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LETTER OF COMMENT NO.

PM

h Vernuccio; Kristofer Anderson; Mark Trench; Meghan
; Wade Fanning

subject:

FW: Proposed FSP FAS 115-a, FAS 124-a, and EITF 99-20-b

-----Original Message-----

From: J. Mike McGowan [mailto:jmmcgowan@premiervalleybank.com]
Sent: Wednesday, April 01, 2009 1:37 PM
To: Director - FASB
Subject: Proposed FSP FAS 115-a, FAS 124-a, and EITF 99-20-b

J. Mike McGowan
8355 N. Fresno St., Suite 180
Fresno, CA 93720-1541

April 1, 2009

FASB Director

Dear FASB Director:

I am the President and Chief Executive Officer of Premier Valley Bank, which is a community bank operating seven branches in Central California with approximately \$500 million in total assets. I write to support the efforts of FASB to amend its referenced guidance with respect to impaired securities. Under the existing guidance, to avoid considering an impairment to be other-than-temporary, management must assert it has both the intent and the ability to hold an impaired security for a period of time sufficient to allow for any anticipated recovery in fair value.

We support a modification such that management is required to assert that (a) it does not have the intent to sell the security and (b) it is more likely than not that it will not have to sell the security before recovery of its cost basis. FASB proposes that in such circumstances the impairment would be separated into credit losses and all other factors. The impairment related to credit losses would be included in earnings and the amount related to all other factors would be included in other comprehensive income.

Premier Valley Bank supports this change in concept because it is more operational and provides a truer economic picture than the current guidance. We acknowledge that probable credit losses represent actual economic losses of a security and should be recorded in earnings, but non-credit losses on held-to-maturity debt securities should not be a part of OTTI.

Once again, Premier Valley Bank appreciates FASB's efforts on this issue that is most important to our bank and to the financial services industry.

Sincerely,

J. Mike McGowan
(559) 256-6407