From: <u>caldstbk@kanokla.net</u>
To: <u>Director - FASB</u>

Subject: File Reference: No. 1810-100, "Accounting for Financial Instruments and Revisions to the Accounting for

Derivative Instruments and Hedging Activities"

Date: Thursday, September 16, 2010 12:13:10 PM

Leo Schiltz 24 N. Main Caldwell, KS 67022-1530

September 16, 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 President of Caldwell State Bank, a banking institution in Caldwell, Kansas with 36 million in total assets, I am writing to express my opinions on specific provisions of the exposure draft.

I. COMMENTS ON FAIR VALUE

I am strongly opposed to the portion of the proposal that requires all financial instruments - including loans - to be reported at fair value (market value) on the balance sheet.

Our bank does not sell our commercial loans. To value loans at market, when there is no "market" would be very misleading and unneccessary. In the 30 years I have been involved with our Bank, we have never sold a loan. Community Banks in our area do not sell there commercial loans.

Marking loans to market would cause significant confusion to stockholders, depositors and other people who review our financial statements, since it does not really say anything about our portfolio. Our capital would be subject to unnessary flucuations and provide no evidence of the health of our Bank.

The costs and resources that we will need to comply with this new requirement would be significant. This will require us to pay consultants and auditors to estimate market value. The Banking industry, especially the community banks, have been regulated and audited to death with nothing to show for it but cost. Community Banks were not the cause of financial collaspe in our nation, yet we are being penalized along with those that did with more regulation and cost.

For the reasons stated above, our bank respectfully requests that the fair value section of the exposure draft be dropped.

Sincerely,

620-845-6444 President Caldwell State Bank

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