15 November 2010

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

Re: Proposed rule for representations and warranties disclosure for asset-backed securities and the implementation of Section 943 of the Dodd-Frank Wall Street Reform and Consumer Protection Act 2010; Release Nos. 33-9148, 34-63029; File number S7-24-10

Dear Ms. Murphy

On behalf of the Association for Financial Markets in Europe/European Securitisation Forum (**"AFME/ESF"**), described in Annex I, we welcome the opportunity to provide input with respect to the proposed rule for representations and warranties disclosure for asset-backed securities and the implementation of Section 943 of the Dodd-Frank Wall Street Reform and Consumer Protection Act 2010 (the **"Proposed Rule"**) put forward by the Securities and Exchange Commission (the **"Commission"**).

Introduction

Our response focuses on the key considerations raised by the Proposed Rule from the perspective of European market participants. As such, our specific comments relate primarily to matters which present particular challenges for European asset-backed securities (**"ABS"**) transactions. This response has been prepared by a working group of AFME/ESF members comprised of issuers/originators, dealers/arrangers and legal advisers. AFME/ESF members also include investors, credit rating agencies, accounting firms and others, but those members have not been involved in preparing or commenting on this response, and so this response may not reflect the views of all AFME/ESF members.

We wish to stress the global nature of the ABS market and the corresponding issues which would arise if the Commission adopted changes which did not take account of the views of non-U.S. market participants. While the Proposed Rule focuses on U.S. originated transactions in a number of respects, it is equally relevant in the context of European (and other non-U.S.) originated transactions to the extent that such transactions involve an offering of securities into the U.S. In particular, the application of the Proposed Rule in the context of offerings conducted in reliance on an exemption from registration under the Securities Act make it significant to a wide range of European issuers.

As we stated in our comments on the proposed rule for revisions to Regulation AB, File number 57-08-10, we encourage the Commission to ensure that any changes made to the current disclosure and reporting regime for ABS, including the Proposed Rule, do not give rise to uncertainty for market participants. In our view, a lack of coordination with other relevant authorities and/or the adoption of unclear requirements, or requirements which conflict with non-U.S. laws, may result in compliance uncertainty. In this regard, we recommend that any final rules adopted by the Commission allow flexibility for non-U.S. originated transactions to

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accommodate local laws and regulatory initiatives and relevant transaction structures and products.

We would be happy to discuss our response with you at your convenience.

Summary of comments

A summary of AFME's views on the Proposed Rule follows:

- Our working group members support the comments made by SIFMA in its comments on the Proposed Rule.

- The Proposed Rule should not apply to any "foreign-offered ABS" that were initially offered and sold in accordance with Regulation S and that have non-U.S. assets that comprise a majority of the value of the asset pool.

- The Proposed Rule should not apply to foreign private issuers who sell Exchange Act-ABS in the United States pursuant to an exemption in an unregistered offering.

- The Proposed Rule should not apply to asset-backed commercial paper programs.

- In relation to the Proposed Rule and other rulemaking relating to ABS, the Commission should work with European and other non-U.S. regulators to increase consistency and mutual recognition and so to avoid unnecessary burdens and costs created by inconsistent regulatory requirements.

- The Proposed Rule should clarify the meaning of "repurchase demand" and in particular that it does not include repurchases or substitutions for reasons other than breaches of representations and warranties.

Comments

1. SIFMA Comments

While our comments below address matters of particular concern to European market participants, our members have also expressed more general concerns as to certain aspects of the Proposed Rule. Our working group members (comprised primarily of issuers/originators, arrangers and legal advisers) support the comments and recommendations made by the Securities Industry and Financial Markets Association (**"SIFMA"**) in the response provided by SIFMA to the Proposed Rule (the **"SIFMA Comments"**), with the exception of those comments identified as expressing separate views of investor members, and subject to the further comments set out in this response.

2. Applicability to securitizers or securities offerings outside the U.S.

We would ask the Commission to limit the application of the Proposed Rule to transactions and securitizers outside the United States to the extent such limitation is consistent with the relevant statutory wording and the goals of the Dodd-Frank Act. The Proposed Rule aims to prevent underwriting problems which were primarily a feature of certain parts of the residential mortgage-backed securities (RMBS) market in the U.S. The European residential mortgage market has features

which are very different from the U.S. market. The origination of mortgage loans and other consumer credit products is generally more closely regulated. Most European mortgage-backed and other asset-backed securities transactions have generally performed well from a credit standpoint, and we are not aware of any widespread incidence of repurchase demands for breaches of representations and warranties. (Please see comparative performance data available at http://www.afme.eu/document.aspx?id=4084.) The European ABS market also includes some types of transactions, such as whole business securitisations and RMBS master trusts, which are not common in the U.S. Making non-U.S. transactions subject to additional disclosure and reporting requirements raises difficulties for non-U.S. securitizers without helping to protect U.S. investors or the global market.

We note that the U.S. federal securities laws focus on the regulation of offerings to U.S. persons. Consistent with this guiding principle, the Commission has a limited interest in regulating securities offered solely outside the U.S. Given this background, we would argue that applying the Proposed Rule to securities where there is no U.S. investor connection is inconsistent from a policy perspective with the wider U.S. legislative and regulatory framework. (We accept, however, that in matters relating to asset quality the Commission has some interest in regulating ABS offered outside the U.S. but backed primarily by U.S. assets, and the incremental effect of applying the Proposed Rule to such transactions is likely to be relatively minor.)

For these reasons, we recommend excluding from the scope of the Proposed Rule any "foreign-offered ABS" that were initially offered and sold in accordance with Regulation S and that have non-U.S. assets that comprise a majority of the value of the asset pool.

In addition, we would recommend excluding from the definition of "securitizer" any foreign private issuers who are selling Exchange Act-ABS in the United States pursuant to an exemption in an unregistered offering.

We believe these exclusions are consistent with the Dodd-Frank Act's goals of increasing transparency in securitization transactions and promoting prudent underwriting practices for financial assets in the United States. Subjecting securities offerings and securitizers outside the United States to compliance with these rules would impose burdens on those transactions and parties and cause conflicts with other countries' laws and regulations without serving those goals.

Our members believe that, absent these exclusions, non-U.S. securitizers looking to avoid the filing requirement would seek to exclude U.S. investors from purchasing ABS primarily offered outside of the U.S. By discouraging non-U.S. securitizers from accessing the U.S. market, the Proposed Rule would have the effect of lessening diversification and investment opportunities available to U.S. investors and diversification and financing sources available to companies, and restricting rather than advancing liquidity and integration of global capital markets.

3. Applicability to ABCP programs

We support the recommendation in the SIFMA Comments that asset-backed commercial paper (**"ABCP"**) be excluded from the type of securities subject to the Proposed Rule. This issue is particularly important to many of our members that administer ABCP programs that acquire European originated assets (such as trade receivables, auto loans and lease receivables and other consumer and business

credits) and issue ABCP in the U.S. market in reliance on Regulation D and Rule 144A or the statutory private offering exemption. Like most securitizations in Europe, ABCP programs mainly finance "real economy" assets. As one example, at the end of last year, an ABCP conduit administered by one of our bank members had outstandings of €6 billion of which nearly 85% funded commercial accounts receivable.

As explained in the SIFMA Comments, investors in ABCP have much less interest in repurchase demands on originators of assets in the underlying transactions funded by the ABCP conduit. The ABCP conduit sponsor and providers of liquidity and credit enhancement facilities to the conduit in relation to the underlying transactions have substantial exposure to credit risk and other risks of the underlying assets. As such, they have much greater interest in the underwriting and asset quality, and they generally deal directly with the originators so they can demand the information and contractual protection they require.

In addition, multi-seller ABCP programs generally include a number of different types of assets purchased from different originators in various transaction structures. The originators often include manufacturing and trading companies which are not regular issuers or sponsors of ABS, and such originators typically require that their participation in the conduit securitisation transactions be treated as confidential. In this context compliance with the Proposed Rule would be especially difficult and costly, and would not add meaningfully to the store of useful information on underwriting performance available to investors. We propose that, while originators that sold assets to ABCP conduits and also issued stand-alone ABS could be required to report repurchase demands they received in ABCP conduit transactions as well as other ABS transactions, securitizing through a multi-seller ABCP program would not by itself trigger the requirement.

4. Potential inconsistencies with European prospectus disclosure regime

The application of the Proposed Rule to non-U.S. registered offerings made pursuant to an exemption from registration would involve modifying the communication and offering process for transactions also subject to the EU Prospectus Directive (the **"PD"**). Unlike the U.S. rules for SEC-registered offerings, which provide for filing during an offering of certain written communications in addition to the prospectus, the PD regime requires all material information to be disclosed via the prospectus. Accordingly, a securitizer making a U.S. offering and a simultaneous European market offering under the PD and making a required pre-offer filing under the Proposed Rule would have to include the reported information in its PD prospectus. The Proposed Rule's on-going obligation to file repurchase history information with the SEC would also necessitate additional on-going filing obligations with an issuer's relevant competent authority.

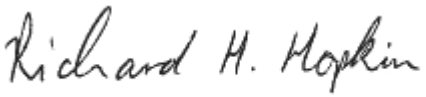
While we believe these issues are manageable, the new filing requirements would incrementally increase costs and efforts required for raising capital. Our members are concerned that these and many other new regulatory requirements currently proposed or implemented both in the U.S. and in Europe collectively will dampen rather than promote redevelopment of the global capital markets. We encourage the Commission to work with its European and other non-U.S. counterparts on increasing consistency and mutual recognition between regulatory regimes.

5. Definition of repurchase request

Our members agree with the SIFMA Comments to the effect that the meaning of "repurchase demands" needs to be clarified. We note that transaction documents for RMBS master trusts (a structure which is familiar in the U.K. but not in the U.S.) typically allow for repurchases and substitution of securitized assets by the originator for various reasons other than breaches of representations and warranties as to asset quality (for example, because of changes in product terms or the making of additional advances to borrowers). Our members understand that repurchase reporting under the Proposed Rule would relate only to demands by investors or their representative "to repurchase and replace for breach of representations and warranties concerning the pool assets," so replacement or substitution by the originator for other reasons would not be covered. We ask the Commission to further confirm and clarify this point.

Conclusion

Thank you once again for the opportunity to comment on the Proposed Rule. Should you have any questions or seek additional information regarding any of the comments set out above, please do not hesitate to get in touch with the undersigned.



Richard Hopkin
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Annex I

The AFME/European Securitisation Forum (AFME/ESF) is a part of the Association for Financial Markets in Europe (AFME). AFME was formed on November 1st 2009 following the merger of LIBA (the London Investment Banking Association) and the European operation of SIFMA (the Securities Industry and Financial Markets Association) and incorporates a number of former affiliate organisations, including the ESF. AFME represents a broad array of European and global participants in the wholesale financial markets and its membership comprises pan-EU and global banks, as well as key regional banks, brokers, law firms, investors, issuers, accounting firms, credit rating agencies, service providers and other financial market participants. AFME provides members with an effective and influential voice through which to communicate the industry standpoint on issues affecting the international, European, and UK capital markets. AFME is the European regional member of the Global Financial Markets Association (GFMA) and is an affiliate of the U.S. Securities Industry and Financial Markets Association (SIFMA) and the Asia Securities Industry and Financial Markets Association (ASIFMA). For more information, visit the AFME website, www.afme.eu.