October 12, 2009

Mr. Russell Golden  
Technical Director  
Financial Accounting Standards Board  

Via email: director@fasb.org  

File Reference: No. 1710-100 Fair Value Measurements and Disclosures (Topic 820) – Improving Disclosures about Fair Value Measurements  

Dear Mr. Golden:  

First United Corporation appreciates the opportunity to comment on the exposure draft: Fair Value Measurement and Disclosures (Topic 820) – Improving Disclosures about Fair Value Measurements (ED). We are a publicly held corporation that is the parent of First United Bank & Trust, a community bank which operates in 2 states and has $1.6 billion in assets. As of June 30, 2009, approximately 22%, or $370 million, of our assets, consisting primarily of our available-for-sale investment securities portfolio is recorded on the balance sheet at fair value. Of the assets reported at fair value, 90% are based on Level 2 inputs and 10% are based on Level 3 inputs. The Level 3 inputs consist of our investment in pooled bank trust preferred securities, impaired loans and foreclosed real estate.  

Our primary concern about the proposed expansion of fair value accounting and the related disclosures is the questionable benefits to be received by the users of our financial statements. As a community bank, we operate based on a traditional banking model - making loans to individuals and businesses in our region. Fair value information is rarely discussed in our board meetings. Although we are a public company, our approximate 2,200 shareholders are largely retail and are not requesting additional information about the fair value of our assets. The average retail shareholder would likely ignore or be confused if we were to begin presenting highly subjective ranges of fair values and reconciliations of activity at disaggregated level.  

Further, with so much uncertainty surrounding the future direction of fair value accounting and disclosures in connection with the IFRS project, it seems unreasonable to chip away at something that may change altogether in the next two years.  

As a result, because we believe the benefits of presenting further fair value disclosures will be limited and will add further non-productive costs to our expense structure, we recommend that the proposed Accounting Standards Update be tabled indefinitely. Any changes should be made part of the overall IFRS project.
Thank you for your attention to these matters and for considering our views. Please feel free to contact us at 301-533-2362 if you would like to discuss our views.

Sincerely,

[Signature]

Carissa L. Rodeheaver
Executive Vice President & Chief Financial Officer