



LETTER OF COMMENT NO. 34

November 14, 2008

Technical Director – File Reference No. 1620-100 Financial Accounting Standards Board 401 Merritt 7 P.O. Box 5116 Norwalk, CT 06856-5116

Proposed Statement of Financial Accounting Standards

"Amendments to FASB Interpretation No. 46(R)"

We appreciate the opportunity to comment on the proposed statement to amend FASB Interpretation No. 46(R) (FIN 46R). BB&T Corporation and its subsidiaries offer full-service commercial and retail banking and additional financial services such as insurance, investments, retail brokerage, corporate finance, treasury services, international banking, leasing and trust. With over \$137 billion in assets, BB&T Corporation is the nation's fourteenth largest financial holding company.

While we are supportive of the Board's efforts to improve financial reporting by enterprises involved with variable interest entities, we believe the amendments to FIN 46R should not be issued due to the reasons discussed below.

Convergence with IFRS

We believe the Board should delay the issuance of the proposed amendments and instead work with the IASB to develop a single converged consolidation model. The consolidation models under US GAAP and IFRS are already divergent, with US GAAP using the voting interest and variable interest entity models, while IFRS uses a control model under IAS 27. These proposed amendments represent a significant change in the US model that continues to result in even further divergence. In addition, as was noted in paragraph B48, the IASB is currently reconsidering its consolidation guidance under a separate project that is a broader reconsideration of all consolidation guidance. The IASB project will require a longer timeframe to complete. Considering the proposed move to IFRS, all of these changes could result in US companies adopting the new FIN 46R beginning in 2010, then shortly convert to IFRS and then again change its consolidation model as the IFRS project is completed and changes implemented. Each of these changes would require significant amounts of time and resources to identify data gaps, establish new policies and SOX processes, train personnel, adjust business practices and make strategic decisions (i.e., regarding capital needs) in an effective and efficient manner. We recommend the FASB remove these proposed amendments and work with the IASB on performing a comprehensive review of all de-recognition and consolidation guidance to develop a single principles-based consolidation framework.

Alternatively, if the Board decides to go ahead with amendments to FIN 46R, we provide the following comments that should be considered in the final version.

Methods of Determining Primary Beneficiary

We believe the qualitative analysis method and its focus on an entity's ability to control the variable interest entity is appropriate and would be a marked improvement to the existing complex quantitative model. With this change, however, we believe the quantitative method should be eliminated entirely. We believe a reasoned and comprehensive review of a variable interest entity would provide a determination of which entity has a controlling financial interest, and therefore the quantitative approach would not be necessary. We believe the qualitative approach is much more principles-based, while the quantitative approach is more rules-based. In addition, as other commenters have pointed out, the use of the two approaches could result in different conclusions. This could create conflicts in the application of the standard that are not necessary.

Ongoing Assessment of VIE Status and Primary Beneficiary

We oppose the changes to the reconsideration requirements. We understand the principle of continuous assessment of the determination of the primary beneficiary of a VIE, but we believe a voting interest entity should not become a VIE solely as a result of excess operating losses that render its equity at risk as insufficient. Similarly, we oppose the removal of the exemption for troubled debt restructurings from the reconsideration requirements. While we would not expect these requirements to result in a financial institution consolidating a troubled borrower, they would impose significant operational burdens to complete a FIN 46R analysis and obtain sufficient information due to the extensive disclosure requirements. We believe the existing reconsideration requirements in paragraph 7 of FIN 46R (including the exemption of troubled debt restructurings) are appropriate and suggest the Board remove the proposed requirements for ongoing assessment of an entity's status as a VIE.

In addition, if the Board decides to retain the existing FIN 46R reconsideration guidance, we suggest that the proposed amendments in this exposure document be applied only to new involvements in entities beginning after the effective date. Applying the amendments to all existing involvements could result in additional complexity to review numerous transactions and require significant resources and costs in determining the far-reaching impact, including the effect on capital, processes and systems. In addition, it would allow entities to focus on new structures and on preparing for convergence to IFRS.

Kick-out Rights

We do not agree with the conclusions reached regarding the application of substantive kick-out rights. The proposal to ignore kick-out rights that are not held by a single party directly conflicts with EITF 04-5 that states that substantive kick-out rights held by limited partners overcome the presumption of control by a general partner. We believe

that such rights are an indicator of control and should be considered whether held by a single party or multiple parties.

We would be pleased to discuss our comments with the Board members or the FASB staff at your convenience.

Very truly yours,

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