From: chris.doyle@texasfirstbank.com

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

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

Derivative Instruments and Hedging Activities" Exposure Draft

Date: Wednesday, September 22, 2010 2:55:21 AM

Christopher Doyle 1518 19th Avenue North Texas City, TX 77590-5219

September 21, 2010

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

Dear Mr. Golden:

Thank you for providing me the opportunity to comment on FASB's Fair Value proposal. My name is Chris Doyle. I am the President/CEO of Texas First Bank in Texas City, Texas a suburb of Houston. I am concerned about the proposal on the table and felt compelled to comment. I am writing to urge FASB to not go forward with the proposal.

Community banks fund their operations by taking deposits and holding loans for the long term. Most financial instruments this bank holds are not readily marketable. The primary business of community banks is to hold financial instruments to collect contractual cash flows, not to trade them on a regular basis. We oppose requiring fair value calculations for loans that are held for the long-term to collect cash flows.

Accounting standards and guidance should not be pro-cyclical. Recent market conditions have demonstrated the pro-cyclical nature of mark-to-market accounting as declining values of financial instruments necessitated write-downs and sales, causing further write-downs and sales. These accounting changes will increase the volatility of bank balance sheets, forcing them to face higher capital requirements or decrease lending at a time when regulators are calling for more capital and our economy needs more, not less, credit availability.

There are other consequences of this proposal that disturb me, but these are the two that are of most concern. Please consider my comments during your debate.

Again, we thank your for the opportunity to comment on this proposal.

Sincerely,

Christopher Doyle 409-948-1990