



LETTER OF COMMENT NO. 48



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Sent: Wednesday, March 25, 2009 3:19 PM

To: Adrian Mills; Diane Inzano; Joseph Vernuccio; Kevin Stoklosa; Kristofer Anderson; Mark Trench; Meghan Clark; Peter Proestakes; Russell Golden; Vita Martin; Wade Fanning

Subject: FW: FASB Proposals

From: Harry Comm [mailto:Hcomm@hcsbank.com]

Sent: Wednesday, March 25, 2009 2:09 PM

To: Director - FASB

Subject: FASB Proposals

I appreciate the opportunity to comment on the proposed FASB Staff Position No. FAS 115-a, FAS 124-a, and EITF 99-20-b, *Recognition and Presentation of Other -Than-Temporary Impairments* (which I will refer to as the proposed OTTI FSP) and the proposed FASB Staff Position 157-e, *Determining Whether a Market is not Active and a Transaction is not Distressed* (which I will refer to as proposed Fair Value FSP). I appreciate FASB's willingness to reassess the current impairment accounting models and fair value accounting models, and doing so expeditiously. To me, the proposed OTTI FSP presents improvement from the current accounting model.

I encourage the FASB to revise the proposed OTTI FSP so as to not require the non-credit impairment of held-to-maturity investment securities to be recorded in accumulated other-comprehensive-income (AOCI). The fair value of these securities are rightfully shown in the footnotes to the financial statements. Recording the non-credit impairment of available-for-sale securities to other-comprehensive income seems reasonable since they are always carried at fair value.

The FASB should apply the proposed OTTI FSP retrospectively instead of prospectively. The affect the OTTI charges made in 2008 will be felt for some time to come and will continue to adversely impact many company's net interest margins. While my company is a mutual company and don't have stock investors, the financial statements should reflect an accurate picture of the strength of the company.

I would also suggest that the FASB consider removing the gross presentation in the income statement of impairment losses offset by non-credit impairment in the proposed OTTI FSP. This will likely confuse anyone looking at the financial statements and would more appropriately be reflected in the footnotes.

Finally, please have the FASB provide improved guidance on how to implement the proposed Fair Value FSP. As written, the guidance may not have enough details and practical guidance to determine the fair value.

Thank you again for the opportunity to comment.

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3/25/2009