We analyze the role of stochastic volatility in the case of the credit derivatives market. We consider a simple reduced form modeling approach for multiname defaults. The model is derived from an Ornstein-Uhlenbeck model for the hazard rates of the underlying names. In particular we analyze the impact of volatility time scales on the default distribution and demonstrate how correlated fluctuations in the parameters of the name hazard rates affect the loss distribution. (Received September 19, 2007)