# First Citrus Bank

September 9, 2010

Technical Director
File Reference No. 1810-100
FASB
401 Merritt 7
PO Box 5116
Norwalk, CT 06856-5116

Dear Sir:

This letter is in response to a proposal issued recently by the Financial Accounting Standards Board. Following are my concerns:

If enacted, the rule would decrease the amount of capital on banks' balance sheets, particularly during the downward part of the cycle when they most need capital to continue lending. The proposal would hurt banks' ability to lend and, of course, prove harmful to businesses seeking funding.

If loans were marked to potentially volatile market prices, banks would be less likely to accept the risk of longer-term loans. Loans held for collection or payment of contractual cash flows differ from short-term assets. Current market prices are not meaningful in assessing their value. It's hard to imagine how marking these assets to market would simplify and improve financial reporting.

A stated goal of FASB is to reduce inconsistencies in the reporting of financial instruments. Yet assumptions that establish the fair value of assets, especially those with no ready market, are neither precise nor are they interpreted and applied consistently. Fair value assumptions for loans can vary from institution to institution.

The new rule would exacerbate downturns. Just last year, the industry asked FASB to loosen its fair value rules because they worsened the effects of the financial crisis. Because there was no market for assets, their market value was zero. Inevitably, this played havoc with capital ratios and clogged credit pipelines.

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Thank you for taking the time to listen to my concerns. Please feel free to contact me should you have any questions.

Sincerely,

John M. Barrett
President and
Chief Executive Officer

JMB:rc