

From: kgrasty@newhorizonbank.com
To: [Director - FASB](#)
Subject: File Reference: No. 1810-100, "Accounting for Financial Instruments and Revisions to the Accounting for Derivative Instruments and Hedging Activities"
Date: Thursday, September 16, 2010 12:58:05 PM

Kathy Grasty
2501 Anderson Highway
Powhatan, VA 23139-7508

September 16, 2010

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

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."

As Chief Financial Officer of New Horizon Bank, a de Novo bank in Powhatan, VA with just over \$18 million in total assets, I am writing to express my opinions on specific provisions of the exposure draft.

I. COMMENTS ON FAIR VALUE

Our bank does not sell any of our loans. Being a community bank, we make loans within the community and hold them to maturity. Basing our balance sheet on fair values would simply increase confusion for our investors, making it seem like we are selling loans, when we are not.

The costs of compliance with this new requirement would be significant to our bank. This additional reporting burden would most likely cause our bank to incur additional costs for outside vendors to assist with calculating fair values on our loan portfolio.

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.

For the reasons stated above, our bank respectfully requests that the fair value section of the exposure draft be dropped.

Thank you for considering my comments.

Sincerely,

Chief Financial Officer
New Horizon Bank

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