



September 19, 2013

Mr. Russell Goldman
Chairman
Financial Accounting Standards Board
401 Merritt 7
Norwalk, CT 06856

Delivered USPS

Subject: Proposed Accounting Standards Update: Definition of a Public Business Entity; Project 2013-310

Dear Mr. Goldman:

On behalf of the Northwest Credit Union Association (Association) and our member credit unions, please accept our congratulations on assuming the role of Chairman of the Financial Accounting Standards Board (FASB). Your experience chairing the Emerging Issues Task Force will serve you well and we are pleased to have a NW Alumnus as chair.

On August 7, 2013, the Financial Accounting Standards Board (FASB) issued an exposure draft proposing an amendment to the Master Glossary defining a public business entity (PBE). The Definition will help the FASB specify the scope of future accounting and reporting guidance, and identify the types of business entities that would be excluded from the scope of the Private Company Decision-Making Framework: A Guide for Evaluating Financial Accounting and Reporting guide.

The Northwest Credit Union Association (Association)¹ appreciates the opportunity to submit comments on the exposure draft and urges FASB to adopt the proposed definition of a Public Business Entity, which excludes credit unions. The exclusion would allow FASB to work closely with the National Credit Union Administration on appropriate alternatives in financial reporting for credit unions.

As proposed, an entity would be a PBE if it meets one of five defining criteria:

- 1) The entity is required by the Securities and Exchange Commission (SEC) to file financial statements, or does file financial statements, with the SEC (including other entities whose financial statements or financial information are included in a filing).
- 2) The entity is required by the Securities Exchange Act of 1934, or regulations promulgated under the Act, to file financial statements with a regulatory agency.

¹ The Northwest Credit Union Association is a regional trade association representing the interests of more than 200 credit unions and their six million consumer-members; institutions that employ and engage more than 10,000 people and hold more than \$50 billion in aggregate assets. The Association is a nonpartisan advocacy organization representing the interests of its member institutions on a variety of systemically important banking issues.

Credit unions affiliated with the Association are principally domiciled in the Northwest quadrant of the United States, but the Association also has members from the states of Alaska, Idaho, California and Hawaii. Learn more about the Association at www.nwcua.org.

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- 3) The entity is required to file financial statements with a regulatory agency in preparation for the sale or issuance of securities.
- 4) The entity has (or is a conduit bond obligor for) unrestricted securities that are traded or can be traded on an exchange or an over-the-counter market.
- 5) The entity's securities are unrestricted, and it is required to provide U.S. GAAP financial statements to be made publicly available on a periodic basis pursuant to a legal or regulatory requirement.

Credit unions do not fall under the definition of a PBE, which gives FASB the ability to grant credit unions needed flexibility in financial reporting. We thank the Credit Union National Association (CUNA) for bringing this important proposal to our attention.

Once again, we encourage FASB to work closely with the NCUA to determine appropriate alternatives for credit unions to adhere to U.S. GAAP that takes into account the unique not-for profit structure of credit unions in financial reporting.

Thank you for the opportunity to comment on this issue. We would be pleased to answer any questions you may have.

Respectfully,

John Trull
Director of Regulatory Advocacy
NWCUA