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CIT BANKRUPTCY: NO IMPACT ON RATINGS OF MAVI OR MAVII NOTES

On November 2, 2009, DBRS downgraded the ratings of CIT Group Inc. (CIT or the Company) and its subsidiary, CIT Group Funding Company of Delaware, to D following the announcement that CIT's Board of Directors had approved proceeding with the Company's pre-packaged plan of reorganization under Chapter 11 of the U.S. Bankruptcy Code.

The notes issued by Master Asset Vehicle I (MAVI) and Master Asset Vehicle II (MAVII; together with MAVI, the MAVs) are secured by, among other assets, 47 collateralized debt obligations (CDOs) that reference CIT (the Transactions). The majority of the Transactions take the form of credit default swaps (CDS), in which the MAVs sold credit protection on a number of debt obligations (the Reference Entities). The bankruptcy filing by CIT has triggered a credit event under the standardized International Swaps and Derivatives Association contracts and documentation utilized by market participants to enter into CDS transactions.

When monitoring the performance of CDO transactions, DBRS applies a probability of default to each Reference Entity based on the current rating and remaining term of the transaction, and a recovery assumption in the range of 33% to 40%, depending on the rating assigned to the CDO tranche. Given the severe ratings migration experienced by CIT prior to its bankruptcy filing, DBRS has been using conservative probability of default and recovery assumptions when modelling the Transactions.

The potential bankruptcy of CIT was contemplated when the MAVI Class A-2 Notes were maintained Under Review with Negative Implications on October 26, 2009, and when the MAVII Class A-2 Notes were placed Under Review with Negative Implications on August 11, 2009. As a result, the credit event with regard to CIT is not expected to have an impact on the ratings of the MAVI or MAVII Notes.

DBRS will continue to monitor the situation closely and will release further information as appropriate on www.dbrs.com.

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