

March 27, 2009



LETTER OF COMMENT NO.

Via Email: director@ fasb.org

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

RE: FSP FAS 115-a, FAS 124-a, and EITF 99-20-b, Recognition and Presentation of

Other than Temporary Impairment

Dear Mr. Golden:

The North Dakota Bankers Association ("NDBA") appreciates this opportunity to comment on the proposed FSP FAS 115-a, FAX 124-a, and EITF 99-20-b, Recognition and Presentation of Other Than Temporary Impairments. NDBA members are banks and savings banks which operate more than 300 offices throughout North Dakota. We believe the problems that have become apparent with the application of the current OTTI guidance urgently demand correction; therefore, NDBA and its member banks strongly support the Board's effort to adjust the guidance. In this process, we particularly advocate:

- The elimination of "mark to market" mandates for debt securities that are not being held for sale and where sale of the securities is not likely to occur before recovery. OTTI must be based on credit losses, not "mark to market" losses. Including non-credit losses where an owner does not intend to sell a security overstates economic losses and understates capital.
- Applying the FSP changes to securities that are owned on the effective date, rather than prospective application.
- Allowing recoveries of OTTI through earnings when an impairment has turned out to be temporary.

We also encourage the Board to expand its consideration of changes to OTTI guidance to include equity securities.

It is clear that application of current OTTI guidance has resulted in banks recording losses that are artificial, unrealistically high, and not reflective of actual performance. The man-made harms from this include serious capital depletion, public misperception of banks' condition and material, reduced lending capacity. This situation has lingered too long and must be corrected without further delay.

Thank you for your consideration of our comments.

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Sincerely Yours, NORTH DAKOTA BANKERS ASSOCIATION

Rick Clayburgh

President and CEO

Marilyn Foss

General Counsel