

September 9, 2010

Mr. Russell Golden
Technical Director
Financial Accounting Standards Board
401 Merritt 7
P. O. Box 511
Norwalk, CT 06856-5116

Re: Accounting for Financial Instruments and Revision to the Accounting for Derivative Instruments and Hedging Activities.

Dear Mr. Golden:

I thank you for this opportunity to comment on the accounting changes proposed in "Accounting for Financial Instruments and Revisions to the Accounting for Derivative Instruments and Hedging Activities." As an investor of bank stock and a member of the bank's board of directors, it is extremely important that I have financial information on my bank that is in a form that can be understood in layman terms. If the proposed accounting changes are adopted, then I am of the opinion that the banks true financial conditions will be undecipherable.

Requiring banks to mark to market all financial instruments will greatly impair my ability to comprehend the actual quality of the earning assets and will, most importantly, put into question the value of the bank's capital. With recent memory, we witnessed the irrationality of the variations in the values of short-term investment securities.

In my responsibility as a bank director our fervent concentration has continuously stressed the quality, the profitability, and the ensuing performance of the loans that are approved. Adding a variable such as fair market value to the financial information will not enhance the quality or performance of any bank loan. I fail to understand the relevance of marking to market a bank loan when there is no intention of the loans in our bank's portfolio to be sold.

As a community bank, we have an obligation to meet the credit needs of our community. If we have to mark to market our loan portfolio, our flexibility in meeting those needs would be severely jeopardized. Does it make sense that, as a bank director, we would not make loans with very long maturities or interest-rate terms? I think our banking business model would change drastically and, in turn, this would definitely impact our very fragile economic climate.

Financial Accounting Standards Board

Page 2

As difficult as it may be to attempt to calculate a fair market value for loans with varying terms, rates, collateralization, and performance, how then would a community bank possibly establish a market value for an unfunded loan commitment with little or no performance record? I can envision an impending disaster for our bank's capital account. Presently, there is no established market for community bank loans, with a reliable benchmark.

Additionally, I have a serious concern as to whether as a bank director I would have any interest of entering into any long-term security acquisitions. There is a proven record of the market volatility of securities held for sale and what the effect those fluctuations had on bank balance sheets and capital accounts. The decisions of bank's to reconsider long-term security acquisitions may impair the ability of the various public, governmental entities to secure appropriate financing of their needs.

A very relevant concern and one that is incalculable at this time relates to the costs to be incurred by banks to implement these proposed accounting changes. The personnel resources committed to creating and maintaining fair values will require additional staffing and at what true value to our financial institution? This cost would also have further negative impact on the bank's capital account.

The end result of all these accounting changes will provide no value to me as an investor and in reality these proposed changes might create confusion and concern for future investors of bank stock.

For the above stated reasons I ask that the Financial Accounting Standards Board drop the proposal to create fair value accounting for all financial assets in banks.

I appreciate this opportunity for you to consider my views of the fair value accounting proposal.

Sincerely,

A handwritten signature in black ink, appearing to read "Keith W. Hutson", with a long horizontal flourish extending to the right.

Keith W. Hutson
Director

First State Community Bank
201 E. Columbia
Farmington, MO 63640