

From: ty@hfginvest.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: Friday, September 24, 2010 1:33:21 PM

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September 24, 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 an investment advisor in Kennewick, WA with \$250MM in total assets, I am writing to express my concerns with mark to market accounting.

I totally support mark to market accounting principles for assets that have an active public market. I very much opposed to mark to market principles being applied to a bank's loan portfolio. How can one apply market value concepts where there is no market? I am specifically referring to loans that small community banks make. I am not aware of any small bank that actively sells their commercial loans. The loans are relationships. The idea of selling loans goes against the bank's core business of arbitraging deposits.

Marking all loans to market would cause unneeded changes in bank capital. I personally feel that the mark to market principles were a significant cause in accelerating the financial melt down in 2008. My primary concern with a bank's loan portfolio is the accurate reporting of credit quality. I do not see how marking loans to market would assist in this process.

For these reasons stated above, I request that the fair value section of the exposure draft be dropped.

If you would like to discuss my views in more detail please feel to contact me at 509-735-7507.

Sincerely, J. Tyler Haberling, CFP

509-735-7507
President
Haberling Financial Group

