1810-100 Comment Letter No. 1783

From: <u>dan.uphoff@fs-bank.com</u>

To: <u>Director - FASB</u>

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

Derivative Instruments and Hedging Activities" Exposure Draft

Date: Monday, September 20, 2010 10:27:56 AM

Dan Uphoff 2022 Rochster Ct. Iowa City, IA 52245-3246

September 20, 2010

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

Dear Mr. Golden:

I am the President of an \$85 million bank in the Iowa City/Cedar Rapids area of central Iowa. While I understand the reaction of legislators and regulators et all to the recent financial crisis of increasing control and restrictions and requirements on banks, the results of these actions are fast creating a situation where the outcome of these actions is more threatening to the ongong safety and soundness of small community banks then the remnants of the actual crisis itself.

This current proposed action to require community banks to mark their entire balance sheets to market will be time consuming and expensive for small banks, and result in no tangible benefit to consumers or the nation as a whole, since the only balance sheet items that community banks occasionally do sell on the open market, investment bonds, are already makrked to market. All of the other assets and liabilities of a bank are virtually never sold (except in the most dire and rare circumstances) and so their market value is irrelevant.

Requiring community banks, which for the most part had nothing to do with creating the recent financial crisis, to participate in irrelevant practices such as "mark to market accounting," puts them at a huge disadvanage to the larger financial institutions and independent financial specialty service providers that DID create the crisis.

If the goal of government is to eliminate small, friendly, honest, committed home-town banks in favor of the perpetuation of a few dangerously huge, impersonal, unaaproachable, unfathomable, un-understandable financial conglomerates, then forcing the requirements of #1810-100 on community banks is just one more step along the path of assuring that outcome.

Dan Uphoff, President/CEO Freedom Security Bank Coralville, IA

Sincerely,

Dan Uphoff 319-688-9005