



LETTER OF COMMENT NO.

287

April 1, 2009

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

File Reference: Proposed FASB Staff Position FAS 115-a, FAS 124-a, and EITF 99-20-b, Recognition and Presentation of Other-Than-Temporary Impairments

Dear Mr. Golden:

MBIA Inc. appreciates the opportunity to comment on the Proposed FASB Staff Position FAS 115-a, FAS 124-a, and EITF 99-20-b, *Recognition and Presentation of Other-Than-Temporary Impairments*, (the "Proposed FSP"). MBIA provides financial guarantee insurance and other forms of credit protection, as well as investment management services to public finance and structured finance issuers, investors and capital markets participants on a global basis.

We support the Proposed FSP and applaud the FASB for addressing this issue. We refer you to our prior letter on FSP EITF 99-20-a, dated December 30, 2008 in which we provide additional comments and specific examples that we believe are relevant to this issue that the Proposed FSP is trying to address.

We have stated in previous communications that fair value is the appropriate measure for tradable securities. However, when the enterprise has no intention of selling a security and realizing the full loss, requiring that the entire mark be reflected in current earnings does not present the users with financial information which reflects the economics of the expected transaction. As noted in our previous letter dated December 30, 2008, a small decline from credit could result in a significant income statement effect which will only reverse over time. We believe that the Proposed FSP effectively results in the appropriate indication to users of which declines in market value are expected to be recovered as opposed to which declines in market value are not expected to be recovered. We, as well as most insurance companies, generally hold our investments to maturity and, therefore, believe that marking the entire temporary decline in fair value to income is not appropriate or useful to investors.

We appreciate the further clarification provided in the Proposed FSP on how to interpret the 'ability and intent' principle and believe this guidance will prove especially helpful

when management meets with their external auditors and attempt to interpret this complex guidance. We encourage the FASB to continue working towards convergence with international accounting standards and consider whether impairment analysis should only be driven by analysis of triggering events, as currently prescribed by IFRS standards, and not driven by the intent of the holder. Additionally, we encourage the FASB to hasten progress on their proposed project to consider whether the reversal of impairments for available-for-sale and held-to-maturity securities is appropriate. As has been pointed out to the FASB previously, certain financial instruments, such as loans held for investment under FAS 114, currently allow for the reversal of certain declines in fair value recorded in earnings. Most investors do not see a difference between loans held for investment measured under FAS 114 and certain structured investments held as available-for-sale under FAS 115.

Finally, we do not believe that the standard is operational for periods ending after March 15, 2009. As this date has already passed and the issuance of this standard will be subsequent to the close date for calendar year filers, we request that the Proposed FSP be required for periods ending after June 15, 2009 with an option to be adopted earlier for those registrants that are ready to do so.

Thank you for considering our proposal and for the opportunity to contribute to the standard-setting process. Should you have any questions about our letter, please do not hesitate to contact Kelley Kortman, Vice President of Accounting Policy Group at (914) 765-3263 or myself at (914) 765-3557.

Sincerely,

A handwritten signature in black ink, appearing to read 'Huy Tran', with a long horizontal flourish extending to the right.

Huy Tran
Managing Director
Deputy Controller and Head of Accounting Policy Group
MBIA Inc.