MARQUETTE BANK

August 20, 2009

Via Email: director@fasb.org

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

File Reference: No. 1700-100 *Disclosures about the Credit Quality of Financing Receivables and the Allowance for Credit Losses*

Dear Mr. Golden:

Marquette Bank appreciates the opportunity to comment on the exposure draft: *Disclosures about the Credit Quality of Financing Receivables and the Allowance for Credit Losses* (ED). We are a private community bank located in Chicago, Illinois, with total assets of approximately $1.8 billion.

My overall concern about the ED is the level of detail and the cost and time needed to implement the necessary controls to accurately report this information. I would also add that as a private company, we only report audited GAAP financial statements to our shareholders once a year. To date, we have not had any requests for information or disclosure similar to what is proposed in the ED.

Due to time constraints I have briefly reviewed the ED and Appendix A. My specific comments on the following pages are based solely on a review of the sample disclosures provided in Appendix A.

Thank you for the opportunity to provide comments and for considering our views. If you would like to discuss these items further, please feel free to contact me. I can be reached at peckroth@emarquettebank.com or 708-364-9011.

Sincerely,

Paul A. Eckroth
EVP & CFO

Comments on Exposure Draft of Loan Loss Accounting Disclosures

The following comments are based on a review of the sample disclosures provided in Appendix A.

Allowance for Credit Losses (paragraph 11(c))

Comments –

1. For a large number of community banks, monthly loan loss provisions are not booked based on changes in specific activity and requirements for FAS 114 or FAS 5 reserves. Typically these requirements are calculated quarterly and the level of the required reserves are assessed. Excess or unallocated reserves are also maintained and would somehow have to be accounted for.

2. For recoveries, banks will have to research whether the original loan that was charged-off was a FAS 114 or FAS 5 classified loan.

Analysis of the Financing Receivable Activity (paragraph 11(d) and paragraph 12)

Comments –

1. The data requirements for activity are extremely complex. To produce this information, separate systems would have to be established to capture monthly activity for the total portfolio and FAS 114 loans for each Portfolio Segment. Effectively the FAS 5 loans would be represent the difference between the two data bases.

2. The timing to collect data for 2009 would be extremely difficult and require many man hours to produce. As stated in the #1 above, data collection efforts have to be monthly.

3. Not sure what the relevance of portfolio fair values are in the context of "activity". We measure fair value using present value calculations which are primarily impacted by the level of interest rates at the date of fair value measurement. Loan "activity" generally will not impact fair values. If significant, changes in estimated loss exposure would impact fair value.

Credit Quality Indicators (paragraph 13(b) and paragraph 13(c))

Comments –

1.   Information regarding credit grades for pass, special mention and substandard is sensitive and confidential.

2.   For community banks, Corporate Credit ratings are not applicable. While our bank actively maintains credit grades for "Commercial" loans, "Retail" loans are not typically assigned a credit grade.

Credit Quality Information (paragraph 13(d) through paragraph 13(g)) - Age Analysis of Past Due Financing Receivables

Comments –

1.   Data requirements for the first three columns are not consistent with the current Call Report disclosure.   Column A of Schedule N of the Call Report starts loans past due 30-89 days. Column B of Schedule N of the Call Report then classifies loans past due 90 days or more past due. To simplify this schedule, I would suggest using the Call Report criteria and disclosure format.