

August 28, 2006

Mr. Lawrence W. Smith  
Technical Director  
Financial Accounting Standards Board  
401 Merritt 7  
P.O. Box 5116  
Norwalk, CT 06856-5166



LETTER OF COMMENT NO.

70A

Re: Exposure Draft, *The Fair Value Option for Financial Assets and Financial Liabilities, Including an amendment of FASB Statement No. 115* (File Reference No. 1250-001)

Dear Mr. Smith:

We would like to take this opportunity to discuss a potential change to the Exposure Draft, *The Fair Value Option for Financial Assets and Financial Liabilities, Including an amendment of FASB Statement No. 115* (the Exposure Draft). Bank of America Corporation provides a diverse range of financial services and products throughout the United States and in selected international markets and is the second largest U.S. bank in terms of total assets.

During last week's Board meeting, some Board members suggested that an entity would be able to early adopt the Fair Value Option (FVO) standard only if it also adopted the Fair Value Measurements (FVM) standard at the same time. We understand based on discussions with the FASB staff that this is a topic the Board plans to debate in September.

We at Bank of America are concerned about this linkage. We are prepared to adopt the FVO standard as of 1/1/07 if the final standard permits us to do so. We hope to eliminate the asymmetrical accounting associated with certain loan portfolios that are carried at the lower of cost or market and are economically hedged by derivative instruments that are carried at fair value. We would apply our existing fair value measurement techniques to financial instruments for which we adopt fair value. In general, those techniques are consistent with the principles set forth in the FVM standard.

Although we have taken preliminary steps to prepare for implementation of the FVM standard, it is highly unlikely that we would be prepared to adopt that standard by 1/1/07, as we need time to develop an operational infrastructure to prepare the required disclosures in a well-controlled environment. As the information required by the disclosures is not currently used by management, the necessary changes in systems and operations will be extensive. Accordingly, if we are not allowed to adopt the FVO standard unless we simultaneously adopt the FVM standard, we may have to defer implementation until 1/1/08. This outcome would be a serious disappointment, as we are eager to take advantage of the benefits of the FVO standard to eliminate current situations in which we have asymmetrical accounting.

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We understand that some constituents have asked that adoption of the two standards be linked to ensure that entities applying the FVO standard will provide adequate disclosures. We believe that the disclosures currently required by the FVO standard are sufficient. However, if the Board believes that more extensive disclosures are necessary for those entities that have not yet adopted the FVM standard, we would support a requirement for additional disclosures during the transition period, provided that such disclosures pertain only to the instruments for which the fair value option has been elected.

We appreciate the opportunity to express our views in this letter. Should you have questions or desire additional background information, please feel free to contact me at 704-388-8433.

Sincerely,

/s/

Randall J. Shearer  
Senior Vice President  
Accounting Policy Officer

cc: Neil A. Cotty, Chief Accounting Officer  
John M. James, Corporate Controller