HomeTrust Bank
Since 1926

September 28, 2010

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

File Reference No. 1810-100

Dear Mr. Golden:

Thank you for the opportunity to comment on the exposure draft: *Accounting for Financial Instruments and Revision to the Accounting for Derivative Instruments and Hedging Activities* ("proposal"). **HomeTrust Bank urges FASB to withdraw the proposal and not go forward with the fair value accounting changes contained in the Exposure Draft.** In our opinion, the fair value accounting contained in this exposure draft would greatly misrepresent the operations and financial condition of our Bank.

HomeTrust Bank is a federally-chartered mutual savings bank located in Asheville, NC. Our Bank began in 1926 and currently we have assets of over $1.6 billion and operate 19 retail offices across central and western North Carolina.

We believe that fair value accounting related to loans and deposits is not relevant to community banking. Our business model is to hold mortgage loans until maturity to collect a steady stream of cash flows. Most of the mortgage loans we hold are of this nature and therefore their true value is not reflected in its market value at any given point in time. Further, many of these loans do not have a ready secondary market, as most of the properties do not fit established secondary market standards, making it difficult to derive a fair market value. Because of the lack of a secondary market, there will inherently be many assumptions in the calculations. Naturally these assumptions will vary across the spectrum of community banks, making it difficult for interested persons to compare one institution to another from a fair market value perspective. Given these factors, persons reviewing our financial statements would not gain extra insight into the soundness and stability of our portfolio or be better equipped to compare our institution with another.

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We believe that this method of accounting undermines the reliability of bank capital levels as market values fluctuation and the assumptions behind them continue to change. It introduces a level of complexity to the financial statements which is neither needed nor desired. In addition, the cost of this method outweighs the benefits. If this proposal was passed, we would be forced to hire additional personnel or outside consultants in order to accurately assess the fair market value of loans on our books. However, these additional costs will only provide complexity and little value to the readers of the financial statements.

Bottom line, should we be required to record loans on our balance sheet at fair market value, we will be charged with a heavy burden that will provide no benefit to interested parties reviewing our financial statements, greatly misrepresent the operations of our Bank, and negatively impact the amount of credit we would have available to lend to our friends and neighbors.

We appreciate the opportunity to comment on this Exposure Draft. If you wish to discuss our comments further, please contact me at 828-350-3049.

Sincerely,

Tony J. VanCannon
Senior Vice President/Chief Financial Officer