



LETTER OF COMMENT NO.

160

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 157-e

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 157-e, Determining Whether a Market is Not Active and a Transaction is Not Distressed ("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.

The ACCU is supportive of the Proposed FSP as we believe the removal of the excessive liquidity risk premium in valuing assets under the income approach is necessary and will improve financial reporting by addressing fair value in distressed markets. The Proposed FSP better represents the intent of fair value measurement in SFAS 157 – that measurement is based on orderly transactions between willing buyers and sellers and not forced transactions or distressed sales.

However, we strongly urge you to permit retroactive application of this guidance to December 31, 2008 financial statements since we believe the Proposed FSP is more than a change in pricing estimate, it is a correction to the October 2008 FSP 157-3 guidance and a change in accounting principle clarifying the original FAS 157. A majority of the comment letters, including those from the ACCU and Corporates, discussed the negative impact of utilizing a significant liquidity premium in valuations when FSP 157-3 was issued in October 2008. FASB should permit, but not require, entities to use retroactive application to December 2008. It makes little sense to have a materially different outcome for first quarter 2009 valuations compared to year end 2008 valuations simply because of this long-overdue accounting clarification.

Entities that have already filed their 2008 financial reports should be able to re-state, re-audit, and re-file their reports if they choose to do so. Additionally, we believe it would be helpful for FASB to provide further clarification defining orderly transactions and determining what constitutes the return of an active market.

We appreciate FASB's attention to this and again, urge you to allow retroactive application of this guidance to December 2008. If you have questions or would like to discuss this further, please feel free to contact me at (202) 508-6731.

Sincerely,

Executive Director