

**From:** [sharris@ozarkbank.com](mailto:sharris@ozarkbank.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 10:13:18 AM

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Steve Harris  
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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 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 writing to urge FASB to not go forward with the proposal.

There are several reasons why this proposal makes absolutely no sense.

First, banks have loans and core deposits for the long haul. As a general rule they do not trade these items on a regular basis. Currently, when banks do sell loans, they are already making the proper adjustments to the value during the transaction itself. Plus, many larger banks due in fact mark to market the loans and other assets they intend to liquidate if that is part of their normal operations.

Second, the accounting changes and fluctuations that would result from this proposal would make financial statements largely subjective as a definition of fair value or a mechanism for measuring an assets fair value would be extremely difficult to standardize and enforce.

Third, we always talk about how our economy suffers at the hands of the boom or bust cyclical nature of the trading markets, but this proposal would subject every bank's balance sheet to the same boom or bust cycles as markets for real estate and other investments change.

Lastly, the proposal is simply impractical. This proposal would require that bank's spend an inordinate amount time trying to establish a fair market value for its assets and then justifying it, all just in time to re-evaluate the value of the asset again.

Sincerely,

Steve Harris, Vice President of Compliance / Information Security

