

October 7, 2005

Technical Director – File Reference 1210-001 Financial Accounting Standards Board 401 Mcrritt 7 P.O. Box 5116 Norwalk, CT 06856-5116

Proposed Statement of Financial Accounting Standards

"Accounting for Certain Hybrid Financial Instruments an amendment of FASB Statements No. 133 and 140"

We appreciate the opportunity to comment on the above-referenced proposed amendments to Statement of Financial Accounting Standards No. 133 and 140. BB&T Corporation and its subsidiaries offer full-service commercial and retail banking and additional financial services such as insurance, investments, retail brokerage, corporate finance, treasury services, international banking, leasing and trust. With over \$105 billion in assets, BB&T Corporation is the nation's ninth largest financial holding company.

We commend the FASB on its efforts to address some of the complexities in applying SFAS 133. We agree with the decision to provide a fair value measurement election for certain hybrid financial instruments as a means of improving financial reporting consistency and simplification. However, as discussed below, we do not believe additional guidance is needed regarding the implementation of how to evaluate whether an instrument includes an embedded derivative.

Fair Value Election

Issue 1: Do you support the Board's decision to permit fair value remeasurement for hybrid financial instruments that contain an embedded derivative that otherwise would require bifurcation?

We believe the decision to permit fair value remeasurement for these instruments is appropriate. We believe this reduces complexity in identifying and measuring embedded derivative instruments.

Evaluation to Determine If Embedded Derivatives Exist

Issue 2: Should this proposed Statement provide implementation guidance on how to evaluate whether an instrument contains an embedded derivative that would require bifurcation? If so, what type of guidance do you believe the Board should consider?

Since the amendment does not affect the criteria to be used to evaluate whether an instrument contains an embedded derivative, we do not believe there is a significant need for additional guidance. The existing guidance provides sufficient, principles-based criteria and we believe entities have been able to apply these criteria appropriately and consistently over time. While we appreciate the desire to provide clarity, we believe additional guidance is unnecessary as the examples already included in the appendix provide sufficiently clear illustrations of the principles to be used in the evaluation.

Interaction with Statement 140

Issue 3: This proposed Statement requires evaluation of instruments for identification of embedded derivatives and permits but does not require fair value measurement for instruments that contain embedded derivatives that otherwise would require bifurcation. Are the requirements for evaluating and accounting for interests issued by qualifying SPEs clear and understandable? Is the guidance for evaluating how the existence of embedded derivatives would affect whether an entity is a qualifying SPE clear and understandable? If not, what additional clarifying guidance should the Board consider?

We believe the requirements for evaluating and accounting for interests issued by qualifying SPEs are sufficiently clear and understandable. We do believe additional guidance, including specific examples, would be beneficial regarding how embedded derivatives would affect the status of a qualifying SPE.

Effective Date

Issue 4: This proposed Statement would be applicable to all instruments obtained or issued after the earlier of fiscal years beginning after December 15, 2005, or fiscal years that begin during the fiscal quarter in which the Statement is issued, if applicable. Do you believe that the effective date provides sufficient time for implementation by calendar year reporting enterprises?

We agree that the effective date is reasonable and the provisions of the statement should not be applied to instruments that an entity holds at the effective date.

Thank you for the opportunity to express our views. If you would like discuss our comments, please call Jay Cochrane at 336-733-3920.

Very truly yours,

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