

# KBRA Assigns Preliminary Ratings to Tricolor Auto Securitization Trust 2024-2

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NEW YORK--(BUSINESS WIRE)-- KBRA assigns preliminary ratings to six classes of notes issued by Tricolor Auto Securitization Trust 2024-2 ("TAST 2024-2"), a subprime auto loan ABS transaction.

TAST 2024-2 will issue six classes of notes totaling \$276.7 million, where credit enhancement consists of overcollateralization, subordination of junior note classes (except for the Class F notes), a cash reserve account, and excess spread. The transaction has initial credit enhancement ranging from 54.60% for the Class A notes to 24.10% for the Class F notes. As of the March 31, 2024, statistical cut-off date, the notes are collateralized by a pool of fixed rate installment automobile loans with a non-zero weighted average FICO score of 604, an average principal balance of \$24,861, and a weighted average APR of 17.10%.

TAST 2024-2 represents the sixth rated ABS securitization for Tricolor Auto Acceptance, LLC ("Tricolor" or the "Company"). The Company has closed five unrated securitizations for a total of approximately \$545 million as well as five rated securitizations for a total of approximately \$1.0 billion. TAST 2024-2 represents Tricolor Auto Acceptance, LLC's ("Tricolor" or the "Company") fourth ABS aligned with the 2021 Social Bond Principles administered by the International Capital Market Association ("ICMA"), as the Issuer intends to utilize the proceeds of the issuance for an eligible social project that provides or promotes access to essential services and/or socioeconomic advancement and empowerment.

KBRA applied its Auto Loan ABS Global Rating Methodology, as well as its Global Structured Finance Counterparty Methodology and ESG Global Rating Methodology as part of its analysis of the static pool data and the underlying collateral pool and stressed the capital structure based upon its stress case cash flow assumptions. KBRA considered its operational review of Tricolor, as well as several business updates with the Company since that time.

Operative agreements and legal opinions will be reviewed prior to closing.

To access rating and relevant documents, click **here**.

Click **here** to view the report.

#### Methodologies

- **ABS: Auto Loan ABS Global Rating Methodology**
- **Structured Finance: Global Structured Finance Counterparty Methodology**
- **ESG Global Rating Methodology**

#### Disclosures

Further information on key credit considerations, sensitivity analyses that consider what factors can affect these credit ratings and how they could lead to an upgrade or a downgrade, and **ESG factors** (where they are a key driver behind the change to the credit rating or rating outlook) can be found in the full rating report referenced above.

A description of all substantially material sources that were used to prepare the credit rating and information on the methodology(ies) (inclusive of any material models and sensitivity analyses of the relevant key rating assumptions, as applicable) used in determining the credit rating is available in the Information Disclosure Form(s) located **here**.

Information on the meaning of each rating category can be located **here**.

Further disclosures relating to this rating action are available in the Information Disclosure Form(s) referenced above. Additional information regarding KBRA policies, methodologies, rating scales and disclosures are available at **www.kbra.com**.

#### About KBRA

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