



Letter of Comment No: 4
File Reference: 1082-200
Date Received: 07/25/02

July 19, 2002

VIA E-MAIL

Mr. Robert Herz
Chairman
Financial Accounting Standards Board
401 Merritt 7
Norwalk, CT 06856-5116

Re: Exposure Draft: Consolidation of Certain Special-Purpose Entities, an interpretation of ARB No. 51 ("Exposure Draft")

Dear Mr. Herz:

We are writing on behalf of the American Securitization Forum ("ASF"), the new trade association organized to represent the Securitization Industry as a whole,¹ and a joint industry working group composed of representatives of several other major financial industry trade groups ("JIWG").² As I am sure you are aware, the Exposure Draft has raised considerable concern in our industry.

We of course agree with the laudable goal of the FASB of increasing the financial transparency of financial statements with regard to SPEs and our comment letters are being written with that goal in mind. However, our task is made more difficult by the fact that various of the provisions of the Exposure Draft are subject to more than one interpretation. We intend no criticism; the area is complex and the Board and its staff were placed under extremely difficult time constraints. We also understand that the staff has been instructed not to provide their personal interpretations to interested parties for fear of their being inconsistent with the interpretations of Board members.

¹ The American Securitization Forum has been organized to produce consensus on issues of importance to the securitization industry, to take action to attempt to support those consensus, and to better educate all participants in the industry. Its membership consists of issuers, investors, underwriters, guarantors, trustees, accountants, lawyers, rating agencies and other participants in the industry.

² The Joint Industry Working Group consists of accounting policy and other professionals drawn from the respective memberships of The Bond Market Association, the International Swaps and Derivatives Association, the Securities Industry Association and the Loan Syndications and Trading Association.

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We appreciate that the Board has already announced that it will hold a roundtable with interested constituents after the close of the comment period, and believe that this can be a useful opportunity to discuss issues of both interpretation and policy associated with the proposed standard. We think that you will agree, however, that if as many areas of ambiguity as practicable were identified and clarified quickly during the comment period, the FASB would be able to ultimately write a better standard. During the comment period, the staff and the Board could focus on clarifying such areas, and the industry could write crisper, more focused and responsive comments. After the comment period, with better comments in hand, the Board could focus on more serious issues of policy.

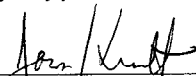
Accordingly, we are hereby requesting a public meeting by FASB to allow securitization industry representatives (and, if you prefer, any others who wish to participate) to ask questions of interpretation only. We would not, we assure you, intentionally use the occasion to argue for particular interpretations. If you wish, we would be happy to supply you quickly with a list of questions that we have. Of course, the sooner that such a meeting is held, the more useful it can be.

If you do not believe it is appropriate to hold a public meeting, we would be happy to send you a list of questions, the answers to which you could publish on your website.

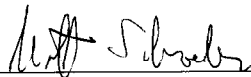
We would be delighted to discuss any of the issues raised by this letter with you at your earliest convenience.

Thank you very much for your consideration.

Very truly yours,



Jason H. P. Kravitt
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Chair, Legal, Regulatory, Accounting
& Tax Committee of ASF
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cc: Ron Lott
Vernon Wright, Chairman of ASF
Dwight Jenkins, Executive Director of ASF