

From: [Barbara Mccahan](#)
To: [Director - FASB](#)
Subject: Concerns over File Reference No. 1810-100
Date: Friday, June 25, 2010 12:14:52 PM

June 25, 2010

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

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

Dear Mr. Golden:

It is with great passion that I write in opposition to the exposure draft *Accounting for Financial Instruments and Revisions to the Accounting for Derivative Instruments and Hedging Activities* ("proposal"). I am both an investor, Director and customer of a small community bank in rural New Hampshire that has been providing much needed banking services to the local region for 25 years. Being associated with this small bank has been one of the most important aspects of my professional life, and that of which I am very proud. Our bank has a sterling reputation with the community and has conducted business not only in full compliance with every banking regulation, but with much attention to simply doing right and good for all our customers. We have had no connection with any illicit goings on in the mortgage arena and have conducted business in a way that that provided slow, steady growth in value for our stockholders.

As such I feel that it is crucial to defeat the proposal to that requires all financial instruments to be marked to market. The swings in value associated with this will create a climate of confusion and skepticism that will be completely counterproductive and no good will come of it. .

Small banks such as ours do not make a practice of selling loans. Requiring loans to be recorded on the balance sheet at their market value would not be relevant. What is important is how loans perform, not their immediate value. The confusion that this regulation would produce would be a sea anchor to providing customers with the service upon which our reputation is built.

Our standard operating procedure is to monitor our loans carefully and , should problems develop for a borrower, the situation is worked out. We are in business for the long run, to provide critical services for this rural region – not to make fast profits selling loans. Even if it were easy to find a market for selling loans, this is not how we do business, so is irrelevant. As a result of this proposal, bank capital will be affected by market swings that are transient and not a true reflection of the banks overall operational condition. It is a proposal that has not real value for enforcing better behavior and will be a costly compliance problem. Why create rules that have no merit? The costs of compliance are way out of proportion to any possible benefit.

Please seriously consider dropping this proposal as, in my view, it has little to no merit for improving financial reporting.

Thank you for considering my thoughts.

Sincerely,



Barbara McCahan, Ph.D.
Director, Community Guaranty Savings Bank, Plymouth, NH 03264
603-536-4951

Barbara McCahan Ph.D.
Associate Professor
Director - Center for Active Living and Healthy Communities
Department of Health and Human Performance
Plymouth State University
17 High Street, MSC #22
Plymouth, NH 03264

603- 535-2578