

Fitch: Rating Impact Unlikely for Blade ABS on Aircraft Engine Sale

Written by Australian Business

CHICAGO--([BUSINESS WIRE](#))--Blade Engine Securitization LTD's (Blade) intent to sell one aircraft engine is not likely to affect ABS ratings, according to Fitch Ratings.

Fitch has been notified that Blade intends to sell a CF34-3A1 out of the trust to a third party. The engine is currently grounded. Thus, its sale would provide cash flow to the trust from what would otherwise be a non-earning asset. The proposed sale price of the engine is below the note target price as defined by the transaction documents. Fitch does not anticipate that the engine sale, in and of itself, would adversely impact the ratings on the trust.

It is important to note, however, that all notes currently have a Negative Rating Outlook, indicating that downward rating movements are likely over a one- to two-year period. As stated in Fitch's Feb. 14 press release affirming all outstanding notes, the Negative Outlook reflects Fitch's concerns regarding the engines' ability to generate sufficient collections and repay the notes under certain stress rating scenarios.

Fitch currently rates the trust as follows:

Blade Engine Securitization LTD

--Class A-1 notes 'Asf'; Outlook Negative;

--Class A-2 notes 'Asf'; Outlook Negative;

--Class B-1 notes 'BBBsf'; Outlook Negative.

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

Applicable Criteria and Related Research:

--'Global Rating Criteria for Aircraft Operating Lease ABS,' dated April 11, 2014;

--'Global Structured Finance Rating Criteria,' dated May 20, 2014.

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Global Rating Criteria for Aircraft Operating Lease ABS

http://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=742479

Global Structured Finance Rating Criteria

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

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BASED IN AN EU-REGISTERED ENTITY CAN BE FOUND ON THE ENTITY SUMMARY
PAGE FOR THIS ISSUER ON THE FITCH WEBSITE.