1810-100 Comment Letter No. 2709

From: deborah.mitchell@trustbank.net

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 28, 2010 11:34:12 PM

Deborah Mitchell 600 E Main St Olney, IL 62450-2164

September 28, 2010

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

Dear Mr. Golden:

Dear Mr. Golden,

I am writing to comment on FASB's Exposure Draft: Accounting for Financial Instruments and Revisions to the Accounting for Derivative Instruments and Hedging Activities. I urge FASB to NOT go forward with the proposal.

TrustBank is a small, community bank located in Olney, Illinois. The accounting related to this proposal would create a significant burden for our bank. Our asset size is \$160 million, and it would be a significant burden both financially to the bank and in our staff's time and effort to implement the changes.

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.

Fair value measurements will not provide a better understanding of the values of illiquid agricultural loans held by small banks in rural areas such as this bank.

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.

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.

Thank your for the opportunity to comment on this proposal.

Sincerely,

Deborah A. Mitchell, EVP/CRO