

November 21, 2011

**By Email: rule-comments@sec.gov**

Elizabeth M. Murphy  
Secretary  
Securities and Exchange Commission  
100 F Street, NE  
Washington, D.C. 20549-1090

Re: Release Nos. 33-9244; 34-64968 (File No. S7-08-10)  
Supplemental Comment Letter – Required Disclosure for Equipment ABS

Dear Ms. Murphy:

Navistar Financial Corporation (“we” or “NFC”) submits this letter to comment on the release identified above (the “2011 Re-Proposing Release”) issued by the Securities and Exchange Commission (the “Commission”), in part, for comments regarding asset-level data disclosure for asset-backed securities (“ABS”) backed by equipment floorplan financings (“Equipment Floorplan ABS”) and ABS backed by equipment loans and equipment leases (“Equipment ABS”).

We have submitted several prior comment letters to the Commission or participated in the preparation of proposals to the Commission as follows:

- our comment letter dated August 2, 2010 (the “Initial NFC Letter”) regarding the Commission’s Proposed Rules for Asset-Backed Securities (Release Nos. 33-9117; 34-61858; File No. S7-08-10) (the “2010 Proposing Release”);
- the comment letter submitted to the Commission on August 2, 2010 (the “Initial Vehicle ABS Sponsor Letter”) by Ally Financial Inc., American Honda Finance Corporation, Americredit Corp., BMW US Capital, LLC, Carmax, Inc., Chrysler Financial Services Americas LLC, DCFS USA LLC (d/b/a Mercedes Benz Financial), Ford Motor Credit Company LLC, Harley-Davidson Financial Services, Inc., Hyundai Capital America, Nissan Motor Acceptance Corporation, Santander Consumer USA Inc., Toyota Motor Credit Corporation, VW Credit, Inc., World Omni Financial Corp. and us, regarding the 2010 Proposing Release;
- the supplemental comment letter to the Initial Vehicle ABS Sponsor Letter submitted to the Commission on November 8, 2010 (the “First Supplemental Vehicle ABS Sponsor Letter”) regarding the 2010 Proposing Release;

- the second supplemental comment letter to the Initial Vehicle ABS Sponsor Letter and the First Supplemental Vehicle ABS Sponsor Letter on October 13, 2011 (the “Second Supplemental Vehicle ABS Sponsor Letter” and, together with the Initial Vehicle ABS Sponsor Letter and the First Supplemental Vehicle ABS Sponsor Letter, the “Vehicle ABS Sponsor Letters”) regarding the 2010 Proposing Release and the 2011 Re-Proposing Release; and
- the preparation of proposals submitted to the Commission with other captive equipment ABS issuers referred to in the 2011 Re-Proposing Release as the “Captive Equipment ABS Issuer Group.”

We focus this letter on the issues that are of particular interest to us as an active issuer of Equipment Floorplan ABS and Equipment ABS. We are writing to support the proposals set for by the Equipment ABS issuer members of the American Securitization Forum (the “ASF”) in the letter submitted to the Commission on November 2, 2011 (the “ASF Equipment Letter”). In that respect, to the extent the Commission believes there is any inconsistency between our prior submissions and the Equipment ABS issuers’ proposals in the ASF Equipment Letter, we withdraw those specific comments.

We appreciate the initiative of the Commission in promulgating the 2010 Proposing Release and for requesting additional comments pursuant to the 2011 Re-Proposing Release. We recognize that improvements can be made to the securitization process. We broadly support the Commission’s goals of increasing transparency in the ABS market and providing investors with timely and material information.

### **Response to the 2011 Re-Proposing Release**

We do not believe that disclosure of data regarding individual assets, on an asset-by-asset basis, is appropriate or necessary for Equipment Floorplan ABS or Equipment ABS. The Second Supplemental Vehicle ABS Sponsor Letter describes the legislative history behind Section 942 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, which added Section 7(c) to the Securities Act of 1933. We will not repeat the comments or arguments discussed in such portion of the Second Supplemental Vehicle ABS Sponsor Letter, but would like to reiterate that Congress did not intend to require disclosure of data about individual borrowers where asset pools include thousands of receivables and where disclosure might raise privacy concerns. There are a great many practical problems that asset-level disclosure would cause for us, which were detailed in the letters we previously participated in drafting, including, irreparable harm to our business by compromising our proprietary know-how and by releasing information that is competitively sensitive, creation of major privacy risks for obligors, floorplan data disclosures would promulgate confidential information that could easily be identified to particular dealers and many of the data points are simply not applicable to Equipment Floorplan ABS or Equipment ABS transactions.

We believe the asset-level data sought in respect of dealers for equipment floorplan loans would make it surprisingly easy to identify a dealer. For example, the

Commission suggested in the 2010 Proposing Release including a dealer's zip code, as well as the make and model of every single piece of equipment. From the equipment data, it will be easy to identify the particular dealer. As of July 31, 2011, there are 233 primary Navistar dealer locations nationwide and never are there two dealers in a single zip code. Even if the geographic data were restricted to the state level, it would often be easy to identify individual dealerships. For example, it is usually fairly common knowledge which dealership for a particular make or type of equipment is the largest in the state, and it would be easy to identify such dealer. Moreover, there are certain states that have only 1 Navistar dealer. Moreover, our retail loan and lease originations are likely to become more concentrated with fewer individual obligors as compared to past experience. Given this trend towards dealer consolidation and obligor concentration, we believe that adopting an asset-level disclosure regime will inhibit and limit opportunities to enter the term markets because of the confidentiality and competitive concerns described above.

We believe that the pool-level disclosure proposals set forth by the Equipment ABS issuers in the ASF Equipment Letter will present investors with a huge amount of data above what is currently provided to investors while balancing our concerns described above. We ask the Commission to adopt the Equipment ABS issuers' pool-level disclosure proposals described in the ASF Equipment Letter subject to the following caveats.

The pool-level disclosure proposals set forth by the Equipment ABS issuers in the ASF Equipment Letter allow an issuer to consolidate lines within a disclosure table once the aggregate collateral levels in the securitization fall below the cleanup call level stated in the transaction documents (which is typically 10% of the original collateral balance). Because of the small size of our dealer network and a trend towards the concentration of retail loan and lease obligors, sponsors and issuers must have the discretion to consolidate smaller or highly concentrated lines regardless of the aggregate collateral levels in the securitization. Having the ability to combine lines at any time during a transaction is of paramount importance to alleviating our privacy and competitive concerns.

Moreover, the pool-level disclosure proposals set forth by the Equipment ABS issuers in the ASF Equipment Letter allow an issuer discretion to report categories of information relevant to the issuer's business model. We believe it is extremely important to retain this flexibility for Equipment Floorplan ABS or Equipment ABS given the many different types of equipment, size and type of customer base and financing arrangements within the equipment sector.

In the event that the Commission requires disclosure beyond the pool-level disclosure proposed by the ASF Equipment issuers, we support the group-level data disclosure proposed by the ASF Equipment issuers in the ASF Equipment Letter, subject to the same caveats described above.

\* \* \* \* \*

We greatly appreciate the hard work that the Commission and its staff have put into the 2010 Proposing Release. We also appreciate the opportunity to comment on the 2010 Proposing Release and the 2011 Re-Proposing Release. If the Commission or the staff desires, we would be happy to discuss further any of the points in this letter.

Sincerely,

**NAVISTAR FINANCIAL CORPORATION**

By: /s/ Mary Ellen Kummer

Name: Mary Ellen Kummer

Title: Assistant Treasurer