

Administrative Office • 2000 Jacobssen Drive • Normal, IL 61761 • (309) 268-0100 • Fax (309) 268-0101
Mailing Address: • P.O. Box 2565 • Bloomington, IL 61702-2565

Dear FASB:

We'd like to comment that the proposed rules by the FASB regarding the accounting of leases is overly burdensome for both lessees and lessors, without any economic value to lessees, lessors, or the general public. We feel these proposals were not developed out of clear, evidence-based rationale, but out of fear and panic following recent financial events at the end of this decade. First, we believe there is too much focus on combating abuse. These proposals punish an industry that represents \$650 Billion in the U.S. plus all of the lessees that we try to help just to change the reporting of a small percentage of organizations. How small of a percentage? Only 1% of leases are on large ticket item with long terms. So what does the new accounting really accomplish? If we are trying to come up with something that serves a practical purpose, it seems better to simply amend IAS 17/FAs 13 to capitalize operating leases and leave the expense straight line? This would match the economic nature of a right of use lease.

Current lessor rules should be left in place. Why are these changing? What complaints have ever surfaced over the lessor's accounting? None. When it comes to the definitions of lease terms and minimum lease payments, it makes sense to leave those in place for lessees and lessor. Accounting for leases with contingent rents should also be left alone. The new accounting approach wants to include rental payments that are not true liabilities.

Those who are actually trying to lease equipment will face added complexity and work that provides very little real economic value to society. I would encourage FASB to listen to IASB member Steve Cooper who voted against the exposure draft. His alternatives make much more sense and can be found starting on page 62 of the document located at: <http://www.ifrs.org/NR/rdonlyres/165478E5-02A8-4E19-A502-7B1CA48D495B/0/EDLeasesBasis0810.pdf>

Sincerely,

Terry L. Hinds
Sr. VP Business Lending/Corporate Relations
1st Farm Credit Services, ACA.