Rating Report

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Insight beyond the rating.

CIT Equipment Collateral, 2010-VT1, Receivable-Backed Notes

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Ratings

Debt	Provisional Rating	Rating Action	Trend
Class A-1	R-1 (high)	New Rating	<-->
Class A-2	AAA	New Rating	<-->
Class A-3	AAA	New Rating	<-->
Class B	AA (high)	New Rating	<-->
Class C	A	New Rating	<-->
Class D	BBB	New Rating	<-->

Note: Various capitalized terms are used throughout this document and can be found in the Index of Principal Terms in the offering memorandum.

Structure Summary

2010-VT1, Receivable-Backed Notes

Class Decription	Rating Action	Amount*	Coupon	Payment Frequency	Expected Maturity Date	Provisional Rating
Class A-1	New Rating - Provisional	$201,503,000.00	[TBD]%	Monthly	12/15/2010	R-1 (high)
Class A-2	New Rating - Provisional	$166,000,000.00	[TBD]%	Monthly	8/15/2011	AAA
Class A-3	New Rating - Provisional	$180,496,000.00	[TBD]%	Monthly	9/17/2012	AAA
Class B	New Rating - Provisional	$31,116,000.00	[TBD]%	Monthly	12/17/2012	AA (high)
Class C	New Rating - Provisional	$46,675,000.00	[TBD]%	Monthly	7/15/2013	A
Class D	New Rating - Provisional	$41,488,000.00	[TBD]%	Monthly	11/15/2013	BBB

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Transaction Parties and Relevant Dates

Issuing Entity:	CIT Equipment Collateral 2010-VT1, a Delaware statutory trust.
Owner Trustee:	M&T Trust Company of Delaware, a Delaware limited purpose trust company.
Depositor:	CIT Funding Company, LLC (CFC), a limited liability company and indirect wholly owned subsidiary of CIT Group, Inc. (CIT, a publicly traded corporation). The Depositor will purchase the contracts from CIT Equipment Trust VFC Series II (VFC II), a warehousing trust.
Indenture Trustee:	The Bank of New York Mellon will serve as indenture trustee.
Sponsor and Servicer:	CIT Financial USA, LLC (CIT Financial), a limited liability company and indirect wholly owned subsidiary of CIT Group, Inc.
Sellers:	On the closing date, VFC II will sell to the Depositor the contracts which it acquired from the CFC and which CFC acquired from CIT Financial.
Originators and Subservicers:	Approximately 74.49% of the statistical Contract Pool principal balance was originated by CIT Technology Financing Services, Inc. (CIT Technology), an affiliate of CIT Financial and a wholly-owned subsidiary of CIT. The contracts originated by CIT Technology will be subserviced by CIT Technology. Approximately 17.84% of the statistical Contract Pool principal balance was originated by CIT Communications Finance Corporation (CIT Communications), an affiliate of CIT Financial and a wholly-owned subsidiary of CIT, supporting sales of telecommunications equipment of Avaya, Inc. The contracts originated by CIT Communications supporting sales of Avaya, Inc. will be subserviced by CIT Communications Finance Corporation. Approximately 7.67% of the statistical Contract Pool principal balance was originated by DFS and will be subserviced by Dell Financial Services L.L.C., (DFS). DFS provides financing for the purchase and lease of computers, technology equipment and related software accessories and services. DFS is an indirect subsidiary of Dell Inc. (Dell). Prior to December 31, 2007, DFS was a joint venture between CIT and Dell. DFS-SPV will act as subservicer but DFS-SPV will delegate all subservicing operations, functions and activities to DFS with respect to contracts originated by DFS. DFS (as delegated by DFS-SPV) will act as subservicer and will be responsible for servicing, managing and administering the contracts originated by DFS and all related interests, and enforcing and making collections on the contracts on behalf of the servicer and periodically remitting all such payments to the servicer.
Back Up Servicer:	Systems & Services Technologies, Inc. (SST) will serve as backup servicer under a backup servicing agreement.

Primary Asset of the Issuer:	Contracts and related payments originated in connection with the leasing and financing of small to large ticket equipment.
Payment Date:	Monthly (15th) Principal and interest is scheduled to be paid to the noteholders on the 15th day of each month or, if not a Business Day, then the next Business Day.
First Payment Date:	April 15, 2010.
Collection Period:	Payments made on each Payment Date will relate to the collections received in respect of the Contracts during the period beginning on the opening of business on the first day of the immediately preceding calendar month and ending on the close of business on the last day of such month.
Scheduled Maturity Dates:	Class A-1, March 15, 2011; Class A-2, May 15, 2012; Class A-3, May 15, 2013, Class B, September 16, 2013, Class C, March 17, 2014 and Class D, September 15, 2017.

Transaction Summary

DBRS has assigned provisional ratings to the CIT Equipment Collateral 2010-VT1 (CITEC), Receivables-Backed Notes listed on page 1. The CITEC transaction represents the seventeenth 12th CITEC term asset-backed securitization since 2002 under Rule 144A. The transaction's senior notes may qualify for funding in the Federal Reserve's Term Asset-Backed Securities Loan Facility (TALF) program. The CITEC 2010-VT1 pledged assets include a segregated pool of commercial loan contracts and commercial finance leases relating to a wide range of equipment, together with all moneys received relating thereto on or after February 1, 2010, with respect to the Contracts transferred to the Issuer. VFC II will sell to the Depositor the contracts which it acquired from the CFC and which CFC acquired from CIT Financial (the Contract Pool). The CITEC 2010-VT1 notes will be issued under an indenture with The Bank of New York Mellon acting as indenture trustee for the benefit of the holders of the CITEC 2010-VT1 notes.

The transaction structure is substantially similar to CIT Financial's previous term Rule 144a transactions, although the current transaction includes additional credit enhancement and excess spread. Please see page 14 for a transaction comparison.

CITEC 2010-VT1 notes will be issued in four classes of notes - Classes A, B, C and D. Initial Class A credit support of 27.75% will include Class B notes (4.50%), Class C notes (6.75%), Class D notes (6.00%), a reserve account (7.00%, funded at inception) and overcollateralization (3.50%). Additional credit support may be provided from excess spread available in the structure.

On each Payment Date and after the issuing entity repays any outstanding servicer advances and transaction fees in accordance with the priority of payments the issuing entity will pay interest on the notes. Amounts available from collections will be applied to interest due and payable, first to Class A notes (on a pro rata basis to the extent that amounts available are not sufficient to pay interest due on all Class A notes), then the Class B notes, then to the Class C notes, and then to the Class D notes. Subject to the amount of available funds, principal payments will be equal to the amount needed to decrease the aggregate note principal amount to the Contract Pool principal balance minus the overcollateralization amount, and will be allocated to each class of notes sequentially until such class of notes are paid in full and the outstanding balance is reduced to zero.

Overcollateralization as a percent of the Contract Pool (OC) will build within the transaction structure through the distribution of principal sequentially to the notes. The Amount on deposit in the Reserve Account will initially be 7.00% of the initial Contract Pool principal balance. Thereafter, the required reserve amount on deposit on the reserve account will be the greater of (i) 8.50% of the initial Contract Pool principal balance (plus any excess of the aggregate note principal amount, over the Contract Pool principal balance minus the overcollateralization amount) and (ii) the reserve account floor. The reserve account floor is 3.00% of the initial Contract Pool principal balance of the initial Contract Pool principal balance.

The collateral securing the notes consists primarily of triple-net true leases (approximately 76%), finance leases (approximately 19%) and operating leases (approximately 5%) to commercial customers. The related equipment includes several types of small to large equipment including copiers, telecommunications equipment and computers.

The customer base consist of small to large sized companies engaged in general businesses across a wide array of industries including service companies, finance and insurance companies, manufacturers, healthcare organizations and retail and wholesale trade companies. The lessees comprise a diverse group with no significant concentrations existing within the Contract Pool.

CIT has undergone several changes due to the persisting changes of the economic environment. In October 2009, CIT filed a pre-packaged voluntary bankruptcy petition. On December 10, 2009, CIT emerged from the bankruptcy ahead of schedule with reduced leverage and restructured debt that extends maturity dates. CIT has also affirmed their commitment to certain core markets which include its vendor finance operations. Attrition rates since the filing have been approximately 10%, with CIT committed to right sizing its business as necessary to accommodate industry demand.

CIT Financial will service the portfolio with CIT Communications Finance Corporation and DFS acting as subservicers. Systems & Services Technologies, Inc. will serve as backup servicer under a backup servicing agreement for the life of the transaction.

Rating Rationale

- Subordination, overcollateralization, amounts held in the reserve fund and excess spread create credit enhancement levels that are comparable to the CITEC 2009-VT1 transaction and higher than earlier transactions, and can support DBRS projected expected cumulative net losses (CNLs) under various stress scenarios using multiples that range from approximately 2.4 to 6 times the CNL assumptions, depending on the desired rating for such class of notes.
    - The transaction structure includes credit enhancement in the form of subordination of junior classes of notes. The notes will pay sequentially with the Class A notes paid in full before any payments of principal to the Class B notes, the Class B notes paid in full before any payments of principal to the Class C and D notes, and the Class C notes paid in full before any principal payments on the Class D notes.
    - Amortization of the notes, subordination of junior classes, overcollateralization and the Reserve Account floor, create increasing credit enhancement for the Class A notes as a percentage of the Contract Pool balance.

- CIT and CIT Financial maintain a strong and visible position in the small to large equipment leasing space. CIT and CIT Financial have over 20 years of experience in financing vendors of commercial equipment to small through large sized businesses and the CIT management team averages approximately 25 years of industry experience.
    - Since 2008, CIT has been refining underwriting standards and focusing on serving its existing clientele. The average vendor relationship is 13 years.

- CIT uses multiple sales origination channels to effectively penetrate the highly diversified and fragmented equipment leasing market, which account for approximately 100% of current originations. These activities involve:
  - Joint ventures with manufacturers and equipment dealers;
  - Virtual joint ventures; and
  - Program agreement with equipment vendors and dealers.

- DBRS conducted an on-site review of CIT's origination, underwriting and servicing functions in Jacksonville, Florida. DBRS deems CIT and CIT Financial as an acceptable originator and servicer, respectively.

  - SST the back-up servicer for this facility, an experienced servicer of equipment lease backed secured transactions.

- CIT Financial USA has been sponsoring securitization transactions for more than ten years. CIT Financial USA has sponsored 14 securitizations during the past seven years. No securitizations organized by CIT Financial USA have defaulted or experienced an early amortization triggering event.

  - The 2008-1 and 2009-1 transactions are currently outstanding. The 2008-1 and 2009-1 transactions have experienced some increase in actual losses (compared to earlier transactions) related to the credit crisis and economic downturn, but to date have performed in accordance with their transaction terms without any significant events occurring.
  - Previous CITEC transactions cumulative gross losses have ranged between of 2.81-3.81% and cumulative net losses have ranged between 0.86%-1.97%. The CITEC 2006-VT2 and CITEC 2008-VT1 transaction projected cumulative gross losses are 4.71% and 5.20%, and cumulative net losses (CNLs) are 2.25% and 2.80%, each respectively.
  - Relatively higher loss curves and projected losses for the CITEC 2006-VT2 and CITEC 2008-VT1 transactions versus prior transactions, which generally relates to certain industries which were more greatly impacted by the credit crisis and economic downturn.

- CIT's customers do remain subject to continued stressed macroeconomic conditions. In response, CIT has focused on its preferred clientele with the strongest relationships soliciting the existing end user customer base for repeat business and increased internal scoring for credit approvals (e.g. probability of default (PD) scoring).
  - The Contract Pool consists of newly originated obligations which are exhibiting superior performance to date versus 2008 originations and does not contain any significant concentrations of obligors, or geographic concentrations above industry norms.
  - Diversification of the Contract Pool is driven by the essential use of the related equipment.
  - The Contract Pool does not include the equipment related to the Contracts. No residual values were included in the initial pool balance used for determining advance rates for the transaction.

- The transaction's financial structure includes provisions that increase amounts in the Reserve Account as a percentage of the aggregate note principal amount and limit reductions to reserve floor amounts to 3.00% of the initial Contract Pool principal balance.

Operational Summary

CIT's vendor finance business segment (VF), headquartered in Livingston, New Jersey, focuses on financing and leasing assets including small and mid-ticket commercial financing and leasing assets, and vendor programs. VF finances several categories of equipment, and focuses on copiers, printers, fax machines, computers, computer servers, software and telecommunications equipment as core asset types. VF seeks to offer cost effective lease solutions to end-user customers of manufacturers, distributors, dealers and resellers.

The underlying leases financed by VF's operations relate to a wide range of equipment (including computers, copiers, fax machines, telephones, medical, commercial and industrial, restaurant, automotive, and printing equipment). All leases represent business equipment and generally have a purchase price of less than $200,000 (with an average purchase price of approximately $18,956). VF further seeks to maximize efficiency by leveraging the sales force of the vendors to whom financing is provided. Although companies of all sizes lease equipment, the end-users of VF financed equipment include a large number of small businesses.

An originator's program agreement is typically an agreement with equipment manufacturers, dealers and distributors, or software licensors or distributors. The program agreement provides an originator with the opportunity to finance transactions relating to the acquisition or use by a customer of a vendor's equipment, software, services or other products. Vendor program arrangements provide an originator with a steady, sustainable flow of new business, often with lower costs of origination than asset-based financings marketed directly to customers.

VF seeks to gain and maximize a competitive advantage by offering cost efficient equipment financing products through state-of-the-art technology that permit, among other things, 24/7 self service websites and on-line end-user account management tools. VF specializes in providing product options on a joint venture or programmatic basis to maximize efficiency. In addition, VF forms relationships with equipment vendors, including manufacturers, dealers and distributors, to develop customized asset-based financing solutions. VF offers credit financing to the manufacturer's customers for the purchase or lease of the manufacturer's products, while also offering sales tools to manufacturers and vendors, such as asset management services, efficient lease and loan processing, and real-time credit determination.

VF has long standing vendor programs in information technology, telecommunications equipment and software. By aligning interests, VF seeks to integrate with the vendor's business planning process and product offering systems. These vendor relationships are also developed through the use of joint ventures, profit sharing and other transaction structures. In the case of joint ventures, through a contractual arrangement, VF and the vendor combine activities into one business model in a distinct legal entity.

VF operates globally through operations in North America, Europe, Latin America, Asia and Australia, and serves many industries including a wide range of manufacturers. The managed assets of VF worldwide totaled approximately $11.8 billion as of September 30, 2009. The US VF operations include a business office in Jacksonville, FL, and are responsible for maintaining numerous vendor relationships. The US VF customer base ranges from small businesses and consumers to large-sized companies. Since the US VF inception, it has extended over $2 billion in lease financing to small businesses.

The VF presence in the US vendor finance sector was steady until 2007, when the economic downturn became most severe and VF began to experience stress related to business activities unrelated to vendor finance. The economic stress resulted in VF focusing on existing clientele for repeat business and management of relationships (which in many cases span decades). As of September 2009, VF maintained a net investment in equipment assets totaling over $2.6 billion. The following table indicates the net investment by VF in managed assets by year (in thousands):

2004	2005	2006	2007	2008	Sept. 2009
$ 3,843,758	$ 3,519,635	$ 3,156,813	$ 3,020,549	$ 2,909,182	$ 2,680,662

Underwriting

CIT maintains formal underwriting policies and procedures. These criteria set forth the evaluation of financing and leasing assets for credit and collateral risk during the credit approval process and periodically after funding. The underwriting parameters are based on: (1) target market definitions, which outline the

markets, industries, geographies and products that are the permitted targets, and (2) risk acceptance criteria, which details acceptable transaction structures, credit profiles and required risk-adjusted returns.

In initially establishing a program agreement or other form of financing arrangement with a vendor, a formal underwriting review of the vendor is performed to ensure that the vendor can perform the expected financial and other obligations. This typically encompasses a financial review, a product review (including an analysis of market acceptance of the vendor) and a general operational and managerial review. Vendors must generally be well established and must market industry accepted equipment or other products. The vendor must have sufficient financial resources to support its representations and warranties included in the proposed financing relationship. Asset quality is reviewed and compared to the information obtained from reference checking and credit reports. The financial analysis typically involves a review of the potential customer's leverage, profitability, liquidity and cash flow. Cash flow is checked for reliability and adequacy to service funded debt maturities and other fixed charges. Program agreements are continually monitored with regular reviews performed of the vendor's financial condition. Vendor reviews are also conducted based on portfolio performance. Prior to funding under any agreement, verbal checks are performed to ensure that the equipment accepted.

Prior to a program or transaction's acceptance, credit approval under one of CIT's proprietary credit scoring models, or by a duly authorized credit officer in accordance with clearly defined authorities, policies and procedures is performed. Credit policies appropriate for each business unit have been established and are periodically reviewed for adherence to the established credit policies. These credit policies must be consistent with CIT's overall credit policies and are approved by the Corporate Credit Risk Management Group.

Credit authorities are set in order to enable approximately 85-90% of the transactions flow to be handled by individual credit officers. Higher credit authorities will review approximately 10-15% of the transactions ensuring oversight by more senior credit officials. Chief credit officers are empowered to establish credit authorities for qualified credit staff members for up to $1,000,000. Approval of credit authorities in excess of $1,000,000 requires the approval of the CIT's Executive Credit Committee (ECC). Each business unit has a set credit authority limit. These limits vary by unit based upon several factors including the size of the typical transaction for such unit, the general risk profile, and the unit's perceived skills and experience. Approval by one or more senior credit officers at VF's headquarters is required for transactions in excess of the individual unit's credit authority. All investment decisions involving amounts in excess of $5,000,000 must be reported to the ECC bi-weekly. For VF, the ECC must approve amounts or exposure in excess of $70,000,000 for a customer with a PD grade of 1-6 and $35,000,000 for a customer with a PD grade of 7-11. In cases of higher risk credits these limits may be lower. Credit authority granted to approve transactions may not be delegated.

CIT's underwriting standards are intended to evaluate a prospective customer's credit standing and repayment ability. Credit decisions are made based upon the credit characteristics of the applicant, loss experience with comparable customers, the amount and terms and conditions of the proposed transaction and the type of equipment. For almost all VF transactions under $50,000 and, with respect to VF's Avaya business unit or VF's small ticket commercial financing unit, transactions under $125,000, proprietary credit scoring systems are used to make credit decisions with consideration given to the request as it combines with the applicant's existing exposure. In the credit scoring system, a computer makes the initial credit decision after consideration of many variables from the credit application data and credit bureau information based on a statistical model of such originator's prior loss experience.

With respect to credit decisions for those transactions that are not based on credit scoring, each unit's credit officers conduct various credit investigations, including reference calling and the procurement and analysis of data from credit reporting agencies such as Dun & Bradstreet and other credit bureaus. In the case of larger-sized transactions, each unit's credit officers will typically obtain and analyze financial statements from the potential customer. Analysis will be conducted to determine the reliability of the financial statements and to ascertain the financial condition and operating performance of the potential customer.

The credit approval process will also set forth any conditions of approval such as personal or corporate guarantees, shorter lease terms, additional advance payments or other credit enhancements, and it may also dictate the necessary documentation. An authorized credit officer must re-approve any subsequent material modification of approval terms or required documentation. VF credit personnel are required to rate the creditworthiness of customer accounts not otherwise rated by the credit scoring system. In connection with the creditworthiness review, VF credit personnel are required to take into account other factors affecting the credit risk of a particular transaction, such as collateral value, credit enhancement and duration of the credit.

Additionally, information may be obtained from rating agencies, securities firms, Bloomberg and other sources. The credit officer prepares a written analysis summarizing the amount and terms of the credit request and setting forth the credit officer's recommendation including detailed supporting rationale. Alternative exit strategies, including an analysis of the value of the equipment as well as its essentiality of use, are also considered in the event the customer fails to honor its payment obligations.

CIT utilizes the "one obligor concept" in determining aggregate exposure that requires the appropriate credit authority to approve an incremental transactions based on CIT's total credit exposure to a customer. Credit exposure is tracked automatically by customer allowing aggregation of all CIT affiliated originators' exposure to each customer (including its subsidiaries, affiliates and commonly controlled companies). Unless otherwise specifically approved, credit approvals are valid for up to 180 days.

CIT reviews and monitors credit exposures for both the owned and managed fleets. Monitoring is performed on an ongoing basis to identify customers that may be experiencing financial difficulty or deteriorating stability. CIT monitors concentrations by borrower, industry, geographic region and equipment type. Exposure is set and modified as conditions warrant, to minimize credit concentrations and mitigate the risk of credit losses. CIT has implemented processes and systems to drive risk-based pricing models that are available for individual transaction pricing based on the exposure parameters to ensure that transactions meet acceptable risk-adjusted return criteria. Reviews periodically evaluate the performance of its finance receivables across the entire organization.

Servicing

CIT Financial, as servicer, will be obligated under a pooling and servicing agreement to service the contracts with reasonable care, using that degree of skill and attention that the servicer generally exercises with respect to all comparable contracts and related assets that it services for itself or others. In performing these duties, it shall comply in all material respects with its written the credit and collection policies and procedures.

The servicer is responsible for:

- Reviewing and certifying that the contract files are complete;
- Monitoring and tracking any property and sales taxes to be paid by obligors;
- Billing, collecting, and recording payments from obligors;
- Communicating with and providing billing records to obligors;
- Depositing funds into the collection account;
- Receiving payments as the issuing entity's agent on the insurance policies maintained by the obligors and communicating with insurers;
- Issuing reports to the indenture trustee;
- Repossessing and remarketing equipment following obligor defaults; and
- Paying the fees and ordinary expenses of the indenture trustee and the owner trustee.

The servicer may delegate servicing responsibilities to subservicers which are third parties or affiliates, provided that the servicer will remain obligated to the related issuing entity and the depositor for the proper servicing performance. With respect to the contracts on which it is acting as subservicer, DFS will be responsible for servicing, managing and administering the Contract originated by DFS, and related interests, and enforcing and making collections on the contracts on behalf of the servicer. CIT Communications and CIT Technology will each act as subservicer on contracts that it originated.

The servicer is obligated to act in a commercially reasonable manner with respect to the repossession and disposition of equipment following a contract default with a view to realizing proceeds at least equal to the equipment's fair market value. The servicer may choose to dispose of equipment through a new lease or in some other manner which provides for payment for the equipment over time. In these cases, the servicer will be required to pay from it's own funds an amount which, in its reasonable judgment, is equal to the fair market value of the equipment, less liquidation expenses, and the servicer will be entitled to all subsequent payments in respect of the equipment. Any amounts the servicer pays will constitute additional liquidation proceeds with respect to the related contract and equipment and will be allocated as described in the priority of payments.

Collection strategies are customized to adjust to current portfolio trends with the initial contact with the obligors beginning when payment is five days delinquent. Automated collection letters are sent at 10, 30 and 50 days with language reflecting the increasing urgency at each interval. Automated dialing campaigns are also utilized to ensure that delinquent accounts are notified of delinquencies. Dialing campaigns can be adjusted for identified trends to increase effectiveness. Outside collections agencies are utilized to supplement collections activities and are typically placed with such agencies when the account becomes more than 180 days past due.

The servicer is required to make advances for delinquent scheduled payments if in its discretion the advances will be recoverable. In the event that an entity other than CIT Financial USA, or one of its affiliates, is a servicer of the contracts, that entity shall have no obligation to make servicer advances. Servicer advances are reimbursable from contract payments as provided in the priority of payments.

The servicer shall be entitled to recover all reasonable out-of-pocket expenses incurred in the liquidation of a contract and disposal of related equipment. The servicer is entitled to retain, from liquidation proceeds, a reserve for out-of-pocket liquidation expenses in an amount equal to the expenses, in addition to those previously incurred, as it reasonably estimates will be incurred. The servicer is permitted to grant payment extensions on a contract not exceeding an aggregate of six months in accordance with its credit and collection policies and procedures if the servicer believes in good faith that an extension is necessary to avoid a termination and liquidation of the contract and will maximize the amount to be received by the issuing entity under the contract. The servicer is permitted to agree to modifications or amendments to a contract in accordance with its credit and collection policies and procedures.

The servicer may allow a prepayment of any lease contract, but only if the amount paid or, in the case of a partial prepayment, the sum of its prepayment and the remaining Contract Pool principal balance, is at least equal to the required payoff amount of the contract.

The servicer will remit collections to the collection account on a daily basis. In the future, the servicer may be permitted to make remittances of collections to the collection account on a monthly basis as set forth below. In the event that the servicer is permitted to make remittances of collections to the collection account on a monthly basis pursuant to the second alternative (item (ii) listed below in Transaction Structure), the pooling and servicing agreement will be modified, to the extent necessary, without the consent of any holders of notes. Pending each monthly deposit into the collection account, collections on the contracts may be invested by the servicer at its own risk and for its own benefit and will not be segregated from its own funds.

Compensation to the servicer will be a monthly fee equal to the product of one-twelfth of 1.00 percent per annum multiplied by the Contract Pool principal balance as of the first day of the related collection period. Compensation to the back-up servicer will include a monthly fee equal to the greater of (a) the product of

one-twelfth of 0.03 percent per annum multiplied by the Contract Pool principal balance as of the first day of the related collection period and (b) $3,000. If a successor servicer is providing servicing on the transaction, the compensation to the successor servicer will be equal to the greatest of (a) the product of one-twelfth of 1.00 percent per annum multiplied by the Contract Pool principal balance as of the first day of the related collection period, (b) $7.50 multiplied by the number of contracts and (c) $10,000.

Transaction Structure

The net proceeds from the sale of the notes will be applied by the issuing entity to finance the purchase of a portfolio of equipment contracts (the Contract Pool) acquired by the depositor. On the closing date, the purchase price for the Contract Pool will be based on the statistical discounted value of the contractual stream of scheduled future payments. For the CITEC 2010-VT1 notes, the statistical discounted rate applied to the Contract Pool is 5.75% per annum.

The Issuer will apply the net proceeds from the sale of the CITEC 2010-VT1 notes to (i) acquire the portfolio of Contracts from CIT Financial and VFC II, its financing warehouse trust facility provided by various commercial paper issuers, (ii) to make the initial deposit to the Reserve Account, and (iii) to pay costs and expenses.

The distribution dates are the 15th day of each month, beginning in April 2010. The structure of cash collections includes a mechanism to limit the commingling risk of the servicer that requires all amounts collected to be remitted daily to a trust account controlled by indenture trustee for the benefit of the holders of CITEC 2010-VT1 notes.

The pooling and servicing agreement will permit the servicer to make the deposits described above into the collection account once each month on the deposit date following the Collection Period for that month so long as (i) the servicer or the direct or indirect parent of the servicer has and maintains a short-term debt rating of at least R-1 (high) by DBRS or (ii) the servicer obtains a letter of credit, surety bond or insurance policy which satisfies the requirements in the pooling and servicing agreement, under which demands for payment may be made to secure timely remittance of monthly collections to the collection account and notice and detail of such support if furnished to each rating agency then providing a rating on the notes.

The Class A-1 notes are expected to be priced based on a rate of one-month Libor[1] plus a margin (interest accrues on the basis of "actual/360") and the Class A-2, A-3, B, C and D notes are expected to be offered with a fixed rate of interest determined using interpolated Eurodollar plus a margin for the Class A-2 and A-3 and swaps plus a margin for the Class B, C, and D notes. Principal payments will be equal to the amount needed to decrease the aggregate note principal amount to the Contract Pool principal balance. Each of the notes are provisionally rated, based on full repayment of the notes by their respective legal final maturity dates. To the extent that funds (arising from the underlying assets) are not sufficient to repay interest and principal, amounts in the Reserve Account will be applied to repay the notes.

Priority of Payments

Payments of principal on the notes are generally calculated by reference to a target amount. The Class A notes have a target amount that is calculated by reference to a percentage of the decreasing pool balance. The Class B, C and D notes respectively have a target amount that is calculated by reference to a percentage of the decreasing pool balance and is subject to a specified floor amount. Until the principal balance of the Class A-1 notes has been paid in full, no other class of notes will receive any payments of principal.

On each payment date, the servicer will generally direct the indenture trustee to apply available funds for the related collection period in the following order of priority to pay:

(1) Reimbursement of servicer advances;

(1) ———————————

[1] London Interbank Offered Rate

(2) Back-up servicing fee, if any;

(3) Servicing fee;

(4) Trustee fees;

(5) Accrued interest on the Class A-1 notes, Class A-2 notes and Class A-3 notes, pro rata;

(6) Accrued interest on the Class B notes;

(7) Accrued interest on the Class C notes;

(8) Accrued interest on the Class D notes;

(9) Principal to the notes in the priority and order described below and in an amount equal to the excess of: (x) the aggregate note principal amount immediately prior to the related Payment Date, over (y) the Contract Pool principal balance at the end of the related Collection Period, minus the initial OC amount; provided, however, that the principal amount to be distributed pursuant to this clause (9) on and after the scheduled maturity date of any class of notes will not be less than the amount that is necessary to reduce the outstanding principal amount of such class of notes to zero,

(A) To the Class A-1 notes until they are paid in full; then

(B) To the Class A-2 notes until they are paid in full; then

(C) To the Class A-3 notes until they are paid in full; then

(D) To the Class B notes until they are paid in full; then

(E) To the Class C notes until they are paid in full; and then

(F) To the Class D notes until they are paid in full;

(10) Any amounts required to increase the reserve account balance to its required level;

(11) Any amounts due and owing to the trustees but not paid under clause (4);

(12) Any reimbursable expenses due and owing to the successor servicer; and

(13) Any remainder to the holder of the equity certificate.

To the extent of any deficiencies in the amounts available to pay amounts described in clauses (5) to (9) immediately above, the issuing entity will draw on amounts on deposit in the reserve account to pay such deficiencies. The amount of principal required to be paid to noteholders under the indenture, however, generally will be limited to amounts available to make such payments in accordance with the priority of payments. Thus, the failure to pay principal to a class of notes due to a lack of amounts available to make such a payment will not result in the occurrence of an Event of Default until the Scheduled Maturity Date for that class of notes.

Notwithstanding the foregoing, if on any Payment Date an Event of Default has occurred and is continuing and the notes have been declared due and payable, principal will be distributed first to the holders of the Class A-1 notes until they are paid in full, second to the holders of the Class A-2 and Class A-3 notes, pro rata based on their respective outstanding principal balances, until they are paid in full and then to the Class B notes, Class C notes, and Class D notes sequentially.

In general, the rate of such payments may be influenced by a number of other factors, including general economic conditions. The rate of principal payments on, and the weighted average lives of, the notes will be directly related to the rate of principal payments on the underlying Contracts. The principal payments on such Contracts may be in the form of scheduled principal payments, prepayments or liquidations due to default, casualty, repurchases for breach of representations and warranties and the like. Any such payments will result in distributions to holders of notes of amounts which would otherwise have been distributed over the remaining term of the Contracts.

Events of Default

1. Failure to pay on any Payment Date the full amount of accrued interest on any note, which failure continues unremedied for five (5) or more calendar days after such payment date;

2. Failure to pay the then outstanding principal amount of any note, if any, on its related scheduled maturity date;

3. Failure on the part of the issuing entity or the depositor to observe or perform any covenants or agreements of such entity set forth in the pooling and servicing agreement or the indenture, which failure has a material adverse effect on the holders of the notes and which continues unremedied for a period of sixty (60) calendar days after written notice;

4. Any representation or warranty made by the issuing entity or the depositor in the pooling and servicing agreement or the indenture proves to have been incorrect in any material respect when made and continues to be incorrect in any material respect for a period of sixty (60) days after written notice and as a result of which the interests of the holders of the notes are materially and adversely affected.

   However, in the case of a breach of representation or warranty made with respect to any contract, an event of default shall not be deemed to occur if the related contracts have been repurchased, or substituted for, during such period in accordance with the provisions of the pooling and servicing agreement and the purchase and sale

5. The occurance of an insolvency event relating to the depositor or the issuing entity; or

6. The issuer entity becomes an "investment company" within the meaning of the Investment Company Act.

Event of Servicing Termination

1. The servicer fails to make any required payment or deposit and the failure continues for five business days after notice from the indenture trustee or discovery by the servicer;

2. The servicer fails to observe in any material respect any agreements of the servicer set forth in the pooling and servicing agreement and the failure (1) materially and adversely affects the rights of the issuing entity, the equity certificateholder or the noteholders, and (2) continues unremedied for 30 days after written notice to the servicer;

3. Events of bankruptcy or insolvency occur with respect to the servicer; or

4. Any representation, warranty or statement of the servicer made under the pooling and servicing agreement is incorrect in any material respect, and (1) has a material adverse effect on the issuing entity, the equity certificateholder, or noteholders, and (2) continues uncured for 30 days after written notice to the servicer.

5. CIT fails to maintain a minimum book net worth of $2.0 billion based on the total shareholders' equity of CIT; or

6. The servicer fails to engage a replacement backup servicer within 180 days after SST is terminated as backup servicer.

If an event of termination remains unremedied, the indenture trustee may, and at the written direction of the required majority of the noteholders, shall, terminate all of the rights and obligations of the servicer under the pooling and servicing agreement.

A successor servicer will succeed to all the responsibilities, duties and liabilities of the servicer under the pooling and servicing agreement. The successor servicer will be entitled to compensation as described above; any successor servicer will not be liable for any acts or omissions of the prior servicer occurring prior to a transfer of the servicer's servicing and related functions or for any breach by the prior servicer of any of its

obligations. A majority of the noteholders may waive any default by the servicer under the pooling and servicing agreement and its consequences. In addition, the servicer must maintain an insurance policy or financial guarantee bond in customary form covering errors and omissions by the servicer.

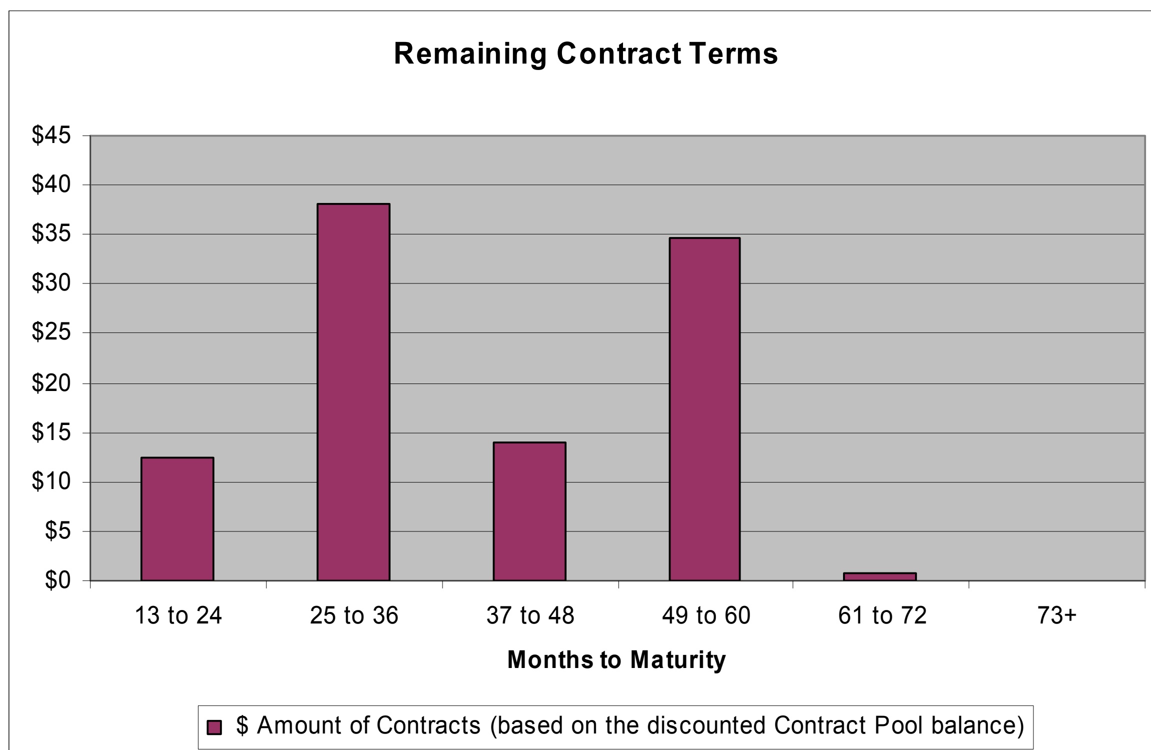
The servicer is not permitted to resign as servicer under the pooling and servicing agreement for so long as its duties are permissible under applicable law. No resignation will become effective until a successor servicer has assumed the servicer's responsibilities under the pooling and servicing agreement. Removal of the servicer is permissible only upon the occurrence of an event of termination as discussed previously.

Once the aggregate outstanding principal balance of the notes is less than 10% of the initial Contract Pool principal balance, the servicer will have the option to purchase all the contracts held by the issuing entity. Upon exercise of this option, on the next Payment Date, the issuing entity will redeem all notes then outstanding. The redemption price for each such note will be the outstanding principal amount of the note plus unpaid accrued interest up to, but excluding, the redemption date.

Portfolio Characteristics

The portfolio is comprised of receivables related to micro and small ticket equipment Contracts with a diversified pool of obligors. The following reflects certain of the characteristics of the portfolio:

- Discounted Contract Pool Balance $691,482,312
- Number of Contracts 36,478
- Average Contract Value $18,956
- Weighted average remaining term to maturity .... 40 months
- Weighted average original term to maturity................ 49 months
- Weighted average age of the Contracts........................ 9 months
- Distribution by type of equipment as a percentage of the discounted Contract Pool Balance:
  - General Office Equipment 66.9%
  - Telecommunications...14.8%
  - Computers 13.8%
  - Software...1.88%
  - Industrial 0.58%
- Largest obligor concentration 0.74%
- Largest state concentration..11.9%



The collateral composition has remained fairly stable across the term series issued by CIT.

	2010-VT1	2009-VT1	2008-VT1	2006-VT2	2006-VT1	2005-VT1	2004-VT1
Pricing Date	Mar-10	Jun-09	May-08	Nov-06	Mar-06	Mar-05	Mar-04
Total Balance	691,482,312	1,145,403,893	617,599,806	741,380,970	1,008,180,912	804,652,560	936,740,380
# of Accounts	39,478	68,399	40,723	51,828	74,262	61,944	62,780
Average Balance	18,956	16,746	15,166	14,305	13,576	12,990	14,921
Discount Rate	5.75%	4.42%	6.08%	5.93%	5.91%	4.71%	2.76%
Credit Enhancement (% of initial pool)							
Class B	6.00%	NA	3.05%	2.25%	2.25%	2.25%	2.75%
Class C	6.75%	NA	4.35%	2.75%	2.25%	2.00%	1.50%
Class D	4.50%	NA	3.10%	3.00%	3.00%	3.50%	3.50%
Initial Overcollateralization	3.50%	17.65%	NA	NA	NA	NA	NA
Initial Cash Reserves	7.00%	6.50%	6.50%	6.25%	6.75%	7.13%	7.75%
Excess Spread:	1.75%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
WAOM (Months)	49.2	49.3	44.6	43.9	43.2	45.0	44.0
WARM (Months)	40.4	38.6	39.8	37.5	37.1	37.7	36.9
Seasoning (Months)	8.8	10.7	4.8	6.4	6.0	7.3	7.1
Geographic Distribution	CA - 11.87%	CA - 13.31%	CA - 13.09%	CA - 12.03%	CA – 11.57%	CA – 10.61%	CA – 10.76%
	NY - 9.65%	NY - 10.77%	TX - 9.48%	TX - 10.24%	TX – 11.37%	TX – 10.60%	TX – 9.61%
	FL - 8.63%	FL - 8.96%	NY - 8.96%	NY - 8.91%	NY – 8.68%	NY – 9.74%	NJ – 8.82%
Collateral Components							
Small Ticket	74.49%	57.06%	38.10%	32.67%	21.20%	20.45%	18.30%
Dell	7.67%	18.31%	45.44%	47.53%	57.41%	46.85%	48.63%
Avaya	17.84%	18.55%	15.78%	18.76%	18.91%	29.24%	30.62%
Customer Type (Top 3)							
Service Organizations	47.01%	46.65%	44.93%	45.70%	48.04%	45.25%	42.30%
Manufacturing	12.01%	11.59%	15.44%	14.24%	15.87%	14.34%	18.98%
Financial Services Institutions	9.55%	10.21%	10.07%	9.94%	7.99%	10.64%	10.18%
Equipment Type (Top 3)							
General Office Equipment/Copiers	66.91%	50.69%	37.15%	23.93%	19.87%	18.41%	15.62%
Computers	14.84%	22.98%	47.82%	56.43%	60.70%	49.73%	51.41%
Telecommunications	13.76%	15.98%	12.28%	16.88%	14.86%	23.30%	25.50%

CIT managed losses are related to economic conditions and with annual losses increasing as the impact of the U.S. recession the permeated commercial markets. The chart below sets forth the net annual losses for the CIT originated technology and office equipment portfolios (by year of origination.

Technology & Office Equipment - Net Annual Losses (% of Avg. Financed Rec,)						
	2004	2005	2006	2007	2008	Sept 2009 YTD
Net Loss %	2.51%	1.87%	1.38%	1.92%	2.56%	3.31%

Credit Enhancement

In accordance with its rating methodology, DBRS analyzed the following forms of credit enhancement available to the CITEC 2010-VT1 transaction.

Excess Spread:
For purposes of determining an advance rate and the appropriate level of credit enhancement, a discount rate is applied to the 2010-1 Contract Pool future payment obligations. With respect to each the 2010-1 portfolio, the assumed discount rate is equal to 5.75%. This assumed discount rate exceeds the sum of the anticipated weighted average interest rate and the cost of senior items in the priority of payments (i.e. the sum of (a) the weighted average of the note rates for each class of notes, weighted by the respective initial principal balance of each class of notes and estimated initial average life of each class of notes plus (b) the servicer fee rate plus (c) the trustee fee rate plus and (d) any backup servicing fee rate).

To the extent that the assumed discount rate exceeds this sum, excess spread is created. For example, for the CITEC 2010-VT1 transaction base case used to run breakeven modeling scenarios with estimates for items (a) through (d) totaling 4.00%, resulting in 1.75% of excess spread (i.e. 5.75%, less (a) 2.95% + (b) 1.00% + (c) 0.02% + (d) 0.03%).

Subordination:
The Class B notes will be subordinated to the Class A notes. The Class C notes will be subordinated to the Class A notes and to the Class B notes. The Class D notes will be subordinated to the Class A notes, the Class B notes and the Class C notes.

Payments of interest on subordinate notes will only be made to the extent that Available Funds remain after making all distributions of interest on the more senior classes of notes and paying all fees, expenses, reimbursement, etc. to the servicer, the issuing entity and the backup servicer on such Payment Date. With respect to principal payments on the notes:

- The Class B notes will not receive payments of principal until the Class A notes have been paid in full;
- The Class C notes will not receive payments of principal until the Class A notes and the Class B notes have been paid in full; and
- The Class D notes will not receive payments of principal the Class A notes, the Class B notes and the Class C notes have been paid in full.

Overcollateralization (OC):
OC is the amount by which the value of the discounted pool balance exceeds the principal balance of all of the notes. OC supports all classes of notes. The initial OC amount will be equal to 3.50% of the initial Contract Pool principal balance.

Reserve Account:
The Issuer will be required to deposit into the Reserve Account an amount equal to 7.00% of the initial Contract Pool principal balance (the Reserve Required Amount).

There after the Required Reserve Amount on deposit on the reserve account will be the greater of (i) 8.50% of the Contract Pool principal balance as of the last day of the related collection period and (ii) the reserve account floor. The reserve account floor is 3.00% of the initial Contract Pool principal balance of the initial Contract Pool principal balance.

Following the funding of higher priority items, the remaining Available Funds will be deposited in the Reserve Account in the amount necessary to maintain the Reserve Required Amount, provided, that in no event will the Reserve Required Amount exceed the outstanding principal balance of all classes of notes.

Stress Testing

In the cash flow modeling analysis, various factors of the transaction were stressed in order to test whether the transaction cash flows can withstand potential performance deterioration of the collateral at each requested rating level.

The key inputs of the cash flow modeling that are stressed include:

- loan defaults and losses
- timing of losses
- recoveries
- delinquencies
- aggregate costs of the transaction

Given the diversity of obligors, collateral and geography, no additional stress scenarios were applied to stress the existing concentrations.

To arrive at a suitable base case cumulative net loss assumption, DBRS analyzed the composition of the Contracts comprising the Contract Pool in combination with the historical cumulative loss performance of sub-segments of CIT's owned and managed portfolios over the past eight years. Consistent with our published methodology, stress factors were applied to the base loss assumptions according to the DBRS rating scale. The multiple loss ranges applied are based on the DBRS criteria set forth in the Rating U.S. Equipment Lease and Loan Securitization methodology, dated January 2010. In each case, the respective notes were able to withstand the stress levels without loss to the respective note holders.

The cumulative net loss expectations used to evaluate available credit enhancement are based on the historical loss targets and actual experience of CIT. However, losses on recent vintages have highlighted the potential asset performance volatility. While CIT has demonstrated that it can effectively respond to changing market conditions and economic environment, the recent performance experience warrants an increase in the expectation for aggregate losses to address the potential risk. Accordingly, a stress factor multiple that in the mid-range of the parameters set forth in the DBRS criteria was utilized. The table below sets forth the approximate multiples applied to the losses used in the determination of each provisional rating.

Stress Multiples by Rating Category

Rating Category	Stress Multiples (x)
AAA	6.0
AA (high)	5.0
A	3.5
BBB	2.5

In addition to losses the stress scenarios included, increased costs related to back-up and successor servicing were incorporated. The stress scenarios also contemplate decreases in the recovery rates and increases to the lag time required to achieve those rates, as well as increased delinquency rates, each as described in the DBRS criteria. In addition, the structure was tested using varying default curves and cumulative prepayment rates (CPR).

The transaction was tested using three different loss timing curves: front mid and back loaded losses to determine the impact of loss timing on the structure. While prepayments for the Contracts have historically been between 7% to 9%), varying prepayment rates can provide some indication how the collateral might perform under unexpected circumstances. The CPR assumption used for the base case cash flow modeling was 7%, and was varied in the stress scenarios ranging from 0% and 15% for all classes.

Legal Structure & Opinions

CIT Financial and VFC II will be the sellers of contracts to the depositor for deposit into the issuing entity. The sellers may originate contracts and acquire contracts originated by other subsidiaries of CIT or by third parties. Counsel to the sellers is expected to render opinions indicating the "true sale" of the assets from the sellers to the depositor, and the enforceability of the documents against the sellers, depositor and the assets of the issuing entity on the Closing Date. Counsel to the seller also is expected to render an opinion stating that the indenture and the pledges and grants thereunder create a valid security interest in the Contract Pool for securing payment of the obligations of the issuing entity and that the creditors of the seller or any CIT affiliate could not successfully look to the assets of the issuing entity for satisfaction of such parties obligations. In addition, the CITEC 2010-VT1 transaction structure and documentation are being reviewed for consistency with the DBRS Legal Criteria for U.S. Structured Finance Transactions dated September 2009.

Note:
All figures are in U.S. Dollars unless otherwise noted.

This report is based on information as of February 26, 2010. Subsequent information may result in material changes to the rating assigned herein and/or the contents of this report.

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