



OFFICE OF THE TREASURER-TAX COLLECTOR

HALL OF FINANCE & RECORDS
12 CIVIC CENTER PLAZA, SUITE G76
POST OFFICE BOX 4515
SANTA ANA, CA 92701
www.ttc.ocgov.com

JOHN M.W. MOORLACH, C.P.A., CFP®
TREASURER-TAX COLLECTOR

CHRIS W. STREET
TREASURER-TAX COLLECTOR-ELECT

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DEPUTY TREASURER

WALTER DANIELS
DEPUTY TAX COLLECTOR

ROBIN RUSSELL
DEPUTY TREASURER-TAX COLLECTOR
ADMINISTRATION

CLARISSA ADRIANO-CERES
DEPUTY TREASURER-TAX COLLECTOR
INFORMATION TECHNOLOGY

BRETT R. BARBRE
DEPUTY TREASURER-TAX COLLECTOR
PUBLIC INFORMATION OFFICER

CHANGES IN ELIGIBLE CREDITS

There were no changes to the Treasurer's approved eligibility list in the month of September.



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To: Treasury Investment Committee
From: John Byerly, Senior Financial Analyst
Date: September 11, 2006

Subject: JPMorgan Conduits
PREFCO (A-1/P-1/F1+) and Chariot Funding (A-1/P-1/NR)

JPMorgan's conduit teleconference on Thursday, September 7, 2006 announced that in order to best accommodate continued growth, JPMorgan will move PREFCO assets primarily to Chariot Funding. Changes are expected to occur in November 2006.

While PREFCO is their oldest conduit, operating since 1988, it only allows for investment grade sellers and US assets. To address growth ambitions as well as meet the required portfolio mix of sellers and assets, moving PREFCO assets into a newer conduit was deemed their best alternative.

In response to the increase in asset size, Chariot's credit enhancement floor will be increased from \$200 million to \$500 million, inline with other Morgan conduits. JPMorgan will also be removing Chariot's 50% non-investment grade restriction. All other Chariot features are to remain unchanged.

I recommend keeping PREFCO and Chariot Funding on the CP/MTN eligibility list. We will continue to monitor developments within these conduits.