

From: John McKenzie [mailto:johnm@icul.org]
Sent: Friday, September 20, 2013 1:54 PM
To: Director - FASB
Subject: Indiana Credit Union League's Comment Letter-Definition of a Public Business Entity- An Amendment to the Master Glossary, File Reference No. 2013-310

Susan Cospers, Technical Director
Financial Accounting Standards Board
401 Merritt 7, PO Box 5116
Norwalk, CT 06856

Re: Definition of a Public Business Entity- An Amendment to the Master Glossary, File Reference No. 2013-310

Dear Ms. Cospers:

The Indiana Credit Union League (ICUL) appreciates the opportunity to submit the following comments to the Financial Accounting Standards Board (FASB) in regard to its proposed Definition of Public Business Entity (PBE). The ICUL member credit unions represent over 98% of assets and members of Indiana's credit unions, with those memberships totaling more than two million consumers.

We appreciate FASB's recognition that a one-size-fits-all approach to setting accounting standards does not always work for certain types of entities. Credit unions are unique not-for-profit, member-owned, cooperative financial institutions that have and continue to operate under very strict regulatory and legislative restrictions including not issuing stock for public investment. As a result they do not have complex balance sheets. They also have very distinct and limited groups of stakeholders - their members, boards, and regulators - that rely on the financial statements generated. How these stakeholders use the financial statements that are generated is significantly different from how stakeholders of PBEs (as defined in this proposal) rely on financial statement information in making investment decisions.

We strongly support the proposed definition of a PBE. We support the FASB's proposed approach of not including all financial institutions in the definition of a PBE, recognizing that there are differences among financial institutions that should merit different treatment under accounting standards.

We encourage FASB to continue to consider alternative GAAP standards through its development of the "Private Company Decision-Making Framework: A Guide For Evaluating Financial Accounting and Reporting for Private Companies." This Guide will enable entities that are not considered PBEs to develop financial information reports tailored more specifically to the needs of the appropriate stakeholders, resulting in a clearer understanding of the entity's financial situation.

One area of concern that we have is the reference in the proposal discussion regarding who ultimately makes the decision about whether or not an entity may utilize alternative standards. We believe it should be the entity that decides and not the regulators or other financial statement users. The primary regulator for credit unions, the National Credit Union Administration (NCUA), has had the authority to deviate from GAAP when appropriate, but has only done so on a limited basis. It is important that FASB work with the regulators, in particular NCUA, to insure their understanding of the GAAP alternatives available to non-PBEs, and that they accept their use by the entities that they regulate. We are concerned that the benefits of the alternative standards will not be realized if the regulator has the ability to restrict their use.

Thank you for the opportunity to express our views on the FASB's proposal for more clearly defining a "public business entity." We are in full support of efforts by FASB to recognize that accounting rules are not always best designed when using a "one-size-fits-all" approach. Please feel free to contact me at (317) 594-5320 or johnm@icul.org if you have any questions regarding this comment letter.

Sincerely,

John McKenzie
President
Indiana Credit Union League