MULTIPLE-MARKETS

Elizabeth M. Murphy, Secretary
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090

SEC File Number 4-622 - SEC study on the standardization of credit ratings

"No matter what disclosures are mandated, they will not have the intended effect (i.e., having retail investors engage in a deliberate and informed investment process) if the investor either does not read and/or understand the information provided.

Regulators should therefore consider measures to help improve retail investor education in order to enhance their financial literacy and ability to read investment documentation and make informed investment decisions."

IOSCO Final Report - Principles on Point of Sale Disclosure, pg 5, February, 2011

We thank the Commission for an opportunity to provide comments on the standardization of credit ratings. This has been a central subject of our work for a number of years and we appreciate that the issue is being reviewed at the request of the Congress.

Hopefully this study will illuminate more dimensions of the performance of Nationally Recognized Statistical Rating Organizations (NRSROs). This additional understanding could assist regulators in their oversight and help investors make more informed investment decisions.

We have always believed that a framework of disclosure, transparency and NRSRO competition was the best ways to create a healthy and dynamic credit ratings industry. We commend the Commission for the many steps it has taken to increase the transparency of this vital sector of the financial markets. And we appreciate the inspection and oversight that the Commission has been undertaking of the NRSROs.

We believe that is beneficial for NRSROs to use comparable symbol sets so their ratings may be used in conjunction with other NRSROs. We do not believe that NRSROs should be mandated by legislation or Commission rulemaking to use identical symbol sets. It should be voluntary for NRSROs to either adopt comparable symbol sets or map their ratings to a standardized scale.

Retail investors will benefit from a unified symbol set which can improve their understanding of the opinions developed by NRSROs.

Issuers will benefit if retail investors have a better understanding of the relative risk and return for rated debt. More informed investors will provide issuers with a larger and more stable pool of buyers.

We have previously provided comments to the SEC and Congress on this issue in 2003, 2005 and 2008.

Investors often use ratings from two or more NRSROs. So an NRSRO that chooses a symbol set that doesn't compare to other NRSROs might find the audience for its opinions diminished as the investor would have to map the nonstandard symbols to the scales of the dominant NRSROs.

NRSROs often address different constituencies in the financial markets. Because of this we endorse allowing NRSROs to choose the symbol sets that they use for conveying their opinions. There maybe legacy or competitive reasons that an NRSRO chooses to use a unique symbol set. Or, for example, an NRSRO might design their ratings to be used as an adjunct to credit default swap spreads and use a symbol set that mimics CDS values.

Efficient markets do tend to migrate towards common languages and it is likely over time that NRSROs will either adopt similar rating scales or provide mapping to the scales of the dominant NRSROs.

The issue of standardizing credit ratings symbols first arose in the 2003 SEC Concept Release: Rating Agencies and the Use of Credit Ratings under the Federal Securities Laws. Although no rulemaking came of that Concept Release it has remained an area of review.

Congress revisited the issue with the inclusion of their request for the SEC to conduct the current study: Credit Rating Standardization Study [Release No. 34-63573; File No. 4-622].

The study seeks to find desirability of:

1. Standardizing credit ratings terminology, so that all credit rating agencies issue credit ratings using identical terms;

(1) Is it feasible and desirable to standardize credit ratings terminology, so that all credit rating agencies issue credit ratings using identical terms?

Yes and no.

Yes it is highly desirable for investors to have a standardized nomenclature to easily understand the opinions of various NRSROs as they are expressed through credit ratings. This is especially true for retail investors who tend to have less knowledge of fixed income markets.

The 2003 SEC Concept Release asked at question 13: "Should each NRSRO use uniform rating symbols, as a means of reducing the risk of marketplace confusion?"

We responded: "The proposal that rating agencies be required to adopt uniform rating symbols would be an advantage for the retail fixed income market. The work of Multiple-Markets is centered on this effort of simplifying and visualizing the symbology of the various rating agencies and designing systems that make fixed income information useful to the retail investor, registered representatives and financial advisors."

We continue to work toward this today.

It is desirable and often feasible to map the alphanumeric scales of most NRSROs to a standardized symbol set.

We bring our patent (#7,827,080) FIXED INCOME SECURITIES RATINGS VISUALIZATION to the attention of the Commission. This patent was awarded on November 2, 2010 for the standardization of the various alphanumeric credit rating scales for use in market data, trading and portfolio systems for retail investors and registered representatives. See especially Claim 1.

We disclosed our prosecution of this patent to the Commission, via email, to Thomas K. McGowan, Division of Trading and Markets, on June 17, 2008. I was informing the Commission regarding my patent application and its reference to the Proposed Rules for Nationally Recognized Statistical Rating Organizations. The disclosure related specifically to the issues raised around ratings symbology.

In our public comments to File No. S7-13-08 filed on July 25, 2008 we disclosed our patent application.

On numerous occasions in 2008 and 2009 we have shown our credit rating standardization chart to members of Congress and always received very positive interest and approval for our method of standardizing ratings. An example of the chart is shown within our Congressional whitepaper: "Transparency for credit rating agencies" (page ten).

This Congressional whitepaper was distributed to all members of the House Financial Services Subcommittee on Capital Markets, Insurance and GSEs and the Senate Banking Subcommittee on Securities and Insurance in January, 2008 as a backgrounder on additional approaches for regulation of NRSROs. We subsequently distributed the whitepaper to other members of the full House Financial Services Committee and Senate Banking Committee in the spring of 2008; .

a. Do commenters agree that the term "credit ratings terminology" as used in Section 939(h) of the Dodd-Frank Act refers to the symbols and numbers credit rating agencies use to denote credit ratings and the definitions and meanings they promulgate for those symbols and numbers?

Yes.

b. Are there credit rating terminologies used by different credit rating agencies that are currently comparable? If so, please identify and explain how they are comparable.

The scales of the dominant ratings firms are currently comparable on a semantic basis. Some smaller NRSROs have rating scales that vary. Generally these NRSROs provide some mapping to the scales of the dominant NRSROs for use by their clients. (cf Kroll Bond Rating Agency, Form NRSRO Update , November 15, 2010 Table 3, Exhibit 1)

c. Identify differences in the credit rating terminologies used by credit rating agencies. What is the significance of these differences?

All NRSROs use a scale of symbols to indicate relative risk of an obligor or specific security.

NRSROs generally use an alphanumeric system to designate issuer ratings and long-term ratings. This alphabetic scale can be modified by "+" and "-".

Many NRSROs do use different symbol sets to rate short term issues and other subsets of securities. These symbol sets have much greater variance among NRSROs.

We are in the process of documenting all the symbol sets used by NRSROs.

- A. M. Best (U.S.) alphabetic system
- Dominion Bond Rating Service (Canada) alphabetic system
- Egan-Jones Rating Company (U.S.) alphabetic system
- Fitch Ratings (U.S.) alphabetic system
- Japan Credit Rating Agency, Ltd. (Japan) alphabetic system
- Kroll Bond Ratings Agency (U.S.) alphabetic system
- Moody's (U.S.) alphabetic system
- Rating and Investment Information, Inc alphabetic system
- Realpoint LLC (U.S.) alphabetic system
- Standard & Poor's (U.S.) alphabetic system

d. What issues do commenters encounter when they seek to compare ratings from different credit rating agencies?

Some NRSROs use fewer symbols in their scale than the dominant agencies. (cf: Kroll NRSRO filing - Table 3)

e. Some credit rating agencies employ multiple credit rating scales designed to distinguish between different types of issues and/or issuers. For example, a credit rating agency may employ different credit rating symbols for ratings of long term securities, short term securities, money market funds, claims paying abilities of insurance companies, and issues and/or issuers in different jurisdictions. Do commenters believe that some types of credit rating symbols used by credit rating agencies are more or less suitable to standardization? Is it feasible or desirable to use a single credit rating scale for all types of issues and issuances? Should a standardized credit rating scale include separate symbols for different types of credit ratings? If so, what separate credit symbols should be included in the standardized credit rating terminology? Alternatively, should credit rating terminologies for some types of issues or issuers not be standardized? If so, for which types of issuers or issuances?

Because our work is focused on retail investors and registered representatives our interest has been primarily on corporate, financial and municipal ratings. The rating scales, of the dominant NRSROs, for these classes of securities, are roughly comparable and amenable to standardization.

Generally the issuer and long term rating symbol sets of the NRSROs are more readily standardized than their short term, money market funds and other ratings.

f. The credit ratings of some credit rating agencies address probability of default

while the ratings of other credit rating agencies address expected loss. Other rating scales may address other metrics such as, for example, distance to distress (e.g., with respect to the public finance ratings of some credit rating agencies). Do commenters believe that it is more or less desirable to have credit ratings of different credit rating agencies address different risks? Why?

A diverse and rich set of views from NRSROs benefits financial markets. Mandating a specific qualitative or quantitative framework for NRSROs could lead to rigid analysis and group think. A fixed framework might not capture changes in economic conditions, accounting updates, industry dynamics and issuer changes. This could lead to wholesale failure of a class of ratings across all NRSROs.

Various NRSROs have established analytical methods that provide specific metrics to their users. Because market participants use credit ratings for a variety of purposes it would be difficult for the Commission to designate one specific method of assessing quantitative default metrics.

g. Some credit rating agencies employ credit rating modifiers including, for example, "credit watch" and "rating outlook" to indicate a view as to the likelihood that a credit rating may change. Do commenters believe that it is feasible or desirable to include such credit rating modifiers in a standardized credit rating terminology? Why?

Yes. The modifier should be passed on to the investor. It provides granularity to the opinion of the NRSRO It is relatively simple to provide a way for investors to see the rating modifier from an NRSRO. This could be done through an additional symbol on the standardized rating or a text box accompanying the rating.

h. If commenters believe that standardizing credit ratings terminology is desirable and feasible:

i. What level of detail should be included in the standardized credit rating terminology?

The process should include a mapping of the NRSRO's symbol set to the standardized set. Every NRSRO should be able to provide as much additional detail to investors as they wish through additional data fields that travel with the rating record.

ii. What mix of quantitative and qualitative factors should be referenced in each rating definition?

This should be at the discretion of every NRSRO. They should continue to disclose their methodologies and the factors they use to ascertain ratings.

iii. Should a standardized credit rating terminology address likelihood of default, expected loss, or some other metric?

NRSROs should be free to address these metrics and others including liquidity if they believe that they have useful data and methodologies to form opinions.

iv. Some credit rating agencies issues a number of broad categories of credit ratings that can be further delineated using identifiers (e.g., pluses and minuses) to allow additional gradations of ratings. How many gradations of credit quality should be

included in a standardized terminology for credit ratings?

For the Multiple-Markets standardized table we use 11 levels for investment grade ratings and 12 levels for speculative grade ratings.

v. Should a standardized credit rating terminology employ a separate terminology for certain asset classes (e.g., for structured finance ratings)? Are there asset classes or types of ratings, such as short term or financial strength ratings, where a separate terminology should be considered?

The Commission has addressed this issue in prior rulemaking and decided not to require that structured finance ratings carry "scarlet letter" identifiers. Identifiers that identify classes of assets that might pose risks such as liquidity can be useful for investors. This separate terminology can be also captured with additional data fields that travel with the record.

vi. What organizations or combination of organizations should be responsible for developing and administering the standardized credit rating terminology? For example, should the Commission develop and administer the standardized terminology? Should an independent board or organization be formed to develop and administer the standardized terminology?

We believe that collaboration between regulators, NRSROs, Multiple-Markets and publishers of financial data would be most beneficial for investors. We welcome an opportunity to discuss the various forms of organization that could be created. It is possible that maintaining a wiki type platform could aggregate this information and be the most beneficial for investors.

vii. What time period should be allowed for credit rating agencies to map their existing ratings to a new credit rating terminology, or for private contracts and investment management agreements that reference credit ratings to be changed to refer to the standardized terminology?

We believe that the use of standardized ratings should be forward looking. There are vast amounts of market infrastructure, research, brokerage statements and confirmations, regulatory rules and judicial activities which utilize the current rating symbols. A move to standardized symbols should be voluntary and forward looking. In addition, the Commission might consider if rules such as FINRA rules for best execution and markups could be modified to use standardized rating symbols.

viii. Do commenters believe that it would be more desirable for credit rating agencies to retain their existing credit rating terminologies and make publicly available detailed information on how each credit rating agency's ratings can be mapped to a standardized terminology? Or would it be more desirable if the credit rating agency used only the standardized terminology?

We believe that NRSROs will serve the interests of their issuer and investor customers by using standardized ratings. For this reason we believe that NRSROs will voluntarily map their rating scales to a standardized scale and set of symbols.

We also recognize that NRSROs and market participants have numerous legacy platforms that will likely continue to utilize the current symbology.

When NRSROs map their ratings to a standardized scale issuers will find larger audiences of informed investors who may purchase their securities and lower their borrowing costs. Investors will find fixed income securities more comprehensible and more actively allocate savings into this asset class. A previously opaque market will gain substantial transparency.

Regulators will find standardized symbols simpler to use as they conduct surveillance of the markets and oversee broker and advisor dealings with investors.

2. Is it feasible and desirable to standardize the market stress conditions under which credit ratings are evaluated?

We would not recommend the imposition of fixed conditions for credit analysis. Standardizing these conditions would create more uniformity in credit analysis, magnify directional market moves and potentially create a credit market equivalent of procyclicality.

Given the dynamic nature of the global and domestic economies it would be difficult to isolate and fix the specific attributes that would serve as a framework to do credit analysis.

The types of macro conditions and policies that factor into credit analysis and can migrate over time:

- Monetary policy
- Foreign exchange equivalencies
- Fiscal policy
- Resource extraction and utilization practices
- Labor productivity
- Lending standards
- Accounting standards
- Regulatory frameworks
- Pension policies
- Technology advancements

a. Under what market stress conditions are credit ratings currently evaluated?

This varies according to NRSRO. The dominant NRSROs have macro teams that develop in-house views of global and national conditions. Smaller NRSROs outsource this analysis.

b. To what degree do commenters believe that credit rating agencies currently identify the market stress conditions under which credit ratings are evaluated? To the extent these market stress conditions are identified by credit rating agencies, do commenters believe that the market stress conditions used by different credit rating agencies at comparable credit rating levels are similar? If so, how are they similar? If not, how do they differ?

The larger NRSROs generally do a better job of identifying macro conditions.

c. Do commenters believe that market stress conditions can be defined in a

consistent manner across different industry sectors and geographic regions?

No. This would be difficult and require constant monitoring and adjustment. Generally regulators would be always be playing catch-up.

d. Do commenters believe that standardized market stress conditions are equally relevant to the evaluation of all asset classes or issuers? For example, are there some asset classes or issuers where the relative degree of idiosyncratic risk versus systemic risk differs? If so, are market stress conditions less relevant, for example, to asset classes and issuers where there is a higher level of idiosyncratic risk?

There is risk for some types of securities that relates to the concentration of market structure for that asset class. For example the small number of market participants that could purchase the equity tranche of CDO's and the fact they were traded OTC, with no price transparency, posed substantial credit risk beyond the risk typically embodied in a BBB rated security.

In illiquid market condition fixed income securities, other than US Treasuries, can pose substantially greater market risks than equities, futures or options. In large measure this is due to the fragmented nature of these markets and the concentration of market making in a small number of primary dealers.

Fixing the methodologies and stress conditions that NRSROs use to do credit analysis will not reduce systemic risk. Other regulatory and market changes will help address those issues.

Nor will fixing the methodologies and stress conditions that NRSROs use for credit analysis increase investor protection. Investors will be most well served by NRSROs increasing their disclosures on the assumptions they use their work. Institutional investors have consistently been asking for enhanced disclosure in this area. Transparency is a cornerstone of stable markets.

(3) Is it feasible and desirable to require a quantitative correspondence between credit ratings and a range of default probabilities and loss expectations under standardized conditions of economic stress?

Generally we do not recommend fixing a static relationship between rating symbols and specific default rates.

We believe that the use of default stats to verify NRSRO accuracy is in its infancy. No evidence exists yet that it feasible to fix default rates for various rating levels. The Credit Rating Agency Reform Act of 2006 and subsequent SEC rulewriting [SEC 34-59342 and SEC 34-61050] have mandated the form of standardization and disclosure of these metrics.

The publication of the SEC's XBRL Implementation Guide for Nationally Recognized Statistical Rating Organizations will greatly increase the ability of market participants, academics and regulators to assess the predictive accuracy of ratings on a more granular level and allow the verification of default statistics published by NRSROs.

Attention from market participants and regulators is just developing for this important information. It seems likely that NRSROs themselves are assigning more

resources to their tracking and analysis of these metrics.

The limitations on the use of "withdrawn" ratings will greatly assist in improving the usability of default statistics.

The dominant NRSROs have indicated that their ratings are meant to reflect credit worthiness throughout the credit cycle. Other NRSROs and non-recognized credit rating agencies have said that their ratings are more volatile and in some cases linked to equity prices via modeling such as the Merton model.

Market stability is enhanced by having a multiple types of analysis. Fixed income markets are enormous and different types of market participants have different needs throughout the credit cycle.

It is possible that fixing a quantitative correspondence between credit ratings and a range of default probabilities and loss expectations would lead to a negative feedback loop between the credit cycle and bond prices.

It would obviously simplify the allocation of risk for an investor to know with certainty the default probability for bonds in their portfolio. But default rates are backward looking. And investors, especially retail ones, must always be informed that default statistics represent historical data and must be used in conjunction with other data to make informed investment decisions.

The dynamic nature of economies pose both headwinds and tailwinds for sovereign, corporate and financial entities throughout the credit cycle. Asking NRSROs to constantly adjust rating levels that are fixed to specific default rates is asking more of NRSROs than they may currently be capable of accomplishing.

a. To what extent do credit rating agencies or others assign a quantitative correspondence
between credit ratings and a range of default probabilities and loss expectations?

It is more common for the dominant NRSROs to use other market signals such as bond yield spreads and CDS levels than default statistics in their communications with investors.

For example the following data is from Moody's February 3, 2011 report *"Goldman Sachs Group, Inc. — Fixed Income and Equity Market Signals Diverge"*.

GOLDMAN SACHS (GS)
Moody's Senior Unsecured Rating	A1
Moody's Outlook	NEG
Bond-Implied Rating	Baa1
CDS-Implied Rating	Baa2
Equity-Implied Rating	Ba1
	As of 02/02/2011

Evidence of correlation, or lack thereof, between rating levels and default rates is just beginning to be developed.

For example Moody's default statistics for A1 rated financials vary according to the

"age" of the issuance in a manner that is unexpected. Moody's [Form NRSRO,](#) (Exhibit 1), filed December, 2010 shows historical defaults for A1 as:

- 0.00% at 1 year
- 3.74% at 3 years
- 0.85% at 10 years

This variation might suggest that the NRSRO was not rating as rigorously in some periods or it might relate to credit market conditions or other factors. Additional analysis of the performance of NRSROs by the markets, academics and regulators will help the markets understand the predictive performance of ratings.

i. To what extent do commenters believe that the correspondence is similar for comparable ratings from different credit rating agencies?

Default rates for specific rating levels vary considerably between NRSROs and throughout the credit cycle once you go below "A" securities.

ii. To what extent do commenters believe that the correspondence is similar across industry sectors and geographical regions?

We have not done side by side analysis but could believe that default rates would vary considerably by industry and geographic region once you go below "A" securities.

iii. To what extent do commenters believe that the correspondence is constant throughout the economic cycle?

Default rates move considerably throughout the credit cycle. Default rates tend to fall when the economy is strong, credit is "easy" and borrowing costs are low and increase in weak economies, when credit "tightens" and when borrowing costs rise.

iv. To what extent do commenters believe that the correspondence has been constant over time? For example, do commenters believe that the range of default probabilities and loss expectations corresponding to the credit ratings of different credit rating agencies have become more or less conservative over time?

The Great Recession of 2007-2009 suggests that many ratings became extremely liberal and diverged from stated methodologies. In reaction to this debacle some commentators have suggested that NRSROs have made their ratings more conservative.

b. Does the ability to assign a correspondence between credit ratings and a range of default
probabilities and loss expectations in a sector vary depending on the degree to which a rating methodology for that sector is more or less quantitative in nature?

Unsure.

Are there other factors, such as the quality or amount of historical performance data or structural complexity that may make it more or less difficult to assign a correspondence between credit ratings and a range of default probabilities and loss expectations?

Some NRSROs have track records that are shorter than 10 years. [cf Realpoint]

Following the implementation of the Credit Rating Agency Reform Act of 2006 the NRSROs began to produce more useful default statistics at the aggregated level and following 2008/9 rulemaking NRSROs began making rating performance at the security level available. When analysis of this emerging data is more advanced it will be easier to respond to this question.

c. Does the likelihood of rating transitions for similarly rated assets vary among asset classes? If so, how should variation in the likelihood of rating transitions be addressed when a quantitative correspondence is assigned between credit ratings and a range of default probabilities and loss expectations?

No data to respond to this.

d. Is there a role for market based measures such as credit spreads or option-based approaches (i.e., Merton-type models which provide a distance to default measure based on equity prices) in determining a correspondence between credit ratings and a range of default probabilities and loss expectations?

No data to respond to this.

e. If commenters believe that requiring a quantitative correspondence between credit ratings and a range of default probabilities and loss expectations under standardized conditions of economic stress is feasible and desirable:

We don't agree with fixing quantitative default rates to rating level.

i. What factors should be considered in determining the range of default probabilities and loss expectations associated with each rating? Should specific time horizons be specified for each default probability and loss expectation range? If so, how many different time horizons should be specified for each credit rating, and what are appropriate time horizons?

Currently NRSROs are required to publish default rates for 1, 3 and 10 year cohorts. Generally the majority of defaults age in by the third year (although easy credit can delay this). But the aging process for cohorts of ratings suggests some of the difficulty for tying default rates to specific rating levels.

ii. The ratings of some credit rating agencies primarily address probability of default while others address expected loss. Should credit rating agencies be allowed to choose whether their ratings address one or the other? Should a single rating address both probability of default and loss expectation or should default probabilities and loss severity be addressed separately?

NRSROs should be allowed to determine what metric they use to determine credit opinions.

iii. What are the views of commenters on how the accuracy of the quantitative correspondence assigned by a given credit rating agency between its credit ratings and a range of default probabilities and loss expectations should be measured?

It maybe the best approach is to gather data for a number of years and examine it for patterns.

(4) Is it feasible and desirable to standardize credit rating terminology across asset classes, so that named credit ratings correspond to a standard range of default probabilities and expected losses independent of asset class and issuing entity?

This might be difficult to do immediately since there may not be enough ratings history for every class of securities to determine the feasibility of this move

The forerunner to Section 938 of Dodd-Frank was HR 6308 (The Municipal Bond Fairness Act). We followed the discussion of HR 6308 closely as it was being debated and marked -up in July, 2008. It seemed the concern of the House Financial Committee was the practice of NRSROs rating municipal securities on a much more rigorous scale than corporate securities. This raised the cost of borrowing for municipalities and pushed many muni issuers to purchase insurance. The NRSROs moved to standardize their ratings scales between corporate and municipal issuers after this legislation was marked up. This was very important for the fixed income markets and municipal issuers.

Without closer examination of all NRSRO default stats it would be hard to give a precise answer to this question beyond the work of NRSROs for corporate and municipal scales done in response to HR 6308.

a. To what degree do commenters believe that credit ratings are currently comparable across asset classes? For example, do commenters believe that credit ratings of structured finance products or municipal securities are comparable to credit ratings in other sectors?

Without closer examination of all NRSRO default stats and analysis it would be hard to give a legitimate answer to this question.

b. In cases where credit rating agencies currently use the same credit rating terminology for multiple asset classes, what is the view of commenters on the adequacy and transparency of the procedures credit rating agencies use to achieve comparability?

This area could be enhanced by NRSROs.

c. What mix of quantitative and qualitative factors should be considered when standardizing credit rating terminology across asset classes, so that named credit ratings correspond to a standard range of default probabilities and expected losses?

This cross asset standardization should be done by each NRSRO. It would be difficult to impose this by rule from the Commission.

i. To what degree should standardization be based on quantitative factors such as, for example, historical performance metrics including rating transition and default studies? What other quantitative factors should be considered?

This cross asset standardization should be done by each NRSRO. The NRSRO should disclose what methods and data they used to standardize their ratings if they choose to do so.

ii. To what degree should standardization be based on qualitative factors such as, for example, analyst judgment regarding the comparability of credits from different sectors? What other qualitative factors should be considered?

Every NRSRO will have different motivations for the methods they use to standardize their ratings. Disclosure is the best method.

d. Are there asset classes where the risk characteristics of the asset class, limitations on the quality of data, structural complexity, limitations on historical performance data, or other factors make it more difficult to apply to that asset class a standardized credit rating terminology which applies to other asset classes and issuers so that named ratings correspond to a standard range of default probabilities and expected losses?

This would vary by NRSRO but there is significant variability among NRSRO and asset classes. Further, underwriters and issuers are free to develop new and unique structures for fixed income securities on an ongoing basis. Because the front end of securities issuance is not standardized it would be hard to fix and standardize the credit rating process.

We thank the Commission for an opportunity to provide these comments. Please advise if we may provide additional information.

Kind regards, Cate Long

cate@multiple-markets.com
Multiple-Markets
Rhinebeck, New York
888-752-0900