August 24, 2009

Mr. Russell Golden Technical Director Financial Accounting Standards Board 401 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:

We appreciate 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 Wisconsin-based bank holding company with total assets of approximately \$24 billion.

In general, Associated supports improving the clarity and transparency of the financial reporting disclosures regarding the allowance for credit losses. However, we cannot support the issuance of this new accounting standard at this time. Our overall concern with the ED is the level of prescriptive detail, as well as the cost and time needed to implement the necessary controls to accurately report this information, while providing little additional reliable value to the financial statement users.

Based on our concerns, as detailed below, we recommend that a new open process be initiated by the FASB, which would include specific outreach to banks that regularly field investor questions on credit quality during earnings announcement calls and routinely handle follow-up inquires on credit quality disclosures in the quarterly SEC filings. If, as a result of this process, the FASB determines that a new accounting standard with new required disclosures is necessary, we believe that feedback from such banks would be beneficial in developing a new accounting standard that would provide useful and relevant disclosures with a reasonable implementation period.

The following are our general comments with respect to the ED and our responses to the specific questions in the ED.

General Comments

Effective Date: The ED proposes an effective date of December 31, 2009. We believe that this date does not allow sufficient time to implement and test the necessary system changes for the proposed more granular reporting in a method that would be acceptable for Sarbanes-Oxley ("SOX") requirements. While some of this information is currently reviewed by management,

much of the information is not readily available and will be derived through burdensome manual processes that would require significant revision for external reporting purposes to comply with SOX requirements. In addition, the cost for personnel resources and system upgrades to comply with the proposed Statement are overly burdensome in the current economic environment (rising deposit insurance costs, compressed margins, etc) and do not provide sufficient benefit to the financial statement users.

Relevance of Disclosures: FASB Statement No. 141(R), "Business Combinations," requires that loans acquired in a business combination be accounted for initially at fair value (no allowance for credit losses is carried forward), while AICPA Statement of Position No. 03-3, "Accounting for Certain Loans or Debt Securities Acquired in a Transfer," requires certain acquired loans with evidence of credit deterioration to initially be recorded at fair value (again, no allowance for credit losses is carried forward). Due to the volume of financial institution business combination activity in recent periods, the disclosures related to the allowance for credit losses under the proposed Statement are irrelevant to a significant portion of loans and will result in lack of comparative financial statements. In addition, current FASB projects (financial instruments project and international convergence project) are likely to change the current accounting methodology and required disclosures in the near term, which further makes the current cost estimates for the system modifications seem prohibitive. Lastly, the details noted in the ED are overly prescriptive, and financial statement users would be better served by a more principles-based accounting pronouncement that allows management to use judgment to report on the relevant information.

Consistency and Comparability: The theories contained in the ED imply a degree of detail that is not generally available through our current management process. In addition, the definition of how to report certain loans will be inconsistent between registrants. As an example, how should a company report the following: a major company in the real estate business with a national focus that includes land, land development, condos, multi-family, and leasing businesses? We have had a lending relationship with such a company for the past 15 years. This lending relationship has included loans to the company, loans for specific projects, and loans to specific businesses, all of which have varying originations, varying collateral, varying states, etc. How would such a loan relationship fit into the schedules required? From a credit perspective on this one loan relationship exposure, the company either pays on the loans or is likely to default on the loans. Assuming each note could be reviewed manually, how should a registrant report this?

Conclusion: We should not let the current credit environment drive accounting principles. The current disclosures were considered adequate for much of recent history and they continue to provide relevant, transparent information to the financial statement users. The proliferation of required disclosures is causing the document to become increasingly larger and less useful to the investor. The investor does not have the time or expertise to understand the highly technical nature of these additional disclosures.

Specific Comments

Issue 1: This proposed Statement defines a financing receivable as both loans as defined by FASB Statement No. 114, "Accounting by Creditors for Impairment of a Loan," and lessors' investment in leases other than operating leases that have been recorded as assets in accordance with FASB Statement No. 13, "Accounting for Leases." Do you agree with the definition used

to identify a financing receivable subject to the provisions of this proposed Statement? If not, why not?

Associated Response: We generally agree with the definition of financing receivable. However, the proposed Statement should consider the current FASB project on lease accounting which proposes to change the current risks and rewards model to a right-of-use model and would essentially eliminate the classification of leases as either financing or operating leases.

Issue 2: This proposed Statement would apply to all creditors, including public and nonpublic entities that prepare financial statements in accordance with generally accepted accounting principles. Do you agree with the scope of this Statement? If not, why not?

Associated Response: We agree with the scope of the proposed Statement.

Issue 3: This proposed Statement would require a rollforward schedule of the total allowance for credit losses in both interim and annual reporting periods by portfolio segment and in the aggregate. In addition, it also would require a rollforward schedule of financing receivables in both interim and annual reporting periods by portfolio segment and in the aggregate. Do you believe those disclosures will assist financial statement used in better understanding the financial information for the total allowance for credit losses as well as the associated financing receivables? If not, why not?

Associated Response: We do not believe such disclosures will be useful to financial statement users. While such a schedule will provide quantitative analysis, the level of detail and apparent precision provided by a reconciled schedule would give the reader false objectivity around a judgmental process.

Issue 4: This proposed Statement would require interim and annual credit quality disclosures about a portfolio by class of financing receivable, including quantitative and qualitative information about the credit quality of financing receivables. Do you believe those disclosures will assist financial statement users to better understand the credit quality for the associated financing receivables? If not, why not?

Associated Response: We do not believe these disclosures will provide additional transparency to financial statement users. The proposed Statement is too prescriptive in nature and financial statement users would be better served by a more principles-based accounting pronouncement that allows management to use judgment to report on the relevant information. See additional discussion under Relevance of Disclosures in the General Comments section above.

Issue 5: This proposed Statement would require an analysis of the age of financing receivables that are past due, but not impaired, at the end of the reporting period separately for each class of financial instruments. Do you believe those disclosures will assist financial statement users in better understanding the credit quality for the associated financing receivables? If not, why not?

Associated Response: We do not believe these disclosures will assist financial statement users in developing a better understanding of the credit quality of the associated financing receivables. The fact that a loan is past due more or less than 90 days or that it may take months or years to work through the credit is not relevant if we are specifically evaluating the borrower's intent and ability to repay the loan at each reporting period.

Issue 6: This proposed Statement would require the fair value of loans at the end of the reporting period by portfolio segment. Do you believe those disclosures will assist financial statement users in better understanding the credit quality for the associated financing receivables? If not, why not?

Associated Response: We disagree with the proposed disclosure of fair value at the end of the reporting period by portfolio segment. While fair value does contain elements of credit risk, it is also significantly impacted by other risk factors such as interest rate risk and market liquidity. In addition, the current definition of fair value may not necessarily provide financial statement users with relevant information due to market illiquidity, lack of recent comparable transactions, or distressed sales transactions. Lastly, the loan portfolio is not managed or reviewed based on fair market value.

Issue 7: Do you believe it is operational for entities to disclose all of the proposed requirements for interim and annual reporting periods? Why or why not?

Associated Response: Based on our concerns expressed above, we do not believe it is operational for entities to disclose all of the proposed requirements for both interim and annual periods. We do not believe it is necessary to provide such detailed disclosures in interim reporting periods and, if such detail is deemed necessary, we recommend that such disclosure be required only if there has been a material change from the prior annual financial statements.

Issue 8: The final Statement is expected to be issued in the third quarter of 2009. The Board concluded that this proposed Statement would be effective for financial statements beginning with the first interim or annual reporting period ending after December 15, 2009. Do you agree with the Board's decision on the effective date? If not, what would be a reasonable period of time to implement the provisions of this proposed Statement? If you do not agree, please provide a description of the process changes necessary to implement this proposed Statement that would require additional time.

Associated Response: As discussed further under Effective Date in the General Comments section above, we believe that this effective date does not allow sufficient time to implement and test the necessary system changes in a cost beneficial manner.

We respectfully request that you reconsider the ED as currently proposed. Thank you for your attention to these matters and for considering our views.

Respectfully submitted,

Joseph B. Selner

Chief Financial Officer