

Presale:

Ford Credit Auto Owner Trust 2022-A

January 13, 2022

Preliminary Ratings

| Class | Preliminary rating | Type | Interest rate(i) | Preliminary amount (mil. \$(i)) | Expected legal final maturity date |
|-------|--------------------|-------------|------------------|---------------------------------|------------------------------------|
| A-1 | A-1+ (sf) | Senior | Fixed | 182.19 | Feb. 15, 2023 |
| A-2 | AAA (sf) | Senior | Fixed | 361.42 | Sept. 15, 2024 |
| A-3 | AAA (sf) | Senior | Fixed | 361.42 | June 15, 2026 |
| A-4 | AAA (sf) | Senior | Fixed | 95.04 | May 15, 2027 |
| B | AA+ (sf) | Subordinate | Fixed | 31.56 | July 15, 2027 |
| C | AA (sf) | Subordinate | Fixed | 21.02 | July 15, 2029 |

Note: This presale report is based on information as of Jan. 13, 2022. The ratings shown are preliminary. This report does not constitute a recommendation to buy, hold, or sell securities. Subsequent information may result in the assignment of final ratings that differ from the preliminary ratings. (i)The interest rates and actual sizes of these tranches will be determined on the pricing date.

PRIMARY CREDIT ANALYST

Kaylin Gafford
Centennial
+ 1 (303)-721-4873
kaylin.gafford
@spglobal.com

SECONDARY CONTACT

Jennie P Lam
New York
+ 1 (212) 438 2524
jennie.lam
@spglobal.com

Profile

| | |
|--|--|
| Expected closing date | Jan. 24, 2022. |
| Collateral | Prime auto loan receivables. |
| Originator, servicer, sponsor, and administrator | Ford Motor Credit Co. LLC (BB+/Positive/B). |
| Issuing trust | Ford Credit Auto Owner Trust 2022-A. |
| Depositor | Ford Credit Auto Receivables Two LLC. |
| Indenture trustee | The Bank of New York Mellon (AA-/Stable/A-1+). |
| Owner trustee | U.S. Bank Trust N.A. |

Credit Enhancement Summary

| | FCAOT | |
|--|--------|--------|
| | 2022-A | 2021-A |
| Subordination (% of the initial adjusted receivables balance) | | |
| Class A | 5.00 | 5.00 |
| Class B | 2.00 | 2.00 |

Credit Enhancement Summary (cont.)

| FCAOT | | |
|--|---|---|
| | 2022-A | 2021-A |
| Class C | 0.00 | 0.00 |
| Reserve account (% of the initial adjusted receivables balance) | | |
| Initial | 0.25 | 0.25 |
| Target | 0.25 | 0.25 |
| Floor | 0.25 | 0.25 |
| Overcollateralization | | |
| Initial (% of the initial adjusted pool balance) | 0.00 | 0.00 |
| Target (including the reserve) | 2.00% of the initial adjusted pool balance plus 1.50% of the current gross pool balance | 2.00% of the initial adjusted pool balance plus 1.50% of the current gross pool balance |
| Total initial hard credit enhancement (% of the initial adjusted receivables balance) | | |
| Class A | 5.25 | 5.25 |
| Class B | 2.25 | 2.25 |
| Class C | 0.25 | 0.25 |
| Excess spread (%) | | |
| YSOA discount rate | 6.20 | 5.10 |
| Estimated excess spread (including YSOA) per year(i) | 4.07 | 4.29 |
| Initial gross receivables balance (\$) | 1,146,189,073 | 1,415,499,059 |
| Initial YSOA (\$) | 93,529,637 | 99,616,406 |
| Initial adjusted receivables balance (\$) | 1,052,659,436 | 1,315,882,653 |
| Total securities (\$) | 1,052,650,000 | 1,315,880,000 |
| YSOA as % of the gross receivables balance (%) | 8.16 | 7.04 |
| YSOA as % of the adjusted receivables balance (%) | 8.89 | 7.57 |

(i) Estimated excess spread per year is before pricing for series 2022-A and after pricing for series 2021-A. The time-weighted cost of debt that is used to estimate excess spread is calculated as a percentage of the note balance. FCAOT--Ford Credit Auto Owner Trust. YSOA--Yield supplement overcollateralization amount.

Rationale

The preliminary ratings assigned to Ford Credit Auto Owner Trust 2022-A's (FCAOT 2021-A) asset-backed notes reflect:

- The availability of approximately 11.1%, 8.8%, and 7.9% credit support for the class A (classes A-1, A-2, A-3, and A-4, collectively), class B, and class C notes, respectively (based on stressed break-even cash flow scenarios, including excess spread). These credit support levels provide coverage of approximately 9.2x, 7.3x, and 6.6x our 1.10%-1.30% expected net loss range to the

class A, B, and C notes, respectively, and are commensurate with the assigned preliminary 'A-1+ (sf)', 'AAA (sf)', 'AA+ (sf)', and 'AA (sf)' ratings (see the S&P Global Ratings' Expected Loss section).

- The timely interest and full principal payments made under stressed cash flow modeling scenarios appropriate to the assigned preliminary ratings (see the Cash Flow Modeling section). In our modeling approach, we used a bifurcated pool method, in which the subvened loans prepay and default at lower rates than the nonsubvened loans.
- The expectation that under a moderate ('BBB') stress scenario (2.0x our expected loss level), all else being equal, our ratings will be within the credit stability limits specified by section A.4 of the Appendix in "S&P Global Ratings Definitions," published Nov. 10, 2021.
- The transaction's credit enhancement in the form of subordination, overcollateralization, a reserve account, the yield supplement overcollateralization amount (YSOA), and excess spread (see the Credit Enhancement Summary table).
- Our view of the characteristics of the pool being securitized.
- Ford Motor Credit Co. LLC's (Ford Credit's) extensive securitization performance history since 1989.
- Our view of the transaction's payment and legal structures.

Transaction Overview

FCAOT 2022-A will be Ford Credit's 17th auto loan ABS transaction issued under its Regulation AB II compliant retail shelf. Ford Credit will issue \$1.053 billion of class A, B, and C sequential-pay notes, to which we have assigned preliminary 'AAA (sf)', 'AA+ (sf)', and 'AA (sf)' ratings, respectively. The notes will be secured by a pool of prime auto loans. The transaction's first scheduled payment date is Feb. 15, 2022, and the notes' applicable principal and interest are scheduled to be paid on the 15th day of each following month or, if not a business day, the next business day. All the classes of notes will be fixed-rate issuances.

Environmental, Social, And Governance (ESG) Factors

Our rating analysis considers a transaction's potential exposure to ESG credit factors. For the auto ABS sector, we view the exposure to environmental credit factors as above average, social credit factors as average, and governance credit factors as below average (see "ESG Industry Report Card: Auto Asset-Backed Securities," published March 31, 2021).

In our view, the transaction's exposure to ESG credit factors is in line with our sector benchmark. The environmental credit factors are generally viewed as above average, given that the collateral pool primarily comprise vehicles with internal combustion engines (ICE), which create emissions of pollutants including greenhouse gases. While the adoption of electric vehicles and future regulation could lower ICE vehicle values over time, we believe that our current approach to evaluating recovery and residual values adequately account for vehicle values over the relatively short expected life of the transaction. As a result, we have not separately identified this as a material ESG credit factor in our analysis.

Changes From The FCAOT 2021-A Transaction

The structural and credit enhancement changes from the FCAOT 2021-A transaction include that the YSOA discount rate increased to 6.20% from 5.10% and the YSOA, as a percentage of the initial adjusted pool balance, increased to 8.89% from 7.57%.

Notable changes in the collateral composition from the FCAOT 2021-A transaction include that:

- The percentage of loans with an original term greater than 60 months decreased to 58.10% from 67.04%.
- The weighted average seasoning increased to 8.7 months from 7.6 months.
- The weighted average FICO score of the aggregate pool increased to 745 from 734, and the weighted average FICO score of the loans with an original term greater than 60 months increased to 724 from 719.
- The weighted average loan-to-value (LTV) ratio decreased slightly to 99.60% from 101.03%.
- The percentage of used vehicles decreased to 7.62% from 7.83%.
- The percentage of loans with an original term of 73-84 months decreased slightly to 9.77% from 9.96%. Deals prior to FCAOT 2020-C did not include 73-84 month loans.

We believe the FCAOT 2022-A pool exhibits slightly stronger collateral characteristics than FCAOT 2021-A but is weaker than FCAOT amortizing transactions prior to FCAOT 2020-C due to the inclusion of loans with original terms over 72 months (see the Pool Analysis section below for a collateral comparison with prior FCAOT pools).

Since the onset of the COVID-19 pandemic, we have generally implemented higher base-case cumulative net loss (CNL) assumptions and adjusted certain cash flow assumptions in our analysis of U.S. auto loan transactions (see "The Potential Effects Of COVID-19 On U.S. Auto Loan ABS," published March 26, 2020). These adjustments reflected our view at that time of the negative impact that the COVID-19 pandemic could have on wages, unemployment, and ultimately, borrowers' abilities to continue making their auto loan payments. We have now observed the pandemic's impact through more than a year of performance data on outstanding U.S. auto loan ABS securitizations showing better-than-expected performance (see "U.S. Auto Loan ABS Is Navigating Through COVID-19 With Better-Than-Expected Performance," published Feb. 10, 2021).

As a result, our expected base case cumulative net loss for the assigned preliminary ratings is 1.10%-1.30%, representing a decline from FCAOT 2021-A where the expected base case cumulative net loss was 1.25%-1.45% (see the S&P Global Ratings' Expected Loss section below for more information).

Transaction Structure

Like previous FCAOT transactions, FCAOT 2022-A incorporates:

- A sequential-pay mechanism that results in increased credit enhancement for the senior notes as the pool amortizes;
- A YSOA that amortizes according to a schedule rather than being recalculated and reduced when the low-yielding assets prepay;

Presale: Ford Credit Auto Owner Trust 2022-A

- A nonamortizing reserve account; and
- The use of excess spread, to the extent available after covering net losses, to pay principal on the outstanding notes to build credit enhancement to the target level.

The YSOA is sized so that the yield on the contracts with annual percentage rates (APRs) below the YSOA discount rate is raised to the YSOA discount rate. The YSOA for each distribution date will be calculated at closing, assuming zero prepayment and zero default, and will amortize according to a schedule. On the closing date, we expect the YSOA to be \$93.5 million, or 8.9% of the \$1.053 billion adjusted pool balance. The YSOA discount rate is 6.20%.

Ford Credit's transaction structure includes a targeted overcollateralization amount equal to the YSOA plus 2.00% of the initial adjusted pool balance plus the excess, if any, of 1.50% of the outstanding receivables balance over the required reserve account amount (0.25% of the initial adjusted receivables balance).

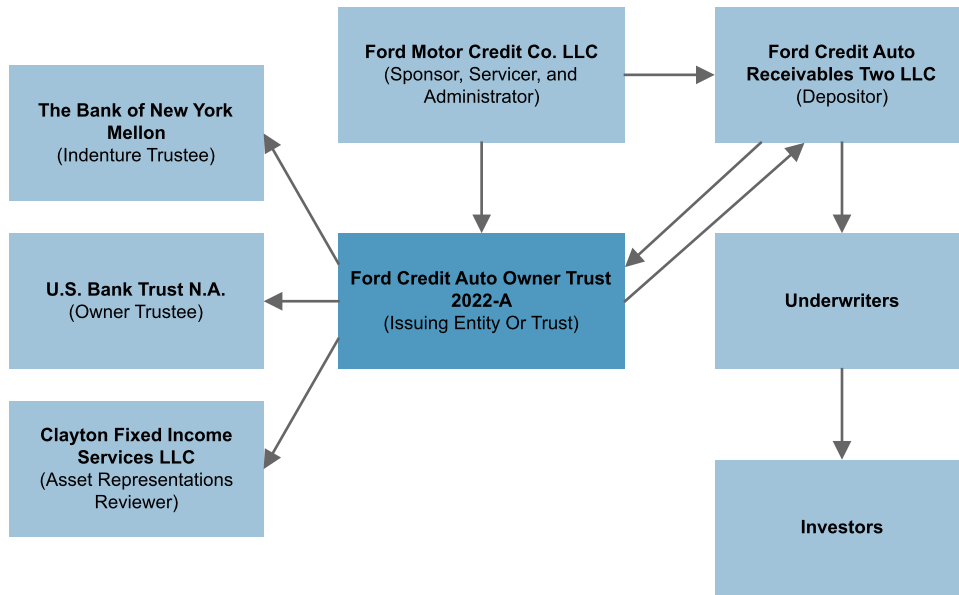
Overcollateralization will begin at 0.00% of the initial adjusted pool balance and build while available excess spread pays principal to the senior notes. Once the class A-1 notes are fully repaid and the overcollateralization amount reaches its target amount, excess cash flow will be released to the residual interest holder. The depositor will be the initial residual interest holder.

Legal Structure

The trust's primary assets will be a pool of receivables consisting of retail installment sale contracts secured by new and used cars, trucks, and utility vehicles. On the closing date, Ford Credit will sell the receivables and other related assets to the depositor as a true sale, and the depositor will sell the receivables and other related assets to the trust. The trust assets will be pledged by the trust to the indenture trustee for the benefit of the noteholders.

Chart 1

Transaction Structure



Copyright © 2022 by Standard & Poor's Financial Services LLC. All rights reserved.

In rating this transaction, S&P Global Ratings will review the relevant legal matters outlined in its criteria.

Payment Structure

Interest and principal on the notes are scheduled to be paid on each monthly distribution date beginning Feb. 15, 2022. FCAOT 2022-A's payment priority provides that the auto receivables collections will be used to make the distributions shown in table 1. In addition, the reserve account's funds will be available to cover interest shortfalls, make priority principal payments, and make principal payments that are due on the notes' final maturity date.

Table 1

Payment Waterfall

| Priority | Payment |
|----------|---|
| 1 | Indenture trustee fees, owner trustee fees, asset representation reviewer, and issuer expenses, capped at \$375,000 per year. |
| 2 | The 1.00% servicing fee. |
| 3 | Class A note interest, pro rata, to the class A noteholders. |
| 4 | First-priority principal payment (if the class A notes' balance exceeds the adjusted pool balance). |
| 5 | Class B note interest. |
| 6 | Second-priority principal payment (if the class A and B notes' balance exceeds the adjusted pool balance after any first-priority principal payments are made). |

Table 1

Payment Waterfall (cont.)

| Priority | Payment |
|----------|---|
| 7 | Class C note interest. |
| 8 | Restore the reserve account to its required amount. |
| 9 | Regular principal payment(i). |
| 10 | Any unpaid trustee fees and expenses. |
| 11 | Any remainder to the residual interest holder. |

(i)The regular principal payment amount is designed to pay the class A-1 notes in full and build the overcollateralization (on an adjusted pool basis) on the closing date to the target overcollateralization amount: the YSOA plus 2.00% of the initial adjusted pool balance plus the excess of 1.50% of the gross current pool balance over 0.25% of the initial adjusted pool balance (the required reserve amount). If the note balance exceeds the adjusted pool balance (before the target overcollateralization amount is reached), principal collections and excess spread will be used to pay down the notes until the note balance equals the adjusted pool balance (items 4 and 6 in the payment waterfall) and the overcollateralization target (including the reserve amount) is reached (item 9 in the payment waterfall). No excess spread will be released until the class A-1 notes are paid in full and the target overcollateralization amount has been reached. YSOA--Yield supplement overcollateralization amount.

Origination, Servicing, And Collections

Ford Credit's underwriting and purchasing strategy includes internal scoring models that assess a potential obligor's creditworthiness and ability to pay. These scoring models consider the customer's characteristics, the retail installment sale contract's proposed terms, and a national credit bureau report. Ford Credit frequently reviews the predictability of its scoring models and makes updates in response to changing economic factors, market conditions, and loss/delinquency experiences. Ford Credit's current origination scoring models were launched for consumer credit applicants in January 2018 and for commercial credit applicants in January 2019.

Electronic decision-making models automatically evaluate the submitted applications and approve or reject them or make a conditional offer for a resulting retail installment sale contract. Many of the applications not approved in the electronic decisioning process are evaluated and approved by a credit analyst. Ford Credit began nationwide origination of 75-month contracts in 2014, a limited pilot program to purchase 84-month contracts in 2015, and nationwide origination of 84-month contracts in April 2016.

In March 2020 and again in October 2021, Ford Credit increased its origination of 84-month contracts under an expanded Ford Motor-sponsored marketing program. According to Ford Credit, these contracts are offered to certain customers under stricter eligibility criteria and are assessed to have lower credit risk under Ford Credit's origination scoring models. Most of the 84-month contracts finance the purchase of new vehicles for personal use.

Ford Credit has been servicing the receivables in each of its U.S. public retail securitizations since the program began in 1989. It uses an internally developed behavior-scoring model to determine the default probability for current receivables and reduce credit losses by focusing the collections effort on the higher-risk accounts. This behavior scorecard considers each account's origination characteristics, the customer's payment history, and updated credit bureau information. To maintain an optimal collection strategy, Ford Credit frequently updates its behavioral scorecard and tests new servicing practices.

Nearly all Ford Credit personnel that service the receivables primarily work outside of Ford Credit's facilities in a fully remote work environment.

Managed Portfolio

Ford Credit's managed portfolio shows stable performance, with some variations as of the Sept. 30, 2021, due to the company's response to the COVID-19 pandemic (see table 2). From March 2020 to May 2020, Ford Credit temporarily suspended involuntary repossessions of financed vehicles from delinquent obligors nationwide. This led to repossessions as a percentage of average number of contracts outstanding declining to 0.95% as of year-end 2020, compared with 1.24% as of year-end 2019, and net losses as a percentage of the average portfolio outstanding declining to 0.36% from 0.53%.

Ford Credit also granted goodwill extensions to obligors during the pandemic. This contributed to the average principal balance of 30-60 days delinquent contracts as a percentage of the outstanding portfolio declining to 1.06% as of year-end 2020 from 1.45% as of year-end 2019. After a payment extension, the account generally is no longer considered delinquent. The average net loss on contracts charged-off decreased to \$5,783 as of December 2020 from \$6,131 a year earlier.

The annual average principal balance of delinquent 84-month contracts as a percentage of the 84-month portfolio outstanding was 0.63% as of Dec. 31, 2020, compared with 1.21% for the total portfolio. Repossessions of 84-month contracts as a percentage of the average number of 84-month contracts outstanding was 0.55% for full-year 2020, compared to 0.95% for the total portfolio. However, the average net loss on charged-off 84-month contracts was \$11,886, which is greater than the total portfolio's average of \$5,783.

Table 2

Managed Portfolio

| | Nine months ended Sept. 30 | | Year ended Dec. 31 | | | | | |
|---|-------------------------------|-----------|--------------------|-----------|-----------|-----------|-----------|-----------|
| | 2021 | 2020 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
| Avg. portfolio outstanding during the period (mil. \$) | 49,700 | 49,204 | 49,869 | 46,650 | 46,704 | 44,406 | 42,651 | 38,601 |
| Avg. 84-month portfolio outstanding during the period (mil. \$) | 3,116 | 2,597 | 2,725 | 2,033 | 1,340 | 545 | 168 | 9 |
| Avg. number of contracts outstanding | 2,039,275 | 2,130,173 | 2,132,085 | 2,140,915 | 2,194,989 | 2,144,925 | 2,106,026 | 2,004,606 |
| Delinquencies (%) (i) | | | | | | | | |
| 31-60 days | 0.87 | 1.00 | 1.02 | 1.33 | 1.34 | 1.41 | 1.45 | 1.50 |
| 61-90 days | 0.09 | 0.13 | 0.13 | 0.12 | 0.13 | 0.15 | 0.16 | 0.14 |
| 91-120 days | 0.01 | 0.02 | 0.02 | 0.01 | 0.01 | 0.01 | 0.02 | 0.01 |
| Over 120 days | 0.00 | 0.01 | 0.01 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Total delinquencies | 0.97 | 1.15 | 1.16 | 1.46 | 1.48 | 1.57 | 1.63 | 1.65 |
| Delinquencies (%) (ii) | | | | | | | | |
| 31-60 days | 0.86 | 0.83 | 1.06 | 1.45 | 1.45 | 1.31 | 1.46 | 1.44 |
| 61-90 days | 0.10 | 0.11 | 0.13 | 0.16 | 0.15 | 0.14 | 0.16 | 0.16 |
| 91-120 days | 0.01 | 0.02 | 0.01 | 0.01 | 0.01 | 0.01 | 0.02 | 0.02 |

Table 2

Managed Portfolio (cont.)

| | Nine months ended Sept. 30 | | Year ended Dec. 31 | | | | | |
|---|-------------------------------|--------|--------------------|--------|--------|--------|--------|--------|
| | 2021 | 2020 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
| Over 120 days | 0.00 | 0.01 | 0.01 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Total delinquencies | 0.97 | 0.96 | 1.21 | 1.62 | 1.61 | 1.46 | 1.64 | 1.62 |
| 84-month contract delinquencies (ii) | | | | | | | | |
| 31-60 days | 0.53 | 0.37 | 0.55 | 0.53 | 0.35 | 0.21 | 0.15 | 0.34 |
| 61-90 days | 0.04 | 0.06 | 0.07 | 0.03 | 0.02 | 0.03 | 0.03 | 0.00 |
| 91-120 days | 0.00 | 0.01 | 0.00 | 0.01 | 0.01 | 0.01 | 0.01 | 0.00 |
| Over 120 days | 0.00 | 0.00 | 0.01 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Total delinquencies | 0.57 | 0.44 | 0.63 | 0.57 | 0.37 | 0.25 | 0.19 | 0.34 |
| Repossessions as a % of the average no. of contracts outstanding | 0.76 | 0.93 | 0.95 | 1.24 | 1.28 | 1.29 | 1.21 | 1.12 |
| Repossessions of 84-month contracts as a % of the average no. of 84-month contracts outstanding | 0.48 | 0.54 | 0.55 | 0.60 | 0.53 | 0.42 | 0.26 | 0.74 |
| Aggregate net losses (mil. \$) | 23 | 130 | 180 | 246 | 253 | 272 | 230 | 146 |
| Net losses as a % of gross liquidations(iii) | 0.13 | 0.75 | 0.78 | 1.08 | 1.07 | 1.26 | 1.12 | 0.68 |
| Net losses as a % of the average portfolio outstanding | 0.06 | 0.35 | 0.36 | 0.53 | 0.54 | 0.61 | 0.54 | 0.38 |
| Net losses on 84-month contracts as a % of the average 84-month portfolio outstanding | 0.07 | 0.22 | 0.21 | 0.25 | 0.21 | 0.16 | 0.12 | 0.36 |
| Number of contracts charged-off as a % of the average number of contracts outstanding | 1.16 | 1.43 | 1.46 | 1.88 | 1.89 | 1.91 | 1.75 | 1.63 |
| Average net loss on charged-off contracts (\$) | 1,303 | 5,702 | 5,783 | 6,131 | 6,100 | 6,640 | 6,245 | 4,445 |
| Average net loss on charged-off 84-month contracts (\$) | 4,542 | 12,842 | 11,886 | 13,464 | 13,665 | 12,260 | 14,310 | 16,818 |

(i)Average number of delinquencies as a percentage of the average number of contracts outstanding. (ii)Average principal balance of delinquent contracts as a percentage of the portfolio outstanding. (iii)Gross liquidations are cash payments and charge-offs that reduce a receivables' outstanding balance.

Pool Analysis

We compared the FCAOT 2022-A collateral pool with previous FCAOT nonrevolving retail auto securitization pools (see table 3). The collateral backing the FCAOT 2022-A pool is comparable to other recent FCAOT pools regarding seasoning. The weighted average FICO score is slightly higher than those of other recent FCAOT pools, and the percentage of new vehicles is also slightly higher. Similarly to FCAOT 2021-A, FCAOT 2022-A includes loans with original terms from 73-84 months.

According to Ford Credit, the FCAOT 2022-A pool does not include any loans that had received an extension as of the Dec. 31, 2021, cut-off date.

Table 3

Collateral Comparison(i)

| | FCAOT | | | | | | | | |
|---|--------|--------|--------|--------|------------|--------|--------|------------|------------|
| | 2022-A | 2021-A | 2020-C | 2020-B | 2020-A(ii) | 2019-C | 2019-B | 2019-A(ii) | 2018-B(ii) |
| Pool size (bil. \$) | 1.15 | 1.42 | 1.43 | 2.25 | 0.91 | 1.43 | 1.14 | 1.79 | 1.16 |
| No. of receivables | 34,997 | 43,920 | 43,498 | 79,877 | 34,181 | 51,620 | 40,029 | 60,790 | 40,936 |
| Avg. principal balance (\$) | 32,751 | 32,229 | 32,865 | 28,215 | 26,746 | 27,602 | 28,531 | 29,391 | 28,374 |
| Weighted avg. APR excluding the YSOA (%) | 2.59 | 2.56 | 2.31 | 2.93 | 3.03 | 3.02 | 3.35 | 3.42 | 3.46 |
| Weighted avg. original term (mos.) | 65.6 | 67.1 | 67.5 | 65.1 | 65.2 | 66.1 | 65.2 | 65.1 | 65.4 |
| Weighted avg. remaining (mos.) | 56.9 | 59.5 | 60.6 | 56.3 | 54.8 | 57.1 | 56.6 | 58.1 | 58.4 |
| Seasoning (mos.) | 8.7 | 7.6 | 6.9 | 8.8 | 10.4 | 9.0 | 8.6 | 7.0 | 7.0 |
| Total % of loans with an original term of 61-72 months | 48.32 | 57.08 | 59.97 | 57.57 | 57.70 | 61.24 | 57.28 | 56.35 | 57.95 |
| Total % of loans with an original term of 73-84 months | 9.77 | 9.96 | 9.86 | N/A | N/A | N/A | N/A | N/A | N/A |
| New vehicle (%) | 92.38 | 92.17 | 91.89 | 88.44 | 87.54 | 88.77 | 89.26 | 88.24 | 86.84 |
| Used vehicle (%) | 7.62 | 7.83 | 8.11 | 11.56 | 12.46 | 11.23 | 10.74 | 11.76 | 13.16 |
| Weighted avg. original FICO score(iii) | 745 | 734 | 736 | 744 | 743 | 740 | 736 | 738 | 739 |
| Weighted avg. FICO score of pools with an original term greater than 60 mos.(iii) | 724 | 719 | 723 | 724 | 723 | 720 | 715 | 716 | 719 |
| Weighted avg. FICO score of pools with an original term greater than 72 mos.(iii) | 724 | 726 | 729 | N/A | N/A | N/A | N/A | N/A | N/A |

Table 3

Collateral Comparison(i) (cont.)

| | FCAOT | | | | | | | | |
|---|----------|----------|----------|----------|------------|----------|----------|------------|------------|
| | 2022-A | 2021-A | 2020-C | 2020-B | 2020-A(ii) | 2019-C | 2019-B | 2019-A(ii) | 2018-B(ii) |
| Weighted avg. loan-to-value at origination (v)(iv) | 99.60 | 101.03 | 101.75 | 98.09 | 98.38 | 98.85 | 98.99 | 98.78 | 97.71 |
| Weighted avg. payment-to-income at origination (v)(v) | 9.08 | 9.17 | 9.14 | 8.89 | 8.70 | 8.77 | 8.72 | 8.68 | 8.48 |
| Top five state concentrations (%) | | | | | | | | | |
| | TX=16.39 | TX=15.52 | TX=17.16 | TX=17.56 | TX=17.90 | TX=14.90 | TX=18.76 | TX=18.50 | TX=17.16 |
| | CA=9.90 | CA=10.93 | FL=7.54 | CA=9.39 | CA=10.00 | CA=10.13 | CA=10.56 | CA=11.36 | CA=9.85 |
| | FL=7.91 | FL=8.26 | CA=6.40 | FL=7.87 | FL=7.75 | FL=7.65 | FL=7.38 | FL=7.68 | FL=7.52 |
| | MI=3.50 | GA=3.65 | GA=3.76 | GA=3.72 | MI=4.02 | MI=3.94 | GA=3.53 | GA=3.54 | IL=3.91 |
| | GA=3.43 | OH=3.50 | OH=3.74 | MI=3.46 | IL=3.53 | GA=3.87 | IL=3.47 | IL=3.30 | GA=3.89 |

(i)All percentages are of the initial gross receivables balance. (ii)Not rated by S&P Global Ratings. (iii)Excludes receivables that represent commercial accounts or obligors with little credit history. (iv)The loan-to-value ratio for a receivable is the original amount financed divided by the wholesale value of the vehicle. (v)The payment-to-income ratio for a receivable is the contract monthly payment amount divided by the monthly combined income of the obligor and any co-obligor. It excludes commercial-use receivables with a business entity as the primary obligor. It also excludes a limited number of receivables where income is not reported. FCAOT--Ford Credit Auto Owner Trust. APR--Annual percentage rate. YSOA--Yield supplement overcollateralization amount. N/A--Not applicable.

Securitization Performance

We maintain ratings on 13 active retail FCAOT transactions that closed in 2017 through 2021. Of those, six are SEC-registered with amortizing structures, and seven (2017-REV1, 2018-REV1, 2019-REV1, 2020-REV1, 2020-REV2, 2021-REV1, and 2021-REV2) are broadly distributed Rule 144A transactions with revolving structures.

The lifetime loss expectations for three of the six outstanding amortizing transactions were revised in March 2021 due to better-than-expected performance (see "Ford Credit Auto Owner Trust Ratings Raised On Four Classes, Affirmed On 16 From Five Transactions," published March 12, 2021). The classes have adequate credit enhancement at their current rating levels, in our view. We will continue to monitor all outstanding transactions to ensure that the credit enhancement remain sufficient, in our view, to cover our revised CNL expectations under our stress scenarios for each of the rated classes.

Charts 2-5 show performance data for FCAOT's nonrevolving transactions.

Chart 2

FCAOT Cumulative Net Loss Performance By Vintage (2000-2008)

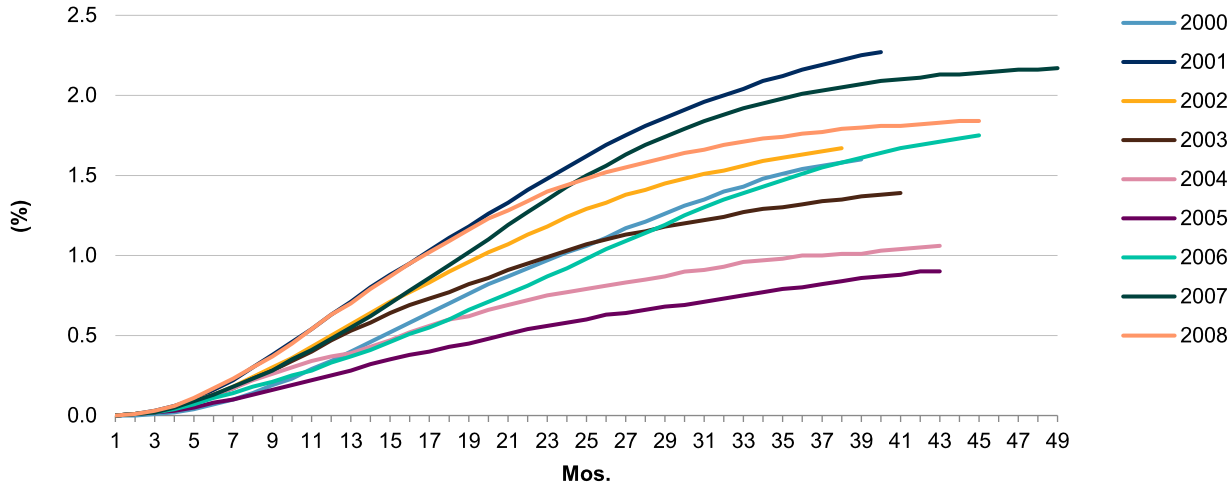
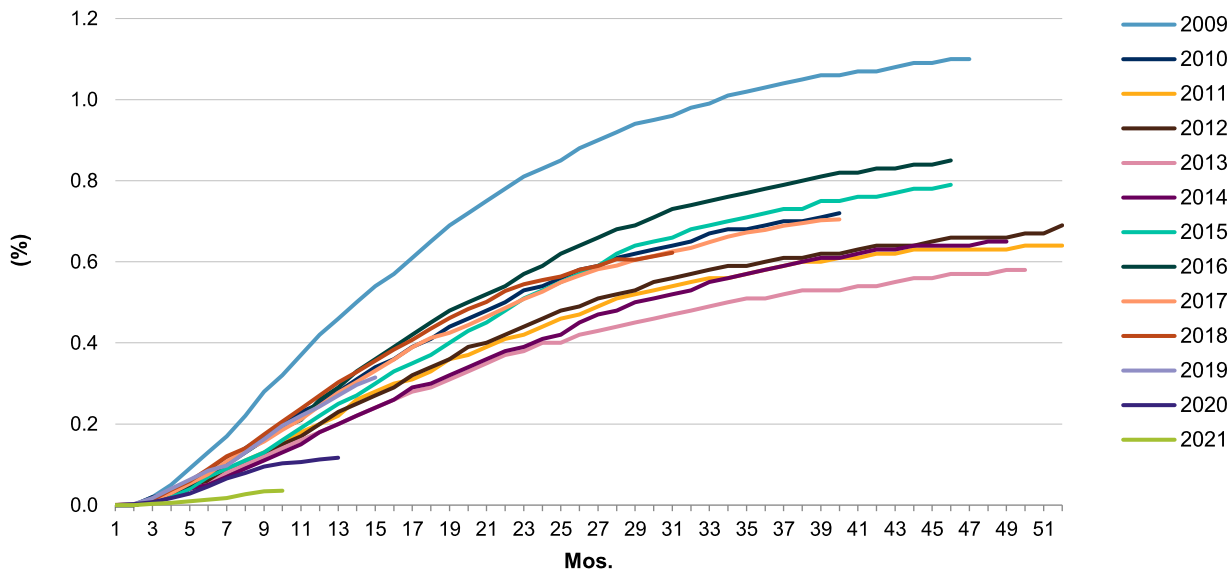


Chart 3

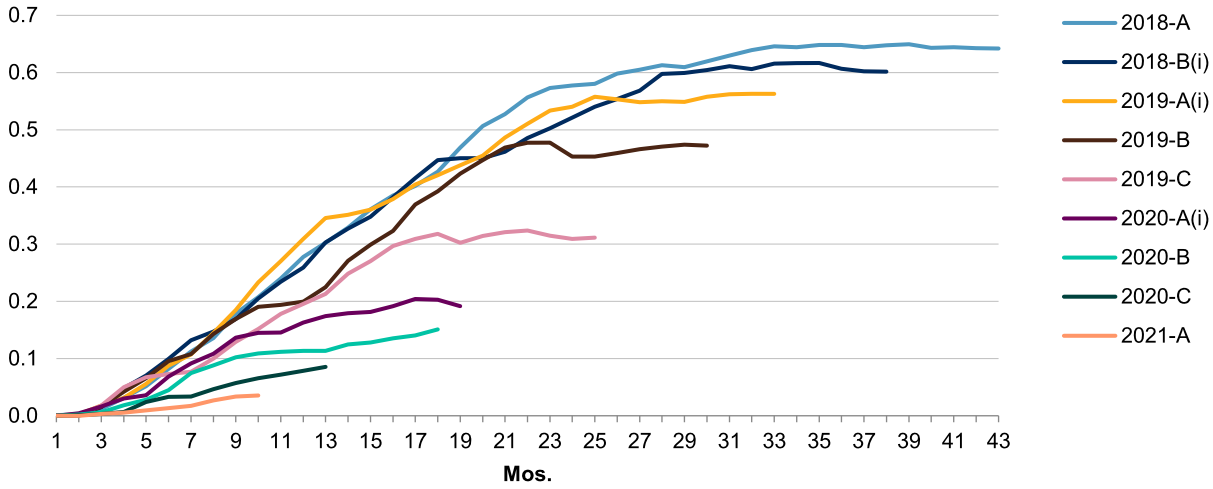
FCAOT Cumulative Net Loss Performance By Vintage (2009-2021)



Copyright © 2022 by Standard & Poor's Financial Services LLC. All rights reserved.

Chart 4

Cumulative Net Loss Performance Of FCAOT Outstanding Securitizations



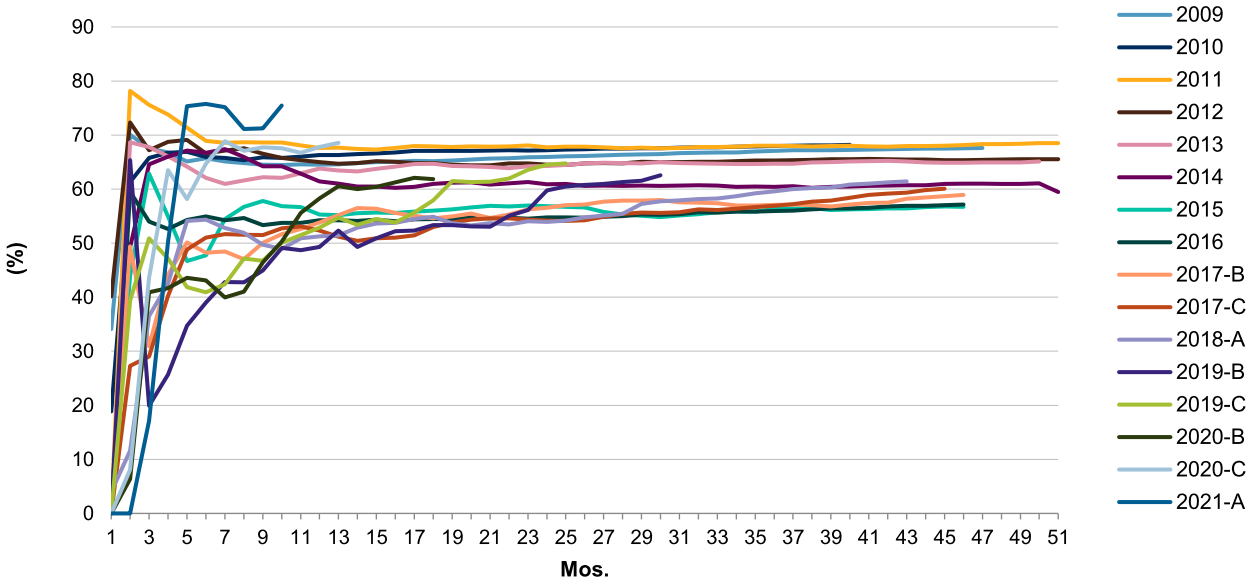
(i)Not rated by S&P Global Ratings.

Copyright © 2022 by Standard & Poor's Financial Services LLC. All rights reserved.

FCAOT's average cumulative recovery rate from 2009 to 2013 is approximately 64%. Beginning in 2014, the cumulative recovery rates began to decrease. Performance data for FCAOT's 2018 and 2019 recent securitizations show that the transactions are experiencing a slightly lower average cumulative recovery rate of approximately 50%-55% (see chart 5).

Chart 5

Cumulative Recovery Rate By Vintage



Copyright © 2022 by Standard & Poor's Financial Services LLC. All rights reserved.

Table 4 shows performance data for FCAOT's outstanding nonrevolving 2017-2020 transactions that we have rated.

Table 4

Performance Data For Outstanding Nonrevolving Ford Credit Auto Owner Trust Transactions(i)

| Series | Month | Pool factor (%) | 60-plus-day delinquency (%) | CNL (%) | Initial expected lifetime CNL (%) | Revised expected lifetime CNL (%) (ii) |
|--------|-------|-----------------|-----------------------------|---------|-----------------------------------|--|
| 2018-A | 43 | 11.68 | 0.57 | 0.64 | 1.00-1.20 | 0.80-0.90 |
| 2019-B | 30 | 28.01 | 0.32 | 0.47 | 1.00-1.20 | 0.90-1.10 |
| 2019-C | 25 | 36.37 | 0.17 | 0.31 | 1.00-1.20 | 0.90-1.10 |
| 2020-B | 18 | 48.11 | 0.13 | 0.15 | 1.30-1.50 | N/A |
| 2020-C | 13 | 64.57 | 0.09 | 0.09 | 1.40-1.60 | N/A |
| 2021-A | 10 | 71.07 | 0.09 | 0.04 | 1.24-1.45 | N/A |

(i)Performance as of December 2021 distribution date. (ii)Lifetime expected CNL was revised in March 2021 for series 2018-A, 2019-B, and 2019-C. CNL--Cumulative net loss. N/A-- Not applicable.

S&P Global Ratings' Expected Loss: 1.10%-1.30%

To derive the base case for the FCAOT 2022-A transaction, we examined the CNL performance of paid-off and outstanding FCAOT nonrevolving transactions that had collateral characteristics similar to the FCAOT 2022-A pool. We derived a loss timing curve from the paid-off pools to project losses on the outstanding securitizations. In addition, we selected some loss timing curves from paid-off pools that may have experienced greater back-end losses to project losses on the outstanding securitizations. This allowed us to determine how the outstanding securitizations may perform if losses were to become more back-ended compared with historical experience, given the increase in longer-term loans (greater than 60 months) included in recent FCAOT pools. We also projected remaining gross losses on the outstanding securitizations and assumed lower future recovery rates to account for expected declines in used vehicle values. The gross loss approach yielded slightly higher CNL projections.

We also analyzed static pool origination net loss data on Ford Credit's U.S. managed portfolio going back to 2001. We received static pool data from Ford Credit segmented by credit score band, term (including 73-84 month term loans), new/used vehicle mix, vehicle type, and APR subvention, and we developed expected net loss projections for each combination of those segments. We then weighted these projections based on the actual concentration of the various segments in the FCAOT 2022-A pool and recently securitized pools. Our goal was to estimate the relative percentage increase or decrease in the overall expected net loss due to the FCAOT 2022-A pool's credit composition compared with previous pools. When analyzing static pool performance and securitization performance, we placed less focus on performance from the past 12 months, given the impact of extensions on delinquencies and the robust vehicle recovery that we expect will stabilize in the near term.

Similarly to previous FCAOT pools, the FCAOT 2022-A pool includes commercial accounts, which represent receivables with primary obligors that are generally small businesses that use the financed vehicles for commercial purposes. The FCAOT 2022-A pool has approximately 17% of commercial accounts without FICO scores, as a percentage of the pool's aggregate principal balance. Most of these accounts do not have FICO scores because the account obligors are

businesses, not individuals. The commercial accounts' loss performance is included in the various origination static pool net loss data segmentations described above. For FCAOT revolving transactions, Ford Credit provides origination static pool loss data on commercial accounts. In our view, the origination static pool data showed that these accounts' loss performance was generally better than that of consumer loans with FICO scores less than 676.

Based on our analysis of the FCAOT 2022-A pool's credit quality, the vintage static origination net loss data and our applied projected loss to the FCAOT 2022-A pool, our CNL and gross loss projections for Ford Credit's outstanding securitized pools, Ford Credit's managed portfolio performance, and our forward-looking view of the economy, we expect the FCAOT 2022-A pool to experience CNL in the 1.10%-1.30% range, lower than the prior transaction's loss of 1.25%-1.45% for FCAOT 2021-A.

Cash Flow Modeling Assumptions And Results

We modeled the FCAOT 2022-A transaction to withstand our 'AAA', 'AA+', and 'AA' stress scenarios for the class A, B, and C notes, respectively (see table 5). Historical performance data indicate that loans with lower APRs tend to prepay and default less frequently than loans with higher APRs. When this occurs within a pool of loans, the lower-APR loans remain outstanding longer. We stressed the excess spread in our cash flow modeling scenarios accordingly by using a bifurcated-pool method under which the higher-APR, nonsubvened loans prepay faster and default at a disproportionately higher rate than the lower-APR, subvened loans.

Table 5

Cash Flow Assumptions And Results

| | Class | | |
|---|-----------------|-----------------|-----------------|
| | A | B | C |
| Preliminary rating | AAA (sf) | AA+ (sf) | AA (sf) |
| Loss timing by months outstanding (12/24/36/48/60) (%) | | | |
| Subvened cumulative net loss curve | 26/68/88/97/100 | 26/68/88/97/100 | 26/68/88/97/100 |
| Nonsubvened cumulative net loss | 36/77/97/100 | 35/75/95/100 | 35/75/95/100 |
| Aggregate cumulative net loss | 30/71/91/98/100 | 30/71/91/98/100 | 30/71/91/98/100 |
| % subvened receivables | 72 | 72 | 72 |
| % nonsubvened receivables | 28 | 28 | 28 |
| Disproportionate loss allocation (%) | | | |
| Subvened | 60 | 60 | 60 |
| Nonsubvened | 40 | 40 | 40 |
| ABS voluntary prepayments (%) | | | |
| Subvened(i) | 0.25 | 0.25 | 0.25 |
| Nonsubvened(i) | 1.80 | 1.75 | 1.70 |
| Recoveries (%) | 50 | 50 | 50 |
| Recovery lag (mos.) | 4 | 4 | 4 |
| Approx. break-even levels %(ii) | 11.1 | 8.8 | 7.9 |

(i)The subvened/nonsubvened cut-off annual percentage rate is 4%. (ii)The maximum cumulative net losses on the pool that the transaction can withstand without triggering a payment default on the relevant class of notes. ABS--Absolute prepayment speed.

By running low prepayments on the lower-APR contracts and applying a slower loss timing curve to these contracts than to the higher-APR contracts, the cash flows stressed the weighted average APR on the collateral, causing it to decrease over time. This increases the likelihood that the YSOA will be used for yield enhancement rather than credit enhancement. In a stressed scenario, liquidity risk could arise due to interest shortfalls resulting from the yield on the assets being lower than the yield on the bonds (especially because the bonds pay sequentially, leading to higher-coupon debt outstanding at the tail end of the transaction). Increasing the use of the YSOA for yield enhancement decreases the amount of the YSOA available to cover credit losses, thereby decreasing break-even levels.

The break-even cash flow results show that each rated class in the FCAOT 2022-A transaction has more than sufficient credit enhancement to withstand a stressed net loss level consistent with the assigned preliminary ratings.

Sensitivity Analysis

In addition to running break-even cash flows, we ran a two-pool sensitivity analysis to see how the ratings on the notes could be affected by losses that are moderately higher than what we currently expect (see table 6).

Table 6

Sensitivity Analysis Summary--Moderate Loss Scenario

| | |
|---|-----------------|
| Loss level (multiple) | 2.0x base case |
| Cumulative net loss level (%) | 2.4 |
| Loss timing by months outstanding (12/24/36/48/60) (%) | |
| Subvened(i) | 16/54/80/98/100 |
| Nonsubvened | 35/75/95/100 |
| Aggregate | 24/63/86/98/100 |
| Disproportionate loss allocation (%) | |
| Subvened(i) | 60 |
| Nonsubvened | 40 |
| Voluntary ABS (%) | |
| Subvened(i) | 25 |
| Nonsubvened | 1.5 |
| Servicing fee (%) | 1.0 |
| Recovery rate (%) | 50.0 |
| Recovery lag (mos.) | 4 |

(i)Subvened loans are loans with APRs that are 4.0% or lower, and nonsubvened loans are loans with APRs greater than 4.0%. ABS--Absolute prepayment speed. APRs--Annual percentage rates.

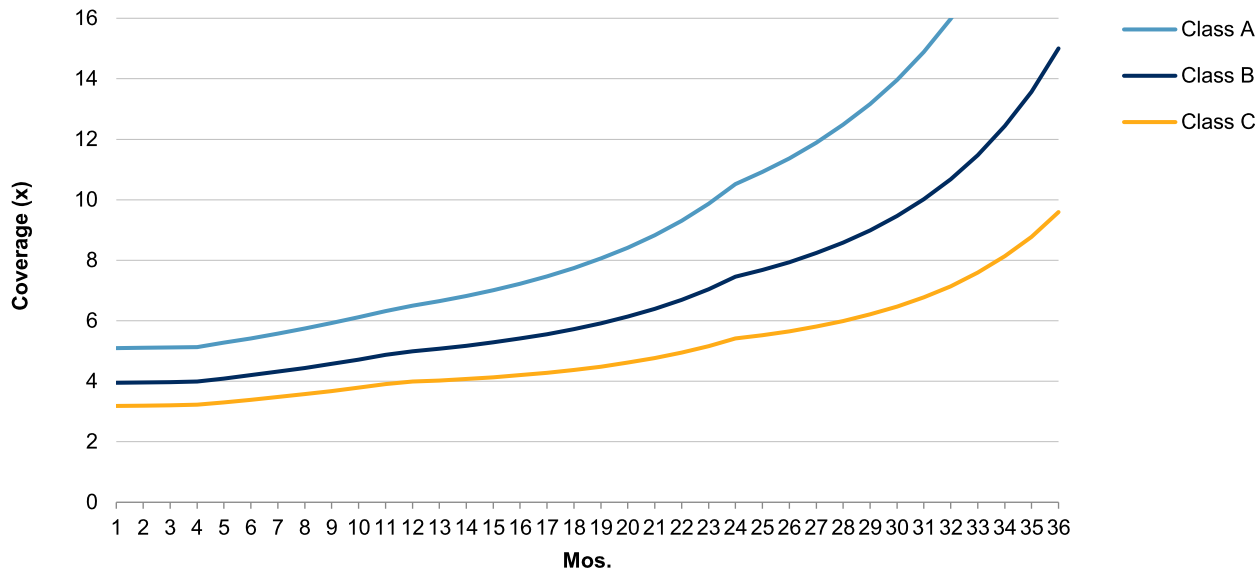
Moderate loss scenario: 2.40% (2.0x cumulative net loss results)

Under the moderate stress loss scenario, we assumed CNLs of 2.40% (approximately 2.0x our expected CNL level) and again ran a bifurcated-pool assumption, under which the nonsubvened collateral was defaulted at a higher rate and prepaid at a faster rate than the subvened collateral

(see chart 6). As with our break-even stress scenarios, we allocated losses disproportionately between the subvended and nonsubvended loans. In addition, we assumed a 50.00% recovery rate on gross losses, which is lower than outstanding FCAOT securitizations' current recovery rates. To stress excess spread, we assumed a voluntary prepayment speed of 1.50% for contracts with APRs higher than 4.00%, and 0.25% for contracts with APRs lower than 4.00%. We also applied a 10.00% haircut to the remaining excess spread at any given month.

Chart 6

Sensitivity Chart



Copyright © 2022 by Standard & Poor's Financial Services LLC. All rights reserved.

We found that our preliminary 'AAA (sf)', 'AA+ (sf)', and 'AA (sf)' ratings on the class A, B, and C notes, respectively, are within the credit stability limits specified in section A.4 of the Appendix contained in S&P Global Ratings Definitions (see "S&P Global Ratings Definitions," published Nov. 10, 2021).

Money Market Tranche Sizing

The proposed legal final date for the money market tranche (class A-1) is Feb. 15, 2023. To test whether the money market tranche can be repaid by the proposed legal final date, we ran cash flows using assumptions that delay the principal collections during the 12-month time period.

We assumed a voluntary absolute prepayment speed of 0.5% for nonsubvended loans and 0.0% for subvended loans. Based on our current modelling assumptions, approximately nine months of principal collections would be sufficient to pay off the money market tranche.

Legal Final Maturity

To test the legal final maturity dates set for long-dated tranches (i.e., classes A-2 through B), we determined the date on which the respective notes would fully amortize in a zero-loss, zero-prepayment scenario and then added three months to the result. For the longest-dated security (class C), we added six months to the tenor of the longest receivable in the pool to accommodate extensions on the receivables. Furthermore, in the break-even scenario for each respective rating level, we confirmed that there was sufficient credit enhancement to both cover losses and repay the related notes in full by the legal final maturity date.

Ford Credit

Ford Credit, headquartered in Dearborn, Mich., is a wholly owned captive finance subsidiary of Ford Motor Co. Ford Credit is one of the largest auto finance companies in the U.S., with an average retail contracts portfolio of approximately \$49.7 billion as of the nine months ended Sept. 30, 2021. Ford Credit offers consumer retail contracts, consumer leases, business loans, and lines of credit to dealerships that sell Ford Motor Co. products. Ford Credit purchases retail contracts for the sale of new and used vehicles from Ford and Lincoln dealerships.

Potential Effects Of Proposed Criteria Changes

Our ratings are based on our applicable criteria, including "General Methodology And Assumptions For Rating U.S. Auto Loan Securitizations," published Jan. 11, 2011. However, these criteria are under review (see "Request For Comment: Global Auto ABS Methodology And Assumptions," published Nov. 30, 2021).

As highlighted in the "Request For Comment" article, we are soliciting feedback from market participants on proposed changes to our criteria. We will evaluate the market feedback which may result in further changes to the criteria. As a result of this review, our future auto ABS criteria may differ from our current criteria. The criteria change may affect the ratings in this transaction. Until such time that we adopt new criteria, we will continue to rate and surveil these notes using our existing criteria (see the Related Criteria section).

Related Criteria

- General Criteria: Environmental, Social, And Governance Principles In Credit Ratings, Oct. 10, 2021
- Criteria | Structured Finance | General: Global Framework For Payment Structure And Cash Flow Analysis Of Structured Finance Securities, Dec. 22, 2020
- Criteria | Structured Finance | ABS: Global Equipment ABS Methodology And Assumptions, May 31, 2019
- Criteria | Structured Finance | Legal: U.S. Structured Finance Asset Isolation And Special-Purpose Entity Criteria, May 15, 2019
- Criteria | Structured Finance | General: Counterparty Risk Framework: Methodology And Assumptions, March 8, 2019
- Criteria | Structured Finance | General: Incorporating Sovereign Risk In Rating Structured

Presale: Ford Credit Auto Owner Trust 2022-A

- Finance Securities: Methodology And Assumptions, Jan. 30, 2019
- General Criteria: Methodology For Linking Long-Term And Short-Term Ratings, April 7, 2017
- Criteria | Structured Finance | General: Global Framework For Assessing Operational Risk In Structured Finance Transactions, Oct. 9, 2014
- General Criteria: Global Investment Criteria For Temporary Investments In Transaction Accounts, May 31, 2012
- General Criteria: Principles Of Credit Ratings, Feb. 16, 2011
- Criteria | Structured Finance | ABS: General Methodology And Assumptions For Rating U.S. Auto Loan Securitizations, Jan. 11, 2011
- Criteria | Structured Finance | General: Methodology For Servicer Risk Assessment, May 28, 2009

Related Research

- Credit Conditions North America: As Recovery Rolls On, Inflation Risks Remain, Dec. 1, 2021
- Request For Comment: Global Auto ABS Methodology And Assumptions, Nov. 30, 2021
- Economic Outlook U.S. Q1 2022: Cruising At A Lower Altitude, Nov. 29, 2021
- Extension Rates In Public Auto Loan ABS Have Returned To Pre-Pandemic Levels, Nov. 19, 2021
- U.S. Auto Loan ABS Tracker: September 2021 Performance, Nov. 18, 2021
- Ford Motor Co. And Subsidiary Ratings Affirmed; Outlook Revised To Positive On Improved Cash Flow Prospects In 2022-2023, Nov. 18, 2021
- S&P Global Ratings Definitions, Nov. 10, 2021
- General Criteria: Environmental, Social, And Governance Principles In Credit Ratings, Oct. 10, 2021
- ESG Industry Report Card: Auto Asset-Backed Securities, March 31, 2021
- Ford Credit Auto Owner Trust Ratings Raised On Four Classes, Affirmed On 16 From Five Transactions, March 12, 2021

Copyright © 2022 Standard & Poor's Financial Services LLC. All rights reserved.

No content (including ratings, credit-related analyses and data, valuations, model, software or other application or output therefrom) or any part thereof (Content) may be modified, reverse engineered, reproduced or distributed in any form by any means, or stored in a database or retrieval system, without the prior written permission of Standard & Poor's Financial Services LLC or its affiliates (collectively, S&P). The Content shall not be used for any unlawful or unauthorized purposes. S&P and any third-party providers, as well as their directors, officers, shareholders, employees or agents (collectively S&P Parties) do not guarantee the accuracy, completeness, timeliness or availability of the Content. S&P Parties are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, for the results obtained from the use of the Content, or for the security or maintenance of any data input by the user. The Content is provided on an "as is" basis. S&P PARTIES DISCLAIM ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, FREEDOM FROM BUGS, SOFTWARE ERRORS OR DEFECTS, THAT THE CONTENT'S FUNCTIONING WILL BE UNINTERRUPTED OR THAT THE CONTENT WILL OPERATE WITH ANY SOFTWARE OR HARDWARE CONFIGURATION. In no event shall S&P Parties be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs or losses caused by negligence) in connection with any use of the Content even if advised of the possibility of such damages.

Credit-related and other analyses, including ratings, and statements in the Content are statements of opinion as of the date they are expressed and not statements of fact. S&P's opinions, analyses and rating acknowledgment decisions (described below) are not recommendations to purchase, hold, or sell any securities or to make any investment decisions, and do not address the suitability of any security. S&P assumes no obligation to update the Content following publication in any form or format. The Content should not be relied on and is not a substitute for the skill, judgment and experience of the user, its management, employees, advisors and/or clients when making investment and other business decisions. S&P does not act as a fiduciary or an investment advisor except where registered as such. While S&P has obtained information from sources it believes to be reliable, S&P does not perform an audit and undertakes no duty of due diligence or independent verification of any information it receives. Rating-related publications may be published for a variety of reasons that are not necessarily dependent on action by rating committees, including, but not limited to, the publication of a periodic update on a credit rating and related analyses.

To the extent that regulatory authorities allow a rating agency to acknowledge in one jurisdiction a rating issued in another jurisdiction for certain regulatory purposes, S&P reserves the right to assign, withdraw or suspend such acknowledgment at any time and in its sole discretion. S&P Parties disclaim any duty whatsoever arising out of the assignment, withdrawal or suspension of an acknowledgment as well as any liability for any damage alleged to have been suffered on account thereof.

S&P keeps certain activities of its business units separate from each other in order to preserve the independence and objectivity of their respective activities. As a result, certain business units of S&P may have information that is not available to other S&P business units. S&P has established policies and procedures to maintain the confidentiality of certain non-public information received in connection with each analytical process.

S&P may receive compensation for its ratings and certain credit-related analyses, normally from issuers or underwriters of securities or from obligors. S&P reserves the right to disseminate its opinions and analyses. S&P's public ratings and analyses are made available on its Web sites, www.spglobal.com/ratings (free of charge), and www.ratingsdirect.com (subscription), and may be distributed through other means, including via S&P publications and third-party redistributors. Additional information about our ratings fees is available at www.spglobal.com/usratingsfees.