Department of Labor Issue FAQ on Using Credit Ratings in Prohibited Transaction Exemptions

July 15, 2011

The DOL has determined that individual prohibited transaction exemptions are not federal regulations and as a result, are not subject to the Dodd-Frank Wall Street Reform and Consumer Protection Act provision that requires federal agencies to review and modify existing regulations referring to, or requiring reliance on, credit ratings by July 21, 2011.?Ã¡ Nonetheless, the DOL recognizes Congress's intent to reduce reliance on credit ratings and is soliciting public input on alternative standards with regard to individual prohibited transaction exemptions.?Ã¡ See here.