NEW YORK--(BUSINESS WIRE)--Fitch Ratings expects to assign the following ratings to Madison Park Funding XIV, Ltd./LLC (Madison Park XIV):

--$5,000,000 class X floating rate notes, 'AAAsf'; Outlook Stable;

--$620,000,000 class A floating rate notes; 'AAAsf'; Outlook Stable.

Fitch does not expect to rate the class B, C, D, E, F or subordinated notes.

TRANSACTION SUMMARY

Madison Park XIV is an arbitrage cash flow collateralized loan obligation (CLO) that will be managed by Credit Suisse Asset Management, LLC (CSAM). Net proceeds from the issuance of secured and subordinated notes will be used to purchase a portfolio of approximately $1,000 million of primarily senior secured leveraged loans. The CLO will have a four-year reinvestment period and a two-year noncall period.

KEY RATING DRIVERS

Sufficient Credit Enhancement: Credit enhancement (CE) of 38% for class A notes, in addition to excess spread, is sufficient to protect against portfolio default and recovery rate projections in the 'AAAsf' stress scenario. The degree of CE available to class A notes is in line with the average CE of recent CLO issuances. Class X notes are expected to be paid in full from the application of interest proceeds via the interest waterfall within one year of close.

'B/B-' Asset Quality: The average credit quality of the indicative portfolio is 'B/B-', which is comparable to recent CLOs. Issuers rated in the 'B' rating category denote relatively weak credit quality; however, in Fitch's opinion, the class X and A notes are unlikely to be affected by the foreseeable level of defaults. Class X and A notes are projected to be able to withstand default rates of up to 100% and 61.2%, respectively.

Strong Recovery Expectations: The indicative portfolio consists of 97.1% senior secured loans, 94.9% of which have strong recovery prospects or a Fitch-assigned recovery rating of 'RR2' or higher. This is in line with the seniority profile of recent vintage CLOs.

Consistent Portfolio Parameters: The portfolio will be actively managed and bound by concentration limitations addressing various loan characteristics. The concentration limitations presented to date are within the range of limits set in the majority of recent CLOs. Fitch addressed the impact of the most prominent risk-presenting concentration allowances.

RATING SENSITIVITIES

In addition to Fitch's stated criteria, the agency analyzed the structure's sensitivity to the potential variability of key model assumptions including decreases in weighted average spread or recovery rates and increases in default rates or correlation. The class X and class A notes are expected to remain investment grade even under the most extreme sensitivity scenarios. Results under these sensitivity scenarios ranged between 'A-sf' and 'AAAsf' for the class A notes. The class X notes passed at an 'AAAsf' rating level in all tested sensitivity scenarios.

The expected ratings are based on information provided to Fitch by the arranger, Morgan Stanley & Co. LLC as of July 02, 2014. Key Rating Drivers and Rating Sensitivities are further described in the accompanying presale report.

The presale report is available to investors on Fitch's web site at www.fitchratings.com . For more information about Fitch's comprehensive subscription service FitchResearch, which includes all presale reports, surveillance and credit reports on more than 20 asset classes, contact product sales at +1-212-908-0800 or at ' webmaster@fitchratings.com

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

Applicable Criteria & Related Research:

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

--'Global Rating Criteria for Corporate CDOs' (Aug. 8, 2013);

--'Criteria for Interest Rate Stresses in Structured Finance Transactions' (Jan. 23, 2014);

--'Counterparty Criteria for Structured Finance and Covered Bonds' (May 14, 2014);

--'Madison Park Funding XIV, Ltd./LLC -- Appendix'.

Applicable Criteria and Related Research: Madison Park Funding XIV, Ltd./LLC

http://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=751507

Global Structured Finance Rating Criteria

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

Global Rating Criteria for Corporate CDOs

http://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=715492

Criteria for Interest Rate Stresses in Structured Finance Transactions

http://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=695535

Counterparty Criteria for Structured Finance and Covered Bonds

http://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=744158

Additional Disclosure

Solicitation Status

http://www.fitchratings.com/gws/en/disclosure/solicitation?pr_id=837730

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