

April 1, 2009

Mr. Russell Golden Technical Director Financial Accounting Standards Board 301 Merritt 7 P.O. Box 5116 Norwalk, CT 06856-5116 LETTER OF COMMENT NO.

Via email: director@fasb.org

RE: Proposed FSP FAS 115-a, FAS 124-a, and EITF 99-20-b, Recognition and Presentation of Other-Than-Temporary Impairments

Dear Mr. Golden:

I am writing on behalf of Plantation Financial Corporation ("PFC") and its wholly-owned subsidiary, Plantation Federal Bank ("PFB"), in response to the Board's invitation to comment on the above-captioned proposal.

Proposed FSP FAS 115-a, FAS 124-a, and EITF 99-20-b, Recognition and Presentation of Other-Than-Temporary Impairments ("proposal") represents an improvement to current accounting guidance regarding OTTI. By more accurately tying the carrying amounts of affected assets to actual and projected cash flows, as opposed to unreliable and irrational market price quotes, the proposal enhances the transparency of financial statements. Consequently, we support the proposal and recommend its immediate adoption, albeit with the inclusion of some additional recommendations discussed below.

While the proposal addresses some of the existing problems with current accounting guidance, we encourage you to use this opportunity to fully address other problems associated with OTTI accounting. To this end we offer the following recommendations that we believe will materially enhance the utility of the final FSP:

- The FSP should mandate a "true-up" for securities with OTTI by recording a one-time beginning balance cumulative adjustment between retained earnings and other comprehensive income. This approach is consistent with that taken for many other new accounting standards.
- 2) Any OTTI adjustments for held-to-maturity securities ("HTM") should be based exclusively on probable credit losses, which represent actual economic losses and are rightly recorded in earnings. However, non-credit related losses should not be a part of the OTTI framework. As a corollary, additional guidance is needed on the precise meaning of "credit losses", and the FSP should clearly state that the amount of impairment to be recognized through earnings is credit loss.
- OTTI should not be permanent if the impairment is not permanent. Recoveries should be immediately
 reversed through earnings in order to more accurately reflect the actual or projected cash flows from the
 underlying assets.

4) More guidance on the application of the proposal to equity securities is needed. There are specific circumstances in which the "credit losses method" should be applied to equity securities, specifically in those instances where the equity investment takes the form of ownership of shares in a mutual fund holding debt securities.

Marking assets to market utilizing quoted market prices is useful when an entity's primary cash flows derive from trading, or if there is a clear intent to sell identified assets. MTM information can also be useful to more sophisticated investors or other users of financial statements. MTM should not be used for OTTI unless an entity has the intent or expectation to sell.

Most banking business models are not built on the trading of securities. Rather, banking relies upon net interest margin and fee income as the primary revenue (cash flow) sources. The application of MTM accounting to bank financial statements will always produce misleading earnings volatility that does not reflect actual or expected cash flows.

Bank financial statements already disclose detailed information concerning credit losses. This information is valuable to users of financial statements in gauging the quality of assets. However, losses for OTTI should be based on credit impairment only, as is the case for loan losses.

In summary, we support the proposal as well as longer-term efforts to address the many problems with OTTI. We encourage you to address our recommendations before the issuance of the FSP.

Sincerely

Patrick W. Loftus, Jr. Executive Vice President Chief Financial Officer

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