



Structured Finance U.S. And Canada ABS: 2024 Round-Up

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Feb. 21, 2025

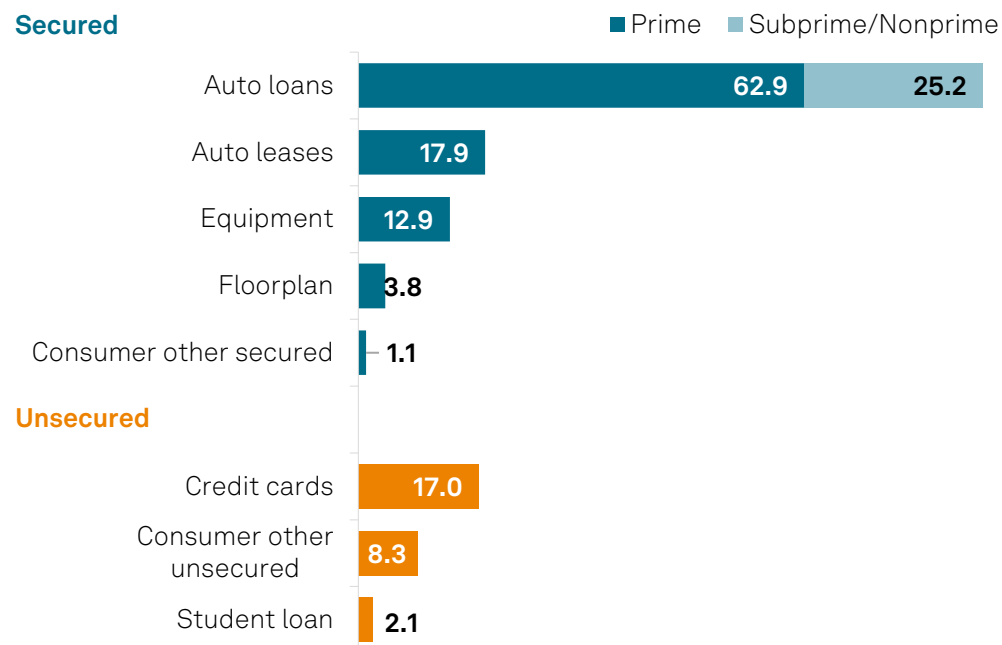
S&P Global
Ratings

This report does not constitute a rating action

New Issue Rating Activity In 2024

2024 asset-backed securities (ABS) issuance of \$151.2 billion was dominated by auto-related issuance volume (70%), followed by credit cards (11%) and equipment (9%).

2024 ABS new issuance (bil. \$)*



*Rated by S&P Global Ratings, includes Canadian ABS deals. Secured loans include confidential ratings. Source: S&P Global Ratings.

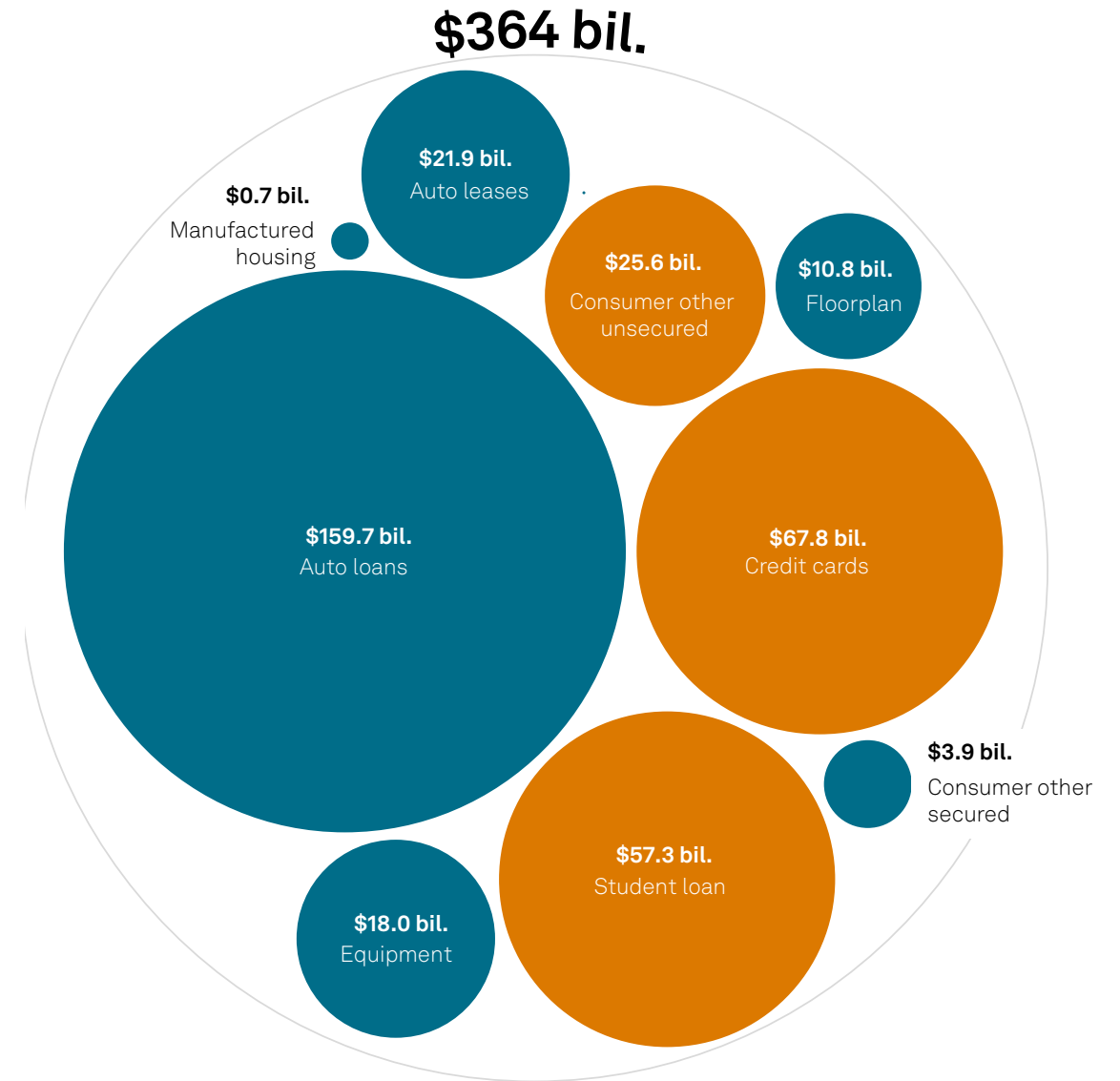
2024 ABS new issuance by rating category (mil. \$)

Sectors	AAA	AA	A	BBB	BB	Grand total
Secured						
Auto Loans	74,530	4,951	4,581	2,856	1,174	88,091
Prime	60,660	1,394	542	241	68	62,906
Subprime/nonprime	13,870	3,557	4,038	2,614	1,106	25,185
Auto Leases	17,165	664	60			17,889
Equipment	12,238	225	190	213	13	12,878
Auto-Wholesale	3,474	169	165			3,808
Other	795	96	95	84	47	1,117
Unsecured						
Consumer-Other	6,816	672	447	298	112	8,345
Credit Cards	16,675		235	97		17,008
Student Loan	647	1,272	30	116		2,065

Current S&P Global Ratings-Rated ABS Universe

Outstanding note balance by sector

- Secured
- Unsecured



Source: S&P Global Ratings.

2024 Surveillance Rating Actions

ABS rating actions continued to be skewed to the positive side through Dec. 31, 2024, with upgrades (528) exceeding downgrades (31). The downgrades were concentrated in student loans (42%), subprime auto loans (35%), and manufactured housing (23%).

Surveillance rating actions by sector

Sector	Downgrade notches						Total (A)	Upgrade notches									Total (B)	Total classes (A+B)
	1	2	3	4	5	6		1 notch	2 notches	3 notches	4 notches	5 notches	6 notches	and above				
Auto Loans	1	3	4	3			11	133	89	41	26	15	5	3	1	313	324	
Prime								64	16	2						82	82	
Subprime/nonprime	1	3	4	3			11	69	73	39	26	15	5	3	1	231	242	
Student loan	1	3	6	3			13	47	52	1	1	26		1	1	129	142	
Auto leases								6		1	2					9	9	
Equipment								16	3	3	2					24	24	
Consumer other unsecured								17	2	3	4					26	26	
Manufactured housing		2	4	1			7	5	2	3	1	3				14	21	
Consumer other secured								6	5	2						13	13	
Floorplan																		
Grand total	2	8	14	7			31	230	153	54	36	44	5	4	2	528	559	

Secured loans include confidential ratings. Source: S&P Global Ratings.

Auto Loans - Prime

Deal count
183

Bond count
821

Rated bond balance
\$110.65 bil.

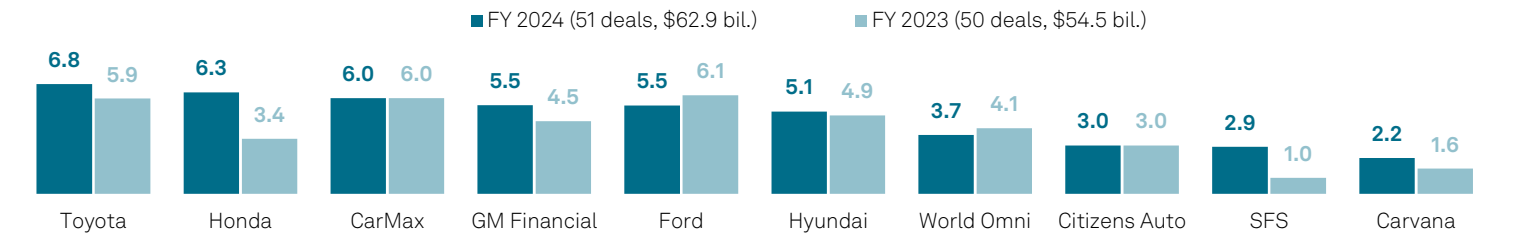
Outlook

- Full-year 2025 issuance (prime and subprime) is expected to increase by 3% due to increased issuance from the captives as more incentive-rate financing will stimulate greater lending volumes despite unit sales remaining nearly flat at 16.0 million.
- Higher prime 60-plus-day delinquencies (DQs) for the 2022-second-quarter 2024 vintages relative to pre-COVID-19 pandemic pools are a harbinger of higher charge-offs. Based on our Auto Loan Static Index (ALSI), cumulative net losses (CNLs) on the 2023 and 2024 quarterly vintages are trending higher than the 2016 vintage.
- Recovery rates, already trending lower on recent vintages, could remain under pressure due to declining used vehicle values driven by normalization of supply imbalances. Lack of off-lease vehicles, though, could provide a floor to used vehicle values.
- The ratings outlook is generally stable. Few sponsors issue speculative-grade classes, which are more vulnerable to downgrades. For 'BBB' ratings, the structure must generally cover twice our expected CNL (ECNL).

S&P Global Ratings-rated new issuance (bil. \$)



Top 10 S&P Global Ratings-rated sale amount by issuer (bil. \$)



Rating distribution (% of current balance)



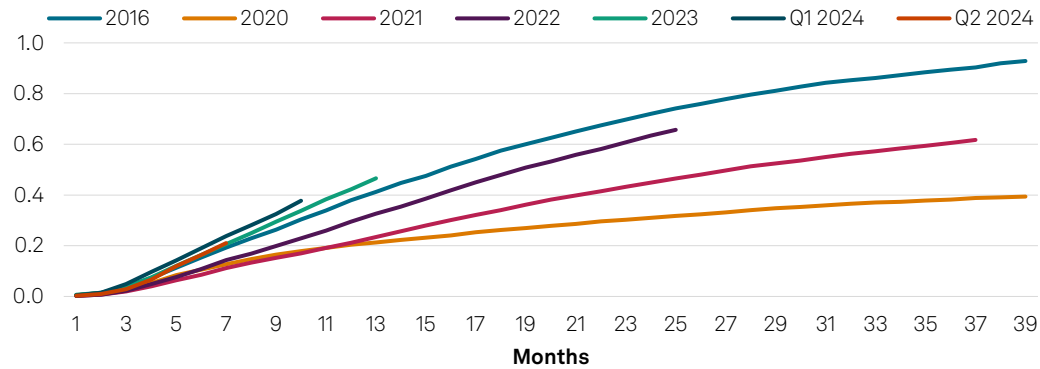
2024 rating actions (no.)

Prior rating	Upgrades	Downgrades
AAA		
AA	65	
A	13	
BBB	4	
BB		
B		
CCC		
CC/C		

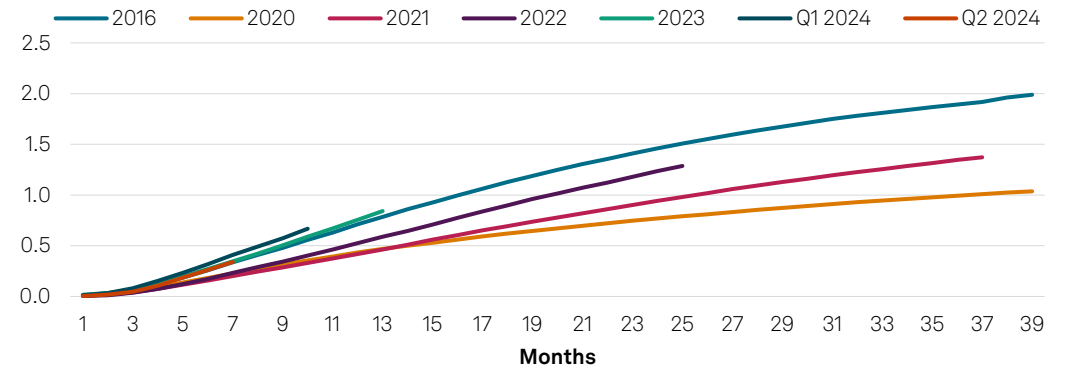
Deal count, bond count, \$ of bonds, and rating distribution are as of Jan. 31, 2025. New issuance and rating actions are as of Dec. 31, 2024. Secured loans include confidential ratings. Source: S&P Global Ratings.

Prime Auto Loan ABS: 2023 And 2024 Vintages Are Reporting Weaker Performance*

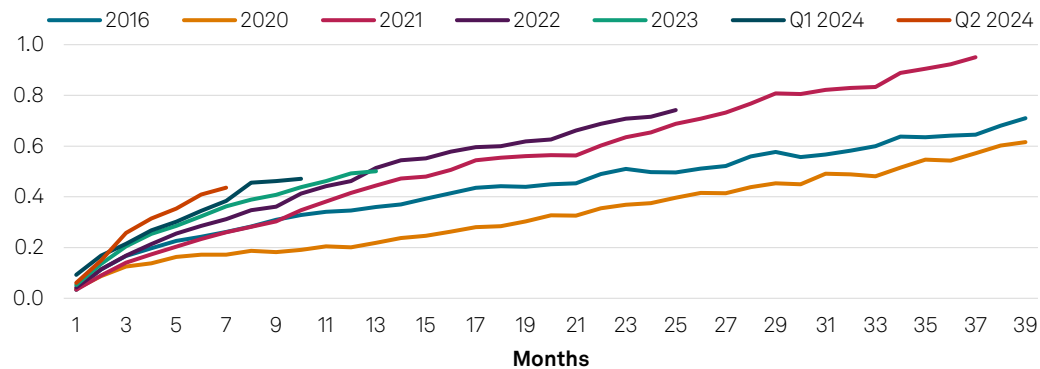
Cumulative net losses by vintage (%)



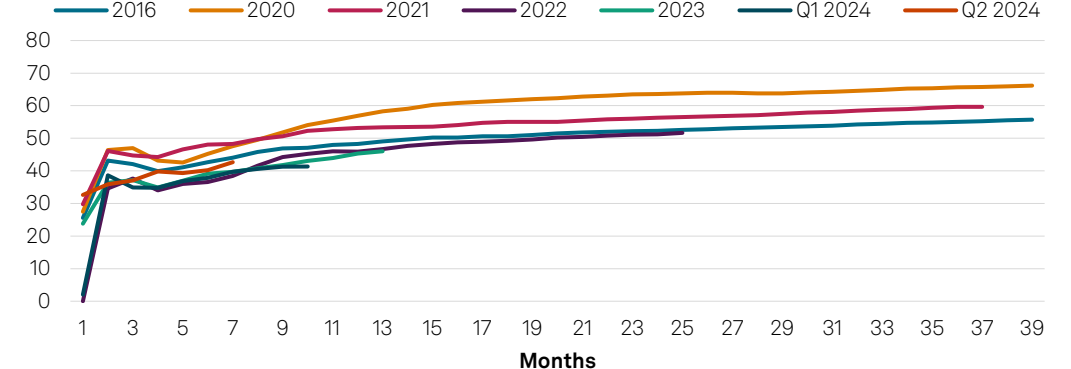
Cumulative gross losses by vintage (%)



60-plus day delinquencies (%)



Cumulative recoveries (%)



*2017-2019 vintages are not shown in order to spotlight the 2022, 2023, and 2024 quarterly vintages. 2016 is presented as it was the last vintage unaffected by COVID-19 stimulus.

Collateral performances are as of Dec. 31, 2024. Source: S&P Global Ratings.

Auto Loans - Subprime/Nonprime

Deal count
190

Bond count
714

Rated bond balance
\$49.04 bil.

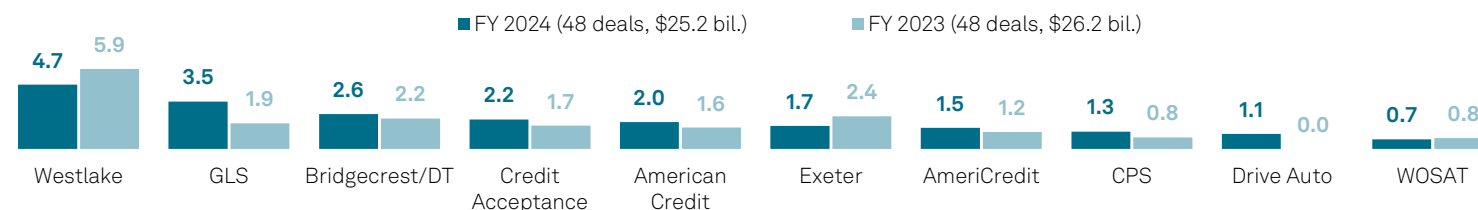
Outlook

- 2025 issuance is expected to grow slightly due to large subprime securitizers resuming their growth strategies.
- We expect the 2022 vintages, which are experiencing higher-than-historical CNLs, to continue to perform worse than our original ECNLs. CNLs on the 2023 and 2024 quarterly vintages are trending lower than the 2022 vintage, reflecting the tighter credit standards.
- The ratings outlook is for upgrades to continue to exceed downgrades due deleveraging. Speculative-grade classes, which are highly dependent on excess spread and do not benefit significantly from deleveraging, are the most vulnerable to downgrades.

S&P Global Ratings-rated new issuance (bil. \$)



Top 10 S&P Global Ratings-rated sale amount by issuer (bil. \$)



*We have included Vstrong 2023-A in Exeter's issuance volume.

Rating distribution (% of current balance)



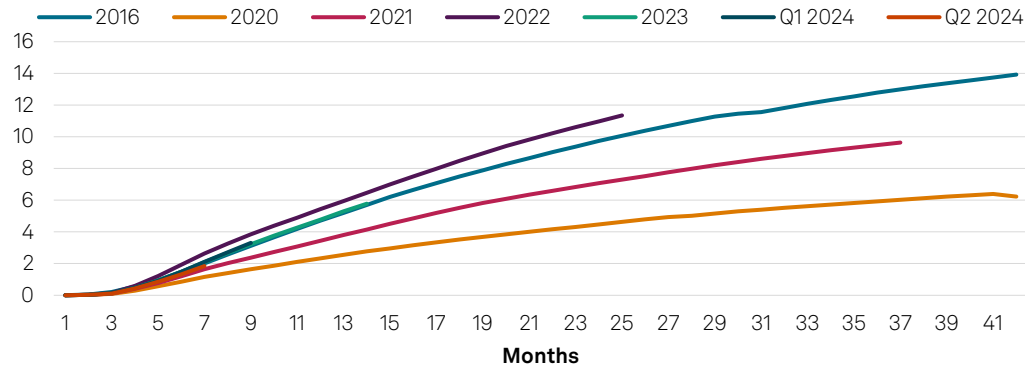
2024 rating actions (no.)

Prior rating	Downgrades			
	one notch	two notches	three notches	four notches
AAA				
AA	106	1		
A	72	1		
BBB	40			1
BB	12	1		2
B	1	1	1	1
CCC			2	
CC/C				

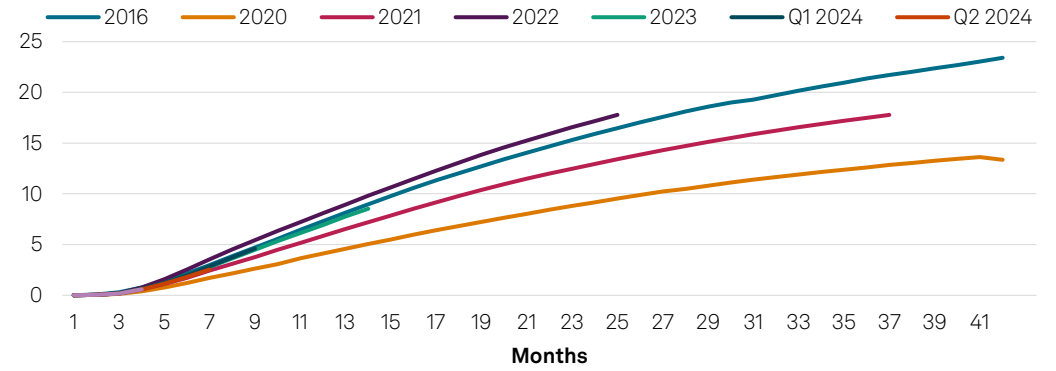
Deal count, bond count, \$ of bonds, and rating distribution are as of Jan. 31, 2025. New issuance and rating actions are as of Dec. 31, 2024. Secured loans include confidential ratings. Source: S&P Global Ratings.

Subprime Auto Loan: 2023 And 2024 Vintages Are Performing Better Than 2022's*

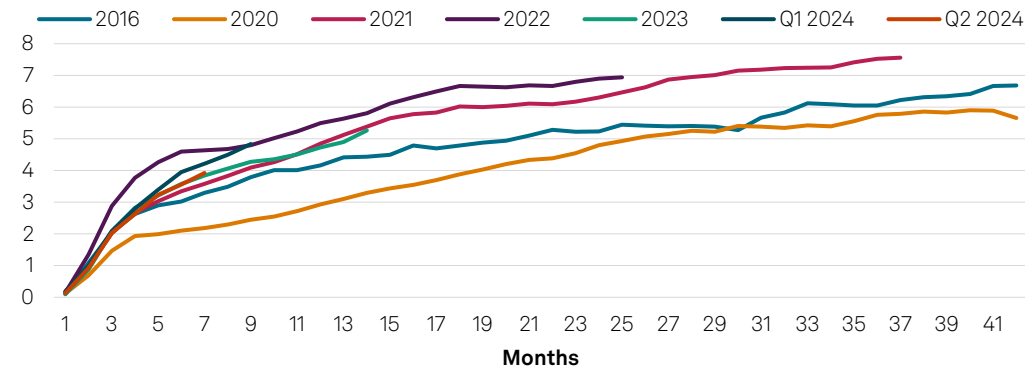
Cumulative net losses by vintage (%)



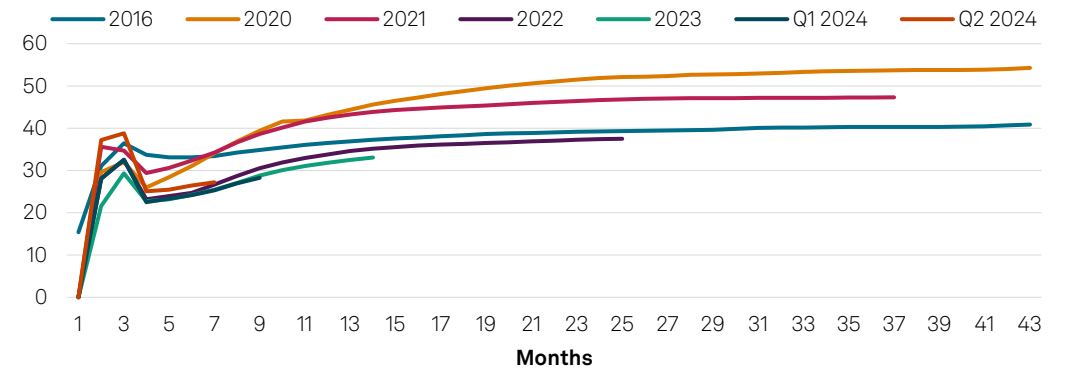
Cumulative gross losses by vintage (%)



60-plus day delinquencies (%)



Cumulative recoveries (%)



*2017-2019 vintages are not shown in order to spotlight the 2022, 2023, and 2024 quarterly vintages. 2016 is presented as it was the last vintage unaffected by COVID-19 stimulus.

Collateral performances are as of Dec. 31, 2024. Source: S&P Global Ratings.

Auto Lease

Deal count
31

Bond count
133

Rated bond balance
\$21.92 bil.

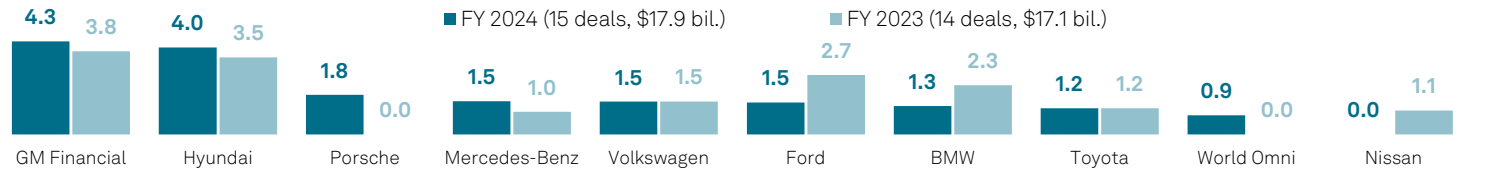
Outlook

- 2025 issuance is expected to increase slightly due to increased incentive activity and growth in electric vehicle (EV)-related leases. Lessors can pass on EV federal tax credits under the Inflation Reduction Act to lessees with fewer restrictions than what consumers would qualify for under a purchase arrangement.
- We expect incentives to increase slightly as supply imbalances ease, return rates to increase, and residual performance to normalize from unusually high gains experienced in 2022 and most of 2023.
- The percentage of battery EVs (BEV) has started to exceed the 10% threshold. We've updated our criteria to separate out plug-in hybrid EVs (PHEV) from the BEV concentration limit, allowing up to 20% PHEV before an excess concentration haircut is applied. Data analyzed indicate that PHEV's residual values are more resilient than BEVs.
- The ratings outlook is stable.

S&P Global Ratings-rated new issuance (bil. \$)



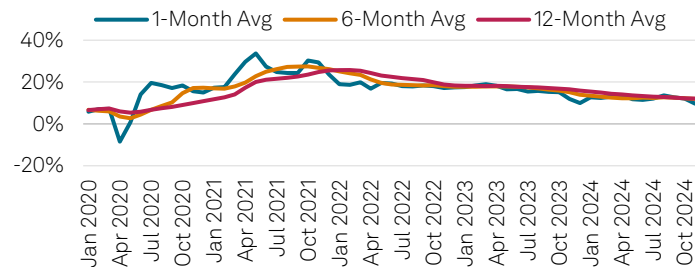
S&P Global Ratings-rated sale amount by issuer (bil. \$)



Rating distribution (% of no. of ratings)



Residual performance - residual value gain/loss*



2024 rating actions (no.)

Prior rating	Upgrades	Downgrades
AAA		
AA	6	
A	3	
BBB		
BB		
B		
CCC		
CC/C		

*Calculated as the monthly residual gain/loss on returned vehicles over the securitized value of the returned vehicles sold by the servicer.

Deal count, bond count, \$ of bonds, and rating distribution are as of Jan. 31, 2025.

New issuance and rating actions are as of Dec. 31, 2024. Source: S&P Global Ratings.

Floorplan

Trust count
4

Rated series count
13

Rated bond balance
\$10.79 bil.

Outlook

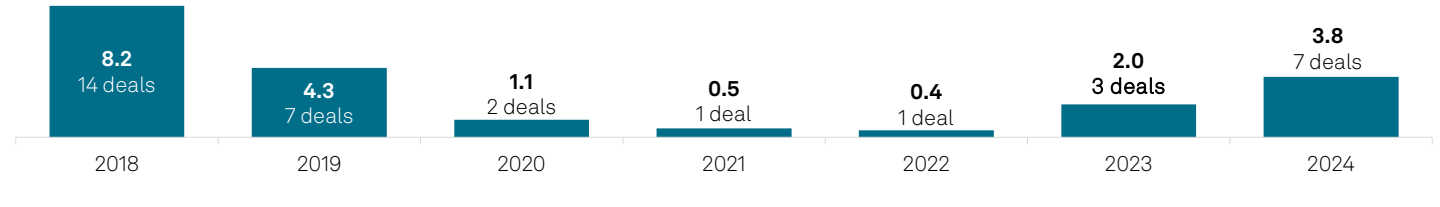
Non-diversified floorplan:

- Issuance will grow steadily, as dealer inventory and days' supply normalize.
- Payment rates will continue to normalize from the very high levels from 2020-2022, but so far remain above trigger levels.
- Both Ford Credit and GMF added and amended features in their programs to add flexibility to generate asset yield and liquidity, if needed. Also, both introduced a make-whole call option, beginning with their 2023 series, that allows the issuer to call the series earlier, while protecting investor interest. These provisions do not affect our ratings.

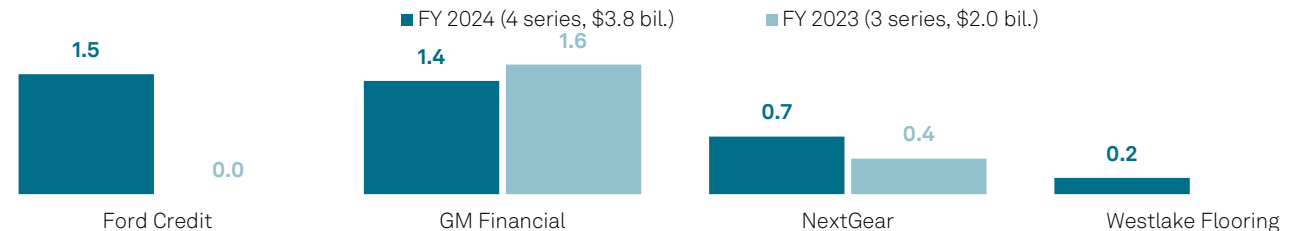
Diversified floorplan:

- Issuance included two deals: NextGear's 2024-1 and Westlake Flooring 2024-1.
- Performance is expected to remain stable.
- Our rating approach incorporates historical loss-to-liquidation rates over multiple economic cycles. In our view, losses will not reach those stressed levels given our current GDP forecasts.

S&P Global Ratings-rated new issuance (bil. \$)



S&P Global Ratings-rated sale amount by issuer (bil. \$)



Rating distribution (% of current balance)



Deal count, bond count, \$ of bonds, and rating distribution are as of Jan. 31, 2025.

New issuance and rating actions are as of Dec. 31, 2024.

Secured loans include confidential ratings. Source: S&P Global Ratings.

Equipment

Deal count
44

Bond count
146

Rated bond balance
\$17.97 bil.

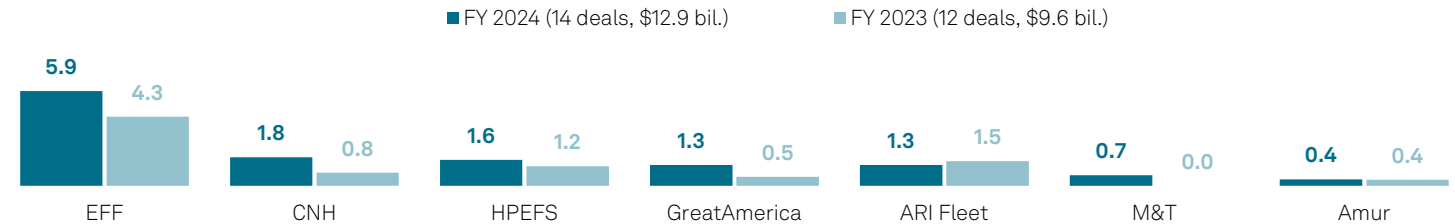
Outlook

- Issuance volume is expected to increase modestly in 2025 given growth in the first half.
- Performance will remain stable, with losses normalizing to pre-COVID-19 pandemic levels. Moderate GDP growth that allows the economy to avoid a recession should be supportive of favorable credit performance.
- The ratings outlook is stable. While losses could trend up slightly, the deleveraging that occurs across the capital stack should offset mildly higher losses resulting in potential upgrades.

S&P Global Ratings-rated new issuance (bil. \$)



S&P Global Ratings-rated sale amount by issuer (bil. \$)



Rating distribution (% of current balance)



2024 rating actions (no.)

Prior rating	Upgrades	Downgrades
AAA		
AA	15	
A	8	
BBB	1	
BB		
B		
CCC		
CC/C		

Deal count, bond count, \$ of bonds, and rating distribution are as of Jan. 31, 2025. New issuance and rating actions are as of Dec. 31, 2024. Secured loans include confidential ratings. Source: S&P Global Ratings.

Consumer Other Secured

Deal count
15

Bond count
67

Rated bond balance
\$3.90 bil.

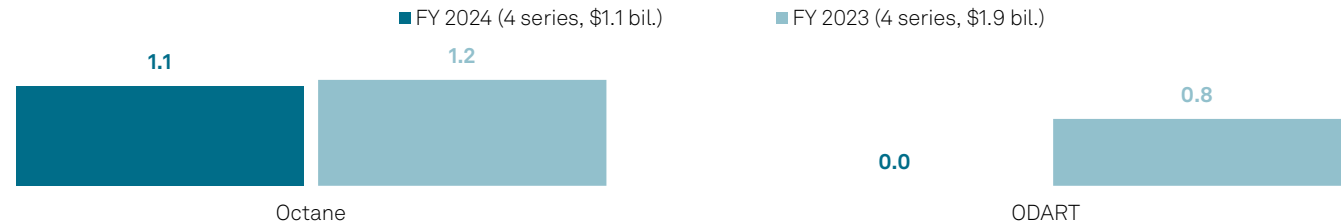
Outlook

- We expect issuance to pick up slightly in 2025 due to potential growth in securitization of recreational vehicles.
- We've observed weakness in Octane Lending Inc.'s recent power sport securitizations, but believe its shift to a greater mix of prime collateral will lead to improved performance.
- Future performance will be dependent upon consumer health. The growing levels of consumer debt and resumption of student loan payments could lead to a higher volume of late payments and defaults. At this time though, we expect ratings to remain stable.

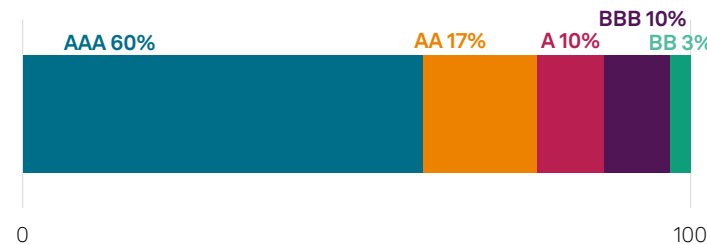
S&P Global Ratings-rated new issuance (bil. \$)



S&P Global Ratings-rated sale amount by issuer (bil. \$)



Rating distribution (% of current balance)



2024 rating actions (no.)

Prior rating	Upgrades	Downgrades
AAA		
AA	7	
A	3	
BBB	3	
BB		
B		
CCC		
CC/C		

Deal count, bond count, \$ of bonds, and rating distribution are as of Jan. 31, 2025. New issuance and rating actions are as of Dec. 31, 2024. Secured loans include confidential ratings. Source: S&P Global Ratings.

Student Loan

Transaction count
396

Bond count
1,317

Rated bond balance
\$57.32 bil.

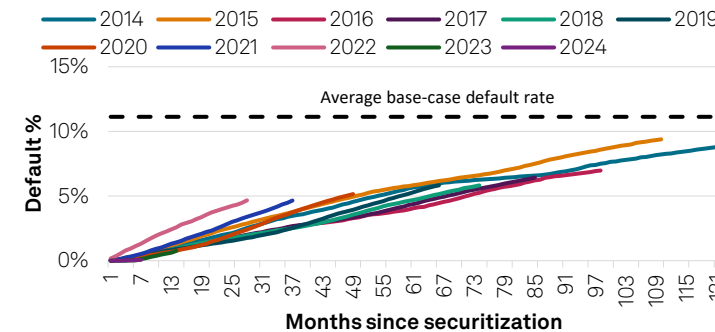
Outlook

- The rate of delinquencies and defaults continue to increase for private student loan (PSL) in-school (post-2009) transactions due to borrower stress from inflation, higher interest rates, and higher overall debt repayment obligations for the borrowers. We expect ratings on these transactions--which are primarily backed by co-signed loans and are high-investment-grade rated--will remain stable.
- Delinquencies and defaults in PSL refinancing transactions also increased during 2024 due to slower prepayments, higher inflation, and higher overall debt obligations for the borrowers. While there may be further deterioration in 2025, we believe that default rates will remain within our base cases, with no impact on ratings.
- Federal Family Education Loan Program (FFELP) prepayment speeds peaked in mid-2024 and have since shown significant decline. Lower prepayments rates are expected as borrowers have fewer options for refinancing out of their FFELP loan. We do not believe that bonds with longer legal maturity dates will be affected by lower prepayments. However, we expect that FFELP transactions with shorter-maturing classes may experience liquidity pressures depending on prepayment levels which could result in rating deterioration.

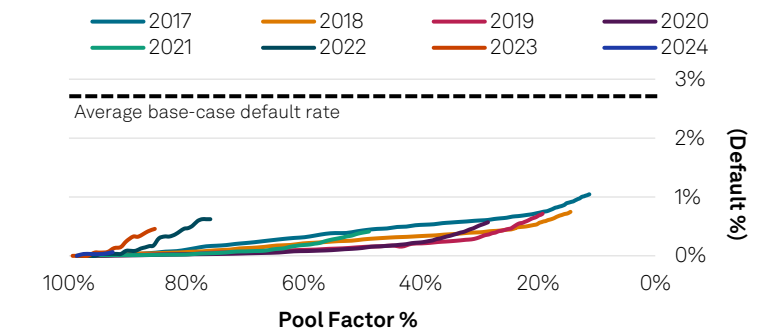
S&P Global Ratings-rated new issuance (bil. \$)



PSL in-school (post-2009) – Avg. cum. defaults by vintage*



PSL Refinancing Transactions – Avg. cum. defaults by pool factor*



Rating distribution (% of no. of ratings)



2024 rating actions (no.)

Prior rating	Upgrades	Downgrades
AAA		
AA	97	11
A	29	
BBB	2	
BB		
B	1	2
CCC		
CC/C		

*Performance charts are through Dec. 31, 2024. Transaction count, bond count, \$ of bonds, and rating distribution are as of Jan. 27, 2025. New issuance and rating actions are as of Dec. 31, 2024. Avg. cum. --Average cumulative SG--Speculative grade. Source: S&P Global Ratings.

Consumer Other Unsecured

Deal count
46

Bond count
179

Rated bond balance
\$25.60 bil.

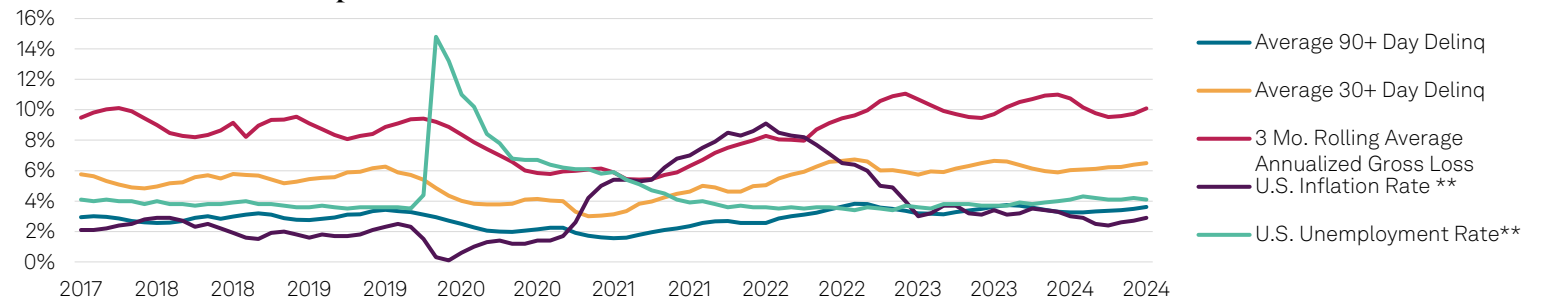
Outlook

- ABS issuance volume is expected to be comparable to 2024, with pockets of growth. Issuance volume from branch-based lenders is likely to remain stable at 2024 levels unless interest rates decrease significantly, while issuance from fintech lenders is anticipated to continue increasing its market share.
- Personal loan performance is expected to remain stable as lenders cautiously navigate current economic conditions and closely monitor borrower creditworthiness.
- Delinquency and loss rates, which initially rose as a result of the cessation of post-COVID-19 stimulus payments and higher inflation, peaked in late 2022 and early 2023; and loan performance has begun to stabilize due to the implementation of stricter underwriting standards.
- We expect ratings to be stable or to potentially rise depending on the stage of a transaction's life. For transactions still in their revolving periods, we expect stable ratings as current and expected loan performance trends are reflected in our base-case annualized loss assumptions as applied to a worst-case pool composition. For transactions that have exited their revolving periods and begun to amortize, we expect stable-to-positive ratings performance due to deleveraging.

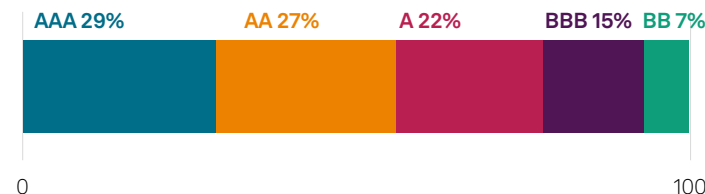
S&P Global Ratings-rated new issuance (bil. \$)



Branch based lenders performance trends*



Rating distribution (% of no. of ratings)



2024 rating actions (no.)

Prior rating	Upgrades	Downgrades
AAA		
AA	13	
A	7	
BBB	4	
BB	2	
B		
CCC		
CC/C		

*The performance data includes branch-based issuers; namely; Regional Management Issuance Trust, Lendmark Funding Trust, OneMain Financial Issuance Trust, and Mariner Finance Issuance Trust. **Source: U.S. Bureau of Labor Statistics. Inflation Data-Consumer Price Index for All Urban Consumers (CPI-U). Deal count, bond count, \$ of bonds, and rating distribution are as of Jan. 27, 2025. New issuance and rating actions are as of Dec. 31, 2024. Source: S&P Global Ratings.

Credit Cards

Deal count

69

Bond count

89

Rated bond balance

\$67.83 bil.

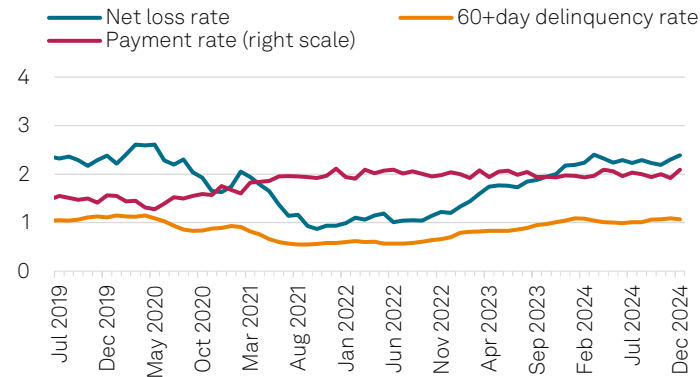
Outlook

- We expect slightly weaker collateral performance and stable rating trends over the next 12 months for the trusts we rate.
- The receivables for the rated U.S. and Canada credit card trusts, which are tracked in our U.S. and Canada Credit Card Quality Index (CCQI), are generally of a higher credit quality compared to the broader credit cards market. The accounts designated to the trusts are generally more seasoned and the borrowers typically possess higher FICO scores.
- Base-case and stress assumptions for each trust, calibrated against major economic stress, continue to adequately capture the expected performance risks of the receivables, our updated macroeconomic forecast for the U.S. and Canada, and our forward-looking view of the U.S. and Canada banking sectors.

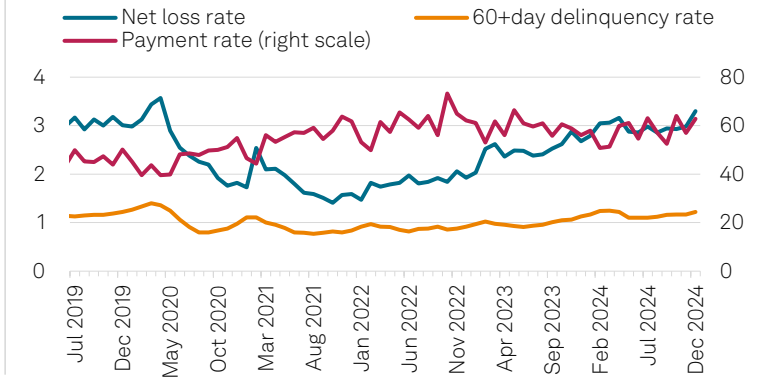
S&P Global Ratings-rated new issuance (bil. \$)



U.S. Credit Card Quality Index, Bankcard (%)



Canadian Credit Card Quality Index, Bankcard (%)



Rating distribution (% of no. of ratings)



Deal count, bond count, \$ of bonds, and rating distribution are as of Jan. 27, 2025.
 New issuance and rating actions are as of Dec. 31, 2024.
 Source: S&P Global Ratings.

Key Contacts

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Who should I contact?

- **Transaction-related questions** - Analytical managers and sector lead
- **New proposal feasibility** – Analytical managers and sector lead
- **Rating methodology-related questions** – Sector lead
- **Commercial questions** – Commercial contacts

Asset type	Analytical manager
Auto loans	Frank Trick
Floorplan	Frank Trick
Auto lease	Frank Trick
Equipment	Frank Trick
Manufactured housing	Frank Trick
Other secured consumer	Frank Trick
Student loan	Kate Scanlin
Credit cards	Kate Scanlin
Consumer other unsecured	Kate Scanlin

Related Research

- [2025 U.S. And Canada Credit Card ABS Review](#), Feb. 20, 2025
- [U.S. Auto Loan ABS Tracker Full-Year And December 2024 Performance Report Published](#), Feb. 13, 2025
- [Credit Union Auto Loan ABS Issuance Growth Continued In 2024, Buoyed By New And Repeat Issuers](#), Feb. 12, 2025
- [Canadian Credit Card Quality Index: Monthly Performance--December 2024](#), Feb. 6, 2025
- [U.S. Credit Card Quality Index: Monthly Performance--December 2024](#), Jan. 23, 2025
- [2025 U.S. And Canada Structured Finance Outlook](#), Dec. 13, 2024
- [ABS Frontiers: The Credit DNA Of Synthetic Risk Transfer Securitizations](#), Sept. 3, 2024
- [Looking Back, Looking Forward: Lessons On U.S. Subprime Auto Loan ABS Performance](#), Aug. 20, 2024
- [Sustainability Insights: Electric Shock: How Engine Technology Affects Auto ABS Risk](#), Jul. 10, 2024
- [S&P Global Ratings Monitoring Consumer Financial Protection Bureau Complaint For Rating Impact On 18 Student Loan Trusts](#), May 10, 2024
- [Sector Intelligence | Student Loan ABS](#), Feb. 23, 2024
- [Sustainability Insights: U.S. Electric Vehicle Auto Lease Growth Could Raise Residual Value Risk](#), Feb. 22, 2024

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