

From: [Rick Bissler](#)
To: [Director - FASB](#)
Subject: File Reference: No. 1810-100
Date: Friday, September 17, 2010 10:03:21 AM

June 7, 2010

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

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

Dear Mr. Golden:

As a bank stock holder, I am writing to express my deep concerns and opposition to the portion of your proposal that requires all financial instruments to be marked to market. From a bank stock holder's perspective, this will cloud transparency rather than improve it, and put into question the most critical element of bank financial statements: bank capital. A limitation on capital affects the bank's ability to make loans in a time of economic hardship, which only exasperates the economic downturn.

In your proposal, banks must record loans on the balance sheet at their market value. In all my discussions with bank management, market values of loans are never discussed. The reason for this is that investors are interested in how loans perform, not how the market views loan performance. Even if there were active markets, fair value is not the appropriate measurement for these loans since it does not represent the cash the bank will receive. As a result of your proposal, bank capital will be affected by market swings that cannot reasonably be expected to ever be realized by the bank.

Additionally, I am very concerned about the costs and resources that will need to be dedicated to produce and audit the new requirement. We have learned from the recent financial crisis that markets are sometimes illiquid and sometimes irrational. Because banks do not use fair values in managing their cash flows, I anticipate that this could require banks to hire more staff and/or consultants to assist with estimating fair values and to pay significantly higher audit fees. In the end, investors will be paying consultants and auditors significant sums to make estimates that my fellow shareholders and I will do nothing with.

With this in mind, I recommend you to drop your proposal to mark loans to market, as, from my perspective as an investor, it does not improve financial reporting.

Thank you for considering my views. Please feel free to contact me if you would like to discuss my concerns.

Sincerely,

Rick Bissler
330-678-4221 Phone