

September 17, 2010

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

Re: File Reference #1810-100

Dear Mr. Golden:

As President and Chief Executive Officer of Jefferson Federal Bank, a banking institution in Morristown, Tennessee with \$650,000,000 in total assets, I am writing to express my opinions on the Fair Value Reporting provisions of the exposure draft.

I am strongly opposed to the portion of the proposal that requires all financial instruments – including loans – to be reported at fair value (market value) on the balance sheet. Our bank does not sell our commercial loans and basing our balance sheet on fair values leads readers of our financial statements to assume that we will sell the loans, which is not the case. Given that there is no active market for many of our loans estimating a market value does not make sense.

I can anticipate that fair value reporting could significantly limit the amount of fixed rate loans any institution is willing to put on the books given the potential pricing volatility. A by-product of the proposed fair value reporting could certainly be that fixed rate maturities would shorten and that variable rate loans would become the norm.

Again, I note my opposition to fair value reporting.

I appreciate the opportunity to offer my comments.

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President and Chief Executive Officer

