

Russell G. Golden
Chairman
Financial Accounting Standards Board
401 Merritt 7
P.O. Box 5116
Norwalk, CT 06856-5116
Via email: director@fasb.org

RE: File Reference No. 2018-210

Dear Chairman Golden:

The undersigned organizations are pleased to submit this joint comment letter to the Financial Accounting Standards Board regarding the Exposure Draft: Accounting Standard Update: Income Statement – Reporting Comprehensive Income (Topic 220) *Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income* (“proposed ASU”). We represent commercial, savings, and cooperative banks and savings and loan associations throughout the United States.

We strongly support the proposal and recommend its immediate approval with early adoption permitted. As outlined in comment letters received by FASB discussed at the January 10, 2018 Board meeting, aspects of current accounting guidance and practices create a stranded amount in accumulated other comprehensive income (“AOCI”) and results in misleading information to investors and an administrative burden for preparers. This has further implications in the regulated banking industry where the stranded amount in AOCI may also have an impact on capital. We believe that the reclassification of the stranded tax effects from AOCI to retained earnings is a good operational solution and provides a truer economic picture than the current guidance.

We also strongly support the American Bankers Association’s recommendation that GAAP allow the option of “backwards tracing”. We encourage the FASB to take this opportunity to explore backwards tracing as a long term solution. We understand the FASB will add a project to its research agenda to consider the expected costs and benefits of backwards tracing, and we encourage the FASB to accelerate efforts to rectify these issues.

Thank you for your attention to these matters.

Sincerely,

Alabama Bankers Association
Alaska Bankers Association
Arizona Bankers Association
Arkansas Bankers Association
Colorado Bankers Association
Connecticut Bankers Association
Delaware Bankers Association
Florida Bankers Association

Georgia Bankers Association
Hawaii Bankers Association
Idaho Bankers Association
Illinois Bankers Association
Illinois League of Financial Institutions
Indiana Bankers Association
Iowa Bankers Association
Kansas Bankers Association

Kentucky Bankers Association
Louisiana Bankers Association
Maine Bankers Association
Maryland Bankers Association
Massachusetts Bankers Association
Michigan Bankers Association
Minnesota Bankers Association
Mississippi Bankers Association
Missouri Bankers Association
Montana Bankers Association
Nebraska Bankers Association
Nevada Bankers Association
New Hampshire Bankers Association
New Jersey Bankers Association
New Mexico Bankers Association
New York Bankers Association
North Carolina Bankers Association
North Dakota Bankers Association
Ohio Bankers League
Oklahoma Bankers Association
Oregon Bankers Association
Pennsylvania Bankers Association
Puerto Rico Bankers Association
Rhode Island Bankers Association
South Carolina Bankers Association
South Dakota Bankers Association
Tennessee Bankers Association
Texas Bankers Association
Utah Bankers Association
Vermont Bankers Association
Virginia Bankers Association
Washington Bankers Association
Western Bankers Association
West Virginia Bankers Association
Wisconsin Bankers Association
Wyoming Bankers Association