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March 10, 2009

Chairman Mary Schapiro
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

Dear Chairman Schapiro,

We write to bring your attention to an issue we believe may need further consideration as we look at solutions to help our financial markets. Specifically, we would like the SEC and FASB to further examine mark-to-market accounting rules to help community banks better serve their communities and accurately disclose their financial condition to investors. Requiring community banks that have demonstrated the ability and intent to hold securities until maturity to disclose losses due to disorderly markets in footnotes in financial statements could prove beneficial. Any true economic loss (i.e., probable credit losses) would continue to be reflected in reported earnings.

In these uncertain times, it is important that we work to create as much transparency in the market as possible, while recognizing the value of proper disclosure. We believe that requiring footnotes would not only help increase transparency of the true value of assets to investors, but would also help community banks preserve capital which could ultimately help strengthen our financial system, the housing market, and ultimately our economy.

We believe that making necessary changes to accounting rules could be especially appropriate for community banks since they often hold assets on their own books until maturity. Thus, cash flow is a better measure of value for financial instruments than their trading value. This would also avoid unnecessarily impairing community banks' capital and earnings, helping them support the market for home loans and commercial real estate. This may be especially beneficial to areas where these markets are under unusual stress.

We request that as you look at various options for needed changes to today's accounting rules, that you please consider our concerns. We greatly appreciate your time and attention to this matter, and we look forward to your response.

Sincerely,

MARY BONO MACK
Member of Congress

KEN CALVERT
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