

MEMO# 25509

September 21, 2011

Draft Letter on ABS Shelf Re-Proposal; Comments Requested by Tuesday, September 27

[25509]

September 21, 2011

TO: SEC RULES COMMITTEE No. 81-11

FIXED-INCOME ADVISORY COMMITTEE No. 70-11

CLOSED-END INVESTMENT COMPANY COMMITTEE No. 44-11

MUNICIPAL SECURITIES ADVISORY COMMITTEE No. 48-11 RE: DRAFT LETTER ON ABS SHELF RE-PROPOSAL; COMMENTS REQUESTED BY TUESDAY, SEPTEMBER 27

In late July, the Securities and Exchange Commission (the "Commission") re-proposed rules that were initially proposed in April 2010 related to the disclosure, reporting, and offering process for asset-backed securities ("ABS") (the "Re-Proposal"). Comments on the Re-Proposal are due October 4, 2011.

Our draft comment letter is attached. The letter supports the Re-Proposal's revised shelf offering conditions, and the proposed requirement for an ABS issuer to file underlying transaction documents at the same time as a preliminary prospectus. It expresses concerns, however, with the potential treatment under the Commission's proposed disclosure rules of notes issued by asset-backed commercial paper ("ABCP") programs and securities issued pursuant to municipal tender option bond ("TOB") programs. The letter explains that these products have unique characteristics that distinguish them from typical ABS and make it inappropriate to apply the Commission's proposed disclosure standards to them. It further explains that we believe the existing disclosure framework for these products is sufficient, and that the proposed rules would not improve transparency surrounding these products. The letter therefore request that the Commission: (1) provide an exemption for ABCP from the proposed rules; and (2) confirm that TOBs are not within the scope of the proposed rules or provide an exemption for TOBs.

Please provide all comments on the draft letter to me (sarah.bessin@ici.org or 202/326-5835) by Tuesday, September 27.

Sarah A. Bessin
Senior Counsel

[Attachment](#)

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