

PHH CORP
Form 8-K
June 12, 2009

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**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): June 9, 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 June 9, 2009, Chesapeake Funding LLC (Chesapeake), an indirect wholly-owned subsidiary of PHH Corporation (PHH , Company , we or our), entered into the Series 2009-1 Indenture Supplement (the Series 2009-1 Supplement) the Amended and Restated Base Indenture, dated as of December 17, 2008, as amended from time to time (A&R Base Indenture), among Chesapeake, as issuer, and The Bank of New York Mellon (BNY), as indenture trustee, pursuant to which Chesapeake issued \$1.0 billion in aggregate principal amount of its Series 2009-1 Floating Rate Asset Backed Notes (Series 2009-1 Notes). The net proceeds from the issuance of the Series 2009-1 Notes were used to repay a portion of Chesapeake s Series 2006-1 Floating Rate Asset Backed Variable Funding Investor Notes, with the remaining proceeds from the offering available 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 PHH Vehicle Management Services, LLC, our fleet management services business, or to repay indebtedness of Chesapeake. The Series 2009-1 Notes have a twelve month revolving period, after which, the Series 2009-1 Notes shall amortize in accordance with the terms of the Series 2009-1 Indenture Supplement with the initial amortization payment being made on June 15, 2010. The Series 2009-1 Notes will bear interest payable monthly based on a fixed spread over one month LIBOR. The Series 2009-1 Supplement incorporates by reference from the A&R Base Indenture certain customary covenants that limit Chesapeake s ability, among other things, to incur additional indebtedness, pay dividends on or redeem or repurchase its own equity interests, make certain investments, expand into unrelated businesses and create liens. Subject to the clean up call provision of the 2009-1 Indenture Supplement, the Series 2009-1 Notes may not be pre-paid by Chesapeake prior to maturity.

The Series 2009-1 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 2009-1 Notes were offered and sold solely to: (a) Qualified Institutional Buyers, as defined in Rule 144A under the Securities Act in compliance therewith; or (b) certain persons in offshore transactions in reliance on Regulation S of the Securities Act.

BNY acts as an indenture trustee for PHH with respect to certain medium term notes publicly issued under the Indenture, dated as of November 6, 2000, as amended and supplemented, by and between PHH and BNY, as successor trustee for Bank One Trust Company, N.A. as of December 31, 2007 and certain privately issued convertible senior notes governed by the Indenture dated April 2, 2008, between PHH and BNY, for which BNY has received customary fees and expenses as trustee. BNY also acts as a custodian on behalf of certain of PHH s affiliates and certain lenders to PHH s affiliates, for which BNY has received customary fees and expenses as custodian. The foregoing description of the Series 2009-1 Supplement does not purport to be complete and is qualified in its entirety by reference to the full text of the Series 2009-1 Supplement, which is filed as Exhibit 10.1 to this Current Report on Form 8-K (the Form 8-K) and is incorporated herein by reference.

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

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

Item 8.01 Other Events.

On June 9, 2009, the Company issued a press release announcing the closing by Chesapeake of \$1.0 billion in aggregate principal amount of the Series 2009-1 Notes in a private placement. A copy of the press release is filed as Exhibit 99.1 to this Form 8-K.

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Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

10.1 Series 2009-1 Indenture Supplement, dated as of June 9, 2009, among Chesapeake Funding LLC, as issuer, and The Bank of New York Mellon, as indenture trustee.*

99.1 Press Release dated June 9, 2009 announcing the Closing of \$1.0 Billion of TALF-Eligible Asset Backed Notes Issued by Chesapeake Funding LLC.

* Confidential treatment has been requested for certain portions of this exhibit pursuant to Rule 24b-2 of the Exchange Act, which portions have been omitted and filed separately with the SEC.

Forward-Looking Statements

This Form 8-K contains forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act of 1934 (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 , plans , may increase , may result , will result , may fluctuate and expressions or future or conditional verbs such as will , should , would , may and could are generally forward-looking 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.

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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 Secretary

Dated: June 12, 2009