

September 21, 2012

Technical Director
File Reference No. 2012-200
FASB
PO Box 5116
Norwalk, CT 06856-5116

Re: File Reference No. 2012-200: Proposed Accounting Standards Update (“Proposed ASU”), *Financial Instruments (Topic 825) Disclosures about Liquidity Risk and Interest Rate Risk*

To Whom It May Concern,

Alden State Bank (“the Company”) appreciates the opportunity to comment on File Reference No. 2012-200: Proposed ASU, *Financial Instruments (Topic 825) Disclosures about Liquidity Risk and Interest Rate Risk* (the “Exposure Draft”) issued by the Financial Accounting Standards Board (“FASB” or the “Board”).

The Company does not support the Proposed ASU as it will not provide financial statement users with decision-useful information about our liquidity risk and interest rate risk. In addition, the Company believes that the costs associated with implementing the proposed disclosure requirements at a community bank, such as ours, significantly exceeds the possible benefits that the financial statement user may derive from such disclosures. Finally, the Company believes that if such disclosures are sought by the financial statement users of Securities and Exchange Commission (“SEC”) Filers, then the disclosure requirements of the SEC for Management’s Discussion and Analysis (“MD&A”) should be modified to reflect the content of the Proposed ASU.

We appreciate the opportunity to submit our views and would be pleased to discuss our comments with you at your convenience. If you have any questions, please contact me at 716-937-3381.

Sincerely yours,

Steven J. Woodard
VP/CFO
Alden State Bank

Responses to the questions set out in the FASB's Exposure Draft

Questions for Preparers and Auditors – Liquidity Risk

Q1 For a financial institution, the proposed amendments would require a liquidity gap table that includes the expected maturities of an entity's financial assets and financial liabilities. Do you foresee any significant operational concerns or constraints in complying with this requirement? If yes, what operational concerns or constraints do you foresee and what would you suggest to alleviate them?

Company Response:

- The Company will incur increased time and expense associated with the determination (use of a third party expert), documentation and support of (for the independent auditor's) expected maturity of financial assets and financial liabilities.

Q2 For an entity that is not a financial institution, the proposed amendments would require a cash flow obligations table that includes the expected maturities of an entity's obligations. Do you foresee any significant operational concerns or constraints in complying with this requirement? If yes, what operational concerns or constraints do you foresee and what would you suggest to alleviate them?

Company Response:

- Not Applicable.

Q3 The proposed amendments would require information about expected maturities for financial assets and financial liabilities to highlight liquidity risk. Expected maturity is the expected settlement of the instrument resulting from contractual terms (for example, call dates, put dates, maturity dates, and prepayment expectations) rather than an entity's expected timing of the sale or transfer of the instrument. Do you agree that the term expected maturity is more meaningful than the term contractual maturity in the context of the proposed liquidity risk disclosures? If not, please explain the reasons and suggest an alternative approach.

Company Response:

- Yes; expected maturity as defined above is more meaningful than the term contractual maturity however, as noted in our response above because of the assumptions required in order to determine and disclose expected maturity, Company management as well as the Company's independent auditor will incur more time and expense in the preparation and review of these disclosures.

Q4 The proposed amendments would require a quantitative disclosure of an entity's available liquid funds, as discussed in paragraphs 825-10-50-23S through 50-23V. Do you foresee any significant operational concerns or constraints in complying with this requirement? If yes, what operational concerns or constraints do you foresee and what would you suggest to alleviate them?

Company Response:

- No.

Q5 For depository institutions, the proposed Update would require a time deposit table that includes the issuances and acquisitions of brokered deposits during the previous four fiscal quarters. Do you foresee any significant operational concerns or constraints in complying with this requirement? If yes, what operational concerns or constraints do you foresee and what would you suggest to alleviate them?

Company Response:

- Not applicable, as we currently do not utilize brokered deposits.

Q6 As a preparer, do you feel that the proposed amendments would provide sufficient information for users of your financial statements to develop an understanding of your entity's exposure to liquidity risk? If no, what other information would better achieve this objective?

Company Response:

- The “average” financial statement user of our Company’s financial statements would not possess the skill-set necessary in order to gain meaningful insight from the proposed liquidity risk disclosures. Current information available through quarterly regulatory reports that are publically available provide sufficient information should a financial statement user require information about the Company’s liquidity risk.

Questions for Preparers and Auditors – Interest Rate Risk

Q13 The interest rate risk disclosures in this proposed Update would require a repricing gap table. Do you foresee any significant operational concerns or constraints in complying with this requirement? If yes, what operational concerns or constraints do you foresee and what would you suggest to alleviate them?

Company Response:

- The Company will incur increased time and expense associated with the determination (use of a third party expert), documentation and support of (for the independent auditor’s) duration of financial assets and financial liabilities.

Q14 The interest rate risk disclosures in this proposed Update would include a sensitivity analysis of net income and shareholders' equity. Do you foresee any significant operational concerns or constraints in determining the effect of changes in interest rates on net income and shareholders' equity? If yes, what operational concerns or constraints do you foresee and what would you suggest to alleviate them?

Company Response:

- “Hypothetical” forward-looking information such as this proposed disclosure is inconsistent with the disclosures within and purpose of historical based financial statements.

Q15 As a preparer, do you feel that the proposed amendments would provide sufficient information for users of your financial statements to understand your entity's exposure to interest rate risk? If not, what other information would better achieve this objective?

Company Response:

- The “average” financial statement user of our Company’s financial statements would not possess the skill-set necessary in order to gain meaningful insight from the proposed interest rate risk disclosures. Current information available through quarterly regulatory reports that are publically available provide sufficient information should a financial statement user require information about the Company’s interest rate risk.

Questions for All Respondents

Q20 The amendments in this proposed Update would apply to all entities. Are there any entities, such as nonpublic entities, that should not be within the scope of this proposed Update? If yes, please identify the entities and explain why.

Company Response:

- SEC Filers currently disclose some of the information included within this Proposed ASU within their MD&A. SEC MD&A disclosure requirements should be changed in order to require the information included within this Proposed ASU. Non-filing public and private financial institutions should not be required to disclose the information included within this Proposed ASU as their financial statement users will not benefit from the disclosure of such information.

Q21 Although the proposed amendments do not have an effective date, the Board intends to address the needs of users of financial statements for more information about liquidity risk and interest rate risk. Therefore, the Board will strive to make these proposed amendments effective on a timely basis. How much time do you think stakeholders would require to prepare for and implement the amendments in this proposed Update? Should nonpublic entities be provided with a delayed effective date? If so, how long of a delay should be permitted and why? Are there specific amendments that would require more time to implement than others? If so, please identify which ones and explain why.

Company Response:

- The implementation date should be at least one year from the issuance date. Non-filing public and nonpublic entities should be provided with an additional one year delayed effective date since these entities currently are not required to disclose any of the information included within the Proposed ASU.

Q22 Do you believe that any of the amendments in this proposed Update provide information that overlaps with the SEC's current disclosure requirements for public companies without providing incremental information? If yes, please identify which proposed amendments you believe overlap and discuss whether you believe that the costs in implementing the potentially overlapping amendments outweigh their benefits? Please explain why.

Company Response:

- The disclosure requirements of the Proposed ASU are more robust than current SEC MD&A disclosure requirements where duplicative information would be provided. As noted previously, SEC MD&A disclosure requirements should be changed in order to require the information included within this Proposed ASU. Non-filing public and private financial institutions should not be required to disclose the information included within this Proposed ASU as their financial statement users will not benefit from the disclosure of such information.

The following people have submitted the same comment letter as the one shown:

Kevin A. Datellas