

The New York Times Magazine

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Letter to Editor: Triple-A Failure

While Roger Lowenstein admits there is no evidence to suggest ratings firms inflate ratings to please bond issuers (April 27), he nonetheless questioned the independence, integrity and quality of credit ratings.

At Standard & Poor's, we recognize the business model we use may raise potential conflicts of interest. That's why we have always had rigorous policies in place to manage conflicts, and why we currently are implementing additional measures to further strengthen the independence and quality of our ratings opinions.

Lowenstein also suggests that ratings firms serve as a "watchdog over the mortgage industry." This assertion demonstrates a misunderstanding of the role ratings firms play in the market, which is to provide independent assessments of the creditworthiness of bonds.

Finally, Lowenstein claims ratings assessments only "look backward" and, we believe, inaccurately portrays our analysis of consumer behavior. S&P includes both historical data and informed assumptions to assess how we believe current events and trends are likely to influence future credit quality.

We have learned much from recent market challenges and will continue to work to support the effective functioning of global credit markets.

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