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December 10, 2014

Via email to director@fasb.org

Susan M. Cospers
Technical Director
Financial Accounting Standards Board
401 Merritt 7
PO Box 5116
Norwalk, CT 06856-5116

Re: Proposed Accounting Standards Update, *Simplifying the Presentation of Debt Issuance Cost*
(File Reference No. 2014-250)

Dear Ms. Cospers:

We are pleased to provide comments on the proposal related to the presentation of debt issuance costs. We support the Board's Simplification Initiative and welcome this proposed ASU. Specifically, we agree with the proposal to present debt issuance costs consistent with debt discounts as a reduction of the carrying amount of the liability. While there are conceptual differences between the two, they must be considered in the aggregate to determine the effective interest rate on the debt. Since the attribution of both elements is the same, it stands to reason their balance sheet presentation should be the same.

On this point, we recommend elevating language in the basis for conclusions into the final standard since this situation occurs in practice:

...in circumstances in which the debt issuance costs do not have an associated debt liability amount recorded in the financial statements (for example, the costs incurred before the funding being received on a debt liability), those costs would be reported in the balance sheet as deferred charges until that debt liability amount is recorded. (BC3)

We agree with the proposed retrospective method of adoption because it improves comparability. We recommend an effective date for annual periods and interim periods within those annual periods beginning after December 15, 2015 together with an option to early adopt if the financial statements have not been previously issued. We believe that would provide sufficient time for both public and private entities to implement the new standard.

We would be pleased to discuss our comments with the FASB staff. Please direct questions to Adam Brown at (214) 665-0673 or Gautam Goswami at (312) 616-4631.

Very truly yours,

BDO USA, LLP

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