

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

Via email: director@fasb.org

File Reference: Proposed FSP EITF 99-20-a (Amendments to the Impairment and Interest Income Measurement Guidance of EITF Issue No. 99-20)

Dear Technical Director:

Sun West Bank would like to express its appreciation for the recent focus of the Financial Accounting Standards Board (FASB) on the important issue of "other than temporary impairment" (OTTI). We recognize this has been a challenging time for FASB, SEC, the Treasury and others.

Sun West Bank is a 10 year old, locally owned and operated community bank chartered in Las Vegas, Nevada. Additionally, Sun West Bank is an S-Corporation Bank with over \$420 million in assets and is a key financial provider and lender for small to middle market businesses in Northern and Southern Nevada. As with many other small banks, we are not in a position to employ full time, in-house securities managers and therefore, often times we invest in bank qualified, investment grade mutual fund accounts thereby utilizing the expertise of the funds managers to assist us in greater diversification in the number, types and terms of securities we are able to participate in. During this downturn, our securities portfolio is being negatively impacted by the lack of marketability, regardless of the performance and yield of the individual securities. This is specifically being reflected in the NAV of our mortgage backed securities held in a bank qualified investment/mutual fund. Although we are reporting the mark-to-market in full through our capital account, we are obviously now being impacted by the OTTI issues and in particular as it relates to these mutual funds. The fact is, we cannot "look through" (according to the current accounting guidelines) the fund to the performance and rating of the individual securities. This is causing our Bank, as well as others, to write-down the entire mark-to-market of the whole fund rather than determining what the true credit impairment is, if any. Only a small percentage of the securities in the funds have been downgraded to below investment grade and we are able to provide reporting, supported by the funds managers, on the individual performance of each security within the fund. It is our intent and that of the funds managers to hold these securities through this economic downturn or until such time as the market becomes a viable option. Additionally, we can demonstrate the ability to hold these securities until either market recovery or maturity. We are concerned there will be inconsistent reporting as it relates to these securities and the reporting of OTTI. For example, a larger bank may in-fact hold an investment in the very same securities within their own portfolio and they will be allowed to provide the documentation necessary to reflect cash flow and credit performance, and the ability and intent to hold the securities, thus not having to pass through and write down the OTTI in income. This difference in treatment in such an unusual market and economic environment will create disparity in the financial reporting of large banks vs. small banks giving the appearance that smaller banks are less financially stable, when in-fact most community banks were not in any fashion involved in the risk taking types of activities that have lent themselves to this financial crisis.

December 29, 2008 Technical Director Financial Accounting Standards Board Page 2

Recently FASB has provided accounting consideration as it relates to Pooled Trust Preferred Securities and we ask that you give similar and equal consideration to our concerns about bank qualified mutual funds allowing us the same documentation reporting to prevent unnecessary OTTI write-offs that will negatively impact our profitability and market perception of our performance vs. that of our large bank competitor.

We support the FASB's Proposed FASB FSP EITF 99-20-a, *Amendments to the Impairment and Interest Income Measurement Guidance of EITF Issue No. 99-20*, which would amend EITF Issue No. 99-20 (Recognition of Interest Income and Impairment on Purchased Beneficial Interests and Beneficial Interests That Continue to Be Held by a Transferor in Securitized Financial Assets). We urge you to issue the proposal in final form, to be effective for December 31, 2008 financial reporting and ask that full consideration be given to the "look through" issue of mutual/investment funds so that we ensure equal and equitably treatment of the financial reporting related to OTTI.

We support the proposal as a first step toward improving the application of OTTI, and we appreciate FASB's recent decision to examine additional problems relating to OTTI. We agree with the letter from the American Bankers Association to the FASB on the proposal, dated December 28, 2008, which supports the proposal and requests that additional OTTI concerns be addressed for year-end 2008 reporting. OTTI has been controversial for many years, and we believe it would be more meaningful to use a model based on credit impairment and cash flow performance rather than on market values. Because of the significance of the problems with the application of OTTI in the current market environment, we believe changes to these practices are critical for year-end 2008 financial reporting.

Thank you for your attention to these matters and for considering our views.

Sincerely,

Jackie DeLaney
President and Chief Executive Officer