

**From:** [lcAnthony@aol.com](mailto:lcAnthony@aol.com)  
**To:** [Director - FASB](#)  
**Subject:** File Reference No. 1810-100  
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As an Investor of a small community bank, I wish to express my concern and opposition to the proposal that would require all financial instruments be marked to market.

When I became aware of this proposal my first reaction was why and what good would such a requirement serve. As an investor I do expect to receive acceptable financial reports and I currently feel this is being done.

While market value of loans is not discussed at stockholder meetings, investors do receive audited financial statements that shows the value of the loan portfolio and loan loss reserves. Investors do see investments that are available for sale marked to market and how it affects capital. Marking to market all financial asset and the resulting effects on capital would surely create confusion for investors.

A bank's loan portfolio is going to be held to maturity just like many of our other investments. I am unaware of any bank that desires to sell a loan. Each bank has their own established underwriting standards and there is no uniform structure for a loan therefore I don't see there being a reliable market for a commercial bank's loans. Since there is no reliable market for loans, using fair value as a basis for financial statements has no redeeming value.

It is no secret that some loans become problem loans but such loans are classified and adequate loan loss reserves are established for such an occurrence. Once a loan is recognized as possibly being a problem, the bank doesn't rush out and attempt to sell the loan. Establishing a fair value for an asset that the bank has no intent of selling does not create transparency for investors but only confusion in my opinion.

Another concern for me as an investor is the cost and resources that will be required to produce and audit such data. No doubt banks will wind up hiring more staff and consultants to assist in establishing fair values. These costs will far outweigh any benefits derived from such an activity.

Banks are in the business of making good loans and should not make loans that are not adequately collateralized with a demonstration of the ability to be repaid. As an investor, I can take a current audited financial statement look at the total of the loan portfolio and the level of the loan loss reserves and feel confident that the difference is a reasonable fair value of this portfolio. Any additional information will only create confusion and I doubt that my fellow shareholders will do anything with this information.

I respectfully recommend this proposal to mark to market be dropped.

Thank you for considering my views as an investor. If you wish to discuss my concerns, I can be reached by phone at 903-824-7814 or 903-796-1235.

Respectfully submitted,

L. Clary Anthony, Jr.  
Bank Investor