



909 Third Avenue
New York, NY 10022

September 8, 2010

Mr. Russell G. Golden
Director of Technical Application and Implementation Activities
Financial Accounting Standards Board
401 Merritt 7
P.O. Box 5116
Norwalk, Connecticut 06856-5116

File Reference No. EITF100C

Dear Mr. Golden:

Citigroup appreciates the opportunity to comment on the Exposure Draft, *Proposed Accounting Standards Update Plan Accounting—Defined Contribution Pension Plans* (the ED).

Citigroup agrees with the proposed classification of participant loans as receivables and measurement of participant loans at their unpaid principal balance plus any accrued but unpaid interest. We believe the ED appropriately simplifies measurement and will reduce the amount of time Plan sponsors spend on estimating fair value.

Our comments to the Board's specific inquiries are listed below:

Do you agree that participant loans should be classified by defined contribution pension plans as notes receivable from participants, separately from plan investments? If not, why not? What alternative classification would you prefer and why?

We agree. Participant loans are not comparable to other investments because the participant is taking a loan from their own vested benefit balance. A classification separate from plan investments is appropriate.

Do you agree that participant loans should be measured at their unpaid principal balance plus any accrued but unpaid interest? If not, why not? What alternative measurement would you prefer and why?

We agree. The use of inputs such as market interest rates, borrower's credit risk and historical default rates required by Topic 820 are of limited usefulness for participant loans. There is no market for these loans and they cannot be sold by the plan. Participant defaults reduce the outstanding balance of the participant's vested balance and have no impact on the Plan's investments.

The Task Force concluded that no additional disclosures specific to participant loans would be required as part of the amendments in this proposed Update. Do you agree? If not, what additional disclosure do you believe would be necessary?

We agree.

Do you agree that the amendments in this proposed Update should be applied retrospectively, with early adoption allowed? If not, why not?

We support retrospective application and early adoption.

How much time do you believe would be necessary for you to efficiently implement the amendments in this proposed Update?

We believe that minimal time and effort would be necessary to efficiently implement the amendments in the ED.

Citigroup finds the proposals in the ED useful and believes that they will provide users with adequate information about participant loans in defined contribution pension plans.

We thank the Board for its consideration and would welcome the opportunity to further discuss our comments with Board members and their staff. Please do not hesitate to contact me at (212) 559-7721.

Very truly yours,



Robert Traficanti
Deputy Controller and Head of Accounting Policy