



February 26, 2016

BY EMAIL

Kayla Roberts and Michelle Stasny
U.S. Securities and Exchange Commission
Division of Corporation Finance
100 F Street, NE
Washington, DC 20549-1090

**Re: EDGAR ABS XML Technical Specifications for Auto Loan and
Auto Lease ABS – Follow-up on File Size Limits and Reporting Period Dates**

Dear Kayla and Michelle:

On September 25, 2015, the Auto Issuer Committee of the Structured Finance Industry Group¹ (the “Auto Issuers”) submitted a letter (the “Technical Issues Letter”) to the U.S. Securities and Exchange Commission (the “SEC”) with a list of technical questions and requests for clarification, guidance or changes to the EDGAR ABS XML Technical Specifications and the related auto loan and auto lease asset-backed securities (“ABS”) schema (the “Schema”) for asset-level data XML files (an “Asset Data File”). The staff of the SEC (the “staff”) invited Auto Issuers and SFIG representatives to a call held on January 14, 2016, in which the staff provided information and guidance about the requests in the Technical Issues Letter, including the file size limits of Asset Data Files. Another call with the staff was held on February 16, 2016, in which the staff provided information about the reporting period beginning and ending dates required by auto loan data items 3(b)(1) and 3(b)(2) and auto lease data items 4(b)(1) and 4(b)(2). This letter provides follow up information relating to these two technical issues and follow up requests relating to the file size limits of Asset Data Files.

1. **File Size Limits.** During the January 14, 2016 telephone call, the staff explained that the size limit applies to Asset Data Files after the EDGAR system performs a process called “mining” which increases the file size by up to 33%. The staff has requested that EDGAR set the file size limit at 200 MB on the Asset Data File as submitted by the issuer before the mining

¹ The Structured Finance Industry Group (“SFIG”) is a member-based, trade industry advocacy group focused on improving and strengthening the broader structured finance and securitization market. SFIG provides an inclusive network for securitization professionals to collaborate and, as industry leaders, drive necessary changes, be advocates for the securitization community, share best practices and innovative ideas, and educate industry members through conferences and other programs. Members of SFIG represent all sectors of the securitization market including issuers, investors, financial intermediaries, law firms, accounting firms, technology firms, rating agencies, servicers, and trustees. Further information can be found at www.sfindustry.org.



process occurs. The staff further explained that if an Asset Data File would exceed the 200 MB size limit, the file should be split into smaller files and each Asset Data File should be filed on EDGAR under separate submission forms. In this case, explanatory narrative about the separate filings and any related information should be added to the cover of each Form ABS-EE.

The Auto Issuers have continued to examine the file size limits as applied to their securitization transactions and the process for multiple Asset Data Files and have determined that the 200 MB file size limit is impractical for issuers of ABS collateralized by pools of tens of thousands of assets such as auto loans or leases. If unchanged, the 200 MB file size would require issuers of auto ABS to file their asset-level data in two, three, or more Asset Data Files. To avoid disclosing asset-level data in multiple Asset Data Files, the Auto Issuers request further technical changes (1) to increase the file size limits and (2) to modify the data tags required in the Schema to reduce the size of the data tags (thereby significantly reducing the size of Asset Data Files as described below) or (3) to accept transmission of Asset Data Files in compressed format.

Ford Motor Credit Company LLC (“Ford Credit”) analyzed the file size of asset-level data disclosures for a hypothetical pool of auto loans under different scenarios, varying the factors that determine the size of an Asset-Data File. This analysis shows that (1) the overwhelming majority of an Asset Data File’s size—more than two-thirds—is comprised of the data tags required by the Schema and (2) that it is impossible for an Asset Data File for a typical auto loan or auto lease ABS transaction that has not been compressed to be below the 200 MB file size limit. In fact, as discussed below, the characters required for the data tagging alone will cause the Asset Data File to exceed the file size limit before taking into account any actual data reported in the file.

There are four variables that determine the size of an Asset Data File: (1) the number of assets reported on in the file; (2) the number of data items reported for each asset; (3) the number of characters used to make disclosure for each data item, including the characters in the data tags required by the Schema; and (4) whether the Asset Data File is compressed.

The first variable is the most significant in determining the size of an Asset Data File. In short, the more assets reported on in an Asset Data File, the larger its size. In recent years, the typical size of an auto loan ABS transaction has been approximately \$1.2 billion of securities with a pool size of about 63,000 assets. Since 2010, Ford Credit’s auto loan ABS transactions have ranged from approximately \$800 million to \$1.6 billion of securities and were collateralized by pools ranging from approximately 45,000 to nearly 100,000 assets. Prior to the financial crisis, auto loan ABS transactions of \$2-3 billion of securities were not uncommon for a number of auto loan ABS issuers with pool sizes of 150,000 to 200,000 assets. Ford Credit’s largest ABS



transaction since the implementation of Regulation AB was \$3.9 billion of offered notes with more than 338,000 assets in the securitized pool.²

The second variable that determines the size of an Asset Data File is already defined by Regulation AB with 72 data items required for auto loan ABS and 66 for auto lease ABS.

The third variable—the number of characters required to make the asset-level disclosures—is made up of the reported information or data required by the data item (e.g., a dollar amount, a number, a date or a name, etc.) and the “data tags” required by the Schema to report the data in XML format. The number of characters Auto Issuers expect to use for the actual data ranges from 1 to 30 characters for each data item, with most data items requiring 12 or fewer characters.³ The data tags for each data item required by the Schema for XML formatting, however, require more characters. A data tag consists of the name of the data item from Schedule AL immediately before and after the actual reported data, each enclosed in opening and closing brackets and the latter preceded by a forward slash.⁴ The data tags for each auto loan or lease data item range in size from 27 to 135 characters.⁵ This results in at least 3,935 bytes to tag the data to report a single auto loan or lease.

If an Asset Data File reported each data item for 63,000 auto loans, the file size generated by the related data item tags alone would be approximately 248 MBs.⁶ Taken together with the amount of data generated by the characters used to make actual asset-level disclosure, the total size of the Asset Data File for a typical 63,000 asset pool would approach 314 MBs, significantly above the file size limit. Note that while an Asset Data File for a typical auto loan ABS

² The relationship between the number of assets in an Asset Data File and that Asset Data File’s size is even more difficult in the case of ABS collateralized by a revolving pool of assets. A revolving auto loan ABS deal, for instance, with \$1 billion of offered securities would expect to add approximately 7,500 new assets to the issuing trust each month during the revolving period. In a registered, Regulation AB compliant transaction, that revolving period could last up to three years. This would result in up to 270,000 new assets added to an initial pool size of approximately 63,000 loans during the revolving period.

³ The Schema permit significantly more characters to be used in response to any data item than the Auto Issuers intend to use. For example, in order to limit the size of their Asset Data Files most Auto Issuers intend to use a small fraction of the maximum 100 characters that the Schema permit in response to Item 3(a)(1). The data savings created by electing to use fewer than the maximum allowable characters are substantial. Specifically, in an Asset Data File related to a typical auto ABS transaction with 63,000 securitized assets, the Auto Issuers anticipate saving 46 MBs, or roughly 15% of the total Asset Data File size, by using fewer than the maximum allowable characters to disclose the required data items.

⁴ For example, the data tag for Item 3(f)(5) of Schedule AL is 87 bytes and reads as follows: “<ReportingPeriodBeginningLoanBalanceAmount></ReportingPeriodBeginningLoanBalanceAmount>”.

⁵ Furthermore, the Schema for certain data items require “unlimited” reporting such that the related data tags could be repeated. For instance, Item 3(j)(1) of Schedule AL permits issuers to disclose multiple reasons for an asset being modified during the reporting period. If an asset’s APR, principal, and term were each modified during a reporting period, which is not unusual for auto loans, the data tag for that Item would be repeated, once for each type of modification. That repetition would result in 135 bytes of data to report the data tags alone.

⁶ Although a small number of data items may be omitted from an Asset Data File as not applicable to the loan or not applicable for the reporting period, Auto Issuers do not expect that this will reduce the file size significantly.



transaction would significantly exceed the file size limit, an Asset Data File for the largest auto loan ABS transaction sponsored by an Auto Issuer in the last two years, which was collateralized by approximately 105,000 assets, would be more than 2.5 times the 200 MB file size limit at approximately 524 MBs.

The fourth variable—whether the Asset Data File is compressed—deals with the format in which the Asset Data File is stored and transmitted. File compression is a process that electronically “packages” one or more files in a manner that uses less digital space (thereby reducing the overall number of bits and bytes) by minimizing redundancy in the subject file’s code. As a result, compressed files take up less disk space and can be transmitted significantly faster.⁷ For those reasons, compressed files are frequently used to upload large amounts of data to websites or to transmit large amounts of data by other electronic means (e.g., sending data as an email attachment).⁸ Ford Credit’s analysis revealed that the file size of an Asset Data File reporting each data item for a typical auto loan ABS transaction can be reduced to a fraction of its former size by compression. Specifically, a 314 MB Asset Data File for a typical auto ABS transaction with 63,000 securitized assets could be compressed to approximately 6 MBs, effectively rendering the file size limit moot. In other words, if the SEC accommodated the transmission of compressed Asset Data Files to EDGAR, the 200 MB file size limit would be workable for nearly all ABS issuers without any revisions to the auto ABS loan and lease Schema to shorten the data tags

Unless the file size limit is increased substantially or compressed Asset Data Files are accepted, an auto issuer disclosing a typical transaction’s asset-level data would have no option other than to file multiple Asset Data Files in order to comply with its obligation to provide asset-level data. In the case where two Asset Data Files are required, the issuer would have to divide the Asset Data File into two files, prepare two Form ABS-EEs attaching the Asset Data Files and asset-related document exhibits for each, process each filing through EDGAR, and pay filing fees for both submissions. This essentially doubles the time, complexity, opportunity for error, and cost. An investor wishing to use the asset-level data would likely have to spend additional time and resources to locate and download two data files from EDGAR and presumably recombine the data files to analyze the data.

To avoid this unnecessary burden and costs to auto ABS issuers and investors, we request that the file size limit be increased to at least 600 MB.⁹ In addition, we request that the SEC modify the auto ABS loan and lease Schema to shorten the data tags by using industry standard

⁷ The benefits of file compression accrue to all parties in the transfer of data: a compressed file can be uploaded or sent by issuers more quickly and can be downloaded or received by the SEC and investors more quickly.

⁸ While compressed files must be decompressed before use by the end user, the necessary software is standardized, inexpensive, and virtually ubiquitous.

⁹ The Auto Issuers have determined that a file size limit of 600 MB would accommodate disclosure of asset-level data with the existing data tags in a single Asset Data File for auto ABS transactions collateralized by pools of up to 120,000 assets.



and understandable abbreviations and shortened words.¹⁰ The Auto Issuer Committee would be pleased to work with the staff to develop abbreviated data tags.¹¹ Alternatively, we request that the SEC accommodate the transmission of compressed Asset Data Files by issuers to EDGAR.

2. **Reporting Period Beginning and Ending Dates.** One of the Auto Issuers recently performed a test filing of an Asset Data File and did not receive an error message about reporting period dates and was able to successfully upload the data file to EDGAR. Since this technical issue appears to be resolved, we do not require further clarification or guidance from the staff. The Auto Issuers intend to report their initial Asset Data Files as of the cutoff date for their auto loan and auto lease ABS as explained on the February 16, 2016 phone call with the staff.

Should you have any questions or desire any clarification concerning the matters addressed in this letter, please do not hesitate to contact me at Richard.Johns@sfindustry.org or 202-524-6301 or the co-Chair of our Auto Issuer Committee, Susan Thomas of Ford Credit at Sthoma87@ford.com or 313-594-9876.

Sincerely,

Richard Johns

Richard Johns, on behalf of the Auto Issuer Committee
Executive Director

¹⁰ This request is specific to the auto ABS loan and lease Schema and is inapplicable to the Schema for other asset classes (e.g., residential mortgage, commercial mortgages, debt securities, and securitizations).

¹¹ Many Auto Issuers have already begun programming and systems-related work to implement the data tags required in the Schema. To avoid delaying those efforts beyond the asset-level data effectiveness date, we are requesting that any modifications to the Schema to shorten the data tags be made as soon as possible.