Bank of America

December 30, 2008

LETTER OF COMMENT NO. 225

Mr. Russell G. Golden
Technical Director
Financial Accounting Standards Board
401 Merritt 7
P.O. Box 5116
Norwalk, CT 06856-5116

Re: File Reference: Proposed FSP EITF 99-20-a

Dear Mr. Golden:

Bank of America appreciates the opportunity to comment on the Proposed FASB Staff Position EITF 99-20-a, *Amendments to the Impairment and Interest Income Measurement Guidance of EITF Issue No. 99-20* (the Proposed FSP). Bank of America is one of the world's largest financial institutions providing a diverse range of financial services and products. Bank of America supports the Proposed FSP and the FASB's efforts to identify and eliminate unnecessary complexity in the accounting for financial instruments.

Specifically as it relates to the Proposed FSP, we agree that similar instruments should be subject to the same impairment model, and are therefore supportive of the Proposed FSP. Bank of America also supports the proposed immediate effective date of interim and annual reporting periods ending after December 15, 2008. We concur that the impairment model of FASB Statement No. 115, *Accounting for Certain Investments in Debt and Equity Securities* (FAS 115) is operational for beneficial interests that were previously within the scope of EITF 99-20.

Additionally, we respectfully suggest that the FASB consider going one step further and limiting the scope of EITF 99-20 to residual beneficial interests (i.e., those that have no contractual cash flows) only. This would align not just the impairment models of like securities, but also the interest recognition models of similar securities. For example, the interest recognition model for the contractual cash flows of BBB-rated securities should theoretically be the same as for AAA-rated securities.

We strongly support the FASB moving forward with a proposal to reconcile the impairment models that exist within FASB Statement No. 114, *Accounting by Creditors for Impairment of a Loan, an amendment of FASB Statements No. 5 and 15* (FAS 114) and FAS 115. We believe that credit risk should be the trigger point for recognition of impairment losses when there is an intent and ability to hold the security to recovery (or maturity). Any impairment losses recognized should be measured as only the credit component of the change in fair value of the security. This approach would be more consistent with that which is provided for in FAS 114. Based on the time frame of the Proposed FSP, we acknowledge that these considerations may not be possible prior to its issuance. Therefore, we believe the FASB should fast-track a project during the first quarter of 2009 to address the inconsistencies in recognition of impairment between FAS 114 and FAS 115.

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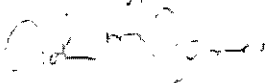
Bank of America appreciates the opportunity to express our views in this letter. Should you have any questions, please feel free to contact Randall Shearer at 980-388-8433 or me at 980-387-4997.

Sincerely,



John M. James
Senior Vice President and
Corporate Controller

cc: Craig R. Rosato, Chief Accounting Officer
Randall J. Shearer, Accounting Policy Executive