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May 29, 2013

**Technical Director** File Reference # 2012-260 Financial Accounting Standards Board 401 Merritt 7 P. O. Box 5116 Norwalk, CT 06856-5116

Dear Director,

Thank you for the opportunity to respond to the FASB proposed accounting standards update regarding financial reporting of credit losses on loans and other assets held by financial institutions, including credit unions.

The "life of loan" concept in this proposal would require my credit union to at least double the amount held on reserve for loan losses. To accomplish this would require a one-time deduction from undivided earnings and a credit to reserve for loan losses. This accounting entry undermines our ability to maintain the capital adequacy we strive for.

Since we are not a publicly traded company, the only outsider who uses our audited financial statements is our federal regulator, the National Credit Union Administration. They are not pushing for this change. This proposal is not necessary and detrimental to all credit unions.

Thank you very much for your time and serious consideration in this matter.

Sincerely,

Kenneth Blazing Mayo Employees FCU 507-293-8060