

U.S. House of Representatives
Committee on Financial Services
2129 Rayburn House Office Building
Washington, DC 20515

April 27, 2009

The Honorable Barney Frank
Chairman
Committee on Financial Services
2129 Rayburn House office Building
Washington, DC 20515

Dear Chairman Frank:

As you know, on March 12, 2009, the Subcommittee on Capital Markets, Insurance and Government Sponsored Enterprises held a hearing entitled, "Mark-to-Market Accounting: Practices and Implications." During the hearing, there was bipartisan consensus that the Financial Accounting Standards Board (FASB) needed to act to address the legitimate concerns about the application of mark-to-market accounting in the current economic climate. In response, the FASB committed to make quick and meaningful modifications to the fair value accounting rules. At the conclusion of the hearing, Subcommittee Chairman Kanjorski stated that the Committee would convene a follow-up hearing after the spring district work period to review the FASB's actions in this regard.

On April 2, the FASB approved a proposal to clarify FAS 157 and 115, the relevant fair value accounting standards. While the FASB acted expeditiously to respond to many of the concerns raised by the Subcommittee Members, questions remain as to the ultimate effectiveness of the fair value accounting revisions. Therefore, I request that the Committee schedule a hearing at the first available opportunity to hear from the Securities and Exchange Commission (SEC), FASB and the Public Company Accounting Oversight Board (PCAOB), which issued a fair value audit practice alert on April 21, 2009, to review their actions and additionally receive testimony from those most affected by the FASB's actions.

Thank you for your consideration of this request.

Sincerely,


SPENCER BACHUS
Ranking Member