FULTON FINANCIAL

CORPORATION

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LETTER OF COMMENT NO.

121

March 30, 2009

Mr. Russell G. Golden Technical Director Financial Accounting Standards Board 301 Merritt 7 P.O. Box 5116 Norwalk, CT 06856-5116

Via e-mail: director@fasb.org

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

Dear Mr. Golden:

Thank you for the opportunity to provide comments on the Proposed FSP FAS 115-a, FAS 124-a, and EITF 99-20-b (Recognition and Presentation of Other-Than-Temporary Impairment. Fulton Financial Corporation is a \$16 billion multi-bank holding company headquartered in Lancaster, PA.

We strongly support this proposal and commend the FASB for addressing this important issue. Following are our responses to the specific questions set forth for comment.

- 1. Does the separate presentation of the credit component and the noncredit component of other-than-temporary impairment (OTTI) provide decision-useful information? We believe that the segregation of these components is critical to a fair presentation of an entity's financial position.
- 2. Is the guidance regarding determination of the credit component clear and operational? Do you agree with the requirement to recognize the credit component of OTTI in income and the remaining portion in OCI? Under what circumstances should the remaining portion be recognized in earnings? We believe that the guidance is clear and operational and strongly agree with the requirement to recognize only the credit component through earnings. This treatment is more consistent with allowance for loan loss methodologies which companies are already employing. The noncredit component should only be recognized in earnings when an entity can no longer maintain the required assertion.
- 3. Does the modification described in paragraph 2 of the FSP make the OTTI assessment more operational and should it apply to both debt and equity securities? Will this change result in a significant change to the assessment of whether an equity security is other-than-temporarily impaired? We believe this change makes the assessment more operational and should apply to both debt and equity securities. This change, if applied as intended by accounting firms, will result in

- a change in how OTTI is assessed for equity securities. While a Company will still need to make a determination regarding the likelihood of a future recovery in value, the guidance allows for a more reasonable timeframe for that recovery to occur. Our external auditors strongly advised us to use a specific bright line test to determine equity security OTTI. We believe this current proposal is more appropriate.
- 4. Do you agree with the requirement to amortize impairments recorded in OCI for held-to-maturity debt securities? We are in agreement with this requirement and believe it will result in a fair presentation of the held-to-maturity securities on the balance sheet. However, we believe consideration should be given to not requiring recognition of the non-credit component in OCI.
- 5. Is the proposed effective date of interim and annual periods after March 15, 2009 operational? While we believe the proposed effective date is operational, we believe it is more appropriate to allow the FSP to be applied retroactively. Under a prospective application, companies will be amortizing portions of previously taken OTTI charges into interest income over the expected term of the applicable securities, which could be viewed as increasing earnings artificially. We strongly encourage the FASB to address the issue of recoveries of OTTI by providing for the recognition through earnings of recoveries up to original cost. Such a provision must go hand in hand with a retroactive application of this FSP or distortions in earnings could result from recoveries of OTTI that would not have been required under this FSP.

Thank you for your consideration.

Very truly yours,

Betsy Churnski Betsy Chivinski

Executive Vice President - Corporate Controller