From: <u>snumrich@fnbscott.com</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: Friday, September 17, 2010 9:57:41 AM

Skip Numrich Box 290 Scott City, KS 67871-0290

September 17, 2010

Russell Golden Technical Director Financial Accounting Standards Board 401 Merritt 7, PO Box 5116 Norwalk, CT 06856-5116

Dear Mr. Golden:

I appreciate the opportunity to comment on the subject draft. First National Bank, Scott City, Kansas is an agricultural bank located in rural western Kansas with assets of about \$80mm.

I am strongly opposed to any requirements that loans have a "mark to market" value reported on the balance. My objection is a simple one. If we have a troubled loan we work with the borrower as best we can making appropriate provisioning for the loan loss reserve account. We do not sell off troubled loans. There is no active market to purchase our loans, and even if there were, the volatility of that market would be extreme. I see no way possible that we could accurately determine a market value for loans let alone deposit instruments. The result would make our financial statements more of an wild estimate than an accurate picture of the bank's position. Our bank is not publicly traded.

As I look at any sort of "cost - benefit" analysis for this proposal, all I see is a lot of cost and no benefit. We already spend over \$25,000 on outside auditors and consultants to meet other regulatory requirements. I have no problem with expenses that help make our bank more safe or better managed but this proposal will do neither. The shareholders that I have discussed this matter with just shake their heads and marvel a one more idea to complicate their business without providing any worthwhile benefit.

Thank you for considering my comments.

Sincerely,

620.872.2143 President First National Bank

1810-100 Comment Letter No. 1083