

PHH CORP  
Form 8-K  
January 03, 2012

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 8-K**

**CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): **December 28, 2011**

**PHH CORPORATION**

(Exact name of registrant as specified in its charter)

**MARYLAND**  
(State or other jurisdiction  
of incorporation)

**1-7797**  
(Commission File Number)

**52-0551284**  
(IRS Employer  
Identification No.)

**3000 Leadenhall Road**  
**Mt. Laurel, New Jersey 08054**  
(Address of principal executive offices, including zip code)

**(856) 917-1744**  
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

## Edgar Filing: PHH CORP - Form 8-K

- o Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  
  - o Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  
  - o Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  
  - o Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**Item 1.01. Entry into a Material Definitive Agreement.**

On December 28, 2011, Chesapeake Funding LLC ( Chesapeake ), an indirect wholly owned subsidiary of PHH Corporation (the Company or our ), amended (i) its Amended and Restated Series 2010-1 Indenture Supplement (the A&R Series 2010-1 Supplement ), among Chesapeake, as issuer, PHH Vehicle Management Services, LLC ( PHH VMS ), a wholly owned subsidiary of the Company, as administrator, JPMorgan Chase Bank, N.A. ( JPMorgan ), as administrative agent, certain non-conduit purchasers, certain CP conduit purchaser groups, funding agents for the CP conduit purchaser groups and certain Class B Note purchasers as set forth therein and The Bank of New York Mellon ( BNY ), as indenture trustee, to the Amended and Restated Base Indenture, dated as of December 17, 2008 (as amended as of May 28, 2009, the A&R Base Indenture ), between Chesapeake, as issuer, and BNY, as indenture trustee, and (ii) its Series 2011-1 Indenture Supplement (the Series 2011-1 Supplement ) and, together with the A&R Series 2010-1 Supplement, the Supplements ), among Chesapeake, as issuer, PHH VMS, as administrator, JPMorgan, as administrative agent, certain non-conduit purchasers, certain CP conduit purchaser groups, funding agents for the CP conduit purchaser groups and certain Class B Note purchasers as set forth therein and BNY, as indenture trustee, to the A&R Base Indenture.

As a result of amending the Supplements, the total committed funding available to Chesapeake was increased by \$300 million.

Pursuant to the amended A&R Series 2010-1 Supplement, Chesapeake: (i) may issue from time to time up to \$875 million in aggregate principal amount of its Series 2010-1 Floating Rate Asset Backed Variable Funding Investor Notes, Class A ( Series 2010-1 Class A Notes ); and (ii) had \$28,846,154 in aggregate principal amount of its Series 2010-1 Floating Rate Asset Backed Investor Notes, Class B (the Series 2010-1 Class B Notes ) and, together with the Series 2010-1 Class A Notes, the Series 2010-1 Notes ) issued and outstanding as of December 28, 2011.

Pursuant to the amended Series 2011-1 Supplement, Chesapeake: (i) may issue from time to time up to \$625 million in aggregate principal amount of its Series 2011-1 Floating Rate Asset Backed Variable Funding Investor Notes, Class A ( Series 2011-1 Class A Notes ); and (ii) had \$20,604,396 in aggregate principal amount of its Series 2011-1 Floating Rate Asset Backed Investor Notes, Class B (the Series 2011-1 Class B Notes ) and, together with the Series 2011-1 Class A Notes, the Series 2011-1 Notes ) issued and outstanding as of December 28, 2011.

As of December 29, 2011, undrawn capacity under the Series 2010-1 Class A Notes and Series 2011-1 Class A Notes of \$238,681,275 and \$170,486,625, respectively, remains available to provide funding for our domestic vehicle financing needs. The revolving period for the Series 2010-1 Notes and the Series 2011-1 Notes expires on June 27, 2012, and June 27, 2013, respectively, subject to extension pursuant to the terms of the A&R Series 2010-1 Supplement and the Series 2011-1 Supplement, respectively. Unless otherwise extended, upon expiry, the Series 2010-1 Notes and the Series 2011-1 Notes will amortize in accordance with their respective terms and noteholders will be repaid as lease payments are received over the lease term of the vehicle leases and related assets that collateralize such notes.

The Series 2010-1 Notes and the Series 2011-1 Notes bear interest at variable rates payable monthly. The A&R Series 2010-1 Supplement and the Series 2011-1 Supplement each incorporate by reference from the A&R Base Indenture certain customary covenants that limit Chesapeake's ability, among other things, to incur additional indebtedness, pay dividends on or redeem or repurchase its own equity interests, make certain investments, expand into unrelated businesses and create liens. Chesapeake has the option to redeem in full the Series 2010-1 Notes and the Series 2011-1 Notes upon notice at a redemption price equal to the aggregate outstanding principal balance plus accrued and unpaid interest on such balance.

The foregoing description of the amendments to the Supplements does not purport to be complete and is qualified in its entirety by reference to the full texts of the first amendment to the A&R Series 2010-1 Supplement and the first



amendment to the Series 2011-1 Supplement, which are filed as Exhibits 4.1 and 4.2, respectively, to this Current Report on Form 8-K (this Form 8-K ) and which are incorporated herein by reference.

**Item 2.03. Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.**

The information disclosed under Item 1.01 of this Form 8-K is incorporated herein by reference.

**Item 9.01. Financial Statements and Exhibits**

(d) Exhibits

- 4.1 First Amendment, dated as of December 28, 2011, among Chesapeake Funding LLC, as issuer, PHH Vehicle Management Services, LLC, as administrator, The Bank of New York Mellon, as indenture trustee, Canadian Imperial Bank of Commerce, NY Agency, as a new non-conduit purchaser, and PHH Sub 2 Inc., as a new Class B Note purchaser, to the Amended and Restated Series 2010-1 Indenture Supplement, dated as of June 29, 2011, among Chesapeake Funding LLC, as issuer, PHH Vehicle Management Services, LLC, as administrator, JPMorgan Chase Bank, N.A., as administrative agent, certain non-conduit purchasers, certain CP conduit purchaser groups, funding agents for the CP conduit purchaser groups and certain Class B Note purchasers named therein and The Bank of New York Mellon, as indenture trustee, to the Amended and Restated Base Indenture, dated as of December 17, 2008, as amended as of May 28, 2009, between Chesapeake Funding LLC, as issuer, and The Bank of New York Mellon, as indenture trustee
- 4.2 First Amendment, dated as of December 28, 2011, among Chesapeake Funding LLC, as issuer, PHH Vehicle Management Services, LLC, as administrator, The Bank of New York Mellon, as indenture trustee, Canadian Imperial Bank of Commerce, NY Agency, as a new non-conduit purchaser, and PHH Sub 2 Inc., as a new Class B Note purchaser, to the Series 2011-1 Indenture Supplement, dated as of June 29, 2011, among Chesapeake Funding LLC, as issuer, PHH Vehicle Management Services, LLC, as administrator, JPMorgan Chase Bank, N.A., as administrative agent, certain non-conduit purchasers, certain CP conduit purchaser groups, funding agents for the CP conduit purchaser groups and certain Class B Note purchasers named therein and The Bank of New York Mellon, as indenture trustee, to the Amended and Restated Base Indenture, dated as of December 17, 2008, as amended as of May 28, 2009, between Chesapeake Funding LLC, as issuer, and The Bank of New York Mellon, as indenture trustee

**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**PHH CORPORATION**

By:	/s/ William F. Brown
Name:	William F. Brown
Title:	Senior Vice President, General Counsel & Secretary

Dated: January 3, 2012