



GUY W. YOUNG
PRESIDENT

September 22, 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 Account for Derivative Instruments and Hedging Activities

Dear Members of the Financial Accounting Standards Board:

I am president and chief executive officer of a forty-five million dollar rural community bank in a town with a population of only 450 people. Approximately 75% of our loans are to area farmers and ranchers for agricultural purposes. We hold all of our loans internally and do not sell any loans except for maybe one or two participations a year. Attempting to determine a market value for these types of loans is an exercise in futility and unnecessary regulation. We are a privately held institution where the Board of Directors represents over 90% of the outstanding shares. I am taking the time to write this letter to let you know of our objection to proposed mark to market accounting regulations.

I realize that many proposals are based on good ideas and well intentioned plans. However, many times these proposals have unintended consequences that tend to fall disproportionately on small banks like ours. We still have to fill out the same call report as banks many times our size and complexity. Passing this proposal would have many consequences on our bank.

As I mentioned earlier, we have never sold a loan out of this bank for any purpose other than legal lending limit compliance. Attempting to value term loans at fair market value would lead to a decrease in our lending to local farmers and ranchers. Because we are unsure of market swings and refuse to risk the stability of the bank's capital, lending decisions would be subject to much more debate and scrutiny.

I further believe this proposal would greatly raise our cost of doing business with no offsetting benefit. As I mentioned before, we are very rural and do not have access to sufficient resources to meet the requirements of this proposal internally. We believe we

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would have to hire third party consultants and have them value our portfolio on a quarterly basis. This is obviously an increased cost with no benefit for such a small and simple bank such as ours.

Because we hold all of our assets until maturity, the long term swings in the economy are accurately reflected in the income statement. There is no need to push these swings into the balance sheet also. To do so, would change the way we manage risk and have negative impact on the local economy. To do so uniformly across the country, would have severe consequences on the national economy.

To summarize, this proposal would raise cost, decrease lending, destabilize the banking industry, and in many cases such as ours, provide useless information to people that do not want it in the first place.

Thank you for your time and consideration of our request to withdraw the mark to market proposal.

Respectfully,

A handwritten signature in black ink, appearing to read "Guy Young", with a stylized flourish extending from the end.

Guy Young
President