December 9, 2009

Via Email:  rule-comments@sec.gov

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

Re:   File No. S7-23-09; Extension of Filing Accommodation for Static Pool Information in Filing With
        Respect to Asset-Backed Securities

Honorable Members of the Commission,

I respectfully submit this letter in response to the Securities and Exchange Commission's request for comments on "Extension of Filing Accommodation for Static Pool Information in Filings With Respect to Asset-Backed Securities" (Release No. 339074).   I am submitting this letter in response to other comment letters that I do not feel adequately represent the needs of the investing public or characterize the opportunity for improvements that are available to the SEC.

The complete collapse of the Mortgage Backed Securities market, the subsequent TARP bailout, and the lack of buyers of government owned MBS and the frozen credit market clearly demonstrate that investors are unable to access adequate information to model the cash flows and risks in these assets. The economic events of these past 24 months provide empirical proof that the current patchwork of issuers' web sites and self-defined reporting standards simply do not work.

ABSs issuers creating their own data and report formats, and posting on their own web site – without any centralized validation process from any regulatory authority – have created a veritable Tower of Babel for this market.  Investors are left sorting out incompatible data labels, reporting formats, reporting schedules, file formats, and blank or erroneous data.  Investors are confounded, regulators and auditors are unable to spot risks, and ultimately the market is opaque due to this systemic lack of data reporting standards.

Technology exists that can make ABSs reporting transparent, easy, and inexpensive  for issuers and investors such as  eXtensible Business Reporting Language (XBRL) is an international open financial data reporting format already adopted by the SEC and by the FDIC as well as numerous other worldwide regulatory bodies.  XBRL.US, a non-profit consortium, has already produced a 1,000-element data specification for asset backed securities that can be implemented by the SEC.  It will cost issuers only a few hundred dollars per document and servicers a few hundred dollars per servicing report to produce. The size of such a data file using this specification will be smaller than a single 3 minute song on an Apple I-Pod.

Today, issuers are spending significant money and time each building their own proprietary reporting formats and web sites – with little to no guidance on what and how information needs to be reported. Defining a single common open standardized format in a common repository allows issuers to focus on the quality of the reports, not on the format and medium of the reports. Common data reporting standards pool everyone's research and development disclosure dollars into a model that benefits the entire industry.

Our responses to the specific questions posed by the SEC are below:

- Is an extension of the filing accommodation appropriate? What would be the consequences if the accommodation lapsed on December 31, 2009 and static pool information was required in an EDGAR filing beginning January 1, 2010?

   We believe that the Commission needs to take an initial step to move all asset-backed disclosures into a central, accessible common repository for investors – the EDGAR System. Maintaining the current disclosure regulations as they currently are is an invitation for a repeat of the events of the current economic crisis. Ultimately, the quality and comparability of information must also be improved.

   It has been suggested by other respondents that converting pool information from a web site format to an EDGAR compatible format "carries with it a substantial cost and other burdens." This is simply incorrect. Issuers are already spending significant time and money creating HTML, PDF and Excel versions of their data. The EDGAR System is able to accept HTML and PDF formats. Adding header information to these document and filing in EDGAR compliant HTML or PDF is a process that will take minutes and cost a few hundred dollars. When considering that these ABSs contain millions or even billions of dollars of assets, the notion that converting a report from one digital format into another digital format is "a substantial cost and burden" is simply not a reasonable argument.

   EDGAR has been proven to be a highly effective system for the largest US and global companies. A vibrant ecosystem of software and service providers stands ready to provide this service for these documents at a very low cost. Issuers can continue to post additional information and analytical tools on their web site voluntarily; however investors will be able to start depending on a central common repository for cross issuer comparisons.

- How could static pool information be filed with the Commission in a cost-effective manner that continues to allow the information to be provided in a format that promotes utility and functionality? Are there alternative filing mechanisms that could replace or supplement Rule 312?

   1. We believe that the SEC should take the first step of requiring centralized disclosures via EDGAR.

   2. We believe that, shortly thereafter, the SEC should implement more detailed reporting requirements for issuers that include not just what should be reported but how it should be reported by defining actual label names, and validation rules. To accomplish this, the SEC should leverage the international open reporting standard – Extensible Business Reporting Language (XBRL). The attached Appendix provides a great deal of information on this standard and how it can easily be applied to Rule 312.

- Have investors or other market participants had any difficulties with locating, accessing, viewing or analyzing static pool information posted on an Internet Web site pursuant to the filing accommodation provided by Rule 312 of Regulation S–T? Has the information remained on the Web site for the required duration and have updates and changes been appropriately reflected?

  Yes, the recent market collapse and the current inability of the market, regulators, and auditors to value these assets demonstrate that the information available and the current patchwork of company by company web site reporting simply does not work.   In the attached Appendix, we provide significant details of how difficult it is to get complete, accurate and comparable data for MBS under Rule 312.   Comparability between issuers and between servicers is almost impossible to achieve without very large scale investments for investors.   A small investment by issuers will reap large reductions in cost and risk for investors.

- Have issuers found that the Internet Web site posting accommodation provided by Rule 312 has enabled them to provide the required static pool information in a cost-effective, efficient and useful manner? Have issuers encountered any issues or problems with Internet Web site posting pursuant to Rule 312? How should we address those issues or problems?

  The fact that issuers can so easily post this information on their web site today is further evidence that posting this exact same information in an SEC defined format will be equally easy and cost effective.  This is the digital age and issuers are well equipped to convert documents and data among systems.  All issuers are investing significant money and time in proprietary reporting formats and analysis tools.   It would be far more cost effective for issuers and investors if a single common format was defined by the SEC for issuers to invest in as opposed to having to do separate proprietary work on investor disclosures.   Ultimately, the costs are higher and the risks are higher without data standards.

- Would the proposed one-year extension present particular problems for investors? Would a shorter or more narrowly tailored extension ameliorate those concerns?

  We believe that it is very easy and low cost for issuers to simply file an HTML or PDF version of their web report with the SEC's EDGAR system.  Anyone that has the technology to build and service an MBS should have technology to do a document file conversion.

- Should the filing accommodation be extended for longer than one year, for example, two, three or five years, or made permanent? If so, are there any revisions to the rule that should be made?

  No.  We believe that the SEC has an opportunity to demonstrate and take a bold step to implement 21$^{st}$ century technology to bring transparency to the largest financial crisis of the 21$^{st}$ century.

- Are there any other changes we should consider making to Rule 312 of Regulation S–T?

  Yes.  We believe that the SEC should implement a centralized open XBRL based reporting format to drive down the cost and complexity of reporting for issuers and drive up the comparability and transparency of these assets for the investors.  We discuss this in more detail in the Appendix.

We greatly appreciate the opportunity to comment on Rule 312 of Regulation S-T. We applaud the SEC for its foresight in raising the questions in this process. The events of these past 24 months in the securitization market clearly demonstrate that the information supply chain is broken. The SEC has a great opportunity to modernize this disclosure process, reduce the costs of proprietary reporting by issuers and bring long overdue transparency to the investors in the frozen securitization market.

Sincerely,

Philip D. Moyer
CEO & President

**APPENDIX**

(Excerpts from March 11, 2009 XBRL.US Testimony in front of the House Oversight and Government Reform Committee Co-authored by Philip Moyer)

A. **Ratings are based on inadequate data.** The market relies on rating agencies and statistical probabilities for default instead of on analysis of cash flow and real time status of assets. These ratings agencies are the first to admit that their analysis is only as good as the data they receive. However, there are few models that include high quality validating or benchmarking data, and rating agencies, by necessity, have built models around assumptions and statistics.

Until a few months ago, these statistical models worked. As long as someone was buying the assets, the statistical models held up and the industry simply assumed that someone else had done their own analysis. However, when the market stopped buying, the statistical models couldn't provide an understanding of the real value of the cash flows inside each loan that makes up an MBS. No one had the information to contradict a market driven by fear, and values headed to zero. What is being discovered now is that some data that was provided to the rating agencies was simply not valid or comparable. In other cases, important elements like the fact that the mortgage was being made to a "First Time Home Buyer" and therefore has the highest probability of default or that it was a "Second Mortgage" was omitted by some originators. There are simply no standards for what is considered a "complete" report.

B.  **Issuance requires no standardized information.**  When an MBS is issued, underwriters provide an SEC-filed document called a Free Writing Prospectus (FWP).  These FWPs are large documents containing a listing, called a loan tape, of all the loans included in the MBS, with various levels of detail on each loan, depending on the underwriter.  The information in these documents describes the individual loans, including the credit worthiness of the borrower, the value of the asset, when the interest rate will reset and more.  Most times the information in these documents is sanitized of private information, but sometimes personal information is included.  Some loan tapes have over 100 data elements for each loan, while others have as few as 20.  There are no industry standards or government regulations concerning these disclosures.  These documents can be thousands of pages long – and are literally documents, not data files that could be used by computer applications.

In an effort to better understand the available data, EDGAR Online began a study of the loan tapes from over 500 mortgage-backed securities priced during 2006, 2007 and the first half of 2008.  The team at EDGAR Online extracted the detailed loan information from each of the loan tapes, and attempted to standardize the various fields against a defined set of variables.  What made this exercise difficult was that each underwriter provided a different set of information in each loan tape, and the terminology used to describe the various fields and the data values varied greatly.  At the end of the study, EDGAR Online had accumulated a list of over 600 unique fields disclosed across the more than 500 loan tapes.  Some fields were disclosed nearly 100 percent of the time (current loan balance is an example of a very common field) while others were unique to certain underwriters.  In just this small sampling of MBS, it was eminently clear that the great variation in the reported data made it nearly impossible for an investor in these securities to know what they were buying without spending an enormous amount of time and resources processing and interpreting the data.  Below is a schedule showing the fields that were most frequently included and the percentage of FWPs that contained those fields from the 500 FWP's that EDGAR Online analyzed.

**Data fields usually found in Free Writing Prospectuses (at issuance)**

| DATA ELEMENT | % of FWPs | DATA ELEMENT | % of FWPs | DATA ELEMENT | % of FWPs |
|---|---|---|---|---|---|
| Original Loan Balance | 97.02% | ARM - Periodic Rate Change Frequency | 53.77% | Lender Paid Mortgage Insurance Fee | 23.81% |
| Property State | 97.02% | Balloon Flag | 52.78% | Note Date | 23.81% |
| Property Type | 95.24% | Original Interest Rate | 52.18% | Self Employed Flag | 23.61% |
| FICO | 94.64% | Remaining Term | 51.39% | Program | 23.21% |
| First Payment Date | 94.64% | Servicing Fee | 50.60% | Amortization Type | 22.42% |
| Occupancy Type | 93.65% | ARM - First Rate Change Date | 47.22% | Pool | 21.23% |
| Loan Purpose | 93.45% | Adjustable Rate Flag | 47.02% | ARM - First Rate Change Period | 21.03% |
| Current Rate | 92.06% | Origination Date | 46.83% | Negative Amortization Limit | 20.63% |
| Maturity Date | 90.28% | Group | 45.63% | Convertible Flag | 20.63% |
| Property Zip | 89.88% | Borrower Quality | 45.04% | Current Combined LTV | 20.24% |
| Original Term | 86.71% | Current LTV | 44.64% | ARM - Periodic Payment Change Cap | 18.65% |
| Documentation | 85.12% | Loan Type | 42.66% | Frontend DTI Ratio | 18.65% |
| ARM - Margin | 84.92% | Mortgage Insurance Company | 42.06% | Silent Second Flag | 18.65% |
| Lien Position | 84.33% | Interest Only Flag | 41.67% | Delinquency Status | 18.06% |
| Loan ID | 82.74% | Prepayment Penalty Flag | 40.87% | Conforming Loan Flag | 17.26% |
| Interest Only Term | 81.15% | Servicer | 40.48% | Master Servicing Fee | 17.06% |
| ARM - Periodic Rate Change Cap | 74.21% | Paid to Date | 38.69% | Mortgage Insurance Certificate ID | 17.06% |
| ARM - Lifetime Max Rate | 73.21% | Senior Lien Balance | 38.69% | Originator Loan ID | 16.67% |
| Current Loan Balance | 72.22% | Junior Lien Balance | 37.90% | Negative Amortization Flag | 16.47% |
| Current Principal and Interest Payment | 71.63% | ARM - Next Payment Change Date | 37.70% | As of Date | 16.07% |
| Mortgage Insurance Coverage | 70.63% | Loan Subtype | 35.52% | ARM - Look Back Period | 15.87% |
| ARM - First Rate Change Cap | 69.84% | Seasoning | 34.33% | Channel | 15.87% |
| Original Combined LTV | 67.86% | ARM - Periodic Payment Change Frequency | 33.93% | Property County | 15.67% |
| Original LTV | 65.08% | Original Principal and Interest Payment | 31.94% | Current Scheduled Loan Balance | 14.88% |
| Prepayment Penalty Term | 64.09% | ARM - First Payment Change Date | 31.35% | Mortgage Insurance Fee | 14.48% |
| Number of Units | 63.29% | Prepayment Penalty Type | 30.56% | First Time Buyer Flag | 14.29% |
| Backend DTI Ratio | 63.10% | Cut Off Date | 30.36% | Remaining Term - Stated | 14.09% |
| Property City | 62.70% | Mortgage Insurance Flag | 29.76% | Buydown Flag | 13.89% |
| ARM - Next Rate Change Date | 62.50% | Next Payment Due Date | 29.56% | Delinquency Count | 12.30% |
| Appraisal Value | 61.31% | Originator | 28.97% | Remaining Interest Only Term | 12.10% |
| ARM - Lifetime Rate Change Cap | 61.31% | Current Net Rate | 27.98% | Current Combined Loan Balance | 11.71% |
| Property Sales Price | 60.52% | Property Value | 27.18% | Interest Paid to Date | 11.71% |
| Amortization Term | 60.12% | Appraisal Type | 25.00% | ARM - Lifetime Min Net Rate | 11.51% |
| ARM - Adjustment Index | 60.12% | Current Actual Balance | 24.60% | Current Appraisal | 11.51% |
| ARM - Lifetime Min Rate | 59.52% | Months to Next Rate Change | 24.60% | | |

C. **Servicers use disparate data in their own, unique systems.** Once an MBS is being traded and the loans are being managed, the problem becomes more complex. The servicers are organizations that receive pools of loans from a wide variety of originators and lenders. They hold the individual loans and collect and distribute the actual interest payments to investors. These servicers receive loan data in widely disparate formats and varying levels of completeness. They attempt to standardize the information they get from originators and issuers into their own formats. But in some cases these servicers actually maintain multiple incompatible internal systems all housing information in different formats from different sources.

The servicers file forms 10-D with the SEC. These 10-D filings provide statistical level information on delinquencies, bankruptcies, foreclosures and bank owned assets (REOs), summary information on interest and principal payments, balance information and some loan level details. Information is provided in different format, in varying levels of completeness, and with different identifiers. And, it is completely incomparable to the information provided by any of their peer servicers.

### Principal Distribution Statement (continued)

| Class | Realized Loss | Total Principal Reduction | Ending Certificate Balance | Ending Certificate Percentage | Total Principal Distribution |
|---|---|---|---|---|---|
| A-1 | 0.00 | 17,366.03 | 122,783,994.74 | 0.98227196 | 17,366.03 |
| A-2 | 0.00 | 0.00 | 0.00 | 0.00000000 | 0.00 |
| A-3 | 0.00 | 1,577,071.00 | 118,398,574.00 | 0.92599443 | 1,577,071.00 |

### Principal Distribution Factors Statement

| Class | Original Face Amount | Beginning Certificate Balance | Scheduled Principal Distribution | UnScheduled Principal Distribution | Accretion |
|---|---|---|---|---|---|
| A-1 | 125,000,000.00 | 982.41088616 | 0.02268944 | 0.11623880 | 0.00000000 |
| A-2 | 0.00 | 0.00000000 | 0.00000000 | 0.00000000 | 0.00000000 |
| A-3 | 127,861,000.00 | 938.32869288 | 2.01440439 | 10.31985703 | 0.00000000 |

### Principal Distribution Factors Statement Interest Distribution Factors Statement

| Class | Original Face Amount | Current Certificate Rate | Beginning Certificate/ Notional Balance | Current Accrued Interest | Payment of Unpaid Interest Shortfall (1) |
|---|---|---|---|---|---|
| A-1 | 125,000,000.00 | 5.75000% | 982.41088616 | 4.70738552 | 0.00000000 |
| A-2 | 0.00 | 0.00000% | 982.41088616 | 0.00000000 | 0.00000000 |
| A-3 | 127,861,000.00 | 5.75000% | 938.32869288 | 4.49615833 | 0.00000000 |

### Collateral Statement

| Collateral Description | Total Fixed 30 Year |
|---|---|
| Weighted Average Coupon Rate | 6.368291 |
| Weighted Average Net Rate | 5.743224 |
| Weighted Average Pass-Through Rate | 5.750000 |
| Weighted Average Remaining Term | 353 |
| Principal And Interest Constant | 3,270,171.54 |
| Beginning Loan Count | 1,195 |
| Loans Paid in Full | 3 |
| Ending Loan Count | 1,192 |
| Beginning Scheduled Balance | 578,887,815.86 |
| Ending Scheduled Balance | 576,686,667.68 |
| Actual Ending Collateral Balance | 577,651,200.23 |

### Delinquency Status – MBA Delinquency Calculation Method

| | DELINQUENT | BANKRUPTCY | FORECLOSURE | REO | Total |
|---|---|---|---|---|---|
| | No. of Loans Actual Balance | No. of Loans Actual Balance | No. of Loans Actual Balance | No. of Loans Actual Balance | No. of Loans Actual Balance |
| 0-29 Days | 0<br>0.00 | 0<br>0.00 | 0<br>0.00 | 0<br>0.00 | 0<br>0.00 |
| 30 Days | 2<br>714,243.22 | 0<br>0.00 | 0<br>0.00 | 0<br>0.00 | 2<br>714,243.22 |

The information contained in 10-Ds is some of the most important information for investors but because of the lack of standardization in format and fields it is highly time consuming and expensive to convert these files into information that can be digested and analyzed by computers. The loan-level detail contained in these files is further complicated by unique identifiers that can't be traced back through the waterfall of tranches or to the original FWP. As a result, picking up trends in defaults, shortfalls in interest or positive performance for pools of loans is difficult, if not impossible.

D. **Payment processing is inefficient.** In 2007 the Depository Trust & Clearing Corporation (DTCC), which holds most of these issues on behalf of investors' financial intermediaries (banks and brokers), issued a whitepaper on the re-securitization market explaining that:

"CMO/MBS issues have the poorest performance of all security types with regard to:

- Delivering rate information (information on the amounts of the periodic payments of interest and principal on these issues) on a timely basis.

- Accuracy of that rate information as measured by the proportion of rates that are corrected after payment date and result in adjustments to the funds the bondholders received on payment date."

This DTCC whitepaper explained that payment data problems in the MBS market were alone responsible for an average of $10.6 billion in late payments to over 100,000 investors per year. Each month it was estimated that, as of two days before a payment was due, over 59% of the MBS payments did not yet have the information necessary to pay the appropriate investors. As a result, DTCC was required to collect, verify, and act upon over 75,000 payable items with just 48 hours to complete all the necessary processes. Additionally, over 7,500 principal and interest payments required post-payable adjustments or reversals each year because of incorrect rate information received by DTCC – affecting over 300,000 investors and resulting in the highest error rates among any security type. On average, over $800 million in late payments were occurring each month. These payment problems caused additional interest costs, inadequate cash management (especially to international beneficial owners), ambiguity surrounding payment finality, considerable back-office write-offs, and significant exception processing costs to broker-dealers and custodian banks across the entire MBS industry.

Through 2007 and early 2008, DTCC drove an industry-wide process to standardize a common model for consistent reporting and score carding among the largest paying agents of principal and interest. In March of 2008, DTCC implemented the MBS Scorecarding Process http://www.dtcc.com/products/asset/report_card.php), and in May started charging an exception processing fee at the point of underwriting for non-conforming issues. Non-conforming issues are those with features that are unlikely to ever allow paying agents to report rate information to DTCC prior to a payable date.

As a result, payment processing has dramatically improved. Since May 2008, the late payment rate has decreased by 58% -- although it still falls well short of the performance levels on other securities instruments. Clearly the need for and impact of data standards – and comparable data – is dramatically evidenced by just this one small step in the overall supply chain of the MBS market.

XBRL tags a company's financial reports in a language that is natively readable by computers – like bar coding. This tagging makes it easier for financial analysts to extract the most important elements of a financial report directly out of the document without having to re-key the data. Because the tags are digitized and standardized across the industry, it becomes much easier to use highly sophisticated computer models to screen for anomalies, compare reports, extract buried nuggets of information, and detect patterns.

In a world where we are trading billions of dollars of assets per second, where financial reporting is becoming increasingly complex, where the number of public companies is growing around the world, and where investors and regulators are having a hard time keeping pace, XBRL does for digital investors of the 21st century what the 1934 Act did for previous generations of investors: it provides investors with digital transparency.

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*eXtensible Business Reporting Language (XBRL)*

*eXtensible Business Reporting Language (XBRL) provides a common computer tagging language for financial reports.  It dramatically improves accuracy, comparability, and timeliness of information. In short, it provides digital transparency*

*The SEC  has recently introduced mandatory XBRL reporting for the income statements, cash flows, balance sheets and footnotes of all public  companies.  Industry bodies representing CFOs, CPAs, CFAs, and  regulators came together to define over 15,000 data tags*

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### Recommendation: Use XBRL in the MBS Industry to rationalize the information ecosystem

This same 21st century approach needs to be applied to the MBS market.  An industry body that includes the sell side, the buy side, rating agencies, and financial regulators, must come together to define "what" and "how" information needs to be reported to the market.  It is not enough to simply state "what" needs to be reported, because information that is not consistent, comparable and accessible remains unusable.  Addressing "how" information is to be reported requires the market to agree on important constructs like the identity of a loan (from cradle to grave), who originated the loan (independent originator, retail bank, etc.), documentation of the borrower (first time home buyer, proof of income, etc.), the status of payments (is a payment late, has one been missed, is the loan in default),

the waterfall information which discloses the tiered structure of creditors, who has the right to view certain information, payment processing data and other highly de-standardized but important facts.

**Regulators should take leadership in working with the industry to:**

**1. Define what information needs to be reported to the public.**

Representatives from regulatory agencies, the buy-side and sell-side firms, credit rating organizations, issuers, servicers, the American Securitization Forum (ASF), the Mortgage Bankers Association (MBA), the accounting profession, and the technology industry should come together quickly to build a common definition of the information supply chain needed in the MBS market. They need to define the steps in the supply chain, define the specific information needed at each step, agree on who is responsible for this reporting, and establish the priorities for implementing reporting standards. Organizations like the ASF and the MBA have done significant work already in defining the information requirements for the industry. We encourage these organizations to take a leadership position with regulators in defining reporting standards.

The MBS industry should learn from the experience of the equities market. Industry participants, CFOs, CPAs, CFAs, technologists, and regulators voluntarily convened a standards effort. The effort started small, by defining 3,000 elements for the primary financial statements, and evolved to include over 15,000 elements defining footnotes and industry-specific elements. Industry groups became involved (oil & gas industry, insurance industry, etc.) and evolved the standard in specific areas to better represent their audiences.

The MBS market is far less complex than the equities market, and will require only hundreds of data elements, not tens of thousands. The MBS market should take a similar evolutionary approach, starting by standardizing FWPs, and requiring issuers to file consistent data describing the loan level data in FWPs, moving to standardization of waterfall and servicing information. Then, once these first steps are in place, push deeper into the supply chain to include the MBS issuers, and the originators of mortgages.

**2. Implement reporting quality standards using interactive data (XBRL).**

The industry will need to codify its reporting requirements into actual data elements. There must be definitions of what is "valid" versus "invalid" data. Investors and issuers will have different language and currency requirements, and the industry will have a wide variety of versions and types of computer systems that need accommodating. The data will need to be consistent in its format (i.e. text, currency, decimals, percentages, etc.). Investors will need to be able to compare historical information with current information, and since reporting requirements change over time, they need to ensure that everyone is able to go back and read how the information was reported and how it was defined.

XBRL was designed to solve these "technical data" problems for financial reporting. Instead of requiring the industry to spend time dealing with issues like validation, compatibility, currency, language, extensibility, formatting, rendering, etc., the industry can use XBRL for MBS reporting. The model for building XBRL data specifications is internationally agreed upon and can be quickly leveraged to accelerate the MBS's journey towards transparency for 21$^{st}$ century investors.

**3.    Build a centralized reporting system that makes the information accessible to investors.**

Regulators should ensure that a central repository similar to the EDGAR system is established for the MBS market. Any re-securitized asset that is publicly traded should be required to submit XBRL data reports to this central repository on a monthly basis. Market participants should have visibility to the entire supply chain with the data submitted. Investors should have transparency of the monthly health of assets they have invested in or are considering investing in through this central repository.

**XBRL tagging and centralized reporting should be used throughout the entire MBS supply chain.**

How would centralized XBRL reporting practically work? When an MBS is issued, the issuer should be required to file a computer-readable XBRL data file with the central repository that contains loan level data tagged in the XBRL format. Based on the work that has been done to date, we estimate that this will involve approximately 150 data elements, and will include information on each individual loan, the collateral, and the supporting documentation and detail on the borrower such as: proof of income, salary and down payment amount, and detail on the originator – essentially a digital FWP document.

This XBRL data should be submitted to the common repository and made accessible to all investors. As a waterfall of mortgage-backed security vehicles is created, the contents and structure of each tranche of an issue should be similarly filed with the repository in this common data file format (XBRL). Throughout the life of the MBS, the servicers should be required to file monthly information that they collect on the status of the loans, the collateral and the borrowers in this common data format (XBRL). Form 10-Ds should be standardized and filed in XBRL format. We estimate that this servicing data set will be approximately 200 data elements and expand over time to approximately 500 elements. (To put this in context, the U.S. equities market uses over 15,000 elements to tag its 10-Ks, and 10-Qs – the MBS market is far less complex.) The result would be a central public repository of the ongoing status and cash flows of all publicly traded mortgage-backed loans – essentially a digital EDGAR system for the MBS. Investors in these issues would be able to access the data in the repository, and – through the use of XBRL, it would be immediately ready for use in automated data modeling and analytic systems. This would also enable investors to much more easily conduct their own financial analytics on the particular issue they own – a major improvement in transparency on MBSs, establishing a much sounder basis for an investor's conclusion that he or she knows what the MBS asset is worth and is ready to trade it.
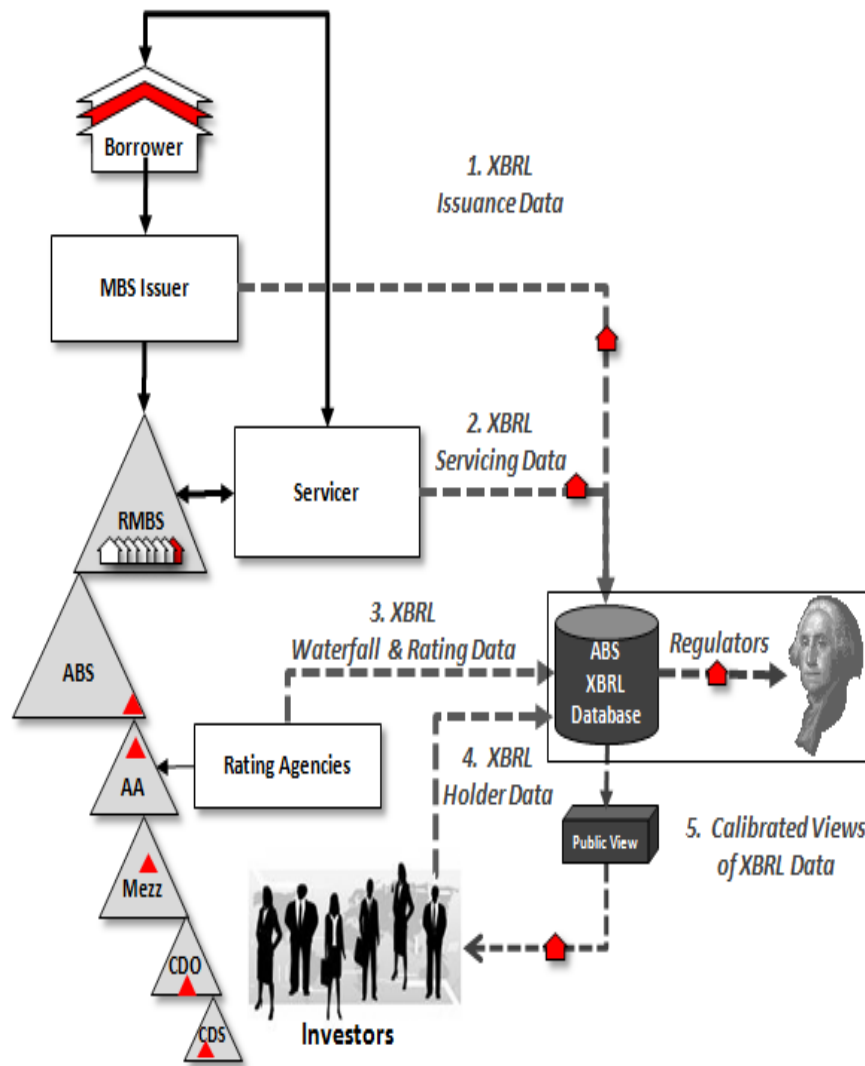
**1. MBS Issuers** *should provide loan level details in XBRL format before an MBS issue is priced. (Approx. 150 data elements)*

**2. MBS Servicers** *should provide Form 10-D, and loan-level detail of ongoing status/servicing information, including entitlement information (used by DTCC) in XBRL format on the MBS loans they service. (Approx. 500 data elements)*

**3. Ratings Agencies** *should provide XBRL data that describes the rating and waterfall structure. This will allow investors and regulators to track the individual loans through the tranche process. (Approx. 100 data elements)*

**4. MBS Ownership** *information should be reported – similar to required reports on stockholder equity in the US equity market. (Approx. 100 data elements)*

**Phase in these transparency initiatives:  Start with FWPs and the TARP and expand across the supply chain.**

It is important to reinforce that the industry and regulators must realize that all the problems of the entire supply chain of information cannot be resolved within the first phase of implementation.  The immediate costs and complexity would be too great.  Industry agreement on each phase needs to be achieved.  Technology solutions need to be implemented.  The entire phase- in period should be 24 to 36 months.  Regulators should start with the basic information that is in the FWPs.  The set of elements that need to be in an FWP should be agreed upon and standardized.  Any new MBS issue that comes to market should be required to report its FWP in XBRL format.  The industry should expand requirements to include the rating and waterfall information.  The information that is in Form 10-Ds should be standardized and reported in XBRL format.  Then the information that is collected and managed by the

servicers should be standardized and reported regularly.  Industry participants, such as servicers and systems vendors like Fiserv and Fidelity understand this supply chain, its current weaknesses, and the technology upgrades that are necessary to achieve this digital transparency.