



March 29, 2009



LETTER OF COMMENT NO.

336

VIA EMAIL: rggolden@fasb.org

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

RE: Other-than-temporary impairment

Dear Mr. Golden:

Our Bank would like to comment on the OTTI changes that have been suggested. We are a small community bank in the Midwest and feel that the current standards regarding treatment of mark to market accounting rules has a shortcoming that is detrimental to many financial institutions. We would ask that FASB revisit the current guidance on Other-than-temporary impairment as we are very concerned with the handling of certain assets that may be deemed other than temporarily impaired.

The most important part of the current guidance that is harming many financial institutions is the recognition of losses on the income statement based upon prices of securities that have experienced a severe decline in market value due to unrealistic and impaired markets, rather than looking at the current performance of the security and the potential to perform in the future.

The securities held by our Bank are purchased with an A or better rating and are very high quality. We normally hold to maturity even though the securities may be classified as available for sale. One of our securities shows a market loss at approximately \$.50 on the dollar, but when reviewing the financials for this corporation and the potential for timely interest and principal payments, booking this loss would seriously distort our income statement for the year and would not reflect an accurate picture. Especially in

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light of the fact the security is in a position to pay both principal and interest and has been profitable for the last year. Forcing our bank to record such a distorted loss through the income statement when we do intend to hold to maturity is not a true picture of the bank or the security. In addition, current roles may distort bank capitalization which is vital to support our lending function.

We urge you to reconsider current OTTI guidance to insure that financial institutions are not required to write down to fair value securities that have the potential to continue to be viable. We feel that the current treatment of fair value rules makes it difficult to accurately reflect the value of assets and the true financial stability of an institution which could cause further failures of financial institutions in the future.

If you would like to discuss in more detail, please feel free to contact Alan Tubbs, President, or myself at 563652-2491. Thank you.

Yours truly,

A handwritten signature in cursive script that reads "Elaine Edwards". The signature is written in black ink and is positioned above the printed name and title.

Elaine Edwards
1st Sr. Vice President