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Sent: Wednesday, October 08, 2008 7:27 PM
To: Director - FASB
Subject: Proposed FSP FAS 157-d



LETTER OF COMMENT NO.

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Dear Director Golden,

I am writing to comment on FAS 157-d. While I agree that there needs to be an adjustment to the valuation for inactive securities, I do have several concerns that I think are of great importance.

1. According to FAS 157-d, management's internal assumptions (that is, expected cash flows and appropriately risk-adjusted discount rates) should be considered when measuring fair value when relevant observable data do not exist.

Concern: It appears as if we are allowing the owner of said security to interpret/determine the value of the inactive security. The Present Value concept suggested does seem adequate and reliable. However, I believe that a better valuation would be obtained if performed by an outside institution. This would ensure an independent valuation of the security. This is especially important as there must also be an assessment of risk. The lack of independence could lead to investor's feelings of insecurity, deceit and impropriety by ownership as "it is not the act of an impropriety but the appearance of an impropriety that raises suspicion and lowers confidence".

2. In regards to broker's assessment of security valuation, I have the following concern:

Paragraph 9.

Key existing principles of Statement 157 illustrated in the example include:

- a. ...
- b. ...
- c. ...However, when markets are less active, brokers may rely more on models with inputs based on the information available only to the broker....

Concern: The use of the simulated model by brokers appears to be too reminiscent of the old "mark-to-make believe" concept that was used prior to Fair Value. While models can be useful tools, I am reluctant to rely on them as conclusive determinants of valuation.

Finally, while technically I do accept mortgage backed securities as "securities", I cannot help but somehow view them as nothing more than very large "account/loan receivables," given their underlying makeup. That is, if the underlying security is nothing more than a loan receivable, the way to adjust for the default fault risk is nothing more than a bad debt allowance. It would seem logical that a much bigger loan receivable (MBS) could be accounted for in a similar fashion.

Please forgive me if I have misinterpreted FSPFAS157-d. I apologize if I have diminished or oversimplified its' concept, process and worth.

Regards

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