

MEMO# 27916

February 26, 2014

SEC Re-Opens Comment Period for Asset-Backed Securities Releases

[27916]

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TO: FIXED-INCOME ADVISORY COMMITTEE No. 2-14
SEC RULES COMMITTEE No. 6-14
MUNICIPAL SECURITIES ADVISORY COMMITTEE No. 4-14
CLOSED-END INVESTMENT COMPANY COMMITTEE No. 5-14
MONEY MARKET FUNDS ADVISORY COMMITTEE No. 4-14 RE: SEC RE-OPENS COMMENT PERIOD FOR ASSET-BACKED SECURITIES RELEASES

On February 25, the Securities and Exchange Commission ("SEC") re-opened the comment period on two releases relating to asset-backed securities ("ABS") that it proposed, respectively, in 2010 and 2011. [1] The SEC is re-opening the comment period to permit interested persons to comment on a potential approach for the dissemination of potentially sensitive asset-level data that is discussed in a memorandum of the SEC's Division of Corporation Finance. [2] Comments are due by March 28, 2014.

Section 942(b) of the Dodd-Frank Wall Street Reform and Consumer Protection Act required the SEC to adopt regulations to require asset-level information about ABS. In response to the SEC's proposals in 2010 and 2011, commenters raised concerns that potentially sensitive data would form part of the required asset-level disclosures, and should be provided by means other than public dissemination on EDGAR. The approach discussed in the Memorandum would address these concerns by permitting potentially sensitive asset-level disclosure that raises privacy concerns to be made available by issuers through a website to investors and potential investors, without disseminating the potentially sensitive information on EDGAR. Investors and potential investors would be given restricted access as necessary to address privacy concerns.

In prior comment letters on ABS disclosure, ICI generally has supported asset-level disclosures. We have not, however, addressed the potential privacy implications of such disclosures. [3] ICI is not inclined to comment on the approach discussed in the Memorandum. If members disagree, and believe ICI should submit a comment letter on this issue, please contact me at sarah.bessin@ici.org or 202-326-5835 no later than Monday, March 3 and let me know your areas of concern.

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Senior Counsel

endnotes

[1] See Asset-Backed Securities, 75 Fed.Reg. 23328 (May 3, 2010) and Re-Proposal of Shelf Eligibility Conditions for Asset-Backed Securities, 76 Fed.Reg. 47948 (Aug. 5, 2011). The release re-opening the comment period is available at <http://www.sec.gov/rules/proposed/2014/33-9552.pdf>.

[2] Memorandum from Division of Corporation Finance (February 25, 2014), available at <http://www.sec.gov/comments/s7-08-10/s70810-258.pdf> ("Memorandum").

[3] See Letter to Ms. Elizabeth M. Murphy, Secretary, Securities and Exchange Commission, from Karrie McMillan, General Counsel, Investment Company Institute, dated Aug. 2, 2010, available at <http://www.ici.org/pdf/24465.pdf>; Letter to Ms. Elizabeth M. Murphy, Secretary, Securities and Exchange Commission, from Karrie McMillan, General Counsel, Investment Company Institute, dated Oct. 4, 2011, available at <http://www.ici.org/pdf/25532.pdf>.

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