



LETTER OF COMMENT NO.

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Subject: FW: Comment letter -- EITF Issue No. 99-20

From: Paul Wegkamp [mailto:PWegkamp@chesbank.com]
Sent: Monday, December 29, 2008 12:36 PM
To: Director - FASB
Cc: Jeff Szyperski; John Hunt
Subject: Comment letter -- EITF Issue No. 99-20

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

File Reference: Proposed FSP EITF 99-20-a (*Amendments to the Impairment and Interest Income Measurement Guidance of EITF Issue No. 99-20*)

Dear Technical Director:

I am the controller for a community bank located in eastern Virginia, which has a significant investment in mortgage-backed securities. To date, we are receiving all contractual cash flows underlying the securities. Our credit quality is good, not only for our investments, but our loans as well. The only factor that could have a significant impact on our solid 2008 financial performance is the "other than temporary" (OTTI) issue. We appreciate that the Financial Accounting Standards Board (FASB) is focusing on the GAAP requirements addressing this issue—for which a strict interpretation of the current rules would result in a substantial permanent write-down of our investments—that neither reflects economic reality or common sense.

We support the FASB's Proposed FASB FSP EITF 99-20-a, *Amendments to the Impairment and Interest Income Measurement Guidance of EITF Issue No. 99-20*. We urge you to issue the proposal in final form, to be effective for December 31, 2008 financial reporting.

We support the proposal as a first step toward improving the application of OTTI, and we appreciate the FASB's recent decision to examine additional problems relating to OTTI. We agree with the letter from the American Bankers Association 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.

Thank you for your consideration.

Sincerely,

/s/ Paul L. Wegkamp, Jr., CPA



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PAUL L. WEGKAMP, CPA
Controller

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