From: Paul Brown
To: Director - FASB
Subject: Exposure Draft Comments
Date: Wednesday, September 29, 2010 3:26:32 PM

Dear sir:

I am writing as a banker to ask you to reconsider the proposed rule requiring banks to value loans on a mark to market approach. This proposal is fatally flawed and will not achieve your stated goal of greater transparency. A few points worth considering:

1) Loans held for collection differ from short term assets. Current market prices are meaningless. It would not simplify or improve financial reporting.
2) The volatile swings in book values would create havoc. Loans are not liquid. They are not traded as are investment securities.
3) The new rule will only serve to exacerbate downturns. The fair value rules worsened the effects of the financial crisis and this will do the same thing for instruments that have no market value.

I would have to say that in over 30 years in banking, this proposal ranks as one of the worst I have seen form the FASB. Please rescind it.

Paul Brown
Executive Vice President
Howard Bank

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