From: lgrabow@oldpoint.com
To: Director-FASB

Subject: File Reference: No. 1810-100, "Accounting for Financial Instruments and Revisions to the Accounting for

Derivative Instruments and Hedging Activities"

Date: Monday, September 13, 2010 4:07:55 PM

Laurie Grabow CFO Old Point National Bank PO Box 3392 Hampton, VA 23663-0392

September 13, 2010

Russell Golden Technical Director Financial Accounting Standards Board 401 Merritt 7, PO Box 5116 Norwalk, CT 06856-5116

Dear Mr. Golden:

This is in response to the opportunity to comment on the exposure draft, "Accounting for Financial Instruments and Revisions to the Accounting for Derivative Instruments and Hedging Activities."

As Chief Financial Officer of Old Point Financial Corporation, the parent company of Old Point National Bank, a banking institution in [Hampton, Virginia with \$920 million in total assets, I am writing to express my opinions on specific provisions of the exposure draft.

I. COMMENTS ON FAIR VALUE

I am strongly opposed to the portion of the proposal that requires all financial instruments - including loans - to be reported at fair value (market value) on the balance sheet.

Our bank does not sell any of our loans. Basing our balance sheet on fair values leads readers of our financial statements to assume that we will sell the loans, which is not the case.

There is no active market for many of our loans, and estimating a market value makes no real sense.

Fair market accounting will negatively impact capital, and thus hurt lending, at a time when we should be focusing on reviving the economy and creating jobs.

Because banks will have to develop their own methodology, which will vary from bank-to-bank, the proposal diminishes comparability.

The costs to banks of determining fair value will be tremendous. Our investors have expressed no interest in receiving this information. We believe our investors would not view these costs, which must come out of bank earnings, as being either reasonable or worthwhile.

The wide fluctuations in a bank's financials for fair value accounting from year to year will make reading financial statements more confusing for the average investor.

For the reasons stated above, our bank respectfully requests that the fair value section of the exposure draft be dropped.

Thank you for considering my comments.

Sincerely,

Laurie 757-728-1251 CFO Old Point National Bank

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