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OF WYOMING

John Smith Chief Financial Officer First National Bank of Wyoming 2020 Grand Ave. Laramie, Wyoming 82072 September 17, 2010

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

Re: File Reference #1810-100

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."

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As Chief Financial Officer of First National Bank of Wyoming, a banking institution in Laramie, Wyoming with \$185,000,000 in total assets, I am writing to express my opinions on the fair value provisions of the exposure draft.

I am strongly opposed to the portion of the proposal that requires all financial instruments – including loans – to be reported at fair value (market value) on the balance sheet.

This is a terribly destructive idea to even propose. With this proposal, the FASB will cause banks to quit making loans that do not have a clear market value and keep those whose value can be easily discerned to shorter maturities. Mark-to-market accounting for investments destroyed \$500 billion of bank capital as traders marked down all assets during the crisis by a total of 27 percent. Now FASB is going to spread this disease throughout the system.

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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. There is no active market for many of our loans, and estimating a market value makes no real sense.

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.

Even if the banking regulators' Tier 1 capital excludes fair value fluctuations, we still will have to explain it to our investors, customers and depositors. Why would any reasonable accounting standard be established that would promulgate multiple methods of financial reporting and evaluation (GAAP-RAP)?

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. Regardless of the diligence and cost the result will be an amalgamation of financial wizardry that is of little to no use.

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

It is difficult to ascertain the unexpected impact such a dramatic and unnecessary change would have on the economy of the United States. Additionally, the door would be wide open for misrepresentation and outright fraud. Consider the impact that fraudulent appraisals had on the housing bubble and the crisis that created.

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

Sincerely,

John E. Smith

Chief Financial Officer

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