FSPFAS157E

LETTER OF COMMENT NO. 319

To: Adrian Mills; Diane Inzano; Joseph Vernuccio; Kristofer Anderson; Mark Trench; Meghan Clark; Russell Golden; Vita Martin; Wade Fanning

Subject: FW: Please do not allow the banks to manipulate the current Mark to Market rules and regulations.

From: Lorin.Lewis@kimley-horn.com [mailto:Lorin.Lewis@kimley-horn.com]
Sent: Wednesday, April 01, 2009 3:30 PM
To: Kristofer Anderson
Subject: Please do not allow the banks to manipulate the current Mark to Market rules and regulations.

FASB representatives,

I realize that our economy has seen better days, but I have concerns that the elimination of the current Mark to Market rules and regulations will allow the banks to continue to loot the American taxpayer and hide their fraudulent activities. This will create an even deeper hole for future generations to climb out of.

The Glass-Steagall Act of 1933 established the Federal Deposit Insurance Corporation (FDIC) in the United States and included banking reforms, was designed to control speculation. The Repeal of The Glass Steagall Act Has Produced The Highly Leveraged Investment Imbroglio That Is Just Now Starting To Unwind.

The current Mark to Market rules provide transparency to the marketplace. If we allow reform of Mark to Market we will have even less transparency in our financial institutions. Furthermore, reform of mark to market will allow the banks to dictate the value of their fraudulent lending products (CDO, MBS). This is like me dictating the value of my house and take out a home equity line of credit out for whatever I decide the value to be. This is called FRAUD.

Americans are quite aware that this reform will benefit the banks and crush the US taxpayer. It's time to pay the piper and let the bad banks fail and let the strong ones survive. Wiping the fraud off of the balance sheet will lead to economic disaster and show the rest of the world how corrupt our system is becoming.

Please do what is right for the American taxpayer. Do not change the mark to market rules which were established to protect us from Fraud, greed, and corruption.

Below are some quotes from article about M2M provided by Bloomberg.

http://www.bloomberg.com/apps/news?pid=2...

By letting banks use internal models instead of market prices and allowing them to take into account the cash flow of securities, FASB's change could boost bank industry earnings by 20 percent, Willens said. Companies weighed down by mortgage- backed securities, such as New York-based Citigroup, could cut their losses by 50 percent to 70 percent, said Richard Dietrich, an accounting professor at Ohio State University in Columbus.

"This could turn net losses into significant net gains," Dietrich said. "It may well swing the difference as to whether bank earnings are strong this quarter, or flat to negative."

'Unintended Consequences'

Citigroup had $1.6 billion of losses last year for so- called Alt-A mortgages, according to the company's annual report. That loss would be erased with the new FASB rules, Dietrich said.

Bank of America Corp. in Charlotte, North Carolina, reported "income before income taxes" last year of $4.4 billion. The FASB proposal on impaired securities would increase that figure by about $3.5 billion, or the amount of "other- than-temporary" losses that the company recognized, Dietrich said. The new rule would mean the loss would be stripped out of net income, boosting earnings, though it would still be reported in financial statements.

Lorin Lewis
Kimley-Horn and Associates, Inc.
4651 Charlotte Park Drive, Suite 300
Charlotte, NC 28217
Ph: 704-954-7485/Fx: 704-333-0845
cell: 704-650-6752
lorin.lewis@kimley-horn.com