



**Association for
Financial Professionals**

March 20, 2008

The Honorable Christopher Cox
Chairman, U. S. Securities and Exchange Commission
100 F Street, N.E.
Washington, DC 20549

Dear Chairman Cox:

The Association for Financial Professionals (AFP) strongly urges you to fully exercise the authority given the Securities and Exchange Commission (SEC) in the Credit Rating Agency Reform Act of 2006 to oversee the activities of credit rating agencies. The time has passed for the credit rating agencies to voluntarily adopt new policies or procedures. It is now incumbent on the SEC to aggressively exercise its regulatory authority.

Five years ago, AFP testified before Congress that financial professionals, including issuers and investors, believed that the information provided by rating agencies is neither timely nor accurate, and that rating agencies were primarily serving the interests of parties other than investors. AFP has consistently supported policies to encourage competition in the credit ratings market, increase transparency, and control potential conflicts of interest in the credit ratings process.

The membership of our Association includes 16,000 financial executives employed by over 5,000 corporations and other organizations. Our members represent a broad spectrum of financial disciplines and their organizations are drawn generally from the Fortune 1000 and middle-market companies in a wide variety of industries. Our members are responsible for issuing short- and long-term debt, and also investing corporate cash and retirement assets for their organizations.

The Policy Statement of the President's Working Group on Financial Markets includes a series of recommendations for reform of the credit ratings process, with an emphasis on structured finance markets. AFP believes that many of these reforms, including changing practices related to transparency and conflict of interests, are not unique to the structured credit markets. Further, we believe

that the SEC should exercise the oversight authority granted by the Credit Rating Agency Reform Act and aggressively implement policies to address these issues.

For nearly five years AFP has expressed serious reservations about the credibility of the credit rating agencies. Credit ratings play a crucial role in our capital markets. The time has come for the SEC to address the unfair and abusive practices that undermine the credibility and legitimacy of the credit rating agencies.

Sincerely,

A handwritten signature in cursive script that reads "James A. Kaitz".

James A. Kaitz
President and CEO

cc: The Honorable Henry M. Paulson, Jr., Secretary of the Treasury
Sen. Christopher Dodd, Chairman, Senate Committee on Banking,
Housing, and Urban Affairs
Sen. Richard Shelby, Ranking Member, Senate Committee on Banking,
Housing and Urban Affairs
Rep. Barney Frank, Chairman, House Committee on Financial Services
Rep. Spencer Bachus, Ranking Member, House Committee on Financial
Services