

700 East 30th Avenue / P.O. Box 1366 / Hutchinson, Kansas 67504-1366 / 620 663-0666 / Fax 620 663-0604 www.centralbank-kansas.com Member FDIC

October 21, 2004

Letter of Comment No: 220 File Reference: EITF03-1A

Mr. Lawrence Smith
Director and Chairman of the Emerging Issues
Financial Accounting Standards Board
401 Merritt 7
Norwalk, Connecticut 06856

Re: Proposed FASB Staff Position, EITF Issue 03-1-a, Implementation Guidance for the Application of Paragraph 16 of EITF Issue No. 03-1, "The Meaning of Other-Than-Temporary Impairment and Its Application to Certain Investments"

Dear Mr. Smith,

Central Bank and Trust Co. appreciates the opportunity to comment on the proposed Staff Position, issued on September 15, 2004 by the Financial Accounting Standards Board (FSP 03-1-a). Our Bank is \$215,000,000 located in Hutchinson, Kansas with Branches in Wichita, Kansas. Our security portfolio is \$60,000,000

Thank you for allowing additional time to respond to the proposed Staff Position.

We are quite concerned with your proposal. Debt securities held in AFS should not be written down for temporary changes in market values that are due solely to increases in interest rates. Furthermore, requiring an "intent-to-hold" in AFS is just not consistent with AFS. Instead, the focus should be on "ability to hold". Certainly a debt security that has increased in value because of decreasing interest rates should not be increased in value with a corresponding income item. Available for sale means just that; if it is appropriate for the Financial Institution to sell an investment because it is financially advantageous, then the security is available for sale. Certainly the gain and/or loss is recognized in equity currently and that is adequate.

Again, we are opposed to the change. It does not assist the reader of financial statements to automatically show as an expense item the reduction in value due to an interest rate change. It does not assist the reader of our financial statements to show as an income item the increase in value when interest rates go back down. That is yoyo accounting and just serves no purpose.

Again, we appreciate the opportunity to comment on this proposal. Thank you for considering our views. I am more than happy to discuss my views on this matter in further detail. You may call my private line (620) 663-0601.

Very truly yours,

Russell L. Reinert, CPA

EVP and CFO