MID-MINNESOTA FEDERAL CREDIT UNION

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March 24, 2009

Via Email: director@fasb.org

FSPFAS157E

LETTER OF COMMENT NO. 41

Mr. Russell G. Golden
FASB Technical Director
Financial Accounting Standards Board
401 Merritt 7
P.O. Box 5166
Norwalk, CT 06859-5116

File Reference: Proposed FSP FAS 157-e

Dear Mr. Golden:

Mid-Minnesota Federal Credit Union appreciates the opportunity to provide comments on the proposed FASB Staff Position on Statement 157 (FSP FAS 157-e), *Determining Whether a Market is Not Active and a Transaction is Not Distressed.*

The use of fair value accounting in financial reporting for the presentation of assets and liabilities is not a new concept. The current standards have served to assist the users of financial statements in decision making under most environments. However, the challenges being experienced in the existing economic environment are extraordinary in nature. It is difficult to anticipate all possible economic environments when setting standards. The proposed statement serves as a clarification of original guidance to allow for more reasonable financial reporting in unprecedented times. As such, our comments are as follows.

1. The proposed effective date of interim and annual periods ending after March 15, 2009 is NOT operational. Given the unprecedented market conditions existing today as well as in 2008 with an environment that does not provide an active market with the opportunity for orderly transactions, it is imperative that financial reporting using this proposed statement be available for periods ending after December 15, 2008. Additional support to allowing retroactive application is evidenced by Congress in October of 2008 with their request of and subsequent findings from the SEC that "fair value requirements should be improved through development of application and best practices guidance for determining fair value in illiquid or inactive markets." Further, this proposed statement is clarification of original guidance effective in 2008 and therefore retroactive application should be available.

2. The proposed FSP is absolutely necessary to meet the objective to improve financial reporting.

3. The proposed two-step modeling is understandable and operational.

4. The factors listed are appropriate.

5. Rather than additional costs incurred, we would like to address the costs that would be mitigated by issuing this proposed FSP. To date, our credit union has absorbed approximately $1.5 million in expenses due to losses anticipated by the National Credit Union Share Insurance Fund (NCUSIF) for guarantees made to natural person credit unions encouraging actions to support our corporate credit unions. Natural person credit unions across the country are expected to absorb approximately $6 billion in losses. These losses stem in part from the valuation of investment securities without an active market. By issuing this proposed statement and allowing retroactive application to 2008, potential losses can be re-evaluated reducing the effect on the NCUSIF and the cost to natural person credit unions representing over 90 million members.

Thank you for the opportunity to provide feedback on this proposed statement. Again, we stress the importance of retroactive application to periods ending after December 15, 2008. We commend FASB for responding appropriately to this important issue.

Respectfully,

Pamela S. Finch

Pamela S. Finch, CPA
Vice President Administration and
Chief Financial Officer
Mid Minnesota Federal Credit Union

cc: Chuck Albrecht, CEO, Mid Minnesota Federal Credit Union
Mary Dunn, SVP and Deputy General Counsel, CUNA
Luke Martone, Regulatory Research Counsel, CUNA