January 5, 2010

Technical Director
Financial Accounting Standards Board
401 Merritt 7
P.O. Box 5116
Norwalk, Connecticut 06856-5116

Re: File Reference No. 1750-100

Dear Director:

We are writing in response to your invitation to comment on the Exposure Draft entitled, “Amendments to Statement 167 for Certain Investment Funds.”

KeyCorp (Key), headquartered in Cleveland, Ohio, is a bank-based financial services company that, at September 30, 2009, had assets of approximately $97 billion. Key offers a broad mix of financial products including asset management, some of which are impacted by this guidance. We appreciate the opportunity to comment on this Exposure Draft and support the Board’s commitment to developing high-quality financial accounting standards and improving comparability of financial information while promoting international convergence of accounting standards. Key takes pride in providing detailed, timely and comprehensive financial information to the investment community, and supports standards and interpretations that clearly result in reliable and relevant information that can improve investor understanding and allow for more informed decisions. Therefore, this proposed guidance is of great interest to Key.

Key is supportive of guidance that provides users of the financial statements with information that is useful in making informed decisions. Consolidating entities such as mutual funds, hedge funds, mortgage REITs, private equity funds and venture capital funds severely impacts the usefulness of the financial statements as they relate to these businesses. The most relevant information to an investor is the income generated by these types of entities which would be eliminated upon consolidation thus leaving financial statement users with the unrealized gains or losses on the underlying assets that do not directly impact Key. Therefore, for the benefit of the users of the financial statements, Key strongly agrees with deferring the effective date for entities meeting the requirements set forth in this Exposure Draft.

Key is supportive of the amendments to paragraph 810-10-65-2, defining the types of entities to which statement of Financial Accounting Standards No. 167 would be applicable. This Exposure Draft, to the extent possible, clearly identifies the population of entities that this deferral should apply, and is consistent with the Board’s commitment to developing high-quality financial accounting standards.
Key has, in its implementation effort, been applying the conditions of paragraph B22 to all related parties. Thus far, Key has not had any operational issues interpreting and applying the provisions of SFAS 167 guidance in this way. Accordingly, Key believes that this change is operational and achieves the Board’s objective.

Regarding the clarification of condition (c) of paragraph B22, Key believes that the proposed change, further clarifying that the assessment of significance should not be based solely on the quantitative guidance, appears to be operational and achieves the Board’s objective.

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In conclusion, Key appreciates the opportunity to comment on the Exposure Draft entitled, “Amendments to Statement 167 for Certain Investment Funds” and is supportive of its provisions.

We hope these comments are useful and positively influence any final guidance. We welcome the opportunity to discuss these issues in more detail. Please feel free to contact Chuck Maimbourg, Director of SEC Reporting & Accounting Policy, at 216-689-4082 or me at 216-689-7841.

Sincerely,

Robert L. Morris
Executive Vice President &
Chief Accounting Officer