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Sent: Thursday, May 30, 2013 10:05 PM
To: Director - FASB
Cc: 'Suzanne Yashewski'
Subject: File Reference No. 2012-260 Financial Instruments - Credit Losses

FASB Director:

Thank you for the opportunity to comment on this rule. As an individual responsible for the management of a \$195 million credit union in Houston, Texas, it is my request that the referenced proposal be withdrawn.

It is my understanding that part of the intent behind issuing the proposed changes is that the current impairment methodology does not allow for the timely recognition of credit losses. This process would have been no more helpful in past events as it will for future events. It is still not possible to accurately predict the extent and timing of the credit events without multiple subjective factors being considered. These factors will be interpreted differently by many different individuals and can be used to support or argue against such determinations. If we are left to speculate the unknowns of potential loss, should we also not be allowed to speculate the unknowns of potential revenue and book this revenue to the financials as well?

The proposal, as presented, would have dire consequences to credit unions since they would have to immediately recognize current loss expectations in the Allowance for Loan and Lease Losses (ALLL). The financial impact will cause some credit unions to fall below the capital levels that would place them under prompt corrective action by their regulator. In some cases, this proposal will double and triple the current ALLL accounts held in some credit unions. With the stroke of a pen you have placed viable financial institutions in a position of potential failure when absolutely nothing has changed except the speculation of a potential loss that may or may not happen.

This proposal will also have an impact on future earnings, not only from a direct financial impact through contributions to the ALLL, but the human resources needed to manage the process. A compression of earnings and resources prohibits a financial institution's ability to grow assets and provide additional products and services to its members.

It is my hope that FASB will reconsider its proposal.

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