.01 - 90,000.00	0.00%
90,000.01 - 100,000.00	0.00%
100,000.01 - 300,000.00	0.00%
300,000.01 - 600,000.00	0.00%
600,000.01 - 1,000,000.00	0.00%
1,000,000.01 and above	0.00%
Total	100.00%

Distribution by Top Ten States

State	Balance
1 Top 1 State	0.00%
2 Top 2 State	0.00%
3 Top 3 State	0.00%
4 Top 4 State	0.00%
5 Top 5 State	0.00%
6 Top 6 State	0.00%
7 Top 7 State	0.00%
8 Top 8 State	0.00%
9 Top 9 State	0.00%
10 Top 10 State	0.00%
All Others	0.00%
Total	100.00%

Scheduled Payments

Collection Period	Scheduled Payments
Current Month	\$0.00
Month 2	\$0.00
Month 3	\$0.00
Month 4	\$0.00
Month 5	\$0.00
Month 6	\$0.00
Month 7	\$0.00
Month 8	\$0.00
Month 9	\$0.00
Month 10	\$0.00
Month 11	\$0.00
Month 12	\$0.00
Month 13	\$0.00
Month 14	\$0.00
Month 15	\$0.00
Month 16	\$0.00
Month 17	\$0.00
Month 18	\$0.00
Month 19	\$0.00
Month 20	\$0.00
Month 21	\$0.00
Month 22	\$0.00
Month 23	\$0.00
Month 24	\$0.00
Month 25	\$0.00
Month 26	\$0.00
Month 27	\$0.00
Month 28	\$0.00
Month 29	\$0.00
Month 30	\$0.00
Month 31	\$0.00
Month 32	\$0.00
Month 33	\$0.00
Month 34	\$0.00
Month 35	\$0.00
Month 36	\$0.00
Month 37	\$0.00
Month 38	\$0.00
Month 39	\$0.00
Month 40	\$0.00
Month 41	\$0.00
Month 42	\$0.00
Month 43	\$0.00
Month 44	\$0.00

Issuers reserve the right to report fewer discrete lines in each table should a given line contain so few loans that breaking that category out raises material privacy or proprietary data issues

* The definitions below may vary by issuer and issue, and may not be directly comparable.

DEFINITIONS:

QUARTERLY CCEQ STRAT TABLES - FLOORPLAN ABS*

Issue Name

As of Date	Quarter/Year	Quarter/Year	Quarter/Year
Number of Dealers	0		
Outstanding Balance of Principal Receivables	\$0.00		
Average Outstanding Balance of Principal Receivables per Dealer Account	\$0.00		
Weighted Average APR	0.00%		
Monthly Payment Rate	0.00%		

Distribution by Type

Type	Percent of Aggregate
New	0.00%
Used	0.00%
Total	100.00%
Equipment or Industry Type	
Agriculture	0.00%
Construction	0.00%
Transportation	0.00%
Other	0.00%
Total	100.00%
Product Type	
Equipment	0.00%
Rental	0.00%
Parts	0.00%
Other	0.00%
Total	100.00%

Distribution by Current Balance

Current Balance	Percent of Aggregate
up to \$499,999.99	0.00%
500,000.01 - 1,000,000.00	0.00%
1,000,000.01 - 3,000,000.00	0.00%
3,000,000.01 - 5,000,000.00	0.00%
5,000,000.01 - 10,000,000.00	0.00%
10,000,000.01 - 20,000,000.00	0.00%
20,000,000.01 and above	0.00%
Total	100.00%

Distribution by Top 10 States

State	Percent of Aggregate
1 Top 1 State	0.00%
2 Top 2 State	0.00%
3 Top 3 State	0.00%
4 Top 4 State	0.00%
5 Top 5 State	0.00%
6 Top 6 State	0.00%
7 Top 7 State	0.00%
8 Top 8 State	0.00%
9 Top 9 State	0.00%
10 Top 10 State	0.00%
All Others	0.00%
Total	100.00%

Issuers reserve the right to report fewer discrete lines in each table should a given line contain so few loans that breaking that category out raises material privacy or proprietary data issues

* The definitions below may vary by issuer and issue, and may not be directly comparable.

DEFINITIONS:

REGULATION OF CREDIT RISK RETENTION AND DISCLOSURES AND REPORTING FOR ASSET-BACKED SECURITIES REQUIRED BY SECTIONS 941 AND 942 OF THE DODD-FRANK WALL STREET REFORM AND CONSUMER PROTECTION ACT

SUMMARY:

Section 941 (Section 15G(e)(1)) of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Act") grants the Federal banking agencies and the Securities and Exchange Commission (the "Commission") the authority to issue exemptions for classes of institutions relating to the risk retention requirements for asset-backed securities issuers. We are proposing an exemption from the risk retention requirements in Section 15G(b) and (c) for Captive Commercial Equipment Finance Companies ("CCEQs"), as defined in our letter to the SEC dated February 1, 2011. We are also proposing to classify CCEQs as a distinct class of issuers under Section 78o(d)(2) and to set a standard format for ongoing disclosure requirements applicable to registered offerings as authorized under Section 942 of the Act.

We are proposing a standardized form of reporting for CCEQ securitizers that provides a summary of the monthly payment and performance data and quarterly updates of the pool characteristics (see Exhibit A). The monthly payment and performance reporting currently provided to investors and filed on Form 10-D would, under this proposal and for so long as the issuer is otherwise required to file periodic reports with the SEC, contain a standardized summary ("CCEQ Servicer Summary") which would be utilized by all CCEQ securitizers. In addition, a new report with quarter-end pool characteristics ("CCEQ Strat Tables") would be filed on Form 8-K for so long as the issuer is otherwise required to file periodic reports with the SEC and posted on the CCEQ securitizer's

public website in a tabular form (in a format which can be downloaded) within 60 days of the end of the calendar quarter.

Paperwork Reduction Act:

A. Background

The CCEQ proposals contain "collection of information" requirements within the meaning of the Paperwork Reduction Act of 1995 ("PRA"). The effect of the proposals will increase the number of filings made pursuant to existing requirements. Accordingly, we are submitting the burden estimates for certain of these collections of information to be used by the Office of Management and Budget ("OMB") for review in accordance with the PRA. An agency may not conduct or sponsor, and a person is not required to comply with, a collection of information unless it displays a currently valid control number and, if appropriate, an expiration date. We propose that, if applicable, appropriate control numbers be assigned to the CCEQ Strat Tables, and that the CCEQ Strat Tables should continue to be filed (quarterly on Form 8-K) and posted on the CCEQ securitizer's public website for so long as the issuer is otherwise required to file periodic reports with the SEC. We propose that the standardized CCEQ Servicer Summary be attached to, and made part of, the periodic reporting package required in the ABS documentation and included in the Form 10-D filing.

B. PRA Reporting and Cost Burden Estimates

Our PRA burden estimate includes the additional costs for (a) a one-time setup cost for adjustments to reports and systems to collect and compile the information for the CCEQ Servicer Summary and CCEQ Strat Tables, and (b) the periodic collection and reporting of the monthly CCEQ Servicer Summary and the quarterly CCEQ Strat Tables.

We have estimated the one-time setup cost for the initial CCEQ Servicer Summary and CCEQ Strat Tables at 672 hours per CCEQ (based on two programmers for two months). The ongoing cost to compile and file the CCEQ Strat Tables is estimated to be the same as for filing a Form 10-D. PRA burden estimates for Form 10-D were recently calculated by the Commission (see Proposed Rule Release No. 34-63652; File No. S7-02-11; RIN 3235-AK89; SUSPENSION OF THE DUTY TO FILE REPORTS FOR CLASSES OF ASSET BACKED SECURITIES UNDER SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934) at 30 hours per filing. The ongoing cost to compile and file the CCEQ Servicer Summary is estimated to be half of the cost for filing a Form 10-D (15 hours per filing).

The number of CCEQ securitizers is estimated at six, the number of monthly CCEQ Servicer Summary filings per CCEQ is estimated at 60 (average of five outstanding ABS issuances in a 12-month period), and the number of quarterly CCEQ Strat Tables per CCEQ is estimated at 20 (five outstanding issues for four quarters).

The annual incremental burden hours for periodic CCEQ Servicer Summaries is 5,400 hours (15 hours times six CCEQ times 60 filings per year), and for periodic CCEQ Strat Tables is 3,600 hours (30 hours times six CCEQ times 20 filings per year). The one-time setup cost is 4,032 hours (672 hours times six CCEQ) and the total incremental burden hours for all proposed requirements for the first year is 13,032 hours (5,400 plus 3,600 plus 4,032).

We estimate that 75% of the burden is carried by the company internally and that 25% of the burden is carried by outside professionals retained by the CCEQ at an average cost of \$400 per hour. We estimate, for PRA purposes, increases in external cost burden for the first year at \$1,303,200 (13,032 hours times 25% times \$400 per hour).

Report	Current Annual Responses	Proposed Annual Responses	Current Burden Hours	Decrease or Increase in Burden	Proposed Burden Hours	Current Professional Costs	Decrease or Increase in Professional	Proposed Professional Costs
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				Hours			Costs	
Setup Cost	-	-	-	4,032	4,032	-	\$403,200	\$403,200
CCEQ Servicer Summaries	-	60	-	5,400	5,400	-	\$540,000	\$540,000
CCEQ Strat Tables	-	20	-	3,600	3,600	-	\$360,000	\$360,000
Total	-	80	-	13,032	13,032	-	\$1,303,200	\$1,303,200

Benefit-Cost Analysis:

A. Reporting

The Commission has previously noted the importance to investors of post-issuance reporting of information regarding an ABS transaction in understanding transaction performance and in making ongoing investment decisions (see 2010 ABS Proposing Release, supra note 13, at 23347) and has sought to balance the value of this information to investors and the market with the burden to issuers of preparing the reports. Section 942 of the Act grants authority to the Commission to prescribe the reporting requirements that are deemed appropriate for each class of ABS issuer, specifically to set standardized reporting formats (to the extent feasible) and, if deemed necessary for investors, to require information regarding the assets backing the security. We believe the proposed disclosure requirements will fulfill the requirements under the Act and will benefit investors by providing them with a standardized monthly report and an additional report on the updated characteristics of the underlying assets, which will be easy to use and easy to compare across issues and issuers. We recognize that this could result in some additional incremental cost to CCEQ securitizers; however, we believe that such costs would be more than offset by the benefits to investors.

B. Risk Retention

With respect to Section 941 of the Act, the Commission and the Federal banking agencies are granted the authority to provide exemptions to the risk retention requirements. The inherent

nature of the CCEQ relationship with the manufacturer and borrowers, as well as the first loss credit supports available in the transactions, have historically provided investors with protection from losses associated with poor underwriting standards as demonstrated by the performance of the equipment ABS sector during the recent financial crisis. See Report to the Congress on Risk Retention, October 2010 from the Board of Governors of the Federal Reserve System. We believe CCEQ securitizers have proper and unique incentive alignment mechanisms that function as an alternative to risk retention requirements and that the incremental cost of imposing risk retention requirements would be not be justified.

Consideration of Burden on Competition and promotion of Efficiency, Competition and Capital Formation:

Section 23(a) of the Exchange Act requires the Commission to consider the impact a new rule would have on competition, and whether such action would promote efficiency, competition, and capital formation. Based on the distinctive competitive environment of the CCEQ specific industries and the privacy concerns that are inherent in light of the limited number of borrowers in a CCEQ ABS, if more specific disclosure is required beyond what is recommended in these CCEQ proposals, the risks to customer and dealer privacy as well as to competitive intelligence could lead some CCEQ to discontinue their securitization programs. This, in turn, could negatively impact customers and dealers by causing decreased availability and increased cost of credit. Furthermore, a decrease in the level of CCEQ ABS issuance could negatively impact investors by reducing the supply of an investment alternative that has performed well for several years.

If additional risk retention is required, any resulting increase in lending costs could negatively impact the various CCEQ customer industries, such as construction, agriculture and transportation. The reduced access to reasonably priced credit would flow through to many vital

sectors of the US economy. The sectors that are represented by the CCEQ ABS securitizers comprise an important base for economic growth in the US and international exports. In addition, CCEQ companies could have fewer diversified sources of market-rate funding to support future originations, thereby increasing exposure to disruptions in other funding markets. As the diversification of funding sources is one of the factors in determining credit ratings, CCEQs would also be exposed to any corollary potential rating agency scrutiny.

The loss of a competitive funding source would affect CCEQ securitizers differently depending primarily on the credit rating and securitization program size of each respective company. Lower rated companies would face higher funding costs as they shift from cost-effective ABS funding to higher cost unsecured debt, which would negatively affect their competitive position relative to higher-rated companies or government sponsored entities (in the case of agricultural equipment loans, see risk retention exemption for Farm Credit System Institutions in Section 15(e)(3) of the Act). For other CCEQs, increased reliance on the unsecured debt markets may lead to higher funding costs due to increased requirements for unsecured debt. To the extent that the increased funding costs from either of these situations are passed on to dealers and customers in the form of higher prices or loan rates, additional downstream economic effects would result that cannot be reliably estimated, but could be sizable.

We believe that the limited benefits to investors of the risk retention and disclosure requirements under the Act are not justified for CCEQ securitizers in light of the consequent potentially negative effects on efficiency, competition and/or capital formation, and as such, we are recommending the CCEQ Proposals mentioned previously and in form as presented in Exhibit A be adopted.

GENERAL INSTRUCTIONS

A. Rule as to Use of Form CCEQ Servicer Summary.

We propose this form be used to comply with the requirements of Section 942 of the Act for CCEQ securitizers for so long as the issuer is otherwise required to file periodic reports with the SEC.

B. Events to be Reported and Time for Filing of CCEQ Servicer Summary.

We propose the CCEQ Servicer Summary (in a form as attached) shall be made part of the monthly investor reporting for CCEQ securitizers and included in the monthly Form 10-D filing, both due according to the current filing deadlines and signed by the senior officer in charge of securitization of the securitizer.

C. Rule as to Use of Form CCEQ Strat Tables.

We propose this form be used to comply with the requirements of Section 942 of the Act for CCEQ securitizers for so long as the issuer is otherwise required to file periodic reports with the SEC .

D. Events to be Reported and Time for Filing of CCEQ Strat Tables.

We propose the CCEQ Strat Tables (in a form as attached) shall be filed on Form 8-K within 60 days after the end of each calendar quarter for CCEQ securitizers and signed by the senior officer in charge of securitization of the securitizer.