1810-100 Comment Letter No. 1870

From: <u>stucker@fmbanklafayette.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 11:07:52 AM

Stanley Tucker P.O. Box 128 LaFayette, AL 36862-0128

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:

As the president, director, and stockholder of a rural community bank I am writing to urge FASB to not go forward with the proposal for mark to market accounting.

The accounting that would result from this proposal would greatly misrepresent the financial condition of our bank and other community banks. Our stock is not actively traded and the accounting would do nothing but add confusion for our shareholders.

Our bank funds its operations by taking deposits and holding loans for the long term. Every loan we make is funded by the bank and held until maturity. We are not in the business of selling loans or deposits and we are a huge part of local community. We have already endured too many intrusive regulations that will eventually hamper our ability to make credit affordable. We have been making loans while the large banks have shut the local businesses out. Accounting changes such as these will provide no benefit to our stockholders and will drive up costs for our customers.

Community banks such as ours create and hold small business loans for which there is no active market; it would be very difficult and costly to mark them to market.

These accounting changes will increase the volatility of bank balance sheets, forcing them to face higher capital requirements or decrease lending at a time when regulators are calling for more capital and our economy needs more, not less, credit availability.

Sincerely,

Stanley Tucker-President