

Federal Housing Finance Agency

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September 30, 2010

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

File Reference No. 1790-100

Dear Mr. Golden:

The Federal Housing Finance Agency (FHFA) welcomes the opportunity to comment on the Financial Accounting Standards Board's (FASB or Board) Proposed Accounting Standard Update, Comprehensive Income (Topic 220) – Statement of Comprehensive Income. As the regulator of the Federal Home Loan Bank System and the regulator and conservator of Fannie Mae and Freddie Mac, we consider financial reports by our regulated entities an important basis in our safety and soundness supervision process. Therefore, we are deeply interested in the reporting of unbiased, transparent and relevant information about the economic performance and condition of these entities.

We applaud the effort by the FASB and the International Accounting Standards Board (IASB) to eliminate the options for how items of comprehensive income are displayed. We also support the Boards' proposal to require the reporting of total comprehensive income and its components in two parts—net income and other comprehensive income (OCI) — in a continuous statement of financial performance. We agree with the Board that the proposal would:

- enhance the prominence of the items reported as OCI;
- result in greater transparency, consistency, and comparability between how the components of net income and other comprehensive income are reported under U.S. GAAP and International Financial Reporting Standards; and
- improve the understandability of comprehensive income and the relationships between changes in the statement of financial position, components of other comprehensive income, and components of net income for each period.

Finally, we strongly encourage the FASB and the IASB to address the concepts of OCI and net income <u>on a comprehensive basis</u> as part of the joint project on the Conceptual Framework-Elements and Recognition and in the next phase of the joint project on Financial Statement Presentation.

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Thank you for the opportunity to provide our views. If you have any questions or comments regarding this letter or wish to enlist FHFA's further participation, please feel free to contact me at 202-343-1830.

Sincerely,

Wanda I. DeLeo, PhD, CPA

Senior Associate Director & Chief Accountant

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