The Asset Management Industry
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SEC Proposes Rules to Enhance Regulation of Credit Rating Agencies; June 28th Conference Call

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TO: DERIVATIVES MARKETS ADVISORY COMMITTEE No. 17-11
EQUITY MARKETS ADVISORY COMMITTEE No. 31-11
FIXED-INCOME ADVISORY COMMITTEE No. 46-11
MONEY MARKET FUNDS ADVISORY COMMITTEE No. 38-11
MUNICIPAL SECURITIES ADVISORY COMMITTEE No. 31-11
SEC RULES COMMITTEE No. 60-11 RE: SEC PROPOSES RULES TO ENHANCE REGULATION OF CREDIT RATING AGENCIES; JUNE 28TH CONFERENCE CALL

The SEC has proposed new rules and rule amendments to implement certain provisions of the Dodd-Frank Act and enhance existing SEC rules governing credit ratings and Nationally Recognized Statistical Rating Organizations ("NRSROs"). [1] The proposal, which is intended to increase transparency and improve the integrity of credit ratings, also would implement Dodd-Frank Act provisions related to third-party due diligence services for asset-backed securities. The proposal is summarized below.

Comments on the proposal are due to the SEC by August 8th. ICI will hold a conference call on Tuesday, June 28th, at 2:00 p.m. Eastern time to discuss the proposal and possible issues to address in ICI's comment letter. The dial-in number for the call is 1 (888) 677-9224 and the pass code is 3834909. Please email Pat Dickerson at pdickerson@ici.org to let us know if you plan to participate on the call.

Internal Control Structure

As noted in the Proposing Release, the Dodd-Frank Act contains a self-executing requirement that an NRSRO must "establish, maintain, enforce, and document an effective internal control structure governing the implementation of and adherence to policies, procedures, and methodologies for determining credit ratings." The SEC is authorized, but not required, to prescribe factors that an NRSRO must consider with respect to its internal control structure. The Proposing Release indicates that the SEC preliminarily believes it is appropriate to defer prescribing any such factors—at least until it has an opportunity to

review how NRSROs have complied with the self-executing requirement.

The Proposing Release points out that while the Dodd-Frank Act requires an NRSRO to document its internal control structure, it does not prescribe how an NRSRO would need to maintain this record. The SEC proposes to amend the NRSRO recordkeeping rule, Rule 17g-2 under the Securities Exchange Act of 1934 ("Exchange Act"), to subject the internal control structure that an NRSRO is required to document to the retention and production requirements of that rule.

The Dodd-Frank Act provides that the SEC must prescribe rules requiring an NRSRO to submit an annual internal controls report to the SEC. The report must contain: (1) a description of the responsibility of management in establishing and maintaining an effective internal control structure; (2) an assessment of the effectiveness of the internal control structure; and (3) the attestation of the CEO or equivalent individual. The SEC proposes to implement these requirements through amendments to Rule 17g-3 under the Exchange Act, which currently requires an NRSRO to furnish various annual reports to the SEC. The proposed amendments closely track the statutory language.

Conflicts of Interest Relating to Sales and Marketing

The Dodd-Frank Act requires the SEC to issue rules to prevent an NRSRO's sales and marketing considerations from influencing its production of credit ratings. The rules must provide for exceptions for "small" NRSROs with respect to which the SEC determines that the separation of the production of ratings and sales and marketing activities is not appropriate. In addition, the rules must provide for the suspension or revocation of an NRSRO's registration if the SEC finds, on the record, after notice and opportunity for a hearing, that: (1) the NRSRO has violated a rule under Section 15E(h) of the Exchange Act; [2] and (2) the violation affected a rating.

The SEC proposes to implement these requirements by amending Rule 17g-5 under the Exchange Act, which deals with NRSRO conflicts of interest. The proposed amendments would prohibit an NRSRO from issuing or maintaining a credit rating where a person within the NRSRO who participates in the sales or marketing of a product or service of the NRSRO also participates in determining or monitoring the credit rating, or developing or approving procedures or methodologies used for determining the credit rating, including qualitative or quantitative models. The amendments also would provide that upon written application by an NRSRO, the SEC may exempt such NRSRO either conditionally or unconditionally from the foregoing prohibition. The SEC would have to find that (1) due to the small size of the NRSRO it is not appropriate to require the separation within the NRSRO of the production of credit ratings from sales and marketing activities and (2) such exemption is in the public interest. Neither the statute nor the proposed rule defines "small" for this purpose.

In addition, the proposed amendments would provide that in a proceeding pursuant to Section 15E(d) or Section 21C of the Exchange Act, [3] the SEC must suspend or revoke the registration of an NRSRO if it finds that (1) the NRSRO has violated a rule issued under Section 15E(h) of the Exchange Act, (2) the violation affected a rating, and (3) suspension or revocation is necessary for the protection of investors and in the public interest.

"Look-Back" Review

The Dodd-Frank Act requires an NRSRO to establish, maintain, and enforce policies and

procedures [4] reasonably designed to ensure that two things happen in any case in which an employee of a person subject to a credit rating of the NRSRO or the issuer, underwriter, or sponsor of a security or money market instrument subject to a credit rating of the NRSRO, was employed by the NRSRO and participated in any capacity in determining credit ratings for the person or the securities or money market instruments during the 1-year period preceding the date an action was taken. First, the NRSRO must conduct a review to determine whether any conflicts of interest of the employee influenced the credit rating ("look-back" review). Second, the NRSRO must take action to revise the rating if appropriate, in accordance with such rules as the SEC shall provide.

To implement this rulemaking mandate, the SEC proposes to adopt a provision (paragraph (c) of proposed new Rule 17g-8) requiring that the policies and procedures referred to above concerning former employees of an NRSRO must address instances in which a look-back review determines that a conflict of interest influenced a credit rating. Those policies and procedures would have to include, at a minimum, procedures reasonably designed to ensure that the NRSRO will: (1) immediately place the credit rating on credit watch; (2) promptly determine whether the credit rating must be revised so it no longer is influenced by a conflict of interest and is solely the product of the NRSRO's documented procedures and methodologies for determining credit ratings; [5] and (3) promptly publish a revised credit rating, if appropriate, or affirm the credit rating if appropriate.

The policies and procedures also would have to be reasonably designed to ensure that the NRSRO includes certain information with the publication of the rating action placing the credit rating on credit watch. The Proposing Release notes that another proposed rule discussed further below (paragraph (a) of Rule 17g-7) will require an NRSRO to generate a form that must be included with the publication of a credit rating and must include certain qualitative and quantitative information. In the case of a credit rating that is placed on credit watch, the form would have to include an explanation that the reason for the action is the discovery that a credit rating assigned to the obligor, security, or money market instrument in one or more prior rating actions was influenced by a conflict of interest and the date and associated credit rating of each prior rating action the NRSRO currently has determined was influenced by the conflict. In the case of a revised rating, the form accompanying the rating action would have to explain that the reason for the action is the discovery that a credit rating assigned to the obligor, security, or money market instrument in one or more prior rating actions was influenced by a conflict of interest, the date and associated credit rating of each prior rating action the NRSRO has determined was influenced by the conflict, and an estimate of the impact the conflict had on each such prior rating action. [6] Similarly, in the case of an affirmed rating, the form would have to explain why the rating was not revised notwithstanding the conflict, the date and associated credit rating of each prior rating action the NRSRO has determined was influenced by the conflict, and an estimate of the impact of the conflict on each such prior rating action.

Public Disclosure of Information about the Performance of Credit Ratings

The Dodd-Frank Act requires the SEC to adopt rules requiring NRSROs to publicly disclose information on initial credit ratings and subsequent changes to allow users of credit ratings to evaluate the accuracy of ratings and compare the performance of ratings by different NRSROs. The rules must require disclosures that, among other things, are comparable among different NRSROs, include performance information over a range of years and for a

variety of types of credit ratings, are made freely available on an easily accessible portion of an NRSRO's website and in writing when requested, and require an NRSRO to include an attestation with any credit rating it issues affirming that no part of the rating was influenced by any other business activities, that the rating was based solely on the merits of the instrument being rated, and that such rating was an independent evaluation of the risks and merits of the instrument. The SEC proposes to implement these requirements by significantly enhancing current requirements for generating and disclosing information about performance statistics and ratings histories, through amendments to the instructions to Form NRSRO as they relate to Exhibit 1 to the Form [7] and amendments to Rules 17g-1, 17g-2, and 17-g-7.

The proposed revised instructions for Exhibit 1 would address, among other things, how required information must be presented in the Exhibit (including the order of presentation) and how transition and default rates must be produced using a single cohort approach. The proposed amendments to Rule 17g-1 would require an NRSRO to make Form NRSRO and Exhibits 1 through 9 freely available on an easily accessible portion of its corporate Internet website [8] and freely available in writing, when requested.

Rule 17g-2 currently requires an NRSRO to make publicly available on its corporate Internet website certain information for any credit rating initially determined by the NRSRO on or after June 26, 2007 (the "100% Rule"). The SEC proposes to enhance the 100% Rule in several respects and move its provisions to Rule 17g-7 along with other requirements for NRSROs to disclose information outside of Form NRSRO. The proposed enhancements include:

- requiring an NRSRO to publicly disclose ratings history information for free on an easily accessible portion of its website; [9]

- substantially broadening the scope of credit ratings that would be subject to the disclosure requirements by extending them to any credit rating that was outstanding as of June 26, 2007 (and subsequent rating actions taken);

- increasing the number and scope of required data fields; and

- providing that an NRSRO may cease disclosing a rating history no earlier than 20 years after withdrawal of the credit rating.

Credit Rating Methodologies

The Dodd-Frank Act provides that the SEC must prescribe rules with respect to the procedures and methodologies, including qualitative and quantitative data models, used by NRSROs that require each NRSRO to achieve various objectives identified in the statute. The SEC proposes to implement this provision by requiring an NRSRO to establish, maintain, enforce, and document policies and procedures that are reasonably designed to ensure the following specified objectives:

- The procedures and methodologies, including qualitative and quantitative data and models, the NRSRO uses to determine its credit ratings are approved by its board or another body performing a similar function.

- The procedures and methodologies are developed and modified in accordance with the policies and procedures of the NRSRO.

- Material changes to the procedures and methodologies are applied consistently to all credit ratings to which the changed procedures or methodologies apply.

- Material changes to the procedures and methodologies, to the extent that the changes are to surveillance or monitoring procedures and methodologies, are applied to then-current credit ratings within a reasonable period of time taking into consideration the number of ratings impacted, the complexity of the procedures and methodologies, and the type of obligor, security, or money market instrument being rated.

- The NRSRO promptly publishes on an easily accessible portion of its corporate Internet website:

    - material changes to the procedures and methodologies, the reason for the changes, and the likelihood the changes will result in changes to any current ratings, and

    - significant errors in a procedure or methodology that may result in a change to current credit ratings.

- The NRSRO discloses the version of a credit rating procedure or methodology used with respect to a particular credit rating.

The policies and procedures would be subject to the record retention and production requirements of Rule 17g-2.

Form and Certifications to Accompany Credit Ratings

The Dodd-Frank Act provides that the SEC must adopt rules requiring an NRSRO to prescribe a form to accompany the publication of each credit rating that discloses: (1) information relating to the assumptions underlying the credit rating procedures and methodologies, the data that was relied on to determine the credit rating, and if applicable, how the NRSRO used servicer or remittance reports to conduct surveillance of the credit rating, and (2) information that can be used by investors and other users of credit ratings to better understand credit ratings in each class of credit rating issued by the NRSRO. The form must be made readily available to users of credit ratings in electronic or paper form as the SEC may determine by rule. The SEC also must adopt rules requiring an NRSRO, at the time it produces a credit rating, to disclose any certifications from providers of third-party due diligence services to the public in a manner that allows the public to determine the adequacy and level of due diligence of services provided by a third party.

The SEC proposes to implement these provisions through the prefatory text of proposed paragraph (a) of Rule 17g-7. The proposed prefatory text would require an NRSRO to publish the form and, when applicable, a certification from a third-party due diligence provider, each time the NRSRO takes a rating action. [10] The items described in the form and any applicable certifications would have to be published in the same medium and made available to the same persons who can receive or access the credit rating that is the

result or subject of the credit action.

Under the SEC's proposal, new paragraph (a)(1)(i) of Rule 17g-7 would address the format of the form. It would mirror the statutory text in certain respects, including by providing that the form must be easy to use and helpful for users of credit ratings to understand the information contained in the form, and that the required quantitative content must be disclosed in a manner that is directly comparable across types of obligors, securities, and money market instruments.

Proposed new paragraph (a)(1)(ii) of Rule 17g-7 would prescribe the required contents of the form, mirroring the specific items of "qualitative content" and "quantitative content" identified in the statute.

Proposed new paragraph (a)(1)(iii) of Rule 17g-7 is intended to implement a provision of the Dodd-Frank Act providing that the SEC's rules must require an NRSRO to include an attestation with any credit rating it issues affirming that no part of the rating was influenced by other business activities, that the rating was based solely on the merits of the instruments being rated, and that such rating was an independent evaluation of the risks and merits of the instrument. The SEC proposes to implement this attestation requirement as part of the form that would be required to accompany the publication of a credit rating.

Finally, proposed new paragraph (a)(2) of Rule 17g-7 (in conjunction with the prefatory text of paragraph (a)) would require an NRSRO to include with the publication of a credit rating any written certification related to the credit rating received from a provider of third-party due diligence services.

Third-Party Due Diligence for Asset-Backed Securities

The Dodd-Frank Act contains several provisions regarding due diligence services relating to an "asset-backed security" as defined in Section 3(a)(77) of the Exchange Act ("Exchange Act-ABS"), including requirements that:

- the issuer or underwriter make publicly available the findings and conclusion of any third-party due diligence report;
- in any case in which an NRSRO, issuer, or underwriter employs third-party due diligence services, the person providing the due diligence services must provide written certification to any NRSRO that produces a rating to which the services relate; [11] and
- the SEC must establish the appropriate format and content for such written certifications to ensure that providers of due diligence services have conducted a thorough review of data, documentation, and other relevant information necessary for an NRSRO to provide an accurate rating. [12]

To implement the first requirement above, the SEC is re-proposing Rule 15Ga-2 under the Exchange Act. [13] The re-proposed rule would require an issuer or underwriter of any Exchange Act-ABS that is to be rated by an NRSRO, whether the offering is registered or unregistered, to furnish a Form ABS-15G on the EDGAR system containing the findings and conclusions of any third-party due diligence report obtained by the issuer or underwriter. [14] The issuer or underwriter would not be required to furnish Form ABS-15G, however, if

it obtains a representation from each NRSRO engaged to produce a credit rating for the Exchange Act-ABS that can be reasonably relied on that the NRSRO will publicly disclose the findings and conclusions of any third-party due diligence report obtained by the issuer or underwriter with the publication of the credit rating five business days prior to the first sale in the offering.

To implement the requirements above relating to written certifications by providers of due diligence services, the SEC proposes to adopt new Rule 17g-10 which would require that, among other things, such written certifications must be on Form ABS Due Diligence-15E. Proposed Rule 17g-10 would define several terms for these purposes, including “due diligence services.”

Proposed Form ABS Due Diligence-15E would elicit the following information from a provider of third-party due diligence services:

- the identity and address of the provider of third-party due diligence services;
- the identity and address of the issuer, underwriter, or NRSRO that employed the provider of third-party due diligence services;
- the identity of each NRSRO whose published criteria for performing due diligence the third-party satisfied in performing the due diligence review;
- a summary of the scope and manner of the due diligence performed; and
- a summary of the findings and conclusions resulting from the review.

Standards of Training, Experience, and Competence

The Dodd-Frank Act requires the SEC to issue rules reasonably designed to ensure that any person employed by an NRSRO to perform credit ratings: (1) meets standards of training, experience, and competence necessary to produce accurate ratings for the categories of issuers whose securities the person rates; and (2) is tested for knowledge of the credit rating process. The SEC proposes to implement this requirement through proposed new Rule 17g-9. The proposed rule would require an NRSRO to establish, maintain, enforce, and document standards of training, experience, and competence for the individuals it employs to determine credit ratings that are reasonably designed to achieve the objective that such individuals produce accurate credit ratings in the classes and subclasses of credit ratings for which the NRSRO is registered. [15] The rule would identify several factors the NRSRO must consider when designing the standards. It also would prescribe two requirements that must be incorporated into the standards: (1) a requirement for periodic testing of individuals employed to determine credit ratings on their knowledge of the relevant procedures and methodologies used by the NRSRO; and (2) a requirement that at least one individual with three years or more experience in performing credit analysis participates in the determination of a credit rating.

Universal Rating Symbols

The Dodd-Frank Act provides that the SEC must require, by rule, each NRSRO to establish, maintain, and enforce written policies and procedures that: (1) assess the probability that an issuer of a security or money market instrument will default, fail to make timely

payments, or otherwise not make payments to investors in accordance with the terms of the security or money market instrument; (2) clearly define and disclose the meaning of any symbol used by the NRSRO to denote a credit rating; and (3) apply any such symbol in a manner that is consistent for all types of securities and money market instruments for which the symbol is used. The SEC proposes to implement this requirement through paragraph (b) of proposed new Rule 17g-8. The proposed rule text would largely track the statutory language, but would add a requirement that the NRSRO "document" the required policies and procedures. [16]

Annual Report of Designated Compliance Officer

The Dodd-Frank Act contains self-executing provisions that (1) require an NRSRO to designate a compliance officer responsible for administering the NRSRO's required policies and procedures related to preventing the misuse of nonpublic information and managing conflicts of interest, and (2) address the activities, duties, and compensation of the designated compliance officer. The compliance officer must submit to the NRSRO an annual report on the NRSRO's compliance with the securities laws and with the policies and procedures of the NRSRO. The report must include a description of any material changes to the NRSRO's code of ethics and conflict of interest policies and a certification that the report is accurate and complete.

The Dodd-Frank Act specifies that the annual report must be filed with certain financial information NRSROs currently are required to furnish annually to the SEC. The SEC implemented the existing reporting requirement by adopting Rule 17g-3 under the Exchange Act. The SEC proposes to amend Rule 17g-3 to identify the annual report of the designated compliance officer as an additional annual report that must be filed with the SEC.

Electronic Submission of Form NRSRO and Rule 17g-3 Annual Reports

The SEC proposes to require NRSROs to submit Form NRSRO and the information and documents contained in Exhibits 1 through 9 through the EDGAR system if the submission is made pursuant to paragraph (e), (f), or (g) of Rule 17g-1 (i.e., an update of registration, an annual certification, or a withdrawal from registration). [17] The SEC further proposes to require electronic submission of annual reports required by Rule 17g-3. The Proposing Release notes that an NRSRO is not required to make such reports public and, therefore, they would be submitted on a confidential basis.

Other Amendments

The SEC proposes various other technical, conforming, and clarifying amendments to the NRSRO rules in response to amendments the Dodd-Frank Act made to sections of the Exchange Act that authorize or otherwise are relevant to these rules. For example, the SEC proposes amendments to Form NRSRO and the Form NRSRO Instructions to remove potential ambiguity as to how an applicant and NRSRO must determine the approximate number of credit ratings outstanding for the purposes of Items 6 and 7 of the Form. [18]

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endnotes

[1] Proposed Rules for Nationally Recognized Statistical Rating Organizations, SEC Release No. 34-64514 (May 18, 2011) ("Proposing Release"), available at http://www.sec.gov/rules/proposed/2011/34-64514.pdf. See also SEC Proposes Rules to Increase Transparency and Improve Integrity of Credit Ratings, SEC Press Release No. 2011-113 (May 18, 2011), available at http://www.sec.gov/news/press/2011/2011-113.htm.

[2] Section 15E(h) concerns management of conflicts of interest.

[3] Section 15E(d) provides that the SEC shall, by order, censure, place limitations on the activities, functions, or operations of, suspend for a period not exceeding 12 months, or revoke the registration of an NRSRO if the SEC finds, on the record after notice and opportunity for a hearing, that such sanction is necessary for the protection of investors and in the public interest and the NRSRO (or a person associated with the NRSRO) has engaged in one or more of six specified categories of conduct. Section 21C authorizes the SEC, among other things, to enter an order requiring a person to cease and desist from continuing to violate, or future violations of, an Exchange Act provision or rule or regulation thereunder.

[4] Although the Dodd-Frank Act does not explicitly require an NRSRO to "document" these policies and procedures, the SEC proposes to amend Rule 17g-2 to identify them as a record that an NRSRO must make and retain.

[5] In this regard, the Proposing Release indicates that the SEC preliminarily believes that one approach would be for the NRSRO to apply its procedures and methodologies for determining credit ratings to the rated obligor, security, or money market instrument de novo and revise the current credit rating if the de novo analysis produces a credit rating at a different notch on the rating scale. Proposing Release at 42.

[6] The Proposing Release states that one approach the SEC believes an NRSRO could take to estimating the impact of a conflict would be to apply de novo its procedures and methodologies for determining credit ratings to the rated obligor, security, or money market instrument using information and inputs as of the time period for which it was determined that the credit rating was influenced. The NRSRO could then compare the credit ratings and disclose the difference between the action that was influenced by a conflict and the reconstructed rating action. Proposing Release at 44-45.

[7] Form NRSRO is the form that an applicant must use to apply for registration with the SEC as an NRSRO. In addition to initial applications, it is used by NRSROs for applications to register for an additional class of credit ratings, application supplements, updates of registration, annual certifications, and withdrawals from registration. Exhibit 1 contains credit ratings performance measurement statistics. Under existing rules, an NRSRO must make its current Form NRSRO and information and documents furnished in Exhibits 1 through 9 publicly available on its website, or through another comparable, readily accessible means within 10 business days after the date of the SEC order granting an initial application for registration as an NRSRO or application to register for an additional class of credit ratings and within 10 business days after submitting an update of registration,

annual certification, or withdrawal from registration to the SEC on Form NRSRO.

[8] The Proposing Release expresses the SEC's preliminary belief that "a Form NRSRO would be on an 'easily accessible' portion of a website if it could be accessed through a clearly and prominently labeled hyperlink to the Form on the home-page of the NRSRO's corporate Internet website." Proposing Release at 96. As under current rules, the required information would have to be published in XBRL format using the list of XBRL tags for NRSROs published on the SEC's website.

[9] The Proposing Release indicates that the SEC preliminarily believes that the statutory requirement to make the information available "in writing" when requested would not be feasible if applied to the disclosures of rating histories. Proposing Release at n. 264. The SEC requests comment on this issue.

[10] "Rating action" would be defined to mean any of the following: the publication of an expected or preliminary credit rating assigned to an obligor, security, or money market instrument before the publication of an initial credit rating; an initial credit rating; an upgrade or downgrade of an existing credit rating (including a downgrade to, or assignment of, default); a placement of an existing credit rating on credit watch or review; an affirmation of an existing credit rating; and a withdrawal of an existing credit rating.

[11] As noted above, pursuant to another statutory requirement, the SEC proposes to require an NRSRO to publish, when applicable, a certification from a third-party due diligence provider each time the NRSRO takes a rating action.

[12] The Proposing Release notes that these provisions raise two fundamental questions: (1) how will a provider of third-party due diligence services know the identities of the NRSROs producing credit ratings to which its services relate (particularly unsolicited credit ratings); and (2) when must the certification be provided to the NRSROs? Proposing Release at 175. The SEC requests comment on these questions.

[13] As discussed in the Proposing Release, the SEC originally proposed Rule 15Ga-2 in October 2010 as part of a set of rules to implement a provision of the Dodd-Frank Act concerning due diligence analysis and disclosure in asset-backed securities issues. See Proposing Release at 179.

[14] The Proposing Release indicates that municipal securitizers of Exchange Act-ABS, or underwriters in the offering, would be permitted to provide the information required by Form ABS-15G on the Municipal Securities Rulemaking Board's centralized public database, the Electronic Municipal Market Access system ("EMMA"). Proposing Release at 188.

[15] The SEC also proposes to add a new paragraph (b)(15) to Rule 17g-2 to identify these standards as a record that must be retained.

[16] The SEC proposes a corresponding amendment to Rule 17g-2 that would apply its record retention and production requirements to the policies and procedures.

[17] The Proposing Release states that an applicant or NRSRO would continue to submit in paper format Form NRSROs pursuant to paragraphs (a), (b), (c), and (d) of Rule 17g-1 (initial applications for registration, applications to register for an additional class of credit ratings, or supplements to or withdrawals of either of those two types of applications) due to the iterative nature of the NRSRO application review process. Proposing Release at 238-239.

[18] Item 6 requires a credit rating agency applying to be registered as an NRSRO or an NRSRO applying to be registered in a new class of credit ratings to provide, among other things, the approximate number of credit ratings it has outstanding as of the date of the application in each class of credit ratings for which it is seeking registration. Item 7 requires an NRSRO submitting a Form NRSRO for the purpose of updating information in the Form, making the annual certification, or withdrawing a registration to provide, among other things, the approximate number of credit ratings it had outstanding as of the end of the most recently ended calendar year in each class of credit ratings for which it is registered.
