**Securities Valuation Office**

**National Association of Insurance Commissioners**

**Collateral Loan Form**

**Sections A, B and C** are to be completed for each initial filing of a security, wholly or partially secured by collateral, where the reporting insurance company anticipates that the SVO’s credit assessment may be substantially affected by the nature and value of such collateral. Only sections **A and B** need be completed for the annual update filing unless there is a change in the nature of the collateral which would require the SVO to re-evaluate the answers in section C. **Section D** must only be completed upon request by the SVO or if the collateralized security is in the process of liquidation. **Complete Section E** for any transaction which is collateralized by aircraft or aircraft parts such as engines.

**A. General Information.**

1. Name of the Issuer \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

2. Issue Description (including 8-digit CUSIP/PPN, interest rate and maturity) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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3. Does the Reporting Insurance Company anticipate that the NAIC Designation assigned to this issue may depend on the Collateral? YES \_\_\_\_\_ NO \_\_\_\_\_\_ (If no, this form is not required to be filed with the SVO).

**B. Loan Information.**

1. Total for all Lenders:

Loan Collateral\* Loan to Value Ratio\*

(a) Original Amount $\_\_\_\_\_ $\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

(b) Current Amount $\_\_\_\_\_ $\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\* Include copy of appraisal or other supporting documents for value given.

\*\*If more than one lender has rights in the Collateral, attach intercreditor agreement or similar document.

2. Total for Reporting Insurance Company (if more than one lender\*\*):

Loan Collateral\* Loan to Value Ratio\*

(a) Original Amount $\_\_\_\_\_ $\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

(b) Current Amount $\_\_\_\_\_ $\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\* Include copy of appraisal or other supporting documents for value given.

\*\*If more than one lender has rights in the Collateral, attach intercreditor agreement or similar document.

3. For existing securities, list any modification of original maturity date, interest rate, or underlying rental stream:

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**C. Information on Collateral.**

1. Describe the Collateral (Attach copies of legal description of Collateral from relevant document. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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2. Briefly describe the events which entitle the lender to exercise rights in the Collateral, i.e., event of default (Attach copies of relevant documents or portions). \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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3. Describe the manner in which the lender exercises rights in the Collateral. (For instance, how the lender takes possession, how the lender intends to dispose of or sell the collateral). \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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4. Does applicable state law require a specific legal process for the lender to obtain title to the Collateral. (If so, briefly describe the process). \_\_\_\_\_\_\_\_\_\_\_

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**D. Information Relating to Liquidation.**

1. Please provide an estimate of the time period necessary after possession of the Collateral is obtained to liquidate the Collateral. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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2. Please provide an estimate of the percentage of fair market value at which the Collateral can be expected to sell, after all expenses of possession, sale and liquidation have been paid. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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1. **Transactions Collateralized by Aircraft or Aircraft Parts**

**The steep decline in aircraft values since September 11, 2001 and the deteriorated financial condition of the US airline industry requires that the SVO obtain updated information about the current structure, terms and equipment associated with existing aircraft financing transactions**. SVO concerns extend to financings that involve secured loans/notes, equipment trust certificates, pass through certificates and enhanced equipment trust certificates. This information is required for every existing holding as well as for new transactions for which you do not plan to claim Filing Exempt (FE) status. The information may be provided as a single report, covering all such securities held by you, or individually as the securities are filed for annual update. The following additional information will be required for each security:

1. The names of the Issuer and the Airline Lessee (if different from the Issuer), maturity, coupon rate, and CUSIP or PPN number for each such security.
2. The original principal amount issued and the amount currently outstanding.
3. The name of the equity owner, if the security involves a lease financing, and the terms of any credit enhancement, e.g., guaranty, offered by the equity owner.
4. The manufacturer, manufacturing date and model number for each aircraft underlying each security, e.g., 1973 Boeing 727-200. The terms of any credit enhancement, e.g., guaranty, offered by the manufacturer.
5. The “N Number” for each such aircraft.
6. The current appraised value (on a current or fair market value basis) for each such aircraft as determined by a reputable, nationally recognized aircraft appraisal firm.
7. The current loan-to-value of such security, based on the above appraisal(s) and principal outstanding.
8. The details of any agreement, concluded in the past three years, which modified the maturity date, underlying rental stream, or interest rate of such obligation(s).
9. The names of the participating investors/lenders.

**Date:** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Name of Reporting Insurance Company:** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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**Prepared By: (Signature and Title)**

**Telephone Number:** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_