From: Stephanie Salazar [mailto:stephanie@srcu.net]
Sent: Thursday, May 09, 2013 1:18 PM
To: Director - FASB
Subject: File Reference No. 2012-260

Financial Accounting Standard Board,

As the CEO of a small credit union I am very concerned about the proposed change FASB is considering. My main concern with the proposed rule is related to the complexity of the calculations required and the need for subjective assumptions that extend will into the future.

The proposed CECL model requires entities to predict the extent and timing of future losses. This is extremely challenging, especially to our small institution. Attempting to predict credit loss over the life of a loan, especially a longer-termed loan such as a mortgage, with any accuracy is very difficult. I feel strongly that this could impact lending to mid to lower credit score members. Credit Unions are people helping people. Lending is a risk. There are sufficient measures currently in place to reserve for these losses. Credit Union members are very loyal. They pay us fist. We know our members. Reliance on industry-wide data sets would skew and may lead to quarterly adjustments in expected loss projects that would create more volatility in provision expense and earnings.

I urge FASB to consider exempting small to medium sized financial institutions from this proposed rule or modifying the requirements of the calculations, especially related to predicting credit losses over the life of the loan.

Sincerely,

Stephanie Salazar,

Stephanie Salazar

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