

PRESS RELEASE



Congressman Gary G. Miller
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Congressman Miller Introduces Legislation To Encourage Regulators to Act in the Best Interest of the Taxpayer By Reforming Accounting Standards

Washington, DC – Congressman Gary Miller introduced a bill to today that would require the Securities and Exchange Commission, in consultation with the Federal Reserve, to revise fair value accounting standards to help bring stability to the financial marketplace.

“Over the year, I’ve expressed concern on the effects mark-to-market accounting standards are having on financial institutions. After I received much pushback from federal regulators on the issue, I amended the housing bill to simply require the regulators to study the effects of fair value accounting standards on financial institutions during periods of market value declines. While this language never made it into the final housing legislation, I believe that the regulators’ neglect on this issue has led to many institutional failures, and we are seeing the detriment these accounting standards are having on many of what may possibly be healthy financial institutions. I strongly urge the federal regulators to act now, and act quickly. Taxpayers are at risk and they deserve action. We might not have been in the financial crisis we are in today if these rules were re-evaluated and reformed,” said Congressman Miller.

“I believe these rules may have contributed to the general devaluation of mortgage-backed securities,” added Congressman Miller. “In today’s economy, mark-to-market accounting causes many asset values to be understated, write-offs to be overstated, and the credit crisis to be exaggerated.”

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