
**Office of the Comptroller of the Currency
Board of Governors of the Federal Reserve System
Federal Deposit Insurance Corporation
National Credit Union Administration
Office of Thrift Supervision**

May 12, 2009

Ms. Florence E. Harmon
Acting Secretary
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, D.C. 20549-1090

Re: File No. S7-27-08, *Roadmap for the Potential Use of Financial Statements Prepared in Accordance with International Financial Reporting Standards by U.S. Issuers*

Dear Ms. Harmon:

We are pleased to submit comments on behalf of the staffs of the five federal financial institution regulatory agencies (Agencies) on the proposed *Roadmap for the Potential Use of Financial Statements Prepared in Accordance with International Financial Reporting Standards by U.S. Issuers* (Roadmap). The Agencies collectively supervise more than 15,000 financial institutions, a minority of which are public companies that would be directly affected by a U.S. Securities and Exchange Commission (SEC) decision to require U.S. public companies to adopt International Financial Reporting Standards (IFRS). In contrast, several thousand of these supervised institutions are small private companies with less than \$300 million in total assets. However, we are concerned about the brevity of the Roadmap's timetable for IFRS adoption by public companies and its potential consequences for private companies.

We support the concept of achieving a single widely accepted set of high-quality global accounting standards. In this regard, we recognize that the U.S. Financial Accounting Standards Board (FASB) and the International Accounting Standards Board (IASB) are currently working toward the convergence of U.S. generally accepted accounting principles (GAAP) and IFRS. We believe the joint efforts of these two Boards should continue toward the achievement of converged sets of U.S. and international standards. While convergence may potentially require a longer timetable than the one proposed in the Roadmap for adoption of IFRS for public company reporting, it is a reasonable means for addressing a number of transition issues raised by the Agencies and other interested parties related to the introduction of a single set of high-quality global accounting standards, particularly for private companies. In the absence of convergence, the Agencies believe that the proposed date-certain adoption of IFRS for public company reporting will present a few noteworthy challenges.

First, there are significant legal and policy issues raised by potentially moving toward mandatory adoption of IFRS for public filers, which could take more time to resolve than the proposed Roadmap currently allots. For example, the Federal Deposit Insurance Corporation Improvement Act of 1991 (FDICIA) and the Credit Union Membership Access Act of 1998 require regulatory reports to be prepared on a basis that is “uniform and consistent” with U.S. GAAP.¹ This will have significant implications for depository institution subsidiaries of public holding companies if they must maintain the capability of reporting to the banking agencies in accordance with U.S. GAAP while also being able to support consolidated reporting under IFRS. Converged U.S. and international standards may achieve a satisfactory resolution of this basis of preparation issue while providing the least burdensome approach for private financial institutions to move to global accounting standards as their basis for reporting. On behalf of the Federal Financial Institutions Examination Council, a representative of the Agencies identified FDICIA as a key issue at the June 16, 2008 forum, *High-Quality Global Accounting Standards: Issues and Implications for U.S. Financial Reporting*, hosted by the FASB and the Financial Accounting Foundation.

Second, the Agencies collectively employ thousands of examination and policy support personnel that will need to be adequately trained in the use of IFRS if it is adopted before convergence is achieved. We are starting to analyze the steps and resources that would be necessary to train our workforce and amend our supervisory guidance and reports to comply with IFRS. At this early stage, preliminary indications are that the required time commitment and resources would be significant. Similar training needs will exist for the managements, audit committees, and boards of directors of public companies, which will likely present challenges for smaller public financial institutions and their auditors. We encourage the SEC to not underestimate the education and training constraints of an early date-certain IFRS adoption, especially as it relates to non-accountants.

Finally, consistent with the milestones articulated in the Roadmap, we believe a stable and independent funding structure for the International Accounting Standards Committee (IASC) Foundation,² which will support the independent functioning of the IASB, is necessary to help ensure standard setting remains free from undue political and lobbying influences. We encourage the Commission to work with other interested parties to ensure that, prior to the adoption of IFRS for public company reporting, the funding and governance structure of the IASB is at least as stable as the funding and governance structure for the FASB.

The Agencies appreciate your consideration of the above comments. We would be pleased to discuss our views with you further.

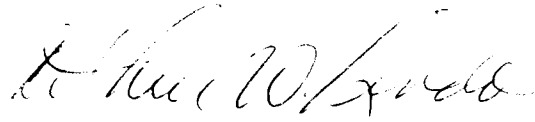
¹ See FDICIA § 121, codified at 12 U.S.C. § 1831n. See Federal Credit Union Act § 202(a)(6), codified at 12 U.S.C. § 1782(a)(6).

² The IASC Foundation is an independent not-for-profit, private sector organization. The Foundation is committed to developing, in the public interest and through its standard-setting body, the IASB, a single set of high quality international financial reporting standards for general purpose financial statements.

Sincerely,



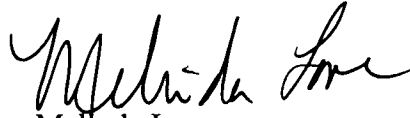
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