From: donedaire@aol.com
To: Director - FASB

Subject: File Reference: No. 1810-100, "Accounting for Financial Instruments and Revisions to the Accounting for

Derivative Instruments and Hedging Activities"

Date: Thursday, September 16, 2010 3:28:16 PM

Marilyn Shaw 1030 Third Street San Rafael, CA 94901-3108

September 16, 2010

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

Dear Mr. Golden:

As Chief Executive Officer of First Federal Savings and Loan Association of San Rafael in San Rafael, Ca with \$175,000,000 in assets, I am writing to express my oppposition on specific provisions of the exposure draft, "Accounting for Financial Instruments and Hedging Activities..

I am strongly opposed to the portion of the proposal that requires all financial instruments - including loans - to be reported at fair value (market value) on the balance sheet.

Our Association does not sell any of our loans. We are a portfolio lender and hold all loans to maturity. This has been our business plan for over 40 years.

Forcing us to mark our loan portfolio to market would be difficult for our small institution to do as there is no active market for our loans. Our loans are very conservatively underwritten and consequently the credit quality is unusually high. We have not had any foreclosures in over 12 years and currrently have no loans more than 30 days delinquent. Estimating a market value is subject to errors in judgement and makes no real sense.

Marking all loans to market would cause significant changes in our capital as market conditions change from year to year. I feel this is confusing to the readers of our financial statements and prevents meaningful comparisons from year to year.

The cost to hire consultants to provide the necessary calculations is a significant expense that the industry does not need to incur.

For the reasons stated above, I respectfully request that the fair value section of the exposure draft be dropped.

Sincerely,

415-456-6231 Chairman of the Board and Chief Executive Officer First Federal Savings & Loan Association of San Rafael