From: <u>Ty</u>

To: <u>Director - FASB</u>

Cc: jsorensen@iowabankers.com

Subject: File reference No. 1810-100 Acctg. for Financial Instruments

Date: Wednesday, September 22, 2010 5:31:03 PM

Dear Director;

I am the President of State Central Bank in Keokuk, Iowa. State Central Bank has been managed by our family for five generations. I am opposed to the efforts by the Financial Accounting Standards Board (FASB) to require "marked to market" accounting treatment for financial assets which in truth, have no market. For a majority of the loans on a bank's balance sheet, there is no basis for determining a reasonable market value other than historical cost. A requirement that these assets be "marked to market" will result in a pseudo or theoretical "market valuation" mechanism being created to deal with the fact there really is no market. Such a system will not provide more information or more transparency. Such a synthetic system will only create more volatility as the model's "market values" adjust in mass with the theoretically created market drivers. For many banks, the resulting volatility in their capital accounts from these mass asset revaluations will be very difficult, if not impossible, to manage. If regulators are required to follow FASB rules by statute, their ability to manage these arbitrary fluctuations in any banks' capital accounts will be restricted. The only rational response by bankers across the country to a "marked to market" rule by FASB would be a legislative solution to provide regulators with the ability to ignore FASB rules in administering their regulatory function. Regulators could then issue their own accounting rules dealing with nonmarketable bank assets as they have the knowledge and experience to define and develop. In that case, what has FASB achieved in trying to promote better accounting information and transparency through the process of forcing its "theories" on the economy? Certainly, at that point, other industries will take note of what the "bankers" did and seek similar redress from irrational accounting "holy grails".

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