



April 21, 2008

Ms. Naomi Richman
Chief Credit Officer
Global Public, Project and Infrastructure Finance
Moody's Investors Service
7 World Trade Center
New York, NY 10007

Re: Response to Request for Comment: Assignment of Global Ratings to Tax-Exempt Municipal Obligations

Dear Ms. Richman,

The Securities Industry and Financial Markets Association (“SIFMA”)¹ appreciates this opportunity to comment on Moody’s Request for Comment: Assignment of Global Ratings to Tax Exempt Municipal Obligations. SIFMA’s Municipal Division would like to express its support for this proposal as the first step in a process to a fully comparable global rating scale applicable to all debt rated by Moody’s, which relies on risk of loss and magnitude of loss and eliminates distinctions between municipal debt and other types of debt.

SIFMA would like to praise Moody’s for their research and leadership on matters relating to municipal securities ratings. Based on Moody’s own research, it is now widely accepted that the risk of loss and magnitude of loss on municipal securities is materially lower than other fixed income security types that carry a comparable Global Scale Rating (“GSR”). Holders of municipal bonds have had a difficult time assessing the risk of those bonds relative to other fixed income holdings, due to the differences in the ratings scales. As noted in the request for comment, the credit deterioration of the financial guaranty insurers, in addition to credit and liquidity issues in the securities markets generally, have highlighted the need for increased ratings transparency. These current market conditions have made clear that risk assessments need to be made on all holdings of fixed income securities on an “apples-to-apples” basis. Such risk assessments cannot be adequately made without being able to undergo direct risk

¹ SIFMA, or the “Association,” brings together the shared interests of more than 650 securities firms, banks and asset managers. SIFMA’s mission is to promote policies and practices that work to expand and perfect markets, foster the development of new products and services and create efficiencies for member firms, while preserving and enhancing the public’s trust and confidence in the markets and the industry. SIFMA works to represent its members’ interests locally and globally. It has offices in New York, Washington D.C., and London and its associated firm, the Asia Securities Industry and Financial Markets Association, is based in Hong Kong.

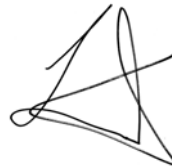
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comparisons between municipal bonds and other securities. Therefore, SIFMA is a strong supporter of such increased ratings transparency and clarity.

SIFMA understands that Moody's does not intend the conversion table to be used as an absolute reference for conversion from one scale to another, but merely as a guide. Noting this, SIFMA encourages Moody's to quickly add Global Scale Ratings to all municipal securities debt that it rates to provide certainty to those who rely on ratings to assess portfolio risk, but maintain the fine gradations that continued municipal scale ratings provide. Further, SIFMA also believes that unless the GSR is assigned at the issuer's request, or investor's request and issuer's consent, for no additional fee, assignments of a GSR will be limited, as was the case in the taxable municipal market. For that reason, we strongly encourage Moody's to assign the GSR at the issuer's request, or investor's request and issuer's consent, for no additional fee.

We appreciate the opportunity to comment on this proposal, and welcome any opportunity to be part of the ongoing industry discussions on ratings transparency and related issues. We would like to share with you that, given its role as a global organization, SIFMA has just last week formed a SIFMA Credit Rating Agency Task Force comprised of SIFMA members to engage in a broad study of the views of SIFMA members globally as to the issues relating to the credit rating agencies. The results of that study could be relevant to the issues covered in this letter; but we are providing comment to you now so as not to impede the process. Should those results bear on the instant issues, we will of course forward a copy of the Task Force study to you when it is completed. If you have any questions concerning these comments, or would like to discuss these comments further, please do not hesitate to contact the undersigned at 212.313.1130 or via email at lnorwood@sifma.org.

Respectfully,

A handwritten signature in black ink, appearing to be 'L. Norwood', written in a cursive style.

Leslie M. Norwood
Managing Director and
Associate General Counsel

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cc: ***Securities Industry and Financial Markets Association***
Municipal Executive Committee
Municipal Policy Committee
Municipal Financial Products Committee
Municipal Legal Advisory Committee
Municipal Syndicate & Trading Committee
Municipal Credit Research, Strategy and Analysis Committee