



LETTER OF COMMENT NO.

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1355 Kelly Johnson Boulevard  
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March 24, 2009

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

File Reference: Proposed FSP FAS 157-e

Dear Mr. Golden:

Thank you for allowing an opportunity for public comment on proposed FASB staff position 157-e. I agree the extraordinary events affecting our financial markets have necessitated clarification in the determination of whether a market for a financial asset is not active and whether a transaction is not distressed for fair value measurement under FAS 157. By providing this additional guidance, I believe it will help to loosen our seized credit markets and will also provide the users of financial information a more accurate representation of a company's fair value.

This proposed FSP will help to more accurately determine whether a market is not active. The examples provided in the proposal cover many common factors present in an inactive market. Additionally, the proposal gives flexibility for companies to cite other relevant factors if a particular situation is not specifically addressed in the guidance.

I believe the proposed effective date of interim and annual periods ending after March 15, 2009 should be expanded. Because this FSP provides clarification to existing FAS 157 guidance, companies should be able to retroactively apply the standards to years ending December 31, 2008. This guidance is not a change in estimate requiring prospective application. Many companies continue to hold open their December 31, 2008 audits due to difficulties encountered in evaluating any other than temporary impairments present on their balance sheets. This guidance would help them reach a conclusion regarding impairment and allow them to present a more accurate set of audited financial statements.

I also believe this guidance would address the issues raised in proposed FSPs 115-a, 124-a, and EITF 99-20-b. By allowing a company operating in an inactive market to use an alternate valuation technique, they would be able to accurately determine any other than

temporary impairments and charge current period earnings as appropriate. There would be no reason to separate the credit losses from the other related impairment factors. The company would have already considered all risks inherent in the asset including a reasonable risk premium for any anticipated credit losses when their alternate valuation technique was established.

I hope the FASB will consider allowing retroactive application of this staff position. This would help to improve the usefulness of the year end financial data at many companies. If a company is forced to use prices which don't accurately reflect the value of an asset due to a distressed market, the users of the financial statements cannot rely on those financial statements to make decisions. It would also provide more comparability and consistency because the year end data would be subject to the same accounting guidance used to prepare the March 15 and subsequent period's financial statements.

Thank you again for the opportunity to share my thoughts on this important accounting issue.

Sincerely:

Brad R. Barnes, CPA  
Vice President – Finance  
Air Academy Federal Credit Union