September 30, 2010

Mr. Russell Golden 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 Mr. Golden:

Thank you for the opportunity to comment on the exposure draft *Accounting for Financial Instruments and Revisions to the Accounting for Derivative Instruments and Hedging Activities* ("proposal").

On behalf of the Banking and Other Financial Institutions Committee of the Oklahoma Society of Certified Public Accountants, the following comments represent our concerns regarding the proposed mark-to-market valuation methods and their impact on the loans and deposits of financial institutions. Most of the members of our committee are employed in public accounting with financial institutions as clients or are employed in the financial services industry.

Our concerns are twofold. The first concern is whether the proposed reporting methods improve the financial reporting of financial institutions for the investor, and the second concern is the subjectivity with which the loans and deposits will be valued.

One of the benchmarks used by investors in evaluating a financial institution is the comparability of the financial statements from one period to the next. We are concerned this comparability will be lost due to the fluctuations from one reporting period to the next caused by the swings in asset valuations based upon recent fluctuations in markets. Generally, neither loans nor deposits are held by financial institutions for immediate sale. Deposits are the primary funding source for loans in community banks and the goal of the institution is to match the rates of the deposits with the loans to earn the optimum interest rate spread. To imply a market value to deposits and loans would distort this loan to deposit relationship, which is one of the key financial benchmarks used in the financial evaluations of banks.

The second concern founded is how loans and deposits would be valued in a fair market environment. Would the valuation be applied to total loans and deposits or would the valuation be applied on an account-by-account basis? If applied on an account-by-account basis, the time devoted to calculating the market values would be onerous to community banks at a time when they are facing unprecedented increased regulations due to the Dodd Frank legislation. A market evaluation does not factor in underlying values of the collateral, the relationship a customer has with the bank, and other factors used by bankers to price loans.

To summarize, it is our belief the proposal would not provide relevant new information to investors and would in fact cause market fluctuations in the financial statements that would be misleading in evaluating the true performance of the financial institutions.

Respectfully,

- /S/ Tom Pharaoh
- /S/ Leslie Jones
- /S/ Elizabeth Humphries
- /S/ Sabrina Waner
- /S/ Brad Johnson
- /S/ Connie Cofer
- /S/ Randy Foraker
- /S/ Penny Buchanan
- /S/ Jane Haskin
- /S/ Chip Winter
- /S/ Clayton Lodes
- /S/ Annette Stuckey
- /S/ James Shane
- /S/ Tracy Yates

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