



THE BANK OF NEW YORK MELLON

August 21, 2009

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

RE: File Reference No. 1700-100: Proposed Statement of Financial Accounting Standards, Disclosures about the Credit Quality of Financing Receivables and the Allowance for Credit Losses

Dear Mr. Golden:

The Bank of New York Mellon, Inc. (BNYM) is a global financial institution with over \$200 billion of assets, including \$38 billion of loans. We appreciate the opportunity to provide comments on the Exposure Draft of the Proposed Statement of Financial Accounting Standards, Disclosures about the Credit Quality of Financing Receivables and the Allowance for Credit Losses.

BNYM supports the objectives of clarity and transparency in the financial reporting process. Our current disclosures in the MD&A and footnotes to the financial statements are extensive, and already include a large portion of the policy, data and analysis proposed in this Exposure Draft.

However, we do not currently support the new accounting standard for three reasons. First, the extensive tabular disclosures will not necessarily increase comparability across registrants. Credit ratings require significant judgment, and terms and conditions can vary by loan. Thus, detailed standardized classifications can provide a false sense of accuracy. Second, the disclosures are not consistent with the regulatory requirements established under Basel II. Since both FASB and the regulators are making every effort to reflect economics in reporting, we would hope to see disclosures converge. Convergence would significantly reduce cost and confusion and could be applied globally. Finally, without convergence the increased process and control burdens of providing the incremental disclosures will take time to prepare as it did to comply with Basel II. Disclosures by yearend 2009 would be costly and difficult to complete, as would interim reporting on an ongoing basis within the filing deadline of Form 10-Q.

We would appreciate your consideration of the following specific comments.

Disclosures (Paragraphs 10-16)

Bifurcating loan loss data into selected portfolio segments and classes will be judgmental and may not provide users the ability to accurately compare exposures across companies. We expect that segments or classes will be viewed quite differently by preparers and not provide for comparability.

Allowances for credit losses are relatively lower for companies whose portfolios: were acquired in business combinations and recorded under ASC 805 (formerly FAS 141R) at fair value; include credit impaired loans accounted for in accordance with ASC 310 (formerly AICPA Statement of Position 03-3); or include loans carried at fair value under the option permitted by ASC 825 (formerly FAS 159). These differences would impact users' attempts to compare performance statistics and financial trends among companies along with differences in views as to what represents a segment and class.

To avoid confusion and duplicity in data work-sets, the allowance for credit loss disclosures should be coordinated with the risk information now being prepared in accordance with Basel II guidance, as well as align with the loan-related disclosures required by SEC Industry Guide 3. Providing disclosures consistent with such data used to evaluate risk and establish credit reserves, along with qualitative commentary, would be more meaningful than presenting multiple additional or alternative tables by segment and class. We would agree that there should be comparability and consistency across entities for allowance for loan loss disclosures. Banks are significant holders of financing receivables; current bank reporting requirements and established information processes should be central in the development of any new disclosures.

Including fair value estimates for loan categories goes beyond the objectives of credit quality disclosures. Presenting fair values by segment for loans that are not intended to be sold may not provide users with meaningful information. Any additional detailed fair value disclosures should be evaluated separately in the scope of a larger project on financial instruments.

Expanded roll-forward of portfolio segment activity is excessive, would require new preparation and processing streams and, as a result, would be time-consuming to produce. The roll-forward could also create comparability misconception by users.

Any statement should not require greatly expand disclosures on an interim basis beyond that felt necessary to explain changes in credit risk during the period. Preparing substantial additional disclosures would be a burden within the constrained and shortened filing deadlines of 10-Q's, which have been further challenged by XBRL preparation steps.

Effective Date and Transition (Paragraph 17)

The effective date for implementation by yearend 2009 is very aggressive. This would require system and process modifications to be performed approximately three months after the statement is issued. We doubt many issuers would be able to comply with this timeline.

Sufficient time should be allotted after a statement is issued in final form to formulate proper data classifications and requirements, determine data capture points and establish controls over new financial statement disclosures. Analyses and implementation tasks currently being done for recent accounting pronouncements (e.g., FAS 166 and FAS 167) with potential significant financial statement impact are challenging existing resources. FAS 167 may require consolidation of entities for the first time and the data required by this proposed statement would have to be assembled in that same timeframe.

To allow sufficient time for the planning, implementation and control aspects of any additional disclosures, we would recommend an effective date for interim and annual reporting periods ending after December 15, 2010, assuming a final standard is issued before December 31, 2009.

Conclusion

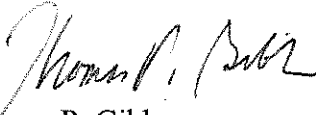
Overall, we agree with the project's objective of transparency in financial reporting for the allowance for credit losses. Certain of the additional disclosures may be meaningful for some companies to explain their credit risk but should not be required for all. While one might assume that any incremental disclosures would increase transparency, each company should present risk and reserves in a meaningful manner consistent with how it assesses and manages risk, changes related to fair value accounting have significantly impacted the allowance for losses, and companies should be permitted to disclose and meaningfully explain according to its respective situations.

We recommend that any new disclosure requirements be made using thoughtful input from the banking industry as to the most efficient means to provide transparent, relevant, consistent and comparable loan loss data and should leverage other disclosure requirements by banking regulators. Extensive standardized tabular presentations may lead users to oversimplified assumptions about the comparability to other companies. Any new disclosures should be consistent with The Securities and Exchange Commission's Industry Guide 3 and bank regulatory requirements for Basel II. Any new standard could be written requiring a preparer to either meet the requirements of the standard, Guide 3 or Basel II.

The FASB should seek additional input from the financial industry as to its ability to prepare the interim disclosures in the 40-day period following quarterend in which a Form 10-Q must be filed. This is significantly shorter than the 60-day period following yearend in which a Form 10-K must be filed, and the proposed interim disclosures should be reduced to consider this difference.

Thank you for your attention to these matters and for considering our views. If you have any questions or are in need of any further information, please contact me at (212) 635-1901, or John Park, Corporate Controller, at (212) 635-7080.

Sincerely,

A handwritten signature in black ink, appearing to read "Thomas P. Gibbons".

Thomas P. Gibbons
Chief Financial Officer