



Insights

Statement of Commissioner Piowar on SEC's Re-Opening of Comment Period on Regulation AB II

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This afternoon, Commissioner Michael S. Piowar released a Statement supporting the SEC's decision to re-open the comment period on Regulation AB II, noting that market practices have continued to evolve since the financial crisis and the importance of obtaining the most recent data and information possible to inform and guide the SEC's decision-making process.

Commissioner Piowar notes that "rule proposals should clearly identify the justification for the proposed rule and how the proposed rule will address the need for regulatory action." He indicates that, while market failures and subsequent economic consequences during the financial crisis with respect to MBS offerings have been well documented, such failures and other causes triggering the need for regulatory intervention have been less documented for Auto ABS and other ABS types. He specifically solicits comment on whether asset-level data is necessary for investors to independently perform due diligence on Auto ABS and other types of non-MBS offerings, or whether grouped account disclosures coupled with pool-level disclosures provide sufficient information to investors for these types of offerings.

Commissioner Piowar also references the related SEC staff memo, which describes one potential approach to handle sensitive asset-level data, and solicits comment on whether market participants understand their obligations in handling that sensitive data under the approach described.

Prior to his SEC appointment in August 2013, Commissioner Piowar was the Republican chief economist for the U.S. Senate Committee on Banking, Housing, and Urban Affairs under Senators Mike Crapo (R-ID) and Richard Shelby (R-AL). He was also the lead Republican economist on the four SEC-related titles of the Dodd-Frank Act and the JOBS Act.

A copy of Commissioner Piowar's Statement is available [here](#).