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LETTER OF COMMENT NO. 6

From: Charles Mahoney [mailto:CMahoney@dmv.state.nv.us]
Sent: Tuesday, July 29, 2008 6:47 PM
To: Director - FASB
Subject: FASB may delay off-balance sheet accounting change

Dear Director,

I realize the political pressures that are being exerted upon FASB to delay regarding the attached article. If FASB does delay it will be at the further expense of Certified Public Accountants and our tenuous industry. This **creative** financing structure regarding derivatives has gone too far and needs to be pulled into the light. In my humble opinion, if FASB delays, FASB and every other accounting entity will be the reason (excuse or escape goat) for the financial destruction that is currently in process.

To delay would only defraud the investing public from what is actually occurring. Please, please, please let the wheels move forward on this one or our industry will be under the wheels and in full light of the microscope. Report the truth no matter bad it stings.

Chuck, CPA.

Below is the article:

By Emily Chasan

NEW YORK, July 28 (Reuters) - The Financial Accounting Standards Board, under pressure from lawmakers, will reconsider its timeline for a controversial rule change that may force banks to bring trillions of dollars in off-balance sheet assets onto their books at its Wednesday meeting.

FASB, which sets U.S. accounting rules, will reconsider the rule's effective date and transition provisions, according to a schedule posted on its website.

"Additionally, the Board will consider transitional disclosures and the timing of both projects," FASB said on its website.

FASB voted in April to revamp two accounting standards known as FAS 140 and FIN 46R, to eliminate a concept known as the "qualifying special-purpose entity," or QSPE, that banks use to keep assets like mortgage-backed securities and special investment vehicles off their balance sheets.

The board is expected to release its proposal by the end of August and leave it open for public comment for 60 days. It has suggested parts of the new rule could be applied as soon as next year for companies with fiscal years beginning after Nov. 15.

Troubles in those off-balance sheet assets have been blamed for helping trigger the credit crisis. FASB members have said they believe the current rules prevented investors from understanding the true risks banks faced. Analysts have estimated the rule change could force banks to bring $5 trillion in assets onto their books.

But concerns about the rule's effect on the capital requirements at financial institutions have triggered a firestorm on Wall Street and been partially blamed for the sharp decline in shares of mortgage lenders Fannie Mae (FNM.N: Quote, Profile, Research, Stock Buzz) and Freddie Mac (FRE.N: Quote, Profile, Research, Stock Buzz) over the past month.

Some have urged FASB to slow down the rule. "Changes to securitization accounting could have a dramatic impact on the economy, the capital markets and consumers seeking credit," Republican Rep. Spencer Bachus of Alabama said in a letter to the chairmen of FASB and the U.S. Securities and Exchange Commission last week.

Industry groups such as the American Securitization Forum and the Securities Industry and Financial Markets Association have also written FASB to say "the risks of too much haste are high."

FASB spokesman Neal McGarity has said that other regulators, not FASB, are responsible for setting capital ratios for financial institutions. He was not immediately available for comment on the board's plans.