

September 24, 2012

Technical Director File Reference No. 2012-200 Financial Accounting Standards Board 401 Merritt 7 PO Box 5116 Norwalk, CT 06856-5116

File Reference: No. 2012-200 Proposed Accounting Standards Update: Financial Instruments (Topic 825) Disclosures about Liquidity Risk and Interest Rate Risk

Dear Financial Accounting Standards Board:

I do not support issuance of the proposed ASU for the reasons described in this letter. Webster Five Cents Savings Bank is a \$560 million state-chartered savings bank in Massachusetts. The Bank is a client of Darling Consulting Group, and I fully agree with the detailed, specific concerns outlined in their comment letter (#14 on the FASB web site) dated September 14, 2012. Those concerns focus on the specific reasons why the proposed ASU would result in inaccurate, misleading and incomplete representations of risk to a financial statement user.

In addition to those specific concerns, which I will not repeat in this letter, my broader concern is with the overall goal of the proposed ASU as it relates to users of financial statements of nonpublic entities. The stated goal of this proposed ASU is to provide users of the financial statements with more decision-useful information about entity-level exposures to liquidity risk and interest rate risk. It is important to note that as a mutual financial institution, the users of our Bank's audited financial statements are primarily limited to regulatory agencies and our Board of Directors. These financial statement users are already adequately informed of the management of liquidity and interest rate risks. Our current risk management process relies on a series of reports, stress tests and projections that simply do not translate into efficient footnote disclosures. The reason for this is that the assumptions used in modeling interest rate risk and liquidity risk are highly subjective, so much of our process focuses on a variety of stress tests of the key assumptions to focus on the results in a wide variety of scenarios to portray a complete picture of potential risks. Providing this information in a prescribed footnote disclosure would be extraneous, would not provide any incremental information to the financial statement users and would not even correspond to the manner in which management monitors and manages these risks. Additionally, like many other smaller institutions, our bank conducts the lengthy interest rate risk modeling reporting on off-quarter month-ends given time constraints and reporting requirements already in place at quarter-end, so the incremental cost to prepare the footnotes would be fairly substantial in both consulting fees and additional time and effort to prepare.

The comments above are from a non-public financial institution perspective, and presumably communicate similar concerns of the many mutual and privately-held banks as well as credit unions that would need to comply. The operational costs to prepare the information and then have it audited would simply outweigh what little benefit the disclosures would provide. While there may be some level or merit for publically traded financial institutions disclosing such information to investors and potential investors as a supplement to the disclosures already included in the SEC's required MD&A disclosures, I strongly recommend that non-public institutions are exempted from these disclosures. At a minimum, I would ask the Board to consider delaying the implementation to further consider and analyze the perspective of users and preparers of financial statements for non-public community banks and credit unions. In doing so, I am confident that the Board ultimately would reach the conclusion that the costs of implementing the proposed ASU far exceed the potential benefits.

Sincerely,

Brian Westerlind, CPA

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Senior Vice President, Treasurer & Chief Financial Officer