



SOUTHERN FEDERAL CREDIT UNION

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FASB
Technical Director
PO Box 5116
Norwalk, CT 06856-5116

File Reference No. 2012-260

Dear Director,

This recent proposal concerning impairment allowance affecting credit unions is troubling to us for several reasons;

1. It will unnecessarily increase loss reserves without justification.
2. It depends on guessing and speculation to arrive at a dubious number.
3. It basically ignores utilization of historical data that has been very effective for us.
4. It will add to staff workloads and expense. For a small credit union like ours, this will result in a negative impact on our net income and capital which belongs to our members.
5. Staff time will be devoted to complying with additional regulations at the expense of serving our members.
6. There is no proven benefit. No one is able to show this new method will improve the safety of any financial institution; regulators already have enough tools to address the issue of proper allowances for losses.

Thank you for your consideration in this matter.

Sincerely,

Jeanne Walker
President
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