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House Legislation to Require Fed Facilities Use More Ratings Firms.

Yesterday, the House [passed legislation](#) that would require the Federal Reserve and the Treasury Department to expand the number of credit rating firms allowed to participate in Covid-19 financial market support programs.

The bill would intervene in the Fed and Treasury's bond-buying programs by forcing them to accept securities rated by any credit rating agency recognized by the SEC.

Since summer [hearings](#) on the issue, a bipartisan group of House lawmakers has continued to press the Fed and Treasury to expand the list of rating agencies beyond the three dominant ratings firms — Standard & Poor's, Moody's and Fitch. Under the bill, the Treasury and Fed would be able to exclude certain ratings if they're deemed unreliable or inaccurate for a particular asset class.

The BDA will continue to provide updates as they become available.

Bond Dealers of America

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