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March 30, 2009

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



LETTER OF COMMENT NO.

246

Ref: Proposed FSP FAS 157-e

Dear Mr. Golden:

We appreciate the opportunity to comment on the proposed FASB Staff Position No. FSP FAS 157-e, *Determining Whether a Market is Not Active and a Transaction is Not Distressed*.

We commend the Financial Accounting Standards Board ("FASB") for providing greater clarity to investors about the credit and noncredit component of an OTTI event and to more effectively communicate when an OTTI event has occurred. Our comments follow:

I am writing on behalf of the Board of Directors and management team of Visions Federal Credit Union which is headquartered in Endicott, New York and serves 120,000 members in southern New York and northern Pennsylvania. Our comments follow:

1. *Is the proposed effective date of interim and annual periods ending after March 15, 2009, operational?*

As currently drafted the proposal would be applied prospectively for interim and annual reporting periods ending after March 15, 2009. Therefore, this guidance would not allow any noncredit losses to be included in OCI, rather than in retained earnings, prior to the first quarter of 2009.



Also, the proposal does not provide for a more uniform system of impairment testing standards for financial instruments because an entity would have applied one accounting treatment for OTTI on or before year-end 2008, and a different accounting treatment for OTTI beginning in 2009. This difference in accounting treatment greatly reduces financial statement comparability and transparency. Therefore, we believe that it would be more consistent for the proposal to be made retroactive to year-end 2008 or alternatively, include a one-time cumulative "catch-up" adjustment between OCI and retained earnings in the first quarter of 2009.

- 2a. ***Will this proposed FSP meet the project's objective to improve financial reporting by addressing fair value measurement application issues identified by constituents related to determining whether a market is not active and a transaction is not distressed?***

The proposal will not meet the projects objective for the majority of reporting entities. Smaller, less sophisticated reporting entities will not be able to implement processes to evaluate the proposed factors in determining whether a market is not active and whether a transaction is or is not distressed.

- 2b. ***Do you believe the amendments to Statement 157 in this proposed FSP are necessary, or do you believe the current requirements in Statement 157 should be retained?***

The amendments in the proposal are a good start. However, further clarity is needed for reporting entities to be able to efficiently and consistently measure the fair value of financial assets.

3. ***Do you believe the proposed two-step model for determining whether a market is not active and a transaction is not distressed is understandable and operational? If not, please suggest alternative ways of identifying inactive markets and distressed transactions.***

The two-step process is easy to follow. However, it will be difficult for most reporting entities to obtain the information necessary to implement the two step processes and support the conclusions of the process.

There is nothing in the proposal that reduces the amount of subjectivity that goes into the measurement process. As an example, each reporting entity will not use the same discount rate when measuring a financial asset. As a result, there will continue to be disagreements between reporting entities and their auditors.

FASB has to set specific standards that do not leave any room for interpretation. We suggest that FASB issue fair value accounting standards (that are specific) for brokers, market makers or pricing services to follow when issuing market prices. Such information should be presented to reporting entities so that it is consistently applied by all and eliminates subjectivity by holders of financial assets.

4. ***Are the factors listed in paragraph 11 of the FSP that indicate that a market is not active appropriate?***

Our opinion is that the factors would be difficult to measure. The factors that are listed are not normally obtained by us as a reporting entity and we are unfamiliar with how to even obtain the information. It looks like it would require additional expense to obtain the information from several sources to support conclusions.

- 11.a. - What is a definition of 'few'? How would a reporting entity determine that only a 'few' recent transactions occurred? We do not think that the majority of reporting entities would be able to come up with a measurement that their accounting firm would accept.
- 11.b. - How would a reporting entity know if price quotations are based on current information? Price quotations are provided by pricing firms, brokers, or market makers. We do not know of any that report whether the price quotations are current or not.
- 11.c. - How would a reporting entity know if price quotations are varying substantially (what is the definition of 'substantially'?) over time or among market makers? Attempting to obtain price quotes from several brokers or market makers can be expensive and time consuming. Completing a historical analysis of price quotations for each investment security would be difficult and costly.
- 11.d.-g. - How would a reporting entity be able to identify and measure these factors?

5a. ***What costs do you expect to incur if the Board were to issue this proposed FSP in its current form as a final FSP?***

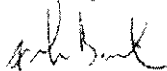
We have not quantified the exact costs. However, we expect that we would need to hire at least one additional full time person to interact with multiple brokers, market makers or pricing services and evaluate and measure the information that is received. We also expect that we would experience additional costs to obtain multiple or enhanced reporting by brokers, market makers, or pricing services.

5b. *How could the Board further reduce the costs of applying the requirements of the FSP without reducing the benefits?*

The Board can educate themselves and work with market makers to more specifically define the factors described in paragraph 11. Also, FASB should issue fair value accounting guidance for brokers, market makers or pricing services to follow when issuing market prices.

We thank the Board for its consideration of our views and welcome the opportunity to discuss this matter with the Board and its staff. Please do not hesitate to contact Kenneth Burt, VP/CFO at (607) 786-2000 ext. 525 with any questions.

Sincerely,



Frank E. Berrish
President & CEO