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Submitted via E-mail to rule-comments@sec.gov.

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

Re: File No. 4-661; Credit Ratings Roundtable

We appreciate the opportunity to submit this letter in response to the request for comment by the Securities and Exchange Commission (the "Commission") regarding the Credit Ratings Roundtable held on May 14, 2013, per the recommendations set forth in the staff's Report to Congress on Assigned Credit Ratings (the "Report"). The Report, required by Section 939F of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, outlines the results of the study and public comments regarding, among other matters, the feasibility of establishing a system in which a utility or a self-regulatory organization assigns nationally recognized statistical rating organizations ("NRSROs") to determine credit ratings for structured finance products and the effectiveness of the Commission's current program under Rule 17g-5 of the Securities Exchange Act of 1934 for encouraging unsolicited ratings of structured finance products. We believe that the best approach for addressing the imperfections of the market for credit ratings is to put into effect an improved Rule 17g-5.

As the Commission fully understands, certain principles of regulation are enduring. Increasing transparency will improve the functioning of markets. Limiting government intervention to removing barriers and enhancing competition will produce far better results than creating a new complicated government mechanism - that would insert the government into creating a protected class and choosing winners and losers. As many commenters have noted, enhancing Rule 17g-5 serves that principle far better than the well intentioned Section 15E(w) System.

We urge the Commission to consider implementing improvements to Rule 17g-5 as follows:

1) Change the current 10% rule, which is awkward and ineffective, into a rule that provides that NRSROs will be required to issue a specific number of unsolicited credit ratings yearly;

2) Improve the access mechanisms to the Rule 17g-5 information on protected websites.

I. The Rule 17g-5 Program.

The Commission enacted Rule 17g-5 to address conflicts of interest stemming from credit ratings, designing, among other things, a mechanism to enhance the quality of credit ratings, reduce "forum shopping," provide investors with more views on creditworthiness, and promote competition. Pursuant to Rule 17g-5(a)(3), an NRSRO is prohibited from issuing or maintaining a credit rating when it is subject to the conflict of interest (*i.e.,* being hired by an issuer, sponsor, or underwriter ("Arranger") to determine a credit rating for a structured finance product) unless it has taken the steps prescribed in paragraphs (a)(1), (2) and (3) of Rule 17g-5. Particularly, with respect to an NRSRO hired by Arrangers to determine an initial credit rating or to perform surveillance on the credit rating for a structured finance product, Rule 17g-5 requires that the NRSRO and the Arranger disclose to non-hired NRSROs (that have furnished the requisite certification to the Commission) information given to the hired NRSRO. Thus, under Rule 17g-5, the Commission created a mechanism for non-hired NRSROs to obtain information from the Arranger at the same time as the hired NRSROs to allow the non-hired NRSROs to determine and monitor an unsolicited credit rating (the "17g-5 Program").

In the Report, Commission staff note a fundamental concern with the 17g-5 Program: the 17g-5 Program rarely has been used to produce an unsolicited credit rating, although some unsolicited commentary has been issued by non-hired NRSROs. Much of the criticism of the 17g-5 Program centers around the causes for the program's failure to materialize the intended unsolicited credit ratings. This failure, however, does not diminish the soundness of the principles and objectives underlying the 17g-5 Program: to increase competition by producing more unsolicited credit ratings and to increase transparency of the information behind the credit ratings. Indeed, the experience to date demonstrates that the 17g-5 Program can accomplish its objectives better than the alternatives. What seems to be required are that certain adjustments be made to specific features of the program.

II. Enhancements to the 17g-5 Program Would Increase its Effectiveness.

Plainly, the current 10% rule, requiring that non-hired NRSRO rate at least 10% of the transactions they view on an Arrangers website, has not and will not work. It creates a disincentive to view transactions and is difficult to monitor. Moreover, the Commission has also granted so many waivers to the current 10% rule that many players believe the rule no longer applies to them. What is needed is a simpler rule that will produce the laudable goal of more unsolicited credit ratings.

One approach that has promise is for the SEC to amend the current rule to require that NRSROs issue a specific number of unsolicited opinions on the credit risk of structured products for which

an Arranger hired another NRSRO.[1] The Commission should determine the appropriate specific number of unsolicited opinions on credit risk after discussion and input from NRSRO's, Arrangers, and investors. With the SEC's oversight of the rule, we believe there would be a substantial number of unsolicited credit ratings and commentaries that would be produced – improving both the quality and competition within the market for credit ratings.

III. Promote Transparency through the 17g-5 Program.

Arrangers should be required to provide significantly more transaction information to all NRSROs, so that more voices can share their own conclusions about the credit risk of a transaction. Logistical barriers, such as finding the password and website, the requisite representations for performing credit ratings or commentary, and confidentiality requirements should all be simplified and not present barriers.

IV. Guidance on Confidentiality is Needed

The Commission should study the confidentiality requirements imposed on those accessing information through the Rule 17g-5 Program and assure that the use of such agreements are not impeding the objectives of the program.

Accordingly, the Commission should issue guidance to inform the practice of using confidential information under the Rule 17g-5 Program in accordance with the Federal Securities laws.

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We appreciate the opportunity to provide the foregoing views in connection with the Commission's Credit Ratings Roundtable. Should you have any questions or desire any clarification concerning the matters addressed in this letter, please contact me at 202-220-6931, rcampos@lockelord.com or Marlon Paz at 202-220-6909, mpaz@lockelord.com.

Respectfully,

Roel C. Campos

[1] *See* Section 15E(h)(2) of the Securities Exchange Act of 1934 (Congress granted broad authority for the Commission to prohibit, or require the management and disclosure of, conflicts of interest).