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October 6, 2005

Letter of Comment No: 3
File Reference: 1220-001

Mr. Lawrence W. Smith
Director of Technical Application & Implementation Activities
Financial Accounting Standards Board
401 Merritt 7
P.O. Box 5116
Norwalk, CT 06856-5116

Re: File Reference 1220-001, FASB Exposure Draft, Accounting for Servicing of Financial Assets, an amendment of FASB Statement No. 140

Dear Mr. Smith:

ABN AMRO in North America (ABN AMRO) is a provider of diversified financial services including commercial, investment, mortgage and retail/consumer banking; brokerage and trust services; and investment management. As both a user and an issuer of financial statements, ABN AMRO is pleased to present our views regarding the mortgage servicing rights elements of the Exposure Draft, *Accounting for Servicing of Financial Assets* which, if adopted, would amend FASB Statement No. 140, *Accounting for Transfers and Servicing of Financial Assets & Extinguishments of Liabilities* (the Proposal).

ABN AMRO supports the requirement in the Proposal that all separately recognized servicing rights initially be measured at fair value. ABN AMRO also supports the elective approach to subsequently measuring servicing rights at either fair value or lower of cost or market based upon a one-time election. This approach to subsequent measurement will permit issuers of financial statements to reflect, comprehensively, the economics of mortgage servicing rights and related economic hedging activities in their financial statements while reducing costs of complying with hedge accounting requirements.

ABN AMRO would prefer that each institution make its own decisions about the classes to be used to measure mortgage servicing rights. Rather than specify rules around asset classes, each institution should use procedural discipline to determine the treatment of each class of mortgage servicing rights.



ABN AMRO is also in favor of the transition provision that permits a reclassification of securities classified as available-for-sale securities to the trading category in conjunction with adopting the Proposal.

We appreciate your consideration of our comments on the Proposal. Should you have any questions or comments, please contact me at (312) 904-1221.

Very truly yours,

A handwritten signature in black ink, appearing to read "Karen Ingwersen", written in a cursive style.

Karen Ingwersen
Senior Vice President
Manager of Financial Policy