

November 4, 2009

The Honorable Barney Frank
Chairman
Committee on Financial Services
U.S. House of Representatives
2128 Rayburn House Office Building
Washington, DC 20515

The Honorable Spencer Bachus
Ranking Member
House Committee on Financial Services
United States House of Representatives
2129 Rayburn House Office Building
Washington, DC 20515

Dear Chairman Frank and Ranking Member Bachus:

It is our understanding that Congressman Ed Perlmutter (D-CO) is considering language to amend the Financial Stability Improvement Act of 2009, which would undermine the independent accounting standard process as currently carried out by the Financial Accounting Standards Board (FASB). The American Institute of Certified Public Accountants (AICPA) strongly opposes this amendment and any attempt that would serve to undermine the independence of accounting standard setting.

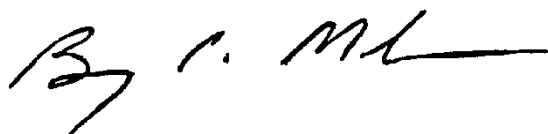
The purpose of public company financial reporting is to provide investors with clear, objective, and transparent financial information. This helps investors make informed investment decisions. Any attempt to divert financial reporting from its primary investor-focused objectives to other policy objectives with regard to financial institutions damages investor protections.

Furthermore, the AICPA firmly believes that the efforts and activities of the FASB should remain under the oversight of the United States Securities and Exchange Commission (SEC). The missions of the FASB and the SEC operate in harmony with both entities focused on ensuring that U.S. capital market participants receive the best possible financial information on public companies so that current and potential investors can make decisions and allocate capital efficiently. There is currently no authoritative body under Congress' jurisdiction other than the SEC whose mission complements and strengthens that of the FASB. Our understanding is that Rep. Perlmutter's approach would direct those agencies that are contemplated to oversee systemic risk to shoulder responsibilities for overseeing accounting standards; however, those agencies being contemplated to oversee systemic risk do not have the same focus on the importance of the U.S. financial reporting system related to the setting of accounting standards for public companies. This will impair the quality of information received by investors because

factors other than the primary needs of investors will be taken into account when the proposed board oversees accounting standards. We are concerned that investors will not fare well under such a scenario.

The SEC and FASB have made great strides in improving the quality of financial information available to investors. The AICPA has observed this sentiment from investors and other stakeholders over many decades. If Congress transfers oversight of FASB to a board of regulators it will be viewed by many as disregard for the interests of investors.

Sincerely,

A handwritten signature in black ink, appearing to read "B. C. Melancon". The signature is fluid and cursive, with a long horizontal stroke at the end.

Barry C. Melancon
CEO and President
American Institute of Certified Public Accountants