Quarterly Report of
CNH Capital LLC
For the Quarterly Period Ended September 30, 2011

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CNH CAPITAL LLC AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2011 AND 2010
(In thousands)
(Unaudited)

	Three Months Ended September 30, 2011	Three Months Ended September 30, 2010	Nine Months Ended September 30, 2011	Nine Months Ended September 30, 2010
REVENUES:				
Interest income on retail and other receivables and finance leases	$ 110,985	$ 122,852	$ 341,780	$ 372,547
Interest income from affiliates	36,503	34,548	100,939	93,236
Servicing fee income	349	730	1,320	2,708
Rental income on operating leases	40,828	40,784	122,620	121,429
Other income	18,634	19,867	54,145	54,764
Total revenues	207,299	218,781	620,804	644,684
EXPENSES:				
Interest expense:				
Interest expense to third parties	53,695	57,286	167,208	177,372
Interest expense to affiliates	10,113	21,419	35,906	60,850
Total interest expense	63,808	78,705	203,114	238,222
Operating expenses:				
Fees charged by affiliates	14,863	14,974	45,549	44,431
Provision for credit losses	8,184	7,644	13,443	69,889
Other than temporary impairment of retained interests	362	1,390	918	3,518
Depreciation of equipment on operating leases	27,684	31,673	84,631	88,769
Other expenses	9,282	10,101	26,649	31,658
Total operating expenses	60,375	65,782	171,190	238,265
Total expenses	124,183	144,487	374,304	476,487
INCOME BEFORE TAXES	83,116	74,294	246,500	168,197
Income tax provision	30,259	15,915	89,763	52,031
NET INCOME	52,857	58,379	156,737	116,166
Net income attributed to the noncontrolling interest	(295)	(414)	(1,100)	(1,405)
NET INCOME ATTRIBUTABLE TO CNH CAPITAL LLC	$ 52,562	$ 57,965	$ 155,637	$ 114,761

See the accompanying Condensed Notes to Consolidated Financial Statements (unaudited).

CNH CAPITAL LLC AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
AS OF SEPTEMBER 30, 2011 AND DECEMBER 31, 2010
(In thousands)
(Unaudited)

	September 30, 2011	December 31, 2010
ASSETS		
Cash and cash equivalents	$ 231,689	$ 420,792
Restricted cash	686,477	773,254
Receivables, less allowance for credit losses of $95,835 and $118,730	9,608,408	8,627,213
Retained interests in securitized receivables	16,946	37,914
Affiliated accounts and notes receivable	105,914	133,419
Equipment on operating leases, net	614,272	613,893
Equipment held for sale	22,605	46,396
Goodwill and intangible assets	118,804	121,024
Other assets	108,759	268,965
TOTAL	$ 11,513,874	$ 11,042,870
LIABILITIES AND STOCKHOLDER'S EQUITY		
LIABILITIES:		
Short-term debt, including current maturities of long-term debt	$ 3,901,519	$ 3,875,932
Accounts payable and other accrued liabilities	358,803	408,297
Affiliated debt	1,183,433	1,567,107
Long-term debt	4,793,026	4,043,897
Total liabilities	10,236,781	9,895,233
STOCKHOLDER'S EQUITY:		
Member's capital	--	--
Paid-in capital	836,721	836,721
Accumulated other comprehensive income	18,361	45,642
Retained earnings	367,510	211,873
Total CNH Capital LLC stockholder's equity	1,222,592	1,094,236
Noncontrolling interest	54,501	53,401
Total stockholder's equity	1,277,093	1,147,637
TOTAL	$ 11,513,874	$ 11,042,870

See the accompanying Condensed Notes to Consolidated Financial Statements (unaudited).

CNH CAPITAL LLC AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
AS OF SEPTEMBER 30, 2011 AND DECEMBER 31, 2010
(In thousands)
(Unaudited)

The following table presents certain assets and liabilities of consolidated variable interest entities ("VIEs"), which are included in the consolidated balance sheet above. The assets in the table include only those assets that can be used to settle obligations of consolidated VIEs. The liabilities in the table include third-party liabilities of the consolidated VIEs, for which creditors do not have recourse to the general credit of CNH Capital LLC.

	September 30, 2011	December 31, 2010
Restricted cash	$ 657,840	$ 743,931
Receivables, less allowance for credit losses of $46,091 and $42,246	7,711,950	7,029,265
Equipment on operating leases, net	35,035	89,556
TOTAL	$ 8,404,825	$ 7,862,752
Short-term debt	$ 3,671,742	$ 3,547,338
Long-term debt	4,278,453	3,864,762
TOTAL	$ 7,950,195	$ 7,412,100

See the accompanying Condensed Notes to Consolidated Financial Statements (unaudited).

CNH CAPITAL LLC AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2011 AND 2010
(In thousands)
(Unaudited)

	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 156,737	$ 116,166
Adjustments to reconcile net income to net cash from operating activities:		
Depreciation on property and equipment and equipment on operating leases	84,731	88,898
Amortization on intangibles	848	939
Provision for credit losses	13,443	69,889
Deferred income tax benefit	44,286	289
Other than temporary impairment of retained interests	918	3,518
Changes in components of working capital:		
Decrease in affiliated accounts and notes receivables	23,055	66,034
Decrease (increase) in other assets and equipment held for sale	138,678	(44,230)
Decrease (increase) in accounts payable and other accrued liabilities	(52,898)	24,500
Increase in other, net	--	11,430
Net cash from operating activities	409,798	337,433
CASH FLOW FROM INVESTING ACTIVITIES:		
Cost of receivables acquired	(12,797,675)	(11,478,389)
Collections of receivables	11,738,477	10,781,640
Decrease (increase) in restricted cash	79,387	(52,376)
Purchase of equipment on operating leases	(250,818)	(257,638)
Proceeds from disposal of equipment on operating leases	157,244	150,871
Purchase of software	(203)	(74)
Expenditures for property and equipment	(33)	--
Proceeds from disposal of property and equipment	93	--
Net cash used in investing activities	(1,073,528)	(855,966)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from issuance of affiliated debt	493,484	410,149
Payment of affiliated debt	(866,971)	(175,346)
Proceeds from issuance of long-term debt	2,649,338	1,202,016
Payment of long-term debt	(1,843,814)	(706,878)
Increase (decrease) in revolving credit facilities	42,590	(178,799)
Dividends to CNH America LLC	--	(250,000)
Net cash from financing activities	474,627	301,142
DECREASE IN CASH AND CASH EQUIVALENTS	(189,103)	(217,391)
CASH AND CASH EQUIVALENTS:		
Beginning of period	420,792	398,014
End of period	$ 231,689	$ 180,623
CASH PAID DURING THE PERIOD FOR INTEREST	$ 205,546	$ 236,028
CASH PAID DURING THE PERIOD FOR TAXES	$ 44,507	$ 39,125

See the accompanying Condensed Notes to Consolidated Financial Statements (unaudited).

CNH CAPITAL LLC AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDER'S EQUITY
(In thousands)
(Unaudited)

	Company Stockholder						
	Member's Capital	Paid-in Capital	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Non-Controlling Interest	Total	Comprehensive Income
BALANCE – January 1, 2010	$ --	$ 836,721	$ 49,616	$ 356,711	$ 51,540	$ 1,294,588	
Dividends paid to CNH Capital LLC	--	--	--	(250,000)	--	(250,000)	
Comprehensive income (loss):							
Net income	--	--	--	114,761	1,405	116,166	$ 116,166
Translation adjustment	--	--	6,528	--	--	6,528	6,528
Pension liability adjustment, net of tax	--	--	375	--	--	375	375
Unrealized gain on retained interests, net of tax	--	--	4,031	--	--	4,031	4,031
Derivative financial instruments:							
Losses reclassed to earnings, net of tax	--	--	17,458	--	--	17,458	17,458
Losses deferred, net of tax	--	--	(16,352)	--	--	(16,352)	(16,352)
Total							$ 128,206
Cumulative effect from change in accounting for consolidation of certain variable interest entities	--	--	(32,990)	(10,457)	--	(43,447)	
BALANCE – September 30, 2010	$ --	$ 836,721	$ 28,666	$ 211,015	$ 52,945	$ 1,129,347	
BALANCE – January 1, 2011	$ --	$ 836,721	$ 45,642	$ 211,873	$ 53,401	$ 1,147,637	
Comprehensive income (loss):							
Net income	--	--	--	155,637	1,100	156,737	$ 156,737
Translation adjustment	--	--	(22,209)	--	--	(22,209)	(22,209)
Pension liability adjustment, net of tax	--	--	256	--	--	256	256
Unrealized gain on retained interests, net of tax	--	--	(2,120)	--	--	(2,120)	(2,120)
Derivative financial instruments:							
Losses reclassed to earnings, net of tax	--	--	8,855	--	--	8,855	8,855
Losses deferred, net of tax	--	--	(12,063)	--	--	(12,063)	(12,063)
Total							$ 129,456
BALANCE – September 30, 2011	$ --	$ 836,721	$ 18,361	$ 367,510	$ 54,501	$ 1,277,093	

See the accompanying Condensed Notes to Consolidated Financial Statements (unaudited).

NOTE 1: BASIS OF PRESENTATION

The accompanying consolidated financial statements include all adjustments, consisting only of normal recurring adjustments, necessary for the fair statement of (a) the consolidated net income for the three and nine months ended September 30, 2011 and 2010, (b) the consolidated financial position as of September 30, 2011 and December 31, 2010, (c) the consolidated changes in stockholder's equity for the nine months ended September 30, 2011 and 2010 and (d) the consolidated cash flows for the nine months ended September 30, 2011 and 2010.

The December 31, 2010 financial position data included herein was derived from the consolidated financial statements for the year ended December 31, 2010, but does not include all disclosures required by generally accepted accounting principles in the United States of America ("U.S. GAAP").

The Company has prepared the accompanying consolidated financial statements in accordance with U.S. GAAP. The consolidated financial statements include the Company and its consolidated subsidiaries. The consolidated financial statements are expressed in U.S. dollars. The consolidated financial statements include the accounts of the Company's subsidiaries in which the Company has a controlling financial interest and reflect the non-controlling interests of the minority owners of the subsidiaries that are not fully owned for the periods presented, as applicable. A controlling financial interest may exist based on ownership of a majority of the voting interest of a subsidiary, or based on the Company's determination that it is the primary beneficiary of a variable interest entity ("VIE"). The primary beneficiary of a VIE is the party that has the power to direct the activities that most significantly impact the economic performance of the entity and the obligation to absorb losses or the right to receive benefits that could potentially be significant to the entity.

As of January 1, 2010, CNH Capital adopted new accounting guidance related to the accounting for transfers of financial assets and the consolidation of VIEs. As a significant portion of the Company's securitization trusts and facilities are no longer exempt from consolidation under the new guidance, the Company was required to consolidate the receivables and related liabilities. See "Note 2: New Accounting Pronouncements".

The preparation of consolidated financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts and related disclosure. Significant estimates in these consolidated financial statements include the residual values of equipment on operating leases and allowance for credit losses. Actual results could differ from those estimates.

Interim results are not necessarily indicative of those expected for the entire year.

CNH Capital LLC and its wholly owned operating subsidiaries, including New Holland Credit Company LLC, CNH Capital America LLC and CNH Capital Canada Ltd. (collectively, "CNH Capital" or the "Company"), are each a wholly owned subsidiary of CNH America LLC ("CNH America"), which is an indirect wholly owned subsidiary of CNH Global N.V. ("CNH").

As of December 31, 2010, Fiat S.p.A. and its subsidiaries ("Fiat") owned approximately 89% of CNH's outstanding common shares through Fiat Netherlands Holding N.V. ("Fiat Netherlands").

As of January 1, 2011, Fiat effected a "demerger" under Article 2506 of the Italian Civil Code. Pursuant to the demerger, Fiat transferred its ownership interest in Fiat Netherlands to a new holding company, Fiat Industrial S.p.A. ("Fiat Industrial"), including Fiat's ownership of CNH. Consequently, CNH became a subsidiary of Fiat Industrial. In connection with the demerger transaction, shareholders of Fiat received shares of capital stock of the new holding company. As of January 1, 2011, Fiat Industrial owned approximately 89% of CNH's outstanding common shares through its direct, wholly owned subsidiary Fiat Netherlands.

(Dollars in thousands)

NOTE 2: NEW ACCOUNTING PRONOUNCEMENTS

In June 2009, the Financial Accounting Standards Board ("FASB") issued new accounting guidance which changes the accounting for transfers of financial assets. The guidance eliminates the concept of a qualifying special purpose entity ("QSPE"), changes the requirements for derecognizing financial assets, and requires additional disclosures by providing greater transparency about transfers of financial assets, including securitization transactions, and an entity's continuing involvement in and exposure to the risks related to transferred financial assets. The adoption of this guidance did not have a material impact on our financial statements.

In June 2009, the FASB also issued new accounting guidance which amends the accounting for VIEs. The guidance changes the criteria for determining whether the consolidation of a VIE is required from a quantitative risk and rewards model to a qualitative model, based on control and economics. The guidance also eliminates the scope exception for QSPEs, increases the frequency for reassessing consolidation of VIEs and creates new disclosure requirements about an entity's involvement in a VIE. The Company adopted the new guidance on January 1, 2010. As a significant portion of the Company's securitization trusts and facilities are no longer exempt from consolidation as QSPEs under the guidance, the Company reassessed these VIEs under the new qualitative model and determined it was the primary beneficiary, as the Company has both the power to direct the activities of the VIE that most significantly impact the VIE's economic performance and an obligation to absorb losses or the right to receive benefits that could potentially be significant to the VIE.

The cumulative effect of the adoption of this new guidance was a reduction in equity of $43,447 and is summarized as follows:

	Adjustment for New Guidance
Restricted cash	$ 548,400
Receivables, less allowance for credit losses of $59,090	5,558,535
Retained interest	(475,302)
Equipment held for sale	17,304
Other assets	59,146
TOTAL	$ 5,708,083
Accounts payable and other accrued liabilities	$ 2,725
Short-term debt	3,387,715
Long-term debt	2,361,090
Total liabilities	5,751,530
Total equity	(43,447)
TOTAL	$ 5,708,083

In July 2010, the FASB issued accounting guidance on disclosures about the credit quality of financing receivables and the allowance for credit losses. The guidance expands disclosures for the allowance for credit losses and financing receivables by requiring entities to disclose information at disaggregated levels. It also requires disclosure of credit quality indicators, past due information and modifications of financing receivables. The expanded disclosures are included in these condensed notes to the consolidated financial statements.

In January 2010, the FASB issued accounting guidance that requires disclosures of transfers into and out of Levels 1 and 2, more detailed roll forward reconciliations of Level 3 recurring fair value measurements on a gross basis, fair value information by class of assets and liabilities, and descriptions of valuation techniques and inputs for Level 2 and 3 measurements. The effective date was the second quarter of fiscal year 2010 except for the roll forward reconciliations, which are required in the first quarter of fiscal year 2011. The disclosures required by this guidance have been included in these condensed notes to the consolidated financial statements.

(Dollars in thousands)

In April 2011, the FASB issued accounting guidance that clarifies a creditor's determination of troubled debt restructurings. This guidance states that a troubled debt restructuring occurs when a creditor grants a concession it would not otherwise consider to a debtor that is experiencing financial difficulties. The guidance clarifies what would be considered a concession by the creditor and financial difficulties of the debtor. Certain disclosures are required for transactions that qualify as troubled debt restructurings. This new guidance was effective for the Company's interim period ended September 30, 2011 with retrospective application to January 1, 2011. The disclosures required by this guidance have been included in these condensed notes to the consolidated financial statements. For further information regarding this guidance, see "Note 4: Receivables".

In June 2011, the FASB issued new accounting guidance on the presentation of comprehensive income in financial statements. The new guidance removes current presentation options and requires entities to report components of comprehensive income in either a continuous statement of comprehensive income or two separate but consecutive statements. This new accounting guidance will be effective January 1, 2012. The Company does not expect the adoption to have a material impact on its financial statements.

NOTE 3: ACCUMULATED OTHER COMPREHENSIVE INCOME

Comprehensive income and its components are presented in the consolidated statements of changes in stockholder's equity. The components of accumulated other comprehensive income as of September 30, 2011 and December 31, 2010 are as follows:

	September 30, 2011	December 31, 2010
Cumulative translation adjustment	$ 33,639	$ 55,848
Pension liability adjustment, net of taxes of $2,916 and $3,089	(4,750)	(5,006)
Unrealized gains on retained interests, net of taxes of $2,290 and $3,698	3,716	5,836
Unrealized loss on derivative financial instruments, net of taxes of $7,852 and $6,532	(14,244)	(11,036)
Total	$ 18,361	$ 45,642

(Dollars in thousands)

NOTE 4: RECEIVABLES

A summary of receivables included in the consolidated balance sheets as of September 30, 2011 and December 31, 2010 is as follows:

	September 30, 2011	December 31, 2010
Wholesale receivables	$ 77,309	$ 63,117
Retail receivables	473,014	619,933
Finance leases	104,212	150,472
Restricted receivables	8,983,506	7,809,232
Other notes	94,941	132,117
Gross receivables	9,732,982	8,774,871
Less:		
Unearned finance charges	(28,739)	(28,928)
Allowance for credit losses	(95,835)	(118,730)
Total receivables, net	$ 9,608,408	$ 8,627,213

Restricted Receivables and Securitization

As part of its overall funding strategy, the Company periodically transfers certain financial receivables into VIEs that are special purpose entities ("SPEs") as part of its asset-backed securitization programs.

SPEs utilized in the securitization programs differ from other entities included in the Company's consolidated financial statements because the assets they hold are legally isolated from the Company's assets. For bankruptcy analysis purposes, the Company has sold the receivables to the SPEs in a true sale and the SPEs are separate legal entities. Upon transfer of the receivables to the SPEs, the receivables and certain cash flows derived from them become restricted for use in meeting obligations to the SPEs' creditors. The SPEs have ownership of cash balances that also have restrictions for the SPEs' investors. The Company's interests in the SPEs' receivables are subordinate to the interests of third-party investors. None of the receivables that are directly or indirectly sold or transferred in any of these transactions are available to pay the Company's creditors.

The following table summarizes the restricted and off-book receivables and the related retained interests as of September 30, 2011 and December 31, 2010:

	Restricted Receivables		Off-Book Receivables		Retained Interests	
	September 30, 2011	December 31, 2010	September 30, 2011	December 31, 2010	September 30, 2011	December 31, 2010
Wholesale	$ 3,310,894	$ 2,693,931	$ --	$ --	$ --	$ --
Retail	5,441,188	4,921,898	127,903	206,101	16,946	37,914
Commercial revolving accounts	231,424	193,403	--	--	--	--
Total	$ 8,983,506	$ 7,809,232	$ 127,903	$ 206,101	$ 16,946	$ 37,914

With regard to the wholesale receivable securitization programs, the Company sells eligible receivables on a revolving basis to structured master trust facilities. The Company's involvement with the securitization trusts includes servicing the wholesale receivables, retaining an undivided interest ("seller's interest") in the receivables and holding cash reserve accounts. The seller's interest in the trusts represent the Company's undivided interest in the receivables transferred to the trust. The Company maintains cash reserve accounts at predetermined amounts to provide security to investors in the event that cash collections from the receivables are not sufficient to remit principal and interest payments on the securities. The investors and the securitization trusts have no recourse beyond the Company's retained interests for failure of debtors to pay when due. The Company's retained interests are subordinate to investor's interests to the Company.

Within the U.S. retail asset securitization programs, qualifying retail finance receivables are sold to limited purpose, bankruptcy-remote SPEs. In turn, these SPEs establish separate trusts to which the receivables are transferred in exchange for proceeds from asset-backed securities issued by the trusts. In Canada, the receivables are transferred directly to the trusts. The Company receives compensation for servicing the receivables transferred and earns other related ongoing income customary with the securitization programs. The Company also may retain all or a portion of subordinated interests in the SPEs.

Three private retail transactions totaling $127,903 and $206,101 were not included in the Company's consolidated balance sheet as of September 30, 2011 and December 31, 2010, respectively. These transactions continue to qualify as sales subsequent to the adoption of the new accounting guidance.

The Company, through a trust, securitizes originated commercial revolving accounts receivables on a revolving basis to a privately owned 364-day facility. The Company's continuing involvement with the securitization trust includes servicing the receivables and maintaining a cash reserve account, which provides security to investors in the event that cash collections from the receivables are not sufficient to remit principal and interest payments on the securities. The investors and the securitization trust have no recourse beyond the Company's retained interests for failure of debtors to pay when due. Further, the Company's retained interests are subordinate to the investors' interests.

Allowance for Credit Losses

The allowance for credit losses is established to cover probable losses for receivables owned by the Company and is allocated based on two components, depending on whether or not the receivable has been individually identified as being impaired. The first component of the allowance for credit losses covers impaired assets which represent all or a portion of receivables specifically reviewed by management for which the Company has determined it will not collect all of the contractual principal and interest. Receivables are individually reviewed for impairment based on, among other items, amounts outstanding, amounts past due, days past due and prior collection history. These receivables are subject to impairment measurement at the loan level based either on the present value of expected future cash flows discounted at the receivables' effective interest rate or the fair value of the collateral for collateral-dependent receivables and receivables for which foreclosure is deemed to be probable. When the values are lower than the carrying value of the receivables, impairment is recognized.

The second component of the allowance for credit losses covers all receivables which have incurred losses that are not yet individually identifiable. The allowance for these receivables is based on aggregated portfolio evaluations, generally by financial product. The allowance for retail credit losses is based on loss forecast models which consider a variety of factors that may include, but are not limited to, historical loss experience, portfolio balance and delinquencies. The allowance for wholesale credit losses is based on loss forecast models which consider a variety of factors that may include, but are not limited to, historical loss experience, portfolio balance and dealer risk ratings. The loss forecast models are updated on a quarterly basis to incorporate information reflecting the current economic environment.

(Dollars in thousands)

Charge-offs of principal amounts of receivables outstanding are deducted from the allowance at the time when the principal is reasonably expected to be uncollected.

The Company's allowance for credit losses is segregated into three portfolio segments: retail, wholesale and other. A portfolio segment is the level at which the Company develops a systematic methodology for determining its allowance for credit losses. The retail segment includes retail and finance lease receivables. The wholesale segment includes wholesale financing to CNH dealers and the other portfolio includes the Company's commercial revolving accounts.

Further, the Company evaluates its portfolio segments by class of receivable: United States and Canada. Typically, the Company's finance receivables within a geographic area have similar risk profiles and methods for assessing and monitoring risk. These classes align with management reporting.

Allowance for credit losses activity for the three months ended September 30, 2011 and 2010 is as follows:

	Three Months Ended September 30, 2011				Three Months Ended
	Retail	Wholesale	Other	Total	September 30, 2010
Allowance for credit losses:					
Beginning balance	$ 65,426	$ 16,298	$ 14,405	$ 96,129	$ 142,662
Charge-offs	(6,261)	(1,412)	(2,399)	(10,072)	(21,411)
Recoveries	1,522	39	775	2,336	1,825
Provision	5,934	821	1,429	8,184	7,644
Currency translation and other	(597)	(86)	(59)	(742)	(700)
Ending balance	$ 66,024	$ 15,660	$ 14,151	$ 95,835	$ 130,020

CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Dollars in thousands)
(Unaudited)

Allowance for credit losses activity for the nine months ended September 30, 2011 and 2010 is as follows:

	Nine Months Ended September 30, 2011				Nine Months Ended
	Retail	Wholesale	Other	Total	September 30, 2010
Allowance for credit losses:					
Beginning balance	$ 73,123	$ 31,148	$ 14,459	$ 118,730	$ 73,181
Cumulative effect from change in accounting for consolidation of certain VIEs	--	--	--	--	59,090
Adjusted beginning balance	73,123	31,148	14,459	118,730	132,271
Charge-offs	(20,281)	(11,594)	(10,078)	(41,953)	(74,676)
Recoveries	4,321	360	2,366	7,047	5,379
Provision	10,220	(4,215)	7,438	13,443	69,889
Currency translation and other	(1,359)	(39)	(34)	(1,432)	(2,843)
Ending balance	$ 66,024	$ 15,660	$ 14,151	$ 95,835	$ 130,020
Ending balance: individually evaluated for impairment	$ 40,453	$ 11,285	$ 113	$ 51,851	
Ending balance: collectively evaluated for impairment	$ 25,571	$ 4,375	$ 14,038	$ 43,984	
Receivables:					
Ending balance	$ 5,989,675	$ 3,388,203	$ 326,365	$ 9,704,243	
Ending balance: individually evaluated for impairment	$ 71,961	$ 54,761	$ 202	$ 126,924	
Ending balance: collectively evaluated for impairment	$ 5,917,714	$ 3,333,442	$ 326,163	$ 9,577,319	

(Dollars in thousands)

Allowance for credit losses activity for the year ended December 31, 2010 is as follows:

	December 31, 2010			
	Retail	Wholesale	Other	Total
Allowance for credit losses:				
Beginning balance				$ 73,181
Cumulative effect from change in accounting for consolidation of certain VIEs				59,090
Adjusted beginning balance				132,271
Charge-offs				(94,201)
Recoveries				8,066
Provision				76,394
Currency translation and other				(3,800)
Ending balance	$ 73,123	$ 31,148	$ 14,459	$ 118,730
Ending balance: individually evaluated for impairment	$ 42,465	$ 27,222	$ 110	$ 69,797
Ending balance: collectively evaluated for impairment	$ 30,658	$ 3,926	$ 14,349	$ 48,933
Receivables:				
Ending balance	$ 5,708,497	$ 2,757,048	$ 280,398	$ 8,745,943
Ending balance: individually evaluated for impairment	$ 96,399	$ 61,609	$ 400	$ 158,408
Ending balance: collectively evaluated for impairment	$ 5,612,098	$ 2,695,439	$ 279,998	$ 8,587,535

As part of the on-going monitoring of the credit quality of the wholesale portfolio, the Company utilizes an internal credit scoring model that assigns a risk grade for each dealer. The scoring model considers strength of dealer's financial statements, payment history and audit performance. Each quarter, the Company updates its dealers' ratings and considers the ratings in the credit allowance analysis. A description of the general characteristics of the dealer's risk grades is as follows:

Grades A and B – Includes receivables to dealers which have significant capital strength, moderate leverage, stable earnings and growth, and excellent payment performance.

Grade C – Includes receivables to dealers with moderate credit risk. Dealers of this grade are differentiated from higher grades on a basis of leverage or payment performance.

Grade D – Includes receivables to dealers with moderate credit risk. These dealers may require higher monitoring due to weaker financial strength or payment performance.

(Dollars in thousands)

A breakdown of the wholesale portfolio by the dealer's risk grade as of September 30, 2011 and December 31, 2010 is as follows:

	September 30, 2011	December 31, 2010
A	$ 2,026,541	$ 1,333,589
B	871,752	829,490
C	344,790	415,262
D	145,120	178,707
Total	$ 3,388,203	$ 2,757,048

Utilizing an internal credit scoring model which considers customers' attributes, prior credit history and each retail transaction's attributes, the Company assigns a credit quality rating to each retail customer, by specific transaction, as part of the retail underwriting process. This rating is used in setting the interest rate on the transaction. The credit quality rating is not updated after the transaction is finalized. A description of the general characteristics of the customers' risk grades is as follows:

Titanium – Customers where the Company expects no collection or loss activity.

Platinum – Customers where the Company expects minimal, if any, collection or loss activity.

Gold, Silver, Bronze – Customers are defined as those with the potential for collection or loss activity.

A breakdown of the retail portfolio by the customer's risk grade at the time of origination as of September 30, 2011 and December 31, 2010 is as follows:

	September 30, 2011	December 31, 2010
Titanium	$ 3,028,178	$ 2,551,419
Platinum	1,774,350	1,780,518
Gold	961,299	1,039,255
Silver	191,284	269,422
Bronze	34,564	67,883
Total	$ 5,989,675	$ 5,708,497

(Dollars in thousands)

The following tables present information at the level at which management assesses and monitors its credit risk. Receivables are considered past due if the required principal and interest payments have not been received as of the date such payments were due. Delinquency is reported on receivables greater than 30 days past due. The aging of receivables as of September 30, 2011 and December 31, 2010 is as follows:

	September 30, 2011						
	30-59 Days Past Due	60-89 Days Past Due	Greater Than 90 Days	Total Past Due	Current	Total Receivables	Recorded Investment > 90 Days and Accruing
Retail							
United States	$ 23,054	$ 7,089	$ 38,016	$ 68,159	$ 4,930,139	$ 4,998,298	$ 4,021
Canada	$ 2,548	$ 987	$ 1,624	$ 5,159	$ 986,218	$ 991,377	$ 459
Wholesale							
United States	$ 1,655	$ 233	$ 1,306	$ 3,194	$ 2,701,268	$ 2,704,462	$ 321
Canada	$ 122	$ 8	$ 155	$ 285	$ 683,456	$ 683,741	$ 79
Total							
Retail	$ 25,602	$ 8,076	$ 39,640	$ 73,318	$ 5,916,357	$ 5,989,675	$ 4,480
Wholesale	$ 1,777	$ 241	$ 1,461	$ 3,479	$ 3,384,724	$ 3,388,203	$ 400

	December 31, 2010						
	30-59 Days Past Due	60-89 Days Past Due	Greater Than 90 Days	Total Past Due	Current	Total Receivables	Recorded Investment > 90 Days and Accruing
Retail							
United States	$ 36,504	$ 13,548	$ 56,230	$ 106,282	$ 4,584,352	$ 4,690,634	$ 6,349
Canada	$ 5,559	$ 2,229	$ 3,004	$ 10,792	$ 1,007,071	$ 1,017,863	$ 1,464
Wholesale							
United States	$ 969	$ 145	$ 2,608	$ 3,722	$ 2,073,777	$ 2,077,499	$ 175
Canada	$ 584	$ --	$ 190	$ 774	$ 678,775	$ 679,549	$ 24
Total							
Retail	$ 42,063	$ 15,777	$ 59,234	$ 117,074	$ 5,591,423	$ 5,708,497	$ 7,813
Wholesale	$ 1,553	$ 145	$ 2,798	$ 4,496	$ 2,752,552	$ 2,757,048	$ 199

Recognition of income is generally suspended when management determines that collection of future income is not probable or when an account becomes 120 days delinquent, whichever occurs first. Interest accrual is resumed if the receivable becomes contractually current and collection doubts are removed. Previously suspended income is recognized at that time. The Company applies cash received on non-accrual receivables to first reduce any unrecognized interest and then the recorded investment and any other fees.

(Dollars in thousands)

Receivables on nonaccrual status as of September 30, 2011 and December 31, 2010 are as follows:

	September 30, 2011			December 31, 2010		
	Retail	Wholesale	Total	Retail	Wholesale	Total
United States	$ 66,540	$ 54,352	$ 120,892	$ 49,881	$ 61,762	$ 111,643
Canada	$ 1,165	$ 144	$ 1,309	$ 1,540	$ 528	$ 2,068

As of September 30, 2011 and December 31, 2010, the Company's recorded investment in impaired receivables individually evaluated for impairment and the related unpaid principal balances and valuation allowances are as follows:

	September 30, 2011			December 31, 2010		
	Recorded Investment	Unpaid Principal Balance	Related Allowance	Recorded Investment	Unpaid Principal Balance	Related Allowance
With no related allowance recorded						
Retail						
United States	$ 3,708	$ 3,645	$ --	$ 9,609	$ 7,634	$ --
Canada	$ 1,746	$ 1,743	$ --	$ 1,790	$ 1,244	$ --
Wholesale						
United States	$ --	$ --	$ --	$ --	$ --	$ --
Canada	$ --	$ --	$ --	$ --	$ --	$ --
With an allowance recorded						
Retail						
United States	$ 66,184	$ 63,518	$ 40,357	$ 84,312	$ 80,815	$ 42,138
Canada	$ 323	$ 318	$ 96	$ 688	$ 688	$ 327
Wholesale						
United States	$ 54,608	$ 54,352	$ 11,170	$ 61,078	$ 61,762	$ 26,700
Canada	$ 153	$ 144	$ 115	$ 531	$ 528	$ 522
Total						
Retail	$ 71,961	$ 69,224	$ 40,453	$ 96,399	$ 90,381	$ 42,465
Wholesale	$ 54,761	$ 54,496	$ 11,285	$ 61,609	$ 62,290	$ 27,222

(Dollars in thousands)

For the three and nine months ended September 30, 2011 and 2010, the Company's average recorded investment in impaired receivables individually evaluated for impairment (based on a four and ten month average) and the related interest income recognized are as follows:

	Three Months Ended September 30,			
	2011		2010	
	Average Recorded Investment	Interest Income Recognized	Average Recorded Investment	Interest Income Recognized
With no related allowance recorded				
Retail				
United States	$ 3,960	$ 152	$ 5,235	$ 182
Canada	$ 1,975	$ 25	$ 100	$ --
Wholesale				
United States	$ --	$ --	$ --	$ --
Canada	$ --	$ --	$ --	$ --
With an allowance recorded				
Retail				
United States	$ 67,853	$ 881	$ 96,116	$ 1,399
Canada	$ 343	$ -	$ 689	$ 12
Wholesale				
United States	$ 56,588	$ 486	$ 58,090	$ 569
Canada	$ 167	$ 6	$ 282	$ 5
Total				
Retail	$ 74,131	$ 1,058	$ 102,140	$ 1,593
Wholesale	$ 56,755	$ 492	$ 58,372	$ 574

(Dollars in thousands)

	Nine Months Ended September 30,			
	2011		2010	
	Average Recorded Investment	Interest Income Recognized	Average Recorded Investment	Interest Income Recognized
With no related allowance recorded				
Retail				
United States	$ 4,212	$ 441	$ 4,952	$ 510
Canada	$ 2,065	$ 78	$ 103	$ 1
Wholesale				
United States	$ --	$ --	$ --	$ --
Canada	$ --	$ --	$ --	$ --
With an allowance recorded				
Retail				
United States	$ 65,338	$ 1,798	$ 95,565	$ 5,113
Canada	$ 346	$ 9	$ 709	$ 34
Wholesale				
United States	$ 58,258	$ 1,548	$ 64,842	$ 2,193
Canada	$ 190	$ 17	$ 993	$ 37
Total				
Retail	$ 71,961	$ 2,326	$ 101,329	$ 5,658
Wholesale	$ 58,448	$ 1,565	$ 65,835	$ 2,230

Troubled Debt Restructurings

A restructuring of a retail or finance lease receivable constitutes a troubled debt restructuring ("TDR") when the lender grants a concession it would not otherwise consider to a borrower experiencing financial difficulties. Concessions granted may include extended contract maturities, inclusion of interest only periods, modification of a contractual interest rate to a below market interest rate, and extended skip payment periods.

TDRs are reviewed along with other receivables as part of management's ongoing evaluation of the adequacy of the allowance for credit losses. The allowance for credit losses attributable to TDRs is based on the most probable source of repayment, which is normally the liquidation of collateral. In determining collateral value, CNH estimates the current fair market value of the collateral and factors in credit enhancements such as additional collateral and third-party guarantees.

As a collateral based lender, the Company typically will repossess collateral in lieu of restructuring receivables in a troubled debt restructuring.

For wholesale receivables, the Company had no modifications classified as TDRs in the three month period ended September 30, 2011. For the nine months ended September 30, 2011, the Company restructured five wholesale agreements with a pre- and post-modification balance of approximately $21,000. The wholesale TDRs that subsequently defaulted were immaterial for both the three and nine month periods ended September 30, 2011.

For the three months ended September 30, 2011, the Company restructured approximately 100 retail and finance lease contracts classified as TDRs with a pre-modification balance of $1,733 and a post-modification balance of $1,341. For the nine months ended September 30, 2011, the Company restructured approximately 2,500 retail and finance lease contracts with a pre-modification balance of $83,220 and post-modification balance of $53,655. The retail and finance lease TDRs that subsequently defaulted were immaterial for both the three and nine month periods ended September 30, 2011.

NOTE 5: DEBT

On January 11, 2011, the Company issued $220,000 in notes from its U.S. wholesale master trust.

On May 2, 2011 and September 21, 2011, the Company issued $1,000,000 and $875,838, respectively, in notes, under a U.S. retail trust.

The Company redeemed on May 16, 2011 C$325,000 ($334,296) of the Canadian wholesale term ABS 2009-1 transaction. The Company incurred approximately $2,000 in losses on the early redemption. Concurrently, the Company increased its Canadian wholesale 2010-1 Variable Funding Notes by C$300,000 ($308,581) and issued C$35,750 ($36,773) in 2010-1 Class B Notes.

On June 28, 2011, the Company borrowed C$207,553 ($215,021) which is secured by finance leases and operating leases. The expected maturity date is August 2016.

On July 15, 2011, CNH Capital entered into a $250,000 five-year unsecured credit facility consisting of a $150,000 term facility and a $100,000 revolving credit facility with a final maturity of July 2016.

NOTE 6: INCOME TAXES

The effective tax rate was 36.4% for the three and nine month periods ended September 30, 2011, compared to 21.4% and 30.9% for the same periods in 2010. The lower rate in 2010 was primarily due to the release of certain tax contingencies in 2010.

The Company’s provision for income taxes for the nine months ended September 30, 2011 reflects an estimated annual effective tax rate of 36% compared to 34% for the full year 2010. The increase from the full-year year 2010 effective tax rate is primarily due to changes in the geographic mix of pre-tax profits within North America. The 2011 estimated annual tax rate is expected to be slightly higher than the U.S. federal corporate income tax rate of 35% primarily due to profits in tax jurisdictions with higher rates, in addition to an increase in certain state income tax legislation.

NOTE 7: FINANCIAL INSTRUMENTS

Under current accounting guidance, the Company may elect to measure many financial instruments and certain other items at fair value that were previously not required to be measured at fair value. This fair value option must be applied on an instrument-by-instrument basis with changes in fair value reported in earnings. After the initial adoption, the election can be made at the acquisition of an eligible financial asset, financial liability, or firm commitment or when certain specified reconsideration events occur. The fair value election may not be revoked once an election is made. The Company has not elected the fair value measurement option for any eligible items.

Fair-Value Hierarchy

U.S. GAAP specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the Company's market assumptions. These two types of inputs have created the following fair-value hierarchy:

Level 1 – Quoted prices for *identical* instruments in active markets.

Level 2 – Quoted prices for *similar* instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs and significant value drivers are observable in active markets.

Level 3 – Valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are *unobservable.*

This hierarchy requires the use of observable market data when available.

Determination of Fair Value

When available, the Company uses quoted market prices to determine fair value and classifies such items in Level 1. In some cases where a market price is not available, the Company will make use of observable market based inputs to calculate fair value, in which case the items are classified in Level 2.

If quoted or observable market prices are not available, fair value is based upon internally developed valuation techniques that use, where possible, current market-based or independently sourced market parameters such as interest rates, currency rates, or yield curves. Items valued using such internally generated valuation techniques are classified according to the lowest level input or value driver that is significant to the valuation. Thus, an item may be classified in Level 3 even though there may be some significant inputs that are readily observable.

The following section describes the valuation methodologies used by the Company to measure various financial instruments at fair value, including an indication of the level in the fair value hierarchy in which each instrument is generally classified. Where appropriate the description includes details of the valuation models, the key inputs to those models as well as any significant assumptions.

Interest Rate Derivatives

The Company utilizes derivative instruments to mitigate its exposure to interest rate risk. Derivatives used as hedges are effective at reducing the risk associated with the exposure being hedged and are designated as a hedge at the inception of the derivative contract. The Company does not hold or issue derivative or other financial instruments for speculative purposes. The credit and market risk for the interest rate hedges are reduced through diversification among counterparties with high credit ratings. Derivative instruments are generally classified in Level 2 or 3 of the fair value hierarchy.

The Company has entered into interest rate derivatives in order to manage interest rate exposures arising in the normal course of business. Interest rate derivatives that have been designated in cash flow hedging relationships are being used by the Company to mitigate the risk of rising interest rates related to the anticipated issuance of short-term LIBOR based debt in future periods. Further, the Company used these swaps to mitigate the risk of rising interest rates related to the variable-rate debt in certain ABS trusts associated with its retail securitization programs. Gains and losses on these instruments, to the extent that the hedge relationship has been effective, are deferred in accumulated other comprehensive income (loss) and recognized in interest expense over the period in which the Company recognizes interest expense on the related debt. Ineffectiveness recognized related to these hedging relationships was not significant for the three and nine months ended September 30, 2011 and 2010. These amounts are recorded in “Other expenses” in the consolidated statements of income. The maximum length of time over which the Company is hedging its interest rate exposure through the use of derivative instruments designated in cash flow hedge relationships is 55 months, and the Company expects losses of approximately $3,677, deferred in accumulated other comprehensive income to be recognized in earnings over the 12 months ending September 30, 2012.

(Dollars in thousands)

The Company also enters into offsetting interest rate derivatives caps with substantially similar terms that are not designated as hedging instruments. Unrealized and realized gains and losses resulting from fair value changes in these instruments are recognized directly in income. These instruments are used to mitigate interest rate risk related to the Company's committed asset-backed facilities and various ABS trusts. These facilities and trusts require the Company to enter into interest rate derivatives. To ensure that these transactions do not result in the Company being exposed to this risk, the Company enters into offsetting interest rate derivatives. Net gains and losses on these instruments were insignificant for the three and nine months ended September 30, 2011 and 2010. As a result of the new consolidation accounting guidance adopted January 1, 2010, interest rate derivatives, which were held by SPEs and are now consolidated, were recorded as part of the adoption adjustment.

The table below summarizes the impact of the adoption specific to interest rate derivatives and the location on the balance sheet.

	January 1, 2010
Other assets	$ 2,620
Accounts payable and other accrued liabilities	$ 24,316
Accumulated other comprehensive income (net of tax of $8,808)	$ (14,168)

Most of the Company's interest rate derivatives are considered Level 2. The fair market value of these derivatives is calculated using market data input and can be compared to actively traded derivatives. The future notional amount of some of the Company's interest rate derivatives is not known in advance as there are uncertain amounts of prepayments in the underlying assets. These derivatives are considered Level 3 derivatives. The fair market value of these derivatives is calculated using market data input and a forecasted future notional. The total notional amount of the Company's interest rate derivatives was approximately $4,804,355 and $1,948,760 at September 30, 2011 and December 31, 2010, respectively. The nine month average notional amount as of September 30, 2011 was approximately $3,978,187.

(Dollars in thousands)

Financial Statement Impact of the Company's Derivatives

The location on the consolidated balance sheets and the fair value of the Company's interest rate derivatives as of September 30, 2011 and December 31, 2010 are as follows:

	September 30, 2011	December 31, 2010
Derivatives Designated as Hedging Instruments:		
Derivative assets:		
Other assets	$ 23	$ 741
Derivative liabilities:		
Accounts payable and other accrued liabilities	$ 5,841	$ 5,375
Derivatives Not Designated as Hedging Instruments:		
Derivative assets:		
Other assets	$ 7,623	$ 6,888
Derivative liabilities:		
Accounts payable and other accrued liabilities	$ 7,801	$ 7,250

The location on the consolidated statements of income and impact of the Company's interest rate derivatives for the three and nine months ended September 30, 2011 and 2010 are as follows:

	Three Months Ended September 30,	
	2011	2010
Fair Value Hedges		
Other expenses	$ --	$ (616)
Cash Flow Hedges		
Recognized in accumulated other comprehensive income (effective portion)	$ (10,498)	$ (9,696)
Reclassified from accumulated other comprehensive income (effective portion)		
Interest expense to third parties	$ (3,953)	$ (7,168)
Recognized directly in income (ineffective portion)		
Other expenses	$ (77)	$ (10)
Not Designated as Hedges		
Other expenses	$ (83)	$ --

(Dollars in thousands)

	Nine Months Ended September 30, 2011	Nine Months Ended September 30, 2010
Fair Value Hedges		
Other expenses	$ --	$ (3,139)
Cash Flow Hedges		
Recognized in accumulated other comprehensive income (effective portion)	$ (19,067)	$ (26,169)
Reclassified from accumulated other comprehensive income (effective portion)		
Interest expense to third parties	$ (14,295)	$ (27,533)
Recognized directly in income (ineffective portion)		
Other expenses	$ (245)	$ (473)
Not Designated as Hedges		
Other expenses	$ (720)	$ --

Retained Interests

The Company carries retained interests at estimated fair value, which is determined by discounting the projected cash flows over the expected life of the assets sold in connection with such transactions using prepayment, default, loss and interest rate assumptions. The Company recognizes declines in the value of its retained interests, and resulting charges to income or equity, when the fair value is less than carrying value. The portion of the decline, from discount rates exceeding those in the initial transaction is charged to equity. All other credit related declines are charged to income. Assumptions used to determine fair values of retained interests are based on internal evaluations and, although the Company believes its methodology is reasonable, actual results could differ from its expectations. Retained interests in securitized assets are classified in Level 3 of the fair value hierarchy. As of September 30, 2011 and December 31, 2010, retained interests in securitized assets are $16,946 and $37,914, respectively.

Items Measured at Fair Value on a Recurring Basis

The following tables present for each of the fair-value hierarchy levels the Company's assets and liabilities that are measured at fair value on a recurring basis at September 30, 2011 and December 31, 2010:

	Level 2		Level 3		Total	
	September 30, 2011	December 31, 2010	September 30, 2011	December 31, 2010	September 30, 2011	December 31, 2010
Assets						
Interest rate derivatives	$ 7,646	$ 7,629	$ --	$ --	$ 7,646	$ 7,629
Retained interests	--	--	16,946	37,914	16,946	37,914
Total assets	$ 7,646	$ 7,629	$ 16,946	$ 37,914	$ 24,592	$ 45,543
Liabilities						
Interest rate derivatives	$ 13,197	$ 7,250	$ 445	$ 5,375	$ 13,642	$ 12,625
Total liabilities	$ 13,197	$ 7,250	$ 445	$ 5,375	$ 13,642	$ 12,625

There were no transfers between Level 1 and Level 2 hierarchy levels.

(Dollars in thousands)

The following table presents the changes in the Level 3 fair-value category for the nine months ended September 30, 2011 and 2010:

	Retained Interests	Derivative Financial Instruments
Balance at January 1, 2010	$ 968,371	$ (1,645)
Total gains or losses (realized / unrealized):		
Impact from accounting change	(475,302)	(24,316)
Impact from accounting change – collateralized wholesale receivables	(394,037)	--
Included in earnings	(113)	16,588
Included in other comprehensive (loss) income	6,019	--
Settlements	(67,802)	--
Balance at September 30, 2010	$ 37,136	$ (9,373)
Balance at January 1, 2011	$ 37,914	$ (5,375)
Total gains or losses (realized / unrealized):		
Included in earnings	1,763	4,930
Included in other comprehensive (loss) income	(616)	--
Settlements	(22,115)	--
Balance at September 30, 2011	$ 16,946	$ (445)

Fair Value of Financial Instruments

The carrying amount of cash and cash equivalents, restricted cash, floating-rate affiliated accounts and notes receivable, accounts payable and other accrued liabilities, floating-rate short-term debt, floating-rate affiliated debt and floating-rate long-term debt was assumed to approximate its fair value.

Financial Instruments Not Carried at Fair Value

The carrying amount and estimated fair value of assets and liabilities considered financial instruments as of September 30, 2011 and December 31, 2010 are as follows:

	September 30, 2011		December 31, 2010	
	Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value
Receivables	$ 9,608,408	$ 9,707,231	$ 8,627,213	$ 8,258,863
Short-term debt	$ 3,901,519	$ 3,890,759	$ 3,875,932	$ 3,799,842
Affiliated debt	$ 1,183,433	$ 1,174,797	$ 1,567,107	$ 1,587,538
Long-term debt	$ 4,793,026	$ 4,773,072	$ 4,043,897	$ 4,067,386

Financial Assets

The fair value of receivables was based on discounting the estimated future payments at prevailing market rates.

Financial Liabilities

The fair values of fixed-rate debt were based on current market quotes for identical or similar borrowings and credit risk.

NOTE 8: SEGMENT AND GEOGRAPHICAL INFORMATION

The Company's segment data is based on disclosure requirements of accounting guidance on segment reporting, which requires financial information be reported on the basis that is used internally for measuring segment performance. The Company's reportable segments are strategic business units that are organized around differences in geographic areas. Each segment is managed separately as they require different knowledge of regulatory environments and marketing strategies. The operating segments offer primarily the same services within each of the respective segments.

(Dollars in thousands)

A summary of the Company's reportable segment information is as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2011	2010	2011	2010
Revenues				
United States	$ 158,757	$ 172,709	$ 476,411	$ 511,223
Canada	48,542	46,072	144,393	133,461
	$ 207,299	$ 218,781	$ 620,804	$ 644,684
Interest expense				
United States	$ 49,299	$ 64,452	$ 155,893	$ 195,729
Canada	14,509	14,253	47,221	42,493
	$ 63,808	$ 78,705	$ 203,114	$ 238,222
Segment profit				
United States	$ 37,309	$ 35,760	$ 113,975	$ 69,816
Canada	15,548	22,689	42,900	46,367
	$ 52,857	$ 58,449	$ 156,875	$ 116,183
Depreciation and amortization				
United States	$ 19,328	$ 24,823	$ 60,575	$ 69,351
Canada	8,681	7,203	25,004	20,486
	$ 28,009	$ 32,026	$ 85,579	$ 89,837
Expenditures for equipment on operating leases and for non-lease assets				
United States	$ 42,731	$ 66,005	$ 177,925	$ 192,487
Canada	19,298	20,633	72,893	65,151
	$ 62,029	$ 86,638	$ 250,818	$ 257,638
Provision for credit losses				
United States	$ 7,735	$ 6,384	$ 12,895	$ 67,224
Canada	449	1,260	548	2,665
	$ 8,184	$ 7,644	$ 13,443	$ 69,889
Reconciliation:				
Segment profit				
Profit from segments	$ 52,857	$ 58,449	$ 156,875	$ 116,183
Less: inter-segment balances	--	(70)	(138)	(17)
Total	$ 52,857	$ 58,379	$ 156,737	$ 116,166

(Dollars in thousands)

	As of September 30, 2011	As of December 31, 2010
Segment assets		
United States	$ 9,339,268	$ 8,843,372
Canada	2,285,707	2,307,319
Total	$ 11,624,975	$ 11,150,691
Managed portfolio		
United States	$ 8,117,365	$ 7,214,953
Canada	1,714,781	1,737,091
Total	$ 9,832,146	$ 8,952,044
Reconciliation:		
Segment assets		
Assets from segments	$ 11,624,975	$ 11,150,691
Less: inter-segment balances	(5,729)	(2,449)
Less: investment in subsidiaries	(105,372)	(105,372)
Total	$ 11,513,874	$ 11,042,870

NOTE 9: RELATED PARTY TRANSACTIONS

The Company receives compensation from CNH America for retail installment sales contracts and finance leases that were created under certain low-rate financing programs and interest waiver programs offered to customers by CNH America. The amount recognized from CNH America for below-market interest rate financing are included in "Interest income on retail and other receivables and finance leases" in the accompanying consolidated statements of income, and was $51,851 and $164,967 for the three and nine months ended September 30, 2011, respectively, and $55,716 and $168,304 for the three and nine months ended September 30, 2010, respectively.

For selected operating leases, CNH America compensates the Company for the difference between the market rental rates and the amount paid by the customer and is included in "Rental income on operating leases" in the accompanying consolidated statements of income. For the three months ended September 30, 2011 and 2010, the amount recognized from CNH America for these operating leases is $6,453 and $5,670, respectively, and for the nine months ended September 30, 2011 and 2010, the amount recognized from CNH America for these operating leases is $18,791 and $16,202, respectively.

Similarly, for selected wholesale receivables, CNH America compensates the Company for the difference between market rates and the amount paid by the dealer and are included in "Interest income from affiliates". For the three months ended September 30, 2011 and 2010, the amount recognized by CNH America for these wholesale receivables is $33,000 and $31,525, respectively, and for the nine months ended September 30, 2011 and 2010, the amount recognized by CNH America for these wholesale receivables is $90,262 and $84,605, respectively.

Accounts payable and other accrued liabilities of $48,190 and $5,643, respectively, as of September 30, 2011 and December 31, 2010, were payable to related parties.

(Dollars in thousands)

NOTE 10: COMMITMENTS AND CONTINGENCIES

Legal Matters

The Company is party to various litigation matters and claims arising from its operations. Management believes that the outcome of these proceedings, individually and in the aggregate, will not have a material adverse effect on the Company's financial position or results of operations.

Guarantees

The Company provides payment guarantees on the financial debt of various CNH European affiliates for approximately $305,009. The guarantees are in effect for the term of the underlying funding facilities, which have various maturities through 2017.

Commitments

At September 30, 2011, the Company has various agreements to extend credit for the following managed portfolios:

	Total Credit Limit	Utilized	Unfunded Commitment
Private label commercial revolving accounts	$ 3,561,911	$ 330,342	$ 3,231,569
Wholesale and dealer financing	$ 4,870,103	$ 3,341,704	$ 1,528,399

The commercial revolving accounts are issued by the Company to retail customers for purchases of parts and services at CNH America equipment dealers.

NOTE 11: SUPPLEMENTAL CONDENSED CONSOLIDATING FINANCIAL INFORMATION

Certain wholly-owned subsidiaries of CNH Capital LLC (the "Guarantor Entities") guarantee certain indebtedness of CNH Capital LLC. As the guarantees are full, unconditional, and joint and several and as the Guarantor Entities are all wholly-owned by CNH Capital LLC, the Company has included the following condensed consolidating financial information as of September 30, 2011 and December 31, 2010 and for the three and nine months ended September 30, 2011 and 2010. The condensed consolidating financial information reflects investments in consolidated subsidiaries under the equity method of accounting.

CNH CAPITAL LLC AND SUBSIDIARIES

CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Dollars in thousands)
(Unaudited)

The following condensed financial statements present CNH Capital LLC, the Guarantor Entities and all other subsidiaries as of September 30, 2011 and December 31, 2010, and for the three and nine months ended September 30, 2011 and 2010.

	Condensed Statements of Income for the Three Months Ended September 30, 2011				
	CNH Capital LLC	Guarantor Entities	All Other Subsidiaries	Eliminations	Consolidated
REVENUES					
Interest income on retail and other receivables and finance leases	$ --	$ 8,375	$ 102,610	$ --	$ 110,985
Interest income from affiliates	--	31,958	35,830	(31,285)	36,503
Servicing fee income	--	18,600	97	(18,348)	349
Rental income on operating leases	--	26,811	14,017	--	40,828
Other income	--	7,626	11,008	--	18,634
Total revenues	--	93,370	163,562	(49,633)	207,299
EXPENSES					
Interest expense:					
Interest expense to third parties	1,273	1,430	50,992	--	53,695
Interest expense to affiliates	53	33,766	7,579	(31,285)	10,113
Total interest expense	1,326	35,196	58,571	(31,285)	63,808
Operating expenses:					
Fees charged by affiliates	--	11,784	21,427	(18,348)	14,863
Provision for credit losses	--	3,663	4,521	--	8,184
Other than temporary impairment of retained interests	--	17	345	--	362
Depreciation of equipment on operating leases	--	18,127	9,557	--	27,684
Other expenses	--	5,898	3,384	--	9,282
Total operating expenses	--	39,489	39,234	(18,348)	60,375
Total expenses	1,326	74,685	97,805	(49,633)	124,183
(Loss) income before income taxes and equity in income of consolidated subsidiaries accounted for under the equity method	(1,326)	18,685	65,757	--	83,116
Income tax (benefit) provision	(528)	6,397	24,390	--	30,259
Equity in income of consolidated subsidiaries accounted for under the equity method	53,360	41,072	--	(94,432)	--
NET INCOME	52,562	53,360	41,367	(94,432)	52,857
Net income attributed to the noncontrolling interest	--	--	(295)	--	(295)
NET INCOME ATTRIBUTABLE TO CNH CAPITAL LLC	$ 52,562	$ 53,360	$ 41,072	$ (94,432)	$ 52,562

CNH CAPITAL LLC AND SUBSIDIARIES

CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Dollars in thousands)
(Unaudited)

Condensed Statements of Income for the Nine Months Ended September 30, 2011

	CNH Capital LLC	Guarantor Entities	All Other Subsidiaries	Eliminations	Consolidated
REVENUES					
Interest income on retail and other receivables and finance leases	$ --	$ 27,581	$ 314,199	$ --	$ 341,780
Interest income from affiliates	--	87,271	99,494	(85,826)	100,939
Servicing fee income	--	53,356	441	(52,477)	1,320
Rental income on operating leases	--	74,318	48,302	--	122,620
Other income	--	22,018	32,127	--	54,145
Total revenues	--	264,544	494,563	(138,303)	620,804
EXPENSES					
Interest expense:					
Interest expense to third parties	1,273	(7,824)	173,759	--	167,208
Interest expense to affiliates	131	98,164	23,437	(85,826)	35,906
Total interest expense	1,404	90,340	197,196	(85,826)	203,114
Operating expenses:					
Fees charged by affiliates	--	36,286	61,740	(52,477)	45,549
Provision for credit losses	--	8,987	4,456	--	13,443
Other than temporary impairment of retained interests	--	17	901	--	918
Depreciation of equipment on operating leases	--	50,966	33,665	--	84,631
Other expenses	--	22,684	3,965	--	26,649
Total operating expenses	--	118,940	104,727	(52,477)	171,190
Total expenses	1,404	209,280	301,923	(138,303)	374,304
(Loss) income before income taxes and equity in income of consolidated subsidiaries accounted for under the equity method	(1,404)	55,264	192,640	--	246,500
Income tax (benefit) provision	(559)	18,060	72,262	--	89,763
Equity in income of consolidated subsidiaries accounted for under the equity method	156,482	119,278	--	(275,760)	--
NET INCOME	155,637	156,482	120,378	(275,760)	156,737
Net income attributed to the noncontrolling interest	--	--	(1,100)	--	(1,100)
NET INCOME ATTRIBUTABLE TO CNH CAPITAL LLC	$ 155,637	$ 156,482	$ 119,278	$ (275,760)	$ 155,637

CNH CAPITAL LLC AND SUBSIDIARIES

CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Dollars in thousands)
(Unaudited)

	Condensed Balance Sheets as of September 30, 2011				
	CNH Capital LLC	Guarantor Entities	All Other Subsidiaries	Eliminations	Consolidated
ASSETS					
Cash and cash equivalents	$ --	$ 157,189	$ 74,500	$ --	$ 231,689
Restricted cash	--	100	686,377	--	686,477
Receivables, less allowance for credit losses	--	752,519	8,855,889	--	9,608,408
Retained interests in securitized receivables	--	5,861	14,474	(3,389)	16,946
Affiliated accounts and notes receivable	150,264	1,083,704	1,077,839	(2,205,893)	105,914
Equipment on operating leases, net	--	399,643	214,629	--	614,272
Equipment held for sale	--	16,344	6,261	--	22,605
Investments in consolidated subsidiaries accounted for under the equity method	1,229,420	1,502,248	--	(2,731,668)	--
Goodwill and intangible assets	--	84,145	34,659	--	118,804
Other assets	3,448	11,382	93,929	--	108,759
TOTAL	$ 1,383,132	$ 4,013,135	$ 11,058,557	$ (4,940,950)	$ 11,513,874
LIABILITIES AND STOCKHOLDER'S EQUITY					
LIABILITIES:					
Short-term debt, including current maturities of long-term debt	$ --	$ 179,305	$ 3,722,214	$ --	$ 3,901,519
Accounts payable and other accrued liabilities	1,145	1,399,613	449,043	(1,490,998)	358,803
Affiliated debt	9,395	972,270	920,052	(718,284)	1,183,433
Long-term debt	150,000	232,527	4,410,499	--	4,793,026
Total liabilities	160,540	2,783,715	9,501,808	(2,209,282)	10,236,781
STOCKHOLDER'S EQUITY	1,222,592	1,229,420	1,556,749	(2,731,668)	1,277,093
TOTAL	$ 1,383,132	$ 4,013,135	$ 11,058,557	$ (4,940,950)	$ 11,513,874

CNH CAPITAL LLC AND SUBSIDIARIES

CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Dollars in thousands)
(Unaudited)

	Condensed Statements of Cash Flows for the Nine Months Ended September 30, 2011				
	CNH Capital LLC	Guarantor Entities	All Other Subsidiaries	Eliminations	Consolidated
CASH FLOWS FROM OPERATING ACTIVITIES:					
Net cash from operating activities	$ (153,125)	$ 94,775	$ 450,031	$ 18,117	$ 409,798
CASH FLOW FROM INVESTING ACTIVITIES:					
Cost of receivables acquired	--	(10,204,270)	(11,365,186)	8,771,781	(12,797,675)
Collections of receivables	--	10,381,021	10,129,070	(8,771,614)	11,738,477
Decrease in restricted cash	--	--	79,387	--	79,387
Purchase of equipment on operating leases, net	--	(91,559)	(2,015)	--	(93,574)
Other investing activities	--	(143)	--	--	(143)
Net cash from investing activities	--	85,049	(1,158,744)	167	(1,073,528)
CASH FLOWS FROM FINANCING ACTIVITIES:					
Intercompany activity	3,125	(314,056)	(44,272)	(18,284)	(373,487)
Net increase in indebtedness	150,000	91,134	606,980	--	848,114
Net cash from financing activities	153,125	(222,922)	562,708	(18,284)	474,627
DECREASE IN CASH AND CASH EQUIVALENTS	--	(43,098)	(146,005)	--	(189,103)
CASH AND CASH EQUIVALENTS:					
Beginning of period	--	200,287	220,505	--	420,792
End of period	$ --	$ 157,189	$ 74,500	$ --	$ 231,689

(Dollars in thousands)

	Condensed Statements of Income for the Three Months Ended September 30, 2010				
	CNH Capital LLC	Guarantor Entities	All Other Subsidiaries	Eliminations	Consolidated
REVENUES					
Interest income on retail and other receivables and finance leases	$ --	$ 12,811	$ 110,041	$ --	$ 122,852
Interest income from affiliates	--	30,723	34,347	(30,522)	34,548
Servicing fee income	--	19,157	287	(18,714)	730
Rental income on operating leases	--	30,497	10,287	--	40,784
Other income	--	8,419	11,448	--	19,867
Total revenues	--	101,607	166,410	(49,236)	218,781
EXPENSES					
Interest expense:					
Interest expense to third parties	--	5,061	52,225	--	57,286
Interest expense to affiliates	39	40,832	11,070	(30,522)	21,419
Total interest expense	39	45,893	63,295	(30,522)	78,705
Operating expenses:					
Fees charged by affiliates	--	12,163	21,525	(18,714)	14,974
Provision (benefit) for credit losses	--	8,341	(697)	--	7,644
Other than temporary impairment of retained interests	--	--	1,390	--	1,390
Depreciation of equipment on operating leases	--	24,521	7,152	--	31,673
Other expenses	--	4,725	5,376	--	10,101
Total operating expenses (income)	--	49,750	34,746	(18,714)	65,782
Total expenses	39	95,643	98,041	(49,236)	144,487
(Loss) income before income taxes and equity in income of consolidated subsidiaries accounted for under the equity method	(39)	5,964	68,369	--	74,294
Income tax (benefit) provision	(15)	(17,199)	33,129	--	15,915
Equity in income of consolidated subsidiaries accounted for under the equity method	57,989	34,826	--	(92,815)	--
NET INCOME	57,965	57,989	35,240	(92,815)	58,379
Net income attributed to the noncontrolling interest	--	--	(414)	--	(414)
NET INCOME ATTRIBUTABLE TO CNH CAPITAL LLC	$ 57,965	$ 57,989	$ 34,826	$ (92,815)	$ 57,965

CNH CAPITAL LLC AND SUBSIDIARIES

CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Dollars in thousands)
(Unaudited)

	Condensed Statements of Income for the Nine Months Ended September 30, 2010				
	CNH Capital LLC	Guarantor Entities	All Other Subsidiaries	Eliminations	Consolidated
REVENUES					
Interest income on retail and other receivables and finance leases	$ --	$ 37,927	$ 334,620	$ --	$ 372,547
Interest income from affiliates	--	83,355	64,803	(54,922)	93,236
Servicing fee income	--	50,629	1,184	(49,105)	2,708
Rental income on operating leases	--	92,388	29,041	--	121,429
Other income	--	21,990	32,774	--	54,764
Total revenues	--	286,289	462,422	(104,027)	644,684
EXPENSES					
Interest expense:					
Interest expense to third parties	--	11,301	166,071	--	177,372
Interest expense to affiliates	116	83,185	32,471	(54,922)	60,850
Total interest expense	116	94,486	198,542	(54,922)	238,222
Operating expenses:					
Fees charged by affiliates	--	36,476	57,060	(49,105)	44,431
Provision for credit losses	--	62,725	7,164	--	69,889
Other than temporary impairment of retained interests	--	--	3,518	--	3,518
Depreciation of equipment on operating leases	--	68,436	20,333	--	88,769
Other expenses	--	17,502	14,156	--	31,658
Total operating expenses	--	185,139	102,231	(49,105)	238,265
Total expenses	116	279,625	300,773	(104,027)	476,487
(Loss) income before income taxes and equity in income of consolidated subsidiaries accounted for under the equity method	(116)	6,664	161,649	--	168,197
Income tax (benefit) provision	(46)	2,510	49,567	--	52,031
Equity in income of consolidated subsidiaries accounted for under the equity method	114,831	110,677	--	(225,508)	--
NET INCOME	114,761	114,831	112,082	(225,508)	116,166
Net income attributed to the noncontrolling interest	--	--	(1,405)	--	(1,405)
NET INCOME ATTRIBUTABLE TO CNH CAPITAL LLC	$ 114,761	$ 114,831	$ 110,677	$ (225,508)	$ 114,761

CNH CAPITAL LLC AND SUBSIDIARIES

CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Dollars in thousands)
(Unaudited)

	Condensed Balance Sheets as of December 31, 2010				
	CNH Capital LLC	Guarantor Entities	All Other Subsidiaries	Eliminations	Consolidated
ASSETS					
Cash and cash equivalents	$ --	$ 200,287	$ 220,505	$ --	$ 420,792
Restricted cash	--	100	773,154	--	773,254
Receivables, less allowance for credit losses	--	928,022	7,699,191	--	8,627,213
Retained interests in securitized receivables	--	19,641	21,495	(3,222)	37,914
Affiliated accounts and notes receivable	285	955,399	1,208,725	(2,030,990)	133,419
Equipment on operating leases, net	--	359,050	254,843	--	613,893
Equipment held for sale	--	33,132	13,264	--	46,396
Investments in consolidated subsidiaries accounted for under the equity method	1,100,219	1,408,487	--	(2,508,706)	--
Goodwill and intangible assets	--	84,656	36,368	--	121,024
Other assets	62	24,447	244,456	--	268,965
TOTAL	$ 1,100,566	$ 4,013,221	$ 10,472,001	$ (4,542,918)	$ 11,042,870
LIABILITIES AND STOCKHOLDER'S EQUITY					
LIABILITIES:					
Short-term debt, including current maturities of long-term debt	$ --	$ 141,563	$ 3,734,369	$ --	$ 3,875,932
Accounts payable and other accrued liabilities	61	1,305,975	436,472	(1,334,211)	408,297
Affiliated debt	6,269	1,286,329	974,510	(700,001)	1,567,107
Long-term debt	--	179,135	3,864,762	--	4,043,897
Total liabilities	6,330	2,913,002	9,010,113	(2,034,212)	9,895,233
STOCKHOLDER'S EQUITY	1,094,236	1,100,219	1,461,888	(2,508,706)	1,147,637
TOTAL	$ 1,100,566	$ 4,013,221	$ 10,472,001	$ (4,542,918)	$ 11,042,870

(Dollars in thousands)

	Condensed Statements of Cash Flows for the Nine Months Ended September 30, 2010				
	CNH Capital LLC	Guarantor Entities	All Other Subsidiaries	Eliminations	Consolidated
CASH FLOWS FROM OPERATING ACTIVITIES:					
Net cash from operating activities	$ (116)	$ 5,118	$ 397,686	$ (65,255)	$ 337,433
CASH FLOW FROM INVESTING ACTIVITIES:					
Cost of receivables acquired	--	(8,921,234)	(9,682,084)	7,124,929	(11,478,389)
Collections of receivables	--	8,862,851	9,043,718	(7,124,929)	10,781,640
Purchase of equipment on operating leases, net	--	(63,203)	(43,564)	--	(106,767)
Other investing activities	--	1,918	(54,368)	--	(52,450)
Net cash from investing activities	--	(119,668)	(736,298)	--	(855,966)
CASH FLOWS FROM FINANCING ACTIVITIES:					
Intercompany activity	116	313,018	(62,313)	(16,018)	234,803
Net increase in indebtedness	--	18,989	297,350	--	316,339
Redemption of paid in capital	--	--	(81,273)	81,273	--
Dividends to CNH America LLC	--	(250,000)	--	--	(250,000)
Net cash from financing activities	116	82,007	153,764	65,255	301,142
DECREASE IN CASH AND CASH EQUIVALENTS	--	(32,543)	(184,848)	--	(217,391)
CASH AND CASH EQUIVALENTS:					
Beginning of period	--	154,248	243,766	--	398,014
End of period	$ --	$ 121,705	$ 58,918	$ --	$ 180,623

NOTE 12: SUBSEQUENT EVENTS

On November 4, 2011, CNH Capital LLC completed a private offering of $500 million in aggregate principal amount of its 6.250% notes, issued at par. These notes are senior unsecured obligations of CNH Capital LLC and are guaranteed by CNH Capital America LLC and New Holland Credit Company, LLC. The notes will mature on November 1, 2016.

Subsequent events have been evaluated by management through January 13, 2012, the date of issuance of these financial statements.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

OVERVIEW

Organization

We offer a range of financial products and services to our North American dealers and customers. The principal products offered are retail financing for the purchase or lease of new and used CNH equipment and wholesale financing to our dealers. Wholesale financing consists primarily of floor plan financing as well as financing equipment used in dealer-owned rental yards, parts inventory and working capital needs. In addition, we purchase equipment from dealers that is leased to retail customers under operating lease agreements, and we finance customers using our private-label commercial revolving accounts.

Trends and Economic Conditions

Our business is closely related to the agricultural and construction equipment industries because we offer financing products for such equipment. CNH forecasts full year 2011 industry tractor sales to be flat and combines to be 0% - 5% better compared to full year 2010. For construction equipment, CNH Global N.V. forecasts full year 2011 industry sales to be up approximately 35% compared to full year 2010.

In general, our loan mix between agricultural and construction equipment financing directionally reflects the mix of equipment sales by CNH. As such, changes in the agricultural industry or with respect to our agricultural equipment borrowers ("farmers") may affect the majority of our lending portfolio.

Overall, the North American agricultural industry has shown stability during the recent economic crisis. During the past five years, farm income in North America has experienced some of its highest historical levels. The relatively fixed supply of North American agricultural farm land combined with the growing demand for food products has been one of the drivers of strong commodity prices and growth in farm equity. The financing we provide to our borrowers is secured by the financed equipment, which typically has a long useful life and is a key component in the farmers' sources of income. All of these factors contribute in part to the strong credit performance of our lending portfolio in recent periods.

Net income attributable to CNH Capital LLC was $52.6 million for the three months ended September 30, 2011, compared to $58.0 million for the three months ended September 30, 2010. We generated improved financial margins on a higher average portfolio. The total retail receivables balance 30 days or more past due as a percentage of the retail receivables was 1.2%, 2.1% and 2.4% at September 30, 2011, December 31, 2010 and September 30, 2010, respectively. Market conditions continued to improve in the construction and agricultural equipment sectors during the relevant periods.

Net income attributable to CNH Capital LLC was $155.6 million for the nine months ended September 30, 2011 compared to $114.8 million for the nine months ended September 30, 2010. Net interest margin improved due to a higher average portfolio. Additionally, there was a $56.5 million improvement in the provision for credit losses.

Macroeconomic issues for the Company include the uncertainty of the global economic recovery, the impact of sovereign and state debt, capital market disruptions, the availability of credit for the Company and its customers, the effectiveness of governmental actions in respect to monetary policies, general economic conditions and financial regulatory reform.

RESULTS OF OPERATIONS

Three and Nine Months Ended September 30, 2011 Compared to Three and Nine Months Ended September 30, 2010

Revenues

Revenues for the three and nine months ended September 30, 2011 and 2010 were as follows (dollars in thousands, except percentages):

	Three Months Ended September 30,			
	2011	2010	$ Change	% Change
Interest income on retail and other receivables and finance leases	$ 110,985	$ 122,852	$ (11,867)	(9.7)%
Interest income from affiliates	36,503	34,548	1,955	5.7
Servicing fee income	349	730	(381)	(52.2)
Rental income on operating leases	40,828	40,784	44	0.1
Other income	18,634	19,867	(1,233)	(6.2)
Total revenues	$ 207,299	$ 218,781	$ (11,482)	(5.2)%

	Nine Months Ended September 30,			
	2011	2010	$ Change	% Change
Interest income on retail and other receivables and finance leases	$ 341,780	$ 372,547	$ (30,767)	(8.3)%
Interest income from affiliates	100,939	93,236	7,703	8.3
Servicing fee income	1,320	2,708	(1,388)	(51.3)
Rental income on operating leases	122,620	121,429	1,191	1.0
Other income	54,145	54,764	(619)	(1.1)
Total revenues	$ 620,804	$ 644,684	$ (23,880)	(3.7)%

Revenues totaled $207.3 million and $620.8 million for the three and nine months ended September 30, 2011 compared to $218.8 million and $644.7 million for the same periods in 2010. The decrease was primarily due to the decrease in interest income on retail and wholesale receivables.

Retail and wholesale revenue for the three and nine months ended September 30, 2011 was $111.0 million and $341.8 million, representing decreases of $11.9 million and $30.8 million from the same periods in 2010, respectively. For the quarter, the decrease was primarily due to a $18.5 million unfavorable impact from lower interest rates on new and existing retail and wholesale receivables, partially offset by an $8.2 million favorable impact from higher average earning assets.

For the nine months ended September 30, 2011, compared to the same period in 2010, the decrease was primarily due to a $42.9 million unfavorable impact from lower interest rates, partially offset by a $17.8 million favorable impact from higher average earning assets.

Operating lease revenue for the three and nine months ended September 30, 2011 was $40.8 million and $122.6 million, an increase of $0.1 million and $1.2 million from the same periods in 2010. The increase in the quarter was due to a $1.3 million favorable impact from higher average earning assets, partially offset by a $1.2 million unfavorable impact from lower interest rates on new and existing leases. For the nine months ended September 30, 2011 compared to the same period in 2010, the increase was due to a $4.1 million favorable impact from higher average earning assets, partially offset by a $2.9 million unfavorable impact from lower interest rates on new and existing leases.

Expenses

Interest expense totaled $63.8 million and $203.1 million for the three and nine months ended September 30, 2011 compared to $78.7 million and $238.2 million for the same periods in 2010. The decrease was primarily due to lower average interest rates.

Administrative and operating expenses were $60.4 million and $171.2 million for the three and nine months ended September 30, 2011 compared to $65.8 million and $238.3 million for the same periods in 2010. The decrease in the quarter was primarily due to a reduction in the deprecation of equipment on operating leases. For the nine months, the decrease was due to a reduction in the provision for credit losses and a reduction in depreciation of equipment on operating leases.

The provision for credit losses was $8.2 million and $13.4 million for the three and nine months ended September 30, 2011 compared to $7.6 million and $70.0 million for the same periods in 2010. The decrease in the nine months was primarily due to lower loss rates of construction equipment retail receivables and improvements in the delinquency rates of the retail portfolio.

The effective tax rate was 36.4% for the three and nine month periods ended September 30, 2011, compared to 21.4% and 30.9% for the same periods in 2010. The lower rate in 2010 was primarily due to the release of certain tax contingencies in 2010.

Receivables and Equipment on Operating Leases Originated and Held

Receivable and equipment on operating lease originations for the three and nine months ended September 30, 2011 and 2010 were as follows (dollars in thousands, except percentages):

	Three Months Ended September 30,			
	2011	**2010**	**$ Change**	**% Change**
Retail receivables	$ 939,751	$ 840,010	$ 99,741	11.9%
Wholesale receivables	3,217,284	2,879,697	337,587	11.7
Other	276,865	273,150	3,715	1.4
Equipment on operating leases	62,028	86,638	(24,610)	(28.4)
Total originations	$ 4,495,928	$ 4,079,495	$ 416,433	10.2%

	Nine Months Ended September 30,			
	2011	**2010**	**$ Change**	**% Change**
Retail receivables	$ 2,587,663	$ 2,196,750	$ 390,913	17.8%
Wholesale receivables	9,488,822	8,468,044	1,020,778	12.1
Other	721,190	714,946	6,244	0.9
Equipment on operating leases	250,818	257,638	(6,820)	(2.6)
Total originations	$ 13,048,493	$ 11,637,378	$ 1,411,115	12.1%

Retail receivables originations increased in the three and nine months ended September 30, 2011 compared to the same periods in 2010, primarily due to increases in retail sales of CNH equipment. Wholesale receivables originations increased primarily due to an increase in net sales of CNH equipment.

Total receivables and equipment on operating leases held as of September 30, 2011, December 31, 2010 and September 30, 2010 were as follows (in thousands):

	September 30, 2011	December 31, 2010	September 30, 2010
Retail receivables	$ 5,989,675	$ 5,708,497	$ 5,653,930
Wholesale receivables	3,388,203	2,757,048	3,179,290
Other	326,365	280,398	353,080
Equipment on operating leases	614,272	613,893	618,698
Total receivables and equipment on operating leases	$ 10,318,515	$ 9,359,836	$ 9,804,998

The total retail receivables balance 30 days or more past due as a percentage of the managed retail receivables was 1.2%, 2.1% and 2.4% at September 30, 2011, December 31, 2010 and September 30, 2010, respectively. Market conditions continued to improve in the construction and agricultural equipment sectors during the relevant periods. The total wholesale receivables balance 30 days or more past due as a percentage of the managed wholesale receivables was not significant with respect to any of the foregoing periods. Total retail receivables on non-accrual status, which represent receivables for which we have ceased accruing finance income, were $67.7 million, $51.4 million and $51.2 million at September 30, 2011, December 31, 2010 and September 30, 2010, respectively. Total wholesale receivables on non-accrual status were $54.5 million, $62.3 million and $56.8 million at September 30, 2011, December 31, 2010 and September 30, 2010, respectively.

Total receivable write-off amounts, net of recoveries, by product for the three and nine months ended September 30, 2011 and 2010 were as follows (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2011	2010	2011	2010
Retail receivables	$ 4,739	$ 13,744	$ 15,960	$ 47,055
Wholesale receivables	1,373	1,615	11,234	10,254
Other	1,624	4,227	7,712	11,988
Total write-offs, net of recoveries	$ 7,736	$ 19,586	$ 34,906	$ 69,297

The decrease in retail write-offs is consistent with improved conditions in the construction market and delinquency trends in both the construction and agricultural markets.

Our allowance for credit losses on all receivables financed totaled $95.8 million at September 30, 2011, $118.7 million at December 31, 2010 and $130.0 million at September 30, 2010. The level of the allowance is based on many quantitative and qualitative factors, including historical loss experience by product category, portfolio duration, delinquency trends, economic conditions and credit risk quality. We believe our allowance is sufficient to provide for losses in our existing receivable portfolio.

LIQUIDITY AND CAPITAL RESOURCES

The following discussion of liquidity and capital resources principally focuses on our statements of cash flows, balance sheets and capitalization. The majority of our originated receivables are securitized, and cash generated from such receivables is utilized to pay the related debt. In addition, we have committed facilities, affiliate borrowing and cash to fund our liquidity and capital needs.

CNH Capital's current funding strategy is to maintain sufficient liquidity and access to funding in order to finance our various receivables portfolios, and to ensure a high degree of flexibility when evaluating a wide variety of financial instruments for inclusion in our funding mix. In addition to our current funding and liquidity sources, which include a combination of term receivables securitizations, committed asset-backed facilities, secured borrowings and affiliate funding sources, we expect changes to our funding profile as costs and terms of accessing the unsecured term market improve.

Cash Flows

	For the Nine Months Ended September 30, 2011	2010
	(in thousands)	
Cash flows from operating activities	$ 408,880	$ 338,103
Cash flows used in investing activities	(1,072,610)	(856,636)
Cash flows from financing activities	474,627	301,142
Net cash used	$ (189,103)	$ (217,391)

Operating activities in the nine months ended September 30, 2011 generated cash of $409 million, resulting primarily from net income of $157 million and a decrease in other assets and equipment held for sale of $139 million. The increase of cash generated from operating activities in the nine months ended September 30, 2011 compared to the nine months ended September 30, 2010 was primarily due to the year over year increase in net income. Operating activities in the nine months ended September 30, 2010 generated cash of $338 million, resulting primarily from $70 million related to the provision for credit losses and net income of $116 million.

Cash flows used in investing activities in the nine months ended September 30, 2011 totaled $1,073 million, resulting from a net growth in receivables of $1,058 million and $251 million in expenditures for equipment on operating leases, partially offset proceeds from the sale of equipment on operating lease of $157 million. The increase of cash used in investing activities in the nine months ended September 30, 2011 compared to the nine months ended September 30, 2010 was primarily due to a higher growth in receivables and a decrease in restricted cash. The cash flows used in investing activities in the nine months ended September 30, 2010 primarily reflected a net acquisition of receivables of $697 million.

Cash flows generated by financing activities in the nine months ended September 30, 2011 of $475 million primarily reflected the net cash payment of $373 million to reduce affiliated debt and net cash received of $805 million of long term debt and short term borrowings. The increase of cash generated in the nine months ended September 30, 2011 compared to the nine months ended September 30, 2010 was primarily due to a dividend payment in 2010. The cash flows generated by financing activities in the nine months ended September 30, 2010 primarily resulted from debt proceeds, net of payments offset by a dividend payment of $250 million.

Liquidity

The vast majority of the Company’s debt is self-liquidating from the cash generated by the underlying amortizing receivables. Normally, additional liquidity should not be necessary for the maturity of such debt. Net originations of retail receivables are usually warehoused in committed asset-backed facilities until being refinanced in the term ABS market or with other third-party debt. New wholesale receivables are typically financed by variable funding notes (“VFNs”) and may be refinanced depending on current market conditions.

Debt

Our consolidated debt as of September 30, 2011 and December 31, 2010 is set forth in the table below (in thousands):

	September 30, 2011	December 31, 2010
Short-term debt	$ 3,901,519	$ 3,875,932
Long-term debt	4,793,026	4,043,897
Total third-party debt	8,694,545	7,919,829
Affiliated debt	1,183,430	1,567,107
Total debt	$ 9,877,975	$ 9,486,936

Securitization

CNH Capital and its predecessor entities have been securitizing receivables since 1992. Because this market remains a cost effective financing source and allows access to a wide investor base, we expect to continue utilizing securitization transactions as one of our core sources of funding in the near future. CNH Capital has completed public and private issuances of asset-backed securities in both the U.S. and Canada and, as of September 30, 2011, approximately $6.0 billion of CNH Capital's public term asset-backed securities were outstanding.

Committed Asset-Backed Facilities

CNH Capital has committed asset-backed facilities with several banks, primarily through their commercial paper conduit programs. Committed asset-backed facilities for U.S. and Canada totaled $3.7 billion at September 30, 2011, with original maturities of one to two years. The excess availability under the facilities varies during the year, depending on origination volume and the refinancing of receivables with term securitization transactions. At September 30, 2011, approximately $1.0 billion of funding was available for use under these facilities.

Other Financing Transactions

CNH Capital has also met some of its funding needs through financing opportunities such as bank loans secured by various receivables, third-party direct sale transactions and private short-term lending agreements.

During 2011, the Company completed two unsecured funding transactions. On July 15, 2011, CNH Capital entered into a $250 million five-year unsecured credit facility consisting of a $150 million term facility and a $100 million revolving credit facility with a final maturity of July 2016. CNH Capital LLC is the borrower and CNH Capital America LLC and New Holland Credit, LLC are the guarantors under these two funding transactions.

On November 4, 2011, CNH Capital LLC completed a private offering of $500 million in aggregate principal amount of its 6.25% notes, issued at par. These notes are senior unsecured obligations of CNH Capital LLC and are guaranteed by CNH Capital America LLC and New Holland Credit Company, LLC. The notes will mature on November 1, 2016.

Affiliate Sources

CNH Capital borrows, as needed, from CNH. This source of funding is primarily used to finance various on-book assets and provides additional flexibility when evaluating market conditions and potential third-party financing options. We have obtained financing from Fiat Industrial treasury subsidiaries and, from time to time, have entered into term loan agreements. At September 30, 2011, affiliated debt was $1,183 million, down from $1,567 million at December 31, 2010.

Our solid equity position also supports our capabilities to efficiently access various funding sources. Our stockholder's equity at September 30, 2011 was $1.3 billion, compared to $1.1 billion at December 31, 2010.

In connection with a limited number of funding transactions, CNH Capital America LLC provides financial guarantees to various parties on behalf of certain foreign CNH Financial Services subsidiaries, in an amount not to exceed $305 million as of September 30, 2011.

In the event that we, or any of our debt securities, experiences a credit ratings downgrade it would likely result in an increase in our borrowing costs and make access to certain credit markets more difficult. While we expect continued growth in the global economy, in the event conditions deteriorate such that access to debt markets becomes unavailable, we would rely on cash flow from our existing portfolio, utilization of existing cash balances, access to our revolving credit facilities and out other credit facilities and potential borrowings from CNH Global. In addition, CNH Global maintains a support agreement with us, which requires CNH Global to remain our sole owner and may, under certain circumstances, require CNH Global to make payments to us should we fail to maintain certain financial ratios.

Cautionary Note Regarding Forward-Looking Statements

All statements other than statements of historical fact contained in this report, including statements regarding our competitive strengths; business strategy; future financial position or operating results; budgets; projections with respect to revenue, income, capital expenditures, capital structure or other financial items; costs; and plans and objectives of management regarding operations, products and services, are forward-looking statements. These statements may include terminology such as “may,” “will,” “expect,” “could,” “should,” “intend,” “estimate,” “anticipate,” “believe,” “outlook,” “continue,” “remain,” “on track,” “design,” “target,” “objective,” “goal,” or similar terminology.

Our outlook is predominantly based on our interpretation of what we consider to be key economic assumptions and involves risks and uncertainties that could cause actual results to differ (possibly materially) from such forward-looking statements. Macro-economic factors including monetary policy, interest rates, currency exchange rates, inflation, deflation, credit availability and government intervention in an attempt to influence such factors may have a material impact on our customers and the demand for our services. The demand for CNH’s products and, in turn, our products and services is influenced by a number of factors, including, among other things: general economic conditions; demand for food; commodity prices, raw material and component prices and stock levels; net farm income levels; availability of credit; developments in biofuels; infrastructure spending rates; housing starts; commercial construction; seasonality of demand; changes and uncertainties in the monetary and fiscal policies of various governmental and regulatory entities; CNH’s ability to maintain key dealer relationships; currency exchange rates and interest rates; pricing policies by CNH or its competitors; political, economic and legislative changes; and the other risks described in “Risk Factors.” Some of the other significant factors which may affect our results include our access to credit, restrictive covenants in our debt agreements, actions by rating agencies concerning the ratings on our debt and asset-backed securities and the credit ratings of CNH Global and Fiat Industrial, risks related to our relationship with Fiat Industrial, weather, climate change and natural disasters, actions taken by our competitors, the effect of changes in laws and regulations, the results of legal proceedings and employee relations.

Furthermore, in light of recent difficult economic conditions, both globally and in the industries in which we operate, it is particularly difficult to forecast our results and any estimates or forecasts of particular periods that we provide are uncertain. We can give no assurance that the expectations reflected in our forward-looking statements will prove to be correct. Our actual results could differ materially from those anticipated in these forward-looking statements. All written and oral forward-looking statements attributable to us are expressly qualified in their entirety by the factors we disclose that could cause our actual results to differ materially from our expectations. We undertake no obligation to update or revise publicly any forward-looking statements.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect reported amounts of assets, liabilities, revenues and expenses during the reported periods. Actual results may differ from these estimates under different assumptions and conditions. Our critical accounting policies and estimates, which require management assumptions and complex judgments, are summarized below.

Allowance for Credit Losses

The allowance for credit losses is established to cover probable losses for receivables owned by us and is allocated based on two components, depending on whether or not the receivable has been individually identified as being impaired. The first component of the allowance for credit losses covers impaired assets that represent all or a portion of receivables specifically reviewed by management for which we have determined we will not collect all of the contractual principal and interest. Receivables are individually reviewed for impairment based on, among other items, amounts outstanding, amounts past due, days past due and prior collection history. These receivables are subject to impairment measurement at the loan level based either on the present value of expected future cash flows discounted at the receivable’s effective interest rate or the fair value of the collateral for collateral-dependent receivables and receivables for which foreclosure is deemed to be probable. When the values are lower than the carrying value of the receivables, impairment is recognized.

The second component of the allowance for credit losses covers all performing receivables that have incurred losses that are not yet individually identifiable. The allowance for these receivables is based on aggregated portfolio evaluations, generally by financial product. The allowance for retail credit losses is based on loss forecast models which consider a variety of factors that may include, but are not limited to, historical loss experience, portfolio balance and delinquencies. The allowance for wholesale credit losses is based on loss forecast models that consider a variety of factors that may include, but are not limited to, historical loss experience, portfolio balance and dealer risk ratings. The loss forecast models are updated on a quarterly basis to incorporate information reflecting the current economic environment.

Charge-offs of principal amounts or receivables outstanding are deducted from the allowance at the point when the principal is reasonably expected to be uncollected.

While management believes it has exercised prudent judgment and applied reasonable assumptions, there can be no assurance that, in the future, changes in economic conditions or other factors would not cause changes in the financial condition of our customers. If the financial condition of our customers deteriorates, the timing and level of payments received could be impacted and, therefore, could result in a change to our ultimate losses on the current portfolio.

Equipment on Operating Lease Residual Values

We purchase equipment from our dealers and other independent third parties and lease such equipment to retail customers under operating leases. Income from these operating leases is recognized over the term of the lease. Our decision on whether or not to offer lease financing to customers is based, in part, upon estimated residual values of the leased equipment, which are estimated at the lease inception date and periodically updated. Realization of the residual values, a component in the profitability of a lease transaction, is dependent on our ability to market the equipment at lease termination under the then prevailing market conditions. We continually evaluate whether events and circumstances have impacted the estimated residual values of equipment on operating leases. Although realization is not assured, management believes that the estimated residual values are realizable.

Tax contingencies

We are periodically subject to audits of our various income tax returns by taxing authorities. These audits review tax filing positions, including the allocation of income among our tax jurisdictions. Some of our tax positions could be challenged by the taxing authorities. The estimate of our tax contingencies requires the use of judgment to estimate the exposure associated with our various tax filing positions. Although management believes that the judgments and estimates are reasonable, actual results could differ, and we may be exposed to losses or gains that could be material. An unfavorable tax settlement would likely require use of our cash and may result in an increase in our effective income tax rate in the period of resolution. A favorable tax settlement would generally be recognized as a reduction in our effective tax rate in the period of resolution.

NEW ACCOUNTING PRONOUNCEMENTS

See "Note 2: New Accounting Pronouncements" in the condensed notes to our consolidated financial statements included elsewhere in this report for further details.

CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

Under the supervision, and with the participation, of our management, including our President and Chief Financial Officer, we conducted an evaluation of the effectiveness of our disclosure controls and procedures as of September 30, 2011. Based on that evaluation, our President and Chief Financial Officer concluded that the disclosure controls and procedures are effective to provide reasonable assurance that information required to be disclosed by us is recorded, processed, summarized and reported within the required time periods and that such information is accumulated and communicated to our management, including our President and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

Changes in Internal Control over Financial Reporting

There has been no change in our internal control over financial reporting during the three months ended September 30, 2011 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

LEGAL PROCEEDINGS

CNH Capital is party to various litigation matters and claims arising from its operations. Management believes that the outcome of these proceedings, individually and in the aggregate, will not have a material adverse effect on CNH Capital's financial position or results of operations.

RISK FACTORS

Risks Related to our Indebtedness and Liquidity

Adverse conditions in the financial and credit markets have limited, and may significantly limit, the availability, and increase the cost of, funding.

During late 2008 and early 2009, the financial and credit markets experienced unprecedented levels of volatility and disruption, putting downward pressure on financial and other asset prices generally and on credit availability. As a result, the ability to procure new financing at favorable costs to fund operations or refinance maturing obligations as they became due was significantly constrained. A return to these conditions could severely restrict access to capital and could have a material adverse effect on our earnings and cash flow. If we were unable to obtain adequate sources of funding in the future, our liquidity position and our ability to fund our business would suffer.

Access to funding from the ABS market at competitive rates is essential to our business.

The most significant source of liquidity for CNH Capital has historically been ABS transactions and committed asset-backed facilities. From mid-2007 through 2009, events occurred in the global financial market, including the weakened financial condition of several major financial institutions, problems related to subprime mortgages and other financial assets, the devaluation of various assets in secondary markets, the forced sale of asset-backed and other securities by certain investors, and the lowering of ratings on certain ABS transactions, which caused a significant reduction in liquidity in the secondary market for ABS transactions outstanding at such time. During these periods, conditions in the ABS market adversely affected our ability to sell receivables on a favorable or timely basis. Similar conditions in the future could have an adverse effect on our business and results of operations.

Credit rating changes could affect our cost of funds.

Our access to, and cost of, funding depends on, among other things, any credit ratings of us, our parent CNH Global, our ABS transactions and Fiat Industrial. The rating agencies may change the credit ratings or take other similar actions, which could affect our access to the capital markets, and the cost and terms of future borrowings and, therefore, could adversely affect our financial position and results of operations.

We have significant outstanding indebtedness, which may limit our ability to obtain additional funding and limit our financial and operating flexibility.

As of September 30, 2011, we had an aggregate of $9.9 billion of consolidated indebtedness and our equity was $1.3 billion.

The extent of our indebtedness could have important consequences to our operations and financial results, including:

- we may not be able to secure additional funds for working capital, capital expenditures, debt service requirements or general corporate purposes;
- we will need to use a portion of our projected future cash flow from operations to pay principal and interest on our indebtedness, which will reduce the amount of funds available to us for other purposes;
- we may be more financially leveraged than some of our competitors, which could put us at a competitive disadvantage;
- we may not be able to adjust rapidly to changing market conditions, which may make us more vulnerable to a downturn in general economic conditions or our business; and
- we may not be able to access the ABS markets on favorable terms, which may adversely affect our ability to provide competitive retail and wholesale financing programs.

Restrictive covenants in our debt agreements could limit our financial and operating flexibility.

The indentures governing our outstanding indebtedness and other credit agreements to which we are a party may contain covenants that restrict our ability and/or that of our subsidiaries to, among other things:

- incur additional debt;
- make certain investments;
- enter into certain types of transactions with affiliates;
- use assets as security in other transactions;
- enter into sale and leaseback transactions; and
- sell certain assets or merge with or into other companies.

In addition, we are required to maintain certain coverage levels for leverage and EBITDA.

Our ability to meet any of these restrictive covenants may be affected by events beyond our control, which could result in material adverse consequences that negatively impact our business, results of operations and financial position. We cannot assure you that we will continue to comply with each restrictive covenant at all times, particularly if we were to encounter challenging and volatile market conditions.

Risks Related to Our Business, Strategy and Operations

Reduced demand for equipment would reduce the opportunities for us to finance equipment.

Our business is largely dependent upon the demand for CNH's products and its customers' willingness to enter into financing or leasing arrangements with respect thereto, which may be negatively affected by challenging global economic conditions. As a result, a significant and prolonged decrease in demand for CNH's products could have a material adverse effect on our business, financial position, results of operations and cash flows. Our primary business is to provide retail and wholesale financing alternatives for CNH's products to CNH's customers and dealers. The demand for CNH's products and our financing products and services is influenced by a number of factors, including:

- general economic conditions;
- demand for food;
- commodity prices and stock levels;
- net farm income levels;
- availability of credit;
- developments in biofuels;
- infrastructure spending rates;
- housing starts;
- commercial construction;
- seasonality of demand;
- changes and uncertainties in the monetary and fiscal policies of various governmental and regulatory entities;
- CNH's ability to maintain key dealer relationships;
- currency exchange rates and interest rates;
- pricing policies by CNH or its competitors; and
- political, economic and legislative changes.

In the equipment industry, changes in demand can occur suddenly, resulting in imbalances in inventories, product capacity, and prices for new and used equipment. If fewer pieces of equipment are sold, CNH Capital will be presented with fewer opportunities to finance equipment.

Change in support from CNH America.

We participate in certain marketing programs sponsored by CNH America that allow us to offer financing to customers at advantageous interest rates. This support from CNH America provides a material competitive advantage in offering financing to customers of CNH's products. Any elimination of these marketing programs or reduction in our ability to offer competitively priced financing to customers could reduce the percentage of CNH's products financed by us, which could have a material adverse effect on our business, financial position, results of operations and cash flows. CNH America also provides us with other types of operational and administrative support, such as human resources and legal assistance. Any change in support from CNH America could negatively impact our results of operations.

Risks Particular to the Industries in Which We Operate

Customer Credit Risk and Collateral Valuation.

Fundamental to any organization that extends credit is the risk associated with its customers. The creditworthiness of each customer, and the rates of delinquencies, repossessions and net losses relating to customer loans is impacted by many factors including:

- relevant industry and general economic conditions;
- the availability of capital;
- changes in interest rates;
- the experience and skills of the customer’s management team;
- commodity prices;
- political events;
- weather; and
- the value of the collateral securing the extension of credit.

A deterioration of our asset quality, an increase in delinquencies or a reduction in collateral recovery rates could have an adverse impact on our performance. These risks become more acute in economic slowdowns or recessions due to decreased demand for (or the availability of) credit, declining asset values, changes in government subsidies, reductions in collateral to loan balance ratios, and an increase in delinquencies, foreclosures and losses. Our servicing and litigation costs may also increase. In addition, governments may pass laws or implement regulations that modify rights and obligations under existing agreements or which prohibit or limit the exercise of contractual rights.

When loans default and we foreclose on collateral securing the repayment of the loans, our ability to sell the collateral to recover or mitigate losses is subject to the market value of such collateral. Those values are affected by levels of new and used inventory of agricultural or construction equipment on the market. They are also dependent upon the strength or weakness of market demand for new and used agricultural or construction equipment, which is affected by the strength of the general economy. In addition, repossessed collateral may be in poor condition, which would reduce its value. Finally, relative pricing of used equipment, compared with new equipment, can affect levels of market demand and the resale of the repossessed equipment. An industry wide decrease in demand for agricultural or construction equipment could result in lower resale values for repossessed equipment which could increase losses on loans and leases, adversely affecting our financial position and results of operations.

Changes in interest rates and market liquidity.

Changes in interest rates and market liquidity conditions could have a materially adverse effect on our earnings and cash flows. Because a significant number of our loans are made at fixed interest rates, our business is subject to fluctuations in interest rates. Changes in market interest rates may influence our financing costs, returns on financial investments and the valuation of derivative contracts and could reduce our earnings and/or cash flow. We also rely on the debt capital markets and a variety of funding programs to provide liquidity for our operations, including committed asset-backed facilities and ABSs. Significant changes in market liquidity conditions could impact our access to funding and the associated funding costs and reduce our earnings and cash flow.

Although we manage interest rate and market liquidity risks with a variety of techniques, including a match funding program, the selective use of derivatives and a diversified funding program, there can be no assurance that fluctuations in interest rate and market liquidity conditions will not have a material adverse effect on our earnings and cash flow. If any of the variety of instruments and strategies we use to hedge our exposure to these various types of risk are ineffective, we may incur losses.

Funding Risk

Although we use a variety of funding sources and strategies, we have traditionally relied most heavily upon the ABS market as a primary source of funding for operations. Financial and credit crises have a material impact on the ABS market. If economic conditions worsen, we could have materially higher funding costs or may have to limit our product offerings, which could negatively impact our financial results.

To maintain competitiveness in the capital markets and to promote efficient use of funding sources, additional reserve support has been added to certain previously issued ABS transactions. Such optional support may be necessary to maintain credit ratings assigned to certain transactions if loss experiences are higher than anticipated due to adverse economic conditions. The need to provide additional reserve support could have an adverse effect on our financial position, results of operations and liquidity.

Repurchase Risk

In connection with our ABS transactions, we make customary representations and warranties regarding the assets being securitized. While no recourse provisions exist that allow holders of asset-backed securities issued by our trusts to require us to repurchase those securities, a breach of these representations and warranties could give rise to an obligation to repurchase non-conforming receivables from the trusts. Any future repurchases could have an adverse effect on our financial position, results of operations and liquidity.

Regulatory Risk

Our operations are subject, in certain instances, to supervision and regulation by various governmental authorities. These operations are subject to various laws and judicial and administrative decisions and interpretations imposing requirements and restrictions, which among other things:

- regulate credit granting activities, including establishing licensing requirements;
- establish maximum interest rates and finance and other charges;
- regulate customers' insurance coverage;
- require disclosure to customers;
- govern secured transactions;
- set collection, foreclosure, repossession and claims handling procedures and other trade practices;
- prohibit discrimination in the extension of credit and administration of loans; and
- regulate the use and reporting of information related to a borrower.

To the extent that applicable laws are amended or construed differently, new laws are adopted to expand the scope of regulation imposed upon us or applicable laws prohibit interest rates we charge from rising to a level commensurate with risk and market conditions, such events could adversely affect our business and our financial position and results of operations.

The Dodd-Frank Wall Street Reform and Consumer Protection Act, or the Dodd-Frank Act, was signed into law in July 2010. The various requirements of the Dodd-Frank Act, including the many implementing regulations which have yet to be released, may substantially affect the origination, servicing and securitization program of CNH Capital LLC and its subsidiaries. For example, the Dodd-Frank Act strengthens the regulatory oversight of securities and capital markets activities by the SEC and increases the regulation of the securitization markets through, among other things, a mandated risk retention requirement for securitizers and a direction to the SEC to regulate credit rating agencies and adopt regulations governing these organizations and their activities. While we will continue to monitor these developments and their impact on our access to the ABS market, these and future SEC rules and regulations may impact our ability to engage in these activities or increase the effective cost of asset-backed transactions in the future, which could adversely affect our financial position, results of operations and liquidity. The Dodd-Frank Act also imposes comprehensive regulation of over-the-counter derivatives transactions and could affect the use of derivatives in hedging transactions.

Market Risk

We hold retained interests in securitization transactions, which we refer to collectively as retained interests. We carry these retained interests at estimated fair value, which we determine by discounting the projected cash flows over the expected life of the assets sold in connection with such transactions using prepayment, default, loss and interest rate assumptions. We are required to recognize declines in the value of our retained interests, and resulting charges to income or equity, when their fair value is less than carrying value. The portion of the decline, from discount rates exceeding those in the initial deal, is charged to equity. All other credit related declines are charged to income. Assumptions used to determine fair values of retained interests are based on internal evaluations and, although we believe our methodology is reasonable, actual results may differ from our expectations. Our current estimated valuation of retained interests may change in future periods, and we may incur additional impairment charges as a result.

Weather, climate change, and natural disasters can impact our operations and our results.

Poor or unusual weather conditions, particularly in the spring, can significantly affect purchasing decisions of CNH's potential customers and therefore affect our ability to finance equipment purchases. In addition, natural disasters such as tornadoes, hurricanes, earthquakes, floods, droughts and other forms of severe weather in an area in which we finance equipment purchases could have an adverse effect on our customers and their ability to repay debt.

Competitive activity or failure by us to respond to actions by our competitors could adversely affect our results of operations.

We operate in a highly competitive environment, with financing for users of CNH equipment available through a variety of sources, such as banks, finance companies and other financial institutions. Our operations may be unable to compete successfully due to the inability to access capital on favorable terms, or due to issues relating to funding resources, products, licensing or other governmental regulations, and the number, type and focus of services offered. In addition, some of our competitors may be eligible to participate in government programs providing access to capital at favorable rates for which we are ineligible, which may put us at a competitive disadvantage. The success of our business also depends on our ability to develop, produce and market quality products and services that meet our customers' needs. Increasing competition may adversely affect our business if we are unable to match the products and services of our competitors. If we are unable to effectively compete, our financial position and results of operations will suffer.

Adverse economic conditions could place a financial strain on our dealers and adversely affect our operating results.

During 2009, difficult global economic conditions placed financial stress on many of our dealers. Dealer financial difficulties may impact their equipment financing and inventory management decisions, as well as their ability to provide services to their customers purchasing our equipment. Accordingly, additional financial strains on members of our dealer network resulting from current or future economic conditions could adversely impact our results of operations.

A decrease in the residual value of the equipment that we lease could adversely affect our results.

Declines in the residual value of equipment leased by us may reduce our earnings. We recognize the residual value of leased equipment, which is the estimated future wholesale market value of leased equipment at the time of the expiration of the lease term. We estimate the residual value of leased equipment at the inception of the lease based on a number of factors, including historical wholesale market sales prices, past remarketing experience and any known significant market/product trends. If estimated future market values significantly decline due to economic factors, obsolescence or other adverse circumstances, we may not realize such residual value, which could reduce our earnings, either through an increase in depreciation expense or a decrease in finance revenue.

Our business operations may be impacted by various types of claims, lawsuits, and other contingent obligations.

We are involved in various lawsuits and other legal proceedings that arise in the ordinary course of our business. We estimate such potential claims and contingent liabilities and, where appropriate, establish reserves to address these contingent liabilities. The ultimate outcome of the legal matters pending against us or our subsidiaries is uncertain, although such lawsuits are not expected individually or in the aggregate to have a material adverse effect on us. We could in the future be subject to judgments or enter into settlements of lawsuits and claims that could have a material adverse effect on our results of operations in any particular period. In addition, while we maintain insurance coverage with respect to certain claims, we may not be able to obtain such insurance on acceptable terms in the future, if at all, and any such insurance may not provide adequate coverage against any such claims.

We have potential conflicts of interest with Fiat Industrial.

As of September 30, 2011, Fiat Industrial owned, indirectly through Fiat Netherlands, approximately 88% of CNH Global's outstanding common shares. CNH Global is the indirect owner of 100% of CNH Capital. As long as Fiat Industrial continues to own shares representing more than 50% of the combined voting power of CNH Global's capital stock, it will be able to direct the election of all of the members of CNH Global's board of directors and determine the outcome of all matters submitted to a vote of the shareholders. Circumstances may arise in which the interests of Fiat Industrial could be in conflict with the interests of other debt and equity security holders of CNH Global or any of its subsidiaries, including CNH Capital. In addition, Fiat Industrial may pursue certain transactions that in its view will enhance its equity investment, even though such transactions may not be viewed as favorably by other debt and equity security holders of CNH Global or any of its subsidiaries, including CNH Capital.

Fiat Industrial provides financing to us. In the recent past, due to the then existing capital markets crisis and its material adverse impact on the ABS markets, we relied more heavily upon financing provided by Fiat Industrial or its predecessor. In the event of a repeat of the severe downturn in the ABS markets, we might need to again look to other financing sources, including Fiat Industrial, though Fiat Industrial would have no obligation to provide such financing.

We believe our business relationships with Fiat Industrial, such as the provision of financing, can offer economic benefits to us; however, Fiat Industrial's ownership of our corporate parent's capital stock and ability to direct the election of directors could create, or appear to create, potential conflicts of interest when Fiat Industrial is faced with decisions that could have different implications for Fiat Industrial, CNH and CNH Capital.

Our participation in cash management pools exposes us to Fiat Industrial Group credit risk.

Like other companies that are part of global commercial groups, we participate in a group-wide cash management system with other companies within the Fiat Industrial Group, including CNH America. Our positive cash deposits, if any, are either invested by Fiat Industrial treasury subsidiaries in highly rated, highly liquid money market instruments or bank deposits, or may be applied by Fiat Industrial treasury subsidiaries to meet the financial needs of other Fiat Industrial Group members and vice versa. While we believe participation in such Fiat Industrial affiliates' cash management pools provides us with financial benefits, it exposes us to Fiat Industrial Group credit risk.

In the event of a bankruptcy or insolvency of Fiat Industrial (or any other Fiat Industrial Group member, including CNH America, in the jurisdictions with set off agreements) or in the event of a bankruptcy or insolvency of the Fiat Industrial entity in whose name the deposit is pooled, we may be unable to secure the return of such funds, and we may be viewed as a creditor of such Fiat Industrial entity with respect to such deposits. It is possible that our claims as a creditor of such affiliated entity could be subordinated to the rights of third-party creditors in certain situations. If we are not able to recover our deposits, our financial position and results of operations may be materially impacted.

Changes in Accounting Standards.

Our financial statements are subject to the application of U.S. GAAP, which are periodically revised. At times, we are required to adopt new or revised accounting standards issued by recognized bodies. It is possible such changes could have a material adverse effect on our reported results of operations or financial position. For example, in June 2009, the Financial Accounting Standards Board ("FASB") issued new accounting guidance which amends the accounting for variable interest entities. The guidance significantly changed the criteria for determining whether the consolidation of a variable interest entity is required. The guidance also changed the accounting for transfers of financial assets, increased the frequency for reassessing consolidation of variable interest entities and created new disclosure requirements about an entity's involvement in a variable interest entity. The guidance became effective for us on January 1, 2010. As a significant portion of our securitization trusts and facilities is no longer exempt from consolidation under the new guidance, we were required to consolidate the receivables and related liabilities. We recorded a $5.7 billion increase to assets and liabilities upon the adoption of this new guidance on January 1, 2010. In addition, because our securitization transactions are accounted for as secured borrowings rather than asset sales, the cash flows from the transactions are now presented as cash flows from financing rather than cash flows from operating or investing activities.

Data Security breaches and other disruptions could compromise our information and expose us to liability, which would cause our business and reputation to suffer.

In the ordinary course of our business, we collect and store sensitive data, including our proprietary business information and that of our customers and business partners, and personally identifiable information of our customers and employees, in our data centers and on our networks. The secure processing, maintenance, and transmission of this information is critical to our operations. We have not experienced any significant known or threatened data security incidents to date and continuously employ and improve security measures and initiatives designed to reduce the impact of such risk. Despite our security measures, our information technology and infrastructure may be subject to attacks by hackers or breached due to employee error, malfeasance, or other disruptions. Any such breach could compromise our networks and the information stored could be accessed, publicly disclosed, lost, or stolen. Any such access, disclosure or other loss could result in legal claims or proceedings and damage our reputation, which could adversely affect our business.

EXHIBITS

12 Computation of Ratio of Earnings to Fixed Charges

EXHIBIT 12

COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES

For the three and nine months ended September 30, 2011 and 2010, the computation of ratio of earnings to fixed charges is as follows (dollars in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2011	2010	2011	2010
Earnings:				
Income before taxes	$ 83,116	$ 74,294	$ 246,500	$ 168,197
Add:				
Fixed charges	63,829	78,737	203,211	238,310
Amortization of capitalized interest	--	--	--	--
Less:				
Interest capitalized	--	--	--	--
Earnings	$ 146,945	$ 153,031	$ 449,711	$ 406,507
Fixed charges				
Interest expense inclusive of amortized premiums, discounts and capitalized expenses related to indebtedness	$ 63,808	$ 78,705	$ 203,114	$ 238,222
Interest capitalized	--	--	--	--
Estimate of the interest component of rental expense	21	32	97	88
Fixed charges	$ 63,829	$ 78,737	$ 203,211	$ 238,310
Ratio of earnings to fixed charges	2.30	1.94	2.21	1.71