

August 2, 2010

Elizabeth M. Murphy  
Secretary  
U.S. Securities and Exchange Commission  
100 F Street, NW  
Washington, D.C. 20549-1090

RE: Asset-Backed Securities; File Number S7-08-10

Dear Ms. Murphy:

On behalf of the National Association of Federal Credit Unions (NAFCU), the only trade association that exclusively represents federal credit unions, I am responding to the request for comments on the proposed rule issued by the U.S. Securities and Exchange Commission (SEC) regarding requirements related to shelf registration, disclosures and other matters relative to asset-backed securities. The proposed rule would require issuers to provide an increased amount of information regarding asset backed securities, including mortgage-backed securities, to prospective investors. It would also allow investors more time to review and to make decisions on a prospectus and institute a number of measures intended to improve the quality of the securities in the marketplace.

First and foremost, NAFCU would like to thank the SEC for proposing comprehensive changes to its rules regarding asset-backed securities. As has been well documented, one of the primary reasons for the financial crisis that led to the current economic woes is toxic asset-backed securities. Significant devaluation of the underlying assets has caused many direct and indirect investors of mortgage-backed securities, including credit unions, to incur large losses and the effect will undoubtedly be felt for some time to come.

NAFCU believes that a healthy and viable securities market must be fully re-established so that lenders, including credit unions, have adequate sources of liquidity. We believe that private sector securitization of mortgage- and asset-backed securities should play an important role in such a market alongside the government sponsored enterprises (GSEs). With Congress expected to address GSE reform in 2011, we believe

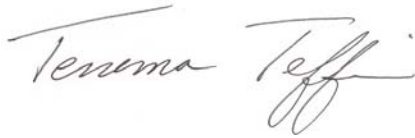
Elizabeth M. Murphy  
SEC  
August 2, 2010  
Page 2 of 2

it is especially important to ensure that the private securitization market is healthy. Thus, we strongly encourage SEC to move forward with the proposal keeping in mind the effect of its actions on the re-establishment of a healthy and viable asset-backed securities market.

We believe the proposed rule does contain a number of measures that would benefit investors, including credit unions, and for that reason, NAFCU generally supports the proposed rule. Under the proposal, investors will be provided more amount of information about the underlying assets of securities and more time to make investment decisions. While we agree that additional and clearer information should be provided to investors, we do not believe that the loan-level data should include any information other than the financial characteristics of the loan. We strongly encourage SEC to make sure that the loan-level data does not contain borrowers' personal information.

NAFCU appreciates the opportunity to comment in the proposed rulemaking. Should you have any questions or would like to discuss these issues further, please contact me at (703) 842-2268 or by e-mail at [ttefferi@nafcu.org](mailto:ttefferi@nafcu.org).

Sincerely,

A handwritten signature in cursive script, reading "Tessema Tefferi". The signature is written in dark ink and is positioned above the printed name.

Tessema Tefferi