March 29, 2013

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

Re: FASB File Reference: 2013-210

Dear Madam,

The Bank of New York Mellon Corporation ("BNY Mellon") appreciates the opportunity to comment on the FASB’s Proposed Accounting Standards Update, Transfers and Servicing (Topic 860), Effective Control for Transfers with Forward Agreements to Repurchase Assets and Accounting for Repurchase Financings (the “Exposure Draft”). BNY Mellon is a global financial institution with $359 billion in assets and $1.39 trillion in assets under management.

We are supportive of the FASB’s overall proposal to address constituents’ concerns with financial reporting for transfers of financial assets with continuing involvement and the circumstances under which the transfers should be considered as sales of all or part of the assets or as secured borrowings and about how transferors and transferees should account for sales and secured borrowings.

Under the current accounting codification, effective control of a financial asset is not maintained if a transferor will not recover the transferred asset at the conclusion of the agreement because the asset has matured, resulting in sale accounting if other criteria are met. We believe that the changes proposed in the Exposure Draft should help towards clarifying the presentation of such transactions in the statement of financial position to represent that during the term of repurchase agreement transactions, the entity retains exposure to the credit risk related to the transferred asset and obtains certain benefits from the asset.

We agree with the FASB’s proposal to eliminate the distinction between agreements that settle before maturity of the transferred asset and those that settle at the same time as the transferred asset matures.
We have also considered the FASB Chairman’s alternative views presented in the Exposure draft and believe that the views expressed by the Chairman should be further explored by the FASB Board. A risks and rewards approach, regardless of the timing or form of settlement of such transactions, may be a suitable path towards resolving any future application issues in this area. We do not believe that the issuance of the FASB’s proposal should be delayed by such reconsideration, however as the “repo-to-maturity” accounting issue needs a timely resolution.

We believe that the effective date should allow sufficient time for preparers to implement necessary changes in time to prepare the new disclosures, which we expect to be twelve months.

Thank you for considering our comments regarding the Exposure Draft. If you have any questions or require further information, please contact me at 212-635-7080 or Ross Brown at 212-635-7023.

Sincerely,

John A. Park
Controller