AR-2010
Comment Letter No. 4

American Bankers Association
Building Success. Together.

Michael L. Gullette
Vice President – Accounting and Financial Management
202-663-4986
mgullette@aba.com

November 19, 2010

Mr. Michael Gonzales
Associate Fellow
Financial Accounting Standards Board
401 Merritt 7
P.O. Box 5116
Norwalk, CT 06856-5116

RE: Disclosures related to Troubled Debt Restructurings per ASU 2010-20

Dear Mr. Gonzales:

On behalf of the American Bankers Association (ABA), I appreciate the time you provided me to discuss the Exposure Draft: *Clarifications to Accounting for Troubled Debt Restructurings by Creditors* (the TDR ED). ABA represents banks of all sizes and charters and is the voice for our nation's $13 trillion banking industry and its two million employees. The majority of ABA's members are banks with less than $165 million in assets. ABA's extensive resources enhance the success of the nation's banks and strengthen America's economy and communities.

As they prepare to comply with Accounting Standards Update (ASU) 2010-20 *Receivables (Topic 310): Disclosures about the Credit Quality of Financing Receivables and the Allowance for Credit Losses*, bankers are concerned that a final ASU related to the TDR ED will change their disclosures related to troubled debt restructurings (TDRs). Based on the clarifications proposed in the TDR ED, the amounts could, in certain circumstances, significantly change and the related internal controls could require considerable revision. In other words, a lot of work might be performed for a one-time disclosure that, due to the potential changes, ends up being disregarded thereafter. ABA, therefore, recommends that the TDR requirements under ASU 2010-20 be deferred until a final decision related to the TDR ED is made effective. We would appreciate any effort to evaluate this request as soon as possible.

Thank you for your attention to these matters. Please feel free to contact me (mgullette@aba.com; 202-663-4986) if you would like to discuss this.

Sincerely,

Michael L. Gullette

Michael L. Gullette