

From: [Robert Parks](#)
To: [Director - FASB](#)
Subject: Fair value accounting of loans at small banks
Date: Wednesday, September 29, 2010 10:14:47 AM
Attachments: [image001.png](#)
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[image004.png](#)



September 29, 2010

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

director@fasb.org

Dear Mr. Golden:

Our bank is a small community bank in rural southeastern Ohio. **We are strongly opposed to the expansion of fair value as the primary balance sheet measurement for all financial institutions.**

We believe that fair value accounting will be very expensive to implement and will provide little value to our investors. Traditionally we hold our loans to maturity and our investors know that is how our business model works. In the over 98 years we have been in business we have never had an investor concerned over this model.

Under your proposed rules, we would be required to value a loan as if we were to sell it today, even though we have no intention to sell it. This will adversely affect how we structure loans to our customers and make us more reluctant to accept the risk of longer term loans. This could lower the availability of credit to our local community at a time when our local businesses and community members need it the most.

The vast majority of our loans and deposits are illiquid by the nature of our customers. Valuing these illiquid assets will be extremely subjective and of little value in comparing financial institution to financial institution.

During times of growth periods, fair value accounting will make banks appear to be financially stronger than they actually are. In times of economic contraction, falling asset values will exaggerate the weakness in the banking system at the worst possible time. Our bank survived the 2008 financial crisis, by the nature of our business model, not despite it.

We support the current system where changes in fair value to assets-held-for-sale are reported in the footnotes.

We trust that the board will not issue this rule change.

Sincerely,
Robert M. Parks, President

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