



October 27, 2016

Ms. Susan M. Cosper
Technical Director
Financial Accounting Standards Board
401 Merritt 7
PO Box 5116
Norwalk, CT 06856-5116

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Dear Ms. Cosper:

RSM US LLP is pleased to provide feedback on the proposed Accounting Standards Update, *Receivables – Nonrefundable Fees and Other Costs (Subtopic 310-20): Premium Amortization on Purchased Callable Debt Securities* (the “proposed ASU”). Please refer to the responses that follow for our insights on the specific questions raised in the proposed ASU.

Responses to Questions for Respondents

Question 1: *Do you agree that premiums on purchased callable debt securities should be amortized to the earliest call date? Please explain why or why not.*

Yes, we agree that premiums on such securities should be amortized to the earliest call date, given that generally a premium implies the security is paying an above-market interest rate and therefore the issuer will be economically incented to exercise the call at its first opportunity.

Question 2: *How much time would be needed to implement the proposed amendments? Should entities other than public business entities be provided more time? Should early adoption be permitted?*

As it relates to public business entities, we believe that at least a full year subsequent to the issuance date of the standard should be allowed for implementation. We also believe that entities that are not public business entities should be given an additional year for implementation and that all entities should be permitted to early adopt the amendments.

Question 3: *Do you agree with the proposed transition method and disclosures in paragraph 310-20-65-1(c)? Please explain why or why not.*

We believe the disclosures are appropriate and do not object to a modified retrospective approach for transition. However, we suggest consideration be given to allowing a full retrospective approach to those entities that would like to use such an approach.

We appreciate this opportunity to provide feedback on the proposed ASU and would be pleased to respond to any questions the Board or its staff may have concerning our comments. Please direct any questions to Rick Day at 563.888.4017 or Faye Miller at 410.246.9194.

Sincerely,

RSM US LLP
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