1810-100 Comment Letter No. 2433

From: <a href="mailto:hboyle@homesavingsbnk.com">hboyle@homesavingsbnk.com</a>

To: <u>Director - FASB</u>

Subject: File Reference: No. 1810-100, "Accounting for Financial Instruments and Revisions to the Accounting for

Derivative Instruments and Hedging Activities"

Date: Wednesday, September 22, 2010 4:38:18 PM

Howard Boyle 142 North Water Street Kent, OH 44240-2419

September 22, 2010

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

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."

As President and CEO of Home Savings Bank, a banking institution in Kent, Ohio with \$138,000,000. total assets, I am writing to express my opinions on specific 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.

Over the last 112 years of our banks existence we have served our community with all types of lending products. We do not sell commercial loans, and we work through delinquent loans as we have for generations with each borrower as well as the banks best interest in mind.

Market value is difficult to estimate and at best it is only an estimation. How is that better than the original cost method if the loan is not being sold anyway. Cash flow is the major indicator to a portfolio lender. If the loan is paying as agreed then the market value of the collateral is only an indicator for ligidation or sale.

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.

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.

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

Thank you for considering my comments.

Sincerely,

330-673-9827 President CEO Home Savings Bank