

STANDARD & POOR'S

Standard & Poor's Reports Progress on Efforts to Enhance Ratings and Transparency

New York, April 10, 2008 – Standard & Poor's Ratings Services ("S&P") today provided an update on the ratings and transparency enhancements it announced on February 7, 2008. Today's update is the first in a series of ongoing progress reports S&P intends to provide on these initiatives.

"We have made significant progress in implementing the actions we announced in February, which are designed to enhance independence, strengthen the ratings process and increase transparency," said Deven Sharma, president of S&P. "We view this as a substantive first step and look forward to continuing to engage with market participants and policymakers as we implement our enhancements and consider additional measures. We are committed to helping bring stability and transparency to the capital markets and believe our actions will help build greater confidence in credit ratings."

Some of the key actions that already have been completed include:

- Adding requirements for additional loan level data from issuers for new RMBS deals
- The formation of a Risk Oversight Committee
- Instituting an analyst rotation program

"At the core of these actions is our commitment to significantly enhance transparency, both in the marketplace and in what we do and how we do it, so market participants can make their own judgments about our rating opinions."

Progress Update:

Below are progress updates on each of the major categories of S&P's actions to enhance its ratings and transparency:

Analytics: S&P is taking steps to ensure that its ratings models, processes, and analytical talent continue to be of the highest quality and that S&P remains fully equipped to rate complex financial structures with increasing transparency regarding assumptions. These actions include:

- The hiring of a Director of Model Quality and additional team members
- Incorporating additional loan level data into our Structured Finance (SF) surveillance function
- Increasing analyst training requirements by 25% and working to select a provider to facilitate the implementation of an analyst certification program
- Developing a request for comment on non-default risks (including volatility, liquidity, recovery and correlation)

Governance: S&P is implementing measures that build on existing governance policies and protections and further strengthen the integrity of the ratings process to ensure its independence, to make the effectiveness of our governance even more transparent and to maintain investor confidence. These actions include establishing:

- The Office of the Ombudsman – we have begun a search for candidates and will appoint the Ombudsman by year-end
- An Enterprise Risk Oversight function and committee
- A rotation policy for lead analysts
- A framework for conducting “look back” reviews on analysts who leave S&P to work for issuers or financial advisors
- A Policy Governance Group to develop and approve all new Ratings Services’ policies and procedures
- Periodic reviews with the McGraw-Hill Board’s Audit Committee to address S&P Ratings’ governance and compliance function

Information: S&P is providing greater transparency about its ratings process and greater clarity about the risks that could cause rating assumptions to change. These actions include:

- S&P’s March 25, 2008 announcement that issuers must provide S&P with additional, updated loan level data on a monthly basis on transactions closing after May 1, 2008
- Developing a new section in S&P’s initial rating reports that incorporates sensitivity analysis on a deal by deal basis
- A revamped criteria for assigning overall originator rankings based on operational process and procedures

Education: S&P is undertaking an extensive outreach program to help market participants better understand what a credit rating is – and is not. The goal is to help them use ratings appropriately. These actions include:

- Participating with other NRSROs on a new working group whose goal is the introduction of industry-wide best practices for ratings agencies and other matters of regulatory concern
- Working with the American Securitization Forum to establish best practices for disclosure in securitizations
- Formalizing the charter for, and identifying members of, S&P’s new Advisory Council
- We will continue to publish data and articles on the subject of ratings comparability

Full Progress Report of S&P’s Ratings Leadership Actions

Details of Standard & Poor’s progress on all 27 actions are available at <http://www.spnewactions.com/>.

About Standard & Poor's

Standard & Poor's, a division of The McGraw-Hill Companies (NYSE:MHP), is the world's foremost provider of financial market intelligence, including independent credit ratings, indices, risk evaluation, investment research, and data. With approximately 8,500 employees (including wholly owned affiliates) located in 23 countries, Standard & Poor's is an essential part of the world's financial infrastructure and has played a leading role for more than 140 years in providing investors with the independent benchmarks they need to feel more confident about their investment and financial decisions. For more information, visit <http://www.standardandpoors.com>.

Contacts:

Ed Sweeney
Standard & Poor's
(212) 438-6634 (office)
(917) 903-4129 (mobile)
Edward_Sweeney@standardandpoors.com

Chris Atkins
Standard & Poor's
(212) 438-1106 (office)
(917) 319-6509 (mobile)
chris_atkins@standardandpoors.com