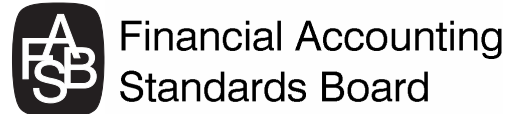


MINUTES



To: Board Members
From: Hamilton, ext. 330
Subject: Minutes of March 10, 2004 Informational Board Meeting regarding Servicing Rights **Date:** March 10, 2004
cc: Bielstein, L. Smith, Petrone, Polley, Swift, Leisenring, Sutay, Thompson, Gabriele, Intranet, Financial Instruments Team, Revenue Recognition Team, Fair Value Team

Topic: Servicing Rights

Basis for Discussion: PricewaterhouseCoopers Discussion Materials (refer to Exhibit)

Length of Discussion: 1:00 p.m. to 3:35 p.m.

Attendance:

Board members present: Batavick, Schieneman, Schipper, Seidman, and Trott

IASB Board/Staff present: Leisenring

Board members absent: Herz, Crooch

Staff in charge of topic: Laurenzano

Other staff at Board table: L. Smith, Wilkins, Lott, Pinson, Sletten, Hamilton

Outside participants: Woody Wallace, Partner - National Office
Tim Ryan, Partner - US and US Banking
Leader, Boston Office
Tim Kviz, Senior Manager - National Office

Brett Williams, Senior Manager - Consumer
Finance Practice, Philadelphia Office

Summary for ACTION ALERT:

The Board met with representatives of PricewaterhouseCoopers. The discussion focused on issues facing the mortgage banking industry relative to the application of the current accounting model for mortgage servicing rights. Discussion about servicing rights included valuation of mortgage servicing rights, current use of fair value of mortgage servicing rights for both accounting and operational purposes, risk management and hedging issues, amortization and impairment methodologies, and comparability concerns with financial reporting under the current model. The meeting was educational and no Board decisions were reached.

Matters Discussed and Decisions Reached:

The Board met with representatives of PricewaterhouseCoopers and discussed the materials in the attached Exhibit, which was prepared by the PricewaterhouseCoopers representatives. The meeting was educational and no Board decisions were made.

Exhibit

Follow-up Items: None.

General Announcements: None.