From: John Krummel [mailto:JKrummel@bankiowabanks.com]
Sent: Monday, September 13, 2010 11:38 AM
Subject: Comments on Accounting for Financial Instruments and Revisions to the Accounting for Derivative Instruments and Hedging Activities."

As President of Bank Iowa, a banking institution in Clarinda, Iowa with $104 million in total assets, I am writing to express my opinions on specific provisions of the exposure draft.

I. COMMENTS ON FAIR VALUE

I am strongly opposed to the portion of the proposal that requires all financial instruments - including loans - to be reported at fair value (market value) on the balance sheet.

It would be nearly impossible to come up with a consistent fair value for a loan without updating appraisals all the time and making some wide assumptions on the local economy. Banks do this through their loan loss reserve allocation already.

You are going to see banks be ultra conservative in the market value of loans causing loss of income for the government.

Sincerely,

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