From: <u>burlc@cwc-pc.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: Tuesday, September 21, 2010 6:33:00 PM

Burl Coker 329 W. Highway 6 Waco, TX 76710-5590

September 21, 2010

Russell Golden Technical Director, Financial Accounting Standards Board 401 Merritt 7 P.O. Box 5116 Norwalk, CT 06856-5116

Dear Mr. Golden:

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

I personally believe that this would totally distort the financial statements of community banks which comprise a large part of our accounting practice.

Banks may currently hold investment securities for either holding to maturity or available for sale and GAAP provides guidance based on the Bank's intent. I believe that the current literature has worked well to provide for comparable financial statements and financial statement disclosures; however, requiring community banks to fair value its loan portfolio which is not held for sale or its other financial instruments such as deposits, in my opinion, would cause financial statements to be all over the place and totally noncomparable. Securities have a ready market place and are traded dialy; however, other financial instruments such as loans and deposits are typically not traded and do not have ready markets; therefore, valuations would be too subjective.

Further, such requirements would place undue costs on community banks which are already stressed to the limit when it comes to current regulatory reporting, much less the new regulations which will become necessary as the result of the new financial reform legislation recently passed.

Finally, the volatility that would surely result from the proposed Exposure Draft would, in my opinion, provide more confusion than clarity for the investor and financial statement reader.

Based on these concerns, I again urge the FASB to abandon this proposal.

Sincerely,

Burl D. Coker

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