

CHICAGO--([BUSINESS WIRE](#))--Fitch Ratings has taken the following rating actions on GE Equipment Midticket LLC (GE EMT), series 2012-1 notes:

--Class A-2 affirmed at 'AAAsf'; Outlook Stable;--Class A-3 affirmed at 'AAAsf'; Outlook Stable;--Class A-4 affirmed at 'AAAsf'; Outlook Stable;--Class B affirmed at 'AAsf'; Outlook revised to Positive from Stable.

KEY RATING DRIVERS

The affirmation of all outstanding classes is reflective of credit enhancement levels that are consistent with the rating and strong collateral performance to date. The Positive Outlook designation for the class B note reflects Fitch's expectation for loss coverage levels to continue improving as the transaction amortizes and credit enhancement levels continue to build. The class may warrant a review for potential positive rating action in the next 12-18 months.

RATING SENSITIVITIES

Unanticipated increases in the frequency of defaults and loss severity could produce loss levels higher than the current projected base case loss proxy which would impact available loss coverage. Lower loss coverage could impact ratings and rating outlooks, depending on the extent of the decline in coverage. In Fitch's initial review of the transaction, the notes were found to have limited sensitivity to 1.5x and 2.5x higher of Fitch's base case loss expectations. Initial Key Rating Drivers and Rating Sensitivities are further described in the presale published Sept. 17, 2012.

To date, the transaction has exhibited strong performance with losses within Fitch's initial expectations with rising loss coverage and multiple levels. As such, continued performance for this transaction may result in stable to positive rating actions. Additionally, the growing overcollateralization in the transaction is expected to provide increasing net loss coverage likely preventing negative rating actions in a deteriorating economic environment.

Fitch's analysis of the Representations and Warranties (R&W) of this transaction can be found in 'GE Equipment Mid-Ticket, L.L.C Series 2012-1 - Appendix'. These R&W are compared to those of typical R&W for the asset class as detailed in the special report 'Representations, Warranties, and Enforcement Mechanisms in Global Structured Finance Transactions' dated April 17, 2012.

Additional information is available at 'www.fitchratings.com'.

Applicable Criteria and Related Research:--'Criteria for Rating U.S. Equipment Lease and Loan ABS', dated Dec. 28, 2012;--'Global Structured Finance Rating Criteria,' dated May 24, 2013.

Applicable Criteria and Related Research:Criteria for Rating U.S. Equipment Lease and Loan ABS http://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=697250
Global Structured Finance Rating Criteria
http://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=708661

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Fitch Affirms and Revises Outlook on GE EMT 2012-1

Written by Australian Business
