From: lramsey@fayconatl-bank.com

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: Friday, September 24, 2010 9:38:10 AM

Linda Ramsey PO Box 209 Fayetteville, WV 25840-0209

September 24, 2010

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

Dear Mr. Golden:

My name is Linda L. Ramsey and I serve as Senior Vice President and Cashier at Fayette County National Bank in Fayetteville West Virginia I have been here for forty-two years and have been instrumental in helping our bank grow from \$5,000,000.00 to \$80,000,000.00. We are a small Community Bank and have been serving this rural area since 1900. As a Community Bank, we have strived to focus on serving our community first and foremost.

With all the new laws and regulations that are supposed to protect the consumer you are making it more and more difficult for the small Community Bank to take care of our customers and be leaders in our communities. You force us to spend more time, money and resources on reporting our every move and making everything more difficult and technical and leave no time, money and resources to better serve our customers.

I wish you would put more energy into correcting the problems with the institutions that actually created the problems with their selfish greed and let those of us (Community Banks) who did not create these problems go on doing what we do best. And that, of course, is serving our communities and taking care of our customers, who just happen to be our families, neighbors and friends.

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. Additionally, we have a lot of County money and other public funds accounts. We have to pledge securities for these deposits. This would increase our accounting greatly.

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.

We oppose requiring institutions to record demand deposits at fair value.

We also oppose requiring fair value calculations for loans that are held for the long-term to collect cash flows.

Establishing fair values for the types of loans held by many community banks like our bank would be costly and result in data of questionable reliability.

The expanded reporting of comprehensive income is unnecessary, confusing and of little use to most financial statement users.

The proposed accounting changes will exacerbate cyclicality in financial results due to the greater reliance on fair value measurements, valuations that will be less accurate than current accounting requirements.

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,

Linda L. Ramsey 304-574-1212