S&P Global Ratings

Research

Presale:

GM Financial Revolving Receivables Trust 2024-1

February 29, 2024

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Preliminary ratings

Class	Preliminary rating	Type	Interest rate(i)	Amount (mil. $)(ii)	Legal final maturity
A	AAA (sf)	Senior	Fixed	1,000.00	Dec. 11, 2036
B	AA (sf)	Subordinate	Fixed	21.82	Dec. 11, 2036
C(iii)	A (sf)	Subordinate	Fixed	31.64	Dec. 11, 2036
D(iii)	BBB (sf)	Subordinate	Fixed	29.46	Dec. 11, 2036

Note: This presale report is based on information as of Feb. 29, 2024. The ratings shown are preliminary. Subsequent information may result in the assignment of final ratings that differ from the preliminary ratings. Accordingly, the preliminary ratings should not be construed as evidence of final ratings. This report does not constitute a recommendation to buy, hold, or sell securities. (i)The interest rate for each class will be determined on the pricing date. (ii)The actual size of these tranches will be determined on the pricing date. The notes' total principal amount may be increased, with any increase resulting in a proportionate increase in each class's initial principal amount but not greater than $1.30 billion for the class A notes. (iii)The depositor or an affiliate of the depositor will initially retain the class C and D notes.

Profile

Expected closing date	March 13, 2024.
Collateral	Prime auto loan receivables.
Sponsor and servicer	AmeriCredit Financial Services Inc., doing business as GM Financial, a subsidiary of General Motors Financial Co. Inc. (BBB/Stable/--).
Depositor	AFS SenSub Corp.
Issuer	GM Financial Revolving Receivables Trust 2024-1.
Trustee and trust collateral agent	The Bank of New York Mellon (A/Stable/A-1).
Owner trustee	Wilmington Trust Co. (A-/Stable/A-2).
Structuring agent and lead underwriter	Barclays Capital Inc. (A+/Stable/A-1).

Rationale

The preliminary ratings assigned to GM Financial Revolving Receivables Trust 2024-1's (GMREV 2024-1) automobile receivables-backed notes reflect:

- The availability, when the receivables pool meets the floor credit enhancement composition tests, of approximately 13.0%, 11.1%, 8.6%, and 6.6% credit support for the class A, B, C, and D notes, respectively (based on stressed cash flow scenarios, including excess spread). These credit support levels provide coverage of approximately 4.75x, 4.00x, 3.00x, and 2.00x, respectively, our expected cumulative net loss (CNL) of 2.55% assuming a worst-case pool mix (see the S&P Global Ratings' Expected Loss Assuming A Worst-Case Pool Mix section below).
- The availability, when the receivables pool meets the pool composition tests, of approximately 15.8%, 14.1%, 11.7%, and 9.7% credit support for the class A, B, C, and D notes, respectively (based on stressed cash flow scenarios, including excess spread). These credit support levels provide coverage of 4.75x, 4.00x, 3.00x, and 2.00x, respectively, our expected CNL of 3.10% assuming a worst-case pool mix (see the S&P Global Ratings' Expected Loss Assuming A Worst-Case Pool Mix section below).
- The expectation that under a moderate ('BBB') stress scenario (2.0x our expected net loss level), all else being equal, our preliminary ratings will be within the credit stability limits (see the Cash Flow Modeling Assumptions and Results section).
- The timely interest and full principal payments made under stressed cash flow modeling scenarios appropriate for the assigned preliminary ratings.
- The transaction's initial revolving phase (up to five years), during which loan collections may be used to purchase additional receivables. The structure includes pool composition requirements, a credit enhancement test, and amortization triggers that are intended to limit deterioration in pool quality and credit enhancement during the period (see the Revolving Period section below for more details).
- The credit enhancement in the form of subordination, a nonamortizing reserve account, overcollateralization, a yield supplement overcollateralization amount (YSOA), and excess spread (see the Credit Enhancement Summary table above).
- The net losses test, which increases the required credit enhancement in the form of overcollateralization as long as the three-month annualized net loss rate exceeds 3.00% during the revolving period.
- The collateral characteristics of the initial revolving pool being securitized.
- The transaction's pool composition tests, credit enhancement test, amortization triggers, and turbo payment structure when in any amortization period.
- The consistency of the collateral composition and performance of prior REV pools.
- Our assessment of the series' bank accounts at The Bank of New York Mellon, which do not constrain the preliminary ratings.
- Our operational risk assessment of GM Financial, a subsidiary of General Motors Financial Co. Inc., as servicer, along with our views of the company's underwriting.
- Our assessment of the transaction's potential exposure to environmental, social, and governance (ESG) credit factors, which are in line with our sector benchmark.
- The transaction's payment and legal structure.

The preliminary ratings assigned to GMREV 2024-1's asset-backed notes do not address whether the cash flows generated by the pool of receivables will be sufficient to pay the step-up amounts or make-whole payments, which may become payable to the noteholders if certain events occur (see the Transaction Overview section below for a description of the step-up amounts and make-whole payments).

Environmental, Social, And Governance

Our rating analysis considers a transaction's potential exposure to ESG credit factors. For the auto asset-backed securities (ABS) sector, we view the exposure to environmental credit factors as above average, social credit factors as average, and governance credit factors as below average (see "ESG Industry Report Card: Auto Asset-Backed Securities," published March 31, 2021).

In our view, the transaction's environmental and social credit factors are in line with our sector benchmark. Exposure to environmental credit factors is generally viewed as above average, given that the collateral pool primarily comprises vehicles with internal combustion engines (ICEs), which emit pollutants that contribute to climate transition risks. While the adoption of electric vehicles and future regulation could in time lower ICE vehicle values, we believe that our current approach to evaluating recovery and residual values adequately accounts for vehicle values over the life of the transaction. As a result, we have not separately identified this as a material ESG credit factor in our analysis.

In our view, the transaction has relatively higher exposure to governance credit factors than our sector benchmark given the revolving collateral pool and the originator's more active role over the transaction's life, exposing investors to the risk of loosening underwriting standards or potential adverse selection. To account for this risk, we assumed that the pool's composition will migrate to the lowest credit quality allowable under the transaction's pool composition tests, resulting in a higher expected loss than that of a typical amortizing pool (see S&P Global Ratings' Expected Loss section for more information).

Credit Enhancement And Collateral

Structural changes from GMREV 2023-2 and 2022-1

Notable changes to credit enhancement compared to GMREV 2023-2, which S&P Global Ratings did not rate, and 2022-1 include that:

- The initial YSOA discount rate decreased to 8.75% from 8.85% for series 2023-2 and 9.50% for series 2022-1.

Table 1 shows the credit enhancement changes from recent transactions.

Table 1

Credit enhancement summary (%)

	GMREV2024-1	GMREV2023-2(vi)	GMREV2023-1(vi)	GMREV2022-1	GMREV2021-1
Subordination (% of the initial adjusted pool balance)					
Class A	7.60	7.60	7.60	7.60	7.59
Class B	5.60	5.60	5.60	5.60	5.60

Table 1

Credit enhancement summary (%) (cont.)

	GMREV2024-1	GMREV2023-2(vi)	GMREV2023-1(vi)	GMREV2022-1	GMREV2021-1
Class C	2.70	2.70	2.70	2.70	2.70
Reserve account (% of the initial aggregate principal amount of the notes) (iv)					
Initial, target, and floor (during the revolving period)	0.50	0.50	0.50	0.50	0.25
Initial, target, and floor (during the amortization period)	0.50	0.50	0.50	0.50	0.25
Overcollateralization (excluding YSOA)(i)					
Initial (% of the adjusted pool balance)	0.75% when the floor credit enhancement tests are met and 4.00% when the pool composition tests are met.	0.75% when the floor credit enhancement tests are met and 4.00% when the pool composition tests are met.	0.75% when the floor credit enhancement tests are met and 4.00% when the pool composition tests are met.	0.75% when the floor credit enhancement tests are met and 4.00% when the pool composition tests are met.	1.00% when the floor credit enhancement tests are met and 4.25% when the pool composition tests are met.
Target (% of the adjusted pool balance)	0.75% when the floor composition tests are met during the revolving period, 4.00% when the pool composition tests are met, and full turbo(ii) during the amortization period.	0.75% when the floor composition tests are met during the revolving period, 4.00% when the pool composition tests are met, and full turbo(ii) during the amortization period.	0.75% when the floor composition tests are met during the revolving period, 4.00% when the pool composition tests are met, and full turbo(ii) during the amortization period.	0.75% when the floor composition tests are met during the revolving period, 4.00% when the pool composition tests are met, and full turbo(ii) during the amortization period.	1.00% when the floor composition tests are met during the revolving period, 4.25% when the pool composition tests are met, and full turbo(ii) during the amortization period.
Floor (% of the adjusted pool balance)	0.75% when the floor credit enhancement tests are met and 4.00% when the pool composition tests are met.	0.75% when the floor credit enhancement tests are met and 4.00% when the pool composition tests are met.	0.75% when the floor credit enhancement tests are met and 4.00% when the pool composition tests are met.	0.75% when the floor credit enhancement tests are met and 4.00% when the pool composition tests are met.	1.00% when the floor credit enhancement tests are met and 4.25% when the pool composition tests are met.
Total initial hard credit enhancement (% of initial adjusted receivables balance)					
During revolving period					
Class A	8.85	8.85	8.85	8.85	8.84
Class B	6.85	6.85	6.85	6.85	6.85
Class C	3.95	3.95	3.95	3.95	3.95
Class D	1.25	1.25	1.25	1.25	1.25
During amortization: full turbo(ii)					
Class A	8.85	8.85	8.85	8.85	8.84
Class B	6.85	6.85	6.85	6.85	6.85

Table 1

Credit enhancement summary (%) (cont.)

	GMREV2024-1	GMREV2023-2(vi)	GMREV2023-1(vi)	GMREV2022-1	GMREV2021-1
Class C	3.95	3.95	3.95	3.95	3.95
Class D	1.25	1.25	1.25	1.25	1.25
Additional enhancement					
YSOA discount rate (%)	8.75	8.85	8.45	9.50	5.15
Estimated annual excess spread(iii)	3.37	N/A	N/A	2.03	3.70
Initial aggregate receivables balance ($)(v)	1,152,662,732	933,489,852	940,273,128	620,629,858	804,897,850
Initial adjusted receivables balance ($)(v)	1,091,112,870	872,886,650	872,891,880	545,561,810	768,000,885
Total securities ($)(v)(Vii)	1,082,920,000	866,340,000	866,340,00	541,470,000	760,320,000

(i)Overcollateralization is the amount by which the adjusted pool balance plus the amount in the accumulation account exceeds the initial principal amount of the notes. If the net losses test trigger is breached, overcollateralization will increase to 10.75% (11.00% for GMREV 2021-1), but it will decline back to target levels once the net losses test is satisfied. (ii)Full turbo will occur during the amortization period, after the senior fees, note interest, priority payments, and any reserve deposit amount are paid; and all remaining available funds will be paid as principal to the noteholders, resulting in the build-up of overcollateralization. (iii)The estimated annual excess spread shown is before pricing and includes the 1.00% annual servicing fee. Annual excess spread is adjusted for yield supplement overcollateralization. (iv)For series 2022-1, the reserve account amount will be at least 0.50% of the initial aggregate principal balance of the notes. (v)It represents the base pool balance. The final balances will be determined upon pricing. (vi)Not rated by S&P Global Ratings. (vii)Includes class C and D, which will be retailed by issuer GMREV--GM Financial Revolving Receivables Trust. YSOA--Yield supplement overcollateralization amount. N/A--Not available.

Collateral changes from GMREV 2023-2

Collateral changes for the initial GMREV 2024-1 statistical pool as of the Feb. 1, 2024, cutoff date compared with series GMREV 2023-2's initial pool include:

- The minimum FICO score decreased to 583 from 640 however the weighted average FICO score of the pool remained at 780. Additionally, the loans with FICO greater than 850 increased slightly to 12.2% from 12.0%.
- The percentage of contracts with an original term greater than 72 months but less than or equal to 84 months increased to 31.2% from 30.5%.
- The percentage of new vehicles decreased to 81.5% from 82.1%.

Collateral changes from GMREV 2022-1

Collateral changes for the initial GMREV 2024-1 statistical pool as of the Feb. 1, 2024, cutoff date compared with series GMREV 2022-1's initial pool include:

- The minimum FICO score decreased to 583 from 611, and the weighted average FICO score of the pool decreased slightly to 780 from 781. Additionally, the loans with FICO greater than 850 increased to 12.2% from 11.1%.
- The percentage of contracts with an original term greater than 75 months but less than or equal to 84 months increased to 23.6% from 22.0%. However, the loans with original term greater than 60 months decreased to 71.1% from 74.5%.
- The percentage of new vehicles decreased to 81.5% from 83.7%.

Table 2 shows the statistical GMREV 2024-1 pool characteristics, which are similar to GM Financial's previous initial revolving pools as well as to recent nonrevolving pools from GM Financial's Consumer Automobile Receivables Trust (GMCAR) securitization program.

Table 2

Collateral characteristics(i))

	GMREV 2024-1	GMREV 2023-2(ii)	GMREV 2023-1(ii)	GMREV 2022-1	GMREV 2021-1	GMCAR 2023-4	GMCAR 2023-3	GMCAR 2023-2	GMCAR 2023-1(ii)
Pool size (bil. $)	1.796	0.933	0.942	0.621	0.805	1.623	1.683	1.702	1.719
No. of receivables	49,803	26,107	26,212	17,448	24,825	47153	48979	49094	49697
Avg. principal balance ($)	36,071	35,727	35,919	35,570	32,423	34426	34356	34663	34594
Weighted avg. APR (%)	6.59	6.08	5.22	3.87	4.07	5.53	5.19	4.69	4.18
Weighted avg. original term (mos.)	69	70	69	69	73	70	70	69	69
Weighted avg. remaining term (mos.)	61	60	60	61	66	59	60	60	60
Weighted avg. seasoning (mos.)	9	10	9	8	7	10	10	9	8
Weighted avg. FICO score	780	780	780	781	770	783	782	783	781
Weighted avg. LTV ratio (%)	98	98	98	97	98	97	97	97	97
% of pool balance with an original term of 61-72 months	39.98	40.95	43.18	42.98	55.69	42.41	44.09	45.44	46.56

Table 2

Collateral characteristics(i)) (cont.)

	GMREV 2024-1	GMREV 2023-2(ii)	GMREV 2023-1(ii)	GMREV 2022-1	GMREV 2021-1	GMCAR 2023-4	GMCAR 2023-3	GMCAR 2023-2	GMCAR 2023-1(ii)
% of pool balance with an original term of 73-75 months	7.59	6.94	8.47	9.53	9.64	7.20	8.05	9.25	9.51
% of pool balance with an original term of 76-84 months	23.58	23.55	22.93	22.01	23.76	21.70	21.79	19.95	17.91
New vehicles (%)	82	82	83	84	82	81	80	79	79
Used vehicles (%)	18	18	17	16	18	19	20	21	21
Top three state concentrations (%)									
	TX=17.15	TX=16.99	TX=17.01	TX=16.45	TX=14.71	TX=16.73	TX=16.82	TX=16.56	TX=17.52
	FL=7.65	FL=7.55	FL=8.17	CA=9.23	CA=9.98	FL=7.62	FL=8.12	FL=8.47	CA=8.55
	CA=4.74	CA=5.59	CA=8.01	FL=4.82	FL=7.52	CA=6.35	CA=7.03	CA=7.60	NY=4.83

(i)All percentages are of the initial aggregate receivables balance. (ii)Not rated by S&P Global Ratings. GMREV--GM Financial Revolving Receivables Trust. GMCAR--GM Financial Consumer Automobile Receivables Trust. APR--Annual percentage rate. LTV--Loan to value.

A primary difference between the GMREV 2024-1 and GMCAR pools is the higher concentration of 76-84-month loans in the GMREV 2024-1 pool. Loans with an original term of 76-84 months represent approximately 24% of the GMREV 2024-1 pool, compared with approximately 22% for the most recent GMCAR securitization.

Table 3

Collateral characteristics by term(i)

	GMREV 2024-1			GMREV 2023-2(ii)			GMCAR 2023-4			GMCAR 2023-3		
	0-72 months	73-75 months	76-84 months	0-72 months	73-75 months	76-84 months	0-72 months	73-75 months	76-84 months	0-72 months	73-75 months	76-84 months
% of total pool balance	68.8	7.6	23.6	69.5	6.9	23.6	71.1	7.2	21.7	70.1	8.0	21.8
Weighted avg. seasoning (mos.)	7	8	12	8	9	13	8	10	16	8	9	15
Weighted avg. FICO score	789	748	767	788	748	767	790	755	770	789	756	770
Weighted avg. LTV ratio (%)	93	113	107	94	112	107	93	111	106	93	110	106

Table 3

Collateral characteristics by term(i) (cont.)

	GMREV 2024-1			GMREV 2023-2(ii)			GMCAR 2023-4			GMCAR 2023-3		
	0-72 months	73-75 months	76-84 months	0-72 months	73-75 months	76-84 months	0-72 months	73-75 months	76-84 months	0-72 months	73-75 months	76-84 months
New vehicle (%)	85	51	82	84	52	84	83	53	86	80	56	87
Used vehicle (%)	15	49	18	16	48	16	17	47	14	20	44	14

(i)All percentages are of the initial aggregate receivables balance. (ii)Not rated by S&P Global Ratings. LTV--Loan to value. GMREV--GM Financial Revolving Receivables Trust. GMCAR--GM Financial Consumer Automobile Receivables Trust.

Macroeconomic And Auto Finance Sector Outlook

In our analysis, we considered the economic data and forecasts outlined in table 4 and their baseline effect on collateral credit quality in determining our base-case expected loss level. Historically, changes in the unemployment rate have been a key determinant of charge-offs in the auto finance industry.

The U.S. economy has continued to outperform expectations. Better-than-expected growth has led us to raise our 2024 U.S. GDP forecast to 2.4% from 1.5%. Although this is slightly weaker than the 2.5% growth the U.S saw in 2023, the labor market remains sturdy, with strong job gains in both December 2023 and January 2024 and wage gains in most industries remaining above the inflation rate. Nonetheless, we expect unemployment to increase slightly to 3.9% this year from 3.6% in 2023 (see "U.S. Economic Forecast Update: A Sturdy Job Market Keeps Growth Going," published Feb. 21, 2024).

We are also closely watching the following developments:

- Consumers are showing signs of strain due to increased debt loads. The ratio for seriously delinquent auto loans is already at its highest level outside of recessionary periods, according to the Federal Reserve Bank of New York/Equifax credit data. This is driven primarily by the subprime segment, which represents about one-seventh of the total outstanding auto loan balance.
- Employment in the temporary help services sector was down 7.0% in January from a year ago. A decline of this magnitude has been a harbinger of weaker future demand for permanent workers.
- Student loan payments resumed in October 2023 and are putting upward pressure on debt service ratios. This could lead to even higher consumer delinquencies and charge-offs.

We believe, based on past economic cycles, that consumers for whom the vehicle is essential for work, will continue to prioritize their auto loan and lease payments before their other consumer and student loan payments. Furthermore, in the auto market, as new vehicle supply imbalances continue to ease, inventory levels rebuild, and manufacturer incentives increase, we expect used vehicle values to continue to normalize to historical levels.

Table 4

U.S. economic factors

	Actual	Forecast			
	2023	2024	2025	2026	2027
Real GDP (% year-over-year growth)	2.5	2.4	1.5	1.6	1.8
Unemployment rate (% annual average)	3.6	3.9	4.2	4.3	4.2
Consumer Price Index (% annual average)	4.1	2.8	2.0	2.4	2.4

Sources: Bureau of Economic Analysis, Bureau of Labor Statistics, and S&P Global Ratings Economics' forecasts.

S&P Global Ratings' Expected Loss Assuming A Worst-Case Pool Mix: 3.10% (Pool Composition Test) And 2.55% (Floor Credit Enhancement Composition Test)

In typical amortizing transactions, we determine whether the credit enhancement is sufficient to cover a multiple of base-case losses that is commensurate with the preliminary ratings. We used a similar approach for this transaction. However, because the auto loan pool could revolve for up to five years before amortizing, we assumed the pool's composition will migrate to the lowest credit quality allowable by the pool composition tests. We believe the potential length of the revolving period warrants this approach. As a result, our analysis examined if there is sufficient credit enhancement to cover a multiple of losses that is commensurate with the preliminary ratings, assuming a worst-case pool mix.

To determine an expected loss assuming a worst-case mix for the auto loan receivables pool, we first analyzed the static pool CNL performance of GM Financial's originations under the prime auto loan platform since inception in 2014. The data we received were segmented by original term, FICO score band, LTV band, term and FICO score, FICO score and LTV ratio, credit tier, credit tier and term, and credit tier and LTV ratio. We analyzed this data to derive a base-case expected loss for 160 cohorts.

Compared to peer issuers that have issued auto ABS under similar retail auto revolving platforms, GM Financial has a limited history of prime auto loan originations since it became a captive of General Motors in 2010, though the company later broadened its finance offerings to include prime auto loan originations in the U.S. in 2014 and became the exclusive provider of subvened loans for GM in 2016. In our view, transactions with extended revolving periods plus a full amortization period are more exposed to multiple macroeconomic cycles, given the longer tenor. Because GM Financial's static pool data does not include performance through a full economic cycle, we reviewed peer performance for transactions that have gone through this cycle and applied an additional stress to our base-case expected loss for each of the 160 segments based on how much losses tend to increase for these peers during a period of economic stress.

We also incorporated an analysis of static pool performance of the 76-84-month term loans, given their inclusion in the GMREV 2024-1 pool, which is consistent with our methodology on the GMCAR securitizations. While data provided by GM Financial on these loans is somewhat limited, early performance shows that they are experiencing lower losses compared with the 73-75 month loans. However, given the limited performance for this segment, we assumed a higher loss expectation compared with that for the 73-75-month term loans because we believe the 76-84-month loans could experience a higher loss severity.

When analyzing static pool performance and securitization performance, we placed less focus on performance since 2020, given the impact of covid-19 related stimulus.

Once we determined a base-case expected loss for each segment, we then determined a hypothetical pool mix that would maximize the overall loss on the pool while still satisfying the pool composition limits. The pool composition tests specify limits to various combinations of these segments during the revolving period (for more details on the pool concentration limits, see the Revolving Period section above).

Based on our expected losses for each of the 160 segments and assuming the worst-possible pool quality under the pool composition tests, we believe the pool could experience CNLs of approximately 3.10%. We also have a lower expected loss assuming a worst-case pool mix of 2.55% when the floor credit enhancement composition tests apply because they have stricter limits on higher-risk segments and a higher minimum weighted average FICO score.

Managed Portfolio

GM Financial's total retail portfolio, which consists of its full-spectrum loan originations (prime and subprime), increased approximately 10% to $67.4 billion as of year-end 2023, from $61.2 billion as of year-end 2022. Total 30-plus-day delinquencies increased to 3.0% as of year-end 2023, from 2.8% a year earlier. However, note that delinquencies still remain below pre-COVID-19 levels (i.e., fiscal-year 2019 experienced total delinquencies of 4.5%). Similarly, annualized net credit loss as a percentage of average retail finance receivables increased to 0.8% as of year-end 2023 from 0.6% a year earlier, but remain lower than pre-COVID-19 levels (i.e., fiscal-year 2019 experienced 1.4% in net credit losses as a percentage of average retail finance receivables). Losses for the 2020-2022 years were historically low primarily due to strong vehicle recoveries (see table 5).

Table 5

Managed portfolio

	Year ended Dec. 31				
	2023	**2022**	**2021**	**2020**	**2019**
Retail finance receivables portfolio at end of period (bil. $)	67.44	61.17	54.20	46.66	36.80
Average retail finance receivables (bil. $)	64.99	57.64	51.36	41.83	36.77
Period of delinquencies (%)					
31-60 days	2.31	2.16	1.87	2.19	3.40
61-90 days	0.52	0.45	0.37	0.53	0.77
91 days or more	0.19	0.18	0.13	0.17	0.31
Total delinquencies as % of the portfolio	3.01	2.79	2.37	2.90	4.48
Total repossessed assets as % of the portfolio	0.09	0.06	0.06	0.07	0.12
Net credit loss (mil. $)	0.54	0.33	0.19	0.43	0.53
Net credit losses as % of average retail finance receivables	0.82	0.58	0.36	1.04	1.43

Securitization Performance

GMREV 2024-1 is GM Financial's fifth retail auto loan transaction. We currently maintain ratings on two of the four active GMREV transactions (2021-1 and 2022-1). Each outstanding transaction is adequately enhanced to support the current ratings. We will continue to monitor the performance of the outstanding transactions to ensure that the credit enhancement levels remain sufficient, in our view, to cover our cumulative net loss expectations under our stress scenarios for each of the rated classes.

GMREV transactions

Currently, all the outstanding GMREV transactions are in their revolving period. To date, all interest payments have been made, and principal collections have been used to purchase additional receivables each month. In addition, credit enhancement remains at its respective target levels. Furthermore, all the outstanding transactions continue to meet the collateral quality thresholds specified under the floor credit enhancement composition tests. Table 6 shows a comparison of initial pool and the current pool for the two outstanding GMREV transactions we have rated.

Table 6

Collateral comparison (i)

	2021-1 (initial pool)	2021-1 (current pool)	2022-1 (initial pool)	2022-1 (current pool)
Aggregate principal balance (mil $)	804.897	768.201	620.630	545.712
No. of receivables	24,825	20,125	17,448	13,260
Avg. principal balance ($)	32,423	38,171	35,570	41,154
Weighted avg. APR excluding the YSOA (%)	4.07	4.65	3.87	4.63
Weighted avg. original term (mos.)	73	72	69	70
Weighted avg. remaining (mos.)	66	46	61	50
Seasoning (mos.)	7	26	8	20
WA LTV (%)	97.9	98.1	97.5	98.6
WA FICO	770	775	781	780
Total % of loans with an original term greater than 75 months	23.8	23.9	22.01	23.8
WA LTV of loans with an original term greater than 75 months	103.0	104.3	105.6	106.1
WA FICO of loans with an original term greater than 75 months	766	767	770	769
Top three state concentrations (%)				
	TX=14.71	TX=15.58	TX=16.45	TX=16.74
	CA=9.98	CA=8.76	CA=9.23	CA=8.82
	FL=7.52	FL=7.25	FL=4.82	FL=5.85

(i)Current collateral pools are as of the February 2024 distribution date. WA--Weighted average. APR--Annual percentage rate. YSOA--Yield supplement overcollateralization amount. LTV--Loan to value.

Table 7 shows the current losses and delinquencies of the two outstanding GMREV transactions we have rated. Chart 1 shows the loss performance since closing of the two GMREV transactions we have rated. The loss performance in chart 1 is shown as a percentage of the total funded receivables balance (initial aggregate pool balance at closing plus initial aggregate pool balance of each subsequent pool additions). The 60-plus day delinquencies shown in table 5 are as a percentage of the current pool balance.

Table 7

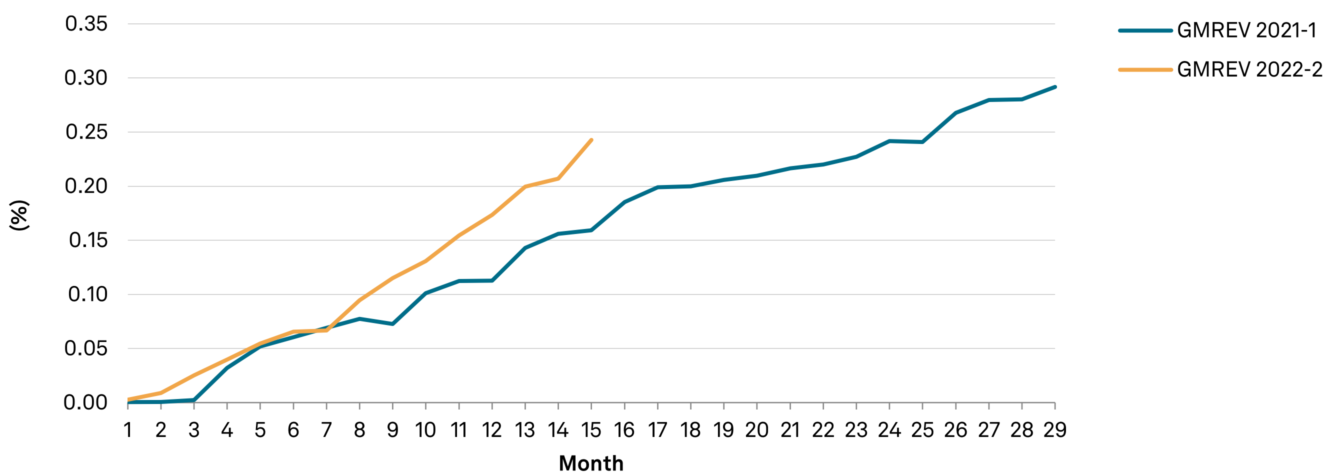
Performance data for outstanding GMREV transactions rated by S&P Global Ratings(i)

Transaction/series	Month	CNL (% of total funded receivables balance)	60+ day delinq. (% of current pool balance)
2021-1	29	0.29	0.31
2022-1	15	0.24	0.28

(i)As of the February 2024 distribution date. CNL--Cumulative net loss.

Chart 1

GMREV cumulative net loss performance (% of total funded receivables balance)



GMREV--GM Financial Revolving Receivables Trust.

GMCAR nonrevolving transactions

We currently maintain ratings on 10 of 14 outstanding GMCAR transactions: series 2020-4, 2021-1, 2021-3, 2021-4, 2022-1, 2022-2, 2022-4, 2023-2, 2023-3 and 2023-4. The paid-off GMCAR transactions from 2017-2019 experienced lifetime CNLs of 0.33%-0.77%.

On Dec. 18, 2023, we revised our ECNLs for eight series (2020-2, 2020-4, 2021-1, 2021-3, 2021-4, 2022-1, 2022-2, and 2022-4). Performance on these transactions were stronger than our original and prior ECNLs, and we lowered our loss expectations accordingly (see "Various Rating Actions

Taken On 34 Classes From Eight GM Financial Consumer Automobile Receivables Trust Transactions," published Dec. 18, 2023).

Table 8

ECNLs for outstanding GMCAR transactions

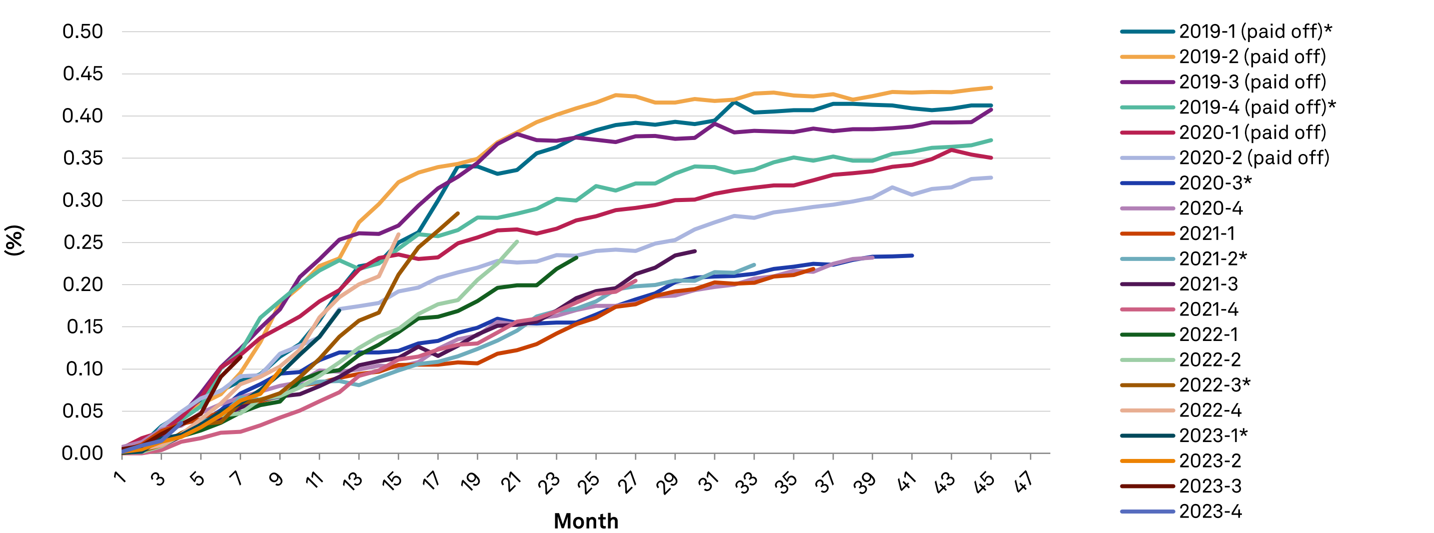
Series	Original lifetime ECNL (%)	Current revised lifetime ECNL (%)
2020-4	1.40-1.60	Up to 0.30
2021-1	1.40-1.60	0.35
2021-3	1.10-1.30	0.45
2021-4	1.10-1.30	0.50
2022-1	1.10-1.30	0.65
2022-2	1.10-1.30	0.75
2022-4	1.10-1.30	0.95
2023-2	1.20	N/A
2023-3	1.20	N/A
2023-4	1.20	N/A

ECNL--Expected cumulative net loss expectations. GMCAR--GM Financial Consumer Automobile Receivables Trust. N/A--Not applicable.

As of the February 2024 distribution date, the outstanding transactions are experiencing CNLs below 0.23%, and delinquencies remain relatively steady compared to historical trends (see charts 2 and 3). We will continue to monitor the performance of all the outstanding transactions to ensure that the credit enhancement remains sufficient, in our view, to cover our ECNLs under our stress scenarios for each of the rated classes.

Chart 2

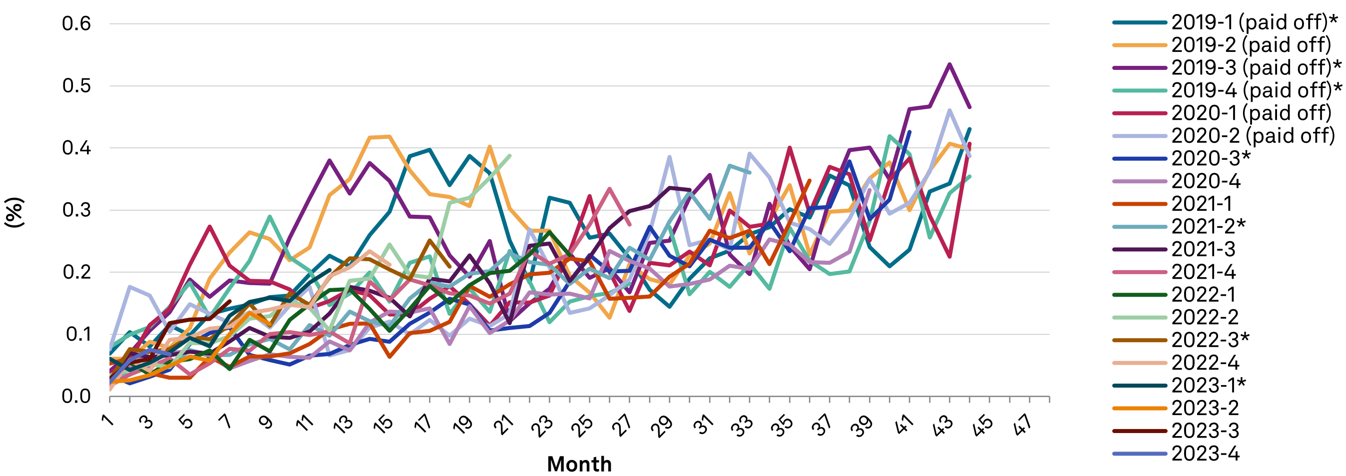
GMCAR cumulative net loss performance



*Not rated. GMCAR--GM Financial Consumer Automobile Receivables Trust.

Chart 3

GMCAR 60+ day delinquency performance



*Not rated. GMCAR--GM Financial Consumer Automobile Receivables Trust.

In our view, the GMREV pools are performing similarly with the outstanding GMCAR nonrevolving transactions. However, due to GMREV's long revolving period and the possibility that the existing pool could migrate to a lower credit quality, based on the transactions' receivables eligibility criteria, our expected loss assumptions for the GMREV pools are higher compared to our initial expected lifetime net loss of 0.35%-1.20% on the outstanding GMCAR nonrevolving pools.

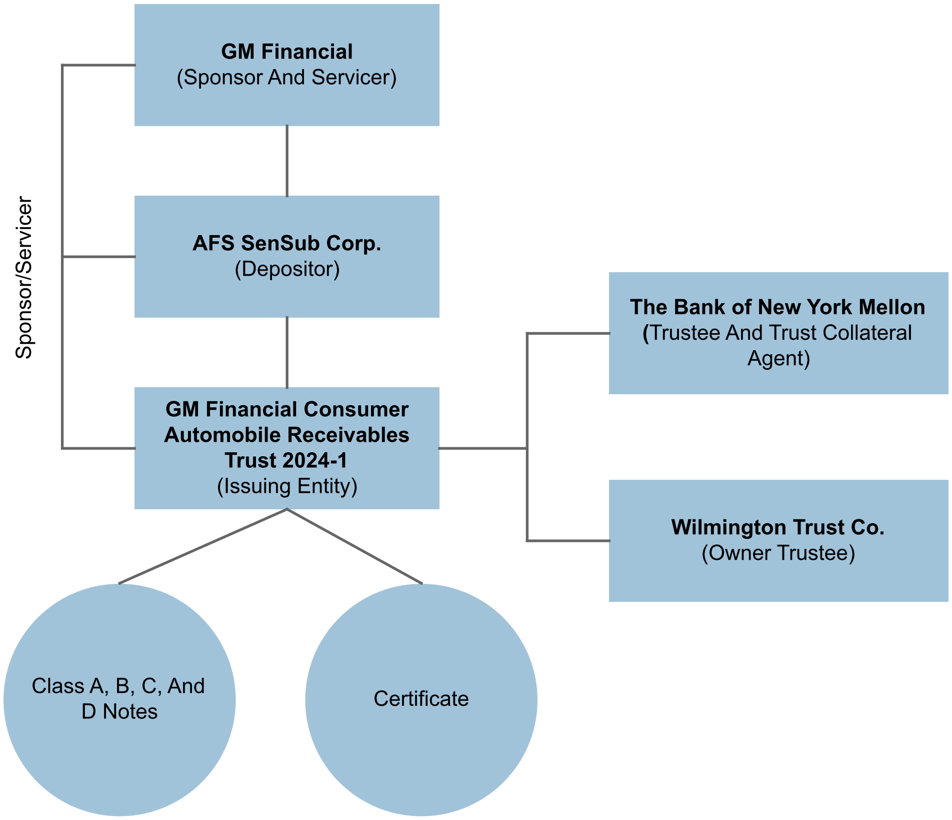
Legal Overview And Transaction Structure

In rating this transaction, S&P Global Ratings will review the relevant legal matters it believes are relevant to its analysis, as outlined in its criteria.

The transaction is structured as a true sale of the receivables from GM Financial to AFS SenSub Corp. (AFS; the depositor). Through this true sale, AFS will sell the acquired assets to the trust, a bankruptcy-remote special-purpose entity that will pledge its interest in the receivables to the trustee on the noteholders' behalf (see chart 4).

Chart 4

Transaction Structure



The transaction features a five-year revolving period with a subsequent soft-bullet maturity and is backed by a revolving pool of GM Financial's prime auto loan originations from GM dealers for new and used vehicles.

During the revolving period, the trust must fund an accumulation account with collections from the receivables, and it may use funds on deposit in the accumulation account to purchase additional receivables. To limit deterioration in the pool's credit quality and credit enhancement while the pool revolves, the transaction includes pool composition tests, a credit enhancement test, early amortization triggers, and a net losses test. In addition, a negative carry account will be funded with excess spread in an amount corresponding to the amount on deposit in the accumulation account, and it will be used to protect against negative carry (the weighted average note interest rate on any accumulation account balance). Although no principal payments are due on the notes during the revolving period, interest is due and payable monthly.

As long as the depositor is solvent and subject to certain other limitations, it may, but will not be obligated to, contribute additional receivables to the issuing entity, regardless of whether the credit enhancement test and pool composition tests are satisfied. However, if the pool composition tests are not satisfied following the contribution of receivables, each contributed receivable will be deemed an ineligible receivable until when the pool composition test would be satisfied.

The trust may also sell receivables to the depositor, an affiliated entity, or a third-party purchaser on any payment date during the revolving period. The receivables pool must still meet the pool composition and credit enhancement tests after the sales, and there is a 10% cumulative limit on receivables sold from the trust to the depositor or any other affiliated entity that are subsequently sold back to GM Financial.

The revolving period will continue until an amortization event (including when the maximum five-year revolving period expires) occurs, resulting in the pool's and the notes' amortization (see the Amortization Events section below for more details). If an amortization event occurs, additional asset purchases cease, and the trust must pay interest and principal on the notes monthly with the cash flows received from the underlying pool of auto loan receivables. However, the issuer may sell the entire pool of receivables to the depositor, an affiliated entity, or a third-party purchaser on any payment date occurring one year after the closing date (including during the amortization period) if the purchase price is sufficient to pay the outstanding note balance in full, all accrued interest, and certain other amounts that may be due to the noteholders as well as all fees and expenses of the trust.

The other amounts that may become payable on the notes include step-up amounts and make-whole payments. If the amortization period begins because the transaction has been in the revolving period for the full five years, step-up amounts will accrue on the notes. If the amortization period begins before the note redemption period (the six months preceding the expected final payment date) because the negative carry account is not funded to the required amount or the adjusted pool balance declines to 50% of the notes' initial balance, make-whole payments will be payable to the noteholders. An optional redemption of the notes before the note redemption period will also cause make-whole payments to accrue. Make-whole payments aim to compensate noteholders for the early return of principal. Step-up amounts and make-whole payments are subordinate to interest and principal payments on the notes, and nonpayment of these amounts before the legal final maturity date will not be an event of default. Our preliminary ratings do not address the likelihood that step-up amounts or make-whole payments will be paid.

Revolving Period

Because the underlying asset pool could be in a revolving period for up to five years, several collateral tests must be satisfied after any purchase, contribution, or sale of receivables to maintain a minimum overall pool credit quality. These tests limit higher risk segments and require a minimum weighted average pool FICO score. The transaction has two layers of credit quality thresholds: the pool composition test and the floor credit enhancement composition test. The floor credit enhancement composition test generally has stricter limits on higher-risk segments and require a higher weighted average FICO score, shorter original loan terms, and lower maximum LTV thresholds compared to the pool composition test thresholds (see table 9).

Composition tests

The transaction's selection criteria includes two requirements: as of the applicable cutoff date, each receivable is currently not more than 30 days delinquent and is not with an obligor involved in a bankruptcy proceeding.

If the receivables pool meets the pool composition test thresholds but not the floor credit enhancement test, the target overcollateralization will be 4.00% of the adjusted pool balance. However, if the receivables pool meets both the floor credit enhancement composition test and the pool composition test thresholds, the target overcollateralization will be 0.75% of the adjusted pool balance. S&P Global Ratings has a lower expected loss, assuming a worst-case pool mix for the floor credit enhancement composition tests versus the pool composition tests, to reflect the resulting hypothetical pool's higher credit quality if it meets the stricter floor credit enhancement composition tests. The transaction also includes a net losses test that steps up credit enhancement during the revolving period by causing the target overcollateralization to increase to 10.75% on the next distribution date. The target overcollateralization will remain at 10.75% as long as the three-month annualized net loss rate continues to exceed 3.00%. At closing, we expect the receivable pool to satisfy the floor credit enhancement composition tests.

On each payment date, after giving effect to any purchase, contribution, and sale of receivables, the servicer will determine whether the pool satisfies the credit enhancement and pool composition tests. If they are not satisfied, the servicer will identify certain receivables (ineligible receivables) to exclude from the pool so that the remaining receivables meet the pool composition tests. Ineligible receivables may stay in the pool, and the cash flows that they generate will be counted as collections available to the transaction.

Table 9

Composition tests(i)

	Floor credit enhancement composition test	Pool composition test
Weighted average FICO score (minimum)(ii)	730	720
Maximum used vehicle (%)	20	25
Maximum percentage of loans with obligors with FICO scores less than		
620	5.0	7.5
660	10.0	15.0
700	20.0	25.0
750	40.0	45.0
Maximum percentage of loans with an original term greater than		
60 months(iii)	90.0	95.0
72 months(iii)	35.0	40.0
75 months(iii)	25.0	30.0
Maximum percentage of loans with an LTV greater than		
140%	2.0	3.0
120%	20.0	25.0
100%	55.0	60.0
Weighted average LTV (maximum)	105.0	110.0

(i)All ratios are as a percentage of the adjusted pool balance. (ii)Weighted by the adjusted receivable balance. (iii)Original term will not exceed 84 months, based on the eligibility criteria. LTV--Loan to value.

Credit enhancement test

On each purchase or sale date and as of each payment date, the servicer will also determine if the credit enhancement test is satisfied, after giving effect to any purchase, contribution, or sale of receivables on that date. To satisfy this test, the adjusted pool balance (excluding any ineligible receivables) plus the amount in the accumulation account minus the overcollateralization target amount must be equal to or greater than the outstanding principal amount of the notes.

Amortization events

The transaction also includes several amortization events that are intended to address the risks of collateral performance deterioration, negative carry, and servicer termination during the revolving period. The revolving period will end, and the pool and notes will amortize, if any of the following events occur:

- On the fifth business day after any distribution date, the issuer fails to pay interest due on any class of notes or to deposit the required reserve amount, required accumulation amount (see the accumulation account discussion below), or required negative carry amount.
- The notes are not paid in full on the expected final distribution date.
- The three-month annualized net loss rate exceeds 4.00%.
- The rolling three-month average of delinquencies 61 days or more past due exceeds 3.50%.
- The adjusted pool balance is less than 50% of the initial aggregate principal amount of the notes.
- A servicer default occurs and is continuing.
- An event of default occurs and is continuing.

An accumulation account will hold collections in between purchases of additional receivables, as well as a portion of the proceeds equal to the adjusted pool balance of any receivables sold by the trust. According to the transaction's payment priority, the issuer must pay the accumulation deposit amount (which is equal to the difference of the note balance over the adjusted pool balance (excluding any ineligible receivables) less the overcollateralization target amount less the priority principal distribution amount) into the accumulation account each month from available collections. Failure to do so will result in amortization, which serves a similar purpose as the credit enhancement test but is performed every month.

Unlike receivables, amounts on deposit in the accumulation account may not bear sufficient interest, or reinvestment earnings, if any, which may result in insufficient funds to pay interest on the notes or certain other expenses of the trust, resulting in negative carry. Therefore, a negative carry account will be funded with excess spread to help pay interest on the notes when amounts are held in the accumulation account. As noted above, the trust's failure to make the negative carry deposit in full when required will result in early amortization. If an amortization event occurs, it will cause all funds in the accumulation and negative carry accounts to be deposited into the collection account, and the transaction will enter amortization.

During amortization, the noteholders will receive monthly interest and principal until they are paid in full, and the amounts in the collection account will be applied according to the transaction's payment priority.

The transaction incorporates the following structural features:

- A five-year revolving period, subject to certain amortization events.
- Initial and target overcollateralization (when excluding the YSOA) equal to 0.75% of the adjusted pool balance if the floor credit enhancement tests are met, 4.00% if the pool composition tests are met, and 10.75% if the net losses test is not met.
- A YSOA that is dynamically calculated on each distribution date, purchase date, sale date, and

contribution date, based on the difference between the aggregate receivables balance outstanding and the present value of the receivables balance, discounted at the greater of 8.75% per year or the receivables' actual annual percentage rate (APR). The YSOA is sized so that the yield on the contracts with APRs below the YSOA-required rate is raised to the required rate, which is 8.75%. When new receivables are purchased during the revolving period, the YSOA is recalculated using a discount rate of 8.75%.

- A fully funded nonamortizing reserve account that will equal at least 0.50% of the initial note amount.
- During any amortization period, a sequential payment structure in which the subordinated classes will provide nonamortizing credit enhancement to the senior classes.
- Excess spread, to the extent available after covering net losses, to maintain parity between the adjusted pool balance (plus the accumulation account) and, during the amortization period, to pay principal payments on the notes.
- Pool composition tests, credit enhancement tests, net losses test, and amortization events that are designed to maintain a minimum pool quality and credit enhancement level during the revolving period.

The YSOA is sized to elevate the yield on the contracts with APRs below the YSOA discount rate to the YSOA discount rate. The YSOA for each month will be calculated at closing and on each distribution, purchase, sale, and contribution date, assuming zero prepayments and zero defaults. During the amortization period, the YSOA will continue to be recalculated every month.

Payment Structure

The payment priority, according to the transaction documents, provides that the auto receivables collections will be used to make the distributions shown in table 10. The funds in the reserve account will be available to cover senior fees and interest shortfalls during the revolving period and to make priority principal payments during any amortization period. The reserve account is also available to make principal payments that are due on the notes' legal final maturity date. During the revolving period, funds in the negative carry account will be available to cover senior fees, interest shortfalls, reserve replenishment, and any accumulation deposit amount.

Table 10

Payment waterfall

Priority	Payment
1	To the servicer, the 1.0% servicing fee, any supplemental servicing fees, any reimbursements for mistaken deposits and other related amounts, and certain other amounts due on the auto loan contracts that the servicer is entitled to retain. To GM Financial, amounts deposited into the collection account that are not related to interest, principal, or extension fees due on the auto loan contracts.
2	To the trustee, owner trustee, and the trust collateral agent, any due and unpaid fees, expenses, and indemnities, each capped annually.
3	Interest on the class A notes.
4	During the amortization period, the first-priority principal distribution amount (the amount by which the class A note balance exceeds the adjusted pool balance), if any; provided that for the final scheduled distribution date, the first priority principal distribution amount will equal the amount necessary to reduce the outstanding principal amount of the affected class A notes to zero.
5	Interest on the class B notes.

Table 10

Payment waterfall (cont.)

Priority	Payment
6	During the amortization period, second-priority principal distribution amount (the amount by which the class A and B notes' combined principal balance exceeds the adjusted pool balance), if any; provided that for the class B notes' final scheduled distribution date, the second-priority principal distribution amount will equal the amount necessary to reduce the outstanding principal amount of the class B notes to zero.
7	Interest on the class C notes.
8	During the amortization period, third-priority principal distribution amount (the amount by which the combined principal balance of the class A, B, and C notes exceeds the adjusted pool balance), if any; provided that for the final scheduled distribution date of the class C notes, the third-priority principal distribution amount will equal the amount necessary to reduce the outstanding principal amount of the class C notes to zero.
9	Interest on the class D notes.
10	During the amortization period, fourth-priority principal distribution amount (the amount by which the class A, B, C, and D notes' combined principal balance exceeds the adjusted pool balance), if any; provided that for the class D notes' final scheduled distribution date, the third-priority principal distribution amount will equal the amount necessary to reduce the class D notes' outstanding principal amount to zero.
11	During the revolving period, the priority principal distribution amount (if the outstanding notes' balance is greater than the adjusted pool balance) to the accumulation account.
12	To the reserve account, the amount necessary to cause the amount deposited to equal the specified reserve account amount.
13	During the revolving period, the accumulation deposit amount to the accumulation account(i). During the amortization period, all remaining amounts to pay principal to the noteholders.
14	During the revolving period, the negative carry amount to the negative carry account.
15	Any make-whole payments due and unpaid on the notes and, after the expected final payment date, any step-up amounts due and unpaid on the notes(ii).
16	To the trustee, owner trustee, trust collateral agent, and asset representations reviewer, any fees, expenses, and indemnities due that exceed the related cap or annual limitation on each.
17	All remaining amounts to the certificateholder.

(i)For any payment date during the revolving period, the accumulation deposit amount is an amount equal to the outstanding note balance over the adjusted pool balance minus the overcollateralization target amount, less the priority principal distribution amount. (ii)The preliminary rating does not address payment of the make-whole payments or the step-up amounts.

During the revolving period, interest is scheduled to be paid monthly on the notes, no principal is due, and an amount equal to the accumulation deposit amount must be paid to the accumulation deposit account. Amounts in the accumulation account may be used to purchase additional receivables at a later date. In addition, an amount equal to the negative carry deposit amount must be paid to the negative carry account if there are amounts in the accumulation account.

If the notes are still outstanding when the transaction reaches the expected final payment date on March 11, 2029, step-up amounts will accrue on the notes. Make-whole payments are due if certain amortization events (failure to fund the negative carry account or the adjusted pool balance falls below 50% of the note balance) occur or an optional redemption occurs before the note redemption period. Our preliminary ratings do not address whether step-up amounts or make-whole payments will be made.

Cash Flow Modeling

We modeled the transaction to simulate 'AAA (sf)', 'AA (sf)', 'A (sf)', and 'BBB (sf)' rating stress scenarios (see tables 11 and 12). We modeled the transaction at the beginning of the amortization period with excess spread levels that declined from initial to minimum levels.Because the pool includes a significant portion of contracts with APRs that are less than the interest rate on the notes plus fees, we used a bifurcated pool method in which the subvened contracts (for cash flow modeling purposes, subvened means loans with APRs of 5.00% or less) prepay at much slower rates than nonsubvened contracts. Performance data also indicate that lower-APR contracts tend to prepay less than higher-APR contracts. In addition, as the pools are revolving and the WA APR of the pool can migrate lower during the revolving period, therefore, our stress cash flow scenarios include an APR cap based on the YSOA discount rate at 8.75%.

We assumed both front and back-loaded loss curves for the subvened and nonsubvened loans given the longer-term loans in the pool.

Table 11

Cash flow assumptions/results: floor credit enhancement composition tests (2.55% ECNL)

	Class A	Class B	Class C	Class D
Preliminary rating	AAA (sf)	AA (sf)	A (sf)	BBB (sf)
Front-loaded loss curve				
Cumulative net loss timing (% of losses per year)				
Total loans	35/61/85/99/100	35/61/85/99/100	35/61/85/99/100	35/61/85/99/100
Subvened loans(i)	35/64/84/95/100	35/64/84/95/100	35/64/84/95/100	35/64/84/95/100
Nonsubvened loans(i)	35/60/85/100	35/60/85/100	35/60/85/100	35/60/85/100
Loss allocation (% of total losses)				
Subvened loans(i)	25	25	25	25
Nonsubvened loans(i)	75	75	75	75
Voluntary ABS (%)				
Subvened loans(i)	0.25	0.25	0.25	0.25
Nonsubvened loans(i)	1.50	1.50	1.50	1.50
Recovery rate (%)	50	50	50	50
Recovery lag (mos.)	4	4	4	4
Approximate break-even net loss rate (%)(ii)	13.0	11.1	8.6	6.6
Back-loaded loss curve				
Cumulative net loss timing (% of losses per year)				
Total loans	29/56/82/96/100	29/56/82/96/100	29/56/82/96/100	29/56/82/96/100
Subvened loans(i)	25/56/82/94/99/100	25/56/82/94/99/100	25/56/82/94/99/100	25/56/82/94/99/100

Table 11

Cash flow assumptions/results: floor credit enhancement composition tests (2.55% ECNL) (cont.)

	Class A	Class B	Class C	Class D
Nonsubvened loans(i)	31/57/82/97/100	31/57/82/97/100	31/57/82/97/100	31/57/82/97/100
Loss allocation (% of total losses)				
Subvened loans(i)	25	25	25	25
Nonsubvened loans(i)	75	75	75	75
Voluntary ABS (%)				
Subvened loans(i)	0.25	0.25	0.25	0.25
Nonsubvened loans(i)	1.50	1.50	1.50	1.50
Recovery rate (%)	50	50	50	50
Recovery lag (mos.)	4	4	4	4
Approximate break-even net loss rate (%)(ii)	13.1	11.2	8.7	6.6

(i)The subvened/nonsubvened cutoff APR is 5.0%. (ii)The maximum cumulative net losses on the pool that the transaction can withstand without triggering a payment default on the notes. ABS--Absolute prepayment speed. APRs--Annual percentage rates.

Table 12

Cash flow assumptions/results: pool composition tests (3.10% ECNL)

	Class A	Class B	Class C	Class D
Preliminary rating	AAA (sf)	AA (sf)	A (sf)	BBB (sf)
Front-loaded loss curve				
Cumulative net loss timing (% of losses per year)				
Total loans	35/61/85/99/100	35/61/85/99/100	35/61/85/99/100	35/61/85/99/100
Subvened loans(i)	35/64/84/95/100	35/64/84/95/100	35/64/84/95/100	35/64/84/95/100
Nonsubvened loans(i)	36/61/86/100	35/60/85/100	35/60/85/100	35/60/85/100
Loss allocation (% of total losses)				
Subvened loans(i)	25	25	25	25
Nonsubvened loans(i)	75	75	75	75
Voluntary ABS (%)				
Subvened loans(i)	0.25	0.25	0.25	0.25
Nonsubvened loans(i)	1.50	1.50	1.50	1.50
Recovery rate (%)	50	50	50	50
Recovery lag (mos.)	4	4	4	4

Table 12

Cash flow assumptions/results: pool composition tests (3.10% ECNL) (cont.)

	Class A	Class B	Class C	Class D
Approximate break-even net loss rate (%)(ii)	15.8	14.1	11.7	9.7
Back-loaded loss curve				
Cumulative net loss timing (% of losses per year)				
Total loans	30/57/83/96/100	30/57/83/96/100	30/57/83/96/100	30/57/83/96/100
Subvened loans(i)	25/56/82/94/99/100	25/56/82/94/99/100	25/56/82/94/99/100	25/56/82/94/99/100
Nonsubvened loans(i)	32/58/84/98/100	32/58/84/98/100	32/58/84/98/100	32/58/84/98/100
Loss allocation (% of total losses)				
Subvened loans(i)	25	25	25	25
Nonsubvened loans(i)	75	75	75	75
Voluntary ABS (%)				
Subvened loans(i)	0.25	0.25	0.25	0.25
Nonsubvened loans(i)	1.50	1.50	1.50	1.50
Recovery rate (%)	50	50	50	50
Recovery lag (mos.)	4	4	4	4
Approximate break-even net loss rate (%)(ii)	15.9	14.1	11.7	9.8

(i)The subvened/nonsubvened cutoff APR is 5.0%. (ii)The maximum cumulative net losses on the pool that the transaction can withstand without triggering a payment default on the notes. ABS--Absolute prepayment speed. APRs--Annual percentage rates.

By running low prepayments on the lower-APR contracts and applying a slower loss curve to these contracts than to the higher-APR contracts, the cash flows stressed the weighted average APR on the collateral, causing it to decrease over time. This increases the likelihood that the YSOA will be used for yield enhancement rather than credit enhancement. In a stressed scenario, liquidity risk could arise due to interest shortfalls if the yield on the assets is lower than the yield on the bonds. Using the YSOA for liquidity decreases its ability to cover credit losses, thus decreasing break-even levels.

To minimize excess spread, we also assumed from the outset of our cash flow runs that initial excess spread levels had migrated to the minimum level the YSOA affords (which recalculates after each additional receivables purchase, contribution, or sale dates). The YSOA discount rate, and thus the minimum YSOA-adjusted APR of the receivables, is 8.75%.

Because the pool's credit quality could deteriorate during the revolving period due to the receivables mix, we used our expected CNLs assuming a worst-case pool mix to evaluate the break-even runs. After applying the above stresses in our internal cash flow runs, the break-even results showed that the notes are enhanced to the degree necessary to withstand a stressed net loss level that is consistent with the assigned preliminary ratings (see tables 13 and 14).

In addition to the above scenarios, we also ran a scenario where the transaction starts out in the revolving period, but the trust does not purchase or sell receivables while the pool is amortizing and is still in the revolving phase, and the credit enhancement test is not required to be maintained since there is no asset purchase or sale. As a result, the existing collateral pool will be in a run-off mode, in which the pool balance will decrease without any decrease in the note balance. Excess spread may be released to the extent not used to cover transaction fees and expenses, note interest, and collateral pool losses. Under this scenario, we observed how and when the amortization event trigger will be breached and whether the transaction has sufficient credit enhancement to cover stressed losses until the rated bonds are paid off by the legal final maturity date. The break-even results in this simulation were also consistent with the assigned preliminary ratings.

Sensitivity Analysis

In addition to analyzing break-even cash flows, we conducted a sensitivity analysis to see what impact it would have on our ratings under a moderate ('BBB') stress scenario, all else being equal. The multiple coverage levels reflect the transaction's remaining credit support, including excess spread, over the remaining losses. We found that our preliminary 'AAA (sf)', 'AA (sf)', 'A (sf)', and 'BBB (sf)' ratings on the class A, B, C, and D notes, respectively, are within the credit stability limits specified in section A.4 of the Appendix contained in S&P Global Ratings Definitions (see "S&P Global Ratings Definitions," published June 9, 2023). As with the break-even analysis, we ran the sensitivity cash flows at the beginning of the amortization period at a minimum level of excess spread (see table 14).

Table 13

Sensitivity analysis summary: moderate loss scenario

	Floor credit enhancement composition tests	Pool composition tests
Loss level (multiple)	2.0x worst-case expected	2.0x worst-case expected
Cumulative net loss level (%)	5.10	6.20
Front-loaded loss timing by months outstanding (12/24/36/48) (%)		
Subvened	35/61/85/99/100	35/61/85/99/100
Nonsubvened	35/64/84/95/100	35/64/84/95/100
Aggregate	35/60/85/100	36/61/86/100
Back-loaded loss timing by months outstanding (12/24/36/48/60) (%)		
Subvened	29/56/82/96/100	30/57/83/96/100
Nonsubvened	25/56/82/94/99/100	25/56/82/94/99/100
Aggregate	31/57/82/97/100	32/58/84/98/100
Disproportionate loss allocation (%)		
Subvened	25	25
Nonsubvened	75	75
Voluntary ABS (%)(i)		
Subvened	0.25	0.25
Nonsubvened	1.50	1.50
Servicing fee (%)	1.00	1.00
Recovery rate (%)	50	50

Table 13

Sensitivity analysis summary: moderate loss scenario (cont.)

	Floor credit enhancement composition tests	Pool composition tests
Recovery lag (mos.)	4	4

(i)The subvened/nonsubvened cutoff annual percentage rate is 5.0%. ABS--Absolute prepayment speed.

Moderate loss scenario: 6.20% (pool composition tests) and 5.10% (floor credit enhancement composition tests)

Under the moderate stress loss scenario, we assumed CNLs of approximately 2.0x our cumulative expected net loss level assuming a worst-case pool mix. For the subvened and nonsubvened loans, loss curves were applied as shown in table 13. In addition, we assumed a 50.00% recovery rate. To stress excess spread, we assumed a voluntary prepayment speed of 1.50% for contracts with APRs greater than 5.00% and 0.25% for contracts with APRs less than 5.00%.

In the 2.0x cumulative expected net loss scenario with the pool composition tests, the class A, B, C, and D notes are paid in full in months 42, 44, 47, and 51, respectively, from the beginning of the amortization period. In the comparable run with the floor credit enhancement composition tests, the class A, B, C, and D notes are paid in full in months 45, 47, 51, and 57, respectively, from the beginning of the amortization period. Charts 5 and 6 show the sensitivity coverage multiples.

Chart 5

Floor credit enhancement composition tests

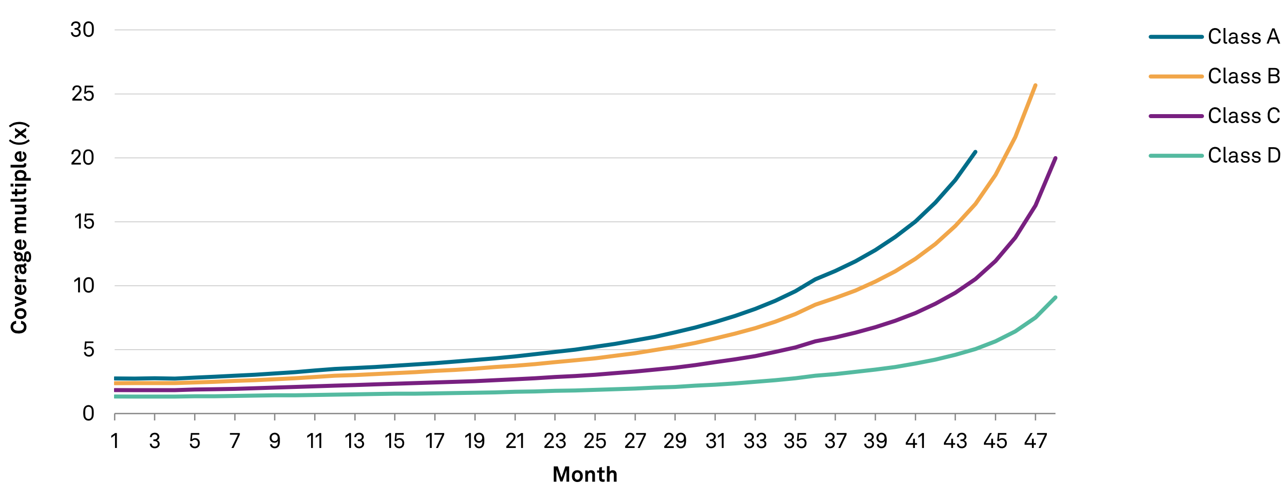
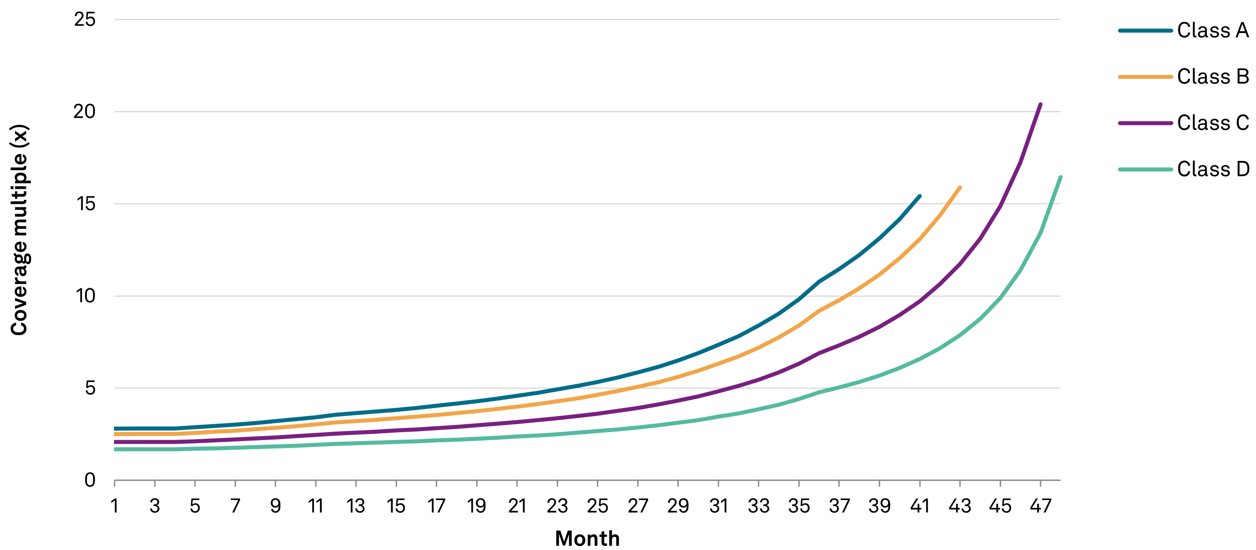


Chart 6

Pool composition tests



Under the 2.0x stress scenario, all else being equal, we would expect within one year that our ratings on the class A and B notes to remain within one rating category of our preliminary ratings, and our ratings on the class C notes to remain within two rating categories of the preliminary rating, based on our credit stability criteria.

In addition to scenarios that assume deal amortization from the outset, similar to our break-even modeling stress, we tested sensitivity scenarios where the transaction is in a "runoff" scenario. In these runs, we observed that the transaction quickly enters early amortization following a breach of the accumulation deposit amount trigger or the negative carry deposit amount trigger, depending on the loss curve applied. Once it enters amortization, the structure limits cash releases and all available credit enhancement will be used to pay interest and principal on the bonds until paid in full based on the payment priority. The sensitivity coverage multiples for all classes in these scenarios were also consistent with the assigned preliminary ratings from a credit stability perspective.

Legal Final Maturity

All classes have a legal final maturity date of Dec. 11, 2036. To test the legal final maturity date from the five-year revolving period, we add 84 months to account for the maximum allowable term of auto loan receivables (assuming the receivables are originated at the end of the revolving period) plus eight months to accommodate extensions on the receivables.

Counterparty And Operational Risks

Bank account provider

On or before the closing date, the series bank accounts will be established with The Bank of New York Mellon, the indenture trustee and bank account provider, as segregated trusts accounts. The bank account provider is consistent with our counterparty criteria for a 'AAA' supported transaction (see "Counterparty Risk Framework: Methodology And Assumptions," published March 8, 2019).

Servicer

As servicer, GM Financial has an experienced management team that oversees origination, underwriting, servicing, collections, and general operational practices. GM Financial satisfies our requirements for commingling risk by the requirement that all collections are deposited into the series collections account within two business days of collection. Our operational risk assessment of GM Financial as servicer does not constrain the ratings (see "Global Framework For Assessing Operational Risk In Structured Finance Transactions," published Oct. 9, 2014).

GM Financial

The sponsor, GM Financial, is a wholly owned subsidiary of General Motors Financial Co. Inc., which is the wholly owned captive finance subsidiary of General Motors Co. (GM) and the global provider of automobile financing solutions for GM. GM Financial, also known as AmeriCredit Financial Services Inc. (AmeriCredit), has been operating in the auto finance business since September 1992. GM Financial began a strategic relationship with GM in September 2009 and was acquired by GM in October 2010 to provide captive financing capabilities to serve GM's markets. As part of its broader captive capabilities, GM Financial added prime auto loan financing in the U.S. in 2014 and became the exclusive provider of subvened loans for GM in January 2016.

The sponsor purchases auto loan contracts, generally without recourse, for new and used vehicles that consumers purchase from GM-franchised dealers and non-GM-franchised dealers while also conducting business with a limited number of independent dealers. The sponsor's consumer loan program includes full credit spectrum lending under the GM Financial brand and a subprime lending product under the AmeriCredit brand. As of Dec. 31, 2023, the sponsor serviced a portfolio in North America of approximately 5.40 million automobile loan contracts with an aggregate outstanding balance of approximately $67 billion. GM Financial also offers auto leases to consumers and commercial lending services for GM-franchised dealers.

The sponsor maintains a team of regional sales and credit representatives, with credit centers located in major markets throughout the U.S. and Canada, and services its loan portfolio using automated loan servicing and collection systems. The sponsor funds its auto-lending activities through its credit facilities, securitization transactions, and unsecured debt.

On Oct. 1, 2010, GM acquired AmeriCredit, at which time AmeriCredit's corporate parent was renamed GM Financial. GM Financial continues to be a wholly-owned subsidiary and the primary operating subsidiary of General Motors Financial.

Related Criteria

- Criteria | Structured Finance | ABS: Global Auto ABS Methodology And Assumptions, March 31, 2022
- General Criteria: Environmental, Social, And Governance Principles In Credit Ratings, Oct. 10, 2021
- Criteria | Structured Finance | General: Global Framework For Payment Structure And Cash Flow Analysis Of Structured Finance Securities, Dec. 22, 2020
- Criteria | Structured Finance | Legal: U.S. Structured Finance Asset Isolation And Special-Purpose Entity Criteria, May 15, 2019
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- Criteria | Structured Finance | General: Incorporating Sovereign Risk In Rating Structured Finance Securities: Methodology And Assumptions, Jan. 30, 2019
- Criteria | Structured Finance | General: Global Framework For Assessing Operational Risk In Structured Finance Transactions, Oct. 9, 2014
- General Criteria: Global Investment Criteria For Temporary Investments In Transaction Accounts, May 31, 2012
- General Criteria: Principles Of Credit Ratings, Feb. 16, 2011
- Criteria | Structured Finance | General: Methodology For Servicer Risk Assessment, May 28, 2009

Related Research

- U.S. Economic Forecast Update: A Sturdy Job Market Keeps Growth Going, Feb. 21, 2024
- U.S. Auto Loan ABS Tracker: Full-Year And December 2023 Performance, Feb. 13, 2024
- Various Rating Actions Taken On 34 Classes From Eight GM Financial Consumer Automobile Receivables Trust Transactions, Dec. 18, 2023
- General Motors Co., Dec. 8, 2023
- Credit Conditions North America Q1 2024: A Cluster Of Stresses, Nov. 28, 2023

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