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LETTER OF COMMENT NO.

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Joseph R. Ficalora Chairman, President and Chief Executive Officer

October 9, 2008

Mr. Russell G. Golden FASB Technical Director FASB 401 Merritt 7 PO Box 5116 Norwalk, CT 06856-5116

File Reference: Proposed FSP FAS 157-d

Dear Mr. Golden:

On behalf of New York Community Bancorp, Inc. ("NYB") I am writing to you in regard to the Proposed FSP FAS 157-d. While we appreciate the effort and the attempt at clarifying certain aspects of FAS 157, we strongly believe that the proposed FSP FAS 157-d does not address the true inherent flaws in FAS 157 and should not be adopted. The impact of FAS 157 on the financial services industry has been overtly detrimental to both depository institutions and investment companies alike. In addition, in our opinion, FAS 157 has not provided investors with the transparency for which it was originally intended.

The problems that exist in today's financial markets can be traced to many different factors, including the implementation of "fair value" accounting, as contemplated by FAS 157. The application of FAS 157 to securities in illiquid markets should be suspended immediately and the continued use of "fair value" accounting should be re-evaluated given the current market conditions. FAS 157, and certain other related accounting literature, are flawed because they do not provide a detailed framework to guide preparers and auditors of financial statements to apply when markets become illiquid or inactive.

FAS 157 was designed, in part, to establish a framework to mark to market tradable securities, so that the balance sheets of financial firms would reflect the fair value of their financial positions. Through the current crisis, as the financial markets thinned out or even seized up, trades became fewer, pricing became more volatile, and general trading values became increasingly unreliable as it became apparent that for many assets, under such market conditions, there is no true "fair value." The FAS 157 framework has forced companies to write down, sometimes to zero, certain mortgage-related securities and other asset-backed securities, which consequently has had devastating effects on these companies and the financial markets as a

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whole. Regrettably, these unintended consequences have exacerbated the current market conditions and have accelerated or otherwise contributed to the ultimate demise of some companies.

The implementation of FAS 157 has also left many companies unnecessarily vulnerable to wild swings in the market value of their tradable assets when transactions in such assets are not observable in active markets and, therefore, makes such assets more volatile and more risky. The application of fair value accounting has, for many assets and in many cases, taken the place of the actual underlying value of the assets which has led to mark-to-market losses on hundreds of billions of dollars worth of assets that no one wants to hold due to these mark to market implications. These mark to market losses will be substantially higher than the losses in the underlying assets.

Therefore our primary concerns are: (1) relevance of fair value, (2) the unreliability of fair value with respect to inactive markets, and (3) the inappropriate acceleration and exaggeration of losses and the resultant devaluation of capital. We urge the FASB not to adopt FSP FAS 157-d and to suspend the use of FAS 157 in these illiquid and inactive markets.

Sincerely,

Joseph R. Ficalora Chairman, President and

Chief Executive Officer