MID-MINNESOTA FEDERAL CREDIT UNION

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March 24, 2009

Via Email: director@fasb.org

FSPFAS115A

LETTER OF COMMENT NO. 28

Mr. Russell G. Golden
FASB Technical Director
Financial Accounting Standards Board
401 Merritt 7
P.O. Box 5166
Norwalk, CT 06859-5116

File Reference: Proposed FSP FAS 115-a, FAS 124-a, and EITF 99-20-b

Dear Mr. Golden:

Mid-Minnesota Federal Credit Union appreciates the opportunity to provide comments on the proposed FASB Staff Position on Statement 115-a, 124-a, and EITF 99-20-b, *Recognition and Presentation of Other-Than-Temporary Impairments.*

The inherent risk in determining OTTI is the variety of assumptions that can be used to value the credit or noncredit components of debt or equity securities. With any model, the results are only as reliable as the assumptions that are utilized. Further, assumptions are typically useful for a short period of time as the economic environment changes. Given this idea, we would like to stress the importance of allowing subsequent analysis and adjustment of the valuation of securities when market conditions change over time.

1. Separate presentation of the credit and noncredit component of the OTTI may provide decision-useful information for the financial statement user.

2. Requiring the credit component portion of the OTTI impairment to be recognized as income with the remaining noncredit component recognized as OCI is acceptable.

3. This modification should NOT apply to equity securities. Simply put, inherent in equity securities is the risk that there will be a complete loss with no opportunity for recovery. Therefore, the modification can only apply to debt securities.

4. The requirement to amortize the OCI portion for HTM securities without subsequent recovery is NOT appropriate. As stated above, for securities that are intended to be held to their maturity, market conditions may significantly change over time allowing for substantially different assumptions to be used in valuation. For these purposes, 'other-than-temporary' should not be construed as permanent.

5. The proposed effective date of interim and annual periods ending after March 15, 2009 is NOT operational. Given the unprecedented market conditions existing today as well as in 2008, it is imperative that financial reporting using this proposed statement be available for periods ending after December 15, 2008. Additional support to allowing retroactive application is evidenced by Congress in October of 2008 with their request of and subsequent findings from the SEC that "fair value requirements should be improved through development of application and best practices guidance for determining fair value in illiquid or inactive markets." Therefore, retroactive application should be available.

Thank you for the opportunity to provide feedback on this proposed statement. Again, we stress the importance of retroactive application to periods ending after December 15, 2008 as well as the enhancements recommended above. We commend FASB for responding appropriately to this important issue.

Respectfully,

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Vice President Administration and
Chief Financial Officer
Mid Minnesota Federal Credit Union

cc: Chuck Albrecht, CEO, Mid Minnesota Federal Credit Union
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