

From: gwarren@fnbgranbury.com
To: [Director - FASB](#)
Subject: Comments on No. 1810-100, "Accounting for Financial Instruments and Revisions to the Accounting for Derivative Instruments and Hedging Activities" Exposure Draft
Date: Monday, September 20, 2010 10:42:59 AM

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September 20, 2010

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

Dear Mr. Golden:

Dear Mr. Golden:

Thank you for the opportunity to comment on FASB's Exposure Draft: Accounting for Financial Instruments and Revisions to the Accounting for Derivative Instruments and Hedging Activities.

I am writing to urge FASB to drop this proposal. It seems to me that this effort would be unnecessary, wasted effort in the context of small, privately-held, community banks.

I've been with this bank for 26 years now; from the worst of the 80's to the recent economic crisis and full fair value accounting would not have served any protection during such time, nor do I see how it could better represent our financial position. In troubled times it would have only served to create extra, meaningless work, exacerbate the problem and increase the cyclical effect that we want to see lessened.

Even the present FAS guidelines on impairment which we must follow to calculate our reserve for loan losses has proved unnecessary during times such as these when compared to the simple, rule-of-thumb of maintaining the reserve around 1% of loans. (which does require making provisions during good times, a practice the big banks seem to avoid and use the impairment guidelines to hide behind).

Our loans are on the books to stay, not held for sale. Our deposits are stable. I do not see anything to be gained by full fair value accounting; not for management, not for stockholders, not for the public - again, in the context of a small, privately-held community bank.

Again, thank you for the opportunity to comment on this issue.

Sincerely,

Greg Warren

