

March 9, 2009

Representative Paul Kanjorski  
2188 Rayburn House Office Building  
Washington, DC 20515-3811

Dear Representative Kanjorski,

As a friend to Credit Unions, I am encouraged that you have called a hearing on March 12, 2009 to discuss Financial Accounting Standard (FAS) 157.

I am a CPA with my license on “non-practicing status” but more importantly, I am the CEO of SunCorp, a \$2 billion regional Corporate Credit Union serving over 400 Credit Unions in the Rocky Mountain region of the United States, including Colorado, Utah, Wyoming and Nebraska. The pronouncement known as FAS 157, and the FASB’s failure to understand the practical impacts of enforcing this standard in a market place that is not functioning is leading to irreparable but avoidable damage in numerous industries, including the Credit Union Movement, during a period in which Credit Unions continue to support lending to consumers.

To date, both the FASB and the SEC have failed to act quickly as directed by Congress. Instead, there have been hearings of discussion and debate, which have been more focused on preservation of the independence of the accounting industry. We are in a market we have never seen, and was never contemplated by the accounting profession when this standard was created. The current rule is causing dramatic and negative impacts in the financial markets. Several simple changes in this pronouncement will positively impact the global financial markets. Please take a leadership role to cause this positive impact.

I encourage your hearing to explore my attached letters and the numerous letters written to both the FASB and the Securities Exchange Commission, asking that the draconian and fatal impacts be stopped effective for financial statements dated December 31, 2008. Failure to stop the reporting within the standard as it currently is written will lead to further downgrades, failed capital calls, and unnecessary impairments in the financial sectors. This is critical as we are operating during a period in which these industries must function for the benefit of the consumer in order to avoid a complete depression.

My attached letters clearly explain the problem and a practical approach to a solution that does not call for the complete disbandment of the rule. Unfortunately, too many people, including the Public Accounting industry, are more interested in preserving their independence from any influence than looking objectively at the problem that they exacerbated. While they did not single-handedly create this problem, but they continue to force the death-spiral by requiring that assets be recorded at a depressed “marke

price” instead at the value that is expected to be realized over time. Effectively, this treatment records through current earnings an “exit value price” because of a market that is not working despite evidence that a financial company can and will hold the asset until maturity.

Please support a common sense approach to this problem when common sense is not so common any more.

Sincerely,

A handwritten signature in black ink that reads "Thomas R. Graham". The signature is written in a cursive style with a large, stylized initial 'T'.

Thomas R. Graham  
President and CEO  
SunCorp Corporate Credit Union  
720-540-4646

Attachments



October 7, 2008

Via Email: [director@fasb.org](mailto:director@fasb.org)

Mr. Russell G. Golden  
FASB Technical Director  
Financial Accounting Standards Board  
401 Merritt 7  
P.O. Box 5116  
Norwalk, CT 06856-5166

File Reference: Proposed FSP FAS 157-d

Dear Mr. Golden:

Systems United Corporate Credit Union (SunCorp) wishes to comment on the proposed FASB Staff Position No. FAS 157-d, *Determining the Fair Value of a Financial Asset in a Market That Is Not Active* (the "Proposed FSP").

SunCorp is a wholesale credit union providing investment and financial products to over 400 natural person member credit unions. SunCorp provides investments, financial and payment products and services to our members in Colorado, Utah, Nebraska and Wyoming. We hold approximately \$813 million in bonds and securities that were acquired at a AAA or AA rating. Our balance sheet is \$2.2 billion as of August 31, 2008. With sizable holdings of securities in this dislocated marketplace, we are interested in the discussions surrounding the determination of fair value for these instruments in today's illiquid market.

Given the unprecedented market conditions facing us today, simply clarifying the mechanics of fair value determination does not go far enough. The Proposed FSP should address the following in the definition of fair value:

1. For available-for-sale (AFS) securities where management has demonstrated the intent and ability to hold, the FSP should allow current severe liquidity risk premiums to be adjusted in the determination of fair value to levels observed during periods of normal market activity. Credit risk premiums should continue to be based on the best available information from market participants and not from the most conservative information found.

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2. For held-to-maturity (HTM) securities, the FSP should allow, at a minimum, current severe liquidity risk premiums to be adjusted in the determination of fair value to levels observed during periods of normal market activity. This is of great importance when determining the amount of potential other-than-temporary impairment charges. Credit risk premiums should continue to be based on the best available information from market participants.

We believe that in light of the unprecedented market conditions that currently exist, consideration must be given to changing the current ultra-conservatism of auditors. Just this week, leaders of both Lehman and AIG noted the death-spiral that was created with the current perceived requirements of their accountants and auditors. The market is looking to the accounting estimates and the accounting estimates are looking to the markets creating an ever-lower valuation in a down market while over estimating valuation in a bull market.

For a fair presentation of fair values, the Proposed FSP should distinguish between two different categories of securities. With regard to AFS or HTM securities for which the investor has the intent and ability to hold to maturity or recovery, the focus should be fair values that reflect normal liquidity risk premium levels, not the current "fire-sale" pricing or most conservative approach most often used. Failure to distinguish or to allow for these normal liquidity risk premium differences will cause continued and further distortions in financial statement presentation. Undervaluing assets and lowering equity may create a distortion so great that management cannot agree to the representation required by independent auditors in the application of this pronouncement. Thus creating a dilemma between management, which is responsible for fair presentation, and auditors, for their independent opinions.

For trading securities and AFS securities for which the investor does not have the intent nor ability to hold to recovery, the focus on incorporating the current severe liquidity risk premiums, may be appropriate.

Your urgent action on these clarifications is warranted.

Respectfully,



Thomas R. Graham  
President and CEO  
SunCorp Corporate Credit Union



October 27, 2008

Via Email: [rggolden@fasb.org](mailto:rggolden@fasb.org)  
[metrench@fasb.org](mailto:metrench@fasb.org)  
[jdmechanick@fasb.org](mailto:jdmechanick@fasb.org)

Mr. Russell G. Golden  
FASB Technical Director  
Financial Accounting Standards Board  
401 Merritt 7  
Norwalk, CT 06856-5166

File Reference: Other-than-temporary impairment (OTTI) and Statement 115

Dear Mr. Golden:

Congress, the Securities Exchange Commission and FASB should leave no confusion between transparency and overt financial misstatement caused by the current application of SFAS 157.

The recent FSP issued by the Financial Accounting Standards Board and interpreted by ultra-conservative accountants, auditors and consultants will lead to continued financial misrepresentation if not real losses for shareholders, customers, lenders, and the general public.

An example:

A 20-year, \$25,000,000 AAA rated bond is analyzed. It is concluded that in the next 20 years, this bond may lose \$1,500 of principal or interest. Because this bond is now considered "impaired," the bond is marked to market at the current value, which is \$12,500,000, meaning a \$12,500,000 current earnings loss adjustment is required (for a potential loss of \$1,500 that may or may not occur within the next 20 years.) This bond is expected to return \$25,000,000 minus \$1,500 or \$24,998,500, plus the stated interest, but is now recorded at \$12,500,000. This is financial misrepresentation.

Continuing with the above example, let us assume that this bond was created from mortgages granted at a consumer-based financial institution. The consumer-based financial institution is required to "reserve" the above referenced \$1,500 of potential losses, but is not required to "fair value" the portfolio of mortgages like required by those holding the securities created by the mortgages. How can this double standard of accounting be justified?

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Forcing the lowest possible valuation and potential misstatement should not be confused with financial transparency. Transparency has to do with clarity or the ability to “see through” the information so appropriate decisions can be made. Transparency can and should be handled with additional disclosures related to the carrying values and their determination, not by the most draconian and conservative values that can be justified.

System United Corporate Credit Union (SunCorp) is a wholesale credit union providing investment and financial products to over 400 natural person member credit unions. SunCorp provides investments, financial and payment products and services to our members in Colorado, Utah, Nebraska and Wyoming. We hold approximately \$813 million in bonds and securities that were acquired at an AAA or AA rating. Our balance sheet is \$1.9 billion as of September 30, 2008. With sizable holdings of securities in this dislocated marketplace, we are interested in the determination of the fair value for these instruments in today’s illiquid market.

Given the unprecedented market conditions facing us today, simply clarifying the existing mechanics of fair value determination does not go far enough. The Proposed FSP should address the following in the definition of fair value:

1. For available-for-sale (AFS) securities where management has demonstrated the intent and ability to hold, the FSP should allow current severe liquidity risk premiums to be adjusted in the determination of fair value to levels observed during periods of normal market activity. Credit risk premiums should continue to be based on the best available information from market participants and not from the most conservative information found.
2. For held-to-maturity (HTM) securities, the FSP should allow, at a minimum, current severe liquidity risk premiums to be adjusted in the determination of fair value to levels observed during periods of normal market activity. This is of great importance when determining the amount of potential other-than-temporary impairment charges. Credit risk premiums should continue to be based on the best available information from market participants.

We believe that in light of the unprecedented market conditions that currently exist, consideration must be given to changing the current ultra-conservatism of auditors. Recently, leaders of both Lehman and AIG noted the death-spiral that was created with the current perceived requirements of their accountants and auditors. The market is looking to the accounting estimates and the accounting estimates are looking to the markets creating an ever-lower valuation in a down market while over-estimating valuation in a bull market.

For a fair presentation of fair values, the proposed FSP should distinguish between two different categories of securities. With regard to AFS or HTM securities for which the investor has the intent and ability to hold to maturity or recovery, the focus should be fair values that reflect normal liquidity risk premium levels, not the current “fire-sale” pricing or most conservative approach most often used. The FASB wants to contend that not all sales in today’s market are “fire-sale” prices. I cannot imagine that anyone would want to sell into this market today, unless they were forced to for liquidity, policy, or survivorship. Therefore, failure to distinguish or to allow for these normal liquidity risk premium differences will cause continued and further distortions in financial statement presentation. Undervaluing assets and lowering equity may create a distortion so great

that management cannot agree to the representation required by independent auditors in the application of this pronouncement. This creates a dilemma between management, which is responsible for fair presentation, and auditors, for their independent opinions.

For securities classified as trading securities or AFS under SFAS 115, for which the investor does not have the intent or ability to hold to recovery, the focus on incorporating the current severe liquidity risk premiums, may be appropriate.

Your urgent action on these clarifications is warranted.

Respectfully,

A handwritten signature in black ink that reads "Thomas R. Graham". The signature is written in a cursive, flowing style.

Thomas R. Graham  
President and CEO  
SunCorp Corporate Credit Union



November 12, 2008

Via Email: [director@fasb.org](mailto:director@fasb.org)

Mr. Russell G. Golden  
FASB Technical Director  
Financial Accounting Standards Board  
401 Merritt 7  
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Norwalk, CT 06856-5166

File Reference: Proposed FSP FAS 157-d

Dear Mr. Golden:

The current application of FAS 157 is single-handedly destroying financial institutions and insurance companies, which have the intent and ability to hold undervalued securities. However, once forced to mark these securities to prices that no reasonable person would sell at, unless forced, is causing rating agency actions and loan covenants to start the death spiral from which few have been able to recover.

Mr. Forbes, in the November 11, 2008 issue of Forbes magazine suggests that we may have found a new weapon of mass destruction in the financial services markets, no thanks to expensive programs like OFAC, the Patriot Act, or Anti-Money Laundering legislation. This WMD has nothing to do with Uranium 235, but everything to do with FAS 157 and its application in this stressed and dislocated market.

The application of FAS 157 on only one segment of a balance sheet, securities, and only on the asset side, not the liability side does not make sense. The application of 159 attempts to fix this discrepancy, however, it is not required and therefore, adds to the lack of comparability between financial institutions.

There are at least four fundamental flaws, which were clearly identified by several of the SEC Roundtable participants. These include:

- Too many people, including many on your recent Roundtable panel and several in Congress, that are using transparency incorrectly. Transparency is about clearness and precision, and is already required through financial statement footnotes. In these footnotes, we disclose volumes of details supporting the presentation of the balance sheet, income statement and statement of cash flows. This is an excellent place to present assumptions

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regarding pricing, stressed situations, largest possible loss expectations, etc. Suggesting that transparency is recording the largest defensible losses and recording these losses through current earnings and calling that transparency is wrong.

- Using exit pricing on any security other than for trading purposes is misguided. If a security is classified for Trading, then the owner has the intent to sell in this market depending on need for liquidity, gain, or loss on sale and therefore, a current exit price seems appropriate. If a security is classified as Held to Maturity, then using anything other than expected final maturity pricing, is a clear mis-statement for any interim reporting. For securities held as Available for Sale, exit pricing is not appropriate to value these securities if the intent and ability to hold is proven. The expected and discounted cash flow price seems appropriate, or, to be able to take credit losses instead of an investor's required rate of return and illiquidity risk premium (which presumably comprise the difference between projected credit losses and current so-called fair values) would seem appropriate. Effectively this is in support of the PWC partner's proposal discussed during your recent Roundtable Meeting. This would be no harder to implement than the current application of FAS 157 but would provide a better reflection of value if FAS 157 was to be continued.
- The current accounting practice of utilizing modeling for estimating long-term future losses of principle, in this extreme and volatile market does not seem useful or appropriate. Using these aggressive and projected future losses to current value securities needs to stop. Today's models cannot accurately account for the volatility that is taking place today and should not take the place of well-founded and documented judgment. Models cannot accurately project the potential loss levels which will be impacted by the many proposed national, state, or local programs to keep people in their homes, or refinance existing mortgages so homeowners are not encouraged to leave the keys on the lenders desk. The accounting world must either abandon this one sided practice of recognizing the lowest and most conservative possible outcome, or be forced to counter that draconian position with similar upside guessing (modeling) too.
- An ill-fated idea like FAS 157 may have worked if it would have been implemented holistically on an entire balance sheet in an entire industry instead of segmenting one type of instrument on one side of the balance sheet. FAS 159 is an attempt to resolve this conflict, but unlike FAS 157, it is not mandatory across all financial institutions, let alone, all industries. Certainly, the SEC can see the problems inherent in the following examples.

First, in the case of a financial institution, we are required to mark securities we purchased using FAS 157, but not buildings or inventories, or accounts receivable. In addition, we are not required or permitted to adjust our liabilities, utilizing the exact same assumptions required to recognize or mark the purchased securities, thereby giving no credence to asset and liability management. How does this make any sense?

Second, let me take this point one-step further, by discussing the underlying collateral of a security. If a consumer-based financial institution has a portfolio of 30-year mortgage loans equal to \$110 dollars, and I hold a \$100 security based on that collateral, you would say that I am protected by the over-collateralizing of the security. At year-end, my accountants and consultants "look through" the security to the collateral reports and estimate that \$1 of principle in my security may not be paid 30 years from now. They declare that my security is now impaired and I have to recognize a loss to current earnings, even though this \$1 loss is a long-term projection on a 30 year mortgage. The loss, according to FAS 157 is not \$1. No, it is not even based on the projected cash flow of principle and interest based on a reasonable discount rate. No, it is \$50 because in this dislocated market, the bid/ask price is \$50. By the way, if the market does loosen, the value of this security rises to \$98, and, we decide to hold until maturity, we cannot increase the value above the \$50 impaired cost. If FAS 157 is really about "fair value", how can we account for this undervalued mis-statement when the market changes?

Now, let's go another step deeper. That consumer based financial institution holding the \$110 of mortgages on which my \$100 security is based, is reflecting \$109 on its balance sheet. They have determined that \$1 of their mortgages is delinquent and they expect that it may need to be written off in the near future. Therefore, under that part of GAAP, they set up an allowance of \$1 and take a current earnings charge of \$1 thereby listing the \$110 of mortgages as \$109 (\$110-\$1).

Now, that is not the end of this story. Wouldn't you assume if my \$100 of securities, which I intend to hold until maturity is only worth \$50 in the market, that the original mortgages, on which my security is based is also only worth .50 cents on the dollar? Yes, that is a reasonable conclusion, but GAAP through the application of FASB does not care about that. They do not require the consumer based financial institution to mark those mortgages to market value like they do the securities I hold based on those very mortgages. How can FASB or the SEC or any other standards board justify this GAP (Gigantic-whole in Accounting Practice?) I am baffled.

Former FDIC Chairman, Mr. Isaac, in his recent comments to the SEC, took an unprecedented step to apologize to the accounting profession for encouraging legal challenges in his prior role. As a former auditor, I appreciated his comment, concern and insight into why accounting firms are acting the way they do today. They are more concerned about the potential legal actions including possible bankruptcy of their firms (Arthur Anderson, despite being exonerated after they went out of business) more than the fair value versus the cost value of a balance sheet.

The SEC must take immediate action, before year-end audits are completed, to correct the problems attributed to FAS 157 and its application. Please take immediate action to insert common sense into this problem.

Sincerely,

A handwritten signature in black ink that reads "Thomas R. Graham". The signature is written in a cursive, flowing style.

Thomas R. Graham  
President and CEO  
SunCorp Corporate Credit Union

December 23, 2008

Via Email: [director@fasb.org](mailto:director@fasb.org)

Mr. Russell G. Golden  
FASB Technical Director  
Financial Accounting Standards Board  
401 Merritt 7  
P.O. Box 5116  
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File Reference: Proposed FSP EITF 99-20-a

Dear Mr. Golden:

SunCorp Credit Union ("SunCorp") appreciates this opportunity to comment on the proposed FASB Staff Position No. EITF 99-20a *Amendments to the Impairment and Interest Income Measurement Guidance of EITF Issue No. 99-20* (the "Proposed FSP").

SunCorp is a state chartered corporate credit union whose principal activity is to provide investment, financial and payment products to 450 federal and state-chartered natural person credit unions as a liquidity provider. As such, our investments are generally comprised of marketable securities instead of a portfolio of unsecuritized loans to individuals. SunCorp is a buy and hold institution, however, we historically classify all securities as available-for-sale in order to fulfill our role as a liquidity provider.

There are inherent flaws in fair value accounting as a basis for recognizing other-than-temporary impairments. The current guidance requires other-than-temporary impairment charges to be recorded based upon exit prices that are currently materially lower than net realizable value. This results in volatility in earnings and balance sheet misstatement that is not reflective of the true economic impact of the holdings.

The FASB needs to get out of theory and get back to a real world benefit. Today's abundance of caution and fear will create unnecessary financial disruption at year-end 2008.

Currently, there exists three impairment models which have different triggers and different economic results upon determination of impairment. You are well aware that these models are:

SFAS 114 Accounting by Creditors for Impairment of a Loan  
SFAS 115 Accounting for Certain Investments in Debt and Equity Securities.

EITF 99-20 Recognition of Interest Income and Impairment on Purchased and Retained Beneficial Interests in Securitized Financial Assets.

SunCorp believe that it is imperative to address this whole issue of multiple models for the 2008 year-end reporting instead of only addressing one of the models in addition to fixing the exit-pricing rule when institutions clearly have the ability and intent to hold.

The Center for Audit Quality gets it right by suggesting the recognition of current income impact for only those impairments representing probable losses of contractual cash flows. This is an accurate representation of value from a "common man" position.

SunCorp believes that recording only the credit loss allows users of financial statements to distinguish between the valuation based on fair value recorded on the statement of financial condition and the impact of credit impairments recorded in the income statement. Even though this information can be communicated in management discussion and analysis or disclosure, most users primarily focus on the statements of financial condition and income statement for conclusions on the health of an institution. This change also allows the regulatory capital calculations to be properly impacted by expected losses not changes based on liquidity premiums in an illiquid market.

We respectfully request that in your deliberations on EITF 99-20-a that you also address the SFAS 115 impairment model and come to one standard whereby the impairment is recorded to expected credit losses instead of fair value. The write-down to fair value in the current distressed market does not represent the true economic condition of an entity which has no plans to sell securities. We believe that the changes to all of the impairment models should be made for annual reporting periods ending after December 15, 2008.

I appreciate your attention to this matter and to the points raised in this letter.

Sincerely,

A handwritten signature in black ink that reads "Thomas R. Graham". The signature is written in a cursive, flowing style.

Thomas R. Graham  
President and CEO  
SunCorp



January 15, 2009

Via Email: [director@fasb.org](mailto:director@fasb.org)

Mr. Russell G. Golden  
FASB Technical Director  
Financial Accounting Standards Board  
401 Merritt 7  
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File Reference: Proposed FSP FAS 107-a

Dear Mr. Golden:

SunCorp Credit Union ("SunCorp") is commenting on the proposed FASB Staff Position FAS 107-a, *Disclosures about Fair Value of Financial Instruments* (the "FSP").

The fundamental issue with the proposal is that there are multiple impairment models under GAAP for related transactions, and the application of each can result in widely divergent answers and in some cases, creates material misstatements.

The SEC directed FASB to "expeditiously" address issues arising from the application of the impairment model in SFAS No. 115 in its letter dated October 14, 2008. In addition, in its report to Congress on December 30, 2008, the SEC states, "The Staff recommends that the FASB reassess current impairment accounting models for financial instruments. The evaluation should consider the narrowing of the number of models that currently exist in U.S. GAAP." It went on to say, "During the course of our study, the accounting for impairment was identified as one of the most significant areas of necessary improvement."

There should be unanimous agreement that the "model applied often depends on the characteristics of the financial instrument at the date of acquisition, and the models are not always consistent with the reporting of impairments for other non-securitized investments (such as direct

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Mr. Russell G. Golden  
January 15, 2009  
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investments in mortgage loans). In the absence of uniform accounting treatment for impairments, investors are provided with information that is not recognized, calculated, or reported on a comparable basis.” This quoted from the SEC’s letter to FASB.

The FASB appears to be ignoring the directive from the SEC and the suggestions of many practitioners, or taking only enough action as necessary to mollify the issues, particularly as it relates to OTTI, and have not acted timely in resolving the many issues highlighted in the many letters you and the SEC have already received. I am cautious to suggest, that the FASB appears to be more interested in defending its prior position instead of looking at the current needs in a market place that could not have been contemplated when the original pronouncements were released.

You must recognize that recording impairment losses through current earnings beyond actual probable losses does not make sense. Has the FASB actually reviewed the independent models used as the basis for valuation and mark-to-market accounting? In addition to our own internal view, the firm used by our outside auditors, and the three other nationally known and recognized providers that we pay a high price for, we can find 100% disparity in loss estimates and, in current “fair value” estimates. If you would care to visit our organization, I would be happy to show you that circus of disparity. How can anyone assume that with 100% differences in loss projection and in valuation that we can record the lowest possible values and highest possible writedowns and declare that is anything but false reporting and erred disclosure?

A very simple and defensible approach would be to amend the FAS 115 impairment model for debt securities to allow for the writedown of securities determined to be other-than-temporarily impaired to net realizable value – consistent with the impairment model for loans. The fundamental principles underlying ownership of loans and debt securities are the same: an up-front investment in exchange for the right to receive defined principal and interest cash flows over time. I would appreciate someone defending why this does not make good sense.

In both cases, there is risk to the investor that full repayment will not be made. For loans, Statement 114 requires that a reserve be established for amounts deemed uncollectible. However, if circumstances change, the reserves are adjusted up or down. If OTTI were based on net realizable value, and adjusted up or down, the problem would be solved, and, you would have consistent reporting and treatment.

The way FASB created Statement 115 requires impairment to be recorded down to “fair value” (which is mostly an unfair value in an unprecedented market like

this), which currently results in a larger earnings charge due to FAS 157 exit value pricing. Because earnings charges in excess of actual projected losses are recorded on securities, the investor needlessly impairs capital in the near term, only to reverse the excess charges in future accounting periods, but only after payments are received and recorded, thereby misstating financial results for many periods and potentially for material sums. Can an auditor or management team really sign a representation letter when they knowingly are recording assets at less than they expect to be paid?

There are numerous examples including and most recently the Federal Home Loan Bank of Atlanta. For three held-to-maturity securities, they had to take OTTI current earnings charges of \$87 million for expected credit losses of \$44 thousand, estimated to occur between 2025 and 2032—a misstatement of the true economic results by a multiple of nearly 2000 times despite their intention to hold. How on earth, can we as a profession, defend this misstatement. Many more financial institutions, including banks, insurance companies, and credit unions will face the decisions to overtly misstate their 2008 financials statements in order to have a “clean opinion.”

As requested, here are specific answers to your questions.

1. No. FAS 107 already requires the disclosure of fair value for all financial instruments. Requiring new such disclosures is not necessary and provides little tangible value.
2. Including financial assets already measured at fair value through earnings would add little value. As noted above, entities could voluntarily elect to disclose estimates of projected incurred losses on these assets, and have strong incentive to do so if their intent is to hold the assets despite their classification as trading or held-for-sale.
3. No. Stating an earnings number as if all assets subject to this proposed FSP were carried at fair value is equally irrelevant and unconscionable. Even the flawed mixed-model approach to impairment recognition acknowledges that some declines in fair value should not be recorded in earnings. Why require entities to publish pro-forma earnings based on an immediate liquidation scenario? There is still a premise that financial statements are prepared as if the entity is a going concern.
4. No. Because the pro-forma earnings disclosures are not useful, reconciliations to published net income also are not needed.
5. No. This proposed FSP is not needed and should not be finalized. Rather, meaningful changes to the impairment framework for securities should be made to allow for a true measure of losses to be presented in earnings.
6. Investors in debt securities should have reasonable estimates of net realizable value for assets in their portfolio. As such, the changes to the

Mr. Russell G. Golden  
January 15, 2009  
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impairment model for debt securities proposed throughout this document and suggested by countless respondents are operational. Because this FSP provides little value and should not be finalized, the effective date is not of any consequence.

Thank you for considering this input.

Sincerely,



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President and CEO of SunCorp Corporate  
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