From:
 Penny Powlas

 To:
 Director - FASB

 Subject:
 File Ref No 1810-100

Date: Thursday, September 30, 2010 5:06:24 PM



September 30, 2010

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

VIA Email: director@fasb.org File Reference No. 1810-100

Dear Mr. Golden:

On behalf of the 230 members of the Tennessee Bankers Association, we appreciate the opportunity to comment on the exposure draft regarding fair value accounting for financial institutions.

We urge the board to reconsider the adoption of the proposal or withdraw the proposal entirely. There is a popular concept emanating throughout the economy and throughout the nation that there should be transparency in all things. The Board has adopted this transparency concept and is attempting to apply it in the context of financial institutions in the form of fair value accounting, otherwise known as mark-to-market accounting. At its most basic, the proposal would require financial institutions to take loan portfolios or other assets which are not publicly traded, are not regularly available for sale, and do not readily have market values and place a market value on them based on something other than their actual cost and expected cash flows.

Unfortunately, requiring financial institutions to use the mark-to-market accounting is unlikely to have any beneficial impact on the actual operations of a bank. In fact, this will likely lead to very negative consequences, including:

1. Unnecessary fluctuations in the balance sheet of a bank, which are triggered solely by accounting practices and do not reflect any more information about the true value of a loan portfolio than current methods do;

- 2. Unnecessarily confusing not only investors, but also bank depositors who may not have the sophistication or the ability to understand that the fluctuations were based solely on accounting practices and not the ultimate safety and soundness of the bank; and
- 3. Constructing a model and performing the additional accounting work to produce these values would only create significant costs without providing any new, meaningful benefits to either investors or other depositors.

For these reasons, we would again encourage the board to withdraw this proposal.

Sincerely yours,

Timothy L. Amos

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Senior Vice President and General Counsel