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EITF99-20A

LETTER OF COMMENT NO. 71

December 29, 2008

Technical Director
Financial Accounting Standards Board
301 Merritt 7
P.O. Box 5116
Norwalk, CT 06856-5116

Via email: director@fasb.org

RE: Proposed FSP EITF 99-20-a

Dear Technical Director:

The New Jersey League of Community Bankers* appreciates this opportunity to express support for FASB's Proposed FASB FSP EITF 99-20-a, *Amendments to the Impairment and Interest Income Measurement Guidance of EITF Issue No. 99-20*, which would amend EITF Issue No. 99-20 *(Recognition of Interest Income and Impairment on Purchased Beneficial Interests and Beneficial Interests That Continue to Be Held by a Transferor in Securitized Financial Assets)*. We support the proposal as a first step toward improving the application of OTTI, and appreciate FASB's recent decision to examine additional problems relating to OTTI.

The League agrees with the American Bankers Association's letter to the FASB on the proposal, dated December 28, 2008, which supports the proposal and requests that additional OTTI concerns be addressed for year-end 2008 reporting. OTTI has been controversial for many years, and we believe it would be more meaningful to use a model based on credit impairment rather than on market values. Because of the significance of the problems with the application of OTTI in the current market environment, we believe changes to these practices are critical for year-end 2008 financial reporting.

We urge you to issue the proposal in final form, to be effective for December 31, 2008 financial reporting.

Sincerely,

James M. Meredith
Executive Vice President

* The New Jersey League of Community Bankers, founded in 1908, is a trade association representing 72 of New Jersey's savings banks, savings & loan associations and commercial banks with total assets of over $85 billion. The League's wholly-owned subsidiary, the Thrift Institutions Community Investment Corporation ("T.I.C.I.C.") assists League members in forming consortia to make loans on low-to-moderate income housing and economic development projects throughout New Jersey. Since its founding in September 1991, T.I.C.I.C. has closed $410 million in loans to create over 5,750 units of housing affordable to families, senior citizens and citizens with special needs. In addition, TICIC's loan pipeline will create further residential units to serve the needs of communities throughout the state.

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