September 7, 2010

Technical Director Financial Accounting Standards Board 401 Merritt 7, PO Box 5116 Norwalk, CT 06856-5116

File Reference No. 1810-100

Dear Sir:

I am writing to provide comment on the proposed fair value accounting standard that is under consideration by the FASB. My interest is both as an investor and as the chief executive officer of a community bank that publishes audited financial statements. I have also been a Certified Public Accountant since 1987.

I am concerned that the proposed fair value accounting standard will lead to excess volatility, ultimately making our financial statements less meaningful to the readers and misstating our capital position. In particular, the concept of applying fair market value measures to our loan portfolio is not a reasonable approach. These are long-term assets, held to maturity on our books. We have never used the sale of these assets as a means to deal with interest rate changes or performance problems, so using a current market value would not be a true picture of the underlying assets' value to our company.

I am also deeply concerned about the added costs and resources that will be incurred to comply with the proposed rule. Our company is of a size such that an audit is not required by our regulators, but I have always wanted to give our stockholders the assurance and disclosure that comes with a full audit. I can honestly say that we will have to rethink that posture if the fair value accounting standard is adopted. The dilution of the meaningfulness of our financial statements comes at a cost I would be unwilling to bear.

I urge you to reconsider this proposal and to recognize that it does nothing to improve financial reporting, and in fact will ultimately cloud the statements to the reader.

Sincerely yours,

James R. North
James R. North, CPA
President & CEO