From:
 John Sorensen

 To:
 Director - FASB

 Cc:
 Howard Headlee

Subject: File Reference No. 1810-100 FASB"s Mark to market

Date: Friday, August 27, 2010 6:42:01 PM

I am writing regarding FASB's proposal to require all financial instruments – including loans – to be marked to market on the balance sheet. This is an extremely dangerous proposal. Banks are companies that are required under regulatory law to maintain certain levels of capital. Banks will not be able to maintain the regulatory capital, imposed by regulators, even though the Banks are financially profitable.

A change of plus or minus one percent in market on a 30 year, \$100,000,000 loan portfolio will result in a plus or minus increase in a Banks capital of \$10,000,000. Even though the Bank may be posting profits, it finds itself with an overstatement of capital or capital impairment.

Market values are reflected through the income statement. Mark to market overstates and understates the balance sheet. Mark to market destroys lending products, by inducing excessive risk (not actual risk) on the Bank.

Both the US and international regulators agree that loans should not be marked to market. As a prior CPA, now banker, I request that the board reject the idea of marking loans to market.

Thank you for your consideration,



John Sorensen
President
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