

From: mheinemann@farmersstatebankmn.com
To: [Director - FASB](#)
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 4:12:54 PM

Mark Heinemann
1452 W Main St
Albert Lea, MN 56007-1816

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:

Good afternoon,

My name is Mark Heinemann and I am the Chief Information Officer of Farmers State Bank in Albert Lea, MN. We are a \$92 million bank serving a primarily Agricultural market.

I would like to comment on FASB's draft on Accounting for Financial Instruments and Revisions to the Account for Derivative Instruments and Hedging Activities.

This proposed rule would have significant negative impact on my bank's operations. Our purpose in making a loan, is to hold it to maturity rather than trade it on a regular basis. Therefore modifying the book value of each loan is unnecessary and would misrepresent my bank's financial condition.

Also, many of the loans we make are not marketable, so assigning a market value would be difficult without sophisticated modeling software. That is something my bank is unable to do given our size and complexity.

Lastly, it is my opinion that implementing this rule will only further cement Too Big to Fail in our financial system. Only the larger institutions will be able to effectively comply with this rule, and the ability to spread the cost of compliance over a much larger asset base further penalizes the small institutions.

Thank you for the opportunity to comment on this proposal. I hope you weigh the implications carefully because further damage to the community banking model will be devastating for many of our smaller communities.

Sincerely,

Mark Heinemann
507-373-1945

