

March 3, 2009

Technical Director Financial Accounting Standards Board 301 Merntt 7 P.O. Box 5116 Norwalk, CT 06856-5116



LETTER OF COMMENT NO. 42

Via email: director/a fash.org

File Reference: Proposed FSP FAS 10"-b and APB 28-a (Interim Disclosure about Fair Value of Financial Instruments-

Dear Technical Director

Bank Mutual Corporation appreciates the opportunity to comment on the Proposed FSP FAS 107-b and APB 28-a (Interim Disclosure about Fair Value of Financial Instruments). Our company is a \$3.5 billion, publicly-traded savings bank headquartered in Milwaukee, Wisconsin.

We do not support the FASB's Proposed FASB FSP FAS 107-b and APB 28-a and we urge you to reject the proposal until more discussion takes place regarding the costs of providing this information, including the time required to prepare the information, can be assessed. We believe, from a cost/benefit perspective, the costs of providing this information on a quarterly basis greatly exceeds the value that is derived by such disclosures for our banking institution and our financial statement users. Since SFAS 107 became effective, we do not recall a single comment or question from investors, analysts, customers, or other interested parties relating to the fair value of our financial instruments Aside from satisfying the curiosity of a limited number of "academics," we seriously question the value or relevance of disclosing this information on even an annual basis.

In any event, it would certainly seem prudent to us to delay this additional disclosure burden until after the findings are made public from the recently announced FASB project to "improve the application and guidance used to determine fair values" (your news release dated February 18, 2009). We continue to be troubled by the FASB's refusal in SFAS 157 to allow community banks to use "entry prices" to determine the fair value of loans receivable, as well as certain other financial instruments. Community banks originate loans in primary markets that continue to function despite the credit crises. Reliable and objective entry price information is generally available for loans originated in primary markets More often than not, these loans are never destined for secondary markets and, in many cases, a secondary market may not even exist. As such, we believe it is inappropriate to use "exit prices" derived from secondary markets to determine the fair value of loans that community banks have the ability and intent to hold in their portfolio. Reliable exit price information is often unavailable, unobservable, expensive or impractical to obtain, and for is subject to a considerable degree of judgment relative to entry prices. We believe this issue needs to be addressed as part of the FASB's project to improve the application and guidance used to determine fair value.

With these comments in mind, we believe there will be little incremental benefit derived from fair value information provided on a quarterly basis

Thank you for your attention to these matters and for considering our views.

Sincerely,

Michael W Dosland Senior Vice President and Chief Financial Officer