

From: ssmith@osagefed.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: Saturday, September 18, 2010 10:22:48 AM

Sue McClain
3309 SE Frank Phillips Blvd.
Bartlesville, OK 74006-2404

September 18, 2010

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

Dear Mr. Golden:

Dear Mr. Golden:

I want to comment on the new exposure draft titled "Accounting for Financial Instruments and Revisions to the Accounting for Derivative Instruments and Hedging Activities". Specifically, I want to discuss marking all financial instruments on the balance sheet to fair value.

I am Chief Financial Officer of Osage Bancshares, Inc. and Osage Federal Bank. Just to put this in perspective, our total assets are approximately \$160 million. We already disclose through a footnote the fair values of loans, securities, deposits, advances and other balance sheet items. Just to do this disclosure requires us to obtain data extracts from our service provider, then spend significant hours to present the data required for the footnote. Let's assume for a moment that we would need to spend an additional \$10,000 of a combination of staff time, other resources, and outside services, including consultants and auditors, to comply with this proposed accounting change. Based on our current earnings, the after-tax effect of this \$10,000 is almost 1% of those earnings. I would much rather spend that \$10,000 as either improved services to our customers or as a return to our shareholders.

Our earnings over the last two years have been significantly affected by the huge market losses in private label instruments. One of the most difficult, time-consuming and expensive parts of that entire debacle was dealing with the difference between what a buyer is willing to pay in a normal market as opposed to the fire sale prices that became the norm for reporting values on those securities. Based on the effort and expense of that exercise, I can only imagine the difficulty, time and expense that will be incurred by our institution if this exposure draft is approved. I didn't even address the confusion that will be created for the readers of our financial statements!

Thank you for the opportunity to voice my opinion. I am just one of thousands of bankers who believe that this fair value proposal would bring no benefit to our shareholders or customers, and only increase our costs of compliance.

Sincerely,

Sue Allen McClain
Chief Financial Officer
Osage Bancshares, Inc.

Sincerely,

Chief Financial Officer
Osage Bancshares, Inc.