From: Sent: To: Marcia Anderson [badkittym@yahoo.com] Wednesday, March 18, 2009 8:58 AM

Stacey Sutay

Subject:

Mark-to-Market proposed changes



LETTER OF COMMENT NO. 12

Greetings.

I am extremely concerned over the proposed changes to current mark-to-market laws - the same laws which allowed financial institutions to commit fraud by over-leveraging known toxic loans. What happened with M2M over the past 4 years in creating the housing bubble was reprehensible - BUT, now it MUST be allowed to remain in place and correct itself. To alter M2M and allow the very banks and institutions which took full advantage of these (de)regulations to throw them out the door when they no longer favor themselves, and flatly LIE about the value of said overleveraged assets, is nothing short of criminal, and a continuation of fraud.

I do believe M2M needs altering...but only after we have come out of this mess, and said properties sold (which they will, once the price is fair). To alter them now and allow those who exhibited poor and no judgment in valuing properties and assets free rein to yet again defraud the public, will do great damage. The market is simply correcting. Prices of homes in 2003 were overvalued. From 2004-2007, they became nothing short of heinous. It was an abomination. Remember the equation: a person can only afford a mortgage which is NO greater than 3x their yearly income? Well, if you compare average income to home prices even now, they are still not close, and even worse in California and Florida where the vast majority of assets lie.

Banks who engaged in fraud need to be held accountable for their decisions and actions - it may be difficult to prove they overvalued intentionally, but what better circumstantial proof than this insane push to eliminate fair M2M now that we are finally moving into realistic territory? Average home price in Southern California within commute distance of Los Angeles is still around 7x yearly average income. People WILL buy properties, but they (and trustworthy banks) are not willing to get burned. Purchasing at 7x income, is asking to get incinerated.

Banks must also not be too hasty in writing new loans. I am very pleased that right now, anyone CAN get a loan...provided they are actually credit-worthy, have at least a 20% down payment, and can prove sufficient income and stability. THAT'S HOW IT'S SUPPOSED TO BE! Please do not become a part of the overall problem. It would be very nice indeed, to be able to trust the words of government and financial heads where it comes to housing and real property. I fear that is right now an impossibility, yet we must begin finally holding the aformentioned to the same standards of accountability laid down for folks like myself, and the rest of my fellow American Citizens.

Don't cave in. Do not allow this debacle to perpetuate itself over 15 years, which is exactly what will happen if standards are eliminated or relaxed. Deregulation punched us in the head. Are you comfortable with deregulating further, KNOWING that where money is involved, humans cannot be trusted to choose wisely? Always, they will choose to take the money for themselves, and run. "It's someone else's problem - I got mine." Altering M2M in the proposed way, absolutely guarantees further fraudulent activity by institutions.

Thank you, -Marcia Anderson