

**WELLS
FARGO**

Corporate Trust Services
9062 Old Annapolis Road
Columbia, MD 21045-1951
410 884-2000
410 715-2380 Fax

Wells Fargo Bank, N.A.

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July 12, 2004



By Hand

Securities and Exchange Commission
450 Fifth Street, N. W.
Washington, D.C. 20549
Attention: Mr. Jonathan G. Katz, Secretary

Re: Asset-Backed Securities Release Nos. 33-8419 and 34-46944 (File No. S7-21-04)

Ladies and Gentlemen:

Wells Fargo Bank, National Association (“Wells Fargo”) submits this letter in response to the Securities and Exchange Commission’s request for comments on the Asset-Backed Securities Release Nos. 33-8419 and 34-46944 (May 13, 2004), which we refer to as the “Proposing Release.”

Wells Fargo is a major participant in the mortgage-backed and asset-backed securities industry. Wells Fargo & Company, through its various subsidiaries, is one of the country’s largest originators of residential mortgage loans and a regular issuer of residential mortgage-backed securities. The comments to the Proposing Release expressed in this letter, however, relate solely to Wells Fargo’s roles as master servicer and securities administrator of residential mortgage-backed securities (“MBS”).

Wells Fargo dominates the market for master servicing of multi-servicer mortgage-backed securities. Based on our research, we believe that Wells Fargo master services more than 80% of the publicly-issued transactions involving master servicers that oversee multiple servicers.¹ As of May 31, 2004, Wells Fargo was serving as master servicer or administrator

¹ This estimate consists of master servicing for third-party transactions as an “oversight master servicer,” as discussed below, and excludes transactions for which Wells Fargo or an affiliate is the sponsor of the issuing trust.

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for 1,846 MBS transactions, representing more than \$608 billion of mortgage loans. In those capacities, Wells Fargo prepared and filed Annual Reports on Form 10-K with respect to 332 MBS transactions in March 2004 and provided certifications required by Section 302 of the Sarbanes-Oxley Act with respect to 172 of those transactions. In 2003, Wells Fargo also prepared and filed, on average, 213 Current Reports on Form 8-K each month for MBS transactions.

In its roles as master servicer and securities administrator, Wells Fargo acts as the principal interface between the parties responsible for performing servicing functions for pool assets and MBS investors. As master servicer, Wells Fargo does not have any direct loan servicing responsibilities, but performs important servicing oversight and monitoring functions expressly for the benefit of the related MBS investors. In addition, Wells Fargo, in its roles as either master servicer or securities administrator, provides tax calculation and reporting services to MBS investors and SEC reporting services to the issuing trusts. Wells Fargo, therefore, is directly involved in communications with investors. In addition, unlike loan sellers, depositors and underwriters, who typically are involved in an MBS transaction only through the structuring, pricing and settlement of the securities offering, Wells Fargo deals with ongoing investor reporting, deal issues and other matters of interest to investors for the life of the transaction. As an industry leader in providing such services to the MBS market, Wells Fargo is peculiarly well-positioned to offer the Commission certain comments and recommendations on the Proposing Release as it relates to the roles of master servicer and securities administrator on behalf of MBS investors.

I. Executive Summary

Wells Fargo is appreciative of the work of the Commission staff in attempting to distill current staff positions and industry practices under the federal securities laws with respect to asset-backed securities into a set of comprehensive rules; and we believe that such rules will prove to be of great service to investors and other market participants. We appreciate that the Commission's principal focus is the protection of investors, and we also acknowledge the Commission's need to balance the sometimes competing concerns and interests of issuers, servicers, trustees and other service providers.

Our comments relate primarily to the following general concerns:

First, the continuing ability of Wells Fargo to sign Section 302 Certifications and the impracticality of a single "responsible party" to provide a platform level compliance certification and accountants' attestation;

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Second, the timing of the required Form 10-D and Form 8-K filings, the nature of certain of the information required to be reported on such Forms, and their applicability to existing MBS transactions;

Third, the types of information required to be disclosed for oversight master servicers and securities administrators in MBS transactions; and

Fourth, the practical difficulties in determining the number of holders of book-entry MBS and responses relating to the Commission's request for comment regarding elimination of the use of Form 15 to suspend Exchange Act reporting for MBS transactions.

The discussion below sets out the reasons for these concerns and Wells Fargo's specific proposals with respect to proposed Regulation AB to address its concerns.

II. Discussion

A. Background

For over 15 years, Wells Fargo and its predecessors have master serviced residential mortgage loans for a variety of banks and other financial institutions, mortgage companies, investment banks and finance companies. Wells Fargo is the largest non-agency provider of corporate trust services for mortgage-backed securities and is a major provider of such services for asset-backed securities and collateralized debt obligations. In addition to master servicing, Wells Fargo's services include trustee services, securities administration, document custodial services and real estate mortgage investment conduit ("REMIC") and other MBS tax preparation and reporting services. As of May 31, 2004, Wells Fargo was playing a role in 2,387 outstanding asset-backed securities transactions (including 1,570 residential MBS transactions, 276 commercial MBS transactions, 476 asset-backed securities transactions and 72 collateralized debt obligations), and was managing over 2.4 million loans with an aggregate outstanding principal balance of over \$608 billion. Wells Fargo currently monitors 536 residential mortgage loan servicers and processes tax returns and reports for 1,419 MBS transactions. Wells Fargo's mortgage document custody unit is responsible for more than 6.7 million loan files and processed over three million custody deposits and over two million releases in 2003.

As master servicer in third-party MBS transactions, Wells Fargo has no direct loan servicing obligations but is responsible for the oversight and monitoring of the primary servicers, enforcement of the servicing agreements and appointment of successor servicers for

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terminated or resigning servicers. In this role, Wells Fargo is not contractually responsible to investors for the servicing activities of the servicers. This type of master servicing (which is sometimes referred to as “oversight master servicing”) predominates in MBS transactions in which the loan seller (such as an affiliate of an investment bank) purchases pools of mortgage loans from third-party originators for the purpose of securitizing the loans and underwriting the related MBS. Such loan pools generally are purchased by the loan seller on a “servicing retained” basis (*i.e.*, originators of the loans continue to service the loans). This type of master servicing facilitates access to the MBS market for smaller seller/servicers that do not have sufficient loan volume or resources to create and maintain their own MBS issuance programs.

In this type of transaction, servicers:

- have primary responsibility for loan servicing and all direct contact with borrowers
- are responsible for all collection and direct servicing activities, including approvals of loan modifications and assumptions, collecting principal, interest and escrow payments, paying taxes and insurance premiums, loss mitigation activities, instituting and prosecuting foreclosure proceedings and the sale or other disposition of foreclosed mortgaged properties
- are paid a significant servicing fee, which generally is required to be no less than 25 basis points for prime-quality fixed rate residential mortgage loans or 37.5 basis points for prime-quality adjustable rate residential mortgage loans
- are liable to the securitization trust for all servicing errors and omissions and improper servicing.

In contrast, an oversight master servicer:

- does not service the mortgage loans and does not have any contact with borrowers
- performs a supervisory or oversight role with respect to the servicers, and is responsible for terminating and replacing a servicer who defaults under its servicing agreement
- is paid a master servicing fee (generally a small fraction of the typical servicing fee)
- is not liable for servicing errors or omissions or improper servicing; and is liable to holders of the related MBS only for its failure to perform its master servicing obligations.

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It should be noted that Wells Fargo's role as oversight master servicer must be distinguished from other types of master servicing. In certain cases (principally large-volume mortgage originators who securitize the mortgage loans that they originate), the seller or an affiliate may be the named master servicer. In these instances, the term "master servicing" is synonymous with "servicing," with the master servicer being obligated to perform the servicing activities described above, whether such services are handled by the master servicer or by subservicers on its behalf.

As noted above, Wells Fargo also typically provides bond or securities administration services for MBS transactions, either in conjunction with its master servicing duties or in some other capacity. Its duties as bond or securities administrator include preparation of monthly distribution reports (which are then made available to issuers, investors, guarantors and other interested parties on Wells Fargo's website located at www.ctslink.com), preparation and filing of the transaction tax returns and, for MBS transactions with one or more classes of securities registered under the Securities Act, preparation and filing of the periodic reports required under the Securities Exchange Act of 1934 (*i.e.*, Current Reports on Form 8-K and Annual Reports on Form 10-K).

As oversight master servicer, Wells Fargo will independently calculate (or "parallel process") MBS loan balances and closely monitor the administration and servicing of defaulted mortgage loans, but it does not directly service the related mortgage loans, does not make the day-to-day servicing decisions and does not audit servicers' internal controls. Consequently, Wells Fargo relies on periodic confirmations that MBS servicers are servicing in accordance with their respective servicing contracts and on accountants' reports of the servicers' servicing activities. Servicers typically provide annual compliance certifications and annual accountants' reports (generally, in the form of USAP reports) which under current Commission requirements, are filed with Annual Reports on Form 10-K. Servicers' annual compliance statements and annual USAPs are important oversight tools for the master servicer.

Wells Fargo generally will sign the Annual Report on Form 10-K and the Section 302 Certification required by the Sarbanes-Oxley Act on behalf of the issuer or depositor for MBS transactions in which it master services the entire loan pool if the servicers agree to provide annual compliance certifications, annual USAPs and certain other information. As indicated above, Wells Fargo filed 332 Annual Reports on Form 10-K and 172 Section 302 Certifications in respect of MBS transactions in March 2004.

The following discussion addresses the comments and concerns of Wells Fargo as an MBS oversight master servicer and securities administrator in respect of matters presented in the Proposing Release.

B. Matters Relating to Securities Act Disclosure

1. Definitions

Wells Fargo believes that the definition of “servicer” proposed by the Commission encompasses a number of functions that, in many MBS transactions, are performed by parties other than the servicer of the pool assets. In Wells Fargo’s view, the following definitions of “servicer,” “master servicer,” “trustee,” and “administrator” more accurately reflect the types of roles and functions served by transaction parties. It should also be noted that these terms represent discrete MBS transaction *roles* rather than *parties*, and that parties to an MBS transaction may serve in one or more of these roles with respect to a given transaction. For example, a party denominated as the “master servicer” for a transaction who has primary servicing responsibility is acting in the role of “Servicer” as that role is defined below. Conversely, in its role as an oversight master servicer and securities administrator, Wells Fargo would not be acting in the role of “Servicer” but likely in the roles of both “Master servicer” and “Administrator.”

Servicer means any person that is contractually responsible for the management or collection of any of the receivables or other financial assets underlying the asset-backed securities, provided that no other servicer or master servicer is contractually liable to the issuing entity for such person’s activities as to those assets.

Master servicer means any person that does not itself perform servicing functions but as to the issuing entity is either: (1) contractually liable for the activities of servicers or subservicers in servicing the pool assets, or (2) contractually responsible for monitoring the activities of servicers or subservicers and replacing them if needed.

Trustee means the person with fiduciary obligations to protect the interests of the holders of the asset-backed securities under the primary operative document establishing the rights of those holders. The trustee may or may not act as securities registrar and paying agent.

Administrator means any person responsible for calculating and/or making distributions or payments to holders of the asset-

backed securities, but that does not also perform the functions of a master servicer, servicer or trustee. The administrator also may be responsible for preparing and filing required securities law and tax reports and serving as securities registrar.

As noted above, a party may perform any one or more of the foregoing roles or functions for an MBS transaction and a party's defined role in a transaction may or may not align with the foregoing terms. In Wells Fargo's view, clearly delineating roles and functions in MBS transactions is important to avoid investor confusion.

2. Proposed Disclosure

(a) Master Servicer Disclosure. Current prospectus disclosure with respect to an oversight master servicer (one that oversees performance by the servicers but is not contractually responsible for the servicing activities of the servicers) typically includes the following: (i) identification of the master servicer and a brief statement about its business, (ii) a brief description of its oversight function and compensation, (iii) a description of the master servicer's role in connection with servicer defaults, termination and replacement, (iv) the circumstances under which the master servicer will be required to advance delinquent loan payments or cover any interest shortfalls resulting from principal prepayments, (v) a brief description of any other responsibilities of the master servicer that are unique to the particular transaction, and (vi) a description of master servicer events of default and provisions relating to the replacement of a defaulting master servicer.

The disclosure required by Item 1107 of proposed Regulation AB goes well beyond current practice with respect to an oversight master servicer. Wells Fargo believes that the information required by such Item should not be required for an oversight master servicer, because much of the required disclosure is simply not applicable or not relevant and risks investor confusion regarding the oversight master servicer's role in the transaction. For example, Items 1107(a)(2) and (3) require disclosure of the servicer's collection and billing processes, its computer systems and back-up systems and certain material changes in the servicer's servicing policies and procedures. Those functions simply are not applicable to an oversight master servicer because it is not servicing pool assets.

Wells Fargo believes that the information required by Item 1108 should be applicable to oversight master servicers, rather than the information required by Item 1107. Item 1108 would require the same type of information that generally is disclosed with respect to the oversight master servicing role in current practice. That disclosure is sufficient to apprise

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investors of the duties and responsibilities of the oversight master servicer without the potential of investor confusion regarding that role or unduly burdening investors with unnecessary disclosure. In addition, the nationally-recognized statistical rating organizations (NRSROs) perform extensive reviews of the master servicing operations and processes and issue master servicer ratings. These servicer ratings letters are published on the rating agencies websites and are readily available to investors. Wells Fargo understands that the Commission currently is reviewing the role of the NRSROs in asset-backed transactions. Assuming that the Commission's review concludes that such ratings would be helpful disclosure for investors, Wells Fargo proposes that the master servicing ratings issued for the master servicer by any NRSRO be disclosed (or, if not available, a statement to that effect be included) in the prospectus supplement.

However, should the Commission nonetheless determine to make Item 1107 applicable to all master servicers, Wells Fargo asks that the Commission clarify those portions of Item 1107 that will be applicable to an oversight master servicer. We submit the following comments with respect to the particular items of disclosure in Item 1107 that are troublesome from our perspective:

Item 1107(a)(2) would require disclosure of "factors related to the servicer that may be material to an analysis of the servicing of the pool assets," such as the servicer's collection and billing processes, and its computer and back-up systems. Items 1107(a)(3) and (b)(3) require disclosure of certain information with respect to the servicer's policies and procedures in servicing assets of the same type as the pool assets. Disclosure with respect to such processes and systems would not be appropriate for master servicers because they are not directly servicing pool assets.

Item 1107(a)(4) requires disclosure of information regarding the servicer's financial condition where it could have a material impact on servicing or impact the pool performance of the pool assets. We believe that this type of information is not relevant to oversight master servicers because they have no direct servicing responsibilities. If it is made applicable by the final rule, we would request that this Item be modified to include examples of the types of disclosure that would be required.

Item 1107(b)(4) requires disclosure of servicer advances on the pool assets and the servicer's overall servicing portfolio for the past three years. Information on the pool assets would be included in the asset pool disclosure in the prospectus and information with respect to servicer advances will be reflected in the servicer's loss and delinquency disclosure in the prospectus. Portfolio-level information with respect to advances made by an oversight master servicer is not necessarily informative and may

be misleading, because of the different types of assets that may be master-serviced, variations in master servicer responsibilities among MBS transactions, and the limited circumstances in which a master servicer is required to advance as compared to a servicer.

Items 1107(b)(5) and (6) require disclosure of certain general information regarding the servicer's processes for handling delinquencies and losses and its ability to waive certain loan provisions. In the case of an oversight master servicer, such information is either irrelevant or transaction-specific. Disclosure of general information of this sort would not be useful to investors.

Items 1107(b)(7), requiring disclosure with respect to document custody responsibilities, generally would not be applicable to a master servicer.

(b) Administrator Disclosure. Similarly, a party serving as an "Administrator" for an MBS transaction, should not be required to provide the disclosures contained in proposed Item 1107. Instead, given the limited nature of its activities, we believe that the disclosure with respect to an Administrator, as we propose to define it, should be prescribed by proposed Item 1108. Wells Fargo believes that the information required by Item 1108 is sufficient to apprise investors of the duties and responsibilities of the Administrator.

(c) Credit Enhancement and Other Support Disclosure. Item 1113 of proposed Regulation AB requires delivery of certain financial information with respect to certain entities providing, among other things, liquidity facilities. Servicers and master servicers typically are contractually obligated to advance delinquent principal and interest, and servicers typically must make servicing advances for taxes and insurance, foreclosure expenses and other types of expenses relating to the pool assets. The prospectus describes these advances as being a form of liquidity. It is not clear whether such liquidity provisions would constitute liquidity facilities of the type intended to be covered by Item 1113. It is clear from the Proposing Release that the Commission does not propose to require the delivery of financial information (other than, in the case of servicers, certain delinquency and loss information) by servicers or master servicers. (See the discussion in Section III.B.3.d. and e. of the Proposing Release and Item 1107 of proposed Regulation AB) Wells Fargo requests that the instructions to Item 1113 clarify that such liquidity provisions do not constitute liquidity facilities for purposes of Item 1113 or require delivery of the type of financial information required by Item 1113.

(d) Servicer Disclosure. Wells Fargo agrees with the Commission that servicer disclosure should be required as proposed in Item 1107 even if there is a master

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servicer for the transaction, particularly for transactions in which the master servicer merely has oversight responsibilities with respect to the servicers. Wells Fargo also believes that audited financial statements would not be useful to investors and should not be required for servicers, trustees, master servicers or administrators.

C. Exchange Act Reporting

1. Who may Sign Exchange Act Reports. The Commission proposes to clarify that the depositor, acting in its capacity as depositor to the issuing entity, is the “issuer” for purposes of the asset-backed securities of that issuing entity and will be required to sign all Exchange Act reports. In the alternative, the Commission indicates that it will permit an authorized representative of the servicer or, where there are multiple servicers and a master servicer, the master servicer to sign on behalf of the issuing entity. Further, the Commission indicates that it does not propose to permit trustees to sign on behalf of the issuing entity.

Wells Fargo supports the Commission’s proposals in respect of the appropriate signing party, and agrees that, for most transactions involving multiple servicers and a master servicer, the master servicer will be in the best position among the transaction parties to sign Exchange Act reports on behalf of the depositor. Accordingly, Wells Fargo recommends that the final rule adopted by the Commission make it clear that the depositor is the party legally responsible for signing the required Exchange Act reports, but permit the depositor to delegate that duty to a servicer or master servicer, as applicable, in MBS transactions.

2. Proposed Form 10-D.

(a) Use of the Proposed Form and Grandfathering of Existing ABS Transactions. As a frequent filer of Current Reports on Form 8-K with respect to MBS transactions, Wells Fargo has no objection to the creation of a separate form for reporting distributions on MBS and sees no inherent difficulty in using proposed Form 10-D to file distribution reports. We note, however, that despite statements in the Proposing Release to the effect that the proposed Form 10-D disclosures are consistent with the current modified reporting system, in our view proposed Form 10-D differs substantially from current practice, requiring additional pool performance information, updated pool information for transactions involving prefunding or revolving periods, and financial information with respect to significant obligors and credit enhancers. The typical third-party sale and servicing agreement and pooling and servicing agreement (or similar agreement with respect to the issuance of the securities) does not require a seller, a servicer or any other transaction party to furnish to the issuer or other person preparing Exchange Act reports much of the information required to be disclosed in the proposed Form 10-D. Thus, under the proposed rules, the issuer may have

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reporting obligations with respect to matters involving third parties that are not contractually obligated to cooperate with or to provide the information required in order for the issuer to comply with its expanded reporting obligations. Therefore, as a practical matter, those issuers may not have the ability to meet the enhanced reporting obligations under current program documentation.²

Having spent a substantial amount of time with and on behalf of issuers negotiating amendments to existing servicing agreements to require servicers to provide the information necessary to facilitate and implement the filing of Section 302 Certifications pursuant to the Sarbanes-Oxley Act, Wells Fargo is well-acquainted with the enormous time and effort that will be required to negotiate any additional reporting obligations with third parties for existing MBS transactions. Accordingly, Wells Fargo strongly urges the Commission to require the use of Form 10-D for disclosure other than periodic distribution reports only in connection with MBS transactions that close after the effective date of the final rules.

(b) Deadline for Filing Form 10-D. Wells Fargo believes that the current 15-day deadline for filing distribution reports on Form 8-K should apply to analogous Form 10-D filings. Although advancements in technology might suggest the ability to file such reports in a shorter time period, the concentration of a substantial volume of monthly reports for outstanding MBS transactions with a finite number of service providers, such as Wells Fargo, requires adequate time for filers to compile data and to prepare and file accurate and complete reports.

Moreover, to the extent that Form 10-D will require more information than is currently provided on Form 8-K, the 15-day deadline may be insufficient. Additional time may well be necessary to allow the depositor or other party preparing and filing such report to collect the required information from various sources, to analyze and synthesize such information and to distill it into a proper reporting format that is accurate, useful and informative to investors.

² Although transaction parties will be obligated to provide the required additional information with respect to transactions that close after the transition period provided by the final rule, the transaction parties can adjust their compensation appropriately for such increased reporting obligations, and their commensurate liability, in those transactions. With respect to existing transactions, the parties may be reluctant to increase their liability with respect to additional reporting obligations without additional compensation, which the issuing trusts will have no ability to provide.

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(c) Comments on Specific Form 10-D Disclosure Items. MBS investors generally are sophisticated, institutional investors that are able to understand and make use of the data that is provided to them. In Wells Fargo's view, the core data currently being reported on distribution reports and filed in Current Reports on Form 8-K (and customarily made available on the master servicer's, administrator's and/or trustee's website) is adequate to allow investors to analyze the performance of the pool assets and to make investment decisions.

Consistent with the Commission's principles-based disclosure approach in proposed Regulation AB, Wells Fargo believes that the Commission should not dictate the specific information that is to be reported under Item 1119, because the data that is relevant for one asset type may not necessarily be relevant for others and because of certain other practical and operational considerations described below. The better approach, in Wells Fargo's view, is to leave to MBS transaction parties the determination of the information to be included in the periodic distribution reports for that transaction. Those requirements would be contained in the transaction agreements. In any case, the goal of periodic monthly reporting should be to include sufficient data to enable investors to calculate pool performance indicators, such as prepayment speeds and weighted average maturities, using whatever assumptions they believe are most appropriate under the circumstances for the related transaction.

Form 10-D, if implemented as proposed, would significantly expand the amount of time, effort and expense that would be involved in MBS issuers' compliance with ongoing periodic reporting obligations. Certain items proposed to be included on Form 10-D under Item 1119 are impractical to provide from an operational standpoint. Many of the terms used to describe those items do not have consistent meanings across transactions and/or asset types, and some proposed items may prove unnecessary to identify relevant pool performance. Problematic proposed reporting items in Item 1119 include the following: financial information or financial statements of certain enhancement or other support providers and significant obligors (Items 6 and 7 of proposed Form 10-D); portfolio yield factors, prepayment speeds and interest rate sensitivity information (Item 1119(h) of proposed Regulation AB); accrual and determination dates (Item 1119(a)); detailed information regarding advances, including delinquency and servicing advances (Item 1119(j)); modifications, extensions, waivers and breaches of transaction representations, warranties and covenants with respect to pool assets (Items 1119(k) and (l)); and detailed information on changes to pool assets, including updated pool composition (Item 1119(n)). Much of this information is not currently reported by servicers or other transaction parties and is not readily available to depositors, master servicer or other reporting parties.

It would be extremely cumbersome to add all of the proposed Item 1119 reporting items to the typical distribution report. Wells Fargo currently processes thousands of monthly

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transactions through its comprehensive and sophisticated master servicing and securities administration accounting and reporting software systems. Wells Fargo has recently made system enhancements designed to minimize the need for manual intervention in loading and correcting primary servicer loan level data, thereby reducing the potential for reporting errors or omissions. Any additional information reporting may require further system enhancements and will require time and additional capital to design and implement. Also, to the extent that additional reporting requires more manual data collection and processing, the likelihood of data errors and omissions increases.

In addition, some of the additional reporting items required by proposed Item 1119, such as prepayment speeds, require more complex calculations than may be apparent. For example, even the simplest prepayment model, "constant prepayment rate" (or "CPR"), involves some calculation complexities. MBS industry participants often track prepayments and pool losses separately, so prepayment reporting that includes all types of prepayments may be unhelpful or potentially confusing. Also, market participants may not agree on the prepayment model to be used for a transaction. While some investors may use CPR to calculate prepayment speed, other investors may prefer a different model. Reporting prepayment speed assumptions ("PSA") raises the same issues plus several other considerations. PSA is statistically more relevant to collateral securitized by Fannie Mae and similar agencies than to loans securitized in the private sector. Calculating PSA requires accurate loan age information, which is not always available. Similarly, weighted average maturities ("WAM") may be calculated in any number of different ways, which also affects the calculation of PSA.

The difficulties in reporting such information are compounded by the fact that the calculations of many of the additional items are not standard across the industry, which may lead to inconsistent and/or misleading reporting. Consequently, an investor may be confused by what is reported because there is no standard method of reporting certain information. Such reporting may not be useful to investors without a detailed description of the methodologies used.

If the Commission nonetheless believes it is appropriate to mandate the type of information to be reported, then we have the following comments regarding certain of the reporting requirements listed in Item 1119:

Item 1119(h) requires the reporting of pool factors. Wells Fargo suggests that this be modified by including the words "(if applicable)" following the reference to "pool factors."

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Item 1119(j) requires detailed information with respect to “advances.” We request that this be modified to refer only to principal and interest or “delinquency” advances. Servicers are required to report such advances on a monthly basis. On the other hand, “servicing advances,” such as advances for taxes and insurance, foreclosure expenses and expenses of property protection and maintenance, are not customarily reported on a monthly basis by servicers. Instead, such expenses are reported as losses once the related pool asset has been finally liquidated.

Item 1119(n)(2) requires detailed information about current pool composition, including the addition, removal or substitution of pool assets. This item, together with Item 1119(h), would significantly increase the amount of time, effort and expense involved in compliance with the reporting requirements. Item 1119(n)(2) should be eliminated or, at a minimum, revised to exclude pool changes as a result of repurchases or substitutions in accordance with the transaction agreements or as a result of prepayments or, in the case of revolving transactions, new assets that meet the parameters specified in the transaction agreements.

(d) Monthly Servicer Compliance Statements (Item 1121 of Proposed Regulation AB). The Commission has asked for comments on whether servicer compliance statements should be required to be filed with each Form 10-D. Most MBS transactions require monthly distribution reports and, hence, monthly Form 10-D filings. Requiring monthly compliance statements, in Wells Fargo’s view, is unnecessary (particularly if the “platform level” certification and accountant’s attestation proposed in Item 1120 of Regulation AB is adopted), unduly burdensome, and would likely result in delays in timely reporting. Under the typical servicing agreement, servicer compliance statements generally are required to be furnished only on an annual basis. Wells Fargo’s experience has shown that collecting these compliance statements even on an annual basis is a time-consuming process requiring a substantial amount of follow-up effort to ensure compliance. Delivery of such statements on a monthly basis would require renegotiation of existing servicing agreements and unnecessarily increase the cost of servicing.

3. Proposed Changes to Form 10-K.

(a) Item 1120 Servicing Compliance Assessment and Attestation.

(i) How a “Platform Level” Assessment Would Work. Wells Fargo appreciates the Commission’s desire to articulate a consistent and transparent set of servicing criteria for all types of asset-backed securities and agrees with the notion that a “platform level” servicing compliance assessment is more useful to investors and other

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interested parties. However, the Commission's proposal that a single "responsible party" (presumptively, the depositor, the servicer, or, in the case of a transaction involving multiple servicers, a master servicer that has agreed to sign the Exchange Act reports on behalf of the issuing entity), provide a compliance assessment covering the entire spectrum of servicing criteria described in Item 1120(d) is inappropriate and impracticable. In many instances, numerous unaffiliated parties are responsible for different elements of servicing.

The time and expense for a depositor or master servicer, including Wells Fargo, to conduct such assessments, not only of third-party servicers, but also unaffiliated trustees, custodians and/or bond administrators for a transaction, with the thoroughness required for it to be able to provide a statement with respect to such an assessment is unreasonable and cost prohibitive. For example, Wells Fargo believes that it would be compelled to conduct monthly on-site due diligence to assess compliance with the servicing criteria described in Item 1120(d). In addition, Wells Fargo understands that certain standards and principles that govern accountants' attestation engagements may make it impractical for a single accounting firm to be engaged by a depositor or a master servicer such as Wells Fargo to provide an attestation as to compliance with all of the servicing functions described in Item 1120(d) of proposed Regulation AB. Moreover, even if a single "responsible party" assessment statement and attestation were feasible, many entities are party to multiple MBS transactions (including servicers such as Countrywide Home Loans, Inc., Washington Mutual Bank and its affiliates and Wells Fargo and trustees such as JPMorgan Chase Bank, Wells Fargo, US Bank National Association and Wachovia Bank, National Association). It would serve no useful purpose, and, in fact, it would be wholly redundant, to have multiple "responsible parties" and their accounting firms certifying and attesting to platform level compliance by the same service providers.

As an alternative to the Commission's proposal, Wells Fargo proposes that each party to an MBS transaction that performs any of the servicing functions described in Item 1120(d) (including such parties as any special servicers and any credit risk advisors) be required to provide the compliance assessment required by Item 1120 and obtain the required accountants' attestation from such party's own accounting firm. Under this proposal, the servicer assessment and attestation would focus on the criteria set forth in Item 1120 applicable to actual servicing functions, and the master servicer assessment and attestation would focus on the role and duties of the master servicer only, and not the duties of any other parties. When the master servicer is responsible for the oversight and monitoring of servicing, for example, its certification and its accountants' attestation would relate only to whether the master servicer had properly performed its oversight and/or monitoring duties (for example, did it receive monthly remittances and servicing reports and annual compliance certificates and USAPs).

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Although it imposes a new responsibility on some parties that previously did not provide annual certifications, such as trustees, custodians and/or bond administrators, Wells Fargo's proposal would entail only a somewhat expanded compliance statement by those parties responsible for the actual servicing of the pool assets and would allow each servicer the flexibility of having its entire servicing platform (as opposed to compliance with particular contracts) evaluated by a single accounting firm, rather than undergoing multiple assessments and attestations with respect to each shelf or ABS transaction for which such person acts as servicer. The platform level compliance statement and accountants' attestation then would be available for use in connection with each securitization in which such party participates.³ This alternative proposal would provide the same level of information to investors as required by Item 1120, but in a more efficient manner that minimizes (to the extent possible) the possibility for delays inherent in duplicative and overlapping assessments and attestations.

If the final rule adopted by the Commission nonetheless requires that a single responsible party provide a servicing assessment and attestation, then Wells Fargo believes that a workable approach would be for the depositor (or other contractually obligated responsible party) to obtain separate "platform" level assessments and accountants' attestations from each of the transaction parties that fulfill any of functions described in Item 1120(d), as described above, to the responsible party. Each party also would be required to provide a compliance statement of the type described in Item 1121 for each MBS transaction, which statement would identify whether any item of non-compliance reported in the platform level assessment and attestation affects that particular transaction. The responsible party's assessment statement would identify the assessment statements, attestations and compliance statements that were furnished to it and disclose whether any transaction party had failed to provide the required

³ We note, in this regard, that there is some inconsistency between the Commission's description of the Item 1120 assessment as a "platform level" assessment and certain of the servicing criteria contained in Item 1120(d) of proposed Regulation AB. For example, in Items 1120(d)(1)(i), (iii) and (iv), reference is made to requirements of or compliance with "the transaction agreements." A platform level assessment of a servicer of multiple transactions (like the current USAP report) generally would include some assessment of the party's compliance with a representative sampling of transaction agreements but not all transactions for which it acts as servicer. Item 1121 compliance statements, rather, would contain the servicer's certification of compliance with transactions documents for each particular MBS transaction.

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items. The responsible party should be entitled to rely on all such assessment statements, attestations and compliance statements furnished to it by unaffiliated third-parties.

This approach would be feasible, in Wells Fargo's view, if all transaction parties are required to furnish the statements and attestations required by Items 1120 and 1121. In the alternative, if the Commission's final rule limits the applicability of Items 1120 and 1121 to some subset of transaction parties (such as servicers servicing a requisite percentage of the pool assets for a transaction), then Wells Fargo believes that it would be appropriate for the responsible party's assessment statement to disclose that Items 1120 and 1121 are not required for such parties.

Finally, Wells Fargo believes that the concept of a "platform level" assessment and attestation, in practice, likely will result in multiple servicer assessments and attestations (one for each asset class) if the party is engaged in the securitization of varying asset classes. However, some organizations may use similar systems, processes and organizational structures for all or multiple asset classes. For example, (i) a servicer may service prime and subprime mortgage loans using essentially the same systems, processes and organizational structure, (ii) an administrator may perform investor, tax and/or Exchange Act reporting for multiple asset classes using the same systems, processes and organizational structure, and (iii) a master servicer may oversee multiple asset classes (such as prime residential, subprime residential and home equity mortgage loans) using the same systems, processes and organizational structure. In those and similar situations, Wells Fargo believes that a single program assessment and attestation for all asset classes should be permitted. We request that the Commission clarify in the instructions to Item 1120 that assessments and attestations on this broader "platform" (rather than for each separate asset class) is consistent with the Commission's intent.

(ii) Which Servicers Should Provide Item 1120 Assessments and Attestations. Wells Fargo understands that other commenters support the notion that each servicer (rather than a single responsible party) should provide the assessment statements and attestation required by Item 1120 of proposed Regulation AB. However, some commenters may recommend that only servicers that meet the criteria set forth in Item 1107(a) of proposed Regulation AB (that is, servicers affiliated with the depositor, any unaffiliated servicer that services a specified percentage of the pool assets and special servicers), be required to comply with Item 1120. While Wells Fargo understands and appreciates that depositors and their sponsors are concerned with the proposed penalty of loss of Form S-3 eligibility for noncompliance with Exchange Act reporting requirements, we strongly believe that limiting compliance with Item 1120 to servicers servicing a specified minimum percentage of the asset pool is impractical and may result in disparities in MBS investor reporting among various trusts.

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Wells Fargo believes that the criteria for servicer disclosure in connection with the offering of securities should be treated separately from the criteria for the reporting requirements for Form 10-K. Limiting compliance with Item 1120 to only certain servicers does not benefit investors. An MBS transaction involving pool assets acquired or purchased over a period of time by an investment bank, for example, may have no single servicer servicing as much as 10% of the asset pool. Increasing the percentage specified in Item 1107(a) to an even higher percentage, such as 25% or more of an asset pool, as some commenters may suggest, will increase the likelihood that no single servicer meets the criteria. Again, limiting the servicers required to comply with Item 1120 may result in disparate reporting of transaction data to investors.

In addition, the percentage of the pool assets that a servicer is responsible for servicing will change over time as the pool assets prepay or pay off and in connection with transfers of servicing. Thus, a servicer that did not service the percentage of the asset pool specified in the final rule as of the closing date for an MBS transaction may, as of the date the Form 10-K is required to be filed, be servicing at or above the requisite percentage. Conversely, a servicer that was servicing the requisite percentage of the pool assets as of the closing date may be servicing a smaller percentage of the pool assets as of the date the Form 10-K is required to be filed. Basing compliance on pool percentages calculated as of the closing date would appear unfair to a servicer who is no longer servicing a significant portion of the pool. On the other hand, calculating the percentage as of the date by which the Form 10-K is to be filed (or as at the end of the prior fiscal year) injects an element of uncertainty and the substantial possibility of delay in the Form 10-K filing process.

As noted above, servicers that participate in multiple MBS transactions may meet the percentage specified in the final rule with respect to some but not all asset pools. Therefore, a servicer's use of a "platform level" compliance assessment and attestation for all of the transactions for which it acts as servicer minimizes any additional burden on the servicer in providing certifications and attestations for all transactions, including those for which it services only a small percentage of loans.

Other commenters may suggest that the Commission eliminate the assessment and attestation requirement for types of assets for which servicing terms are relatively standard, such as prime mortgage loans, or that they not be required with respect to servicers that have received the highest servicer ratings issued by nationally recognized statistical rating agencies. Wells Fargo disagrees with both of these suggestions.

In providing its own compliance assessment as master servicer (including any Section 302 Certifications that it agrees to provide on behalf of an issuer), Wells Fargo must

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necessarily rely on compliance information furnished to it by the servicers. The Section 1121 compliance statements and annual USAPs currently provided by servicers are important tools for Wells Fargo to assess servicer compliance. Eliminating these important assessment tools (or, if proposed Item 1120 is adopted, the platform compliance assessment statement and attestation) with respect to some servicers in a transaction is not in the best interests of investors. At best, such limitations will only force depositors and master servicers to use more costly methods of assessing servicer compliance, thereby increasing the costs of securitization. At worst, master servicers such as Wells Fargo may well conclude that they cannot provide Section 302 Certifications with respect to an MBS transaction for which all servicers are not required to provide these compliance assessments and certifications.

For these reasons, Wells Fargo strongly believes that, in the interests of preserving these important investor protections, all servicers should be required to deliver the statements and attestations required by Items 1120 and 1121 (subject to the modifications to those Items described herein). Accordingly, it urges the Commission to find a solution to the concerns of depositors and sponsors regarding the penalties for failure to comply with Exchange Act reporting requirements that obviates the need for limiting the delivery of Item 1120 assessment statements and attestations to only certain servicers. Further, Wells Fargo recommends that the Commission expressly allow for disclosure in Annual Reports on Form 10-K and in prospectuses of the failure of any servicer to provide required assessment statements, attestation or other compliance statements in a timely manner.

(iii) Timing of Servicing Compliance Assessments and Attestations.

Unlike corporate issuers who have fiscal years ending at various dates during the year, MBS transactions generally have fiscal years ending on December 31. Thus, Forms 10-K for MBS transactions generally must be filed no later than March 31 of each year. Wells Fargo questions whether the Item 1120 certifications and attestations, which cover a much broader spectrum of servicing activities, can be provided within the current timeframe for filing Form 10-K. As mentioned above, servicers and their accountants already have difficulty in scheduling and completing the USAP statements in time to meet the filing deadlines. Indeed, many servicers will not commit to providing an annual USAP any earlier than mid-March because the customary penalty for failure to timely deliver the USAP is termination and removal of the servicer. Getting the substantial number of servicers that participate in publicly-issued MBS transactions and their accountants on board to meet the obligations imposed by new Item 1120 on a timely basis will be challenging.

Moreover, if Wells Fargo, as master servicer, is to provide its own platform level certification and accountants' attestation, it either must wait until after it has received the servicers' certifications and attestations, making it impossible for Wells Fargo and its

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accountants to meet the Form 10-K filing deadline or Wells Fargo must certify as to its receipt of servicer certifications and attestations during the prior calendar year (as opposed to the year in which the Form 10-K is filed). Wells Fargo seeks clarification from the Commission as to this issue.

(iv) Safe Harbor and Indemnification. If the Commission nonetheless adopts Item 1120 as currently proposed in its final rule, the responsible party for many MBS transactions must necessarily rely on information obtained from unaffiliated third parties in order to complete its assessment and certification. Wells Fargo believes that it would be appropriate for the Commission to include safe harbor provisions in Regulation AB that would recognize that the responsible party may reasonably rely on such information. This safe harbor would be similar to the safe harbor that the Commission provides in connection with Section 302 Certifications with respect to the signing parties reliance on information obtained from unaffiliated third parties.

Even if the Commission agrees to provide the reasonable reliance safe harbor provision proposed above, responsible parties who must rely on unaffiliated third parties may not be able to mitigate their potential legal liability due to the Commission's long-standing policy opposing the enforceability of securities law indemnification. Therefore, Wells Fargo believes it is appropriate for the Commission to recognize the unique characteristics of the MBS market and Wells Fargo urges the Commission to reconsider its policy against indemnifications in connection with the compliance assessment requirements of proposed Item 1120, as well as in connection with Section 302 Certifications.

(v) Material Noncompliance. The Commission has asked if additional guidance should be given regarding how a responsible party is to determine whether there is a material instance of noncompliance of a servicing function. Wells Fargo believes that additional guidance is necessary in order to ensure that the responsible party is disclosing appropriate information. For example, Wells Fargo believes that any instance of non-compliance may well be material and that it is appropriate for investors and others utilizing the information contained in Annual Reports on Form 10-K to make their own assessments of the importance of that information for a particular MBS transaction. Consequently, Wells Fargo expects to report any instance of non-compliance of which it is aware, such as a failure to deliver an Item 1120 assessment or attestation or an Item 1121 compliance statement, or an instance of non-compliance identified in any such assessment, attestation or compliance statement, and we request clarification that such approach is consistent with the Commission's intent.

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In addition, in Wells Fargo's experience, some compliance assessments or statements and attestations may not be furnished to the filer of the Annual Report on Form 10-K until after the deadline for filing has expired. We request clarification by the Commission as to whether, in such cases, one or more amendments to the Annual Report should be filed when these missing items become available.

(vi) Filing Annual Reports on Form 10-K for Transactions that Close at Year-End. As the Proposing Release notes, a few no-action letters require no Exchange Act reporting, including the filing of an Annual Report on Form 10-K, for MBS transactions that close at or near the end of a calendar year and have no distribution to investors prior to the end of such year. This decision was supported by the fact that no change to the transaction had taken place since the initial filing of the transaction agreements under the Securities Act. In addition, suspension of filings in January of the immediately following calendar year, pursuant to Form 15, was allowed under the same no-action letters, provided that there were less than 300 holders of the securities on the first day of that year. The Commission states in the Proposing Release that such accommodations will no longer be permitted. Wells Fargo strongly urges the Commission to reconsider this position, provided that the first distribution to investors occurs in January of the immediately following year, for the same reasons set forth in the no-action letters.

(vii) Limitations on Use of Accountants Reports in Annual Reports on Form 10-K. As noted above, Wells Fargo filed 332 Annual Reports on Form 10-K in respect of MBS transactions in March 2004. It encountered significant delays in making some of the filings, with 36% being filed after the 5:30 p.m. deadline but all prior to the 10:00 p.m. submission deadline. Much of the delay resulting from the difficulty in obtaining permission to file USAP reports containing language purporting to restrict the use of the report to the management and directors of the servicer for whom the report was issued or expressly prohibiting the filing of the report with the Commission. Wells Fargo found that the various accounting firms appear to have no single, centralized national office to resolve this issue for all USAP reports issued by the firm, with each accounting partner having autonomy to decide who should be entitled to rely on the report, thereby making identification of the decision-maker a time-consuming process. Wells Fargo respectfully requests that the Commission provide guidance to filers and accounting firms with respect to the appropriateness of any purported restrictions on the use of USAPs or the attestations provided pursuant to Item 1120 of proposed Regulation AB.

(b) Item 1121 Compliance Statements. The instructions to Item 1121 of proposed Regulation AB state that annual servicer compliance statements are required to be provided only by servicers that meet the requirements set forth in Item 1107(a). For the

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reasons outlined above, Wells Fargo strongly urges the Commission to require that Item 1121 compliance statements be provided by each servicer that services any pool assets in an MBS transaction, regardless of the percentage of the pool assets being serviced by such servicer.

In the Proposing Release, the Commission asks whether Item 1121 should be deleted if final Regulation AB permits platform level assessment statements and attestations for each servicer, rather than a single responsible party. Wells Fargo strongly believes that it would not be appropriate, or in the best interests of investors, to delete Item 1121. First, as noted in footnote 3 above, there is an inconsistency between the notion of a “platform level” Item 1120 assessment and attestation and the requirement in Item 1120(d) that the assessment address matters relating to “the transaction agreements.” That inconsistency can be remedied by appropriately modifying Item 1120(d) and by retaining the current requirement that the Item 1121 compliance statement, which addresses compliance with the transaction agreements for the specific MBS transaction, be provided by each servicer for each MBS transaction. More importantly, Wells Fargo and other entities that prepare and file Annual Reports on Form 10-K rely on servicers’ annual compliance statements with respect to compliance with a particular transaction’s servicing requirements in signing and delivering the Section 302 Certification for such transaction. As discussed above, without such compliance statements, master servicers such as Wells Fargo may be unwilling to continue to provide Section 302 Certifications. Accordingly, Wells Fargo strongly urges the Commission to retain the annual servicer compliance statement requirement for all servicers for an MBS transaction.

Wells Fargo also urges the Commission to expand the compliance statement required by Item 1121 to require disclosure of any instance of non-compliance by a servicer with any of the relevant servicing criteria specified in Item 1120(d), as reported in the servicer’s 1120 assessment and attestation, that affects the specific MBS transaction for which the 1121 compliance statement is being delivered. Because the 1120 assessment and attestation is expected to cover the servicer’s entire servicing platform, without specific disclosure in the 1121 compliance statement it will be difficult for investors in any particular MBS transaction to determine the effect of any instance of non-compliance. If the Commission does not believe that it is necessary to require the 1121 compliance statement to contain such information, then Wells Fargo requests guidance from the Commission as to how it expects the responsible party to ascertain and disclose such information.

(c) Section 302 Certifications. In the Proposing Release, the Commission requests comment on whether paragraph 5 of the Section 302 Certification is necessary if the proposed assessment of compliance with servicing criteria is adopted. Some commenters may suggest that paragraph 5 is redundant if Item 1120 is adopted either in its current proposed form as a single responsible party assessment or as separate assessments by all of the

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transaction parties. Wells Fargo agrees that paragraph 5 of the Section 302 Certification appears to duplicate what is reported in the Item 1120 assessments and attestations and could be eliminated.

However, as discussed above, in furnishing Section 302 Certifications for MBS transactions, Wells Fargo relies heavily on the compliance statements and USAPs provided by the servicers for the related transaction. If the Commission retains paragraph 5 in the form Section 302 Certification *and* it also eliminates the requirement to provide the statements and attestation required by Items 1120 and 1121 for certain servicers (such as, for example, those servicing less than a specified percentage of pool assets or servicing prime quality residential mortgage loans), then Wells Fargo believes that it is appropriate to limit the scope of paragraph 5 of the Section 302 Certification to only those pool assets for which Items 1120 and 1121 must be provided. To do otherwise would unfairly eliminate Wells Fargo's ability to rely on information provided to it by third-parties and may affect its willingness to continue to provide Section 302 Certifications.

(d) Proposed Changes to Form 8-K. In connection with many MBS transactions, the issuer's ability to comply with the Form 8-K filing requirements is dependent on the timely reporting of the required information by numerous unaffiliated parties. Wells Fargo firmly believes that the four business day deadline the Commission has recently imposed for the filing of Forms 8-K, effective August 23, 2004, is insufficient for MBS issuers. MBS issuers must obtain information from a number of unaffiliated parties over which they often have very little influence. In contrast, corporate issuers generally have substantial influence and control over the divisions or affiliates with information necessary for Exchange Act reporting. We believe that a minimum of ten business days is necessary to allow for the collection, analysis and formatting of information in a manner that is useful and informative to investors and without errors or omissions.

The Commission adopted in its March 2004 amendments to Form 8-K a limited safe harbor for a certain subset of Form 8-K items providing that no failure to file a Form 8-K that is required to be filed solely by reason of the provisions of the Form shall be deemed to be a violation of Section 10(b) and Rules 19b-5. This safe harbor extends only until the due date of the periodic report for the relevant period in which the Form 8-K was not timely filed. In the Proposing Release, the Commission proposes to extend to certain information to be reported by MBS issuers on Form 8-K, provided that the issuer would be required to report such information in the Form 10-D report for the period during which that event occurred. Wells Fargo opposes the requirement that such information be reported on Form 10-D, because it believes that Form 10-D should be used solely for the filing of distribution reports. Any disclosure of specialized events should be filed on Form 8-K, which would result in less

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confusion for investors and allow investors to more quickly locate filings on the EDGAR system.

(e) Proposed Suspension of the Use of Form 15. The Commission has asked for comments on whether the ability to suspend reporting under Section 15(d) for asset-backed securities should be revisited. Wells Fargo strongly endorses the continued ability to suspend Exchange Act reporting through the filing of Form 15. Each MBS offering typically is held by a limited number of sophisticated, institutional investors such as financial institutions, pension funds, insurance companies and other money managers. These investors receive periodic distribution reports, usually available both on websites maintained by one or more transaction parties (including Wells Fargo, as master servicer or securities administrator) and in hard copy, without charge, and continued Exchange Act filings will not be of any practical benefit to such holders. Withdrawal of the availability to suspend Exchange Act filings would result in a different treatment for ABS issuers than corporate issuers, even though ABS investors tend to be sophisticated, institutional investors. In addition, eliminating the use of Form 15 will result in additional, significant costs to issuers as a result of the ongoing expenses of filing Annual Reports on Form 10-K and Section 302 Certifications, as well as any additional compliance statements and attestations required by Item 1120 of proposed Regulation AB. Wells Fargo supports and endorses the use of websites and other electronic media as a substitute for continued reporting under the Exchange Act.

(f) Determining the Number of Securityholders. An issue related to the use of Form 15 and Annual Reports on Form 10-K is determining the number of investors in MBS transactions. A substantial majority of the classes of securities issued in MBS transactions are held in book-entry form through the facilities of the Depository Trust Company (“DTC”) or other clearing corporations. Current Commission guidance through no-action letters requires that the number of holders be determined at the DTC (or other clearing corporation) “participant” level (*i.e.*, the registered holder on the clearing corporation’s books and records). Our experience shows that the total number of holders determined at this level has been less than the Section 15(d) requirement of 300 in over 99% of the MBS transactions for which Wells Fargo prepares and makes the required Exchange Act filings. Determining the number of clearing corporation participants is cumbersome and time-consuming, especially given the small number of market participants, such as Wells Fargo, who prepare and file Exchange Act reports for MBS issuers. Moreover, that determination is not helpful because such participants are themselves large institutional investors that often are not the beneficial owners of the securities. The beneficial owners may be several layers below the participant, making it impractical and/or impossible to obtain an accurate count of such beneficial owners. Thus, determining the number of clearing corporation participants and reporting that number on Form

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15 or in the Annual Report on Form 10-K is meaningless, inasmuch as such participants typically are neither the type of investor that needs the Commission's protection nor the actual beneficial owner of the securities.

In addition, determining holders beyond the clearing corporation level can be expensive (with clearing corporations charging a per-CUSIP fee). Consequently, trustees and other administrators currently spend an inordinate amount of time and expense to count the number of clearing corporation participants, which generally has little or no relationship to the actual number of beneficial owners of the securities.

Accordingly, Wells Fargo strongly urges the Commission to consider modifying its rules for determining of the number of holders to provide that such determination (i) be based solely on the holders of record shown in the records of the applicable trustee or other certificate registrar, including counting as a single holder DTC or other clearing corporations in the case of book-entry securities and (ii) be waived altogether for issuers that elect to continue filing Exchange Act reports.

(g) Filing Deadline. Rule 0-2 of the Commission's General Rules and Regulations under the Exchange Act provide that paper documents filed or furnished to the Commission may be filed from 8:00 a.m. to 5:30 p.m. Eastern Standard (or Daylight, as applicable) Time on any Commission business day, while electronic filings may be submitted to the Commission on such days until 10:00 p.m. Eastern Standard (or Daylight) Time. Wells Fargo understands that the Commission's position is that electronic transmissions received after 5:30 p.m., however, are treated as having been filed with the Commission on the next business day. As discussed above, unlike corporations, Exchange Act reports for MBS transactions require collecting and assembling documents and information from numerous unaffiliated third-parties over whom the filer has a limited ability to compel performance. The difficulties of collecting and compiling data from unaffiliated third parties in a timely manner will be exacerbated if the additional reporting obligations described in the Proposing Release are included in the Commission's final rule. We urge the Commission to permit electronic Exchange Act filings in respect of MBS transactions to be made until midnight on the business day on which such filings are required and to treat such filings as having been filed on such date.

(h) Transition Period. The Commission proposes a transition period of between three to six months after the final rule becomes effective and asks if there should be a different transition period for different proposals in the Proposing Release. In particular, it asks if there should be an extended transition period for the proposed assessment and attestation of compliance required by Item 1120. Wells Fargo does not believe that three to six

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months is a reasonable period in which to implement the requirements of Item 1120 given the expanded requirements of servicing criteria to be assessed. Wells Fargo believes that a transition period of nine months should be sufficient to implement the proposal for transactions closing after the end of the transition period. As noted above, however, Wells Fargo does *not* believe that it is appropriate to make Item 1120 applicable to transactions that close prior to the end of the transition period.

III. Conclusion

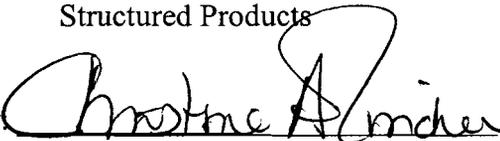
We reiterate that the comments of Wells Fargo set forth in this letter relate solely to Wells Fargo's roles as oversight master servicer or administrator for MBS transactions, and not to any other role of Wells Fargo or its affiliates in connection with other asset-backed securities transactions. Wells Fargo looks forward to the finalization of the Proposed ABS Rules and hopes that the Commission will take the comments expressed herein into consideration. We would be pleased to provide non-confidential data in support of our comments and to meet with the members of the staff to discuss our recommendations in this letter or any questions that the staff may have.

Respectfully submitted,

WELLS FARGO BANK, NATIONAL ASSOCIATION

By: 

Name: Edward M. Frere, Jr.
Title: Senior Vice President
Structured Products

By: 

Name: Christine A. Tincher
Title: Vice President
Master Servicing

cc: The Hon. William H. Donaldson, Chairman
The Hon. Paul S. Atkins, Commissioner
The Hon. Roel C. Campos, Commissioner
The Hon. Cynthia A. Glassman, Commissioner

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The Hon. Harvey J. Goldschmid, Commissioner
Mr. Allan L. Beller, Director, Division of Corporate Finance