

Members United™

CORPORATE FEDERAL CREDIT UNION

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March 22, 2009

Via Email: 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-e

Dear Mr. Golden:

Members United Corporate Federal Credit Union (“Members United”) appreciates this opportunity to comment on the proposed FASB Staff Position No. FAS 157-e *Determining Whether a Market Is Not Active and a Transaction is Not Distressed* (the “Proposed FSP”).

Members United is a wholesale corporate credit union providing investment, financial and payment products to over 2,300 member credit unions. Members United, as a liquidity provider to the credit union network, manages a balance sheet of approximately \$10 billion of which \$6 billion is invested in marketable securities that are classified as available-for-sale under SFAS No. 115.

We believe the Proposed FSP is a significant improvement to clarify the application of current generally accepted accounting principles (GAAP) and will improve the usefulness of the financial statements.

Today, asset values include a significant liquidity risk premium which is driving the prices well below levels that a willing seller would entertain, especially if the organization has the ability to hold the securities until their value recovers. Current asset prices reflect values that may be offered by a willing buyer in a very distressed market. The Proposed FSP is an improvement as it introduces the concept that values should be more reflective of the price that a willing buyer AND a willing seller would agree to in a non-distressed market. This will provide the readers of the financial statements with much better information.

While it is an improvement, we ask you to strongly consider the following comment prior to issuing final guidance.

1. At a minimum, the guidance must allow application to 2008 financial statements. The Proposed FSP considers this guidance a change in accounting estimate and should only be applied prospectively (such as a change in the estimated useful life of a depreciable asset). We disagree with this position

and believe that the Proposed FSP is a clarification of the original FAS 157 and that retroactive application should be permitted, especially for organizations that have not issued financial statements. All companies should be able to restate, re-audit and re-file - if they choose to do so. It does not make sense to have a materially different outcome for first-quarter 2009 valuations compared with 2008 year-end valuations, simply due to a long-overdue accounting clarification.

Thank you in advance for consideration of these changes. If you would like to discuss any of the points we have raised, please feel free to contact me at 630-276-2600.

Sincerely,



Todd M. Adams
Chief Financial Officer

CC: Congressman Barney Frank, Chairman, House Committee on Financial Services
Congressman Paul Kanjorski, Chairman, Subcommittee on Capital Markets, Insurance, and
Government Sponsored Enterprises
Senator Christopher Dodd, Chairman, Senate Committee on Banking, Housing, & Urban Affairs
Richard Shelby, Ranking Member, Senate Committee on Banking, Housing, & Urban Affairs
Brad Miller, Executive Director, Association of Corporate Credit Unions
Joseph Herbst, President and CEO, Members United Corporate FCU