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MetLife®

February 22, 2010

BY EMAIL: comments@fdic.gov

Mr. Robert E. Feldman
Executive Secretary
Federal Deposit Insurance Corporation
550 17th Street, NW
Washington, DC 20429
Attention: Comments

Re: Treatment by the Federal Deposit Insurance Corporation as Conservator or Receiver of Financial Assets Transferred by an Insured Depository Institution in Connection With a Securitization or Participation After March 31, 2010 (RIN 3064-AD55)

Ladies and Gentlemen:

Introductory Remarks

Historically, the securitization market has played an instrumental role in making financing available to American consumers and companies. This financing, whether it in the form of credit card financing, auto loans, mortgage loans, etc., has been a pillar of U.S. economic growth during the last 30 years.

As of the end of 2009, existing transactions in the securitization market had provided over $11 trillion dollars in financing to the U.S. economy. However, this number is rapidly declining. The current state of affairs in the securitization market is preventing it from contributing to U.S. economic recovery at a very critical time.

Recent government programs like TALF and PPIP have provided some helpful market liquidity in certain securitization sectors, but this is only temporary relief. Fundamental changes to certain practices are needed to ensure the securitization market's long-term sustainability as a major financing source for the economy.

MetLife, Inc. and its insurance affiliates are large investors in the securitization market, purchasing securities primarily to fund its core insurance products, which provide critical financial protection for over 70 million customers worldwide. MetLife Bank (collectively referred to herein with MetLife, Inc. and its insurance affiliates as "MetLife") also participates in the securitization market both as an originator and servicer of conforming and non-conforming forward and reverse mortgage loans. As of December 31, 2009, the general accounts of MetLife's insurance companies held $72.8 billion of structured finance securities comprising $44 billion of residential mortgage-backed securities, $15.6 billion of commercial-backed securities and $13.2 billion of asset-backed securities.[1] The vast majority of these securities were rated A or higher.

As a significant investor in the securitization market, MetLife supports fundamental changes to certain practices in order to ensure the securitization market's long-term sustainability as a major financing source for the economy and as a viable investment alternative for MetLife's general accounts to support many of the insurance products that we sell to our customers. MetLife believes that many of the requirements in the ANPR will go a long way toward restoring investor confidence in this market. Hopefully, with renewed investor confidence, securitization can once again become a source of financing that would foster economic growth.

Overview of MetLife's Comments

1. Breach of the Safe Harbor Requirements Should not Affect Investors

MetLife's comments, as provided below in response to specific questions detailed in the ANPR, generally fall within several themes. However, as a threshold concern, MetLife believes it is important to confirm that any breach of the requirements imposed by the ANPR on an IDI would not jeopardize the securitization safe harbor for securitization investors of such IDI. Securitization investors can not ensure that an IDI would be in compliance with the disclosure, documentation and recordkeeping, compensation and origination and retention requirements related to a particular securitization issuance. The FDIC and other banking authorities through their ongoing regulatory oversight of IDIs should monitor for any violations of the ANPR requirements and have the authority to impose fines, penalties and sanctions, including prohibiting future securitization issuances. However, securitization investors should not lose the safe harbor for a breach of the ANPR requirements. To provide otherwise would put too much of the burden on investors, a burden impractical to protect against or price in by investors. Therefore, unless this is clarified in the ANPR, it is likely that investors and credit rating agencies would treat new securitizations as being linked to the credit of the related IDI which would hamper the revival of the securitization market.

MetLife believes that the FDIC should permit the safe harbor for securitizations to apply if either sale accounting treatment has been achieved or if there is a valid, perfected

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[1] These amounts are unaudited.

security interest in place. Due to the recent changes in accounting rules (FAS 166 and 167), imposing the requirement that a transfer of assets meet the requirement for sale accounting treatment in order for the FDIC to agree not to exercise its repudiation power may mean that very few securitizations would be able to benefit from the safe harbor set forth in paragraph (d)(3) of the ANPR's sample regulatory text. Under such circumstances, many IDIs may be forced to use the alternative safe harbor set forth in paragraph (d)(4) of the ANPR's sample regulatory text. However, it seems as though the safe harbor contained in paragraph (d)(4) would not require the FDIC to refrain from using its repudiation power and would provide relief to investors solely as it relates to the exercise of their remedies as secured creditors. MetLife supports the approach proposed by the American Securitization Forum ("ASF") in its comment letter to the ANPR, pursuant to which the FDIC would not seek to reclaim or recover the assets transferred by an IDI in connection with a securitization, provided that the transferred assets are subject to a legally enforceable and perfected security interest.

2. Overly Proscriptive Requirements Could Adversely Impact the Securitization Market

While many of the proposed requirements concerning disclosure and alignment of interests should help to restore investor confidence, MetLife believes proper balance is needed between being detailed enough so to prevent or mitigate misalignment of incentives, conflicts and other failures that occurred in the recent past and being too proscriptive as to potentially stifle market innovation or reduce market efficiencies and market discipline. For example, imposing a 12-month seasoning requirement for RMBS transactions would likely cause the IDI to retain loans on its balance sheet for an extended period, which may cause interest rate and market risk in addition to liquidity issues, accounting implications and additional capital constraints. Instead, a well developed and enforceable set of representations and warranties can resolve the same issues that seasoning would otherwise resolve (i.e. early payment defaults). Lastly, a phased approach for some of the requirements is needed to permit industry sufficient time to retool its infrastructure.

3. Coordination on Interagency Basis

MetLife believes that the FDIC should coordinate with other regulatory agencies, FASB and Congress so that the resulting regulatory and accounting framework will stand as one, consistent "model" for the entire industry and not conflict with other applicable law or accounting principles. For example, requiring "risk retention" may inadvertently cause a violation of consolidation accounting rules for IDIs. This may result in an unintended consequence forcing IDIs to bear unfairly the burden of accounting consolidation and capital charges. While MetLife supports the concept of "risk retention", the proposed rules need to be coordinated with other regulators, legislators and FASB. In addition, notwithstanding any applicable legislation or regulations that may exempt credit risk retention as a requirement for securitizations involving CMBS, MetLife believes the credit risk retention requirements in this ANPR should be made mandatory for CMBS transactions.

4. Application to Other Asset Classes and Addressing Servicer Conflicts of Interest

In most instances, MetLife supports the application of the requirements proposed for RMBS to other assets classes such as CMBS and ABS. With respect to real estate related securitizations, MetLife also believes servicer conflicts of interest should be addressed directly by prohibiting any servicer or its affiliate from owning, other than with respect to meeting the minimum 5% credit risk retention, a junior lien or subordinated interest in assets supporting a securitization vehicle.

5. Standardization

The ANPR should set forth a basis for standardization in the securitization industry. MetLife supports the efforts of The American Securitization Forum's Project on Residential Securitization Transparency and Reporting ("ASF Project RESTART"). For each asset class within the broad groups of ABS, RMBS and CMBS, there should be clear standardization of offering material disclosure, on-going reporting requirements, as well as standardized definitions within the transaction documents (e.g. "delinquencies" should have the same meaning across each transaction and asset sector).

6. Application to Federal Agencies

The ANPR should not apply to transactions issued, guaranteed or supported by a Federal agency (such as Ginnie Mae) or any Government Sponsored Enterprises (such as Freddie Mac and Fannie Mae) because any such agency or GSE already has direct recourse to IDIs when eligibility and other requirements of an applicable Federal program are violated. The Federal agencies or GSEs should be left with the discretion to manage their programs and not be tied to the requirements of the ANPR, unless they choose to specifically adopt them.

MetLife Responses to General Questions

Q.1. Do the changes to the accounting rules affect the application of the preexisting Securitization Rule to participations? If so, are there changes to the Securitization Rule that are needed to protect different types of participations issued by IDIs?

Response: MetLife agrees with the safe harbor provisions with respect to participations that satisfy the conditions for sale accounting treatment. Because participation sales are true privately negotiated transactions, the ANPR securitization requirements should not apply as the investors and the issuers have the ability to negotiate all contractual sale provisions.

Q.2. Is the transition period to March 31, 2010 sufficient to implement the changes required by the conditions identified by Paragraph (b) and (c)? How does this transition period impact existing shelf registrations?

Response: MetLife does not believe a transition period to March 31, 2010 provides IDIs with a realistic opportunity to implement the changes required by the ANPR. Comments on the ANPR likely will generate further discussions and consideration by the FDIC, including potential changes to the rule to address new insights, thereby extending the date that any final rule would become effective.

MetLife Responses to Capital Structure

Q.3. Should certain capital structures be ineligible for the future safe harbor? For example, should securitizations that include leverage tranches that introduce market risks (such as leverages super senior tranches) be ineligible?

Q.4. For RMBS specifically, in order to limit both the complexity and the leverage of RMBS, and therefore the systemic risk introduced by them in the market, should the capital structure of the securitization be limited to a specified number of tranches? If so, how many and why? If no more than six tranches were permitted, what would be the potential consequence?

Q.5. Should there be similar limits to the number of tranches that can be used for other asset classes? What are the benefits and costs of taking this approach?

Response: With respect to questions 3, 4 and 5 and as mentioned above, MetLife does not believe strict limitations on capital structure or tranching should be adopted provided that adequate disclosure of the capital structure, interactions among the various tranches and other relevant information are provided to investors so that they can make an informed investment decision. A straightforward approach would be to limit the number of tranches to one tranche per credit rating of subordinate bonds (i.e. eliminate "hyper-tranching" where there are multiple tranches for each credit rating notched by +/-). In addition, we believe that time tranching for senior bonds is appropriate for market efficiency and prudent asset-liability management. This approach could reduce loss severity to each of the subordinate tranches, reduce potential conflicts and may improve alignment of interests. In contrast, more stringent requirements on capital structure could reduce innovation, efficiencies of scale, liability matching and other financial benefits for market participants and the ultimate borrowers.

Q.6. Should re-securitizations (securitizations supported by other securitization obligations) be required to include adequate disclosure of the obligations including the structure and asset quality supporting each of the underlying securitization obligations and not just the obligations that are transferred in the re-securitization?

Response: Yes, MetLife supports this proposed requirement on re-securitizations. All disclosure regarding the underlying referenced securities in re-securitizations should be required to satisfy the same requirements as traditional securitizations.

Q.7 Should securitizations that are unfunded or synthetic securitizations that are not based on assets transferred to the issuing entity or owned by the sponsor be eligible for expedited consent?

Response: Although we are not certain as to the exact focus of the question, we do not believe that legal isolation issues are a concern for synthetic or unfunded securitizations. By their nature, synthetic and unfunded securitizations should not contain assets. However, to the extent that a securitization transaction contains cash collateral (such as a cash collateral account), we believe that such transaction should be eligible for expedited consent.

Q.8. Should all securitizations be required to have payments of principal and interest on the obligations primarily dependent on the performance of the financial assets supporting the securitization? Should external credit support be prohibited in order to better realign incentives between underwriting and securitization performance? Are there types of external credit support that should be allowed? Which and why?

Response: Similar to some earlier comments, MetLife believes that, provided there is adequate disclosure of credit support arrangements and the risks involved, the decision for what is acceptable credit support for securitization transactions should be decided by investors. MetLife believes that a general prohibition on external credit support is unnecessary and potentially could stifle innovation and market efficiencies. However, any external credit support (i.e. letters of credit, financial guarantees, swaps, etc.) should be clearly documented in the offering materials and in on-going reports under a separate section that clearly identifies all third parties providing credit support, credit enhancement provided by such parties and related risks.

<u>MetLife Responses to Disclosures</u>

Q.9. What are the principal benefits of greater transparency for securitizations? What data is most useful to improve transparency? What data is most valuable to enable investors to analyze the credit quality for the specific assets securitized? Does this differ for different asset classes that are being securitized? If so, how?

Response: MetLife believes sufficient information should be provided prior to the issuance of securitization obligations and thereafter on an ongoing basis in order for investors to fully assess the credit risk and performance of such obligations and the underlying collateral and compliance with the securitization documents. The types of information proposed by the ANPR go a long way toward meeting this goal – pool, loan and asset level information. MetLife supports the disclosure of the most granular information on the underlying collateral, where practical. (See response to question 13 for further details in this regard). However, at a minimum, disclosure also should include information provided to the credit rating agencies. Furthermore, MetLife notes that the proposed exemption of information "that is unknown or not available to the issuer without unreasonable effort or expense" should be based on an industry best practices standard as opposed to an individual issuer's standard. Again, we stress the importance of standardization of the required disclosure across each asset class, including all the required data fields, definitions and processes.

As you may know, ASF Project RESTART, which is an industry initiative aimed at restoring investor confidence in mortgage and asset-backed securities, employs a market-based approach to improve the securitization process by developing commonly accepted and detailed standards for transparency, disclosure and diligence. Standardization of RMBS representations and warranties as well as developing stronger repurchase obligation provisions also is being pursued as part of ASF Project RESTART. In addition to our support of the ASF Project RESTART for RMBS, we recommend the following additional information requirements that are currently not available in the existing reporting for other asset classes:

- ABS
    - Credit Cards

      Increase disclosure of pool-level information and performance data to better assess the risk profile and the layering of risks embedded within credit card ABS transactions. We recommend the following:

        - Introduce "new" reporting fields for a layered risk report to improve the disclosure of relevant metrics to gauge credit card portfolio quality.

        - Create disclosure standards and definitions to enable comparison across different credit card portfolios (i.e. portfolio yield, excess spread, losses, fees, interchange, etc.).

      Attached as Appendix A to this letter is a spreadsheet that contains a more extensive list of recommended data fields, as well as a template to standardize certain monthly performance reports, both of which were developed in collaboration among various institutional investors in preparation for industry best practices discussions regarding disclosure in Credit Card ABS transactions.

    - Auto/Equipment

      Provide loan level disclosure on a monthly basis similar to other asset classes (RMBS and CMBS) to better assess the risk profile of auto receivables. The loan level data fields that should be included are as follows:

- Original and Current Balance
- APR
- Original and Remaining Term
- Amortization Type (Full/Bullet/Interest-Only)
- FICO at origination or equivalent internal scoring code for non-consumer originations
- State and Metropolitan Statistical Area
- Current or Delinquency Status
- Make and Model of Vehicle/Equipment
- Year of Vehicle
- Modification type and Date of Modification
- New and Used Vehicles
- Loan-to-Value
- MSRP and/or Dealer Invoice
- Debt-to-Income
- Subvented Loans
- Liquidated and Recovery Amount

- Student Loans
  - School Name
  - Length of forbearance given
  - Graduation status
  - Standardized CPR/CRR calculation and periodic calculation
  - Monthly reporting based upon standard stratifications
- CMBS
  - Detailed rent rolls, including disclosure of each tenant's name and lease terms in offering materials and on-going reports. This information should be updated annually.
  - Property financials should be provided quarterly, on a 30-day lag. Should include all NOI and NCF components.
  - Loan modification report should include discount rate used to evaluate modification, property appraisals received, and alternatives considered.
  - New deal documentation should include actual property level information, including full rent rolls and actual financials for previous 3 years.

Q.10. Should disclosures required for private placements or issuances that are not otherwise required to be registered include the types of information and level of specificity required under Securities and Exchange Commission Regulation AB, 17, C.F.R. §§ 229.1100-1123, or any successor disclosure requirements?

Response: MetLife supports Regulation AB application to Rule 144A securitization obligations as the distribution and investor participation process is very similar to publicly registered securitization obligations and increased disclosure requirements are therefore warranted. However, for true privately negotiated transactions with institutional investors, the ANPR requirements, including added disclosure, should not apply as institutional investors should have the ability to negotiate tailored representations and warranties and other protections with the issuer and sponsoring parties.

Q.11. Should qualifying disclosures also include disclosure of the structure of the securitization and the credit and payment performance of the obligations, including the relevant capital or tranche structure? How much detail should be provided regarding the priority of payments, any specific subordination features, as well as any waterfall triggers or priority of payment reversal features?

Response: Yes, MetLife supports disclosures that enable investors to fully and adequately analyze the credit risk and structural features of a securitization transaction (e.g., allocation of voting rights and various risks and protections to specific classes of investors, waterfall provisions and payment triggers). Potential changes in the waterfall provisions should be clearly disclosed. The risks to each tranche should be described with detail regarding potential losses, changes in cash flows and the average life under different scenarios if prepayment speeds, losses and triggers occur at different times during the life of the deal. In some cases, industry disclosure only shows break-even points for the bonds under relatively flat scenarios.

Q.12. Should the disclosure at issuance also include the representations and warranties made with respect to the financial assets and the remedies for such breach of representations and warranties, including any relevant timeline for cure or repurchase of financial assets?

Response: Yes, MetLife supports the disclosure of such information in a standardized format across all asset sectors. Furthermore, representations, warranties and covenants should be strengthened to address issues investors have encountered in the recent past in obtaining information from trustees, administrators and servicers on securitization transactions. Moreover, MetLife proposes that the ANPR include requirements that investors in securitizations have increased rights to conduct (or cause the applicable parties to perform) inspections, examinations and audits of the transactions. The purpose of such inspections and audits would be to verify compliance with applicable representations and warranties and ongoing covenants under the securitization documents and provision of adequate information to support loan modifications by the servicer. In too many instances, some servicers and sponsors have delayed providing access to loan files and other information because they fear liability for ineligible loans, buyback obligations or improper loan modifications. Trustees are not required to act unless they are indemnified and direction of the requisite percentage of investors is provided, an often difficult task when the investor group is diverse. Therefore, including a requirement in the ANPR that would permit investors representing at least 5% of the outstanding securitization obligations the ability to direct trustees to pursue inspections, examinations and audits for securitization document compliance and requiring servicers and sponsors to cooperate would further align interests of sponsors and investors.

In addition, MetLife believes that standardization of representations and warranties and remedies for breaches would increase efficiency and transparency of securitizations. For example, in many non-agency securitizations, the representations and warranties are generally made only by the newly-formed securitization vehicle itself (rather than also being made by the sponsor on a joint and several basis) and the investors can only exercise their rights if a substantial number of investors directs the trustee to take action permitted under the securitization documents.

Q.13. What type of periodic reports should be provided to investors? Should the reports include detailed information at the asset level? At the pool level? At the tranche level? What asset level is most relevant to investors?

Response: MetLife believes that the standardization of reporting to investors is critical and can be achieved through the development of industry best practices. In this regard, MetLife supports the monthly reporting to investors of the most granular information on the underlying collateral - asset level information - except for those asset classes where the magnitude of the information would be currently impractical to process/analyze (e.g., loan level information for credit card master trusts could potentially have millions of data fields). However, disclosure on pool/asset level data for credit cards should be enhanced as previously described in our response to question 5. Moreover, MetLife believes that it may be possible for granular information on the underlying borrowers to be provided without disclosing private consumer information.

Q.14. Should reports include detailed information on the ongoing performance of each tranche, including losses that were allocated to such tranche and remaining balance of financial assets supporting such tranche as well as the percentage coverage for each tranche in relation to the securitization as a whole? How frequently should such reports be provided?

Response: Yes. MetLife supports inclusion of such information on a monthly basis for better transparency for investors.

Q.15. Should disclosures include the nature and amount of broker, originator, rating agency or third-party advisory, and sponsor compensation? Should disclosures include any risk of loss on the underlying financial assets if retained by any of them?

Response: MetLife supports increased disclosure of compensation arrangements and risk of loss experienced for rating agencies, deal underwriters, trustees and third-party advisors so that investors can gauge the level of alignment among the participants and investors. Although disclosure for other parties (such as brokers and originators) may be helpful, we recognize there are practical difficulties in properly defining their fees and cost basis in a way that is meaningful to market participants.

Q.16. Should additional detailed disclosures be required for RMBS? For example, should property level data or data relevant to any real or personal property securing the mortgage loans (such as rents, occupancy, etc.) be disclosed?

Response: MetLife supports the current disclosure requirements of the ASF Project RESTART for RMBS. For CMBS, MetLife supports such additional detailed disclosure of property level data (see further details in our response to question 9).

Q.17. For RMBS, should disclosures of detailed information regarding underwriting standards be required? For example, should securitizers be required to confirm that the mortgages in the securitization pool are underwritten at the fully indexed rate relying on the documented income, and comply with existing supervisory guidance governing the underwriting of residential mortgages, including the Interagency Guidance on Non-

Traditional Mortgage Products, October 5, 2006, and the Interagency Statement on Subprime Mortgage Lending, July 10, 2007, and such additional guidance applicable at the time of loan origination?

Response: MetLife supports detailed and standardized disclosure of underwriting standards for ABS, RMBS and CMBS. The disclosure should (i) describe the underwriting standard; (ii) identify the underwriting exception process; (iii) identify all loans that qualified as exceptions from the underwriting standard; and (iv) provide a summary description of the characteristics of the exception pool. This should permit investors to assess the underlying asset and credit risks and provide transparency on underwriting standards and investor recourse if such standards are not met. Statutory and regulatory standards do not provide investors protection if they are not specific or objective enough or provide significant room for interpretation. Obviously, such standards could serve as an ongoing tool for regulating IDIs, but precise disclosure and appropriate representations and warranties to investors as outlined herein appears to be the better approach. We believe this could be achieved through a combination of standardization and industry best practices.

Q.18. What are the primary benefits and costs of potential approaches to these issues?

Response: Subject to the above responses, the primary benefit is renewed confidence by investors in the securitizations market as a result of increased disclosure and transparency to permit adequate assessment of credit risk and performance of the securitization obligations and underlying collateral and confirmation of alignment of interests of all participants in the securitization transaction. Additional benefits would include encouragement of appropriate innovation by market participants, as well as greater availability of credit to consumers at a lower cost Regulators will also benefit from clearer, standardized information regarding the securitization market. We believe such information should help regulators to monitor and manage systemic risk. Substantial initial costs will be incurred by sponsors and issuers to provide the detailed information required at the time of the issuance of the securitization obligations, as well as on an ongoing basis during the life of the transaction. However, MetLife expects such costs to decrease over time as industry develops the infrastructure to support such disclosure and through increased technological improvements for information capture and analysis.

MetLife Responses to Documentation and Recordkeeping

Q.19. With respect to RMBS, a significant issue that has been demonstrated in the mortgage crisis is the authority of servicers to mitigate losses on mortgage loans consistent with maximizing the net present value of the mortgages, as defined by a standardized net present value analysis. For RMBS, should contractual provisions in the servicing agreement provide for the authority to modify loans to address reasonably foreseeable defaults and to take such other action as necessary or required to maximize the value and minimize losses on the securitized financial assets?

Response: In general, we believe servicer conflicts of interest issues should be addressed through a combination of standardization and industry best practices.

For real estate-related securitizations (RMBS & CMBS), removal of servicer conflicts of interest is crucial in MetLife's view to ensure that investor confidence returns and to the proper functioning of the securitizations market. Servicers and their affiliates owning second liens or subordinated interests in a securitization transaction is ripe for conflicts and that is being demonstrated today. Servicers and their affiliates, other than with respect to meeting the minimum 5% credit risk retention, should not be permitted to own junior liens or subordinated interests for transactions in which they act as servicer.

In addition, providing servicers with the authority to modify loans to address "reasonably foreseeable defaults" provides servicers too much leeway to potentially adversely affect securitization investors. We are concerned with the "unfettered discretion" of the servicers to change terms of the underlying loans coupled with the servicers' inherent economic conflicts of interest in the securitization transactions.. For example, special servicers in CMBS are often able to collect fees directly from the borrowers outside the CMBS trust in order to perform a "work-out" for the borrower. Special servicers in CMBS should not be allowed to separately collect fees from borrowers, unless such fees are for the benefit of the CMBS trust because this creates the incentive to acquiesce to borrower demands irrespective of the economic effect to the CMBS trust. Moreover, the current fee structure for CMBS special servicing is complicated and typically includes a 0.25% per annum special servicing fee, a 1% liquidation fee, and a 1% work-out fee. This fee structure can often create strong incentives for the special servicer to not act in the best interests of the CMBS bondholders.

MetLife also believes that there should be tighter servicing standards to control the servicers' discretion and reduce the complexity of fees charged to the CMBS or RMBS trust. In addition, specificity, transparency and standardization of the NPV calculation and assumptions are needed to protect investors, as well as to create market efficiencies. The discount rate for the NPV calculation should be based on the risk-adjusted market rate of the asset or, in other words, the rate reflecting the opportunity cost to investors. For RMBS, the rate could be the prevailing Freddie Mac Survey Rate plus a market level risk spread. These comments apply equally to CMBS to alleviate servicer conflicts of interest. For CMBS, special servicers and their affiliates should not be permitted to own the junior-most subordinated bonds of the securitization ("B-pieces"), B Notes, or mezzanine debt on the underlying first mortgage that they are servicing. Also, the discount rate for the NPV calculation should be set at a market rate to reflect the current cost of originating loans.

Among the many servicer conflicts of interest that exist in RMBS transactions, the most problematic relates to ownership of second liens by the servicer or its affiliates. Currently, many servicers (or their affiliates) hold second-lien mortgages on the properties for which they service the related securitized first-lien mortgages. The conflict arises when the servicers act to maintain the value of their (or their affiliates') second-lien investments at the expense of the first-lien. In many instances, the servicer may modify the first lien mortgage while leaving the second lien untouched. This allows the servicer/second-lien holder to facilitate the ability of the borrower to pay the second lien even while the value of the first-lien is reduced. An additional complication arising from servicer-owned second-liens is that the servicer might refuse a short-sale offer in order to keep its second-lien outstanding to the detriment of the first-lien holder. (This result is unfair because the second lien by definition is completely subordinated to the first lien and should be completely written down before anything is done to modify the first lien).

For CMBS, another important "conflict of interest" arises due to the special servicers (or their affiliates) typically being the owners of the "B-pieces" in combination with a faulty structural element in many CMBS transactions. Currently, many CMBS transactions have a structural element whereby interest accruals continue to accumulate on junior bonds on the balance of defaulted loans even when the principal balance on the junior-most bonds have been "written down" due to an “appraisal reduction” (i.e., servicer will order a new appraisal of the underlying property after the loan has defaulted and then writes-down the loan based on the property’s then-current appraisal valuation). In these situations, the incentive of the special servicer is to modify and extend the loans as long as possible so that they can continue to accumulate the accrued interest. At final resolution - liquidation - of the defaulted loan, the unpaid interest accruals on the junior-most bonds have seniority over principal payments to senior bondholders. In addition to receiving the unpaid accrued interest, the owner of the "B-piece" may continue to maintain controlling voting rights within the CMBS trust even though the B-piece holder’s economic interest has been “written down” in connection with an appraisal reduction. This structural feature and other questionable structural features in CMBS securitizations should be eliminated.

Q.20. Loss mitigation has been a significant cause of friction between servicers, investors and other parties to securitizations. Should particular contractual provisions be required? Should the documents allow allocation of control of servicing discretion to a particular class of investors? Should the documents require that the servicer act for the benefit of all investors rather than maximizing the value of any particular class of investors?

Response: If servicer conflicts of interest are removed as outlined in MetLife’s comments to question 19 above, most of the friction between servicers and investors will be alleviated. In addition, setting forth in the securitization documents a servicer standard based on maximizing value (see response to question 19 on NPV calculation) for the benefit of all investors in the securitized obligations should be the prevailing industry standard. With regard to control of servicing, MetLife believes that an appropriate governance mechanism would be to permit a majority-in-interest of bondholders to vote to remove and replace the special servicer at any time.

Q.21. In mitigating losses, should a servicer specifically be required to commence action to mitigate losses no later than a specified period, e.g., ninety (90) days after an asset first becomes delinquent unless all delinquencies on such asset have been cured?

Response: MetLife supports this requirement as the industry standard.

Q.22. To what extent does a prolonged period of servicer advances in a market downturn misalign servicer incentives with those of the RMBS investors? To what extent to servicing advances also serve to aggravate liquidity concerns, exposing the market to greater systemic risk? Should the servicing agreement for RMBS restrict the primary servicer advances to cover delinquent payments by borrowers to a specified period, e.g., three (3) payment periods, unless financing facilities to fund or reimburse the primary servicers are available? Should limits be placed on the extent to which foreclosure recoveries can serve as a “financing facility” for repayment of advances?

Response: MetLife agrees that servicer advances on RMBS should be limited and suggests no more than a six month period of advances.

Under current CMBS structures, servicer advances may continue until the point of final resolution of the loan only if "appraisal reductions" are performed properly. Typically, if an appraisal reduction has occurred, the servicer has the discretion to choose to be reimbursed for the related servicing advances either immediately or over time. Instead, there should be a standard in place that allows the servicer to be reimbursed only over a period of no less than twelve months in order not to cause "interest shortfalls" to a substantial amount of bonds in the CMBS trust's capital structure.

Q23. What are the primary benefits and costs of potential approaches to these issues?

Response: By limiting servicing advances as suggested above, there will be a reduction in loss severity at the time of final property resolution.

MetLife Responses to Compensation

Q.24. Should requirements be imposed so that certain fees in RMBS may only be paid out over a period of years? For example, should any fees payable to the lender, sponsor, credit rating agencies and underwriters be payable in part over the five (5) year period after the initial issuance of the obligations based on the performance of those financial assets? Should a limit be set on the total estimated compensation due to any party that may be at closing? What should the limit be?

Response: The compensation requirement should relate to ABS, RMBS and CMBS. Similar to our response to question 15, with respect to rating agencies, deal underwriters and third party advisors, MetLife supports the above requirements and suggests fees and compensation be limited to 50% payable at initial issuance of the obligations and the remainder payable (i) over a five year period or on maturity of the obligations if earlier and (ii) contingent on actual performance of the pool meeting minimum performance criteria. MetLife also understands that under HR 4173: The Wall Street Reform and Consumer Protection Act of 2009, additional regulation of credit rating agencies is being considered to address some of these concerns.

Q.25. Should requirements be imposed in RMBS to better align incentives for proper servicing of the mortgage loans? For example, should compensation to servicers be required to take into account the services provided and actual expenses incurred and include incentives for servicing and loss mitigation actions that maximize the value of the financial assets in the RMBS?

Response: MetLife believes elimination of potential servicer conflicts of interest as discussed above should go a long way in aligning the interests of servicers and investors. In addition to providing incentives for proper servicing, direct recourse and enforcement by investors for improper servicing should become a mandatory feature of securitizations generally to discourage inappropriate actions detrimental to investors or a class of investors. This could be achieved through clear representations and warranties and ongoing covenants from the sponsor and servicer which are made directly to investors, as well as clear put-back rights to the sponsor. For

RMBS servicers, the current compensation practices are adequate. However, all “allowable reimbursable expenses” should be clearly defined.

In addition, for all securitizations MetLife supports continuing the practice of periodic servicer reviews by the rating agencies, as well as expanding this practice to include reviews by independent firms with expertise in operational due diligence matters.

Q.26. What are the primary benefits and costs of potential approaches to these issues?

Response: We believe the primary benefit of addressing the compensation issues would be renewed confidence of investors, greater alignment of interests among market participants and a mitigation of conflicts of interest.

Q.27. Should similar or different provisions be applied to compensation for securitizations of other asset classes?

Response: For CMBS, see discussion in response to question 19.

<u>MetLife Responses to Origination and Retention Requirements</u>

Q.28. For all securitizations, should the sponsor retain at least an economic interest in a material portion of credit risk of the financial assets? If so, what is the appropriate risk retention percentage? Is five percent appropriate? Should the number be higher or lower? Should this very by asset class or the size of securitization? If so, how?

Response: MetLife supports credit retention by the sponsor to align interest with investors and ensure proper underwriting of the underlying loans/assets as long as this does not cause unintended consolidation issues for the issuer. Although five percent appears appropriate, in order to prevent conflicting or overlapping credit retention requirements, we recommend coordination among FDIC, other government agencies, FASB and Congress regarding the correct substantive level of credit retention for sale accounting to be achieved. In addition, any such credit retention should represent a vertical pro rata slice of all the securitization obligations to avoid potential adverse selection if the sponsor were to retain a representative sample of loans/assets from the underlying pool. In addition, stricter representations and warranties (e.g., elimination of knowledge qualifiers) and loan buyback provisions with ultimate recourse to IDI sponsors should encourage proper loan underwriting and ensure alignment of interests. As noted earlier, ASF Project RESTART is looking at improving and standardizing document terms to benefit investors.

Q.29. Should additional requirements to incentivize quality origination practices be applied to RMBS? Is the requirement that the mortgage loans included in the RMBS be originated more than 12 months prior to any transfer for the securitization an effective way to align incentives to promote sound lending? What are the costs and benefits of this approach? What alternatives might provide a more effective approach? What are the implications of such a requirement on credit availability and institutions’ liquidity?

Response: MetLife suggests strong, standardized representations and warranties instead of a seasoning requirement. Any breach of representations and warranties should result in an enforceable sponsor repurchase requirement for loans that have an early payment default ("EPD") – such as loans that default within the first six months of the securitization deal.

Q.30. Would the alternative outlined above, which would require a review of specific representations and warranties after 180 days and the repurchase of any mortgages that violate those representations and warranties, better fulfill the goal of aligning the sponsor's interests toward sound underwriting? What would be the costs and benefits of this alternative?

Response: Aside from EPD issues, MetLife believes there should be validation of the accuracy and completeness of the data that is presented both in the offering materials and in the on-going reporting for the transaction. An independent third party, such as a nationally-recognized accounting firm, should perform both substantive and compliance testing. This should include: (a) tracing and recalculating information from the loan listing to the actual underlying loan documents and credit files on a sample basis; and (b) performing an annual audit of the functions of each party to the transaction to ensure that they are performing their functions properly (i.e. handling of funds, escrowing, payment calculations, etc.). See also our response to question 12 regarding enforcement.

Q.31. Should all residential mortgage loans in an RMBS be required to comply with all statutory and regulatory standards and guidance in effect at the time of origination? Where such standards and guidance involve subjective standards, how will compliance with the standards and guidance be determined? How should the FDIC treat a situation where a very small portion of the mortgage backing an RMBS do not meet the applicable standards and guidance?

Q.32. What are appropriate alternatives? What are the primary benefits and costs of potential approaches to these issues?

Response: As discussed in the comments to question 17 above, MetLife supports disclosure of (i) a clear underwriting standard; (ii) a description of the underwriting exception process; (iii) identification all loans that qualified for exceptions from the underwriting standard; and (iv) a summary description of the characteristics of the exception pool. This should permit investors to assess the underlying asset and credit risks and provide transparency on underwriting standards and investor recourse if such standards are not met. Appropriate representations and warranties should be made by the IDI sponsor as to compliance with such standard. Statutory and regulatory standards do not provide investors protection if they are not specific or objective enough or provide significant room for interpretation. More importantly and as discussed above under Overview of MetLife's Comments, failure by the sponsor to comply with any ANPR requirements, including any <u>applicable</u> statutory and regulatory standards and guidance at the time of origination that is incorporated into the ANPR, should not void the securitization safe harbor for investors.

<u>MetLife Responses to Additional Questions</u>

Q.34. Is the scope of the safe harbor provisions in paragraph (d) of the sample regulatory text adequate? If not, what changes would you suggest?

Q.35. Do the provisions of paragraph (e) of the sample regulatory text provide adequate clarification of the receiver's agreement to pay monies due under the securitization until monetary default or repudiation? If not, why not and what alternatives would you suggest?

Response: MetLife supports the views expressed in ASF's comment letter regarding questions 34 and 35. In addition, MetLife believes that paragraph (d)(4) of the sample regulatory test would confuse the market, and would likely result in future transactions being tied to the credit of the IDI, rather than to the securitization's underlying assets and structural features. The unusual circumstances that could result under paragraph (d)(4) of the sample regulatory text further highlights the need for the FDIC to collaborate with other agencies, FASB and Congress regarding securitizations generally before an amended safe harbor is put in place.

* * *

Thank you in advance for providing us with the opportunity to comment on the ANPR. If you have any questions concerning the views or recommendations we have expressed in this letter, please feel free to contact either me (at 973.355.4227; cscully@metlife.com) or Kristin Smith of our Government and Industry Relations Department (at 202.466.6224; ksmith4@metlife.com).

Very truly yours,

Charles S. Scully
Managing Director – Structured Finance
Metropolitan Life Insurance Company

Enclosure (Appendix A)

Appendix A

Disclosure Package for Credit Card ABS Transactions

(see attached)

Attachment I

Summary List

Asset Level Information

(Specified Fields to Include and Format for Fields Are Set Forth in Attachments II - V)

Stratifications

FICO	VantageScore	Beacon Score	Proprietary Score
Unknown	[TBD]	[TBD]	[TBD]
500 or less	[xx to xx]	[xx to xx]	[xx to xx]
501 to 550	[yy to yy]	[yy to yy]	[yy to yy]
550 to 600			Please Describe
600 to 650			Top 5 Factors that drive Proprietary Models
650 to 700			Proprietary model indicators
700 to 750			Other ratios or ranking
750 to 800			
800 or greater			

Delinq of Card	Delinq All Other Debts
Current	Current
< 30 Days	< 30 Days
30-59 Days	30-59 Days
60-89 Days	60-89 Days
90-119 Days	90-119 Days
120-149 Days	120-149 Days
150-179 Days	150-179 Days
180+ Days	180+ Days

Credit Limit	Balance	Open to Buy
< 1,000	< 1,000	< 1,000
1,000 - 5,000	1,000 - 5,000	1,000 - 5,000
5,000 - 10,000	5,000 - 10,000	5,000 - 10,000
10,000 - 20,000	10,000 - 20,000	10,000 - 20,000
20,000 - 30,000	20,000 - 30,000	20,000 - 30,000
30,000 - 40,000	30,000 - 40,000	30,000 - 40,000
40,000-50,000	40,000-50,000	40,000-50,000
> 50,000	> 50,000	> 50,000

APR
0-1.99%
[xx to yy]
[xx to yy]
Deferred Interest
Deferred Int./Prin.
Other Promotions

Account Age
12 mos. or Less
12 - 24 mos.
24 - 36 mos.
36 - 48 mos.
48 - 60 mos.
60 - 84 mos.
84 - 120 mos.
Over 120 mos.

Vintage Performance Over Time
Last 10 Years, Annually

Top 10 States
Please List

Top 10 MSAs
Please List

Top 5 Products/Programs
Please List Greater of Top 5
or Top 80% Concentration.
Programs Can Include:
Affinity
Co-Brand
Merchant
Partner
Reward

Modifications/Dilutions/Others
Debt Management Program
Dilution
Redefaults
First Payment Default
Closed Accounts

Payment Habits
% of Pool that Makes Minimum Payment
% of Pool that Pays Bill in Full

Borrower Type
% of Homeowners
% of Mortgage Holders
% of Renters

Job Codes
Professional
Technical
Managerial
Clerical
Sales
Service
Agricultural
Laborers
Military
Student
Retired
Unemployed
Unknown

Education
Graduate
College (4yr)
College (2 yr)
High school
Unknown

Leverage, e.g. Debt-to-Income
[<30%]
[30-50%]
[50+%]
Total WA%

Servicing Costs
Third-party servicer arrangements
Fixed Costs per account ($ amount per annum)
Aggregate Monthly Servicing Fee
Variable Costs (% of outstanding principal balance, by segments)

Attachment II

Collateral Report

Fields to Include
Number of Accounts (million)
Number of Zero Balance Accounts (million)
Number of Inactive Accounts (million)
Receivables Balance ($million)
Weighted Average Calculation By Balance and Exclude Zero and Inactive Accts

FICO/Vantage/Beacon/Proprietary	# of Accounts	$ of Balance	% of Balance	WA Credit Limit	WA Utilization Rate	WA Account Age	% of Full Payers	% of Min. Payers	WA FICO	WA APR	Port. Yield	Interchange	Fees	Gross Charge-Offs	Recoveries	Prepayment	30+ Delinq ($ Amt)	30+ Delinq (Count)	Excess Spread
Unknown																			
500 or less																			
501 to 550																			
550 to 600																			
600 to 650																			
650 to 700																			
700 to 750																			
750 to 800																			
800 or greater																			
Weighted Average to Exclude Zero and Inactive Accts																			

Delinquencies for Card	# of Accounts	$ of Balance	% of Balance	WA Credit Limit	WA Utilization Rate	WA Account Age	% of Full Payers	% of Min. Payers	WA FICO	WA APR	Port. Yield	Interchange	Fees	Gross Charge-Offs	Recoveries	Prepayment	30+ Delinq ($ Amt)	30+ Delinq (Count)	Excess Spread
Current																			
< 30 Days																			
30-59 Days																			
60-89 Days																			
90-119 Days																			
120-149 Days																			
150-179 Days																			
180+ Days																			
Weighted Average to Exclude Zero and Inactive Accts																			

Delinquencies for All Other Debts	# of Accounts	$ of Balance	% of Balance	WA Credit Limit	WA Utilization Rate	WA Account Age	% of Full Payers	% of Min. Payers	WA FICO	WA APR	Port. Yield	Interchange	Fees	Gross Charge-Offs	Recoveries	Prepayment	30+ Delinq ($ Amt)	30+ Delinq (Count)	Excess Spread
Current																			
< 30 Days																			
30-59 Days																			
60-89 Days																			
90-119 Days																			
120-149 Days																			
150-179 Days																			
180+ Days																			
Weighted Average to Exclude Zero and Inactive Accts																			

Credit Limit	# of Accounts	$ of Balance	% of Balance	WA Credit Limit	WA Utilization Rate	WA Account Age	% of Full Payers	% of Min. Payers	WA FICO	WA APR	Port. Yield	Interchange	Fees	Gross Charge-Offs	Recoveries	Prepayment	30+ Delinq ($ Amt)	30+ Delinq (Count)	Excess Spread
< 1,000																			
1,000 - 5,000																			
5,000 - 10,000																			
10,000 - 20,000																			
20,000 - 30,000																			
30,000 - 40,000																			
40,000-50,000																			
> 50,000																			
Weighted Average to Exclude Zero and Inactive Accts																			

Balance	# of Accounts	$ of Balance	% of Balance	WA Credit Limit	WA Utilization Rate	WA Account Age	% of Full Payers	% of Min. Payers	WA FICO	WA APR	Port. Yield	Interchange	Fees	Gross Charge-Offs	Recoveries	Prepayment	30+ Delinq ($ Amt)	30+ Delinq (Count)	Excess Spread
< 1,000																			
1,000 - 5,000																			
5,000 - 10,000																			
10,000 - 20,000																			

20,000 - 30,000
30,000 - 40,000
40,000-50,000
> 50,000
Weighted Average to Exclude Zero and Inactive Accts

Open to Buy	# of Accounts	$ of Balance	% of Balance	WA Credit Limit	WA Utilization Rate	WA Account Age	% of Full Payers	% of Min. Payers	WA FICO	WA APR	Port. Yield	Interchange	Fees	Gross Charge-Offs	Recoveries	Prepayment	30+ Delinq ($ Amt)	30+ Delinq (Count)	Excess Spread
< 1,000																			
1,000 - 5,000																			
5,000 - 10,000																			
10,000 - 20,000																			
20,000 - 30,000																			
30,000 - 40,000																			
40,000-50,000																			
> 50,000																			
Weighted Average to Exclude Zero and Inactive Accts																			

APR	# of Accounts	$ of Balance	% of Balance	WA Credit Limit	WA Utilization Rate	WA Account Age	% of Full Payers	% of Min. Payers	WA FICO	WA APR	Port. Yield	Interchange	Fees	Gross Charge-Offs	Recoveries	Prepayment	30+ Delinq ($ Amt)	30+ Delinq (Count)	Excess Spread
0-1.99%																			
[xx to yy]																			
[xx to yy]																			
Deferred Interest																			
Deferred Int./Prin.																			
Other Promotions																			
Weighted Average to Exclude Zero and Inactive Accts																			

Account Age	# of Accounts	$ of Balance	% of Balance	WA Credit Limit	WA Utilization Rate	WA Account Age	% of Full Payers	% of Min. Payers	WA FICO	WA APR	Port. Yield	Interchange	Fees	Gross Charge-Offs	Recoveries	Prepayment	30+ Delinq ($ Amt)	30+ Delinq (Count)	Excess Spread
12 mth or Less																			
12 - 24 mos.																			
24 - 36 mos.																			
36 - 48 mos.																			
48 - 60 mos.																			
60 - 84 mos.																			
84 - 120 mos.																			
Over 120 Mos.																			
Weighted Average to Exclude Zero and Inactive Accts																			

Top 10 States by Trust Balance	# of Accounts	$ of Balance	% of Balance	WA Credit Limit	WA Utilization Rate	WA Account Age	% of Full Payers	% of Min. Payers	WA FICO	WA APR	Port. Yield	Interchange	Fees	Gross Charge-Offs	Recoveries	Prepayment	30+ Delinq ($ Amt)	30+ Delinq (Count)	Excess Spread
Please List																			
Weighted Average to Exclude Zero and Inactive Accts																			

Top 10 MSAs by Trust Balance	# of Accounts	$ of Balance	% of Balance	WA Credit Limit	WA Utilization Rate	WA Account Age	% of Full Payers	% of Min. Payers	WA FICO	WA APR	Port. Yield	Interchange	Fees	Gross Charge-Offs	Recoveries	Prepayment	30+ Delinq ($ Amt)	30+ Delinq (Count)	Excess Spread
Please List																			
Weighted Average to Exclude Zero and Inactive Accts																			

Top 5 Products in Pool	# of Accounts	$ of Balance	% of Balance	WA Credit Limit	WA Utilization Rate	WA Account Age	% of Full Payers	% of Min. Payers	WA FICO	WA APR	Port. Yield	Interchange	Fees	Gross Charge-Offs	Recoveries	Prepayment	30+ Delinq ($ Amt)	30+ Delinq (Count)	Excess Spread
Please List Greater of Top 5																			
or Top 80% Concentration.																			
Programs Can Include:																			
Affinity																			
Co-Brand																			
Merchant																			
Partner																			
Reward																			
Weighted Average to Exclude Zero and Inactive Accts																			

Modifications/Dilutions	# of Accounts	$ of Balance	% of Balance	WA Credit Limit	WA Utilization Rate	WA Account Age	Type/Code	% of Min. Payers	WA FICO	WA APR	Port. Yield	Interchange	Fees	Gross Charge-Offs	Recoveries	Prepayment	30+ Delinq ($ Amt)	30+ Delinq (Count)	Excess Spread
Under Debt Management Program																			
Redefaults																			
Dilution																			
Closed Accounts																			
Weighted Average to Exclude Zero and Inactive Accts																			

Payment Habits	# of Accounts	$ of Balance	% of Balance	WA Credit Limit	WA Utilization Rate	WA Account Age	Type/Code	% of Min. Payers	WA FICO	WA APR	Port. Yield	Interchange	Fees	Gross Charge-Offs	Recoveries	Prepayment	30+ Delinq ($ Amt)	30+ Delinq (Count)	Excess Spread
% of Pool that Makes Minimum Payment																			
% of Pool that Pays Bill in Full (Transactors)																			
% of Other Payment Type (Revolvers)																			
Weighted Average to Exclude Zero and Inactive Accts																			

Borrower Type	# of Accounts	$ of Balance	% of Balance	WA Credit Limit	WA Utilization Rate	WA Account Age	Type/Code	% of Min. Payers	WA FICO	WA APR	Port. Yield	Interchange	Fees	Gross Charge-Offs	Recoveries	Prepayment	30+ Delinq ($ Amt)	30+ Delinq (Count)	Excess Spread
% of Homeowners																			
% of Mortgage Holders																			
% of Renters																			
Weighted Average to Exclude Zero and Inactive Accts																			

Job Codes	# of Accounts	$ of Balance	% of Balance	WA Credit Limit	WA Utilization Rate	WA Account Age	% of Full Payers	% of Min. Payers	WA FICO	WA APR	Port. Yield	Interchange	Fees	Gross Charge-Offs	Recoveries	Prepayment	30+ Delinq ($ Amt)	30+ Delinq (Count)	Excess Spread
Professional																			
Technical																			
Managerial																			
Clerical																			
Sales																			
Service																			
Agricultural																			
Laborers																			
Military																			
Student																			
Retired																			
Unemployed																			
Unknown																			
Weighted Average to Exclude Zero and Inactive Accts																			

Education	# of Accounts	$ of Balance	% of Balance	WA Credit Limit	WA Utilization Rate	WA Account Age	% of Full Payers	% of Min. Payers	WA FICO	WA APR	Port. Yield	Interchange	Fees	Gross Charge-Offs	Recoveries	Prepayment	30+ Delinq ($ Amt)	30+ Delinq (Count)	Excess Spread
Post college degree																			
4 yr college degree																			
2 yr jr college																			
High school diploma																			
No high school diploma																			
Weighted Average to Exclude Zero and Inactive Accts																			

Leverage, e.g. Debt-to-Income	# of Accounts	$ of Balance	% of Balance	WA Credit Limit	WA Utilization Rate	WA Account Age	% of Full Payers	% of Min. Payers	WA FICO	WA APR	Port. Yield	Interchange	Fees	Gross Charge-Offs	Recoveries	Prepayment	30+ Delinq ($ Amt)	30+ Delinq (Count)	Excess Spread
[<30%]																			
[30-50%]																			
[50+%]																			
Weighted Average to Exclude Zero and Inactive Accts																			

Attachment III

Waterfall Report

ALL FIGURES MUST BE REPORTED IN DOLLARS AS WELL AS PERCENTAGE OF TRUST BASIS.

Monthly Cash Flows

	Cash Collections (Monthly Basis)
+	Interest
+	Recoveries
+	Fees
+	Interchange
+	Discounted Principal (Principal Collection re-categorized as Finance Charge Collection)
+	Other cash inflows
	Cost of Funds (Monthly Basis)
-	Coupon Pmt of All Outstanding Series
-	Servicer Fees
-	Trustee Fees
+/-	Derivatives (inflow/outflow)
-	Other costs/fees
	Charge-Offs (Monthly Basis)
-	Charge-Offs from Bankruptcy
-	Charge-Offs from Contractual Defaults
=	1 Month Excess Spread

Master Trust Assets (Monthly Basis)

	Receivables Amount Outstanding - Beginning
	Receivables Amount Outstanding - Beginning (net of Discounting)
+	Amount of Receivables Purchased
-	Amount of Receivables Removed
-	Amount of Receivables Paid (Collections)
-	Gross Charge-Offs
=	Receivables Amount Outstanding - Ending
	Receivables Amount Outstanding - Ending (net of Discounting)
	Notionl Balance of Receivabls Discounted
	Principal Receivables after Discount
	Discount Rate in Effect

Master Trust Liabilities (Monthly Basis)

Owner's Trust	Original Amt	Current Amt	WD Amt	Principal Funding Acct	Interest Shortfall	Actual Cred Enh	Req Cred Enh	Stated Maturity	Legal Final	ExSp Trigger	ExSp Actual	Other Triggers (YES/NO)
Series 2006-1, class A												
Series 2006-1, class B												
Series 2006-1, class C												
Series 2006-1, class D												
Total Series 2006-1												
Series 2006-2, class A												
Series 2006-2, class B												
Series 2006-2, class C												
Series 2006-2, class D												
Total Series 2006-2												
Aggregate Invested Amount												

Issuance Trust	Original Amt	Current Amt	WD Amt	Principal Funding Acct	Encumbered Amt	Interest Shortfall	Actual Cred Enh	Req Cred Enh	Stated Maturity	Legal Final	ExSp Trigger	ExSp Actual	Other Triggers (YES/NO)
Class A					NA								
Class B													
Class C													
Class D													
Aggregate Invested Amount													

Seller's Interest
Minimum Required Seller's Interest

RESERVE ACCOUNT TRIGGER

Reported 3M Excess Spread for Trigger Calc	[XX%]						
Excess Spread Account Threshold	4.50%	4.00%	3.50%	3.00%	2.50%	2.00%	0.00%
Required Reserve Account (%)	1.25%	2.00%	2.75%	3.50%	4.50%	6.00%	6.00%
Actual Reserve Account (%)							
Actual Reserve Account ($)							

Cash Collateral Account ($)
Other Reserve Accounts ($)

Commencement of Accumulation or Amortization Period (if any):
Early Redemption Events - Please outline all events relevant to the master trust. For example:

3M Excess Spread %
Threshold
Actual

Base Rate Trigger
Threshold
Actual

Non-Asset Triggers
YES/NO

Recovery Sources and Timelines

	Sale of C-O Accts.	Obligor Payments
Internal Collections	WA%	WA%
	WA Months	WA Months
Third-Party	WA%	WA%
	WA Months	WA Months

Attachment IV

Static Pool Report

Apply Same Format for:
Charge-Offs
Monthly Payment Rates
Delinquencies

Report Date
06/30/2009
1st Half 2001 Orignation

	FICO									
Since Origination (Months)	Unknown	500 or less	501 to 550	550 to 600	600 to 650	650 to 700	700 to 750	750 to 800	800 or greater	Balance ($)
Jan-01										
Feb-01										
Mar-01										
Apr-01										
May-01										
Jun-01										
Jul-01										
Aug-01										
Sep-01										
Oct-01										
Nov-01										
Dec-01										
Jan-02										
Feb-02										
Mar-02										
Apr-02										
May-02										
Jun-02										
Jul-02										
Aug-02										
Sep-02										
Oct-02										
Nov-02										
Dec-02										
Jan-03										
Feb-03										
Mar-03										
Apr-03										
May-03										
Jun-03										
Jul-03										
Aug-03										
Sep-03										
Oct-03										
Nov-03										
Dec-03										
Jan-04										
Feb-04										
Mar-04										
Apr-04										
May-04										
Jun-04										
Jul-04										
Aug-04										

Report Date
06/30/2009
2nd Half 2001 Orignation

	FICO									
Since Origination (Months)	Unknown	500 or less	501 to 550	550 to 600	600 to 650	650 to 700	700 to 750	750 to 800	800 or greater	Balance ($)
Jul-01										
Aug-01										
Sep-01										
Oct-01										
Nov-01										
Dec-01										
Jan-02										
Feb-02										
Mar-02										
Apr-02										
May-02										
Jun-02										
Jul-02										
Aug-02										
Sep-02										
Oct-02										
Nov-02										
Dec-02										
Jan-03										
Feb-03										
Mar-03										
Apr-03										
May-03										
Jun-03										
Jul-03										
Aug-03										
Sep-03										
Oct-03										
Nov-03										
Dec-03										
Jan-04										
Feb-04										
Mar-04										
Apr-04										
May-04										
Jun-04										
Jul-04										
Aug-04										
Sep-04										
Oct-04										
Nov-04										
Dec-04										
Jan-05										
Feb-05										

Sep-04
Oct-04
Nov-04
Dec-04
Jan-05
Feb-05
Mar-05
Apr-05
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Jun-05
Jul-05
Aug-05
Sep-05
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Jun-08
Jul-08
Aug-08
Sep-08
Oct-08
Nov-08
Dec-08
Jan-09
Feb-09
Mar-09
Apr-09
May-09
Jun-09

Report Date
06/30/2009
1st Half 2002 Orignation

	FICO									
Since Origination (Months)	Unknown	500 or less	501 to 550	550 to 600	600 to 650	650 to 700	700 to 750	750 to 800	800 or greater	Balance ($)
Jan-02										
Feb-02										
Mar-02										
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Report Date
06/30/2009
1st Half 2002 Orignation

	FICO									
Since Origination (Months)	Unknown	500 or less	501 to 550	550 to 600	600 to 650	650 to 700	700 to 750	750 to 800	800 or greater	Balance ($)
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Attachment V

Repline Report

TOTAL REPLINES **16,632** **(approx.)**

Expected Buckets	9	8	7	11							3
Replines	**FICO**	**Delinq Status**	**Age**	**State**	**Region**	**Credit Limit**	**Current Balance**	**# of Accounts**	**Gross Coupon**	**Net Coupon**	**Adjustable Rate Index**
1	500 or less	Current	12 - 24 mth	IN	Midwest / Central East	71,500.00	67,736.95	2,568	6.0000	5.4978	Fixed
2	500 to 550	< 30 Days	24 - 36 mos.	MS	South / Central East	84,800.00	79,486.88	15,875	7.6500	7.1478	Fixed
3	550 to 600	30-59 Days	36 - 48 mos.	IN	Midwest / Central East	101,700.00	96,911.61	25,792	6.5000	5.9978	Fixed
4	600 to 650	60-89 Days	36 - 48 mth	GA	South / Atlantic	182,502.00	0.00	25,985	10.2000	9.6978	LIBOR_6MO
5	650 to 700	90-119 Days	48-60 mos.	FL	South / Atlantic	60,000.00	56,865.55	86,453	6.0000	5.4978	Fixed
6	700 to 750	120-149 Days	Over 60 Mos.	Other	Other	122,400.00	115,480.66	24,982	6.3750	5.8728	Fixed
7	750 to 800	150-179 Days	12 mth or Less	WA	West / Pacific North	114,300.00	0.00	28,212	9.9900	9.4878	Fixed
8	800 or greater	180+ Days	12 - 24 mth	TX	South / Central West	211,964.00	0.00	35,325	6.9900	6.4878	LIBOR_6MO
9	Unknown	Current	24 - 36 mos.	OK	South / Central West	93,500.00	0.00	66,313	8.6500	8.1478	LIBOR_6MO
10	500 to 550	< 30 Days	36 - 48 mos.	FL	South / Atlantic	104,625.00	111,842.78	31,451	9.6200	9.1178	LIBOR_6MO
11	550 to 600	30-59 Days	36 - 48 mth	IN	Midwest / Central East	136,800.00	131,754.82	2,659,846	8.3700	7.8678	LIBOR_6MO
12	600 to 650	60-89 Days	48-60 mos.	FL	South / Atlantic	115,500.00	0.00	53,618	6.8000	6.2978	LIBOR_6MO
13	650 to 700	90-119 Days	Over 60 Mos.	TX	South / Central West	68,000.00	65,824.43	3,643,168	8.5500	8.0478	Fixed
14	700 to 750	120-149 Days	12 mth or Less	LA	South / Central West	94,736.00	90,553.29	38,224	6.8750	6.3728	Fixed
15	750 to 800	150-179 Days	12 - 24 mth	TX	South / Central West	90,000.00	86,671.05	552,175	7.8500	7.3478	Fixed