

HR 1181

To direct the Securities and Exchange Commission to establish both a process by which asset-backed instruments can be deemed eligible for NRSRO ratings and an initial list of such eligible asset-backed instruments.

Congress: 111 (2009–2011, Ended)

Chamber: House

Policy Area: Finance and Financial Sector

Introduced: Feb 25, 2009

Current Status: Referred to the House Committee on Financial Services.

Latest Action: Referred to the House Committee on Financial Services. (Feb 25, 2009)

Official Text: <https://www.congress.gov/bill/111th-congress/house-bill/1181>

Sponsor

Name: Rep. Ackerman, Gary L. [D-NY-5]

Party: Democratic • **State:** NY • **Chamber:** House

Cosponsors (1 total)

| Cosponsor | Party / State | Role | Date Joined |
|---|---------------|------|--------------|
| Rep. Castle, Michael N. [R-DE-At Large] | R · DE | | Feb 25, 2009 |

Committee Activity

| Committee | Chamber | Activity | Date |
|------------------------------|---------|-------------|--------------|
| Financial Services Committee | House | Referred To | Feb 25, 2009 |

Subjects & Policy Tags

Policy Area:

Finance and Financial Sector

Related Bills

No related bills are listed.

Amends the Securities Exchange Act of 1934 to direct the Securities and Exchange Commission (SEC) to revise regulations relating to "asset-backed securities" to define an "NRSRO asset-backed securities" subset, which shall: (1) be the only asset-backed securities for which a credit rating agency may register and issue ratings as a nationally recognized statistical rating organization (NRSRO); and (2) be restricted to securities representing interests in pools of assets whose performance can be evaluated based on a documented history of predictable performance of similar assets, and which are contained in structures which also have a documented history of predictable performance.

Requires the revision of such regulations to include a list of the classes of securities approved as NRSRO asset-backed securities.

Prescribes an approval process for NRSRO asset-backed securities classes, including approval standards.

Requires an NRSRO to: (1) review annually all ratings issued and outstanding in obligor categories for which it has registered; (2) formally affirm, upgrade, downgrade, or remove ratings based on such review; and (3) provide the SEC with full access to models, documentation, assumptions and performance data upon request, answer all questions posed by the SEC, and cooperate with any SEC investigation.

Directs the SEC to determine whether ratings are issued with the expectation of meeting aggregate historical loss and default standards for given ratings levels across all categories for which a credit rating agency has registered.

Actions Timeline

- **Feb 25, 2009:** Introduced in House
- **Feb 25, 2009:** Referred to the House Committee on Financial Services.