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LETTER OF COMMENT NO. 127

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 157-e

Dear Mr. Golden:

Central Corporate Credit Union (CenCorp) appreciates the opportunity to comment on the proposed FASB Staff Position No. FAS 157-e, *Determining Whether a Market is Not Active and a Transaction is Not Distressed* (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 may be impacted by the Proposed FSP.

We generally agree with the Proposed FSP. We agree with the proposed two-step model for determining whether a market is not active and a transaction is not distressed, and believe that is operationally feasible.

We also agree that for marketable securities that are in a market that is not active, that the discount rate used in the income approach should reflect the risks that would be considered by willing buyers and willing sellers in a *nondistressed* transaction. We are hopeful that accounting practitioners will discontinue the practice of using excessive liquidity risk premiums that are prevalent in the current quoted prices for distressed transactions. This will provide financial statement users with more relevant information.

However, we believe that the Proposed FSP is a clarification of existing accounting principles (FAS 157), and primarily clarifies the determination of an appropriate discount rate when using the income approach to value a marketable security, and when such determination should be utilized. As such, we believe that *early adoption* of the Proposed FSP should be permitted back to December 31, 2008. Organizations that have already filed their 2008 financial reports should

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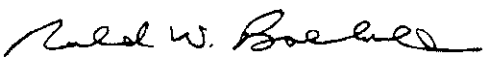
be able to restate, re-audit and re-file their reports, if they desire. We strongly urge you to consider allowing for early adoption of the Proposed FSP.

Thank you for your consideration of this change. Please contact me if you would like to discuss any of these issues.

Sincerely,



Ronald W. Bochnlein, CPA
Chief Financial Officer

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

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