S&P Global
Ratings

Research

New Issue: GTA Funding LLC

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Ratings Detail

Ratings Assigned	
Type	**Rating**
U.S. non-index linked or standard notes	A-1+ (sf)
U.S. callable notes	A-1+ (sf)
U.S. puttable notes	A-1+ (sf)
U.S. puttable/callable notes	A-1+ (sf)
U.S. index-linked notes	A-1+ (sf)
U.S. extendible notes	A-1+ (sf)

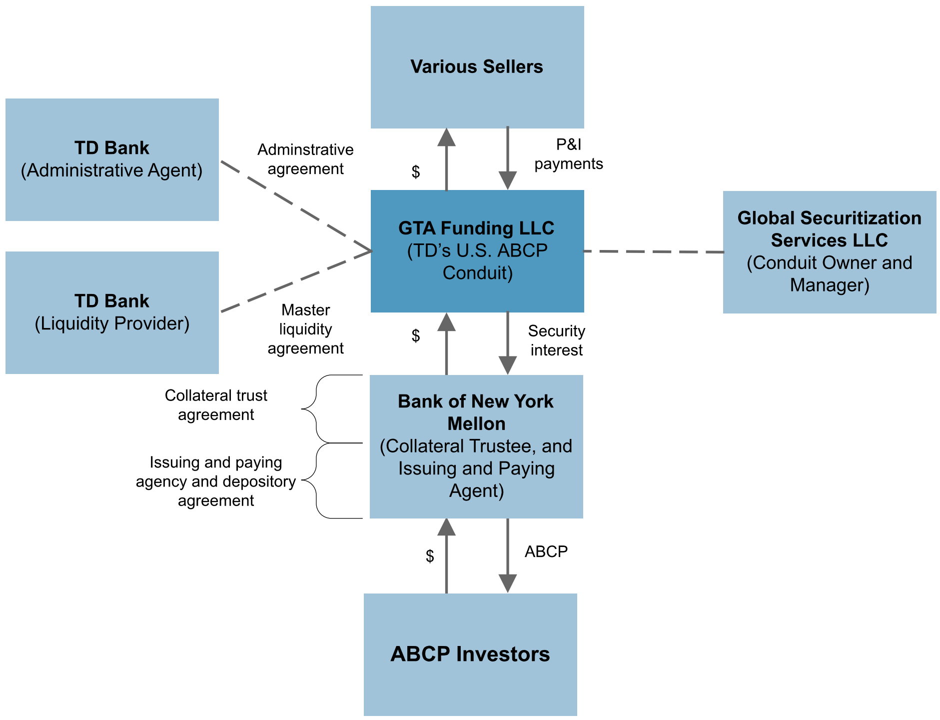
Rationale

The short-term 'A-1+ (sf)' ratings assigned to six short-term U.S. dollar-denominated liabilities issued on a continuously offered basis by GTA Funding LLC (GTA) reflect our view of the program's legal structure, the terms of the master liquidity agreement between The Toronto Dominion Bank (TD) and GTA, TD as the program administrator and indemnity provider, and certain note issuance tests, among other things. The short-term liabilities are non-index linked, index linked, callable, puttable, puttable/callable, and extendible commercial paper notes.

Program Structure

The chart below shows an overview of the program's structure.

Program Description



ABCP--Asset-backed commercial paper. P&I--Principal and interest.

Program Overview

GTA is a bankruptcy-remote, special-purpose, Delaware limited liability company, and its sole member is GSS Holdings (GTA) Inc., in accordance with GTA's formation documents. TD serves as the administrative agent for the program, and TD Securities (USA) LLC serves as the sub-administrative agent.

GTA is established to issue U.S. dollar-denominated short-term notes that can be issued at a discount or bear interest at a fixed or floating rate. All of the notes will have a maturity of up to 270 days. GTA will use the proceeds from the note issuances to provide financing to clients to fund financial assets.

Since the notes are intended to be fully supported based on the program-level liquidity agreement with the liquidity provider, TD, we did not evaluate the sufficiency of the assets. In addition, TD as administrative agent is a support provider to indemnify the program for any hedging related expenses and shortfalls. Therefore, we linked our 'A-1+ (sf)' ratings on the notes to our rating on TD, both as a liquidity provider and administrative agent. Any changes to our rating on the notes can result from, among other things, changes to our rating on TD.

Callable notes

The callable notes will give GTA the right to redeem, in whole or in part, the related callable note on its call date (a specified date before the stated maturity date). The call provisions for each callable note, including call dates, call notice requirements, and applicable interest rate, are to be set forth in a pricing supplement.

The terms of the transaction require that, upon GTA's election to call a note and its delivery of notice pursuant to the call notice provisions, GTA will pay principal and interest or discount (as applicable), accrued and unpaid or accreted up to the call date only, regardless of the holder receiving the call notice.

If GTA does not elect to exercise its call option, the note is required to be paid on its stated maturity date in an amount equal to principal and interest or discount (as applicable), accrued and unpaid or accreted up to the stated maturity date.

The rating on the callable notes reflects:

- Our view of GTA's structure, payment mechanics, and priorities;
- Our rating on TD as the liquidity and indemnity provider, which provides credit and liquidity support to the notes;
- The likelihood, in our view, that principal and accrued interest or discount (as applicable), accrued or accreted up to the call date, will be paid if the issuing entity exercises its call option; and
- The likelihood, in our view, that principal and accrued interest or discount (as applicable), accrued or accreted up to the stated maturity date, will be paid if the issuing entity does not exercise its call option.

Puttable notes

The puttable notes will give the noteholder the right to be repaid, in whole or in part, on its put date (a specified date before the stated maturity date). The put provisions for each puttable note, including put dates, put notice requirements, and applicable interest rate, will be set forth in a pricing supplement.

The terms of the transaction require that, upon the noteholder's election to put a note and its delivery of notice pursuant to the put notice provisions, GTA is obligated to pay principal and interest or discount (as applicable), accrued and unpaid or accreted up to the put date only, regardless of when the note is presented for payment.

If the noteholder does not elect to exercise its put option, the note is required to be paid on its stated maturity date in an amount equal to principal and interest or discount (as applicable), accrued and unpaid or accreted up to the stated maturity date.

The rating on the puttable notes reflects:

- Our view of GTA's structure, payment mechanics, and priorities;
- Our ratings on TD as the liquidity and indemnity provider, which provides credit and liquidity support to the notes;
- The likelihood, in our view, that principal and accrued interest or discount (as applicable), accrued or accreted up to the put date, will be paid if the noteholder exercises its put option; and
- The likelihood, in our view, that principal and accrued interest or discount (as applicable), accrued or accreted up to the stated maturity date, will be paid if the noteholder does not exercise its put option.

Puttable/callable notes

The puttable/callable notes will give the noteholder and GTA the same rights as described above for the puttable and callable notes. The notes can be called or put in whole or in part. With respect to any note with both a put and a call option, the holder has to first exercise the put option, following which GTA can exercise its call option. If GTA exercises the call option, the put option shall be disregarded and the portion of the notes that have been called will be redeemed on the call date. If no early redemption option is exercised, then the notes will be paid on the stated maturity.

The rating on the puttable/callable notes reflects:

- Our view of GTA's structure, payment mechanics, and priorities;
- Our ratings on TD as the liquidity provider and indemnity provider, which provides credit and liquidity support to the notes;
- The likelihood, in our view, that principal and accrued interest or discount (as applicable), accrued or accreted up to the put date or the call date, as applicable and described above, will be paid if the noteholder exercises its put option or if GTA exercises its call option, respectively; and
- The likelihood, in our view, that principal and accrued interest or discount (as applicable), accrued or accreted up to the stated maturity date, will be paid if neither the noteholder nor GTA exercises its put or call option, respectively.

Extendible notes

The extendible notes will give the noteholder or GTA the right to extend the stated maturity date of the related extendible note to one or more successive dates. The extended maturity date of an extendible note will be no more than 270 days from the note's original issuance date. The extension provisions, including the extended maturity dates, the extension notice requirements, and the applicable interest rate, are to be set forth in a pricing supplement.

Upon the noteholder or GTA's election to exercise its extension option for any extendible note and its delivery of notice pursuant to the extension notice provisions, the terms of the pricing supplement provide that the note's existing stated maturity will be extended to the new extended maturity date. Upon each extension by the noteholder or GTA, the note is required to be paid on its extended maturity date in an amount equal to principal and interest or discount (as applicable), accrued or accreted up to the extended maturity date.

If neither the noteholder nor GTA elects to extend a note on any extension date, the note is required to be paid on its stated maturity date in an amount equal to principal and interest or discount (as applicable) accrued and unpaid or accreted up to the stated maturity date.

The rating on the extendible notes reflects:

- Our view of GTA's structure, payment mechanics, and priorities;
- Our ratings on TD as the liquidity provider and indemnity provider, which provides credit and liquidity support to the notes;
- The likelihood, in our view, that principal and accrued interest or discount (as applicable), accrued or accreted up to any extended maturity date will be paid if the noteholder or GTA exercises its extension option; and

- The likelihood, in our view, that principal and accrued interest or discount (as applicable), accrued or accreted up to the stated maturity date, will be paid if neither the noteholder nor GTAexercises its extension option.

Interest-bearing notes: non-index linked and index linked

The issuer may issue discounted notes or interest-bearing notes. The non-index linked notes may be issued at a discount or bear interest at a fixed rate. Index linked notes may accrue interest on a floating-rate basis. The fixed rate, or the base rate and spread with respect to the floating-rate notes, will be set forth in a pricing supplement.

S&P Global Ratings acknowledges a high degree of uncertainty about the rate of spread and peak of the coronavirus outbreak. Some government authorities estimate the pandemic will peak around midyear, and we are using this assumption in assessing the economic and credit implications. In our view, the measures adopted to contain COVID-19 have pushed the global economy into recession (see our macroeconomic and credit updates here: www.spglobal.com/ratings). As the situation evolves, we will update our assumptions and estimates accordingly.

Related Criteria

- Criteria | Structured Finance | Legal: U.S. Structured Finance Asset Isolation And Special-Purpose Entity Criteria, May 15, 2019
- Legal Criteria: Structured Finance: Asset Isolation And Special-Purpose Entity Methodology, March 29, 2017
- Criteria | Structured Finance | ABCP: Global Methodology For Analyzing Liquidity Funding Outs And Limitations In ABCP Transactions, Oct. 27, 2014
- Criteria | Structured Finance | ABCP: Global Methodology And Assumptions For Calculating Programwide Credit Enhancement In Multiseller ABCP Conduits, Feb. 14, 2013
- General Criteria: Global Investment Criteria For Temporary Investments In Transaction Accounts, May 31, 2012
- Criteria | Structured Finance | ABCP: Asset-Backed Commercial Paper Issued By Multiseller Conduits: Classification And Timing Of Reviews For New-Seller Transactions, April 18, 2011
- Criteria | Structured Finance | ABCP: S&P Global Ratings' Analysis Of ABCP Ratings Following Changes To Ratings On Support Providers, Dec. 18, 2008
- Criteria | Structured Finance | ABCP: Global Asset-Backed Commercial Paper Criteria, Sept. 29, 2005

Related Research

- Global Macroeconomic Update, March 24: A Massive Hit To World Economic Growth, March 24, 2020
- Toronto-Dominion Bank, Nov. 29, 2019
- Guidance: Counterparty Risk Framework: Methodology And Assumptions, March 8, 2019
- Global Structured Finance Scenario and Sensitivity Analysis 2016: The Effects Of The Top Five Macroeconomic Factors, Dec. 16, 2016
- Credit Rating Model: Global ABCP Programwide Credit Enhancement Model, April 2, 2014

- Standard & Poor's Clarifies Its Approach To Requests For Rating Agency Confirmation On Structured Finance Transactions, May 18, 2012
- Assessing Credit Quality By The Weakest Link, Feb. 13, 2012
- Standard & Poor's Requests Transaction Performance Metrics From Sponsors Or Administrators Of Global ABCP Conduits, Jan. 12, 2012

In addition to the criteria specific to this type of security (listed above), the following criteria articles, which are generally applicable to all ratings, may have affected this rating action: "Counterparty Risk Framework: Methodology And Assumptions," March 8, 2019; "Post-Default Ratings Methodology: When Does Standard & Poor's Raise A Rating From 'D' Or 'SD'?," March 23, 2015; "Global Framework For Assessing Operational Risk In Structured Finance Transactions," Oct. 9, 2014; "Methodology: Timeliness of Payments: Grace Periods, Guarantees, And Use of 'D' And 'SD' Ratings," Oct. 24, 2013; "Criteria For Assigning 'CCC+', 'CCC', 'CCC-', And 'CC' Ratings," Oct. 1, 2012; "Methodology: Credit Stability Criteria," May 3, 2010; and "Use of CreditWatch And Outlooks," Sept. 14, 2009.