

December 15, 2014

Technical Director
Financial Accounting Standards Board
401 Merritt 7
PO Box 5116
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Via e-mail – director@fasb.org

Re: File Reference No. 2014-250. Proposed Accounting Standards Update: Interest – Imputation of Interest (Subtopic 835-30): *Simplifying the Presentation of Debt Issuance Cost*.

Plante & Moran PLLC appreciates the opportunity to comment on the proposed Accounting Standards Update, *Simplifying the Presentation of Debt Issuance Cost*. We support the Financial Accounting Standards Board's (Board's) Simplification Initiative and the efforts to reduce the cost and complexity in financial reporting. Following, please find our responses to the specific Questions for Respondents in the Exposure Draft, along with other comments for the Board's consideration.

Question 1: Should debt issuance costs be presented in the balance sheet as a direct deduction from the carrying amount of the debt liability, consistent with debt discounts? If not, why?

Response 1: Yes, we agree with the proposed Update that debt issuance costs be presented in the balance sheet as a direct deduction from the carrying amount of the debt liability, consistent with debt discounts. We believe the justifications for the change presented in the Basis for Conclusions are appropriate and that reporting will not only be simplified, but also improved as debt issuance costs are not assets.

Question 2: Should the proposed Update be applied on a retrospective basis?

Response 2: Yes, we agree that the proposed Update should be applied on a retrospective basis. The information necessary to change the reporting for debt issuance costs is tracked separately by entities and there will be minimal cost and effort associated with retrospective application. Accordingly, the benefits of retrospective application are easily justified in this circumstance.

Question 3: How much time will be necessary to adopt the amendments in this proposed Update? Should the amount of time needed to apply the proposed amendments by entities other than public business entities be different from the amount of time needed by public business entities?

Response 3: As described in our Response to Question 2, we believe the time necessary to adopt the amendments in the proposed Update will not be significant and the amount of time needed by public business entities and other entities will not differ significantly.

Other Comments: We also offer the following additional comments for consideration by the Board:

Paragraph BC3 of the Basis for Conclusions discusses circumstances in which debt issuance costs do not have an associated debt liability. These circumstances are somewhat common, and include not only costs incurred before funding is received, but also costs associated with revolving credit agreements. When revolving credit agreements have no outstanding balance or an outstanding balance less than the amount of associated issuance costs, there is a question of whether the debt issuance costs should be presented as an asset. We recommend that the Board include guidance in the final ASU addressing these types of circumstances. For practical reasons, we would recommend that debt issuance costs be presented as a deferred charge to avoid reporting net debits as liabilities in the financial statements.

The disclosure example in paragraph 835-30-55-8 in the proposed Update includes a presentation where Unamortized Discount is presented separately from Unamortized Issue Costs. Considering that one of the primary reasons for changing the reporting of debt issuance costs is that it is fundamentally similar to debt discount, we do not believe there is a reason to separately report unamortized discount and issue costs. While we acknowledge there is no specific requirement to separately report these amounts, and there is another example in paragraph 835-30-55-8 where the amounts are combined, we would suggest that the Board change the disclosure example in question to remove any potential inference that these amounts are required to be reported separately.

Thank you again for the opportunity to comment on this exposure draft. We would be pleased to respond to any questions the Board or its staff may have about these comments. Please direct any questions to David Grubb at david.grubb@plantemoran.com or 248.223.3745.

Very truly yours,

PLANTE & MORAN, PLLC