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September 29, 2004

Mr. Robert Herz
Chairman
Financial Accounting Standards Board
401 Merritt 7
Norwalk, CT 06856-5166

Letter of Comment No: 28
File Reference: EITF03-1
Date Received: 09/29/04

RE: Emerging Issues Task Force Issue No. 03-1-b, "The Meaning of Other-Than-Temporary Impairment and Its Application to Certain Investments"

Dear Mr. Herz:

The Independent Community Bankers of America (ICBA)¹ appreciates the opportunity to comment on EITF Issue No. 03-1-b, "The Meaning of Other-Than-Temporary Impairment and Its Application to Certain Instruments." We are pleased you decided to postpone the effective date so its interpretation can be resolved.

As we stated in our letter dated August 26, 2004, the very restrictive and likely unintended interpretations of EITF Issue 03-1 that are now being adopted by some accounting firms had caused ICBA members great concern. Thus, ICBA strongly supports your decision to postpone the application of the March 2004 consensus of EITF 03-1 in order to clarify its intended application and seek additional comments.

We appreciate the opportunity to comment on this issue. Please contact me at (202) 659-8111 or ann.grochala@icba.org to discuss this further.

Sincerely,

Ann M. Grochala
Director, Lending and Accounting Policy

¹ The Independent Community Bankers of America represents the largest constituency of community banks of all sizes and charter types in the nation, and is dedicated exclusively to protecting the interests of the community banking industry. ICBA aggregates the power of its members to provide a voice for community banking interests in Washington, resources to enhance community bank education and marketability, and profitability options to help community banks compete in an ever-changing marketplace. For more information, visit ICBA's website at www.icba.org.

ICBA: The Nation's Voice for Community Banks sm