

GARY D. COX

09/15/10

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

File Reference: No. 1810-100 Accounting for Financial Instruments and Revisions to the Accounting for Derivative Instruments and Hedging Activities.

Dear Members of the Financial Accounting Standards Board:

I am President and CEO of a \$180 million dollar bank serving the community of San Angelo, Texas and Tom Green County. I have worked in banking for the past forty years and have weathered several significant economic cycles in my career. In every cycle, the bank has continued to be profitable, maintained above average capital, and paid dividends to our shareholders. The key to our success is that we have maintained consistent underwriting criteria for loans and avoided the lure of higher rates by making riskier loans. We have never sold loans with the exception of mortgage loans that were sold at the time of their origination. We do hold some mortgage loans in the bank and know that, historically, they will have an average life of less than seven years.

I am very concerned that the proposal to require banks to adopt mark-to-market accounting for loans will have a detrimental effect on both the bank, and our customers. I do not know of any community bank that has become insolvent because of a decline in the "market value" of its loan portfolio. We monitor our overall exposure to credits with longer maturities and measure the risk of those through a "Rate Shock Analysis" on a monthly basis.

If this new rule becomes effective, the bank will incur significant additional expenses to have our portfolio "valued" while not providing a meaningful benefit to our shareholders or our customers. It will also be a deterrent to making additional loans with longer maturities

I believe that if you carefully weigh the benefits of this proposal against the costs and the disruption it will create in the market, that you will agree that the proposal should be withdrawn.

Sincerely.

Gary D. Cox //
President and CEO

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Member F.D.I.C.