

PROPOSED SEC STAFF ANNOUNCEMENT

Topic: Presentation of Debt Issuance Costs Associated with Revolving Debt Arrangements

Date of Announcement: June XX, 2015

On April 7, 2015, the FASB issued ASU 2015-03, *Interest—Imputation of Interest (Subtopic 835-30): Simplifying the Presentation of Debt Issuance Costs* (ASU 2015-03), which requires entities to present debt issuance costs related to a recognized debt liability as a direct deduction from the carrying amount of that debt liability. The guidance in ASU 2015-03 does not address debt issuance costs related to revolving debt arrangements.

Given the absence of authoritative guidance within ASU 2015-03 for debt issuance costs related to revolving debt arrangements, the SEC staff would not object to an entity deferring and presenting debt issuance costs as an asset and subsequently amortizing the deferred debt issuance costs ratably over the term of the revolving debt arrangement.