The Following form letter was also submitted by various other individuals as well. Only one copy of this letter has been posted to the website.

----Original Message----From: Traci Day [mailto:tracid@fnbrockies.com]

Sent: Monday, March 30, 2009 10:23 AM

To: Director - FASB

Subject: FASB Mark to Market Repair

Traci Day 252 W Jefferson Ave Hayden, CO 81639-0700



March 30, 2009

LETTER OF COMMENT NO.

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Russell Golden Technical Director Financial Accounting Standards Board 301 Merritt 7 Norwalk, CT 06856

Dear Mr Golden:

RE: Comments on Proposed FSP FAS 115-a, FAS 124-a, and EITF 99-20-b: Recognition and Presentation of Other-Than-Temporary Impairments

I support FASB's efforts to improve guidance relating to other than temporary impairment ("OTTI") but I do not feel you went far enough. I believe that the threshold to recognize market-related OTTI based on the lack of intent to sell is certainly more operational than the current requirement, and I also strongly agree with the proposal to recognize only credit losses through earnings.

However, I strongly encourage the FASB to make additional repairs to the OTTI guidance, which is currently extremely problematic and has been for years. Congressional direction to the SEC and FASB was to repair the broken parts of MTM accounting that are wreaking havoc in the markets and forcing financial institutions to overstate their losses. A major part of the problem is the application of MTM accounting for "other than temporary impairment" (OTTI). The most critical concerns in the OTTI proposal are:

1.OTTI continues to be based on severely depressed prices in dysfunctional markets rather than true economic values based on projected cash flows and credit quality. Economic losses are used in accounting for loans; accounting for OTTI should also follow this same method. Without this change, publicly reported GAAP capital will continue to be understated and confidence in our financial system undermined. The FASB proposal divides MTM losses into credit losses, which are charged against earnings and capital, and market losses, which do not reduce income, but are deducted from capital. This charge against capital will continue to cause enormous harm to the economy.

- 2. The OTTI proposal applies only to new OTTI incurred in 2009 rather than to assets held on the books against which OTTI charges were taken in prior years. This is an extremely important issue. Prior to 2009, many entities took large MTM losses based on accounting practices that even the SEC acknowledged were wrong (see SEC letter to FASB dated October 14, 2008, requesting that FASB address this expeditiously). If the FASB had acted quickly as requested by the SEC, then these MTM paper losses would not have been recorded in earnings. The final rule on OTTI should apply to any OTTI assets on the books of the bank, which will restore capital improperly destroyed by MTM accounting rules in earlier periods.
- 3. Finally, the OTTI proposal does not allow reversal of the mark-downs if asset quality or market value improves. The proposal requires the MTM losses to be accreted back to the asset value over the life of the security. Instead of using the correct value upfront, capital is destroyed massively upfront and then corrected over time. This makes no sense and is exceptionally harmful to the banking system and the economy.

In short, the FASB has not responded to extremely critical areas of Congressional concern. In the meantime, the Federal Reserve and the Treasury each announced new trillion dollar programs, while the FASB and SEC continue to destroy bank capital by requiring banks to overstate losses and not allowing recovery of any of the capital already senselessly destroyed.

This may well be the single most important effort that can make a difference in this financial crisis - and it will improve financial reporting for the benefit of users of financial statements. Importantly, it will not cost taxpayers a dime and, indeed, will reduce dramatically the need for further taxpayer assistance to our nation's financial institutions. SEC and FASB need to get on the same page with the rest of the government and the taxpayers in resolving the extremely serious financial crisis. Thank you for your attention.

Sincerely,

Traci Day 970-276-3731