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September 13, 2010
Mr. Russell Golden
Technical Director
Financial Accounting Standards Board
401 Merritt 7
PO Box 5116
Norwalk, CT 06856-5116
Via Email: Director@fasb.org

RE: File Reference No. 1810-100 Exposure Draft: Accounting for Financial Instruments – Specifically Classification and Measurement of Financial Assets and Liabilities

Dear Mr. Golden:

First Federal Savings Bank is a \$291 million mutual saving institution located in western North Carolina. We are celebrating our 70th year of providing a safe and sound institution for the community to invest their funds as well as obtain financing for their principle residences. I am writing to you today on behalf of our management team and board of directors to voice strong opposition to the adoption of the mark to market portion of the proposal.

Being a mutual thrift institution, we are owned, not by shareholders, but by our depositors. Our audited financial statements are used almost exclusively by only a few third parties, namely The Office of Thrift Supervision and the FHLB – Atlanta. I have serious doubts that the adoption of the above proposal would enhance their understanding and comparability of our financial statements. The costs in terms of increased personnel, investment in additional software and

increased audit fees to implement what would be an extremely complex sensitivity analysis would appear to overwhelm the benefits derived from such an analysis.

If the goal of the FASB, by proposing a mark to market approach to valuing loans and deposits, is to provide more transparency to the readers of financial statements of larger and more complex financial institutions; then it would seem to us that some threshold level of compliance should be contemplated that would exempt small less complex institutions such as ours, as well as most community banks. The value that we provide to our communities can only be enhanced by less onerous reporting rules, not more.

Sincerely and respectfully,

William R. Lampley, CPA

Senior Vice President and CFO

First Federal Savings Bank of Lincolnton