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March 16, 2001

The Honorable Joseph L. Bruno
Majority Leader
New York State Senate
Legislative Office Building, Room 909
Albany, New York 12247

The Honorable Herman D. Farrell, Jr.
Chairman, Ways & Means Committee
New York State Assembly
Legislative Office Building, Room 923
Albany, New York 12248

The Honorable James J. Lack
Chairman, Judiciary Committee
New York State Senate
413 State Capitol Building
Albany, New York 12247

The Honorable Sheldon Silver
Speaker
New York State Assembly
Legislative Office Building, Room 923
Albany, New York 12248

The Honorable Ronald B. Stafford
Chairman, Finance Committee
New York State Senate
State Capitol, Room 502
Albany, New York 12247

The Honorable Helene E. Weinstein
Chairwoman, Judiciary Committee
New York State Assembly
Legislative Office Building 831
Albany, New York 12248

Dear Senator Bruno, Lack and Stanford; Assemblymen Farrell and Silver and
Assemblywoman Weinstein:

The Bond Market Association (the "Association")¹ urges the prompt adoption in New
York State of Revised Article 9 of the Uniform Commercial Code.

As you know, in 1998 the National Conference of Commissioners on Uniform State
Laws and the American Law Institute unanimously approved a revised draft of UCC
Article 9 ("Revised Article 9"). This draft was developed during the previous five years
by a Drafting Committee appointed jointly by those two organizations, with broad and
substantial input from a variety of affected constituencies. The Association served as an
official observer to the Drafting Committee during this process.

The Association believes that adoption of Revised Article 9 in New York State will
promote efficiency in financial and commercial transactions generally, and in the debt
capital markets in particular. By updating and clarifying rules governing the creation,
maintenance and perfection of security interests in personal property, adoption of Revised
Article 9 will facilitate streamlined and more legally certain commercial sales and
financing transactions, upon which a wide range of individuals and businesses rely. In so
doing, we believe that the changes proposed in Revised Article 9 will lower the cost and
increase the availability of credit and funding to consumers, commercial enterprises and
governmental jurisdictions alike.

In particular, by expanding the scope of Article 9 to cover sales of and security interests in a broader range of payment streams, Revised Article 9 will better accommodate continuing innovation in the debt capital markets, such as asset securitization, a funding mechanism that is increasingly used by private sector and governmental entities. Similarly, changes reflected in Revised Article 9 will clarify the rights and duties of secured creditors in the event of a debtor's default, and render more predictable and certain the process of perfecting and enforcing security interests. Given the wide range of debt capital markets activities that incorporate transfers or pledges of personal property, either as the subject of a sale or as collateral to secure a financing, these changes are vitally important to our members and to other financial market participants.

Adoption of Revised Article 9 will also promote national uniformity of statutory provisions governing commercial finance activities. This is especially important for Association members and others who regularly extend credit across state lines, or who maintain multistate operations. We therefore urge New York to join the other states that have already adopted or that are presently considering Revised Article 9.

Thank you for your consideration and prompt action on this important matter. Should you have any questions or desire additional information, please do not hesitate to contact the undersigned at 212.440.9403.

Sincerely,

George P. Miller
Senior Vice President and
Deputy General Counsel

cc: Paul Saltzman, Executive
Vice President and
General Counsel

FOOTNOTE

1. The Bond Market Association represents securities firms and banks that underwrite, distribute and trade debt securities, both domestically and internationally. Among other roles, the Association's members engage in asset securitization, municipal finance and other debt capital market transactional activities that rely, in part, upon Uniform Commercial Code provisions governing the creation, perfection, enforcement and maintenance of security interests in personal property.