George M. Ballard 2520 Virginia Avenue Bardstown, KY 40004

September 10, 2010

Mr. Russell Golden **Technical Director** Financial Accounting Standards Board 401 Merritt 7 P.O. Box 5116 Norwalk, CT 06586-5116

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

Dear Mr. Golden:

I am a bank investor and also currently serve on the board of Community BankShares of Indiana, Inc.

As an investor and a board member, I am concerned about the requirement in the above referenced proposal that will require loans and deposits of financial institutions to be marked to market.

Certainly I favor transparency in the financial statements that are put forth by financial institutions, but from my point of view, this proposal will only make the reporting murkier.

Banks make loans and accept deposits with the intention of holding those instruments to maturity. The fact that there is no ready market for these types of instruments would seem to make the valuation process extremely difficult.

I foresee wild swings in the capital positions of banks if this proposal becomes a requirement. As an investor, I would find these swings to be even more confusing than the type of reporting we currently have in place.

The cost to monitor and re-price loans and deposits is another area that I think will harm the banking industry in exchange for very little value.

I respectfully request that you drop the proposal to mark loans and deposits to market. Thank you for allowing me to express my view. Please feel free to contact me if you would like to discuss further.

Sincerely.

un famous George M. Ballard