

From: matt.schaper@texasfirstbank.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: Tuesday, September 21, 2010 11:28:11 AM

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September 21, 2010

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

Dear Mr. Golden:

Thanks for allowing comment on the proposed 1810-100.

In general, these changes are going to cause the financial condition of our community bank to be changed, distorted. And the benefit of all this is not measurable and will not provide meaningful information.

I work for a fairly small family of community banks in SE Texas, approximately \$700MM in assets. We hold our loans long term, at least we desire to and this is usually what happens. We fund these activities by going out in our community and seeking long-term relationships from our core customers and hopefully from noncustomers who have become tired of their megabanks that are the real problem in banking these days. It is their nontraditional banking activities and poor practices that have taken us to where banking is today. Too many poorly-managed assets in the hands of the top 10 bank organizations in the country. When they engage in poor actions, the too big to fail thing kicks in and we all have to deal with the resulting fallout. This is not whining it is reality.

I oppose this proposed set of accounting changes, there is no real need for us to regularly reassess our core deposits on a present value basis. We are short-staffed already, this would be a further burden and, again, would not provide usable information. Similarly, I oppose such calculations for our loan portfolio. We hold loans for income long-term and these loans are not readily marketable anyway.

As I see it, the only thing these changes could accomplish would be to give our balance sheets more volatility, which is what we do not need. All that could possibly do would be negative, such as decreasing lending activities. We are conservative-minded anyway by philosophy.

Community banks are already unfairly dealing with a new environment as a result of recent regulatory changes, especially in the area of commercial lending. Instead, we as a group of bankers continue to point out our vast fundamental differences with the large banks and ask to be understood for who we really are and not as a subset or victim of a larger banking monolith.

Thank you for your time---

Sincerely,

Matthew Schaper
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