



June 18, 2007



LETTER OF COMMENT NO. 58

Ms. Suzanne Bielstein, CPA
Technical Director-File Reference No. 1530-100
Financial Accounting Standards Board
401 Merritt 7
PO Box 5116
Norwalk, CT 06856-5116

Re: April 18, 2007 FASB Exposure Draft of a Proposed Statement of Financial Accounting Standards, *Accounting for Financial Guarantee Insurance Contracts, an interpretation of FASB Statement No. 60* (File Reference No. 1530-100)

Dear Ms. Bielstein:

One of the objectives that the Council of the American Institute of Certified Public Accountants (AICPA) established for the PCPS Executive Committee is to act as an advocate for all local and regional firms and represent those firms' interests on professional issues, primarily through the Technical Issues Committee (TIC). This communication is in accordance with that objective. These comments, however, do not necessarily reflect the positions of the AICPA.

TIC has reviewed the Exposure Draft (ED) and is providing for your consideration the following comments on the proposed format for new FASB standards. TIC will not be providing comments on the technical accounting aspects of the ED since its scope is outside the interests of TIC's constituency.

QUESTION FOR RESPONDENTS

This proposed Statement uses a new format in an effort to improve understandability of FASB documents. Do you believe the new format increases the understandability of this proposed Statement? What changes do you like? What changes do you not like? What additional improvements could be made to increase the understandability?

TIC approves the format changes adopted in this proposal and believes they will improve the readability and understandability of future exposure drafts and standards. The boldface principles, as well as the examples, allow the ED to take on the look and feel of a GAAP guide and naturally make the ED more approachable. Emphasizing key concepts with boldface snapshots will serve as an important learning tool initially and a helpful reminder





whenever the reader returns to the standard. TIC is not concerned that the use of boldface type will discourage readers from reading the entire standard. It provides context for the detailed requirements by keeping the broader principles in focus.

TIC appreciated the boxed examples directly under the key concepts. This presentation provided a much greater understanding of the principle than simply reading the theory without illustrations.

On a related matter not discussed in the ED, TIC applauds the Board's plan to use only Statements of Financial Accounting Standards in the future, thereby eliminating the need for Interpretations, FASB Staff Positions and other special publication types. It represents an important step toward reducing complexity.

TIC appreciates the opportunity to present these comments on behalf of PCPS member firms. We would be pleased to discuss our comments with you at your convenience.

Sincerely,

Edward J. Knauf, Chair
PCPS Technical Issues Committee

cc: PCPS Executive and Technical Issues Committees

