Letter of Comment No: 20 File Reference: 1201-100 Date Received: 9-7-04



September 3, 2004

Financial Accounting Standards Board Technical Director 401 Merritt 7 P.O. Box 5116 Norwalk, CT 06856-5116

RE: File Reference Number 1201-100 (Proposed Statement of Financial Accounting Standards – Fair Value Measurements

Dear Sirs:

Thank you for the opportunity to comment on FASB's proposed Statement of Financial Accounting Standards regarding fair value measurement.

Georgia Federal Credit Union is a \$350 million institution chartered in 1958 serving more than 70,000 members. We feel that the proposed statement is especially important to credit unions because under the purchase method of accounting in FASB's Business Combinations project, the acquiring credit union in a merger would have to determine and reflect on its financial statements the fair value of the acquired credit union's balance sheet, including goodwill and intangible assets.

The proposed statement requires expanded disclosures about the use of fair value. FASB has indicated that such expanded disclosures about fair value measurements are important to provide information that is "useful to present and potential investors, creditors, and others making rational investment, credit, and similar decisions". We feel strongly that such disclosures would not be valuable in the case of credit unions. This is because credit unions are private entities that are wholly owned and operated by their members and a credit union is not publicly traded. Such disclosures would serve only to confuse the members who examined them.

Appendix B ("Implementation Guidance") describes different methodology for valuations. However, though we feel that the guidance is basically sufficient, we do not believe that FASB has adequately addressed the fair value measurement of the "core deposits" for financial institutions. Demand deposit and savings accounts are considered "core deposits" for credit unions. These "core deposits" provide a base deposit level for all financial institutions. As there are different methods to choose from, creating a great deal of subjectivity, we would encourage FASB to develop greater guidance in this area thus creating consistent measurement practices.

Additionally, we would ask that FASB change the implementation date of June 15, 2005 for all credit unions and other non-public entities to June 15, 2006. Many credit unions, especially small to medium sized credit unions, do not have the expertise on staff to apply fair value methodology. These credit unions would require extensive training for their staffs and/or re-programming for their computer systems. Such options are both costly and time consuming, placing a great burden on those institutions. This action by FASB would not be unprecedented. FASB made accommodations in its combinations of not-for-profit entities project. Additionally, the Sarbanes-Oxley provisions do not apply to non-public organizations.

Again, we would like to thank you for the opportunity to comment on the proposed Statement of Financial Accounting Standards (File Reference No. 1201-100).

Sincerely,

J. Kevin Durrance

J. Kevin Durrance Senior Vice President / Chief Financial Officer Georgia Federal Credit Union Charter Number: 12320