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1810-100  
Comment Letter No. 211

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August 23, 2010

Technical Director  
File reference 1810-100  
Financial Accounting Standards Board  
401 Merritt7, PO Box 5116  
Norwalk, CT 06856-5116

Re: Exposure draft comment  
Accounting for Financial Instruments

Dear Sir or Madam,

As President of our Credit Union, I wish to comment on the burdensome and unnecessary proposed rules for valuing loan portfolios. As with most financial institutions, a significant portion of our assets are in consumer loans to our members. These are made with the full intention to be held until maturity or payoff by our member per the terms of the loan. I strongly disagree with the proposed changes that would require mark to market rules to be applied to loan portfolios for institutions such as ours.

There is not an active or orderly market that could establish a reliable, objective valuation for these loans on a regular basis. The current accounting regulations produce much more accuracy in financial statements than the proposed use of a hypothetical value "as if they were to be sold in a market" that does not exist. Without an active market, calculation of this hypothetical valuation would be very subjective and a non-value added activity.

I have grave concerns about the unintended consequences of the proposed change. Coupling this radical change in financial reporting with the continuing significant economic uncertainty could lead to a further tightening of credit availability. Loan demand is extremely limited at this time and we do not need any more restrictions or volatility that might negatively impact economic development.

I strongly urge you to reconsider this proposed change.

Sincerely,

A handwritten signature in black ink, appearing to read "Lawrence E. Damm".

Lawrence E. Damm, CPA  
President