

116TH CONGRESS  
2D SESSION

# H. R. 6934

To amend the CARES Act to require the uniform treatment of nationally recognized statistical rating organizations under certain programs carried out in response to the COVID–19 emergency, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

MAY 19, 2020

Ms. DEAN (for herself, Ms. WATERS, and Mr. BARR) introduced the following bill; which was referred to the Committee on Financial Services

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## A BILL

To amend the CARES Act to require the uniform treatment of nationally recognized statistical rating organizations under certain programs carried out in response to the COVID–19 emergency, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. UNIFORM TREATMENT OF NRSROS.**

4 (a) IN GENERAL.—Section 4003 of the CARES Act  
5 (15 U.S.C. 9042), as amended by section 902, is further  
6 amended by adding at the end the following:

7 “(m) UNIFORM TREATMENT OF NRSROS.—

1           “(1) IN GENERAL.—If, in carrying out this sec-  
2           tion or any other program making use of a facility  
3           established under section 13(3) of the Federal Re-  
4           serve Act in response to the COVID–19 emergency,  
5           the Secretary of the Treasury or the Board of Gov-  
6           ernors of the Federal Reserve System establishes a  
7           requirement for an entity, security, or other instru-  
8           ment to carry a minimum credit rating, the Sec-  
9           retary or the Board of Governors shall accept credit  
10          ratings provided by any nationally recognized statis-  
11          tical rating organization with respect to such entity,  
12          security, or other instrument, if the Securities and  
13          Exchange Commission has approved the nationally  
14          recognized statistical rating organization to issue  
15          credit ratings with respect to the applicable asset  
16          class of the entity, security, or other instrument.

17           “(2) EXCEPTION.—

18           “(A) IN GENERAL.—The Secretary or the  
19          Board of Governors may exclude a nationally  
20          recognized statistical rating organization from  
21          the application of paragraph (1) if, in consulta-  
22          tion with the Securities and Exchange Commis-  
23          sion, the Secretary or Board of Governors, as  
24          applicable, determines that the nationally recog-  
25          nized statistical rating organization is unable to

1 provide reliable and accurate ratings for a par-  
2 ticular asset class and that such exclusion is in  
3 the public interest.

4 “(B) REPORT.—If the Secretary or the  
5 Board of Governors excludes a nationally recog-  
6 nized statistical rating organization from the  
7 application of paragraph (1) pursuant to sub-  
8 paragraph (A), the Secretary or Board of Gov-  
9 ernors, as applicable, shall, as soon as prac-  
10 ticable after such exclusion, disclose to the pub-  
11 lic the reasoning for such exclusion.

12 “(3) NATIONALLY RECOGNIZED STATISTICAL  
13 RATING ORGANIZATION.—In this subsection, the  
14 term ‘nationally recognized statistical rating organi-  
15 zation’ has the meaning given that term under sec-  
16 tion 3 of the Securities Exchange Act of 1934 (15  
17 U.S.C. 78c).”.

18 (b) GAO STUDY.—

19 (1) STUDY.—The Comptroller General of the  
20 United States shall carry out a study on—

21 (A) the quality of credit ratings across na-  
22 tionally recognized statistical ratings organiza-  
23 tions (as defined under section 3 of the Securi-  
24 ties Exchange Act of 1934), including during  
25 the 2008 economic crisis;

1           (B) the effect of competition on the quality  
2           of credit ratings and on the ability of small-  
3           and mid-size companies and financial institu-  
4           tions to access the capital markets; and

5           (C) the implementation of the amendment  
6           made by subsection (a).

7           (2) REPORT.—Not later than one year after the  
8           date of enactment of this Act, the Comptroller Gen-  
9           eral shall issue a report to the Congress containing  
10          all finding and determinations made in carrying out  
11          the study required under paragraph (1).

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