

# Sale Status

## Summary of FASB Statement No. 115

### Accounting for Certain Investments in Debt and Equity Securities

This Statement addresses the accounting and reporting for investments in equity securities that have readily determinable fair values and for all investments in debt securities. Those investments are to be classified in three categories and accounted for as follows:

- Debt securities that the enterprise has the positive intent and ability to hold to maturity are classified as held-to-maturity securities and reported at amortized cost.
- Debt and equity securities that are bought and held principally for the purpose of selling them in the near term are classified as trading securities and reported at fair value, with unrealized gains and losses included in earnings.
- Debt and equity securities not classified as either held-to-maturity securities or trading securities are classified as available-for-sale securities and reported at fair value, with unrealized gains and losses excluded from earnings and reported in a separate component of shareholders' equity.

This Statement does not apply to unsecuritized loans. However, after mortgage loans are converted to mortgage-backed securities, they are subject to its provisions. This Statement supersedes FASB Statement No. 12, Accounting for Certain Marketable Securities, and related Interpretations and amends FASB Statement No. 65, Accounting for Certain Mortgage Banking Activities, to eliminate mortgage-backed securities from its scope.

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%fineprint{The full text of this statement is available at: [http://www.fasb.org/pdf/aop\\_FAS115.pdf](http://www.fasb.org/pdf/aop_FAS115.pdf).}%

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Last update: **2010/05/12 14:52 UTC**

