Letter of Comment No: \\
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----Original Message----

From: Beverley Rutherford [mailto:beverley.ruther

Sent: Tuesday, August 31, 2004 1:25 PM

To: Director - FASB

Cc: 'mdunn@cuna.com'; 'ktatloc@vacul.org'

Subject: Reference 1201-100

Thank you for the opportunity to comment on your proposed statement of financial accounting standards regarding Fair Value Measurements. We appreciate the Board's efforts to improve the consistency, comparability, and reliability of fair value measurements. I am responding on behalf of a state-chartered credit union located in Virginia.

We have the following selected comments/concerns related to the proposed guidance:

Issue 1- Definition of Fair Value

We have some concern whether the fair value measurement can be consistently applied, even with the guidance available. Unless items have a quoted market price, different people will interpret the guidance differently. Also, unless specific examples are given for all types of assets and liabilities it can be difficult to determine how an item fits in with the guidance. For financial institutions, market value of non-maturity deposits can be extremely controversial.

Issue 2- Valuation Techniques

We believe it would be helpful if more examples were provided for selecting appropriate discount rates.

Issue 3- Active Markets

We believe the guidance provided is sufficient; however, requiring the use of bid/ask prices instead of closing prices in certain situations may complicate matters. This may result in companies having to pay for outsourcing of these prices.

Issue 4- Valuation Premise

The general guidance that should be used for selecting the valuation premise for estimates of fair value is sufficient; however, in determining fair values of non-financial assets, we are concerned minimal value would be added for the effort required in determining fair values.

Issue 12- Effective Date

The effective time period proposed does not appear to be sufficient to make the necessary changes to implement the proposed Statement. We believe a full year from the time the Statement is issued would be adequate in order for companies to find appropriate sources for

obtaining market values, as well as develop and implement related policies and procedures.

Should you have any questions about these comments, feel free to contact me.

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