From: <u>Mark Lemmon</u>
To: <u>Director - FASB</u>

Subject: No. 1710-100 Fair Value Measurements and Disclosures (Topic 820) - Improving Disclosures about Fair Value

Measurements

Date: Wednesday, October 07, 2009 1:24:33 PM

Mr. Russell Golden
Technical Director
Financial Accounting Standards Board
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P.O. Box 5116
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Via email: director@fasb.org

File Reference: No. 1710-100 Fair Value Measurements and Disclosures (Topic 820) - Improving

Disclosures about Fair Value Measurements

Dear Mr. Golden:

We are a community bank in Oregon with 12 branches. Our primary directive from shareholders and the board of directors is to reinvest depositors' funds into the community through prudent lending practices. We have a substantial portion of our assets in agriculture lines of credit and farmland. Fair value disclosure is substantively irrelevant to users of our financial statements. In fact, such disclosure would be more of a distraction of the actual financial perspective and would result in confusion of pertinent financial facts.

We have a portfolio of marketable securities classified as held-for-sale that comprise approximately 14% of total assets that we already show at fair value on the balance sheet using level II inputs. The securities portfolio is used to compliment our primary business, providing a source of funds to consumers and small businesses. You may just as well require fair value disclosure of fixed assets for a manufacturing entity as our loan portfolio. They are valued at cost and are retained until maturity when 100% of the cost is recovered.

Numerically, the majority of the banks in the country are of a similar profile in that fair value disclosure provides no utility to the financial statement users. Why would FASB impose an accounting practice that would be more onerous to the majority of institutions than of value to financial statement readers? We are forced continually to operate under the shadow of the few large institutions driving the regulatory and accounting practices and receiving benefits (including subsidies) while the smaller banks carry disproportionately in the cost and burden of compliance without a measurable return.

I can understand the desire for more fair value accounting in certain circumstances. But just as classified balance sheets are not relevant to banking, fair value disclosure of financial assets held to maturity should not be applicable to community banks.

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