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LETTER OF COMMENT NO. 20

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 FAS 107-b and APB 28-a (*Interim Disclosure about Fair Value of Financial Instruments*)

Dear Technical Director:

The American Bankers Association (ABA) appreciates the opportunity to comment on Proposed FSP FAS 107-b and APB 28-a (*Interim Disclosure about Fair Value of Financial Instruments*). ABA brings together banks of all sizes and charters into one association. ABA works to enhance the competitiveness of the nation's banking industry and strengthen America's economy and communities. Its members – the majority of which are banks with less than \$125 million in assets – represent over 95 percent of the industry's \$12.7 trillion in assets and employ over 2 million men and women.

We do not support the FASB's Proposed FASB FSP FAS 107-b and APB 28-a and we urge you to reject the proposal until more discussion takes place regarding the costs of providing this information, including the time required to prepare the information, as well as the value that investors receive from this information, can be assessed. We believe from a cost/benefit perspective, the costs of providing this vast amount of information on a quarterly basis greatly exceeds the value that would be derived by such disclosures for most traditional banking institutions and their financial statement users.

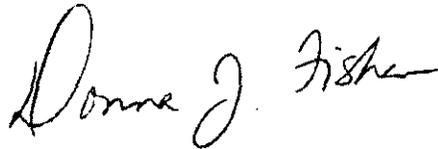
Based on ABA member feedback, investors rarely ask about fair value footnote information – even though investors do ask about other aspects of financial information. Currently, there are no fair values for many financial instruments. Thus, devoting resources to provide these disclosures, establishing systems and documentation, and performing internal and external reviews for internal control reporting purposes will be both time-consuming and costly.

As just noted, the majority of the banks in the U.S. are relatively small in asset size. And, most banks are not managed on a fair value basis. The banking business is generally run on cash flow (as opposed to fair value) business models, and data within the fair value disclosures get little, if any, attention. Further diminishing the value of this information to these users, volatility that is inherent in today's markets, caused by factors such as illiquidity and even proposed legislation, often makes fair value information stale (and, therefore, misleading) by the time the financial statements are issued. With this in mind, we believe there will be little incremental benefit derived from such information provided on a quarterly basis for these institutions. The incremental time it takes to prepare and to audit such disclosure information can be significant. The value of the information is certainly not worth the cost.

With that in mind, we urge the Board to reject the proposal. If the Board continues with the proposal, then disclosure requirements should only be applicable to the largest publicly held companies.

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

Sincerely,

A handwritten signature in black ink that reads "Donna J. Fisher". The signature is written in a cursive, flowing style.

Donna Fisher