

Title IX – Investor Protection Act of 2009
Subtitle E – Improvements to the Asset-Backed Securitization Process

Section-by-Section Analysis

Section 951. Regulation of Credit Risk Retention

This section amends the Securities Exchange Act of 1934 by adding a section 15F that requires the Federal banking agencies to jointly prescribe regulations requiring any securitizer of asset-backed securities, including nonbanks, to retain an economic interest in a material portion of the credit risk associated with assets underlying the securitization. The SEC shall enforce the rules adopted by the Federal banking agencies with respect to nonbank securitizers.

Section 952. Periodic and Other Reporting under the Securities Exchange Act of 1934 for Asset-Backed Securities

This section amends section 15 of the Securities Exchange Act of 1934 to apply the periodic reporting requirements of that section to asset-backed securities even if the number of holders of an issue falls below 300. The section also requires the SEC to adopt rules requiring each issuer of an asset-backed security to disclose information regarding the assets backing the security including, at a minimum, loan-level data and the nature and extent of the compensation of the broker or originator of the individual assets backing the security and the risk retention of the originator of such assets.

Section 953. Representations and Warranties in Asset-Backed Securities

This section requires the SEC to prescribe regulations on the use of representations and warranties in the asset-backed securities market.

Section 954. Exempted Transactions under the Securities Act of 1933

This provision amends the Securities Act of 1933 by striking the exemption from registration in current section 4(5) and making a conforming amendment.