

DESCO

federal credit union

March 23, 2009

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



LETTER OF COMMENT NO. 112

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

Dear Mr. Golden:

While I am generally supportive of the exposure drafts, I do have three areas that I believe merit further review:

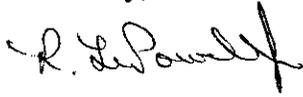
1. The effective date should be for financial statements issued for periods ending on or after December 31, 2008. As the CEO of a 25,000 member credit union, I have learned that the most important thing I have to sell to our members is trust. To have estimates on financial statements at March 31, 2009, that deviate materially from estimates on our year end December 31, 2008, financial statements does not inspire trust. Additionally, trying to explain these differences as accounting changes promulgated by the FASB is difficult when talking to non-accountants. I realize some institutions have already filed their audited 10-Ks with the SEC, but it would be a simple matter for them to re-file if they choose to do so.
2. Currently, OTTI cannot be reversed if market conditions improve. This could prove to materially distort financial statements in future periods when economic conditions improve. A parallel can be found in loan-loss accounting which allows changes in facts and estimates to be considered.

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3. The FASB Board materials stated that some constituents had recommended consideration of language similar to that included in loan-loss accounting, to the effect that "an insignificant delay or insignificant shortfall in amount of payments does not require application of this Statement." However, the FASB accepted staff's recommendation to exclude this language without discussion. This would be an important provision to prevent the oft-quoted situation of the Federal Home Loan Bank of Atlanta, in which \$44,000 of expected principal losses had to be booked as an \$87 million OTTI loss in the third quarter of 2008. This obviously grossly misstates the economic reality of the situation.

Sincerely,

A handwritten signature in black ink, appearing to read "R. Lee Powell, Jr.", written in a cursive style.

R. Lee Powell, Jr. CPA
President/CEO