

# NEWS ABOUT

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## **X9 TO DEFINE THE STANDARD FOR AUTO LOAN SECURITIZATION**

*RouteOne to lead initiative for the Financial Industry Standards Association (X9)*

Annapolis, MD, February XX, 2010 – The Accredited Standards Committee X9 announced today its plans to launch the development of an American National Standard for *Standard Terms and Definitions of Automotive Loan-level Data Elements for use in Securitization.*

The goal of the effort is to define key metrics and their specific use, in addition to values of key credit criteria, which may be used by the secondary capital markets in analyzing and predicting portfolio performance for current and seasoned asset backed securities.

The proposal is unique to auto loan and lease level data to the degree needed to build quantitative agreement-level models for risk assessment and pool pricing. Currently there are no consistently defined statistical terms in either the retail installment whole loan sale or lease asset portfolio space that can be used for pool evaluation and ratings. For these markets to effectively analyze pooled assets that are acceptable to a wide range of investors, standard terminology provides the basis for developing risk evaluation models. Additionally, standard terminology will support the development of new alternative funding models, which will provide efficiencies and flexibility to the market.

This standard is intended to provide the securitization infrastructure with a common set of criteria, and possibly, a common risk evaluation model, for sellers and purchasers of whole loan or lease portfolios, to be used as a tool in the evaluation of portfolio risk to assist in the evaluating the public and private sale and purchase of whole loan or lease portfolios. This may be the first attempt to define certain static and statistical information deemed to be material to a transaction to aid an investor's analysis of current and prior pool performance. It is expected that the work will define key metrics, their specific use and values of key credit criteria which may be used by the secondary capital markets for use in analyzing and predicting portfolio performance for current and seasoned asset backed transactions of retail installment sale or lease portfolios.

“When finalized, the standard will support the securitization process and the players in that process for vehicles financed through retail sales and leases”, said Mark Leonard, project leader of X9 member RouteOne, LLC. “Similar specifications were developed for the mortgage industry at the encouragement of large market participants. We believe this is the first attempt to create such a standard in the automotive market, and X9 is uniquely qualified to bring together the major securitization industry participants to agree to a common set of data.”

Cindy Fuller, X9's executive director, stated: “The new standards will be built upon the prior work of X9's credit subcommittee, including its American National Standard X9.110-2008 Transfer of Location of Electronic Contracts and X9.103-2004 Motor Vehicle Retail Sale and

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Lease Electronic Contracting and its companion Technical Report Standards and Procedures for Electronic Records and Signatures.”

The standard should streamline the process of creating and rating a securitization pool, as well as provide additional transparency for investors by allowing direct and consistent comparison of various offerings.

The project is expected to begin in first quarter of 2010.

The membership of X9 is open to all interested parties. Companies in the following areas should consider joining X9 and participating in the development of this standard: automotive loan portfolio originators (banks, finance companies, credit unions, and captive finance companies) investors (Institutional fund managers, banks), rating agencies, and underwriters. Experts expected to participate include: finance source US Treasury employees involved in securitization, Credit Rating Agency Portfolio Analysts, Securitization underwriters, and ABS investors and/or their agents.

The Accredited Standards Committee X9 – Financial Industry Global Standards – is the only industry-wide forum that brings together bankers, vendors, securities experts, regulators, associations, retailers, and others to address technical problems, find the best solutions and codify them as American National Standards for the financial services industry, Accredited Standards Committee X9 is accredited by the American National Standards Institute. Visit [www.X9.org](http://www.X9.org) for more information.

RouteOne was formed in 2002 by Chrysler Financial, Ford Motor Credit Company, GMAC, and Toyota Financial Services to create a more streamlined credit application for automobile dealers and their customers. Providing access to more than 21,500 automotive dealers in North America, RouteOne's web-based system allows automotive dealers to submit credit applications to the largest indirect lenders, request credit reports, and increase profitability with RouteOne's free Dealer Reporting Suite. RouteOne's open integration business model also allows the dealer to integrate with their choice of a wide variety of best in class providers, including DSPs, CRM systems, F&I modules and menu providers. RouteOne offers dealers a common platform for all their credit application financing needs. Visit [www.routeone.com](http://www.routeone.com) for more information.

To join X9 and participate in this work effort or for more information, please contact:  
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