

March 26, 2009



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Via E-Mail: director@fasb.org

Mr. Russell G. Golden
FASB Technical Director
Financial Accounting Standards Board
401 Merritt 7
P.O. Box 5116
Norwalk, CT 06856-5166

File Reference: Proposed FSP FAS 115-a, FAS 124-a, and EITF 99-20b

Dear Mr. Golden:

Kansas Corporate Credit Union appreciates FASB's willingness to address the issues surrounding mark-to-market accounting in a comprehensive and timely manner. Additionally, we appreciate the opportunity to comment on the proposed FSP FAS 115-a, FAS 124-a, and EITF 99-20b.

We are in complete agreement with FASB that the focus on credit losses is appropriate as it better reflects the economic reality of a financial institution. Since current guidance results in earnings charges above actual projected losses, it needlessly reduces capital in current periods, only to reverse these charges in future periods, thereby misstating financial results for many years.

While we believe the proposed FSP to be a vast improvement over current application, we would strongly urge the Board to consider the following improvements prior to issuing final guidance:

- The guidance should allow application to 2008 financial statements. We believe reporting consistency for year-end 2008 and 1<sup>st</sup> quarter 2009 to be a significant and overriding consideration for earliest application of this revised guidance. Companies that have already closed 2008 certainly should have the right to re-state and re-issue financial reports if they so choose.
- OTTI currently cannot be reversed if market conditions improve. This is a significant difference from loan-loss accounting, which allows changes in facts and estimates to be considered. This appears to be the ideal time for FASB to address this issue.

- 3. FASB should consider materiality as it applies to OTTI. Specifically, the Board should consider adopting language similar to that included in loan-loss accounting, to the effect that "an insignificant delay or insignificant shortfall in amount of payments does not require application of this Statement."
- 4. Finally, FASB should consider allowing companies that have already recognized OTTI in previous periods, to reverse out the non-credit portion of the impairment.

Thank you again for the opportunity to comment on this important matter.

Sincerely,

Kent R. Gleason

**Executive Vice President** 

Kansas Corporate Credit Union