

Asset-Backed Securities

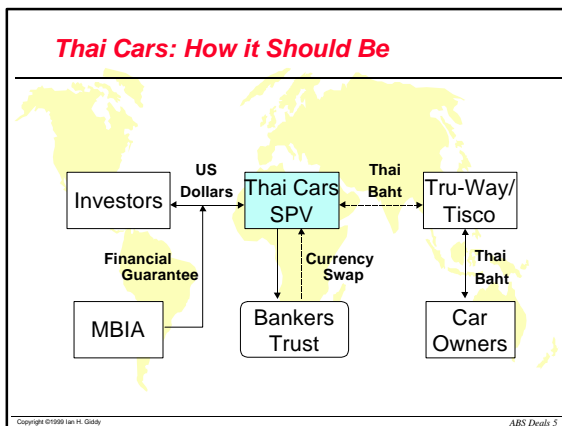
Thai Cars

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**Auto Hire-Purchase Securitization:
Thai Cars**

- Tru-way and Tisco are Thai finance companies with car and truck HP receivables and leases
- Thailand has code law system, with no provision for SPV
- Thai Value-Added Tax on sale of assets and withholding tax on interest made conventional ABS difficult
- Investors wanted dollars, not baht.

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Thai Cars

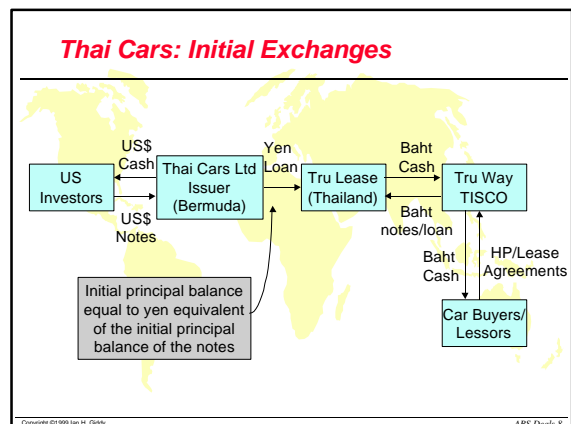
- How was the transfer of assets and funds structured?
- Where is the SPV, and what are its assets and liabilities?
- Show how the swaps worked.

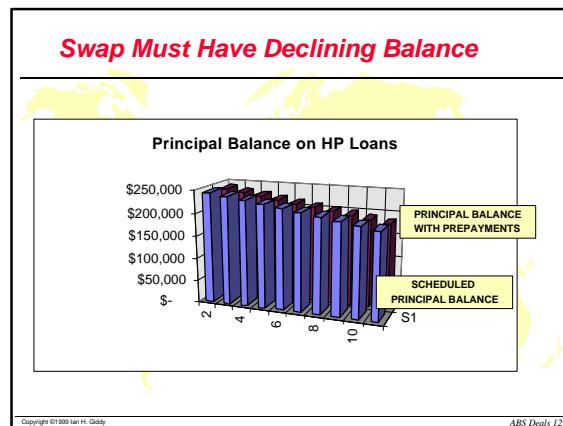
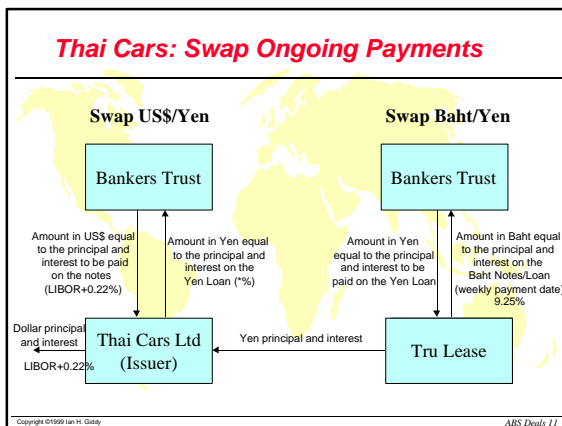
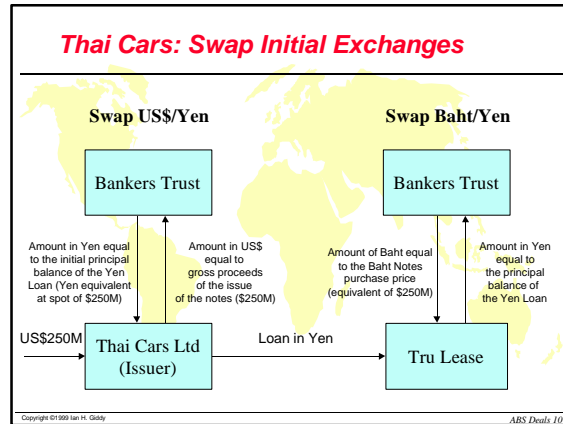
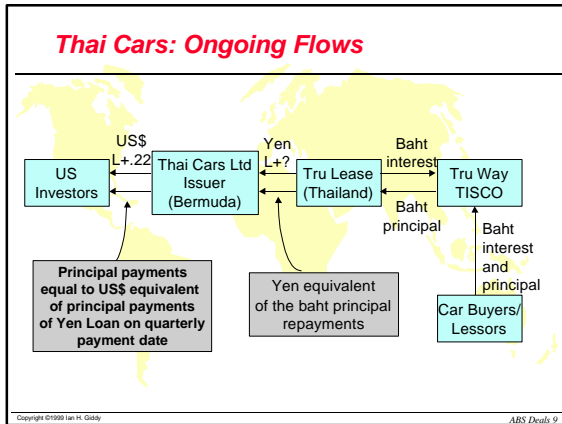
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**Thai Cars: A "Secured Loan,"
Not True Securitization**

- The assets, the hire purchase loans and leases, remained in the possession of Tru Way and TISCO.
- These Thai baht assets were assigned to Tru Lease, another Thai company, which made a loan to Tru Way/Tisco
- Tru Lease sold the rights to the cash receipts to Thai Cars Limited, a special-purpose Bermuda company
- Thai Cars paid for these rights in Japanese yen, and issued floating-rate notes denominated in US dollars.

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- ### New Thai Law Facilitates Securitization
- Special purpose vehicles authorized
 - Bankruptcy remoteness
 - Transfers of claims without notification
 - Usury ceiling waived
 - Securities and Exchange Commission to supervise
 - Tax and accounting issues to be resolved
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