



Via email: director@fasb.org



LETTER OF COMMENT NO.

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

Re: Proposed FSP on Determining Whether a Market Is Not Active and a Transaction Is Not Distressed  
File Reference: Proposed FSP FAS 157-e

Dear Mr. Golden:

We appreciate the opportunity to comment on the above referenced proposed Financial Accounting Standards Board (FASB) Staff Position, *Determining Whether a Market Is Not Active and a Transaction Is Not Distressed*. BOK Financial Corporation (BOKF) is a \$23 billion regional financial services company based in Tulsa, Oklahoma. We support your efforts to continue to provide additional authoritative guidance as it relates to fair value measurements required under FASB Statement No. 157, *Fair Value Measurements*.

We support the additional guidance provided in the exposure draft and believe that it will assist in addressing fair value measurement issues while providing flexibility through reasonable judgment. We believe additional disclosures should be required to enhance the understanding of how specific factors are considered in determining when a market is not active and a transaction is not distressed. We also believe that additional disclosures should be required when financial instruments are valued using unobservable inputs in an inactive market.

Following is our detailed responses to FASB's specific questions in the proposed FSP:

1. Is the proposed effective date of interim and annual periods ending after March 15, 2009, operational?

Yes, we believe the proposed effective date is operational.

2. Will this proposed FSP meet the project's objective to improve financial reporting by addressing fair value measurement application issues identified by constituents related to determining whether a market is not active and a transaction is not distressed? Do you believe that amendments to Statement 157 in this proposed FSP are necessary, or do you believe the current requirements in Statement 157 should be retained?

We believe that the proposed amendments to Statement 157 will improve financial reporting. Some financial statement preparers and auditors continue to believe that any observable input results in a better representation of fair value than an unobservable input, regardless of the objectives stated in

paragraph 7 of Statement 157. We believe that providing additional guidance to more clearly describe characteristics of an inactive market and a distressed transaction will facilitate use of unobservable inputs when they are more appropriate.

3. Do you believe that proposed two-step model for determining whether a market is not active and a transaction is not distressed is understandable and operational? If not, please suggest alternative ways of identifying inactive markets and distressed transactions?

Yes, we believe the proposed two-step model is operational. However, we suggest the addition of qualitative disclosure of the factors considered and their relative importance in determining whether a market is inactive. This disclosure will help financial statement users understand the transition of markets from inactive to active.

We also suggest additional disclosure of significant unobservable inputs, such as discount rates, prepayment speeds and default rates, used to estimate fair values on a recurring basis in an inactive market.

4. Are the factors listed in paragraph 11 of the FSP that indicate that a market is not active appropriate? Please provide any other factors that indicate a market is not active.

Yes, we believe the factors listed are appropriate.

5. What costs do you expect to incur if the Board were to issue this proposed FSP in its current form as a final FSP? How could the Board further reduce costs of applying the requirements of the FSP without reducing the benefits?

We do not expect to incur significant additional costs. The information required by this FSP is already used by management to determine the long-term fair value of financial instruments. The long-term fair value is then used to make decisions regarding whether the financial instruments should be held or sold.

We would be pleased to discuss our comments with the Board members or the FASB staff as needed.

Sincerely,

/s/ John C. Morrow

John C. Morrow  
Senior Vice President and  
Chief Accounting Officer