August 18, 2009

Mr. Russell Golden Technical Director Financial Accounting Standards Board 301 Merritt 7 P.O. Box 5116 Norwalk, CT 06856-5116

Via email: director@fasb.org

File Reference: No. 1700-100 Disclosures about the Credit Quality of Financing Receivables and the Allowance for Credit Losses

Dear Mr. Golden:

We appreciate the opportunity to comment on the exposure draft: *Disclosures about the Credit Quality of Financing Receivables and the Allowance for Credit Losses*. Our bank is nearly seven years old, has \$225 million in assets and is privately owned. Located in York County, Pennsylvania, we serve the lending needs of small to mid-size businesses and fund the loans with local retail deposits.

In summary, the exposure draft would greatly expand disclosures surrounding the allowance for credit losses without regard for the size and sophistication of the various financial institutions. The breadth of the disclosures needs scaled back or the proposed standard limited to larger institutions. Our specific concerns are as follows:

The granularity of the disclosures may lead to privacy issues with individual borrowers. At June 30, 2009, we had three customers with loans 30-89 days past due and three more on nonaccrual. A borrower's relationship could make up the entire balance of an individual line item on several of the proposed schedules. This could lead to unintended consequences. For instance, a borrower could identify their individual loan, see the allocated reserve or that the loan has been put on nonaccrual status.

Our methodology for evaluating the adequacy of allowance for credit losses is not as sophisticated as the proposed schedules imply. For instance, we do not have credit quality indicators for consumer loans other than whether or not the loans are current. In addition, information for the analysis of financing activity would likely need to come from our general ledger. Our methodology uses classes of loans that mirror the regulatory call report while our general ledger uses a different set of classes tailored to our management reporting needs. Pulling accurate data would be difficult.

Lastly, calculating the fair value of loans remains a subjective process with wide discretion of estimates and techniques. The sophistication of the processes and techniques varies greatly, in particular between

banks of different sizes. To disclose fair value for individual classes of loans implies a level precision and comparability that is not warranted.

Thank you again for the opportunity to comment on this important issue. We appreciate your consideration of our views. Please feel free to contact me at jblecher@yorktraditionsbank.com or 717.747.2601.

Sincerely,

John D. Blecher, CPA Chief Financial Officer