

**From:** [jyork@bankofnlv.com](mailto:jyork@bankofnlv.com)  
**To:** [Director - FASB](#)  
**Subject:** File Reference: No. 1810-100, "Accounting for Financial Instruments and Revisions to the Accounting for Derivative Instruments and Hedging Activities"  
**Date:** Thursday, September 16, 2010 11:58:09 AM

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James York  
6385 Simmons Street  
North Las Vegas, NV 89031-7291

September 16, 2010

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

Dear Mr. Golden:

As President/CEO of Bank of North Las Vegas, a banking institution in Las Vegas, Nevada with \$90 million in total assets, I am writing to express my opinions on specific provisions of the exposure draft.

The local real estate values by the appraisers are as much undervalued today as they were overvalued in the high of the market. Therefore, I am opposed to the portion of the proposal that requires all financial instruments - including loans - to be reported at fair value (market value) on the balance sheet.

To obtain a normalized value, our appraisers should be using a 10 year average but they cannot do this according to their standards.

There is no active market for many of our loans, and estimating a market value makes no real sense

If there are issues with a borrower's ability to repay a loan, we work through the collection process with the borrower rather than sell the loan. We have successfully done this with a number of our long term borrowers that want to retain their properties and complete their development plans.

For the reasons stated above, our bank respectfully requests that the fair value section of the exposure draft be dropped.

With respect to loan impairment, the recommended changes would alter the way interest income is recorded to the proposed method makes the accounting more confusing and subjects otherwise firm data to the volatility that comes naturally from the provisioning process. The current method makes much more sense.

Your ultimate decision is vital to the survival of community banking and I hope that you will consider my comments when making your decision regarding these changes.

Thank you for your time and attention to this matter.

Sincerely,

702-655-8647  
President and CEO  
Bank of North Las Vegas

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