THE ASSOCIATION *of* CORPORATE CREDIT UNIONS

FSPFAS115A

LETTER OF COMMENT NO. 114

March 30, 2009

Via Email: director@fasb.org

Mr. Russell. G Golden
FASB Technical Director
Financial Accounting Standards Board
401 Merritt 7
P.O. Box 5116
Norwalk, CT 06856-5116

File Reference: Proposed FSP FAS 115-a, FAS 124-a, and EITF 99-20-b

Dear Mr. Golden:

On behalf of its member corporate credit unions, the Association of Corporate Credit Unions ("ACCU") appreciates the opportunity to comment on the proposed FASB Staff Position No. FAS 115-a, FAS 124-a, and EITF 99-20-b, *Recognition and Presentation of Other-Than-Temporary-Impairments* ("Proposed FSP").

The ACCU is the primary trade association for the nation's corporate credit unions ("Corporates"). As wholesale financial service providers, Corporates provide investment, liquidity, cash management, risk management, settlement, funds transfer, and numerous payment services to the nation's retail credit unions. Corporates maintain high quality assets in the form of loans to member credit unions, marketable debt securities, and other investments.

We agree that only the expected credit losses should be recognized in earnings as this more accurately reflects the economic reality of entities. This change incorporates prior recommendations of the ACCU, Corporates, and numerous others over the past several months. The proposed FSP is a significant improvement over current generally accepted accounting principles for Other-Than-Temporary-Impairment (OTTI) and better aligns accounting for security impairments with accounting for loans.

The Proposed FSP provides more relevant information about an entity's performance and earnings potential than the current impairment guidance. Current guidance cause earnings charges that are in excess of actual projected losses and therefore needlessly reduces capital in the near term only to reverse the impact in future accounting periods through accretion income as cash flows are received and the securities pay down. The result of current guidance is that financial results are misstated for many years.

While the Proposed FSP is a significant improvement, we urge FASB to consider the following additional changes:

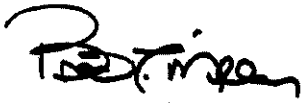
1. Early adoption of the Proposed FSP should be allowed back to December 31, 2008 for those companies that choose to do this since we view the changes as a clarification of existing rules. Companies that have already filed their 2008 financial reports should be able to restate, re-audit and re-file their reports, if they desire.

2. The Proposed FSP should allow entities that have previously recorded OTTI earnings charges to reverse the non-credit portion of prior impairments at the time of adoption. FASB should also consider allowing reversals of credit impairments recorded in earnings if assumptions significantly change in the future. This would improve consistency with international accounting standards as well as loan loss accounting, which allows changes in facts and estimates to be considered. Estimates of credit losses change as assumptions evolve over time. As a result, accounting should allow for these adjustments.

3. The ACCU believes that insignificant credit losses should not be required to be recorded as OTTI since the unrealized loss is already recorded in accumulated other comprehensive income on the balance sheet. Further, in addition to immaterial amounts, we recommend that insignificant delay and insignificant shortfall in the amount of payments should not require application of this Statement. This change would create consistency with loan loss accounting.

We appreciate FASB's attention to these important matters and thank you for your consideration of these changes. If you would like to discuss points raised in this letter, please feel free to contact me at (202) 508-6731.

Sincerely,



Executive Director