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Message

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HTML

From: "nobody@www.senate.gov" <nobody@www.senate.gov>
Date: 8/7/2008 2:51:34 PM
To: "hopksv@bunning-iq.senate.gov" <hopksv@bunning-iq.senate.gov>
Cc:
Subject: Mark to market requirements

Senator your group after the Enron and Worldcom failures begin to require companies to mark their assets to market. This would add transparency which is good. However, that accounting change requires companies to front end load "perceived" losses in their current quarter. As we have seen the resulting effect has been devastating to many companies. When there is no perceived market the mark becomes completely uncorrelated with the underlying value of the asset.

My suggestion would be to remove the mark to market requirements and let institutions continue to write down those assets that are not performing as they become non performing. There may be a few abuses along the way but the cost would be inconsequential compared to the financial burton we are having to carry due to the unintended consequences you group has created.

Regards,
Steve Grossman