![Fitch Ratings — Know Your Risk]

In The Auto ABS Driver's Seat

December 2006

By Hylton Heard

Prime Performance Review

Prime auto asset-backed securities (ABS) performance was relatively flat in November with Fitch Ratings' 60 days or more delinquency index remaining virtually unchanged, and annualized net losses (ANL) creeping up slightly. Fitch's 60 days or more delinquency index was at 0.53% in November, unchanged from October but 7% lower than in the same period in 2005. A total of 52% of the transactions making up the index produced higher delinquency rates in November but this was partially offset by improvements in most of the remaining transactions tracked. On the loss side, ANL moved nearly 5% higher in November over October to 0.87%. However, on a year-over-year basis ANL were 20% lower in November versus November 2005. Cumulative net losses (CNL) were 0.62% seasonally adjusted in November, virtually unchanged from October but mirrored ANL trends being 15% lower versus the same month in 2005.

Subprime Performance Review

Subprime performance in November was relatively stagnant too with no material changes recorded. Delinquencies of 60 days or more dropped to 2.64% in November, 3% lower than in October but, as with prime delinquencies, 8% improved on a year-over-year basis. Subprime ANL were 6.35% in November, virtually unchanged from October and only 4% lower on a year-over-year basis, following a big spike in ANL in October from September, which grew 33%. Loss severity may be aided by slightly improved wholesale vehicle values while continuing job growth continues to support the frequency side of the equation despite the slowdown in the housing market. Performance should remain relatively stable in December but fewer working hours and consumer spending that ticks up during the holidays, among other factors, may lead to frequency pressures during the final month of the year.

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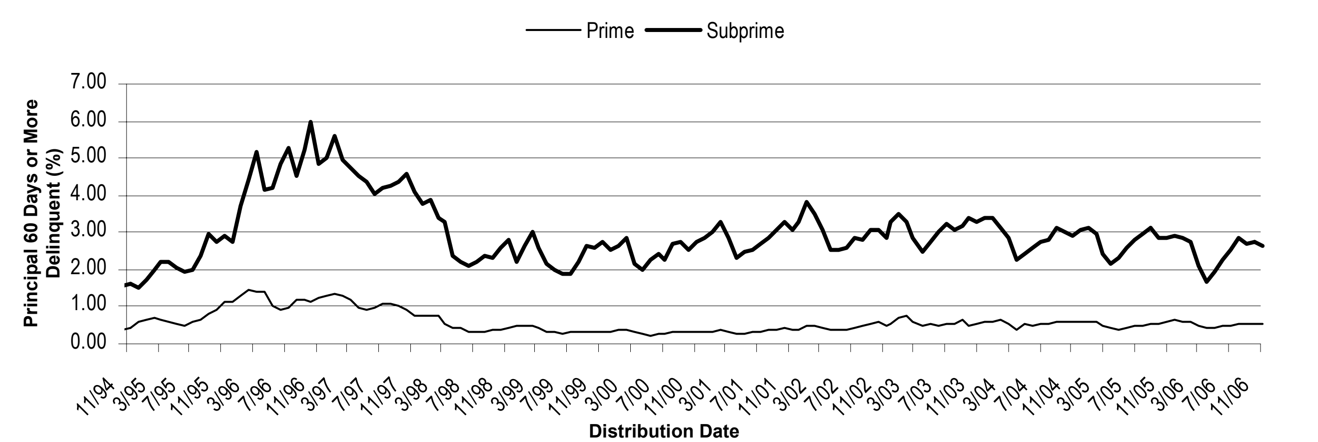
Fitch Rating Actions for November 2006 — New Ratings

Class	Class Size ($000)	Rating
Capital One Auto Finance Trust (COAFT) 2006-C		
5.34% Class A-1 Asset-Backed Notes	349,000	F1+
5.31% Class A-2 Asset-Backed Notes	334,000	AAA
5.07% Class A-3a Asset-Backed Notes	294,500	AAA
LIBOR + 0.01% Class A-3b Asset-Backed Notes	294,500	AAA
LIBOR + 0.03% Class A-4 Asset-Backed Notes	478,000	AAA
DaimlerChrysler Master Owner Trust, 2006-A		
Floating-Rate Class A Asset-Backed Notes	1,000,000	AAA

LIBOR – London Interbank Offered Rate.

Fitch Auto ABS Delinquency Index



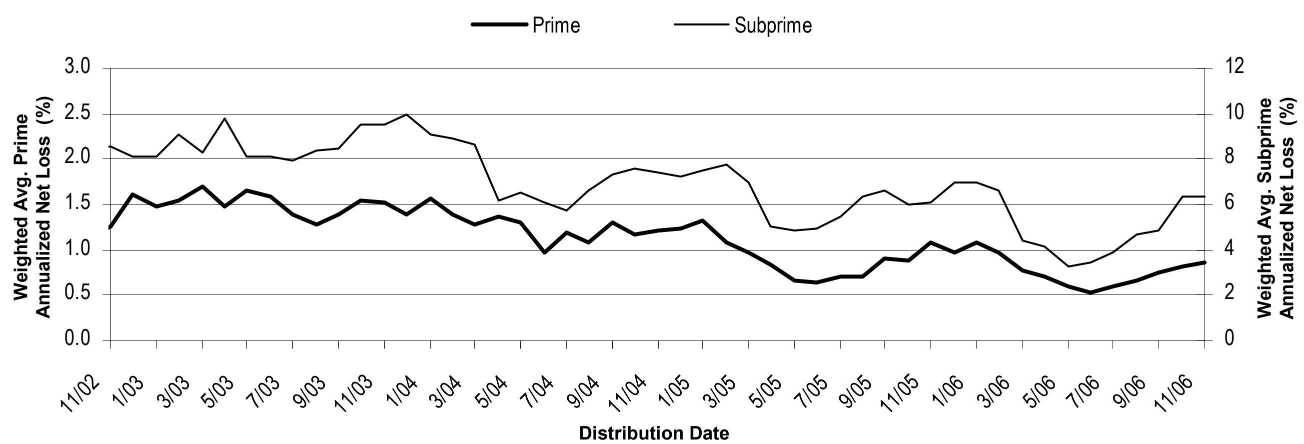
The U.S. Consumer

The U.S economy had a solid gain of 132,000 jobs in November, up from 79,000 jobs created in October. The declining trend in jobless claims continued in November; however, monthly mass layoffs increased. Once again, the increase in mass layoffs can be attributed to job cuts in the manufacturing sector due to the weakening housing market and also some contribution from layoffs in the auto industry. However, the labor market remains tight as jobs continue to be created albeit at a slower pace than earlier in the year. Unemployment increased only slightly in November to 4.5% from 4.4% in October. Meanwhile, energy prices continued to fall in November while inflation fears have eased somewhat and personal bankruptcies remain low. Despite these positive economic factors present, the Conference Board's Consumer Confidence Index declined for the second month in a row in both the expectations and present conditions components. Consumers continue to carry high debt levels and the housing slowdown is creating further concern in numerous sectors of the

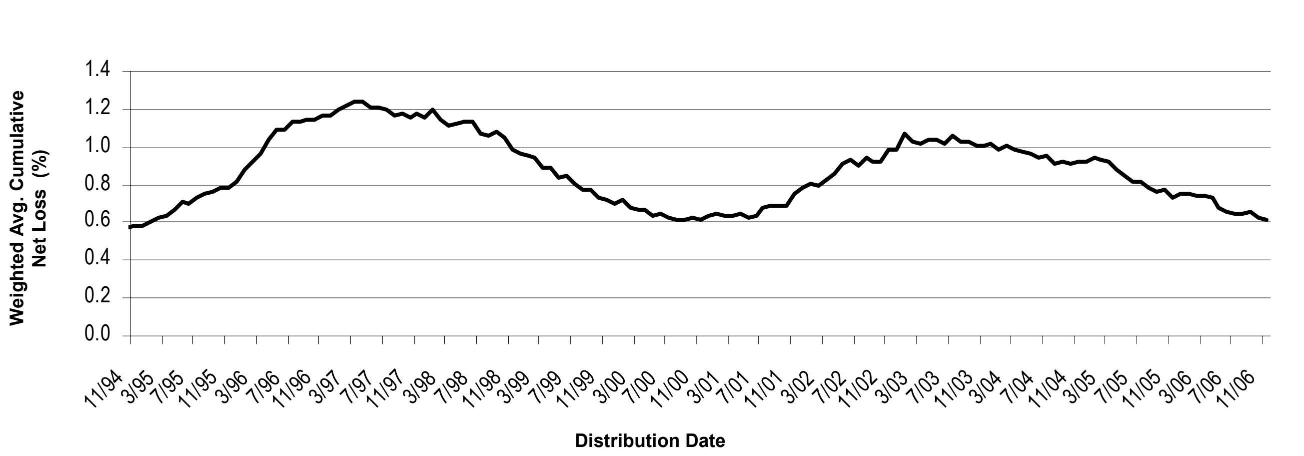
Fitch Rating Actions for November 2006 — New Ratings (continued)

Class	Class Size ($000)	Rating
Ford Credit Auto Owner Trust 2006-C		
5.3574% Class A-1 Asset-Backed Notes	664,000	F1+
5.29% Class A-2a Asset-Backed Notes	205,000	AAA
Floating-Rate Class A-2b Asset-Backed Notes	856,441	AAA
5.16% Class A-3 Asset-Backed Notes	509,551	AAA
5.15% Class A-4a Asset-Backed Notes	325,000	AAA
Floating-Rate Class A-4b Asset-Backed Notes	251,838	AAA
5.30% Class B Asset-Backed Notes	88,795	A
5.47% Class C Asset-Backed Notes	59,196	BBB+
6.89% Class D Asset-Backed Notes	59,196	BB+
General Electric Dealer Floorplan Master Note Trust 2006-4		
Floating-Rate Class A Asset-Backed Notes	1,193,750	AAA
Floating-Rate Class B Asset-Backed Notes	43,750	A
Floating-Rate Class C Asset-Backed Notes	12,500	BBB

Fitch Auto ABS Annualized Net Loss Index



Fitch Prime Auto ABS Cumulative Net Loss Index



economy. Auto sales remained flat in November regardless of rising incentives while the Conference Board's plans-to-buy-autos index fell, spelling uncertainty about sales in upcoming months.

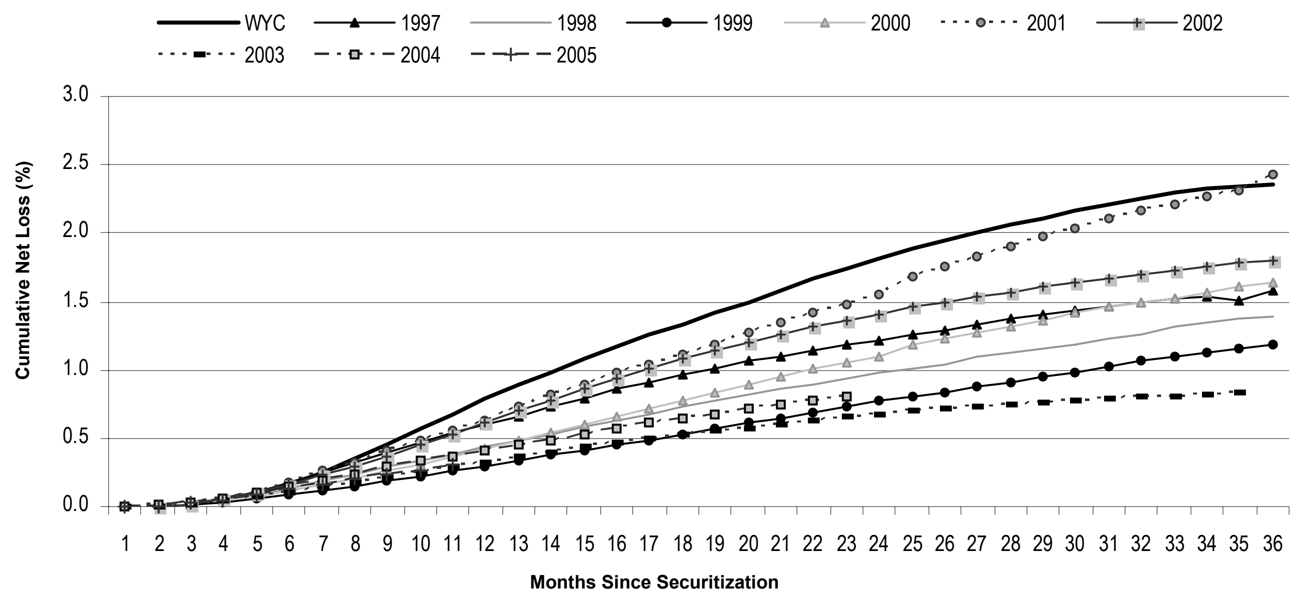
Wholesale Vehicles Prices

Although there was pressure in certain segments of the wholesale vehicle market, wholesale values posted their second consecutive month of improvement in November. Declining new vehicle inventories brought about by reduced production by certain domestic manufacturers along with continued job creation in

Fitch Rating Actions for November 2006 — New Ratings (continued)

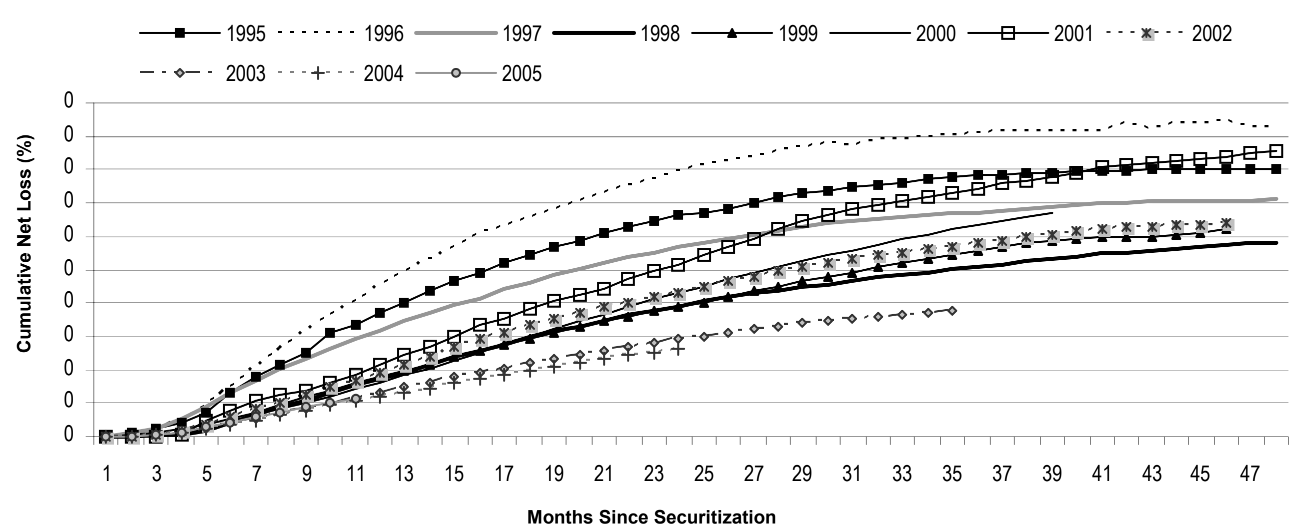
Class	Class Size ($000)	Rating
Hyundai Auto Receivables Trust 2006-B		
5.34763% Class A-1 Asset-Backed Notes	239,000	F1+
5.25% Class A-2 Asset-Backed Notes	225,000	AAA
5.11% Class A-3 Asset-Backed Notes	249,000	AAA
5.15% Class A-4 Asset-Backed Notes	130,000	AAA
5.19% Class B Asset-Backed Notes	43,800	AA
5.25% Class C Asset-Backed Notes	41,800	A
5.41% Class D Asset-Backed Notes	34,000	BBB

Cumulative Net Losses by Year of Issuance — Prime Auto ABS

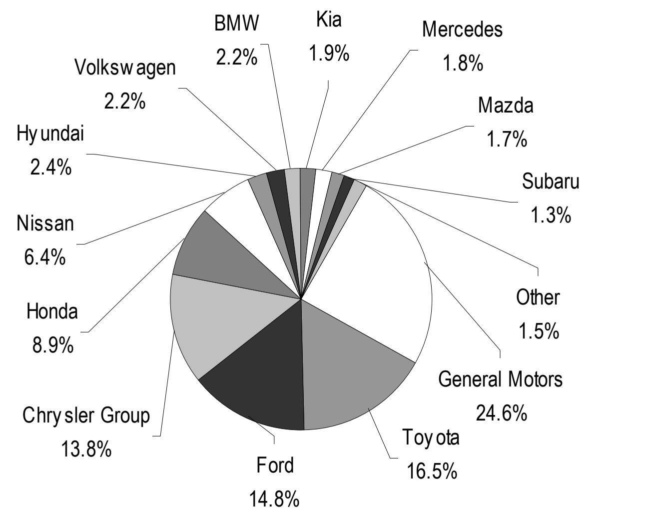


WIYC – Worst industry years loss curve (1994–1996).

Cumulative Net Losses by Year of Issuance — Subprime Auto ABS



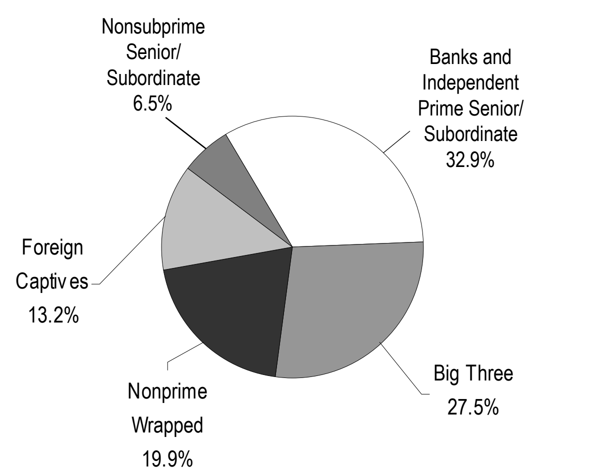
2006 Auto Sales — Manufacturer Market Share
(Through Nov. 30, 2006)



Source: Ward's AutoInfoBank.

November supported used vehicle values. U.S. vehicle production was down 5.3% through early December versus the same period in 2005 with inventories at a 73 day supply, down from 78 days in December 2005. Incentives were an average of $2,237 per vehicle in November (source: Edmunds.com), 7.3% lower than in November 2005, dropping to the lowest level in 2006, thus easing pressure on wholesale values. Furthermore, the economy continued to create jobs at a relatively good pace in November; job growth is a big driver of demand for used vehicles. Within vehicle segments the battered SUV/truck segment did show some improvement in November as energy prices remained relatively stable when compared with the same period in 2005. With production cuts continuing and the economy showing signs of continued growth, wholesale vehicle values should see some easing of pressures and another gain may be seen in the last month of the year.

Auto ABS Issuance by Dollar Volume*
(Through Nov. 30, 2006)

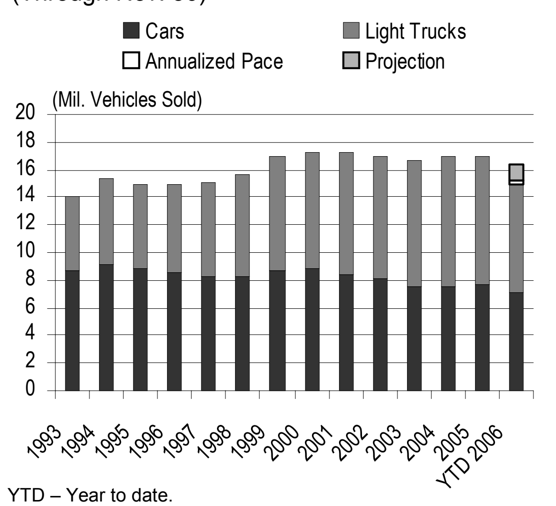


*Includes all public and 144a retail loan transactions.

Auto Sales

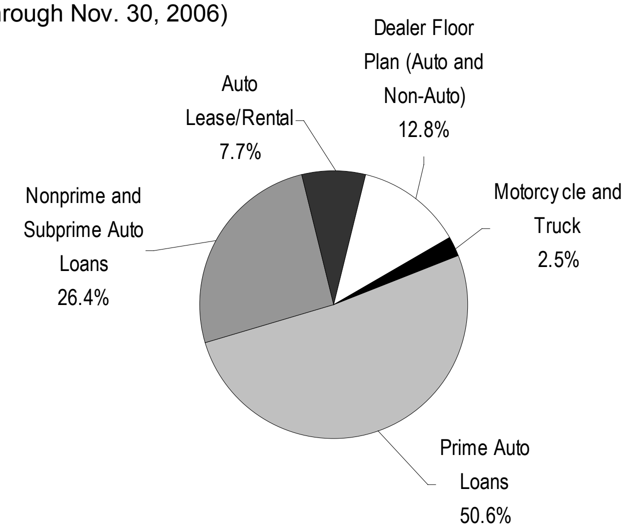
Auto sales dropped to 16.0 million units seasonally adjusted in November down from 16.1 million units in October, equaling the lowest level in 2006 produced in August this year. Trucks were responsible for most of the decline experienced in November while car sales showed slight improvement, both over October figures. Actual sales were 15.1 million units down 2.5% from a year ago during the same period with SUV/truck sales off 6% while car sales have improved by more than 1%. Lower sales in November coincided with the lowest incentive levels for the year, which have ranged from $2,237 (November) to a high of $2,929 (July), as manufacturers continued to try to wean consumers off these sales tools. The slowdown in the economy during 2006 has contributed to lower sales levels in recent months. Toyota overtook both Ford and Chrysler in the race for market share in November with a 17% share, higher than the 15% and 14% monthly market shares of Ford and Chrysler, as Toyota sales have jumped nearly 13% in 2006 versus 2005 figures. GM sales were off 8.3% while Ford and Chrysler are both approximately 8% lower, all through November and versus 2005 sales.

U.S. New Vehicle Sales
(Through Nov. 30)

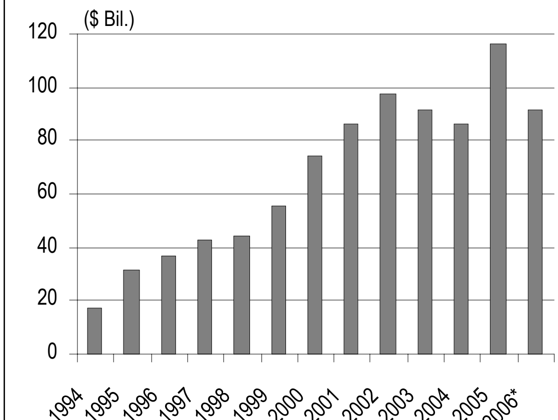


YTD – Year to date.

Auto ABS Issuance by Asset Type
(Through Nov. 30, 2006)



Auto ABS Securitization Volume*



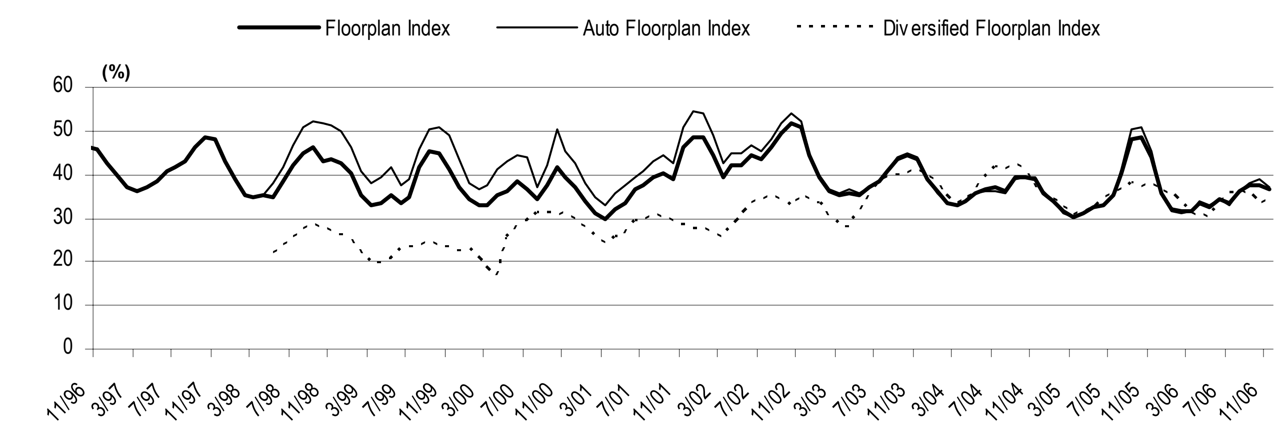
*Through Nov. 30; includes all U.S. prime and subprime auto loan, auto lease, and dealer floorplan transactions.

The Asian brands have consistently taken market share from domestic manufacturers in 2006. With Toyota leading the pack, Honda sales are up just under 4% through November over 2005 sales levels, Suzuki sales have rocketed 24%, and Mazda sales have grown 4%. On the losing side for the Asians are Nissan with sales down 1.5%, Hyundai has seen sales drop nearly 15%, and Isuzu sales are off 33%. Mercedes sales have come back well in 2006 after a slow start to the year; sales grew 21% in 2006 through November over 2005 figures, while German counterpart BMW's sales have dropped almost 4% in 2006. With high inventory levels domestic manufacturers need to continue to rid themselves of these excess vehicles even in light of production cuts in 2006. Ford and GM implemented new incentive programs in December while Chrysler continued to utilize the highest incentives of the U.S brands to clear inventories. With this said, manufacturers will look to hit sales targets for the year and along with December incentive levels, expect to see a slight rise in year-end sales in December.

Securitization

In November, $13.2 billion worth of auto ABS paper (auto loan, lease, rental, dealer floorplan, motorcycle loans, and truck loans) was issued — the

Comparative Floorplan Index — Monthly Payment Rate



busiest month of the year. Total issuance for the year topped $91.2 billion through November, 15% below 2005 levels. Five prime auto loan transactions were issued in November, two subprime loan deals, three dealer floorplan, and one auto lease deal. Prime auto loans continue to dominate the market with 51%, and then dealer floorplan with 13%. Auto ABS have seen lower issuance levels across the board for all product types in 2006, versus 2005 levels.

In the prime auto loan sector, Hyundai issued their 2006-B transaction of $962.6 million and Ford Credit issued a $2.3 billion deal, its third deal of the year. Bank of America securitized GMAC prime auto loans in a $1.6 billion wholesale loan transaction in November while USAA securitized its fourth deal in 2006 totaling $1.7 billion. Closing out issuance is the prime sector in November was DaimlerChrysler with its DaimlerChrysler Auto Trust 2006-D totaling $1.2 billion. In the sub-prime space, Capital One Auto Finance Trust 2006-C sold $1.8 billion in paper wrapped by FGIC and Drivetime Auto Owner Trust 2006-B closed a $305 million transaction insured by MBIA Insurance Corp. In the floorplan market, GE Dealer Floorplan Master Note Trust 2006-4 totaling $750.1 million was sold into the market. DaimlerChrysler Master Owner Trust 2006-A totaling $1.0 billion was issued, DaimlerChrysler Financial Services America LLC's first floorplan transaction in 2006, and Credit Acceptance Corp. securitized a $100 million floorplan transaction. Nissan was active in the auto lease market issuing a $1.6 billion auto lease transaction for its first lease transaction in 2006. Issuance has slowed down in December with only three deals issued in the first two weeks.