February 1, 2011

PRIVATE AND CONFIDENTIAL

Elizabeth M. Murphy
Secretary
Securities and Exchange Commission
100 F Street, NE
Washington, D.C. 20549-1090

Re: CCEQ Meeting December 14, 2010 to discuss 941 and 942 of Dodd-Frank Act

Ladies and Gentlemen:

During our meeting on December 14, 2010, we recommended that (i) Captive Commercial Equipment (CCEQ) companies be granted an exemption from the Credit Risk Retention requirements of Section 941 of the Dodd Frank legislation, and (ii) the Commission prescribe requirements for CCEQ ABS issuers under Section 942 of the legislation consistent with what is currently disclosed.

During the meeting, the Commission raised a number of questions and requested that we provide some additional information. You will find this information in the attached five exhibits, which address each question specifically. In the interest of providing a complete summary, we have also included a copy of our group's December 13, 2010 letter that we submitted prior to the December 14th meeting. This letter and the attached exhibits should be considered as part of the December 13, 2010 letter and read in conjunction with such letter. An overview of the exhibits is as follows:

> Exhibit 1: Definition of a Captive Commercial Equipment Finance Company – During our discussion, you requested that we provide a working definition of a "Captive Commercial Equipment Finance Company" for the Commission's consideration as regulations are developed. The attached definition describes those unique finance companies whose businesses are directly tied to supporting the sale of commercial equipment manufactured by their parent or affiliate companies. This captive relationship naturally creates an inherent interest on the part of the captive in the ongoing performance of its loan or lease portfolio. This strong relationship eliminates the need for explicit risk retention requirements and creates significant risks to disclosing loan level detail. We have also included language to incorporate the proposed definition into the risk retention and disclosure requirements of Dodd-Frank.
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> Exhibit 2: Loan Level Concerns – We recommend disclosure requirements consistent with current industry practices (i.e. stratifications and other such data). In this Exhibit we outline the items from REG AB II which if disclosed would raise significant competitive and privacy concerns. Due to these concerns, if required to provide such information, some CCEQ issuers would be forced to

discontinue utilizing the ABS market. Without disclosing the items of concern, the other disclosures add no value to investors beyond information currently available to the industry.

Exhibit 3: List of Equipment Issuers – We have attached a list of equipment ABS issuers. To the best of our knowledge this is a complete list of equipment issuers over the past several years. It delineates the issuers that we believe are captives of manufacturing companies, however, this information has not been independently verified. This exhibit does not provide the information needed to determine if the issuers qualify under the CCEQ definition. To date, the only issuers that have verified that their company falls under the attached definition of a CCEQ Finance Company are those signing the December 13th letter.

Exhibit 4: Loss Data – The attached table summarizes publicly available historical managed portfolio loss data for our companies. As discussed in the December 14th meeting, our group of CCEQ finance companies employs sound underwriting and servicing practices and has done so for years even under the extremely difficult market conditions of the recent financial crisis. The CCEQ finance companies employ these practices in order to ensure the ongoing success of their respective manufacturing parent or affiliate companies. The portfolio loss data presented in this exhibit does not reflect losses to investors since the entire portfolio is a broader set of assets than those securitized and the investors represented in the classes listed in the exhibit have all been protected from losses on the securitized assets through the use of credit enhancements.

Exhibit 5: Economic Impact Analysis of Proposed Requirements – During our meeting, there was an inquiry regarding the potential economic impact of implementing risk retention and/or reporting requirements to CCEQ ABS issuers. The implementation may force a CCEQ to discontinue its securitization program in order to protect its customers' privacy and parent or affiliate company's competitive intelligence, and/or to provide financing at levels above the current market rates. In attempting to estimate the potential economic impact of higher financing costs or discontinuing a securitization program, we came to the conclusion that we could not provide an estimate with any acceptable level of precision due to the assumptions that would have to be made regarding dealer, customer and competitor response to any changes in pricing by one or more companies. In place of a quantitative analysis, we have provided a summary of the direct consequences of these changes.

Investor Feedback – We have begun collecting comments from CCEQ investors, and plan to submit a summary shortly after the upcoming ASF 2011 ABS Conference, Feb. 6-9.

We appreciate the continued opportunity to discuss these issues with the Commission and are happy to provide greater detail or to schedule a follow-up meeting.

Sincerely,

The Captive Commercial Equipment ABS Issuer Group

CNH Global NV
Deere & Company
Navistar Financial Corporation
Volvo Financial Services, a division of VFS US LLC
Caterpillar Financial Services Corporation

Per your instructions we have copied the other regulatory agencies as follows:

The Honorable Timothy F. Geithner
Secretary of the Treasury
Department of the Treasury
1500 Pennsylvania Avenue, NW
Washington, DC 20220

John E. Bowman
Acting Director
Office of Thrift Supervision
1700 G Street, NW
Washington, DC 20552

The Honorable Ben S. Bernanke
Chairman
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue
Washington, DC 20551

John G. Walsh
Acting Comptroller of the Currency
250 E Street, SW
Washington, DC 20219-0001

The Honorable Sheila C. Bair
Chairman
Federal Deposit Insurance Corporation
550 17th Street, NW
Washington, DC 20429-9990

Exhibit 1: Definition of a Captive Commercial Equipment Finance Company

The definition of a CCEQ Finance Company is different, and has a different objective, from other definitions submitted in response to the Dodd-Frank regulations. The objective of this definition is to identify captive finance companies that securitize receivables arising in connection with commercial equipment distribution so as to apply appropriate regulations pertaining to their asset backed securitizations.

"Captive Commercial Equipment Finance Company" shall mean any entity in which at least 90% of such entity's financing and leasing portfolio (including, without limitation, loans, notes, installment sales contracts, and operating and finance leases) at the end of the immediately preceding fiscal year arose from "Qualifying Commercial Financings."

> "Qualifying Commercial Financing" shall include (a) any financing or lease that includes a "Product," or (b) any financing or lease to or for the benefit of an "Affiliate" or a "Distribution Entity" or any customer or Affiliate of such Distribution Entity.
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> "Product" is (a) any "Commercial Good" that is manufactured or sold by any Affiliate of the entity, (b) any service that is provided by any entity, any Affiliate of the entity or a Distribution Entity .
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> "Distribution Entity" is a Person that sells, leases, or services Products.
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> "Commercial Good" is (a) commercial trucking and transportation equipment, including but not limited to day-cab and sleeper-cab tractors and any accompanying component attachment (*e.g.* trailers, dumps, garbage); (b) motor coaches and buses; (c) commercial construction and mining equipment and any accompanying component attachment (e.g. backhoes, buckets, hammers); (d) commercial agricultural equipment; (e) commercial landscape equipment; (f) engines and engine systems and the commercial projects with which they are integrated; (g) and recreational vehicles and other transportation equipment used for commercial purposes.
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> "Affiliate" means, with respect to a specified "Person," another Person that directly, or indirectly through one or more intermediaries, "Controls" or is "Controlled" by or is under common Control with the Person specified.
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> "Control" or "Controlled" means (a) the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise, or (b) the ownership of more than fifty percent (50%) of the equity interests of a Person.
>
> "Person" means an individual, partnership, corporation (including a business trust), limited liability company, joint stock company, trust, unincorporated association, joint venture or other entity, or a government or any political subdivision or agency thereof.

Exhibit 1: Definition of a Captive Commercial Equipment Finance Company (cont.)

Section 941 Risk Retention:

- Pursuant to Section 15G(e)(1), any securitizer and originator which is a Captive Commercial Equipment Finance Company shall be exempt from the risk retention requirements under 15G(b) and (c).

Section 942 Disclosure:

- Pursuant to Section 78o(d)(2), establish Captive Commercial Equipment Finance Company as a distinct class of issuers.
- Determine, pursuant to Section 77g(c)(2)(B) that asset-level and loan-level data are not necessary in connection with assets originated or securitized by Captive Commercial Equipment Finance Companies.

Exhibit 2: Loan Level Concerns

In response to the request that the captive commercial equipment ABS issuers group review the asset level disclosure proposed in Regulation AB II, we have reviewed the proposed asset level detail in Schedule L, Item 1: General item requirements, Item 6: Equipment loans item requirements, Item 7: Equipment leases item requirements and Item 9: Floorplan financing item requirements, and have identified a number of fields that either pose a privacy risk to the dealers and/or customers who obtain credit from our companies or pose competition concerns among our companies. Below is a discussion of the fields that pose the greatest threat to the customer's expectation of privacy and to competition.

Privacy Concerns

Item 6(c)(2); Item 7(c)(2); Item 9(c)(3) Geographic location of the obligor: Given the relatively small number of commercial equipment borrowers and their location, which is often in rural areas, providing the geographic location of the obligor based on a zip code or even a state designation would make it possible to identify a specific customer or dealer. Because some states may contain just one or two dealers, providing the geographic location of the obligor poses significant privacy and competitive concerns. As customer loyalty is a key driver of our manufacturing parents' or affiliate' sales strategies, disclosure of this information would be detrimental to our customers' expectations of privacy.

Item 1(b)(4) Current payment amount due, Item 1(b)(5) Current delinquency status, Item 1(b)(6) Number of days payment is past due, Item 1(b)(7) Current payment status: Each of these fields risks exposing an obligor's information which they presume to be private. To the extent that combining such information with other fields could be used to uniquely identify an obligor, providing the information in these fields would threaten a customer's expectation of privacy and erode customer loyalty.

Competitive Concerns

Item 1(a)(6) Original asset amount & Item 1(b)(2) Current asset balance: The underlying assets in commercial equipment ABS transactions have a broad distribution of values from the low tens of thousands of dollars for utility tractors or compact construction equipment to hundreds of thousands or millions of dollars for large harvesting equipment, trucks or construction equipment. For this reason, providing increased detail about the original asset amount or current asset balance would allow competitors to group loans by dollar amount to discern structuring or pricing practices for various customers/products. Disclosing this type of pricing intelligence poses a significant risk to competition because financing and pricing terms for larger customers are individually negotiated and highly confidential. Providing this information, even in grouped form, would allow competitors to mimic or improve upon these pricing strategies in order to win equipment sales away from other competitors. Because our captive finance companies are in business solely to support the sale of our manufacturing parents' or affiliates' products, our companies would not allow this type of information to be disclosed and we would be forced to limit or discontinue our securitization programs.

Exhibit 2: Loan Level Concerns (cont.)

Item 1(a)(7) Original Asset Term, Item 1(a)(5) Origination date & Item 1(a)(8) Asset maturity date: These fields, when combined with various other fields (e.g. original interest rate), would pose significant competitive concerns by enabling competitors to discern the CCEQ finance company's structuring and pricing practices.

Item 1(a)(10) Original interest rate, Item 1(a)(13) Original interest only term, Item 1(b)(3) Current interest rate: This field, when combined with various other fields (original asset amount as an example), would pose significant competitive concerns by enabling competitors to discern the CCEQ finance company's structuring and pricing practices.

Exhibit 3: List of Equipment Issuers

Source: This table was compiled from various bankers, rating agencies, websites, and industry publications. This information has not been verified for accuracy or completeness nor does it include other information needed to determine qualification under the CCEQ Finance Company definition.

Equipment Issuers (1995-Present)	Affiliate of Manufacturer
(TBD = to be determined, unknown at this time)	
Ace	
Advanta Business Services	
AerCo, Ltd.	
Alliance Laundry Equipment Receivables Trust	YES
American Business Financial Services	
AmeriCredit	
Aviation Capital Group	
Bank of America	
Bombardier Receivables Master Trust I	YES
Capita Equipment Receivables Trust (AT&T)	YES
Caterpillar Financial	YES
Charter Equipment	
CIT Equipment	
CLI Funding LLC (Carlisle)	YES
CNH	YES
Conseco Equipment	
Copelco Capital Funding Corp.	
DVI	
European American Bank	
Fidelity Equipment Lease Trust	
First Sierra	
General Cable Master Trust	YES
General Electric	YES
Gloucester Funding	
Grand Pacific Holdings Corp	
Great American Leasing	
Green Tree Lease Finance	
Heller Equipment	
HPSC	
IBM Credit Receivables Lease Asset Master Trust	YES
IKON	YES
Interpool Intermodal Chassis	YES
John Deere	YES
Lincoln Educational Services	
Marlin Leasing	
MetLife Capital	
Miller Industries	
MMAF Equipment	
Morgan Stanley Dean Witter	
Navistar Financial Corp. (Wholesale)	YES
Newcourt Equipment	
Orix Credit Alliance	
Provident Equipment	
Prudential Securities	
Soleil Funding Corp.	
Sperry Lease Finance Corporation	YES

Exhibit 3: List of Equipment Issuers (cont.)

Equipment Issuers (1995-Present)			Affiliate of Manufacturer
(TBD = to be determined, unknown at this time)			
SSB			
T&W Financial			
TAL			TBD
Terrapin Funding			
Textainer			
Textron			YES
Trinity Rail Leasing			YES
Triton Container			
UHAUL			YES
Unicapital			
United Capital Aviation			YES
Universal Funding			
USXL			
Volvo Financial			YES
Xerox			YES
		YES	20
		TBD	1
Total	**60**		**21**

Exhibit 4: Loss Data

This data is from publicly available sources and reflects the company's portfolio losses.

CCEQ Finance Company's Retail ABS Managed Portfolio

(definitions vary by company and may not be comparable)

	Fiscal Year:	2003	2004	2005	2006	2007	2008	2009
CNH	Net Losses as a Percent of Average Net Portfolio Outstanding	0.69%	0.47%	0.46%	0.43%	0.33%	0.73%	1.26%
Deere	Net Losses as a Percentage of Average Gross Portfolio Managed	0.38%	0.17%	0.08%	0.07%	0.12%	0.25%	0.49%
Navistar[1]	Net Losses as a Percentage of Average Gross Portfolio Managed	0.51%	0.36%	0.20%	0.18%	0.25%	0.90%	1.09%
CAT[2]	Net Losses as a Percentage of Average Gross Portfolio Outstanding	0.71%	0.42%	0.27%	0.44%	0.74%		
Volvo Financial[3]								

CCEQ Finance Company's Wholesale (Floorplan) ABS Managed Portfolio

(definitions vary by company and may not be comparable)[4]

	Fiscal Year:	2003	2004	2005	2006	2007	2008	2009
CNH[1]	Net Losses as a Percent of Average principal Receivables Balance	0.20%	0.11%	0.07%	0.13%	0.11%	0.03%	0.12%
Navistar[1]	Net Losses as a Percentage of Average Gross Portfolio Managed	0.01%	0.00%	0.00%	0.00%	0.07%	0.27%	0.00%

1. Navistar and CNH wholesale data after 2005 was disclosed via 144A issuances only.

2. CAT's last public ABS deal was in 2008.

3. Volvo Financial has not issued a public ABS deal.

4. CAT has not issued public wholesale ABS. Deere and Volvo Financial have not issued public or private wholesale ABS.

Exhibit 5: Economic Impact Analysis of Proposed Requirements

One of the Commission's requests was an estimation of the economic cost of implementing the risk retention and loan-level disclosure requirements as proposed. As referenced in the cover letter, we could not arrive at a meaningful estimate due to the many assumptions that would be required concerning dealer, customer and competitor response to loan rate or pricing changes by one or more CCEQ finance companies. We can, however, describe impact on CCEQ finance companies and give indications of where there could be downstream impacts.

The most direct impact that reporting requirements could have on CCEQ ABS issuers is to force the discontinuance of their securitization programs in order to protect customers' privacy and the parent or affiliate company's competitive intelligence. Disbanding these programs would mean that the CCEQ finance companies would have fewer diversified sources of funding to support future originations, thereby increasing company exposure to disruptions in other funding markets. As the diversification of funding sources is one of the factors in determining credit ratings, the company would also be exposed to any corollary potential rating agency scrutiny.

The loss of a funding source would impact companies differently depending primarily on the credit rating and securitization program size of each respective company. Lower rated companies would face higher funding costs as they shift from cost effective ABS funding to higher cost unsecured debt; which would negatively impact their competitive position relative to higher rated companies or government sponsored entities. These companies would also be negatively impacted by increased risk retention since the retained securities would need to be financed with higher cost debt. For other companies, increased reliance on the unsecured debt markets may lead to higher funding costs due to increased requirements for unsecured debt. To the extent that the increased funding costs from either of these impacts are passed on to dealers and customers in the form of higher prices or loan rates, there would be additional downstream economic impacts that cannot be reliably estimated, but could be sizable.