



ONE LIBERTY PLACE, SUITE 2300, PHILADELPHIA, PA 19103-7398 • 215-446-4000 • FAX-215-446-4101

May 26, 1999

Mr. Timothy S. Lucas
Director of Research and Technical Activities
Financial Accounting Standards Board
401 Merritt 7
P.O. Box 5116
Norwalk, CT 06856-5116

Letter of Comment No: 99

File Reference: 1082-194R

Date Received: 6/8/99

File Reference No. 194-B

Dear Mr. Lucas:

The Accounting Policy Committee (APC) of RMA, "the association of lending and credit risk professionals," wishes to take this opportunity to comment on the revised exposure draft of the Proposed Statement of Financial Accounting Standards, *Consolidated Financial Statements: Purpose and Policy*. RMA is an association representing in excess of 19,000 bank loan and credit officers from approximately 3,100 financial service institutions across North America. The APC is the RMA committee charged to work for the continuous improvement in the quality of financial information available to credit grantors. Our responses on accounting and financial reporting issues are, therefore, primarily from the financial statement users' perspective and, more particularly, from the perspective of those who lend or participate in the lending process.

The APC has previously filed with you a comment dated January 19, 1996 original draft of the Proposed Statement.

The Committee has had an opportunity to review the current draft standard at our May 24-25 meeting. We have considered the changes that the FASB has made from the original Exposure Draft. Based on its review, the APC supports the accounting proposed by the FASB. However, the Committee wishes to reiterate the recommendation it described in its comment letter of January 19, 1996. Specifically, the Committee recommends that, during the transition period to the new standard, reporting entities be required to disclose which significant subsidiaries are newly included in the consolidation and which are newly excluded because of the new rules and a brief statement of the facts and circumstances accounting for the change in treatment.

Director of Research and Technical Activities

May 26, 1999

Page 1

On behalf of RMA, the Accounting Policy Committee appreciates the opportunity to respond to the Proposed Statement of Financial Accounting Standards, *Consolidated Financial Statements: Purpose and Policy*. We would be pleased to answer any questions you or the Board may have concerning our views.

Yours very truly,

A handwritten signature in cursive script that reads "Douglas F. Nelson". The signature is written in black ink and is positioned above the printed name and title.

Douglas F. Nelson, CPA
Chairman, Accounting Policy Committee