From: lharrison@vapartnersbank.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: Wednesday, September 22, 2010 2:55:18 AM

Lloyd Harrison
410 William Street
Fredericksburg, VA 22401-5834

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:

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.

Virginia Partners Bank is a two year old de novo in Fredericksburg, VA. With total assets of about $134 Million, we employ 24 people and operate two branches. We are the quintessential community bank. We fund our operations by taking deposits and by making loans that we hold for the long term.

We oppose the proposed accounting treatment for core deposits which calls for them to be regularly remeasured using a present value calculation. This would not provide accurate information and the calculations would be expensive and time consuming, particularly for smaller banks like ours that have limited staff resources to conduct the analysis.

We also oppose requiring fair value calculations for loans that are held for the long-term to collect cash flows. We create and hold small business loans for which there is no active market; it would be very difficult and costly to mark them to market.

Aside from the cost and difficulty of implementing these proposals, we question the fundamental value of these proposals. To us, this is an exercise in the pursuit of theoretical purity at the expense of experience, common sense and wisdom.

Thank you for the opportunity to comment.

Sincerely,

Lloyd B. Harrison
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