

From: egraham@circlebank.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 11:37:55 AM

Eileen Graham
1400 Grant Ave.
Novato, CA 94945-3154

September 20, 2010

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

Dear Mr. Golden:

As an SVP of HR at Circle Bank, a commercial banking institution in Novato, CA, with over \$300 MM in total assets, I am writing to express my opinions on specific provisions of the exposure draft.

Our bank does not sell our commercial loans. Basing our balance sheet on fair values leads readers of our financial statements to assume that we will 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.

The costs and resources that we will need to comply with this new requirement would be significant. This will require us to pay consultants and auditors to estimate market value.

I do not support the proposal for recording interest income. Interest income should continue to be calculated based on contractual terms and not on an after-impairment basis.

Thank you for considering my comments.

Sincerely,

SVP, Human Resources
Circle Bank