From: Joan Meyer [joan@foundersgroupinc.com]

Sent: Tuesday, December 30, 2008 5:25 PM

To: Director - FASB

Subject: Proposed FSP EITF 99-20-a (Amendments to the Impairment and Interest Income Measurement

Guidance of EITF Issue No. 99-20)

December 30, 2008

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



LETTER OF COMMENT NO. 252

Via email: director@fasb.org

Dear Sir or Madam:

We own and control a group of nine well-managed, well capitalized banks. We need help now. We need the resource of time to heal ourselves. We don't need a bailout, we just need time and the ability to sustain capital so we can continue to lend in our communities. Our banks appreciate the recent focus of the Financial Accounting Standards Board (FASB) on the important issue of "other than temporary impairment" (OTTI).

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

If the application of the guidelines for assessing OTTI are not revised and clearly defined as it applies to 2008 year end, the damage to the banking system will be irreparably complete. It is a convoluted, distressed and illiquid market that has put added pressure on the application of each of these accounting pronouncements. The condition of today's market has created a "perception" of asset quality weakness that has tainted traded assets, not necessarily by their own inherent weakness, but in some cases simply guilt by association. Because the accounting firms and regulators aggressively applied the OTTI guidance (even before the most SEC recent press release modification), billions of dollars of capital have been lost.

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 attention to these matters and for considering our views.

Sincerely, Joan E. Meyer Senior Vice President & Controller

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