

From: cyankello@sewickleysavingsbank.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: Tuesday, September 28, 2010 9:58:16 AM

M. Catherine Yankello
531 Broad St
Sewickley, PA 15143-1780

September 28, 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 allowing me the opportunity to comment on FASB's Exposure Draft: Accounting for Financial Instruments and Revisions to the Accounting for Derivative Instruments and Hedging Activities.

I am the CFO at Sewickley Savings Bank, a state chartered mutual savings bank located about 12 miles from downtown Pittsburgh, PA. The bank currently has assets of \$285,000,000.00.

I am writing to prevail upon FASB to not go forward with the proposal. It is the Bank's objective to fulfill the credit needs of the local communities we serve. Our mission is to continue as a long-standing provider of financial services to household and small business sectors in our neighborhood communities.

We accomplish this objective by providing mortgage funds to every economic level, and provide our community with the facilities through which they can save and earn a market rate of return on their funds with convenience, safety and liquidity.

We strive to maintain and improve the long standing tradition of providing our customers with financial services at reasonable terms, by controlling our operations in the most efficient manner possible, thereby insuring the preservation and prudent application of our capital.

We oppose requiring fair value calculations for loans that are held for the long-term to collect cash flows. The accounting that would arise from this proposal would not be a true representation of the financial condition of this bank and other community banks similar to us. The principal business of a community bank is to hold financial instruments to their maturity, to collect contractual cash flows, not to sell them. These loans are funded by taking deposits.

For the small commercial loans that we originate there is no active market and are not readily marketable, so It would be very difficult and costly to mark them to market. Establishing fair values for the types of loans held by our bank would be costly and result in data of questionable

reliability.

We also oppose the proposed accounting treatment for deposits which call for them to be regularly remeasured using a present value calculation. This would provide inaccurate information and the calculations would be expensive and time consuming, particularly for a smaller banks like ours that has limited employee resources to perform the analysis.

These accounting changes will increase the volatility of bank balance sheets, forcing them to face higher capital requirements or decrease lending at a time when regulators are calling for more capital and our economy needs more, not less, credit availability.

In closing, I thank you for the opportunity to comment on this proposed Exposure Draft.

Sincerely,

M. Catherine Yankello
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