

REIS NEWS

March 15, 2008

Highlights:

- REIS Council and Board respond to FASB exposure draft of FSP 157 (c)
- Q&A relating to FAS 157 and 159 guidance to be issued in March
- Exposure draft for Proposed Fund Reporting Standards available for public comment
- Adopting Release for Proposed Performance Measurement and Reporting Standards submitted to Board.

Response to FASB Exposure Draft

On February 18, the REIS Council and Board [responded](#) to the FASB exposure draft of FSP 157 (c), *Measuring Liabilities under FAS 157*, the new Fair Value Measurement standard. Within the letter, we expressed concern with the inconsistency in application of FAS 157 in the valuation of assets and liabilities and we requested clarification within the FSP to ensure the valuation of collateral dependent liabilities gives consideration to the valuation of the underlying asset.

Q&A: FAS 157 and FAS 159 Guidance

REIS requires Fair Value U.S. GAAP, and therefore consistent application and interpretation of FAS 157 and FAS 159 are of paramount importance to REIS. Following a successful accounting committee meeting, we will be posting guidance in the form of a Q&A document for the implementation of FAS 157 and FAS 159 to assist members with their first quarter close. The document will be available by the end of March. As previously reported, all funds and accounts seeking REIS compliance must have elected FAS 159, the Fair Value Option as of January 1, 2008.

Fund Reporting Standards – Chapter 4

On March 1, 2008, the REIS Council and Board issued an Exposure Draft for public comment relating to the Proposed Fund Reporting Standards. The comment period ends April 30. The Exposure Draft proposes required and recommended periodic reporting disclosures for commingled funds and single investor separate accounts. These proposed standards were developed in order to continue the REIS mission to provide comparable, verifiable and transparent information to our constituency. All interested parties are encouraged to respond to this very important initiative.

Performance Measurement and Reporting Standards – Chapter 3

An Adopting Release for the new Performance Measurement and Reporting Standards was submitted to the REIS Board for approval. The Board will meet in late March. The REIS update is deemed necessary in order to conform REIS to GIPS. Under this proposed chapter, in order to be in compliance with REIS a firm must be in compliance with GIPS and nondiscretionary accounts must follow GIPS and REIS valuation and calculation methodology.

REIS News provides a status report of significant developments within REIS and the foundational standards' bodies on which it depends (USPAP, U.S. Fair Value GAAP, and GIPS). More detailed information is available on the REIS page of the NCREIF web site (www.ncreif.org/reis) and the foundational standards' web sites.