

September 23, 2010

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

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

Dear Members of the Financial Accounting Standards Board:

On behalf of the management and Board of Directors of Community State Bank, I am writing today to express our concern and opposition to FASB's proposed changes to the way we mark our financial instruments; namely the expansion of fair value accounting to all financial instruments.

In our normal course of business as a community bank, we make loans for the purpose of long term investments for the bank. We hold these instruments until maturity, and do not market them for sale. There is no readily accessible secondary market for the local loans that we produce and therefore consider and price for the risks inherent in each loan. If a loan becomes a problem then we will aim to work the loan out and recognize any related losses as they become apparent.

The changes proposed in No. 1810-100, will cause small banks like ours to incur significantly increased accounting costs. These costs will be detrimental to our already stretched operational budgets. It will likely cause us to reduce our community lending in a time where the White House and Congress are charging community banks to lead the country out of a recession by lending to small businesses.

We understand that FASB's intent is to provide consistent accounting globally, but our understanding is that the current proposal does not do that.

Sincerely,

Tim Traister

Executive Vice President