Bank of America

January 14, 2009

FSPFAS107A

LETTER OF COMMENT NO. 8

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 FAS 107-a

Dear Mr. Golden:

Bank of America appreciates the opportunity to comment on the Proposed FASB Staff Position No. FAS 107-a, *Disclosures about Certain Financial Assets: An Amendment of FASB Statement 107* (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 FASB's efforts to identify and eliminate unnecessary complexity in the accounting for financial instruments and provide relevant and meaningful disclosures to improve financial statement transparency.

Bank of America believes that some of the disclosures in the proposed FSP may provide useful information to investors as an interim measure while the FASB and IASB work jointly to reduce complexity in the accounting for financial instruments, including addressing the recognition of impairment for such instruments. However, we question whether the FASB should move forward with issuing the proposed FSP given cost/benefit concerns as discussed in our responses to certain of the specific questions below. If the FASB does decide to move forward with this proposal, we strongly disagree with the effective date of the proposed disclosures for 2008 calendar year-end financial statements. We have serious concerns as to whether the proposed disclosures could be operational for 2008 calendar year-end companies as discussed in our response to question 6. The magnitude, sheer volume and timing of other new disclosures already being required by the FASB (and SEC through staff speeches and letters to registrants) for calendar year-end companies are unprecedented. With the addition of the new disclosures included in the proposed FSP and the work effort needed to comply, we are extremely concerned as to whether the information needed for the disclosures could be prepared accurately and timely in a well-controlled environment that would withstand audit procedures in accordance with PCAOB standards. Much of the information required (e.g., the incurred loss amount for securities portfolios) is not currently available and would require significant effort (including systems changes) to prepare. Given the timing of the proposed FSP, we believe that it is unrealistic to expect companies with large securities portfolios to be able to comply with the new FSP requirements. Accordingly, we believe that the effective date of the proposed FSP should be reconsidered.

Please see our comments to the specific questions posed by the FASB below.

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Question 1
Do you believe that requiring disclosure of different reporting measurement attributes (that is, as reported in the statement of financial position, at fair value, and at the incurred loss amount) for certain financial assets within the scope of this proposed FSP would (a) improve the quality of information provided to users of financial statements and (b) increase the comparability of financial statements under U.S. generally accepted accounting principles (GAAP) and IFRS? Why or why not?

Response to Question 1
Bank of America agrees that the disclosure of different reporting attributes included in the statement of financial position would provide useful and meaningful information to users and enhance comparability between different entities (both US GAAP and IFRS filers). Notwithstanding this, we do not believe that providing a short term solution through additional disclosure requirements where the costs of preparing such disclosures exceed any perceived benefit addresses the real issue of the need to address on a timely basis the accounting for impairment of financial assets.

Question 2
Do you agree that the proposed disclosures should not include financial assets measured at fair value in the statement of financial position with changes in fair value recognized through earnings? If not, would you propose including such financial assets within the scope of this proposed FSP? Should financial assets measured at the lower of cost or fair value (such as mortgage loans) be included within the scope of this FSP? Why or why not?

Response to Question 2
Bank of America agrees that the proposed disclosures should not include financial assets measured at fair value with changes recognized in earnings. The nature of those assets (i.e., trading assets) to the Company is short-term and fair value is the most relevant measurement.

Question 3
Do you believe that requiring disclosures of the pro forma income from continuing operations (before taxes) for financial assets within the scope of this proposed FSP as if those assets were carried (a) at fair value with changes in the fair value recognized through earnings and (b) at the incurred loss amount with changes recognized through earnings would improve financial reporting? Why or why not? Should the disclosure requirements described in the preceding sentence also be required for net income and shareholders' equity? Why or why not?

Response to Question 3
We do not believe that the benefit of providing the proposed disclosures for pro forma net income and shareholders' equity outweigh the costs of preparing (e.g., programming systems changes) and disclosing such information in the financial statements. In order to provide the pro forma information as proposed, companies would need to keep another set of books (in addition to the GAAP and income tax books that are currently maintained) to track the differences and reconcile between the reported GAAP income and pro forma net income. For companies that engage in a large number of securities transactions, the tracking of this information will be unduly burdensome and costly while at the same time providing limited (if any) benefit to the users of the financial statements. Accordingly, we believe that pro forma disclosures should not be required.

While we acknowledge that some constituents may view the pro forma information useful particularly given the current illiquidity in the market, we believe that it becomes less relevant and meaningful when the market is more liquid and functioning normally. As a result of the expedited release of the proposed FSP and the accelerated comment period, we have been unable to ascertain the level of the benefit (if any) that users would derive from the disclosure of such pro forma information. Therefore, given the expectation that the markets will return to a more normal operating environment at some point in the near term, we believe these proposed pro forma disclosures would provide limited to no benefit and would be very costly to prepare.

Question 4
Would including separate reconciliations of reported income from continuing operations (before taxes) to the proposed pro forma adjusted income from continuing operations (before taxes) under both a fair value basis and an incurred loss basis for financial assets within the scope of this proposed FSP be useful? Why or why not?

Response to Question 4
As stated above, we do not believe that disclosing the pro forma information will provide the user with relevant and useful information that can also be prepared in a cost efficient manner. Therefore, we believe that providing a reconciliation of reported income to pro forma income should not be required.

Question 5
Do you believe that the provisions of this proposed FSP should be effective for interim and annual reporting periods ending after December 15, 2008? Why or why not? Do you believe that the disclosures in the proposed FSP should be provided on a comparative basis for subsequent periods after initial application of the proposed FSP? Why or why not?

Response to Question 5
Bank of America does not believe that the provisions of the proposed FSP should be effective for the interim and annual reporting periods ending after December 15, 2008 for the reasons discussed in the second paragraph of this letter and response to Question 6 below. We believe that sufficient time is needed by the preparer community to implement new procedures and processes (including systems enhancements and sourcing of underlying cash flow information of the individual securities) in order to be able to comply with the proposed FSP. Due to the costs and time required to accumulate the necessary information to prepare the proposed disclosures, we believe that these disclosures should be required on an annual basis only. Additionally, we believe that the most useful and relevant disclosures relate to the ending balance sheet which would help the user in assessing the impact on future cash flows and earnings. Accordingly, we do not believe that comparative information is necessary.

Question 6
Are all of the disclosures in this proposed FSP operational based on the proposed effective date? Why or why not? Please be specific in your response.

Response to Question 6
Absolutely not. The amount of detailed information needed to calculate the proposed disclosures is not readily available (e.g., underlying cash flow information for each asset-backed security) and would likely require systems changes in order to accumulate the information needed to prepare the disclosures. Bank of America has a portfolio of available-for-sale debt securities with a fair value of over $275 billion (as of December 31, 2008) which is comprised of well over 2,000 different securities. The information that would be needed to calculate the incurred loss for the securities portfolio is neither readily available nor currently captured in our securities information systems. Additionally, given the large number of securities in the portfolio, systems changes would most likely be needed to be able to capture and track the information needed to perform the incurred loss calculation. As currently proposed, this information would be needed for both December 31, 2008 and 2007 in order to comply with the FSP. We do not believe that it is realistic to expect that a company with a large securities portfolio to be able to comply with such a proposal given the timeframe that the FASB was operating within.

Furthermore, this difficulty in compliance with the proposed FSP is not limited to financial services companies. We are aware of certain customers of Bank of America that may not have the in-house expertise to calculate the required disclosures, and will need assistance from their asset managers. Resource constraints with personnel, consultants or third-party valuation specialists will be exacerbated by the timeframe in the proposed FSP.

The FASB first discussed these potential new disclosures at the December 15th Board meeting and issued the proposed FSP on December 24th. Given the timing of the issuance of the proposed FSP, the length of the comment period, the time required for staff analysis of comment letters and Board deliberations, the expected timing of the issuance of the final FSP (at the earliest during the last week of January) and the amount of information that would be needed to prepare such proposed disclosures, companies acting in good faith may legitimately be unable to comply with the new disclosure requirements. Currently, companies expend considerable effort, time and resources to provide disclosures in their financial statements within the time limits mandated by the Securities and Exchange Commission (SEC). For example, in order to comply with the Sarbanes-Oxley Act, Bank of America's corporate governance processes require that the financial statements included in the Form 10-K be substantially completed by the middle of February, including the completion of substantially all of the auditing procedures performed by the external audit firm, in order to receive the appropriate level of review by executive management and approval by the Audit Committee prior to filing with the SEC on or before March 2, 2009. These corporate governance processes obviously assume that the information needed to prepare the disclosures is available, which given the expected timing of issuance for the final FSP, we are unsure as to whether it will be.

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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