SUPPORTING STATEMENT
FOR THE PAPERWORK REDUCTION ACT INFORMATION COLLECTION
SUBMISSION FOR SECURITIES ACT RULE 192

A. JUSTIFICATION

1. CIRCUMSTANCES MAKING THE COLLECTION OF INFORMATION NECESSARY

Rule 192 (17 CFR 230.192) prohibits, for a specified period of time and subject to certain exceptions, a securitization participant (i.e., an underwriter, placement agent, initial purchaser, or sponsor, each as defined by the rule) of an asset-backed security (including a synthetic asset-backed security and a hybrid cash and synthetic asset-backed security), or certain affiliates or subsidiaries of any such entity, from engaging in any transaction that would involve or result in certain material conflicts of interest between such entity and an investor in the relevant asset-backed security.

Rule 192 provides exceptions to the prohibition for risk-mitigating hedging activities, liquidity commitments, and bona fide market-making activities of a securitization participant. The rule specifies certain conditions that must be satisfied for a securitization participant to rely on these exceptions. With respect to the risk-mitigating hedging activities and bona fide market-making activities exceptions, one of these conditions is that the securitization participant establish, and implement, maintain, and enforce, an internal compliance program that is reasonably designed to ensure the securitization participant's compliance with the conditions of the relevant exception, including reasonably designed written policies and procedures. Accordingly, securitization participants may be required to either prepare new policies and procedures or update existing ones in order to rely on these exceptions.

2. PURPOSE AND USE OF THE INFORMATION COLLECTION

Rule 192 is designed to prevent the sale of asset-backed securities that are tainted by material conflicts of interest by prohibiting securitization participants from engaging in certain transactions that could incentivize a securitization participant to structure an asset-backed security in a way that would put the securitization participant's interests ahead of those of asset-backed security investors. Rule 192's written policies and procedures requirements is intended to help prevent evasion of the Rule 192's general prohibition on conflicts of interest.

3. CONSIDERATION GIVEN TO INFORMATION TECHNOLOGY

The rule will not require the filing of information with the Commission. The Commission notes that it does not prohibit securitization participants from using any kind of information technology to facilitate the collection and/or preparation of the information required by the rule.

4. DUPLICATION OF INFORMATION

We are not aware of any rules that conflict with or substantially duplicate Rule 192.

5. REDUCING THE BURDEN ON SMALL ENTITIES

Rule 192 affects some small entities—such as municipal entities, small broker-dealers, and registered investment advisers ("RIAs") that advise hedge funds—that are "sponsors" for purposes of the rule. The Commission did not adopt additional alternative approaches for small entities in this rulemaking because it does not believe it would be appropriate to establish alternative compliance requirements or exempt small entities from the scope of the rule, given that investors should be protected from securitization participants that are small entities betting against the relevant asset-backed security in the same way that they will be for larger entities.

6. CONSEQUENCES OF NOT CONDUCTING COLLECTION

The policies and procedures requirements in the exceptions for risk-mitigating hedging activities and bona fide market-making activities are intended to ensure that securitization participants relying on those exceptions are in compliance with the applicable conditions to such exceptions. Failure to impose the policies and procedures requirements, or less frequent implementation of those requirements, could give rise to evasion and reduce the efficacy of the rule.

7. SPECIAL CIRCUMSTANCES

There are no special circumstances in connection with this rule.

8. CONSULTATIONS WITH PERSONS OUTSIDE THE AGENCY

No comments were received on this request during the 60-day comment period prior to OMB's review of this submission.

9. PAYMENT OR GIFT TO RESPONDENTS

No payment or gift has been provided to any respondents.

10. CONFIDENTIALITY

The collection of information is not required to be filed with the Commission or otherwise made publicly available but will not be confidential.

11. SENSITIVE QUESTIONS

No information of a sensitive nature, including social security numbers, will be required under this collection of information. The information collection does not collect personally identifiable information (PII). The agency has determined that a system of records notice (SORN) and privacy impact assessment (PIA) are not required in connection with the collection of information.

12. Estimate of Respondent Reporting Burden

Table of Reporting Burden Due to an Extension Request

Information Collection Title	OMB Control Number	Number of Responses	Burden Hours
Securities Act Rule 192	3235-0807	1,277	31,606

For purposes of the PRA, we estimate that there are approximately 1,277 responses annually to Rule 192. We further estimate that respondents incur 24.75 burden hours per Rule 192 response. Based on these estimates, we calculate the total annual reporting burden to be 31,606 hours (24.75 burden hours per response x 1,277 responses).

We derived our burden hour estimates by estimating the average number of hours it would take a respondent to compile the necessary information and data, prepare and review disclosure, file documents, and retain records. In connection with rule amendments, we occasionally receive PRA estimates from public commenters about incremental burdens that are used in our burden estimates. We believe that the actual burdens will likely vary among individual respondents based on the size and complexity of their organizations and the nature of their operations. For administrative convenience, we have rounded the estimated paperwork burden hours to the nearest whole number. The estimated burden hours are made solely for purposes of the PRA.

13. ESTIMATES OF HOUR AND COST BURDENS

Table of Cost Burden Due to Extension Request

Information Collection Title	OMB Control Number	Number of Responses	Cost Burden
Securities Act Rule 192	3235-0807	1,277	$6,321,150

For purposes of the PRA, we estimate that respondents incur $4,950 cost burden per Rule 192 response. Based on this estimate, we calculate the total annual cost burden to be $6,321,150 ($4,950 cost burden per response x 1,277 responses).

This estimate is based on our consultations with registrants and professional firms who regularly assist registrants in preparing and filing disclosure documents with the Commission. Our estimates reflect average burdens, and, therefore, some companies may experience costs in excess of our estimates and some respondents may experience costs that are lower than our estimates. For administrative convenience, the estimated paperwork cost totals have been rounded to the nearest dollar. The cost estimate is made solely for purpose of the PRA.

14. COSTS TO FEDERAL GOVERNMENT

The Federal government will not incur a cost in connection with the collection of this information because the information required pursuant to Rule 192 is not filed with or reviewed by the Commission or its staff.

15. REASON FOR CHANGE IN BURDEN

There is no change in the estimated paperwork burdens.

16. INFORMATION COLLECTION PLANNED FOR STATISTICAL PURPOSES

The information collection is not planned for statistical purposes.

17. APPROVAL TO OMIT OMB EXPIRATION DATE

The information collection does not involve forms or schedules that would be required to display the OMB approval expiration date.

18. EXCEPTIONS TO CERTIFICATION FOR PAPERWORK REDUCTION ACT SUBMISSIONS

There are no exceptions to certification for the PRA submissions.

B. STATISTICAL METHODS

The information collection does not employ statistical methods.