



March 3, 2011

The Honorable Mary L. Schapiro  
Chairman  
United States Securities and Exchange Commission  
100 F Street, N.E.  
Washington, DC 20549

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CHAIRMAN'S  
CORRESPONDENCE UNIT

**Re: Disclosure and Asset-Backed Securities Regulatory Coordination**

Dear Chairman Schapiro:

The undersigned trade associations, representing the real estate finance and securities industries, appreciate the multitude of initiatives the Securities and Exchange Commission (SEC) is undertaking to improve accountability, transparency and investor confidence in the securitization markets. We believe such measures will go a long way in helping to revitalize the funding channels for a variety of consumer and commercial credit transactions. We also endorse the SEC's goal of establishing reasonable, prudential thresholds to promote sound and informed investment decisions by market participants. However, we believe it is equally imperative for the SEC and other relevant regulatory agencies to implement such initiatives in a systematic fashion by prioritizing those that are needed most, and avoiding regulatory redundancy wherever possible. We also request that you give consideration to establishing an implementation plan that recognizes the degree to which such initiatives impose additional regulatory burdens and the extent to which efficiencies can be gained by coordinating the implementation of requirements that may have an overlapping impact on the same business work streams.

For example, we note the "securitization safe harbor" regulations issued by the Federal Deposit Insurance Corporation (FDIC) and the SEC's proposed changes to Regulation AB directly address several areas with new requirements imposed by the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act) such as:

- Credit risk retention, and
- Enhanced disclosure of
  - Asset level data – waterfall requirements, and
  - Technology mandates
  - Loan repurchase requests.

March 3, 2011  
The Honorable Mary L. Schapiro  
Page 2

We note that the FDIC's securitization safe harbor and the Dodd-Frank Act impose new risk retention requirements on the securitization industry. However, the FDIC resolved the possible confusion and duplication that could have resulted by including language so that the Dodd-Frank Act's requirements will supersede the FDIC's upon implementation.

Given that the FDIC's regulations have been issued in final form, and the statutory deadline of April 17 for issuing the Dodd-Frank Act's risk retention requirements, we respectfully request that the SEC postpone further activity related to its proposed Regulation AB modifications until the impact of both regulations have been sufficiently evaluated. For example, securities issuers have expressed concerns about not only implementation challenges but also liability ramifications associated with the technological components of the proposed Regulation AB changes.

We would like to meet with you at your earliest convenience to explain our concerns in further detail. Michael Carrier, MBA's Associate Vice President of Secondary and Capital Markets will contact your office next week to explore possible meeting options. If you or a representative from your office would like to contact Mr. Carrier directly, he can be reached at [mcarrier@mortgagebankers.org](mailto:mcarrier@mortgagebankers.org) or 202-557-2870. We look forward to working with you in your efforts to reinvigorate the secondary market.

Regards,

American Financial Services Association  
CRE Finance Council  
Mortgage Bankers Association

**McElveen, Josephine**

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**From:** MCarrier@mortgagebankers.org  
**Sent:** Thursday, March 03, 2011 11:48 AM  
**To:** CHAIRMANOFFICE  
**Cc:** roydeloach@dcstrategies.us  
**Subject:** Meeting Request  
**Attachments:** Risk Ret Reg AB ltr (meet fin).pdf

Dear Chairman Schapiro,  
I am submitting the attached letter on behalf of the American Financial Services Association, Commercial Real Estate Finance Council, and Mortgage Bankers Association.

Please let me know if you encounter difficulties opening the attachment.

Thank you.

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*Investing in communities*

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