

September 7, 2010

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

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

Mr. Golden,

I am an employee and a shareholder of a community bank in Northwest Louisiana. I write you to share my view from both perspectives. With deep conviction, I oppose the current proposal to apply "mark to market" fair value accounting to the bulk of financial instruments on bank financial statements. My bank (please read *my bank* as truly personal) survives on net income from taking local deposits, and granting local loans with the full intent and ability to keep each until maturity. We do not trade financial instruments, rather we invest long term for the benefit of our shareholders, employees, and customers. To apply short term valuations to illiquid loan portfolios would be burdensome and anti-productive for community banks.

For banks, mark to market accounting will increase costs of implementation and maintenance, providing investors with decreased returns and confusing information that is of no use. Lending decisions should not be influenced by the possibility of future financial statement impairment. Customers benefit from the ability of a bank to offer long term fixed rate products, which would likely be discontinued under the proposed standards.

Our hopes of recovery from current economic pressures rely heavily on consumer and investor confidence. The requirement to include artificial volatility in financial instruments can only undermine confidence, thereby hindering economic stability. Volatility based on accounting rules will be read as increased risk, leading to increased cost of capital.

I write this letter due to the gravity of the proposal and its certain effects on my bank, on other banks, and on the greater economic environment, speaking from at least one position of knowledge and experience. I respectfully request that FASB withdraw the current fair value accounting proposal. Thank you for your consideration.



J. R. Johnson

Chief Executive Officer & Chairman, Gibsland Bank & Trust