

March 24, 2009



LETTER OF COMMENT NO. 3

Mr. Russell G. Golden Technical Director Financial Accounting Standards Board 401 Merritt 7 P.O. Box 5116 Norwalk, CT 06856-5116

RE: FSP FAS 115-1, FAS 124-a, and EITF 99-20-b

Thank you for the opportunity to comment on the proposed FSP. The proposed guidance will be a great improvement over the existing standards and guidance.

Clearly we do not see that the proposed FSP 157-e eliminates the need for this proposed guidance. Both are equally important elements that provide clarity to the accounting process and improve the accurate reflection of expected economic loss for review by stakeholders.

We agree that it is appropriate to focus the accounting guidance on the distinction of credit losses rather than market price impairment. It is a better reflection of the true value of securities especially for organizations that have the intent and ability to hold these securities until they recover or mature. The current guidance requires the loss of earnings and the decline in capital based on market price rather than on the potential losses. This overstates the true impact to the organization. It needlessly reduces capital in the near term, only to reverse the excess charges in future accounting periods as the securities pay their expected cash flows. This could be misleading to the stakeholders.

We would like to see the language included in the final guidance similar to what is included in loan loss accounting, such as "an insignificant delay or insignificant shortfall in amount of payments does not require application of this Statement." Without this inclusion in the guidance, delayed or small loss of payments may force an inappropriately large OTTI adjustment. This would again fail to reflect the true economic loss faced by the affected entity. It seems that the intent of guidance would be to accurately report the most accurate financial picture to stakeholders.

This guidance should be applied to the 2008 financial statements. FASB had the opportunity and the support of the SEC to address this issue in December 2008. The delay in acting should not prevent the retroactive application of this FSP.

Although many firms have probably already filed their 10-Ks, there is definitely the ability to restate, and refile these reports if they choose to do so. For others who are still in the process of auditing the December 2008 financials, the ability to have appropriately reflection of expected losses on the financial statements insures clearer understanding moving forward for stakeholders.

Thanks for taking the time to consider our comments.

Bonnie Humphrey-Anderson EVP/Chief Financial Officer