From:
 Kerry Mot!

 To:
 Director - FASB

 Cc:
 Sherry Tunender

Subject: File Reference: No. 1700-100 Disclosures about the Credit Quality of Financing Receivables and the Allowance

for Credit Losses

Date: Monday, August 24, 2009 12:35:18 PM

August 23, 2009

Mr. Russell Golden Technical Director Financial Accounting Standards Board 301 Merritt 7 P.O. Box 5116 Norwalk, CT 06856-5116 Via email: director@fasb.org

File Reference: No. 1700-100 Disclosures about the Credit Quality of Financing Receivables and the Allowance for Credit Losses

Dear Mr. Golden:

As a banker, I appreciate the opportunity to comment on the exposure draft: *Disclosures about the Credit Quality of Financing Receivables and the Allowance for Credit Losses* (ED). I work with the financial aspects of credit card portfolios owned by community banks, typically between \$250 and \$750 million dollars in assets. The company that I work for has developed more involved allowance methods to include actuarial and statistical methods. As a result I am familiar with the resources needed to develop this more advanced modeling.

In general, I agree with providing clarity and transparency in the financial reporting of the allowance for credit losses, but disagree with the issuance of this new accounting standard. Bankers currently provide similar forms of supplemental credit loss information to directors, investors and regulatory entities. Therefore, an effort to standardize disclosure is unnecessary and potentially confusing without a more insightful understanding of the institution's direction and practices. Furthermore, details noted in the ED appear to be prescriptive in nature and schedules may tend to become standardized in format. Standardized data pertaining to risk and allowance levels will often represent incomplete or irrelevant information as to how the institution actually establishes the allowance level.

The proposed effective date, which for practical purposes is as of year-end 2009, is also a concern as many smaller institutions may not have the stratification methodologies that are mandated in the ED. Furthermore, the cost to smaller institutions to accommodate such reporting by the proposed effective date could require a significant increase to system and human resources.

Because of these concerns, I recommend that a more thoughtful and open process be started, which includes specific outreach to banks that field questions on disclosures on a regular basis through earnings announcement calls, current disclosures in the quarterly and annual SEC filings, and in follow-up inquiries by investors. As a result of this process, if a new accounting standard is considered necessary, I believe bankers can determine and provide all the relevant information in an efficient manner.

Thank you for your attention to these matters and for considering this view. Please feel free to contact me (kerry.motl@capitalcardservices.com; 605-782-3373) if you would like to discuss this further.

Sincerely,

Kerry Motl

Finance Director Capital Card Services, Inc.

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