

From: Lea Anne Ng [mailto:leaanneng@gmail.com]

Sent: Wednesday, March 18, 2009 2:49 AM **To:** Director - FASB; leaanneng@gmail.com **Subject:** Comment on FSP FAS 157-e

Dear Director:

This comment is in response to FSP FAS 157-e.

I believe that this is missing the mark. Enhancing the language related to the determination of whether a market is not active and a transaction is not distressed is the least of our problems. We are faced with a much bigger dilemma, which I believe the FASB should delve into more closely. The concept of fair value generally works if there is an active market for these securities and if the parameters which are used to value these securities are somewhat stable. To value these securities using a number of parameters that fluctuate by 200-400 bps every quarter is not viable. The fair value, then, becomes meaningless. Further, these extreme fluctuations, especially those that serve to reduce the value of the security, serve to make a market for these securities at much lower value, even though the actual value (meaning the assets that make up the securities) are much higher. This whole effort needs to be thought through. One cannot expect corporations to write-up and write-down these securities by large amounts quarter-over-quarter. The market is very unstable at this point and the rates that are being used reflect such instability. This is reaking havoc on the valuations. I recommend that the FASB suspend this interpretation temporarily. Whatever charge that corporations have taken to date should remain as is until the financial crisis subsides and liquidity returns to the market. At this point, temporary vs. otherthan-temporary and determination of whether a market is active or not is moot. The valuations, which is what matters, is not real.

Respectfully, Lea Anne