



Securitization Bulletin

Corpfinance International Limited

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Burns' Briefs

I appreciate that it's the summer and time for family vacations, not to mention chasing little white balls around courses, but when we are all back at our desks in September, there will be increased enforcement by CFI of the reporting requirements under our Program Agreements.



This article is to remind you of those reporting requirements which are the same for everyone:

MONTHLY: Reporting Statement with respect to the Delinquency Ratio and Default Ratio which are now to be calculated without being 'cleansed'. In other words, the reports are to include leases paid out by you. (Section 7.02(f)).

Particulars of pre-authorized debits as confirmed by your Bank. This is a requirement which was introduced as a result of the last round of revisions to the Master Concurrent Lease Agreement ("MCLA") (Section 5.02(g)). CFI has not been enforcing this requirement as we are developing a protocol to accomplish the reporting with a minimum amount of

work for you and us. Watch for that protocol in the September Bulletin.

QUARTERLY: Balance Sheet and Statement of Income within 15 days of the end of each month, certified by your President, Vice President Finance or Treasurer as having been prepared in accordance with GAAP. (Section 5.02 (a)). The financials are also to be accompanied by an Officer's Certificate as to no event of default. (Section 5.02(c)). I will insert a copy of the form of certificate in the September bulletin as a reminder and for your ease of reference.

ANNUALLY: Audited Financial Statements consisting of a Balance Sheet, Statement of Earnings and Retained Earnings and Cash Flows together with the report of your auditor within 120 days of the end of the your fiscal year end. (Section 5.02 (b)). The financials are to be accompanied by the same certification and Officer's Certificate as that which accompanies the quarterly financials. (Section 5.02 (c)).

Some of you can look forward to the fall, when Bruce ("the Enforcer") Wonnacott and Roz ("Ms Compliance") Patel will call to follow up on your reporting requirements.

In the meantime, all the best for a terrific summer.

Rozmin's Corner

Both the Federal Reserve and the Bank of Canada seem to be approaching the last lap of the 26 month interest rate hike marathon. The Feds raised rates at their last meeting on June 29th with the market anticipating only a 33% probability of another rate hike at their next meeting in August, while the Bank of Canada took a breather at their last meeting on July 11th and left rates unchanged. Though the end seems in sight, the economy will probably see another rate hike before the

end of the summer and then coast through the rest of the year at that level with 2007 reversing the trend with rate cuts on both sides of the border. The perception is that the Feds will need to adjust rates to ensure that GDP does not slide below 2% and the Bank of Canada will follow suit to keep the loonie in check.

Here is summary of trends the economists expect to see over the next 18 months.

	2006Q1	2006Q2	2006Q3	2006Q4	2007Q1	2007Q2	2007Q3	2007Q4
			(forecast)	(forecast)	(forecast)	(forecast)	(forecast)	(forecast)
Overnight rate	3.75%	4.25%	4.50%	4.50%	4.50%	4.00%	4.00%	4.00%
Prime	5.50%	6.00%	6.25%	6.25%	6.25%	5.75%	5.75%	5.75%
30 day paper	4.13%	4.57%	4.82%	4.82%	4.82%	4.32%	4.32%	4.32%
2 year bond	4.03%	4.44%	4.63%	4.53%	4.44%	4.38%	4.40%	4.43%

Contact List

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