

November 14, 2008



LETTER OF COMMENT NO. 37

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

Via e-mail to: [director@fasb.org](mailto:director@fasb.org)

**Re: File Reference No. 1610-100 (Exposure Draft on Accounting for Transfers of Financial Assets, a Proposed Amendment to FASB Statement No. 140)**

Dear Mr. Golden,

Thank you for the opportunity to comment on the subject Exposure Draft. Overall, I find the contents of the same theoretically sound. I only have reservations with respect to the two (2) areas highlighted below:

**Removal of the concept of a qualifying Special-Purpose Entity (SPE), as well as the exception of applying FASB Interpretation No. 46, *Consolidation of Variable Interest Entities*, to qualifying SPEs**

The application of this provision has the potential to result in significant swings in certain key balance sheet accounts, as well as in the key leverage and capital ratios of financial institutions. Superimposed against the backdrop of prevailing market conditions, such development could easily fuel adverse investor sentiment and would, definitely, be counterproductive to the on-going joint government and private sector effort to stabilize the U.S. capital market.

The Board may have to reconsider the postponement of this provision to a future period - when the US capital market will already be stable enough to absorb any adverse investor sentiment.

**Exceptions to the True Sale Legal Opinion and Nonconsolidation Legal Opinion requirements (par. 27A)**

In the same spirit with which the Board deliberately addressed the potential for accounting abuse from the process of "analogizing" elsewhere in the Exposure Draft, it may be advisable to make it mandatory for companies to obtain a True Sale Legal Opinion and/or a Nonconsolidation Legal Opinion whenever it retains continuing involvement in a transferred financial asset.

I truly hope that you would favorably consider my comments.

Sincerely yours,

Bill G. Debuque, CPA  
Glenolden, Pennsylvania