



September 3, 2010

Mr. Russell Golden
Technical Director
Financial Accounting Standards Board
401 Merritt 7
P.O. Box 5116
Norwalk, CT 06856-5116

File Reference: No. 1810-100, *Accounting for Financial Instruments and Revisions to the Accounting for Derivative Instruments and Hedging Activities*

Dear Mr. Golden:

As a Louisiana banker, I am writing to express my strong opposition to the current proposal to apply fair value accounting ("mark-to-market") to most financial instruments (including loans) on a bank's balance sheet. While banks like mine must hold some marketable securities for liquidity purposes, we are not generally in the business of buying assets or liabilities for quick resale. The general business model of my bank, and other similar institutions, is to generate earnings from taking deposits and making and holding loans to maturity. Since we have no intention of selling these loans, and since they are not readily marketable assets, it is not appropriate or useful to apply short-term valuations to these illiquid loan portfolios.

Requiring mark-to-market will likely only serve to create high implementation and ongoing compliance costs, while producing confusing information that is not useful to anyone. I am concerned that use of mark-to-market will radically change how investors and customers view banking institutions and could also change banking products by driving out products with the greatest fair value risk (i.e. loans with longer-term, fixed interest rates).

Further, application of mark-to-market will lead to diminished reliability and comparability of bank capital through distorted financial statements, since it will be largely dependent on fair values of assets with no active markets. The injection of this type of unnecessary volatility in financial statements will undoubtedly erode public confidence by presenting confusing information that is not indicative of how the bank is managed. Any bank asset volatility based on accounting treatment will be perceived by the average investor as increased risk, which will lead to an increased cost of capital.

I appreciate the opportunity to comment on this very important matter. Based on the above, I respectfully request that FASB withdraw the current fair value accounting ("mark-to-market") proposal.

Thanks for your consideration in this matter.

Sincerely,

Chasity B. Lawespere