August 2, 2010

Via E-Mail: rule-comments@sec.gov

Elizabeth M. Murphy, Secretary
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090

Dear Ms. Murphy and Commissioners:

Re: File Number S7-08-10: Asset-Backed Securities

Thank you for the opportunity to provide our comments on proposed revisions to Regulation AB and other rules regarding the offering process, disclosure and reporting for asset-backed securities. CalPERS is the largest state public pension system in the United States with approximately $200 billion in global assets under management invested on behalf of 1.6 million beneficiaries. Of its total assets under management, approximately $6 billion is invested in asset-backed securities (ABS.)

In general, CalPERS believes the proposed revisions to Regulation AB are positive for investors in terms of having access to more timely and transparent data, providing investors with more time to make investment decisions and supporting maintenance of high quality collateral. CalPERS specifically supports the following revisions:

Revisions to the Registration Process for Shelf Issuances

- Issuers will be required to provide investors a preliminary prospectus five business days in advance of the first sale.
- The risk retention requirement calls for a 5% unhedged vertical slice that must be held by the sponsor or an affiliate. While CalPERS does not believe this will be a big concern for credit card issuers, this requirement could negatively affect the economics of securitization for other consumer asset-backed securities.
- The representing/warranting party must provide a third-party opinion at least quarterly for any assets on which the trustee asserted a breach, but were not repurchased or replaced, confirming that the assets in question did not in fact violate any representing parties or warranties.
• Required certification from the CEO of the depositor that it is reasonable to believe that the assets backing a securitization will generate sufficient and necessary cash flows to pay the ABS notes, as described in the prospectus.

Revisions to Increase New Issue and Ongoing Disclosure Requirements

• In addition to the usual pool level disclosures, loan level data will be required for auto, equipment, floor plan, and student loan asset-backed securities, among others.
• Credit card issuers will be required to provide grouped account data.
• Issuers have to provide a computer program that models the cash flow waterfall provisions of the offered ABS transaction.

Revisions to Increase Private Market Transparency

• Private issuers will be required to file a public notice of initial placement and the issuer must make available information, similar to disclosures on public asset-backed securities, upon request of an investor.

We would be glad to provide any further details required or to provide any assistance that you might require. Thank you for considering our comments. If you would like to discuss any of these points, please do not hesitate to contact either me directly at (916) 795-9672 or Curtis Ishii, Senior Investment Officer Fixed Income, at (916) 795-3423.

Sincerely,

ANNE SIMPSON
Senior Portfolio Manager
Global Equity

cc: Curtis Ishii, Senior Investment Officer - CalPERS