

February 23, 2012

Ms. Susan Cosper
Technical Director
Financial Accounting Standards Board
401 Merritt 7
P.O. Box 5116
Norwalk, CT 06856-5116

Via email: director@fasb.org

File Reference: No. 2011-220 Consolidation (Topic 810) – Principal versus Agent Analysis

Dear Ms. Cosper:

SunTrust Banks, Inc. ("SunTrust" or the "Company") appreciates the opportunity to comment on the Exposure Draft of the Proposed Accounting Standard Update to Consolidations (Topic 810), *Principal versus Agent Analysis* (the "Exposure Draft" or the "ED").

SunTrust, headquartered in Atlanta, Georgia, is one of the nations' largest banking organizations with assets of approximately \$177 billion and deposits of approximately \$128 billion as of December 31, 2011. SunTrust offers a full line of financial services for consumers and businesses through an extensive distribution network, located primarily in the Southeast and Mid-Atlantic states and also serves customers in selected markets nationally.

We understand that the proposed ED's primary purpose is to clarify whether a decision-maker is using its power as a principal or an agent and to align better the guidance around participating rights and kick-out rights across the voting interest entity ("VOE") and variable interest entity ("VIE") models. Overall, SunTrust supports the guidance in the Exposure Draft, however; we have specific concerns about unintended consequences of the ED that will impact SunTrust and others.

Specifically, our concern pertains to the evaluation of 'other interests' when a company is an investment advisor of investment funds and assets from its company-managed benefit plans (i.e., pension plans, employee welfare plans, etc.) are invested in these investment funds.

'other interests' under paragraphs ASC 810-10-55-37(c) and ASC 810-10-25-39K. The pension plan's investments will absorb their proportional share of the returns or losses from their investments in the investment funds. Pursuant to the provisions in paragraph ASC 810-10-55-37(c), this amount could be more than insignificant with respect to the funds and could cause the company's decision-maker fee to be considered a variable interest. Pursuant to the provisions in paragraph ASC 810-10-25-39K, these other interests may indicate that the decision-maker is the principal. Once the decision-maker's fee is deemed a variable interest, we believe the decision-maker would also be deemed the principal and thus the decision-maker would consolidate the funds.

We believe that consolidation of these investment funds solely as a result of the company's pension plan investment in company-sponsored benefit plans would be contrary to the principle under paragraphs ASC 810-10-55-37(c) and ASC 810-10-25-39K as the company is a fiduciary of the assets of the employee benefit plans legally and operationally. These companysponsored employee benefit plans are subject to the Employee Retirement Income Security Act ("ERISA") rules and regulations. These rules state that the primary responsibility of a fiduciary is to run a plan solely in the interest of participants and beneficiaries and for the exclusive purpose of providing benefits and paying plan expenses. Fiduciaries are required to act prudently. A plan's fiduciaries include the plan's trustees, administrators and members of the investment committee. The assets of these benefit plans are in unconsolidated trusts and are governed through a committee responsible for overseeing these trusts. Further, the company will not directly absorb losses or receive benefits as the losses and benefits are allocated to the benefit plan trusts, which are unconsolidated. The company indirectly absorbs losses of and receives returns in the funds, for example in a pension plan when the plan's overfunded or underfunded status is computed and recorded on the company's balance sheet. Additionally, consolidation of investment funds which include pension plan assets will result in other accounting complexities such as "double counting" returns on the assets of the investment fund from the consolidation of the fund and through the recording of the funded status of the plan. Therefore, we request for the Board to consider this issue as they redeliberate the Exposure Draft.

Again, we appreciate the opportunity to comment on this Exposure Draft. Thank you for considering our views. If you would like to discuss the letter in more detail, please contact Bob Worshek, Chief Accounting Officer and Finance Risk Officer, at (404) 813-0079, or Tom Panther, Senior Vice President, Director of Corporate Finance and Controller, at (404) 588-8585.

Sincerely,

Tom Panther

Senior Vice President, Director of Corporate Finance and Controller

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