



October 12, 2010

## Summary

### **SEC Proposed Rules Related to Disclosure of Repurchase Requests, and Representations and Warranties in Asset-Backed Securities (ABS) Offerings Under Dodd-Frank § 943**

**Comments Due:** November 15, 2010.

**Rule Adoption:** January 17, 2011 (180 days of enactment of Dodd-Frank)

## High-Level Summary

1. Requires any securitizer to disclose fulfilled and unfulfilled repurchase requests across all trusts aggregated by securitizer; and
2. Requires each nationally recognized statistical rating organization (NRSRO) to include, in any report accompanying a credit rating for an asset-backed securities offering, a description of (a) the representations, warranties and enforcement mechanisms available to investors; and (b) how they differ from the representations, warranties and enforcement mechanism in issuances of similar securities.

## Section-By-Section Summary

### **II. Discussion of Proposals**

- A. Repurchase Request Disclosure Requirements for Securitizers** – The SEC proposes to require any securitizer of asset-backed securities to disclose fulfilled and unfulfilled repurchase requests across all trusts aggregated by securitizer, for the purposes of helping investors to identify asset originators with underwriting deficiencies.

1. **Definition of asset-backed security (ABS)** – The SEC proposes using the definition of “asset-backed security” in the Securities Exchange Act as amended by Dodd-Frank, which is broader than the definition used in Regulation AB (e.g., the Dodd-Frank definition includes securities that are typically sold in transactions that are exempt from registration such as collateralized debt obligations).
  - a. Rule 15Ga-1: The SEC is proposing to add new “Rule 15Ga-1,” which would require that a securitizer provide the disclosure by filling out a new “Form ABS 15G.” Specifically, proposed “Rule 15Ga-1” would require a securitizer to provide disclosures relating to all asset-backed securities that fall within the new statutory definition of ABS, whether or not they are sold in Securities Act registered transactions.
    - i. The new disclosure requirement would not be triggered if the underlying transaction agreements do not contain a covenant to repurchase or replace an asset.
  - b. Questions for Comment (1-2)
2. **Definition of Securitizer** – Proposes using the “Exchange Act” definition as added by Dodd-Frank which states that a securitizer is either (1) an issuer of an asset-backed security; or (2) a person who organizes and initiates an ABS securities transaction by selling or transferring assets, either directly or indirectly, including through an affiliate, to the issuer.
  - a. Rule 15Ga-1: Proposes a new “Rule 15Ga-1” that would require any entity falling within the definition of a securitizer, including GSE’s or municipal entities, to provide disclosures.
  - b. New “Rule 15Ga-1” would apply to both securitizers of registered and unregistered transactions.
  - c. The definition of securitizer would include both sponsors and depositors, so that both entities would have disclosure responsibilities.
    - i. However, if a sponsor filed all appropriate disclosures, affiliated depositors would not need to file as well.
  - d. Questions for Comment (3-4)
3. **Disclosures Required by Proposed Rule 15Ga-1** – If the underlying transaction agreements provide a covenant to repurchase or replace an asset for breach of representations and warranties, then the SEC proposes that a securitizer would be required to provide the following information for all assets originated or sold, either in public or private offerings, that were the subject of a demand to repurchase or replace:
  - a. Initial disclosure – A securitizer would be required to provide the last five years of request for repurchase/replacement history by filing new form “ABS-15G”

(page 15 of the rule) at the time of the first offering, for both registered and unregistered transactions, for all outstanding ABS held by non-affiliates of the securitizer.

- i. Permitted to footnote the table to provide additional explanatory data on the disclosures in the table.
  - b. Ongoing disclosure – A securitizer would be required to provide disclosures for all outstanding ABS on a monthly basis by filing Form ABS-15G, within 15 days of the end of the calendar month. If a securitizer has no ABS outstanding held by non-affiliates, the duty to file periodic disclosures can be terminated by filing a notice on Form ABS-15G.
  - c. Form “ABS-15G” - Disclosures of unfulfilled and fulfilled repurchase requests would require tabular disclosure on new form ABS-15G of assets subject to any and all demands (not just demands made upon the trustee) for repurchase or replacement of the underlying pool assets.
    - i. Would require that investor demands upon a trustee be included in the table, irrespective of the trustee’s determination of whether to make a repurchase demand on a securitizer based on the investor request.
    - ii. Permitted to footnote the table to indicate, if necessary, that the securitizer requested and was unable to obtain information on demands made upon the trustee that occurred prior to a particular date.
  - d. Required Table for Disclosure – Please see page 15 of the rule for a detailed tabular format for new form “ABS-15G,” as proposed by the SEC. However, the headings for the disclosures are listed below:
    - i. List all requests by asset class
    - ii. Name of the issuing entity
    - iii. Whether the ABS is registered or unregistered
    - iv. Name of the Originator
    - v. Assets that were subject of the demand request
    - vi. Assets that were repurchased or replaced
    - vii. Assets that were not repurchased or replaced
    - viii. Assets that are pending repurchase or replacement.
  - e. Questions for Comment (6-20)
4. **Proposed Form ABS-15G** – The SEC proposes that new form ABS-15G be filed on EDGAR because it would be required for both public and private deals. The SEC proposes that the form be signed by a senior officer in charge of the securitization.
  - a. Questions for Comment (21-24)

5. **Offshore Sales of Exchange-Act ABS** - Under the proposal, the SEC would require securitizers in the United States who sell to offshore purchasers as part of a registered or unregistered offering to be subject to the new proposed “Rule 15Ga-1.”
  - a. Questions for Comment (25-26)

**B. Changes to Proposed Regulation AB Disclosure of Repurchase Requests** - In order to conform related proposals in Reg AB to the rule proposed here, the SEC is proposing that issuers of ABS covered by Reg AB would need to provide disclosures within a prospectus and within ongoing reports on Form 10-D, of a subset of the information required by proposed Rule 15Ga-1(a), in the same format as required by proposed Rule 15Ga-1(a). The obligation of an issuer to provide the disclosures in prospectuses and in ongoing reports under the proposed changes to Regulation AB would be independent from, and would not alleviate, the disclosure obligations of a securitizer under proposed Rule 15Ga-1.

1. If transaction agreements provide a covenant to repurchase or replace an underlying asset for breach of a representation or warranty, then issuers would be required to provide in the body of the prospectus disclosure of a sponsor’s repurchase demand and repurchase and replacement history for the last three years, pursuant to the format prescribed in proposed Rule 15Ga-1(a).
2. Limits the disclosure required in the prospectus to repurchase history for the same asset class as the securities being registered.
  - a. Excludes the materiality threshold that had initially been proposed for Reg AB.
  - b. Issuer would be required to reference the Form ABS-15G filings made by the securitizer (i.e., sponsor) of the transaction and disclose the CIK number of the securitizer.
3. Requires that issuers provide in Form 10-D, repurchase demand and repurchase and replacement disclosure regarding the assets in the pool in the format prescribed by proposed Rule 15Ga-1(a).
  - a. Excludes the materiality threshold that had initially been proposed for Reg AB.
  - b. Form 10-D would also be required to include a reference to the Form ABS-15G filings made by the securitizer of the transaction and disclose the CIK number of the securitizer.

**C. Disclosure Requirements for NRSROs Regarding Representations and Warranties** – NRSROs would be required to make certain disclosures regarding representations and warranties in any report accompanying a credit rating relating to an asset-backed security.

1. Proposed Rule 17g-7 - The SEC would require an NRSRO to include a description of the representations, warranties and enforcement mechanisms available to investors and a

description of how they differ from the representations, warranties and enforcement mechanisms in issuances of similar securities. This would include any security under the new definition of ABS in the Exchange Act as amended by Dodd-Frank, which is broader than the definition of ABS under Reg AB proposals.

- a. Applies to any report accompanying a credit rating for an ABS transaction, regardless of when or in what context such reports and credit ratings are issued.
- b. A “credit rating” would include any expected or preliminary credit rating issued by an NRSRO, including pre-sale reports, for example.

**III. Transition Period** – The SEC requests comment on the timing of compliance and the effective date of the new rules. The rules apply to all securitizers and NRSROs related to new issuances, including takedowns off of existing shelf registration statements. Further, note that because of its five year look-back period, Rule 15Ga-1, as proposed, would require disclosures about the repurchase demands and repurchases and replacements that occurred prior to the effective date of the new requirements.

Question #	Section	Proposed Rule Page Number	Question
1	II. A. 1. Definition of Exchange Act-ABS for Purposes of Rule 15Ga-1	9	Is it clear what types of securities a securitizer would have to provide representation and warranty repurchase disclosure about under proposed Rule 15Ga-1? If not, please identify which securities are not clearly covered and the reasons why those securities are not clearly included or excluded by the proposal.
2	II. A. 1. Definition of Exchange Act-ABS for Purposes of Rule 15Ga-1	9	Should we provide further guidance regarding the application of proposed Rule 15Ga-1 to securities issued by municipal entities that would fall within the definition of Exchange Act-ABS? Is it clear what types of municipal securities a municipal securitizer would have to provide representation and warranty repurchase disclosure about under proposed Rule 15Ga-1? If not, please identify those types of municipal securities that are not clearly covered and explain why they are not clearly included or excluded by the proposal.
3	II. A. 2. Definition of Securitizer for Purposes of Rule 15Ga-1	12	Is it clear which entities or persons would have disclosure responsibilities under proposed Rule 15Ga-1? If not, please identify those possible entities or persons, describe their role in the transaction, and explain why they are not clearly included or excluded by the definition of a securitizer.
4	II. A. 2. Definition of Securitizer for Purposes of Rule 15Ga-1	12	Should we provide further guidance regarding the application of proposed Rule 15Ga-1 to municipal issuers that are within the definition of securitizers? Is it clear which municipal entities would have disclosure responsibilities under proposed Rule 15Ga-1? If not, please identify those municipal entities that are not clearly covered and explain why they are not clearly included or excluded by the proposal.
5	II. A. 3. Disclosures Required by Proposed Rule 15Ga-1	21	Is the proposed requirement to require that any securitizer of an Exchange Act-ABS transaction disclose fulfilled and unfulfilled repurchase requests in a table appropriate? Would another format be more appropriate or useful to investors?
6	II. A. 3. Disclosures Required by Proposed Rule 15Ga-1	21	Should we require, as proposed, that securitizers list all previous issuing entities with currently outstanding ABS where the underlying transaction agreements include a repurchase covenant, even if there were no demands to repurchase or replace assets in that particular pool? Should we require, as proposed, that securitizers with currently outstanding Exchange Act-ABS held by non-affiliates list all originators related to every issuing entity even if there were no demands to repurchase or replace assets related to that originator for that particular pool? Put another way, would it be useful for investors to compare all the issuing entities and originators, related to one securitizer, listed in the table, so that investors may identify asset originators with clear underwriting deficiencies, as provided in the Act?
7	II. A. 3. Disclosures Required by Proposed Rule 15Ga-1	21	Would it be appropriate for securitizers to omit the table if a securitizer had no prior demands for repurchases or replacements? If so, how would an investor be able to know why the securitizer omitted the disclosure? In lieu of a table that displayed no demands for repurchases or replacements, would it be appropriate for a securitizer to provide narrative or check box disclosure stating that no demands were made for any asset securitized by the securitizer?
8	II. A. 3. Disclosures Required by Proposed Rule 15Ga-1	21	Is it appropriate to limit disclosure to Exchange Act-ABS that remain outstanding and held by non-affiliates, as proposed? Would such a limitation be consistent with the Act? Alternatively, should disclosure be required with respect to Exchange Act-ABS that are no longer outstanding? Would such disclosure reveal potentially important information? Would it be appropriate to require disclosure regarding Exchange Act-ABS that were outstanding during a recent period, such as one, three, or five years?
9	II. A. 3. Disclosures Required by Proposed Rule 15Ga-1	22	Should the disclosure requirement only be applied prospectively, i.e., disclosure would be required only with respect to repurchase demands and repurchases and replacements beginning with Exchange Act-ABS issued after the effective date of the rule? Should disclosure only be required with respect to repurchase activity after the effective date? If so, please explain why limiting disclosure to activity regarding Exchange Act-ABS issued after the effective date would be consistent with the Act, as it specifies that the disclosure be provided by any securitizer across all trusts.
10	II. A. 3. Disclosures Required by Proposed Rule 15Ga-1	22	In implementing the requirements of Section 943, should the disclosure requirement initially be limited to the last five years, as proposed? Would a different time frame be more appropriate, e.g., the last three, seven or ten years of activity? Underwriting standards of originators may change over time. While information regarding repurchases within a recent time period may assist investors in identifying originators with current underwriting deficiencies, is older information, such as information about repurchases within a time period of ten years, less useful in identifying current underwriting deficiencies?40 Would information that covers the last three, five, seven or ten years of repurchase activity provide investors with the information they need so that they “may identify asset originators with clear underwriting deficiencies”? To what extent would disclosure older than such a period add significant burdens and costs and produce information that would be of marginal utility to investors?

11	II. A. 3. Disclosures Required by Proposed Rule 15Ga-1	23	Is our proposed instruction to permit securitizers to omit disclosure of investor demands made upon the trustee prior to the effective date of the proposed rules if the information is unavailable and provide footnote disclosure, if true, that the table omits such demands and that the securitizer requested and was unable to obtain the information appropriate? If not, how would securitizers obtain the information about investor demands upon a trustee prior to the effective date of the proposed rules, as adopted?
12	II. A. 3. Disclosures Required by Proposed Rule 15Ga-1	23	Should the requirement only cover the last three, five, seven or ten years of repurchase requests on an ongoing basis? Would this format on an ongoing basis provide information in a more easily understandable manner? Would it still allow an investor to “identify asset originators with clear underwriting deficiencies”?
13	II. A. 3. Disclosures Required by Proposed Rule 15Ga-1	23	Are there any other agreements, outside of the related transaction agreements for an asset-backed security that provide for repurchase demands and repurchases and replacements? If so, please tell us what those agreements are and why securitizers should be required to report the information, including why that information would be material to an investor in a particular asset-backed security.
14	II. A. 3. Disclosures Required by Proposed Rule 15Ga-1	23	Is the information proposed to be required in the table appropriate? Is there any other information that should be presented in the table that would be useful to investors? Is the proposed disclosure regarding pending repurchase requests appropriate? Should we specify that securitizers provide more detail about the reasons why the assets were not repurchased or why the assets are pending repurchase or replacement? For example, should we require more detail such as the date of claim, the date of repurchase, whether claims have been referred to arbitration, whether the claims are in a cure period, and the costs associated and expenses born by each issuing entity? <sup>42</sup> Should we require securitizers to provide narrative disclosure of the reasons why repurchase or replacement is pending, as proposed? If so, should we specify the level of detail to be provided regarding pending asset repurchase or replacement requests? For instance, should we specify categories for the reasons why the request is pending, e.g., cure period, arbitration, etc.
15	II. A. 3. Disclosures Required by Proposed Rule 15Ga-1	24	Section 943 of the Act requires that “all fulfilled and unfulfilled repurchase requests across all trusts” be disclosed. Should we require, as proposed, that all demands for repurchase be disclosed in the table? Some commentators on the 2010 ABS Proposing Release expressed concerns about disclosing demands for repurchase that ultimately did not result in a repurchase or replacement pursuant to the terms of the transaction agreement, either because of withdrawn demands or incomplete demands that did not meet the requirements of the transaction agreements. <sup>43</sup> In order to address commentator’s concerns, should we also require, by footnote to the table, disclosure of whether the repurchase or replacement was required by the transaction agreements or whether it occurred for some other reason? Should the disclosure indicate the type of representation or warranty that led to the repurchase or replacement?
16	II. A. 3. Disclosures Required by Proposed Rule 15Ga-1	25	Is our proposal to require a securitizer to file its initial Form ABS-15G at the time it first offers Exchange-Act ABS or organizes and initiates an offering of Exchange Act-ABS after the implementation date of the proposed rules appropriate? What are other possible alternatives to trigger the initial filing obligation?
17	II. A. 3. Disclosures Required by Proposed Rule 15Ga-1	25	Is our proposal to require the disclosure on a monthly basis appropriate? If not, what would be the appropriate interval for the disclosures, e.g., quarterly or annually?
18	II. A. 3. Disclosures Required by Proposed Rule 15Ga-1	25	Is our proposal to require that Form ABS-15G be filed within 15 calendar days after the end of each calendar month appropriate? If not, would a shorter or longer timeframe be more appropriate, e.g., four days or twenty days? Please tell us why.
18	II. A. 3. Disclosures Required by Proposed Rule 15Ga-1	25	We note that the transaction agreements for certain types of ABS, such as CDOs, may not typically contain a covenant to repurchase or replace an underlying asset. Is it appropriate to exclude, as proposed, those Exchange Act-ABS with transaction agreements that do not contain a covenant to repurchase or replace the underlying assets?
20	II. A. 3. Disclosures Required by Proposed Rule 15Ga-1	25	Should the data in the table be tagged? If so, should the tagging be in XML or is a different tagging schema appropriate? If tagging is appropriate, would a phase-in period in which the disclosure would be provided without tagging pending completion of necessary technical specifications be appropriate? In order to tag the data, we would need to develop definitions that would result in consistent and comparable data across all issuing entities of all securitizers. For instance, how should we specify that securitizers tag the identity of an originator to provide consistency across disclosures provided by all securitizers? Should we assign codes that would specifically identify each originator? Or would text entry of the name of the originator be sufficient? Similarly, should we specify a unique code for all the issuing entities? For example, registered transactions would have a CIK number assigned for the issuing entity; however, unregistered transactions may not have a unique method of identification. What other definitions or responses would we need to specify in order to make the disclosure comparable across originators and securitizers?

21	II. A. 4. Proposed Form ABS-15G	27	Is our proposal to require proposed Rule 15Ga-1 disclosures on new Form ABS-15G appropriate?
22	II. A. 4. Proposed Form ABS-15G	27	Securitizers would be required, as proposed, to file Form ABS-15G on EDGAR. If a securitizer has already been issued a CIK number, we would expect Form ABS-15G to be filed under that number. However, a securitizer may already be a registrant that has other reporting requirements under the Securities Act or the Exchange Act. Should we assign a different file number to Form ABS-15G filings in order to differentiate Form ABS-15G filings made by a registrant in its capacity as a securitizer, from other filings made pursuant to its own reporting requirements under the Securities Act and the Exchange Act? Should we also provide on the SEC website the ability to exclude, include or show only Form ABS-15G for a particular CIK number in order make it easier to locate these filings on EDGAR?
23	II. A. 4. Proposed Form ABS-15G	27	Instead of requiring, as proposed, that securitizers provide the Rule 15Ga-1 disclosures on Form ABS-15G, should we instead require that securitizers provide all the disclosures required by Section 943 of the Act in a manner consistent with disclosures in prospectuses and ongoing reports in a registered transaction? For instance, for registered offerings, would it be appropriate to permit issuers to satisfy their disclosure obligation by including all of the information required by proposed Rule 15Ga-1 in prospectuses and periodic reports on behalf of the securitizer for all of the affiliated trusts of a securitizer? Assuming that some securitizers offer several ABS across many asset classes, would taking this approach result in a prospectus that would be unwieldy considering the volume of information that would be required? If we took this approach, then how would that information be conveyed to investors in unregistered offerings, both initially and on an ongoing basis? Would securitizers be able to identify all of the investors that would be entitled to receive the information pursuant to Section 943 of the Act? How often should the information be conveyed to investors? What method would be used to convey the information to investors? Would securitizers post
24	II. A. 4. Proposed Form ABS-15G	28	We are proposing that for purposes of making the disclosures required by Rule 15Ga1 that Form ABS-15G be signed by the senior officer in charge of the securitization of the securitizer. Is there a more appropriate party to sign the form? If so, please tell us who and why.
25	II. A. 5. Offshore Sales of Exchange-Act ABS	29	Are there any extra or special considerations relating to these circumstances that we should take into account in our rules? Should our rules permit securitizers to exclude information from Form ABS-15G with respect to “foreign-offered ABS,” and if so, should foreign-offered ABS be defined to include Exchange Act-ABS that were initially offered and sold in accordance with Regulation S, the payment to holders of which are made in non-U.S. currency, and have foreign assets (i.e., assets that are not originated in the U.S.) that comprise at least a majority of the value of the asset pool? For this purpose, should the foreign asset composition threshold be higher or lower (e.g., 40%, 60%, or 80%)? Would another definition be more appropriate?
26	II. A. 5. Offshore Sales of Exchange-Act ABS	30	Should our rules require securitizers that are foreign private issuers to provide information on Form ABS-15G for those Exchange Act-ABS that are to be offered and sold in the United States pursuant to an exemption in an unregistered offering, as proposed? Instead should our rules only require disclosure about Exchange Act-ABS as to which more than a certain percentage (e.g., 5%, 10% or 20%) of any class of such Exchange Act-ABS are sold to U.S. persons?
27	II. B. Proposed Disclosure Requirements in Regulation AB Transactions	34	Is our re-proposal to require disclosure pursuant to the format prescribed in Rule 15Ga-1(a) for the same asset class in prospectuses and for pool assets in periodic reports appropriate? Is it appropriate to limit the disclosure in prospectuses to the last three years of activity, as proposed? Would a different period (e.g., one or five years) be more appropriate?
28	II. B. Proposed Disclosure Requirements in Regulation AB Transactions	34	Is it appropriate to omit a materiality requirement for disclosures in prospectuses, as proposed? What issues would arise by creating two different disclosure standards between what would be required to be disclosed in prospectuses and what would be disclosed by securitizers on Form ABS-15G? Are there any ways to address those issues?
29	II. B. Proposed Disclosure Requirements in Regulation AB Transactions	34	Should we permit issuers to incorporate the repurchase demand and repurchase and replacement disclosure by reference from Form ABS-15G, instead of requiring that it be provided in the body of the prospectus or Form 10-D? Would it be burdensome for investors to search elsewhere to locate disclosure that would otherwise be included in a prospectus?
30	II. B. Proposed Disclosure Requirements in Regulation AB Transactions	35	In the 2010 ABS Proposing Release, the Commission also proposed that originators of over 20% of the pool assets provide disclosure regarding the fulfilled and unfulfilled repurchase requests on a pool by pool basis for publicly securitized assets. If we were to adopt that proposal, should we make any changes to conform that proposal given the information that would be required by proposed Rule 15Ga1(a)? For example, should that information be provided in the same format as proposed Rule 15Ga-1(a) and should we require disclosures with respect to all originators of the pool assets? <sup>60</sup> Or is disclosure unnecessary in light of the other disclosures required by proposed Rule 15Ga-1?

31	II. C. Proposed Disclosure Requirements for NRSROs	37	The Act and our proposed new Rule 17g-7 require disclosure of how the representations, warranties and enforcement mechanisms in a particular deal differ from the representations, warranties and enforcement mechanisms in the issuance of similar securities. We are not specifying in this release a definition for the term “similar securities.” Should we define “similar securities”? If so, how should it be defined? Should similar securities be defined by underlying asset classes (i.e., residential mortgages, commercial mortgages, auto loans, or auto leases, etc.)? Or should the distinction be narrower (i.e., prime residential mortgages, Alt-A residential mortgages, or subprime residential mortgages)? Or by sponsor (Originator A or Originator B, etc.)? Or by other ABS rated by the same NRSRO?
32	II. C. Proposed Disclosure Requirements for NRSROs	37	Section 932 of the Act further amends the Exchange Act by adding a new paragraph(s) to Section 15E requiring a form to accompany the publication of each credit rating that discloses certain information and requiring that we adopt rules requiring NRSROs to prescribe and use such a form. Would it be appropriate to require the inclusion of the disclosures about representations, warranties and enforcement mechanisms required under proposed Rule 17g-7 in the form used to make the disclosures that will be required under rules adopted pursuant to Exchange Act Section 15E(s)? Are there any timing issues that we should take into account in determining whether to do so?
33	II. C. Proposed Disclosure Requirements for NRSROs	38	Should we require the proposed disclosure to include comparisons to industry standards in addition to similar securities? For instance, one organization has published model standards for representation, warranties and enforcement mechanisms with respect to residential mortgage backed securities. What would be an industry standard for other asset classes?
34	II. C. Proposed Disclosure Requirements for NRSROs	38	Is there any reason not to consider an expected or preliminary credit rating to be a “credit rating” for the purposes of the proposed rule? If so, why?
35	II. C. Proposed Disclosure Requirements for NRSROs	38	In the case of a registered ABS transaction, should we allow NRSROs to satisfy the requirement to disclose representations, warranties and enforcement mechanisms by referring to disclosure about those matters that is included in a prospectus prepared by an issuer?
36	II. C. Proposed Disclosure Requirements for NRSROs	38	Rule 17g-5, among other things, is designed to facilitate the performance of unsolicited credit ratings for structured finance products by providing a mechanism for NRSROs not hired by arrangers of structured finance products to obtain the same information provided to NRSROs hired by such arrangers to rate those products. As such, non-hired NRSROs performing unsolicited credit ratings pursuant to the Rule 17g-5 mechanism would have access to the same information on a transaction’s representations, warranties, and enforcement mechanisms at the same time as hired NRSROs. However, in the event that a non-hired NRSRO elected to perform an unsolicited credit rating not pursuant to Rule 17g-5, it would likely not have access to such information until it was made public. It is the Commission’s understanding that prior to the introduction of the Rule 17g-5 mechanism described above, NRSROs rarely, if ever, performed unsolicited credit ratings for structured finance products. Given the availability of the Rule 17g-5 mechanism, is it likely that any NRSROs would perform unsolicited credit ratings for structured finance products in the future without relying on that mechanism to obtain information from securitizers? If so, would such
37	III. Transition Period	40	Should implementation of any proposals be phased-in? If so, explain why and describe the timeframe needed for a phase-in (e.g., six months, one or two years) and basis for such period?
38	III. Transition Period	40	Should implementation be based on a tiered approach that relates to a characteristic such as the size of the securitizer? Is there any reason to structure implementation around asset class of the securities? Because a reporting structure is already available for registered transactions, should prospectuses and periodic reports be required to include the demand, repurchase and replacement disclosures, as provided by our proposals to amend Items 1104 and Item 1121 of Regulation AB, before Form ABS15G is implemented?
39	VI. C. Request for Comment	57	Are there other more cost-effective ways securitizers can provide the disclosure of fulfilled and unfulfilled repurchase requests consistent with the requirements of Section 943 of the Act?