

**SUPPORTING STATEMENT FOR PROPOSED RULES UNDER THE
SECURITIES EXCHANGE ACT OF 1934 AND DODD-FRANK WALL STREET
REFORM AND CONSUMER PROTECTION ACT**

This supporting statement is part of a submission under the Paperwork Reduction Act of 1995, 44 U.S.C. §3501, et seq.

A. JUSTIFICATION

**1. CIRCUMSTANCES MAKING THE COLLECTION OF
INFORMATION NECESSARY**

In Release No. 34-64514,¹ the Commission proposed new Rule 15Ga-2 under the Securities Exchange Act of 1934 (“Exchange Act”) and amendments to Exchange Act Form ABS-15G to implement Section 15E(s)(4)(A) of the Exchange Act. Section 15E(s)(4)(A) was added by Section 932 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (“Dodd-Frank Act”) to require that the issuer or underwriter of any asset-backed security (“ABS”) make publicly available the findings and conclusions of any third-party due diligence report obtained by the issuer or underwriter.

Proposed Rule 15Ga-2 would require an issuer or underwriter of any ABS that is to be rated by a nationally recognized statistical rating organization (“NRSRO”) to furnish a Form ABS-15G on the Commission’s EDGAR system containing the findings and conclusions of any third-party “due diligence report” obtained by the issuer or underwriter. Under the proposal, the disclosure would be furnished using Form ABS-15G for both registered and unregistered offerings of ABS.

In addition, under the Commission’s proposal, an issuer or underwriter would not need to furnish Form ABS-15G if the issuer or underwriter obtains a representation from each NRSRO engaged to produce a credit rating for the ABS that can be reasonably relied on that the NRSRO will publicly disclose the findings and conclusions of any third-party due diligence report obtained by the issuer or underwriter with the publication of the credit rating five business days prior to the first sale in the offering in an information disclosure form generated pursuant to proposed new paragraph (a)(1) of Exchange Act Rule 17g-7.

The proposed amendments contain “collection of information” requirements within the meaning of the Paperwork Reduction Act of 1995. The titles of the collections of information impacted by the amendments are:

- “Form ABS-15G” (OMB Control No. 3235-0675); and
- “Rule 15Ga-2” (a proposed new collection of information).

¹ Nationally Recognized Statistical Rating Organizations, Release No. 34-64514 (May 18, 2011) [76 FR 33420].

2. PURPOSE AND USE OF THE INFORMATION COLLECTION

The purpose of the proposed new rule and amendments is to implement Section 932 of the Dodd-Frank Act. Section 932 amended Section 15E of the Exchange Act to require the issuer or underwriter of any ABS to make publicly available the findings and conclusions of any third-party due diligence report obtained by the issuer or underwriter.

3. CONSIDERATION GIVEN TO INFORMATION TECHNOLOGY

The collection of information requirements of the proposed amendments will be set forth in Rule 15Ga-2 and Form ABS-15G, which is filed electronically with the Commission using the Commission's Electronic Data Gathering and Retrieval (EDGAR) system.

4. DUPLICATION OF INFORMATION

We are not aware of any rules that conflict with or substantially duplicate the proposed rules.

5. REDUCING THE BURDEN ON SMALL ENTITIES

The proposed rules relate to the disclosure and reporting requirements for issuers and underwriters of ABS under the Exchange Act. As discussed in Release No. 34-64514, based on our data, we did not find a significant number of issuers or underwriters that are small entities. As such, the Commission does not believe that the proposed rules would have a significant economic impact on a substantial number of small entities.

6. CONSEQUENCES OF NOT CONDUCTING COLLECTION

The proposed amendments to the form set forth disclosure requirements for issuers and underwriters of ABS to help investors make informed investment decisions. Less frequent collection would frustrate the statutory intent of Section 15E of the Exchange Act because investors in ABS would have less information on which to base an investment decision.

7. SPECIAL CIRCUMSTANCES

None

8. CONSULTATIONS WITH PERSONS OUTSIDE THE AGENCY

The Commission issued a release soliciting comment on the new "collection of information" requirements and associated paperwork burdens.² Comments on the Commission's releases are generally received from registrants, investors, and other

² See Release No. 34-64514.

market participants. In addition, the Commission and staff participate in an ongoing dialogue with representatives of various market participants through public conferences, meetings and informal exchanges. The Commission will consider all comments received. Comments received on the proposal are available at <http://www.sec.gov/comments/s7-18-11/s71811.shtml>. A copy of the proposing release is attached.

9. **PAYMENT OR GIFT TO RESPONDENTS**

Not applicable.

10. **CONFIDENTIALITY**

Not applicable.

11. **SENSITIVE QUESTIONS**

Not applicable.

12/13. **ESTIMATES OF HOUR AND COST BURDENS**

The paperwork burden estimates associated with the proposed rules include the burdens attributable to collecting, preparing, reviewing and retaining records.

Our PRA burden estimates for the proposed amendments are based on information that we receive on entities assigned to Standard Industrial Classification Code 6189, the code used with respect to asset-backed securities, as well as information from outside data sources. When possible, we base our estimates on an average of the data that we have available for each of the years from 2004 through 2009.

Rule 15Ga-2 and Form ABS-15G

We proposed new Rule 15Ga-2 and amendments to Form ABS-15G to increase the disclosure that is required in offerings of ABS. The new rule and amended form would implement Section 15E(s)(4)(A) of the Exchange Act. Rule 15Ga-2 contains the requirements for disclosure that an issuer or underwriter must provide in Form ABS-15G; the collection of information requirements, however, are reflected in the burden hours estimated for Form ABS-15G. Therefore, Rule 15Ga-2 does not impose any separate burden.

Proposed new Rule 15Ga-2 would require an issuer or underwriter of any ABS that is to be rated by an NRSRO to furnish a Form ABS-15G on the EDGAR system containing the findings and conclusions of any third-party “due diligence report” obtained by the issuer or underwriter. Under the proposal, the disclosure would be furnished using Form ABS-15G for both registered and unregistered offerings of ABS.

In addition, as proposed, an issuer or underwriter would not need to furnish Form ABS-15G if the issuer or underwriter obtains a representation from each NRSRO engaged to produce a credit rating for the ABS that can be reasonably relied upon that the NRSRO will publicly disclose the findings and conclusions of any third-party due diligence report obtained by the issuer or underwriter with the publication of the credit rating five business days prior to the first sale in the offering in an information disclosure form generated pursuant to proposed new paragraph (a)(1) of Rule 17g-7 under the Exchange Act.

We believe the amendments would result in a one-time hour burden to issuers and underwriters in offerings of registered and unregistered ABS in connection with developing processes and protocols to provide the required information to comply with the new Rule 15Ga-2, including modifying their existing Form ABS-15G processes and protocols to accommodate the requirements of Rule 15Ga-2. We estimated that 270 unique securitizers would be required to file the form, and that each would require approximately 100 internal burden hours to develop the above processes and protocols resulting in a one-time industry-wide total of 27,000 internal burden hours (270 securitizers x 100 burden hours).

The PRA burden assigned to Form ABS-15G would require that it be furnished by issuers and underwriters in offerings of registered and unregistered ABS. We believe that the estimate of the annual hour burden for furnishing Form ABS-15G should be based on an estimate of the number of ABS offerings per year. We estimate that there would be approximately 2,067 ABS offerings per year. We also estimate that an issuer or underwriter would spend approximately one hour completing and submitting Form ABS-15G for purposes of meeting the requirement in Rule 15Ga-2. Therefore, we estimate that the industry-wide annual hour burden resulting from proposed new Rule 15Ga-2 and the amendments to Form ABS-15G would be approximately 2,067 burden hours (2,067 ABS transactions x 1 burden hour/transaction).

We estimated that the proposed new Rule 15Ga-2 and the proposed amendments to Form ABS-15G would result in a total industry wide one-time burden of approximately 27,000 burden hours and a total industry-wide annual burden of approximately 2,067 burden hours. Therefore, the total increase in internal burden hours resulting from the proposed amendments is 29,067, resulting in an increase in the total burden estimate to 218,135 burden hours.³ The proposed amendments do not result in an increase in dollar cost burden because we estimate that the burden will be carried internally by the issuer, and, therefore, have not reflected a portion of the burden as a cost for outside professionals retained by the issuer. Therefore, the professional costs continue to be \$25,209,000.

Because the proposed rule would result in an increase in the number of Form ABS-15G filings per year, but the number of respondents would not change, the proposed rule will result in an overall decrease in burden hours.

³ 189,068 (currently approved OMB estimates) + 29,067 (program change attributable to the proposed amendments).

**a. Summary of final changes to annual burden compliance in
Collection of Information**

| Form | Current Annual Responses | Proposed Annual Responses | Current Burden Hours | Increase in Burden Hours | Proposed Burden Hours | Current Professional Costs | Increase in Professional Costs | Proposed Professional Costs |
|--------------|---------------------------------|----------------------------------|-----------------------------|---------------------------------|------------------------------|-----------------------------------|---------------------------------------|------------------------------------|
| Form ABS-15G | 810 | 2,067 | 189,068 | 29,067 | 218,135 | \$25,209,000 | -- | \$25,209,000 |

14. COSTS TO FEDERAL GOVERNMENT

We estimate that the cost of preparing the amendments will be approximately \$100,000.

15. REASON FOR CHANGE IN BURDEN

As explained in further detail in Items 12 and 13 above, the proposed rules in Release No. 34-64514 implement the requirements of Section 15E(s)(4)(A) of the Exchange Act as added by Section 932 of the Dodd-Frank Act.

The changes in burden of Form ABS-15G relate to enhanced disclosure requirements relating to asset-backed securities. These disclosure requirements implement Section 15E(s)(4)(A) by requiring issuers and underwriters to make publicly available the findings and conclusions of any third-party due diligence report obtained by the issuer or underwriter. The change in burden for Form ABS-15G corresponds to this new disclosure requirement. The table below illustrates the changes in hour burdens from the burden estimates currently approved by OMB.⁴

| | Current Burden | | New Burden | | Program Change | |
|--------------|------------------|--------------|------------------|--------------|------------------|----------|
| | Burden Hours (A) | Cost (B) | Burden Hours (C) | Cost (D) | Burden Hours (E) | Cost (F) |
| Form ABS-15G | 189,068 | \$25,209,000 | 218,135 | \$25,209,000 | 29,067 | \$0 |

16. INFORMATION COLLECTION PLANNED FOR STATISTICAL PURPOSES

Not applicable.

⁴ Columns (A) and (B) represent the most recent burden estimates submitted to OMB. Columns (C) and (D) represent the new burden estimates under the proposed amendments. Columns (E) and (F) represent the program change, which encompasses the change in the burden estimates attributable to the proposed amendments.

17. DISPLAY OF OMB EXPIRATION DATE

We request authorization to omit the expiration date on the electronic version of this form for design and scheduling reasons. The OMB control number will be displayed.

18. EXCEPTIONS TO CERTIFICATION FOR PAPERWORK REDUCTION ACT SUBMISSIONS

Not applicable.

B. STATISTICAL METHODS

Not applicable.