From: <u>Carolyn Simmons</u>
To: <u>Director - FASB</u>

Subject: File Reference No. 2012-200

Date: Monday, September 24, 2012 12:06:20 PM

Dear Sir:

I am writing in regard to FASB's Proposed Accounting Standards Update on Disclosures about Liquidity Risk and Interest Rate Risk. I believe that credit unions should be exempt from the proposed update because it does not apply to credit unions.

First, because of our business structure, we are not in a position to ask for capital market participation or for donors or potential investors. We do not issue bonds to creditors.

Also, the update requires inadequate methodologies. The NCUA's Examiners Guide describes Gap Analysis as "inappropriately" measuring IRR if the balance sheet consists of a large portfolio of mortgages and complex investments. The Guide also says that income simulation may not adequately capture the IRR in the balance sheet if the credit union offers long-term mortgage loans and invests in instruments with maturities exceeding three years. Many credit unions offer products that would make a GAP Analysis and an Income Simulation inappropriate measures of Interest Rate Risk.

The proposed update to the FASB Standard should not include credit unions. Thank you for your consideration in this matter.



Carolyn Simmons

Sr. Vice President of Finance NMLS# 528034

101 Lakin Blvd. - P.O. Box 619 Wood River, IL 62095-0619

PH: 618.254.0605 Ext: 2235 - FX: 618.254.9219

http://www.shellcu.org

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