From:
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 To:
 Director - FASB

Subject: File Reference EITF100C

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The comments herein are the opinions of the submitter, and not those of any employer or professional organization I am a member of.

Question 1

Your questions refers to the loans being classified as "notes receivable from participants", but paragraph 962-310-45-2 indicates "notes receivable". In addition to correcting this inconsistency, it should be stated as follows in 962-310-45-2:

For reporting purposes, participant loans shall be classified as loans receivable from participants. If the value reported includes amounts for accrued, but unpaid interest, then the amount of unpaid interest shall be disclosed.

Question 2

The loans should be valued as indicated in the question. There really is no other logical way to report it, as there is no credit risk to the plan which would distort its net assets. Some respondents have indicated that loans should be reported as distributions since there is no <u>obligation</u> for a participant to repay the loan. However, I would imagine that faced with the prospect of paying a 10% early withdrawal penalty <u>plus</u> regular income taxes, would tend to result in loan repayments. Sure, there are some that default on plan loans, but more often than not they are repaid.

Ouestion 4

While there is no overriding reason not to apply the provisions of this amendment retrospectively, there does not appear to be any real justification to do so. Rather, disclosing in the footnotes that beginning with the statement for the period ending XX/XX/XX, the provisions of the new standard is being implemented, and that had it been applied to the reports of the other periods being presented, that investments would have gone down by \$XXX,XXX and notes receivable would have gone up by \$XXX,XXX. It just not seem worth the expense of restatement, particularly as total assets remains the same.

Question 5

The time required to implement the provisions of the standard should not be material. The primary tasks at hand are

- 1. Training those recording the transactions how to record them
- 2. Adequately calculating and accruing unpaid interest income
- 3. Reformatting reporting software to exclude loans from participants with other investments

Thank you for the opportunity to comment on this proposed standard. If you have any questions, please feel free to contact me at your convenience on my cell phone during business hours at (516) 848-2832.

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