



EITF-13B
Comment Letter No. 47
Scott Blackley, *SVP – Controller and
Principal Accounting Officer*
Capital One Financial Corporation
1680 Capital One Drive
McLean, Virginia 22102

June 17, 2013

Ms. Susan Cosper
Technical Director
Financial Accounting Standards Board
401 Merritt 7
P.O. Box 5116
Norwalk, CT 06856-5116

Re: File Reference No. EITF-13B

Dear Ms. Cosper:

Capital One Financial Corporation (“Capital One”) is a diversified financial services company with over \$300 billion in assets that offers a broad spectrum of banking products and financial services to consumers, small businesses, and commercial clients. We appreciate the opportunity to provide our comments on the Proposed Accounting Standards Update – *Accounting for Investments in Qualified Affordable Housing Projects* (the “Proposed Update”), recently issued by the Financial Accounting Standards Board Emerging Issues Task Force (“EITF”).

As a diversified financial services company, Capital One is an active investor in affordable housing projects, including investments in the low-income housing tax credit (“LIHTC”) program. We concur with the EITF’s observation that the landscape surrounding this tax credit and tax-advantaged investments in general has changed markedly since the existing authoritative guidance in ASC 323 *Investments-Equity Method and Joint Ventures* was effective. We also share the stakeholder comments in the Proposed Update that the existing conditions enabling use of the effective yield method are restrictive and prevent many entities from electing to apply this method of accounting to investments in LIHTC projects and that the effective yield method provides users with a better understanding of the returns from such investments by allowing them to be presented net of income taxes. Therefore, we are appreciative of the EITF’s efforts to be responsive to such observations by reconsidering the conditions in paragraph 323-740-25-1.

We are supportive of presenting the returns from LIHTC investments net of income taxes and would encourage the EITF to consider the comments and feedback received from all constituents when considering whether to expand this presentation to other types of tax-advantaged investments.

Sincerely,

R. Scott Blackley
Senior Vice President
Controller and Principal Accounting Officer
Capital One Financial Corporation