



December 10, 2014

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

RE: File Reference No. 2014-250

Dear Ms. Cospers:

PricewaterhouseCoopers LLP appreciates the opportunity to comment on the Board's recent proposal, Accounting Standards Update, *Interest—Imputation of Interest (Subtopic 835-30)*, and we commend the FASB for its ongoing efforts to identify areas in which financial reporting can be simplified while maintaining or enhancing decision-useful information.

Accordingly, we support the Board's decision to simplify the accounting for debt issue costs by requiring them to be presented as a direct deduction from the corresponding liability and agree with the Board's proposed transition method. We believe that the proposed guidance should take minimal effort to adopt, and do not believe that entities that are other than public business entities would require an extended effective date.

In addition, we make the following suggestions:

- The revisions in the Exposure Draft to Example 2 in ASC 835-30-55-8 suggest that unamortized debt issue costs should be disclosed separate from unamortized debt discounts and premiums in the notes to the financial statements. Paragraphs ASC 835-30-45-2 and 45-3 do not require separate disclosure of either premiums and discounts or debt issue costs, and we do not believe that separate disclosure provides useful information to financial statement users. Therefore, consistent with the principle articulated in ASC 835-30-45-1A that debt issue costs are similar to a debt discount, we recommend that unamortized discounts and unamortized issue costs be presented in a single, combined column in Note 1 of Example 2.
- Paragraph BC3 states that debt issuance costs incurred prior to funding should be reported in the balance sheet as deferred charges until the liability is recorded. We believe this concept is important and merits inclusion in the updated codification as opposed to just being mentioned in the basis for conclusions. Additionally, the Board should consider clarifying that issuance costs that have been deferred in anticipation of a debt issuance should be written off when the entity determines that the debt will not be issued or if the entity suspends active pursuit of the debt issuance.



- The Board should consider clarifying that the scope of the guidance is limited to third-party debt issue costs, and that fees paid directly to a lender, such as a commitment fee for a revolving line of credit, are not in scope.

PwC supports the Board's continuing simplification initiative, including the additional simplification topics recently added to the agenda. We believe the Board should continue to focus on those areas that (a) have broad impact, (b) remove exceptions and mechanical rules that lead to complexity while maintaining decision-useful information for investors, and (c) result in harmonization with international standards, if possible.

If you have any questions regarding our comments, please contact Patrick Durbin at (973) 236-5152 or John Althoff at (973) 236-7021.

Very truly yours,

A handwritten signature in black ink that reads "PricewaterhouseCoopers LLP".

PricewaterhouseCoopers LLP