

David A. Schneider President & CFO

September 16, 2010

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

Dear Mr. Golden,

Thank you for the opportunity to comment on the exposure draft Accounting for Financial Instruments and Revisions to Accounting for Derivative Instruments and Hedging Activities.

I am the President and Chief Financial Officer of Fairfield County Bank in Ridgefield, CT. We are a \$1.6 billion community bank serving consumers, businesses and organizations in Fairfield County.

Eighty five percent of our bank's balance sheet is comprised of loans that we hold in our portfolio as investments. The vast majority of these loans have a variable rate feature.

I am strongly opposed to the proposal to mark these loans to market and be reported at "fair value." Doing so would distort our operating results in every possible interest rate scenario and provide no benefit to people reading our financial statements.

When there are collection issues with individual loans in our portfolios we follow the requirements of GAAP and report impaired loans at either discounted cash flows or fair value as required. This is clearly reflected in our balance sheet and footnotes.

Marking loans to market would be detrimental to the entire banking industry. It would require significant expenditures every quarter to determine the value of each asset or class of assets in our portfolios, with little benefit to investors or the bank itself.

Moreover, if banks are required to mark loans to market we will be forced to hedge almost every transaction which will not make balance sheets more transparent but less transparent to investors.

While we support the proposal that a hedge be "reasonably effective" there needs to be a clear understanding of the meaning of these terms and agreements among banks, regulators and the accounting industry as to the meanings. Anything less will result in chaos not clarity.

Thank you for the opportunity to comment.

David A. Schneider President & CFO

Sincerely