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LETTER OF COMMENT NO. 31



March 25, 2009

Technical Director
Financial Accounting Standards Board
401 Merritt 7
P.O. Box 5116
Norwalk, CT 06856-5116

File Reference: Proposed FSP FAS 157-e

On behalf of The PNC Financial Services Group, Inc. we are respectfully submitting this letter expressing our support for the proposed clarification of the accounting guidance regarding the determination of inactive, markets and distressed transactions when applying Statement of Financial Accounting Standards No. 157, *Fair Value Measurements* (SFAS 157). We commend the FASB for addressing this most critical issue.

Global economic conditions over the last several years have had a significant disruptive impact on the operation of the markets for financial instruments. This coupled with the stated and implicit preference in SFAS 157 to utilize market observable inputs has caused significant issues in the application and process of determining fair value measurements particularly when there is little or no market activity. The guidance proposed does not remove judgment from the fair value measurement process but rather provides explicit parameters and a framework to enable more consistent application of fair value measurements and resulting transparent reporting. In addition, the clarification of a distressed transaction is welcomed to ensure entities do not inherently default to quoted market prices when such prices truly do not represent the current fair value of the financial instrument.

While maintaining the fair value concept, the guidance proposed acknowledges that "market value" may not be the best measurement of "fair value" in the current dislocated securities markets. The proposed FSP provides clear and explicit guidance to assist entities in properly valuing transactions in illiquid or inactive markets while maintaining a principles-based approach. The guidance proposed demonstrates the Board's timely responsiveness to today's unusual and challenging economic environment. The end result of this FSP will be more consistent and transparent accounting and reporting to better serve the users of financial statements.

Sincerely,

Richard J. Johnson