S&P Global
Ratings

Research

Presale:

# Ford Credit Auto Owner Trust 2023-B

**June 15, 2023**

PRIMARY CREDIT ANALYST

**Amanda A Augustine**

New York

+ 1 (212) 438 1607

amanda.augustine
@spglobal.com

SECONDARY CONTACTS

**Jennie P Lam**

New York

+ 1 (212) 438 2524

jennie.lam
@spglobal.com

**Van Thomas**

Englewood

+ 1 (303) 721 4211

van.thomas
@spglobal.com

## Preliminary ratings

| Class | Preliminary rating | Type | Interest rate(i) | Preliminary amount (mil. $)(i) | Preliminary amount if upsized (mil. $)(i) | Expected legal final maturity date |
|---|---|---|---|---|---|---|
| A-1 | A-1+ (sf) | Senior | Fixed | 292.00 | 350.00 | July 15, 2024 |
| A-2a/A-2b(ii) | AAA (sf) | Senior | Fixed/floating | 500.00 | 600.00 | June 15, 2026 |
| A-3 | AAA (sf) | Senior | Fixed | 398.00 | 479.00 | May 15, 2028 |
| A-4 | AAA (sf) | Senior | Fixed | 60.00 | 71.00 | Feb. 15, 2029 |
| B | AA+ (sf) | Subordinate | Fixed | 39.44 | 47.33 | March 15, 2029 |
| C | A+ (sf) | Subordinate | Fixed | 26.34 | 31.61 | Dec. 15, 2030 |

Note: This presale report is based on information as of June 15, 2023. The ratings shown are preliminary. This report does not constitute a recommendation to buy, hold, or sell securities. Subsequent information may result in the assignment of final ratings that differ from the preliminary ratings. (i)The trust will issue notes with an aggregate initial principal amount of $1.316 billion or $1.579 billion, if upsized. The interest rates and actual sizes of these tranches will be determined on the pricing date. (ii)The allocation of the initial principal amount between the class A-2a and class A-2b notes will be determined during pricing, although the class A-2b note size will not exceed $250.00 million if the aggregate issuance is $1.316 billion (or $300.00 million if the aggregate note issuance is $1.579 billion). The class A-2b notes will accrue interest at a floating rate indexed to a compounded SOFR (30-day average) plus a margin. SOFR--Secured overnight financing rate.

## Profile

| | |
|---|---|
| Expected closing date | June 26, 2023. |
| Collateral | Prime auto loan receivables. |
| Originator, servicer, sponsor, and administrator | Ford Motor Credit Co. LLC (BB+/Positive/B). |
| Issuing trust | Ford Credit Auto Owner Trust 2023-B. |
| Depositor | Ford Credit Auto Receivables Two LLC. |
| Indenture trustee | The Bank of New York Mellon (AA-/Stable/A-1+). |
| Owner trustee | U.S. Bank Trust N.A. |
| Bank account provider | The Bank of New York Mellon (AA-/Stable/A-1+). |

## Rationale

The preliminary ratings assigned to Ford Credit Auto Owner Trust 2023-B's (FCAOT 2023-B) asset-backed notes reflect:

- The availability of approximately 8.3%, 6.1%, and 4.8% credit support for the class A (classes A-1, A-2a/A-2b, A-3, and A-4, collectively), B, and C notes, respectively (based on stressed break-even cash flow scenarios, including excess spread). These credit support levels provide coverage of at least 5.00x, 4.50x, and 3.33x our 1.25% expected cumulative net loss (ECNL) to the class A, B, and C notes, respectively (see the Credit Enhancement and Collateral, and the Cash Flow Modeling Assumptions and Results sections below).
- The expectation that under a moderate ('BBB') stress scenario (2.0x our expected loss level), all else being equal, our preliminary 'AAA (sf)', 'AA+ (sf)', and 'A+ (sf)' ratings on the class A, B, and C notes, respectively, will be within the credit stability limits (see the Cash Flow Modeling Assumptions And Results section below).
- The timely payment of interest and principal by the designated legal final maturity dates under our stressed cash flow modeling scenarios, which we believe are appropriate for the assigned preliminary ratings.
- The collateral characteristics of the securitized pool of prime automobile loans, and our updated macroeconomic forecast and forward-looking view of the auto finance sector (see the Credit Enhancement And Collateral, and the Macroeconomic And Auto Finance Sector Outlook sections below).
- The series' bank accounts at The Bank of New York Mellon (AA-/Stable/A-1+), which do not constrain the preliminary ratings.
- Our operational risk assessment of Ford Motor Credit Co. LLC (Ford Credit) as servicer and our view of the company's underwriting.
- Our assessment of the transaction's potential exposure to environmental, social, and governance credit factors, that are in line with our sector benchmark.
- Our view of the transaction's payment and legal structures.

Our ECNL for FCAOT 2023-B is 1.25%, which is unchanged from series 2023-A. It reflects:

- Our view that the series 2023-B collateral characteristics are generally consistent with that of series 2023-A;
- Ford Credit's outstanding series, which continue to perform in line with or better than our initial expectations; and
- Our forward-looking view of the economy and auto finance sector.

## Environmental, Social, And Governance (ESG) Factors

Our rating analysis considers a transaction's potential exposure to ESG credit factors. For the auto ABS sector, we view the exposure to environmental credit factors as above average, to social credit factors as average, and to 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 exposure to ESG credit factors is in line with our sector benchmark.

The environmental credit factors are generally viewed as above average, given that the collateral pool primarily comprises vehicles with internal combustion engines (ICE), which create emissions of pollutants, including greenhouse gases. While the adoption of electric vehicles and future regulation could lower ICE vehicle values over time, we believe that our current approach to evaluating recovery and residual values adequately account for vehicle values over the relatively short expected life of the transaction. As a result, we have not separately identified this as a material ESG credit factor in our analysis.

## Credit Enhancement And Collateral

### Structural changes from FCAOT 2023-A

Notable structural changes from the FCAOT 2023-A transaction include:

- The yield supplement overcollateralization amount (YSOA) discount rate decreased to 8.85%, from 9.05% for series 2023-A. The initial YSOA as a percentage of the initial aggregate pool balance has decreased to 8.15% (8.17% if upsized) from 8.85% for series 2023-A.
- The estimated per annum excess spread (adjusted for YSOA) decreased to 2.61% from 3.40% for series 2023-A (post-pricing).

Table 1 shows the credit enhancement changes from recent transactions.

Table 1

### Credit enhancement summary

| | FCAOT | | | | |
|---|---|---|---|---|---|
| | **2023-B** | **2023-B (upsized)** | **2023-A** | **2022-D(i)** | **2022-C** |
| **Subordination (% of the initial adjusted receivables balance)** | | | | | |
| Class A | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 |
| Class B | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 |
| Class C | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| **Reserve account (% of the initial adjusted receivables balance)** | | | | | |
| Initial | 0.25 | 0.25 | 0.25 | 0.30 | 0.30 |
| Target | 0.25 | 0.25 | 0.25 | 0.30 | 0.30 |
| Floor | 0.25 | 0.25 | 0.25 | 0.30 | 0.30 |
| **Overcollateralization** | | | | | |
| Initial (% of the initial adjusted pool balance) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Target (including the reserve)(ii) | 2.00/1.50 | 2.00/1.50 | 2.00/1.50 | 2.00/1.50 | 2.00/1.50 |
| **Total initial hard credit enhancement (% of the initial adjusted receivables balance)** | | | | | |
| Class A | 5.25 | 5.25 | 5.25 | 5.30 | 5.30 |
| Class B | 2.25 | 2.25 | 2.25 | 2.30 | 2.30 |
| Class C | 0.25 | 0.25 | 0.25 | 0.30 | 0.30 |

Table 1

## Credit enhancement summary (cont.)

| | FCAOT | | | | |
|---|---|---|---|---|---|
| | 2023-B | 2023-B (upsized) | 2023-A | 2022-D(i) | 2022-C |
| **Excess spread (%)** | | | | | |
| YSOA discount rate | 8.85 | 8.85 | 9.05 | 9.20 | 8.05 |
| Estimated excess spread (including YSOA) per year(iii) | 2.61 | 2.62 | 3.40 | NA | 2.74 |
| Initial gross receivables balance ($) | 1,432,604,977 | 1,719,380,848 | 1,732,167,318 | 1,471,280,949 | 1,745,303,061 |
| Initial YSOA ($) | 116,815,398 | 140,434,394 | 153,219,525 | 155,500,949 | 166,355,464 |
| Initial adjusted receivables balance ($) | 1,315,789,579 | 1,578,946,454 | 1,578,947,792 | 1,315,780,000 | 1,578,947,597 |
| Total securities ($) | 1,315,780,000 | 1,578,940,000 | 1,578,940,000 | 1,315,780,000 | 1,578,940,000 |
| YSOA (% of the gross receivables balance) | 8.15 | 8.17 | 8.85 | 10.57 | 9.53 |
| YSOA (% of the adjusted receivables balance) | 8.88 | 8.89 | 9.70 | 11.82 | 10.54 |

(i)Not rated by S&P Global Ratings. (ii)The targeted overcollateralization amount will adjust each month and generally will equal the sum of (a) the yield supplement overcollateralization amount for that month, plus (b) 2.00% of the initial adjusted pool balance, plus (c) the excess, if any, of 1.50% of the current pool balance over at least 0.25% of the initial adjusted pool balance. (iii)Estimated excess spread per year is before pricing for series 2023-B and after pricing for series 2022-C and 2023-A. The time-weighted cost of debt that is used to estimate excess spread is calculated as a percentage of the initial adjusted pool balance. FCAOT--Ford Credit Auto Owner Trust. YSOA--Yield supplement overcollateralization amount. NA--Not available.

## Collateral changes from FCAOT 2023-A

Notable changes in the collateral composition from the FCAOT 2023-A transaction include:

- The weighted average seasoning increased to 8.0 months from 7.3 months.
- The percentage of loans with an original term greater than 60 months decreased to 52.82% from 54.56%. The 75+ month term distribution decreased to 12.55% from 12.84%.
- The weighted average FICO increased to 748 from 745. For loans with an original term greater than 60 months, the weighted average FICO score increased slightly to 722 from 721, and for loans with an original term greater than 75 months, the weighted average FICO score decreased slightly to 728 from 729.
- The percentage of used vehicles decreased to 10.14% from 12.18%.
- The weighted average loan-to-value (LTV) ratio decreased to 100.95% from 101.41%.
- The weighted average payment-to-income (PTI) ratio increased to 9.72% from 9.46%.
- The weighted average annual percentage rate (APR) increased to 4.80% from 4.74%.

The percentages stated for the FCAOT 2023-B pool reflect the characteristics of the base pool. The larger collateral pool, if upsized, exhibits very similar characteristics to the base pool.

In our view, the series 2023-B pool is generally comparable to the series 2023-A pool and slightly weaker compared to the previous recent FCAOT pools due to the increased concentration of 73-84 month loans (see table 2).

Per FCAOT 2023-B's receivables selection criteria, no loans in the pool have been granted a payment extension as of the June 1, 2023 cut-off date.

Table 2

## Collateral comparison(i)

| | FCAOT | | | | | |
|---|---|---|---|---|---|---|
| | 2023-B | 2023-B (upsized) | 2023-A | 2022-D (ii) | 2022-C | 2022-B (ii) |
| Pool size (bil. $) | 1.43 | 1.72 | 1.73 | 1.47 | 1.75 | 1.17 |
| No. of receivables | 40,876 | 49,034 | 48,752 | 45,366 | 52,430 | 36,914 |
| Avg. principal balance ($) | 35,048 | 35,065 | 35,530 | 32,431 | 33,288 | 31,788 |
| Weighted avg. APR excluding the YSOA (%) | 4.80 | 4.79 | 4.74 | 3.77 | 3.29 | 2.86 |
| Weighted avg. original term (months) | 64.4 | 64.4 | 65.1 | 64.3 | 64.2 | 64.8 |
| Weighted avg. remaining term (months) | 56.4 | 56.5 | 57.8 | 54.6 | 54.7 | 54.4 |
| Seasoning (months) | 8.0 | 7.9 | 7.3 | 9.7 | 9.5 | 10.4 |
| Loans with an original term of 61-72 months (%) | 35.61 | 35.41 | 36.04 | 41.72 | 41.48 | 43.72 |
| Loans with an original term of 73-84 months (%) | 17.21 | 17.43 | 18.51 | 9.81 | 9.85 | 9.84 |
| New vehicles (%) | 89.86 | 89.80 | 87.82 | 88.07 | 89.83 | 91.90 |
| Used vehicles (%) | 10.14 | 10.20 | 12.18 | 11.93 | 10.17 | 8.10 |
| Weighted avg. original FICO score(iii) | 748 | 748 | 745 | 745 | 744 | 746 |
| Weighted avg. FICO score of pools with an original term greater than 60 months(iii) | 722 | 722 | 721 | 720 | 719 | 724 |
| Weighted avg. FICO score of pools with an original term greater than 72 months(iii) | 719 | 719 | 717 | 721 | 722 | 726 |
| Weighted avg. LTV ratio at origination (%)(iv) | 100.95 | 100.91 | 101.41 | 100.64 | 100.37 | 100.25 |
| Weighted avg. PTI ratio at origination (%)(v) | 9.72 | 9.71 | 9.46 | 9.24 | 9.12 | 9.00 |
| **Top five state concentrations (%)** | | | | | | |
| | TX=16.60 | TX=16.58 | TX=17.27 | TX=17.00 | TX=18.48 | TX=17.07 |
| | CA=9.83 | CA=9.88 | CA=10.35 | CA=11.10 | CA=11.18 | CA=10.64 |
| | FL=8.90 | FL=8.92 | FL=8.93 | FL=8.75 | FL=8.26 | FL=8.29 |
| | GA=4.11 | GA=4.12 | GA=4.27 | GA=3.87 | GA=3.79 | MI=3.38 |

Table 2

### Collateral comparison(i) (cont.)

| | FCAOT | | | | | |
|---|---|---|---|---|---|---|
| | 2023-B | 2023-B (upsized) | 2023-A | 2022-D (ii) | 2022-C | 2022-B (ii) |
| | NC=3.66 | NC=3.57 | NC=3.66 | MI=3.40 | MI=3.33 | GA=3.31 |

(i)All percentages are of the initial gross receivables balance. (ii)Not rated by S&P Global Ratings. (iii)Excludes receivables that have primary obligors who do not have FICO scores because they are not individuals or are individuals with minimal or no recent credit history. (iv)The LTV ratio for a receivable is the original amount financed divided by the wholesale value of the vehicle. (v)The PTI ratio for a receivable is the contract monthly payment amount divided by the monthly combined income of the obligor and any co-obligor. It excludes commercial-use receivables with a business entity as the primary obligor. It also excludes a limited number of receivables where income is not reported. FCAOT--Ford Credit Auto Owner Trust. APR--Annual percentage rate. YSOA--Yield supplement overcollateralization amount. LTV--Loan-to-value. PTI--Payment-to-income.

## Macroeconomic And Auto Finance Sector Outlook

In our view, changes in the unemployment rate are a key determinant of charge-offs in the auto finance industry. We have also observed that recovery values tend to weaken during recessionary periods.

In our analysis, we considered the economic data and forecasts outlined in table 3, and their baseline effect on collateral credit quality in determining our base-case expected loss level.

As the Federal Reserve's aggressive tightening of interest rates increases borrowing costs, we expect the economy to fall into a shallow recession later this year. We are forecasting slightly negative growth in the second and third quarters of this year with GDP averaging 0.7% growth for the year (see "Economic Outlook U.S. Q2 2023: Still Resilient, Downside Risks Rise," published March 27, 2023). With economic pressures worsening due to higher borrowing costs, businesses will need to trim payrolls in interest rate-sensitive sectors. The recent banking sector disturbance may also lead to credit tightening and a softer jobs market. We expect the unemployment rate to rise and peak at 5.4% in the second quarter of 2024 and then decline in late 2025.

Inflation remains a concern because it is eroding wage gains and the savings cushion that was built during the COVID-19 pandemic, particularly for those with lower incomes and smaller cushions.

Table 3

### U.S. economic factors

| | Actual | | | | |
|---|---|---|---|---|---|
| | 2022 | 2023 | 2024 | 2025 | 2026 |
| Real GDP (% year-over-year growth) | 2.1 | 0.7 | 1.2 | 1.8 | 2.0 |
| Unemployment rate (% annual average) | 3.7 | 4.1 | 5.0 | 5.1 | 4.6 |
| Consumer Price Index (% annual average) | 8.0 | 4.2 | 2.4 | 1.6 | 1.5 |

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

In the auto market, as new vehicle supply imbalances continue to ease and borrowing rates continue to rise, we would expect used vehicle values to normalize to historical levels.

## S&P Global Ratings' Expected Loss: 1.25%

We determined our expected loss for FCAOT 2023-B by analyzing:

- The transaction's collateral characteristics relative to those of outstanding series (see table 2);
- The managed portfolio performance and origination static pool data and their relative performances (see tables 4 and 5); and,
- The outstanding series' performance (see table 6 and charts 1-4).

Given Ford Credit's established performance track record as a consistent issuer, we placed more emphasis on the outstanding series' performance when determining the expected loss for this series, while also adjusting for potential incremental risk due to the inclusion of longer-term loans. We complemented this analysis with our forward-looking view of the economy and the auto finance sector (see the Macroeconomic And Auto Finance Sector Outlook section above). In deriving our CNL expectation, we also considered Ford Credit's underwriting and servicing operations, including steps to mitigate higher losses.

Based on our analysis of the FCAOT 2023-B pool's credit quality, the vintage static origination net loss data and our applied projected loss to the FCAOT 2023-B pool, our CNL and gross loss projections for Ford Credit's outstanding securitized pools, Ford Credit's managed portfolio performance, and our forward-looking view of the economy, we expect FCAOT 2023-B to experience lifetime CNLs of 1.25%, unchanged from FCAOT 2023-A.

### Managed portfolio

Ford Credit's managed retail portfolio as of the three months ended March 31, 2023, shows stable performance relative to pre-COVID-19 pandemic periods. Overall, delinquencies and losses remain comparable or better compared to the full year 2019 and prior. As of March 31, 2023, Ford Credit's retail portfolio comprised 1.853 million contracts with an outstanding principal balance of approximately $49.0 billion (see table 4).

Similarly to the managed portfolio performance of many in the auto finance industry, Ford Credit's managed portfolio performance was influenced by the company's response to the COVID-19 pandemic and higher used vehicle auction values due to vehicle supply shortages, resulting in lower delinquencies, repossessions, and net credit losses. Ford Credit granted goodwill payment extensions to obligors during the COVID-19 pandemic and temporarily suspended involuntary repossessions of financed vehicles from delinquent obligors nationwide. This has contributed to a decline in delinquencies, repossessions, and, ultimately, credit losses.

Ford Credit's 84-month contracts exhibit performance similar to that of the overall pool, showing stable performance relative to pre-COVID-19 pandemic periods. While overall losses remain relatively low, the average net loss on charged-off 84-month contracts is historically higher than that of the entire portfolio due to the slower amortization of such loans and relatively higher LTV ratio.

Table 4

## Managed portfolio performance

| | Three months ended March 31 | | Year ended Dec. 31 | | | | |
|---|---|---|---|---|---|---|---|
| | 2023 | 2022 | 2022 | 2021 | 2020 | 2019 | 2018 |
| Avg. portfolio outstanding during the period (mil. $) | 48,957 | 48,367 | 47,297 | 49,264 | 49,869 | 46,650 | 46,704 |
| Avg. 84-month portfolio outstanding during the period (mil. $) | 3,880 | 2,968 | 3,112 | 3,081 | 2,725 | 2,033 | 1,340 |
| Avg. number of contracts outstanding | 1,852,959 | 1,913,954 | 1,865,258 | 2,010,001 | 2,132,085 | 2,140,915 | 2,194,989 |
| **Delinquencies (%)(i)** | | | | | | | |
| 31-60 days | 1.11 | 1.07 | 1.09 | 0.90 | 1.02 | 1.33 | 1.34 |
| 61-90 days | 0.16 | 0.13 | 0.14 | 0.10 | 0.13 | 0.12 | 0.13 |
| 91-120 days | 0.02 | 0.01 | 0.01 | 0.01 | 0.02 | 0.01 | 0.01 |
| Over 120 days | 0.00 | 0.00 | 0.00 | 0.00 | 0.01 | 0.00 | 0.00 |
| Total delinquencies | 1.29 | 1.21 | 1.24 | 1.01 | 1.18 | 1.46 | 1.48 |
| **Delinquencies (%)(ii)** | | | | | | | |
| 31-60 days | 1.06 | 1.05 | 1.13 | 0.99 | 1.06 | 1.45 | 1.45 |
| 61-90 days | 0.17 | 0.10 | 0.17 | 0.12 | 0.13 | 0.16 | 0.15 |
| 91-120 days | 0.02 | 0.01 | 0.02 | 0.01 | 0.01 | 0.01 | 0.01 |
| Over 120 days | 0.01 | 0.00 | 0.01 | 0.01 | 0.01 | 0.00 | 0.00 |
| Total delinquencies | 1.26 | 1.16 | 1.33 | 1.13 | 1.21 | 1.62 | 1.61 |
| **84-month contract delinquencies (%)(ii)** | | | | | | | |
| 31-60 days | 0.69 | 0.78 | 0.77 | 0.65 | 0.55 | 0.53 | 0.35 |
| 61-90 days | 0.10 | 0.07 | 0.10 | 0.07 | 0.07 | 0.03 | 0.02 |
| 91-120 days | 0.01 | 0.00 | 0.01 | 0.01 | 0.00 | 0.01 | 0.01 |
| Over 120 days | 0.00 | 0.00 | 0.00 | 0.00 | 0.01 | 0.00 | 0.00 |
| Total delinquencies | 0.80 | 0.85 | 0.88 | 0.73 | 0.63 | 0.57 | 0.38 |
| Repossessions (% of the average no. of contracts outstanding)(iii) | 0.83 | 0.74 | 0.74 | 0.75 | 0.95 | 1.24 | 1.28 |
| Repossessions of 84-month contracts (% of the average no. of 84-month contracts outstanding)(iii) | 0.56 | 0.48 | 0.47 | 0.49 | 0.55 | 0.60 | 0.53 |
| Aggregate net losses (mil. $) | 42 | 13 | 70 | 32 | 180 | 246 | 253 |
| Net losses (% of gross liquidations)(iv) | 0.75 | 0.22 | 0.30 | 0.13 | 0.78 | 1.08 | 1.07 |
| Net losses (% of the average portfolio outstanding)(iii) | 0.35 | 0.10 | 0.15 | 0.06 | 0.36 | 0.53 | 0.54 |

Table 4

## Managed portfolio performance (cont.)

| | Three months ended March 31 | | Year ended Dec. 31 | | | | |
|---|---|---|---|---|---|---|---|
| | 2023 | 2022 | 2022 | 2021 | 2020 | 2019 | 2018 |
| Net losses on 84-month contracts (% of the average 84-month portfolio outstanding)(iii) | 0.17 | 0.12 | 0.13 | 0.08 | 0.21 | 0.25 | 0.21 |
| Number of contracts charged-off (% of the average number of contracts outstanding)(iii) | 1.43 | 1.17 | 1.21 | 1.16 | 1.46 | 1.88 | 1.89 |
| Average net loss on charged-off contracts ($) | 6,379 | 2,257 | 3,093 | 1,350 | 5,783 | 6,131 | 6,100 |
| Average net loss on charged-off 84-month contracts ($) | 9,201 | 6,868 | 7,885 | 5,118 | 11,886 | 13,464 | 13,665 |

(i)Average number of delinquencies as a percentage of the average number of contracts outstanding. (ii)Aggregate principal balance of delinquent contracts as a percentage of the portfolio outstanding. (iii)For non-annual periods, the percentages are annualized. (iv)Gross liquidations are cash payments and charge-offs that reduce a receivables' outstanding balance.

For the first three months of 2023, Ford Credit's retail loan origination volume is up both at the contract level and at the aggregate principal level, showing an increase in the base number of originations, as well as an increase in average origination size compared to a year earlier (see table 5). The percentage of loans with an original term greater than 60 months increased compared to the same period in 2022, but declined compared to longer term historical levels. The weighted average FICO scores for original terms greater than 60 months and for 84-month terms have increased as of March 31, 2023, compared to the same period in 2022, but have decreased compared to prior figures due to Ford Credit's expansion in October 2021 of its 84-month contract financing to applicants, who may have lower FICO scores and higher LTV ratios.

Table 5

## Managed portfolio origination characteristics

| | Three months ended March 31 | | Year ended Dec. 31 | | | | |
|---|---|---|---|---|---|---|---|
| | 2023 | 2022 | 2022 | 2021 | 2020 | 2019 | 2018 |
| Number of contracts | 146,192 | 113,273 | 484,524 | 514,312 | 668,156 | 588,258 | 729,323 |
| Total principal balance ($ mil) | 6,964 | 4,890 | 22,139 | 21,508 | 27,506 | 22,332 | 25,293 |
| Weighted avg. original term (months) | 62.8 | 62.9 | 64.3 | 64.4 | 68.6 | 66.2 | 66.3 |
| Original term greater than 60 months (%) | 50.2 | 45.4 | 52.2 | 53.5 | 71.8 | 61.0 | 59.9 |
| Original term of 84 months (%) | 9.2 | 5.5 | 8.9 | 5.3 | 10.2 | 4.2 | 5.7 |
| Weighted avg. FICO score | 745 | 741 | 738 | 742 | 730 | 742 | 741 |
| Weighted avg. FICO score for original term greater than 60 months | 715 | 706 | 711 | 719 | 717 | 723 | 722 |
| Weighted avg. FICO score for original term of 84 months | 720 | 719 | 723 | 728 | 734 | 752 | 754 |
| No FICO score consumer (%) | 0.9 | 0.7 | 0.9 | 0.7 | 0.7 | 0.9 | 0.9 |

Table 5

## Managed portfolio origination characteristics (cont.)

| | Three months ended March 31 | | Year ended Dec. 31 | | | | |
|---|---|---|---|---|---|---|---|
| | 2023 | 2022 | 2022 | 2021 | 2020 | 2019 | 2018 |
| Weighted avg. LTV ratio (%) | 101 | 101 | 102 | 99 | 102 | 97 | 96 |
| Weighted avg. PTI ratio (%) | 10.1 | 9.1 | 9.4 | 9.1 | 9.2 | 8.9 | 8.7 |
| Subvened-APR contracts (%) | 67 | 66 | 58 | 61 | 69 | 63 | 54 |
| Commercial use (%) | 23 | 25 | 25 | 24 | 17 | 19 | 18 |
| New vehicles (%) | 90 | 90 | 85 | 92 | 93 | 91 | 89 |

LTV--Loan-to-value. PTI--Payment-to-income. APR--Annual percentage rate.

## Origination static pool analysis

To derive the transaction's base-case loss, we analyzed static pool origination net loss data on Ford Credit's U.S. managed portfolio going back to 2001. We received static pool data from Ford Credit segmented by credit score band, term (including 73- to 84-month term loans), new/used vehicle mix, vehicle type, and APR subvention, and we developed expected net loss projections for each combination of those segments. Then we weighted these projections based on the actual concentration of the various segments in the FCAOT 2023-B pool and recently securitized pools. Our goal was to estimate the relative percentage increase or decrease in the overall expected net loss due to the FCAOT 2023-B pool's credit composition compared with previous pools. When analyzing static pool performance and securitization performance, we placed less focus on performance from the past couple of years, given the impact of extensions on delinquencies and the robust vehicle recovery that we expect will stabilize in the near term.

Similarly to previous FCAOT pools, the FCAOT 2023-B pool includes commercial accounts, which represent receivables with primary obligors that are generally small businesses that use the financed vehicles for commercial purposes. Most of these accounts do not have FICO scores because the account obligors are businesses, not individuals. The commercial accounts' loss performance is included in the various origination static pool net loss data segmentations described above. In our view, the origination static pool data showed that these accounts' loss performance was generally better than that of consumer loans with FICO scores less than 676.

## Securitization performance

We maintain ratings on 15 active retail FCAOT transactions that closed in 2018 through 2022. Of those, seven are SEC-registered with amortizing structures, and eight (series 2018-REV1, 2019-REV1, 2020-REV1, 2020-REV2, 2021-REV1, 2021-REV2, 2022-REV1, and 2023-REV1) are broadly distributed Rule 144A transactions with revolving structures.

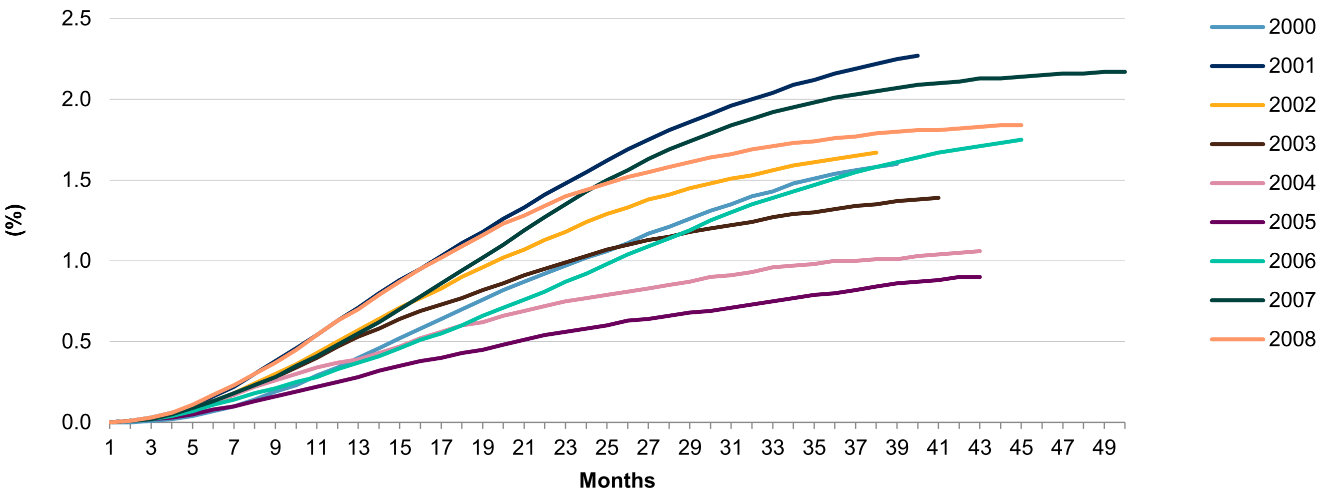
On March 10, 2023, we revised our lifetime loss expectations for six FCAOT amortizing transactions downward due to better-than-expected performance. We also raised our ratings on four classes and affirmed our ratings on 19 classes from the six transactions (see "Ratings Raised On Four Classes And Affirmed On 19 Classes From Six Ford Credit Auto Owner Trust Transactions," published March 10, 2023).

The outstanding classes have adequate credit enhancement at their current rating levels, in our view. We will continue to monitor all outstanding transactions to ensure that the credit enhancements remain sufficient, in our view, to cover our revised CNL expectations under our stress scenarios for each of the rated classes.

Charts 1-4 show performance data for FCAOT's nonrevolving transactions.

Chart 1

**FCAOT cumulative net loss performance by vintage (2000-2008)**

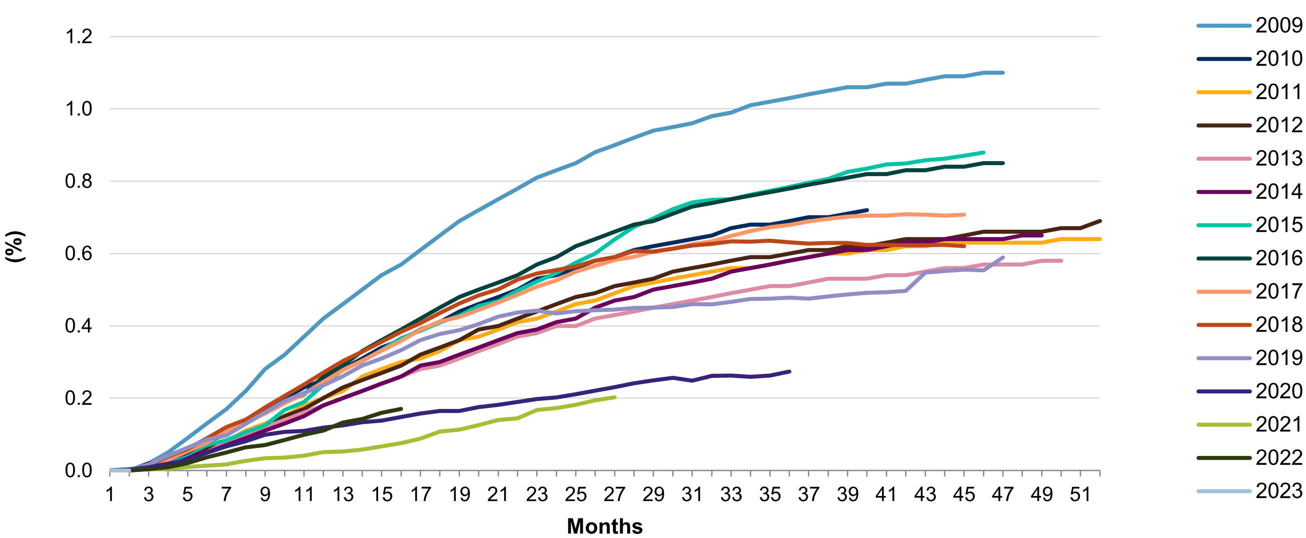



FCAOT--Ford Credit Auto Owner Trust.



Chart 2

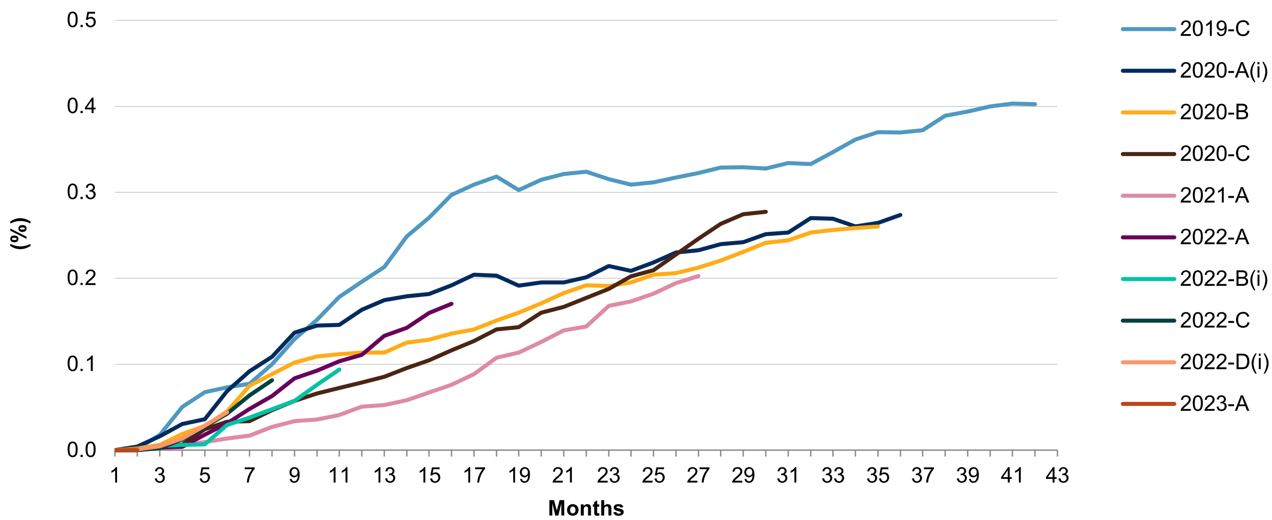
**FCAOT cumulative net loss performance by vintage (2009-2023)**




FCAOT--Ford Credit Auto Owner Trust.

Chart 3

**Cumulative net loss performance of FCAOT outstanding securitizations**




(i)Not rated by S&P Global Ratings. FCAOT--Ford Credit Auto Owner Trust.



FCAOT's average cumulative recovery rate from 2009 to 2013 is approximately 64.00%. Beginning in 2014, the cumulative recovery rates began to decrease. From 2014-2018, FCAOT average cumulative recovery rates were below 60.00%. The outstanding series 2019-C through 2022-A transactions are generally experiencing higher cumulative recovery rates in the range of 60.00%-70.00% (see chart 4).

Chart 4

## Cumulative recovery rate by vintage

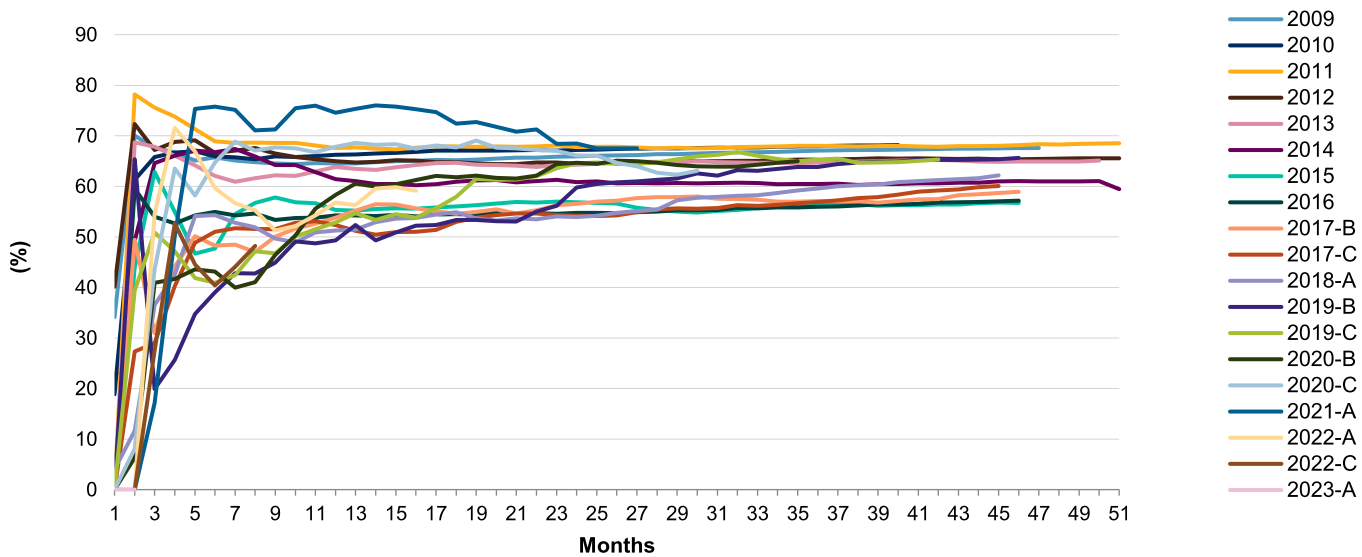





Table 6 shows performance data for FCAOT's outstanding nonrevolving series 2019-2023 transactions that we have rated.

Table 6

## Performance data for outstanding nonrevolving Ford Credit Auto Owner Trust transactions(i)

| Series | Month | Pool factor (%) | 60-plus-day delinquency (%) | CNL (%) | Initial expected lifetime CNL (%) | Revised expected lifetime CNL (%)(ii) |
|---|---|---|---|---|---|---|
| 2019-C | 42 | 13.21 | 0.31 | 0.40 | 1.00-1.20 | Up to 0.50 |
| 2020-B | 35 | 19.91 | 0.27 | 0.26 | 1.30-1.50 | 0.40 |
| 2020-C | 30 | 31.92 | 0.16 | 0.28 | 1.40-1.60 | 0.55 |
| 2021-A | 27 | 35.74 | 0.23 | 0.20 | 1.25-1.45 | 0.60 |
| 2022-A | 16 | 56.11 | 0.12 | 0.17 | 1.10-1.30 | 1.00 |
| 2022-C | 8 | 75.84 | 0.13 | 0.08 | 1.20 | N/A |
| 2023-A | 2 | 93.64 | 0.06 | 0.00 | 1.25 | N/A |

(i)Performance as of the May 2023 distribution date. (ii)The lifetime expected CNL was revised in March 2023 for series 2019-B, 2019-C, 2020-B, 2020-C, 2021-A, and 2022-A. CNL--Cumulative net loss. N/A-- Not applicable.

To derive the base case for the FCAOT 2023-B transaction, we examined the CNL performance of paid-off and outstanding FCAOT nonrevolving transactions that had collateral characteristics similar to the FCAOT 2023-B pool. We derived a loss timing curve from the paid-off pools to project losses on the outstanding securitizations. In addition, we selected some loss timing curves from paid-off pools that may have experienced greater back-end losses to project losses on the outstanding securitizations. This allowed us to determine how the outstanding securitizations may perform if losses were to become more back-ended compared to historical experience, given the increase in longer-term loans (greater than 60 months) included in recent FCAOT pools. We also projected remaining gross losses on the outstanding securitizations and assumed lower future recovery rates to account for expected declines in used vehicle values. The gross loss approach yielded slightly higher CNL projections.

## Legal Overview And Transaction Structure

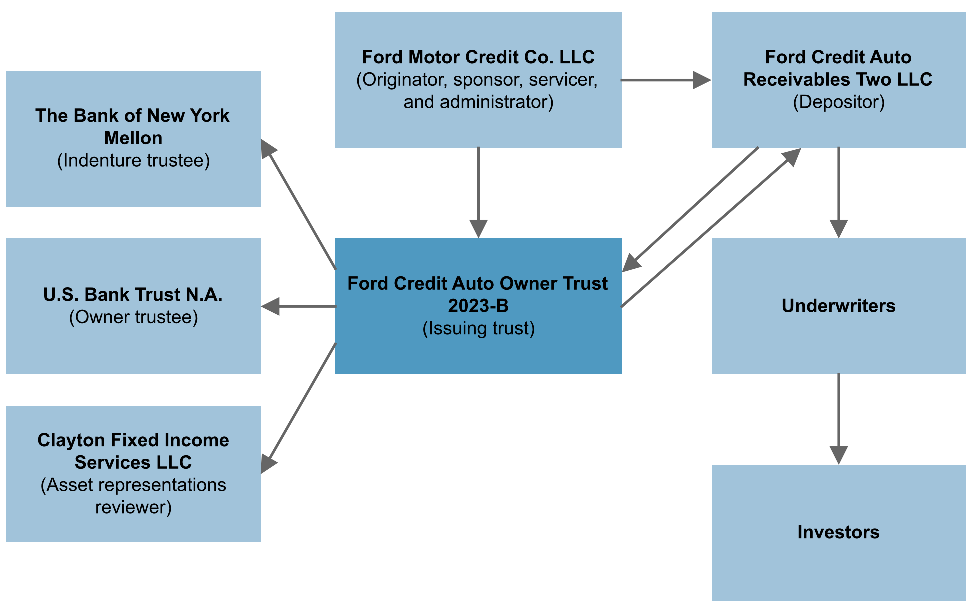
### Legal overview

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

FCAOT 2023-B is structured as a true sale of the receivables from Ford Credit (the sponsor, servicer, and administrator) to Ford Credit Auto Receivables Two LLC (the depositor). The depositor will sell the acquired assets to FCAOT 2023-B (the issuing trust), a bankruptcy-remote special-purpose entity, which will then pledge its interest in the receivables to the indenture trustee on the noteholders' behalf (see chart 5).

Chart 5

**Transaction structure**






### Transaction structure

FCAOT 2023-B incorporates the following structural features:

- A sequential-pay mechanism that results in increased credit enhancement for the senior notes as the pool amortizes;
- A YSOA that amortizes according to a schedule rather than being recalculated and reduced when the low-yielding assets prepay;
- A nonamortizing reserve account; and
- The use of excess spread, to the extent available after covering net losses, to pay principal on the outstanding notes to build credit enhancement to the target level.

The YSOA is sized so that the yield on the contracts with APRs below the YSOA discount rate is raised to the YSOA discount rate. The YSOA for each distribution date will be calculated at closing, assuming zero prepayment and zero default, and will amortize according to a schedule. On the closing date, we expect the YSOA to be $116.8 million ($140.4 million if upsized). The YSOA discount rate is 8.85%.

Ford Credit's transaction structure includes a targeted overcollateralization amount equal to the YSOA plus 2.00% of the initial adjusted pool balance plus the excess, if any, of 1.50% of the outstanding receivables balance over the required reserve account amount (at least 0.25% of the initial adjusted receivables balance).

Overcollateralization will begin at 0.00% of the initial adjusted pool balance and build while available excess spread pays principal to the senior notes. Once the class A-1 notes are fully repaid and the overcollateralization amount reaches its target amount, excess cash flow will be released to the residual interest holder. The depositor will be the initial residual interest holder.

FCAOT 2023-B will be the fifth transaction under the shelf to utilize the secured overnight financing rate (SOFR) interest rate benchmark for the floating-rate class A-2b notes (series 2022-B was the first). The class A-2b coupons will initially be based on a compounded SOFR (a 30-day average SOFR determined by the calculation agent using the published rate on the Federal Reserve Bank of New York's website) to calculate the interest rate for the floating-rate notes. In addition, provisions have been incorporated into securitization documents that govern rate selection if SOFR becomes unavailable.

## Payment Priority

Interest and principal on the notes are scheduled to be paid on each monthly distribution date beginning July 17, 2023. FCAOT 2023-B's payment priority provides that the auto receivables collections will be used to make the distributions shown in table 7. In addition, the reserve account's funds will be available to cover interest shortfalls, make priority principal payments, and make principal payments that are due on the notes' final maturity date.

Table 7

### Payment waterfall

| Priority | Payment |
|---|---|
| 1 | Indenture trustee fees, owner trustee fees, asset representation reviewer and issuer expenses, capped at $375,000 per year. |
| 2 | The 1.00% servicing fee. |
| 3 | Class A note interest, pro rata, to the class A noteholders. |
| 4 | First-priority principal payment (if the class A notes' balance exceeds the adjusted pool balance). |

Table 7

### Payment waterfall (cont.)

| Priority | Payment |
|---|---|
| 5 | Class B note interest. |
| 6 | Second-priority principal payment (if the class A and B notes' balance exceeds the adjusted pool balance after any first-priority principal payments are made). |
| 7 | Class C note interest. |
| 8 | Restore the reserve account to its required amount. |
| 9 | Regular principal payment(i). |
| 10 | Any unpaid trustee fees and expenses. |
| 11 | Any remainder to the residual interest holder. |

(i)The regular principal payment amount is designed to pay the class A-1 notes in full and build the overcollateralization (on an adjusted pool basis) on the closing date to the target overcollateralization amount: the YSOA plus 2.00% of the initial adjusted pool balance plus the excess of 1.50% of the gross current pool balance over at least 0.25% of the initial adjusted pool balance (the required reserve amount). If the note balance exceeds the adjusted pool balance (before the target overcollateralization amount is reached), principal collections and excess spread will be used to pay down the notes until the note balance equals the adjusted pool balance (items 4 and 6 in the payment waterfall) and the overcollateralization target (including the reserve amount) is reached (item 9 in the payment waterfall). No excess spread will be released until the class A-1 notes are paid in full and the target overcollateralization amount has been reached. YSOA--Yield supplement overcollateralization amount. Class A--Classes A-1, A-2a/A-2b, A-3, and A-4, collectively.

## Cash Flow Modeling Assumptions And Results

In our cash flow analysis, we assess the availability of asset cash flows to meet the transaction's promised obligations under a variety of stress assumptions, while considering the transaction structure and available credit support. We also use our cash flow analysis in other aspects of our ratings analysis, including the testing of credit stability (sensitivity analysis) and legal final analysis.

### Break-even analysis

We modeled the FCAOT 2023-B transaction to withstand our 'AAA', 'AA+', and 'A+' stress scenarios for the class A, B, and C notes, respectively. Historical performance data indicate that loans with lower APRs tend to prepay and default less frequently than loans with higher APRs. When this occurs within a pool of loans, the lower-APR loans remain outstanding longer. We stressed the excess spread in our cash flow modeling scenarios accordingly by using a bifurcated-pool method under which the higher-APR loans prepay faster and default at a disproportionately higher rate than the lower-APR loans. In our modeling scenarios, we bifurcated the pool using a cutoff APR of 5.00% (accounting for the cost of debt). Table 8 details the cash flow assumptions applied and the related results using a fast loss timing curve, and table 9 shows the assumptions and results using a slower loss timing curve.

By running low prepayments on the subvened, lower-APR contracts, and applying a slower loss timing 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 faster 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 resulting from the yield on the assets being lower than the yield on the bonds (especially because the bonds pay sequentially, leading to higher-coupon debt outstanding at the tail-end of the transaction). Increasing the use of the YSOA for yield enhancement decreases the amount of the YSOA available to cover credit losses, thereby decreasing break-even levels.

The class A-2 notes may consist of fixed-rate class A-2a notes and floating-rate class A-2b notes, which will accrue interest at a floating rate indexed to compounded SOFR (a 30-day average SOFR calculated in advance by the calculation agent using the published rate on the Federal Reserve Bank of New York's website) plus a spread. For the floating-rate tranche, we applied our stressed interest rates for one-month SOFR, as described in our criteria "Methodology To Derive Stressed Interest Rates In Structured Finance," published Oct. 18, 2019, using a SOFR curve starting at 5.00%. We also modeled the maximum potential size of the class A-2b note balance ($250.0 million or $300.0 million if the note issuance is upsized)

The break-even cash flow results show that each rated class in the FCAOT 2023-B transaction has more than sufficient credit enhancement to withstand a stressed net loss level consistent with the assigned preliminary ratings.

Table 8

## Cash flow assumptions and results (fast)

| | Class A | Class B | Class C |
|---|---|---|---|
| Preliminary rating | A-1+ (sf)/AAA (sf) | AA+ (sf) | A+ (sf) |
| Subvened loans (% of pool)(i) | 58 | 58 | 58 |
| Nonsubvened loans (% of pool) | 42 | 42 | 42 |
| **Cumulative net loss timing (% of losses per year)** | | | |
| Total loans | 33/41/20/6 | 33/41/20/6 | 33/41/20/6 |
| Subvened loans | 32/42/20/6 | 32/42/20/6 | 32/42/20/6 |
| Nonsubvened loans | 35/40/20/5 | 35/40/20/5 | 35/40/20/5 |
| **Loss allocation (% of total losses)** | | | |
| Subvened loans | 50 | 50 | 50 |
| Nonsubvened loans | 50 | 50 | 50 |
| **Voluntary ABS (%)** | | | |
| Subvened loans | 0.25 | 0.25 | 0.25 |
| Nonsubvened loans | 1.50 | 1.50 | 1.50 |
| Recovery rate (%) | 50 | 50 | 50 |
| Recovery lag (mos.) | 4 | 4 | 4 |
| Approx. breakeven levels-base (%)(ii) | 8.3 | 6.1 | 4.8 |
| Approx. breakeven levels-upsize (%)(ii) | 8.3 | 6.1 | 4.8 |

(i)For modeling purposes, we classified subvened loans as loans with APRs that are lower than or equal to 5.0%, and nonsubvened loans as loans with APRs greater than 5.0%. (ii)The maximum cumulative net losses on the pool that the transaction can withstand without triggering a payment default on the class A or B notes. ABS--Absolute prepayment speed. APRs--Annual percentage rates. Class A--Classes A-1, A-2a/A-2b, A-3, and A-4, collectively.

Table 9

## Cash flow assumptions and results (slow)

| | Class A | Class B | Class C |
|---|---|---|---|
| Preliminary rating | A-1+ (sf)/AAA (sf) | AA+ (sf) | A+ (sf) |

Table 9

## Cash flow assumptions and results (slow) (cont.)

| | Class A | Class B | Class C |
|---|---|---|---|
| Subvened loans (% of pool)(i) | 58 | 58 | 58 |
| Nonsubvened loans (% of pool) | 42 | 42 | 42 |
| **Cumulative net loss timing (% of losses per year)** | | | |
| Total loans | 31/42/20/6/1 | 31/42/20/6/1 | 31/42/20/6/1 |
| Subvened loans | 27/44/20/7/2 | 27/44/20/7/2 | 27/44/20/7/2 |
| Nonsubvened loans | 35/40/20/5 | 35/40/20/5 | 35/40/20/5 |
| **Loss allocation (% of total losses)** | | | |
| Subvened loans | 50 | 50 | 50 |
| Nonsubvened loans | 50 | 50 | 50 |
| **Voluntary ABS (%)** | | | |
| Subvened loans | 0.25 | 0.25 | 0.25 |
| Nonsubvened loans | 1.50 | 1.50 | 1.50 |
| Recovery rate (%) | 50 | 50 | 50 |
| Recovery lag (mos.) | 4 | 4 | 4 |
| Approx. breakeven levels-base (%)(ii) | 8.3 | 6.1 | 4.8 |
| Approx. breakeven levels-upsize (%)(ii) | 8.4 | 6.1 | 4.8 |

(i)For modeling purposes, we classified subvened loans as loans with APRs that are lower than or equal to 5.0%, and nonsubvened loans as loans with APRs greater than 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. Class A--Classes A-1, A-2a/A-2b, A-3, and A-4, collectively.

## Sensitivity analysis

In addition to running break-even cash flows, we undertook sensitivity analysis using the assumptions outlined in tables 8 and 9. We believe that under a moderate ('BBB') stress scenario (2.00x of 1.25% expected loss level) and with 100.00% credit to any excess spread, all else being equal, our preliminary ratings will be within the credit stability limits specified by section A.4 of the Appendix of "S&P Global Ratings Definitions," published June 9, 2023 (see table 10 and chart 6).

Table 10

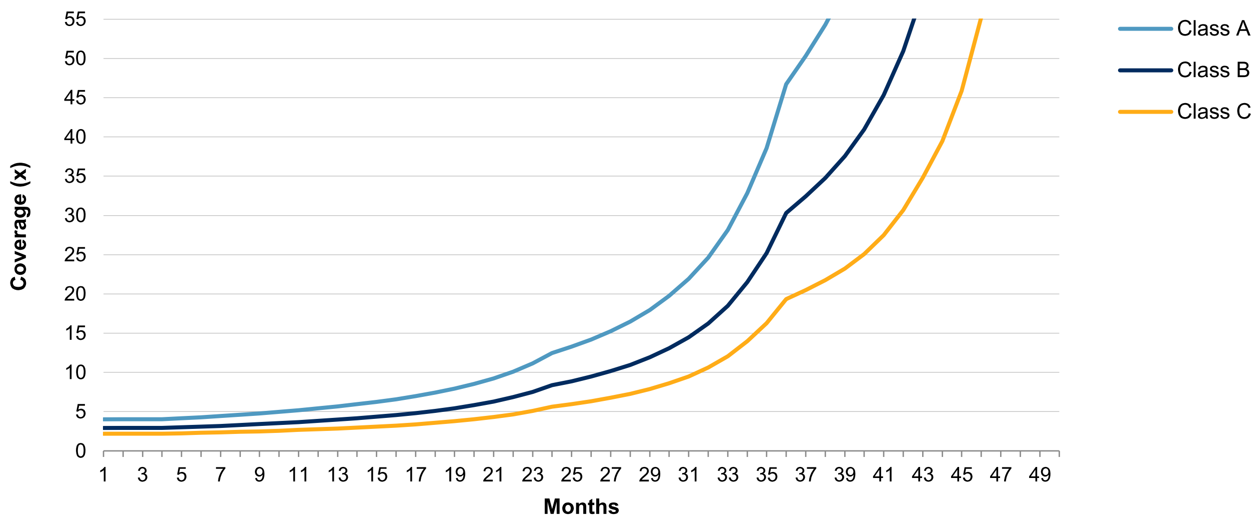
## Credit stability as a limiting factor on ratings

| | Maximum projected deterioration associated with rating levels for one- and three-year horizons under moderate stress conditions | | | | | |
|---|---|---|---|---|---|---|
| **Horizon** | **AAA** | **AA** | **A** | **BBB** | **BB** | **B** |
| One year | AA | A | BB | B | CCC | D |
| Three years | BBB | BB | B | CCC | D | D |

(i)These credit quality transitions do not reflect our view of the expected degree of deterioration that rated issuers or obligations could experience over the specified time horizons. Nor do they reflect the typical historical levels of deterioration among rated issuers and securities.

Chart 6

**Sensitivity chart**




Class A--Classes A-1, A-2a/A-2b, A-3, and A-4, collectively.



## Money market tranche sizing

The proposed legal final date for the money market tranche (class A-1) is July 15, 2024. To test whether the money market tranche can be repaid by the proposed legal final date, we ran cash flows using assumptions that delay the principal collections during the 13-month time period.

We assumed a voluntary absolute prepayment speed of 0.50% for nonsubvened loans and 0.00% for subvened loans. Based on our current modelling assumptions, approximately 11 months of principal collections would be sufficient to pay off the money market tranche.

## Legal final maturity

To test the legal final maturity dates set for long-dated tranches (i.e., classes A-2a/A-2b through B), we determined the date on which the respective notes would fully amortize in a zero-loss, zero-prepayment scenario and then added three months to the result. For the longest-dated security (class C), we added at least six months to the tenor of the longest receivable in the pool to accommodate extensions on the receivables. Furthermore, in the break-even scenario for each respective rating level, we confirmed that there was sufficient credit enhancement to both cover losses and repay the related notes in full by the legal final maturity date.

## Counterparty And Operational Risks

### Bank account provider

On or before the closing date, the FCAOT 2023-B bank accounts will be established with the bank account provider, The Bank of New York Mellon. 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, Ford Credit has an experienced management team that oversees origination, underwriting, servicing, collections, and general operational practices. Ford Credit is rated by S&P Global Ratings (BB+/Positive/B) and commingling risk is addressed by the requirement that all collections are deposited into the series collections account within two business days of collection. Our operational risk assessment of Ford Credit as servicer does not constrain the ratings (see "Global Framework For Assessing Operational Risk In Structured Finance Transactions," published Oct. 9, 2014).

## Ford Credit

Ford Credit, headquartered in Dearborn, Mich., is a wholly owned captive finance subsidiary of Ford Motor Co. Ford Credit is one of the largest auto finance companies in the U.S., with an average retail contracts portfolio of approximately $49.0 billion as of March 31, 2023. Ford Credit offers consumer retail contracts, consumer leases, business loans, and lines of credit to dealerships that sell Ford Motor Co. products. Ford Credit purchases retail contracts for the sale of new and used vehicles from Ford and Lincoln dealerships.

### Origination, servicing, and collections

Ford Credit's retail automobile loan origination strategy involves the purchase of installment sale contracts entered into between retail customers and Ford Motor Co. franchised dealers for the sale and financing of new or used vehicles, underwritten pursuant to Ford Credit's policy and guidelines. Ford Credit's underwriting and purchasing strategy includes internal scoring models that assess a potential obligor's creditworthiness and ability to pay. These scoring models consider the customer's characteristics, the retail installment sale contract's proposed terms, and a national credit bureau report. Ford Credit frequently reviews the predictability of its scoring models and makes updates in response to changing economic factors, market conditions, and loss/delinquency experiences. Ford Credit's origination scoring models were launched for consumer credit applicants in January 2018 and again in May 2023 for certain FICO score segments, for commercial credit applicants in January 2019, and for commercial line-of-credit applicants in April 2022.

Electronic decision-making models automatically evaluate the submitted applications and approve, reject, or make a conditional offer for a resulting retail installment sale contract. Many of the applications not approved in the electronic decision making process are evaluated and approved by a credit analyst.

In March 2020 and again in October 2021, Ford Credit revised its purchase quality guidelines and began offering 84-month contracts to an expanded range of applicants who may have lower FICO scores and higher LTV ratios. According to Ford Credit, these contracts are offered to certain customers under stricter eligibility criteria and are assessed to have lower credit risk under Ford Credit's origination scoring models. In July 2022, Ford Credit further expanded its 84-month purchase quality guidelines for personal use vehicles to include applicants with lower proprietary risk scores while maintaining maximum advance limits. Most of the 84-month contracts finance the purchase of new vehicles for personal use.

In May 2022, Ford Credit increased the maximum term for commercial use contracts from 72 to 84 months on an exception basis.

Ford Credit has been servicing the receivables in each of its U.S. public retail securitizations since the program began in 1989. It uses internally developed behavior-scoring models to determine the default probability for each receivable and to reduce credit losses by focusing the collections effort on the higher-risk accounts. These behavior scoring models consider each account's origination characteristics, the customer's payment history, and periodically updated FICO scores, if applicable. To maintain an optimal collection strategy, Ford Credit updates its behavioral scoring models on a regular cycle plan and tests new servicing practices.

## 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 | General: Methodology To Derive Stressed Interest Rates In Structured Finance , Oct. 18, 2019
- Criteria | Structured Finance | ABS: Global Equipment ABS Methodology And Assumptions , May 31, 2019
- Criteria | Structured Finance | Legal: U.S. Structured Finance Asset Isolation And Special-Purpose Entity Criteria , May 15, 2019
- Criteria | Structured Finance | General: Counterparty Risk Framework: Methodology And Assumptions , March 8, 2019
- Criteria | Structured Finance | General: Incorporating Sovereign Risk In Rating Structured Finance Securities: Methodology And Assumptions , Jan. 30, 2019
- General Criteria: Methodology For Linking Long-Term And Short-Term Ratings , April 7, 2017
- 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. Auto Loan ABS Tracker: April 2023 Performance, June 9, 2023
- Credit Conditions North America Q2 2023: Coalescing Stresses, March 28, 2023
- Economic Outlook U.S. Q2 2023: Still Resilient, Downside Risks Rise, March 27, 2023
- Ratings Raised On Four Classes And Affirmed On 19 Classes From Six Ford Credit Auto Owner Trust Transactions, March 10, 2023
- Bulletin: Ford Motor Co. Rating Momentum Brakes Slightly On Weaker Than Anticipated Cash Flow In 2023, Feb. 3, 2023