



**FREMONT
GENERAL**



LETTER OF COMMENT NO. 199

Mr. Robert Herz
Chairman, Financial Accounting Standards Board
401 Merritt 7
P.O. Box 5116
Norwalk, CT 06856-5116

January 4, 2007

Dear Chairman Herz:

On behalf of Fremont General Corporation, I urge the Financial Accounting Standards Board to delay the effective date of FIN 48 on Accounting for Uncertainty in Income Taxes. We are in the financial services industry and along with several other companies in our industry; we are experiencing difficulty as to how to implement this new set of rules. Much of the confusion surrounds issues regarding the timing of income on various financial products. The IRS has not kept up with the constant expansion of new financial instruments and while we believe that we have taken reasonable positions based on our particular fact patterns, our positions are open to debate.

Specifically, I recommend that the effective date of FIN 48 be deferred to fiscal years beginning after December 15, 2007. The challenges of implementing FIN 48 were articulated by Tax Executives Institute in a letter it sent to you on December 12, 2006.

In summary, extending the deadline for implementing FIN 48 will permit companies and their independent auditors to resolve unanswered questions and thus reduce the likelihood of diversity in practice, which in part prompted the development of FIN 48 in the first instance.

Sincerely,

Richard Wallace
Managing Director, Tax
Fremont General Corporation