



National Bankshares

October 7, 2009

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

By E-Mail: director@fasb.org
RE: File Reference No. 1710-100

Dear Mr. Golden:

On behalf of National Bankshares, Inc. and its community bank subsidiary, the National Bank of Blacksburg, I am writing to comment on the exposure draft: *Fair Value Measurements and Disclosures (Topic 820) – Improving Disclosures about Fair Value Measurements*. National Bankshares, Inc. is a one-bank holding company with nearly \$966 million in total assets and with 25 offices in Southwest Virginia. The company is publicly but not widely traded.

National Bankshares, Inc. is a member of the American Bankers Association and strongly supports the positions set out in the ABA's comment letter dated October 6, 2009. Because our company did not hold Level 3 assets at June 30, our comments will be limited to other areas of the exposure draft.

Our major concern is with FASB's continued expansion of fair value accounting and the related reporting requirements. Each new requirement puts a significant burden on the two staff persons in this organization who are responsible for preparing fair value information. Costs for public accounting support also increase with the addition of more fair value accounting reporting requirements. For example, the proposed amendment to Subtopic 820-10 that would require National Bankshares, Inc. to apply judgment in determining the appropriate classes of assets and liabilities and the proper level of disaggregation will involve significant consultation with outside accountants to determine if our company's judgment is reasonable. If the expansion of fair value accounting were responsive to investor requests for more detailed information, the additional costs would perhaps be justified. However, we have never received an investor request of this type.

We appreciate the opportunity to comment on the exposure draft. Please feel free to contact me at (540) 951-6236 if you would like to discuss these issues in more detail.

Sincerely,

James G. Rakes
Chairman
President & CEO

JGR/mbb