



It's Who We Are.

September 24, 2010

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:

I am writing you to express my opposition to the proposed changes requiring all financial instruments be reported at market value. I am responsible for the financial statement preparation at our community bank which has \$175 million in assets. We regard the loans we make as a vital service to our community and as our primary source of income. We keep all of our loans and do not consider them as an investment to be bought or sold. Therefore, the loan numbers that I report on the balance sheet represent the amount of principal I expect to be repaid from my customers. Why would you want to change that? I do not see the purpose of trying to report anything differently. The only users of my bank's financial statements are internal users and regulators who all understand what is being reported. I do not see how you can do any time value of money calculation and get a market value for a loan when there are so many other variables involved such the credit risk of the individual loan, location of borrower or collateral, industry, etc.. I am sure we would have to hire an external firm to value our loans if this proposal passes and the last thing we need is another expense which does nothing to help revenue.

Disclosure of fair value may help readers of financial statements of Wall Street banks but these benefits are lost when applying them to community banks. "One size fits all" just doesn't work. Again, please do not adopt this proposal.

Sincerely,

Bryan K. Haun
Exec. V.P./Controller