1810-100 Comment Letter No. 902

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September 16, 2010

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

File Reference: No. 1810-100 Accounting for Financial Instruments and Revisions to the Accounting for Derivative Instruments and Hedging Activities

Dear Mr. Golden:

I am writing to comment on the exposure draft, "Accounting for Financial Instruments and Revisions to the Accounting for Derivative Instruments and Hedging Activities". I thank you for the opportunity. I am Board Chair and CEO of the Hocking Valley Bank, a \$220mm community bank in Athens, Ohio. I will limit my comments to the first two provisions of the proposal.

I. Comments on Fair Value

I am opposed to the portion of the proposal requiring that our balance sheet be rendered in a form intended to imply the "fair value" of the assets and liabilities thereon. We are a community bank which does not sell loans from our portfolio (save those originated for, and authorized by, The Federal Home Loan Bank of Cincinnati and Fannie Mae). I do not believe that the significant effort that would be involved in calculating "fair value" of our balance sheet would communicate any useful information to our shareholders but would, most certainly, introduce an inappropriate and, indeed, inaccurate volatility. While I agree with you attempts to increase "transparency" in our reporting the current proposal would, I believe, result in anything but relevant transparency. There will be simply too much "noise" for any but the most sophisticated of investors to interpret.

In the event that our institution would decide to sell to or acquire another institution I'm confident that the price paid would have virtually no connection to the "fair value" disclosed under the proposal. Which leads me to ask "fair value" of what?

I hope and trust that upon analysis you will recognize that the shortcomings inherent in the proposal far outweigh the benefits and that the effort required to comply with this rule could be far better spent serving our shareholders and our communities.

II. Comments on Loan Impairment

The Reserve for Loan Losses is by its very nature an estimate, insurance if you will. While I wholeheartedly agree with the effort to reduce the possibility that an institution will use the ALLL to "manage" earnings, I believe that the extensive specific provisioning is wrongheaded and counterproductive. I hope as you visit the issue of ALLL you will abandon the inaccurate impression of precision implied in the currently required methodology. Recent times have proven that in many, many instances the ALLL levels calculated under the current regime have not proven to be adequate when reality collided with the model. Prudent provisioning, not precise provisioning, should be the goal.

Thank you for your consideration.

Sincerely,

Bick Weissenrieder Board Chair & CEO

BW/kpc