

RE: PCC 133-03 "Accounting for Receive-Variable, Pay-Fixed Interest Rate Swaps"

Dear Ms. Cospers,

In the recently approved PCC 133-03 "Accounting for Receive-Variable, Pay-Fixed Interest Rate Swaps" one of the conditions listed in the July 1, 2013 Exposure Draft of the ASU is that "The notional amount of the swap is equal to or less than the principal amount of the borrowing." Taking into consideration FAS 133 Implementation Issue E10 Question 2B, it may be more accurate to say: "The notional amount of the swap is equal to or less than **the portion** of the borrowing being hedged."

Sincerely,

Allen Schulman