



United Nations Federal Credit Union

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Via E-mail: director@fasb.org

Mr. Russell G. Golden FASB Technical Director Financial Accounting Standards Board 401 Merritt 7 PO Box 5166 Norwalk, CT 06859-5166



LETTER OF COMMENT NO.

157

File Reference: Proposed FSP FAS 115-a, FAS 124-a and EITF 99-20b

Dear Mr. Golden,

United Nations Federal Credit Union appreciates the opportunity to provide comments on the proposed FASB Staff Position on Statement 115-a, FAS 124-a and EITF 99-20b, *Recognition and Presentation of Other-Than-Temporary Impairments*.

Determining other-than-temporary impairment requires a variety of assumptions that are constantly changing and is more of an art form than a science. Additionally assumptions are typically only relevant in the short term and require refinement as circumstances change. It is imperative that subsequent analysis of OTTI be permitted with any recovery in value recorded in subsequent accounting periods.

We strongly recommend that retroactive application of this FSP be allowed for accounting periods ending after December 15, 2008.

We agree that the proposed changes are necessary and provide the following answers to your questions:

- Separate presentation of the credit and noncredit component of OTTI will provide readers of
 financial statements with the rationale and the compelling reasons for the impairment. I do
 not see any unintended consequences of separation. On the contrary separation will provide
 clarity to readers of financial statements.
- 2. The proposed FSP should apply to only debt securities. Given the inherent qualities of equity securities application of this FSP to equities would be inappropriate.
- 3. The recent FSP on fair value does not eliminate the need for this FSP. This FSP will provide further clarity to existing pronouncements and eliminate ambiguities.

Thank you for the opportunity to present our opinions on the proposed statement.

Sincerely.

Donald Roe Vice President – Finance United Nations Federal Credit Union

cc: Michael J. Connery Jr., President & CEO, United Nations Federal Credit Union William Predmore, Executive Vice President, United Nations Federal Credit Union