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Mr. Russell Golden Technical Director Financial Accounting Standards Board 401 Merritt 7 P.O. Box 5116 Norwalk, CT 06856-5116 \* F S P F A S 1 1 5 A \* 3/

LETTER OF COMMENT NO.

Dear Mr. Golden:

We would like to thank you for the opportunity to comment on the Proposed FSP FAS 115-a, FAS 124-a, and EITF 99-20-b, *Recognition and Presentation of Other-Than-Temporary Impairments* ("proposed FSP"). We commend the FASB's efforts to improve guidance relating to other-than-temporary impairment, and we are writing with some preliminary comments about how to further improve OTTI guidance.

First, we believe that OTTI should be based on credit losses rather than mark to market losses. Market-related losses on debt securities should not be a part of OTTI at all (unless there is the intent to sell or it is more likely than not the company will be required to sell prior to recovery). Recording market losses as OTTI on held-to-maturity securities contradicts the contention that such investments are held to maturity and will not be subject to any market-related loss.

Second, OTTI should not be permanent if, in fact, the impairment is not permanent. Recoveries of OTTI should be immediately reversed through earnings in order to more accurately reflect performance of the borrower of the underlying assets and to provide consistency with other impairment accounting.

Thank you again for this opportunity to comment on the proposed FSP.

Sincerely

Eddie L. Dunklebarger President & CEO Susquehanna Bank