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**From:** Rick Jordan [MTVRickJ@MTVB.local]  
**Sent:** Friday, October 29, 2004 12:34 PM  
**To:** Director - FASB  
**Cc:** Ronnie Green  
**Subject:** Proposed FASB Staff Positions, EITF Issue 03-1-a

Letter of Comment No: 160  
File Reference: EITF03-1A

October 29, 2004

Mr. Lawrence Smith  
Director and Chairman of the Emerging Issues Task Force  
Financial Accounting Standards Board  
Via e-mail: director@fasb.org  
Re: Proposed FASB Staff Position, EITF Issue 03-1-a

Dear Mr. Smith,

The Mount Vernon Bank appreciates the opportunity to comment on the proposed Staff Position, issued on September 15, 2004 by the Financial Standards Board ( FSP 03-1-a ). Mount Vernon Bank is a small community bank with two branches located in South Georgia. We are a privately held, conservatively run bank with assets approaching \$75,000,000.00. We would like to thank FASB for the opportunity to express our views on this important matter.

Asset – Liability management is something that we take very seriously at Mount Vernon Bank. We are proud of our portfolio management strategy and have a very successful track record. We understand the need for uniform practices in accounting but we are fully convinced that some of these practices put smaller banks at a major disadvantage. Banks with less than \$250,000,000.00 may be the correct dividing line for this type of reform. As a small bank, we are constantly monitoring and moving our portfolio in order to best meet our needs. We are fortunate in that we are in a financial position to make our investment decisions from a conservative point of view. We do not think that Debt Securities held in AFS, which is how we hold all of our securities, should be forced to be written down for changes that are solely due to changes in interest rates. We think that the prudent thing would be to look for the opportunities in these changes and make moves to improve your position. We also believe that sales for risk management purposes from AFS should be acceptable and should not taint remaining securities. The decision to sell or hold should be based on the bank's ability to hold rather than forcing the bank to enter into " intent-to-hold" which goes against the principals of AFS.

In conclusion, Mount Vernon Bank respects and appreciates the efforts of FASB to insure uniform accounting practices but we believe that the one-size fits all is not the best approach. We would appreciate any review from FASB concerning separating the smaller banks from these types of rulings and we would also like to see more emphasis put on the bank's ability to be financially sound.

Again, we appreciate the opportunity to express our views on this proposal. If you would like to discuss this letter in more detail, please contact Don Thigpen, CEO, Mount Vernon Bank at 912-583-2227. We appreciate your time and consideration.

Sincerely,

10/29/2004

Don Thigpen  
CEO – Mount Vernon Bank  
Mount Vernon , Georgia 30445