

**National Governors Association
Government Finance Officers Association
International City/County Management Association
National Association of Counties
National Association of State Auditors, Comptrollers and Treasurers
National Association of State Treasurers
National League of Cities
U.S. Conference of Mayors
American Public Power Association
Council of Infrastructure Financing Authorities**

October 26, 2009

The Honorable Paul Kanjorski
Chairman, Subcommittee on Capital Markets, Insurance and Government Sponsored Enterprises
Committee on Financial Services
U.S. House of Representatives
2129 Rayburn House Office Building
Washington, D.C. 20515

Dear Chairman Kanjorski:

The organizations listed above, representing state and local governments across the United States, wish to convey our support for the *Accountability and Transparency in Rating Agencies Act*.

It is important to state and local governments as well as to investors, for the credit rating agencies to be clear on the methodologies they use when rating securities, and also to provide investors with an apple-to-apple comparison of various securities. The current system where different scales are used, presents investors with a confusing and incomplete picture when comparing municipal securities to corporate securities. Although governmental bonds have a far lower default rate and a much higher repayment rate than their corporate counterparts, the current dual-ratings system generally dampens municipal ratings unfairly. This legislation would rectify this problem, by benefitting municipal bond issuers with better access to the credit markets and allowing for stronger interest among investors to purchase municipal securities, which would likely lead to lower borrowing costs.

State and local governments are still adjusting to changes in the credit markets, while the demands to provide important infrastructure and services to their citizens have not diminished. The *Accountability and Transparency in Rating Agencies Act* will not only give investors stronger information about securities, it should also give state and local governments better access to credit in order to build roads, schools, public buildings, parks, and other essential state and local projects that are important to their communities and will help create jobs.

Thank you again for your continued leadership on matters important to state and local governments and the municipal bond market.

Sincerely,

National Governors Association, David Parkhurst, 202-624-5328

Government Finance Officers Association, Susan Gaffney, 202-393-8468

International City/County Management Association, Elizabeth Kellar, 202-962-3611

National Association of Counties, Stephen Traylor, 202-942-4254

National Assn. of State Auditors, Comptrollers & Treasurers, Cornelia Chebinou, 202-624-5451

National Association of State Treasurers, Jim Currie, 202-624-8595

National League of Cities, Lars Etzkorn, 202-626-3173

U.S. Conference of Mayors, Larry Jones, 202-861-6709

American Public Power Association, Amy Hille, 202-467-2929

Council of Infrastructure Financing Authorities, Rick Farrell, 202-547-1866

cc: The Honorable Barney Frank