

**From:** [mmartin@bootheelbank.com](mailto:mmartin@bootheelbank.com)  
**To:** [Director - FASB](#)  
**Subject:** Comments on No. 1810-100, "Accounting for Financial Instruments and Revisions to the Accounting for Derivative Instruments and Hedging Activities" Exposure Draft  
**Date:** Monday, September 20, 2010 9:27:54 AM

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Michael Martin  
PO Box 490  
Lordsburg, NM 88045-0490

September 20, 2010

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

Dear Mr. Golden:

Thank you for the opportunity to comment on FASB's Exposure Draft: Accounting for Financial Instruments and Revisions to the Accounting for Derivative Instruments and Hedging Activities.

I am writing to urge FASB to not go forward with the proposal.

Our bank, Western Bank, is a very small - \$125 million bank - located in a very rural, frontier community. We serve customers in Southwestern New Mexico and Southeastern Arizona. Most of the loans that we make are unconventional, have irregular cash flows, and most do not fit criteria that would allow these loans to be marketable, nor accurately priced. Trying to mark these assets to market is next to impossible for our bank, and attempting to mark these loans to market would result in a great misrepresentation of the financial condition of our bank.

We oppose the proposed accounting treatment for core deposits which calls for them to be regularly remeasured using a present value calculation. This would not provide accurate information and the calculations would be expensive and time consuming, particularly for smaller banks like ours that have limited staff resources to conduct the analysis.

These accounting changes will increase the volatility of our bank's balance sheet, forcing us to increase our capital requirements and decrease lending at a time when regulators are calling for more capital and our economy needs more, not less, credit availability.

Simply, the proposed fair market standards that you have proposed make no sense for an institution such as ours. The proposed changes do not add clarity regarding our financial situation. They do not add value to our shareholders, investors, regulators, or our community. Conversely, these changes will add confusion regarding our financial statements and lead many in this community to question the integrity of these same financial statements.

Again, we thank you for the opportunity to comment on this proposal.

Sincerely,

Michael Martin  
575-542-3521