Via email: director@fasb.org

August 24, 2009

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

Re: Proposed Statement of Financial Accounting Standards on Disclosures about the Credit Quality of Financing Receivables and the Allowance for Credit Losses
File Reference: No. 1700-100

Dear Mr. Golden:

We appreciate the opportunity to comment on the above referenced proposed Financial Accounting Standards Board (FASB) Statement of Financial Accounting Standards, *Disclosures about the Credit Quality of Financing Receivables and the Allowance for Credit Losses.* BOK Financial Corporation is a $23 billion regional financial services company based in Tulsa, Oklahoma.

We support your efforts to provide authoritative guidance and enhance disclosures of the credit quality of financing receivables and related allowance for credit losses given the wide divergence and inconsistency in disclosure that exists presently. The objective of the proposed Statement to provide information that allows financial statement users to understand the nature of credit risk, how credit risk is analyzed and how both receivables and the allowance for credit losses change is necessary. Current disclosure requirements in this area are largely missing from generally accepted accounting principles. The primary disclosure guidance is provided by Guide 3 to Regulation S-K and is applicable only to public entities. However, we are concerned that the proposed Statement focuses on an expansion of required quantitative information that may be inconsistent with the way management evaluates the credit quality of its financing receivables and develops its allowance for credit losses. Accordingly, this focus will not meet the objective of the proposed Statement. We recognize that this prescriptive approach is an attempt to provide comparability among entities; however, our concern is that such an approach will lead to additional data being evaluated and compared to other entities by the reader without the context of the qualitative factors utilized by management in its evaluation. Alternatively, it will require disclosure of data that is not used by management in its evaluation of credit risk and the allowance for credit losses.

Since entities evaluate the credit quality of their financing receivables and develop the related allowance for credit losses in a variety of ways, we encourage a more principles-based approach that focuses on requiring management to describe the process it undertakes in evaluating the credit quality of its financing receivables, including the credit quality indicators used in making that determination, and to provide the quantitative results of such determination in a manner consistent with the basis on which the results were developed.

A less prescriptive, principles-based approach would allow management the flexibility to describe how different methods may be used to evaluate credit risk and establish the allowance for credit losses for different portfolio segments. It would also allow for disclosure of non-specific reserves based on general trends in the economy, risk concentration or other factors that may not be attributable to a specific portfolio segment. Non-specific reserves are an integral part of the overall allowance for credit losses required by banking regulations.

Following are our detailed responses to FASB's specific questions in the proposed Statement:

1. *This proposed Statement defines a financing receivable as both loans as defined by FASB Statement No. 114, Accounting by Creditors for Impairment of a Loan, and lessors' investment in leases other than operating leases that have been recorded as assets in accordance with FASB Statement No. 13, Accounting for Leases. Do you agree with the definition used to identify a financing receivable subject to the provisions of this proposed Statement? If not, why not?*

   Yes, we agree with the definition used to identify a financing receivable. There is no difference in the economic substance of a loan as defined by FASB Statement No. 114 and a lease recorded as an asset in accordance with FASB Statement No. 13.

2. *This proposed Statement would apply to all creditors, including public and nonpublic entities that prepare financial statements in accordance with generally accepted accounting principles. Do you agree with the scope of this proposed Statement? If not, why not?*

   Yes, we agree with the scope of the proposed Statement. Information about credit risk and the allowance for credit losses is important to creditors and other stakeholders in nonpublic entities.

3. *The proposed Statement would require a rollforward schedule of the total allowance for credit losses in both interim and annual reporting periods by portfolio segment and in the aggregate. In addition, it also would require a rollforward schedule of financing receivables in both interim and annual reporting periods by portfolio segment and in the aggregate. Do you believe those disclosures will assist financial statement users in better understanding the financial information for the total allowance for credit losses as well as the associated financing receivables? If not, why not?*

   We believe that a roll forward of the allowance for credit losses in both interim and annual reporting periods in the aggregate provides meaningful information. We also believe that a similar roll forward of financing receivables in the aggregate provides meaningful information, subject to a limitation that allows netting of cash payments and cash advances. As allowed in paragraph 13 of FASB Statement No. 95, "Cash Flows, Banks, savings institutions, and credit unions are not required to report gross amounts of cash receipts and cash payments for…(c) loans made to customers and principal collections of loans." As such, any required roll

forward of financing receivables should be conformed to this presentation by allowing the netting of originations and payments of loans.

Disaggregation of the roll forward of the allowance for credit losses and financing receivables is only relevant to the extent that management evaluates its allowance for credit losses in a disaggregated manner.

4. *The proposed Statement would require interim and annual credit quality disclosures about a portfolio by class of financing receivable, including quantitative and qualitative information about the credit quality of financing receivables. Do you believe those disclosures will assist financial statement users to better understand the credit quality for the associated financing receivables? If not, why not?*

   As noted above, we believe that disaggregation is only appropriate to the extent that management evaluates financing receivables in a disaggregated manner in developing the allowance for credit losses. Such disclosures should only be made to the extent that it is relevant in the development of the allowance for credit losses.

   Internal risk ratings of certain loans by a regulated creditor based on federal regulatory ratings are inherently subjective. Translation of risk-rated loans into the allowance for credit losses based on credit quality indicators is equally subjective. Qualitative disclosure of the limitations of comparison among creditors is required. However, this information may prove useful in understanding changes in credit risk and the allowance for credit losses of a particular creditor over time.

5. *This proposed Statement would require an analysis of the age of financing receivables that are past due, but not impaired, at the end of the reporting period separately for each class of financial instruments. Do you believe those disclosures will assist financial statement users in better understanding the credit quality for the associated receivables? If not, why not?*

   Past due but not impaired is a consideration point, but does not necessarily lead to better understanding of the credit quality of the associated receivables. Our experience has show that there is little direct correlation between loan delinquency status and impairment or non-performance of commercial and commercial real estate loans. These loans are largely determined by quarterly credit quality reviews by management which identifies weakness or deteriorating trends while the loans are still performing (paragraph 13.b.1. of the Exposure Draft). Disclosure of delinquency status for these loans would require non-meaningful qualitative disclosures to avoid being misleading to users of the financial statements. Delinquency status may be one of several factors consider in developing the allowance for credit losses related to residential mortgage and consumer loans and does have a higher direct correlation. We believe that this disclosure should only be made in those situations where management utilizes this information in developing its allowance for credit losses and for which the correlation is high.

6. *This proposed Statement would require the fair value of loans at the end of the reporting period by portfolio segment. Do you believe those disclosures*

will assist financial statement users in better understanding the credit quality for the associated financing receivables? If not, why not?

We do not believe that disclosure of fair value provides users with a better understanding of credit quality absent of the entity's intention to sell such receivables. Because fair value includes interest rate, liquidity and other factors other than credit risk, we believe that this requirement will create confusion which will require additional explanation as to why the financing receivables, net of their respective allowance from credit losses, do not necessarily reconcile to the fair value. Fair value disclosures are more appropriate in context of the overall balance sheet as required by FASB Statement No. 107.

We also question the appropriateness of including disclosures about loans carried at fair value or at lower of cost or market value in the scope of this proposed Statement. Because fair value considers factors other than credit risk, it is not uncommon for such loans to be reported apart from the loan portfolio. Losses on loans carried at fair value or at lower of cost or market value are reported directly in earnings as they occur and not charged against the allowance for credit losses. Therefore, these loans are not included in the evaluation of the allowance for credit losses and should be excluded from the scope of this proposed Statement.

7. *Do you believe it is operational for entities to disclose all of the proposed requirements for interim and annual reporting periods? Why or why not?*

As noted above, we do not believe that the required disclosures will achieve the Statement's objective to enhance the understanding of credit risks and the development of the allowance for credit losses. Accordingly, we do not believe it is operational.

8. *The final Statement is expected to be issued in the third quarter of 2009. The Board concluded that this proposed Statement would be effective for financial statements beginning with the first interim or annual reporting period after December 15, 2009. Do you agree with the Board's decision on the effective date? If not, what would be a reasonable period of time to implement the provisions of this proposed Statement? If you do not agree, please provide a description of the process changes necessary to implement this proposed Statement that would require additional time.*

We believe that a final Statement based on enhanced quantitative and qualitative disclosure of criteria currently used by management to evaluate credit risk and the allowance for credit losses could be effective for financial statements ending with the first interim or annual reporting period after December 15, 2009.

A final Statement requiring disclosure of data not used by management in the evaluation of credit risk, as proposed in this Statement, will take appreciably longer. It will require changes to underlying systems to compile quantitative data. More importantly, it will require management resources to develop additional qualitative discussion that separates meaningful and non-meaningful data.

We appreciate your consideration our comments and response to this Exposure Draft.

Sincerely,

John C. Morrow,
Senior VP, Chief Accounting Officer