September 22, 2010

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

File Reference: No. 1810-100 Accounting for Financial Instruments and Revisions to the Accounting for Derivative Instruments and Hedging Activities

Dear Mr. Golden:

Please allow me, as an investor, to comment on the exposure draft Accounting for Financial Instruments and Revisions to the Accounting for Derivative Instruments and Hedging Activities ("proposal"). As an investor in two banks, I am writing to express my deep concerns and opposition to the portion of the proposal that requires all financial instruments to be marked to market. This proposal will only confuse financial reporting and put into question the most critical element of bank financial statements, a bank's capital.

In your proposal, banks must record loans on their balance sheet at their market value. Investors are not interested in the market value of a loan they are interested in how a loan is performing. Market value is not relevant for loans that are not being sold. The vast majority of commercial bank loans have no reliable market in which loans could be sold so the pricing will be someone's subjective view of what the market price would be. With different subjectivity, how can we, as investors, trust the reliability of the financial statements?

Even though a loan's basic value may change because of current interest rates or because of problems a borrower may have, banks would not sell the loan. If there is a problem with repayment of a loan a bank will work the problem out with the borrower not sell the loan. As a result of your proposal, bank capital will be affected by market swings that cannot reasonably be expected to ever be realized by banks.

But my biggest concern is the costs and resources that will need to be dedicated to produce and audit all the new required data (data which will have no value). Because banks do not use fair values in managing their cash flows they will be required to hire more staff and pay significantly higher audit fees. In the end, investors will be paying consultants and auditors significant sums to make estimates that will mean nothing to us as investors. Just as we saw with the excessive requirements and enormous costs of Sarbanes Oxley compliance, there is nothing to be gained here.

I recommend you to drop your proposal to mark loans to market because, from my perspective as an investor, it does not improve financial reporting.

Thank you for considering my views.

Sincerely,

Cindy Diehm PO Box 134

Remus, MI 49340