

MINUTES



Financial Accounting  
Standards Board

**To:** Board Members

**From:** Monsen x353

**Subject:** Revised Minutes of February 23,  
2011 Board Meeting: Clarifications to  
the Accounting for Troubled Debt  
Restructurings by Creditors

**Date:** May 2, 2011

**cc:** **Sutay**

*The Board meeting minutes are provided for the information and convenience of constituents who want to follow the Board's deliberations. All of the conclusions reported are tentative and may be changed at future Board meetings. Decisions become final only after a formal written ballot to issue an Accounting Standards Update or a Statement of Financial Accounting Concepts.*

Topic: Effective Date and Transition; Insignificant Delays in Cash Flows

Basis for Discussion: FASB Memos No. 8 & 9

Length of Discussion: 8:00 a.m. to 9:00 a.m.

Attendance:

Board members present: Linsmeier and Smith

Board members absent: Seidman, Golden, and Siegel participated by phone

Staff in charge of topic: Gonzales

Other staff at Board table: Stoklosa, Glotzer, Monsen

Outside participants: None

**Type of Document and Timing Based on the Technical Plan:**

The Board met to discuss issues relating to the development of a final Accounting Standards Update. The Board's technical plan calls for that document to be issued in the 1st quarter of 2011.

**Summary of Decisions Reached:**

The Board decided that a creditor should not consider an insignificant delay in cash flows a concession to a borrower. To illustrate application of this decision, the Board decided to include in the final Accounting Standards Update:

1. A list of factors or indicators that an entity should consider when determining whether a delay in amount of payments is significant
2. Examples to illustrate application of the indicators.

For public entities, the Board decided that the amendments should be effective for the first interim or annual period beginning on or after June 15, 2011, and should be applied retrospectively to the beginning of the annual period of adoption. Early adoption is permitted. The disclosure of information about troubled debt restructurings required by the amendments in Accounting Standards Update No. 2010-20, *Receivables (Topic 310): Disclosures about the Credit Quality of Financing Receivables and the Allowance for Credit Losses*, and deferred by the amendments in Accounting Standards Update No. 2011-01, *Receivables (Topic 310): Deferral of the Effective Date of Disclosures about Troubled Debt Restructurings in Update No. 2010-20*, is effective for the first interim or annual period beginning on or after June 15, 2011.

For nonpublic entities, the Board decided that the amendments should be effective for the first interim or annual period beginning on or after December 15, 2011. Early adoption is permitted.

**General Announcements:**

The Board directed the staff to draft a final Accounting Standards Update for vote by written ballot.