

## MINUTES



**To:** Board Members  
**From:** Boyce (ext. 000)  
**Subject:** Minutes of the May 1, 2013 Board Meeting  
**Date:** May 10, 2013  
**cc:** Sutay

*The Board meeting minutes are provided for the information and convenience of constituents who want to follow the Boards' deliberations. All of the conclusions reported are tentative and may be changed at future Board meetings. Decisions become final only after a formal written ballot to issue an Accounting Standards Update or a Statement of Financial Accounting Concepts.*

Topics: Proposed New EITF Issues

Basis for Discussion: EITF Agenda Committee package distributed on April 12, 2013, and Board Memo No. 1, distributed on April 26, 2013

Length of Discussion: 8:30 a.m. to 8:55 a.m. EDT

Attendance:

Board members present: Seidman Golden, Buck, Schroeder, Siegel, and Smith  
Board members absent: Linsmeier  
Staff in charge of topic: Gupta, Goswami, McKinney, and Walsh  
Other staff at Board table: Cospers, Boyce, and Passalugo  
Outside participants: None

Meeting Summary:

1. This Board meeting was preceded by the EITF Agenda Committee meeting on April 23, 2013. That meeting was attended by members of the EITF Agenda Committee as well as three Board members. Agenda Committee members discussed and provided their views on the three potential new issues being considered for the EITF agenda.
2. Concerning the proposed new issue "Application of Diluted EPS for Equity-Linked Contracts That Are Accounted for as Liabilities," the Board members decided not to add this issue to the EITF agenda.

3. During the discussion, one Board member asked if there was much diversity in practice surrounding this issue. The staff responded that they had not seen evidence of diversity in practice. Another Board member stated that this issue should not be added unless there is significant diversity in practice, and other Board members expressed the view that they agreed with this conclusion.
4. Concerning the proposed new issue “Determination of Whether a Performance Condition That Is Allowed to Be Met after the Requisite Service Has Been Provided by the Employee Is a Vesting Condition or a Nonvesting Condition,” the Board members decided to add this issue to the EITF agenda.
5. Concerning the proposed new issue “Reclassification of Collateralized Mortgage Loans upon a Troubled Debt Restructuring and Accounting for the Effect of a Federal Housing Administration Guarantee,” the Board members decided to add this issue to the EITF agenda.
6. During the discussion, one Board member asked why the scope was restricted to FHA guaranteed loans. The staff responded that this was the scope when the issue was first brought to the staff’s attention, but it can be expanded if deemed appropriate. Another Board member stated that this issue could be too detailed and specific for the Board and EITF to deal with. However, other Board members stated that this issue would still be worthwhile adding to the agenda to clarify the guidance surrounding this situation.

**Final Disposition:**

Concerning the proposed new issue, “Application of Diluted EPS for Equity-Linked Contracts That Are Accounted for as Liabilities,” the Board decided not to add this issue to the EITF agenda.

Concerning the proposed new issue, “Determination of Whether a Performance Condition That Is Allowed to Be Met after the Requisite Service Has Been Provided by the Employee Is a Vesting Condition or a Nonvesting Condition,” the Board decided to add this issue to the EITF agenda.

Concerning the proposed new issue, “Reclassification of Collateralized Mortgage Loans upon a Troubled Debt Restructuring and Accounting for the Effect of a Federal Housing Administration Guarantee,” the Board decided to add this issue to the EITF agenda.