

Exposure Draft Questions for Respondents (QFR)
and Specific Matters for Comment (SMC)

Due: February 5, 2021

Implementation Guidance for Leases & Omnibus Amendments to Leases-Related Topics

Please select the type(s) of organization responding to this exposure draft. If you are not responding on behalf of an organization, please select "individual."

Accounting Firm	<input type="checkbox"/>	
Federal Entity (user)	<input type="checkbox"/>	
Federal Entity (preparer)	<input type="checkbox"/>	
Federal Entity (auditor)	<input type="checkbox"/>	
Federal Entity (other)	<input checked="" type="checkbox"/>	If other, please specify: Department of Housing & Urban Development
Association/Industry Organization	<input type="checkbox"/>	
Nonprofit organization/Foundation	<input type="checkbox"/>	
Other	<input type="checkbox"/>	If other, please specify:
Individual	<input type="checkbox"/>	

Please provide your name.

Name: N/A

Please identify your organization, if applicable.

Organization: Department of Housing and Urban Development

Please email your responses to fasab@fasab.gov. If you are unable to respond by email, please call (202) 512-7350 to make alternate arrangements.

QFR 1 Do you generally support the proposed Statement and TR proposals as a whole? Please provide reasons for your views.

Yes, the Department of Housing & Urban Development supports the proposed Statement and the TR as a whole as it will provide clarification in SFFAS 54, Leases; SFFAS 6, Accounting for Property, Plant, and Equipment; and SFFAS 57, Omnibus Amendments 2019 and also supplement SFFAS 54, Leases.

The supported questions are detailed and give detailed insight to various scenarios that may arise as it relates to lease agreements.

For additional understanding rather than referencing the various SFFAS numbers, it would be helpful to provide the referenced paragraph and then proceed with the explanation or answer to the scenario question.

QFR 2 Are there specific aspects of the proposed Statement and/or TR that you disagree with? If so, please explain the reasons for your positions, the paragraph number(s), and/or topic area(s) of the proposals that are related to your positions, and any alternatives you propose and the authoritative basis for such alternatives.

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No.

QFR 3 Are you aware of any implementation issues that are not addressed in the proposed Statement and/or TR? Do any ambiguous areas remain that could lead to challenges with implementing SFFAS 54 requirements? If so, please provide examples of the issues and any references to applicable guidance, and/or topic area(s) related to the issues, and any potential solutions you propose.

No.

QFR 4 Are there specific aspects of these proposals that you favor or otherwise wish to provide comments on?

The scenarios provided in the Technical Guidance are very specific and will assist Federal Agencies when researching the scenarios that are applicable to the agency.

SMC 1 Is the proposed guidance under paragraph 4 of the proposed TR applicable to federal lease scenarios to your knowledge? Please provide feedback regarding the usefulness of the proposed guidance in the context of those scenarios and/or the extent to which you believe the proposed guidance addresses implementation issues under potential scenarios. Please describe any alternative views or suggestions for improvement.

The proposed guidance under paragraph 4 is applicable to federal lease scenarios as it appears to cover the most experienced types of leases.

SMC 2 Please provide feedback regarding the usefulness of the proposed guidance under paragraph 13 of the proposed TR and/or the extent to which you believe the proposed guidance addresses implementation issues related to federal oil and gas leases. Please describe any alternative views or suggestions for improvement.

The proposed guidance does not specially address oil and gas leases. PP & E generally represents physical assets, it might be useful to include language that speaks to assets that are natural resources.

SMC 3 Is the proposed guidance under paragraph 95 of the proposed TR potentially applicable to intragovernmental transactions that are similar to a sale-leaseback to your knowledge? Please provide feedback regarding the usefulness of the proposed guidance in the context of those scenarios and/or the extent to which you believe the proposed guidance addresses implementation issues under potential scenarios. Please describe any alternative views or suggestions for improvement.

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The guidance is applicable to intragovernmental transactions that are similar to a sale leaseback transaction. The guidance further suggests how intergovernmental sale leaseback transactions excludes transactions that qualify as a sale and how they should be accounted as a borrowing.

SMC 4 Is the proposed guidance under paragraph 98 of the proposed TR applicable to existing and/or potential intragovernmental lease-leaseback transactions to your knowledge? Please provide feedback regarding the usefulness of the proposed guidance in the context of those scenarios and/or the extent to which you believe the proposed guidance addresses implementation issues under potential scenarios. Please describe any alternative views or suggestions for improvement.

The proposed guidance under paragraph 98 does explicitly address “intragovernmental” lease leaseback transactions.