

August 9, 2006

Technical Director
File Reference 1310-100
Financial Accounting Standards Board
401 Merritt 7
P.O. Box 5116
Norwalk, CT 06856-5116

Re: Private Company Financial Reporting

Dear Madam/Sir:

Navy Federal Credit Union provides the following comments to the Financial Accounting Standards Board (FASB) and the American Institute of Certified Public Accountants (AICPA) on the proposal to improve the private company financial reporting process. Navy Federal is the nation's largest natural person credit union with \$25 billion in assets and 2.7 million members.

Navy Federal supports FASB and AICPA's decision to reassess their processes for developing standards that meet the needs of private company financial statement users. We agree that there are important differences between the users of private company financial reports and the users of public company financial reports, and the proposed changes to the standard-setting process will increase FASB and AICPA's awareness of these differences.

Navy Federal also supports the formation of the committee to provide recommendations for prospective and existing private company accounting standards. We believe that this will formalize the process for private company input in standard-setting and will help FASB and AICPA more fully assess the impact of their standards on private companies. However, we are concerned that this proposed emphasis on private company reporting could result in increased burden on small companies. We are unaware of existing, substantial problems with private company reporting. Therefore, Navy Federal urges FASB and AICPA to carefully consider the potential burdens and gather public input before implementing any new practices.

We appreciate the opportunity to provide comments on the private company financial reporting process.

Sincerely,



Cutler Dawson
President/CEO

CD/sb