

Asset-Backed
Special Report

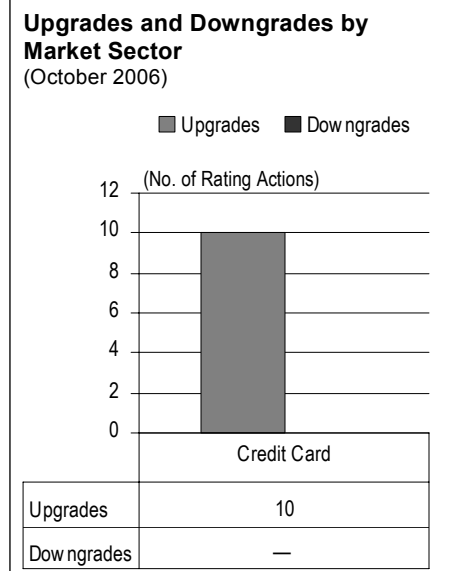
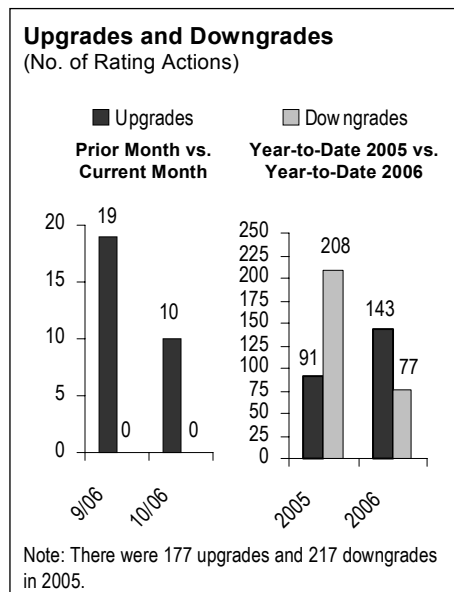
**Term ABS Credit Action Report:
October 2006**

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Summary

This report highlights credit trends and rating actions taken by Fitch Ratings in the nonmortgage term asset-backed securities (ABS) market during October 2006.

- The U.S. unemployment rate for October 2006 fell to 4.4%, a five-year low and a 0.2% drop from September's figure. Employers also added 92,000 new jobs in October; although employment growth fell short of the predicted 125,000 new jobs, figures for the preceding two months were revised upward, bringing total new job creation in third-quarter 2006 to 501,000, compared with 346,000 in the second quarter.
- In October, a total of 10 classes were upgraded, all in the credit card sector, compared with 19 classes upgraded in September. The positive rating actions reflect the quality of the receivables, the provided credit enhancement (CE), and the legal and cash flow structures. In October 2005, Fitch raised a total of 16 classes of notes in the auto loan and credit card sectors.
- For the third month in a row, there were no downgrades to report, reflecting continuing stable ratings and collateral performance trends across most asset classes.
- ABS upgrades continue to significantly outpace downgrades. For the 10 months ended Oct. 31, 2006, Fitch issued 143 upgrades and 77 downgrades, compared with 91 upgrades and 208 downgrades issued during the same period in 2005 (for a breakdown of rating activity by market sector, see charts, pages 2 and 4).
- As part of its ongoing surveillance of existing transactions, Fitch affirmed five ratings in the credit card sector. For the year to date, 1,383 ratings have been affirmed across all term ABS sectors.

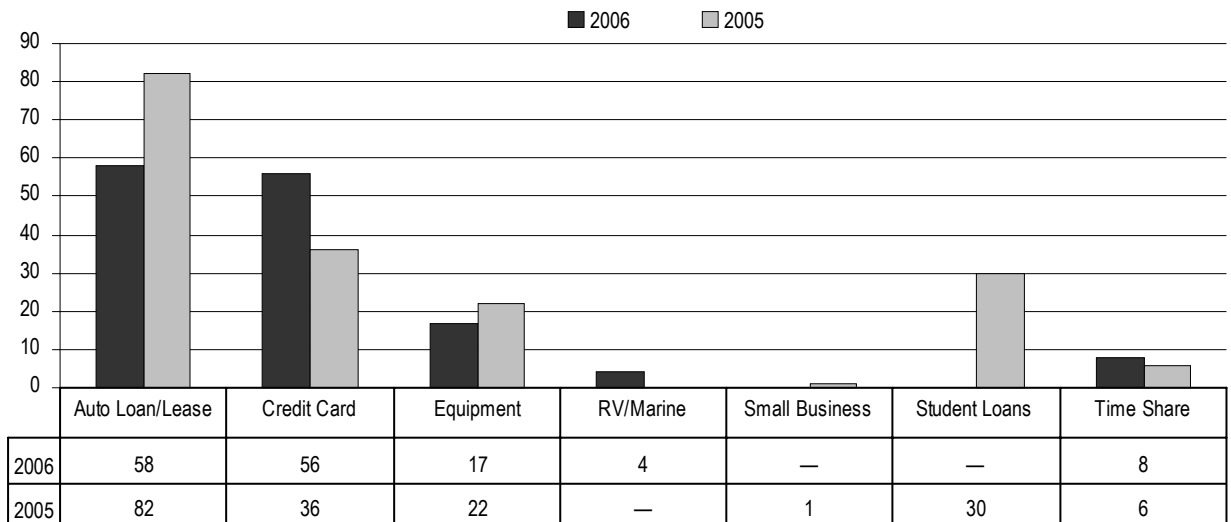
Key October Rating Activity

- In the credit card sector, Fitch upgraded five subordinate and five junior subordinate classes from five series of the GE Capital Credit Card Master Note Trust transaction.

Upgrades

In October 2006, there were 10 positive rating actions, all in the credit card sector, compared with a total of 11 upgrades in the auto loan and eight upgrades in the timeshare sectors in September 2006 and 16 positive ratings during October 2005. For the 10 months ended Oct. 31, 2006, Fitch issued a total of 143 upgrades, in the auto loan/lease (58), credit card (56), equipment lease (17), timeshare (eight), and recreational vehicle/marine loan (four) sectors. In comparison, Fitch issued 91 upgrades in the first 10 months of 2005 and a total of 177 for the entire year. For the year to date, upgrades have made up about 2.3% of outstanding ratings, compared with 1.6% as of Oct. 31, 2005.

Rating Actions by Market Sector — Upgrades
(Full-Year 2005 vs. Year-to-Date 2006)



2005 Upgrades: 177 2006 Upgrades: 143

Credit Cards

In October, Fitch upgraded the following ratings in the credit card sector.

GE Capital Credit Card Master Note Trust: On Oct. 2, Fitch upgraded 10 and affirmed five classes of notes from five series in the GE Capital Credit Card Master Note Trust, as listed at right.

The upgrades reflect the quality of the receivables, the CE provided, the legal and cash flow structures, and the servicing capabilities provided by GE Money Bank.

Credit enhancement for the ‘AAA’ rated class A notes is provided through subordination of classes B and C and the excess collateral amount, totaling 21%. The ‘A+’ rated class B notes draw on the 10% subordination of class C and the excess collateral amount. The ‘BBB+’ rated class C notes receive CE from 4.75% of excess collateral, plus the spread account.

Downgrades

In October 2006, there were no downgrades to report. Reflecting continued stable ratings and collateral performance trends across most asset classes, there have been no negative rating actions since July 2006. As shown in the chart on the bottom of page 3, as of Oct. 31, 2006, Fitch had reported 77 downgrades in four sectors, equaling about 1.2% of outstanding ratings year to date, compared with a total of 208 downgrades (3.6%) in six sectors during the same period in 2005.

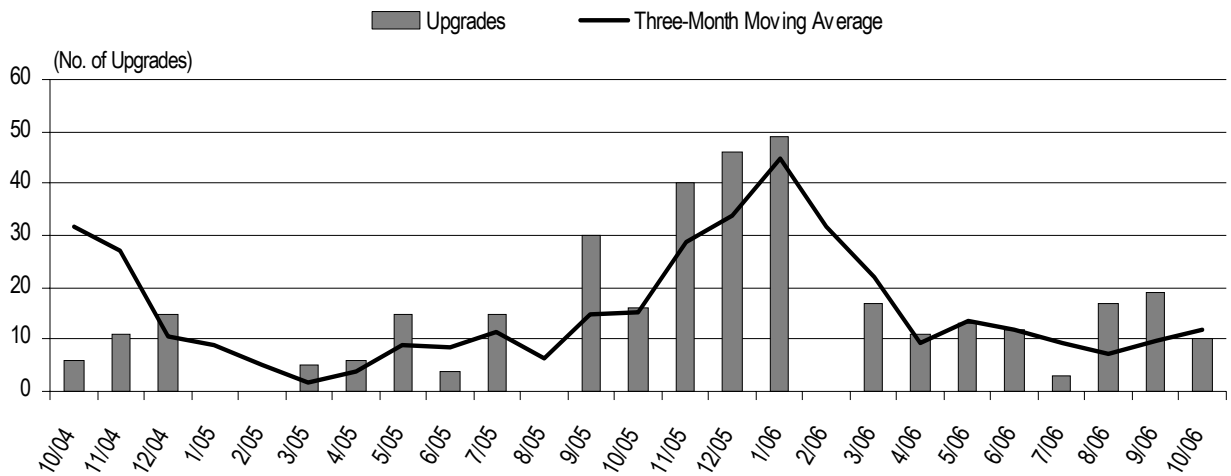
Ratings Withdrawals

Year to date, there have been 18 rating withdrawals in the equipment lease (17) and auto loan (one) sectors. Fitch’s actions were based on prior loan performance deterioration.

GE Capital Credit Card Master Note Trust Upgrades

Series/ Class	Rating Action Date	Original Rating	Rating Change
Series 2004-1			
Class A	10/2/06	‘AAA’	Affirmed at ‘AAA’
Class B	10/2/06	‘A’	‘A+’ from ‘A’
Class C	10/2/06	‘BBB’	‘BBB+’ from ‘BBB’
Series 2004-2			
Class A	10/2/06	‘AAA’	Affirmed at ‘AAA’
Class B	10/2/06	‘A’	‘A+’ from ‘A’
Class C	10/2/06	‘BBB’	‘BBB+’ from ‘BBB’
Series 2005-1			
Class A	10/2/06	‘AAA’	Affirmed at ‘AAA’
Class B	10/2/06	‘A’	‘A+’ from ‘A’
Class C	10/2/06	‘BBB’	‘BBB+’ from ‘BBB’
Series 2005-2			
Class A	10/2/06	‘AAA’	Affirmed at ‘AAA’
Class B	10/2/06	‘A’	‘A+’ from ‘A’
Class C	10/2/06	‘BBB’	‘BBB+’ from ‘BBB’
Series 2005-3			
Class A	10/2/06	‘AAA’	Affirmed at ‘AAA’
Class B	10/2/06	‘A’	‘A+’ from ‘A’
Class C	10/2/06	‘BBB’	‘BBB+’ from ‘BBB’

Upgrades: October 2004–October 2006



Downgrades from Investment Grade to Below Investment Grade

Year to date, there have been six ratings downgraded from investment grade to non-investment grade, of which five are in the franchise loan sector and one in aircraft finance. In 2005, there were a total of 37 downgrades of this type, in the franchise loan (25), aircraft finance (six), small business loan (five), and auto lease (one) sectors.

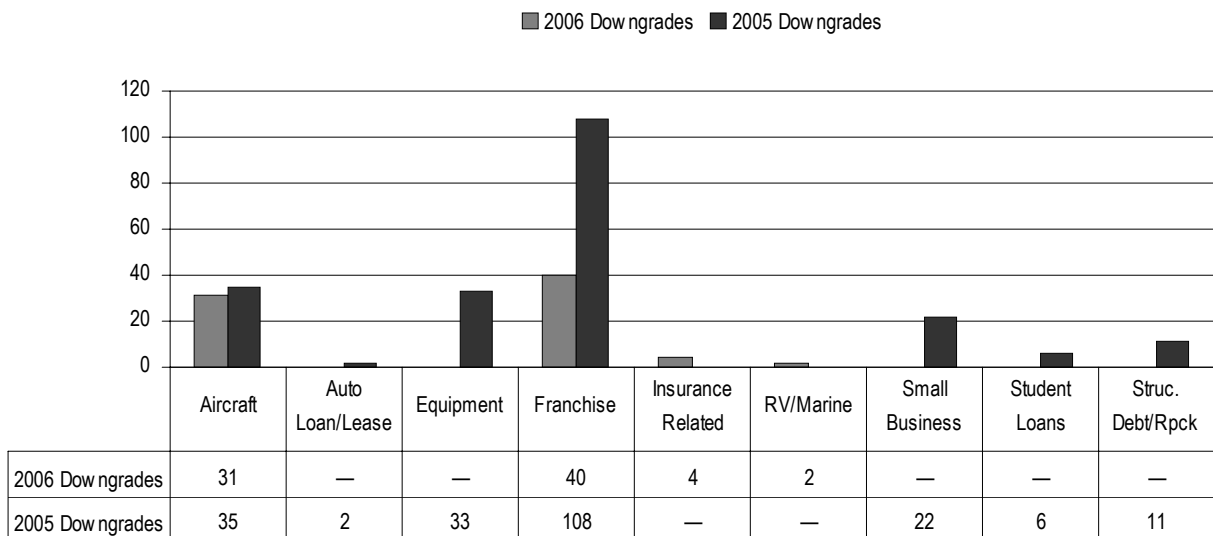
Recent New Criteria Reports

Fitch recently published the following new structured finance rating criteria reports:

- “Interest Rate Risk In Structured Finance Transactions — Euribor,” dated Nov. 1, 2006.
- “Interest Rate Risk in Structured Finance Transactions — British Pound Sterling Libor,” dated Nov. 1, 2006.
- “Rating U.S. Federal Family Education Loan Program Student Loan ABS,” dated Oct. 31, 2006.

Rating Actions by Market Sector — Downgrades

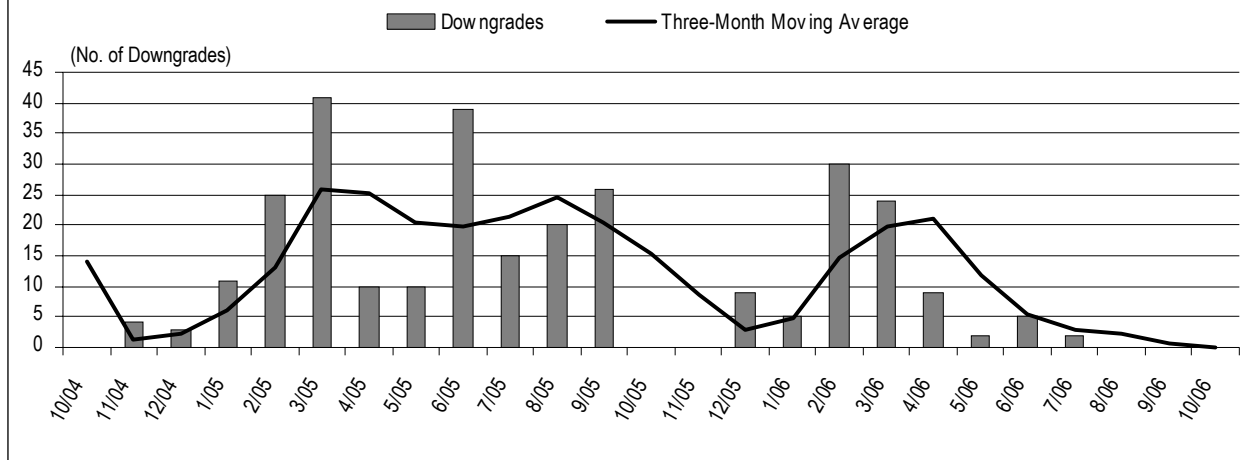
(Full-Year 2005 vs. Year-to-Date 2006)



2005 Downgrades: 217

2006 Downgrades: 77

Downgrades: October 2004–October 2006



- “USD Basis Risk Stresses,” dated Oct. 31, 2006.
- “Rating U.S. Credit Card ABS Seller/Service,” dated Oct. 17, 2006.
- “U.S. Credit Card ABS Rating Criteria and Validation Study,” dated Oct. 17, 2006.
- “Basis Risk In Structured Finance Transactions: T-Bill, CP, and Prime versus USD LIBOR,” dated Sept. 15, 2006.
- “Rating Criteria for U.S. Utility Tariff Monetization Bonds,” dated Sept. 11, 2006.
- “Rating Adjustment Table for ABCP Programs with Eligible Liquidity Facilities,” dated Sept. 5, 2006.
- “U.S. Credit Card ABS Rating Criteria and Validation Study,” dated Aug. 1, 2006.
- “Special Purpose Vehicles in Structured Finance Transactions,” dated June 13, 2006.
- “Interest Rate Risk in Structured Finance Transactions: USD LIBOR,” dated May 15, 2006.
- “Using the Default VECTOR CP Model to Rate Securities-Backed ABCP,” dated May 12, 2006.
- “Distressed Recovery Ratings — ABS,” dated April 26, 2006.
- “Structured Finance Distressed Recovery Ratings,” dated April 25, 2006.
- “Rating U.S. Student Loan Seller/Service,” dated April 20, 2006.
- “Rating U.S. ABS Seller/Service,” dated April 20, 2006.
- “The Role of Multilaterals in Structured Finance,” dated March 16, 2006.
- “Structured Finance Distressed Recovery Ratings,” dated Feb. 28, 2006.

- “Rating ABS Seller/Service: Credit Card Addendum,” dated Jan. 18, 2006.

■ **Presale Reports**

Fitch issued the following U.S. term ABS presale reports in October 2006:

- “Tailwind Holdings, LLC (US ABS),” dated Oct. 31, 2006.
- “GE Dealer Floorplan Master Note Trust, Series 2006-4 (US ABS),” dated Oct. 30, 2006.
- “Hyundai Auto Receivables Trust 2006-B,” dated Oct. 25, 2006.
- “Cabela’s Credit Card Master Note Trust, Series 2006-III (US ABS),” dated Oct. 24, 2006.
- “HSBC Automotive Trust (USA) 2006-3,” dated Oct. 23, 2006.
- “GreatAmerica Leasing Receivables Funding LLC, Series 2006-1,” dated Oct. 18, 2006.
- “Pinnacle Capital Asset Trust 2006-A,” dated Oct. 16, 2006.
- “Wachovia Auto Loan Owner Trust, Series 2006-2 (US ABS),” dated Oct. 10, 2006.
- “SLM Student Loan Trust 2006-9 (US ABS),” dated Sept. 29, 2006.

■ **ABS Special Reports**

Over the past 10 months, Fitch also published the following special reports discussing ABS credit trends:

- “Borrower Benefits in FFELP: Student Loan ABS Cash Flow Considerations,” dated Oct. 31, 2006.
- “Term ABS Credit Action Report: September 2006,” dated Oct. 12, 2006.

Upgrades and Downgrades — October 2006

Rating Action Date	Deal Name	Class	Current Rating	Previous Rating	Basis for Rating Action
Upgrades					
Credit Card					
10/2/06	GE Capital Credit Card Master Note Trust, Series 2004-1	B	'A+'	'A'	Positive collateral performance
		C	'BBB+'	'BBB'	Positive collateral performance
10/2/06	GE Capital Credit Card Master Note Trust, Series 2004-2	B	'A+'	'A'	Positive collateral performance
		C	'BBB+'	'BBB'	Positive collateral performance
10/2/06	GE Capital Credit Card Master Note Trust, Series 2005-1	B	'A+'	'A'	Positive collateral performance
		C	'BBB+'	'BBB'	Positive collateral performance
10/2/06	GE Capital Credit Card Master Note Trust, Series 2005-2	B	'A+'	'A'	Positive collateral performance
		C	'BBB+'	'BBB'	Positive collateral performance
10/2/06	GE Capital Credit Card Master Note Trust, Series 2005-3	B	'A+'	'A'	Positive collateral performance
		C	'BBB+'	'BBB'	Positive collateral performance

Downgrades

No downgrades to report

Note: The basis for rating actions given above may be a result of a variety of factors, including but not limited to: stable collateral performance and improving credit enhancement; negative collateral performance and declining credit enhancement; seller/servicer upgrades or downgrades; and counterparty performance.

- “Term ABS Credit Action Report: August 2006,” dated Sept. 15, 2006.
- “Reservations Required? How Life Insurers Are Coping with Ongoing Reserve Requirement Uncertainty,” dated Sept. 14, 2006.
- “Term ABS Credit Action Report: July 2006,” dated Aug. 11, 2006.
- “Term ABS Credit Action Report: June 2006,” dated July 31, 2006.
- “Midyear 2006 Term ABS Recap and Outlook,” dated July 26, 2006.
- “Bank Securitisation: IFRS versus Basel II — Risk Transfer Revealed,” dated July 20, 2006.
- “Fitch Ratings 1991–2005 U.S. Structured Finance Transition Study,” dated July 7, 2006.
- “Term ABS Credit Action Report: May 2006,” dated June 22, 2006.
- “Global Structured Finance — Q106 and End-2005 Rating Performance Update,” dated May 30, 2006.
- “VECTOR CP Study: Is U.S. Multiseller ABCP Risk Lower Than You Think?” dated May 25, 2006.
- “Term ABS Credit Action Report: April 2006,” dated May 19, 2006.
- “International Structured Finance Rating Comparability Survey,” dated May 16, 2006.
- “Dealer Floorplan Asset-Backed Securities — A Performance Review,” dated May 11, 2006.
- “Recent Trends in Disaster Recovery Planning,” dated April 20, 2006.
- “Term ABS Credit Action Report: March 2006,” dated April 19, 2006.
- “Do Recent Legislative Changes Make the Grade for U.S. Student Loan ABS?” dated April 7, 2006.
- “2006 Franchise Loan Outlook and 2005 Performance Review,” dated March 27, 2006.
- “U.S. Structured Finance Rating Comparability Survey,” dated March 24, 2006.
- “Term ABS Credit Action Report: February 2006,” dated March 17, 2006.
- “Global Asset-Backed Commercial Paper: 2005 Review and 2006 Outlook,” dated March 3, 2006.
- “Term ABS Credit Action Report: January 2006,” dated Feb. 21, 2006.
- “New ABS Assets: The Real Thing or Just Another Fad?” dated Jan. 27, 2006.
- “Term ABS Credit Action Report: December 2005 and Full-Year Review,” dated Jan. 27, 2006.
- “Trends and Best Practices for Credit Card Seller/Servicers,” dated Jan. 27, 2006.
- “Private Student Loan ABS Tutorial,” dated Jan. 26, 2006.
- “2006 Global Structured Finance Outlook: Economic and Sector-by-Sector Analysis,” dated Jan. 17, 2006.

Details on these and other Fitch Research reports are available on Fitch’s web site at www.fitchratings.com.

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