



Housing Policy Council
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January 24, 2020

Jay Clayton
Chairman
U.S. Securities & Exchange Commission
Via Electronic Mail (rule-comments@sec.gov)
100 F Street, N.E.
Washington, DC 20549-1090

Re: Interim Response to Request for Public Input on Asset-Level Disclosure Requirements for Residential Mortgage-Backed Securities

Dear Chairman Clayton:

The Housing Policy Council¹ deeply appreciates your recent request for public input on the SEC's asset-level disclosure requirements for residential mortgage-backed securities. Addressing the challenges with the current regulation is a critical step to restoring an SEC publicly-registered residential mortgage-backed securities market, which itself is needed to add liquidity to residential housing finance and to reduce reliance on taxpayer-backed financing structures.

The Housing Policy Council sees revisions to this regulation as one of several necessary administrative reforms for restoring the private-label securitization market. Last June, the Housing Policy Council publicly called for the sort of review you have initiated. We publicized our concern with an op-ed, published in the *American Banker* (see attached), which noted that “[p]ublic registration and disclosure of the details of asset-backed securitization is essential to market transparency and liquidity.” We emphasized that the Regulation AB II disclosure requirements include elements that are difficult, if not impossible, to fulfill. Some of the data definitions are subject to interpretation, which would render the information inconsistent across securities. Some required data is not relevant from a credit risk perspective. And, finally, a number of data elements are not readily available. As a result, Reg AB II has become a barrier for issuers and investors, and we have seen no publicly registered mortgage-backed securities deals since the

¹ The Housing Policy Council is a trade association comprised of the leading national mortgage lenders and servicers, mortgage and title insurers, and technology and data companies. HPC advocates for the mortgage and housing marketplace interests of its members in legislative, regulatory, and judicial forums. Our interest is in the safety and soundness of the housing finance system, the equitable and consistent regulatory treatment of all market participants, and the promotion of lending practices that create sustainable homeownership opportunities in support of vibrant communities and long-term wealth-building for families.

crisis. This market constraint provides a significant competitive advantage to Fannie Mae and Freddie Mac, given their exemption from the regulation.

Since the publication of your request for public input, members of the Housing Policy Council have been hard at work developing a detailed, thoughtful response. We have engaged other trade associations in our discussion of the issues, so that we may together develop a more industry-wide response.

Since your request did not specify a deadline, we thought it appropriate to inform you that we have taken your request quite seriously and that we anticipate delivering a detailed response in the month of February. We appreciate that the SEC open-ended comment period allows us the time necessary to work closely with our members and the other trade associations to develop and provide you with a detailed, actionable response.

Thank you again for initiating this public comment period and we look forward to working with you and the staff at the SEC to help get the publicly traded market for residential mortgage-backed securities re-opened. In the meantime, we would be glad to answer any questions you or the SEC staff may have or to provide an interim briefing on the scope and progress of our work.

Yours truly,

A handwritten signature in black ink that reads "Edward J. DeMarco". The signature is written in a cursive style with a large initial "E" and "D".

Edward J. DeMarco

cc: Elad L. Roisman, Commissioner, U.S. Securities & Exchange Commission