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July 30, 2010

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

Re: Proposed Rule -Asset Backed Securities -File No. S7-08-10

Dear Ms. Murphy:

We appreciate the opportunity to respond to the Securities and Exchange Commission's (SEC or "Commission") proposed rule on Asset-Backed Securities (the "Proposed Rule").

We support the Commission's objectives to update the current rules relating to the offering process, disclosure, and reporting for asset-backed securities ("ABS"). We believe that the Proposed Rule will generally enhance the information available regarding risks underlying those securities.

Given that a majority of the questions raised in the Proposal pertain to technical topics that are not the focus of our firm, we have not responded to each question in the Proposed Rule. Our response is focused on the following aspects of the Proposed Rule that have accounting, auditing or reporting ramifications:

- Servicer Assessment of Compliance with Servicing Criteria
- The Asset Data File and Cash Flow Waterfalls
- Proposed Implementation Date

Servicer Assessment of Compliance with Servicing Criteria

Expanded Disclosure

The Proposal would expand the disclosures required in Form 10-K to include whether any identified instances of noncompliance involved the securities covered by that Form 10-K as well as a discussion of any steps taken to remedy such noncompliance. The Commission asks whether these proposed requirements would be helpful to investors.

Currently, some ABS issuers voluntarily disclose remedial measures taken to address identified material instances of noncompliance; however, such disclosures are not subject to any form of assurance in the independent auditor's attestation opinion. Specific instances of noncompliance involving the servicing of the specific assets backing the securities covered by a particular Form 10-K are not required to be disclosed, nor are they typically disclosed, unless they represent a material instance of noncompliance at the servicing platform level.

We recommend that the SEC maintain consistency among (1) the platform level at which servicing compliance is asserted by the servicer and attested to by the independent auditor, (2) the assessment of the materiality of instances of noncompliance with servicing criteria, and (3) any required disclosure of remedial actions with respect to identified instances of material noncompliance with servicing criteria. To require disclosure, regardless of materiality, of any instances of noncompliance with servicing criteria at the platform level may confuse the user of the report because such disclosure would not match the auditor's attestation opinion. Accordingly, we recommend that the SEC clarify the scope of the proposed amendments to Item 1122.

The SEC is proposing to amend Item 1122 to require disclosure of "any steps taken to remedy a material instance of noncompliance previously identified by an asserting party for its activities with respect to asset-backed securities transactions taken as a whole involving such party and that are backed by the same asset type backing the asset-backed securities." We recommend that any final rule make clear that such disclosures are not within the scope of the independent auditor's attestation opinion. Further, we recommend that the final rule clarify whether the disclosure of remedial actions applies to (1) all material instances of noncompliance with servicing criteria identified at the platform level (as suggested in the proposing release), or (2) any material instances of noncompliance with servicing criteria

identified at the platform level that also involve the same asset type as that backing the respective asset-backed securities (as suggested by the proposed statutory rule text).

Aggregation and Conveyance of Information

The Commission asked whether a separate criterion should be added addressing the accurate aggregation and conveyance of information by one servicer to another party who must use the information in the performance of its duties. The Proposal also would codify a related SEC staff interpretation involving reporting to investors. The Commission also asked whether timeliness of conveyance of this information should be included as part of the proposed servicing criterion.

Many servicing practices involve the aggregation of information by one servicer for conveyance to another party participating in the servicing function in order for the other party to use the information in the performance of its servicing duties. Adding a separate criterion addressing the accurate aggregation and conveyance of information between servicers that is broadly related to all responsibilities under the transaction agreements may not be cost beneficial, because it may require significant effort to identify and evaluate each instance of aggregation and conveyance in planning and performing the assessment and attestation. Instead, we believe it would be appropriate to focus on the importance of investor reporting and revise the existing criterion in Item 1122(d)(3)(i) as necessary to address aggregation and conveyance. If a new criterion is added, such as the proposed Item 1122(d)(1)(v), we believe the Commission should limit the scope of the proposed criterion to activities affecting investor reporting rather than all responsibilities under the transaction agreement. Under this more narrowly focused aggregation and conveyance servicing criterion, we would support including the aspect of timeliness of conveyance, because timeliness could affect the ability of servicers to meet their reporting obligations to investors.

Other Matters

In addition to the Commission's specific request for comment on servicer assessment of compliance with servicing criteria, we believe the Commission should clarify the existing servicing criterion in Item 1122(d)(4)(v), which states, "The servicer's records regarding the pool assets agree with the servicer's records with respect to an obligor's unpaid principal balance." The Commission should revise this criterion to clarify that the servicer's records should agree to the obligor's records, which would help achieve consistency in the assessment of compliance with this criterion. Such an update might consider USAP procedure, V.1, after which the Item 1122(d)(4)(v) criterion was modeled, which states, "The servicing entity's

mortgage loan records shall agree with, or reconcile to, the records of mortgagors with respect to the unpaid principal balance on a monthly basis."

The Proposal would revise Item 1111 to require a description of any provisions in the transaction agreements governing the modification of the terms of any asset and disclosure regarding how such asset modifications might affect cash flows from the assets or to the securities. We support requiring clear and specific disclosure of the transaction agreement provisions governing asset modifications. In our view, such disclosure would provide greater clarity for auditors, servicers, and others responsible for assessing compliance with Item 1122(d)(4)(vi) loan modification criterion.

The Commission has proposed, that as a condition of Rule 144A, transaction agreements require an issuer of structured finance products to provide to investors promptly, upon the investors' request, (1) information that would be required if the offering were registered on Forms S-1 or SF-1, and (2) any ongoing information regarding the securities that would be required if the issuer were required to file reports under Section 15(d) of the Exchange Act. The Commission should clarify whether such information would extend to the independent auditor's attestation opinion regarding servicing compliance required by Item 1122. If so, we are concerned that the existing Item 1122 servicing criteria, which contemplate the types of assets underlying most registered offerings of asset-backed securities (e.g., mortgages, auto loans, credit cards) may not apply to the types of assets underlying many Rule 144A/unregistered offerings of structured finance products (which may include CDOs, CLOs and Auction Rate Securities, among other asset types).

As proposed, Schedule L, Schedule L-D and Schedule CC would provide asset-level or group-level information in the prospectus at the time of offering and in ongoing Exchange Act reports. We recommend that the Commission's final rule clarify that the independent auditor's opinion on servicing compliance does not provide assurance on the asset-level data set forth in Schedule L, Schedule L-D or Schedule CC. Criterion 1122 (d)(3)(i) requires that "Reports to investors, including those to be filed with the Commission, are maintained in accordance with the transaction agreements…". It is unclear if the associated Schedule L-D data falls within the scope of this criterion.

Asset Data Files and Cash Flow Waterfalls

We support the Commission's goal of standardizing reporting formats of asset data files, grouped account data and contractual cash-flow provisions ("waterfalls"). We are concerned, however, that the proposed level of standardization may not have the desired benefit and may impose an incremental burden without imparting incremental benefits for market participants.

Asset Data Files

Adopting XML without also adopting an additional framework – be it XBRL, OAGIS, UBL or some similar public standard – means that numerous data file design decisions will have to be made by each reporting entity for the ABS disclosures. This may increase, not decrease, the variety of reporting formats and practices to the market.

Some of the ABS disclosures, particularly those related to credit ratings (e.g. credit ratings, financial information on underlying properties, etc.), already exist in publicly available XBRL Taxonomies or dictionaries of common disclosure definitions. It would enhance the consistency of market use to enable the reuse of these definitions by all entities reporting and using ABS information.

Cash Flow Waterfalls

The proposed rule also sets out the use of Python for expressing contractual cash-flow provisions. The Commissions asks "if there is an alternative form of required information filing that would be more useful to investors, subject to the limitation that executable code may not be filed on EDGAR."

We believe that providing a standardized basis for reporting waterfalls is useful, but that any programming language, no matter what the reputation is for readability, may be too technical to be easily understood by all potential users. Python is not a standardized information reporting tool. As such, it is possible to create Python code that returns correct results but is coded in such a way that may be very challenging for users to understand how the provided code creates the end results.

The use of existing standards for the data (such as the use of the XBRL Specification to define appropriate taxonomies and instances for such data) and the formulas and business rules (such as XBRL Formula, RuleML, FPML or similar standard formula and rules languages) would

facilitate the creation and population of waterfalls that are more easily understood and widely used by third parties while still allowing the standardized publication of online tools that work with these models.

Proposed Implementation Date

We believe it would be impractical for companies to make the changes to their systems, controls and processes necessary to meet the requirements of the Proposed Rule before January 2012. We recommend that the Commission consider the length of time required to make these changes and revise any effective date accordingly. We expect that effective implementation of the Proposed Rule's requirements will take at least an additional year beyond the timeframe currently proposed by the SEC.

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We are available to discuss our comments and to answer any questions that the SEC staff may have. Please contact Derrick Stiebler (973-236-4904), Tom Knox (202-414-1387) or Matt Brockwell (703-918-3753) regarding our submission.

Sincerely,

PricewaterhouseCoopers LLP

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