

January 12, 2011

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

By e-mail: director@fasb.org

**Re: Proposed Accounting Standards Update—*Transfers and Servicing (Topic 860)*
*Reconsideration of Effective Control for Repurchase Agreements***

(File Reference No. 1900-100)

The New York State Society of Certified Public Accountants, representing more than 27,000 CPAs in public practice, industry, government and education, welcomes the opportunity to comment on the above captioned exposure draft.

The NYSSCPA's Financial Accounting Standards Committee deliberated the exposure draft and prepared the attached comments. If you would like additional discussion with us, please contact Mark Mycio, Chair of the Financial Accounting Standards Committee at (212) 838-5100 or Ernest J. Markezin, NYSSCPA staff, at (212) 719-8303.

Sincerely,



Margaret A. Wood
President

Attachment

**NEW YORK STATE SOCIETY OF
CERTIFIED PUBLIC ACCOUNTANTS**

COMMENTS ON

**PROPOSED ACCOUNTING STANDARDS UPDATE—*TRANSFERS AND
SERVICING (TOPIC 860) RECONSIDERATION OF EFFECTIVE CONTROL FOR
REPURCHASE AGREEMENTS***

(FILE REFERENCE NO. 1900-100)

January 12, 2011

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John J. McEnerney
Sharon Sabba Fierstein
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New York State Society of Certified Public Accountants
Financial Accounting Standards Committee

Comments on

Proposed Accounting Standards Update– *Transfers and Servicing (Topic 860)*
Reconsideration of Effective Control for Repurchase Agreements

(File Reference No. 1900-100)

We have reviewed the Proposed Accounting Standards Update, *Transfers and Servicing (Topic 860), Reconsideration of Effective Control for Repurchase Agreements* (the ASU). Overall, we agree with the proposed changes in the ASU, and we have provided the following responses to the questions for respondents.

Question 1: Would the proposed amendments represent an improvement and simplification to the assessment of effective control for agreements that both entitle and obligate the transferor to repurchase or redeem the financial assets before their maturity? Are the proposed amendments clear and appropriate? Will the proposed amendments result in financial reporting that provides users with decision-useful information?

Response:

We believe that the proposed amendments are clear and appropriate and would improve financial reporting as described, and the information will help users better understand the liquidity position of a company.

Question 2: The Board plans to require that the amendments in the final Update be effective for entities as of the beginning of the first interim or annual period after its issuance. Are there any significant operational issues that the Board should consider in determining the appropriate effective date for the final amendments?

Response:

We are not aware of any significant operational issues to be considered.

Question 3: Paragraphs BC16 and BC17 set out the Board's assessment of the costs and benefits of the proposed requirements. Do you agree with the Board's assessment that the benefits of the proposals outweigh the cost? Why or why not?

Response:

We agree that the benefits outweigh the costs. The Amendment eliminates the requirement of the transferor's ability criterion, thereby simplifying the determination of effective control.

Question 4: Should the amendments in this proposed Update be different for nonpublic entities (private companies and not-for-profit organizations)? If the amendments in this proposed Update should be applied differently to nonpublic entities, please provide a rationale for why.

Response:

We believe these amendments should be applied on the same basis whether an entity is a public entity or a nonpublic entity.