

BY EMAIL AND DELIVERED

August 31, 2011

British Columbia Securities Commission
Alberta Securities Commission
Saskatchewan Financial Services Commission
Manitoba Securities Commission
Ontario Securities Commission
Autorité des marchés financiers
Nova Scotia Securities Commission
New Brunswick Securities Commission
Office of the Attorney General, Prince Edward Island
Securities Commission of Newfoundland and Labrador
Superintendent of Securities, Government of Yukon
Superintendent of Securities, Department of Justice, Government of the Northwest Territories
Superintendent of Securities, Legal Registries Division, Department of Justice, Government of Nunavut

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Email: consultation-en-cours@lautorite.qc.ca

Dear Sirs/Mesdames:

Re: Notice and Request for Comments on the Proposed Securitization Product Rules

CNH Capital America, LLC ("CNH Capital") appreciates the opportunity to submit this letter in response to the request of the Canadian Securities Administrators (the "CSA") for comments regarding proposed securities rules and rule amendments relating to securitized products (the "CSA Proposals").

CNH Capital, a non-bank captive finance company, is a large securitizer of equipment ABS, predominately backed by loans to farmers and our dealers for the purchase of agricultural and other equipment manufactured by our parent, CNH Global N.V., a NYSE listed company. Through our legacy companies, we began securitizing in 1992 and have issued over \$35 billion of ABS securities in the Canadian and U.S. public and private markets. CNH Capital was the first sponsor to utilize Canada's Business Development Bank's CSCF program. We have a strong presence in the

Canadian ABS market and a vested interest in supporting the growth, safety and efficiency of this market.

We have reviewed the comment letters submitted by the American Securitization Forum, dated August 31, 2011; the Canadian Finance & Leasing Association, dated August 31, 2011; and RBC Capital Markets, dated June 28, 2011. In lieu of repeating similar comments, we put forth our agreement with most remarks made in those letters, and provide these additional comments, which convey further observations particular to our company and our ABS program.

1. Need for Risk Retention

In the U.S., risk retention was proposed as a solution to the conceptual problem of conflict of interest inherent in the "originate to distribute" model utilized in the sub-prime residential mortgage market. This problem did not occur, nor is this model utilized, in other standard ABS asset types in the U.S. or Canada, such as auto ABS and equipment ABS. In the opening statements of the CSA Proposal, it states that...

"Securitized products share certain basic features that distinguish them from standard debt securities, including:

Originate-to-distribute model – Under this model, a loan originator (such as a bank) packages the loans into pools and sells them into special purpose off-balance sheet vehicles, thus no longer bearing the contractual risk of default. This model, which is fundamental to securitized products, is particularly prone to conflicts of interest, because the various parties in the securitization chain have different incentives. For example, originators are incentivized to maximize loan creation rather than to carefully screen borrowers, and arrangers are incentivized to maximize short-term underwriting and structuring revenue rather than mitigate product risk."

We disagree with this statement as it implies all "securitized products share" this model, which is not true. For example, CNH Capital does not utilize the "originate-to-distribute" model. As a captive, our goal is to help solidify the connection between our customers and our parent manufacturing company by offering customers financing for their equipment purchases. If we were incentivized to maximize loan creation rather than to carefully screen borrowers, we would incur more loan defaults and repossessions of our equipment. As this is income-producing equipment and vital to the borrower's operations, a repossession by CNH Capital would break the borrower's bond with our company, including our parent manufacturing company, and likely cause the borrower to purchase our competitor's equipment in the future. In order to maintain our long-term customer relationships (which, in many cases, last for generations), CNH Capital is very careful to lend only to borrowers that we firmly believe will repay us on time and in full. We do not have any misalignment of incentives with that of our ABS investors. Thus, we do not believe it is necessary or appropriate to require mandatory risk retention, and further believe that if such a requirement was implemented, the additional cost to issuers would be detrimental to fostering market efficiency.

2. Need for Loan-Level Data and Significant Obligor Disclosures

Many investors do not believe that loan-level data is necessary for all asset types, especially non-mortgage related assets. We believe that an appropriate guiding principle should be that "one size does not fit all". Loan-level data is particularly troubling for issuers like CNH who originate large-ticket items with a relatively small number of obligors within a specific pool or small number of dealers within a floorplan ABS transaction. It would not be difficult to determine the specific

borrower if loan-level information is publically provided. In addition, our loan terms with our borrowers (who are businesses and not consumers) are highly negotiated and strictly confidential in order to prevent our competitors from determining our proprietary pricing strategy. Even if specific borrowers could not be identified, disclosure of our pricing strategy would likely prohibit us from utilizing the ABS market, which has been a preferred funding source of credit for many years.

The disclosure of "significant obligors" within a pool also causes many of the same concerns. Investors, including Canada's Business Development Bank, have gotten comfortable with assuming this risk through the use of additional credit enhancement for any obligor concentrations over specified limits. This has proven to be a satisfactory solution in lieu of obligor disclosure. We do not believe that any additional data is necessary on significant obligors.

3. Private Placements

CNH Capital has utilized the private placement ABS market in Canada, and we do not believe that disclosure requirements should extend to this market. One of our primary reasons for utilizing private placements is the need to limit certain information that we cannot make available to the public for a variety of reasons. Our sophisticated, private placement investors have demonstrated their ability to understand, and be compensated for, the various risks of these transactions. We believe this market in Canada has performed well, and no changes are necessary.

4. Investor Review Time

From an issuer's standpoint, a longer investor review time leads to additional risk exposure to changes in interest rates during the extended marketing period. As we have not heard any concerns from investors on this point, we do not believe any changes should be made.

5. Disclosure of Significant Events

While CNH Capital believes that no changes are necessary, if serious consideration is being given to the proposal, we would urge you to take into account any cure periods offered under the ABS documentation prior to any disclosure requirements.

CNH Capital supports the efforts of the CSA to focus on particular features of the Canadian securitization markets, to foster market efficiency, and not unduly restrict investor access to securitized products. The Canadian market is very different from the U.S. ABS market, and we appreciate the recognition that the CSA has given to this important distinction.

Sincerely,

CNH Capital America LLC



Steven C. Bierman
Chairman and President