



Wyndham Worldwide Corporation  
22 Sylvan Way  
Parsippany, 07054  
www.wyndhamworldwide.com

Wyndham Worldwide Corporation  
22 Sylvan Way  
Parsippany, New Jersey 07054

Wyndham Vacation Ownership, Inc.  
8427 South Park Circle, Suite 500  
Orlando, FL 32819

August 2, 2010

**By E-Mail: rule-comments@sec.gov**

Securities and Exchange Commission  
100 F Street, NE  
Washington, DC 20549-1090  
Attn: Elizabeth M. Murphy, Secretary

**Re: Release Nos. 33-9117; 34-61858 (File No. S7-08-10)**

Ladies and Gentlemen:

Wyndham Worldwide Corporation (“Wyndham”) and Wyndham Vacation Ownership, Inc. (“WVO”) submit this letter in response to the request for comments made by the Securities and Exchange Commission (the “Commission”) in Release Nos. 33-9117, 34-61858 dated April 7, 2010 (the “Proposing Release”) relating to the registration, disclosure and reporting requirements for asset-backed securities under the Securities Act of 1933 (the “Securities Act”) and the Securities Exchange Act of 1934 (the “Exchange Act”).

#### I. BACKGROUND OF WYNDHAM AND ITS SECURITIZATION ACTIVITIES

Wyndham is one of the world’s largest hospitality companies and is a public company whose common stock is listed on the New York Stock Exchange. Wyndham operates its businesses within three segments: lodging, vacation exchange and rentals and vacation ownership. The vacation ownership business—commonly referred to as the “timeshare business”—operates as WVO, markets and sells vacation ownership interests to individual consumers, provides consumer financing in connection with the sale of vacation ownership interests and provides property management services at resorts. WVO depends upon access to the asset-backed market to finance its business.

The loans which we originate and securitize are consumer loans and tend to be small. The average size of a loan which is sold into our securitization is approximately \$18,000 with many loans being considerably smaller. A typical issuance of asset-backed securities may include receivables from a pool of 16,000 or more loans. These loans are for the most part fixed rate, amortizing 10-year loans.

### Growth of Our Business

Wyndham and its predecessors have grown and strengthened their timeshare business as a result of many factors, a key one of which has been the ability to finance the business efficiently and at attractive rates by accessing the capital markets through the issuance of asset-backed securities.

Partially because of our access to adequate financing, Wyndham's timeshare business has grown from 125 resorts in 2002 to over 155 resorts today. We have expanded from 643,940 vacation owners in 2002 to over 820,000 owners today. For the fiscal year ended December 31, 2009, a very difficult year in the hospitality business, WVO had \$1.315 billion in sales of vacation ownership interests, \$1.945 billion of net revenues and \$387 million of EBITDA. Wyndham's timeshare business employs approximately 12,500 people.

The Wyndham securitization program is relatively straight forward. Subsidiaries of Wyndham originate the loans and sell the loans into securitization vehicles. The equity of the securitization vehicles is owned by subsidiaries of Wyndham. A Wyndham subsidiary also services the loans. Each series of asset-backed securities is supported by a substantial level of overcollateralization which means that, in effect, Wyndham, as owner of the equity in the securitization vehicles, is at risk for an amount equal to the overcollateralization. For this reason, and many others, the strong performance of each securitization is very important to Wyndham.

Wyndham has never sold its servicing rights on securitizations, and, in fact, Wyndham guaranties the performance of its servicing subsidiary. Wyndham has a strong incentive to maintain servicing quality at high levels as a large portion of our vacation ownership revenues is derived from additional purchases by existing owners.

Currently, Wyndham is servicing timeshare loans whose outstanding principal balance is approximately \$3.343 billion, of which \$2.684 billion are owned by securitization subsidiaries, including a conduit facility, and \$659 million are owned by Wyndham and serviced for its own account.

### Importance of Rule 144A Market

Beginning in 2002 and continuing today, Wyndham and its predecessor have looked to the asset-backed market for crucial financing. In that time, Wyndham subsidiaries have issued approximately \$5.123 billion in term notes of which \$1.202 billion are outstanding today. A major portion of such notes were issued in the Rule 144A market.

Access to the Rule 144A market is, and continues to be, vital to our business.

Timeshare loans are not a mainstream asset in the securitization market. Wyndham has never attempted to and does not believe it would be able to access the public registered market with timeshare asset-backed securities. Timeshare asset-backed securities are sold primarily to large institutional investors who have developed an understanding of the timeshare market and know what information they want and need to make appropriate investment decisions. This is exactly the type of security for which Rule 144A was designed. The current Rule 144A market allows investors the flexibility to engage in a dialogue with issuers and the ability for issuers to work with the investors to provide required information related to Wyndham and its securitization program.

#### Investor Information

The Rule 144A market, as it currently exists, allows for the development of markets for products such as timeshare asset-backed securities. It allows for the development over time of an investor base through the development of disclosure and information which investors want and need to make appropriate investment decisions.

The investors in Wyndham's timeshare ABS notes tend to be large, institutional investors who buy and hold the notes.

In connection with each securitization Wyndham develops detailed information concerning the pool of loans providing the information which is important to the investors with respect to our business, loan servicing and the composition of the pool. The loans pools typically include 16,000 or more loans. The investors want certain information about the characteristics of the pool which Wyndham provides. Loan level detail for such small loans and for so many loans is not requested or useful to our investors.

Wyndham has developed a relationship with its investors over time and has routinely and regularly opened its doors to both rating agencies and investors for unscheduled diligence visits to examine Wyndham's servicing operations as well as sales offices and resort locations. We fear that further regulation of the Rule 144A market, particularly the proposed addition of strict and detailed disclosure requirements, will significantly impair our ability to participate in this market. We further believe that, given the nature of the loans which are sold into our transactions, that loan level reporting simply is not necessary or particularly useful, but would be extremely expensive.

### Self Regulation

Wyndham has applied self regulation to many respects of its securitization program. Wyndham has a strong team to manage its ABS activities. Years before regulation required companies to do so, Wyndham, even though it could have done so, ceased to utilize gain-on-sale accounting on its securitizations and, as such, did not accelerate earnings via commercial financing vehicles. By retaining consumer loans “on balance sheet,” Wyndham held a reserve for consumer loans even though significant portions of their payment streams had been sold into the market.

## II. SUMMARY OF WYNDHAM’S CONCERNS REGARDING THE PROPOSED REGULATIONS

In reviewing and considering the proposed regulations and the discussion in the Proposing Release, Wyndham has many concerns about how such regulations would adversely and unnecessarily impact its timeshare business and its ability to access the Rule 144A market. Those concerns generally fall into two categories:

1. By causing participants in the Rule 144A market to comply with all disclosure requirements of the public registered market, much of the benefit and flexibility of the Rule 144A market will be lost and our ability to economically participate may be impacted.
2. Much of the reporting and information disclosure which would be required under the proposed regulations is of little use to our investors in the Rule 144A market and extremely expensive from Wyndham’s standpoint.

## III. WYNDHAM’S RESPONSES TO SELECTED REQUESTS FOR COMMENT

You have requested comments on numerous aspects of the proposal. We have set forth below our responses to certain selected questions posed by the Commission in the Proposing Release.

**Under Section VI—Privately-Issued Structured Finance Products—of the Proposing Release, the Commission asks for comment as follows:**

*Is it appropriate to require, as proposed, that as a condition of Rule 144A, the transaction agreements contain a provision that would require an issuer of structured finance products to provide to investors promptly, upon investors’ request, such*

*information that would be required if the offering were registered on Form S-1 or SF-1 and any ongoing information regarding the securities as would be required by Section 15(d) of the Exchange Act if the issuer were required to file reports under that section?*

We believe that the proposed rule is not appropriate and in fact is contrary to the purpose of Rule 144A and may be destructive to this market.

We are fearful that imposing the requirements of the public registered market upon Wyndham and other non-traditional asset-classes will prevent the efficient development and functioning of this market or the elimination of this market. We fear that our relations with our investors will be more difficult and our disclosure much more burdensome without providing any additional needed or wanted information to the investors.

As noted earlier in this letter, Wyndham originates, securitizes and services loans for the purpose of financing the purchase of vacation timeshare interests. Vacation timeshare loans are not a standard commodity in the asset-backed market. Over the years, Wyndham has worked with its investors to develop an understanding of the timeshare business and assets and to develop disclosure which is responsive to the investor requirements. The investors in vacation timeshare asset-backed securities are knowledgeable about the industry. Most of the investors in Wyndham's asset-backed securities are large, institutional investors who buy and hold the notes. Communication back and forth between Wyndham and its investors is common. Wyndham has been able to develop its market and relationships with its investors by having the flexibility to provide that information which the investors request and need—and by not being required to provide information which may be important to other asset classes but likely be irrelevant or extraneous to investors focusing on the timeshare business.

The value of the Rule 144A market to Wyndham as an issuer of timeshare asset-backed securities is that it is not rigid and allows for communication with investors and the development of a market and related disclosure which fits the needs of our investors for this specific investment market. It is not a means to avoid disclosure, but rather allows development of disclosure which is meaningful to a special group of knowledgeable investors.

**Under Section III—Disclosure Requirements—of the Proposing Release, the Commission asks for comment with respect to asset-level disclosure as follows:**

*Is our proposal to require asset-level disclosure with data points identified in our rules appropriate?*

Wyndham believes that the proposal to require asset-level disclosure is not appropriate as it would apply to our program. In connection with this comments we submit:

- a. Asset-level disclosure would significantly increase cost of issuance:
  - i. The proposed rule revisions would require Wyndham to incur an upfront cost estimated to be approximately \$1 million. This upfront cost will include the software needed for the Python waterfall programming, as well as the expense of several outside consultants hired to build the programming language and develop our platform. There will also be hardware that we will need to house the programming language and loan-level information.
  - ii. Wyndham would incur on-going costs of approximately \$250,000 annually in administrative support, due primarily to the need to hire new employees to manage the large amount of loan-level information that would be required to be disclosed (as well as audited) on a monthly basis.
  - iii. Wyndham typically issues two or three small (with average principal amount of about \$300 million) Rule 144A transactions per year. As a result of the proposed rule revisions, Wyndham's cost per issuance would rise significantly.
- b. Concerns would arise about confidential business practices and private information:
  - i. The incredible detail of the disclosure and the monthly distribution frequency of the required information would result in the distribution of a large amount of data, which may be very sensitive and provide considerable insight into how Wyndham runs its proprietary business.
  - ii. When loan level information is disclosed, there are often concerns around borrower information being transmitted; protecting owners' personally identifiable information is critical; there are concerns about security breaches with respect to confidential information and resulting liability and also a genuine concern that release of such data could harm our customer relationships and be very detrimental to our business.

- c. Mandated asset-level information may add little value:
  - i. Our loans are small consumer loans and each securitized pool includes thousands of loans. Asset-level information on so many loans is too voluminous for investors to analyze. In our experience, most investors request summarized data in a format that has become fairly standardized. Unlike typical mortgages, vacation timeshare loans tend to be much smaller with fixed terms. In a typical Wyndham term securitization, the range of loan balances is between \$500 and \$170,000 with the average loan balance of \$18,000. As a result, a Wyndham transaction may consist of a static pool that contains a large number of loans (e.g. 16,000). So the loan-by-loan detail for vacation timeshare loans generally is too granular to be useful.
  - ii. Timeshare loans are fairly short in length, have fixed terms and the nature of the pool does not change much from month to month or from the original projections as compared to loans of many other asset classes, which have variable terms that can cause the monthly payments and other aspects of the securitized portfolio to change significantly during the month when a large group of the loans re-price. This pattern makes asset-level information much less useful for timeshare loans.
  - iii. Wyndham always provides any information that investors request, including selected asset-level information. Providing mandated information that is not requested would be an inefficient use of resources.
- d. There are no real advantages for investors:
  - i. Our investors have expressed concerns to us that the proposed rule revisions may ultimately restrict the actual information that investors are able to receive. Many investors fear that if the goal of the proposed regulations is to bring all investors to some common ground based on a defined list of information, issuers will become reluctant to provide more than what is specified and commonly provided, therefore potentially limiting dialogue between issuers and investors.

- ii. On a pool of timeshare loans including thousands of small loans, the sheer volume of information would be too burdensome for most investors to effectively analyze.

*Is a different approach to asset-level disclosure preferable, such as requiring it generally, but relying on industry to set standards or requirements? If so, how would data be disclosed for all the asset classes for which no industry standard exists or for which multiple standards may exist? To the extent multiple standards exist, how would investors be able to compare pools? Please be detailed in your response.*

As stated above, we do not believe that the Rule 144A market should be subjected to the same disclosure requirements as the public registered market and further, if such rules were to be applied, requiring the asset-level disclosure as proposed is not appropriate, particularly as it would be applied to small consumer loans. If such asset-level disclosure is required, we submit that a better approach would be to rely on the industry to set standards or requirements regarding vacation timeshare loans. Given the relative small size and limited number of issuers and investors in this sector, industry standards have already been established over time. If the practice is not yet fully standardized, it is not so difficult for investors to ask for the same information from the limited number of issuers in this sector. The important point is that investors have access to the necessary information, in a desired format, to allow an appropriate investment decision to be made.

*Is the proposed requirement to provide Schedule L-D data with Form 10-D appropriate? Should Schedule L-D data be required at any other time, such as daily or monthly for all asset classes? Please tell us why.*

As noted, we do not believe that asset-level disclosure is appropriate in our market; however, if it were to be required, we strongly object to the proposed monthly disclosure frequency. Such reports would be very costly to provide on a monthly basis. In addition, the investors may be overwhelmed by the volume of information provided. Alternatively, if the Commission proceeds with this proposal, we would suggest that the reporting requirement be quarterly or even semi-annually.

#### IV. CONTACT INFORMATION

Wyndham and WVO very much appreciate the opportunity to provide the foregoing comments in response to the Commission's Proposing Release. Should you have any questions or desire



Securities and Exchange Commission  
August 2, 2010  
Page 9

any clarification concerning the matters addressed in this letter, please do not hesitate to contact us via telephone at (973) 753-7106 or (407) 626-4373 or via email at tom.conforti@wyndhamworldwide.com or mike.hug@wyndhamvo.com.

Sincerely,

**WYNDHAM WORLDWIDE CORPORATION**

By: Thomas G. Conforti  
Name: Thomas G. Conforti  
Title: Executive Vice President and Chief  
Financial Officer

**WYNDHAM VACATION OWNERSHIP, INC.**

By: Michael A. Hug  
Name: Michael A. Hug  
Title: Executive Vice President and Chief  
Financial Officer