

SEC Publishes Annual Staff Report on Nationally Recognized Statistical Rating Organizations

FOR IMMEDIATE RELEASE

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Washington D.C., Jan. 31, 2022 — The Securities and Exchange Commission today issued its annual Staff Report on Nationally Recognized Statistical Rating Organizations (NRSROs), providing a summary of the SEC staff's examinations of NRSROs and discussing the state of competition, transparency, and conflicts of interest among NRSROs.

In past years, the SEC's Office of Credit Ratings (OCR) covered these subject areas in two separate annual reports. The combined report includes a variety of substantive and organizational changes to provide greater transparency about NRSROs and their credit ratings businesses, and the market more broadly.

"The oversight of Nationally Recognized Statistical Rating Organizations is critical to the Commission's focus on investor protection," said SEC Chair Gary Gensler. "The Office of Credit Ratings' work contributes to our efforts to promote accuracy in credit ratings and help ensure that credit ratings are not unduly influenced by conflicts of interest."

"OCR's examinations protect investors by scrutinizing NRSRO compliance with applicable laws and rules and identifying instances of non-compliance," said OCR Director Ahmed Abonamah. "The report provides a comprehensive and integrated overview of OCR's activities, demonstrating the exceptional work of my colleagues in their efforts to protect investors."

The report highlights the risk-based approach of OCR's examination program. As described in the report, in addition to the eight statutorily mandated review areas, OCR staff examined the NRSROs':

- Consideration of ESG factors and products;
- COVID-19 related risk areas;
- Activities related to collateralized loan obligations, commercial real estate, and consumer asset-backed securities;
- Adherence to policies, procedures, and methodologies with respect to rating low-investment grade corporate securities; and
- Controls, policies, and procedures for ratings of municipal securities.

Prior years' annual reports are available [here](#).

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Related Materials

- [Annual Staff Report on NRSROs](#)