

Fitch Affirms 4 Classes of Ford Credit Auto Owner Trust 2011-A

Written by Australian Business

NEW YORK--([BUSINESS WIRE](#))--Fitch Ratings affirms four classes of Ford Credit Auto Owner Trust (FCAOT) 2011-A as part of its ongoing surveillance as follows:

--Class A-4 affirmed at 'AAAsf'; Outlook Stable;

--Class B affirmed at 'AAAsf'; Outlook Stable;

--Class C affirmed at 'AAAsf'; Outlook Stable;

--Class D affirmed at 'AAAsf'; Outlook Stable.

KEY RATING DRIVERS

The rating actions are based on available credit enhancement and loss performance. The collateral pool continues to perform within Fitch's expectations. Under the credit enhancement structure, the securities are able to withstand stress scenarios consistent with the current ratings and make full payments to investors in accordance with the terms of the documents.

Fitch's review is based on the initial base case cumulative net loss (CNL) estimate of 2.40%. However, at a pool factor of 13.80% and cumulative net losses as of the May 2014 reporting period at 0.66%, the transaction should outperform its initial base case CNL estimate and forecast to below 1.0%.

The ratings reflect the quality of Ford Motor Credit Company's (FMCC) retail auto loan originations, the sound financial and legal structure of the transaction, and the strength of the servicing provided by FMCC.

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 and impact available loss coverage and multiples levels for the transaction. Lower loss coverage could impact ratings and Rating Outlooks, depending on the extent of the decline in coverage.

In this review, an implied loss proxy consistent with prior FCAOT transactions was reviewed, given the amount of amortization to date and growth in hard credit enhancement levels over the life of the transaction. As a sensitivity, the implied loss proxy for the remaining pool was increased 1.5x and 2.5x, as was case for the base case loss proxy at the time of the initial rating.

At 1.5x and 2.5x, the multiples for all four classes did compress but the impact was minimal given current enhancement levels. Even at the more stressful 2.5x loss proxy for the remaining pool, each class of notes passed Fitch's range for 'AAAsf'.

To date, the transaction has exhibited strong performance with losses within Fitch's initial expectations, with rising loss coverage and multiple levels consistent with the current ratings. A material deterioration in performance would have to occur within the asset pool to have potential negative impact on the outstanding ratings.

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

Applicable Criteria and related research:

--'Rating Criteria for U.S. Auto Loan ABS' (April 7, 2014);

--'Global Structured Finance Rating Criteria' (May 20, 2014;

--'Ford Credit Auto Owner Receivables Trust 2011-A' (January 24, 2011).

Applicable Criteria and Related Research:

Rating Criteria for U.S. Auto Loan ABS

http://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=738718

Global Structured Finance Rating Criteria

http://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=748821

Ford Credit Auto Owner Trust 2011-A

http://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=599006

Additional Disclosure

Solicitation Status

http://www.fitchratings.com/gws/en/disclosure/solicitation?pr_id=835079

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