

September 16, 2010

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

Re: File Reference #1810-100

Accounting for Financial Instruments and Revisions to the Accounting for Derivative Instruments and Hedging Activities

Dear Mr. Golden:

As President and CEO of First Bank and Trust Company, Perry, Oklahoma and as a CPA licensed in both Oklahoma and Texas, I'm writing to express my concern regarding a provision of the above referenced exposure draft. We are a \$123 million community owned bank. The holding company stock is owned by approximately 150 shareholders, many of whom are descendants of the original organizers in 1934. Our shareholders do not actively trade the stock, but hold it both for the excellent return on their investment and for the opportunity to be part of our community's economic foundation.

COMMENTS ON FAIR VALUE

I would like to express my strong opposition 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. Determining market value on a portfolio of loans in a rural community bank is extremely subjective and subject to errors in assumptions. Current value would be affected by prevailing national interest rates, performance of individual loans in the portfolio and demand across the financial markets for this type of financial instrument. I believe that the current accounting method of valuing loans at cost, net of an adequate reserve for loan losses determined using a reasonable methodology of historical experience and specific allocations for impaired loans, provides our investors with the correct information to evaluate the financial position and performance of our bank. There is no active market for small consumer, real estate and agricultural loans, and we do not sell loans. The majority of our shareholders are not sophisticated financial analysts, and I believe that changes from historical cost accounting to an estimate of market based upon a multitude of assumptions would serve only to make the audited financial statements more confusing and less useful to them.

P.O. Box 878 Perry, Oklahoma 73077 (580) 336-5562 FAX (580) 336-5568 P.O. Box 307 Billings, Oklahoma 74630 (580) 725-3222 FAX (580) 725-3225 P.O. Box 89 Covington, Oklahoma 73730 (580) 864-7421 FAX (580) 864-7424 Complying with the calculations and disclosures required to implement this new requirement would cost us, and ultimately our shareholders, a substantial amount. We would be required to pay consultants to estimate loan portfolio market value, and our audit fees would also increase. I believe that our shareholders would not view these expenditures, which must come out of bank earnings and their Subchapter S distributions, as being either reasonable or worthwhile.

The effect of marking all loans to market would cause our bank's income and capital to move along with fluctuations in the financial markets, even if our loan portfolio is stable and performing. Had this proposal been in place during the recent financial crisis, the capital shortfall in many institutions would have been much greater, and more institutions would have been deemed insolvent. The volatility created by implementation of this requirement would create even more uncertainty for investors and Subchapter S shareholders.

I appreciate the opportunity to comment on the exposure draft and sincerely hope that you will thoughtfully consider my opinion.

Sincerely,

Gwen H. Easter, CPA
President and CEO

GHE/be