

Georgia Bankers Association

Resources for Better Performance

October 25, 2004

Letter of Comment No: 65
File Reference: EITF03-1A

Mr. Lawrence Smith
Director and Chairman of the Emerging Issues Task Force
Financial Accounting Standards Board
401 Merritt 7
Norwalk, Connecticut 06856

Re: Proposed FASB Staff Position, EITF Issue 03-1-a, Implementation Guidance for the Application of Paragraph 16 EITF Issue No. 03-1, "The Meaning of Other-Than-Temporary Impairment and Its Application to Certain Investments:

Dear Mr. Smith:

On behalf of the membership of the Georgia Bankers Association, I appreciate the opportunity to comment on the proposed Staff Position, issued on September 15, 2004 by the Financial Accounting Standards Board (FSP 03-1-a). Our membership includes over 350 commercial banks and thrifts throughout Georgia.

I previously wrote regarding the FSP to delay the effective date of this rule to allow for more input. Our membership is grateful for your consideration of that request and thankful for your granting the delay.

While the GBA membership feels that the proposed FSP is a step in the right direction, our concerns center primarily around two issues: 1) debt securities held as available-for-sale (AFS) should not be written down for changes in market values that are due solely to increases in interest rates, and 2) requiring an 'intent-to-hold' in AFS is inconsistent with AFS and should be on 'ability to hold'.

While there are other areas of interest with regard to the proposal that you will hear from individual bankers on, I appreciate your consideration of the comments made here and trust that you will let me know if the GBA may be of additional assistance.

Sincerely,

Jee Brannen
President