



Consumer Federation of America



February 13, 2009

Mr. Timothy F. Geithner  
Secretary  
Department of the Treasury  
1500 Pennsylvania Avenue, NW  
Washington, D.C. 20220

Mr. Ben S. Bernanke  
Chairman  
Federal Reserve Board  
20<sup>th</sup> and C Streets, NW  
Washington, D.C. 20551

Ms. Mary L. Schapiro  
Chairman  
U.S. Securities and Exchange Commission  
100 F Street, NE  
Washington, D.C. 20549

Dear Secretary Geithner, Chairman Bernanke, and Chairman Schapiro:

We are writing to applaud your efforts to restore investor confidence in the U.S. capital markets during this time of extreme uncertainty. As you seek solutions, we caution against taking action that could further undermine the confidence of investors.

We appreciate the challenges of dealing with the financial instability resulting from the toxic assets held by banks. However, changing financial accounting standards because of valuation challenges is not the way to solve regulatory capital problems. Retreating from fair value in response to political pressure would raise suspicions that the rules were changed in order to falsely inflate asset values. We must avoid a further crisis of investor confidence in our government and the regulatory bodies overseeing those institutions.

We should not confuse the independent private sector Financial Accounting Standards Board's role to develop and improve financial accounting and reporting standards with the role and responsibilities of the regulatory bodies charged with the oversight of the safety and soundness of financial institutions. We do not believe the FASB is the body to effect capital adequacy goals for the financial institution sector.

We applaud Treasury Secretary Geithner's efforts to find asset valuations that are fair, realistic, and provide the government with a good assessment of risk. However, this should not be done at the expense of fair value accounting information that best serves the interests of investors both now and over the long term.

We would be pleased to meet with you at your convenience to elaborate on our views.

Sincerely,



Cindy Fornelli  
Executive Director  
Center for Audit Quality



Patrick Finnegan  
Director, Financial Reporting Policy Group  
CFA Institute Centre for Financial Market Integrity



Barbara Roper  
Director of Investor Protection  
Consumer Federation of America



Jeff Mahoney  
General Counsel  
Council of Institutional Investors

cc:

Kathleen L. Casey, Commissioner, SEC  
Elisse B. Walter, Commissioner, SEC  
Luis A. Aguilar, Commissioner, SEC  
Troy A. Paredes, Commissioner, SEC  
Mark W. Olson, Chairman, PCAOB  
Robert H. Herz, Chairman, FASB  
Honorable Christopher J. Dodd  
Honorable Richard C. Shelby  
Representative Barney Frank  
Representative Spencer Bachus