From:
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 To:
 Director - FASB

Subject: Mark to market accounting

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It has come to our attention that you are considering broadening the mark to market rules that helped create and exascerbate the financial crises of 2008. It is inconceivable that you want to force banks to use this process not only on the securities they own but also the loans they make. This method does not work when markets freeze up even though the cash flow remains undeterred. The proof of this is the great depression and what we recently experienced. It forces losses on the system that are not real and eventually a vicious downward cycle of losses that lead to bank failures. How do you mark to market a loan that is paying on time but there are limited bids or no reasonable bids? Fair value accounting has the unintended consequence of increasing the cyclicality or risk in the economy. We urge you to reconsider your position on this critical issue. Thank you. Stack-Gravenstine-Smith Group.

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