



JOSEPH J. GRECO
President and Chief Executive Officer



LETTER OF COMMENT NO. 143

December 29, 2008

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

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:

The First National Bank of Litchfield is 194 years old and the oldest nationally chartered bank in the state of Connecticut. We were on pace to realize record earnings in 2008 prior to the currently required OTTI adjustments to performing assets on our balance sheet. Those adjustments had devastating impact on our results. For the first time in 30 years we did not declare a stock dividend for our shareholders. As you can imagine, we support the FASB's recent focus on this topic.

We are for the 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 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,

Joseph J. Greco

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President and Chief Executive Officer