



October 12, 2009

Mr. Russell G. Golden
Technical Director
Financial Accounting Standards Board
401 Merritt 7
P.O. Box 5116
Norwalk, CT 06856-5116

Re: Fair Value Measurements and Disclosures (Topic 820) – *Improving Disclosures about Fair Value Measurements* (File Reference: No. 1710-100)

Dear Mr. Golden:

We appreciate the opportunity to comment on the exposure draft: Fair Value Measurements and Disclosures (Topic 820) – Improving Disclosures about Fair Value Measurements (the “Proposed ED”). MBIA provides financial guarantee insurance and other forms of credit protection, as well as investment management services to public finance and structured finance issuers, investors and capital markets participants on a global basis.

We have significantly expanded the disclosures regarding the fair value measurements in our notes to the financial statements as well as in management’s discussion and analysis of the reports filed on a quarterly basis with the SEC. This has been done in part in response to requests from the SEC, but also to provide financial information which we believe is meaningful to the users of our financial statements. While we support disclosures which provide our users with meaningful information in which to base investment decisions, we believe that the fair value disclosures proposed may be expanding beyond what is useful and may ultimately result in further confusing investors. For example, our 10-Q fair value footnote is currently over 16 pages long. We do not believe that providing more information necessarily translates into providing better information. We are concerned that the ever increasing volume of fair value disclosures has made it more difficult for investors to identify the most relevant data. We should not lose sight of the importance of allowing management to exercise judgment in providing disclosures. We encourage the FASB to evaluate all of the fair value disclosure requirements and determine how to minimize the inputs while maximizing the usefulness to users.

Some of the requested additional information in the Proposed ED we are already providing or would be relatively efficient to add to our current disclosures. For example, we have recently expanded the levels of disaggregation of our fair value hierarchy disclosures during Q2 2009 in response to ASC 820-10 and ASC 320-10 (formerly FSP FAS 115-2 and FSP FAS 157-4) which we believe largely complies with the Proposed ED guidance. Some additions and modifications to this table will likely be required, but we don’t believe that this places an undue burden on the accounting operations and would provide useful information. Additionally, the expanded

qualitative disclosures required in the Proposed ED are largely already included in the 16 pages of fair value disclosures currently required.

We do not believe that the proposed requirement to present transfers into and out of levels 1 and 2 in addition to the already required transfer disclosures would be operationally difficult and could be implemented for year end. Further, we currently monitor our transactions on a gross basis and can also provide that information without undue effort.

We believe that these changes represent positive changes which provide our users with useful information without drastically increasing the volume of data which we currently provide.

While we generally support the enhanced disclosures, we do not support the Proposed ED requirement to disclose sensitivity analyses for all level 3 valuations and provide quantitative disclosures about inputs and the valuation techniques. Essentially all of our level 3 asset valuations (primarily available-for-sale investment assets) are provided by independent third party pricing services or are received from a variety of brokers for which we do not have enough insight to be able to provide a sensitivity analysis or the level of quantitative detail as indicated by the Proposed ED. These requirements as currently written are not operational for MBIA Inc. as we are unable to ascertain enough detailed information on the pricing methods of our servicers to present a sensitivity analysis and detailed quantitative information on our level 3 investment assets. We believe that this issue will be common among most buy side market participants. Additionally, we are in the process of implementing FAS 167 which could significantly add to the amount of financial instruments subject to this disclosure. We encourage the FASB to consider how companies would be expected to comply with the aspects of this standard for the financial instruments of variable interest entities which they would be required to consolidate.

We do note that a significant portion of our derivative liabilities classified as level 3 are valued based on internally developed models. For these liabilities, we currently provide sensitivity analysis in the management's discussion and analysis section of our 10-Q and 10-K filings which we believe is largely consistent with the guidance suggested in the Proposed ED. We would encourage the FASB to either eliminate this requirement or reword the requirement to limit it to level 3 measurements for which internally managed models are used as the means of pricing.

Thank you for considering our proposal and for the opportunity to contribute to the standard-setting process. Should you have any questions about our letter, please do not hesitate to contact Kelley Kortman, Vice President of Accounting Policy Group at (914) 765-3263 or myself at (914) 765-3557.

Sincerely,



Huy M. Tran
Managing Director
Deputy Controller and Head of Accounting Policy
MBIA Inc.