



October 11, 2017

The Honorable Jeb Hensarling  
Chairman, House Committee on Financial  
Services  
2228 Rayburn House Office Building  
Washington, DC 20515

The Honorable Maxine Waters  
Ranking Member, House Committee on Financial  
Services  
2221 Rayburn House Office Building  
Washington, DC 20515

Dear Chairman Hensarling and Ranking Member Waters:

The Securities Industry and Financial Markets Association (SIFMA)<sup>1</sup> urges the House Committee on Financial Services to approve H.R. 3299, the Protecting Consumers' Access to Credit Act of 2017. Offered by Representatives Patrick McHenry and Greg Meeks, this bill would codify the valid-when-made doctrine and bring certainty to the legal treatment of all valid loans that are transferred between different entities. SIFMA believes that passage of this bill is vital to ensuring liquidity in the market for securitized financial products and in preserving consumers' access to credit on favorable terms.

Securitization is an important process that expands consumers' access to credit while allowing lenders to transfer risk to those in the market most willing to bear it. Many of the ways consumers access credit today, either through credit cards, auto loans, or mortgages, depend on securitization and a liquid secondary market for trading in securitized products. Securitization itself depends on the valid-when-made doctrine, which grants investors in securitized products confidence in the value of the underlying assets. Unfortunately, recent court decisions have created legal uncertainty undermining this long-accepted doctrine. SIFMA believes that passage of H.R. 3299 is critical to preventing a disruption in the secondary market for consumer credit. Any potential disruption in this market would ultimately be felt by the consumers in the form of higher interest rates and a reduction in available credit.

Sincerely,

A handwritten signature in black ink that reads "Andy Blocker". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Andy Blocker  
Executive Vice President  
Public Policy & Advocacy

cc: The Honorable Patrick McHenry; The Honorable Gregory Meeks

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<sup>1</sup> SIFMA is the voice of the U.S. securities industry. We represent the broker-dealers, banks and asset managers whose nearly 1 million employees provide access to the capital markets, raising over \$2.5 trillion for businesses and municipalities in the U.S., serving clients with over \$20 trillion in assets and managing more than \$67 trillion in assets for individual and institutional clients including mutual funds and retirement plans. SIFMA, with offices in New York and Washington, D.C., is the U.S. regional member of the Global Financial Markets Association (GFMA). For more information, visit <http://www.sifma.org>.