

August 18, 2025

Mr. Tom Smith
Acting Director, Market Participants Division
United States Commodity Futures Trading Commission
Three Lafayette Center
1155 21st Street, N.W.
Washington, D.C. 20581

By electronic delivery to MPDLetters@CFTC.gov

Regarding: Request for no-action position from the Market Participants Division pursuant to 17 C.F.R. § 140.99: no-action position with respect to prudentially regulated financial institutions and their counterparties in connection with certain credit risk transfer transactions and the requirement to register as “commodity pool operators”

Dear Mr. Smith,:

The Structured Finance Association (“SFA”)¹ is submitting this request for a no-action position on behalf of its members in connection with certain credit risk transfer (“CRT”) transactions undertaken by regulated financial institutions² to manage the risks associated with

¹ The SFA is a consensus-driven trade association with over 370 institutional members representing the entire value chain of the United States securitization market. By facilitating responsible issuance and investing of loans and securities, the market provides trillions of dollars of capital to consumers and businesses in communities across the country. SFA members include issuers and investors, broker-dealers, rating agencies, data analytic firms, law firms, servicers, trustees, and accounting firms. While our members often have conflicting views and conflicting interests, our governance structure requires consensus from all stakeholder groups before taking an advocacy position on legislative or regulatory matters. As such, when we do provide feedback, we do so in a manner that reflects the view of the entire market ecosystem.

² As used in this letter, “financial institutions” includes national banks, bank holding companies, savings and loan holding companies, US branches of foreign banking organizations, state member banks of the Federal Reserve

loans, receivables, leases (and related leased assets) and other financial exposures that they hold on their balance sheets and to obtain capital relief under prudential regulatory capital rules.³ The SFA is asking the Market Participants Division (the “Division”) of the Commodity Futures Trading Commission (the “Commission” or “CFTC”) to confirm that SFA’s members may rely on CFTC Rule 4.13(a)(3)⁴ so long as they meet all requirements of such rule other than the marketing prong,⁵ in the limited circumstances described herein.

A. Background and Regulatory Capital Requirements

The U.S. regulatory capital framework adopted under the Basel III accords, as implemented under Regulation Q—Capital Adequacy of Bank Holding Companies, Savings and Loan Holding Companies, and State Member Banks, 12 CFR Part 217 (“Regulation Q”), issued on October 11, 2013 by the Board of Governors of the Federal Reserve System (the “Federal Reserve”)—is the key regulation that determines how much regulatory capital financial institutions that are regulated by the Federal Reserve are required to hold against their assets.⁶ Each of the Office of the Comptroller of the Currency (the “OCC”) and the Federal Deposit Insurance Corporation (“FDIC”) have nearly identical requirements for capital adequacy.⁷ Requirements for “risk-based capital” are a core component of prudential regulation, requiring financial institutions to hold more capital against riskier assets, while also taking into account risk mitigation efforts by those institutions. Certain risk mitigation strategies that provide capital relief include the CRT transactions addressed in this Letter.

Synthetic securitization transactions using special purpose entities were widely executed by U.S. banks prior to the great financial crisis. After 2008, U.S. banks significantly reduced their use of CRT transactions for capital management, although the technique remained an important part of European and Asian banks' credit portfolio management toolkit. U.S. CRT transactions that were executed between 2010 and 2020 primarily referenced managed pools of corporate exposures, in formats that were regulated as securities or security-based swaps. Since 2020, demand has grown significantly from both banks, as protection buyers, and investors, as protection sellers. In response, a number of banks issued credit-linked notes whose payments referenced such asset classes between 2020 and 2023. In 2023, the Federal Reserve,

System, and any other entity prudentially regulated by the Board of Governors of the Federal Reserve, the Federal Depository Insurance Corporation, the Office of the Comptroller of the Currency and/or state banking regulators.

³ See 12 CFR Part 217 (for financial institutions regulated by the Federal Reserve); 12 CFR Part 3 (for financial institutions regulated by the Office of the Comptroller of the Currency); and 12 CFR Part 324 (for banking organizations regulated by the Federal Deposit Insurance Corporation).

⁴ See 17 C.F.R. § 4.13(a)(3).

⁵ See 17 C.F.R. § 4.13(a)(3)(iv) stating: “Participations in the pool are not marketed as or in a vehicle for trading in commodity futures or commodity options markets; ...”.

⁶ See 12 C.F.R. Part 217.

⁷ See 12 C.F.R. Part 3; 12 C.F.R. Part 324.

the OCC and the FDIC proposed new regulatory capital regulations as part of the expected U.S. implementation of changes in international standards for capital regulation recommended by the Basel Committee on Banking Supervision and commonly referred to as the “Basel III Endgame.”⁸ Although these proposed rules to implement the Basel III Endgame have not yet been adopted, many financial institutions commenced the process of evaluating their likely regulatory capital needs in light of the proposed rules. Also in 2023, the Federal Reserve issued guidance that banks could not freely execute such transactions in the form of credit-linked notes issued directly by the bank without first obtaining approval under the Federal Reserve's “reservation of authority” to treat such exposures as securitization exposures. As a result, focus turned back to executing CRT transactions through special purpose entities, which could be subject to commodity pool regulation. Investor appetite for CRT transactions involving financial institutions, which had previously been very limited in the US, was also expanding at that time, in part because of the success of the product in Europe, where these transactions were easier to implement. As a result, SFA member financial institutions began focusing on their ability to execute CRT transactions as a critical tool to manage their compliance with the anticipated changes to the regulatory capital rules, and likewise focused on the regulatory barriers to such transactions in the United States.

CRT transactions are designed to transfer credit risk from regulated financial institutions to the capital markets. There are a number of different ways that these transactions can be structured, but a typical format involves (a) the establishment of a special purpose vehicle (“SPV”) that will issue debt securities (“notes,” “credit-linked notes” or “CLNs”), and (b) a credit default swap (“CDS”) or other risk sharing agreement between the SPV and the regulated financial institution, each linked to a portfolio of assets for which the financial institution bears the initial credit risk through its ownership of such assets on its balance sheet. Credit risk is transferred to investors via the notes. Financial institutions also commonly transfer risk to investors through CDSs, which function similarly to CLNs except that investors receive periodic premiums from the SPV in exchange for protection against credit events. To obtain capital relief under Regulation Q, (i) the CLNs must typically fall within the definition of a “synthetic securitization” as set forth in 12 CFR 217.2 and (ii) the financial institution must meet the operational criteria for synthetic securitizations set forth in 12 CFR 217.41(b). SFA’s members are requesting no-action relief only in connection with transactions that will hedge the risk of assets that are owned by such regulated financial institutions, and will transfer the credit risk only to the extent necessary to create that hedge and obtain capital relief consistent with the requirements of Regulation Q and the OCC’s and FDIC’s comparable regulations.⁹

⁸ Notice of Proposed Rulemaking: Regulatory Capital Rule: Large Banking Organizations and Banking Organizations With Significant Trading Activity, 88 Fed. Reg. 64028 et seq. (September 18, 2023)

⁹ 12 C.F.R. Part 217; 12 C.F.R. Part 3. On September 28, 2023, the Federal Reserve published responses to certain frequently asked questions about Regulation Q (*available at* <https://www.federalreserve.gov/supervisionreg/legalinterpretations/reg-q-frequently-asked-questions.htm>). The first of these is entitled “How should Board-regulated institutions that issue “credit-linked notes” treat those notes under the Board’s capital rule?” and provides a succinct summary of risk-mitigating CLN transactions. The issuance of this FAQ also focused industry attention on this form of CRT transactions.

B. Transaction Structure

The basic structure of the applicable CRT transactions would be as follows¹⁰:

- **Assets.** The financial institution will designate a reference pool of assets that will be comprised of any type of financial asset (including a loan, a lease (and the related leased asset), a mortgage, or a secured or unsecured receivable), provided that the reference pool will not include (i) asset-backed securities, (ii) collateralized loan obligations or collateralized debt obligations, (iii) collateralized fund obligations or (iv) other structured securities issued by a special purpose vehicle or by another financial institution. Reference assets will not include equity securities, partnership interests, membership interests, fee interests in real estate, or other physical assets (provided that the asset pool may include assets that are secured, directly or indirectly, by such assets). The transaction documentation may permit the designation of additional assets to the reference pool over time, or the substitution of new assets for existing assets, provided that such documentation shall specify parameters around any such additions or substitutions of assets. As an example, the transaction documentation may provide that (i) any additional assets will be additional draws under revolving lines of credit, such as credit cards, home equity lines or revolving corporate credit agreements, or (ii) additional assets are designated or existing assets are increased pursuant to enumerated credit and other parameters set forth in the transaction documentation designed to maintain the credit profile of the initial pool (for example, a specified “replenishment period” during which any additions or substitutions of assets may take place), subject to usual credit migration, or (iii) any such addition or substitution requires the consent of not less than a majority of the holders of the CLN or a designated representative elected by a majority of such holders (including when the additions or substitutions come from a whitelist agreed by the majority investors and safeguards are built to prevent such additions or substitutions where there has been a credit deterioration of such assets on the whitelist).
- **Securities Offering.** Either the financial institution or another transaction party will form an SPV to issue fixed-income CLNs that will be exposed to a portion of the risk from the reference asset pool. Potential purchasers will be limited to sophisticated institutional investors. The CLNs will be issued to investors either pursuant to (i) Rule 144A and/or Regulation S under the Securities Act of 1933, as amended (the Securities Act), in which case an offering document will be provided as described in this letter, and investors may also have access to a data room and an opportunity to conduct due diligence on the bank’s origination and servicing, or (ii) Section 4(a)(2) of the Securities Act, in which case investors may be represented by their own counsel and will be provided with access to a data room that allows them to conduct their own due diligence.

¹⁰ Although documentation is confidential and proprietary for the small number of US CRT transactions that have been executed in recent years, generally as private placements under Section 4(a)(2) of the Securities Act of 1933, as amended, and frequently utilizing security-based swaps rather than swaps, a sample term sheet for a CRT transaction is attached to this letter as Appendix I.

- **Risk Sharing.** The SPV will enter into a swap agreement, risk sharing agreement or other similar arrangement with the related financial institution (or one of its affiliates) in connection with the issuance of the CLNs, pursuant to which the financial institution will agree to pay a credit premium to the SPV and the SPV will agree to make payments to the financial institution with respect to specified credit events affecting assets in the reference pool. The swap agreement will remain in place until the maturity or the redemption of the CLNs and the SPV will not enter into additional swaps that would cause it to exceed the *de minimis* levels specified in CFTC Rule 4.13(a)(3)(ii)(A) or (B).
- **Credit Events.** When a credit event occurs, the SPV will make a payment to the financial institution based on the loss allocation structure established by the transaction documentation. Any such payment to the financial institution by the SPV will result in a corresponding reduction in the principal balance of the notes issued by the SPV. Any loss borne by the SPV will be borne by the investors on a dollar-for-dollar basis subject to the specified loss allocation structure.
- **Removal of assets from reference pool.** Assets will exit the reference pool when they are paid in full or sold, when a credit event occurs and the bank has sold the asset or terminated the work-out, or as a result of a substitution in the limited circumstances permitted by the transaction documentation (e.g., if the loan was not compliant with initial eligibility criteria).
- **Collateral investments.** Cash proceeds from a sale of the notes will be either held in a deposit bank (subject to ratings triggers on the deposit bank) or invested in cash equivalents or high quality short-term liquid assets. Such assets will collateralize the SPV's obligations to make payments of principal to noteholders and payments in respect of credit events to the applicable financial institution. We would expect cash proceeds to be either held in bank deposits, as noted above, or in permitted investments that would be cash equivalent "highly liquid" assets consistent with CFTC Rule 1.25¹¹ and limited to the following:
 - Obligations of the United States and obligations fully guaranteed as to principal and interest by the United States;
 - Interests in government money market funds as defined in 17 C.F.R. § 270.2a-7;
 - Interests in exchange-traded funds, as defined in 17 CFR 270.6c-11, which seek to replicate the performance of a published short-term U.S. Treasury security index composed of bonds, notes, and bills with a remaining maturity of 12 months or less, issued by, or unconditionally guaranteed as

¹¹ CFT Rule 1.25(b)(1), 17 CFR 1.25(b)(10) defines "highly liquid" as having "the ability to be converted into cash within one business day without material discount in value."

- to the timely payment of principal and interest by, the U.S. Department of the Treasury;
- General obligations of Canada, France, Germany, Japan, and the United Kingdom;
 - Repurchase agreements relating to any of the foregoing investments or instruments; and
 - Obligations issued by the Federal National Mortgage Association or the Federal Home Loan Mortgage Association, so long as these entities operate under the conservatorship or receivership of the Federal Housing Finance Authority with capital support from the United States.
- **Returns to investors.** Investors will receive a stated rate of return, which is paid from (i) the credit premium paid to the SPV by the related financial institution (or one of its affiliates) under the risk sharing agreement and (ii) investment earnings on the collateral to the extent available. Principal on the CLNs (as may be reduced due to payments made by the SPV to the financial institution (or one of its affiliates) in respect of credit events) will be returned as the reference pool amortizes. Investors will in no event receive more than the agreed rate of return and the ultimate repayment of principal.
 - **Risk Assessment.** Investors will have access to information that will allow them to make their own independent assumptions and model the return on the investment. In effect, the investors are at risk for credit events on the reference assets under the swap, risk of the bank servicing and workout processes and risks associated with the performance by the financial institution or affiliate under the swap and are compensated for assuming that risk. Each transaction will be structured and priced to yield the anticipated rate of return to investors if credit events do not exceed assumed levels. The CLNs will be linked to a portfolio of assets held on the financial institution's balance sheet.
 - **Segregation of Assets and Liabilities.** Each CRT transaction will consist of the issuance of a single series of notes referencing exposure to a designated pool of reference assets owned directly or indirectly by the applicable bank. Consistent with the CRT transactions that have been issued to date, including those issued in reliance on CFTC Letters 14-111 and 14-152, discussed herein, a series may comprise multiple classes of credit-tranched notes representing different levels of risk exposure to the reference pool. Each series is expected to be issued by either (i) a newly formed SPV that will be limited in its organizational purpose to entering into a CDS, issuing notes and engaging in activities required by or related to such issuance, such as investment of the note issuance proceeds as collateral for the SPV's obligations to the bank and to the SPV's investors, or (ii) a newly formed series of a series limited liability company or cell of a protected cell company that will be subject to similar limits to those described in clause (i). Many U.S. and non-U.S. jurisdictions, for administrative efficiency, authorize the formation of legal entities that can establish multiple, segregated series or cells within such entities. Each such series or cell is effectively a self-contained, ring-fenced vehicle, with a legally segregated pool

of assets and liabilities, and only one series of CRT notes would be issued by any such statutorily segregated series or cell.¹²

C. Disclosures, Marketing and Reporting

The disclosures and reporting provided to investors with respect to each note issuance will be appropriate for the transaction and consistent with the needs and expectations of investors. The applicable financial institution will provide disclosures to investors that are consistent with market standards for a cash or traditional securitization (i.e., not synthetic) of the same assets in the Rule 144A¹³ or Section 4(a)(2)¹⁴ markets. Investors will be provided with either (i) an offering memorandum including customary data about the underlying assets or (ii) in the context of a private placement pursuant to Section 4(a)(2) of the Securities Act, access to a data room that includes such information. Some deals may include both an offering memorandum and data room access.

The CLNs are expected to be offered and sold only to sophisticated investors as permitted under Section 4(a)(2) of the Securities Act or under Rule 144A and Regulation S promulgated by the Securities and Exchange Commission (the “SEC”). For Rule 144A and Regulation S transactions, the disclosures will describe the reference pool of assets, the circumstances under which the related SPV will be liable for making payments to the financial institution (or one of its affiliates) under the swap agreement in respect of credit events affecting the reference pool and risk factors associated with investment in the CLNs. The coupon on the notes will be a market rate that reflects the risk perceived by investors in the notes. The disclosures will focus primarily on the fact that the notes are debt securities with a stated rate of return that create exposures to the credit risk of a pool of reference assets. As further discussed below, the disclosures will not describe the SPVs as vehicles for trading in swaps or other commodity interests.

The investors will be provided with monthly or quarterly reports on behalf of each SPV that will disclose payments made and received under the swap, payments made to investors, the occurrence of any credit events with respect to the reference pool, the effect of those credit events on the SPV and the noteholders, and the current balance of the collateral at the end of the relevant month.

Given the nature of the structure, and consistent with SEC practice for securitization vehicles, audited financial statements will likely not be prepared for the SPVs. Because the SPVs will issue debt securities, they will likely not provide net asset value calculations, which we believe would have no significance for investors. Moreover, given that all investments of the SPVs will be in cash or cash equivalents/high quality short-term liquid assets, the SPVs will not provide a schedule of these investments. Neither Form PF nor Form CPO-PQR will be provided.

¹² For example, under 6 Del. C. § 18-215 Protected Series and Registered Series within a Series LLC include statutory segregation and non-commingling and limitation of liability provisions if certain conditions are met.

¹³ 17 C.F.R. § 230.144A.

¹⁴ 15 U.S.C. § 77d.

D. Legal Analysis and Request for Relief

The Commodity Exchange Act (the “CEA”) was amended by the Dodd-Frank Wall Street and Consumer Protection Act to add a definition of “commodity pool,” under which a commodity pool is “any investment trust, syndicate, or similar form of enterprise operated for the purpose of trading in commodity interests, including any . . . swap.”¹⁵ Section 1a(11) of the CEA and CFTC Rule 1.3 define a “commodity pool operator” to include any person engaged in a business that is of the nature of a commodity pool, and who, in connection therewith, solicits, accepts or receives from others, funds, securities or property, either directly or through capital contributions, the sale of stock or other forms of securities, or otherwise, for the purpose of trading in commodity interests.¹⁶ Many entities that hold swaps to hedge interest rate or currency risk, or for a narrow range of other purposes, appeared to be encompassed by this definition as interpreted by the Commission. However, the CFTC’s Division of Swap Dealer and Intermediary Oversight (DSIO), the predecessor to the Division, has issued interpretative guidance that excludes many such vehicles, colloquially referred to as “accidental commodity pools,” from the definition of “commodity pool.”¹⁷ The DSIO has issued no-action relief for similar transactions, including the issuance of CRT transactions by Freddie Mac and Fannie Mae, and broader relief in connection with insurance linked notes (collectively, the guidance and the no-action relief, the (“*Previous CFTC Relief*”)).¹⁸

CFTC Rule 4.13(a)(3) provides an exemption for commodity pool operators (“CPOs”) that engage in a *de minimis* amount of commodity interest transactions and otherwise meet the conditions of the rule.

CFTC Rule 4.13(a)(3) includes four prongs:

- a. Interests in the pool are exempt from registration under the Securities Act, and such interests are offered and sold without marketing to the public in the United States;
- b. The pool at all times meets a *de minimis* test pursuant to which either (x) the margins, premiums and required minimum security deposit for retail forex transactions does not exceed 5% of the liquidation value of the pool’s assets after giving effect to unrealized profits or losses or (y) the aggregate net

¹⁵ 7 U.S.C. § 1a(10).

¹⁶ 7 U.S.C. § 1a(11).

¹⁷ See, e.g., CFTC Letter 12-13 (October 11, 2012); CFTC Letter 12-14 (October 11, 2012); and CFTC Letter 12-45 (December 7, 2012).

¹⁸ See CFTC Letter 14-111 (August 25, 2014) (the “GSE Letter”) and CFTC Letter 14-152 (December 18, 2014) (the “ILS Letter”).

notional value of the pool's commodity positions, determined at the time the most recent position was established, does not exceed 100 percent of the liquidation value of the pool's portfolio, after taking into account unrealized profits and unrealized losses;

- c. The pool operator reasonably believes at the time of investment that each investor in the pool meets one of certain enumerated tests relating to the financial sophistication of the investor (e.g., accredited investor or qualified eligible purchaser); and
- d. Participations in the pool are not marketed as or in a vehicle for trading in the commodity futures or commodity options markets.

Because the interests in the pool will be offered and sold only to sophisticated institutional investors, we believe the first and third conditions under CFTC Rule 4.13(a)(3) exemption are satisfied. In addition, the cumulative amount payable to the financial institution as result of credit events would in no instance exceed the principal amount of the notes, and the write-down of principal to match losses incurred will ensure that such condition remains satisfied during the term of the notes. Therefore the notional amount of the swap will not exceed the liquidation value of the SPV's assets, and we thus believe the second condition will also be met.

With respect to the final condition, that participations in the pool are not marketed as or in a vehicle for trading in the commodity futures or commodity options market, we recognize that the Commission, in its February 2012 release adopting revisions to Rule 4.13(a)(3)¹⁹, listed a number of factors to be considered, including (i) the name of the fund, (ii) whether the fund's primary investment objective is tied to a commodity index, (iii) whether the fund makes use of a controlled foreign corporation for its derivatives trading, (iv) whether the fund's marketing materials, including its prospectus or disclosure document, refer to the benefits of the use of derivatives in a portfolio or make comparisons to a derivatives index, (v) whether, during the course of its normal trading activities, the fund or entity on its behalf has a net short speculative exposure to any commodity through a direct or indirect investment in other derivatives, (vi) whether the futures/options/swap transactions engaged in by the fund or on behalf of the fund will directly or indirectly be its primary source of potential gains and losses and (vii) whether the fund is explicitly offering a managed futures strategy.²⁰

We understand from our members that any SPVs for CRT transactions will be established such that none of the foregoing factors, other than that described in clause (vi), will be implicated. With respect to clause (vi), we believe that it is appropriate to conclude that the swap itself is not

¹⁹ Commodity Pool Operators and Commodity Trading Advisors: Compliance Obligations, 77 Fed. Reg. 11252 (Feb. 24, 2012).

²⁰ The Commission has expressly stated that it "has determined . . . that such factors should be instructive and that no single factor is dispositive." *Id.* at 11259. The Commission has also indicated that it will place more emphasis on the final factor, *i.e.*, whether the fund is explicitly offering a managed futures strategy.

the primary source of potential gains and losses for the SPV, but that the underlying asset pool is the source of such potential gains and losses. Recognizing that there is ambiguity, however, we are requesting that Division staff provide a no-action position with respect to this point. We note that such arrangement is different from “traditional” commodity pools that are structured to trade commodity interests including swaps; here the swap is merely a tool to transfer the risk of the underlying reference assets to the SPV and in turn through the SPV to the investors.

The GSE Letter states that “[t]he Division is of the view that in the context of Regulation 4.13(a)(3) where the *de minimis* exposure is being satisfied, and when the swap is used as a mere conduit to transmit the risk of the reference assets to the protection sellers, the Division accepts the GSEs’ representations that the marketing efforts are focused on the risk of the reference assets rather than the risks and rewards of the swap.”²¹ Our members will likewise focus their marketing on the reference assets rather than on the risks and rewards of the swap. Similarly, in the ILS Letter, the correspondence with the DSIO included assurances that the issuers of the insurance-linked securities would restrict their operations and activities only to those necessary or appropriate to support the ILS transaction, including through holding no commodity interests other than the swap. Our members are prepared to do the same. We thus believe that a no-action position with respect to this one aspect of Rule 4.13(a)(3) would be in line with previous relief granted by the DSIO.

F. Conclusion

As market participants have started preparations for the Basel III Endgame and have focused on the Regulation Q FAQs, which have provided further guidance to market participants relating to CRT transactions, and in light of market changes since the issuance of the Previous CFTC Relief, we are asking that the Division confirm that it will not recommend enforcement action if the applicable CPO (or any other person, if any, involved in setting up and/or operating the SPVs) does not register as a CPO, or otherwise does not comply with the Commission’s Part 4 rules, in connection with the transactions entered into pursuant to its risk sharing initiative as described herein. We believe that reliance by such CPOs on the *de minimis* exception in CFTC Rule 4.13(a)(3) is consistent with that rule.

²¹ The GSE Letter at 10.

As required by 17 C.F.R. § 140.99(c)(3)(ii), we hereby undertake that, if at any time prior to issuance of a letter, any material representation made in this request ceases to be true and complete, we will ensure that Division staff is informed promptly in writing of all materially changed facts and circumstances.

We appreciate your consideration of this request. If you have any questions about this request, please do not hesitate to call Frank Tallerico (Director—ABS Policy) at (202) 793-6150 or our outside counsel, Ellen Marks of Latham & Watkins LLP, at (312) 876-7626.

Sincerely,

Frank Tallerico

Frank Tallerico
Director—ABS Policy
Structured Finance Association
1776 I Street NW
Suite 501
Washington, DC 20006
(202) 793-6150

Certification Pursuant to Commission Regulation 140.99(c)(3)

As required pursuant to Commission regulation 140.99(c)(3), I hereby certify that the material facts set forth in the attached letter dated November 15, 2024 are true and complete to the best of my knowledge.

Frank Tallerico

Frank Tallerico
Director—ABS Policy
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Appendix I

Term sheet for sample CRT transaction

SUMMARY OF TERMS

This summary provides an overview of selected information from this Offering Memorandum and does not contain all of the information that you need to consider in making your investment decision. This summary provides an overview of certain information to aid your understanding. You should carefully read this entire Offering Memorandum to understand all of the terms of this offering. Capitalized terms used in this Offering Memorandum will have the meanings assigned to such terms in the Glossary at the end of this Offering Memorandum, unless otherwise defined herein.

THE PARTIES

Issuer

[Issuer], a Delaware limited liability company, will be the "**Issuer**" of the Notes.

Originator

[Bank], a national banking association ("**[Bank]**"), is the "**Originator**" of all of the Reference Obligations described in this Offering Memorandum.

Servicer

[Bank] will service the Reference Obligations (in such capacity, the "**Servicer**").

Securities Administrator

[Securities Administrator], a national banking association, will be the "**Securities Administrator**".

Collateral Custodian

[Custodian], a national banking association, will be the "**Collateral Custodian**".

Noteholder Representative

The "**Noteholder Representative**" will be the entity appointed by Noteholder(s) that beneficially own at least 10% of the Class Principal Amount of the most subordinate Class of Notes Outstanding. The Noteholder Representative will take certain actions on behalf of the Issuer as described in this Offering Memorandum. On the Closing Date, the initial Noteholder Representative will [Noteholder Representative].

THE NOTES

The Issuer will issue the following classes¹ (each a "**Class**") of Notes listed in the table below:

<u>Class</u>	<u>Initial Class Principal Amount</u>	<u>Interest Rate</u>	<u>Scheduled Maturity Date</u>
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The [senior]² Notes are issuable in a minimum denomination of \$250,000, the [junior] Notes are issuable in a minimum denomination of \$1,250,000 and, in each case, in integral multiples of \$1 in excess thereof. Holders of the Notes are referred to as "**Noteholders**" or "**Holders**".

The Issuer expects to issue the Notes on or about [date], which we refer to as the "**Closing Date**".

¹ Notes are issued in multiple classes

² The distinction in this case is between classes that are "will" level debt for tax and classes that are not

The Notes are securities that are credit-linked to the performance of the Reference Obligations. Investors should note that credit-linked notes differ from ordinary debt securities in that the amount of principal payable by the Issuer is dependent on, among other things, whether credit events have occurred with respect to the Reference Obligations. See "*Risk Factors—Delays in payment or losses on your Notes could arise from the structure of the Notes or reductions or delays in amounts available to make payments on the Notes—The Notes are leveraged securities credit-linked to the performance of the Reference Obligations*" and "*Risk Factors—Delays in payment or losses on your Notes could arise from the structure of the Notes or reductions or delays in amounts available to make payments on the Notes—Removal obligations are limited, and do not protect Noteholders from all risks that could impact the performance of the Reference Obligations*" in this Offering Memorandum.

Note Payment Dates

The Issuer will pay interest and principal on the Notes monthly, on the [date] day of each month (or, if that day is not a Business Day, on the next Business Day), which we refer to as the "**Payment Date**". The first Payment Date is [date]. On each Payment Date, payments on the Notes will be made to holders of record as of the close of business on the Business Day immediately preceding that Payment Date (except in limited circumstances where definitive Notes are issued), which we refer to as the "**Record Date**".

Priority of Payments; Writedown of Principal following Credit Events

On each Payment Date the Securities Administrator will distribute Available Funds as set forth in the Payment Date Report for such Payment Date in the following order:

- (i) *First*, to the Securities Administrator, to the extent not previously paid, (A) the Securities Administrator Fee for such Payment Date and any accrued and unpaid Securities Administrator Fees with respect to any prior Payment Dates, and (B) the Administrative Expenses of the Securities Administrator, subject to the Securities Administrator Annual Expense Cap;
- (ii) *Second*, to any other respective recipients thereof, any accrued and unpaid Administrative Expenses, subject to the Other Annual Expense Cap;
- (iii) *Third*, in Order of Priority, to the Holders of the Notes of each Class other than the Class R Notes, *first*, an amount equal to the Current Interest and *second*, any Interest Carryforward Amount for such Class of Notes for the related Payment Date;
- (iv) *Fourth*, in Order of Priority, to the Holders of the Notes of each Class other than [the residual class], an amount equal to the Principal Distribution Amount for such Class of Notes for the related Payment Date;
- (v) *Fifth*, to the Reserve Account up to the Reserve Account Required Amount, if any;
- (vi) *Sixth*, to the Holders of [the residual class], in a proportion equal to their respective Class Percentage, an amount equal to the [the residual class] Principal Distribution Amount for the related Payment Date; and
- (vii) *Seventh*, to the Holders of the [the residual class], in a proportion equal to their respective Class Percentage, any remaining amounts as excess interest.

See "*Priority of Payments*" in this Offering Memorandum.

On each Payment Date, after all payments on the Notes on such date have been made, if the Protected Tranche Notional Amount on the most recent Settlement Date is less than the Aggregate Note Principal Amount³ on such Payment Date, the Class Principal Amount of the Notes will be reduced in inverse Order of Priority of principal payments, beginning with the [the residual class] (in a proportion equal to their respective Class Percentage), until the Class Principal Amount of each such Class of Notes has been reduced to zero (such amount allocated to each Class of

³ Note: Protected Tranche Notional Amount Aggregate Note Principal Amount should always be equal to the Protected Tranche Notional Amount

Notes, the "**Note Writedown Amount**"). Any Class of Notes whose Class Principal Amount has been reduced to zero due to the allocation of Note Writedown Amounts will nonetheless remain outstanding under the Note Issuance and Administration Agreement and may have its Note Principal Amount increased from zero in connection with the allocation of Note Writeup Amounts and may receive future payments in accordance with the payment priorities.

On each Payment Date, after all payments on the Notes on such date have been made, if the Aggregate Note Principal Amount is less than the Protected Tranche Notional Amount on the most recent Settlement Date, the Class Principal Amount of the Notes will be increased in Order of Priority of principal payments, in each case up to the amount of Note Writedown Amounts previously allocated to each such Class to the extent not previously recovered on a prior Payment Date, except in the case of the [*the residual class*] which will be written up without regard to any previous Note Writedown Amounts (such amount allocated to each Class of Notes, the "**Note Writeup Amount**").

Optional Redemption of the Notes

The Tranching Credit Default Swap is subject to early termination by the Protection Buyer. If the Protection Buyer determines that the Reference Portfolio Notional Amount is equal to or less than ten percent (10%) of the Initial Reference Portfolio Notional Amount as of the last day of a CDS Collection Period, an "**Optional Early Termination Event**" will be deemed to have occurred. On the Payment Date following the occurrence of an Optional Early Termination Event and the designation by the Protection Buyer of a Settlement Date as an Optional Early Termination Date under the Tranching Credit Default Swap (such Payment Date, the "**Redemption Date**"), the Issuer will redeem the Notes at the Redemption Price.

The "**Optional Early Termination Date**" with respect to the Tranching Credit Default Swap is any Settlement Date selected by the Protection Buyer following the occurrence of the Reference Portfolio Notional Amount being equal to or less than 10% of the Initial Reference Portfolio Notional Amount as of the last day of a CDS Collection Period.

The "**Redemption Price**" for each Class of Notes will be an amount equal to the Class Principal Amount of such Class *plus* accrued and unpaid interest on such Class at the applicable Interest Rate up to but excluding the Redemption Date, which will be determined after payment of all amounts due with respect to the Tranching Credit Default Swap with respect to the related Settlement Date. Due to these restrictions, prospective investors should not assume that the Issuer will be permitted to exercise the optional redemption, and prospective investors should be prepared to hold the Notes until their scheduled maturity date.

Notice of redemption under the Note Issuance and Administration Agreement must be given by the Securities Administrator not later than five (5) calendar days prior to the applicable Redemption Date to each holder of Notes (provided that a copy of such notice has been provided to the Securities Administrator by the Noteholder Representative on behalf of the Issuer at least three (3) days prior to the date on which such notice is to be sent to Noteholders) and will identify that the Notes are being redeemed in accordance with the Note Issuance and Administration Agreement. The Securities Administrator shall not be responsible or liable for any determination, calculation, or verification of the Redemption Price. If any redemption is delayed or rescinded, the Noteholder Representative shall provide notice on behalf of the Issuer to the Securities Administrator of any such delay or rescission no later than two (2) Business Days prior to the Redemption Date.

TRANCHED CREDIT DEFAULT SWAP

Payments on the Notes are linked to a tranching credit default swap transaction entered into with respect to the Reference Obligations (the "**Tranching Credit Default Swap**"), made between [BANK] and the Issuer pursuant to a 2002 ISDA Master Agreement (the "**Master Agreement**") and the Schedule (the "**Schedule**") thereto, and a confirmation evidencing the Tranching Credit Default Swap transaction (the "**Confirmation**" and, collectively with the Master Agreement and the Schedule, the "**Swap Agreement**") thereunder, dated as of [*date*], which will be amended and restated on the Closing Date. Under the Tranching Credit Default Swap, [BANK] is the buyer of credit protection (the "**Protection Buyer**") and the Issuer is the provider of credit protection with respect to the Reference Obligations in the Reference Portfolio.

Under the Tranching Credit Default Swap, the Protection Buyer has agreed to make certain monthly payments to the Issuer. In consideration for such payments, the Issuer is obligated under the Tranching Credit Default Swap to pay to the Protection Buyer an amount in respect of certain losses realized on the Reference Obligations. These payments from the Issuer to the Protection Buyer may result in the reduction of interest payments on the Notes and of the Class Principal Amount of the Notes, which on the Closing Date will be equal to the sum of the Initial Class Principal Amounts of each Class of Notes. The aggregate amount of payments made to the Protection Buyer under the Tranching Credit Default Swap will be limited to the Protected Tranche Initial Notional Amount.

On each Settlement Date under the Tranching Credit Default Swap:

- (i) the Protection Buyer will pay the Fixed Amount for such Settlement Date to the Operating Account;
- (ii) if the Seller Floating Payment for such Settlement Date is greater than zero, the Protection Buyer will direct the Collateral Custodian to pay from the Collateral Account an amount equal to such Seller Floating Payment to the Protection Buyer in accordance with the Tranching Credit Default Swap;
- (iii) if the Buyer Floating Payment for such Settlement Date is greater than zero, the Protection Buyer will pay into the Operating Account an amount equal to such Buyer Floating Payment; and
- (iv) based on the information contained in the related servicing information report delivered by the Servicer, the Collateral Custodian will transfer from the Collateral Account to the Operating Account an amount equal to the excess, if any, of the amount on deposit in the Collateral Account (including any net investment income, and after giving effect to clause (ii) above) on such Settlement Date over the Required Collateral Account Balance (as defined below) for such Settlement Date (excluding any deposit earnings or account fees) (such amount, the "**Excess Collateral Amount**").

Under the Tranching Credit Default Swap, the Issuer deposited an amount equal to the Protected Tranche Initial Notional Amount into an account (the "**Collateral Account**") with [Custodian] (the "**Collateral Custodian**") and entered into (i) a Deposit Account Control Agreement dated as of [date] (the "**Collateral Account Control Agreement**") with the Protection Buyer and the Collateral Custodian and (ii) a Pledge Agreement dated as of [date], (the "**Collateral Account Pledge Agreement**") with the Protection Buyer, pursuant to which the Issuer will grant a first priority security interest in the Collateral Account to the Protection Buyer. The amounts standing to the credit of the Collateral Account (or any replacement Securities Account as described below) from time to time and the related rights are referred to herein as the (the "**CDS Collateral**").

Cash amounts on deposit in the Collateral Account with the Collateral Custodian are expected to generate a daily return equal to the product of (i) SOFR determined on a daily basis, (ii) the amount on deposit in the Collateral Account and (iii) 1/365. On each Settlement Date, the Collateral Custodian will take the aggregate amount of income earned on the Collateral Account balance for the prior calendar month and remit such amount into the Operating Account for application on the next Payment Date as part of Available Funds in accordance with the payment priorities set forth in "*Priority of Payments*" in this Offering Memorandum.

The Credit Events relating to each Reference Obligation in the Tranching Credit Default Swap are:

- (a) Bankruptcy;
- (b) Delinquency; and
- (c) Restructuring.

"Bankruptcy" means as to any Obligor, notice to the Servicer of the occurrence of the filing of an insolvency decree against such Obligor or the commencement by such Obligor of a voluntary bankruptcy filing in accordance with the Bankruptcy Code.

"Bankruptcy Code" means the United States Bankruptcy Code, 11 U.S.C. 101 et seq., as amended.

"Delinquency" means in respect to a Reference Obligation, the failure by the related Obligor to make any payments due under such Reference Obligation after the date falling [] days after the relevant due date.

"Restructuring" means with respect to a Reference Obligation, the forgiveness, reduction or postponement of principal, interest or fees payable pursuant to the contract governing such Reference Obligation, in circumstances where there is or has been a deterioration in the creditworthiness or financial condition of the relevant Obligor or Obligors, as applicable, that results in a value adjustment or debit to the profit and loss account of the Buyer which the Buyer determines is permanent and irreversible; provided that the Buyer has taken (or caused to be taken) such action in respect of such Reference Obligation: (a) with regard to the standards of a reasonable and prudent lending bank (taking into account any security allocable to that Reference Obligation but disregarding the effect of the credit protection provided hereunder); and (b) with the intent that such Restructuring is to minimize any expected loss in respect of such Reference Obligation.

For additional information on the Tranching Credit Default Swap, see "*Tranching Credit Default Swap*" in this Offering Memorandum.

THE REFERENCE PORTFOLIO

The Reference Portfolio consists of a pool of [*consumer loans*]. We refer to these contracts and loans as "**Reference Obligations**," to the pool of those Reference Obligations as the "**Reference Portfolio**" and to the persons obligated to make payments on such contracts and loans as "**Obligors**". The Notes will be subject to the credit risk of the Reference Portfolio because Credit Events on the Reference Obligations will result in the payment of Seller Floating Payments from the Collateral Account, which will reduce the Class Principal Amount of the Notes in accordance with the principal writedown rules as described in this Offering Memorandum.

The Reference Obligations were originated by [BANK] in the ordinary course of its business. As of the CDS Cut-off Date (or such other date specified in the Eligibility Criteria), each of the Reference Obligations are required to satisfy certain eligibility criteria (the "**Eligibility Criteria**"), as further described under "*The Reference Portfolio—Eligibility Criteria*" in this Offering Memorandum. The Class Principal Amount of the Notes of each Class will be subject to the Credit Events and prepayments related to the Reference Obligations. See "*Tranching Credit Default Swap*" above and "*Tranching Credit Default Swap*" in this Offering Memorandum for additional information regarding Credit Events with respect to the Reference Obligations.

The Reference Obligations identified on the Reference Registry will be owned by the Protection Buyer and serviced by the Servicer. None of the Issuer, the Noteholders nor the Securities Administrator will have a security interest in the Reference Obligations. The Notes issued are not secured or backed by the Reference Obligations and under no circumstances will the actual cash flow from the Reference Obligations be paid or otherwise made available to the Noteholders. Payments on the Notes will be solely the obligation of the Issuer.

Removal of Reference Obligations

Pursuant to the Tranching Credit Default Swap, each Reference Obligation must meet the Eligibility Criteria as of the CDS Cut-off Date (or such other date set forth in the Eligibility Criteria). If the Protection Buyer determines or is provided notice in accordance with the Review Agreement that any Reference Obligation (including, for the avoidance of doubt, any Defaulted Reference Obligation) fails to meet the Eligibility Criteria, then such Reference Obligation, will be an "**Ineligible Reference Obligation**". The Protection Buyer and the Noteholder Representative will work in good faith to resolve any issues with respect to the determination by the Protection Buyer with respect to each Ineligible Reference Obligation included in the notice provided to the Protection Buyer and the Securities Administrator.

If the Protection Buyer makes a determination that a Reference Obligation is an Ineligible Reference Obligation, then the Protection Buyer will either (i) correct or cure such failure, if applicable, or (ii) remove such Ineligible Reference Obligation from the Reference Registry, in either case on or before the Business Day before the CDS Payment Date following the end of the CDS Collection Period which includes the [] day (or if the Protection Buyer elects, an earlier date) after the date a responsible officer of the Protection Buyer became aware of such failure. Upon such removal, neither the Issuer nor any other party will have any recourse against the Protection Buyer in

respect of the failure of the related Reference Obligation to satisfy any of the Eligibility Criteria and the Protection Buyer will not be able to claim any loss amounts in respect of any such Ineligible Reference Obligation

In connection with the removal of an Ineligible Reference Obligation, the Protection Buyer will be required to calculate (x) the Net Principal Balance of such Reference Obligation and (y) the Cumulative Individual Net Loss Amount (which, for the avoidance of doubt, may not be less than zero), if any, previously allocated to the Protected Tranche Notional Amount in connection with such Reference Obligation, in each case, as of the end of the CDS Collection Period during which such Reference Obligation was removed from the Reference Registry. The Protection Buyer will (x) remove any Ineligible Reference Obligation from the Reference Registry and (y) cause the Servicer to include in each monthly servicing report the aggregate Notional Amount of any Reference Obligations determined to be Ineligible Reference Obligations during the related CDS Collection Period. Any Cumulative Individual Net Loss Amount previously allocated to the Protected Tranche Notional Amount in connection with such Reference Obligation will constitute Recoveries in the CDS Collection Period in which such Ineligible Reference Obligation was removed. This procedure will be the sole method to determine whether any Reference Obligation (including, for the avoidance of doubt, any Defaulted Reference Obligation) is an Ineligible Reference Obligation and none of the Issuer or any other parties may seek judicial review of any such determination. It is understood and agreed that (i) the obligation of the Protection Buyer to cure or to remove any related Reference Obligation that does not satisfy the Eligibility Criteria and is an Ineligible Reference Obligation and (ii) the corresponding inclusion of any Cumulative Individual Net Loss Amount previously allocated to the Protected Tranche Notional Amount in connection with such Ineligible Reference Obligation as a Recovery will constitute the sole remedies against the Protection Buyer that is available to the Issuer or any other person in respect thereof, including for any failure by the Protection Buyer to give notice of any failure by any Reference Obligation to satisfy the Eligibility Criteria. See "*Tranched Credit Default Swap—Removal of Reference Obligations from the Reference Portfolio*" in this Offering Memorandum for additional information on the removal of a Reference Obligation.

EVENTS OF DEFAULT

The occurrence and continuation of one or more of the following events will be an "**Event of Default**" under the Note Issuance and Administration Agreement:

- (i) any failure by the Issuer to pay or cause to be paid when due any amount due under the Notes in accordance with the information contained in the related servicing information report delivered by the Servicer to the Securities Administrator and such failure continues for a period of [] days after the earlier of (i) the date on which a responsible officer of the Issuer has actual knowledge of such failure and (ii) the date on which written notice of such failure is received by a responsible officer of the Issuer from the Required Noteholders;
- (ii) except as otherwise provided in the first bullet point above, the Issuer (in any of its capacities) fails to perform or observe any term, covenant, agreement or undertaking in the Note Issuance and Administration Agreement, which failure materially and adversely affects the rights of the Noteholders, and such failure remains unremedied for thirty (30) days after the date on which written notice thereof has been given to a responsible officer of the Issuer by the Required Noteholders;
- (iii) any representation or warranty made by the Issuer (in any of its capacities) in the Note Issuance and Administration Agreement proves to have been incorrect in any material respect when made or deemed made, which materially and adversely affects the rights of the Noteholders, and remains incorrect for a period of thirty (30) days after the date on which written notice thereof has been given to a responsible officer of the Issuer by the Required Noteholders;
- (iv) the occurrence of certain events (which, if involuntary, remain unstayed for sixty (60) days) of bankruptcy, insolvency, receivership or liquidation of the Issuer; or
- (v) a CDS Event of Default with respect to the Protection Buyer.

Upon the occurrence and continuation of an Event of Default specified under clauses (i), (ii) and (iii) above, Noteholders of the most Senior Class of Notes then outstanding representing in the aggregate at least 66 2/3% of the Class Principal Amount of such Class (such Noteholders, the "**Required Noteholders**") may declare the Notes to be

immediately due and payable by a notice in writing to the Securities Administrator, the Issuer and the Servicer. Upon the occurrence of an Event of Default specified in clause (iv) above, the Notes will become immediately due and payable without any declaration or other act on the part of any Noteholders.

CUT-OFF DATE INFORMATION

The information in this Offering Memorandum is based on the pool of Reference Obligations as of the close of business on [date], which we refer to as the "**Cut-off Date**."

As of the close of business on the Cut-off Date, there were [number] Reference Obligations with an aggregate Outstanding Principal Balance of \$[amount] and the following characteristics:

- total number of Obligor: [number];
- average Outstanding Principal Balance of \$[amount], with a minimum Outstanding Principal Balance of \$[amount] and a maximum Outstanding Principal Balance of \$[amount];
- a weighted average contract rate of approximately [number] %, with a minimum contract rate of approximately [number]% and a maximum contract rate of approximately [number]%;
- a weighted average original term of approximately [number] months, with a minimum original term of [number] months and a maximum original term of [number] months;
- a weighted average remaining term of approximately [number] months, with a minimum remaining term of [number] months and a maximum remaining term of [number] months;
- a minimum non-zero FICO® score at origination of [number];
- a maximum FICO® score at origination of [number]; and
- a non-zero weighted average FICO® score at origination of approximately [number].

For more information about the characteristics of the Reference Obligations in the Reference Portfolio as of the Cut-off Date, including a description of the loan-to-value ratio and FICO® score information included in this Offering Memorandum, see "*The Reference Portfolio*" in this Offering Memorandum.

FEES AND EXPENSES

The Securities Administrator will be entitled to receive on each Payment Date a monthly fee as compensation for its services under the Basic Documents equal to the greater of (i) 1/12th of [number]% of the Reference Portfolio Notional Amount as of the beginning of the related CDS Collection Period and (ii) \$[amount] (the "**Securities Administrator Fee**"), beginning on the Payment Date in [date].

The Collateral Custodian will be entitled to receive on each Payment Date a monthly fee as compensation for its services under the Deposit Base Interest Rate Agreement equal to \$[amount] beginning on the Payment Date in [date] (such amount, the "**Collateral Custodian Fee**"). The Collateral Custodian Fee will be paid as part of the Administrative Expenses in accordance with the payment priorities.

THE OFFERING

The Notes are being offered only to qualified institutional buyers (each a "**QIB**," and, collectively "**QIBs**") within the meaning of Rule 144A ("**Rule 144A**") of the Securities Act of 1933, as amended (the "**Securities Act**") who are also "qualified purchasers" ("**Qualified Purchasers**") under Section 2(a)(51) of the Investment Company Act of 1940, as amended (the "**Investment Company Act**").

[Dealers] (in such capacity, each an "**Initial Purchaser**" and together, the "**Initial Purchasers**") expect to deliver the [specify Note Classes] (the "**Purchased Notes**") to purchasers on the Closing Date. The Initial Purchasers will sell the Notes in individually negotiated transactions.

Except as otherwise provided, the Notes will be evidenced by one or more notes, in fully registered, global form without coupons, deposited with the Securities Administrator, as agent for DTC, and registered in the name of Cede & Co. ("**Cede**"), as nominee of DTC. So long as DTC, or its nominee, is the registered owner or holder of a book-entry note, DTC or the nominee, as the case may be, will be considered the sole owner or holder of the applicable Notes represented by a book-entry note for all purposes (including the payment of principal of and interest on the Notes and the giving of instructions or directions under the Note Issuance and Administration Agreement) under the Note Issuance and Administration Agreement and such Notes. Unless DTC notifies the Issuer that it is unwilling or unable to continue as depository for a book-entry note, it ceases to be a clearing agency registered under the Exchange Act or one of the other events described under "*The Notes—Definitive Notes*" in this Offering Memorandum occurs, owners of a beneficial interest in a book-entry note will not be entitled to have any portion of a book-entry note registered in their names, will not receive or be entitled to receive physical delivery of the Notes in certificated form and will not be considered to be the owners or holders of any Notes under the Note Issuance and Administration Agreement.

RATINGS

It is a condition to the issuance of the Notes that, on the Closing Date, the [*specify Note Classes*] (collectively, the "**Rated Notes**") receive at least the following ratings from [*Rating Agency*] (the "**Hired Agency**"):

Class	Rating
[<i>Specify Note Class</i>]	[<i>Specify Rating</i>]

The [*residual Class*] Notes are not expected to be rated. Although the Hired Agency is not contractually obligated to monitor the ratings on the Notes, we believe that the Hired Agency will continue to monitor the transaction while the Notes are outstanding. The Hired Agency's ratings on the Notes may be lowered, qualified or withdrawn at any time. In addition, a rating agency not hired by the Issuer to rate the transaction or a particular Class of Notes may provide an unsolicited rating that differs from (or is lower than) the ratings provided by the Hired Agency. A rating is based on a rating agency's independent evaluation of the Reference Obligations and the availability of any credit enhancement for the Notes. A rating, or a change or withdrawal of a rating, by one rating agency will not necessarily correspond to a rating, or a change or a withdrawal of a rating, from any other rating agency.

Proposed CRT Structure

