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September 21, 2010

Mr. Russell Golden Technical Director Financial Accounting Standards Board 401 Merritt 7, PO Box 5116 Norwalk, CT 06856-5116 File reference number 1810-100

Dear Mr. Golden:

If the current FASB proposal requiring banks to mark all financial instruments – including loans – at fair value passes, the financial industry will be more unstable and will cause further consolidation. I don't think this is the intent of the proposal, but it will be the outcome, especially among community banks, the bedrock of rural communities.

Community bank investors don't expect Wall Street returns, but do expect stable, long-term growth. This proposal could put every community bank at risk because each quarter, the capital account could be adversely impacted, especially in tight credit markets like the last 24 months.

This proposal will discourage bank lending, especially on assets not easily valued. It will be expensive to administer and will require expertise not readily available in rural markets. For privately held banks and holding companies, the proposal will be a further burden without adding value to the investor. In many community banks, the shareholders are many times multigenerational. They depend on the dividend more than the market value. In a recession, the impact of lower capital values at the same time the bank is experiencing higher provisions to the reserve will definitely impact the bank's ability to continue a stable dividend payout and still meet regulatory capital guidelines.

For the above reasons, I respectfully request the fair value section of the exposure draft be eliminated. Thank you for considering my sincere opposition to the proposal covering "fair value" accounting for bank loans not held for sale.

Sincerely,

Lynn T. Gordon President & CEO

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