

Jeff Pitts
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Paris, IL 61944-1735

1810-100
Comment Letter No. 2520

September 23, 2010

Russell Golden
Financial Accounting Standards Board

Dear Mr. Golden:

Thank you for the opportunity to comment on FASB's Exposure Draft:
Accounting for Financial Instruments and Revisions to the Accounting for
Derivative Instruments and Hedging Activities.

I am writing to urge FASB to not go forward with the proposal.

The accounting that would result from this proposal would greatly misrepresent
the financial condition of our bank and other community banks.

The primary business of community banks is to hold financial instruments to
collect contractual cash flows, not to trade them on a regular basis.

Community banks fund their operations by taking deposits and holding loans for
the long term. Most financial instruments this bank holds are not readily
marketable.

We oppose the proposed accounting treatment for core deposits which calls for
them to be regularly remeasured using a present value calculation.
This would not provide accurate information and the calculations would be
expensive and time consuming, particularly for smaller banks like ours that have
limited staff resources to conduct the analysis.

Community banks such as this bank create and hold small business loans for which
there is no active market; it would be very difficult and costly to mark them to
market.

These accounting changes will increase the volatility of bank balance sheets,
forcing them to face higher capital requirements or decrease lending at a time
when regulators are calling for more capital and our economy needs more, not
less, credit availability.

Again, we thank your for the opportunity to comment on this proposal.

Sincerely,

Jeff Pitts

Community Bankers Association of Illinois