

Incorrect valuation is the cause and the correct solution of value or price determination is the solution of the current financial crisis. The Federal Reserve must not avoid the solution of value. Full disclosure of material facts to infinity in time and full disclosure is necessary in the solution of value (e.g. <http://www.infinitespreadsheet.com>) and should be the basic principle in truth in lending. Failures of Fannie Mae and Freddie Mac and AIG are due mainly to incorrect valuation. In particular, insurance premiums should be dependent more on the valuation of the mortgaged real estate than on actuarial analysis. Hugh Ching, Post-Science Institute, 5-14-2009