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Sent: Wednesday, May 22, 2013 2:24 PM
To: Director - FASB
Cc: 'Suzanne Yashewski'
Subject: File Reference No. 2012-260

Financial Accounting Standard Board,

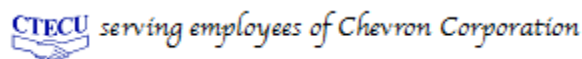
As the President/CEO of a small-to-medium (\$57 million) asset size credit union I am very concerned about the proposed change FASB is considering. My main concern with the proposed rule is related to the complexity of the calculations required and the need for subjective assumptions that extend well into the future.

1. The proposal could double or triple my credit union's impairment allowance resulting in a reduction in many credit unions' retained earnings;
2. The decrease in earnings could lead to a reduced capital ratio which could trigger prompt corrective action (PCA) implications for numerous credit unions that do not currently have PCA concerns;
3. The proposed "expected loss" approach would require the use of speculative forecasting of the performance of an asset over the remainder of the asset's life and require our credit union to predict the extent and timing of future losses;
4. The expected credit loss approach has the potential of reliance on industry-wide data sets that would skew results and may lead to quarterly adjustments in expected loss projections, possibly resulting in *more volatility* in provision expense and earnings and there are sufficient measures currently in place to reserve for these losses;
5. The cost of compliance to the credit union would ultimately affect our credit union member-owners in reduced dividends and services; and
6. **I 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.**

This proposed change is extremely challenging, especially small-to-medium size credit unions (institutions). Credit Unions are "People helping People" and Lending is a Risk and a Cost of doing Business. Credit Union members are very loyal. They pay us first. We know our members. Credit Unions did not cause the financial meltdown nor have Credit Unions cost the public one penny.

Respectively,

Mrs. "Jackie" J.H. Kapalski
President/CEO



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