

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-59753; File Nos. 4-579 and S7-04-09]

ROUNDTABLE ON OVERSIGHT OF CREDIT RATING AGENCIES

AGENCY: Securities and Exchange Commission.

ACTION: Notice of roundtable discussion; request for comment.

SUMMARY: The Credit Rating Agency Reform Act of 2006 provided the Securities and Exchange Commission for the first time with authority over credit rating agencies that register with the Commission as Nationally Recognized Statistical Rating Organizations (“NRSROs”). Most of the Act’s provisions became effective in June 2007. Pursuant to the Act, the Commission has adopted two sets of rules, and Commission staff has conducted an extensive 10-month examination of the three largest credit rating agencies. In February 2009, the Commission issued a proposing release that included several proposals to further the Act’s purpose of promoting accountability, transparency, and competition in the credit rating industry. The proposing release is available on the Commission’s Web site at <http://www.sec.gov/rules/proposed/2009/34-59343.pdf>.

The Commission will host a roundtable discussion regarding the oversight of credit rating agencies, as it relates to both the Commission’s pending proposals and more broadly. The roundtable will consist of four panels. Roundtable participants will include leaders from investor organizations, financial services associations, credit rating agencies, and academia.

The roundtable discussion will be held in the auditorium at the Commission’s headquarters at 100 F Street, NE, in Washington, DC on April 15, 2009, from 10:00 am to 4:30 pm. The roundtable will be open to the public with seating on a first-come, first-served basis.

The roundtable discussion also will be available via webcast on the Commission's Web site at www.sec.gov. The roundtable agenda and other materials related to the roundtable, including a list of participants and moderators, will be accessible at <http://www.sec.gov/spotlight/cra-oversight-roundtable.htm>. The Commission welcomes feedback regarding any of the topics to be addressed at the roundtable.

DATES: Comments should be received on or before May 15, 2009.

ADDRESSES: Comments may be submitted by any of the following methods:

Electronic Comments:

- Use the Commission's Internet comment form (<http://www.sec.gov/spotlight/cra-oversight-roundtable.htm>); or
- Send an e-mail to rule-comments@sec.gov. Please include File Number 4-579 and/or File Number S7-04-09 on the subject line.

Paper Comments:

- Send paper comments in triplicate to Elizabeth M. Murphy, Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-1090.

All submissions should refer to File Number 4-579. For comments specifically related to the proposed amendments, such submissions also should refer to File Number S7-04-09. This file number(s) should be included on the subject line if e-mail is used. To help us process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet Web site (<http://www.sec.gov/spotlight/cra-oversight-roundtable.htm>). Comments are also available for public inspection and copying in the Commission's Public Reference Room, 100 F Street, NE, Washington, DC 20549, on official business days between the hours of 10:00 am and 3:00 pm. All comments received will

be posted without change; we do not edit personal identifying information from submissions.

You should submit only information that you wish to make available publicly.

FOR FURTHER INFORMATION CONTACT: Marlon Quintanilla Paz, Division of Trading and Markets, at (202) 551-5756, U.S. Securities and Exchange Commission, 100 F Street NE, Washington DC 20549.

SUPPLEMENTARY INFORMATION: The roundtable discussion will concern the Commission's oversight of credit rating agencies. The panel discussions will focus on:

- The perspective of current NRSROs: What went wrong and what corrective steps is the industry taking?
- Competition Issues: What are current barriers to entering the credit rating agency industry?
- The perspective of users of credit ratings.
- Approaches to improve credit rating agency oversight.

The Credit Rating Agency Reform Act of 2006 was designed to improve ratings quality for the protection of investors, serving the public interest by fostering accountability, transparency, and competition in the credit rating industry. The Act grants the Commission broad authority to examine all books and records of an NRSRO with regard to compliance with substantive Commission rules applicable to NRSROs, including rules addressing conflicts of interest and rules prohibiting certain unfair, coercive, or abusive practices. The Commission issued final rules establishing a regulatory program for NRSROs in June 2007.

Since the passage of the Act and the implementation of the June 2007 final rules, the Commission has used its authority to examine the adequacy of the NRSROs' public disclosures, their recordkeeping, their procedures to prevent the misuse of material nonpublic information, their management of conflicts of interest, and their approaches to preventing unfair, abusive or coercive practices. On July 8, 2008, the Commission released findings from a 10-month staff examination of three major credit rating agencies. The staff examinations uncovered weaknesses in ratings practices and the need for remedial action by the firms to provide meaningful ratings and the necessary levels of disclosure to investors.

In June and July of 2008, the Commission proposed a three-fold set of reforms that would address further the conflicts of interests, disclosures, internal policies, and business practices of credit rating agencies registered as NRSROs. With respect to the first set of reforms, in February 2009, the Commission issued final rule amendments to existing NRSRO rules. In conjunction with the adoption of these new measures, the Commission proposed an additional amendment that would require NRSROs to disclose ratings history information, in XBRL format, for 100% of all issuer-paid credit ratings determined after June 26, 2007 (the effective date of most of the provisions of the Credit Rating Agency Reform Act of 2006). Finally, in February 2009, the Commission issued a release proposing an amendment that would require NRSROs that are hired

by arrangers to perform credit ratings for structured finance products to disclose to other NRSROs (and only other NRSROs) that they are hired to determine credit ratings for those deals and to obtain from such arrangers a representation that they will provide information given to the hired NRSRO to other NRSROs.

By the Commission.

Florence E. Harmon
Deputy Secretary

Dated: April 13, 2009