Independent Bank
CORPORATION

Letter of Comment No: 55
File Reference: EITF03-1
Date Received:

September 28, 2004

Mr. Robert Herz
Chairman
Financial Accounting Standards Board
401 Merritt 7
Norwalk, CT 06856-5166

RE: FSP EITF Issue 03-1b, Effective Date of Paragraph 16 of EITF Issue No. 03-1

Dear Mr. Herz,

I am writing to express the concerns of my institution regarding this FSP. Independent Bank Corporation is a $3 billion multi-bank holding company and a SEC registrant.

The changes proposed by EITF Issue No. 03-1 represent a considerable deviation from current practice. Some of the most significant changes are impairment from movements in interest rates, a dramatic lowering of the threshold for impairment and the issue of "tainting" the available for sale portfolio by selling securities out of this portfolio at a loss.

Our institution generally classifies its investment securities as available for sale. Thus, this issue has broad ramifications for financial statement preparation. Furthermore, the investment portfolio is a primary tool of our institution's asset / liability management efforts and liquidity strategies.

Therefore, we suggest delaying the effective date of paragraph 16 of EITF Issue No. 03-1 beyond the fourth quarter of 2004 to allow interested constituencies, SEC registrants, external auditors, the investment community and regulatory agencies, sufficient time to develop clear implementation guidance for this far reaching accounting proposal.

Feel free to contact me at (616) 527-5820, extension 1227 should you have any questions.

Sincerely,

Dean M. Morse
Finance Officer

CORPORATE OFFICES
230 WEST MAIN ST. PO BOX 491
IONIA, MI 48846
PH (616) 527-9450

LOAN SERVICING
230 WEST MAIN ST. PO BOX 158
IONIA, MI 48846
PH (616) 527-5820

DEPOSIT & DATA SERVICES
600 COVERED VILLAGE MALL PO BOX 279
BELDING, MI 48809
PH (616) 794-2690

WWW.INDEPENDENTBANK.COM