September 7, 2010

Technical Director
File Reference No. 1840-100
Financial Accounting Standards Board
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Proposed Accounting Standards Update:
Fair Value Measurements and Disclosures (Topic 820)

We appreciate the opportunity to comment on the proposed Accounting Standards Update (“ASU”) entitled Fair Value Measurements and Disclosures (Topic 820) (“the exposure draft”). BB&T Corporation and its subsidiaries offer full-service commercial and retail banking and additional financial services such as insurance, investments, retail brokerage, corporate finance, treasury services, international banking, leasing and trust.

We support the Financial Accounting Standards Board (“FASB” or “the Board”) in its efforts to develop common requirements for measuring fair value and for disclosing information about fair value measurements in accordance with U.S. generally accepted accounting principles (“GAAP”) and International Financial Reporting Standards (“IFRS”). We believe that the issuance of converged accounting standards should remain a top priority for the FASB and the IASB and as a result we fully support the aspects of the exposure draft that have been drafted to achieve this objective.

As more fully described in this letter, we are concerned with the aspects of this exposure draft that seek to expand current fair value disclosure requirements. While we acknowledge that financial statement users have consistently expressed a desire for improved fair value disclosures, we believe that a more comprehensive project should be undertaken by the Board to address this issue. The FASB’s exposure draft entitled Accounting for Financial Instruments and Revisions to the Accounting for Derivatives and Hedging Activities seeks to significantly expand the scope of financial instruments subject to being measured at fair value. We believe that a comprehensive project that gives appropriate consideration to the decisions reached by the Board in connection with this project represents the most reasonable path forward.

Notwithstanding our desire for such a comprehensive fair value disclosure project, we have summarized certain conceptual and operational issues that we believe must be
considered in connection with the issuance of the final ASU related to fair value measurements and disclosures:

The measurement uncertainty analysis required by the exposure draft fails to provide meaningful information to financial statement users and may create significant challenges with respect to operationality:

Paragraph BC61 of the exposure draft states the following related to the perceived benefits of measurement uncertainty analyses:

Users of financial statements prepared in accordance with IFRS’s informed the Boards that the measurement uncertainty analysis disclosure required by IFRS 7 provides useful information that helps them to assess the subjectivity of a reporting entity’s fair value measurements categorized within Level 3 of the fair value hierarchy.

While we understand that certain financial statement users may desire additional information that provides insight with respect to the subjectivity of Level 3 fair value measurements, we do not believe that quantitative data represents the most appropriate means to achieve this goal given the significant judgment required in determining (1) the unobservable inputs where a different amount could have been reasonably used in the circumstances, (2) the range of assumptions that could potentially have been used and (3) the impact of correlation on these unobservable inputs. We cannot help but conclude that the range of reasonable assumptions will be wide, thereby severely limiting the usefulness of the quantitative information being provided to the financial statement user. In addition, we believe that the application of the uncertainty disclosure requirement will be subject to widely varying interpretations resulting in a lack of comparability amongst reporting entities.

Based on current fair value reporting requirements, we believe that the measurement uncertainty disclosures would result in certain operational challenges primarily related to determining the range of assumptions that could have reasonably been used in the circumstances and the effect of correlation related to the identified unobservable inputs. The impact of such operational issues would be exponentially magnified if the FASB’s proposed ASU related to financial instruments were adopted in its current form as a significant portion of most financial institutions’ balance sheet would be presented at fair value using Level 3 fair value inputs. We believe this indicates that the disclosure requirements being proposed in this exposure draft should be deferred and re-evaluated after final decisions related to the financial instruments project have been made.

To the extent that the Board determines it appropriate to continue down the path of creating additional disclosure requirements related to fair value measurements at this time, we believe that different disclosure options should be considered. In our opinion, additional qualitative analysis related to the fair value estimation process would provide much more meaningful information than the disclosures being proposed in the exposure draft. We believe that providing insight into the controls that have been developed to ensure that fair value estimates are prepared in accordance with GAAP would provide
much more useful and relevant information. Undertaking such an approach provides the financial statement user with insight into the process used to make estimates, as opposed to requiring a reporting entity to quantify fair value estimates that, in its opinion, do not represent the most appropriate estimate.

The FASB must remain committed to ensuring that appropriate due process has taken place with respect to all accounting standards updates ("ASU’s"): Over the course of the last several months, the FASB has issued a number of ASU’s that require significant analysis and discussion on the part of preparers, auditors and financial statement users. As of September 7, 2010, the FASB had posted ten comment letters related to the exposure draft. We believe that it would be inappropriate for the Board to assume that the relatively low level of response indicates implicit acceptance of the provisions reflected in the exposure draft. Instead, we believe this low level of response indicates that reporting entities are overwhelmed by the scope of the proposals put forth by the Board and have chosen to focus their efforts on responses related to other exposure drafts. As evidence to support this assertion, we note that the FASB has received significant comment letter volume related to the financial instruments exposure draft (260 responses posted as of September 7, 2010) and certain other projects.

While we understand that the FASB has a full agenda and has established relatively short timeframes for addressing many objectives, we are concerned that the pace of standard-setting by the Board has accelerated to the point where reasonable analysis and thoughtful input cannot be provided by most constituents within the timeframes established by the Board. We appreciate that the Board recognized this issue related to the loss contingencies exposure draft and extended the comment letter deadline based on feedback received from interested parties. Given the relatively low level of response received to-date, we strongly encourage the Board to consider extending the comment letter period related to this exposure draft in order to ensure that appropriate due process has been achieved.

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We would be pleased to discuss our comments with the Board members or the FASB staff at your convenience.

Very truly yours,

Henry R. Sturkie, III
Assistant Corporate Controller