



September 7, 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:

I am writing to express my strong concerns and much opposition to the portion of the proposal that requires all financial instruments to be mark to market. From a mutual banks perspective, this will cloud transparency rather than improve it, and put into question the most critical element of bank financial statements: Cross County Federal Savings Bank's capital.

The mark to market proposal will be highly costly, punitive and unfair to community mined thrifts like us. It will result in, sharp asset value declines due to market valuations which will sharply curtail and change our current business model. Currently Cross County portfolio's all loans it originates. The Bank portfolio is mainly long term fixed rate loans. The implementation of this proposed FASB regulation will only serve to stymie our lending activities. This is at a time when government agencies should be encouraging lending activities. Even in prosperous times this will artificially inflate results by assuming gains, a short term gain that should not be realized. In bad times artificially deflate results, this loss again should not be realized. This regulation would not accurately report the true value of its assets. The Bank is not in the market to sell its loans and would be more apt to work out the problem with its borrower than sell it. The additional cost will only further compress the banks already shrinking gross margin. The banks will be paying consultants and auditors significant sums to make estimates on loans we don't plan on selling. Most census tracts are still predicting a decline in real estate values. Mark to market accounting will further depress a sagging real estate market.

With this in mind, I recommend you to drop your proposal to mark loans to market.

Please feel free to contact me if you would like to discuss my concerns.

Sincerely,

Thomas Caruso

Thomas Caruso
Vice President & Treasurer

TC/js