From: <u>krowland@wnbank.com</u>
To: <u>Director - FASB</u>

Subject: File Reference: No. 1810-100, "Accounting for Financial Instruments and Revisions to the Accounting for

Derivative Instruments and Hedging Activities"

Date: Wednesday, September 15, 2010 5:38:01 PM

Kimbol Rowland Compliance Officer/Auditor Western National Bank, Phoenix, AZ 6500 N. Scottsdale Road, Suite B-1 Scottsdale, AZ 85253-4414

September 15, 2010

Russell Golden Technical Director Financial Accounting Standards Board 401 Merritt 7, PO Box 5116 Norwalk, CT 06856-5116

Dear Mr. Golden:

Thanks for the opporunity to comment on the loan "fair value" proposal.

The proposal to require banks to deterime the "fair value" of a loan on a bank's balance sheet is asinine. Of course, the only group benefited by this proposal are all the accounting firms. This will direct more business and revenues their way to assist the banking industry in determining how to go about this process.

Two things to consider before making this tragic mistake are that banks already accomplish this "fair value" process through the periodic loan loss reserve analysis and the appraisal process. The more risk of loss in a loan or a class of loans the greater the loan loss reserve.

Through the appraisal process, the initial market value of a loan is established through a collateral appraisal and a standard margin or LTV established. Should the LTV be diminished through market forces another appraisal (internal or external) may be completed and a loan loss provision made to cover the deficiency. Hence a new fair value is established on an aggregate basis for the loan portfolio.

Sincerely,

Kimbol R. Rowland 480-455-3020 Compliance Officer/Auditor Western National Bank, Phoenix, AZ

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