



March 27, 2009

Via Email: director@fasb.org

Mr. Russell. G Golden FASB Technical Director Financial Accounting Standards Board 401 Merritt 7 P.O. Box 5116 Norwalk, CT 06856-5116

File Reference: Proposed FSP FAS 115-a, FAS 124-a, and EITF 99-20-b

Dear Mr. Golden:

Central Corporate Credit Union (CenCorp) appreciates the opportunity to comment on the proposed FASB Staff Position No. FAS 115-a, FAS 124-a, and EITF 99-20-b, *Recognition and Presentation of Other-Than-Temporary-Impairments* (Proposed FSP).

CenCorp is a wholesale Corporate credit union providing correspondent and investment services to over 350 member credit unions. CenCorp has about \$3.5 billion in assets and about \$380 million in marketable securities that could be impacted by the Proposed FSP.

We generally agree with the Proposed FSP and we believe that is a significant improvement over the current standards for accounting for Other-Than-Temporary-Impairment (OTTI). We agree that the amount to be recognized in earnings should be the credit loss component, in a manner similar to loan impairment. The process is would be more consistent with the International Accounting Standards (specifically IAS 36).

We agree that it is more operational for management to assert that (a) it does not have the intent to sell the security and (b) that it is more likely than not that it will not have to sell the security before its recovery.

While we agree with the Proposed FSP, we believe that the following items should be strongly considered:

1. Early adoption of the Proposed FSP should be allowed back to December 31, 2008. Organizations that have already filed their 2008 financial reports should be able to restate, reaudit and re-file their reports, if they desire.

- 2. It is our understanding that the FASB Board will be considering future proposals to further align U.S. GAAP with International Accounting Standards (IAS). As previously stated, the change in process for determining OTTI is consistent with IAS. This Proposed FSP should also be modified to permit recovery of OTTI if the securities fair value increased in the future, which is also consistent with IAS 36. Since changes are being made to the impairment model, this is the time to allow for recovery of OTTI and align those standards with the IAS.
- 3. If the FASB Board does not adopt item 2 above, consideration should be given to allow, upon adoption of this Proposed FSP, organizations that have recorded OTTI under the current guidelines, a one-time opportunity to reverse the non-credit related losses that are currently included in the OTTI amounts.
- 4. We recommend that this Proposed FSP state that it need not be applied to immaterial amounts, similar to what is included for loan loss accounting (i.e., "an insignificant delay or insignificant shortfall in amount of payments does not require application of this statement"). As the FASB Board is aware, the Federal Home Loan Bank of Atlanta was required, under current accounting standards, to record an OTTI amount of \$87 million on expected principal losses of only \$44,000 (a clearly immaterial amount for that organization).

Thank you for your consideration of these changes. Please contact me at (248) 304-3008 if you would like to discuss any of these issues.

Sincerely,

Ronald W. Boehnlein, CPA

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Chief Financial Officer

CC: Brad Miller, Executive Director, Association of Corporate Credit Unions