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Memo

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November 18, 2009

To: Members of the House Financial Services Committee

From: Floyd Stoner, Executive Vice President, Congressional Relations and Public Policy

Re: Support the Perlmutter-Lucas Revised Accounting Amendment to H.R. 3996

On behalf of the members of the American Bankers Association (ABA), I am writing in support of the revised systemic risk accounting amendment that will be offered later today by Rep. Ed Perlmutter (D-CO) and Rep. Frank Lucas (R-OK) to H.R. 3996, the Financial Stability Improvement Act of 2009.

The revised Perlmutter-Lucas amendment authorizes the Financial Services Oversight Council (Council), which includes the Securities and Exchange Commission (SEC), to review and submit comments to the SEC and the Financial Accounting Standards Board (FASB) on an accounting principle that it believes presents a systemic risk to our financial system.

The amendment does not interfere with the development of accounting principles and standards by the FASB or FASB's independence. It has no impact on SEC oversight of FASB's accounting standards setting activities. The SEC and FASB would be free to accept or reject those comments, but the Council would have the responsibility of commenting on any accounting principle that it believes presents a systemic risk.

Please support the revised Perlmutter-Lucas accounting amendment.