

## Fitch Affirms Two Sierra Timeshare Receivables Transactions

Written by Australian Business

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NEW YORK--( [BUSINESS WIRE](#) )--Fitch Ratings has affirmed the notes issued by two Sierra Timeshare Receivables transactions as follows:

Sierra Timeshare 2011-3 Receivables Funding, LLC

--Class A notes at 'Asf'; Outlook Stable;

--Class B notes at 'BBBsf'; Outlook Stable;

--Class C notes at 'BBsf'; Outlook Stable.

Sierra Timeshare 2012-3 Receivables Funding, LLC

--Class A notes at 'Asf'; Outlook Stable;

--Class B notes at 'BBBsf'; Outlook Stable.

### KEY RATING DRIVERS:

The rating affirmations reflect the ability of each transaction's credit enhancement to provide loss coverage consistent with the current ratings. The Stable Outlook reflects Fitch's expectation that the notes will remain sufficiently enhanced to cover stressed loss levels for the next 12 to 18 months.

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Fitch will continue to monitor economic conditions and their impact as they relate to timeshare asset-backed securities and the trust level performance variables and update the ratings accordingly.

### RATING SENSITIVITY:

Unanticipated increases in the frequency of defaults could produce loss levels higher than the current expectations and impact available loss coverage. Lower loss coverage could affect ratings and Rating Outlooks, depending on the extent of the decline in coverage.

To date, the transactions have exhibited minimal losses (due to repurchases) and default performance is consistent with Fitch's initial expectations. Default coverage and multiple levels are consistent with the current ratings. A material deterioration in performance would have to occur within the asset pools to have potential negative impact on the outstanding ratings.

Fitch's stress and rating sensitivity analyses are discussed in the presale reports titled 'Sierra Timeshare 2012-3 Receivables Funding, LLC (US ABS)', dated Oct. 24, 2012 and 'Sierra Timeshare 2011-3 Receivables Funding, LLC (US ABS)', dated Nov. 10, 2011, which is available on Fitch's web site.

Fitch's analysis of the Representations and Warranties (R&W) of this transaction can be found in 'Sierra Timeshare 2012-3 Receivables Funding LLC - Appendix' and 'Sierra Timeshare 2011-3 Receivables Funding LLC - 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](http://www.fitchratings.com)'.

The information used to assess these ratings was sourced from the issuer, periodic

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trustee reports, note valuation reports, and the public domain.

### Applicable Criteria and Related Research:

Criteria for Rating U.S. Timeshare Loan ABS dated June 10, 2013;

Global Structured Finance Rating Criteria dated May 24, 2013;

Representations, Warranties, and Enforcement Mechanisms in Global Structured Finance Transactions - Amended dated April 17, 2012;

Sierra Timeshare 2012-3 Receivables Funding LLC (US ABS) dated Oct. 24, 2012;

Sierra Timeshare 2012-3 Receivables Funding LLC - Appendix dated Oct. 24, 2012;

Sierra Timeshare 2011-3 Receivables Funding LLC (US ABS) dated Nov. 2, 2011;

Sierra Timeshare 2011-3 Receivables Funding LLC -- Appendix dated Nov. 2, 2011.

### Applicable Criteria and Related Research:

Sierra Timeshare 2011-3 Receivables Funding LLC (US ABS)

[http://www.fitchratings.com/creditedesk/reports/report\\_frame.cfm?rpt\\_id=655057](http://www.fitchratings.com/creditedesk/reports/report_frame.cfm?rpt_id=655057)

Sierra Timeshare 2011-3 Receivables Funding LLC -- Appendix

[http://www.fitchratings.com/creditdesk/reports/report\\_frame.cfm?rpt\\_id=655312](http://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=655312)

Global Structured Finance Rating Criteria

[http://www.fitchratings.com/creditdesk/reports/report\\_frame.cfm?rpt\\_id=708661](http://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=708661)

Criteria for Rating U.S. Timeshare Loan ABS

[http://www.fitchratings.com/creditdesk/reports/report\\_frame.cfm?rpt\\_id=709841](http://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=709841)

Representations, Warranties, and Enforcement Mechanisms in Global Structured  
Finance Transactions -- Amended

[http://www.fitchratings.com/creditdesk/reports/report\\_frame.cfm?rpt\\_id=676496](http://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=676496)

Sierra Timeshare 2012-3 Receivables Funding LLC (US ABS)

[http://www.fitchratings.com/creditdesk/reports/report\\_frame.cfm?rpt\\_id=693120](http://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=693120)

Sierra Timeshare 2012-3 Receivables Funding LLC - Appendix

[http://www.fitchratings.com/creditdesk/reports/report\\_frame.cfm?rpt\\_id=693295](http://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=693295)

Additional Disclosure

Solicitation Status

[http://www.fitchratings.com/gws/en/disclosure/solicitation?pr\\_id=804071](http://www.fitchratings.com/gws/en/disclosure/solicitation?pr_id=804071)

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