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Ms. Susan M. Cosper Technical Director Financial Accounting Standards Board (FASB) 401 Merritt 7 PO Box 5116 Norwalk, CT 06856-5116

June 17, 2013

Re: File Reference No. EITF-13B

Dear Ms. Cosper:

MetLife, Inc. (MetLife) is pleased to comment on the FASB's Exposure Draft, *Investments – Equity Method and Joint Ventures – Accounting for Investments in Qualified Affordable Housing Projects (Topic 323)*, (the Exposure Draft). MetLife is a leading global provider of insurance, annuities and employee benefit programs, serving 90 million customers in over 50 countries.

We support and commend the Board for proposing guidance that would enable more entities to qualify to elect the effective yield method to account for investments in low income housing tax credit projects. The proposed guidance will improve financial statement users' understanding of the nature of the investments and their effect on the financial position and results of operations of the investor. It better aligns the accounting for low income housing tax credit investments with the economics of such investments and reduces the distortion in the income statement caused by the current application of the equity method or cost method of accounting for these types of investments.

We recognize that there are other tax motivated investments that could be reasonably considered for inclusion within the scope of the Exposure Draft. However, we believe that the scope of this guidance should be limited to investments in affordable housing projects at this time; consideration of other tax motivated investments could be addressed as part of the Boards broader research project on the accounting for government assistance.

MetLife has long been an investor in affordable housing projects and strongly believes that the proposed guidance may have an additional social benefit of increasing the availability of affordable housing by enhancing investor interest in these projects.

We appreciate the opportunity to comment on the Exposure Draft. We have also attached our responses to the Questions for Respondents. If you have any questions regarding the contents of this letter, please do not hesitate to contact me.

Sincerely,

Peter M. Carlson

cc: John C. R. Hele

Executive Vice President and Chief Financial Officer

Responses to Exposure Draft Questions

Question 1: Do you agree that an entity should meet the conditions in this proposed Update in order to elect to account for the investment in a qualified affordable housing project using the effective yield method? If not, please explain why.

We agree that an entity should meet the conditions in the Exposure Draft in order to elect to account for an investment in a qualified affordable housing project using the effective yield method. We agree with the modifications to the conditions as proposed by the Board including removing the restriction that the tax credits be guaranteed by a creditworthy entity. However, the requirement (323-740-25-1 aa.), which states "The investor retains no operational influence over the investment other than protective rights" may be problematic. Many investors in affordable housing projects have a level of ownership interest that is presumed to have some degree of influence as evidenced by their current use of the equity method of accounting. As a result, the requirement would preclude such investors applying the effective yield method. We suggest that the Board simply require that investors have no participative rights in the investee.

Question 2: Do you agree that the effective yield method is an appropriate method to account for investments in qualified affordable housing projects? If not, what method of accounting should be used? Please explain.

We agree that the effective yield method is an appropriate method to account for investments in qualified affordable housing projects. We believe that the effective yield method provides financial statement users with a better understanding of the returns of these investments than the equity method of accounting since it better aligns the accounting presentation with the economics of the investment.

Question 3: Do you believe that removal of the requirement for guaranteed tax credits should change the method used to account for such investments from an effective yield method to an approach where the cost of investment is amortized in proportion to tax credits and other tax benefits received and recognized as a component of income taxes attributable to continuing operations?

We do not believe that presence of a guarantee should be a factor in the accounting for low income housing tax credit investments given the positive performance history of these investments over the years.

Question 4: Do other types of investments made primarily for the purpose of receiving tax credits meet the conditions in this proposed Update for an entity to elect to account for the investments using the effective yield method? If so, please describe them.

There are other investments, such as energy tax credit investments and historical preservation investments, with elements of social benefits and tax credits that could meet the conditions in the proposed Update and may qualify for the application of the effective yield method.

Question 5: Should the guidance in this proposed Update extend the effective yield method of accounting to other types of investments for which the economic benefits are realized primarily as a result of tax credits and other tax benefits? Please explain.

We do not object to extending the guidance in this Exposure Draft to other types of investments for which economic benefits are realized primarily as a result of tax credits and other tax benefits. However, consideration of such investments may require additional research and analysis. We encourage the Board to consider those types of investments at a later date as part of their broader research project on the accounting for government assistance.

Question 6: Do you agree that the amendments in this proposed Update should prescribe recurring disclosure objectives that would enable users of financial statements to understand the nature of investments in qualified affordable housing projects and the effect of the measurement of that investment and the related tax credits on the financial position and results of operations of the reporting entity? Alternatively, should the proposed amendments include minimum required disclosures?

We agree that the Exposure Draft should prescribe recurring disclosure objectives. However, we do not believe that minimum disclosures should be required since disclosures should be based on materiality and relevance, consistent with the principles outlined in the *Disclosure Framework* discussion paper.

Question 7: Do you agree that the amendments in this proposed Update should be applied using a retrospective approach? If not, please explain why.

We agree that the amendments in the Exposure Draft should be applied using a retrospective approach. However, we believe that preparers should be afforded the option to retroactively apply the amendments by using a cumulative effect adjustment to the investment balances in the period of adoption.

Question 8: Do you agree that early adoption of the proposed amendments should be permitted? If not, please explain why.

We agree that early adoption of the proposed amendments should be permitted.

Question 9: The amendments in this proposed Update would apply to public and nonpublic entities. Should the proposed amendments be different for nonpublic entities? If so, please describe how and why you think they should be different.

The proposed amendments should be the same for both public and nonpublic entities.

Question 10: For preparers, how much effort would be needed to implement the proposed amendments?

We believe that the level of effort needed to implement the proposed amendments will heavily depend on the level of support provided by the sponsors of the investments.