

September 15, 2010

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

Re: File Reference No. 1810-100

Dear Technical Director:

I am writing to express my concern regarding the proposal to require fair value accounting for all financial assets and liabilities. As a minority investor and Chief Executive Officer of a community bank, as well as being a certified public accountant, I believe I am qualified to comment on this issue.

The vast majority of the assets of our bank and other community banks are commercial loans made to small and medium sized privately held businesses. There is not a "secondary" market for these assets. The underwriting for each loan is unique. Often difficult to quantify measures are incorporated in the decision process. It would be costly and time consuming for a third party to confirm our underwriting, thus a quick sale of these types of loans is unlikely at anything but a steep discount.

Commercial banks like ours make loans expecting a stream of income and repayment spread over an extended period of time. Our clients are unable to pay off the loans upon short notice. Private businesses borrow funds to make long term investments to improve their business. We do not make loans with the expectation or plan to sell them in a short period of time. Much like our investment securities designated "held to maturity" in accordance with FAS 115, we hold our loans to maturity.

Investors in community banks do not expect nor require fair value accounting on all financial assets. Their investment decision was based upon our business plan as a commercial bank, our bank leadership, and an expectation of an above average return over many years. Requiring fair value accounting on commercial loans will not provide investors improved insight, but rather cause confusion.

The inevitable increase in costs related to complying with the proposal is likely to significantly impact profitability and thus reduce the return on investment to shareholders.

The principal constituents of community banks are its small business clients, employees, investors and its local community. Instituting the proposed fair value accounting rule on all financial assets will negatively impact each bank constituent without offering any benefit.

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David L. Schuelke

President and Chief Executive Officer