

AMENDMENT TO H.R. _____

OFFERED BY MR. FOSTER

Lynch

[amendment to NRSRO discussion draft]

Insert after section 5 the following (and redesignate succeeding subsections accordingly):

1 SEC. 6. ADVISORY BOARD.

2 (a) ESTABLISHMENT.—Not later than 90 days after
3 the date of the enactment of this Act, the Securities and
4 Exchange Commission shall establish an advisory board
5 to be known as the Credit Ratings Agency Advisory Board
6 (in this section referred to as “the Board”).

7 (b) APPOINTMENT AND TERMS OF SERVICE.—The
8 Board shall consist of 7 members appointed by the Com-
9 mission, no more than 2 of whom may be former employ-
10 ees of a credit rating agency. Members of the Board shall
11 be prominent individuals of integrity and reputation who
12 have a demonstrated commitment to the interests of inves-
13 tors and the public, and an understanding of the role that
14 credit ratings play to a broad range of investors. Terms
15 of service shall be staggered as determined by the Com-
16 mission.

17 (c) DUTIES.—The Board shall—

1 (1) advise the Commission concerning the rules
2 and regulations required by the amendments made
3 by this Act;

4 (2) insure that the Commission properly and
5 fully executes its oversight functions and responsibil-
6 ities with the respect to nationally recognized statis-
7 tical rating organizations and individual partici-
8 pants; and

9 (3) issue an annual report to Congress detailing
10 its work and recommending any additional Congres-
11 sional actions necessary to aid the Commission and
12 such additional reports from time to time as appro-
13 priate when it feels that the Commission is not prop-
14 erly executing its oversight functions.

