From:
 Gary Clay

 To:
 Director - FASB

 Subject:
 FASB Proposal

Date: Wednesday, September 29, 2010 1:49:41 PM

September 29, 2010

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

Dear Mr. Golden,

Van Wert Federal Savings Bank is a mutual savings bank with strong ties to our community. We currently have an asset base of \$125,000,000 and have strong reserves. We have a staff of 14 people and one office location. We are very committed to meeting the needs of the people in our community through the contributions we make and also by being the number one mortgage lender in our county. As you can see we are a small town community bank.

Over the past few years the federal government has issued mandates and compliance requirements that make it difficult for an institution like ours to operate without hiring outside resources and paying large sums of money to meet these compliance requirements. One of our responses to these mandates has been to reduce the number and types of loans our institution is now willing to originate. It also has caused our board to reexamine the benefits of remaining an independent community bank.

The FASB proposal to recognize and measure all financial instruments at fair market value will create unnecessary distortions of our financial statements and additional expense for our mutual bank. These distortions will be greater at our bank since we have a heavier concentration of long term mortgage loans than most other banks. In addition, this proposal will require us to value our loans as if we are going to sell them even though we have never sold a mortgage loan in the 121 years of our existence. The instituting of this proposal will result in a further reluctance for small banks, such as us, to issue long term loans and in this very weak economy one can only wonder what the impact would be of further restricting mortgage lending. In addition to the above mentioned concerns, there is the confusion and cost of instituting this proposal. For small institutions, this proposal will mean either hiring additional staff or hiring an accounting firm to help with the instituting and maintenance of the valuation of the assets. Since a mutual institution does not have shareholders and are required to have an annual review of mortgage loans, one can only wonder what the true value of this proposal is to our savings accountholders.

In closing, I encourage you to reconsider instituting the proposal and the impact that it would have on small community banks. Thank you for your time and

consideration.

Sincerely,

Gary Clay, President Van Wert Federal Savings Bank