



LETTER OF COMMENT NO. 41

Wednesday, March 25, 2009

Mr. Russell G. Golden  
Technical Director, FASB  
401 Merritt 7  
PO Box 5116  
Norwalk, CT 06856-5116

Dear. Mr. Golden,

I have read and digested the proposals contained in FSP FAS 157-e and FSP FAS 115-a, FAS 124-a, and EITF 99-20-b regarding revisions to the determination of whether OTTI exists and, if so, how to recognize and present such impairment. The methodologies and treatment appear to be consistent with addressing the egregious and confusing methodology currently promulgated under FAS 157, FAS 115 and EITF 99-20. Further, it appears these proposals conform in most respects to the white paper issued by the Center for Audit Quality in December, 2008.

The primary issue I see resulting from the pronouncements as written lies in the application date for each. Prospective treatment for accounting periods ending after March 15, 2009 will result in entities reporting significant levels of OTTI under the pre-existing guidance, and an as yet undetermined amount under these new guidelines. Readers of the financial statements will have no clue as the amount of "real" OTTI that should have been recognized through earnings versus the amount of OTTI that was recorded by so many financial institutions in the quarter ended December 31, 2008.

I join in the groundswell of support for applying these pronouncements retroactively to the date of first OTTI recognition in 2008. Restatement notwithstanding, I feel that getting it "right" is preferable to the lack of clarity that a bifurcated approach to OTTI application will result in. Further, retroactive application "levels the playing field" between those entities that were aggressive in addressing OTTI in the fourth quarter of 2008 and those that took a more "head-in-the-sand" approach because the aggressive route would have depleted capital to an unacceptable level.

Please consider these arguments when formulating the final guidance to be approved by the FASB.

Regards,

David C. Wadlington, CPA  
Executive Vice President/CFO



LETTER OF COMMENT NO. 58