1810-100 Comment Letter No. 1114

From: <u>mmuzio@staffordsavingsbank.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: Friday, September 17, 2010 12:59:28 PM

Michael Muzio PO Boxx 25 Stafford Springs, CT 06076-0025

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." I will be brief.

I am President of Stafford Savings Bank in Stafford Springs, Connecticut, with assets of 210 million dollars.

COMMENTS ON FAIR VALUE

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 originates 99% residential mortgages and does not sell our loans. There is no active market for many of our loans, and estimating a market value makes no real sense.

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

As a Mutual Savings Bank, we have neither investors nor stock holders and find the exercise hollow.

We respectfully requests that the fair value section of the exposure draft be dropped.

Thank you for considering my comments.

Sincerely,

8606844261 President Stafford Savings Bank

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