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October 3, 2019

Robert Feldman  
Executive Secretary  
Federal Deposit Insurance Corporation  
550 17<sup>th</sup> Street Building  
Washington, DC 20429

**Re: RIN 3064-AF09; Securitization Safe Harbor Rule**

Dear Mr. Feldman:

Thank you for the opportunity to comment on the Federal Deposit Insurance Corporation's (FDIC) Notice of Proposed Rulemaking on the Securitization Safe Harbor Rule (Rule). The Housing Policy Council<sup>1</sup> (HPC) supports and applauds the FDIC's decision to remove the requirement for securitization disclosures to comply with the Securities and Exchange Commission's (SEC) Regulation AB (Reg AB) in circumstances where the SEC itself would not apply those rules. Namely, the final 2016 SEC Reg AB regulation imposes extensive disclosure requirements on publicly registered asset-backed transactions, but excludes private placement deals. The proposed change to the Rule aligns the FDIC policy with the more limited application of the SEC rule.

The FDIC correctly identifies the discrepancy between the FDIC securitization requirements and those of the SEC as an unintentional effect of the rule-writing timelines of two distinct agencies. The SEC developed its proposed regulation in 2010 with disclosure requirements that would apply to both private placement and publicly registered transactions, but the final Reg AB amendments that took effect in 2016 applied those requirements only to public issuances. Meanwhile, the FDIC completed a set of amendments to the Rule in 2010, based on the SEC's 2010 proposed rule.

In light of the significant challenges associated with Reg AB for public transactions, HPC appreciates the FDIC acknowledging that Reg AB is a regulatory impediment and its objective of removing the regulatory disincentive for insured depository institutions to issue residential mortgage-backed securities (RMBS). Of note, the FDIC explicitly states that financial institutions have expressed that "it is difficult to provide certain information required by

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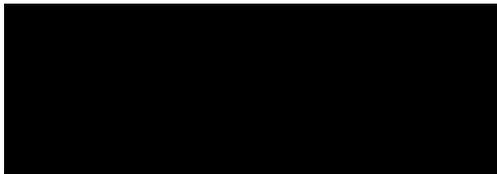
<sup>1</sup> The Housing Policy Council is a trade association comprised of the leading national mortgage lenders and servicers, mortgage and title insurers, and technology and data companies. HPC advocates for the mortgage and housing marketplace interests of its members in legislative, regulatory, 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.

Regulation AB, either because the information is not readily available to them or because there is uncertainty as to the information requested to be disclosed and, thus, uncertainty as to whether the disclosure would be deemed accurate.”<sup>2</sup> It is HPC’s hope that the importance of this insight is acknowledged, in turn, by the SEC itself, as that regulatory agency embarks on any rulemaking to improve and enhance the disclosure requirements of Reg AB.

HPC and its members support the return of private capital to the mortgage market and have identified Reg AB compliance as a significant impediment to this goal. The FDIC proposal is a first step in acknowledging this challenge, and HPC encourages the FDIC to suggest that the SEC evaluate the Reg AB requirements.

If you have any questions or would like to discuss these comments, please contact Meg Burns, SVP for Mortgage Policy, at 202-589-1926.

Yours Truly,



Edward DeMarco  
President, HPC

CC:  
Securities and Exchange Commission Chairman, Jay Clayton

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<sup>2</sup> Securitization Safe Harbor Rule, 84 Fed. Reg. 43732, 43734 (Aug. 22, 2019).