March 25, 2009

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

File Reference: Proposed FSPs FAS 115-a, FAS 124-a & EITF 99-20-b and FSP FAS 157-e

Dear Mr. Golden:

We appreciate the opportunity to comment on the proposals cited above and commend the Financial Accounting Standards Board ("FASB") for proposing revisions to the accounting guidance pertaining to the valuation and impairment of certain financial assets. Given the unprecedented dislocations in the financial markets, additional guidance in this area is urgently needed. We encourage the FASB to act quickly on this matter and we request consideration of the following comments:

- **The OTTI proposal should be applied retrospectively, not prospectively.** As currently drafted, the staff proposal would be effective for reporting periods ending after March 15, 2009, and would only be applied prospectively. FASB’s proposal to apply prospective treatment does not provide for a more uniform system of impairment standards for financial instruments because an entity would have applied one accounting treatment for OTTI on or before year-end 2008, and a different accounting treatment for OTTI beginning in 2009. This difference in accounting treatment greatly reduces financial statement comparability and transparency. It would be more consistent for the proposed FSP to be made retroactive to year-end 2008 similar to the implementation of SFAS 157 “Fair Value Measurements” and SFAS 159 “The Fair Value Option for Financial Assets and Financial Liabilities—Including an Amendment of FASB Statement No. 115” including a one-time cumulative “catch-up” adjustment between OCI and retained earnings at January 1, 2009.

- **The accounting for held-to-maturity debt securities under the proposal should be amended to be consistent with the accounting for loans held for investment purposes under Statement 114.** Under the historical cost method of accounting, held-to-maturity securities and loans held for investment are both carried at amortized cost. However, impairment of a loan held for investment purposes does not include an adjustment for non-credit impairment losses. The proposal should be modified to not require an entity to record non-credit related impairments in OCI.

- **More explicit and practical guidance is needed on how to implement the proposed Fair Value FSP (FAS 157-e).** We are concerned that the proposed guidance introduces a high
degree of subjectivity and a lack of clarity into the determination of whether a market is not active and a transaction is not distressed. It may be difficult for independent public accountants and regulators to agree with management’s assumptions without more practical and specific guidance. For example, paragraph 11 of the proposal definitively lists seven factors “that indicate that a market is not active.” However, the guidance also notes that “those factors should not be considered all inclusive because other factors may also indicate that a market is not active.” To this point, paragraph 12 states that “after evaluating all factors and considering the significance and relevance of each factor, the reporting entity shall use its judgment in determining whether the market is active.” Finally, paragraph 13 does not quantify how much time is sufficient in referring to “sufficient time before the measurement date to allow for usual and customary marketing activities for the asset.” These examples neither instill confidence that a reporting entity has reached the correct result, nor that the result would be consistently verifiable among users, investors, auditors, etc. This overall lack of clarity will make auditing this guidance very difficult.

- Finally, additional clarification is needed in Proposed FAS 157-e regarding what is a quoted price. Financial institutions often obtain values for their investment securities from third party sources including, but not limited to, market transactions, broker quotes, and pricing services. It would be helpful if FASB specifically provided a definition of what constitutes a quoted price, and how those third party pricing sources fit into that definition.

We thank the Board for its consideration of our views.

Sincerely,

Douglas D. Parkott
President/CEO