

From: pjcullen1@aol.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 3:17:53 PM

Patrick Cullen
24 Main Street
Cattaraugus, NY 14719-1023

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 express our opinions with regard to the draft, "Accounting for Financial Instruments and Revisions to the Accounting for Derivative Instruments and Hedging Activities."

I am the President of one of the smallest banks in the country, assets \$13 million. But we were not born yesterday. We were founded in 1831. I have been a banker for 41 years and the President for 28 years.

Just because computers permit more instant recognition of conditions, doesn't mean that it is right or just. Carrying the proposed fair value of loans to the next phase (which you know will happen) we will be required to get frequent financial statements from all mortgagors and monitor whether they received overtime yesterday and what their health issues are and whether they will likely become disabled and whether their income will be sufficient at that time etc.etc.

Reserves were a good idea to smooth out the peaks and valleys.
Why don't you trust Federal Bank Examiners to monitor reserve adequacy?

You know very well that this mark to market issue caused the world wide recession and without the bail out of 10/1/98 banks would have been required to submit call report data with bond values so low most banks in the county would have been undercapitalized and been required to CLOSE (before or after the media got a hold of the info and caused a run on ALL banks.) And just how many of those bonds defaulted?

Require banks to have reserves as approved by examiners.
End it there.

Just because you can change rules doesn't mean that you should.
Please do what is right and FAIR.

Sincerely,

716 257 3431
President & CEO
Bank of Cattaraugus