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Sent: Wednesday, March 03, 2010 5:20 PM

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Subject: Fair-Value rule saved the banks, is it looting the public now, by squeezing the supply? be aware if you are in the buyers market.

Respected sir,

Has depressing pressure tied hands around our economists? Are they failing again to understand the mainstreet?

This is to voice my opinion on how, we are getting the other end of the FASB's fair-value changes that are used and getting finalized (Sep 2010).

http://www.fasb.org/jsp/FASB/CommentLetter_C/CommentLetterPage&cid=1218220137090&project_id=1710-100

Evidence of Supply squeezing

1. Few months ago there were several houses I could buy from, foreclosure/shortsale/BO. Today we don't see them. I was surprised to see that they are not sold, just out of the market, because banks are keeping them in some transaction state, my favorite is "deciding on a submitted offer"!!

2. There are now 1-2 houses in the market, my favorite is short sale!!, because banks don't have to sell them(no binding) they just need an offer against it. No legal binding to close, can give any reason to drop the offer.

Profitting

3. Banks can afford to keep it that way because, the fair-value rules let them evaluate it for themselves. Because the fair-value equation are all from banks.

3a. Last March by this single change citi bank losses were cut down by 50%.

4. Rules are letting banks to disregard real sale values in the name of loosely defined distress.

5. Rules by default lets bank assume that market value is more then sale value as the values are under pressure.

5a. Bank needs offers to keep boosting the book value.

6. There is no independent body to evaluate the fair-value rules!!

7. Some houses are etenally on short sale and banks bump out old offers with new offers and don't sell.

8. I have seen mails from banks saying bring me an [offer@250+](#). Not that he wants to see it sold. He just want that offer to re-adjust fair market value for all the houses in that area. wow!!

9. Once bank have one or 2 offers which are not necessarily VALID/STRONG/STICKING, they are readjusting all the houses that are in its possession. Then the book value of bank looks fantastic.

10 I was looking with listing agents, they just wanted an offer!! Wonder why? shows no interest in closing it! wow! 30+ offers(some @ asking prize), about a year, none accepted, only 2-3 houses are sold

There is something fundamentally wrong sir. Banks are taking public like us for another ride!!

Doubling the profit

Banks, I am sure are borrowing against this artificially inflated book values.

Nightmare

Year+ from now, when Freddy and Fanny increases the rates , Fed take away incentives then we are up for another burst!! Congress stops pumping into Freddy and Fanny. (over 400 billion so far)

If you ask me current buyers are getting cheated
Please evaluate sir!

--raju