

June 4, 2010

Mr. Robert Herz
Chairman
Financial Accounting Standards Board
401 Merritt 7
P.O. Box 5116
Norwalk, Conn. 06856-5116

Sir David Tweedie
Chairman
International Accounting Standards Board
First Floor
30 Cannon Street
London, EC4M 6XH
United Kingdom

Dear Mr. Herz and Sir David:

The following organizations include those that belong to the Financial Instruments Reporting and Convergence Alliance (“FIRCA”), as well as non-FIRCA members.

Our organizations represent all sectors of the economy and areas of the financial services arena. As such, we recognize that accurate and transparent financial reporting is a cornerstone of our capital markets in the United States and globally.

We are extremely concerned that the release of revisions to 8 major accounting standards over a 30 to 40 day period, with varying comment periods, is an unrealistic and detrimental approach to overhauling accounting standards.

While we understand the intent for these projects, it is more important to get the job done right than for it to be done in haste. Indeed, with the continued response to the financial crisis, both domestically and internationally, the very foundation of some of the necessary standards is not even in place for a credible revision to move forward.

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Furthermore, the release of so many revisions in such a short period of time will not allow for a proper digestion and reflection of the projects, leading to a lack of appropriate input. Therefore, the scope and breadth of these projects will act against the very purpose of public exposure. Indeed, such a broad and large release of projects may instead lead to a backlash against the accounting standard setters that can endanger the very prospects of convergence that the standard setters are attempting to facilitate.

We recognize that this process has already started with the release of the Exposure Drafts on financial instruments and statement of comprehensive income on May 26, 2010. However, in order to provide a logical and sequential release of projects that will allow for a rational approach to this overhaul of accounting standards, we would request that the financial instruments exposure draft be withdrawn and that the projects are released in the following phases:

- Phase 1: Consolidation and Derecognition
- Phase 2: Financial Instruments, Fair Value Measurement and Financial Instruments with characteristics of equity
- Phase 3: Leases and Insurance
- Phase 4: Financial Statement Presentation

Such a sequential release and consideration of these projects will allow for appropriate review and input by all users of financial reports. Indeed, while we acknowledge that this phased approach will slow down the convergence projects, it will insure that the final product will be of a higher and more thoughtful quality than the current schedule will allow.

We have seen in recent times that the lack of a dialogue amongst all users of financial reporting can lead to acrimony and disastrous results. Because of the current schedule, the quality of dialogue will not occur with so many accounting standards being issued at virtually the same time. We believe that the current schedule will repeat the mistakes of history.

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Thank you for your consideration in this matter and we look forward to discussing this matter with you.

Sincerely,

American Council of Life Insurers
American Insurance Association
CRE Financial Council
Group of North American Insurance Enterprises
Mortgage Bankers Association
National Association of Home Builders
Property Casualty Insurers Association of America
The Real Estate Roundtable
U.S. Chamber of Commerce