April 28, 2011

Ms. Susan M. Cosper  
Technical Director  
Financial Accounting Standards Board  
401 Merritt 7, P.O. Box 5116  
Norwalk, CT 06856-5116  
File Reference No. 2011-100

Dear Ms. Cosper:

The Federal Housing Finance Agency (FHFA) welcomes the opportunity to comment on the Financial Accounting Standards Board's (FASB or Board) Proposed Accounting Standard Update, *Balance Sheet (Topic 210) Offsetting* (the Proposed ASU). As the regulator of the Federal Home Loan Bank System and the regulator and conservator of Fannie Mae and Freddie Mac, we consider the financial reports by our regulated entities an important input to our safety and soundness supervision process. Therefore, we are deeply interested in the reporting of unbiased, transparent and relevant information about the economic performance and condition of these entities.

We agree with the Board that, as a general principle, presenting assets and liabilities separately from each other on the statement of financial position provides more decision-useful information to investors, creditors, and other users of financial statements. Therefore, we support the Board's proposal that would require an entity to offset a recognized eligible asset and a recognized eligible liability in the statement of financial position when the entity has both (1) an unconditional and legally enforceable right to set off the eligible asset and eligible liability and (2) the intent either to settle the asset and liability on a net basis or to realize the asset and settle the liability simultaneously. In all other circumstances, recognized eligible assets and recognized eligible liabilities are required to be presented separately from each other in the statement of financial position.

We believe that the presentation and disclosure requirements in the proposed ASU will improve transparency in financial reporting and result in convergence of the offsetting requirements in U.S. generally accepted accounting principles and International Financial Reporting Standards.

Thank you for the opportunity to provide our views. If you have any questions or comments regarding this letter, please feel free to contact me at 202-343-1832.

Sincerely,

[Signature]

Nicholas J. Satriano, CPA  
Chief Accountant  
Federal Housing Finance Agency