

PHH CORP
Form 8-K
September 03, 2009

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 8-K
CURRENT REPORT**

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

Date of Report (Date of earliest event reported): September 2, 2009

PHH CORPORATION

(Exact name of registrant as specified in its charter)

MARYLAND

(State or other jurisdiction
of incorporation)

1-7797

(Commission File Number)

52-0551284

(IRS Employer
Identification No.)

3000 Leadenhall Road

Mt. Laurel, New Jersey 08054

(Address of principal executive offices, including zip code)

(856) 917-1744

(Registrant's telephone number, including area code)

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

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

On September 2, 2009, PHH Corporation (the Company or PHH), PHH Vehicle Management Services, LLC (VMS) and Chesapeake Funding LLC (Chesapeake), entered into a Purchase Agreement with J.P. Morgan Securities Inc., Banc of America Securities LLC, Citigroup Global Markets Inc. and Deutsche Bank Inc., as representatives of several initial purchasers (Initial Purchasers), for the issuance and sale of certain Class A floating rate asset backed notes to be issued by Chesapeake (the Series 2009-2 Class A Notes) in a private placement. The Series 2009-2 Class A Notes have an aggregate principal amount of \$850,000,000 which are expected to qualify upon issuance as eligible collateral under and as defined in the Term Asset-Backed Securities Loan Facility (TALF) established by the Federal Reserve Bank of New York. The net proceeds from the offering of the notes will be used to repay a portion of Chesapeake s Series 2006-1 Floating Rate Asset Backed Variable Funding Investor Notes (the 2006-1 Notes), with any remaining proceeds from the offering expected to be used to make loans to another of PHH s indirect wholly-owned subsidiaries, Chesapeake Finance Holdings LLC, to fund the acquisition of vehicles to be leased to customers of VMS. This offering is expected to close on September 11, 2009.

The Purchase Agreement includes customary and other TALF specific representations, warranties and covenants. Under the terms of the Purchase Agreement, the Company has agreed to indemnify the Initial Purchasers against certain liabilities.

Each of the Initial Purchasers have performed investment banking and other advisory services for PHH or certain of its affiliates from time to time for which they have received customary fees and expenses. Certain of the Initial Purchasers may, from time to time, engage in transactions with and perform services for PHH or certain of its affiliates in the ordinary course of their business. In addition, affiliates of certain of the Initial Purchasers are lenders under PHH s \$1.3 billion Amended and Restated Competitive Advance and Revolving Credit Agreement, dated as of January 6, 2006, as amended, and certain other existing funding arrangements to which PHH or certain of its subsidiaries are parties, including the Series 2006-1 Notes.

The Series 2009-2 Class A Notes have not been and will not be registered under the Securities Act of 1933, as amended (the Securities Act), or any applicable state securities laws, and may not be offered or sold in the United States without registration under the Securities Act or pursuant to an applicable exemption from such registration. The Series 2009-2 Class A Notes are being offered and sold solely to: (a) Qualified Institutional Buyers, as defined in Rule 144A under the Securities Act in compliance therewith; and (b) certain persons in offshore transactions in reliance on Regulation S of the Securities Act.

Item 7.01 Regulation FD Disclosure.

On September 2, 2009, the Company issued a press release announcing the pricing by Chesapeake of \$850 million in aggregate principal amount of the Series 2009-2 Class A Notes in a private placement. A copy of the press release is furnished as Exhibit 99.1 to this Current Report on Form 8-K (the Form 8-K).

The information disclosed under this Item 7.01, including Exhibit 99.1 hereto, is being furnished and shall not be deemed filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the Exchange Act), nor shall it be incorporated by reference into any registration statement or other document pursuant to the Securities Act, except as expressly set forth in such filing.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

99.1 Press Release dated September 2, 2009 announcing Pricing of Series 2009-2 Asset Backed Notes Offering by Chesapeake Funding LLC.

Forward-Looking Statements

This Form 8-K contains forward-looking within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act. These statements are subject to known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. You should understand that these statements are not guarantees of performance or results and are preliminary in nature. Statements preceded by, followed by or that otherwise include the words believes , expects , anticipates , intends , projects , estimates , p increase , may result , will result , may fluctuate and similar expressions or future or conditional verbs such as will , should , would , may and could are generally forward-looking in nature and not historical facts.

You should consider the areas of risk described under the heading Cautionary Note Regarding Forward-Looking Statements and Risk Factors in our periodic reports filed with the Securities and Exchange Commission under the Exchange Act in connection with any forward-looking statements that may be made by us and our businesses generally. Except for our ongoing obligations to disclose material information under the federal securities laws, we undertake no obligation to release publicly any updates or revisions to any forward-looking statements, to report events or to report the occurrence of unanticipated events unless required by law.

SIGNATURE

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

PHH CORPORATION

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

Dated: September 3, 2009