September 14, 2010

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

File Reference: No. 1810-100 Accounting for Financial Instruments and Revisions to the Accounting for Derivative Instruments and Hedging Activities

Via email: director@fasb.org

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* ("proposal"). As a community banker and a former practicing CPA, I would like to express my deep concerns with this proposal.

My major concern lies with recording loans at an estimated market value. In my 26+ year career in banking, our institution, with the exception of residential real estate loans sold in the secondary market, have not sold a single loan in our portfolio. Since a vast majority of these loans are for consumers and businesses in our trade area, our intent is always to hold these loans until maturity, are renewed, paid off or written off (in which case the valuation is recognized through the Allowance for Loan Loss Account). Marking such loans to market does not properly reflect the long term value of this asset.

My second grave concern is that a readily available market does not exist for any of our loans outside of the guaranteed portion of a small portion of our loans that carry a government guarantee of some type. Trying to value these assets without a proper market would be a herculean task and would most likely distort the actual value of the assets since no such market exists.

Another serious concern I have is that the proposal will cause large temporary fluctuations in our institution's equity capital as interest rates move with the economy. These fluctuations will require our bank board to possibly take action concerning our capital position by revising our core business philosophy to steer away from locally impacting loans which carry much greater volatility than other available investments.

Finally, I am extremely apprehensive about the costs of adhering to such an accounting practice and the effects that this practice would have on some of our longer term ag real estate loans. Our institution is located in a rural, remote section of our state and as mentioned above, readily available markets are just not there to properly value our primarily ag based loan portfolio. Because of this, these assets could actually be valued at a much lower valuation than the actual cashflows that will be generated by the loan.

With this in mind, I recommend you to drop your proposal to mark loans to market, as, from my perspective as a community banker, it does not improve our financial reporting or properly reflect our actual financial condition.

Thank you for considering my views. Please feel free to contact me if you would like to discuss my concerns.

Sincerely

P. Mark Graff Chairman McCook National Bank McCook, Nebraska