Letter of Comment No: 5
File Reference: 1225-001

From:

Director - FASB

∍nt:

Thursday, October 06, 2005 9:11 AM

10:

Ragan Vincent

Subject:

FW: File Reference 1225-001

----Original Message----

From: jsneed@fmsbank.com [mailto:jsneed@fmsbank.com]

Sent: Wednesday, October 05, 2005 5:45 PM

To: Director - FASB

Subject: File Reference 1225-001

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

Dear Sir or Madam;

Re:

Comments to Proposed Amendments to FASB 140

In the past, our ability to sell the guaranteed portion of government guaranteed loans has been crucial to our ability to provide funding for many small firms in our rural area. We feel the secondary market for these loans will dramatically change if required to purchase a percentage of the n-guaranteed portion of the loan. By doing this it will no longer fit as an vestment grade instrument and will ultimately cause availability of funds to decline as well as have the effect of increasing rates for borrowers.

It does not appear that these proposed changes will help anyone and will in fact increase the cost of funds to small enterprise borrowers. I strongly urge you to not implement these changes.

John A. Sneed President / CEO Fort Morgan State Bank 970-867-3319