



August 22, 2008

U. S. Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549
Attention: Secretary

File No.: S7-13-058

**Re: Realpoint LLC (“Realpoint”) Supplemental Comments to Release No. 34-57967
Rules for Nationally Recognized Statistical Rating Organizations (“NRSROs”)**

Realpoint LLC’s comments herein supplement those it filed with the Commission on July 14, 2008.¹

For new issues of structured finance products², Regulation FD³ and Regulation AB⁴ need to be amended to permit a subscriber-based NRSRO to deliver pre-sale reports solely to the NRSRO’s subscribers. Such pre-sale reports may disclose ABS informational and computational materials such as (i) underlying property information and other loan-level information that may have been provided to all of the NRSROs by the issuer or other arrangers under the Commission’s proposed disclosure requirements under amended 17 CFR § 240.17g-5(a)(3)⁵, (ii) additional data, research or due diligence reports purchased or developed by the NRSRO, and (iii) the NRSRO’s credit ratings and analyses developed therefrom.

Without such amendments, notwithstanding such proposed disclosure requirements, subscriber-based NRSROs will remain boxed-in by issuers and arranger-paid NRSROs, in that a subscriber-based NRSRO may have access to underlying information but, for a registered public offering, be unable to provide its subscribers with pre-sale report information and credit ratings without also triggering an obligation of the issuer to publicly disclose such pre-sale report information and credit ratings under Rule 426 or 433.⁶

¹ Realpoint LLC’s previous comments included the following: “Arrangers must be required to simultaneously disclose to all NRSROs (and only to NRSROs) all information that the arrangers provide to their solicited NRSROs to develop credit ratings. This requirement will level the playing field, among all NRSROs, for development of pre-sale reports, initial ratings and subsequent surveillance. With this requirement in place, for all new issuances of structured finance products, a waiting period of three business days (after the asset pool is settled upon by the arrangers and before the bonds are issued) would permit unsolicited NRSROs to issue pre-sale reports to potential investors.”

² “The term “structured finance product” . . . refers broadly to any security or money market instrument issued by an asset pool or as part of any asset-backed or mortgage-backed securities transaction. This broad category of financial instrument includes, but is not limited to, asset-backed securities (“ABS”) such as RMBS and to other types of structured debt instruments such as CDOs, including synthetic and hybrid CDOs. Proposed Amendment, Page 7, n.15.

³ On Proposed Amendment Page 49, the first question posed is: “Do we need to give more guidance on the relationship between the proposed disclosure requirements regarding information about the underlying assets provided to, and used by, the NRSRO to perform ratings surveillance and the requirements of Regulation FD? If commenters believe that the proposed requirements are not consistent with Regulation FD, they should provide a detailed explanation as to why not.” Under Regulation FD, 17 CFR § 243.100(b)(2)(iii) exempts from public disclosure requirements information disclosed: “[t]o an entity whose primary business is the issuance of credit ratings, provided the information is disclosed solely for the purpose of developing a credit rating and the entity’s ratings are publicly available.”

⁴ On Proposed Amendment Page 50, the third question posed is: “Are there any additional requirements in Regulation AB or under the Securities Act that are implicated by the proposed amendments?” Is there any information that would typically need to be disclosed under this proposed amendment that is not already generally disclosed in filings with the Commission?

⁵ On Proposed Amendment Page 51, the first question posed is: Should the Commission amend Regulation AB to require that the Paragraph (a)(3) Information be disclosed?

⁶ On Proposed Amendment Page 50, the second question posed is: “Is there any need for the Commission to revise Securities Act Rules 426 or 433 to clarify when the materials need to be filed?”

U. S. Securities and Exchange Commission
Attention: Secretary
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Page 2 of 2

Similarly, in the event of a private issue of a structured finance product or tranche thereof, a subscriber-based NRSRO needs to be permitted to deliver its pre-sale report information and credit ratings solely to its subscribers without that disclosure being treated as a public disclosure thereof.

Unless a subscriber-based NRSRO, who is not compensated from the new issue or otherwise by the issuer or other arrangers, is permitted to disclose such information and credit ratings solely to its subscribers, the subscriber-based NRSRO will have no authority to deliver pre-sale report information and credit ratings to its subscribers and no direct financial incentive to develop any such pre-sale report information and credit ratings.

This recommendation is consistent with this Proposed Amendment's goals to: (i) "increase the transparency of the process for rating structured finance products, [(ii)] foster competition by making it feasible for . . . NRSROs that are not contracted by the arranger to issue a rating . . . [(iii)] promote the issuance of ratings by NRSROs that are not hired by the arranger . . . [and (iv)] make it more difficult for arrangers to exert influence on the NRSROs that they hire to determine ratings for structured finance products." Proposed Amendment Page 31. Consistent with the Commission's disclosure requirements for private offerings, "[t]his approach is designed to promote competition among NRSROs . . . that were not paid by the issuer to rate the issuer's products with information they need to issue unsolicited ratings." Proposed Amendment Page 53. This recommendation is also consistent with the Commission's aforementioned intention to provide guidance on the relationship of the Commission's proposed disclosure requirements under amended 17 CFR § 240.17g-5(a)(3) to Regulation FD.

Thank you for the opportunity to comment on the Proposed Amendment. Please do not hesitate to contact us if you have any questions.

Very truly yours,



Robert Dobilas
CEO and President
Realpoint LLC