
SEC Proposes Rules to Increase Transparency in Credit Rating Agencies

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On June 11, 2008, the Securities and Exchange Commission (the "Commission" or "SEC") proposed comprehensive reforms to increase transparency, accountability and competition in the credit rating process by nationally recognized statistical rating organizations ("NRSROs").¹ The Commission was given statutory authority to oversee NRSROs under the Credit Rating Agency Reform Act of 2006 (the "Act").² As a result of the subprime mortgage crisis, the Commission decided to supplement the initial rules promulgated under the Act.³ Comments on the proposed rules are due within 30 days of publication in the Federal Register.

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