

From: pjohnson@houstoncommunitybank.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 6:02:43 PM

W. Phillip Johnson Jr
11390 Veterans Memorial
Houston, TX 77067-3756

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 Chairman of the Board, CEO, and major owner of Houston Community bank, NA, a banking institution in Houston, Texas with \$247 million in total assets, I am writing to express my opinions on specific provisions of the exposure draft.

It is virtually impossible to determine current fair market value of loans that are written with terms of several years. We hold these loans to maturity and value them at book value unless there is a deterioration in the collateral value securing the loans; if that happens, then the loans are written down to a current fair value considering the specific circumstances.

There is no active market for many of our loans, and estimating a market value makes no real sense. If there was a legitimate way to estimate market value, then the fluctuations would be very volatile and certainly provide no meaningful information to investors.

The costs and resources that we will need to comply with this new requirement would be significant and provide no actual benefit to investors. This will require us to pay consultants and auditors to estimate market value.

WE are a privately owned and closely held bank whose investors have expressed their desire to see that this fair value portion of the draft be deleted.

For these reasons, we respectfully request that the fair value section of the exposure draft be dropped.

Sincerely,

281 537 7200
Chairman of the Board and CEO
Houston Community Bank, NA