

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

October 2, 2008

The Honorable Barney Frank
Chairman
Committee on Financial Services
2127 Rayburn House office Building
Washington, DC 20515

Dear Chairman Frank:

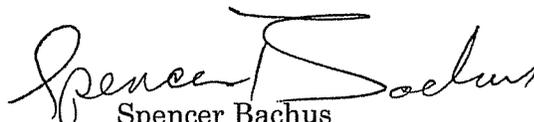
As Congress continues its deliberations on the Emergency Economic Stabilization Act of 2008, fair value or "mark-to-market" accounting has become part of our national discussion to restore order to the capital markets.

At a hearing on September 18, 2008, you indicated that the Committee would hold hearings in the fall to begin its examination of proposals for reforming our current regulatory system. The Committee has not held any hearings in this Congress on accounting policy, nor conducted any significant oversight of our accounting and auditing standard setters. Accordingly, I am writing to request that as part of its consideration of regulatory reform, the Committee hold hearings to thoroughly review fair value accounting standards, including the extent to which those standards may have contributed to the current economic downturn and exacerbated the credit crunch.

These hearings should specifically examine whether reforms to FAS 157 are warranted, and should include testimony from all interested parties, including the Securities and Exchange Commission (SEC), the Financial Accounting Standards Board (FASB), the Public Company Accounting Oversight Board (PCAOB), the International Accounting Standards Board, academics, auditors, investors and issuers.

Thank you for your consideration of this request.

Sincerely,


Spencer Bachus
Ranking Member

cc: Financial Services Committee Republican Members