Dear Technical Director:

Fauquier Bankshares, Inc. and its principal subsidiary, The Fauquier Bank, is a $500 million, eight branch community bank located approximately 50 miles west of Washington, D.C. We are currently an accelerated filer. We appreciate the opportunity to comment on the Proposed FSP FAS 107-b and APB 28-a (Interim Disclosure about Fair Value of Financial Instruments).

We do not support the FASB’s Proposed FASB FSP FAS 107-b and APB 28-a. We urge you to reconsider the proposal until more discussion take place regarding the cost and the time required to prepare the information can be fully assessed. We believe, from a cost/benefit perspective, the costs of providing this vast amount of information on a quarterly basis greatly exceeds the value that is derived by such disclosures for our banking institution and our financial statement users.

Each year-end, one well-compensated financial analyst spends approximately 7 to 10 work days compiling and adequately reviewing the data and output of information used to comply with the current disclosure requirements of SFAS 107. These 7 to 10 days must take place after the closing of the year-end books, which takes about 5 to 7 work days in itself. This same analyst also has other month-end, quarter-end, and year-end duties regarding liquidity, capital, and budget analysis that are vital to our enterprise risk management processes. Within the 75-day deadline of the 10-K, the requirements of SFAS107 are due. Within the 40-day deadline of the 10-Q, the proposed requirements of SFAS-07 are not doable without hiring an additional well-compensated financial analyst. Add work space, computer, software, etc, and the expense of compliance rapidly escalates.

We receive few inquiries and follow-ups to our annual reports regarding SFAS 107. Because of the way transactional deposits are valued under SFAS 107, we give the information little value as well. With this in mind, we believe there will be little incremental benefit derived from such information provided on a quarterly basis.

Thank you for considering our views.

Yours truly,

ERIC P. GRAAP
Executive Vice President & Chief Financial Officer