LouisianaBankers
ASSOCIATION

March 31, 2009

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

LETTER OF COMMENT NO. 283

File Reference: Proposed FSP FAS 115-a, FAS 124-a, and EITF 99-20-b, Recognition and Presentation of Other-Than-Temporary Impairments

Dear Mr. Golden:

The Louisiana Bankers Association (LBA) appreciates the opportunity to comment on this proposal. The LBA strongly supports the proposal as it addresses OTTI rules that have been problematic for years. Specifically, we commend all efforts to address problematic mark-to-market (MTM) provisions that require banks to write down performing securities even though the recorded losses have no relationship to the losses expected to occur and even though such institutions may have no intention to sell the assets at that time.

We also have the following recommendations for this proposal:

- The final FSP should apply to securities with Other-Than-Temporary Impairments (OTTI) at the effective date. This will decrease confusion and increase consistency in accounting for securities and is consistent with many other new accounting standards.

- The effective date should be second quarter 2009 with earlier adoption permitted. We believe many institutions would encounter operational challenges in implementing this in the first quarter 2009. Therefore, we recommend the effective date of this proposal be changed to periods ending after June 15, 2009.

- Other-Than-Temporary Impairments (OTTI) for held-to-maturity (HTM) securities should be based on credit losses rather than mark-to-market (MTM) losses.

- Clarification is needed on the meaning of "credit losses". Specifically, the final FSP should clarify that the amount of the OTTI to be recognized through earnings is credit loss rather than "credit risk".

Thanks for your consideration in this matter.

Sincerely,

Joe Gendron
Director of Government Relations