

ROBERT E. ANDREWS

FIRST DISTRICT NEW JERSEY

COMMITTEES:

EDUCATION AND THE WORKFORCE

RANKING MEMBER, SUBCOMMITTEE ON HEALTH, EMPLOYMENT, LABOR AND PENSIONS (HELP)

MEMBER, SUBCOMMITTEE ON HIGHER EDUCATION AND WORKFORCE TRAINING

ARMED SERVICES

MEMBER, SUBCOMMITTEE ON EMERGING THREATS AND CAPABILITIES

RANKING MEMBER, PANEL ON DEFENSE ACQUISITION REFORM

MEMBER, SUBCOMMITTEE ON OVERSIGHT AND INVESTIGATIONS

**Congress of the United States
House of Representatives
Washington, DC 20515-3001**

PLEASE REPLY TO:

- 2265 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, DC 20515
(202) 225-6501
- 515 GROVE STREET
3RD FLOOR, SUITE 3C
HADDON HEIGHTS, NJ 08035
(856) 546-5100
- 63 NORTH BROAD STREET
WOODBURY, NJ 08096
(856) 546-5100

WEBSITE:

www.house.gov/andrews

March 23, 2012

Secretary Elizabeth M. Murphy
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

Dear Secretary Murphy,

I write in strong support of proposed rule 17 CFR 240.17g-8, regarding Credit Rating Methodologies. As evidenced by the sub-prime mortgage crisis of 2008, credit ratings play an integral role in the integrity of the global financial system and as such they should be assigned with deliberate care and precision.

Credit ratings issued by nationally recognized statistical rating organizations (NRSRO) have evolved into important predictive measurements used to evaluate the financial health and credit worthiness of an entity. These credit ratings are not only relied upon by investors around the world, but also carry very real implications for business owners and taxpayers alike. For these people, it is not merely a letter gradation that is at stake; rather it is the difference of a business being able to hire more employees or an added tax burden on a citizen of a municipality. Given the above considerations, it is exceptionally important that ratings be assigned methodically, in adherence with a set of predetermined and publically disclosed and transparent policies and procedures. This rule would provide both investors and those being rated with the proper context from which they can better understand a firm's rating decision. Furthermore, the rule would produce consistency allowing entities to be judged relative to other like entities.

I also write to encourage further rule making on this matter in order to accomplish the following goals:

- Require NRSROs to disclose proposed credit ratings to the rated entity prior to releasing the rating publicly.
- Require that the NRSROs explain the rationale behind the proposed credit rating prior to releasing the rating publicly.
- Require that NRSROs create and enforce policies and procedures that provide rated entities with the right to appeal a proposed credit rating, prior to releasing the rating publicly.
- Require that NRSROs, in the event of an appeal, give reasonable consideration to a rated entities' arguments, prior to releasing the rating publicly.

ES/1/2/15
 RECEIVED
 2012 MAR 26 PM 3:34
 CHAIRMAN'S
 CORRESPONDENCE UNIT

I thank you for your time, consideration and hard work on this important matter. If you have any further questions or concerns, please do not hesitate to contact Vince Sarubbi of my staff at 202-225-6501 or Vincent.Sarubbi@mail.house.gov .

Sincerely,

A handwritten signature in black ink that reads "Robert E. Andrews". The signature is written in a cursive style with a long, sweeping horizontal line extending to the right.

Robert E. Andrews
Member of Congress