

20 December 2011

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

RE: SEC NOTICE OF PROPOSED RULEMAKING FOR ABS AND REQUEST FOR ADDITIONAL
COMMENTS ON ASSET LEVEL INFORMATION REPORTING REQUIREMENTS
(SEC FILE NO. S7-08-10)

This letter supplements our letter dated October 20, 2011, in response to the SEC's Notice of Re-proposal of Shelf Eligibility Conditions for Asset-Backed Securities and Other Additional Requests for Comment (the "*Re-Proposal*") and is focused on highlighting several significant observations made in comments subsequently provided by other organizations regarding equipment asset-backed securities ("*Equipment ABS*").

Reference is made to Federal Register/Vol. 76, No 151/Friday, August 5, 2011 which contains the SEC's Re-Proposal and its requests for comment mentioned above and to SEC File No. S7-08-10.

Background on ELFA

ELFA is the trade association that represents financial services companies and manufacturers in the U.S. equipment finance sector. In 2010, this industry's equipment finance volume was \$559 billion and its financing volume is projected to be \$628 billion in 2011. Overall, business investment in equipment and software accounts for 8.0 percent of the U.S. Gross Domestic Product (GDP) and the commercial equipment finance sector contributes about 4.5 percent to the GDP. ELFA members finance the acquisition of all types of capital equipment, including commercial and corporate aircraft, rail cars and rolling stock, trucks and transportation equipment, vessels and containers, construction, agriculture and off road equipment, medical technology and equipment, IT equipment and software and virtually every other type of equipment.

ELFA represents virtually all sectors of the equipment finance market and its members see virtually every type of equipment financing transaction conducted in the United States and every type of funding available to providers of equipment finance. ELFA members who are service providers to the equipment finance industry (such as lawyers, accountants, trustees and vendors) have a unique vantage point of seeing scores of financial transactions from initial concept to final payout and from the perspective of both the borrower/issuer and lender/investor/funding source. ELFA truly is at the heart of equipment finance in the United States.

Additional Observations

The American Bar Association letter dated November 16, 2011 stated its belief that the Re-Proposal is "likely to adversely affect the cost and availability of credit to the commercial

obligors which comprise the overwhelming majority of underlying lessees and borrowers in equipment ABS”, especially “securitized ‘small ticket’ equipment loans [which] tend to be loans taken out by smaller business”. The ABA also concluded that mandatory asset-level disclosure is not needed, since “investors in equipment ABS have the marketplace power to force disclosure...of any data which investors deem material.”

The ABA cogently noted that the SEC should not use its authority to modify the conditions of nonpublic offering safe harbors “as a means to require issuers of structured finance products to make additional asset-level disclosures outside of the purpose of the safe harbors” and worried that “smaller entities that currently do not issue into the public markets may lose market access entirely” if they were to lack the staff and capital to provide granular data possessed by the very large issuers in public offering programs.

In light of the foregoing and the SEC’s admission that the cost of compliance with the Re-Proposal is expected to be significant, we strongly support the ABA recommendation that the SEC conduct a regulatory flexibility analysis, pursuant to the Regulatory Flexibility Act.

The Navistar Financial Corporation comment letter dated November 21, 2011 echoed much of ELFA’s commentary, to wit: “[t]here are a great many practical problems that asset-level disclosure would cause...,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,...many of the data points are simply not applicable to...Equipment ABS transactions.” The Navistar letter emphasizes a particular concern of ELFA member companies: that having the ability to combine line-of-business data, whether asset-level or group-level, may be crucial to alleviating privacy and competitive concerns.

The American Securitization Forum comment letter dated November 2, 2011 noted that not even a majority of its investor members desired that the SEC impose asset-level disclosure and observed that “comparisons across the Equipment ABS market are largely meaningless because of the lack of homogeneity” in this asset class. We concur with the ASF statement that “group-level disclosure or asset-level disclosure could substantially undercut issuance in the Equipment ABS market, paradoxically resulting in fewer investment opportunities for the very investors who were supposed to be aided by more granular data.” ELFA also concurs with both ASF and Navistar, both of which concluded their remarks by noting that in the event that the Commission requires disclosure beyond the pool-level, they support the alternative of providing group-level data to investors in Equipment ABS.

Thank you for your attention to our supplemental comments. We reiterate our willingness to meet with you and discuss our suggestions and any questions which you may have.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'W. Sutton', with a stylized flourish at the end.

William G. Sutton, CAE
President and CEO