



February 1, 2018

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:

On behalf of the Massachusetts Bankers Association (MBA), which represents approximately 150 commercial, savings and cooperative banks and savings and loan associations with 69,000 employees throughout Massachusetts and New England, we appreciate the opportunity to comment on 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”).

Thank you for the Agency’s prompt response to this issue which is important to the industry and our member banks. 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.

As we previously stated in our letter dated December 19, 2017, we also strongly support the American Bankers Association’s recommendation that GAAP allow the option of “backwards tracing” of all deferred tax assets and liabilities to resolve this unintended problem and other items that would be confusing to investors and burdensome for the industry. We encourage the FASB to take this opportunity to explore backwards tracing to resolve this as a long term solution.

Thank you for your attention to these matters. In the meantime, please let me know if you have any questions.

Sincerely,

A handwritten signature in black ink that reads "Tanya M. Duncan".

Tanya M. Duncan
Senior Vice President