January 15, 2010

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

File Reference No. 1900-100, Proposed Accounting Standards Update, Transfers and Servicing (Topic 860), Reconsideration of Effective Control for Repurchase Agreements

Dear Technical Director:

PwC appreciates the opportunity to comment on the Financial Accounting Standards Board’s (the “Board”) proposed Accounting Standards Update, Transfers and Servicing (Topic 860), Reconsideration of Effective Control for Repurchase Agreements (the “Proposal”). We support the Board’s proposal to modify the criteria for when repurchase agreements, including reverse repurchase agreements (collectively referred as “repurchase agreements”) and other agreements that both entitle and obligate a transferor to repurchase or redeem financial assets before their maturity, would be accounted for as a sale (or secured borrowing) upon transfer of such assets.

We have provided responses to the Board’s specific questions in the attachment to this letter.

If you have any questions regarding our comments, please contact Donald Doran (973-236-5280), Thomas Barbieri (973-236-7227), or Chip Currie (973-236-5331).

Sincerely,

PricewaterhouseCoopers LLP
Attachment

This Attachment contains our responses to your specific questions.

**Question 1:** Would the proposed amendments represent an improvement and simplification to the assessment of effective control for agreements that both entitle and obligate the transferor to repurchase or redeem the financial assets before their maturity? Are the proposed amendments clear and appropriate? Will the proposed amendments result in financial reporting that provides users with decision-useful information?

**PwC’s response:** We believe that the proposed amendments would represent an improvement as we agree with the Board that the criterion for consideration of collateral requirements should not be a determining factor in assessing whether a repurchase transaction should be accounted for as a secured borrowing. We also agree that the proposed amendments would simplify the assessment of effective control for repurchase agreement transactions.

**Question 2:** The Board plans to require that the amendments in the final Update be effective for entities as of the beginning of the first interim or annual period after its issuance. Are there any significant operational issues that the Board should consider in determining the appropriate effective date for the final amendments?

**PwC’s response:** Although the responses from financial statement preparers will be helpful in determining the operational impact of the Proposal and the appropriateness of the proposed timeline for implementation, we believe the proposed effective date will not present operational challenges for most preparers.

**Question 3:** Paragraphs BC16 and BC17 set out the Board’s assessment of the costs and benefits of the proposed requirements. Do you agree with the Board’s assessment that the benefits of the proposals outweigh the cost? Why or why not?

**PwC’s response:** We agree with the Board’s assessment from a preparer’s perspective of the cost and benefits to implement the proposed guidance.

**Question 4:** Should the amendments in this proposed Update be different for nonpublic entities (private companies and not-for-profit organizations)? If the amendments in this proposed Update should be applied differently to nonpublic entities, please provide a rationale for why.

**PwC’s response:** We believe the amendments should be applied the same for public and nonpublic entities.