From: tdix@bofhr.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: Thursday, September 30, 2010 2:38:25 PM

Thom Dix
999 Waterside Drive, Suite 200
Norfolk, VA 23510-3300

September 30, 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 providing a forum through which I may comment on the exposure draft, "Accounting for Financial Instruments and Revisions to the Accounting for Derivative Instruments and Hedging Activities."

I am currently in the employ of Hampton Roads Bankshares, a $3B institution, as Head of Loan Review and Portfolio Analytics. In this position, the preparation and calculation of the Allowance of Loan Loss falls under my purview.

The notion of forcing banks to mark all loans to fair value on a continual basis is flawed and will only serve to increase procyclicality in the financial sector. I oppose the proposal to force banks to reflect all financial instruments on the balance sheet at fair value.

Our institution does not routinely sell commercial loans and reflecting such assets on our balance sheet at fair value may confuse investors as to the actual nature of our enterprise.

Estimating values for illiquid instruments will only serve to place a greater expense burden on banks' burgeoning cost structures, increase capital volatility, obfuscate true earnings and stifle small business lending.

During our recent successful capital raising process, investors made no assertions of being unable to interpret our financial statements due to the current method of reporting.

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

As it pertains to the estimation of loan loss provisioning, I support FASB's efforts to revise the related methodology. I do however request that the ultimate outcome reflect a collaborative effort between the Board and our industry to ensure feasibility of the ultimate implementation for banks of varying asset sizes. I cannot support the proposal for interest income to be recorded on an after-impairment basis and would advocate the continuation of interest income recognition based upon the mutually agreed upon contractual obligation between lender and borrower. To enact such a revision would only increase earnings volatility that is already subject to loss provisioning expense.

Thank you for considering my comments.

Sincerely,

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SVP, Loan Review + Portfolio Analytics
Hampton Roads Bankshares