



February 16, 2023

Vanessa A. Countryman, Secretary
Securities and Exchange Commission
100 F Street NE
Washington, D.C. 20549-1090

Re: Extension Request on Proposed Rule on Proposed Rule 192, Conflicts of Interest under Section 27B of Section 621 of the Dodd-Frank Act (File Number S7-01-23)

Dear Ms. Countryman,

The undersigned associations write to request an extension of the comment period for the recently repropose securitization conflicts of interest rule mandated by Section 27B of Section 621 of the Dodd-Frank Act (Release No. 33-11151; File No. S7-01-23), “*Prohibition Against Conflicts of Interest in Certain Securitizations*,” released on January 25, 2023. We appreciate the attention to detail in this repropose rule and look forward to responding to the Commission. However, we believe that not enough time has been provided for the careful consideration that this important proposal requires.

The repropose rule has an extensive scope, which would impact every asset-backed securities transaction and all participants – and even some non-participants – in securitization markets both inside and outside of the United States, as well as their affiliates. As drafted, the repropose rule could lead to an explicit prohibition on a number of ordinary-course securitization activities, including normal prudential risk management activities of banks and other financial services companies and the extension of consumer and commercial credit.¹ Therefore, it merits careful consideration from a broad range of market participants, including investors, asset managers and servicers, securitization issuers, asset originators, CLO managers, banks, broker-dealers, originators, prudential regulators, and many other stakeholders.

The Commission’s 2011 proposal of this rule benefitted from a comment period of approximately five months.² This timeframe gave industry participants appropriate time to respond, and allowed the Commission to gain a better understanding of the issues than they

¹ In its requests for comment #98 through #112, the Commission itself clearly recognizes the broad economic implications of the proposed rule and its concern that those implications may not have been adequately identified and quantified by the Commission.

² The proposing release for Rule 127B was published in the Federal Register on September 28, 2011, and specified a three-month comment deadline of December 19, 2011. See 76 F.R. 60320 (September 28, 2011). The Commission then extended the comment deadline to January 13, 2012. See 76 F.R. 78181 (December 16, 2011). The Commission again extended the comment deadline to February 13, 2012. See 77 F.R. 24 (January 3, 2012).

otherwise would have with a shorter comment period. The current release contains 112 separate requests for comment, in which a total 258 discrete questions are embedded.³ Adding to the complexity is the interplay of the re-proposed rule with other rules—like the Volcker rule—that have been adopted during the time since it was initially proposed in 2011.⁴ Furthermore, as the extra-territorial scope of the rule is unclear, participants in non-U.S. securitization markets may be impacted. Given these significant number of specific requests for comments, the broad scope of the re-proposed rule, the extensive changes since 2011 in securitization markets and their regulatory scheme, as well as multiple overlapping public comment periods from the Commission that affect the same market participants⁵, we believe that this reproposal also merits a comment period that provides industry participants with sufficient time to carefully analyze all of the issues presented.

Businesses and consumers rely on securitization as a vital source of funding and risk management for over \$13.8 trillion of consumer and business loans, including \$12.2 trillion of residential and commercial mortgages and \$900 billion of leveraged loans, and it is imperative that we all work together to avoid unintentionally harming these important market functions. This additional time will allow the industry to provide comments that will assist the Commission in carrying out Congressional intent while minimizing inadvertent and negative impacts on the economy. We therefore request an extension from the current deadline until a date that is no sooner than June 24, 2023.

We again appreciate the opportunity to provide feedback on this important issue, and look forward to hearing from you at your earliest opportunity regarding an extension of the response deadline.

Sincerely,

American Property Casualty Insurance Association	Loan Syndications and Trading Association
Association for Financial Markets in Europe	Mortgage Bankers Association
Bank Policy Institute	Reinsurance Association of America
CRE Finance Council	Securities Industry and Financial Markets Association
Housing Policy Council	Structured Finance Association
International Association of Credit Portfolio Managers	U.S. Mortgage Insurers

³ The number of separate requests for comments in the re-proposal is only marginally fewer than the 120 requests for comment that the Commission included in its original proposing release for Rule 127B.

⁴ In granting extensions to the initial rule, the Commission noted that it wanted to provide the public with a better opportunity to consider any potential interplay between proposed Rule 127B and the (then) proposed Volcker Rule. *See 77 F.R. 4 (January 3, 2012)*.

⁵ Concurrent open SEC comment periods overlapping with this re-proposed rule include *Proposed Liquidity Management Rule* [see Release Nos. 33-11130; IC-34746; File No. S7-26-22; RIN 3235-AM98]; *Regulation Best Execution* [see Release No. 34-96496; File No. S7-32-22; RIN 3235-AN24]; and *Safeguarding Advisory Client Assets* [see Release No. IA-6240; File No. S7-04-23; RIN 3235-AM32]