

March 16, 2009

Congressman Paul Kanjorski  
2188 Rayburn House Office Building  
Washington, DC 20515-3811

Dear Congressman Kanjorski,

Thank you!

As a result of your Committee's hearing last week, action was promised by the FASB. Finally, a welcomed dose of common sense has been inserted. Thank you for taking this critical step and for requiring the FASB to take quick action.

I agree with you and the Committee that it should not be the job of Congress to determine or direct accounting policy. However, the United States' economy is teetering and when an accounting policy exacerbates an already dreadful problem, and the FASB policy makers hide behind their independence and obstinance, then swift action, as you required, is necessary.

A couple notes of caution. First, the FASB has already demonstrated they can drag their feet and ignore guidance and direction. I encourage you to not let up and create the back-up plans necessary to implement change. If this means drafting and circulating legislation to regulate the accounting industry, so be it. The United States must take a leadership role in solving this global problem with regard to the accounting treatment of potentially impaired assets. Accounting should follow business decisions and not be driven by accounting treatment. All other accounting bodies will follow our lead. Please do not let the FASB's points about the International Accounting Standards Board sway you, as the international community will no doubt respect the decisions of the United States and adjust accordingly.

Secondly, please direct all financial institution regulatory bodies to suspend FAS 157 accounting for regulatory capital calculation purposes. During your committee's testimony, the Chief Accountant for the Securities Exchange Commission indicated that they have the power to suspend or change the requirements for Regulatory Accounting Practices. (I assume all financial regulators carry this same authority.) Yet, none of the financial regulators have taken any action. If necessary, please haul them into a hearing and ask all regulators why they have not stopped the madness created by the FAS 157 in a dislocated and non-functioning economy.

Lastly, please help make it clear to the FASB that transparency has everything to do with disclosures in footnotes, and nothing to do overtly under valuing assets in financial statements. This is especially true when there is no intention of selling regardless of whether an investment is classified as Held To Maturity or Available For Sale when the

ability to hold is demonstrated. Pretending that "exit value" pricing (what the market currently reflects, assuming a forced sale) whether in an upward lifting or downward spiraling economy creates a mis-statement that misleads everyone who reads the financials. If "fair value" accounting was such a great idea, why isn't all balance sheet items required to be recorded at fair value instead of just securities?

One additional note of encouragement. Please require the FASB to make the necessary changes retroactive to December 31, 2008, not March 31, 2009 as year end financials must be adjusted to avoid drastic consequences.

Congressman, thank you for your leadership on this critical issue. Please continue to help save the financial services industry, particularly the Credit Union Movement. Please do not hesitate to contact me if I can be of any assistance.

Sincerely,

A handwritten signature in black ink that reads "Thomas R. Graham". The signature is written in a cursive style with a large initial 'T'.

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