

**SUPPORTING STATEMENT FOR FINAL RULES UNDER THE SECURITIES
ACT OF 1933, SECURITIES EXCHANGE ACT OF 1934, AND DODD-FRANK
WALL STREET REFORM AND CONSUMER PROTECTION ACT**

This supporting statement is part of a submission under the Paperwork Reduction Act of 1995, 44 U.S.C. §3501, et seq.

A. JUSTIFICATION

**1. CIRCUMSTANCES MAKING THE COLLECTION OF
INFORMATION NECESSARY**

In Release No. 33-9176,¹ the Commission adopted a new rule and amendments to implement Section 945 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (“Dodd-Frank Act”). Section 945 of the Dodd-Frank Act amended Section 7 of the Securities Act of 1933 (“Securities Act”) to require the Commission to issue rules requiring an issuer of asset-backed securities (“ABS”) to perform a review of the assets underlying the ABS and to disclose the nature of that review.

The Commission adopted amendments to the disclosure requirements for Securities Act registration statements used by ABS issuers. These amendments would require certain disclosure of the nature of a review of the assets performed by the issuer, as well as the findings and conclusion of the review of the assets by the issuer, sponsor or appropriate third party. As a result of the amendments, ABS issuers also will be required to disclose how the assets in the pool deviate from the disclosed underwriting criteria, and include data on the amount and characteristics of those assets that did not meet the disclosed standards.

The final amendments contain “collection of information” requirements within the meaning of the Paperwork Reduction Act of 1995. The titles of the collections of information impacted by the amendments are:

- “Form S-1” (OMB Control No. 3235-0065); and
- “Form S-3” (OMB Control No. 3235-0073).

2. PURPOSE AND USE OF THE INFORMATION COLLECTION

The purpose of the new rule and amendments is to implement Section 945 of the Dodd-Frank Act. Section 945 amended Section 7 of the Securities Act to require the Commission to issue rules relating to the registration statement required to be filed by an issuer of ABS. Pursuant to new Section 7(d), the Commission must issue rules to require that an issuer of an ABS perform a review of the assets underlying the ABS, and disclose the nature of such review.

¹ Issuer Review of Assets in Offerings of Asset-Backed Securities, Release No. 33-9176 (Jan. 20, 2011) [76 FR 4231].

3. CONSIDERATION GIVEN TO INFORMATION TECHNOLOGY

The collection of information requirements of the amendments will be set forth in Forms S-1 and S-3. These forms are filed electronically with the Commission using the Commission's Electronic Data Gathering and Retrieval (EDGAR) system.

4. DUPLICATION OF INFORMATION

We are not aware of any rules that conflict with or substantially duplicate the final rules.

5. REDUCING THE BURDEN ON SMALL ENTITIES

The final rules relate to the registration, disclosure and reporting requirements for issuers and underwriters of ABS under the Securities Act and the Exchange Act. As discussed in Release No. 33-9176, based on our data, we did not find a significant number of issuers or underwriters that are small entities. As such, the Commission does not believe that the final rules would have a significant economic impact on a substantial number of small entities.

6. CONSEQUENCES OF NOT CONDUCTING COLLECTION

The forms set forth the disclosure requirements for registration statements filed by issuers to help investors make informed investment decisions. Less frequent collection would frustrate the statutory intent of Section 7(d) of the Securities Act because investors in ABS would have less information on which to base an investment decision.

7. SPECIAL CIRCUMSTANCES

None

8. CONSULTATIONS WITH PERSONS OUTSIDE THE AGENCY

The Commission issued a release soliciting comment on the new "collection of information" requirements and associated paperwork burdens.² Comments on the Commission's releases are generally received from registrants, investors, and other market participants. In addition, the Commission and staff participate in an ongoing dialogue with representatives of various market participants through public conferences, meetings and informal exchanges. The Commission considers all comments received. No comments were received in response to the Commission's solicitation of comment on the new "collection of information" requirements and associated paperwork burdens. Comments received on the proposal are available at <http://www.sec.gov/comments/s7-26-10/s72610.shtml>. A copy of the adopting release is attached.

² See Issuer Review of Assets in Offerings of Asset-Backed Securities, Release No. 33-9150 (Oct. 13, 2010) [75 FR 64182].

9. PAYMENT OR GIFT TO RESPONDENTS

Not applicable.

10. CONFIDENTIALITY

Not applicable.

11. SENSITIVE QUESTIONS

Not applicable.

12/13. ESTIMATES OF HOUR AND COST BURDENS

The paperwork burden estimates associated with the final rules include the burdens attributable to collecting, preparing, reviewing and retaining records.

Our PRA burden estimates for the final amendments are based on information that we receive on entities assigned to Standard Industrial Classification Code 6189, the code used with respect to asset-backed securities, as well as information from outside data sources. When possible, we base our estimates on an average of the data that we have available for each of the years from 2004 through 2009.

Forms S-1 and S-3

We adopted amendments to Item 1111 of Regulation AB³ to increase the disclosure that is required in offerings of ABS registered on either Forms S-1 or S-3. The amendment to Item 1111 requires issuers to provide disclosure regarding the assets underlying the asset-backed security.

We also adopted Rule 193 under the Securities Act to implement Section 945 of the Dodd-Frank Act. New Rule 193 requires issuers of ABS in registered offerings to perform a review of the assets underlying the ABS. The review, at a minimum, must be designed and affected to provide reasonable assurance that the disclosure regarding the pool assets in the prospectus is accurate in all material respects. Under new Rule 193, if an issuer engages a third party to assist in performing the review, the issuer may rely on the third-party's review to satisfy its obligations under Rule 193 provided the third party is named in the registration statement and consents to being named as an "expert" in

³ Regulation S-K includes the item requirements in Regulation AB and contains the disclosure requirements for filings under both the Securities Act and the Exchange Act. The paperwork burden from Regulation S-K is imposed through the forms that are subject to the disclosures in Regulation S-K, and is reflected in the analysis of those forms. To avoid a Paperwork Reduction Act inventory reflecting duplicative burdens, for administrative convenience we estimate the burdens imposed by Regulation S-K (which includes sub-part Regulation AB) to be a total of one hour.

accordance with Section 7 of the Securities Act and Rule 436 under the Securities Act. We anticipate that where issuers employ a third party to comply with Rule 193, issuers will incur a burden in obtaining a consent from the third party.

We believe that the amendments will increase the annual incremental burden to issuers by 30 hours per form. For registration statements, we estimate that 25% of the burden of preparation is carried by the company internally and that 75% of the burden is carried by outside professionals retained by the registrant at an average cost of \$400 per hour. From 2004 through 2009, an estimated average of four offerings was registered annually on Form S-1 by issuers of asset-backed securities. We believe that the final requirements will result in an increase to the internal burden to prepare Form S-1 of 30 burden hours ($0.25 \times 30 \times 4$) and an increase in outside costs of \$36,000 ($\$400 \times 0.75 \times 30 \times 4$). During 2004 through 2009, we estimate an annual average of 929 offerings of asset-backed securities registered on Form S-3. Therefore, we believe that the amendments will result in an increase to the internal burden to prepare Form S-3 filings of 6,968 burden hours ($0.25 \times 30 \times 929$) and a total cost of \$8,361,000 ($400 \times 0.75 \times 30 \times 929$).

a. Summary of final changes to annual burden compliance in Collection of Information

Form	Current Annual Responses	Proposed Annual Responses	Current Burden Hours	Increase in Burden Hours	Proposed Burden Hours	Current Professional Costs	Increase in Professional Costs	Proposed Professional Costs
S-1	768	768	186,657	30	186,687	\$223,988,000	\$36,000	\$224,024,000
S-3	2,065	2,065	236,959	6,968	243,927	\$284,350,500	\$8,361,000	\$292,711,500
Total				6,998			\$8,397,000	

14. COSTS TO FEDERAL GOVERNMENT

We estimate that the cost of preparing the amendments is approximately \$50,000.

15. REASON FOR CHANGE IN BURDEN

As explained in further detail in Items 12 and 13 above, the final rules in Release No. 33-9176 implement the requirements of Section 945 of the Dodd-Frank Act.

The changes in burden of Forms S-1 and S-3 relate to enhanced disclosure requirements in Regulation AB relating to asset-backed securities. These disclosure requirements implement Section 945 of the Dodd-Frank Act by requiring issuers to “disclose the nature of the review” performed by an issuer, as required under Section 945. The Commission’s rules also implement Section 945 by requiring issuers to disclose certain information regarding the assets underlying asset-backed securities. The change in burdens for Forms S-1 and S-3 correspond to these new disclosure requirements.

16. INFORMATION COLLECTION PLANNED FOR STATISTICAL PURPOSES

Not applicable.

17. DISPLAY OF OMB APPROVAL DATE

We request authorization to omit the expiration date on the electronic version of the form, although the OMB control number will be displayed. Including the expiration date on the electronic version of this form will result in increased costs, because the need to make changes to the form may not follow the software application's scheduled version release dates.

18. EXCEPTIONS TO CERTIFICATION FOR PAPERWORK REDUCTION ACT SUBMISSIONS

Not applicable.

B. STATISTICAL METHODS

Not applicable.