Testimony of

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Financial Accounting Standards Board

before the

U.S. House of Representatives Financial Services Subcommittee
On Oversight and Investigations

The Collapse of MF Global: Part 3

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Introduction

Chairman Neugebauer, Ranking Minority Member Capuano, and Members of the Subcommittee:

My name is Susan Cosper and I am the Technical Director of the Financial Accounting Standards Board (FASB or Board). As Technical Director, I have responsibility for overseeing the staff work associated with the projects on the Board's technical agenda. In addition, I am a Certified Public Accountant in the states of Pennsylvania, New York, and New Jersey. I would like to thank you for this opportunity to participate in today's important hearing.

I understand that the Subcommittee would like me to explain the current accounting and reporting standards relating to repurchase agreements and similar arrangements as well as how and why they were developed. I will be pleased to do so and also will explain some of the recent changes to those standards and discuss active projects related to this topic. But first I would like to give a brief overview of the FASB and its parent organization, the Financial Accounting Foundation (FAF) and the manner in which accounting standards are developed.

The FASB

The FASB is an independent, private-sector organization that operates under the oversight of the FAF and the SEC. For nearly 40 years, the FASB has established standards of financial accounting and reporting for nongovernmental entities, including both businesses (public and private) and not-for-profit organizations. Those standards—U.S. generally accepted accounting principles (GAAP)—are recognized as authoritative by the U.S. Securities and Exchange Commission (SEC or Commission) for public companies and by the American Institute of Certified Public Accountants (AICPA) for other nongovernmental entities.

U.S. GAAP is essential to the efficient functioning of the U.S. economy because investors, creditors, donors, and other users of financial reports rely heavily on credible, transparent, comparable, and unbiased financial information. In today's dynamic financial markets, the need for integrity, transparency, and objectivity in financial reporting is increasingly critical to ensure the strength of U.S. capital markets and provide investors with accurate and timely information.

In 2002, Congress enacted the Sarbanes-Oxley Act, which included provisions protecting the integrity of the FASB's accounting standard-setting process. The legislation provided the FASB with an independent, stable source of funding. The legislation established an ongoing source of funding for the FASB from annual accounting support fees collected from issuers of securities, as those issuers are defined in the Sarbanes-Oxley Act.

It is important to note that although the FASB has the responsibility to set accounting standards, it does not have authority to enforce them. Officers and directors of a company are responsible for preparing financial reports in accordance with accounting standards. Auditors provide an opinion about whether those officers and directors appropriately applied accounting standards. The Public Company Accounting Oversight Board (PCAOB) is charged with ensuring that auditors of public companies have performed an audit in accordance with U.S. GAAP, which includes an auditor's analysis of whether a public company has complied with appropriate accounting standards. The SEC has the ultimate authority to determine whether public companies have complied with accounting standards.

The Mission of the FASB

The FASB's mission is to establish and improve standards of financial accounting and reporting that foster financial reporting by nongovernmental entities that provides decision-useful information to investors and other users of financial reports. That mission is accomplished through a comprehensive and independent process that encourages broad participation, objectively considers all stakeholders' views, and is subject to oversight by the FAF's Board of Trustees.

We recognize the critical role that reliable financial reporting plays in supporting the efficient functioning of the capital markets: robust financial reporting increases investors' confidence, which in turn leads to better capital allocation decisions and economic growth. Today, as the U.S. economy continues to recover from the financial crisis and recession, the FASB remains committed to ensuring that our nation's financial accounting and reporting standards provide investors with the information they need to confidently invest in the U.S. markets.

To accomplish its mission, the FASB acts to:

1. Improve the usefulness of financial reporting by focusing on the primary characteristics of relevance and reliability and on the qualities of comparability and consistency.
2. Keep standards current to reflect changes in methods of doing business and changes in the economic environment.
3. Consider promptly any significant areas of deficiency in financial reporting that might be addressed through the standard-setting process.
4. Improve the common understanding of the nature and purpose of information contained in financial reports.

As it works to develop accounting standards for financial reporting, the FASB is committed to following an open, orderly process that considers the interests of the many who rely on financial information. Because we understand that the actions of the FASB affect so many stakeholders, we are steadfastly committed to ensuring that the decision-making process is independent, fair, and objective.

The Standard-Setting Process

An independent standard-setting process is paramount to producing high-quality accounting standards because it relies on the collective judgment of experts who are informed by the input of all interested parties through a deliberate process. The FASB sets accounting standards through processes that are thorough and open, accord due process to all interested parties, and allow for extensive input from all stakeholders. Such extensive due process is required by our Rules of Procedure, set by the Board within the parameters of the FAF's bylaws. Our process is similar to the Administrative Procedure Act process used by federal agencies for rulemakings but provides far more opportunities for interaction with all interested parties. In fact, in recent years, we have significantly expanded our ability to engage with stakeholders in a variety of ways.

The FASB's extensive due process involves public Board meetings, public roundtables, field visits or field tests, liaison meetings and presentations to interested parties, and the exposure of our proposed standards for public comment. The FASB videocasts its Board meetings and education sessions on its website to make it easier for our stakeholders to observe our decision-

making process as well as the process that precedes our decisions. The FASB also creates podcasts and webcasts to provide short, targeted summaries of our proposals and new standards so that stakeholders can quickly assess whether they have an interest and want to weigh in. We also have been proactively reaching out to meet with stakeholders, including a wide range of investors and reporting entities, to discuss our proposals to assess whether the proposals will lead to better information and also to assess the related costs. These proactive, interactive meetings allow the FASB and its staff to ask questions to better understand why a person holds a particular view, which can accelerate the identification of issues and possible solutions in a proposed standard as well as implementation issues with existing standards. Those meetings help us to assess whether U.S. GAAP standards are providing useful information and also to assess the related costs.

In short, the FASB actively seeks input from all of its stakeholders on proposals and processes and we are listening to them. Wide consultation provides the opportunity for all stakeholders to be heard and considered, the identification of unintended consequences, and, ultimately, broad acceptance of the standards that are adopted. The Board's wide consultation also helps it to assess whether the benefits to users of improved information from proposed changes outweigh the costs of the changes to preparers and others.

The FASB also meets regularly with the staff of the SEC and the PCAOB. Additionally, because banking regulators have a keen interest in U.S. GAAP financial statements as a starting point in assessing the safety and soundness of financial institutions, we meet with them on a quarterly basis and otherwise, as appropriate. We also understand Congress's great interest and regularly brief members and their staffs on accounting developments.

The FASB conducts outreach on a frequent and regular basis with the FASB's various advisory groups. The primary role of advisory group members is to share their views and experience with the Board on matters related to practice and implementation of new standards, projects on the Board's agenda, possible new agenda items, and strategic and other matters.

In addition to the FASB's various advisory groups, the Emerging Issues Task Force (EITF) assists the FASB in improving financial reporting through the timely identification, discussion, and resolution of financial accounting issues relating to U.S. GAAP. The EITF also was

designed to promulgate implementation guidance for accounting standards to reduce diversity in accounting practice on a timely basis. The EITF assists the FASB in addressing implementation, application, or other emerging issues that can be analyzed within existing U.S. GAAP. Task Force members are drawn from a cross section of the FASB's stakeholders, including auditors, preparers, and users of financial statements. The chief accountant or the deputy chief accountant of the SEC attends Task Force meetings regularly as an observer with the privilege of the floor. The membership of the EITF is designed to include persons who are in a position to project emerging issues before they become widespread and before divergent practices become entrenched.

Oversight of FASB

The FASB's accountability derives from oversight at two levels. First, the Board is overseen by the independent Board of Trustees of the FAF. Organized in 1972, the FAF is an independent, private-sector, not-for-profit organization. The FAF exercises its authority by having responsibility for oversight, administration, and finances of the FASB and its sister organization the Governmental Accounting Standards Board (GASB). The FAF's responsibilities are to:

1. Select the members of the FASB, the GASB, and their respective Advisory Councils.
2. Oversee the FASB's and the GASB's Advisory Councils (including their administration and finances).
3. Oversee the effectiveness of the FASB's and the GASB's standard-setting processes and holding the Boards accountable for those processes.
4. Protect the independence and integrity of the standard-setting process.
5. Educate stakeholders about those standards.

Second, the FASB also is subject to oversight by the SEC with respect to standard setting for public companies. The SEC has the statutory authority to establish financial accounting and reporting standards for publicly held entities. At the time of FASB's formation in 1973, the SEC formally recognized the FASB's pronouncements that establish and amend accounting principles and standards as "authoritative" in the absence of any contrary determination by the

Commission. In 2003, the SEC issued a Policy Statement that affirms the FASB' status as a designated, private-sector standard setter.

Additional information about the FASB and the FAF can be found in the 2010 Annual Report of the FAF, which is available on the FAF website (www.accountingfoundation.org).

Overview of Repurchase Agreements

In a typical repurchase agreement, an entity (the transferor) transfers securities to a counterparty (the transferee) in exchange for cash with a simultaneous agreement for the counterparty to return the same or equivalent securities for a fixed price at a future date. The price paid by the transferor to reacquire the securities comprises the original sale price plus a pre-determined interest rate known as the "repo rate," which is akin to a lending rate for a secured borrowing.

For entities engaged in trading activities, such as securities dealers, banks, and hedge funds, repurchase agreements are used to finance purchases of securities, obtain access to inexpensive funding, and cover short positions in securities. Government securities dealers, banks, and other market participants commonly use repurchase agreements to obtain or invest in short-term funds. For the transferee, a repurchase agreement is an opportunity to invest cash secured by collateral.

Many repurchase agreements are short term—often overnight—or have indefinite terms that allow either party to terminate the arrangement on short notice. Repurchase agreements have maturities that can be customized, as compared to other short-term financings such as commercial paper, certificates of deposit, or U. S. Treasury bills. However, repurchase agreements can also have longer terms, sometimes until the maturity of the transferred asset (i.e., repo-to-maturity transactions).

The general motivation for most repurchase agreements is financing related (i.e., the desire to borrow or lend cash). In these types of repurchase agreements, the securities that are required to be repurchased typically do not need to be identical to the securities transferred, but they must be similar within a predetermined set of criteria. However, repurchase agreements can also be used to borrow particular securities (e.g., to cover short positions).

In repurchase agreements and similar arrangements, the transferor and the transferee share the rights associated with the transferred securities. The rights of each party are established by the terms of the legal agreements governing the arrangements. Typical repurchase agreements have a number of common features. In a typical repurchase agreement, the transferee does not retain the cash inflows from the underlying securities or the gains or losses from fluctuations in the market prices of those securities. Rather, it must remit to the transferor all of the income earned on those securities. Most repurchase agreements are structured to give the transferee legal title to the securities for the life of the transaction. In most arrangements, the transferee may sell or repledge the securities during the term of the arrangement. Repurchase agreements that have been used to fulfill short-term financing needs of the transferor most often involve the transfer of U.S. Treasury securities, but they may also involve other types of securities that are easily exchanged in liquid markets. That liquidity enables the transferee to sell or repledge on short notice the securities with the expectation of obtaining similar securities if the transferor exercises its right to repurchase or redeem them early.

If the transferor defaults (that is, does not return the cash that it owes), the transferee typically is entitled to require the transferor to buy the securities immediately. If that does not occur, the transferee often is permitted to sell the securities it holds as collateral and apply the proceeds to what is owed, and the transferor is liable for any deficiency. If the transferee defaults (that is, fails to return the securities received), the transferor typically is entitled to demand the securities from the transferee. If that does not occur, the transferor typically is not required to return the cash it received at the inception of the transaction, and the transferee is liable for any deficiency.

Other arrangements, such as securities lending transactions and dollar-roll repurchase agreements are similar to repurchase agreements in their mechanics because they involve the temporary transfer and return of securities. However, there are some differences in the terms and structure of these arrangements. For example, in a securities lending transaction, the securities borrower initiates the transaction because it is in need of specific securities, whereas in a repurchase agreement, the party transferring the securities typically initiates the transaction because it is in need of financing.

Current Accounting Guidance for Repurchase Agreements and Similar Transactions

Current accounting guidance and current transaction structures result in many repurchase agreements being accounted for as secured borrowings with only certain types of transactions accounted for as sale transactions. Those repurchase agreements that are recognized as a sale are repurchase agreements involving the return of a security that is different from the security originally transferred and repurchase-to-maturity transactions.

FASB Accounting Standards Codification® Topic 860, Transfers and Servicing, currently prescribes when an entity may or may not recognize a sale upon the transfer of financial assets. Specifically, transfers of financial assets are accounted for as a "sale" of financial assets only if *all* of the following conditions are met:

1. The transferred assets have been isolated from the transferor—even in bankruptcy.
2. The transferee has the right to pledge or exchange the transferred assets.
3. The transferor does not maintain effective control through an agreement that entitles and obligates the transferor to repurchase or redeem them before their maturity.

If *any* of the conditions listed above are *not* met, the transaction is accounted for as a "secured borrowing" with a pledge of collateral.

For typical repurchase agreements and similar transactions, the criteria in items (1) and (2) depend on the facts and circumstances but usually are satisfied. But even if they are met, in most repurchase agreements the third condition for a "sale" (item (1) above) is *not* met because the transferor maintains effective control over the transferred financial assets.

The current guidance in Topic 860 provides additional instruction to evaluate item (1) for repurchase agreements and similar transactions. Specifically, the accounting guidance explains that an agreement that entitles and obligates the transferor to repurchase or redeem transferred assets from the transferee maintains effective control over the assets, and the transfer is therefore accounted for as a secured borrowing if *all* of the following conditions are met:

1. The assets to be repurchased or redeemed are the same or substantially the same as those transferred.

2. The agreement is to repurchase or redeem them before maturity at a fixed or determinable price.

3. The agreement is entered into contemporaneously with, or in contemplation of, the transfer.

In evaluating item (1) above, the transferor must have both the contractual right and the contractual obligation to reacquire securities that are identical to or substantially the same as those simultaneously sold. Transfers that include only the right to reacquire (at the option of the transferor or upon certain conditions) or only the obligation to reacquire (at the option of the transferee or upon certain conditions) generally do not maintain the transferor's control, because the option might not be exercised or the conditions might not occur. Similarly, expectations of reacquiring the same securities without any contractual commitments provide no control over the transferred securities.

Applying the criterion in item (2) above, effective control also is not maintained when the repurchase price for the transferred financial asset is not explicitly stated or determinable based on the terms of the contract. For example, an arrangement to repurchase the transferred financial asset at fair value to be determined at some future date would not meet the criterion because the purchase price is neither fixed nor determinable.

However, most repurchase agreements and similar transactions are accounted for as secured borrowings because of the transferor's concurrent right and obligation to repurchase or redeem the transferred securities at a fixed price *before* their maturities, which indicates that effective control has been maintained by the transferor. The accounting guidance is based on the concept that effective control is maintained for most repurchase agreements because they represent a temporary transfer of only some elements of control over the transferred financial assets. That is, the contractual obligation and right to repurchase a financial asset before its maturity effectively bind the transferred financial asset back to the transferor.

Nevertheless, repurchase agreements that extend to the maturity of the transferred financial assets and transactions in which the asset to be repurchased is not substantially the same as that originally transferred are common examples of transactions that could be accounted for as the sale of a security, with a separate agreement to repurchase the security. The accounting guidance distinguishes between (1) an agreement to repurchase a security *before* maturity*,* in which the outstanding security is indeed reacquired by the transferor in exchange for a cash payment equal to the agreed-upon repurchase price and (2) a repurchase agreement *to* maturity*,* in which the settlement is a net payment for only the difference between the proceeds received by the transferee at maturity from the issuer of the security and the agreed-upon repurchase price. Thus, control of the transferred financial asset under a repo-to-maturity agreement is considered to have been effectively surrendered because the transferor does not regain possession of the security and only makes a net payment that is reflected as a forward purchase commitment (liability) on the transferor's balance sheet before that payment was made.

In a transfer of securities that is accounted for as a secured borrowing, the transferor recognizes the cash as proceeds of the transaction, together with a liability for the obligation to return the cash to the transferee. The transferee pays the cash and records a receivable from the transferor.

If the transferor defaults under the terms of the contract and is no longer entitled to redeem the transferred securities, it would derecognize the transferred securities. The transferee would recognize the transferred securities as its asset or, if it has already sold the collateral, derecognize its obligation to return the collateral.

If the criteria for *sale* accounting are met, during the term of the arrangement the transactions are accounted for by the transferor as a sale of the securities and a forward repurchase commitment. The forward repurchase commitments typically are considered derivatives under Topic 815, Derivatives and Hedging. Derivatives are accounted for at fair value on the balance sheet, with changes in fair value recognized concurrently in income. Thus, if the value of the security transferred in a repo-to-maturity declines, the forward repurchase agreement would be reported on the balance sheet of the transferor as a liability representing the difference between the value of the security and the agreed-upon repurchase price. In contrast, if recognized as a secured borrowing, a transferor would have shown a liability for the entire repurchase price from inception throughout the

life of the arrangement (rather than the current shortfall and disclosure). The security would remain on the balance sheet, and any impairments on the security would be recognized in earnings over time. At maturity, the remaining value on the bond would be used to pay off the liability and the entity would make up the difference, if any.

History of Accounting Guidance for Repurchase Agreements and Similar Transactions

The accounting guidance for transfers of financial assets was originally established in 1996 by FASB Statement No. 125, *Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities*. The specific guidance for repurchase agreements and similar transactions included within the overall guidance for transfers of financial assets was primarily based on contract features and prevailing practices at that time associated with repurchase agreements and similar transactions.

After the issuance of Statement 125, the accounting and disclosure guidance for transfers of financial assets were amended and clarified with the subsequent issuance of various pronouncements, including among others:

1. FASB Statement No. 140, *Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities,* was issued in September 2000 and effective for transfers and servicing of financial assets and extinguishments of liabilities occurring after March 31, 2001, and for disclosures relating to securitization transactions and collateral for fiscal years after December 15, 2000. This Statement required a debtor to (a) reclassify financial assets pledged as collateral and report those assets in its statement of financial position separately from other assets not so encumbered if the secured party has the right by contract or custom to sell or repledge the collateral and (b) disclose assets pledged as collateral that have not been reclassified and separately reported in the statement of financial position. This Statement also required a secured party to disclose information about collateral that it accepted and permitted by contract or custom to sell or repledge. The required disclosure included the fair value at the end of the period of that collateral, and of the portion of that collateral that it has sold or repledged, and information about the sources and uses of that collateral.

2. FASB Staff Position (FSP) FAS 140-3, *Accounting for Transfers of Financial Assets and Repurchase Financing Transactions,* was issued in February 2008 and effective for fiscal years beginning after November 15, 2008. This FSP provided guidance on accounting for a transfer of a financial asset and a contemporaneous repurchase agreement and whether such transactions must be evaluated as a linked transaction or evaluated separately. The guidance clarified that all involvements of a transferor with the transferred financial asset must be included in the analysis of whether a transferor has surrendered control over a transferred financial asset.

3. FASB Staff Position FAS 140-4 and FIN 46R-8, *Disclosures by Public Entities (Enterprises) about Transfers of Financial Assets and Interests in Variable Interest Entities,* was issued in December 2008 and effective for the first reporting period ending after December 15, 2008. Before the issuance of FASB Statement No. 166, *Accounting for Transfers of Financial Assets,* this FSP required public entities to provide additional disclosures about transfers of financial assets and their involvement with variable interest entities. These enhanced disclosures were deemed necessary primarily because financial statement users indicated that greater transparency was needed to understand the extent of a transferor's continuing involvement with transferred financial assets and an entity's involvement with a variable interest entity.

4. Statement 166 was issued in June 2009 and effective for first annual reporting period that beginning after November 15, 2009, and for interim periods within that first annual reporting period. This Statement modified criteria for sale accounting for transfers of financial assets and eliminated exceptions that permitted sale accounting for certain securitizations. While the amendments did not focus on accounting for repurchase agreements and similar transactions, enhanced disclosures were required about the risks that a transferor continued to be exposed to because of its continuing involvement for all financial asset transfers. Specifically, it required disclosures about how the transfer of financial assets affects a transferor's financial position, financial performance, and cash flows when a transferor has continuing involvement with the transferred financial assets.

Recent FASB Activities

The various amendments outlined in the section above, which were codified into Topic 860, largely did not affect the application of the control criteria for repurchase agreements and similar transactions. During the global economic crisis, capital market participants questioned the necessity and usefulness of one of the relevant considerations initially included with the issuance of Statement 125 in determining whether an entity has maintained effective control over transferred financial assets subject to repurchase agreements. The SEC also highlighted concerns about the practical application of one area of the guidance for assessing effective control. Specifically, these questions and concerns related to the criterion requiring the transferor to have the ability to repurchase or redeem the financial assets on substantially the agreed-upon terms, even in the event of default by the transferee, as well as certain related implementation guidance. After reconsidering that guidance, the FASB determined that the criterion pertaining to the maintenance of collateral should not be a determining factor in assessing effective control. This amendment, which was issued with Accounting Standards Update No. 2011-03, *Transfers and Servicing (Topic 860): Reconsideration of Effective Control for Repurchase Agreements,* was effective for interim or annual periods beginning on or after December 15, 2011.

During the course of that project, some parties also raised some issues related to repurchase agreements that were considered beyond the scope of the project, which was intentionally narrow to resolve a specific practice issue in an expeditious manner. Some highlighted the need to improve existing disclosure requirements for these types of transactions. Others raised the potential need for reconsideration of the specific criteria for whether the securities are considered "substantially the same" as the securities sold, which is another criterion to be considered in assessing whether repurchase agreements are sales and secured borrowings.

As discussed above, current accounting guidance and current transaction structures result in most repurchase agreements being accounted for as secured borrowing transactions with only certain types of transactions being accounted for as sale transactions. Those are repurchase agreements involving the return of a security that is different from the security originally transferred and repo-to-maturity transactions.

Concerns about the accounting for repo-to-maturity transactions had not been raised previously, even when the FASB was actively reconsidering the accounting for repurchase agreements, as

enumerated above. However, in late 2011, concerns were raised about the accounting for repo-to-maturity transactions, and in January 2012, the staff of the FASB had discussions with the SEC's Office of the Chief Accountant to evaluate those concerns. The FASB staff commenced outreach activities with various stakeholders to better understand views and practices related to repo-to-maturity agreements. Our outreach indicates that users broadly view repurchase agreements involving the same or similar securities as financing transactions whether or not the securities are held to maturity. While the conclusion under the accounting literature makes a distinction between repurchases *before* maturity and *at* maturity, users make no such distinction and cite the transferor's retention of both the credit risk of the transferred financial assets and other important benefits of those assets in both types of transactions. Our outreach also confirmed that users of financial statements broadly believe that disclosures for repurchase agreements should be improved, especially the effect of such transactions on the liquidity risk profile of the transferor.

In March 2012, the FASB considered these issues at a public Board meeting and unanimously agreed that a project should be added to the FASB's agenda to reconsider the accounting and disclosure guidance for repurchase agreements and similar transactions. In adding the project to the agenda, the Chairman cited the need to revisit the accounting guidance to address application issues and changes in the marketplace, and to ensure that investors obtain useful information about these transactions. For example, while repurchase agreements historically have involved mostly U.S. Treasury and agency securities, the range of debt instruments involved has broadened to include other types of debt securities, which may be less creditworthy and consequently affect how these transactions operate and how investors consider the risks associated with them.

Consistent with the FASB's due process, moving forward with this project will involve a series of public education and decision-making meetings and the exposure of a proposed standard for public comment. Following exposure, stakeholders will be consulted to discuss the proposals and help us to determine whether they will lead to better information and to assess cost-benefit concerns. This process supports our commitment to ensure that a final standard is well understood by preparers, auditors, and users of financial statements and results in improved financial information for investors. Subject to the Board's deliberations, we currently anticipate that any resulting amendments from this project could be issued in 2012.

On a related topic, as part of the FASB's project on Accounting for Financial Instruments, we are proposing new disclosures with the goal of providing users of financial statements more decision-useful information about entity-level exposures to certain risks, including liquidity risk.

The liquidity risk disclosures being developed are intended to provide quantitative information about an entity's liquidity risk that the reporting entity will encounter difficulty meeting its financial obligations. For a financial institution, the Board's tentative decisions reached to date in this project would require tabular disclosure of the carrying amounts of classes of financial assets and financial liabilities segregated by their expected maturities. These tentative decisions also would require a financial institution to provide tabular disclosure of its available liquid funds to meet obligations

Conclusion

Thank you for the opportunity to provide a brief overview of the current accounting and reporting standards relating to repurchase agreements and similar arrangements, including some of the recent changes to those standards and a discussion of active projects related to this topic. I would be pleased to answer any questions.

United States House of Representatives
Committee on Financial Services

"TRUTH IN TESTIMONY" DISCLOSURE FORM

Clause 2(g) of rule XI of the Rules of the House of Representatives and the Rules of the Committee on Financial Services require the disclosure of the following information. A copy of this form should be attached to your written testimony.

1. Name:	2. Organization or organizations you are representing:
SUSAN M. COSPER	FASB FINANCIAL ACCTG STANDARDS BOARD.
3. Business Address and telephone number:	
[redacted]	
4. Have you received any Federal grants or contracts (including any subgrants and subcontracts) since October 1, 2008 related to the subject on which you have been invited to testify?	5. Have any of the organizations you are representing received any Federal grants or contracts (including any subgrants and subcontracts) since October 1, 2008 related to the subject on which you have been invited to testify?
☐ Yes ☒ No	☐ Yes ☒ No
6. If you answered .yes. to either item 4 or 5, please list the source and amount of each grant or contract, and indicate whether the recipient of such grant was you or the organization(s) you are representing. You may list additional grants or contracts on additional sheets.	
7. Signature: S. M. Cosper	

Please attach a copy of this form to your written testimony.