From: a1sinclair@aol.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: Thursday, September 16, 2010 5:47:50 PM

Alex Sinclair
4488 Silver Creek Rd.
Buhl, ID 83316-5139

September 16, 2010

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

Dear Mr. Golden:

Marking loans to market will cause a lot of volatility to earnings without disclosing much about operations. A lot of time and effort will be given to the calculations and the review of those calculations by accountants and outside consultants. The real issue is Interest Rate Risk. Banks do considerable analysis that incorporates the yield on loans as well as the rates on all other assets and liabilities and provides a good picture of the banks exposure to interest rate risk. This test provides much of what you are trying to monitor and it is already in place. Is there software available that could mark the loans to value during the IRR calculation without much additional input?

Banks keep track of investments and their market value, which is easily determined, and record those adjustments directly to the balance sheet. Impaired loans are marked to current value and run through reserves/income. Adding a subjective analysis of the change in a loan's value due strictly to interest rate changes does not seem to add much information of real value.

Please consider deleting the mark to market for all loans. If it must move forward; exempt banks under $1 billion and loans with less than a five year maturity.

Sincerely,

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President
Sinclair, Inc.