1810-100 Comment Letter No. 1742

From: rbuerge@grandbankok.com

To: <u>Director - FASB</u>

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

Derivative Instruments and Hedging Activities"

Date: Monday, September 20, 2010 9:32:58 AM

Robin Buerge 4200 Skelly Drive, Suite 200 Tulsa, OK 74135-3206

September 20, 2010

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

Dear Mr. Golden:

I would like to take this opportunity to comment on the exposure draft, "Accounting for Financial Instruments and Revisions to the Accounting for Derivative Instruments and Hedging Activities."

As Chairman of Grand Bank, a banking institution in Tulsa, Oklahoma with \$225 million in total assets, I am writing to express my opinions on specific provisions of the exposure draft.

I. COMMENTS ON FAIR VALUE

The proposal to require mark to market on loans simply does not make sense to me given all the variables that cannot be quantified let alone establish a market value for. 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.

II. COMMENTS ON LOAN IMPAIRMENT

I also do not support the proposal for recording interest income. Interest income should continue to be calculated based on the promisssory note's contractual terms and not on an after-impairment basis.

Changing the way interest income is recorded to the proposed method makes the accounting more confusing and subjects otherwise firm data to the volatility that comes naturally from the provisioning process. I recommend maintaining the current method.

Thank you for allowing me this opportunity to comment.

Sincerely,

Chairman Grand Bank

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