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KEY LINKS

Outlooks / Methodology

- Moody's updates approach to rating Australian RMBS
- Moody's issues Request for Comment on updated approach to lender's mortgage insurance in Australian RMBS
- Asian Structured Finance 2012 Outlook
- Australian RMBS, ABS, and CMBS: 2012 Outlook
- Japanese RMBS, ABS and CMBS Outlooks 2012

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Welcome to the August 2012 edition of Moody's Structured Thinking: Asia Pacific

In this latest edition, we cover a broad range of assets classes from the Asia Pacific region.

From Australia we have an article giving an update on the sentiment at this year's Global ABS Conference in Brussels.

Also from Australia we comment on the credit impact on guidelines designed to ensure industry-wide consistency for the reporting of modified mortgages.

From Japan we comment on the effect revised laws have had on the credit card ABS market.

In our international section, we have an article from the US discussing how the subprime auto lending market is exhibiting same characteristics last seen when overheated competition lead to poor underwriting.

In This Issue

ASIA (EX-JAPAN)

AUSTRALIA & NEW ZEALAND

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Brussels 2012: What Has Changed?

Irene Kleyman, a Moody's Vice President and Senior Analyst based in Sydney, provides an update on the sentiment at this year's Global ABS Conference in Brussels.

» Easing level of concerns over the prospects for the Australian property market

» Regulatory changes continue to subdue issuance and investor appetite

» Investors prefer assets which showed stable performances during the financial crisis

» Market participants more ready to accept non-Aaa securitization market

During 12-14 June, the securitization world gathered at the Global ABS 2012 conference in Brussels, an annual event which explores and identifies key market issues. So, what was the sentiment which emerged from the speeches, panel discussions and my own one-on-ones with investors?

First, European investors are generally comfortable with the performance of Australian RMBS, particularly because most are holding seasoned transactions closed before 2007. While there were some concerns about linkage of Australian economy to China and its potential impact on the housing market, the mild house price correction in the last two years has eased such concern.

A second major investor concern is the lengthening the weighted average life of their bonds because of (1) slowdowns in prepayment rates and (2) failure of Australian issuers to exercise call options. So far in Australia, only some of the non-bank RMBS issuers have actually failed to call their bonds at the 10% call option.

Last year's feeling that new regulations worldwide are subduing both new deals from issuers and appetite from investors has not faded. Both sides continue to assess the implications of the new regulatory environment.

The requirement that investors demonstrate due diligence requirements, including a comprehensive and thorough understanding of key risks and performance when investing in securitized deals, increases the costs of their investment. Therefore, investors prefer to invest in deals securitized with assets which showed stable performances during the financial crisis. These include auto loans, credit card receivables in both Europe and the US as well as residential mortgages in core European countries, such as the UK and Netherlands.

Investors expressed interest in investing in Australian RMBS. However, since most are bound to invest in their home currencies, they are constrained by the lack of Australian RMBS issuance in Euro. The strong AUD and expansive swap costs constitute other obstacles to European investment in AUD-denominated Australian RMBS.

Finally, the market appears more ready to accept that the securitized market may no longer be Aaa-dominated. The deterioration in the credit strength of some European sovereigns limits the maximum achievable ratings on securitized bonds to below Aaa. Furthermore, the deterioration in the credit strength of the global banks which act as swap or credit support providers also limits ratings. While some bonds could achieve Aaa ratings through delinking the bonds from the credit strength of the relevant counterparties, issuers are not keen to do so due to the high costs involved.

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Australia's Standardized Reporting of Modified Mortgages Is Credit Positive for Covered Bonds, Banks and RMBS

On 8 August, Australia's banking regulator, the Australian Prudential Regulatory Authority, announced guidelines to ensure industry-wide consistency for the reporting of modified mortgages. This development is credit positive for Australian covered bonds because it ensures that mortgages that have been delinquent for more than 90 days (90-plus mortgages) will not constitute mortgages against which an issuer can issue covered bonds.

The guidelines are also credit positive for Australian banks because they will promote consistency in the reporting and provisioning of non-performing mortgages by banks. The guidelines will benefit residential mortgage-backed securities (RMBS) because they will provide uniform reporting of modified mortgages, enhancing comparison between transactions.

Covered bonds benefit. The new guidelines are credit positive because they ensure that mortgages supporting covered bonds will not include 90-plus mortgages, thereby improving the credit quality of mortgages covering the bonds relative to today and increasing the likelihood of repaying the bonds from the sale of the mortgages, if a bank defaults. Currently, Australian banks are inconsistent in how they report modified mortgages, which results in under-reporting of 90-plus mortgages and including them as eligible mortgages for covered bonds.

The guidelines' approach requires that during the hardship period (i.e., the 90-day period during which a borrower often does not have to make payments) the bank will report the mortgage as delinquent. If a borrower is unable to meet the payment obligation after the hardship period concludes, the measure of delinquencies commences from the start of the hardship period. For example, if a borrower misses a monthly repayment after the 90-day hardship period, the bank will report the mortgage as 120-plus, and it therefore becomes ineligible for inclusion within the cover pool assets.

Some banks use an alternative approach that understates the true delinquency of the mortgage both during the hardship period and afterwards. Under this approach, the bank does not classify mortgages as delinquent during the hardship period, and if a borrower is unable to meet the payment obligation after the hardship period concludes, the measure of delinquencies commences from the end of the hardship period. For example, if a borrower misses a monthly repayment after the 90-day hardship period, the bank will classify the mortgage as only 30-plus, and therefore it is still eligible for inclusion within the cover pool assets, even though the borrower had not made a payment for 120 days.

Improved information for banks' loss provisions. By ensuring banks report non-performing mortgages in a uniform manner, the guidelines are credit positive for Australia's banks because they provide a consistent basis for calculating loan-loss provisions. However, banks currently apply additional stresses to their existing provisioning models to capture future losses in mortgage portfolios, and so the guidelines will not likely lead to large increases in overall provisions.

Better comparability for RMBS. The new guidelines benefit RMBS because uniform reporting of modified loans improves comparability of transactions. Consistent reporting standards will also improve transparency.

JAPAN

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Receivables of Credit Card Purchases and Cash Advances Show Similar Performance under Revised Law

The performance of credit card cash advance receivables has improved and demonstrate similarities to the performance of credit card purchase receivables, under a newly revised law which caps cash advances at one third of the borrower's annual salary.[1]

Before the introduction of this loan cap, the default rates for credit card cash advances were higher than those for credit card purchases. The revised law has resulted in a convergence in the default rates of these two types of receivables (Figure 1).

Although cash advances and purchases are originated through the same credit cards, they are governed by different laws and often securitized separately.

Some obligors make purchases as well as obtain cash advances with the same credit card. These obligors tend to be less creditworthy than obligors who use their card solely for purchases. They do not have much disposable cash, and rely on cash advances to buy their daily necessities, and even for entertainment and gambling. As a result, default rates tend to be high in this group.

Obligors only using credit cards for purchases have high creditworthiness and use their cards for reasons of convenience rather than necessity. As a result, default rates in this group tend to be lower than for the cash advance group.

Change in Obligor Trend

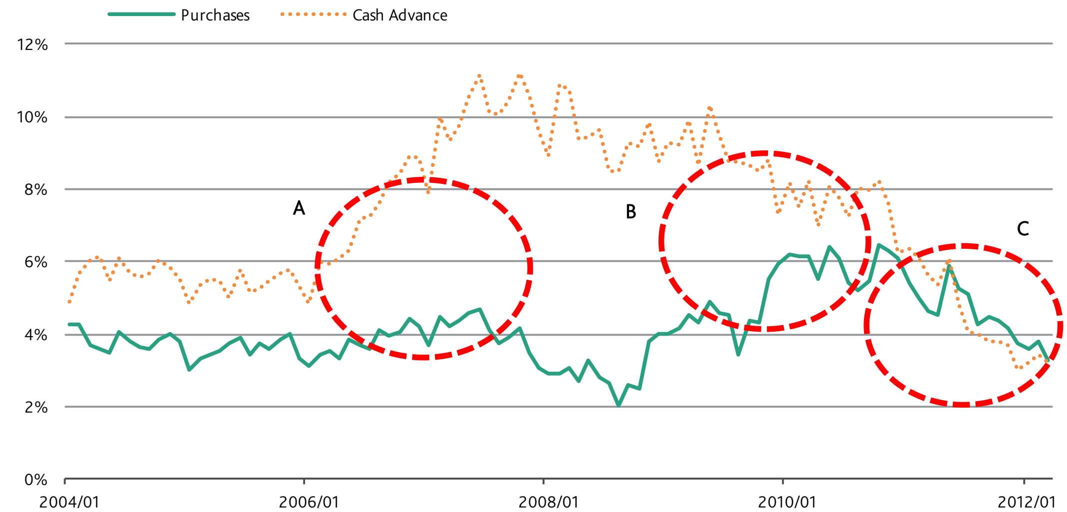
Since the introduction of the loan amount cap on cash advances, more credit card obligors are using their credit cards for purchases rather than cash advances.

The default rates for cash advances increased from 2007 onwards, as originators tightened their lending standards, in preparation for the revised law's complete enactment in 2010, ("A" in Figure 1). As a result, obligors who were using new cash advances to repay interest on previous cash advances, were not able to borrow any more money.

These obligors were eventually excluded from the pool by 2010, hence explaining the declining default rate since 2009 ("B" in Figure 1).

1 The revision of Money Lending Business Law (MLBL) was completed in 2010. Under the revised law, the loan amount cap was introduced and the maximum interest rate was lowered.

FIGURE 1
Annualized Default Rate

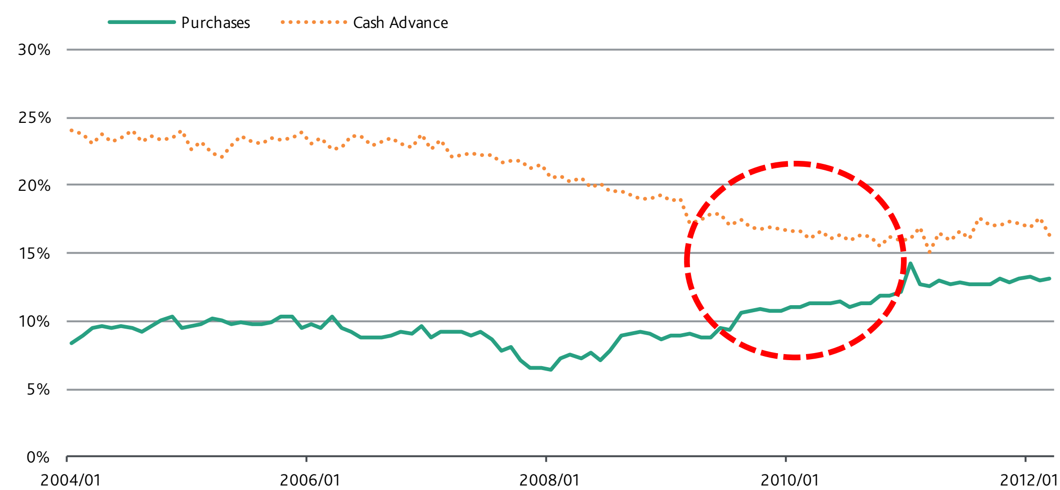


Source: Moody's

Converging Interest Rate Trend

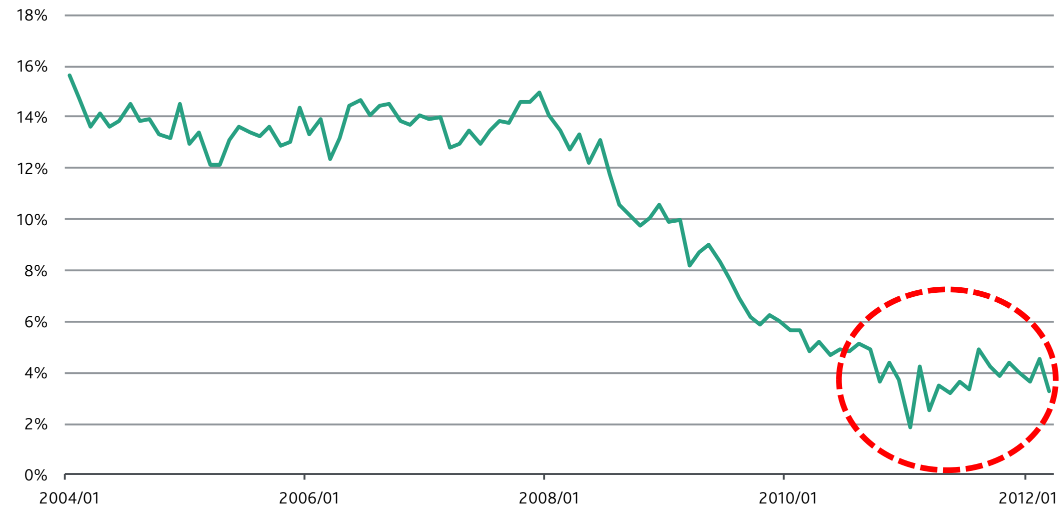
Originators used to apply much higher interest rates on cash advances compared to purchases, due to the higher risk profiles of cash advance obligors. As a result, there was a large difference in their yields (Figure 2). However, this difference has been declining, and recently dropped to 4%, indicating that the credit qualities of cash advance obligors and purchases are now more similar (Figure 3).

FIGURE 2
Yield



Source: Moody's

FIGURE 3
Difference in Yield



Source: Moody's

Converging Trend will Continue

The default rates of purchases and cash advances will continue to move in tandem, and it is unlikely that they will diverge again. There are two explanations for this likely prospect.

Firstly, the obligors who defaulted were excluded from the cash advance receivables pool and cannot be included in the pool again as they have been listed as defaulted or negative obligors on the credit bureau data-base.[2] They are therefore not able to obtain cash advances.

Secondly, originators will maintain tighter lending criteria for cash advance due to the new regulations. Originators used to extend credit to obligors with higher risk profiles from the "risk and return" point of view. However, the lowering of the maximum interest rate to 20% from 29.2% decreases the risk tolerance of originators, who will now ensure tighter screening, and will stop providing credit to obligors with higher risk profiles. This will maintain the good quality of the cash advance pool.

2 The member companies can refer to such data. Currently, the major credit card companies refer to the data bases of same credit bureaus (CIC and JICC) when screening the obligors.

MOODY'S GLOBAL RESEARCH HIGHLIGHTS

US

US Subprime Auto Lending Market Harkens Back to 1990s

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Executive Summary

The subprime auto lending market is exhibiting some characteristics last seen during the early- to mid-1990s, when overheated competition led to poor underwriting and drove unexpectedly high losses that put many smaller lenders out of business. Then, as now, investor capital flowed into the sector, lured by the profit potential from the ability to charge high loan rates while enjoying low funding costs. When the lending boom in the 1990s eventually went bust, the number of lenders contracted drastically, and subprime auto ABS investors suffered losses. If today's subprime auto lending market were to deteriorate as it did back then, investors could suffer comparable or greater losses, especially in the absence of monoline guarantors or other controlling parties available to minimize or absorb their losses.

Over the last two years, the sector's profit potential has lured private equity investment into subprime auto lenders, many of which are relatively small, specialty finance companies that exhibit speculative characteristics and relatively high medium-term default probabilities. As a result, the subprime auto loan ABS market in the US is booming, with 2012 issuance on pace to exceed the robust issuance of 2011. Loan performance has been strong over the past several years, but the investor interest from outside the subprime auto market niche and the potential for increasing competition imply that losses could increase if a race for profits and market share results in weaker underwriting standards.

This kind of competition amidst the burgeoning subprime auto lending market of the 1990s resulted in declining portfolio credit quality that led to high losses. Exacerbating these loan losses was servicers' inability to effectively manage the collections on their rapidly growing but deteriorating portfolios. Many foundering lenders eventually lost access to their funding sources as banks pulled their warehouse lines and ABS investors shunned further attempts at securitization. The lenders' financial difficulties drove loan losses even higher because of the disruptions caused by the need to transfer servicing from bankrupt lenders.

Although today's influx of equity to the sector is similar to that which led to the bubble of the 1990s, there are also differences among the markets of the two time periods, both positive and negative. Today's market is not yet overcrowded and benefits from the limited use of gain on sale accounting, through which past lenders made themselves look much stronger on paper than they actually were. Today's servicing operations, tending to be centralized, also pose less extreme disruption risk than the decentralized operations of the 1990s, which conducted collections at branch offices. On the other hand, most recent transactions, unlike in the past, are not backed by monoline guarantors. Those guarantors absorbed losses on transactions that would otherwise have defaulted and, in their capacities as controlling party, limited loan losses by taking over servicing from failing lenders.

Although it is too early to predict whether today's subprime lending market will deteriorate as it did in the 1990s, the similarities between the early stages then and now suggest that losses will climb as competition intensifies.

1. Many subprime lenders are small, niche players

Many subprime auto lenders are relatively small, monoline niche players, whose presence in ABS transactions poses greater downside risk to bondholders than larger institutions do. Subprime lenders tend to specialize in the sector because their profits can be large if they manage risk appropriately, but if they miscalculate, they have to use excess spread that would have been revenue to cover any unexpectedly high losses. Small lenders have less room for error than larger companies and thus are more likely to suffer because of poor asset performance.

Over the last two years, a substantial amount of private equity has flowed into the subprime auto sector because of the potential for high profits. For example, Blackstone recently acquired Exeter Finance Corp., and Perella Weinberg owns both Flagship Credit Acceptance and CarFinance Capital. Lenders can earn wide spreads because they can lend at rates that are far higher than their borrowing costs. Subprime auto ABS transactions issued since 2010 that we've rated, for example, have earned yields of roughly 17% per annum on their underlying loans while paying coupons averaging less than 2%. Because of the very tight lending standards that followed the financial crisis, their net losses have been low, 1%-3% per annum, which means that the issuers are earning average spreads of around 12% per annum.

The potential for high profits in the 1990s also attracted waves of public equity to the subprime auto sector. In 1993 and 1994, ABS issuers earned yields of 20%-25% while booking losses of 3%-6% and paying coupons of 5%-8%. The resulting spreads, roughly 12%-14%, were very close to what subprime auto lenders are earning in today's ABS market.[3]

Many equity investors in the 1990s had little experience or understanding of the subprime auto market niche, which, until then, was a relatively unknown segment of the consumer finance industry. Investors' desire for high returns was a catalyst for lenders loosening underwriting standards, leading directly to the lending bubble that followed. Today's equity injections are private rather than public, but a similar desire for returns is an early warning sign that increased lending, and therefore weaker underwriting standards, may be forthcoming.

2. Heavy use of securitization can facilitate excessive growth

The availability of securitization makes it easier for lenders to expand too rapidly, exposing these companies, and ultimately the bondholders, to heightened risk. Securitization can be a useful tool for small companies, because it minimizes the linkage between the financial performance of the issuer and the risk of the securities, and thus allows them to obtain financing in far greater amounts than would be available through unsecured sources. However, securitization can also allow a company to grow more quickly than is prudent. In particular, companies under pressure for large profits from outside investors have an incentive to maintain volume growth even when borrower credit profiles indicate that those loans are ultimately poor risks.

Securitization was instrumental to the rapid growth, and sheer number, of subprime auto finance companies operating during the 1990s. The number of subprime lenders, which had previously comprised only a handful of mid-sized players, jumped to more than 20 public companies by the beginning of 1996.[4] By 1997, 34 issuers had outstanding ABS that we were rating, as Exhibit 1 shows.

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[3] Sources: Moody's Investors Service, Moody's Analytics

[4] See Subprime Auto Market: The Good, The Bad, and The Ugly, 17 May 1996.

EXHIBIT 1

Issuers of Outstanding Subprime Auto Loan ABS, 1997

Advanta Auto Finance
Aegis Auto Finance
AJ Acceptance
AmeriCredit
Auto Lenders Acceptance
Auto Marketing Network
AutoBond Acceptance
AutoFinance Group
AutoFlow (Credit Suisse First Boston)
AutoInfo Finance
California Federal Bank (Auto One Acceptance)
Champion Acceptance (Ugly Duckling)
Consumer Portfolio Services
Emergent Group
Fidelity Funding
First Enterprise Financial Group
First Merchants Acceptance
Franklin Acceptance
Greenwich Capital
Household Automotive Finance
Jayhawk Acceptance
Long Beach Acceptance
Monaco Finance
National Auto Finance Company
National Auto Funding
Nuvell Credit (LSI Holdings)
One Hour Acceptance (Burke Capital)
Performance Acceptance
Reliance Acceptance
Search Financial Services (MS Financial)
Summit Acceptance
TFC Enterprises
The Money Store
Tranex Credit

Source: Moody's Investors Service

Today's market is not yet nearly as overcrowded, with 13 active securitizers and at least another two to three on the way. (See Appendix for a list of subprime auto loan ABS issued since 2010.) Flagship Credit Acceptance plans to issue its first securitization shortly.[5] Other small lenders CIG Financial and CarFinance Capital are also preparing to enter the securitization market for the first time,[6] to take advantage of growing investor demand for subprime paper that has often outstripped supply.

One aspect of the subprime auto lending crisis of the 1990s that will not be a concern for today's investors is that most issuers are no longer using gain-on-sale accounting to make themselves look

[5] Securitization Intelligence, 26 June 2012.

[6] See "Subprime Auto Deal In the Works," Asset-Backed Alert, 27 April 2012; "CIG Is Next To Eye Subprime Auto Program," Asset-Backed Alert, 25 May 2012 (available by subscription only).

much stronger on paper. In the 1990s, lenders created gains on sale by capitalizing securitization gains on their balance sheets and crediting them to equity.

These gains were tenuous, however, because they were an accounting creation that companies calculated by discounting excess spread after deducting expected losses, servicing costs, and other expenses. Removing these unrealized gains would reveal that many seemingly well-capitalized companies were, in fact, undercapitalized. The acceleration of securitization-related gains also encouraged lenders to maintain or increase loan volumes even as credit quality declined, because they had to earn new gains on new securitizations in order to offset the lack of annuity earnings that would have existed if those assets had remained on balance sheet.

3. Competition leads to declining portfolio credit quality

Competition in the lending industry usually leads to declining portfolio credit quality because lenders are increasingly willing to lower their credit standards to compete and maintain their share of the pool of potential borrowers. Even if lenders don't lower their minimum standards, the average credit quality of their portfolios will weaken amidst the competition for stronger borrowers. Lenders also often reduce pricing, thereby reducing the protection against the risks they are taking.

The credit quality of pools securitized in 2011 and 2012 indicate that credit has loosened since 2010. Recent data from Experian show that the average APR on loans for used[7] autos decreased to its lowest level since 2008, to 8.61% from 8.71% between the fourth quarters of 2010 and 2011, even as the average borrower credit score also decreased, to 670 from 679.[8] The credit loosening reflects increasing competition as well as a return to pre-recession normalcy after the lenders that remained following the financial crisis put more stringent underwriting in place.

Lenders' loosening of underwriting standards in the 1990s had drastic impacts on their portfolios' credit quality and, as a result, on the losses they realized on their securitized pools. Exhibit 2 shows the average annualized net loss rates on securitized subprime auto loans since January 1995. The exhibit shows that net losses increased to over 10% in December 1997 from under 3% at the beginning of the series in January 1995. Although lower than the losses of 2008 and 2009, these earlier losses occurred without the catalyst of a major recession and were due primarily to weak underwriting resulting mostly from increased competition for loans.

The increasing losses of the mid-1990s took a heavy toll on transactions' excess spread. Transactions from 1993 and 1994 had healthy spreads of 12%-14% per annum amidst annualized losses that were generally below 6%, while transactions issued between 1995 and 1997 earned spreads between 2% and 5%. Such narrow spreads were primarily a result of higher losses on those transactions of around 7% to 10%, as well as higher average funding costs.[9]

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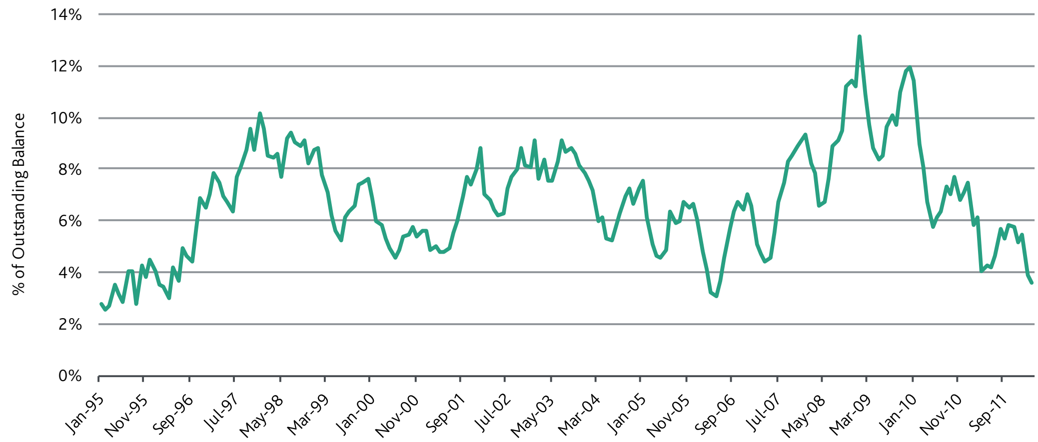
7 Most loans for new vehicles go to prime-quality borrowers.

8 "Relaxed Underwriting Standards and Reduced Loan Pricing Are Credit Negative for US Auto Lenders," Weekly Credit Outlook, 5 March 2012.

9 Sources: Moody's Investors Service, Moody's Analytics

EXHIBIT 2

Subprime Auto Loan Net Loss Rate



Sources: Moody's Analytics, Moody's Investors Service

4. As portfolios weaken, defaults could exceed servicers' capability

When losses rise quickly, inexperienced lenders have trouble servicing a loan portfolio that requires more attention and greater servicing capacity, especially if the portfolio has been growing rapidly. For smaller companies with rapid origination growth, servicing that growth can be a secondary priority. Increasing originations without increasing servicing capacity strains servicing quality and ultimately leads to higher losses. The need to ramp up personnel will cut into profitability already suffering from those rising losses. Ramping up personnel can also take precious time during which losses can continue to mount. Today's collection staffs pare back and rebuild quickly, but servicers will be less nimble in the future if unemployment falls because additional staff will be less readily available.

One strength of today's servicing operations relative to those of the past is that most are centralized in one location. Many servicers in the 1990s had a decentralized model in which originations and collections took place in branch offices. A decentralized approach affords the benefits of proximity to local markets and greater understanding of their idiosyncrasies. However, a decentralized approach also requires adequate control and oversight, the lack of which can compromise branch effectiveness in maintaining underwriting standards and collections, especially if the company is growing rapidly. Decentralized servicing operations pose particular risks to troubled companies because branch closures make maintaining adequate collections much harder. Two examples were bankrupt lenders Reliance and First Enterprise, whose decentralized servicing platforms contributed to escalating portfolio losses following the transfer of their portfolios to other servicers.

5. Originators can lose access to funding because of weakening loan and financial performance

If losses mount to levels much higher than historical averages, smaller subprime auto loan originators that rely heavily on securitization will have trouble obtaining funding. As investors lose confidence in an originator's ABS deals because of mounting loan losses and concerns about the originator's viability, the originator's cost of issuing ABS will become prohibitively expensive, or the originator will lose access to the ABS market altogether. Similarly, other sources of funding, such as equity or bank lines, will also become expensive or unavailable as those investors and lenders move to reduce their exposure to the originator, especially given the disappearance of the ABS financing option. The resulting funding crisis can lead to the company's exit from the subprime auto lending business or to its failure.

Many subprime auto loan originators in the 1990s experienced similar funding crises. High loan portfolio losses led to a loss of confidence by investors and lenders, resulting in the originators' inability to attract equity capital or issue ABS. Banks also pulled originators' warehouse lines. In 1997, lenders Jayhawk and First Merchants were forced into bankruptcy when banks pulled their bank lines, while gradual reductions in Reliance Acceptance's bank line, combined with its inability to access the commercial paper and securitization markets, led it to effectively stop originations and close branches. This funding crisis contributed to the consolidation of the industry. From 1997 to 1999, 12 subprime auto loan originators filed for bankruptcy and 11 exited the business; other lenders acquired another 18.

6. High loan losses and servicer disruption can result in losses to investors

An originator's servicing and financial weaknesses can exacerbate losses enough that they rise above a transaction's credit enhancement. A financially strapped originator has fewer resources to increase servicing capabilities to deal with the increased number of problem loans in their portfolio. In addition, losses increase when the servicer is financially unable to honor its obligations under the transaction's representations and warranties to repurchase defective loans.

Even if the servicer is able to meet its repurchase obligations, it will be more likely to look for excuses to avoid its obligations if its financial situation is dire. And, failure of the originator will result in a servicing transfer that can take several months if a backup servicer is not in place, disrupting collections and loss remediation efforts (as in the aforementioned Reliance and First Enterprise cases).

Because of the risk of servicer disruption, a transaction from a small or inexperienced issuer without a back-up servicing agreement in place is unlikely to be investment grade quality. Having an effective backup servicer available to step in at once if the original servicer defaults can mitigate the risk of declining servicer performance and potential servicer disruption. However, even a timely transfer, which could take four to six weeks, would likely have a negative effect on a portfolio's credit performance. If a bankrupt servicer maneuvers to retain its servicing rights and fees, the replacement process could drag on for one to three months through numerous court proceedings.

The impact on transaction losses in the 1990s from these factors was significant. Most of the rated subprime auto loan ABS had monoline financial guarantors, but some that did not, such as Aegis Auto Owner Trust 1995 Class B and AutoFlow 1996-A Grantor Trust Class B, suffered defaults. Monoline guarantors suffered some losses on the senior bonds that they backed.

7. Without monoline insurers or controlling parties, losses on current and future transactions will be greater than the losses on earlier transactions

If any outstanding or future subprime auto ABS transactions were to perform as poorly as some of those in the 1990s, investors could suffer even greater losses, because monoline guarantors insure few of today's transactions.[10] The reason goes beyond the mere fact that the guarantors would not be there to absorb the bond losses; the transactions would also suffer from the lack of a controlling party that could step in to manage a transfer of servicing from a failing firm, a role that, in past transactions, the monoline guarantors had filled.

A controlling party can lower the probability and potential severity of loss on bonds in the event of a servicer failure. During the 1990s, monoline guarantors filled this function for the transactions they insured because of their position as a single creditor. The structures of wrapped ABS often allow guarantors to control servicing and capture cash flows upon the breach of certain performance triggers.

10 The exceptions are AmeriCredit Automobile Receivables Trust 2010-A and 2010-B.

In the 1990s, in transactions in which smaller or medium-sized servicers failed, the effectiveness of the guarantors' workout teams and the diligence with which they monitored their exposures, helped minimize their losses. Although the monoline guarantors are mostly absent from today's subprime auto ABS market, other parties could serve a similar controlling-party function in future transactions.

Appendix 1

Subprime Auto Loan ABS Issuance Since 2010 (Through 15 June 2012)

Closing Date	Transaction	Issuance ($mil)	Moody's Ratings
20 Jun 2012	CPS Auto Receivables Trust 2012-B	141	(P)A2 (sf), (P)Baa3 (sf), (P)Ba3 (sf), (P)B2 (sf)
30 May 2012	Santander Drive Auto Receivables Trust 2012-3	1,300	P-1 (sf), Aaa (sf), Aa1 (sf), Aa3 (sf), Baa1 (sf), Ba1 (sf)
11 May 2012	AmeriCredit Syndicated Warehouse Trust Notes, Series 2012	2,500	A2 (sf)
26 Apr 2012	CarNow Auto Receivables Trust 2012-1	145	*
26 Apr 2012	DT Auto Owner Trust 2012-1	235	*
19 Apr 2012	Americredit Automobile Receivables Trust 2012-2	1,100	P-1 (sf), Aaa (sf), Aa1 (sf), Aa3 (sf), Baa1 (sf), Ba1 (sf)
21 Mar 2012	Santander Drive Auto Receivables Trust 2012-2	1,307	P-1 (sf), Aaa (sf), Aa1 (sf), Aa3 (sf), Baa1 (sf), Ba1 (sf)
21 Mar 2012	CPS Auto Receivables Trust 2012-A	155	A2 (sf), Baa2 (sf), Ba3 (sf), B3 (sf)
21 Mar 2012	Credit Acceptance Auto Loan Trust 2012-1	201	*
21 Mar 2012	Prestige Auto Receivables Trust 2012-1	230	*
23 Feb 2012	Exeter Automobiles Receivables Trust 2012-1	200	*
22 Feb 2012	First Investors Auto Owner Trust	150	*
16 Feb 2012	American Credit Acceptance Receivables Trust	150	*
8 Feb 2012	Americredit Automobile Receivables Trust 2012-1	1,000	P-1 (sf), Aaa(sf), Aa1(sf), Aa3(sf), Baa2 (sf), Ba2(sf)
19 Jan 2012	Santander Drive Auto Receivables Trust 2012-1	1,034	P-1 (sf), Aaa (sf), Aa1 (sf), A1 (sf), Baa2 (sf), Ba2 (sf)
14 Dec 2011	CPS Auto Receivables Trust 2011-C	119	A2 (sf), Baa2 (sf), Ba2 (sf), B2 (sf)
2 Nov 2011	AmeriCredit Automobile Receivables Trust 2011-5	900	P-1 (sf), Aaa (sf), Aa1 (sf), A1 (sf), Baa2 (sf), Ba2 (sf)
17 Oct 2011	Santander Drive Auto Receivables Trust 2011-4	775	P-1 (sf), Aaa (sf), Aa1 (sf), A1 (sf), Baa2 (sf), Ba2 (sf)
14 Oct 2011	Credit Acceptance Receivables Trust 2011-1	100	*
13 Oct 2011	First Investors Auto Owner Trust 2011-2	100	*
22 Sep 2011	CPS Auto Receivables Trust 2011-B	110	*
20 Sep 2011	AmeriCredit Automobile Receivables Trust 2011-4	878	*
15 Sep 2011	Santander Drive Auto Receivables Trust 2011-3	930	P-1 (sf), Aaa (sf), Aa1 (sf), (P)Aa3 (sf), Baa2 (sf), Ba2 (sf)
22 Jun 2011	Santander Drive Auto Receivables Trust 2011-2	775	P-1 (sf), Aaa (sf), Aa1 (sf), A1 (sf), Baa2 (sf), Ba2 (sf)
15 Jun 2011	AmeriCredit Automobile Receivables Trust 2011-3	1,000	P-1 (sf), Aaa (sf), Aa1 (sf), Aa3 (sf), Baa1 (sf), Ba1 (sf)
7 Jun 2011	DT Auto Owner Trust, 2011-2	247	*
19 May 2011	Westlake Automobile Receivables Trust 2011-1	250	*
4 May 2011	Santander Drive Auto Receivables Trust 2011-1	1,250	P-1 (sf), Aaa (sf), Aa1 (sf), A1 (sf), Baa2 (sf), Ba2 (sf)
21 Apr 2011	CPS Auto Receivables Trust 2011-A	100	*
13 Apr 2011	AmeriCredit Automobile Receivables Trust 2011-2	950	P-1 (sf), Aaa (sf), Aa1 (sf), Aa3 (sf), Baa1 (sf), Ba1 (sf)
18 Mar 2011	Prestige Auto Receivables Trust 2011-1	222	*
17 Feb 2011	AmeriCredit Syndicated Warehouse Trust Notes, Series 2011-1	2,000	A1 (sf)
2 Feb 2011	AmeriCredit Automobile Receivables Trust 2011-1	800	P-1 (sf), Aaa (sf), Aa1 (sf), Aa3 (sf), Baa1 (sf), Ba1 (sf)
2 Feb 2011	DT Auto Owner Trust, 2011-1	214	*
24 Jan 2011	First Investors Auto Owner Trust 2011-1	150	*
18 Jan 2011	Santander Consumer Acquired Receivables Trust 2011-WO	797	*
10 Dec 2010	Santander Drive Auto Receivables Trust, 2010-B	900	*
18 Nov 2010	AmeriCredit Automobile Receivables Trust 2010-4	700	P-1 (sf), Aaa (sf), Aa1 (sf), Aa3 (sf), Baa1 (sf), Ba1 (sf)
12 Nov 2010	Santander Drive Auto Receivables Trust, 2010-3	900	*
27 Oct 2010	Credit Acceptance Auto Loan Trust 2010-1	100	*
23 Sep 2010	AmeriCredit Automobile Receivables Trust 2010-3	850	P-1 (sf), Aaa (sf), Aa1 (sf), A1 (sf), Baa2 (sf)
17 Sep 2010	DT Auto Owner Trust, 2010-1	228	*
8 Sep 2010	CPS Auto Receivables Trust 2010-A	85	*
19 Aug 2010	Santander Drive Auto Receivables Trust 2010-2	700	*
19 Aug 2010	AmeriCredit Automobile Receivables Trust 2010-B	200	P-1 (sf), Aa3 (sf)
2 Jul 2010	Westlake Automobile Receivables Trust 2010-1	120	*
18 Jun 2010	Santander Drive Auto Receivables Trust 2010-A	1,037	*

Closing Date	Transaction	Issuance ($mil)	Moody's Ratings
20 May 2010	AmeriCredit Automobile Receivables Trust 2010-2	600	P-1 (sf), Aaa (sf), Aa1 (sf), A1 (sf), Baa3 (sf), Ba3 (sf)
19 May 2010	Santander Drive Auto Receivables Trust 2010-1	1,000	*
31 Mar 2010	AmeriCredit Automobile Receivables Trust 2010-A	200	P-1 (sf), Aa3 (sf)
26 Feb 2010	AmeriCredit Syndicated Warehouse Trust	1,300	Aa2 (sf)
12 Feb 2010	AmeriCredit Automobile Receivables Trust 2010-1	600	P-1 (sf), Aaa (sf), Aa1 (sf), A1 (sf), Baa3 (sf)
4 Feb 2010	Tidewater Auto Receivables Trust 2010-A	106	*

* Not rated by Moody's.

Source: Moody's Investors Service

Sources Used in Preparing this Report (in addition to specific citations above)

» Moody's View of C and D Auto Loan Programs: Rough Roads Ahead, December 1994 (SF2991)

» 1994 Year in Review & 1995 Outlook: C/D Auto Loan-Backed Securities, February 1995 (SF3125)

» Search Capital Group, Inc.: A "C and D" Auto Lender That Didn't Make the Grade, October 1995 (SF3861)

» Subprime Auto Market: The Good, The Bad and The Ugly, May 1996 (SF4488)

» The Impact of Asset Securitization on the Auto Finance Industry, August 1996 (SF4712)

» Bulletproof Structures Dented: Case Studies of Problem ABS Transactions, March 1997 (SF5225)

» 1997 Year in Review & 1998 Outlook: Subprime and Nearprime Auto Credits - Many Accidents...Few Fatalities, January 1998 (SF6061)

» 1998 Year in Review and 1999 Outlook: Subprime and Near-Prime Auto Credits: Travelers' Advisory: Wrecks Pile Up But Clearer Roads Ahead, January 1999 (SF7211)

» 1999 Year in Review and 2000 Outlook: Subprime and Near-Prime Auto Credits - The Calm After The Storm, January 2000 (SF8293)

» Update on Auto ABS and the Financial Guaranty Industry, January 2001 (SF9674)

» Bullet Proof Structures Revisited: Bankruptcies and a Market Hangover Test Securitizations' Mettle, August 2002 (SF16071)

» Some Subprime Auto ABS Investments Are Exposed to Operational Risk, Moody's Auto Navigator, March 2011 (SF239082)

Moody's Related Research

» Some Subprime Auto ABS Investments Are Exposed to Operational Risk, Moody's Auto Navigator, March 2011 (SF239082)

To access any of these reports, click on the entry above. Note that these references are current as of the date of publication of this report and that more recent reports may be available. All research may not be available to all clients.

Moody's publishes a weekly summary of structured finance credit, ratings and methodologies, available to all registered users of our website, at www.moodys.com/SFQuickCheck.

RATING ACTIONS TAKEN BY MOODY'S – ASIA-PACIFIC (JULY TO AUGUST 2012)

AUSTRALIA AND NEW ZEALAND

NEW RATINGS

ABS

» *Moody's assigns ratings to Australian ABS issued by Flexi ABS Trust 2012-1*

» *Moody's assigns provisional ratings to Australian ABS issued by Flexi ABS Trust 2012-1*

RMBS

» *Moody's assigns Arrow Funding Trust No. 1 Series No. 1 definitive ratings*

» *Moody's assigns Buloke Funding Trust No. 1 Repo Series No. 1 definitive ratings*

Covered Bonds

» *Moody's assigns definitive Aaa to Series 18 of CBA's Covered Bond Programme*

» *Moody's assigns definitive Aaa rating to ASB Bank Limited's Series 2012-3 mortgage covered bonds*

» *Moody's assigns definitive Aaa ratings to Westpac Banking Corporation's Covered Bond Series 2012-C7 and 2012-C8*

» *Moody's assigns definitive Aaa ratings to Westpac Banking Corporation's Covered Bond Series 2012-C6*

RATING ACTIONS

ABCP

» *Moody's withdraws ratings of three ABCP programs sponsored by Deutsche Bank AG, Sydney Branch*

CMBS

» *Moody's downgrades JEM (No. 3 Charles Street) CMBS Bonds*

RMBS

» *Moody's affirms the ratings of two Pepper NZ Mortgage Warehouse Trusts*

» *Moody's confirms rating on Series 2007-1E REDS Trust CIR*

ASIA EX-JAPAN CDO/DERIVATIVES

NEW RATINGS

REPACKS

» *Moody's assigns provisional ratings to Series 5 Notes to be issued by ENBD Asset Finance Company No. 1 Limited*

» *Moody's assigns provisional ratings to Series 6 Notes to be issued by ENBD Asset Finance Company No. 1 Limited.*

JAPAN

NEW RATINGS

ABS

- » *Moody's rates Class A1S Loan of Sunshine Trust backed by consumer loan receivables*
- » *Moody's assigns provisional ratings to MMC Diamond Finance's 9th auto loan ABS*

RMBS

- » *Moody's assigns provisional ratings to MMJ Mortgage Trust II Senior Beneficial Interests and ABL backed by residential mortgages*

RATING ACTIONS

ABS

- » *Moody's upgrades Eternal2009 (Card ABS)*

RMBS

- » *Moody's upgrades GL2005-1 and SBIM2006-1 - SBI Mortgage's RMBS*
- » *Moody's upgrades Class B notes issued by RMF 21 and RMF 21-2*

CMBS

- » *Moody's downgrades J-CORE16 Trust (CMBS)*
- » *Correction to Text, July 10 Release: Moody's reviews JLOC 39 (CMBS) for downgrade*
- » *Moody's downgrades L-JAC7 Trust (CMBS)*
- » *Moody's reviews JLOC 39 (CMBS) for downgrade*
- » *Moody's reviews L-JAC7 Trust (CMBS)*

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