



Missouri Corporate Credit Union



LETTER OF COMMENT NO. 302

April 1, 2009



LETTER OF COMMENT NO. 358

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

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

Dear Mr. Golden:

On behalf of our member credit unions, Missouri Corporate Credit Union ("MCCU") appreciates the opportunity to comment on the proposed FASB Staff Position No. FAS 115-a, FAS 124-a, and EITF 99-20-b, Recognition and Presentation of Other-Than-Temporary-Impairments ("Proposed FSP").

MCCU serves as a financial intermediary for its member credit unions and provides investment, liquidity, cash management, settlement, funds transfer, and numerous payment services to its member credit unions. MCCU's membership is comprised of credit unions located nationwide, with the majority of non-Missouri credit unions located in Illinois and Oklahoma. MCCU is considered a "pass-through" corporate in that almost all of its investments are with U.S. Central Federal Credit Union (U.S. Central). So even though MCCU does not have any investment holdings subject to Other-Than-Temporary-Impairment (OTTI) accounting principles, MCCU is very concerned about the OTTI treatment at U.S. Central's level as that has a direct impact on MCCU's capital investment in U.S. Central.

We agree that only the expected credit losses should be recognized in earnings as this more accurately reflects the economic reality of entities. This change incorporates prior recommendations of our trade association, the Association of Corporate Credit Unions (ACCU), other Corporate Credit Unions, and numerous others over the past several months. The proposed FSP is a significant improvement over current generally accepted accounting principles for OTTI and better aligns accounting for security impairments with accounting for loans.

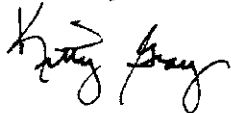
The Proposed FSP provides more relevant information about an entity's performance and earnings potential than the current impairment guidance. Current guidance cause earnings charges that are in excess of actual projected losses and therefore needlessly reduces capital in the near term only to reverse the impact in future accounting periods through accretion income as cash flows are received and the securities pay down. The result of current guidance is that financial results are misstated for many years.

While the Proposed FSP is a significant improvement, we urge FASB to consider the following additional changes:

1. Early adoption of the Proposed FSP should be allowed back to December 31, 2008 for those companies that choose to do this since we view the changes as a clarification of existing rules. Companies that have already filed their 2008 financial reports should be able to restate, re-audit and re-file their reports, if they desire.
2. The Proposed FSP should allow entities that have previously recorded OTTI earnings charges to reverse the non-credit portion of prior impairments at the time of adoption. FASB should also consider allowing reversals of credit impairments recorded in earnings if assumptions significantly change in the future. This would improve consistency with international accounting standards as well as loan loss accounting, which allows changes in facts and estimates to be considered. *Estimates of credit losses change as assumptions evolve over time.* As a result, accounting should allow for these adjustments.
3. The ACCU believes that insignificant credit losses should not be required to be recorded as OTTI since the unrealized loss is already recorded in accumulated other comprehensive income on the balance sheet. Further, in addition to immaterial amounts, we recommend that insignificant delay and insignificant shortfall in the amount of payments should not require application of this Statement. This change would create consistency with loan loss accounting.

We appreciate FASB's attention to these important matters and thank you for your consideration of these changes. If you would like to discuss points raised in this letter, please feel free to contact me at (314) 542.1335.

Sincerely,



Kathleen M. Gray, CPA, MST, CUDE
Chief Financial Officer