

# PRESS RELEASE

**Congressman Gary G. Miller**  
**42<sup>nd</sup> District, California**



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CONTACT: Jessica Baker  
(202) 225-3201

## **Rep. Gary Miller's Statement on Mark-To-Market**

Washington, DC – Following today's hearing on mark-to-market accounting, Congressman Gary Miller issued the following statement:

“Over the past year, I've repeatedly expressed concern on the effects mark-to-market accounting standards are having on financial institutions and I have implored the SEC to give companies more guidance on determining the value of investments in inactive markets. I have offered several amendments, sent numerous letters, and have introduced legislation to address this critical issue in this Congress and the last. I secured a provision in a House passed bill on May 8, 2008, to require the SEC, in consultation with the Federal Reserve and Treasury, to conduct a study on the effects mark-to-market was having on financial institutions. After much pushback from the regulators, I again secured this provision in the Emergency Economic Stabilization Act of 2008, which was signed into law on October 8, 2008.

“In its congressionally mandated report issued last December, the SEC validated my concerns, finding that the application of accounting rules for impaired securities needs to be improved. However, despite this report and my previous efforts, accounting policymakers have yet to take the necessary steps to address the issues raised and to improve the fair value accounting standard and its application in all market conditions.

“Due to this neglect, during consideration of the oversight plan of the House Financial Services Committee for the 111<sup>th</sup> Congress, members unanimously approved an amendment I offered to strengthen the Committee's oversight on mark-to-market accounting and ensure that the accounting policymakers take additional steps to revisit and address the issues raised in the report. My amendment also required the Committee to examine whether viable alternatives exist to pricing distressed assets in an inactive market, including offering clearer and more specific guidance, new and additional changes to the current standard, and exploring alternatives, such as allowing firms to separate 'credit' and 'liquidity' risk in the estimation of the fair values of assets.

“Due to this amendment, the Financial Services Subcommittee on Capital Markets, Insurance, and Government Sponsored Enterprises today examined the SEC's long overdue report and explored viable alternatives. I applaud the Subcommittee for discussing these critical matters, but have again urged the SEC in a letter to take all necessary and immediate action to address ongoing issues with the fair value accounting standard and its application. As our economy continues to decline and Americans all across the nation are hurting, it is clear that we cannot wait any longer to make appropriate changes.”

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**NOTE:** [Click here](#) to view Congressman Miller's recent letter to SEC Chairman Schapiro.