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December 29, 2008

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



LETTER OF COMMENT NO. 246

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

Dear Technical Director:

I am a Senior Accountant of Bank of Smithtown and I applaud and appreciate the recent focus of the Financial Accounting Standards Board (FASB) on the important issue of "other than temporary impairment" (OTTI). The current market conditions of our economy have now pushed this issue to the forefront. Bank of Smithtown is a high performing bank, with no subprime credit issues and strong asset quality and despite the economy, this year is no exception. Yet due to the current OTTI issues, we may be forced to write down assets at year end whose market value is virtually zero. These assets have **NOT** shown increasing significant credit impairment. Therefore we feel we would be taking unwarranted expense to current year earnings and tampering with future growth of a very healthy bank.

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.

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 Banker's 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 reporting. We believe it is essential to use a model based on credit impairment rather than on market values because the current market values do not reflect the most accurate measure of financial condition. These changes to these practices are critical for year-end financial reporting and the future of our economy.

Thank you for your prompt attention to these matters and for considering our views.

Sincerely,

Catherine R. Giamundo, C.P.A. Senior Accountant Bank of Smithtown