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Executive Vice President &
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September 2, 2010

Technical Director
Financial Accounting Standards Board
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Re: File Reference No. 1830-100

Dear Director:

We are writing in response to your invitation to comment on the Proposed Accounting Standards Update entitled, "Fair Value Measurements and Disclosures (Topic 820)."

KeyCorp (Key), headquartered in Cleveland, Ohio, is a bank-based financial services company that, at June 30, 2010, had assets of approximately \$94 billion. We appreciate the opportunity to comment on this Proposed Accounting Standards Update and support the Board's commitment to developing high-quality financial accounting standards and improving comparability of financial information while promoting international convergence of accounting standards. Key takes pride in providing detailed, timely and comprehensive financial information to the investment community, and supports standards and interpretations that clearly result in reliable and relevant information that can improve investor understanding and allow for more informed decisions. Therefore, this proposed guidance is of great interest to Key.

We have the following significant concerns related to the measurement uncertainty disclosure provision of this proposed accounting guidance:

1. The additional disclosure will not provide financial statement users with information needed to make informed decisions.
2. There is insufficient time and resources to produce this information on a quarterly basis.

Information Provided to Users

In accordance with current fair value measurement guidance, assets and liabilities valued using unobservable inputs are classified as Level 3. Entities are currently required to disclose the inputs and methodologies used to determine fair value for those assets and liabilities. The valuation methodologies for these assets and liabilities incorporate inputs based on management's best judgment, assumptions and estimates related to credit quality, liquidity, interest rates and other relevant inputs. If ten individuals were asked to measure the fair value of a particular Level 3 asset, ten different answers would be

received based on each individual's judgment in determining the relevant inputs. Fair value measurement is very subjective, and presenting a financial statement user with these different fair values would be very confusing.

This proposed guidance is requiring entities to do just that – to disclose a range in which the fair value of an entity's Level 3 recurring assets and liabilities could fall, given differing inputs. If this proposed guidance is adopted as is, entities will have to perform measurement uncertainty analysis on each Level 3 recurring asset and liability, reflecting changes to one or more of the unobservable inputs used in each fair value measurement. The footnote will disclose the fair value as recorded for each asset and liability, which is based on management's best estimates of the inputs, and then two additional amounts which represent the potential increase and the potential decrease in the fair value based on using different unobservable inputs that could have reasonably been used to measure fair value in the circumstances. The resulting fair value range will be extremely difficult for financial statement users to interpret especially given that the fair value based on management's **best** estimate has been provided.

Entities are already disclosing the inputs and methodologies used to determine the fair value of Level 3 recurring assets and liabilities. Key believes that this information is sufficient for a financial statement user to understand the uncertainty inherent in its fair value measurements. If financial statement users are concerned about the uncertainty of management's estimates in determining Level 3 inputs, providing disclosure on a range of increases and decreases to fair value is not going to clarify this uncertainty or make the data more reliable. These disclosures will simply add more confusion regarding fair values and leave investors wondering "what the ranges really mean?"

Insufficient Time and Resources

To produce the proposed measurement uncertainty disclosures for all Level 3 recurring assets and liabilities will require a significant amount of time and resources. Management will need to: (i) identify the alternative unobservable inputs that could have reasonably been used to measure fair value in the circumstances, (ii) determine the effect of correlation between unobservable inputs, if such correlation is relevant, when estimating the effect on the fair value measurement of a change in an unobservable input, (iii) perform the various calculations involved in the measurement uncertainty analysis, (iv) analyze all the results and (v) incorporate the documentation in the footnote disclosure so that a financial statement user can possibly understand the results of the measurement uncertainty analysis. This does not include the additional internal controls that will be required for gathering and analyzing the necessary information.

Management already spends a considerable amount of time determining the most appropriate assumptions to use as inputs to fair value methodologies, which takes into account the current economic environment and the correlation between inputs. The proposed measurement uncertainty disclosure will require Key to perform separate measurement uncertainty analyses for every fair value measurement we perform on our Level 3 recurring assets and liabilities, requiring significant resources throughout

numerous departments within our organization. As of June 30, 2010, Key had \$1.1 billion in assets and \$1 million in liabilities measured on a recurring basis that were classified as Level 3, consisting of eleven different types of assets and liabilities. Operationally, this disclosure will require countless different measurement uncertainty analyses to be performed each quarter. Ultimately, the cost to comply with the proposed disclosure requirement far outweighs any benefit that users of the financial statements might gain from this disclosure.

The magnitude of financial statement disclosures has been increasing at an exponential rate over the past few years (in particular, over the last two years), and many of them are required on both a quarterly and annual basis. Considering that public entities have a filing deadline of 40 days from quarter end to file their Form 10-Q and the level of disclosures already required in our Form 10-Q is voluminous, there is insufficient time and resources to complete this process every quarter.

If the final guidance includes this disclosure, Key recommends that, at a minimum, the proposed guidance be effective for only annual reporting periods. This will allow adequate time to determine the appropriate inputs to incorporate in the analyses and the effect of correlation between unobservable inputs, perform the various calculations, analyze the results and document the required information in the fair value footnote of our Form 10-K.

In conclusion, Key appreciates the opportunity to comment on the Proposed Accounting Standards Update entitled, "Fair Value Measurements and Disclosures (Topic 820)" and requests that the FASB seriously consider the issues concerning the effect of disclosing the measurement uncertainty analysis set forth in our above comments as this proposed guidance is re-deliberated.

We hope these comments are useful and positively influence any final guidance. We welcome the opportunity to discuss these issues in more detail. Please feel free to contact Chuck Maimbourg, Director of SEC Reporting & Accounting Policy, at 216-689-4082 or me at 216-689-7841.

Sincerely,



Robert L. Morris
Executive Vice President &
Chief Accounting Officer