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April 28, 2014

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

RE: U.S. Securities and Exchange Commission (Commission) Asset -Backed Securities (ABS) and Re-Proposal of Shelf Eligibility Conditions for Asset-Backed Securities Comment File Number S7-08-10

Dear Secretary Murphy,

Bloomberg L.P. (Bloomberg) welcomes the opportunity to submit comments in response to the Commission's proposal to require the filing of computer programs that provide clear, consistent descriptions of the waterfalls of contractual cash flow provisions of asset-backed securities. We feel strongly that the Commission should adopt such a proposal in a final rule. We also agree that such waterfall computer programs written in the Python programming language would be widely accessible, consistent, and resilient.

It is critical that all market participants--including both primary and secondary market purchasers--be able to quickly, efficiently, and confidently evaluate ABS waterfall provisions so they can plan for and manage default scenarios, especially during times of market stress. This goal is best met by programs that adhere to a consistent standard that is proven to be resilient and is widely and freely usable by market participants. Market participants who have used Bloomberg's standardized approach to waterfall scripting and templates for describing deal structures often gain a deeper understanding of deal nuances because they can express the waterfalls themselves within a modelling framework. This allows participants to explore default scenarios wherever helpful and reduces their dependency on the opinions of others in evaluating default scenarios.

Requiring the filing of a waterfall computer program in a common programming language resides entirely within the statutory authority that Congress granted to the Commission as it falls squarely under the Commission's mandate to protect investors by ensuring that markets are fair, orderly, and efficient. By requiring a standardized waterfall representation, we strongly believe that the proposed rule would succeed in achieving the Commission's goals. However, if the Commission's proposed waterfall computer program filing requirement were weakened or omitted entirely from the final rule, the market would suffer from unnecessary opacity, fragmentation of waterfall interpretation, and technology costs.

A. Company Overview.

Bloomberg is a privately held company that operates the BLOOMBERG PROFESSIONAL® service, a leading, independent market data and analytics service that, among other things, facilitates electronic trading and processing of fixed income securities, over-the-counter derivatives, foreign currency, and equities. Bloomberg serves the entire spectrum of the financial market and, being independent, we do not have a bias towards nor are we beholden to any particular element of the market.

The BLOOMBERG PROFESSIONAL service delivers analytics and data on approximately five million financial instruments spanning all major asset classes and currencies (including all varieties of mortgage-related securities), as well as news on almost every publicly traded company, to more than 320,000 professionals in the business and financial community around the world. Many major central banks as well as investment institutions, commercial

banks, government agencies, and money managers with a regional or global presence are users of the BLOOMBERG PROFESSIONAL service, giving Bloomberg an extraordinary view of the global markets.

B. Python Has a Proven Track Record of Success.

Bloomberg agrees with the Commission that the ABS markets will benefit from the maximum amount of transparency available. To that end, in 2013, at no extra cost to our BLOOMBERG PROFESSIONAL service users, Bloomberg funded an initiative to use Python to bring two enhancements to our own RMBS deal disclosure offering aimed at bringing greater transparency to the market. These enhancements were implemented at the asset-level and at the liability, bond, and waterfall levels.

The asset-level enhancements that we implemented include, but are not limited to, the disclosure of anonymous loan level data, the ability to analyze the layered risk of loan level collateral, customized performance and surveillance screens powered by loan level collateral information, the ability to perform and share custom stratification and groupings and the ability to create and share current and historic surveillance sheets powered by dynamic customized representations.

The liability, bond and waterfall enhancements we implemented allow any RMBS deal to be modeled and viewed in the Python programming language. This functionality provides a dynamic transparency tool that investors can use to view or modify any deal feature. It also offers investors a new type of structuring tool for new issuances. Importantly, this enhancement provides investors, trustees, issuers and other market participants with the ability to create, view, modify, and stress all deal attributes including deal triggers, and the ability to view and modify existing waterfalls and conduct "what if" substitutions of loan level assets.

Because Python is freely available under an open source license, other data vendors are free to develop and offer their own tools to enhance transparency for market participants using Python. The Python standard thus would serve as a strong foundation for an open, innovative and competitive marketplace for analytical tools in the ABS market.

C. A Single Programming Language Will Reduce Panic in Times of Stress.

The global financial crisis was exacerbated by a lack of transparency in the RMBS market. This uncertainty was created because investors were uncertain how RMBS waterfall structures would perform under duress. The inability to view a single market-wide waterfall model in a common protocol contributed to the liquidity crisis because investors could not determine with assurance the ongoing cash flows of the RMBS bonds. As a result, it became increasingly difficult to properly price these securities and that difficulty led to panic selling. Requiring a standardized waterfall computer program will provide investors and the market with the certainty of knowing what their RMBS cash flows will be during any market event.

D. Adopting A Single Programming Language Will Make the Commission More Efficient.

Equally as important, a homogenous market-wide standard for waterfall models will make it much simpler for the Commission staff to understand the ABS market and make the Commission more efficient because less time and fewer resources will be devoted to understanding and deciphering how multiple computer programs work. As a result, more time, resources, and effort can be used by Commission staff to analyze the ABS markets and to predict how they will react to differing market conditions.

E. A Common Approach Must Be Required and Python is the Best Option.

For each loan or asset in the asset pool, we agree that the Commission should require the disclosure of specific data related to the terms of the asset, obligor characteristics, and underwriting of the asset in a machine-readable, standardized format. We also believe that this data should be provided at the time of any securitization, any time new assets are added to the loan pool underlying the securities, and on an ongoing basis. It is only in this

manner that the data will be most useful to investors, markets, and the public. Consistent filing of a standard waterfall computer program written in Python would offer a seamless and consistent way to achieve this for the Commission.

If the Commission's goal is to assure that data and analytics that are materially relied upon in making investment decisions factually represent the actual values of the assets at the loan level and the waterfall structure in every RMBS deal at all times, then Bloomberg believes that requiring issuers to file a waterfall computer program written in a consistent format and protocol for all ABS deals is essential to making that goal a reality.

Please let us know if we can provide any further information on this issue.

Sincerely,

/s/ Russel Parentela
Global Head of Structured Products
Bloomberg L.P.