

From: mfowler@peoplesbankmagnolia.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: Friday, September 24, 2010 12:43:11 PM

Mary Fowler
P O Box 340
Magnolia, AR 71754-0340

September 24, 2010

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

Dear Mr. Golden:

This is not a form letter! This is a plea to consider the negative impact the proposed mark-to-market changes would have on the banking industry.

I am the CEO of Peoples Bank in Magnolia, Arkansas. We have been in business for 100 years, and have \$135 million in assets. I am the fourth generation of my family to run the bank, which is family owned. I speak for our management, board, and all of our investors.

In our entire 100 year history, we have sold a total of one loan, and we plan to never sell another one. Marking our loans to market would be misleading the public, our regulators, and our stockholders. The value of our loans is not defined by the market value.

The attempt to more accurately reflect the value of our bank by marking loans to market would be fraught with inaccuracies and misrepresentation. Each loan and borrower is unique; there is no way to take all factors into consideration and arrive at a fair market value with all the variables that are involved: credit history, character, value of collateral, cash flow position of borrower, unforeseen personal and economic events, and more. As an example, the health of the borrower's marriage is a huge factor; how can that be scored, quantified, and translated to the effect on market value? Marking loans to market would not only be an expensive, impossible task, the inaccurate result would help no one. The process would almost be a disaster for banks like mine.

If an asset is not for sale and there is no market for it, what good does it do to attempt to guess at a market value for it?

Then, if you do make that attempt, how could it be relied upon when it is impossible to get an accurate value?

I and those I speak for ask that the fair value section of the exposure draft be dropped. Thank you for the opportunity to comment.

Sincerely,

870-234-5777
CEO
Peoples Bank