

**From:** [tvictorino@goldcountrybank.com](mailto:tvictorino@goldcountrybank.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:** Sunday, September 19, 2010 1:37:57 PM

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Tarra Victorino  
519 D Street  
Marysville, CA 95901-5525

September 19, 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 Senior Vice President/ Chief Financial Officer of Gold Country Bank, a banking institution in Marysville, CA with \$105 million in total assets, I am writing to express my opinions on specific provisions of the exposure draft.

#### I. 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.

We have recently applied FAS 141R with the acquisition of the bank for the first time. We have found very limited resources to utilize for the initial valuation of the acquired bank's assets. These limited resources have made implementation very difficult and discussions between regulators, consultants and auditors have been costly in both financial and human capital. Due to the small size of our institution, the implementation of this portion of the proposal as recurring item will create an extraordinary burden upon the company due to the costs associated with retaining individuals with expertise (either employees or consultants) to comply with this new requirement would be significant.

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

#### II. COMMENTS ON LOAN IMPAIRMENT

I support the Board's efforts to revise the methodology to estimate loan loss provisions. However, I have serious concerns about how such changes can be implemented by banks like mine. The software currently available to track the necessary items for the implementation of this is very costly, especially to an institution of our size.

In closing, it is very important that any new processes are agreed upon and well understood by regulators, auditors, and bankers prior to finalizing the rules. If this is not in place before the proposal is implemented, at a minimum it will result in the refilling of regulatory reports, such as call reports as regulators and accountants work to agree upon implementation and proper valuation of the Bank's balance sheet.

Thank you for considering my comments.

Sincerely,

Senior Vice President/ Chief Financial Officer  
Gold Country Bank/ Golden Pacific Bancorp