

Private Company Financial Reporting Committee

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Judith H. O'Dell CPA CVA
Chair

August 26, 2009

Mr. Robert Herz
Chairman
Financial Accounting Standards Board
401 Merritt 7
Norwalk, CT 06856

Re: Proposed Statement of Financial Accounting Standards, *Disclosures about the Credit Quality of Financing Receivables and the Allowance for Credit Losses* (“Exposure Draft”)

Dear Mr. Herz:

The PCFRC has reviewed the Exposure Draft and is concerned about the inclusion of non-financial institution private companies in the Exposure Draft's scope. Private company financial statement users would find little value in the proposed disclosures. Existing disclosure requirements coupled with the financial statement user's easy access to other detailed information about a company adequately meet the needs of private company users in this area. Also, the Exposure Draft would impose a cost burden on private companies without, as just noted, providing commensurate benefit to the users of their financial statements. As such, the PCFRC recommends that the scope of the Exposure Draft be limited to financial services entities.

The timing of the issuance of the Exposure Draft and its response deadline precluded the PCFRC from devoting significant time to reviewing the proposed requirements. However, input from the AICPA's Technical Issues Committee (“TIC”) was very helpful during the PCFRC's review and discussion. TIC has done excellent work in reviewing the Exposure Draft and considering its effect on the private company sector. As such, the PCFRC supports TIC's comments on this project.

In addition, the PCFRC recommends that the FASB consider convening a panel of private company financial reporting users who can impart their informational needs concerning credit quality and credit losses and offer their pragmatic view of how the Exposure Draft relates to those needs. The PCFRC is willing to help the FASB identify participants for such a user panel.

The PCFRC appreciates the FASB's consideration of these comments and recommendation. Please feel free to contact me if you have any questions or comments.

Sincerely,

A handwritten signature in cursive script, appearing to read "Judith H. O'Dell".

Judith H. O'Dell
Chair
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