

From: jcollins@bankyork.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: Friday, September 17, 2010 11:32:49 AM

Jimmy Collins
PO Box 96
York, AL 36925-0096

September 17, 2010

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

Dear Mr. Golden:

Thank you for the opportunity to comment on the exposure draft, "Accounting for Financial Instruments and Revisions to the Accounting for Derivative Instruments and Hedging Activities."

As Chief Executive Officer of the Bank of York, a banking institution in York, AL \$80,000,000 in total assets, I am writing to express my opinions on specific provisions of the exposure draft.

The framework for the banking industry should focus on the nature of the industry. Mortgages and loans generally are held for long term investment purposes. Core deposits are the main sources of funds to fund mortgages and loans. Asset and Liability Management is a key management process, and therefore important to a bank's long term financial growth and profitability.

There is no no organized, daily transparent, liquid market for core deposits and loans and mortgages.

I am strongly 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.

Our bank does not sell our commercial loans. Basing our balance sheet on fair values leads readers of our financial statements to assume that we will sell the loans, which is not the case.

Marking all loans to market would cause our bank's capital to sway with fluctuations in the markets - even if the entire loan portfolio is performing. Instead of providing better information about our bank's health or its ability to pay dividends, the proposal would mask it.

The costs and resources that we will need to comply with this new requirement would be significant. This will require us to pay consultants and auditors to estimate market value.

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

Sincerely,

205-652-6909
Chief Executive Officer
Bank of York