From: pennyl@security-banks.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: Wednesday, September 29, 2010 12:03:17 PM

Penny Lindeman 2202 11th Street East Glencoe, MN 55336-2629

September 29, 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,

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. 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.

Security Bank & Trust Co. is a \$243 million dollar bank located in the rural community of Glencoe, MN. 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 our bank.

Our bank and other community banks are already burdened with a multitude of new regulations passed during the previous 5 years and adding this requirement only places additional cost and stress to our operation. The time and cost to implement this proposal is substantial and smaller banks like ours have limited staff resources to conduct the analysis.

I urge you to stop your consideration of this expensive unnecessary proposal. This proposal does not provide any additional benefit to the customers we serve and quite possibly will lead to less credit being available in our local community as we try to balance the effect this would have on determining the value of the deposits and loans that we handle.

Sincerely,

Penny Lindeman, Compliance Officer

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