

NAVISTAR FINANCIAL CORPORATION
August 6, 2012

By Email: rule-comments@sec.gov

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

Re: Proposed Rules for Asset-Backed Securities
(Release Nos. 33-9117; 34-61858; File No. S7-08-10) (the “2010 Proposing Release”);
Re-proposal of Shelf Eligibility Conditions for Asset-Backed Securities
and Other Additional Requests for Comment
(Release Nos. 33-9244; 34-64968; File No. S7-08-10) (the “2011 Re-Proposing Release”);
Supplemental Comment Letter – Required Disclosure for Retail Equipment ABS

Dear Ms. Murphy:

Navistar Financial Corporation (“we” or “NFC”) submits this letter to provide additional comment on the releases identified above 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 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 on October 13, 2011 (the “Second Supplemental Vehicle ABS Sponsor Letter”) regarding the 2010 Proposing Release and the 2011 Re-Proposing Release;
- 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”;
- the supplemental comment letter to the Initial NFC Letter on November 21, 2011 (the “First Supplemental NFC Letter” and, together with the Initial NFC Letter, the “NFC Letters”); and
- the third supplemental comment letter to the Initial Vehicle ABS Sponsor Letter dated August 3, 2012 (the “Third Supplemental Vehicle ABS Sponsor Letter” and, together with the Initial Vehicle ABS Sponsor Letter, the First Supplemental Vehicle ABS Sponsor Letter and the Second Supplemental Vehicle ABS Sponsor Letter, the “Vehicle ABS Sponsor Letters”) regarding the 2010 Proposing Release and the 2011 Re-Proposing Release.

NFC would like to clarify a few points associated with its signing of the Vehicle ABS Sponsors Letters. In brief:

1. We would like to emphasize our opposition to loan level public disclosure on the basis of obligor privacy issues, compliance expenses, and competitive concerns. We believe continued consideration of loan level disclosure for the Equipment Floorplan ABS and Equipment ABS industry by the Commission would create undue burdens on issuers that far outweigh any benefits to investors. These concerns are described in detail in the Vehicle ABS Sponsor Letters and apply equally to us as an equipment issuer and to our commercial obligors as they do to the auto issuers party to such letters and the consumer obligors referred to therein. We believe that requiring loan level equipment ABS disclosure would have a material adverse impact on our industry.
2. We appreciate the different reporting requirements currently proposed for Equipment Floorplan ABS and Equipment ABS issuers and stand by NFC’s earlier letters should the loan level disclosures still be under consideration by the Commission. We would be happy to offer detailed commentary should it be helpful to the Commission in this process. NFC signing the Vehicle ABS Sponsor Letters should be viewed in the context of our prior letters to the Commission regarding this issue. NFC stands by our position as detailed in these earlier letters to the Commission.
3. In the Third Supplemental Vehicle ABS Sponsor Letter, two automobile ABS issuers estimated the cost of compliance with the Commission’s initial loan level data fields at well over \$1,000,000.00 per issuer. NFC has not been able to accurately gauge the employee hours or cash out of pocket that would be required by loan level disclosure, but would like to convey that this figure appears to be a

reasonable initial approximation. NFC has not historically tracked some data points listed for Equipment Floorplan ABS or Equipment ABS issuers in the 2010 Proposing Release and would need to create new procedures and systems at significant cost if loan level disclosures are required for Equipment Floorplan ABS or Equipment ABS.

In summary, please consider our opposition to loan level disclosure in the Equipment Floorplan ABS and Equipment ABS industry for reasons highlighted above and detailed in the prior NFC Letters to the Commission. We appreciate the hard work and consideration the Commission and its staff have put into the 2010 Proposing Release and the 2011 Re-Proposing Release. We also appreciate the opportunity to comment on the 2010 Proposing Release and the 2011 Re-Proposing Release. If additional detail or a direct discussion with the Commission or its staff would be helpful, NFC would be happy to elaborate on any points in this letter or our prior NFC Letters to the Commission.

Sincerely,

NAVISTAR FINANCIAL CORPORATION

By: /s/ Mary Ellen Kummer
Name: Mary Ellen Kummer
Title: Assistant Treasurer