

MINUTES



To: Board Members
From: Investment Companies Team
Subject: Minutes of the September 5, 2012,
Board Meeting **Date:** September 7, 2012

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: Investment Companies

Basis for Discussion: FASB Memo No. 52—Mortgage Real Estate
Investment Trusts (Mortgage REITs)

Length of Discussion: 8:15 AM to 9:15 AM (EDT)

Attendance:

Board members present: Seidman, Buck, Golden, Linsmeier,
Schroeder, Siegel, L. Smith

Board members absent: None

Staff in charge of topic: Bhave

Other staff at Board table: Cosper, Laungani, C. Smith, Ward, Anderson

Staff participating via video: IASB: Geisman

Outside participants: None

Type of Document and Timing Based on the Technical Plan:

The FASB continued redeliberations of the proposed Accounting Standards Update, *Financial Services—Investment Companies (Topic 946): Amendments to the Scope, Measurement, and Disclosure Requirements*, to develop final guidance for investment companies. The FASB's technical plan calls for a final Accounting Standards Update to be issued in the fourth quarter of 2012.

Summary of Decisions Reached:

The Board discussed whether mortgage real estate investment trusts (REITs) that meet the requirements to be an investment company should follow investment company guidance or whether the REIT scope exception in Topic 946, *Financial Services—Investment Companies*, should be retained for mortgage REITs.

The Board decided to remove the scope exception in Topic 946 for mortgage REITs and require a mortgage REIT that meets the requirements to be an investment company to follow investment company guidance. (Vote: 5-2)

The Board requested the staff to analyze further whether the Board should consider (1) defining equity REITs for purposes of providing an equity REIT scope exception or (2) removing the REIT scope exception also for equity REITs.

General Announcements: None.