

**MCHENRY 022**

**AMENDMENT TO H.R. \_\_\_\_\_  
OFFERED BY MR. MCHENRY OF NORTH  
CAROLINA**

**[Amendment to NRSRO discussion draft of October 16, 2009]**

At page 4, line 20, strike the quotation mark and  
after such line insert the following new paragraphs:

1           “(5) DISCLOSURES WITH RESPECT TO STRUC-  
2           TURED SECURITIES.—

3           “(A) REGULATIONS REQUIRED.—The rules  
4           and regulations prescribed by the Commission  
5           pursuant to this section with respect to nation-  
6           ally recognized statistical rating organizations  
7           shall, with respect to the procedures and meth-  
8           odologies by which any nationally recognized  
9           statistical rating organization determines credit  
10          ratings for structured securities—

11           “(i) specify the information required  
12           to be disclosed to such rating organizations  
13           by the originators, issuers, and under-  
14           writers of such structured securities on the  
15           collateral underlying such structured secu-  
16           rities; and

1                   “(ii) establish and implement proce-  
2                   dures to collect and disclose information  
3                   about the processes used by such origina-  
4                   tors, issuers, and underwriters to assess  
5                   the accuracy and integrity of their data  
6                   and fraud detection.

7                   “(B) DEFINITION.—For purposes of this  
8                   paragraph, the Commission shall, by rule or  
9                   regulation, define the term ‘structured securi-  
10                  ties’ as appropriate in the public interest and  
11                  for the protection of investors.

12                  “(6) HISTORICAL DEFAULT RATE DISCLO-  
13                  SURES.—The rules and regulations prescribed by the  
14                  Commission pursuant to this section with respect to  
15                  nationally recognized statistical rating organizations  
16                  shall require each nationally recognized statistical  
17                  rating organization to establish and maintain, on a  
18                  publicly accessible Internet site, a facility to disclose,  
19                  in a central database, the historical default rates of  
20                  all classes of financial products rated by such orga-  
21                  nization.”.

