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May 22, 2013

Technical Director
File Reference No. 2012-260
FASB
401 Merritt 7
PO Box 5116
Norwalk, CT 06856-5116

Dear FASB Technical Director,

Please accept my following comments concerning the above file reference No. 2012-260. I have concerns about the proposal in how it could affect our credit union and the credit union industry. We work hard to provide a fair and accurate reflection of our financial position each and every month. As I understand the proposal, I have concerns the proposal could double or triple a credit union's allowance resulting in a reduction in many credit unions retained earnings. This decrease in earnings due to a higher impairment allowance can lead to a reduced capital ratio which could trigger regulatory action under the NCUA's Prompt Corrective Action (PCA) for many credit unions that currently do not have PCA concerns.

I am not in favor in the use of speculative estimation of the performance of an asset of the remainder of the asset's life. The potential rises in having to make quarterly adjustments in expected loss projections that may lead to the volatility of the Provision for Loan Loss Account. Such action will increase both bottom line PLL costs and compliance costs to an already heavy compliance expense burden to many small financial institutions such as ours.

I strongly urge the FASB to exempt credit unions from the proposed changes based on their unique structure as private, not for profit, cooperatively-owned financial institutions.

I would appreciate you considering my comments and comments of other credit unions in the evaluation of this change.

Sincerely,

David L. Brooks
President

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