

# Business Coalition Statement on FASB's Action

**Washington, D.C.** - A broad-based coalition of business organizations and institutions today issued the following statement in response to the Financial Accounting Standards Board ("FASB") decisions regarding implementation issues with Fair Value Accounting (FVA) standards.

The coalition commends the FASB for their quick action and is encouraged by the changes to impairment rules which represent real progress in the accurate reflection of real economic losses.

However, by reversing the proposed standards for the use of judgment in valuing assets, FASB continues an "exit price" philosophy and has taken a backward step in recognizing illiquid and non-functioning markets for valuation purposes.

Despite the progress made, regarding impairment rules, we are concerned about the FASB's decision to use orderly transactions in inactive markets for valuation purposes. Inactive markets by definition are not orderly. The proper application of accounting rules is critical to government efforts to encourage lending and must be addressed immediately. We will continue to work with all those concerned to address these outstanding issues.

American Council of Life Insurers  
Commercial Mortgage Securities Association  
Council of Federal Home Loan Banks  
International Council of Shopping Centers  
Group of North American Insurance Enterprises  
Mortgage Bankers Association  
National Association of Home Builders  
Property Casualty Insurers Association of America  
The Financial Services Roundtable  
The Real Estate Roundtable  
The U.S. Chamber of Commerce