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Rehoboth Beach, DE 19971

Technical Director—File Reference Number 1530-100
Financial Accounting Standards Board
401 Merritt 7
PO Box 5116
Norwalk, CT 06856-5116

LETTER OF COMMENT NO. 73

Dear Sir or Madam,

I am writing to encourage you to enact the proposed changes in accounting standards for the Financial Guarantee Industry cited in your Exposure Draft issued April 8, 2007. As you know, there are currently no industry-wide standards with respect to Revenue and Loss Recognition. This lack of standardization creates an opportunity for inaccurate assessments of risk and potential loss, as well as revenue inflation.

The Financial Guarantee Industry, as a whole, underwrote around $2.2 trillion in risk, primarily in municipal bonds, at the end of last year. With such vast numbers, the smallest accounting errors can create extraordinary financial repercussions. The impact that any capitol market dislocations caused by these potential errors could have on local municipalities would be extreme.

As an attorney and non-profit board member, I'm concerned that without these new standards, the Financial Guarantee Industry will appear healthier than it really is, and ultimately diminishing the value of the municipal bonds they insure. I urge you to give peace of mind to thousands of investors by standardizing the accounting process for the Financial Guarantee Industry.

Sincerely,