

COMMENT LETTER

March 27, 2009

ICI Seeks Increased Disclosure in Amendments to Credit Ratings Rules

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Washington, DC, March 27, 2009 - ICI [commended the Securities and Exchange Commission](#) (SEC) for seeking to impose greater requirements on the regulatory scheme for nationally recognized statistical rating organizations (NRSRO), but questioned whether the proposal will provide investors with timely information.

Background

In July 2008, the SEC proposed amendments that would impose a series of new requirements on NRSROs. In commenting at that time, ICI generally supported the goal of the proposed amendments but urged the SEC to take further steps to improve NRSROs' accountability. To enhance the effectiveness of the SEC initiative, ICI suggested additional rule changes that would require more disclosure about conflicts of interest and the information used by NRSROs in the rating process, and recommended the SEC address more timely disclosure of rating actions and due diligence requirements. Further, ICI opposed requiring NRSROs to use ratings symbols for structured finance products that differentiated them from the credit ratings for other types of debt securities, since it would not add to the quality, integrity, or clarity of a structured finance product credit rating and could hurt the market for these products.

In the re-proposed amendments, the SEC would require the public disclosure of credit rating histories for all outstanding "issuer paid" credit ratings from an NRSRO. They would also prohibit an NRSRO from issuing an issuer-paid rating for a structured finance product, unless the NRSRO makes available to other NRSROs certain information it received about the product to determine the rating.

ICI Position

While emphasizing its support of SEC efforts to improve the credit ratings process, ICI recommended modifications to the proposal to ensure that investors receive timely and sufficient information about structured finance products. ICI also called for improvements to disclosure, by both NRSROs and issuers, of information to investors about debt securities other than structured finance products.

Related Links

- [ICI Commends SEC Approval of Credit-Rating Agency Rules](#)
- [ICI Supports SEC Reforms for Credit Rating Agencies](#)
- [ICI Comment Letter to DOL on Investment Advice Proposal](#)
- [ICI Urges SEC to Retain Credit Ratings in Money Market Fund Rule](#)
- [ICI Applauds SEC Efforts on Credit-Rating Agencies](#)

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