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Sent: Thursday, October 28, 2004 3:26 PM
To: Director - FASB
Subject: EITF 03-1

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Dear Director:

I am a banker in a rural community. Historically, we've had 60% - 65% of our assets in investments. So I guess you'd call us investment driven. I certainly don't claim to know what the definition of other-than-temporary should be, but I do know what the repercussion of interpreting the definition incorrectly could do to my earnings.

With a mere 50 basis point increase in rates, I lose 83% of the value of my portfolio. With a 100 basis point increase in rates, I go from an unrealized gain of \$1.2 million to a loss of \$709 thousand. That is a \$1.9 million dollar swing and would wipe out my entire projected earnings for this year.

At various times during the past we have executed swaps with securities at a loss to improve the value of the investment portfolio and increase the income string for the future. As I understand it, a CPA firm could now call into question our ability and intent to hold securities, thereby tainting the entire investment portfolio and cause it to be marked to market.

Excuse my ignorance, but I don't know why this issue has reared its ugly head. I need to be able to manage my Available for Sale securities in a manner that is consistent with the safe and sound business practices and in the best interest of my bank.

This is the first time I have commented on a proposal, so forgive me if it is not in the proper format or doesn't address all your concerns.

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