

June 3, 2013

Technical Director
Financial Accounting Standards Board
401 Merritt 7, PO Box 5116
Norwalk, CT 06856

Sent via e-mail to: director@fasb.org

RE: Comments on Proposed Accounting Standards Update:
Financial Instruments—Credit Losses
File Reference No. 2012-260

Dear Sir/Madam:

As president/CEO of Texoma Community Credit Union a \$100 million financial cooperative representing about 11,000 members in North Texas I oppose changes to the Credit Losses. I apologize that I am writing one business day following the deadline, as I have been out of the office handling family emergency matters. I appreciate your listening to my concerns about the proposed changes.

First, it appears the FASB failed to remember that credit unions only grow capital through net earnings after expenses. Therefore, if the proposed Credit Losses concept is implemented credit unions will grow slower. We will have less money to loan. We will serve fewer people. Was it the intent of FASB to slow down the vibrant service credit unions provide its members? Surely it is not FASB's intent to slow down credit unions and therefore the proposed standards related to Credit Losses must be eliminated. Finally, since credit unions are not publically traded we cannot raise capital as the proposal suggests.

Second, the proposed change will not benefit credit unions because there is not a flaw in the current methodology for reserving for Credit Losses. Losses from consumer loans were not a problem for credit unions in the 2008 financial crises; therefore, there is not a need to increase the loan loss reserves. The proposal is flawed further in that it proposes we allocate even more reserves for loans at a higher rate than actual losses. It is impossible to forecast future losses unless the FASB can also tell us what the global, regional and local economic conditions will be in the future. The current system of determining allowances for Credit Losses is serving credit unions quite well keeping us financial strong.

Third, future cash flow estimates are not used for any other item on the balance sheet, and must not be used for determining future Credit Losses. It is functionally impossible to accurately forecast the future losses under the "current expected credit loss" concept. If it is appropriate to report financial conditions based upon future Credit Losses, then why not also require us to report future incomes from those same assets? The proposal does not offer a balanced approach to a "balance sheet" and therefore must be eliminated from consideration. It is wrong to violate GAAP's "matching principal".

With concern, I am,



L. Wayne Mansur
President & CEO