

Asset-Backed
Special Report

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

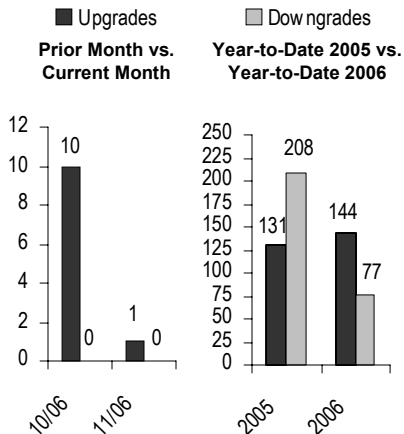
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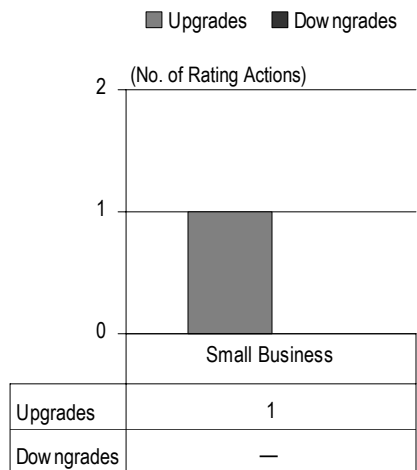
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Upgrades and Downgrades
(No. of Rating Actions)



Note: There were 177 upgrades and 217 downgrades in 2005.

Upgrades and Downgrades by Market Sector
(November 2006)



Summary

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

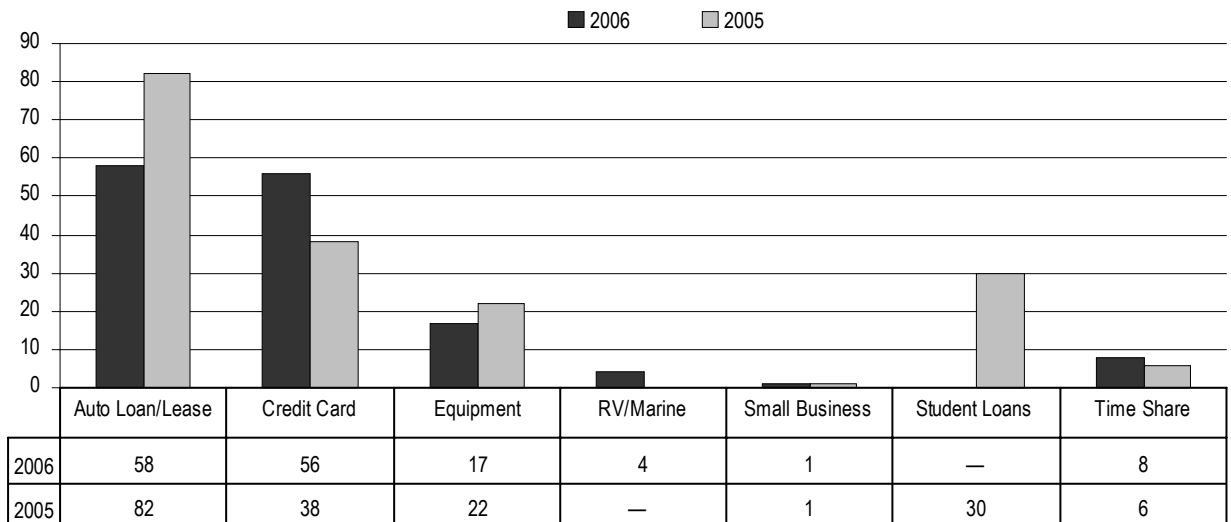
- On Dec. 12, for the fourth straight month, the Federal Reserve decided to hold interest rates at 5.25%. In addition, the November Consumer Price Index remained unchanged, helping to relieve concerns of inflation. Consequently, collateral performance in the fourth quarter has thus far remained in line with expectations.
- In November, one class in the small business loans ABS sector was upgraded, compared with 10 classes in the credit card sector upgraded in the prior month. The positive rating actions reflect the quality of the receivables, the credit enhancement provided and the legal and cash flow structures. In the same period in 2005 Fitch raised a total of 40 classes of notes in the auto loan, credit card, and time share sectors.
- For the fourth month in a row there have been no downgrades to report, reflecting continuing stable ratings and collateral performance trends across most asset classes.
- ABS upgrades continue to significantly outpace downgrades. In 2006, Fitch has issued 144 upgrades and 77 downgrades, compared with 131 upgrades and 208 downgrades during the same period in 2005 (for a breakdown of rating activity by market sector, see charts on pages 2 and 3).
- As part of its ongoing surveillance of existing transactions conducted portfolio reviews in the small business loan sector and tobacco settlement sector. These portfolio reviews resulted in one upgrade and 114 affirmations in the small business loan sector and 121 affirmations in the tobacco settlements sector. Year to date, 1,409 ratings have been affirmed across all term ABS sectors.

Key November Rating Activity

- In November, Fitch completed an annual portfolio review of 36 small business loan ABS transactions.
- One class of certificates from the Money Store 1997-1 small business loan ABS transaction was upgraded.
- In November, Fitch completed an annual portfolio review, affirming over \$14.6 billion in outstanding tobacco settlement bonds.

December 19, 2006

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



2005 Upgrades: 179 2006 Upgrades: 144

■ **Upgrades**

In November 2006, there was one positive rating action in the small business sector, compared with a total of 10 upgrades in credit card sectors in the prior month and 40 positive ratings during the same period in 2005. In 2006, Fitch has issued a total of 144 upgrades in the credit card (56), auto loan/lease (58), equipment lease (17), timeshare (8), recreational vehicle/marine loan (four), and small business (one) sectors. In comparison, Fitch issued 131 upgrades in the first 11 months of 2005 and a total of 179 for the

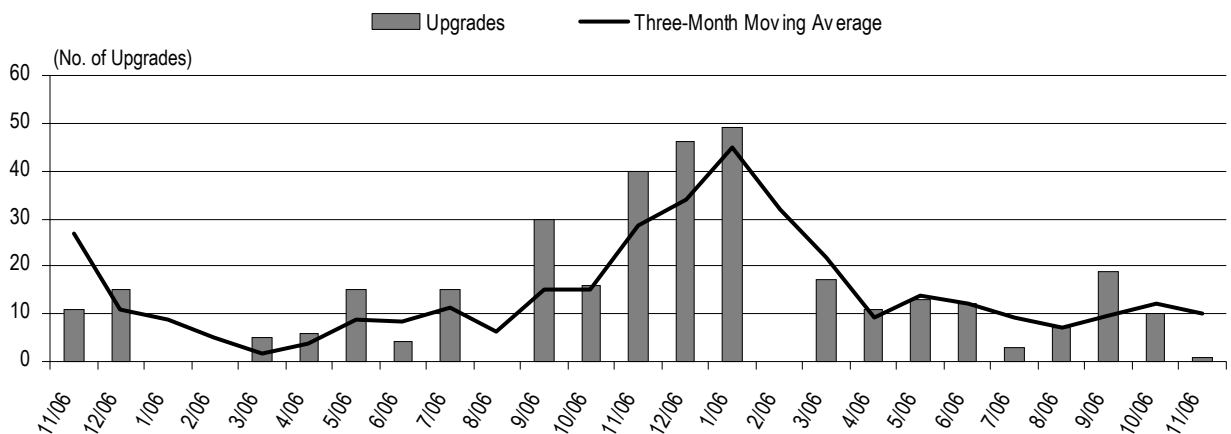
full year. Year to date, upgrades have made up about 2.4% of outstanding ratings, approximately the same percentage as of November 2005.

Small Business

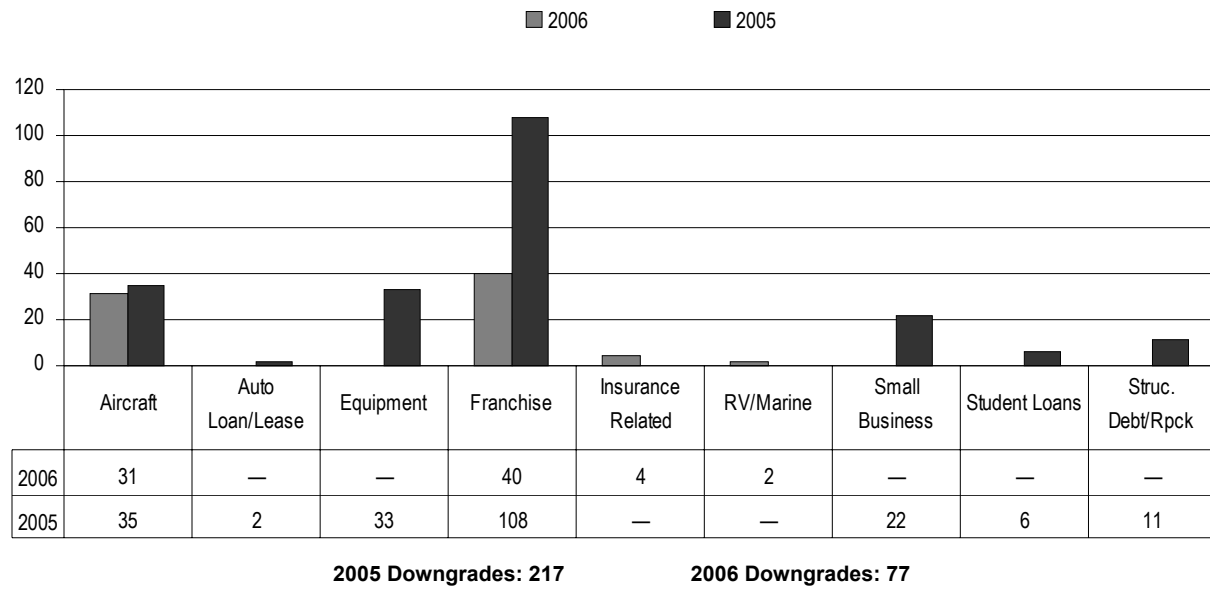
In November, Fitch upgraded the following ratings in the small business sector.

The Money Store Business Loan Backed Certificates, Series 1997-1: On Nov. 2, Fitch upgraded one and affirmed two classes of notes from

Upgrades: November 2004–November 2006



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



The Money Store Business Loan Backed Certificates, Series 1997-1, as listed below.

The Money Store Business Loan Backed Certificates, Series 1997-1

Series/ Class	Rating Action Date	Original Rating	Rating Change
Class A	11/22/06	'AAA'	Affirmed at 'AA'
Class B	11/22/06	'BBB'	Affirmed at 'AA-'
Class M	11/22/06	'A'	'BBB' from 'BB'

The rating actions reflect continued stable performance within the transaction and increased credit enhancement available to the certificates. Overall, the transaction is performing within expectations. No new losses or delinquencies have occurred. The class M certificates are provided enhancement by the subordinate class B certificate and a growing reserve account. Due to the increased loss protection, the class M certificates are upgraded to 'BBB'.

The affirmed classes are performing within expectations and have not experienced any significant changes since Fitch's most recent rating actions. Furthermore, the class B certificates are affirmed based on the limited guarantee provided by Wachovia Corporation (Issuer Default Rating 'AA-' by Fitch).

Fitch will continue to closely monitor these transactions and may take additional rating action in the event of changes in performance and credit enhancement measures.

■ Downgrades

In November 2006, there were no downgrades to report. Reflecting continuing stable ratings and collateral performance trends across most asset classes there has been no negative rating actions since July. As shown in the chart above, Fitch has reported 77 downgrades in four sectors for 2006, representing approximately 1.3% of outstanding ratings, compared with a total of 208 downgrades (3.8%) in six sectors during the same period in 2005.

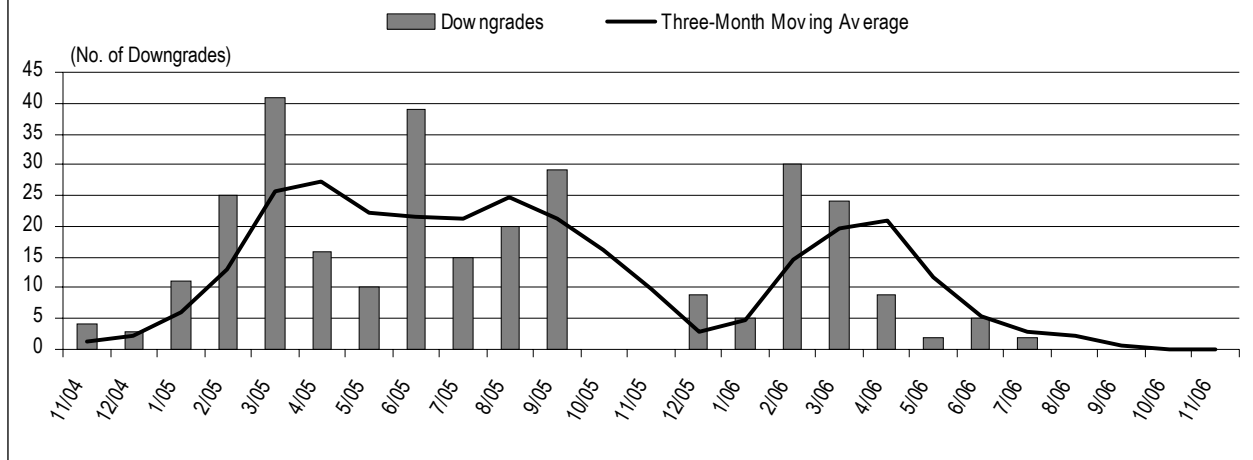
■ Ratings Withdrawals

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

■ Downgrades from Investment Grade to Below Investment Grade

Year to date, there have been eight ratings downgraded from investment grade to non-investment grade, of which six are in the franchise loan sector, one in aircraft finance sector, and one in the insurance-related sector. In 2005, there were a total of 37 downgrades from investment grade to

Downgrades: November 2004–November 2006



non-investment grade in the franchise loan (25), small business loan (five), aircraft finance (six), and auto lease (one) sectors.

Recent 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.
- “FITCH LIBOR Stresses” dated Oct. 31, 2006.
- “Rating U.S. Federal Family Education Loan Program Student Loan ABS,” dated Oct. 31, 2006.
- “USD Basis Risk Stresses,” dated Oct. 31, 2006.
- “Rating U.S. Credit Card ABS Seller/Serviceirs,” 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,” 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/Serviceirs,” dated April 20, 2006.
- “Rating U.S. ABS Seller/Serviceirs,” 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/Serviceirs: Credit Card Addendum,” dated Jan. 18, 2006.

Presale Reports

Fitch has recently issued the following U.S. term ABS presale reports:

- “GE Equipment Midticket LLC, Series 2006-1,” dated Dec. 4, 2006.
- “SLC Private Student Loan Trust 2006-A (US ABS) dated,” Dec. 1, 2006.
- “DaimlerChrysler Auto Trust 2006-D,” dated Nov. 28, 2006.
- “Nelnet Student Loan Trust 2006-3 (US ABS),” dated Nov. 27, 2006.
- “DaimlerChrysler Master Owner Trust, Series 2006-A (US ABS),” dated Nov. 20, 2006.

Upgrades and Downgrades — November 2006

Rating Action Date	Deal Name	Class	Current Rating	Previous Rating	Basis for Rating Action
Upgrades					
Small Business					
11/22/06	The Money Store Business Loan Backed Certificates, Series 1997-1	M	'BBB'	'BB'	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.

- “The National Collegiate Student Loan Trust 2006-4 (US ABS),” dated Nov. 20, 2006.
- “KeyCorp Student Loan Trust 2006-A (US ABS),” dated Nov. 15, 2006.
- “SLM Student Loan Trust 2006-10 (US ABS),” dated Nov. 13, 2006.

■ **ABS Special Reports**

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

- “2007 Global Structured Finance Outlook: Economic and Sector-by-Sector Analysis,” dated Dec. 11, 2006.
- “Term ABS Credit Action Report: October 2006,” dated Nov. 14, 2006.
- “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.
- “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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