From: <u>dkingland@mbtbank.com</u>

To: <u>Director - FASB</u>

Subject: File Reference: No. 1810-100, "Accounting for Financial Instruments and Revisions to the Accounting for

Derivatives Instruments and Hedging Activities"

Date: Saturday, September 11, 2010 11:12:49 AM

Dave Kingland 145 East O St. Forest City, IA 50436-1132

September 11, 2010

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

Dear Mr. Golden:

As President of Manufacturers Bank, a family-owned \$250 Mil. community bank in Forest City, IA , I am writing to express my opinions on the proposed update.

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.

There is no active market for many of our loans, and estimating a market value makes no real sense.

My understanding is that ALL federal bank regulators oppose this proposal.

Trying to place a value on an illiquid asset makes no sense when we do not sell these loans.

The costs and resources that we will need to comply with this new requirement would be significant. This will require us to pay consultants and auditors to estimate market value.

Our investors have expressed no interest in receiving this information. Our investors do not view these costs, which must come out of bank earnings, as being either reasonable or worthwhile.

It is very important that any new processes are agreed upon and well understood by regulators, auditors, and bankers prior to finalizing the rules.

Thank you for considering my comments.

Sincerely,

Dave Kingland 641-585-9090