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BY ELECTRONIC MAIL

Ms. Elizabeth M. Murphy
Secretary
United States Securities and Exchange Commission
100 F Street, NE
Washington, D.C. 20549-1090

Re: ***File No. S7-24-10***
Proposed Rule: Disclosure for Asset-Backed Securities Required by Section 943 of the Dodd-Frank Wall Street Reform and Consumer Protection Act

Ladies and Gentlemen:

This letter is submitted by Fitch, Inc. ("Fitch") in response to the request for comments of the Securities and Exchange Commission ("SEC" or the "Commission") to the proposed rule *Disclosure for Asset-Backed Securities Required by Section 943 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the* "Dodd-Frank Act"*)* (Release Nos. 33-9148; 34-63029, the "Proposed Rule"). The Proposed Rule would require securitizers of asset-backed securities to disclose fulfilled and unfulfilled repurchase requests across all transactions. In addition, the Proposed Rule proposes new Rule 17g-7 applicable to nationally recognized statistical rating organizations ("NRSROs") mandating certain disclosures in any credit report that accompanies an asset-backed security credit rating. Specifically, NRSROs would have to include in their credit reports a description of (i) the representations, warranties and enforcement mechanisms available to investors in that particular transaction and (ii) how the representations, warranties and enforcement mechanisms in the current transaction differ from those present in issuances of similar securities. Proposed Rule 17g-7 is a verbatim rendering of the provisions of Section 943(1) of the Dodd-Frank Act. Fitch sets forth below its comments relating to that item in the Proposed Rules that is of concern to it.

Proposed Disclosure Requirements for NRSROs

Fitch believes, and has consistently stated, that greater transparency is beneficial to both investors and to the financial markets in general. Fitch, therefore, understands Congress's desire to increase the amount of information available to investors. Nevertheless, Fitch firmly believes that Congress should not have mandated that rating agencies exclusively both describe and evaluate for investors the representations, warranties and enforcement mechanisms available in transaction documents. Consistent with all other aspects of the Securities Act, it is the sponsors, issuers and other parties to the transaction that should fulfill these obligations.

Consistent with investor protection and the unequivocal authority of the Commission to mandate disclosure in connection with both public and private offerings, the Commission should provide in proposed Rule 15Ga-1 an identical disclosure mandate on the securitizer as the one set forth in Rule 17g-7 imposes on NRSROs. In that way, the securitizer of the relevant transaction, the party in the best position to do so, would be required to describe and evaluate for investors the representations, warranties and enforcement mechanisms available in transaction documents.

In addition, the final Rule 17g-7 must provide clear and definitive guidance on both the nature and scope of the information to be disclosed. In that regard, the Commission must define "similar securities" since there is no relevant authority to ascertain how to comply with the comparison provisions of Rule 17g-7. The definition should be narrow and based on specifically enumerated subclasses of asset-backed securities as opposed to the generic asset-backed securities categories such as residential mortgage backed securities. The definition must also make clear that a NRSRO can only compare representations and warranties in transactions it has rated as opposed to all representations and warranties in all transactions in a subclass. NRSROs will only have evaluated the representations and warranties in transactions that it rates.

There also must be a substantial transition period for the application of the provisions of Rule 17g-7. There currently is nothing comparable to Rule 17g-7 applicable to NRSROs or, to the best of our knowledge, any other third party and it is not a common practice for NRSROs to provide the type of descriptions and comparisons required by the Rule. We further believe that the Commission's estimate that it will take "ten (10) hours per ABS transaction to compare the terms of the current deal to those of similar securities" is very optimistic. It will take a substantial period of time to gather all of the information to allow NRSROs to conduct the comparisons required by the Rule in an appropriate manner. Without an adequate transition period, Fitch and other NRSROs may well be forced to refrain from rating asset-backed securities until we are certain that we can comply with the Rule. It is Fitch's hope that an adequate transition period is put in place so that Fitch and other NRSROs can avoid the untenable position of being forced to refrain from rating asset-backed securities or issuing ratings without adequate assurance that we can comply with Rule 17g-7. Accordingly, Fitch believes that a

transition period of at least one year will be necessary to fully comply with the provisions of Rule 17g-7.

Finally, while not entirely specific to the Proposed Rule, Fitch is concerned that the regulatory burden imposed by the Proposed Rule, when added to the other significant rating agency provisions contained in Dodd-Frank, creates a substantial disincentive to any credit rating agency considering becoming a new NRSRO. We, therefore, believe it is incumbent on the Commission to provide reasonable rules to implement Dodd-Frank that are not unduly burdensome on NRSROs and place the appropriate burden on the parties singularly responsible for disclosure in securities offerings: the issuers and securitizers.

Thank you for giving us the opportunity to provide our comments. We hope you find them useful, and that you will give them due consideration. Please call me at (212) 908-0626 with any questions that you might have on our comments or to discuss this matter further at your convenience.

Very truly yours,

Charles D. Brown
General Counsel