

SUPPORTING STATEMENT
for the Paperwork Reduction Act Revised Information Collection Submission for
Form ABS-15G (17 CFR 249.1400)

A. JUSTIFICATION

1. Necessity of Information Collection

The Dodd-Frank Wall Street Reform and Consumer Protection Act (“Dodd-Frank Act”) was enacted on July 21, 2010.¹ The Dodd-Frank Act, among other things, established new self-executing requirements applicable to nationally recognized statistical rating organizations (“NRSROs”), required certain studies, and required that the Securities and Exchange Commission (the “Commission”) adopt rules applicable to NRSROs, providers of due diligence services, and issuers and underwriters of asset-backed securities in a number of areas.²

Section 943 of the Dodd-Frank Act, among other things, requires the Commission to prescribe regulations on the use of representations and warranties in the market for asset-backed securities to require any securitizer to disclose fulfilled and unfulfilled repurchase requests across all trusts aggregated by securitizer.³ Section 932 of the Dodd-Frank Act⁴ amended Section 15E of the Securities Exchange Act of 1934 (“Exchange Act”) to add paragraph (s)(4), “Due diligence services for asset-backed securities,” which contains four provisions regarding due diligence services relating to an asset-backed security (“Exchange Act-ABS”). Specifically, Section 15E(s)(4)(A) requires the issuer or underwriter of any asset-backed security to make publicly available the findings and conclusions of any third-party due diligence report obtained by the issuer or underwriter.⁵

On January 20, 2011, the Commission adopted new rule Rule 15Ga-1(17 CFR 240.15Ga-1) and Form ABS-15G (17 CFR 249.1400) under the Exchange Act to implement Section 943 of the Dodd-Frank Act.⁶ Rule 15Ga-1 requires securitizers to provide disclosure on Form ABS-15G regarding fulfilled and unfulfilled repurchase requests with respect to Exchange Act-ABS. Rule 15Ga-1 and Form ABS-15G are intended to provide investors with information regarding the use of representations and warranties in the asset-backed securities markets.

¹ Pub. L. No. 111-203, 124 Stat. 1376, H.R. 4173 (July 21, 2010).

² See Pub. L. No. 111-203 §§ 931-939H; see also Pub. L. No. 111-203 § 943.

³ Pub. L. No. 111-203 § 943.

⁴ Pub. L. No. 111-203 § 932(a)(8).

⁵ See 15 U.S.C. 78o-7(s)(4)(A).

⁶ See Disclosure for Asset-Backed Securities Required by Section 943 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, Securities Act Release No. 9175, Exchange Act Release No. 63741 (Jan. 20, 2011), 76 FR 4489 (Jan. 26, 2011) (“Adopting Release for Rule 15Ga-1”).

On May 18, 2011, the Commission proposed new Rule 15Ga-2 (17 CFR 240.15Ga-2) under the Exchange Act and proposed amendments to Form ABS-15G to implement the requirements of Section 15E(s)(4)(A) of the Exchange Act as added by Section 932 of the Dodd-Frank Act.⁷ On August 27, 2014, the Commission adopted new Rule 15Ga-2 and also adopted amendments to Form ABS-15G.⁸ Rules 15Ga-1 and 15Ga-2 contain requirements for disclosure that an issuer or underwriter of Exchange Act-ABS must provide in Form ABS-15G. These disclosure requirements involve a collection of information within the meaning of the Paperwork Reduction Act of 1995 (“PRA”). The collection of information requirements for Rules 15Ga-1 and 15Ga-2, however, are reflected in the burden hours for Form ABS-15G.⁹

Rule 15Ga-1

Rule 15Ga-1 requires securitizers to provide disclosure on Form ABS-15G regarding fulfilled and unfulfilled repurchase requests with respect to Exchange Act-ABS. Under Rule 15Ga-1, securitizers of Exchange Act-ABS are required to disclose demand, repurchase and replacement history with respect to pool assets across all trusts aggregated by the securitizer. Periodic disclosures are required on a quarterly basis. The disclosures are required to be filed on the Commission’s Electronic Data Gathering, Analysis, and Retrieval (“EDGAR”) system on Form ABS-15G, except that municipal securitizers may satisfy their reporting obligations by filing their disclosures on the Electronic Municipal Market Access (“EMMA”) website. Securitizers of Exchange Act-ABS that have suspended their quarterly reporting obligation are required to file an annual confirmation that no repurchase activity has occurred for the calendar year. The Adopting Release did not amend Rule 15Ga-1 or the related portions of Form ABS-15G.

Rule 15Ga-2

Rule 15Ga-2 requires an issuer or underwriter of certain Exchange Act-ABS that are to be rated by an 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 at least five business days prior to the first sale in the offering.¹⁰ Paragraph (d) of Rule 15Ga-2 defines “third-party due diligence report” as any report containing findings and conclusions relating to due diligence services as defined in Rule 17g-10(d)(1) performed by a third party.¹¹ Rule 15Ga-2 contains the requirements for disclosure

⁷ Proposed Rules for Nationally Recognized Statistical Rating Organizations, Exchange Act Release No. 64514 (May 18, 2011), 76 FR 33420 (June 8, 2011) (“Proposing Release”).

⁸ See Nationally Recognized Statistical Rating Organizations, Exchange Act Release No. 72936 (Aug. 27, 2014), 79 FR 55078 (Sept. 15, 2014) (“Adopting Release”).

⁹ The Office of Management and Budget (“OMB”) Control Number for Form ABS-15G is 3235-0675.

¹⁰ See 17 CFR 240.15Ga-2.

¹¹ See 17 CFR 240.15Ga-2(d).

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.

Under Rule 15Ga-2, the disclosure must be furnished using Form ABS-15G for both registered and unregistered offerings of Exchange Act-ABS. However, if the disclosure required by Rule 15Ga-2 has been made in the applicable prospectus and that prospectus has already been filed publicly with the Commission, the issuer or underwriter may refer to that section of the prospectus in Form ABS-15G rather than providing the findings and conclusions directly on the form.¹²

These requirements do not apply to issuers or underwriters of certain offshore offerings of Exchange Act-ABS.¹³ The rule and form also do not apply to issuers and underwriters of municipal Exchange Act-ABS but Section 15E(s)(4)(A) of the Exchange Act requires issuers and underwriters of these securities to make publicly available the findings and conclusions of any third-party due diligence report they obtain. Based on staff experience, the Commission estimates that many of these issuers and underwriters are likely to satisfy this obligation by furnishing Form ABS-15G on EMMA.

2. Purpose and Use of the Information Collection

The purpose of Rule 15Ga-1 is to implement Section 943 of the Dodd-Frank Act by requiring securitizers to provide disclosure on Form ABS-15G regarding fulfilled and unfulfilled repurchase requests with respect to Exchange Act-ABS. Investors may use the information disclosed about repurchase requests on Form ABS-15G pursuant to Rule 15Ga-1 to identify asset originators with underwriting deficiencies.

The purpose of Rule 15Ga-2 and the amendments to Form ABS-15G is to implement Section 15E(s)(4)(A) of the Exchange Act as added by Section 932 of the Dodd-Frank Act. Section 15E(s)(4)(A) of the Exchange Act requires the issuer or underwriter of any Exchange Act-ABS to make publicly available the findings and conclusions of any third-party due diligence report obtained by the issuer or underwriter.

Users of credit ratings who may or may not be investors may use the information disclosed about third-party due diligence services on Form ABS-15G pursuant to Rule 15Ga-2 to evaluate the adequacy and level of the reviews of the assets underlying an Exchange Act-ABS performed by the third party.¹⁴

3. Consideration Given to Information Technology

¹² See 17 CFR 240.15Ga-2(c).

¹³ See 17 CFR 240.15Ga-2(e).

¹⁴ See Nationally Recognized Statistical Rating Organizations, 79 FR at 55182.

Rule 15Ga-1 requires Form ABS-15G to be filed electronically using the Commission's EDGAR System. Rule 15Ga-2 requires Form ABS-15G to be furnished electronically using the Commission's EDGAR System. Thus, the rules make use of technology to facilitate access to and maintain information.

4. Duplication

The Commission has not identified any duplication with respect to the information required by Rule 15Ga-1, Rule 15Ga-2 and Form ABS-15G.

5. Effect on Small Entities

The Commission estimates that Rule 15Ga-1, Rule 15Ga-2 and Form ABS-15G will not have a significant economic impact on a substantial number of small entities. The Commission estimated that only one securitizer subject to Rule 15Ga-1 would be a small entity, therefore, the Commission certified that Rule 15Ga-1 would not have a significant economic impact on a substantial number of small entities.¹⁵ The Commission estimated that there are 336 unique issuers subject to Rule 15Ga-2 and the amendments to Form ABS-15G.¹⁶ The Commission's data indicated that only one issuer would be a small entity.¹⁷ Because only one out of 336 unique issuers is small and because commenters did not indicate that the proposed rules would have a significant economic impact on a substantial number of small issuers, the Commission certified in the Adopting Release that Rule 15Ga-2 and the amendments to Form ABS-15G will not have a significant economic impact on a substantial number of small entities.¹⁸

6. Consequences of Not Conducting Collection

Section 943 of the Dodd-Frank Act requires securitizers to provide disclosure on Form ABS-15G regarding fulfilled and unfulfilled repurchase requests with respect to Exchange Act-ABS. Consequently, if the information required by Rule 15Ga-1 were not collected, the objectives of Section 943 of the Dodd-Frank Act would not be achieved.

Section 15E(s)(4)(A) of the Exchange Act requires that the issuer or underwriter of any

¹⁵ See Disclosure for Asset-Backed Securities Required by Section 943 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, Securities Act Release No. 9148, Exchange Act Release No. 63029 (Oct. 4, 2010), 75 FR 6278.

¹⁶ See Nationally Recognized Statistical Rating Organizations, 79 FR at 55257.

¹⁷ See id. (noting that this estimate is based on data from Asset-Backed Alert, which is available at <https://www.abalert.com/rankings.pl>).

¹⁸ See id.

Exchange Act-ABS make publicly available the findings and conclusions of any third-party due diligence report obtained by the issuer or underwriter. Consequently, if the information required by Rule 15Ga-2 were not collected, the objectives of Section 15E(s)(4)(A) of the Exchange Act would not be achieved, because users of credit ratings would not be provided with information regarding the findings and conclusions of any third-party due diligence report obtained by the issuer or underwriter.

7. Inconsistencies with Guidelines in 5 CFR 1320.5(d)(2)

There are no special circumstances. This collection is consistent with the guidelines in 5 CFR 1320.5(d)(2).

8. Consultations Outside the Agency

The Commission solicited comment on the estimated PRA burden associated with the proposed collection of information requirements in the Proposing Release.¹⁹ Comments on the Proposing Release were generally received from registrants, investors, and other market participants. In addition, the Commission and staff participated in ongoing dialogue with representatives of various market participants through public conferences, meetings, and informal exchanges. The comments received in connection with this rulemaking are posted on the Commission's public website, and are available through <http://www.sec.gov/comments/s7-18-11/s71811.shtml>. The Commission did not receive comments on its estimates of the paperwork burdens associated with Rule 15Ga-2 and the amendments to Form ABS-15G. The Commission considered all comments received prior to adopting Rule 15Ga-2 and the amendments to Form ABS-15G, and explained in the Adopting Release how the adopted rule and amendments respond to such comments, in accordance with 5 CFR 1320.11(f).

9. Payment or Gift

The Commission did not provide any payment or gift to respondents in connection with the rulemaking.

10. Confidentiality

The information disclosed on a Form ABS-15G that is filed or furnished with the Commission will not be confidential and will be publicly available on the Commission's EDGAR system.

11. Sensitive Questions

Not applicable. No inquiries of a sensitive nature were made. The information collection does not collect any personally identifiable information. The Systems of Record Notice may be

¹⁹ See Proposed Rules for Nationally Recognized Statistical Rating Organizations, 76 FR at 33511.

reviewed at the following site, <http://www.sec.gov/about/privacy/sorn/secsorn6.pdf>. The Privacy Impact Assessment document for EDGAR is attached as a supplemental document.

12. Burden of Information Collection

Form ABS-15G Prior to Amendments

“Form ABS-15G” is a collection of information required by Rules 15Ga-1 and 15Ga-2 under the Exchange Act.²⁰ Rule 15Ga-1 requires securitizers to provide disclosures on Form ABS-15G regarding fulfilled and unfulfilled repurchase requests with respect to Exchange Act-ABS. Rule 15Ga-1 was not amended in connection with the adoption of Rule 15Ga-2.

The current PRA burden for Form ABS-15G includes a one-time internal burden of 172,530 hours for securitizers to set up the mechanisms to make the initial disclosures on Form ABS-15G required by Rule 15Ga-1.²¹ The initial Form ABS-15G filings required by Rule 15Ga-1 were due on February 14, 2012.²² Consequently, the Commission believes that this one-time burden to securitizers of 172,530 hours is no longer applicable.

In addition, Rule 15Ga-1 requires an ongoing internal burden of approximately 27.2235 hours per response to prepare and file Form ABS-15G, which is filed by approximately 810 securitizers annually. The Commission allocated 75% of the 27.2235 hours per response (20.4176 hours) to internal burden for a total annual reporting burden of 16,538 hours (20.4176 hours per response x 810 responses).²³

Rule 15Ga-2 and the Amendments to Form ABS-15G

On August 27, 2014, the Commission adopted new Rule 15Ga-2 and also adopted amendments to Form ABS-15G.²⁴ Rule 15Ga-2 requires an issuer or underwriter of certain Exchange Act-ABS that are to be rated by an NRSRO to furnish the Commission with 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 at least five business days prior to the first sale in the offering. Under the rule, the disclosure will be furnished using

²⁰ See 17 CFR 240.15Ga-1 and 17 CFR 240.15Ga-2.

²¹ See Disclosure for Asset-Backed Securities Required by Section 943 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, 76 FR at 4507.

²² See id. at 4489.

²³ See id. at 4507 (estimating an annual internal burden of 16,200 hours to complete quarterly Form ABS-15G filings required by Rule 15Ga-1 and 338 hours to complete annual confirmation filings for a total annual reporting burden of 16,538 hours).

²⁴ See Nationally Recognized Statistical Rating Organizations, 79 FR at 55182 (providing a more detailed discussion of this rule and form).

Form ABS-15G for both registered and unregistered offerings of Exchange Act-ABS. 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.

Rule 15Ga-2 was modified in the Adopting Release to provide that if the disclosure required by Rule 15Ga-2 has been made in the applicable prospectus and that prospectus has already been filed publicly with the Commission, the issuer or underwriter may refer to that section of the prospectus in Form ABS-15G rather than providing the findings and conclusions directly in the form. The rule was also modified in the Adopting Release to provide an exemption for certain offshore issuances of Exchange Act-ABS. Further, the rule was modified in the Adopting Release so that it does not apply to issuers or underwriters of municipal Exchange Act-ABS, but Section 15E(s)(4)(A) of the Exchange Act nonetheless requires issuers and underwriters of these securities to make publicly available the findings and conclusions of any third-party due diligence report they obtain.

The Commission estimated in the Proposing Release that the new rule and amended form would result in a one-time reporting burden to issuers and underwriters in offerings of registered and unregistered Exchange Act-ABS in connection with developing processes and protocols to provide the required information to comply with the statutory disclosure requirement and Rule 15Ga-2, as applicable, including modifying their existing Form ABS-15G processes and protocols to accommodate the requirements of Rule 15Ga-2.²⁵ The Commission also estimated in the Proposing Release that 270 unique issuers would be required to file the form.²⁶ Finally, the Commission estimated in the Proposing Release that each issuer would require approximately 100 hours to develop processes and protocols to comply with Rule 15Ga-2 and to modify their existing Form ABS-15G processes and protocols to provide for the disclosure of the information required pursuant to Rule 15Ga-2 and that this work would be done internally by issuers and underwriters.²⁷

The Commission did not receive comments on these estimates. Further, the Commission does not believe the modifications to the rule in the Adopting Release will impact the one-time burden because issuers and underwriters will still need to develop processes and protocols to provide the required information to comply with Rule 15Ga-2, or Section 15E(s)(4)(A) of the

²⁵ See Proposed Rules for Nationally Recognized Statistical Rating Organizations, 76 FR at 33510.

²⁶ See id.

²⁷ See Proposed Rules for Nationally Recognized Statistical Rating Organizations, 76 FR at 33510. This estimate was based on the Commission's estimate for the amount of time it would take a securitizer to set up a system to make the disclosures required by Form ABS-15G as originally adopted by the Commission. See Disclosure for Asset-Backed Securities Required by Section 943 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, 76 FR at 4507-4506. The Commission, however, estimated that the hour burden for amending existing Form ABS-15G processes and protocols will be significantly lower than the estimate of 850 hours used to initially develop those processes and protocols. See Proposed Rules for Nationally Recognized Statistical Rating Organizations, 76 FR at 33510, n.1069.

Exchange Act in the case of issuers or underwriters of municipal Exchange Act-ABS, including modifying their existing Form ABS-15G processes and protocols to accommodate the requirements of Rule 15Ga-2 or the statute, as applicable. The Commission, however, is adjusting its estimate of the number of unique issuers from approximately 270 to approximately 336 unique issuers that will be required to file the form.²⁸ Moreover, this estimate includes issuers and underwriters of municipal Exchange Act-ABS because, even though these offerings are excluded from Rule 15Ga-2, the statutory disclosure requirements apply to them.²⁹ Consequently, the Commission estimates an industry-wide one-time reporting burden of approximately 33,600 hours.³⁰

The annual PRA reporting burden associated with Form ABS-15G reflects the burden associated with preparing and furnishing the form on EDGAR. As noted above, the amendments to Form ABS-15G require that it be furnished by issuers and underwriters in offerings of certain registered and unregistered Exchange Act-ABS. Consequently, the Commission believes that the estimate of the annual hour burden for furnishing Form ABS-15G should be based on an estimate of the number of Exchange Act-ABS offerings per year. In the Proposing Release, the Commission estimated that, on average, there would be approximately 2,067 Exchange Act-ABS offerings per year.³¹ However, the Commission estimated that in calendar year 2013 there were approximately 715 offerings of Exchange Act-ABS.³² The Commission believes that the more recent data on the number of offerings of Exchange Act-ABS should be used for purposes of the PRA estimates given significant difference between the 715 offerings per year estimate (which is based on data for calendar year 2013) and the 2,067

²⁸ See Nationally Recognized Statistical Rating Organizations, 79 FR at 55087, Table 6. The Commission recognizes that underwriters also have a requirement to furnish Form ABS-15G. See Nationally Recognized Statistical Rating Organizations, 79 FR at 55182 (for purposes of calculating PRA numbers, this discussion is limited to issuers because a single Form ABS-15G is required to be furnished when the issuer and/or one or more underwriters have obtained the same third-party due diligence report). See 17 CFR 240.15Ga-2(b).

²⁹ See Nationally Recognized Statistical Rating Organizations, 79 FR 55233 n. 2119 (noting that, based on the Asset-Backed Alert database, the Commission estimated there were nine unique sponsors of municipal Exchange Act-ABS in 2013).

³⁰ 336 unique issuers x 100 hours = 33,600 hours. For the purposes of Form 83-I, the industry-wide one-time hourly burden has been annualized over the three year approval period to an hourly burden of 11,200 hours per year (33,600 hours/3 years). This equates to an annual burden of 33.33 hours per issuer (11,200/336 issuers) during the three year approval period.

³¹ See Proposed Rules for Nationally Recognized Statistical Rating Organizations, 76 FR at 33510. Issuers, underwriters, and NRSROs may not use providers of third-party due diligence services with respect to every issuance of Exchange Act-ABS. For example, the Commission believes that providers of third-party due diligence services are used primarily for RMBS transactions. See Proposed Rules for Nationally Recognized Statistical Rating Organizations, 76 FR at 33471. However, the Commission's estimate uses the total number of estimated Exchange Act-ABS offerings (as opposed to a lesser amount based on an estimate of RMBS offerings) because the use of providers of third-party due diligence services may migrate to other types of Exchange Act-ABS.

³² See Nationally Recognized Statistical Rating Organizations, 79 FR 55088, Table 6.

offerings per year estimate (which was derived from older data).

Consequently, the Commission is revising its estimate from 2,067 offerings per year to 715 offerings per year³³ or approximately 2.17 Exchange Act-ABS offerings per unique issuer.³⁴ Further, the exemption for certain foreign issued Exchange Act-ABS should reduce the number of Exchange Act-ABS offerings that trigger the disclosure requirement. Moreover, the revised estimate includes offerings of municipal Exchange Act-ABS because, even though these offerings are excluded from Rule 15Ga-2, the statutory disclosure requirement does apply to them.³⁵

In the Proposing Release, the Commission estimated 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 and that this work would be performed internally.³⁶ The Commission based this estimate on the fact that Form ABS-15G will elicit much less information when used solely for the purpose of complying with Rule 15Ga-2.³⁷ In addition, the Commission based this estimate on the fact that the information required in the form could be drawn directly from the due diligence reports the Commission expects providers of third-party due diligence services to generate with respect to their performance of due diligence services.³⁸

The Commission did not receive comments on the estimates in the Proposing Release. The Commission believes that the modification to Rule 15Ga-2 in the Adopting Release, providing that issuers and underwriters will not need to provide the findings and conclusions directly in Form ABS-15G if the Rule 15Ga-2 disclosures are included in the applicable prospectus which has already been filed publicly with the Commission, may decrease slightly the hour burden for issuers and underwriters. However, this reduction in burden could be offset to the extent that issuers and underwriters decide that they should keep a record to support their reliance on the off-shore exemption and because the Commission eliminated the proposed ability for an issuer or underwriter to rely on a representation from an NRSRO.

Further, although Rule 15Ga-2 excludes issuers and underwriters of municipal Exchange

³³ See Nationally Recognized Statistical Rating Organizations, 79 FR at 55234.

³⁴ 715 Exchange Act-ABS offerings per year / 336 unique issuers = 2.17 Exchange Act-ABS offerings/unique issuer.

³⁵ See Nationally Recognized Statistical Rating Organizations, 79 FR 55247 n. 2310 (noting that, based on the Asset-Backed Alert database, the Commission estimated there were eleven separate offerings of municipal Exchange Act-ABS in 2013).

³⁶ See Proposed Rules for Nationally Recognized Statistical Rating Organizations, 76 FR at 33510.

³⁷ See id. See also Disclosure for Asset-Backed Securities Required by Section 943 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, 76 FR at 4507 (estimating thirty hours to prepare the form when filed pursuant to Rule 15Ga-1).

³⁸ See Proposed Rules for Nationally Recognized Statistical Rating Organizations, 76 FR at 33510.

Act-ABS, issuers and underwriters of these securities will still incur costs to comply with the statutory disclosure obligation. Based on staff experience, the Commission estimates that many of these issuers and underwriters are likely to satisfy this obligation by furnishing Form ABS-15G on EMMA and that the time to prepare and submit the form will be one hour (the same as the time to prepare and submit the form on EDGAR). However, to the extent that these issuers and underwriters use another means to make the required information publicly available, such as through a website, the burden could be incrementally more or less, depending on the method chosen to disclose the information. Accordingly, the Commission estimates that the industry-wide annual reporting burden resulting from the adoption of Rule 15Ga-2 and the amendments to Form ABS-15G is approximately 715 hours.³⁹

For the foregoing reasons, the Commission estimates that Rule 15Ga-2 and the amendments to Form ABS-15G will result in a total industry-wide one-time reporting burden to develop processes and protocols to provide the required information to comply with Rule 15Ga-2 including modifying their existing Form ABS-15G processes and protocols to accommodate the requirements of Rule 15Ga-2, of approximately 33,600 hours⁴⁰ and a total industry-wide annual reporting burden to prepare and make the required disclosures of approximately 715 hours for issuers and underwriters.

Prior to the adoption of Rule 15Ga-2 and the amendments to Form ABS-15G, the total annual reporting burden for Form ABS-15G was 16,538 hours.⁴¹ The Commission estimates that Rule 15Ga-2 and the amendments to Form ABS-15G will result in a total industry-wide one-time reporting burden of approximately 33,600 hours and a total industry-wide annual reporting burden of approximately 715 hours. Therefore, after the adoption of Rule 15Ga-2 and the amendments to Form ABS-15G, the Commission estimates that the total burden associated with Form ABS-15G is a total one-time reporting burden of 33,600 hours and an ongoing annual reporting burden of 17,253 hours (16,538 + 715).⁴²

The increase in one-time reporting burden of 33,600 hours, and increase in ongoing annual reporting burden of 715 annual hours are a result of the adoption of Rule 15Ga-2 and amendments to Form ABS-15G.

³⁹ 715 Exchange Act-ABS transactions x 1 hour = 715 hours.

⁴⁰ For the purposes of Form 83-I, the industry-wide one-time hourly burden has been annualized over the three year approval period to an hourly burden of 11,200 hours per year (33,600 hours/3 years). This equates to an annual burden of 33.33 hours per issuer (11,200/336 issuers) during the three year approval period.

⁴¹ See Disclosure for Asset-Backed Securities Required by Section 943 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, 76 FR at 4507 (The current total annual reporting burden of 16,538 hours for Form ABS-15G excludes the one-time burden of 172,530 hours to set up the mechanisms to make the initial disclosures on Form ABS-15G required by Rule 15Ga-1 which is no longer applicable).

⁴² 16,538 + 715 = 17,253. Prior to the adoption of Rule 15Ga-2 and the amendments to Form ABS-15G, the total annual burden for Form ABS-15G was 16,538 hours. After the adoption of Rule 15Ga-2 and the amendments to Form ABS-15G, there is an additional annual burden for Form ABS-15G of 715 hours.

13. Costs to Respondents

Form ABS-15G Prior to Amendments

Under Rule 15Ga-1, securitizers were required to incur one-time external costs of approximately \$23,004,000 to retain outside professionals to set up the mechanisms to file the initial Form ABS-15G disclosures.⁴³ The initial Form ABS-15G filings required by Rule 15Ga-1 were due on February 14, 2012.⁴⁴ Consequently, the Commission believes that this one-time cost to securitizers of \$23,004,000 is no longer applicable.

The Commission allocated 25% of the 27.2235 hours per response (6.8059 outside hours) to external burden for outside professionals retained by respondents. The Commission estimated that the hourly cost of such outside professionals would be \$400, resulting in a total annual cost burden of \$2,205,100 (\$400 per hour x 6.8059 hours per response x 810 responses).⁴⁵

Rule 15Ga-2 and the Amendments to Form ABS-15G

Rule 15Ga-2 and the amendments to Form ABS-15G do not result in an increase in dollar cost burden because the Commission estimates that the burden will be carried internally by the issuer or underwriter, and, therefore, has not allocated a portion of the burden as a cost for outside professionals retained by the issuer or underwriter. Therefore, outside professional costs for Form ABS-15G continue to be \$2,205,100.

As discussed above, the external cost associated with Form ABS-15G is reduced by \$23,004,000 due to the one-time burden to retain outside professionals to set up the mechanisms to file the initial Form ABS-15G disclosures required by Rule 15Ga-1 which the Commission estimates is no longer applicable.

14. Costs to Federal Government

The Commission estimates that Rule 15Ga-2 and the amendments to ABS Form-15G will result in electronic form system application maintenance costs of approximately \$100,000. However, the Commission does not anticipate new or additional labor costs to the federal government as a result of the adoption of Rule 15Ga-2 and the amendments to ABS Form-15G beyond current full-time employee labor costs.

15. Changes in Burden

⁴³ See Disclosure for Asset-Backed Securities Required by Section 943 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, 76 FR at 4509 (57,510 hours x \$400 per hour to retain outside professionals).

⁴⁴ See id. at 4489.

⁴⁵ See id. at 4507.

The changes in burden are: (i) a reduction in burden of 172,530 hours due to the one-time internal burden for securitizers to set up the mechanisms to make the initial disclosures required by Rule 15Ga-1, as this cost is no longer applicable; (ii) a one-time reporting burden increase of 33,600 hours due to the adoption of new Rule 15Ga-2 and the amendments to ABS Form-15G; and (iii) an increase in ongoing annual reporting burden of 715 annual hours due to the adoption of new Rule 15Ga-2 and the amendments to Form ABS-15G.

16. Information Collection Planned for Statistical Purposes

Not applicable. The information collection is not for statistical purposes.

17. Approval to Omit OMB Expiration Date

We request authorization to omit the expiration date on the electronic version of the form, although the OMB control number will be displayed. Including the expiration date on the electronic version of this form will result in increased costs, because the need to make changes to the form may not follow the application's scheduled version release dates.

18. Exceptions to Certification for Paperwork Reduction Act Submissions

This collection of information complies with the requirements in 5 CFR 1320.9.

B. COLLECTIONS OF INFORMATION EMPLOYING STATISTICAL METHODS

The collection of information does not employ statistical methods, or analyze the information for the Commission.