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August 24, 2009

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

Via email to director@fasb.org

File Reference No. 1700-100: Proposed Statement of Financial Accounting Standards, Disclosures about the Credit Quality of Financing Receivables and the Allowance for Credit Losses

Dear Mr. Golden:

Freddie Mac appreciates the opportunity to comment on the proposed Statement of Financial Accounting Standards, *Disclosures about the Credit Quality of Financing Receivables and the Allowance for Credit Losses* ("proposed Statement").

Freddie Mac is a publicly held company chartered by Congress in 1970 with a public mission to stabilize the nation's residential mortgage market and expand opportunities for home ownership and affordable rental housing. Our assets include mortgage loans with a carrying value of approximately \$122 billion as of June 30, 2009, an amount that will increase significantly upon the adoption of FASB Statement No. 166, Accounting for Transfers of Financial Assets – an amendment of FASB Statement No. 140 ("Statement 166") and FASB Statement No. 167, Amendments to FASB Interpretation No. 46(R) ("Statement 167").

We support the proposed Statement, which would require enhanced disclosures about the allowance for credit losses and the credit quality of financing receivables in interim and annual reporting periods, and believe such guidance will support the Board's objectives of assisting financial statement users in better understanding the financial information for the allowance for credit losses as well as the credit quality of the associated financing receivables. We do, however, have a concern about the effective date as discussed below.

## Effective Date and Transition

We do not believe the effective date as currently proposed is feasible operationally and request deferral by at least two quarters. We understand the proposed Statement is expected to be finalized in the third quarter of 2009, and would be effective for financial statements beginning with the first interim or annual reporting period ending after December 15, 2009. For a calendar-year company such as Freddie Mac, this means the disclosures will first be required in our 2009 Annual Report.



As we have discussed with you, implementation of Statements 166 and 167 entails a significant level of effort to incorporate them into our financial statements and our related processes and controls by their effective date of January 1, 2010. Currently, all of these resources are devoted full time to that effort and will continue to be needed until its completion. The adoption of the proposed Statement will require us to draw upon the same personnel resources that are needed for the adoption of Statements 166 and 167.

Furthermore, because the adoption of Statements 166 and 167 will greatly increase the number and dollar amount of mortgage loans reflected on our balance sheet, the volume of mortgage loans subject to the new disclosure requirements under the proposed Statement will increase far above the current level.

To allow for implementation of the disclosures required by the proposed Statement in a controlled manner, we believe that additional implementation time is warranted. Accordingly, we suggest that the effective date be deferred by at least two quarters, to a date no sooner than the first interim or annual reporting period ending after June 15, 2010, with early application encouraged.

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The views expressed in this comment letter are solely those of Freddie Mac, and do not purport to represent the views of the Federal Housing Finance Agency.

Freddie Mac appreciates the opportunity to provide our comments on the proposed Statement. If you have any questions about our comments, please contact Denny Fox (703-714-3160) or James Brandt (703-714-3305).

Sincerely,

Denny R. Fox

Vice President, Accounting Policy and External Reporting and Interim Principal Accounting Officer

cc: Mr. Charles E. Haldeman, Jr., Chief Executive Officer

Ms. Wanda DeLeo, Federal Housing Finance Agency