

Securities and Exchange Commission  
100 F Street, N.E.  
Washington, DC 20549-1090  
United States

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06 November 2010

**-File No. S7-26-10  
-Issuer Review of Assets in Offerings of Asset-Backed Securities**

Dear Sir.

Thank you for giving us the opportunity to comment on your proposed rules "Issuer Review of Assets in Offerings of Asset-Backed Securities".

The proposed new rules require an issuer of an asset-backed security (ABS) to "...perform a review of the pool assets underlying the asset-backed security".<sup>1</sup> Either the issuer or a third-party named expert could perform the review. The proposals also require disclosure of the nature, the findings and conclusions of the review, including disclosure relating to assets that deviate from the disclosed origination underwriting criteria. Finally the proposals require that an issuer or underwriter of any offered ABS file a new form ABS-15G that would report the findings and conclusions of any third party due diligence report thereon. Such form would be signed by the senior officer in charge of securitization of the depositor, which is entirely appropriate.

The proposed new rules are fine in principle. Investors should have open access to independent, peer-reviewed, professional due diligence on ABS offerings. However, I fear that the proposed rules are open to interpretation and ambiguity concerning the process, quality and independence of such due diligence reviews. Specifically, I have the following questions:

- who should carry out the reviews? It is not enough for professionals such as lawyers or accountants to do this, rather real expertise of ABS structures and pool assets is required.
- How can we ensure minimum conflicts of interest in the review process?
- What exactly are the required nature, scope and objectives of the reviews?

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<sup>1</sup> Added §230.193.

Please note that the comments expressed herein are solely my personal views

Perhaps the SEC would provide some guidance on these issues, or mandate minimum standards thereon, including the minimum format of any review. I would recommend that any review be at arm's length, similar to an independent audit, and should cover/include the accuracy of asset data, whether loans have been originated in compliance with applicable laws, and statistical analyses to substantiate that any sampling procedures used are accurate.

Yours faithfully

Chris Barnard