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FIAC

Financial Institutions Accounting Committee

September 17, 2004

Mr. Lawrence W. Smith
Director – Technical Application and
Implementation Activities and EITF Chair
Financial Accounting Standards Board
401 Merritt 7, PO Box 5116
Norwalk, CT 06856-5116

File Reference No. EITF Issue 03-1-b

Dear Mr. Smith:

The Financial Institutions Accounting Committee is a group of 11 financial professionals working in executive level positions in the thrift and banking industries and is a standing committee of the Financial Managers Society. FIAC's primary responsibility is to evaluate those accounting and regulatory matters that affect financial institutions. The comments within this letter are representative of the FIAC as a whole and do not necessarily reflect individual views of the institutions represented on the committee.


For the last six or seven years, FIAC has had the privilege of serving as a liaison group from the banking industry to the FASB. In that role, we had the opportunity to meet with staff and the Board on August 27 in Norwalk.

Since one of the items on our August 27 agenda was the 03-1 issue, we are very pleased to see the staff propose to delay the effective date of Paragraph 16 of the Emerging Issues Task Force Issue No. 03-1, "The Meaning of Other than Temporary Impairment and its Application to Certain Investments."

We wholeheartedly endorse the proposal to delay the effective date. And, we will be responding to the recently published implementation guidance by the October 29 deadline.

Should you have any questions, please don't hesitate to contact me at 510/446-3614.

Sincerely,



William C. Nunan
Chairman, FIAC

WCN/mlg

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