May 31, 2011

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

Re: File Reference No. 2011-180

Dear Ms. Cosper:

Capital One Financial Corporation appreciates the opportunity to provide comments on the Proposed Accounting Standards Update, *Intangibles – Goodwill and Other (Topic 350): Testing Goodwill for Impairment* (the “proposed guidance”), recently issued by the Financial Accounting Standards Board (the “FASB”).

**Responses to Questions for Respondents**

**Question 1:** Please describe the entity or individual responding to this request.

Capital One Financial Corporation is a diversified financial services company with over $199 billion in assets that offers a broad spectrum of banking products and financial services to consumers, small businesses, and commercial clients. We are a preparer of financial statements and a public registrant. As of March 31, 2011, our balance sheet included approximately $13.6 billion in goodwill.

**Question 2:** For preparers, do you believe that the proposed amendments will reduce overall costs and complexity compared with existing guidance? If not, please explain why.

We fully support the FASB's effort to simplify goodwill impairment testing and believe the proposed guidance has the potential to reduce the cost and complexity of annual testing. Performing a Step 1 test when events and circumstances clearly indicate that impairment is unlikely provides no benefit to users of financial statements and is an inefficient use of an entity’s resources. Moreover, we believe further efficiency would be gained by eliminating the fixed annual goodwill impairment testing date. The proposed guidance effectively aligns the quarterly and annual goodwill impairment assessments thereby diminishing the need for the annual fixed date test. Removing the requirement for an annual fixed date impairment test would further the shift toward facts and circumstances based testing and potentially result in additional reductions in cost and complexity. We believe such a change would not reduce the effectiveness of the impairment assessment or negatively impact users.

**Question 3:** For preparers, do you expect your entity will choose to perform the qualitative assessment proposed in the amendments, or will your entity choose to proceed directly to performing the first step of the two-step impairment test? Please explain.

We expect to perform the qualitative assessment when facts and circumstances warrant.
Questions 4-5: Not applicable to preparers.

Question 6: Do you agree that the proposed examples of events and circumstances to be assessed are adequate? If not, what changes do you suggest?

Yes. The list appears reasonable and more comprehensive than the prior factors. While we agree with the inclusion of the examples contained within b. and g. of 350-20-35-3C, we note that market-dependent multiples and metrics such as share price are typically representative of the entire entity, as opposed to an individual reporting unit. Expanded implementation guidance illustrating how to apply these entity level factors to individual reporting units will better enable entities to assess potential impairment at the reporting unit level without being required to perform a Step 1 test for all reporting units.

Question 7: Do you agree that the guidance in the proposed amendments about how an entity should assess relevant events or circumstances is clear? If not, how can the guidance be improved?

As noted in our response to Question 6, expanding implementation guidance would help to align the expectations among preparers, auditors, and regulators regarding the extent of analysis and support necessary to conclude that a Step 1 test is not warranted when assessing individual reporting units.

Question 8: Do you agree with the Board’s decision to make the proposed amendments applicable to both public entities and nonpublic entities? If not, please explain why.

Yes. Consistency across public and nonpublic entities improves comparability among entities in the same industry, enhances the ability to assess nonpublic acquisition targets, and addresses other user concerns (investing, lending, etc.)

Question 9: Do you agree with the proposed effective date provisions? If not, please explain why.

Yes. Easing operational complexities should be available to preparers as soon as is practicable. Early adoption of this improvement to GAAP will not create lack of comparability for users.

If you have any questions about our comments, please contact Aubrey Thacker at (804) 284-9744.

Sincerely,

Scott Blackley
Senior Vice President and Controller