From:
 markl@1cb.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 27, 2010 5:13:21 PM

Mark Long P O Box 1960 Seguin, TX 78155-8960

September 27, 2010

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

Dear Mr. Golden:

My name is Mark Long and I serve as the President and CEO of First Commercial Bank, N.A., located in Seguin, Texas. I appreciate the opportunity to comment on the exposure draft, "Accounting for Financial Instruments and Revisions to the Accounting for Derivative Instruments and Hedging Activities."

I want you to know that 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.

First Commercial 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. As any CPA that does business with community banks know, there is no active market for many of our loans, and estimating a market value makes no real sense.

Even if we could easily obtain a market price, since the loan is just one part of the financial relationship that we have with the customer (multiple loans, investment and trust services, etc.), there is no financial incentive to sell it.

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.

Most banks like ours are already drowning in regulatory burden and overkill, and the costs and resources that we will need to comply with this new requirement would just be one more thing that would occupy someone's day and further reduce our ability to serve our customers. In addition, this will require us to, once again, pay consultants and auditors, and in this case to estimate market value.

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. Most of them are as frustrated as I am with the level of useless information that we are mandated to supply to other parties, when added up is a huge burden on banks our size. It just does not even make common sense.

Based on the foregoing, our bank respectfully requests that the fair value section of the exposure draft be dropped. Thank you for your consideration.

Sincerely,

(838) 221 3909 President and C.E.O. First Commercial Bank