September 30, 2016

Technical Director
Financial Accounting Standards Board
401 Merritt 7
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File Reference No. 2016-280

The Strength Matters CFO Working Group (“CFO Working Group”) appreciates the opportunity to provide its views to the Financial Accounting Standards Board on the Proposed Accounting Standards Update Not-for-profit Entities – Consolidation (Subtopic 958-810) Clarifying When A Not-for-Profit Entity That is a General Partner Should Consolidate a For-Profit Limited Partnership or Similar Entity. We have used the "Questions for Respondents" contained in the exposure draft as a general guide for organizing our comments.

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

The Strength Matters collaborative brings together three national networks of not-for-profit owners and developers in the affordable housing field – Housing Partnership Network (“HPN”), NeighborWorks America (“NWA”) and Stewards of Affordable Housing for the Future (“SAHF”). Together the member organizations of these three networks own over 300,000 units of affordable rental housing and represent a broad spectrum of not-for-profit housing organizations, from large multi-state owner/developers to city-wide or regional organizations to community development corporations serving targeted geographies. The Strength Matters CFO Working Group brings together chief financial officers of member organizations from each of the networks to develop best practices in financial reporting and financial management of not-for-profit affordable housing developers. Additional information about Strength Matters and the CFO Working Group can be found at [www.strengthmatters.net](http://www.strengthmatters.net).

**Question 2:** The proposed amendments would retain the consolidation guidance in existing GAAP under which NFPs that are general partners are presumed to control a limited partnership, regardless of the extent of their ownership interest, unless that presumption is overcome. The presumption would be overcome if the limited partners have either substantive kick-out rights or substantive participating rights. Do you agree with this approach? If not, please explain why.

The CFO Working Group agrees with the approach described in the proposed amendments. The consolidation guidance in existing GAAP under which NFPs that are general partners are presumed to control a limited partnership captures the substance of who controls the partnership, irrespective of actual ownership.

**Question 3:** Would the proposed amendments clarify the amendments in Update 2015-02? If not, what would make the guidance clearer and why?

The CFO Working Group agrees that the proposed amendments would clarify the amendments in Update 2015-02.
**Question 4:** Do you agree with the proposed transition requirements in paragraph 810-10-65-2? If not, how would you modify those requirements? Please explain your reasons?

The CFO Working Group agrees with the proposed transition requirements. However, the group feels that those requirements only impact NFPs that early adopted Update 2015-02. The group is not aware of any industry organizations that did early adopt.

**Question 5:** Should a reporting entity be required to provide the transition disclosures specified in this proposed Update? Should any other disclosures be required? If so, please explain why?

The CFO Working Group agrees that reporting entities should be required to provide the transition disclosures specified in the proposed Update, but again feels that those requirements only impact NFPs that early adopted Update 2015-02.

**Question 6:** Should the proposed amendments be effective immediately upon issuance of a final Update for all entities that elected to early adopt the amendments in Update 2015-02?

The CFO Working Group feels that the proposed amendments should be effective immediately upon issuance of a final update.

Please direct any questions or comments on our position to the Strength Matters CFO Working Group, c/o Mary White Vasys. She can be reached at 312-641-5109 or by email at mwvasys@vasysconsulting.com.

Very truly yours,

The Strength Matters CFO Working Group

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