Dear FASB members,

I commend the FASB members, in their endeavor to move away from LIBOR but I ponder the implications that could come about from proposed standard (Reference Rate Reform: Topic 848). LIBOR having been established back in the 1980’s as a way to determine the borrowing rate between banks, has become intertwined with the world markets. With this system being an integral part of many domestic and foreign markets, I fear that the transition to the proposed standard would not be as smooth as the board is claiming.

My fear is that in transitioning away from the current method it would result in issues over hedge fund accounting; with that being said I feel the proposed change is substantial and necessary given the age of the current standard. It is within my interpretation of this standard that it benefits the users of prior LIBOR methods by modernizing the reference rate. As it stands banks have used less transaction based estimates and opted to rely on an almost forty year method to determine the borrowing rate of world banks. With the proposed change I find it more adaptive to the current markets and allows for less uncertainty by providing a backbone through a more transaction based approach.

Thank you for your time!