Presale:

GM Financial Automobile Leasing Trust 2024-1

February 5, 2024

Preliminary ratings

Class	Preliminary rating	Type	Interest rate(i)	Preliminary amount (mil. $)	Preliminary upsized amount (mil. $)	Legal final maturity date
A-1	A-1+ (sf)	Senior	Fixed	202.43	246.12	Feb. 20, 2025
A-2-A/A-2-B(ii)	AAA (sf)	Senior	Fixed/floating	459.40	551.28	June 22, 2026
A-3	AAA (sf)	Senior	Fixed	459.40	551.29	March 22, 2027
A-4	AAA (sf)	Senior	Fixed	65.35	75.25	Feb. 22, 2028
B	AA+ (sf)	Subordinate	Fixed	63.70	76.40	March 20, 2028
C(iii)	A+ (sf)	Subordinate	Fixed	59.30	71.15	April 20, 2028
D(iii)	NR	Subordinate	Fixed	36.55	43.90	July 20, 2028

Note: This presale report is based on information as of Feb. 5, 2024. 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 actual coupons of these tranches will be determined on the pricing date. (ii)The class A-2 notes may be split into fixed-rate class A-2-A and floating-rate class A-2-B notes. If a floating-rate tranche is issued, the rate will be based on 30-day compounded average SOFR. The allocation of the principal amount between the class A-2-A and A-2-B notes will be determined on the pricing date. If class A-2-B notes are issued, the principal amount is not expected to exceed 50% of the aggregate A-2 note balance million. (iii)Classes C and D notes will initially be retained by the depositor or an affiliate. NR--Not rated.

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Profile

Expected closing date	Feb. 15, 2024.
Collateral	Prime auto lease receivables.
Sponsor, originator, servicer, and administrator	AmeriCredit Financial Services Inc., doing business as GM Financial, a wholly owned subsidiary of General Motors Financial Co. Inc. (BBB/Stable/--).
Issuer	GM Financial Automobile Leasing Trust 2024-1.
Titling trust	ACAR Leasing Ltd.
Depositor	GMF Leasing LLC.

Profile (cont.)

Administrative agent, collateral agent, and indenture trustee	Computershare Trust Co. N.A.
Owner trustee	Wilmington Trust Co.
Bank account provider	Wells Fargo Bank N.A. (A+/Stable/A-1).

Rationale

The preliminary ratings assigned to GM Financial Automobile Leasing Trust 2024-1's (GMALT 2024-1's) asset-backed notes reflect:

- The availability of approximately 23.6%, 19.6%, and 16.0% credit enhancement for the class A (class A-1, A-2-A/A-2-B, A-3, and A-4, collectively), B, and C notes, respectively, based on our stressed cash flow scenarios, in the form of subordination; 8.00% initial overcollateralization, which builds to a target of 10.50% and steps down to 9.50% upon the class A-2 paying off (if no class A-2-B is issued, the overcollateralization target would be 9.50%); a non-amortizing reserve account of 0.25%; and excess spread (all percentages are expressed as a percentage of the pool's initial securitization value).
- The expectation that under a moderate 'BBB' stress scenario, all else being equal, our preliminary ratings will be within the credit stability limits specified by section A.4 of the Appendix contained in "S&P Global Ratings Definitions," published June 8, 2023.
- The timely interest and full principal payments made by the notes' legal final maturity dates under cash flow scenarios that we stressed for credit and residual losses, which are consistent with the preliminary ratings assigned to the notes.
- The credit quality of the underlying collateral, which consists of auto lease receivables that have a weighted average FICO score of 781.
- Our view of the transaction's base residual, which includes Automotive Lease Guide's (ALG) forecast of the vehicle's current residuals and residual value at lease inception.
- The historical residual retention values of the leased vehicles in the pool and relative comparison to ALG's residual value forecasts.
- The diversified mix of leased vehicle models in the pool.
- The diversified timing of the lease pool's residual maturities.
- Our view of the transaction's payment and legal structures.

Our expected cumulative net credit loss for the series 2024-1 pool is 0.60%, which is lower than series 2023-3 and reflects our view of the strong credit performance of outstanding and paid-off GMALT transactions, our static pool loss projections for GM Financial's lease originations, the series 2024-1 collateral composition, peer comparison, and a forward looking view of the U.S. economy. Our 'AAA', 'AA+', and 'A+' stressed scenario for credit losses is approximately 3.0%, 2.7%, and 2.0%, respectively, of securitization value.

Our 'AAA', 'AA+', and 'A+' residual stress levels for the series 2024-1 pool are approximately 26.1%, 23.1%, and 17.7%, respectively, of the pool's aggregate undiscounted base residual value. After applying these stresses to the residual value portion of the pool (76.0%; 76.1% if upsized) and the portion of nondefaulting leases ('AAA': 94.0%, 'AA+':94.6%, and 'A+': 96.4%), our 'AAA', 'AA+', and 'A+' residual stress levels constituted approximately 18.7%, 16.2%, and 11.9%, respectively of the securitization value.

Our total stressed losses (credit and residual) are approximately 21.7%, 18.9%, and 13.9% for the 'AAA', 'AA+', and 'A+' rated notes, respectively, as a percentage of the initial aggregate securitization value. In our view, the credit enhancement outlined above and in the Cash Flow Modeling section below provide more than adequate support for our assigned preliminary ratings.

Environmental, Social, And Governance

Our rating analysis considers a transaction's potential exposure to environmental, social, and governance (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 exposure to ESG credit factors in this transaction is in line with our sector benchmark. Environmental credit factors are 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 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 GMALT 2023-3

The discount rate used to generate the discounted base residual value and securitization value decreased to 9.75% from 10.00%.

Table 1 shows the credit enhancement changes from recent transactions.

Table 1

Credit enhancement summary(i)

	GMALT					
	2024-1	2024-1 (if upsized)	2023-3	2023-2	2023-1	2022-3
Subordination (%)						
Class A	10.90	10.90	10.90	10.90	10.90	10.90
Class B	6.55	6.55	6.55	6.55	6.55	6.55
Class C	2.50	2.50	2.50	2.50	2.50	2.50
Class D	N/A	N/A	N/A	N/A	N/A	N/A
Overcollateralization (%)						
Initial	8.00	8.00	8.00	8.00	8.00	8.00
Target(ii)	10.50	10.50	10.50	10.50	10.50	10.50

Table 1

Credit enhancement summary(i) (cont.)

	GMALT					
	2024-1	2024-1 (if upsized)	2023-3	2023-2	2023-1	2022-3
Reserve account (%)						
Initial	0.25	0.25	0.25	0.25	0.25	0.35
Target	0.25	0.25	0.25	0.25	0.25	0.35
Total initial hard credit enhancement (%)						
Class A	19.15	19.15	19.15	19.15	19.15	19.25
Class B	14.80	14.80	14.80	14.80	14.80	14.90
Class C	10.75	10.75	10.75	10.75	10.75	10.85
Class D	8.25	8.25	8.25	8.25	8.25	8.35
Total target hard credit enhancement (%)						
Class A	21.65	21.65	21.65	21.65	21.65	21.75
Class B	17.30	17.30	17.30	17.30	17.30	17.40
Class C	13.25	13.25	13.25	13.25	13.25	13.35
Class D	10.75	10.75	10.75	10.75	10.75	10.85
Discount rate (%)	9.75	9.75	10.00	9.50	9.50	9.00
Estimated excess spread per year (%)(iii)	2.81	2.81	3.73	3.19	3.52	3.87
Initial aggregate securitization value ($)	1,463,178,400	1,755,858,739	1,169,298,569	1,397,166,098	1,676,201,777	1,508,759,094
Total securities issued ($)	1,346,130,000	1,615,390,000	1,075,760,000	1,285,390,000	1,542,030,000	1,388,060,000

(i)All percentages are based on the initial aggregate securitization value. (ii)The target overcollateralization of 10.50% of the initial receivables will decrease to 9.50% after the class A-2-B notes are fully paid off. If the class A-2-B notes are not issued, the target amount of overcollateralization on any payment date will equal 9.50% of the initial aggregate securitization value. (iii)The estimated annual excess spread reflects the pre-pricing coupon guidance for GMALT 2024-1 and post-pricing for all other rated series. GMALT--GM Financial Automobile Leasing Trust. N/A--Not applicable. Class A--Class A-1, A-2-A/A-2-B, A-3, and A-4, collectively.

Collateral changes from GMALT 2023-3

- The undiscounted base residual value as a percentage of manufacturer's suggested retail price increased slightly to 53.02% (53.03% if upsized) from 52.35%.
- The average base residual value increased to $24,068 ($24,053 if upsized) from $23,033.
- The average scheduled payment per month increased to $519 ($518 if upsized) from $502.
- The weighted average interest rate increased to 5.36% (5.35% if upsized) from 4.65%.
- The percentage of leases with an original term of up to 24 months increased to 13.95% (13.82% if upsized) from 9.34%.

The GMALT 2024-1 securitized pool consists of 46,193 (55,552 if upsized) prime auto lease receivables with a weighted average FICO score of 781 (see table 2). Most of the pool consists of leases with 25-36 months original terms. The leased pool consists of new vehicles and is well-diversified in vehicle model mix, with the top five vehicle models accounting for approximately 53.5% (53.7% if upsized) of the undiscounted base residual value.

Table 2

Collateral comparison(i)

	GMALT					
	2024-1	2024-1 (if upsized)	2023-3	2023-2	2023-1	2022-3
No. of leases	46,193	55,552	38,542	46,625	57,400	53,379
Aggregate securitization value ($)	1,463,178,400	1,755,858,739	1,169,298,569	1,397,166,098	1,676,201,777	1,508,759,094
Avg. securitization value ($)	31,675	31,607	30,338	29,966	29,202	28,265
Base residual value ($)	1,111,766,441	1,336,170,452	887,737,948	1,060,572,183	1,290,950,870	1,163,266,315
Avg. base residual value ($)	24,068	24,053	23,033	22,747	22,490	21,793
Base residual value (% of the aggregate securitization value)	76.0	76.1	75.9	75.9	77.0	77.1
Base residual value (% of MSRP)	53.0	53.0	52.4	52.4	52.6	51.0
New vehicles (%)	100.0	100.0	100.0	100.0	100.0	100.0
Vehicle types (%)						
Car	3.6	3.5	4.2	5.0	4.7	3.3
CUV	59.0	59.0	60.4	60.2	61.2	61.4
SUV	9.7	9.7	9.4	9.9	10.1	12.4
Truck	27.7	27.8	26.0	24.9	24.1	22.9
Vehicle brand (%)						
Chevrolet	54.2	54.4	54.9	54.2	56.4	52.7
GMC	20.4	20.6	19.4	19.7	18.4	18.8
Cadillac	14.9	14.6	16.4	17.5	17.0	18.4
Buick	10.4	10.4	9.4	8.6	8.3	10.1
Top five by vehicle series (% of base residual)						
	Silverado=18.63	Silverado=18.64	Silverado=17.76	Silverado=16.97	Silverado=16.13	Silverado=15.00
	Equinox=10.40	Equinox=10.53	Equinox=14.76	Equinox =15.10	Equinox =14.15	Equinox=11.68
	Sierra=8.42	Sierra=8.45	Sierra=7.31	Traverse=6.68	Blazer=9.20	Blazer=8.68

Table 2

Collateral comparison(i) (cont.)

	GMALT					
	2024-1	2024-1 (if upsized)	2023-3	2023-2	2023-1	2022-3
	Traverse=6.94	Blazer=9.08	Traverse=7.09	Blazer=6.75	Traverse =6.89	Traverse=6.97
	Blazer=9.09	Traverse=7.03	Blazer=6.83	Sierra=6.44	Sierra=6.01	Sierra=6.11
Total	53.5	53.7	53.7	52.0	52.4	48.4
Weighted avg. original term (mos.)	35.6	35.6	36.2	36.5	36.9	37.4
Weighted avg. remaining term (mos.)	25.8	25.7	26.5	26.1	25.4	24.5
Weighted avg. seasoning (mos.)	9.8	9.9	9.7	10.4	11.5	12.9
Original lease term (%)						
Less than or equal to 36 mos.	70.4	70.5	65.4	64.9	62.9	58.7
37-48 mos.	29.6	29.5	34.6	35.1	37.1	41.3
Weighted avg. FICO score	781	781	780	780	778	777
Top three state concentrations (%)						
	MI=28.9	MI=28.9	MI=27.4	MI=27.9	MI=27.5	MI=24.7
	NY=14.2	NY=14.3	NY=15.6	NY=15.1	NY=16.3	NY=16.1
	FL=7.4	FL=7.5	FL=8.6	FL=9.3	OH=8.0	OH=8.0

(i)All percentages are expressed as a percentage of the initial aggregate securitization value unless otherwise specified. (ii)Not rated by S&P Global Ratings. GMALT--GM Financial Automobile Leasing Trust. MSRP--Manufacturer's suggested retail price. CUV--Crossover utility vehicle.

Macroeconomic And Auto Finance Sector Outlook

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. 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 revise our 2024 U.S. GDP forecast upward by 0.2 percentage points to 1.50%. However, this is down from 2023's forecasted GDP growth of 2.40% because the market's resiliency will be tested going forward, as real interest rates stay relatively high in 2024 and the lags of tightened monetary policy feed through the economy. Other reasons for caution include:

- Consumers are showing signs of strain due to increased debt loads, and, according to the

Federal Reserve Bank of New York/Equifax credit data, the ratio for seriously delinquent auto loans is already at its highest level outside of recessionary periods (driven primarily by the subprime segment, which is about one-seventh of the total outstanding auto loan balances); and

- Student-loan payments have resumed, which will put upward pressure on debt service ratios and could negatively affect consumer spending.

It is estimated that 24 million borrowers whose student loan payments were suspended at the onset of the COVID-19 pandemic resumed payments in October 2023 with an average payment of approximately $300 per month. According to TransUnion, approximately one-third of those consumers with student loan debt have taken on new auto loan debt during the COVID-19 pandemic. The added student debt payment will be burdensome for those consumers who are financially stressed, which could negatively affect auto loan ABS performance. We believe, based on past economic cycles, that consumers for whom the vehicle is essential for work will continue to prioritize their auto loan/lease payments before their other consumer and student loan payments.

Weaker economic growth will cause demand for labor to decrease further and the unemployment rate to rise in the next two years--to 4.60% in 2025 from 3.90% in October 2023 (see "Economic Outlook U.S. Q1 2024: Cooling Off But Not Breaking," published Nov. 28, 2023). We're already seeing unemployment benefit claims continue to rise above the 2019 average, suggesting it has become more difficult to find jobs for people when they're laid off, and employment in the temporary help services sector was down 6.00% year-over-year as of December 2023, a decline whose magnitude has in the past been a harbinger of a recession.

Table 3

U.S. economic factors

	Actual	Forecast			
	2022	2023	2024	2025	2026
Real GDP (% year-over-year growth)	2.1	2.4	1.5	1.4	1.8
Unemployment rate (% annual average)	3.6	3.7	4.3	4.6	4.5
Consumer Price Index (% annual average)	8.0	4.1	2.4	2.1	2.1

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 continue to normalize to historical levels.

S&P Global Ratings' Stressed Losses

We determined our stressed credit and residual losses for GMALT 2024-1 transaction by analyzing:

- The credit quality and collateral characteristics of the securitized pool of auto leases (see table 2);
- GM Financial's managed new lease portfolio performance (see table 4);
- GM Financial's origination static pool loss performance by various cross-segments;
- GMALT's securitization credit and residual performance;

- Comparisons of collateral pool characteristics and securitization performance to peers;
- Our consideration of the derivation of the transaction's base residual value;
- The residual maturity profile and diversification of residual risk exposure relative to our benchmark pool; and
- The relative accuracy of the ALG's residual value forecasts and used vehicle prices of the related vehicles in the securitized pool.

Managed portfolio

As of December 2023, GM Financial's total serviced lease portfolio had:

- 852,058 contracts outstanding totaling $28.29 billion (see table 4), representing a 6.70% decline in the portfolio outstanding from December 2022.
- Total delinquencies of 0.68% as a percentage of lease agreements outstanding, which is on par with total delinquencies in December 2022.
- Net credit losses of 0.06% as a percentage of the average lease assets outstanding, compared to 0.02% net credit losses for the year ending December 2022. Net losses remain low compared to pre-COVID-19 pandemic levels.
- A residual gain on returned vehicles equal to 26.86% of the vehicle's ALG-forecast base residual value, compared with 41.94% in December 2022.
- An increase in the return rate on vehicles scheduled to terminate to 10.28% from 2.34% in December 2022, which is still lower than pre-COVID-19 pandemic levels.

Table 4

Managed portfolio

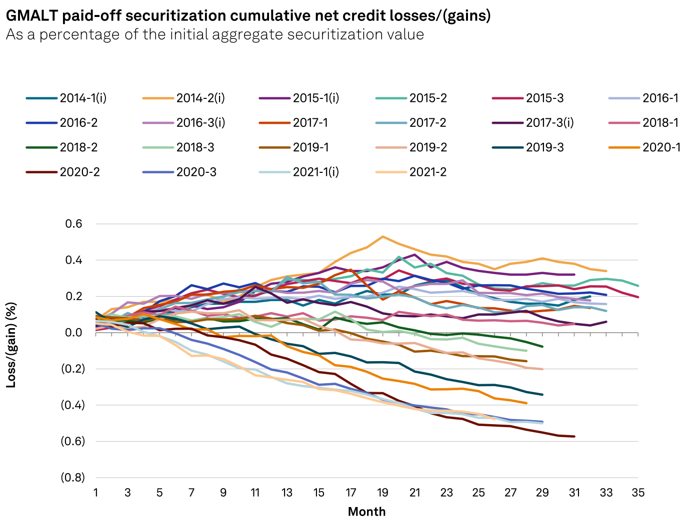
	Year ended Dec. 31					
	2023	2022	2021	2020	2019	2018
Lease contracts outstanding (mil. $)	28,288.50	30,318.76	36,842.05	40,240.80	43,106.15	44,995.57
Avg. amount of leases outstanding (mil. $)	29,155	33,097.35	39,438.50	41,262.96	44,100.38	45,091.84
No. of contracts outstanding	852,058	969,185	1,196,713	1,332,475	1,473,651	1,573,913
31-plus-day delinquencies (%)(i)	0.68	0.69	0.49	0.67	1.03	1.30
Repossessions (%)(i)	0.44	0.30	0.57	0.98	1.25	1.59
Annualized net credit losses (%)(ii)	0.06	0.02	0.04	0.22	0.32	0.27
Vehicles returned to GMF (%)(iii)	10.28	2.34	25.43	65.97	74.65	76.51
Total loss/(gain) on ALG residuals on vehicles returned to GMF and sold (%)(iv)	(26.86)	(41.94)	(32.77)	(12.76)	(7.61)	(13.09)

(i)As a percentage of the number of contracts outstanding. (ii)As a percentage of the average value of leases outstanding. (iii)As a percentage of the number of contracts scheduled to terminate. (iv)As a percentage of ALG's residual value of returned vehicles sold by GMF. GMF--GM Financial Co. Inc. ALG--Automotive Lease Guide.

Securitization Performance

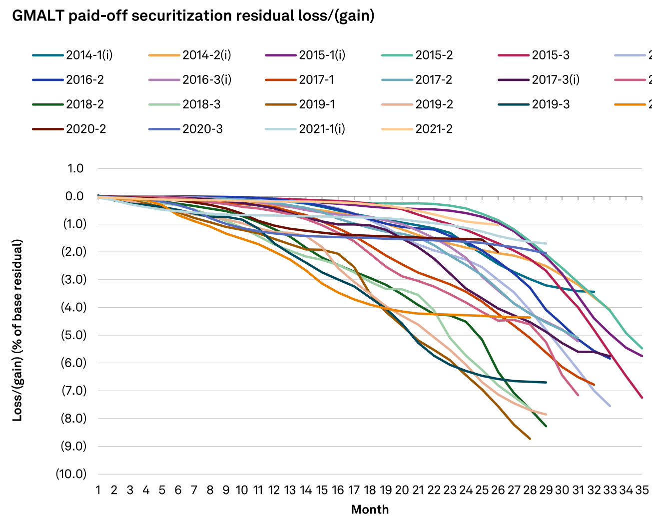
GM Financial's paid-off series 2014-1 through 2021-2 experienced cumulative net credit performance in the range of -0.57% (gains) to 0.53% (losses) as a percentage of the initial aggregate securitization value (see chart 1). The paid-off series have all experienced cumulative residual gains in the range of 2.00%-8.73% on vehicles returned and sold as a percentage of the initial base residual (see chart 2).

Chart 1



(i)Not rated by S&P Global Ratings. GMALT--GM Financial Automobile Leasing Trust.

Chart 2



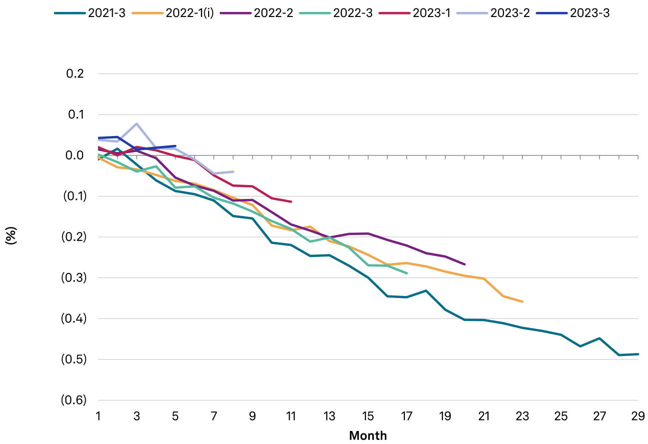
(i)Not rated by S&P Global Ratings. GMALT--GM Financial Automobile Leasing Trust.

The outstanding securitizations, series 2021-3 to 2023-2, are currently experiencing credit gains cumulatively as a percentage of the initial securitization value. Series 2023-3 is experiencing 0.02% net credit losses as a percentage of the initial securitization value. Additionally, all outstanding series are realizing residual gains because returned vehicles continue to maintain higher values than the initial forecasts (see charts 3 and 4). The cumulative residual gains are as a percentage of the transactions' initial base residual value.

S&P Global Ratings did not rate series 2014-1, 2014-2, 2015-1, 2016-3, 2017-3, 2021-1, and 2022-1.

Chart 3

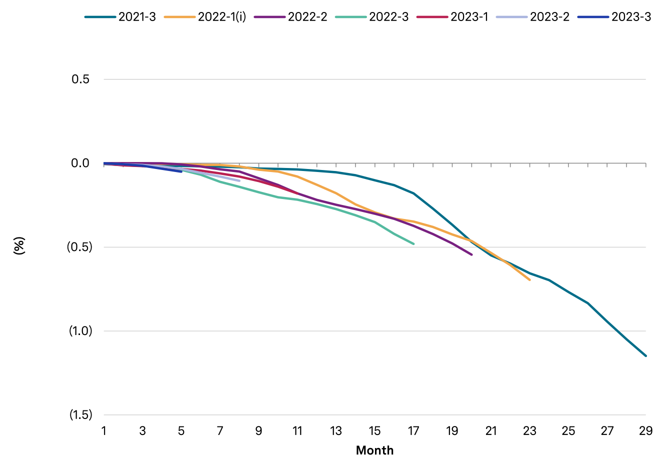
GMALT outstanding securitization cumulative net credit losses/(gains)
As a percentage of the initial aggregate securitization value



(i)Not rated by S&P Global Ratings. GMALT--GM Financial Automobile Leasing Trust.

Chart 4

GMALT outstanding securitization residual loss/(gain)



(i)Not rated by S&P Global Ratings. GMALT--GM Financial Automobile Leasing Trust.

On Sept. 6, 2022 and Oct. 16, 2023, we lowered our credit loss expectation for series 2021-3, and 2022-2, and 2022-3, respectively, due to the strong credit loss experience observed and affirmed our outstanding ratings (see "Twelve Ratings Affirmed On Two GM Financial Automobile Leasing Trust Transactions," published Sept. 6, 2022 and "Seven Ratings Raised, 13 Affirmed On Four GM Financial Automobile Leasing Trust Transactions," published Oct. 16, 2023; and table 5).

Table 5

Collateral performance (%)

As of the January 2024 distribution date

Series	Month	Pool factor	Current cumulative net credit loss/(gain)(i)	Original lifetime CNL exp.	Revised lifetime CNL exp.(ii)	Current cumulative residual loss/(gain)(iii)
2021-3	29	20.84	(0.49)	0.70	0.00	(1.15)
2022-1(iv)	23	38.35	(0.36)	N/A	N/A	(0.70)
2022-2	20	47.56	(0.27)	0.70	Up to 0.30	(0.55)
2022-3	17	54.52	(0.29)	0.70	Up to 0.35	(0.49)
2023-1	11	73.15	(0.11)	0.65	N/A	(0.18)
2023-2	8	81.38	(0.04)	0.65	N/A	(0.10)
2023-3	5	89.10	0.02	0.65	N/A	(0.05)

(i)Percentage of the initial aggregate securitization value. (ii)Revised in October 2023. (iii)Percentage of the initial aggregate base residual value. (iv)Not rated by S&P Global Ratings. CNL--Cumulative net loss. N/A--Not applicable.

We will continue to monitor each outstanding transaction's performance to determine if any rating action is deemed appropriate.

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S&P Global Ratings' Expected Credit And Residual Losses

Series 2024-1 credit loss

The obligor's credit profile determines the credit risk. To derive the base-case credit loss for GMALT 2024-1, we reviewed the static pool losses on GM Financial's lease portfolio originations segmented by credit profile (prime and nonprime), and by credit profile and lease term. We also reviewed the credit loss performance of prior GMALT securitizations. We considered the series 2024-1 pool's collateral credit quality; GM Financial's overall managed portfolio performance, collateral, and performance comparisons with peers; and our current macroeconomic outlook. Based on this information, we expect GMALT 2024-1's cumulative net credit loss will be 0.60% of the pool's securitization value.

Series 2024-1 residual loss

In our analysis of the series 2024-1 pool's base residual value, we considered:

- The stability of historical used vehicle values on the top vehicle make and models;
- The basis behind ALG's current forecast;
- The basis for the difference between the actual value and the forecasts;
- The base residual values of the top 12 vehicle models, which make up approximately 79.6% of the series 2024-1 pool's initial base residual value;
- GM Financial's near-term plans, if any, to discontinue or update the vehicle series in question;
- The lease maturity profile of the pool;
- Brand perception; and
- Our macroeconomic outlook.

Base haircut

We first applied initial rating-specific haircuts of 26.00%, 23.00%, and 17.67% to the GMALT 2024-1 pool's base residual value, commensurate with 'AAA', 'AA+', and 'A+' rating scenarios, as outlined in our global auto ABS criteria.

Excess concentration haircut

In addition to the base haircut, we applied a haircut to the amount of nondefaulted lease residuals that exceeded the concentration limits applicable to the benchmark pool (excess concentrations) as outlined in our global auto ABS criteria. The haircuts applied to excess concentrations are 13.00%, 11.50%, and 8.83%, commensurate with 'AAA', 'AA+', and 'A+' rating scenarios, respectively.

Based on our calculations, the total excess concentration for the GMALT 2024-1 pool is approximately 0.55% (0.52% if upsized) due to the pool's residual maturity distribution (see table 6).

The total excess concentration is multiplied by the relevant haircut to arrive at the additional haircut percentage for each rating category. This resulted in additional haircuts to the base residual value of approximately 0.07%, 0.06%, and 0.05% under our 'AAA', 'AA+', and 'A+' rating scenarios, respectively.

Table 6

Benchmark pool excess concentrations (%)(i)

	GMALT 2024-1	GMALT 2024-1 (if upsized)	Benchmark pool concentration limit	Excess concentration	Excess concentration (if upsized)
One-month maturity exceeding the benchmark					
April 2026	5.24	5.23	5.00	0.24	0.23
May 2026	5.16	5.15	5.00	0.16	0.15
June 2026	5.15	5.13	5.00	0.15	0.13
Individual models					
Silverado	18.63	18.64	20.00	--	--
Large/full-size ICE vehicles	34.99	35.02	40.00	--	--
Small/compact ICE cars	8.46	8.39	30.00	--	--
New models	0.55	0.52	10.00	--	--
Discontinued models	0.00	0.00	10.00	--	--
Plug-in hybrid/battery electric vehicles	0.59	0.56	10.00	--	--
Total excess concentration	--	--	--	0.55	0.52

(i)As a percentage of the initial aggregate base residual value. GMALT—GM Financial Automobile Leasing Trust. ICE--Internal combustion engine.

GMALT 2024-1 is diversified in terms of monthly residual maturities. In general, leases will mature monthly beginning in April 2024 (see charts 3 and 4). Residual maturities will exceed 5.00% in April 2026 through June 2026. The highest monthly maturity is 5.24%, which will occur in April 2026.

Chart 5

Base pool lease maturity profile

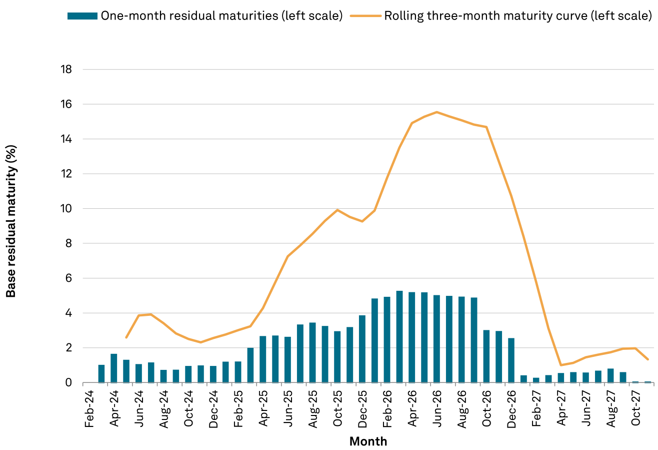
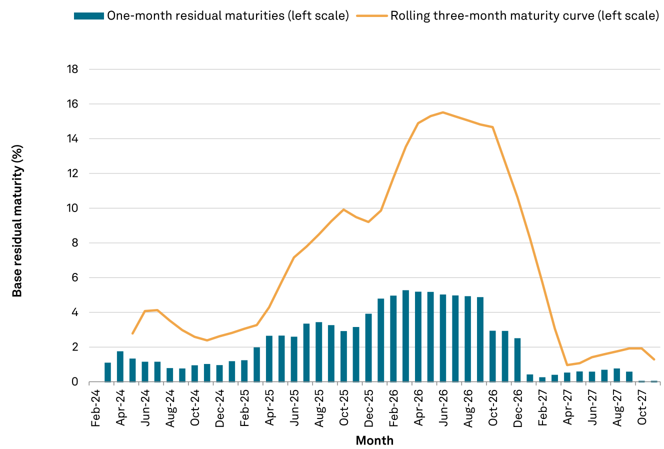


Chart 6

Upsized pool lease maturity profile



Speculative-grade manufacturer haircut

When determining the stress that applies to the adjusted base residual value, we take into account the auto manufacturer's creditworthiness. Our global auto ABS criteria apply haircuts to the base residual value of the vehicles produced by manufacturers with speculative-grade issuer credit ratings (i.e., 'BB+' or lower).

GM is the manufacturer of the leased vehicles backing GMALT 2024-1. The current long-term issuer credit rating on the company is 'BBB'. Based on this rating, we did not apply a speculative-grade manufacturer haircut to the series 2024-1 pool.

Low diversification haircut

For pools with low diversification, as described in our global auto ABS criteria, we will apply low diversification haircuts in addition to the previously mentioned haircuts. Our auto lease criteria describe the seven conditions for which, if met by the securitized lease pool, we would apply this type of haircut. These conditions are:

- More than 20.00% of the residuals mature in any single month;
- More than 50.00% of the residuals mature in any three-month period;
- The pool contains three or fewer individual models;
- The pool contains more than 75.00% of large and full-size ICE SUVs, trucks, and vans;
- The pool contains more than 75.00% of small and compact ICE cars;
- The pool contains more than 20.00% of new models; and
- The pool contains more than 20.00% of discontinued models.

The GMALT 2024-1 pool does not meet any of these seven conditions; therefore, we did not apply the low diversification haircut.

Total stressed residual losses

After analyzing the GMALT 2024-1 lease pool, applying the relevant residual value haircuts, and assessing stressed return rates of 100.00%, 97.50%, and 91.67% at the 'AAA', 'AA+', and 'A+' rating levels, respectively, we determined that our stressed residual loss is approximately 18.65%, 16.19%, and 11.83%.

Table 7

Stressed residual loss

	Scenario (preliminary rating)		
	AAA (sf)	AA+ (sf)	A+ (sf)
Residual haircut (% of undiscounted base residual)	26.00	23.00	17.67
Additional excess concentration haircut (%)	0.07	0.06	0.05
Total residual haircut (% of base residual value)	26.07	23.06	17.71
Total residual haircut (% of securitization value)	18.65	16.11	11.82

Legal Overview and Transaction Structure

Legal overview

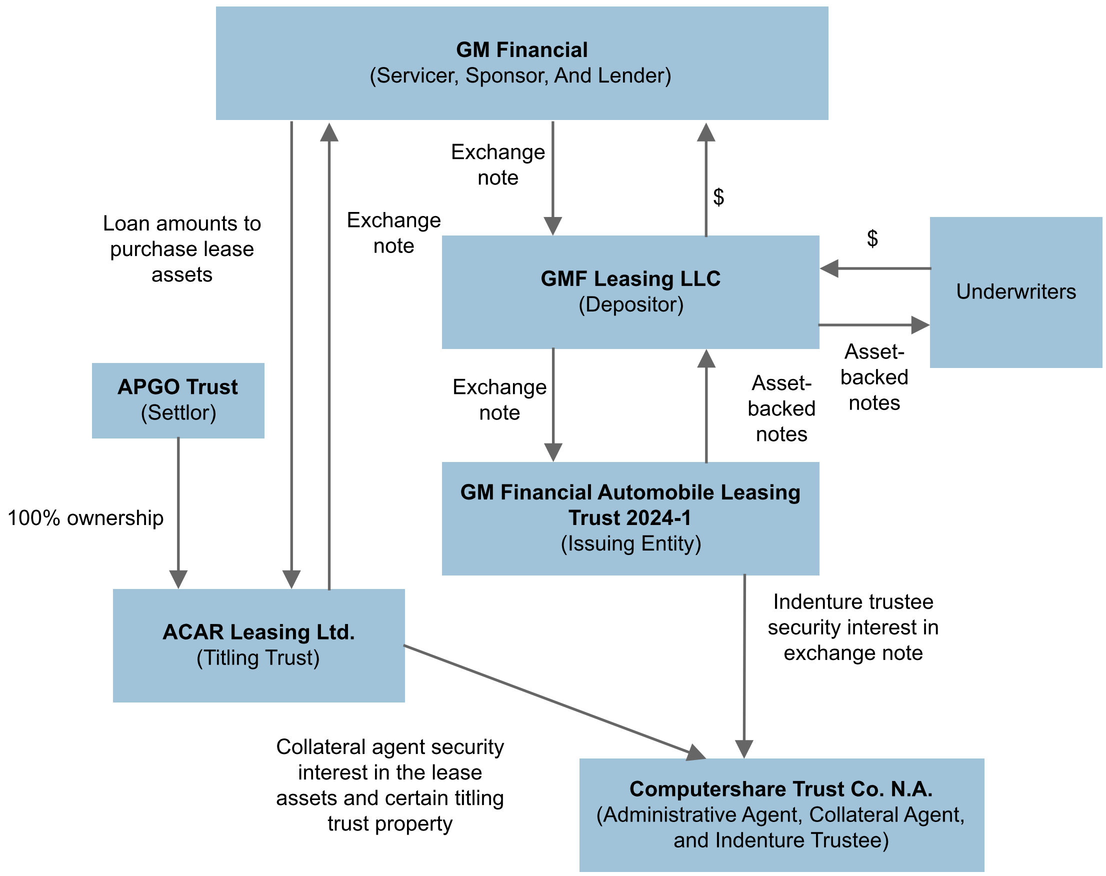
In rating this transaction, S&P Global Ratings will review the legal matters it believes are relevant to its analysis, as outlined in its criteria.

GM Financial makes loans to ACAR Leasing Ltd. (the titling trust), which allows the titling trust to purchase leases and leased vehicles from GM dealers. The leased vehicles are titled in the titling trust's name.

On the transaction's closing date, the titling trust will issue an exchange note (the series 2024-1 exchange note) to GM Financial that is secured by the series 2024-1 designated pool of leases and the related leased vehicles. GM Financial will sell the exchange note to GMF Leasing LLC, the depositor, in a true sale. The depositor will then transfer and assign the exchange note to GMALT 2024-1, a newly formed Delaware statutory trust and the issuing entity, in exchange for the asset-backed notes, which will represent the issuing entity's obligations (see chart 5). The issuing entity will pledge and assign the exchange note to the indenture trustee, which will hold a first-priority, perfected security interest in the exchange note for the series 2024-1 noteholders' benefit. GM Financial is the servicer for the leases and the related leased vehicles held by the titling trust and will continue to service them under GMALT 2024-1.

Chart 7

Transaction structure



Pension Benefit Guaranty Corp. (PBGC)

GM Financial uses a collateral agent, Computershare Trust Co. N.A., to hold a security interest in all newly originated leases and leased vehicles for GM Financial's and the exchange noteholders' benefit. The security interest in the leases is perfected by filings under the Uniform Commercial Code, and the security interest in the leased vehicles is perfected by a notation on each vehicle's certificate of title under state motor vehicle registration laws.

S&P Global Ratings expects to receive an opinion of counsel to the issuer, subject to customary assumptions and qualifications, to the effect that the collateral agent's security interest in the leases and leased vehicles would be before a lien in favor of PBGC and the notice of which, will be filed after the series 2024-1 notes are issued. A PBGC lien could be imposed against the assets of any member of the GM-controlled group in the event of unpaid minimum contributions to a defined benefit pension plan required by law or if an underfunded defined benefit pension plan terminates.

Transaction Overview

GMALT 2024-1 is GM Financial's first publicly placed auto lease term securitization this year, its 31st overall auto lease term transaction, and the 23rd GM Financial auto lease transaction we have rated.

The receivables backing the GMALT 2024-1 pool will consist of the monthly lease payments and base residual values (as defined in the Residual Value section) of a pool of lease contracts originated by General Motors Co. (GM) dealers. The leased vehicles will consist primarily of new GM-brand passenger cars, SUVs, crossover utility vehicles (CUVs), and light-duty trucks. As with prior GMALT securitizations, series 2024-1 includes nonamortizing subordination for the senior notes, a fully funded, nonamortizing reserve account, and overcollateralization that builds to target levels.

The issuing trust will issue four class A notes, as well as class B, C, and D notes. The class C and D notes will initially be retained by the depositor or an affiliate. The class A-2 notes may be split into two tranches: class A-2-A will be issued as fixed-rate notes, and class A-2-B will be issued as floating-rate notes. The principal allocation between the two tranches will be determined by the pricing date. However, the maximum class A-2-B size is not expected to exceed $229.70 (275.64 if upsized) million, which we modeled in our cash flow scenarios. The class A-2-B notes issued by GMALT 2024-1 will pay interest based on 30-day compounded average SOFR plus a fixed margin.

Payment Priority

On each payment date, the servicer is entitled to receive its fee of 1.00% per year for its performance during the previous collection period. In addition, on each payment date before the notes have been accelerated following an event of default, the indenture trustee will make distributions from available funds according to the payment priority shown in table 8. Principal will be paid sequentially on the notes.

Table 8

Payment waterfall (before acceleration following an event of default)

Priority	Payment
1	To any successor servicer, unpaid transition fees up to $200,000; to the indenture and owner trustees, fees, expenses, and indemnities up to $100,000 each, per year; and to the asset representations reviewer, up to $200,000 per year.
2	Interest on the class A notes, pari passu.
3	Principal on the class A notes, sequentially, until the class A note balance reaches parity with the aggregate securitization value as of the end of the previous collection period.
4	The remaining principal balance of any class A notes on their respective final scheduled distribution date.
5	Interest on the class B notes.
6	Principal on the class A and B notes until their combined note balance reaches parity with the aggregate securitization value as of the end of the previous collection period.
7	The remaining principal balance of the class B notes on their final scheduled distribution date.
8	Interest on the class C notes.
9	Principal on the class A, B, and C notes until their combined note balance reaches parity with the aggregate securitization value as of the end of the previous collection period.

Table 8

Payment waterfall (before acceleration following an event of default) (cont.)

Priority	Payment
10	The remaining principal balance of the class C notes on their final scheduled distribution date.
11	Interest on the class D notes.
12	Principal on the class A, B, C, and D notes until their combined note balance reaches parity with the aggregate securitization value as of the end of the previous collection period.
13	The remaining principal balance of the class D notes on their final scheduled distribution date.
14	The noteholders' principal distributable amount (the paydown of the pool over the current collection period), paid sequentially.
15	The reserve account, up to its required level.
16	Pay principal to achieve the target overcollateralization.
17	Any unpaid fees and expenses due to the successor servicer, indenture and owner trustees, and asset representations reviewer.
18	All remaining amounts to the certificateholder.

Class A--Class A-1, A-2-A/A-2-B, A-3, and A-4, collectively.

On each payment date after a monetary event of default occurs, after the acceleration of the notes following an event of default, or after the liquidation of the trust estate, the indenture trustee will distribute the available funds according to the payment priority shown in table 9.

Table 9

Payment waterfall (after acceleration following an event of default)

Priority	Payment
1	Any amounts due and owing to any successor servicer, the indenture and owner trustees, and the asset representations reviewer, without regard to any caps.
2	To the class A noteholders, the note interest amounts, pro rata.
3	To the class A-1 noteholders, the outstanding principal amount of the class A-1 notes until paid in full, and then, pro rata, to the class A-2, A-3, and A-4 noteholders, the outstanding principal amount of each class until paid in full.
4	To the class B noteholders, the note interest amounts.
5	To the class B noteholders, the outstanding principal amount of the class B notes until paid in full.
6	To the class C noteholders, the note interest amounts.
7	To the class C noteholders, the outstanding principal amount of the class C notes until paid in full.
8	To the class D noteholders, the note interest amounts.
9	To the class D noteholders, the outstanding principal amount of the class D notes until paid in full.
10	To the noteholders, any other amount due and owing under the program documents and not previously distributed.
11	All remaining amounts to the certificateholder.

Class A--Class A-1, A-2-A/A-2-B, A-3, and A-4, collectively.

Cash Flow Modeling Assumptions and Results

In our cash flow analysis, we tested GMALT 2024-1's proposed structure using cash flow scenarios to determine if the credit enhancement level was sufficient to pay timely interest and principal in full by the notes' legal final maturity dates under our stress scenarios.

Break-even analysis

We modeled the transaction to simulate a stress scenario commensurate with the assigned preliminary ratings. We assumed 100.00%, 97.50%, and 91.67% vehicle return rates on the nondefaulting leases at the 'AAA', 'AA+', and 'A+' rating levels, respectively, together with no prepayments. The results show that the preliminary rated notes are enhanced to the degree necessary to withstand a level of stressed credit and residual losses that is consistent with the assigned preliminary ratings (see table 10).

Table 10

Cash flow assumptions and results

	Class		
	A	B	C
Scenario (preliminary rating)	AAA (sf)	AA+ (sf)	A+ (sf)
Cumulative net loss (%)	0.60	0.60	0.60
Cumulative net loss timing (mos.)	12/24/36	12/24/36	12/24/36
Cumulative net loss (%)	40/80/100	40/80/100	40/80/100
Voluntary prepayments (%)	0.0	0.0	0.0
Recoveries (%)	50.0	50.0	50.0
Recovery lag (mos.)	4	4	4
Residual haircut			
Total residual haircut (% of the undiscounted base residual value)	26.07	23.06	17.71
Total residual haircut (% of the securitization value)	18.7	16.2	11.9
Total residual haircut (% of the MSRP)	13.8	12.2	9.4
Vehicle return rate (%)	100.00	97.50	91.67
Residual realization lag (mos.)	2	2	2
Result			
S&P Global Ratings' stressed credit and residual loss (% of the securitization value)	21.7	18.9	13.9
Approximate credit enhancement available based on S&P Global Ratings' credit stress and break-even residual stress (% of the securitization value)	23.6	19.6	16.0

MSRP--Manufacturer's suggested retail price. Class A--Class A-1, A-2-A/A-2-B, A-3, and A-4, collectively.

The class A-2 notes may consist of fixed-rate class A-2-A notes and floating-rate class A-2-B notes, which will accrue interest at a floating rate indexed to the 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 5.50%. We also modeled the maximum potential size of the class A-2-B note balance, or $229.70 ($275.64) million if upsized.

Sensitivity analysis

In addition to running stressed cash flows to analyze the amount of credit and residual losses the GMALT 2024-1 transaction can withstand, we ran a sensitivity analysis to determine how a moderate stress ('BBB') scenario, all else being equal, could affect the preliminary ratings on the notes (see charts 7).

In our view, the assigned preliminary ratings on the class A, B, and C notes are consistent with the credit stability limits specified by section A.4 of the Appendix contained in "S&P Global Ratings Definitions," published June 8, 2023. This indicates that we would not assign 'AAA' and 'AA+' ratings if, under moderate stress conditions, the ratings would be lowered by more than one category within the first year, and we would not assign an 'A+ (sf)' rating if we believe that the rating would be lowered by more than two rating categories in the first year.

Table 11

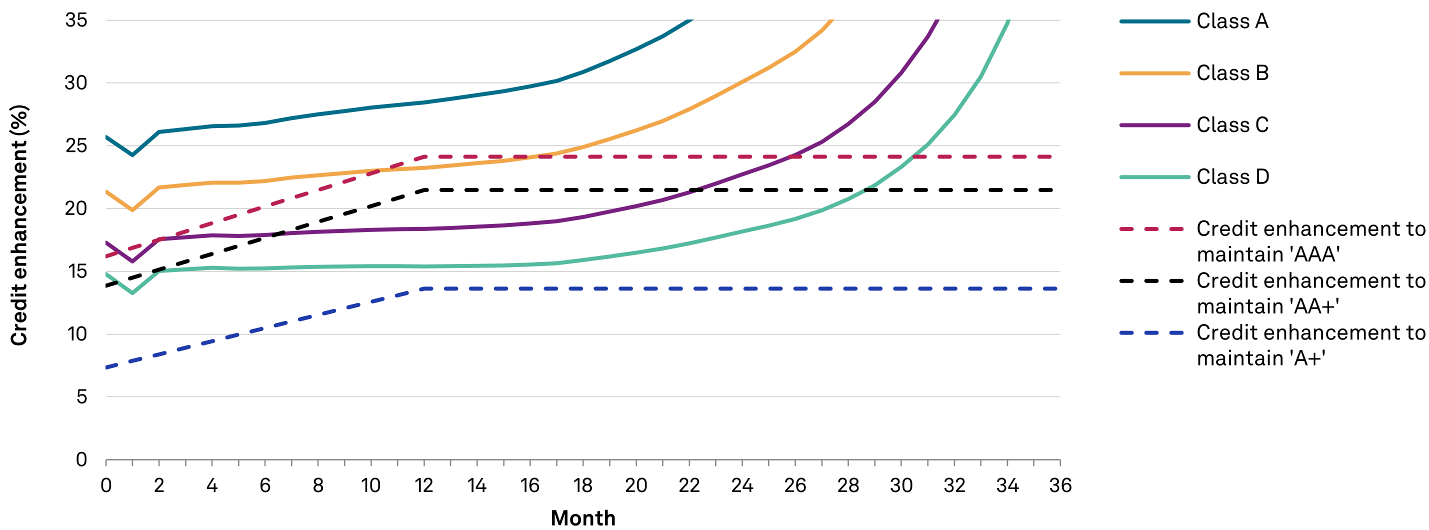
Credit stability as a limiting factor on ratings(i)

	Maximum projected deterioration associated with rating levels for one- and three-year horizons under moderate stress conditions				
Horizon	**AAA**	**AA**	**A**	**BBB**	**BB**
One year	AA	A	BB	B	CCC
Three years	BBB	BB	B	CCC	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 8

Sensitivity analysis



Money market tranche sizing

The proposed money market tranche (the class A-1 notes) has a legal final maturity date of Feb. 20, 2025. To test whether the money market tranche can be repaid before then, we ran cash flows using assumptions to delay the principal collections. In our cash flow run, we assumed zero defaults and a zero absolute prepayment speed on all leases. We also stressed the recognition of the monthly lease payments and base residual amounts by applying a one- and two-month lag, respectively. Based on our stressed cash flow runs, less than 11 months of collections would be sufficient to pay off the money market tranche.

Legal final maturity

To test the legal final maturity dates set for the longer-dated tranches (classes A-2 through C), we determined the date on which the respective notes were fully amortized in a zero-loss, zero-prepayment scenario and then added six months to the result. We also saw that the notes were paid off in our rating-specific stressed cash flow scenarios by their legal final maturity dates. For the longest-dated security, class D, we added seven months to the tenor of the pool's latest-maturing receivable to accommodate any lease term extensions and residual realization on the receivables. In each cash flow scenario, we saw that there was sufficient credit enhancement both to cover losses and to repay the related notes in full by their legal final maturity dates.

Counterparty And Operational Risks

On or before the closing date, the series' bank accounts will be established with Wells Fargo Bank N.A. (A+/Stable/A-1). 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).

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 accounts 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

GM Financial is a wholly owned subsidiary of General Motors Financial Co. Inc. (BBB/Stable/--), which is a wholly owned subsidiary of General Motors Holdings LLC, which is, in turn, a wholly owned subsidiary of GM (BBB/Stable/--). GM is a U.S. corporation that globally produces passenger cars, CUVs, SUVs, and heavy-, medium-, and light-duty trucks. GM Financial is a Delaware corporation formed on July 22, 1992. It is headquartered in Fort Worth, Texas.

GM Financial offers lease financing products for new GM vehicles through its regional credit centers and dealer relationship managers and has active dealer agreements with the vast majority of GM dealerships. The dealers originate leases that conform to GM Financial's credit policies, and GM Financial then purchases and services the leases and the associated leased vehicles, generally without recourse to the dealers.

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 | 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
- Criteria | Structured Finance | ABS: Assessing The Risk Of Pension Plan Terminations On U.S. Auto Lease Securitizations, Aug. 17, 2004

Related Research

- General Motors Co., Dec. 8, 2023
- Credit Conditions North America Q1 2024: A Cluster Of Stresses, Nov. 28, 2023
- Economic Outlook U.S. Q1 2024: Cooling Off But Not Breaking, Nov. 27, 2023
- Seven Ratings Raised, 13 Affirmed on Four GM Financial Automobile Leasing Trust Transactions, Oct. 16, 2023