

From: [Josh Calhoun](#)
To: [Director - FASB](#)
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Director,

Following are comments are regarding a proposed accounting standards update to Plan Accounting – Defined Contribution Pension Plans (Topic 962).

I wholeheartedly agree that participant loans should be classified by defined contribution pension plans as notes receivable from participants. Attempting to subject participant loans to the fair value hierarchy is often like trying to fit a square peg into a round hole, and rarely results in meaningful information to the readers of financial statements. Classification of loans as notes receivable makes the most sense and reflects the underlying transactions (after all, for audits of commercial entities, any instance where one entity has debt you would expect a corresponding note receivable on the books of another entity – if you call the transaction a loan for participants, then having the plan record a note receivable makes perfect sense).

Questions 2-4: I agree with the suggested determinations of the Financial Accounting Standards Board.

Question 5 – Very little time would be necessary to efficiently implement the proposed amendment. However, it should not be effective for any financial statement audits that are attempting to wrap-up for the current 5500 deadline season (October 15, 2010). I believe that the proposed accounting standards should be effective for plan years ending after December 15, 2010. The largest change will be determining the amount of accrued but unpaid interest for participant loans. However, assuming a semi-competent third-party administrator and/or a decent listing of loans in a format that can be manipulated, such calculations at worst would be cumbersome, and far from complicated.

Thanks.

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