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December 14, 2010

## Via Email and First Class Mail

Gary J. Cohen,  
General Counsel,  
Financial Crisis Inquiry Commission,  
1717 Pennsylvania Avenue, NW,  
Washington, DC 20006-4614.

Re: Financial Crisis Inquiry Commission's Potential Use of  
Jay Siegel's Interview

Dear Mr. Cohen:

I write on behalf of Jay Siegel, a former Moody's team managing director, and on behalf of Moody's Investors Service, Inc. ("Moody's" or the "Company") in response to your letter to Mr. Siegel dated December 6, 2010. In your letter, you identify two passages that include quotations from Mr. Siegel's interview with the Commission's staff. That interview took place under the protections of a confidentiality agreement. You state that the Commission may include or paraphrase the identified quotations in its written Report.<sup>1</sup>

The first identified statement is: "[T]here may have been [state-level] components of this real-estate drop that the statistics would have covered, but the 38

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<sup>1</sup> On October 26, 2010, you sent a letter to Mr. Siegel notifying him that the Commission may include a transcript, audio file or summary of his interview as part of its oral history project on the Commission's website. On November 12, 2010, I sent you a letter regarding Moody's concerns about the personal and professional consequences that may arise for staff personnel whose confidential interviews are disclosed. You have informed us that you are considering those concerns. Mr. Siegel appreciates that consideration. To the extent that any portion of Mr. Siegel's interview may be publicly disclosed beyond the statements identified in your December 6 letter, we understand that you will notify us and that we will have an opportunity to object.

percent national drop, staying down over this short, but multiple-year period, is more stressful than the statistics call for.” Neither Mr. Siegel nor Moody’s objects to the inclusion of this quotation in the Commission’s Report.

The second identified statement is: “Moody’s position was that there was not a . . . national housing bubble.” Mr. Siegel and Moody’s object to the inclusion of this quotation as framed because it does not reflect the timeframe referenced in the staff’s question to which Mr. Siegel responded. This statement was made in response to a line of questions posed by the Commission staff concerning whether there was “any way for the model approach you described . . . to take into account the notion that say, in 2005, we may be in the midst of a bubble.” (Interview at 2:35:32-2:35:51.) Mr. Siegel’s answer related solely to Moody’s view in 2005. Mr. Siegel and Moody’s would consent to the inclusion of the statement if the time qualifier is also included, for example: In 2005, “Moody’s position was that there was not a . . . national housing bubble.” Without such a qualifier, the statement is not an accurate reflection of Mr. Siegel’s testimony or Moody’s views as to when the subprime crisis developed.

Mr. Siegel and Moody’s do not object to the inclusion of the second passage identified in your letter, and the two quotations contained therein, concerning the role of rating committees in the credit rating process.

We understand that other portions of Mr. Siegel’s interview may be under consideration for inclusion in the Report, and, if a decision is made to use additional material, you will notify us and we will have an opportunity to raise any concerns. Please let me know if this is not correct.

Please do not hesitate to contact me at (212) 558-4976 if you would like to discuss any of these matters.

Very truly yours,



Sharon L. Nelles

cc: Cassidy Waskowicz  
Sarah Zuckerman  
Sarah Knaus  
(Financial Crisis Inquiry Commission)