2012-260
Comment Letter No. 39
2013-220
Comment Letter No. 17

American Bankers Association

Building Success. Together.

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May 2, 2013

Leslie Seidman
Chairman
Financial Accounting Standards Board
401 Merritt 7
P.O. Box 5116
Norwalk, CT 06856-5116

Via email: director@fasb.org

RE: File Reference No. 2012-260: *Financial Instruments – Credit Losses*
File Reference No. 2013-220: *Recognition and Measurement of Financial Assets and Financial Liabilities*

Dear Chairman Seidman:

The American Bankers Association (ABA) appreciates the opportunity to comment on the Exposure Drafts *Financial Instruments – Credit Losses* and *Recognition and Measurement of Financial Assets and Financial Liabilities (EDs)*. ABA represents banks of all sizes and charters and is the voice for our nation's $14 trillion banking industry and its two million employees.

The proposed changes to these two major areas of accounting for financial instruments are expansive, creating the need for bankers to evaluate their accounting and administrative processes alongside these EDs for virtually all lending products and terms, derivatives and the instruments to which they relate, and other financial assets and liabilities.

We are continuing to have industry conference calls on these topics, and banks are continuing to analyze how the EDs would be applied. With each new conference call, particularly on Recognition and Measurement, new questions are being raised. As some banks work their way through the Recognition and Measurement ED, they are convinced that it is more important for us to focus on it rather than the Credit Losses ED, yet most of our time has been spent with the latter because of timing and its complexity.

Therefore, we believe additional time is needed for comments on the EDs. Although we have made significant progress in developing industry views, the work being done is with a relatively small group of members. While it is a representative group, we need to ensure that the industry is well-educated on the EDs and on the impacts that our working groups believe they will have. We realize that in the past, a trade association's comment letter is viewed by the FASB as one letter rather than as a letter from numerous banks. Thus, it is important that the FASB hear from many individual bankers on these very important issues.

With this in mind, ABA respectfully requests that both comment periods be extended until June 30, 2013. We appreciate that FASB has already extended the comment period for *Financial Instruments -- Credit Losses*. However, the same people within banks are working on the time consuming tasks to address both EDs. This further extension will effectively align the comment periods of the

FASB's EDs and will better align the FASB's credit loss ED with the IASB's comment deadline for its *Financial Instruments: Expected Credit Losses* exposure draft.

Thank you for your attention to these matters. Please feel free to contact me (mgullette@aba.com; 202-663-4986) if you would like to discuss this.

Sincerely,

Michael L. Gullette