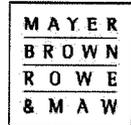


Letter of Comment No: 11
File Reference: 1200-001
Date Received: 07/31/03

Major Projects & Technical Activities Director
Financial Accounting Standards Board
401 Merritt 7
P.O. Box 5116
Norwalk, Connecticut 06856-5116



July 31, 2003

Re: File Reference No. 1200-001 - Exposure Draft on
Qualifying Special-Purpose Entities and Isolation
of Transferred Assets, an amendment to FASB
Statement No. 140

Ladies and Gentlemen:

Thank you for this opportunity to comment on the Exposure Draft referenced above. Mayer, Brown, Rowe & Maw has participated in the preparation of the comment letter submitted by the American Securitization Forum and The Bond Market Association relating to the Exposure Draft. We support the recommendations made in that letter. We are also separately submitting this letter in order to emphasize two points.

First, it appears to us that FASB is increasingly turning away from the control-based financial components approach to derecognition of financial assets that FASB adopted in Statement 125, just over seven years ago. FASB chose the financial components approach after substantial study and extensive due process. Statement 125 substantially changed and, we believe, improved upon prior GAAP. We understand that in its deliberations leading up to the adoption of Statement 125, FASB considered, among other things, a risk and rewards model for derecognition of financial assets, and rejected that approach in favor of a control-based financial components approach.

Since the adoption of Statement 125 and the financial components approach, reporting entities have made substantial investments in securitization programs that rely upon that approach. Reporting entities that use revolving master trust structures in particular have committed large pools of assets to structures that appropriately result in derecognition under that approach (including the non-consolidation of QSPEs necessary for net derecognition). Partly because of the requirements of Statement 125 and its replacement, Statement 140, those reporting entities have very limited ability to modify their programs to adapt to further changes in derecognition and consolidation standards. These programs are both complex and diverse.

We submit that in these circumstances FASB should only make further changes to derecognition GAAP where there is a very clear need. We respectfully question whether

Mayer, Brown, Rowe & Maw LLP

Page 2
July 31, 2003

that need has been demonstrated with respect to many of the changes proposed in the Exposure Draft.

Second, if FASB nevertheless chooses to substantially revise GAAP relating to derecognition of financial assets, we commend to FASB's consideration the matched presentation discussed in part of the letter submitted by the American Securitization Forum and The Bond Market Association. It appears to us that a well-devised system of matched presentation could facilitate transparency of financial statements and provide a number of other benefits.

Should you have any questions or desire any clarification concerning the matters addressed in this letter, please do not hesitate to contact either Jason Kravitt, at (212) 506-2622, or Rob Hugi, at (312) 701-7121.

Sincerely,

Mayer, Brown, Rowe & Maw LLP

By: /s/ Jason H.P. Kravitt