



# Citizens Bank & Trust

Letter of Comment No: 252  
File Reference: EITF03-1A

October 27, 2004

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

Dear Mr. Smith:

Since 1889, Citizens Bank and Trust Company of Chillicothe, Missouri, has been a major force in western Missouri community life. We are a billion dollar community bank and we are concerned about the proposed Staff Position issued on September 15, 2004, by the Financial Accounting Standards Board (FSP 03-1-a).

I would hope you will not rush into this. I realize this issue has been reviewed and discussed among accountants, regulators, the American Bankers Association and others for a year now, but I'd rather see you get this right the first time, than have to struggle through a series of "fixes" over the next few years.

We're big for a community bank in Missouri, so the changes in this proposal will have a significant impact on us. I am very concerned that a December 31, 2004, effective date will cause us huge problems. Whatever you finally decide on needs to give us a much longer "lead time".

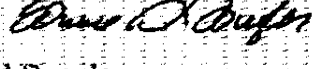
As for the proposal itself, I am concerned about debt securities held in AFS being written down for changes in market values that are solely due to increases in interest rates. The 5% fluctuation proposal is too low and does not allow adequate flexibility to banks to manage risk and liquidity.

515 Washington St • PO Box 50 • Chillicothe, MO 64601  
(800) 634-6203 • (660) 646-5500 • [www.ebankC&T.com](http://www.ebankC&T.com)

I hope you will talk with our representatives at the American Bankers Association to try to "fix" this proposal before it goes into effect.

Thank you for the opportunity to comment on this proposal.

Sincerely,



Ed Douglas  
CEO/Chairman