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FitchRatings

Hyundai Auto Receivables Trust 2023-A

Applicable Criteria

US Auto Loan ABS Rating Criteria (February 2023)

Global Structured Finance Rating Criteria (March 2023)

Structured Finance and Covered Bonds Counterparty Rating Criteria (March 2023)

Related Research

Representations, Warranties and Enforcement Mechanisms Appendix

Capital Structure[a]

Class	Expected Rating	Rating Outlook	Amount (USD Mil.)	CE[b] (%)	Interest Rate (%)	Legal Final Maturity
A-1	F1+sf	N.A.	263.40	7.55	TBD	4/15/24
A-2A/A-2B	AAAsf	Stable	444.00	7.55	TBD	12/15/25
A-3	AAAsf	Stable	394.00	7.55	TBD	4/15/27
A-4	AAAsf	Stable	100.00	7.55	TBD	7/17/28
B	AA+sf	Stable	23.30	5.75	TBD	7/17/28
C	A+sf	Stable	38.90	2.75	TBD	2/15/30
Total			**1,263.60**			

[a]The above structure is based on the $1,441.72 million aggregate pool balance. If the aggregate pool balance is $1,829.75 million, the notes will be issued in the following applicable principal amounts: $335.06 million class A-1 notes, $564.40 million class A-2a/A-2b notes, $503.90 million class A-3 notes, $125.0 million class A-4 notes, $29.70 million class B notes and $49.50 million class C notes. The depositor will determine the initial principal amount of the notes based on, among other considerations, market conditions at the time of pricing. [b]Credit enhancement (CE) does not include credit to excess spread. Class A-2A and A-2B sizing will be finalized based on demand. The class A-2B notes may not exceed 50% of the aggregate principal balance of the class A-2 notes. N.A. – Not applicable. TBD – To be determined.

Fitch Ratings expects to rate the auto loan ABS issued by Hyundai Auto Receivables Trust 2023-A (HART 2023-A) as listed above. The notes will be backed by a pool of new and used automobile vehicle loans manufactured by Hyundai Motor Company (Hyundai) and Kia Corporation (Kia) and originated and serviced by Hyundai Capital America (HCA). HCA is 80% owned by Hyundai Motor America (HMA) and 20.0% owned by Kia America (KA). Fitch rated the previous transaction from this shelf, HART 2022-C, in November 2022.

Key Rating Drivers

Collateral — Strong Credit Quality: The 2023-A pool is generally consistent with recently issued HART transactions. Positives include a weighted average (WA) Fair Isaac Corporation (FICO) score of 768, a pool consisting of 95.8% new vehicles and strong model and segment diversification. The pool has a higher concentration of extended-term (61+ months) contracts at 65.8% compared to 60.0% in the 2022-C pool. The concentration of FICO scores above 750 is the highest for the HART transactions at 64.8% of the 2023-A pool. Seasoning is higher, with 2023-A at 16.8 months versus 9.7 months in 2022-C.

Forward-Looking Approach to Derive Base Case Loss Proxy — Stable Performance: Fitch considered economic conditions and future expectations by assessing key macroeconomic and wholesale market conditions when deriving the series loss proxy. HCA's portfolio delinquencies and losses have exhibited elevated levels in recent years but remain below the peak 2008 vintage level and have trended downward since 2018. Securitization losses have stabilized since 2017, as outstanding transactions are tracking inside the weakest performing post-crisis deal, 2016-A. Fitch incorporated managed pool performance from 2006–2009 and 2015–2018 vintages, along with 2015–2018 securitization performance, in deriving the 1.60% base case cumulative net loss (CNL) proxy, consistent with 2022-C and 2022-B but lower than 1.70% for 2022-A.

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Payment Structure — Sufficient Credit Enhancement: Initial hard credit enhancement (CE) totals 7.55%, 5.75% and 2.75% for the class A, B and C notes, respectively. CE is the lower than 2022-C and 2022-B but the same as the previous four transactions and the 2017–2019 transactions due to the decreased reserve. Initial hard CE is sufficient to withstand Fitch's base case CNL proxy of 1.60% for all classes of notes at each class's respective loss coverage multiples.

Seller/Servicer Operational Review — Consistent Origination/Underwriting/Servicing: Fitch regards HCA as a capable originator, underwriter and servicer for this series, evidenced by the historical performance of its managed portfolio and securitizations. Fitch last affirmed Hyundai's Issuer Default Rating (IDR) at 'BBB+'/Stable in April 2022.

Key Rating Driver (Negative/Positive/Neutral)

Rating Impact	Key Rating Driver
Positive	Collateral - Strong Credit Quality
Neutral	Forward-Looking Approach to Derive Base Case Loss Proxy — Stable Performance
Positive	Payment Structure - Sufficient Credit Enhancement
Positive	Seller/Servicer Operational Review — Consistent Origination Underwriting/Servicing

Source: Fitch Ratings

Highlights

Effect	Highlight
Positive	Fitch Base Case CNL Proxy: The base case CNL proxy for the 2023-A transaction is 1.60%, the same as in 2022-C and 2022-B but down from 1.70% in 2022-A due to expansion of the static pool vintage range used to derive the proxy, in recognition of the strong securitization and managed pool performance and slightly stronger collateral pool characteristics.
Positive	Notched Ratings on Subordinate Notes: Consistent with 2022-C, Fitch assigned 'AA+sf' and 'A+sf' ratings to the class B and C notes, respectively, due to continuous high hard CE and strong loss coverage for the subordinate notes.
Neutral	Minimal Credit Impact from ESG: The highest level of ESG credit relevance is a score of '3', meaning that ESG issues are credit neutral or have only a minimal credit impact on the transaction, due to either their nature or the way in which they are being managed. See the ESG Navigator in Appendix 2 for details. Electric vehicles, plug-in hybrid electric vehicles (PHEV) or hybrid vehicles account for 11.2% of the collateral pool; however, this did not impact Fitch's rating analysis or conclusions for this transaction and has no impact on Fitch's ESG Relevance Score.

Source: Fitch Ratings

Key Transaction Parties

Role	Name	Fitch Rating
Issuer	Hyundai Auto Receivables Trust 2023-A	NR
Sponsor/Seller/Servicer	Hyundai Capital America	NR
Depositor	Hyundai ABS Funding, LLC	NR
Parent	Hyundai Motor Company	BBB+/F2/Outlook Stable
Indenture Trustee	Citibank, N.A.	A+/F1/Outlook Stable
Owner Trustee	U.S. Bank Trust National Association	AA–/F1+/Outlook Stable
Lead Underwriter	BofA Securities	AA/F1+/Outlook Stable
Asset Representations Reviewer	Clayton Fixed Income Services LLC	NR

NR – Not rated.
Fitch Ratings, HART 2023-A

Transaction Comparisons

	HART 2023-A[a]	HART 2022-C	WOART 2023-A	GMCAR 2023-1
Aggregate Balance ($)	1,441,752,445	1,706,688,348	1,116,806,264	1,719,195,780
No. of Loans	67,981	73,607	45,522	49,697
Average Principal Balance ($)	21,208	23,187	24,533	34,594
WA APR (%)	3.54	3.85	5.59	4.18

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	HART 2023-A[a]	HART 2022-C	WOART 2023-A	GMCAR 2023-1
WA LTV (%)	101.67	100.12	98.08	97.05
WA FICO Score	768	764	753	781
WA Original Term (Months)	66.7	66.2	67.9	68.8
WA Remaining Term (Months)	49.9	56.5	60.4	60.4
Seasoning (Months)	16.8	9.7	7.4	8.34
Loans > 60 Months OT (%)	65.8	60.0	74.1	74.0
New Vehicles (%)	95.8	94.9	95.9	79.0
Used/Near New Vehicles (%)	4.2	5.1	4.2	21.0
Geographic Distribution (%)				
State 1	12.16 (FL)	14.19 (CA)	45.81 (FL)	17.52 (TX)
State 2	11.51 (CA)	12.19(TX)	19.01 (GA)	8.60 (CA)
State 3	11.20 (TX)	5.97 (FL)	16.48 (NC)	4.83 (NY)
State 4	5.85 (NY)	5.88 (IL)	9.48 (AL)	4.36 (MI)
State 5	5.51 (IL)	4.47 (GA)	6.59 (SC)	4.29 (IL)
Credit Enhancement (%)				
Class A (Initial Hard)	7.55	7.80	5.00	6.10
Class B (Initial Hard)	5.75	6.00	2.00	4.50
Class C (Initial Hard)	2.75	3.00	0.50	3.00
Class D (Initial Hard)	N.A.	N.A.	N.A.	1.75
Fitch Ratings				
Class A	F1+(EXP)sf/AAA(EXP)sf	F1+sf/AAAsf	F1+sf/AAAsf	F1+sf/AAAsf
Class B	AA+(EXP)sf	AA+sf	AAsf	AA+sf
Class C	A+(EXP)sf	A+sf	Asf	A+sf
Class D	N.A.	N.A.	N.A.	A+sf
Base Case Net Loss Proxy (%)	1.60	1.60	1.45	1.15

[a]The pool characteristics described above are based upon an initial principal balance of $1,263.60 million. HART – Hyundai Auto Receivables Trust. WOART – World Omni Auto Receivables Trust. GMCAR – GM Financial Consumer Automobile Receivables Trust. LTV – Loan-to-value ratio. N.P. – Not provided. OT – Original term. EXP – Expected. NR – Not rated.
Source: Fitch Ratings, HART 2023-A

Sector Risks: Additional Perspective

Key Sector Risks

Sector or asset outlook	Fitch's 2023 asset performance outlook for prime auto loan ABS has been revised to deteriorating relative to 2022, reflecting Fitch's expectation for the moderation observed in 2022 to continue into 2023 but remain below or in line with pre-pandemic levels. Supply constraints like semiconductor shortages have caused production shutdowns, leading to historically low inventories despite strong demand, which has increased secondary values and recoveries. These supply shortages, while starting to loosen, are expected to continue to support values and overall strong prime auto ABS performance in 2023. Rating upgrades persist due to solid performance within initial loss proxies, building CE and quick amortization.
Macro or sector risks	Fitch predicts a mild recession in the U.S. in 2023, which will weigh on job growth and consumer demand. High inflation will lead to a continued increase in interest rates, affecting sectors backed by consumer and real estate assets that are exposed to interest rate and refinancing risk. Real income erosion will further burden households, affecting consumer spending and businesses, especially weaker borrowers.
Relevant Research	Fitch has revised its global economic forecasts to reflect Fitch's 2023 expectations. Fitch's outlook for 2023 for structured finance is detailed in its "North America Structured Finance Outlook 2023" report. Also, see Fitch's recent special report, "In the Auto ABS Driver's Seat: 1H22 (Delinquencies Up Off Record Low; Market Still Striving to Meet Demand)." Both reports are available on Fitch's website at www.fitchratings.com

Source: Fitch Ratings

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Asset Analysis

Base Case Loss Determination

HCA provided quarterly static net credit loss data from 2004 to 4Q22. Fitch analyzed the quarterly static pool data to determine the base case loss estimate for this series. Static pool data received were stratified into subsegments based on the following collateral characteristics:

- FICO score;
- Original loan term;
- Vehicle brands (Hyundai and Kia); and
- Multivariate combinations of the above.

To derive a base case loss estimate, Fitch analyzed the static pool data and performance data from previous securitizations. Historical loss timing curves and recent performance for each of the static pools and previous securitizations were used to forecast CNL expectations for certain components of the pool. These expectations varied for certain characteristics of the pool. Expected losses for these characteristics of the pool were weighted according to the composition of the pool to yield a CNL expectation for the transaction. Fitch's recovery assumptions were estimated using historically managed portfolio and securitization rates.

Considering current economic and market conditions, Fitch has focused on the recessionary vintage performance of 2006–2009, along with a more recent 2015–2018 static portfolio vintage performance, as base periods to derive and forecast the base case CNL proxy, consistent with 2023-A. These periods allow for the capture of recessionary vintage performance, including the peak 2008 performance, as well as the performance observed in more recent vintages.

Fitch also analyzed the historical HART securitization loss performance, observing that the 2010–2013 transactions exhibited the lowest loss levels, with losses ending between 0.59% and 0.98%, with 2014–2016 transactions showing an increasing loss trend and 2017–2019 transactions generally demonstrating an improvement from the 2016 transactions.

Fitch incorporated the 2015–2018 securitization loss performance data in combination with managed portfolio performance to arrive at the final base case CNL expectation of 1.60% for the 2023-A transaction, in line with 1.60% in 2022-C and 2022-B and down from 1.70% in 2022-A and 1.75% in 2021-C.

Risk factors that may influence performance include national or regional economic downturns and wholesale vehicle market (WVM) weakness, resulting in low vehicle recovery rates, a Hyundai or HCA bankruptcy and poor servicing.

HART 2023-A

Net Loss Proxy (%)	1.60
U.S. Prime Auto Loan ABS Sector Outlooks	
Asset Performance	Deteriorating
Ratings Performance	Positive

Source: Fitch Ratings

Collateral Analysis

The transaction is backed by a pool of prime automobile loans secured by new and used vehicles, all originated by HCA. The property of the trust includes the receivables and collections thereon; security interest in the vehicles; the rights to proceeds from claims on physical damage, credit life and disability insurance policies covering the financed vehicles/obligors; the amounts on deposit; investments and proceeds in the trust and reserve accounts; rights under the trust indenture; and other related items.

The eligibility criteria for collateral included are consistent with criteria found in similar auto loan securitizations and those of prior pools

Collateral Comparison

(%)	2023-A	2022-C	2022-B	2022-A	2021-C	2021-B	2021-A	2020-C	2020-B	2020-A	2019-B
Principal Balance ($000)	1,441,752	1,706,688	1,537,128	1,583,031	1,577,991	1,399,974	1,352,166	1,324,208	1,194,414	1,238,224	1,165,567
No. of Receivables (Contracts)	67,981	73,607	65,507	64,842	63,367	58,939	57,550	53,865	62,743	54,503	57,644

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Collateral Comparison

(%)	2023-A	2022-C	2022-B	2022-A	2021-C	2021-B	2021-A	2020-C	2020-B	2020-A	2019-B
Average Principal Balance ($)	21,208	23,187	23,465	24,414	24,902	23,753	23,496	24,584	19,037	22,718	20,220
Average Original Amount Financed ($)	28,533	27,773	29,140	28,282	27,893	27,399	26,764	27,794	25,051	26,124	24,324
WA APR (%)	3.54	3.85	3.29	3.40	3.33	3.51	3.40	3.36	4.35	3.54	3.91
WA LTV	101.7	100.1	101.2	100.5	99.1	99.0	98.7	105.1	99.8	100.9	99.7
WA FICO Score	768	764	764	764	765	765	763	758	761	759	752
WA Original Term (OT) (Months)	66.7	66.2	66.0	65.8	65.8	65.8	66.0	66.2	66.3	66.0	65.8
WA Remaining Term (Months)	49.9	56.5	54.6	57.7	58.8	58.8	58.3	59.8	53.6	58.4	56.2
WA Seasoning (Months)	16.8	9.7	11.4	8.1	6.9	7.0	7.8	6.5	12.7	7.6	9.6
Loans with OT 61+ Months	65.8	60.0	59.8	59.2	59.0	59.1	58.8	60.7	61.0	60.2	61.6
New (%)	95.8	94.9	95.1	94.8	94.4	92.9	95.0	95.1	95.0	97.5	95.0
Used (%)	4.2	5.1	4.9	5.2	5.6	7.1	5.0	4.9	5.0	2.5	5.0
Type of Vehicle (%)											
Car	33.2	34.9	29.7	33.6	30.0	26.5	29.7	30.9	42.2	37.0	48.6
Truck/SUV/CUV/Minivan/ Other	66.8	65.1	70.4	66.4	70.0	73.5	70.3	69.1	57.8	63.0	51.4
Hyundai	57.8	50.5	51.5	51	50.6	50.3	50.3	49.5	50.0	50.0	50.1
Kia	37.9	44.5	44.5	44.7	45.2	45	46	47.6	45.1	47.6	46.5
Genesis	3.3	4.1	3.1	3.1	3.1	2.9	2.6	2.0	3.9	2.0	2.1
Other Make	0.9	0.9	0.9	1.2	1.2	1.8	1.1	0.9	1.0	0.4	1.2
Top Three Models	37.9	30.7	37.4	35.3	35.9	42.1	38.9	38.0	29.7	36.0	32.1
Model 1	Santa Fe (14.9)	Tucson (11.8)	Santa Fe (12.8)	Telluride (12.1)	Santa Fe (14.0)	Telluride (14.9)	Palisade (15.7)	Telluride (15.4)	Santa Fe (11.0)	Telluride (14.9)	Santa Fe (12.1)
Model 2	Tucson (13.5)	Santa Fe (11.3)	Tucson (12.6)	Tucson (11.6)	Telluride (11.5)	Palisade (14.4)	Telluride (12.0)	Palisade (11.6)	Telluride (10.0)	Santa Fe (12.1)	Elantra (11.0)
Model 3	Elantra (9.5)	Elantra (7.6)	Telluride (12.0)	Santa Fe (11.6)	Palisade (10.4)	Santa Fe (12.8)	Santa Fe (11.2)	Santa Fe (11.1)	Elantra (8.7)	Tucson (9.0)	Sonata (9.0)
Geographic Distribution (%)											
Top Five States	46.2	42.7	43.5	41.4	42.6	43.5	41.8	43.1	41.8	42.0	42.1
State 1	FL (12.2)	CA (14.2)	CA (12.2)	CA (11.7)	TX (11.1)	TX (11.7)	11.7 CA	CA (11.5)	CA (11.8)	FL (11.1)	CA (12.2)
State 2	CA (11.5)	TX (12.2)	TX (11.5)	TX (11.1)	CA (10.5)	CA (11.5)	TX (10.7)	TX (11.5)	TX (10.5)	CA (10.8)	FL (10.5)
State 3	TX (11.2)	FL (6.0)	FL (10.0)	FL (9.4)	FL (8.7)	FL (10.5)	FL (9.8)	FL (10.5)	FL (9.9)	TX (10.0)	TX (9.8)
State 4	NY (5.9)	IL (5.9)	IL (5.6)	IL (5.3)	PA (6.7)	IL (5.7)	IL (5.7)	IL (5.9)	IL (6.0)	IL (5.8)	IL (5.7)
State 5	IL (5.5)	GA (4.5)	GA (4.3)	GA (4.0)	IL (5.5)	GA (4.0)	PA (4.0)	PA (3.8)	OH (3.7)	PA (4.4)	PA (4.0)
Fitch CNL Proxy (%)	1.60	1.60	1.60	1.70	1.75	1.75	1.90	2.10	2.20	2.10	1.75

N.A. – Not applicable. NP – Not provided. NR – Not rated.
Source: Fitch Ratings, HART 2023-A

Collateral Summary

Borrower Attributes	
Obligor Credit Quality	Increasing
Geographic Concentration	Stable
Collateral Attributes	
Vehicle Condition	Stable
Segment Concentrations	Shifting
Make/Model Concentration	Shifting
Loan Attributes	
LTV	Stable

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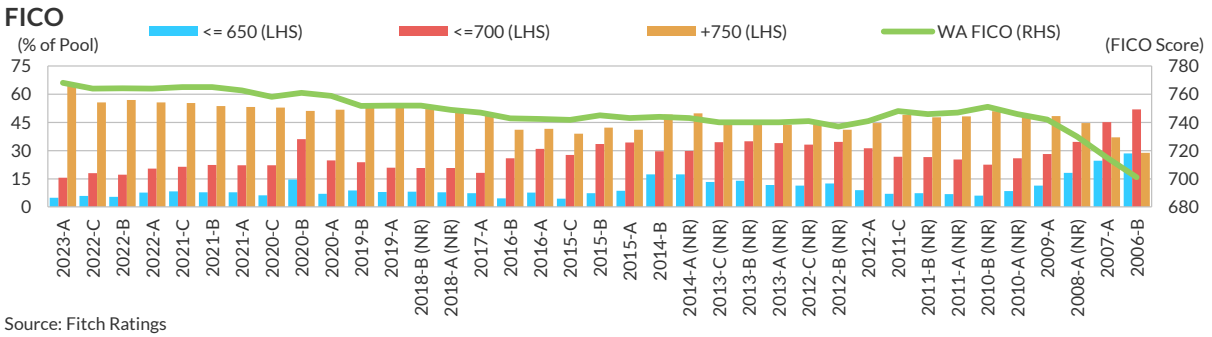
Original Loan Term	Stable
Seasoning	Increasing
APR	Stable

Source: Fitch Ratings

Borrower Attributes

Obligor Credit Quality — Increasing

The pool comprises prime-quality borrowers with a WA FICO score of 768, slightly higher than 2022-C (764) and 2022-B (764) and is the highest for HART transactions. The concentration of FICO scores above 750 for 2023-A is 64.8% higher than 2022-C (55.6%) and is the highest among recent transactions since 2017 which range from 50.0% to 56.8%. The composition of FICO scores in the lower end (700 and below) is 15.6%, lower than 2022-C (18.1%) however generally in line with recent deals excluding 2020-B, which had the highest exposure (36.2%) since 2007. HCA tightened its underwriting guidelines in 2H16, reducing originations to "midprime" (620–680) and no-FICO borrowers in response to notably higher losses in the 2015–1H16 static pools.



Source: Fitch Ratings

Geographic Concentration — Stable

Geographic diversity is important to shield the pool from rolling recessions and regional economic downturns. Geographic concentrations in 2023-A remained stable compared to previous transactions. The largest concentration of receivables is in Florida (12.2%), followed by California (11.5%) Texas (11.2%) New York (5.9%) and Illinois (5.5%). The top five states represent 46.2% of the 2023-A pool, in line with the prior two transactions, 2022-C (42.7%) and 2022-B (43.5%).

Collateral Attributes

Vehicle Condition — Stable

New vehicles total 95.8% of the pool, within the 92%–98% range in recent transactions since 2017. A high concentration of new vehicles in a pool typically produces lower loss severity upon defaults, repossessions and dispositions, ultimately leading to a lower CNL for the pool.

Vehicle Segment — Shifting

Of the 2023-A pool, 66.8% comprises CUVs/SUVs/minivans/other, slightly higher than 2022-C (65.1%). Only since 2019 has the share of CUVs/SUVs/minivans/other represented a majority of the pools. Deals had been dominated by cars until 2016, when car exposure decreased to 55%–60%. This level was then maintained until 2019-B, when cars represented the minority while new SUV models, such as the Palisade and Telluride, were introduced. The decreasing car concentration is consistent with trends across all auto ABS transactions, with consumer preference shifting to larger vehicles.

Historically, higher concentrations of cars in a pool would shield a transaction from large increases in fuel prices that would impact the wholesale vehicle values of less fuel-efficient CUVs, SUVs and trucks. However, in a low gas price environment, as seen in recent years, and with more fuel-efficient vehicles being produced and sold, CUVs/SUVs and trucks have demonstrated good recovery values. Fitch views the segment concentration as remaining diverse.

Vehicle Make/Model — Shifting

The split of vehicle makes for 2023-A remains comparable to that of the 2022-C and recent transactions. The 2023-A pool however has the highest concentration of Hyundai (57.8%) and the lowest concentration of Kia (37.9%) brand vehicles since 2015-B. Genesis (3.3%) and others (0.9%) make up the remainder of the pool. Hyundai experienced

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lower peak losses than Kia during the Global Financial Crisis of 2008–2009 (net chargeoffs at 1.76% in 2009, versus 2.82% for Kia) and has outperformed Kia for most recent years, aside from 2015, in regard to net chargeoffs.

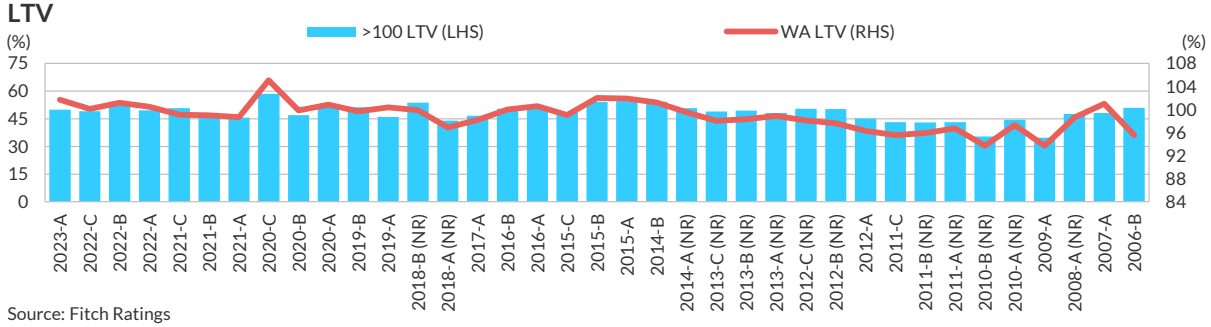
The top three models in 2023-A account for 37.9% of the pool, higher than 2022-C (30.8%) and consistent with the average of prior transactions since 2017 which range from 30%–42%. The Santa Fe represents the highest model concentration at 14.9% of the pool. The Telluride has dropped out of the top three models to fourth for the second time since its introduction in 2020. Meanwhile, the Elantra has remained in the top three for the second time since the compact car dropped to fourth in 2020-A, although it has consistently been in the top three in securitizations historically.

Loan Attributes

Loan to Value — Stable

The WA LTV is 101.7%, consistent with recent transactions but down considerably from the platform's high of 105.1% set in 2020-C. WA LTVs have ranged from 96.3% to 102.0% for transactions since 2012. The concentration of loans with >100% LTVs totals 50.0%, also a notable decrease from 2020-C (58.5%) and more in line with prior transactions. LTVs greater than 100% could expose the trust to higher losses stemming from increased loss severity and potentially weaker recoveries.

LTV



Source: Fitch Ratings

Original Term — Stable

The WA original term in 2023-A is 66.7 months, consistent with 2022-C (66.2 months). Extended-term loans (terms greater than 60 months) in this pool are at 65.8%, and is higher than with 2022-C (60.0%) and 2022-B (59.8%) and 2022-A (59.2%). The concentration has remained stable, with original terms of 73 months–75 months at approximately 5% for recent deals. These longer-term loans are primarily offered to higher FICO score borrowers compared to the overall pool. HART transactions began including loans with original terms of 73 months–75 months in 2015-B.

Longer terms are often offered to allow customers to afford higher-ticketed vehicles by lowering monthly payments. However, since long-term loan amortization trails vehicle depreciation, these loans expose the transaction to higher loss severity if the obligor defaults. Fitch considered this risk in the derivation of its base case loss assumption.

Seasoning — Increasing

WA seasoning is 16.8 months, up from 2022-C (9.7 months) and the highest on the platform. Pools with higher seasoning will likely experience lower net losses than an unseasoned pool, with a portion of losses occurring prior to securitization.

APR — Stable

The WA APR for the receivables in 2023-A is 3.54%, down from 3.85% in 2022-C. APRs may be an indication of risk-based pricing given that higher FICO score customers typically have lower APRs and higher APRs are offered to lower FICO score customers.

Portfolio Performance

As of Dec. 31, 2022, HCA's managed loan portfolio represented approximately $30.0 billion. Consistent with deterioration across the consumer auto finance sector, HCA's loan portfolio delinquencies, repossessions and net credit losses increased considerably beginning in 2007–2009. While delinquencies and net credit losses improved substantially in 2010–2013, there was a steady increase year over year until 2018, with marked improvements in 2019, 2020 and 2021. However, as of Dec. 31, 2022, total delinquencies were 2.66%, up from 1.87% at the same time a year earlier.

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Total Serviced Portfolio Delinquency Experience

	Serviced at Dec. 31,					
	2022		2021		2020	
	($)	No. of Loans	($)	No. of Loans	($)	No. of Loans
Outstandings	29,955,178,699	1,406,816	28,414,464,716	1,351,605	22,211,625,848	1,152,058
30–60 Days Delinquent	579,372,044	26,011	396,824,874	19,974	341,148,398	19,169
61–90 Days Delinquent	164,752,605	7,424	105,284,594	5,235	97,644,029	5,400
91–120 Days Delinquent	48,502,509	2,142	29,165,072	1,436	24,123,583	1,334
121+ Days Delinquent	4,335,731	247	280,285	15	428,954	24
Total Delinquencies 30+ Days	796,962,890	35,824	531,554,825	26,660	463,344,964	25,927
Total Delinquencies 30+ Days (%)	2.66	2.55	1.87	1.97	2.09	2.25

	Serviced at Dec. 31,					
	2019		2018		2017	
	($)	No. of Loans	($)	No. of Loans	($)	No. of Loans
Outstandings	16,370,040,138	943,805	13,397,903,451	847,817	13,476,541,208	875,919
30–60 Days Delinquent	365,509,481	22,460	364,588,395	22,045	348,140,929	20,879
61–90 Days Delinquent	97,246,604	5,995	107,973,850	6,445	102,299,992	6,016
91–120 Days Delinquent	20,973,824	1,401	23,748,134	1,440	27,859,120	1,554
121+ Days Delinquent	312,441	33	38,237	4	286,659	36
Total Delinquencies 30+ Days	484,042,349	29,889	496,348,616	29,934	478,586,700	28,485
Total Delinquencies 30+ Days (%)	2.96	3.17	3.70	3.53	3.55	3.25

Source: HART 2023-A

Net chargeoffs as percentage of the average outstanding portfolio were 0.60% as of December 2022, up from 0.42% a year earlier but still lower from levels 2020 and 2019 at 1.14% and 1.47%, respectively due to increased recoveries. Net chargeoffs remain lower versus peak recession levels of 1.70% and 2.11% in 2008 and 2009, respectively.

Consistent with total portfolio performance, net chargeoffs by brand have been slightly lower in recent years for Hyundai and Kia, ranging from 0.56% (2013) to 1.85% (2017) and from 0.74% (2013) to 1.88% (2017), respectively.

As of Dec. 31, 2022, net chargeoffs as a percentage of the average outstanding increased to 0.43% for Hyundai and 0.79% for Kia, versus 0.29% and 0.55% one year ago. Overall, earlier underperformance in the portfolio was driven by weaker underwriting, especially due to HCA's focus on midprime FICOs and higher LTVs and the overall weaker WVM. However, losses and delinquencies have normalized in recent years across the consumer sector, and remain well below peak levels.

Annual recoveries were 71% in 2021 and 59% in 2020, compared with peak levels of 79% in 2011 and 2013 and 83% in 2012. Recoveries dipped given the high concentration of cars in the portfolio, which experienced high depreciation and lower recovery rates relative to strong recoveries in trucks and SUVs. They were lower in 2020 as a result of HCA temporarily halting involuntary repossessions during the coronavirus pandemic and improved as repossessions resumed. Recoveries were at 49% as of Dec. 31, 2022.

Total Serviced Portfolio Loss Experience

	For the Year Ended Dec. 31,					
	2022	2021	2020	2019	2018	2017
Number of Receivables	1,406,816	1,351,605	1,152,058	943,805	847,817	875,919
Average Number of Receivables	1,371,991	1,283,423	1,006,316	877,290	854,058	906,766
Period End Outstandings ($)	29,955,178,699	28,414,464,716	22,211,625,848	16,370,040,138	13,397,903,451	13,476,541,208
Average Outstandings ($)	28,860,863,200	24,654,956,784	17,226,901,941	13,667,400,465	13,373,075,576	14,311,424,480
Gross Chargeoffs ($)[a]	492,233,466	343,016,565	407,752,628	465,515,305	531,476,022	567,681,038

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Total Serviced Portfolio Loss Experience

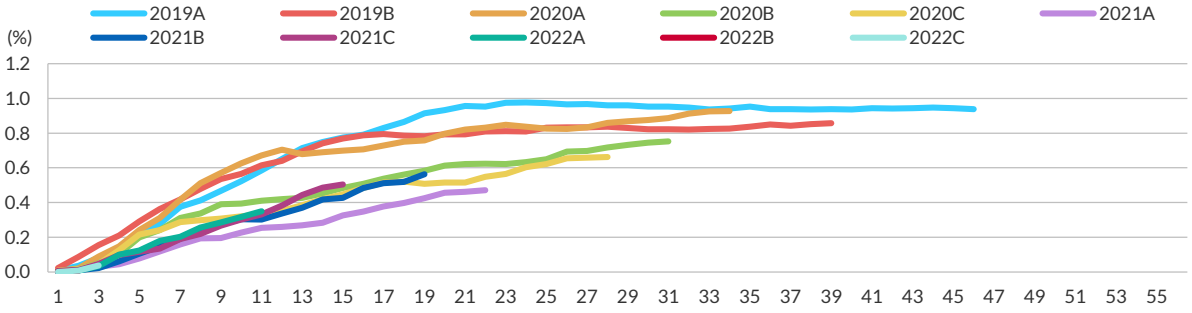
	For the Year Ended Dec. 31,					
	2022	2021	2020	2019	2018	2017
Gross Chargeoffs as % of Period End Outstandings (%)	1.64	1.21	1.84	2.84	3.97	4.21
Gross Chargeoffs as % of Average Outstandings (%)	1.71	1.39	2.37	3.41	3.97	3.97
Recoveries ($)[b]	318,187,830	239,765,776	210,703,463	264,388,884	312,098,131	299,817,314
Net Chargeoffs ($)	174,045,636	103,250,789	197,049,165	201,126,421	219,377,892	267,863,724
Net Chargeoffs as % of Period End Outstandings (%)	0.58	0.36	0.89	1.23	1.64	1.99
Net Chargeoffs as % of Average Outstandings (%)	0.60	0.42	1.14	1.47	1.64	1.87
Number of Repossessions	16,259	13,811	16,154	20,272	21,532	22,581
Number of Repossessions as % of Average Outstandings	1.19	1.08	1.61	2.31	2.52	2.49

[a]Contracts are generally charged off at the earlier of 120 days delinquent, the sale of the repossessed vehicle or 30 days from the repossession. See "Receivables Underwriting and Servicing Procedures — Collection and Repossession Procedures" in the prospectus for additional information regarding HCA's chargeoff policy. Prior to March 1, 2020, proceeds collected from the sale of the vehicle are not subtracted from the calculation of gross chargeoff. As of March 1, 2020, proceeds from the sale of the vehicle reduce the gross chargeoff amount if the vehicle is charged off and sold in the same month. [b]Recoveries include any moneys collected after the chargeoff has occurred. Recoveries also include moneys collected on bankruptcies and insurance claims after chargeoff. As of March 1, 2020, recoveries no longer include proceeds collected from the sale of vehicles if the vehicles are charged off and sold in the same month.
Source: HART 2023-A

Securitization History

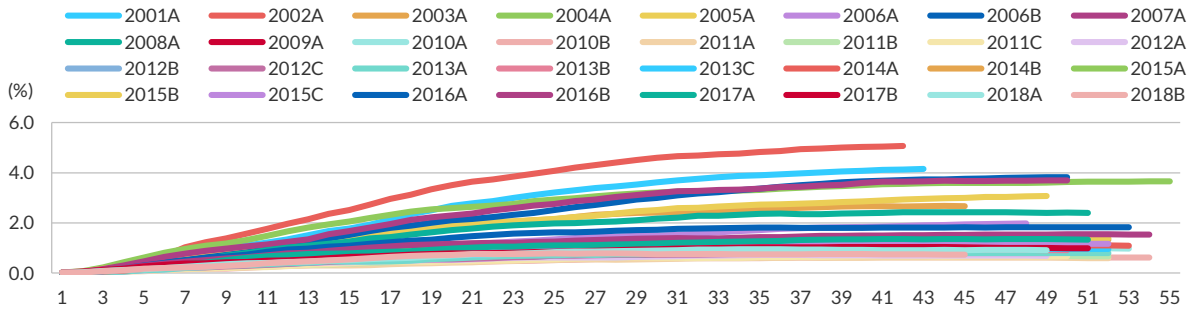
HCA has consistently accessed the ABS market for funding since 2006. The 2010–2013 HART securitizations have exhibited the lowest loss levels with CNLs of 1.00% or less, with an ending CNL range of 0.63%–1.02%. The 2016-B, 2017-A, 2017-B and 2018-A transactions recently paid in full, with CNLs of 1.54%, 1.33%, 0.99% and 0.92%, respectively, which are higher than for 2010–2013 transactions. However 2018-B more recently paid in full with a CNL at 0.74%, the lowest since 2013-A. Steady increases in the loss trend were observed in the 2015 and 2016 transactions, with CNLs peaking for 2016-A, driven by weaker borrower quality attributes.

HART Securitization CNL — Outstanding



Source: Fitch Ratings

HART Securitization CNL — Paid-in-Full



Source: Fitch Ratings

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The stable historical loss performance, as shown in the chart above, was driven by tightened underwriting guidelines in 1H16, excluding the 2015–2016 transactions. Recent transactions are demonstrating improved performance relative to the 2016 deals and are well within Fitch's initial forecasts. Although they still have high pool factors, the 2020 and 2021 transactions are projecting well below all vintages historically.

Cash Flow Analysis

Fitch used its proprietary cash flow model (the Fitch Auto Timeshare Model) in its analytical process to simulate stresses to the transaction and determine the sufficiency of available enhancement for each class. Fitch's model incorporated 20 representative lines of collateral segmented by contract rate, seasoning and remaining term.

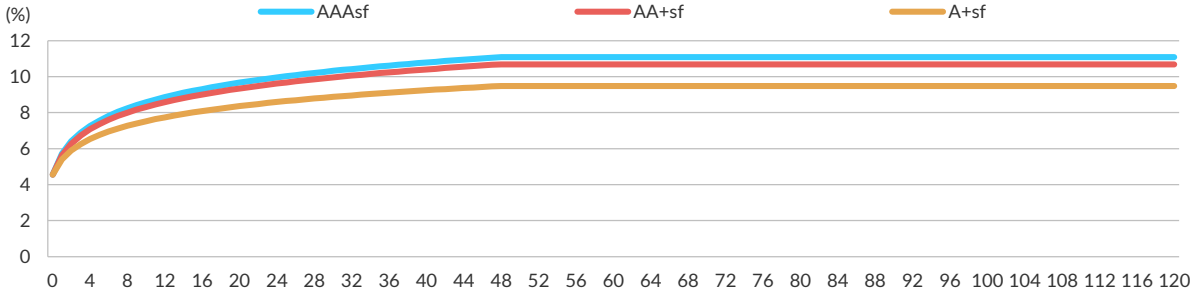
The assumptions used for cash flow modeling (prepayments and loss timing curves) are outlined in the Sample Stress Scenario Assumptions table below. Cumulative gross default (CGD) and net loss estimates were distributed over the life of the collateral pool, in accordance with Fitch's assessment of the historical loss speeds of the HCA managed portfolio and prior securitizations. A four-year loss curve of 45%/35%/15%/5% was used as the front-loaded primary scenario. The front-loaded curve is also representative of historical securitization loss timing curves. Additionally, loss curves of 35%/35%/25%/5% (the mid-loaded curve) and 25%/35%/25%/15% (the back-loaded curve) were used to evaluate the structure's sensitivity to various loss timing scenarios. The mid- and back-loaded curves were considered primarily as sensitivity scenarios

Interest Rate Stresses

HART 2023-A will include floating-rate class A-2B notes, while the underlying loans in the pool pay interest at a fixed rate, and there is no interest rate hedge in place to mitigate the risk of rising interest rates. Therefore, Fitch stressed assumed interest rates upward, as the primary risk such a structure poses to the transaction is increased interest rates, driving liability coupons upward without corresponding increases on the asset yield. As lower interest rates would have a positive impact on the transaction, a down interest rate scenario was deemed unnecessary.

Consistent with Fitch's "Structured Finance and Covered Bonds Interest Rate Stresses Rating Criteria," available on its website at www.fitchratings.com, and based on the structure, Fitch focused on the 'AAAsf' up interest rate scenario to adequately stress the A-2B floating-rate notes.

Fitch's SOFR Up Interest Rate Stresses



Source: Fitch Ratings

Stress Scenario Results

In a stress case break-even analysis under the primary front-loaded timing curve, class A, B and C notes could withstand CNLs of 13.1%, 11.2% and 9.0%, respectively, before incurring losses on principal or interest. The break-even losses sustained by this series' structure were compared with Fitch's expected net loss rate. Under Fitch's base timing curve scenario, class A, B and C notes were able to withstand more than Fitch's recommended multiples of 5.0x, 4.5x and 3.3x, respectively, of the expected net loss rate, consistent with 'AAAsf', 'AA+sf' and 'A+sf' ratings.

Fitch also ran loss curve timing modeling scenarios utilizing a mid- and back-loss timing curve as a sensitivity analysis only. Under both the mid- and back-loss timing curves, class A, B and C notes had loss coverage multiples in excess of Fitch's recommended multiples of 5.0x, 4.5x and 3.3x, respectively.

Fitch assigned notched ratings to HART 2023-A subordinate notes, similar to 2022-C through 2021-B and transactions prior to the pandemic, largely due to strong loss multiples on the B and C notes.

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Sample Stress Scenario Assumptions

Assets (%)	Front (Primary Scenario)			Mid			Back		
Prepayments (ABS)	1.30			1.30			1.30		
Loss Speed									
Year 1	45			35			25		
Year 2	35			35			35		
Year 3	15			25			25		
Year 4	5			5			15		
Recovery Rate	50			50			50		
Recovery Lag (Months)	3			3			3		
Chargeoff Lag (Months)	3			3			3		
Liabilities (%)									
Annual Servicing	1.00			1.00			1.00		
Delinquency Stress	0.25			0.25			0.25		
Bond Coupon (Initial)[a]	5.26			5.26			5.26		
Break-Even Results	**Class A**	**Class B**	**Class C**	**Class A**	**Class B**	**Class C**	**Class A**	**Class B**	**Class C**
Collateral Losses Covered (%)	13.06	11.19	9.02	13.04	11.24	9.05	13.16	11.38	9.12
Loss Coverage Multiple (x)	8.16	6.99	5.64	8.15	7.02	5.66	8.22	7.11	5.70
Expected Rating	AAAsf	AA+sf	A+sf	AAAsf	AA+sf	A+sf	AAAsf	AA+sf	A+sf

[a]Based on preliminary pricing estimates for the offered notes.
Source: Fitch Ratings

Down Sensitivity

Unanticipated increases in the frequency of defaults could produce CNL levels higher than the base case and would likely result in declines of CE and remaining net loss coverage levels available to the notes. Additionally, unanticipated declines in recoveries could also result in a decline in net loss coverage. Decreased net loss coverage may make certain note ratings susceptible to potential negative rating actions depending on the extent of the decline in coverage.

Hence, Fitch conducts sensitivity analyses by stressing both a transaction's initial base case CNL and recovery rate assumptions and examining the rating implications on all classes of issued notes. The CNL sensitivity stresses the CNL proxy to the level necessary to reduce each rating by one full category, to non-investment grade (BBsf) and to 'CCCsf' based on the break-even loss coverage provided by the CE structure.

Additionally, Fitch conducts increases of 1.5x and 2.0x to the CNL proxy, which represent moderate and severe stresses, respectively. Fitch also evaluates the impact of stressed recovery rates on an auto loan ABS structure and the rating impact with a 50% haircut. These analyses are intended to provide an indication of the rating sensitivity of notes to unexpected deterioration of a trust's performance.

Rating Sensitivity to CNL and Recovery Rate Stresses

	Class A	Class B	Class C
Original Rating	AAAsf	AA+sf	A+sf
Credit Losses (CL): 1.5x Base CL	AAAsf	AA+sf	A+sf
CL: 2.0x Base CL	AAsf	Asf	A-sf
50% Recovery Rate Haircut	AAAsf	AA+sf	AA-sf
Up Scenario (80% Base CNL)	AAAsf	AAAsf	AAAsf

Source: Fitch Ratings

The Rating Sensitivity section provides insight into the model-implied sensitivities the transaction faces when one assumption is stressed, while holding others equal. The modelling process uses the estimation and stress of these variables to reflect asset performance in a stressed environment. The results below should only be considered as one potential outcome, as the transaction is exposed to multiple dynamic risk factors. It should not be used as an indicator of possible future performance.

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Cumulative Net Loss Rating Sensitivity

The greatest risk of defaults to an auto loan ABS transaction is early in the transaction's life, before it has benefited from de-levering. Therefore, Fitch has stressed each class of notes prior to any amortization to its first dollar of default to examine the structure's ability to withstand the aforementioned stressed CNL scenarios.

Defined Rating Categories

The first sensitivity analysis consists of utilizing the break-even CNL coverage available to the notes and assessing the level of CNL it would take to reduce each rating by one full category, to non-investment grade and further down to 'CCCsf'. The implied CNL proxy necessary to reduce the ratings, as stated, will vary by class based on the break-even loss coverage provided by the CE structure.

CNL Sensitivity (Defined Rating Categories)

	Class A	Class B	Class C
Current Rating	AAAsf	AA+sf	A+sf
Break-Even Loss Coverage (%)	13.06	11.19	9.02
Applicable Multiple	5.00	4.50	3.33
CNL Proxy (%)	1.60	1.60	1.60
Break-Even Proxy			
One Rating Category Down (Multiple)	4.00	3.00	2.00
Fitch Rating	AAsf	Asf	BBBsf
Implied CNL Proxy (%)	3.27	3.73	4.51
Target Rating			
BBsf	1.50	1.50	1.50
Implied CNL Proxy (%)	8.71	7.46	6.01
CCCsf	0.60	0.60	0.60
Implied CNL Proxy (%)	21.77	18.65	15.03

Source: Fitch Ratings

Under this analysis, all assumptions from the analysis are unchanged, with total loss coverage available to class A notes at 13.06%. Therefore, as shown in the table below, the implied CNL proxy would have to increase to 3.27% for class A notes to be downgraded by one rating category or 4.0x multiple (13.06%/3.27% = 4.0x). Applying the same approach but increasing net losses to levels commensurate with rating downgrades to 'BBsf' and 'CCCsf' suggests net losses would have to increase to 8.71% and 21.77% for rating multiples to decline to 1.5x and 0.6x, respectively.

1.5x and 2.0x Base Case Proxy

The second sensitivity also focuses on stressing the impact of CNLs outside of base case expectations by 1.5x and 2.0x multiples relative to available loss coverage. This analysis provides a good indication of the rating sensitivity of notes to unexpected deterioration of a trust's performance. In this example, under the 1.5x scenario, the base case proxy increases to 2.40% and an implied loss multiple of 5.44x, which would result in no rating impact. Under the more severe 2.0x stress, the base case proxy increases to 3.20%, which results in an implied multiple of 4.08x or downgrade to 'AAsf' range.

CNL Rating Sensitivity (1.5x and 2.0x Base Case Proxy)

	Base Case (%)	Multiple (x)	Expected Rating
Class A Loss Coverage	13.06	—	—
Base Case Proxy	1.60	8.16	AAAsf
1.5x Base Case	2.40	5.44	AAAsf
2.0x Base Case	3.20	4.08	AAsf
Class B Loss Coverage	11.19	—	—
Base Case Proxy	1.60	6.99	AA+sf

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CNL Rating Sensitivity (1.5x and 2.0x Base Case Proxy)

	Base Case (%)	Multiple (x)	Expected Rating
1.5x Base Case	2.40	4.66	AA+sf
2.0x Base Case	3.20	3.50	Asf
Class C Loss Coverage	9.02	—	—
Base Case Proxy	1.60	5.64	A+sf
1.5x Base Case	2.40	3.76	A+sf
2.0x Base Case	3.20	2.82	A-sf

Source: Fitch Ratings

Recovery Rate Sensitivity

Recoveries can have a material impact on auto loan ABS transaction performance, particularly in stressed economic environments where default frequency is higher. This sensitivity analysis evaluates the impact of stressed recovery rates on an auto loan ABS structure and ratings.

Historically, recovery rates for prime auto loan transactions have ranged from 40% to 70%. Using the base case of 1.60% detailed in the CNL sensitivities above, recovery rate credit under Fitch's primary scenario is 50%, resulting in a CGD base case proxy of 3.20%. Applying a 50% haircut to the 50% recovery rate results in a stressed recovery rate of 25% and a base case CNL proxy of 2.40% (3.20% x 75% = 2.40%). Under this stressed scenario, the implied multiple declines to 5.44x (13.06%/2.40% = 5.44) and an implied rating of 'AAAsf'.

Recovery Rate Sensitivity

	Class A	Class B	Class C
Current Rating	AAAsf	AA+sf	A+sf
Breakeven Loss Coverage (%)	13.06	11.19	9.02
CGD Proxy (%)	3.20	3.20	3.20
50% Recovery Rate Haircut (%)	2.40	2.40	2.40
Applicable Multiple	5.00	4.50	3.33
Implied Multiple	5.44	4.66	3.76
Implied Rating	AAAsf	AA+sf	A+sf

Source: Fitch Ratings

Up Sensitivity

Stable to improved asset performance driven by stable delinquencies and defaults would lead to increasing CE levels and consideration for potential upgrades. If the CNL is 20% less than the projected proxy, the expected ratings for the subordinate notes could be upgraded by one to two categories.

Up Sensitivity

(%)	Class A	Class B	Class C
Current Rating	AAAsf	AA+sf	A+sf
Breakeven Loss Coverage	13.06	11.19	9.02
Expected Multiple (x)	5.00	4.50	3.33
CNL Proxy (20% Down)	1.28	1.28	1.28
Multiple (x)	10.20	8.74	7.05
Implied Rating	AAAsf	AAAsf	AAAsf

Source: Fitch Ratings

Transaction Structure

Credit Enhancement

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Initial hard CE for 2023-C will total 7.55% of the adjusted pool balance for class A notes, 5.75% for class B notes and 2.75% for class C notes, lower than as in 2022-C and 2022-B and the same as from 2022-A, 2021-C, 2021-B, 2021-A and pre-pandemic HART transactions.

HART — Credit Enhancement Comparison[a]

	2023-A[b]	2022-C	2022-B	2022-A	2021-C	2021-B	2021-A	2020-C	2020-B	2020-A	2019-B	2019-A	2018-B	2018-A	2017-B	2017-A	2016-B
Subordination (%)																	
Class A	4.80	4.80	4.80	4.80	4.80	4.80	4.80	4.80	4.80	4.80	4.80	4.80	4.80	4.80	4.80	4.80	6.70
Class B	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	4.90
Class C	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.20
Class D	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	0.00
OC	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	0.75
Target OC	3.00	2.75	2.75	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.40	3.40	3.40	1.50
Reserve	0.25	0.50	0.50	0.25	0.25	0.25	0.25	0.50	1.00	1.00	0.25	0.25	0.25	0.25	0.25	0.25	0.25
Total Initial Hard CE (%)																	
Class A	7.55	7.80	7.80	7.55	7.55	7.55	7.55	7.80	8.30	8.30	7.55	7.55	7.55	7.55	7.55	7.55	7.70
Class B	5.75	6.00	6.00	5.75	5.75	5.75	5.75	6.00	6.50	6.50	5.75	5.75	5.75	5.75	5.75	5.75	5.90
Class C	2.75	3.00	3.00	2.75	2.75	2.75	2.75	3.00	3.50	3.50	2.75	2.75	2.75	2.75	2.75	2.75	3.20
Class D	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	1.00
Excess Spread P.A. (YSOA Adjusted)	2.87	2.73	3.14	2.61	2.78	2.95	2.98	3.15	3.18	2.83	2.52	2.56	2.03	2.57	2.52	2.49	2.42

[a]Percentage of initial adjusted receivables. [b]Expected excess spread per annum (p.a.) for 2023-A. N.A. – Not applicable. YSOA – Yield supplement overcollateralization amount.
Source: Fitch Ratings, HART 2023-A

Reserve Account

The reserve account will be funded at closing at 0.25% of the initial adjusted pool balance and is nondeclining through the life of the transaction. This is lower than as in 2022-C and 2022-B and the same as from 2022-A, 2021-C, 2021-B, 2021-A and pre-pandemic HART transactions as far back as 2015-C.

Subordination

Subordination equals 4.80% of the initial adjusted pool balance for class A notes and 3.00% for class B notes. This is consistent with the prior transactions.

Overcollateralization

Overcollateralization (OC) as a percentage of the initial adjusted pool balance is 2.50% and will grow to a target and floor of 3.00% of the initial adjusted pool balance. This is up from 2022-C and 2022-B but the same as prior recent transactions.

Excess Spread

The expected excess spread in this series totals approximately 2.87% per annum, slightly higher than the final excess spread in 2022-C (2.73%) but slightly lower than with historical ranges.

Yield Supplement Overcollateralization Amount

Consistent with prior transactions, 2023-A includes a yield supplement OC amount (YSOA) that will add supplemental yield to the collateral pool by releasing a monthly amount to the collections account. This amount synthetically increases the interest collections on collateral bearing a coupon below the discount rate of 9.10% by decreasing the portion of collections allocated to principal payments on the notes. The starting YSOC balance as a percentage of the aggregate principal balance of all receivables is 10.11%, and the effective collateral coupon after adjusting for the YSOA will be 9.13%. The YSOA will decline each month and is intended to boost lower APRs on the receivables.

Transaction and Legal Structure

Interest Allocation

Monthly interest is allocated pro rata among all the class A notes and then paid sequentially to each class of subordinate notes. Interest on class A-1 and A-2B notes, if issued, will be calculated on the basis of actual days elapsed

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and a 360-day year. Interest on class A-2, A-3, A-4, B and C notes will be calculated on the basis of a 360-day year consisting of 12 30-day months.

Principal Allocations

Principal payments will be made sequentially within class A and then sequentially to class B and C notes. Class A-1 notes will receive all principal payments until paid in full. Prior to an event of default, principal payments will be paid sequentially to class A-2, A-3 and A-4 notes. Should an event of default occur, the class A-2, A-3 and A-4 notes will receive principal distributions pro rata after class A-1 notes are paid in full. The principal amount of each class of notes is expected to be repaid by that class's final scheduled payment date. If the principal amount of any class of notes is not repaid in full by its final scheduled payment date, an event of default will occur and the principal amount of all classes of notes may be declared immediately due and payable.

Simplified Priority of Payments

1	Servicing fees and other unreimbursed fees/expenses
2	Class A interest (paid pro rata to the respective classes)
3	First-priority principal distribution amount
4	Class B interest
5	Second-priority principal distribution amount
6	Class C interest
7	Regular principal distribution amount
8	Replenishment of the reserve fund to its required amount
9	Additional fees and expenses to the trustees
10	Any remaining funds to the certificateholder

Source: Fitch Ratings, HART 2023-A

Events of Default

To protect noteholders from issuer insolvency or deterioration in receivables quality, the transaction includes the following events of default:

- Default in the payment of any interest on the controlling class when the same becomes due and payable, continuing for a period of 35 days.
- Default in the payment of the principal of or any installment of the principal of any note on the related final stated maturity date.
- Material default in the observance or performance of any covenant or agreement of the issuing entity for a period of 60 days to 90 days after notice has been given.
- Any representation or warranty of the issuing entity made in the indenture proves to have been incorrect in any material respect for 60 days to 90 days after notice.
- Events of bankruptcy, insolvency, receivership or liquidation of the issuing entity.

Money-Market Tranche Sizing

Fitch assumed 0% defaults and a 0% absolute prepayment speed in assessing the size of class A-1 notes. Under this scenario, class A-1 notes were repaid within the first 13 months following closing and, therefore, are eligible for a short-term rating of 'F1+sf'.

Evaluation of Legal Maturity

Legal final maturity dates for class A-2 to B notes are established by determining the date on which each specific class of notes will be paid in full when amortizing the pool with 0% prepayments and 0% defaults and adding at least another three months to the result. For class C notes, the legal final maturity date is determined by adding at least six months to the longest contract maturity date to account for extensions and recoveries.

The expected legal final maturities of the notes conform to these criteria.

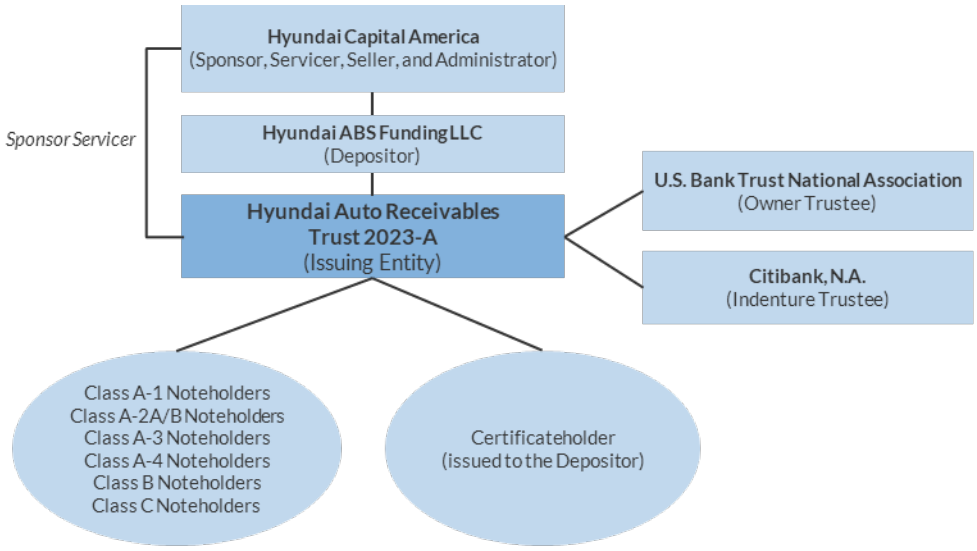
Legal Structure

Fitch believes the transaction structure provides that a bankruptcy of HCA would not impair the timeliness of payments on the securities. Fitch expects to receive and review legal opinions to the effect that the transfer of the receivables to the trust constitutes a true sale and not a secured financing, and the assets of the trust would not be

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consolidated with those of Hyundai or HCA in the event of bankruptcy. Furthermore, Fitch expects to receive an opinion of counsel that the trustee would have a perfected security interest in the assets transferred to the trust.

Structure Diagram



Source: HART 2023-A.

Rating Confirmations

Multiple instances in the transaction documents reference potential changes that are subject to a Fitch rating confirmation. Fitch is not a transaction party and has no obligation to provide rating confirmations. Fitch will continue to exercise its discretion in choosing to issue a rating confirmation or otherwise. Where relevant to Fitch's ratings, the agency prefers to issue public commentary on the rating impact of the change. Fitch's approach to and concerns regarding rating confirmations are highlighted in "Rating Confirmations in Structured Finance and Covered Bonds," available at www.fitchratings.com.

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Counterparty Risk

Fitch assesses the counterparty risk under its "Structured Finance and Covered Bonds Counterparty Rating Criteria" to be in line with the ratings assigned based on the documentation provisions and analytical adjustments described in the following table.

Counterparty Risk Exposures

Counterparty Type	Counterparty Name	Minimum Ratings Under Criteria	Minimum Ratings and Remedial Actions Under Documents	Analytical Adjustments
Issuer Account Bank/ Indenture Trustee	Citibank, N.A.	Long-Term IDR: 'A' or Short-Term IDR: 'F1'	Minimum deposit ratings of 'A' or 'F1'; replacement or guarantee within 10 calendar days of downgrade below both minimum ratings.	N.A.; minimum ratings and remedial actions in line with criteria for eligible accounts.

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Counterparty Type	Counterparty Name	Minimum Ratings Under Criteria	Minimum Ratings and Remedial Actions Under Documents	Analytical Adjustments
Servicer/ Commingling Risk	Hyundai Capital America[a]	Long-Term IDR: 'BBB' or Short-Term IDR: 'F2'	If rated at least 'F1', collections held until day before the next payment date. If downgraded below the threshold, collections will be transferred to a separate issuer account bank within two business days.	N.A.; commingling risk is considered immaterial since funds must be remitted within two business days. However, commingling risk would be classified as a secondary risk driver if HCA, as the servicer, commingles funds until the business day preceding the related payment date. This is only permitted if the monthly remittance condition is met, unless the rating agency condition is satisfied, inter alia. If those conditions are subsequently no longer met, by the next collection period, the servicer (HCA or a successor servicer) shall resume remitting funds to the collection account within two business days after receipt.
Servicer/Payment Interruption Risk	Hyundai Capital America[a]	N.A.	There is no minimum rating for the servicer.	N.A.; payment interruption risk is considered immaterial given the minimal impact of a servicer's insolvency on collections and the forwarding of payments to the issuer accounts.
Servicing Continuity	Hyundai Capital America[a]	N.A.	There is no minimum rating for the servicer. The indenture trustee or majority of the controlling class must find a new servicer or, otherwise petition a court to appoint a new servicer.	N.A.; servicer continuity risk has been assessed to be mitigated in accordance with Fitch's counterparty criteria because of the depth of the servicing market and sufficient economic incentives to attract a high-quality replacement servicer.

[a]HCA's senior unsecured bond long-term rating by Fitch is 'BBB+'. N.A. – Not applicable
Source: Fitch Ratings, HART 2023-A

Criteria Application, Model and Data Adequacy

Criteria Application

See page 2 for the list of Applicable Criteria.

Fitch's base case CNL derivation, modeling assumptions and loss multiples for the transaction's ratings are consistent with its auto loan rating criteria (see "U.S. Auto Loan ABS Rating Criteria," available at www.fitchratings.com). Additional applicable criteria reports include "Global Structured Finance Rating Criteria" and "Structured Finance and Covered Bonds Counterparty Rating Criteria," also available on Fitch's website. Prime multiples were applied, consistent with the ranges in the criteria.

Models

The models referenced below were used in the analysis. Click on each link for the model (if published) or for the relevant criteria for a description of the model.

Auto Timeshare Model

ABS Loss Forecaster Model

Data Adequacy

Substantially Material Sources

In its analysis of this series, Fitch utilized vintage static pool net loss data stratified by several characteristics. The data were provided by the originator and transaction sponsor and were not, to Fitch's knowledge, audited by any third parties. Fitch compared the loss data with those provided in the series prospectus supplement, which were audited by a third party. Fitch believes the loss expectations derived utilizing the unaudited loss data to be reasonable compared with the audited data provided in the prospectus supplement; therefore, no adjustments were made to Fitch's analysis.

Additionally, Fitch relied on detailed stratifications of the collateral pool to ascertain the characteristics of the pool that could affect transaction performance. The data were provided by the originator and transaction sponsor, and certain of these stratifications were audited by a third party. Fitch compared these stratifications with those provided in the series prospectus supplement, which were audited by a third party. The reviewed stratifications provided in the series offering memorandum were substantively the same as those provided to Fitch. In a review of each set of stratifications, Fitch found they were consistent; as such, no adjustments were made to Fitch's analysis.

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Additionally, the seller has conducted a review of the receivables in the pool to provide reasonable assurance that the characteristics of the pool described in the prospectus supplement are accurate. The seller enlisted a third party to assist in that review, which is described in the prospectus supplement. Following the pool review, the seller has stated it has reasonable assurance that the statistical data regarding the receivables provided in the prospectus supplement are accurate.

Form ABS-EE contains an asset-level data file with detailed information for each receivable in the pool for this series. Fitch has not yet reviewed Form ABS-EE; however, Fitch expects that data in Form ABS EE will be substantively the same as the information provided on the receivables in the prospectus. Fitch will comment in its rating action commentary on this transaction if the subsequent review of the loan-level information affects its analysis.

Use of Third-Party Due Diligence Pursuant to SEC Rule 17g-10

Fitch was provided with third-party due diligence information from KPMG LLP. The third-party due diligence focused on comparing or recalculating certain information with respect to 150 loans from the final data file. Fitch considered this information in its analysis, and it did not have an effect on the analysis or conclusions. A copy of the ABS Due Diligence Form-15E received by Fitch in connection with this transaction may be obtained via the link contained at the bottom of the related rating action commentary (RAC).

Surveillance

Fitch receives servicer reports on outstanding rated transactions on a monthly basis that detail the note paydown, as well as asset performance and characteristics. If a transaction is identified as performing outside of expectations, a full review will be conducted and any recommendations will be presented to a rating committee. If performance remains within expectations, the transaction will receive an in-depth review on an annual basis. Fitch informs investors about reviews and rating actions on its website (www.fitchratings.com).

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Appendix 1: Origination and Servicing

Manufacturer, Sponsor and Servicer

Manufacturer

Hyundai, a multinational automaker incorporated in 1967, is headquartered in Seoul, South Korea. Hyundai, together with its subsidiary, Kia, is one of the top global automobile manufacturers. Fitch rates Hyundai's Long-Term Foreign-Currency IDR 'BBB+'/Stable. Please see the recent rating action commentary for more details: "Fitch Affirms Hyundai Motor and Kia at 'BBB+'; Outlook Stable."

Sponsor and Servicer

HCA is the captive finance subsidiary of Hyundai Motor America (HMA). HCA provides indirect retail automobile and light-duty truck loan and lease financing by purchasing retail installment sales contracts and leases from HMA and KA franchised dealers. HCA also provides direct wholesale financing to many of these dealers. HCA, which is 80% owned by HMA and 20% owned by KA, was established in California in 1989. HCA's underwriting, servicing and collections procedures are performed from its service centers in Irvine, CA, Plano, TX and Austell, GA.

Strengths

Fitch reviewed the operations of HCA and believes it has demonstrated adequate abilities as originator, underwriter and servicer, as evidenced by its historical delinquency and loss performance of securitized trusts and of the managed portfolio.

Challenges

A material downgrade of Hyundai could negatively affect performance. This is mitigated by the portfolio's servicing transferability, cash flow stress tests, CE and events of default.

Originations and Underwriting

HCA purchases motor vehicle retail installment sale contracts from dealers, in accordance with its underwriting criteria. Dealers submit applications, together with information about the proposed terms of the retail installment sale contract, to HCA through website-based systems or by facsimile. HCA generally obtains a credit report on the applicant and evaluates credit applications using proprietary credit-scoring algorithms referred to as scorecards. HCA modifies the scorecards from time to time based on actual historical portfolio experience.

Credit applications are evaluated and are either automatically approved, automatically rejected or forwarded for review by an HCA credit analyst based on HCA's electronic decision-making model. The model uses the HCA-derived credit score and a set of business rules to identify certain credit-related items and identifies incomplete or inconsistent data, which could possibly be a sign of fraud.

In some cases, if an application does not meet the criteria for automatic approval, a credit analyst evaluates the credit application to make a purchase decision using the company's written underwriting guidelines. The credit analyst may contact the dealer, if necessary, to verify and/or correct the data in question. Based on the credit analyst's assessment, the analyst will then approve, reject or forward the application for review by an HCA credit analyst with higher approval authority.

Servicing

HCA has been the servicer for its retail securitization program since 2001. As the servicer, HCA manages all collections, administers defaults and delinquencies and otherwise services the contracts and related vehicles. HCA began servicing motor vehicle installment contracts in 1989. HCA conducts the majority of its servicing functions but outsources certain administrative functions to unaffiliated third-party service providers.

Collections

Since January 2006, HCA has used a risk/behavioral scoring model/algorithm to assess the probability and severity of payment default for accounts to identify appropriate collections treatment. Those accounts with identified high-risk profiles are prioritized with early collections activity. The collection team is able to focus resources on higher-risk obligors based on the assessment of the model score.

Collections are handled by primary and secondary collections teams. The primary collection team handles collections from six days–29 days past due. The primary collection team uses a predictive dialer and, upon making contact, the customer is cycled back into the system until the date for which payment was promised. The secondary collection team takes over at 30 days past due and continues until the account is brought current, repossessed, paid off or charged off.

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Repossessions

Chargeoffs occur at the earlier of 120 days past due and the sale of the repossessed vehicle. Repossessions generally occur at 75 days past due, and vehicles are generally sold within 35 days–55 days thereafter. Deficiencies that remain after repossession may be pursued on behalf of HCA. HCA attempts to contact customers and establish repayment schedules until the deficiency is cured.

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Appendix 2: ESG Relevance Score

FitchRatings

Hyundai Auto Receivables Trust 2023-A

SF ESG Navigator
ABS - Auto

Credit-Relevant ESG Derivation

Hyundai Auto Receivables Trust 2023-A has 5 ESG potential rating drivers

- Hyundai Auto Receivables Trust 2023-A has exposure to macroeconomic factors and sustained structural shifts in secular preferences affecting consumer behavior but this has very low impact on the rating.
- Governance is minimally relevant to the rating and is not currently a driver.

key driver	0	issues	5
driver	0	issues	4
potential driver	5	issues	3
not a rating driver	5	issues	2
	4	issues	1

Overall ESG Scale

Environmental (E)

General Issues	E Score	Sector-Specific Issues	Reference
GHG Emissions & Air Quality	2	Regulatory risks, fines, or compliance costs related to emissions, energy consumption and/or related reporting standards	Asset Quality; Surveillance
Energy Management	2	Assets' energy/fuel efficiency and impact on valuation	Asset Quality; Surveillance
Water & Wastewater Management	1	n.a.	n.a.
Waste & Hazardous Materials Management; Ecological Impacts	1	n.a.	n.a.
Exposure to Environmental Impacts	2	Asset, operations and/or cash flow exposure to extreme weather events and other catastrophe risk, including but not limited to flooding, hurricanes, tornadoes, and earthquakes	Surveillance

E Scale

Social (S)

General Issues	S Score	Sector-Specific Issues	Reference
Human Rights, Community Relations, Access & Affordability	1	n.a.	n.a.
Customer Welfare - Fair Messaging, Privacy & Data Security	2	Compliance with consumer protection related regulatory requirements, such as fair/transparent lending, data security, and safety standards	Operational Risk; Surveillance
Labor Relations & Practices	2	Labor practices, pension obligations and related litigation	Surveillance
Employee Wellbeing	1	n.a.	n.a.
Exposure to Social Impacts	3	Macroeconomic factors and sustained structural shifts in secular preferences affecting consumer behavior	Asset Quality; Surveillance

S Scale

Governance (G)

General Issues	G Score	Sector-Specific Issues	Reference
Rule of Law, Institutional and Regulatory Quality	3	Jurisdictional legal risks; regulatory effectiveness; supervisory oversight; foreclosure laws; government support and intervention	Asset Isolation and Legal Structure; Asset Quality; Rating Caps; Surveillance
Transaction & Collateral Structure	3	Asset isolation; resolution/insolvency remoteness; legal structure; structural risk mitigants; complex structures	Asset Isolation and Legal Structure; Asset Quality; Financial Structure; Rating Caps; Surveillance
Transaction Parties & Operational Risk	3	Counterparty risk; origination, underwriting and/or aggregator standards; borrower/lessee/sponsor risk; originator/servicer/manager/operational risk	Asset Quality; Financial Structure; Operational Risk; Rating Caps; Surveillance
Data Transparency & Privacy	3	Transaction data and periodic reporting	Asset Isolation and Legal Structure; Asset Quality; Financial Structure; Surveillance

G Scale

How to Read This Page
ESG scores range from 1 to 5 based on a 15-level color gradation. Red (5) is most relevant and green (1) is least relevant.

The Environmental (E), Social (S) and Governance (G) tables break out the individual components of the scale. The right-hand box shows the aggregate E, S, or G score. General Issues are relevant across all markets with Sector-Specific Issues unique to a particular asset class. Scores are assigned to each sector-specific issue. These scores signify the credit-relevance of the sector-specific issues to the transaction's or program's overall credit rating. The Reference box highlights the factor(s) within which the corresponding ESG issues are captured in Fitch's credit analysis.

The Credit-Relevant ESG Derivation table shows the overall ESG score. This score signifies the credit relevance of combined E, S and G issues to the transaction's or program's credit rating. The three columns to the left of the overall ESG score summarize the transaction's or program's sub-component ESG scores. The box on the far left identifies some of the main ESG issues that are drivers or potential drivers of the transaction's or program's credit rating (corresponding with scores of 3, 4 or 5) and provides a brief explanation for the score.

Classification of ESG issues has been developed from Fitch's sector ratings criteria. The General Issues and Sector-Specific Issues draw on the classification standards published by the Sustainability Accounting Standards Board (SASB).

CREDIT-RELEVANT ESG SCALE - DEFINITIONS

How relevant are E, S and G issues to the overall credit rating?

5	Highly relevant; a key transaction or program rating driver that has a significant impact on an individual basis.
4	Relevant to transaction or program ratings; not a key rating driver but has an impact on the ratings in combination with other factors.
3	Minimally relevant to ratings; either very low impact or actively mitigated in a way that results in no impact on the transaction or program ratings.
2	Irrelevant to the transaction or program ratings; relevant to the sector.
1	Irrelevant to the transaction or program ratings; irrelevant to the sector.

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