July 22, 2026

Technical Director
FASB
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RE: File Reference No. 2026-ED200

We appreciate the opportunity to provide feedback on the proposed Accounting Standards Update (ASU), *Derivatives and Hedging (Topic 815)*, dated June 17, 2026. The purpose of the proposed ASU is to address three hedge accounting issues identified by stakeholders during the 2025 Invitation to Comment, *Agenda Consultation*.

The views expressed herein are written on behalf of the Professional Standards Committee (PSC) of the Texas Society of CPAs. The committee has been authorized by the Texas Society of CPAs' Leadership Council to submit comments on matters of interest to the membership. The views expressed in this document have not been approved by the Texas Society of CPAs' Leadership Council or Board of Directors and, therefore, should not be construed as representing the views or policy of the Texas Society of CPAs.

The PSC is supportive of the proposed amendments to allow 1) interest rate risk to be the hedged risk for HTM debt securities; 2) any tenor of SOFR to be considered a benchmark interest rate; and 3) Float-to-Float Cross-Currency Swaps with different reset dates to be hedging instruments in net investment hedges. The PSC also wants to praise the FASB's efforts to ensure standards better reflect the economics of an entity's risk management activities in its financial statements and enhance the operability of hedge accounting. The PSC does not foresee any implementation challenges.

We appreciate the opportunity to submit comments on the proposed ASU, *Derivatives and Hedging (Topic 815).*

Sincerely,

Jeffrey L. Johanns

Jeffrey Johanns, CPA
Chair, Professional Standards Committee
Texas Society of Certified Public Accountants