

From: prooney@fnbok.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: Monday, September 20, 2010 10:42:59 AM

Patrick Rooney
P.O.Box 54829
Oklahoma City, OK 73154-1829

September 20, 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 Chairman of First National Bank of Oklahoma, a banking institution in Ponca City, Oklahoma with \$250,000,000 in total assets, I am writing to express my opinions on specific provisions of the exposure draft.

First, I am strongly opposed to the the proposal that requires loans to be reported at fair value (market value) on the balance sheet.

We are a traditional bank and do not sell our commercial loans. Basing our balance sheet on market values is misleading to our depositors and investors, who will assume that we sell the loans, which is not the case.

If there are issues with a borrower's ability to repay a loan, we work through the collection process with the borrower rather than sell the loan. Moreover, there is no market for many of our loans at least not at 100 cents on the dollar. Thus a market value assumption makes no sense and is, essentially, a guess.

Marking all loans to market would cause our bank's capital to sway with fluctuations in the markets - even if the entire loan portfolio is performing. Instead of providing better information about our bank's health or its ability to pay dividends, the proposal would mask it.

Our investors have expressed no interest in receiving this information. We believe our investors would not view these costs, which must come out of bank earnings, as being either reasonable or worthwhile.

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

Thank you for considering my comments.

Sincerely,

405-842-0518
Chairman and CEO
First National Bank of Oklahoma