



April 1, 2009

Mr. Russell G. Golden
FASB Technical Director
Financial Accounting Standards Board
401 Merritt 7
PO Box 5116
Norwalk, CT 06856-5116



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LETTER OF COMMENT NO.

Re: Proposed FASB Staff Position FAS 115-a, FAS 124-a, and EITF 99-20-b

Dear Mr. Golden:

The Association for Financial Professionals (AFP) appreciates the opportunity to comment on the proposed FASB Staff Position on Statement 115, Statement 124, and EITF Issue 99-20 titled, *Recognition and Presentation of Other-Than-Temporary Impairments* (FSP FAS 155-a, FAS 124-a, and EITF 99-20-b). AFP represents approximately 16,000 finance and treasury professionals from over 5,000 corporations, including the Fortune 1,000 and the largest of the middle market companies. Our membership includes a significant number of corporate treasury and finance practitioners who are responsible for the protection and management of corporate cash and cash flow requirements, and for the oversight of investments, both short-term and long-term.

In this current economic environment, many of our corporate treasury and finance practitioners have experienced very stringent interpretations under the current other-than-temporary-impairment (OTTI) guidance in their available-for-sale (AFS) portfolios. Our corporate practitioners are experiencing sustained downgrades due to risk factors other than credit, such as market or liquidity, which are deemed recoverable. However, the current OTTI model for AFS securities is forcing them to take significant write downs that cannot be later reversed. Our corporate practitioners often use the AFS classification because of the flexibility afforded to them to hold or sell. Declaring intent to hold until maturity restricts their ability to effectively manage (a) their investment portfolios as there are times when it is appropriate to sell a security that is underwater to reinvest in a better opportunity; or (b) their duration, sector concentration, liquidity, spread widening concerns, etc. Thus, the proposed guidance, if implemented, would be a positive development for corporate practitioners who use AFS accounting.

Additionally, the FSP's effective date is for fiscal years beginning after March 15, 2009. While we think it is important to be responsive to the current economic situation, we find that the implementation date set forth in the proposal may pose challenges for some of our corporate practitioners. We anticipate that the adoption of this guidance will mandate additional reporting requirements and therefore will require system changes. Thus, we propose that FASB push forward the effective date to June 15, 2009, and permit early adoption as of March 15, 2009.

This will allow those that need immediate relief to benefit from the early adoption while not penalizing those that need additional time to transition to the new requirements.

AFP supports the efforts of the FASB to steward the development of accounting standards that are useful and meaningful. We applaud your immediate call to action to help resolve the accounting issues that are having unintended negative effects on our members. We hope that your rulemaking will be effective in providing users of financial statements with greater transparency of the other than temporary impairment of certain securities.

Thank you for the opportunity to comment. Please feel free to contact Salome J. Tinker, AFP's Director of Accounting Policy and Financial Reporting for any additional information and questions at (301) 961-8871 or sitinker@AFPonline.org.

Sincerely,



June M. Johnson, CPA, CTP
Chair of the AFP Financial Accounting and
Investor Relations Task Force



Maureen O'Boyle, CCM
Chair of the AFP Government
Relations Committee