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

File Reference No. 1810-100

Dear Sir/Madam:

I am writing to oppose the pending FASB mark-to-market accounting proposal.

I am an investor. I have a history of entrepreneurship. My career started in the academic world (college professor in economics) after earning a doctorate and prerequisites - teaching five years at a Jesuit college. Departing that safe and sanguine job, at the encouragement of several community and midsize bankers, I created and sold several start-up companies, bought and held land, developed real estate and even owned a minority piece of an NBA basketball franchise.

In short, I am an investor and have relied on traditional financial institutions - mainly banks - for nearly 40 years. Young people seek advice from me to duplicate my career. I tell them among several things - work with a bank.

I rely on competitive banks to make capital available. In addition to money, I get advice on many subjects, e.g. local market conditions. Under the current system, banks compete. They measure my cash flow capacity, my character, and my balance sheet/income statement as prerequisites. The banks make it their business to know my track record and understand the collateral. At the local or regional level this simplified process makes sense. Why change it!

A reason this traditional process may not work is if the banker is forced by regulation to alter their time-tested standards of review, e.g. a mark-to-market procedure. Simply stated, the conditions that led to the recent financial meltdown originated from poor application of these tried and true principles plus new innovative products that mega banks created for added profit not accounting for the risk involved. Loans were sometimes made to people with no verification of credit capacity, cash flow or suitable collateral. Review of the facts/conditions supporting the loan were lax. Minimal oversight was acceptable by government regulators and Congress. It got out of control. These are the same people who would implement mark-to-market policies.

**Mark-to-market is not good for investors who rely on the current functioning system. Nor can it be good for midsize and community banks. Like with Sarbanes Oxley, banks will incur further burdensome overhead costs - a boom for lawyers, accountants and appraisers who provide their services to banks with minimal practical outcomes. It will initially create confusion thus delaying the decision process for investors who need capital. Bank owners and directors will be frightened for fear of regulator criticism or action.**

**This new policy makes it an unpredictable borrowing environment. If my financial statement is strong and I borrow money for a long-term asset, e.g. land whose value might fluctuate, it would not matter if my statement demonstrated independent of the land the ability to (a) service the debt or (b) pay it off. These proposed regulations may be the punishment for mega bank's questionable products and practices. Where were the regulations then? Why punish investors and community/midsize banks for the past practices of mega banks and government oversight agencies.**

**Don't punish the investors and entrepreneurs who create the jobs and taxes. Mark-to-market does not help anyone. It's bad policy.**

**Sincerely,**

**Clay Blair**

**CB/cg**