

June 11, 2008

The Honorable Dave Jones
California State Assembly
State Capitol
Sacramento, California 95814

Re: AB 2359, An act to amend Section 2953 of the Civil Code, relating to loans.
Position: Neutral

Dear Assembly Member Jones:

The Securities Industry and Financial Markets Association¹ greatly appreciates your efforts to address its concerns with AB 2359. SIFMA strongly believes that the bill's assignee liability provisions would have substantially limited the amount of available capital in the state. This, in turn, would have further reduced financing options for borrowers and worsened the existing housing and credit crunch.

SIFMA was very pleased that the assignee liability provisions were struck from the bill prior to the Assembly vote. Because of these changes, SIFMA is now neutral on the legislation. Some of the remaining bill deals with predispute arbitration clauses in the mortgage lending context. Please note that SIFMA's neutrality does not mean that it agrees with the legislation's characterizations of such clauses as "unconscionable" or "against public policy."

Again, we thank you for your amendments and your interest in promoting good public policy on a complex issue.

Sincerely,



Kim Chamberlain
Managing Director and Counsel
State Government Affairs

¹ The Securities Industry and Financial Markets Association brings together the shared interests of more than 650 securities firms, banks and asset managers. SIFMA's mission is to promote policies and practices that work to expand and perfect markets, foster the development of new products and services and create efficiencies for member firms, while preserving and enhancing the public's trust and confidence in the markets and the industry. SIFMA works to represent its members' interests locally and globally. It has offices in New York, Washington D.C., and London and its associated firm, the Asia Securities Industry and Financial Markets Association, is based in Hong Kong.