LETTER OF COMMENT NO. 255

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

Subject: FW: Fair Value FSP FAS157-e

From: Hfbramwell@aol.com [mailto:Hfbramwell@aol.com]
Sent: Tuesday, March 31, 2009 10:43 PM
To: Director - FASB
Subject: Fair Value FSP FAS157-e

Russell G. Golden, Technical Director, FASB
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I am writing as a concerned citizen against the use of mark-to-market accounting and in favor of using historical book accounting. If mark-to-market accounting is used at all, I suggest that it be kept to the footnotes and not to the main body of the financial statements.

In my opinion, mark-to-market accounting has distorted bank financial statements and reduced lending given the fear of jeopardizing statutory capital ratios. Reversing mark-to-market accounting would improve credit availability and help thaw frozen credit markets.

Valuing debt when there are few, if any transactions in an illiquid period of time, does not work effectively. Accounting standards are not supposed to exaggerate swings up or down, which mark-to-market accounting has effectively done.

Short-term traders and short sellers appear to have had increased influence in setting policy in recent years to the disadvantage of longer-term investors and lenders. In my opinion, mark-to market accounting is an example. Also, not enough due diligence appears to have been done with regard to the impact of mark-to-market accounting on the real world. More cost benefit analysis would have helped to avoid the harmful, unintended consequences that have occurred.

I hope that these thoughts are helpful to the discussion.

Elizabeth R. Bramwell, CFA
