



*Insight beyond the rating.*

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## **DBRS Assigns Provisional Ratings to Canadian Capital Auto Receivables Asset Trust II Series 2007-2 Class A Notes, VPR Loans, Class B Notes and Class C Notes**

**Industry: Sec.--Auto**

DBRS has assigned the following provisional ratings to Canadian Capital Auto Receivables Asset Trust II (the Trust):

- AAA to the Auto Loan Receivables-Backed Notes, Series 2007-2, Class A-1
- AAA to the Auto Loan Receivables-Backed Notes, Series 2007-2, Class A-2
- AAA to the Auto Loan Receivables-Backed Notes, Series 2007-2, Class A-3
- AAA to the VPR Loans
- "A" to the Auto Loan Receivables-Backed Notes, Series 2007-2, Class B
- BBB to the Auto Loan Receivables-Backed Notes, Series 2007-2, Class C

On closing, the Trust will acquire a co-ownership interest in a portfolio of secured auto loans from General Motors Acceptance Corporation of Canada, Limited (GMAC Canada) through a two-step sale. The Trust will be able to acquire additional secured auto loans that meet certain established criteria for up to 12 months following closing, subject to DBRS approval. The Class A Notes, Class B Notes and Class C Notes are expected to provide for structured bullet payments, with the VPR Loans and Subordinated VPR Loans increasing or decreasing as necessary to provide the balance of funding.

Timely repayment of the Class A Notes, Class B Notes and Class C Notes is dependent on the ability of the Trust to obtain an Additional VPR Loan, a Class B VPR Loan and a Class C VPR Loan. The ability of the Trust to obtain these advances is not guaranteed and therefore each class of Notes bears some extension risk. This is true to a greater extent for the Class C Notes as obtaining a Class C VPR Loan from an asset-backed commercial paper issuer is dependent on the Class C Notes receiving an upgrade to at least an "A" rating.

The provisional ratings incorporate the following considerations:

(1) The very strong and consistent loss and delinquency performance of GMAC Canada's owned or managed retail loan portfolio. Losses have been below 0.30% since 1999, and 90-day delinquency levels have typically been at the 0.01% level.

(2) The high level of credit enhancement supporting the Class A Notes and the VPR Loans provided



by overcollateralization of 1.5%, non-amortizing cash of 0.5%, Class B Note subordination of 2.50%, Class C Note subordination of 0.5% and an initial annual interest spread in excess of 2.5%.

(3) The high level of credit enhancement supporting the Class B Notes provided by overcollateralization of 1.5%, non-amortizing cash of 0.5%, Class C Note subordination of 0.5% and an initial annual interest spread in excess of 2.5%.

(4) The high level of credit enhancement supporting the Class C Notes provided by overcollateralization of 1.5%, non-amortizing cash of 0.5% and an initial annual interest spread in excess of 2.5%.

(5) The significant experience of GMAC LLC in the origination and servicing of retail auto loans and securitization transactions backed by those assets.

Stress tests using assumptions, including servicer fees and large increases in delinquency and credit losses, indicate that credit enhancement provides sufficient protection to the Class A Notes and the VPR Loans to warrant the AAA ratings, that credit enhancement provides sufficient protection to the Class B Notes to warrant the “A” rating, and that credit enhancement provides sufficient protection to the Class C Notes to warrant the BBB rating.

Issuer	Debt Rated	Rating Action	Rating	Trend	Latest Event
Canadian Capital Auto Receivables Asset Trust II, Series 2007-2	Auto Loan Receivables-Backed Notes, Series 2007-2, Class A-1	New Rating - Provisional	AAA	--	Nov 20, 2007
Canadian Capital Auto Receivables Asset Trust II, Series 2007-2	Auto Loan Receivables-Backed Notes, Series 2007-2, Class A-2	New Rating - Provisional	AAA	--	Nov 20, 2007
Canadian Capital Auto Receivables Asset Trust II, Series 2007-2	Auto Loan Receivables-Backed Notes, Series 2007-2, Class A-3	New Rating - Provisional	AAA	--	Nov 20, 2007
Canadian Capital Auto Receivables Asset Trust II, Series 2007-2	VPR Loans	New Rating - Provisional	AAA	--	Nov 20, 2007
Canadian Capital Auto Receivables Asset Trust II, Series 2007-2	Auto Loan Receivables-Backed Notes, Series 2007-2, Class B	New Rating - Provisional	A	--	Nov 20, 2007
Canadian Capital Auto Receivables Asset Trust II, Series 2007-2	Auto Loan Receivables-Backed Notes, Series 2007-2, Class C	New Rating - Provisional	BBB	--	Nov 20, 2007



The full report providing additional analytical detail is available by clicking on the link below or by contacting us at [info@dbrs.com](mailto:info@dbrs.com).

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