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**VIA EMAIL**

Vanessa A. Countryman, Secretary  
Office of the Secretary  
U.S. Securities and Exchange Commission  
100 F Street, N. E.  
Washington, D.C. 20549

Re: File Number S7-26-19 Proposed Amendments to Rule 2-01,  
Qualifications of Accountants, Release No.33-10738 (December 30, 2019)

Dear Ms. Countryman:

I am an attorney practicing in Washington, D.C., in the fields of securities regulation and professional liability. Over the years, I have represented a number of auditors and audit committees. I respectfully submit these comments on my own behalf and not on behalf of any current or former client.

My suggestion is directed to Request for Comments numbered 21 and 22. Those requests are:

“21. We propose amending Rule 2-01(c)(1)(ii)(E) to replace “credit cards” with “consumer loans” and revise the provision to reference any consumer loan balance owed to a lender that is an audit client that is not reduced to \$10,000 or less on a current basis taking into consideration the payment due date and available grace period. Should we amend Rule 2-01(c)(1)(ii)(E), as proposed?”

22. Is the outstanding balance limit of \$10,000 appropriate? If not, what would be a more appropriate limit?"

I believe that the \$10,000 limit should be increased.

According to Credit Card Debt Study: Trends & Insights published by WalletHub on March 9, 2020 the Average Credit Card Debt per Household is \$9,070 as of the 4<sup>th</sup> quarter of 2019.

<https://wallethub.com/edu/cc/credit-card-debt-study/24400/>

The website Elite Personal Finance reports that a 2016 survey of consumer finances showed average credit card debt of \$8,700 for people with an average income of \$136,000 and average credit card debt of \$12,500 for people with an average income of \$260,200.

<https://www.elitepersonalfinance.com/average-credit-card-debt/>

Given these numbers, I believe the \$10,000 limit is unrealistically low. I suggest that the outstanding balance limit be increased at least to \$20,000 or \$25,000. It appears that the \$10,000 limit will soon be obsolete given average consumer experience as of the end of 2019. At higher income levels, it appears that limit became obsolete in 2016. The limit should be raised.

I thank you for the opportunity to submit the foregoing comments, reflecting my personal views on Proposed Amendments to Rule 2-01, Qualifications of Accountants.

Respectfully submitted,

The Law Office of  
EDWARD B. HORAHAN III, P.L.L.C.

/s/ Edward B. Horahan III