

Richard T. Wheeler, in

Chairman, President, and Chief Executive Officer T 804.967.7018 F 804.967.7050

October 7, 2009

Mr. Russell Golden Technical Director Financial Accounting Standards Board 301 Merritt 7 P.O. Box 5116 Norwalk, CT 06856-5116

Dear Mr. Golden:

Franklin Federal Savings Bank appreciates the opportunity to comment on the exposure draft: Fair Value Measurement and Disclosures (Topic 820) - Improving Disclosures about Fair Value Measurements (ED). Franklin Federal is a wholly-owned subsidiary of a mutual holding company that operates in the Richmond, Virginia area and has \$1 billion in total assets. As of June 30, 2009, approximately \$430 million of our assets were valued on the balance sheet at fair value, 10% of which were based on Level 1 inputs, 81% Level 2 inputs, and 9% Level 3 inputs. The Level 3 inputs primarily consist of private label mortgage-backed securities, collateralized mortgage obligations and foreclosed properties.

We currently use one staff person (of our 90 total employees) to prepare the existing fair value information, including disclosures, and also pay \$15,000 annually for external services. This information is discussed in our board meetings only in terms of principal collectibility. Our board has no interest in fair value information that is of questionable accuracy and, therefore, lacks reliability and relevance for decision making purposes. So, we believe the benefits of presenting further fair value disclosures will be limited for our organization.

As a result, we recommend that:

- The ED not apply to companies that are not SEC registrants. Our mutual account holders, for example, have not been requesting additional fair value information, and the burdens and costs for mutual organizations to produce such information far outweigh any incremental benefit.
- Any additional requirements to provide fair value disclosures should be subjected to a documented field test and cost/benefit analysis that publicly details the cost estimates and expected benefits.

Thank you for your attention to these matters and for considering our views. Please feel free to contact me at (804) 967-7018 if you would like to discuss our views.

Sincerely,

FRANKLIN FEDERAL SAVINGS BANK

Richard T. Wheeler, Jr.

Chairman, President and Chief Executive Officer

OTS Exams/ /letter Golden at Financial Accounting Standards Board Oct 2009

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