ABS Loss Forecaster Model

Model Summary Document (MSD)

1. Model Purpose and Description

The objective of the ABS Loss Forecaster Model is to generate extrapolated loss curves that will be used to derive a base case Cumulative Net Loss (CNL), Cumulative Gross Loss (CGL) or similar metric relevant for the structured finance asset class using the ABS Loss Forecaster Model. The model extrapolates performance metrics based on the prior default or loss history of static pool data and prior securitization data, using nominal or percentage change method.

2. Model Assumptions

The assumptions in the model are derived from the associated criteria reports:

- U.S. Auto Loan ABS Rating Criteria
- U.S. Auto Lease ABS Rating Criteria
- Originator-Specific Residential Mortgage Analysis Rating Criteria
- U.S. Equipment Lease and Loan ABS Rating Criteria
- U.S. Timeshare Loan ABS Rating Criteria
- U.S. Private Student Loan ABS Rating Criteria
- Consumer ABS Rating Criteria

3. Model Inputs

There are three major input sheets in the model:

1. Segment-level inputs: deal information such as criteria, extrapolation average method, segment description (pool cut #, segment #, variable names and % of pool), and standard and custom vintage ranges.

2. Raw losses: historical 'Raw' losses from an issuer or previous run along with input format, vintage/data frequency, cut-off date, and first period.

3. Scrubbed losses after processing the raw losses used for model run.

4. Model Development Data

Not applicable to this rating model as it does not use historical data for its development and calibration, and it only uses transaction specific data and other related data as described in the relevant criteria and/or RAC.

5. Model Limitations

The model is only intended to extrapolate losses based on prior default or loss history for auto loan/lease, equipment loan/lease, timeshare loan, private student loan, consumer (handset and MPL) loan, and originator-specific residential mortgage loans.

6. Material Changes

The current model version is 1.3.2. Any future material changes will be disclosed in this section.

Contact Information

model_disclosure@fitchratings.com