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**FOR IMMEDIATE RELEASE**

**CMSA Urges Commercial Mortgage-Backed Securities Investors to Offer Public Comment on Credit Rating Proposals**

*IOSCO Recommendations on Differentiated Ratings for Structured Finance Do Not Reflect Widespread Market Views*

**New York, NY—May 29, 2008-** Commercial Mortgage Securities Association (CMSA) strongly supports the widespread belief held by investors and other capital market participants that specific changes announced by the International Organization of Securities Commissions (IOSCO) to its Code of Conduct for Credit Rating Agencies do not represent their views. IOSCO's recommendation to require a different ratings system for structured finance products is likely to have a detrimental effect on financial markets and only serve to increase investor confusion.

The U.S. Securities and Exchange Commission is expected to consider IOSCO's recommendations as part of a series of broad new proposals on the conduct of rating agencies it will present for comment next week. CMSA urges its members and other institutional investors to follow these proceedings closely and weigh in during the subsequent public comment period.

"We urge policymakers to focus on what investors want and need to restore confidence in our markets: targeted information about a rating and the methodology used, not a new system that differentiates ratings in a manner that is too broad, confusing and nearly impossible to implement," said Dottie Cunningham, chief executive officer of CMSA.

CMSA supports IOSCO's laudable goals to improve investor protection, fairness, efficiency and transparency of the securities markets. IOSCO engaged in a public consultation process that was to have incorporated the views of financial market stakeholders. CMSA's membership, representing every aspect of the Commercial Mortgage-Backed Securities (CMBS) marketplace, including bond investors, was clear in its position expressed in its comment [letter to IOSCO dated April 25, 2008](#) that changing the ratings symbols would lead to more confusion among investors, increased instability at this critical time and be highly impractical to implement.

**(MORE)**



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The rating agencies have advanced, or are now considering, proposals to maintain a unified rating system for all securities, while providing investors with increased transparency and indicators relating to structured finance products. CMSA is studying the potential impact of these proposals. CMSA supports transparency in the underlying rating methodologies for CMBS markets as essential to rebuilding market strength.

"Regulatory institutions in the United States and elsewhere should consider the consensus among market participants and most investors, as gathered by CMSA and other trade groups, before requiring the implementation of IOSCO's recommendations," said Lee Cotton, President of CMSA. "With consistent findings that investors overwhelmingly reject a separate rating scale, we advise caution in regard to any changes to the way ratings are depicted. Our markets simply cannot afford any additional uncertainty or strain that might drive away liquidity and perpetuate the credit crunch."

#### **ABOUT CMSA**

Commercial Mortgage Securities Association (CMSA) is an international trade association dedicated to promoting the ongoing strength, liquidity and viability of commercial real estate capital market finance worldwide. With more than 470 member companies worldwide, CMSA offers unparalleled leadership in the commercial real estate markets. Our diverse membership base spans the globe and represents the full range of the industry's market participants, from senior executives at the largest money-center banks and investment banks, rating agencies, insurance companies, and investors to service providers. Member-driven, CMSA is dedicated to insightful, forward thinking that encourages vision, innovation and continuous professional growth for market participants. It is committed to being responsive to its members and providing them a culture of collaboration, collegiality, open and inclusive dialogue, consensus building and respect for diverse views.

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