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December 12, 2014

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

Re: Comment Letter - Proposed Accounting Standards Update - *Interest-Imputation of Interest (Subtopic 835-30) Simplifying the Presentation of Debt Issuance Cost*

Dear Ms. Cospers:

BlackRock, Inc. ("BlackRock") is a global investment manager, overseeing \$4.525 trillion of assets under management at September 30, 2014. BlackRock and its subsidiaries manage approximately 3,800 investment vehicles, including registered investment companies, hedge funds, private equity funds, exchange-traded funds and collective investment trusts, in addition to separate accounts.

BlackRock appreciates the opportunity to provide comments to the Financial Accounting Standards Board (the "Board" or "FASB") on the proposed Accounting Standards Update ("ASU"), *Interest-Imputation of Interest (Subtopic 835-30) Simplifying the Presentation of Debt Issuance Cost* (the "Proposed ASU"). We applaud the efforts of the FASB with regard to the Proposed ASU and commend the FASB on its efforts to reduce unnecessary complexity in the presentation of financial statements. As a financial statement preparer and user, we believe the Proposed ASU, if adopted, would better reflect the economics of debt issuances. That is, all components related to a debt issuance would be presented holistically, thereby allowing for a fairer representation of the effective interest rate for users of the financial statements.

Specifically, by netting debt issuance costs with the carrying amount of the debt liability, consistency would be achieved with the presentation of a debt premium or discount as well as with the presentation supported for such costs in FASB Concepts Statement No. 6, which states, "Debt issue cost is not an asset for the same reason that debt discount is not—it provides no future economic benefit. Debt issue cost in effect reduces the proceeds of borrowing and increases the effective interest rate and thus may be accounted for the same as debt discount". Further, the proposed presentation would improve consistency with IFRS, which requires transaction costs, including third-party costs and creditor fees, to be deducted from the carrying value of the financial liability and not recorded as a separate asset. Finally, a direct deduction from the debt liability for debt issuance costs would provide consistency with the SEC staff's view on the treatment of equity issuance costs as a reduction of the gross proceeds of an equity offering.

We believe that retrospective application is appropriate and would facilitate trend analysis by users of the financial statements.

We do not believe that a significant amount of time would be needed to adopt the amendments as proposed.

Thank you again for the opportunity to express our views on the Proposed ASU. Please do not hesitate to contact me at (212) 810-5467 with any questions you may have regarding our comments.

Sincerely,



Ann M. Cavanaugh
Managing Director, Global Accounting Policy