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The MH market has underperformed the market for site-built homes over the past few years.

Recent Credit Trends in Manufactured Housing

Spurred by low unemployment, strong GDP growth and a favorable interest rate environment, the housing market in the United States has grown strongly in the past several years. Sales of existing homes, for example, increased by 29% between 1995 and 2000, while new housing starts increased by 18% during the same period.⁶ The manufactured housing (MH) sector, meanwhile, has been in a steep downturn. Over the first ten months of 2000, shipments of new MH units declined by 26% compared to the same period of 1999, and by 35% compared to the first ten months of 1998. The level of shipments last year was the lowest since 1992.⁷

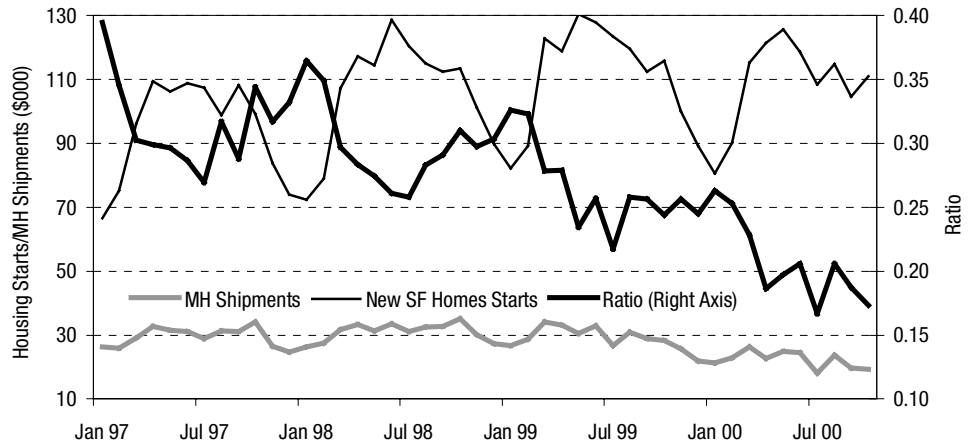
A comparison of the markets for site-built and manufactured homes is provided in Figure 25. After reaching nearly 40% of the level of new housing starts at the beginning of 1997, MH fell to only 17% of that level at the end of 2000. In parallel with weaker volume growths, the price growth of new MH units has also been weaker than for site-built homes. For example, prices on new single-wide and double-wide units increased at the annual rates of 4% and 3%, respectively, between

⁶ Sources: US Census Bureau, Freddie Mac and National Association of Realtors.

⁷ Source: The Manufactured Housing Institute.

1996 and 1999,⁸ while the average sales price on new site-built homes rose by more than 6% per year during this period.

Figure 25. Starts of Single-Family Homes and MH Shipments, Jan 97–Oct 00

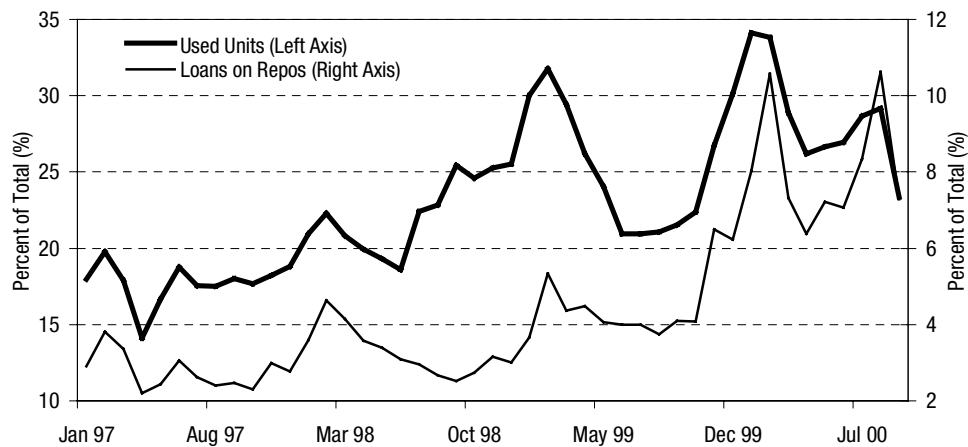


Source: Salomon Smith Barney.

Loans for used and repossessed units have increased as a fraction of all loans.

The decline in *sales* of all MH units has been less precipitous than the decline in *new unit shipments*. For example, during the first ten months of 2000, overall sales declined by 18% relative to 1999, significantly less than the drop in shipments. The dealers' inventory that has been making up the difference has largely consisted of used MH units, many of which were repossessions from previously defaulted loans. This situation is illustrated in Figure 26, which shows the loans for used and repossessed units as a fraction of total originations. The data are for Conseco, which is the largest MH issuer. We expect that the trends are representative of the MH industry. Since the beginning of 1997, the fraction of used units has grown by more than 50%, while the fraction of repossessed units has nearly tripled.

Figure 26. Loans for Used and Repossessed Units as a Fraction of All Originations, Jan 97–Oct 00



Source: Salomon Smith Barney.

⁸ 1999 is the last year for which the data are available.

Collateral Characteristics

Implications for credit risk of recent collateral trends are mixed.

The increasing proportion of loans for used and repossessed units in recent MH pools may be expected to lead to an increase in credit risk. Other collateral trends are important, however, and some of them have a mitigating effect. Figure 27 shows several key loan characteristics and the prepayment history for all deals backed by fixed-rate MH collateral and originated by Conseco/Green Tree, GreenPoint and Vanderbilt since 1996. Figure 28 provides the corresponding information for deals backed by floating-rate collateral (Conseco does not originate floating-rate loans).

Figure 27. MH Fixed-Rate Collateral and Prepayments

Deal	Issue Date	Original Amount (\$MM)	Original		Loan Age at Deal Issue	Original Avg Loan Bal (\$K)	Original Avg LTV	Original % Park	Original % Double		Original % New	Original (%MHP)		
			WAM	WAC					Wide			12mo.	3mo.	1mo.
GT 1996-1	31 Jan 96	395.2	288	9.77	1	34 ^a	87 ^b	26	70	84	147	142	124	
GT 1996-2	21 Mar 96	463.0	270	9.84	1	29 ^a	89 ^b	33	60	80	148	131	120	
GT 1996-3	22 Apr 96	370.3	272	10.00	1	29 ^a	89 ^b	35	57	78	152	111	80	
GT 1996-4	30 May 96	474.7	280	10.00	0	30 ^a	89 ^b	32	61	81	150	129	165	
GT 1996-5	27 Jun 96	517.6	288	10.00	0	31 ^a	88 ^b	32	62	81	141	126	107	
GT 1996-6	31 Jul 96	472.3	292	10.30	0	33 ^a	89 ^b	31	64	82	158	152	150	
GT 1996-7	29 Aug 96	477.5	292	10.40	0	32 ^a	88 ^b	32	63	82	155	142	117	
GT 1996-8	30 Sep 96	600.1	277	10.40	0	33 ^a	88 ^b	31	64	81	158	135	173	
GT 1996-9	7 Nov 96	444.6	291	10.47	1	32 ^a	88 ^b	34	62	79	157	145	134	
GT 1996-10	31 Dec 96	795.1	301	10.17	1	34 ^a	87 ^b	28	68	82	162	149	147	
GT 1997-1	26 Feb 97	496.5	293	10.32	1	32 ^a	88 ^b	33	62	78	169	148	130	
GT 1997-2	31 Mar 97	547.9	297	10.14	1	33 ^a	88 ^b	31	63	81	158	138	122	
GT 1997-3	29 May 97	794.5	292	10.16	1	32 ^a	88 ^b	34	61	78	153	131	140	
GT 1997-4	30 Jun 97	517.9	297	9.99	1	34 ^a	87 ^b	31	64	79	156	131	127	
GT 1997-5	31 Jul 97	547.2	293	9.95	1	35 ^a	89 ^b	31	65	70	149	110	97	
GT 1997-6	30 Sep 97	1043.8	300	9.81	1	37 ^a	88 ^b	29	66	77	142	120	116	
GT 1997-7	30 Oct 97	544.8	299	9.82	0	36 ^a	88 ^b	31	67	75	145	126	121	
GT 1997-8	19 Dec 97	844.0	308	9.59	1	39 ^a	87 ^b	28	71	80	137	123	112	
GT 1998-1	30 Jan 98	450.0	299	9.54	1	36 ^a	88 ^b	32	67	76	147	119	101	
GT 1998-2	18 Mar 98	750.0	299	9.62	1	33 ^a	88 ^b	34	64	74	153	137	133	
GT 1998-3	28 Apr 98	500.0	305	9.47	1	36 ^a	88 ^b	34	66	76	139	114	107	
GT 1998-4	28 May 98	500.0	309	9.30	0	36 ^a	88 ^b	34	66	75	130	106	83	
GT 1998-5	25 Jun 98	356.4	317	9.06	0	43 ^a	87 ^b	24	75	81	122	106	85	
GT 1998-6	13 Aug 98	792.6	303	9.55	1	37 ^a	88 ^b	35	66	75	137	124	123	
GT 1998-7	30 Sep 98	850.0	316	9.04	2	40 ^a	88 ^b	29	70	78	124	111	93	
GT 1998-8	3 Dec 98	1335.2	311	9.13	2	40 ^a	88 ^b	31	71	78	117	107	82	
GT 1999-1	11 Feb 99	696.5	311	9.15	2	41 ^a	88 ^b	31	70	72	122	120	97	
GT 1999-2	31 Mar 99	1100.0	303	9.52	3	38 ^a	88 ^b	29	68	74	119	106	105	
GT 1999-3	27 May 99	795.6	312	9.41	3	41 ^a	88 ^b	29	70	76	102	95	89	
GT 1999-4	30 Jun 99	1000.0	316	9.58	1	40 ^a	89 ^b	34	67	75	110	116	89	
GT 1999-5	15 Sep 99	2000.0	314	10.32	1	40 ^a	89 ^b	35 ^a	67 ^a	69 ^a	120	125	117	
CNF 1999-6	30 Nov 99	830.0	337	9.59	0	42 ^a	88 ^b	29	71	77	NA	119	126	
CNF 2000-1	8 Feb 00	900.0	330	10.21	4	41 ^a	88 ^b	27	70	72	147	119	119	
CNF 2000-2	30 May 00	750.0	309	11.69	6	37 ^a	89 ^b	30	67	65	137	107	114	
CNF 2000-3	30 Jun 00	1000.0	304	11.10	9	42 ^a	88 ^b	23	73	90	NA	NA	NA	
CNF 2000-4	11 Aug 00	1250.0	324	11.71	3	43 ^a	88 ^b	31	71	67	141	280	116	
CNF 2000-5	5 Oct 00	750.0	323	11.86	3	41 ^a	88 ^b	27	73	76	NA	NA	NA	
CNF 2000-6	28 Dec 00	447.2	327	12.48	1	42 ^a	89 ^b	30	74	70	NA	NA	NA	

Figure 27. MH Fixed-Rate Collateral and Prepayments (Continued)

Deal	Issue Date	Original Amount (\$MM)	Original WAM	Original WAC	Loan Age at Deal Issue	Original Avg Loan Bal (\$K)	Original Avg LTV	Original % Park	Original % Double Wide	Original % New	(%MHP)		
											12mo.	3mo.	1mo.
VMF 1996-A	1 Apr 96	174.3	176	11.20	NA	27 ^a	86	NA	48	74	200	152	168
VMF 1996-B	1 Jul 96	137.9	184	10.98	NA	29 ^a	86	NA	NA	81	158	160	93
VMF 1996-C	24 Oct 96	124.2	184	11.51	NA	29 ^a	86	NA	NA	77	172	174	149
VMF 1997-A	6 Feb 97	115.4	186	11.44	2	29	88	NA	NA	72	173	160	147
VMF 1997-B	28 May 97	194.2	217	11.02	4	31	89	NA	NA	72	198	NA	NA
VMF 1997-C	29 Aug 97	143.8	201	11.35	4	30	89	NA	NA	72	183	182	149
VMF 1997-D	1 Dec 97	169.2	197	11.17	6	28	87	NA	NA	65	183	200	196
VMF 1998-A	5 Mar 98	151.8	184	11.17	16	26	86	NA	NA	61	212	214	280
VMF 1998-B	27 May 98	155.7	213	10.84	2	32	84	NA	NA	45	193	187	177
VMF 1998-C	27 Aug 98	162.7	231	10.63	1	34	85	NA	NA	65	182	188	190
VMF 1998-D	1 Nov 98	204.3	236	10.42	4	35	85	NA	NA	73	173	180	233
VMF 1999-A	26 Feb 99	187.8	234	10.27	5	35	85	NA	NA	67	193	188	210
VMF 1999-B	27 May 99	413.3	242	10.45	16	31	87	NA	NA	80	192	187	200
VMF 1999-D	30 Nov 99	154.9	238	10.45	2	35	85	NA	NA	59	187	219	204
VMF 2000-A	29 Feb 00	182.7	233	10.94	6	34	86	21	70	58	192	202	196
VMF 2000-B	31 May 00	285.9	231	11.35	NA	33	86	27	66	65	175	178	175
VMF 2000-C	29 Aug 00	233.6	NA	11.22	NA	39	85	38	49	74	211	218	220
VMF 2000-D	1 Nov 00	278.3	NA	11.59	NA	39	85	17	82	77	NA	NA	NA
GPMH 1998-1	1 Nov 98	478.0	297	9.54	4	32 ^a	85 ^a	26	62	NA	139	153	180
GPMH 1999-1	1 Feb 99	631.7	308	9.42	2	34 ^a	85 ^a	24	63	NA	145	134	134
GPMH 1999-3	27 May 99	712.4	310	9.74	2	33 ^a	86 ^a	27	60	NA	142	147	139
GPMH 1999-5	1 Nov 99	540.0	307	11.20	1	30 ^a	87 ^a	36	56	NA	152	172	176
GPMH 2000-1	16 Mar 00	340.0	325	10.28	3	40 ^a	87 ^a	22	75	NA	113	128	128
GPMH 2000-3	1 May 00	438.5	279	11.55	10	29 ^a	72 ^a	23	70	NA	118	126	113
GPMH 2000-4	28 Sep 00	305.0	293	11.26	3	36 ^a	86 ^a	23	73	NA	NA	118	105
GPMH 2000-6	15 Dec 00	190.0	297	11.19	3	38 ^a	85 ^a	21	79	NA	NA	NA	146

^aCurrent collateral, including amortization. ^bCurrent collateral, no amortization.

Source: Salomon Smith Barney.

Figure 28. MH Floating-Rate Collateral and Prepayments

Deal	Issue Date	Original Amount (\$MM)	Original WAM	Original WAC	Loan Age at Deal Issue	Original Avg Loan Bal (\$K)	Original Avg LTV	Original % Park	Original % Double Wide	Original % New	(%MHP)		
											12mo.	3mo.	1mo.
VMF 1997-A	6 Feb 97	77.8	201	9.88	6	31	88	NA	NA	83	173	160	147
VMF 1997-B	28 May 97	106.9	184	10.32	2	30	88	NA	NA	74	198	NA	NA
VMF 1997-C	29 Aug 97	83.2	193	10.82	1	33	88	NA	NA	80	183	182	149
VMF 1997-D	1 Dec 97	62.3	192	10.83	2	32	87	NA	NA	76	183	200	196
VMF 1998-A	5 Mar 98	68.3	198	10.83	4	32	87	NA	NA	78	212	214	280
VMF 1998-B	27 May 98	64.9	202	10.49	1	32	87	NA	NA	72	193	187	177
VMF 1998-C	27 Aug 98	81.5	213	10.27	0	35	87	NA	NA	77	182	188	190
VMF 1998-D	1 Nov 98	83.5	219	10.14	1	36	86	NA	NA	79	173	180	233
VMF 1999-A	26 Feb 99	93.1	223	10.34	1	37	86	NA	NA	77	193	188	210
VMF 1999-B	27 May 99	105.6	217	10.72	1	36	NA	NA	NA	73	192	187	200
VMF 1999-D	30 Nov 99	132.3	238	10.18	1	40	86	NA	NA	81	187	219	204
VMF 2000-A	29 Feb 00	88.5	264	10.10	1	48	86	NA	NA	94	192	202	196
VMF 2000-B	31 May 00	59.6	NA	10.01	NA	46	85	NA	NA	98	175	178	175
VMF 2000-C	29 Aug 00	30.9	NA	9.61	NA	48	85	NA	67	98	211	218	220
GPMH 1998-1	1 Nov 98	249.7	318	8.32	4	37 ^a	86 ^a	30	68	NA	NA	252	209
GPMH 1999-2	18 Mar 99	189.6	323	8.64	4	40 ^a	86 ^a	28	71	NA	231	249	190
GPMH 1999-3	27 May 99	97.7	325	9.38	2	39 ^a	88 ^a	32	67	NA	NA	318	308
GPMH 1999-4	29 Sep 99	100.0	322	9.84	2	38 ^a	88 ^a	34	68	NA	253	251	271
GPMH 1999-6	16 Dec 99	140.0	325	9.74	2	38 ^a	88 ^a	32	68	NA	221	332	245
GPMH 2000-2	23 Mar 00	250.1	327	9.64	2	39 ^a	88 ^a	28	68	NA	135	196	229
GPMH 2000-3	1 May 00	280.7	313	9.74	1	38 ^a	89 ^a	29	69	NA	NA	132	164
GPMH 2000-5	27 Sep 00	375.0	302	9.92	3	41 ^a	87 ^a	24	77	NA	NA	131	115
GPMH 2000-7	21 Dec 00	260.0	308	9.68	3	45 ^a	87 ^a	20	82	NA	NA	NA	122

^aCurrent collateral, including amortization.

Source: Salomon Smith Barney.

Although the loan profiles differ between the issuers, several collateral trends are shared among them. These include the following:

- ▶ **Steady or gradually declining original LTV.** Conseco MH originations show very stable original LTVs since 1996, at about 88%. The original LTVs of GreenPoint and Vanderbilt MH loans, meanwhile, appear to have declined by 1%-2% in 2000. This decline is likely the result of a deliberate attempt to strengthen the underwriting policies and improve the credit performance of the collateral. It is consistent with the steady increase in the WACs that we discuss below. Since LTV is one of the key determinants of defaults,⁹ the recent trends at all of the three issuers provide reassurance on the credit outlook.
- ▶ **Increasing loan balances.** Average original loan balances have increased steadily over the period shown for all of the issuers for both fixed- and floating-rate collateral. In many cases, the growth has exceeded the inflation rate for MH units. For example, the average balance for Vanderbilt fixed-rate loans increased by 7% per year between 1997 and 2000 while the increase for floating-rate loans was 15% per year. Both are significantly higher than the average price increase for new MH units. **Combined with a steady LTV, higher average balances imply wealthier borrowers, better MH units and lower loss severities — all positives for credit performance.**
- ▶ **Fewer MH park units, more double-wides.** Units in MH parks default at 60% higher rates than units on private land, while double-wide units default at 30% lower rates than single-wide units.¹⁰ The decline in the fraction of park units and the increase of double-wides are clearly positive for credit performance.
- ▶ **Increasing spread between the WACs on fixed-rate loans and the conforming rates.** The WACs on fixed-rate deals increased throughout 2000, even as the conforming mortgage rates were declining. The spread between the standard MH rate¹¹ and the conforming rate, for example, increased by about 90bp between January and September 2000. The widening of spreads between the WACs and the conforming rate often implies a weakening of borrower credit. In this case, however, a direct review of credit variables suggests that **the spread is increasing as a result of more conservative pricing of risk.** While carrying only a limited impact on the default likelihood of the loans, the increasing spread is a positive development for the financial health of the industry.

For some issuers the FICO scores declined, but borrowers' incomes increased and debt-to-income ratios improved.

In addition to loan characteristics, **borrower credit characteristics** play a key role in credit performance. Since we do not have the full information for all three issuers, we review the origination data for Conseco. Figure 29 shows the FICO scores and borrower monthly income (in 1998 constant dollars) as a function of loan origination time. After increasing slightly between 1996 and 1998, **the average FICO started deteriorating in 1998, and declined by 15 points between 1998 and 2000.**

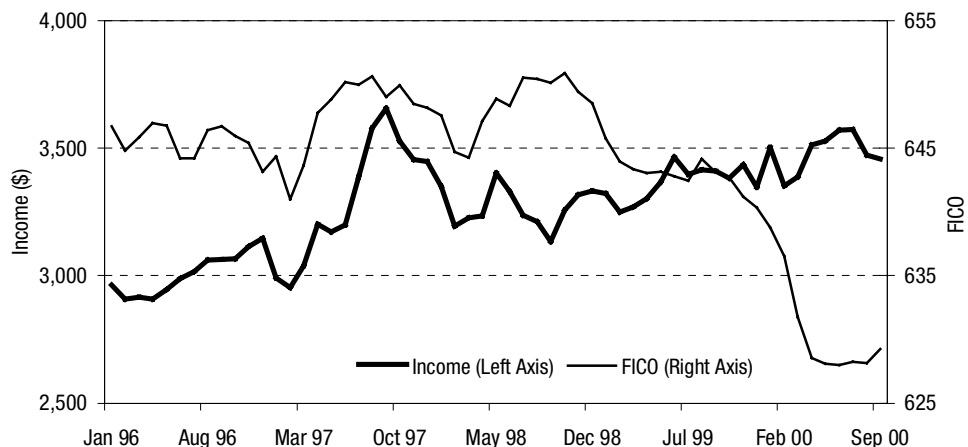
⁹ See *Prepayments on Green Tree MH Loans*, Ivan Gjaja et. al., Salomon Smith Barney, August 1999.

¹⁰ See *Prepayments on Green Tree MH Loans*, Ivan Gjaja et. al., Salomon Smith Barney, August 1999.

¹¹ New single-wide unit in a MH park, with a 90% LTV.

Borrowers' incomes, by contrast, have remained on a steady upward trend during the past four and a half years. This increase in income, together with the increase in average loan balances, indicates that lenders are expanding their borrower base toward higher-wealth borrowers. The growing number of used units then suggests a widening of the wealth gap between the borrowers.

Figure 29. Average Borrowers' Monthly Household Income and FICO Scores, Jan 96–Oct 00



Source: Salomon Smith Barney.

The decline of FICO scores suggests an increase in credit risk for the most recent collateral. Increasing borrowers' incomes, however, imply the reverse. Also implying a decline of credit risk for the most recent vintages is the borrowers' debt-to-income ratio. **Since the middle of 1999, the average debt-to-income ratio has declined by over 5%, to about 39% currently.** Further clouding the picture are differences in credit trends at different issuers. For another MH issuer, for example, the FICO scores increased by over 30 points in 2000.

Model Projection of Default Risk

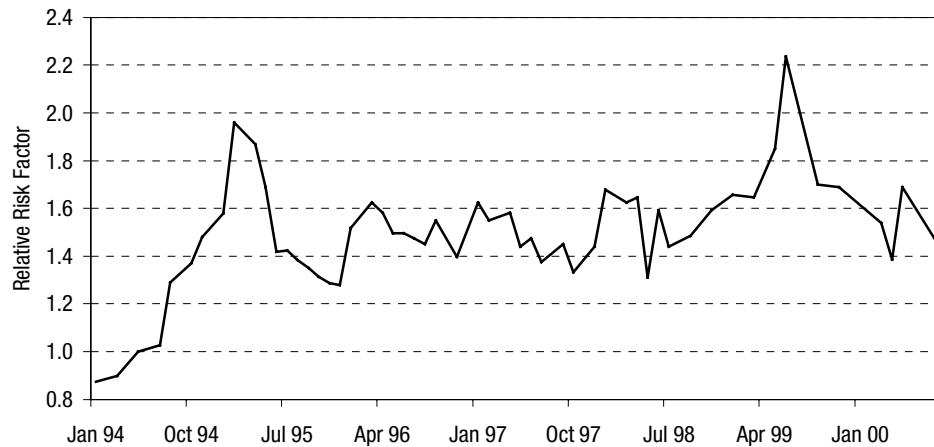
The often-contradictory implications for credit performance of the various changes in the MH collateral over the past two to three years can be consistently taken into account through our loan-level model of Conseco MH voluntary prepayments and defaults.¹² The model also takes into account the distributions of all variables, capturing the effect of "barbells" in some variables, which may not be apparent from the averages. The results of the model can be summarized by a **default risk factor** that measures the relative collateral default risk between various groups of loans. Figure 30 shows the risk factors for all Conseco MH deals originated since the beginning of 1994.¹³

The offsetting collateral changes can be taken into account through a loan-level model.

¹² See *Prepayments on Green Tree MH Loans* for a description of the method leading to default risk multipliers.

¹³ In addition to collateral characteristics, the realized defaults depend on the macroeconomic environment. These external influences are not included in the risk factors shown in Figure 30.

Figure 30. Relative Collateral Default Risk by Loan Origination Time, Jan 94–Oct 00



Source: Salomon Smith Barney.

The default risk of recent deals is not significantly different from the 1996-1998 vintages.

Apart from the sharp spike at the end of 1999, the estimated collateral default risk of Conseco’s MH deals has remained relatively flat since 1996, at about 75% of the default level for early 1995 deals. **The risk for 2000-2 through 2000-5 deals, for example, is not significantly different from the risk of deals originated from 1996 through 1998.** Most of the collateral trends leading to increased credit risk, such as the higher fraction of used and repossessed units, longer loan terms, etc., are balanced by mitigating factors, such as the slightly higher fraction of land/home loans and double-wides, etc.

The peak in default risk at the end of 1999 is limited to three deals. It is mostly due to low values of various credit variables (for example, short time of current employment and large number of negative comments at the credit bureaus). Another factor is the sharply higher proportion of used units and MH park units for one of the deals. The departures from historical averages appear to have been temporary, and may be the result of the inclusion into the Conseco MH deals of loans underwritten according to different standards. **The spike, therefore, is not significant for tracking broader trends in the MH industry.**

In the February 16 issue of *Bond Market Roundup: Strategy*, we will review the credit performance to date of recent MH deals and summarize the changes in the credit structure of the deals (initial credit supports and triggers).

Figure 31. Percentage of ABS Floating-Rate and Fixed-Rate Issuance, Year-to-Date 2000–2001

	2000	2001 (YTD)
Floating-Rate	62.8%	62.3%
Fixed-Rate	37.2	37.7

Source: Salomon Smith Barney.

Figure 32. Year-to-Date ABS Public and 144A Issuance by Sector, 2000–2001 (Dollars in Millions)

	2000 (YTD)	Percentage	2001 (YTD)	Percentage
Auto/Vehicle Loans	2,300.0	22.8%	9,820.6	35.6%
Equipment Loans	0.0	0.0	0.0	0.0
Credit Cards	1,732.3	17.2	10,221.3	37.1
Home Equity Loans	2,565.9	25.4	4,036.4	14.6
Manufactured Housing	1,259.5	12.5	284.9	1.0
Student Loans	1,200.0	11.9	0.0	0.0
Other	1,031.8	10.2	3,224.4	11.7
Total	10,089.5	100.0%	27,587.2	100.0%

Source: Securities Data Corp.

Figure 33. Representative Fixed-Rate ABS Secondary-Market Spreads to Interest-Rate Swaps^a

		AAA						A				BBB				
		2 Feb		1-Year SD of 1-Wk			2 Feb		1-Year SD of 1-Wk		2 Feb		1-Year SD of 1-Wk			
		Swap	2 Feb	Spread Changes Over			Spread	Spread Changes Over		Spread	Spread Chg Over		Spread			
		Spread	Spread	1 Wk	4 Wks	52 Wks	Chgs	Spread	1 Wk	4 Wks	52 Wks	Chgs	Spread	1 Wk	4 Wk	Chgs
2-Yr	Retail Auto	66bp	16bp	0bp	-4bp	-7bp	2.6bp	48bp	0bp	2bp	3bp	3.0bp	95bp	0bp	-1bp	NA
	Credit Card		8	1	1	-2	1.9	37	2	-1	8	2.5	75	0	-3	NA
	Equipment		28	0	-2	5	2.5	58	0	0	13	2.7	105	3	3	2.5
	Stranded Assets		14	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
	Home Equity		43	0	0	6	3.6	NA	NA	NA	NA	NA	NA	NA	NA	NA
	Man. Housing		40	0	0	8	3.8	NA	NA	NA	NA	NA	NA	NA	NA	NA
3-Yr	Retail Auto	74	20	0	-3	15	2.6	53	0	-5	28	3.3	98	0	0	NA
	Credit Card		9	0	-1	4	2.1	44	0	0	19	3.1	90	0	-5	NA
	Equipment		33	0	-5	29	2.6	58	0	-2	29	3.9	110	5	5	NA
	Stranded Assets		18	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
	Home Equity		58	0	-1	21	3.0	NA	NA	NA	NA	NA	NA	NA	NA	NA
	Man. Housing		57	0	0	28	3.3	NA	NA	NA	NA	NA	NA	NA	NA	NA
5-Yr	Credit Card	81	12	0	0	4	2.0	50	0	0	22	3.9	105	0	0	NA
	Stranded Assets		25	0	3	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
	Home Equity		82	2	4	27	5.0	143	0	0	NA	NA	NA	NA	NA	NA
	Man. Housing		78	1	2	33	5.2	143	0	0	NA	NA	NA	NA	NA	NA
7-Yr	Credit Card	83	19	-1	-1	11	2.2	54	-1	-1	26	2.8	115	5	0	NA
	Stranded Assets		34	0	2	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
	Home Equity		107	3	-3	29	6.5	NA	NA	NA	NA	NA	NA	NA	NA	NA
	Man. Housing		104	3	-1	41	6.1	NA	NA	NA	NA	NA	NA	NA	NA	NA
10-Yr	Credit Card	80	26	0	0	12	3.1	65	0	2	31	3.5	130	0	5	NA
	Stranded Assets		38	0	3	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
	Home Equity		115	5	0	15	6.8	NA	NA	NA	NA	NA	NA	NA	NA	NA
	Man. Housing		111	5	1	26	5.3	NA	NA	NA	NA	NA	NA	NA	NA	NA

^a As of April 14, spreads are quoted versus interest rate swaps. Historical spread data was converted into spreads to swaps in order to avoid distortions in historical comparisons. SD Standard Deviation.

Source: Salomon Smith Barney.

Figure 34. Representative Floating-Rate ABS Secondary-Market Discount Margins (Over One-Month LIBOR)

		AAA					A					BBB			
		2 Feb			1-Year SD		2 Feb			1-Year SD		2 Feb		1-Year SD	
		Spread			of 1-Wk		Spread			of 1-Wk		Spread		of 1-Wk	
		Changes Over			Spread		Changes Over			Spread		Chg Over		Spread	
		1 Wk	4 Wks	52 Wks	Changes	1 Wk	4 Wks	52 Wks	Changes	1 Wk	4 Wk	4 Wk	Changes		
2-Yr	Retail Auto	9bp	0bp	-7bp	-1bp	1.3bp	44bp	0bp	0bp	14bp	1.9bp	94bp	0bp	0bp	NA
	Credit Card	7	0	0	-3	0.6	36	0	0	6	1.4	76	0	0	NA
	Home Equity	23	0	-1	-3	0.9	95	0	0	10	1.5	NA	NA	NA	NA
3-Yr	Retail Auto	12	0	-8	-1	1.4	53	0	-4	20	2.5	98	0	0	NA
	Credit Card	10	0	0	-3	0.6	40	0	-2	7	1.8	80	0	0	NA
	Home Equity	24	0	-1	-4	0.9	100	0	0	10	1.9	NA	NA	NA	NA
5-Yr	Credit Card	15	0	0	-1	0.6	45	0	-5	9	3.0	100	0	5	NA
	Home Equity	29	0	0	-4	1.1	110	0	0	15	2.9	NA	NA	NA	NA
7-Yr	Credit Card	20	0	0	1	0.7	50	0	-5	11	1.6	110	0	5	NA
10-Yr	Credit Card	26	0	-2	2	1.0	65	0	2	15	2.1	130	0	10	NA

SD Standard deviation.

Source: Salomon Smith Barney.

Figure 35. Recent Issuance

Date	Issuer	Type	Class	Size (\$MM)	Credit Enhance.	WAL (Yrs)	Ratings	Spread
1 Feb 01	World Omni 2001-A	AL	A-1	165.0	Sr./Sub.	0.29	P1/A1+	-6/3M LIBOR
			A-2	173.0		1.08	Aaa/AAA	14/SYNTH LIBOR
			A-3	185.0		2.08	Aaa/AAA	18/SWAPS
			A-4	143.5		3.22	Aaa/AAA	26/SWAPS
1 Feb 01	Metris 2001-1	CC	A	454.9	Sr./Sub.	2.95	Aaa/AAA	22/1M LIBOR
			B	80.8		3.04	A2/A	80/1M LIBOR
30 Jan 01	MBNA MCCT 2001-A ^a	CC	A	1,062.5	Sr./Sub.	5.00	Aaa/AAA	15/1M LIBOR
25 Jan 01	PSE&G Transition Funding ^a	UBA	A-1	102.9	Sr./Sub.	1.00	Aaa/AAA	12.5/SYNTH LIBOR
			A-2	364.8		2.90	Aaa/AAA	16/SWAPS
			A-3	181.8		4.88	Aaa/AAA	21/SWAPS
			A-4	496.5		7.02	Aaa/AAA	30/3M LIBOR
			A-5	329.0		9.38	Aaa/AAA	40/SWAPS
			A-6	456.1		11.39	Aaa/AAA	50/SWAPS
			A-7	221.2		12.99	Aaa/AAA	60/SWAPS
			A-8	372.5		14.27	Aaa/AAA	70/SWAPS
24 Jan 01	Citibank Credit Card Issuance Trust 2001-A2 ^a	CC	A-2	2,250.0	Sr./Sub.	5.00	Aaa/AAA	12/3M LIBOR
24 Jan 01	Option One Mortgage Loan 2001-1	HE	A-1	70.0	Freddie Mac	0.90	Aaa/AAA	21/SYNTH LIBOR
			A-2	60.0		2.00	Aaa/AAA	34/SWAPS
			A-3	35.0		3.00	Aaa/AAA	56/SWAPS
			A-4	72.0		5.00	Aaa/AAA	80/SWAPS
			A-5	30.0		6.82	Aaa/AAA	99/SWAPS
			A-6	72.0		5.95	Aaa/AAA	55/SWAPS
			A-7	960.3		3.00	Aaa/AAA	12.5/1M LIBOR
			A	115.7	Sr./Sub	2.50	Aaa/AAA	25/1M LIBOR
			M-1	6.8		4.48	Aa2/AA	65/1M LIBOR
			M-2	4.5		4.43	A2/A	107/1M LIBOR
24 Jan 01	Conseco Finance HEL 2001-A	HE	IA-1	155.5	Sr./Sub.	0.94	Aaa/AAA	42/SYNTH LIBOR
			IA-2	48.0		2.24	Aaa/AAA	50/SWAPS
			IA-3	35.0		3.09	Aaa/AAA	70/SWAPS
			IA-4	48.0		4.97	Aaa/AAA	110/SWAPS
			IA-5	30.8		5.63	Aaa/AAA	127/SWAPS
			IM-1	21.6		4.67	Aa2/AA	250/6.50 8/05
			IM-2	17.9		4.65	A1/A	310/6.50 8/05
			IB-1	13.9		4.64	Baa1/BBB	460/6.50 8/05
			IIAI-1	119.0		0.95	Aaa/AAA	45/SYNTH LIBOR
			IIAI-2	48.0		3.24	Aaa/AAA	95/SWAPS
			IIAI-3	31.7		6.52	Aaa/AAA	135/SWAPS
			IIM-1	19.2		5.48	Aa1/AA	275/7.00 7/06
			IIM-2	16.8		5.48	A1/A	385/7.00 7/06
IIB-1	14.4	5.48	Baa1/BBB+	540/7.00 7/06				
23 Jan 01	First USA 2001-1 ^a	CC	A	750.0	Sr./Sub.	5.00	Aaa/AAA	15/1M LIBOR
			B	58.0		5.00	A1/A+	45/1M LIBOR
23 Jan 01	Nissan 2001-A ^a	AL	A-1	201.8	Sr./Sub.	0.25	P1/A1+	-5/3M LIBOR
			A-2	350.0		1.00	Aaa/AAA	12/12M LIBOR
			A-3	249.0		2.00	Aaa/AAA	19/2YR SWAPS
			A-4	182.1		3.02	Aaa/AAA	24/3YR SWAPS
23 Jan 01	National City Credit Card MT, Series 2000-1	CC	A	371.8	Sr./Sub.	4.96	Aaa/AAA	16/1M LIBOR
			B	25.5		4.96	A2/A	46/1M LIBOR
23 Jan 01	Citibank Credit Card Issuance Trust 2001-A1 ^a	CC	A-1	1,250.0	Sr./Sub.	7.00	Aaa/AAA	17/3M LIBOR
23 Jan 01	Americredit 2001-A	AL	A-1	200.0	FSA	0.29	P1/A1+	-4/3M LIBOR
			A-2	515.0		1.00	Aaa/AAA	15/SYNTH LIBOR
			A-3	214.0		2.00	Aaa/AAA	20/1M LIBOR
			A-4	471.0		3.20	Aaa/AAA	24/1M LIBOR
19 Jan 01	GMAC 2001-HLTV1	HLTV	AI-1	57.2	AMBAC	0.90	Aaa/AAA	14/1M LIBOR
			AI-2	26.4		2.00	Aaa/AAA	50/SWAPS
			A-II	25.0		5.15	Aaa/AAA	115/SWAPS

^a Salomon Smith Barney has acted as a manager and/or co-manager of debt issues of this issuer within the past three years.

ABS Asset-backed securities. AD Auto dealer floor plan. AIR Airplane leases. AL Auto loan. ALE Automobile lease. BL Boat loan. CA Controlled amortization. CC Credit card. CCA Cash collateral account. CHC Charge card. CIA Collateral invested amount. CON Consumer loans. DF Dealer floor plan. EL Equipment loan. FEL Farm equipment loan. FF Fed funds. Whole first and second liens. FR Franchise loan. HE Home equity. HIL Home improvement loan. HLTV High LTV mortgage loan. MB Mortgage-backed. Mezz. Mezzanine. MH Manufactured housing. ML Motorcycle loans. NA Not available. O Other. OC Overcollateralized. RIC Retail installment contracts. RV Recreational vehicle. BA Small business association loans. SL Student loan. TL Truck Mortgage loan. Sub. Subordinate. UBA Utility bill allocations. WAL Weighted-average life. WHL Wholesale inventory. WI When issued.

Source: MCM "Corporatewatch".