From:	Cara Coon
To:	Director - FASB
Cc:	David Brukardt
Subject:	Comment on draft of "Accounting for Financial Instruments and Revisions to the Accounting for Derivative Instruments and Hedging Activities"
Date:	Thursday, September 30, 2010 1:15:39 PM
Attachments:	image002.png

September 30, 2010

Dear FASB Director,

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

As President and COO of Sterling Savings Bank, a commercial bank headquartered in Spokane, Wash., with $9.7 billion in total assets, I am writing to express my opinions on specific provisions of the exposure draft.

We are 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.

Even if we could easily obtain a market price, since the loan is just one part of the financial relationship that we have with the customer (multiple loans, investment and trust services, etc.), there is no financial incentive to sell.

Marking all loans to market would cause our bank's capital to sway with fluctuations in the markets – even if the entire loan portfolio is performing. Instead of providing better information about our bank's health or its ability to pay dividends, the proposal would mask it.

For the reasons stated above, our bank respectfully requests that the fair value section of the exposure draft be dropped.

Thank you for considering my comments.

Sincerely,

Ezra A. Eckhardt
President & Chief Operating Officer
Sterling Savings Bank

copies.