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**UNITED STATES
HOUSE OF REPRESENTATIVES**

TRANSPORTATION AND
INFRASTRUCTURE COMMITTEE
SMALL BUSINESS COMMITTEE
VETERANS' AFFAIRS COMMITTEE
ASSISTANT WHIP

October 28, 2004

Letter of Comment No: 187
File Reference: EITF03-1A

Mr. Robert Herz, Chairman
Financial Accounting Standards Board
401 Merritt 7
P.O. Box 5116
Norwalk, Connecticut 06856-5116

Mr. Lawrence Smith, Chairman
Emerging Issues Task Force
Financial Accounting Standards Board
401 Merritt 7
P.O. Box 5116
Norwalk, Connecticut 06856-5116

Dear Sirs:

I am writing to you in regards to FASB's proposed clarifications to EITF Issue 03-1 which provides guidance on the meaning of the phrase "other-than-temporary impairment" (related to changes in interest rates) and its application to several types of investments, including debt securities classified as "available for sale" under FASB Statement 115, Accounting for Certain Investments in Debt and Equity Securities. I appreciate the opportunity to share my thoughts on this matter with you.

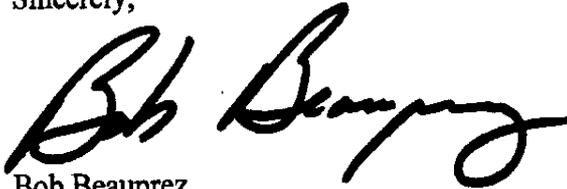
The concern that I have is due to the fact that the proposal is likely to affect the investment portfolios of thousands of financial institutions, their asset/liability management and liquidity management. Further, many banks could see charges to earnings due to impairment recognitions.

I have heard from several concerned community bankers, and as a former banker myself, I know how important investments classified as "available for sale" are in conducting the everyday business of a bank. Additionally, I have seen that interest rates, and as a result investment values, can be volatile. However, many banks can and do hold investments through the volatility to recover their full value at maturity.

I appreciate FASB's willingness to take another look at the accounting guidance for "other than temporary" impairments and urge caution as you prepare final guidance to ensure that banks have the flexibility they need to manage their investment portfolios so as not to impede the extension of credit.

Again, thank you for allowing me the opportunity to comment on this issue.

Sincerely,

A handwritten signature in black ink that reads "Bob Beauprez". The signature is written in a cursive, flowing style with a large initial "B" and a long, sweeping tail.

Bob Beauprez
Member of Congress