



November 14, 2011

The Honorable Scott Garrett
U.S. House of Representatives
2244 Rayburn House Office Building
Washington, DC 20515

The Honorable Robert Hurt
U.S. House of Representatives
1516 Longworth House Office Building
Washington, DC 20515

The Honorable Carolyn Maloney
U.S. House of Representatives
2332 Rayburn House Office Building
Washington, DC 20515

The Honorable Gregory Meeks
U.S. House of Representatives
2234 Rayburn House Office Building
Washington, DC 20515

Dear Congressman Garrett, Congressman Hurt, Congresswoman Maloney and Congressman Meeks:

We applaud your efforts to sponsor H.R. 2586, the Swap Execution Facility (SEF) Clarification Act.

This legislation would require the Commodity Futures Trading Commission (CFTC) and the Securities and Exchange Commission (SEC) to promulgate SEF regulations that allow the swaps markets to evolve to the best form of execution. H.R. 2586 addresses concerns with the CFTC proposal that would require up to five quotes before a swap contract can be completed. Conversely, the SEC proposal would not set a threshold number of quotes, instead leaving that decision to the customer. SIFMA members fully support efforts to ensure enhanced price discovery and transparency in swaps markets; however the CFTC proposal may serve to increase uncertainty in these markets. We do not believe that is what Congress intended in the original Dodd-Frank Act, however, the agencies have differing interpretations.

H.R. 2586 would explicitly not require a minimum number of participants to receive or respond to quote requests and would prevent regulators from requiring SEFs to display quotes for a certain period of time. Finally,

this bill would prevent regulators from limiting the means by which these contracts should be executed and ensuring that the final regulation does not require trading systems to interact with each other.

We strongly support the H.R. 2586 and urge the House Financial Services Committee to vote for this legislation. Thank you for your consideration of our views.

Sincerely Yours,

A handwritten signature in blue ink, reading "Ken Bentsen", is centered on a light gray rectangular background.

Kenneth E. Bentsen, Jr.
EVP, Public Policy and Advocacy

CC: Capital Markets and Government Sponsored Enterprises Subcommittee