This Exposure Draft appears to stipulate that modifications of loans that are accounted for within a pool under Subtopic 310-30 would not result in the removal of those loans from the pool even if the modification of those loans would otherwise be considered a troubled debt restructuring.

Codification paragraph 310-40-50-5 responds to circumstances when a loan is restructured into two (or more) loan agreements. That paragraph introduces the concept of separate recognition (in years after the restructuring) based on separate legal distinction from the original loan.

While a "pool of loans" does not enjoy separate legal distinction, the pooled loans do enjoy the distinction of originating from a single purchase. But once a loan within that pool is restructured into one (or more) new loan agreements, it appears that the restructured loan is now separately distinct from the original purchase.

It appears that the concept of separate distinction in the event of loan restructuring is inconsistently applied in circumstances of restructuring an individual loan vs. circumstances of restructuring activities within a pool of loans.

I may be missing something. Or this apparent inconsistency may have been considered and warranted by more important factors in pursuit of meaningful financial reporting. Thought I’d bring it up anyway.