

From: kcr@fnb-lakeozarks.com
To: [Director - FASB](#)
Subject: File Reference: No. 1810-100, "Accounting for Financial Instruments and Revisions to the Accounting for Derivative Instruments and Hedging Activities"
Date: Thursday, September 16, 2010 11:13:04 AM

K. Clayton Rogers
P.O.Box 138
Camdenton, MO 65020-0138

September 16, 2010

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

Dear Mr. Golden:

With the timeline of the comment period on the "Accounting for Financial Instruments" nearing the end, I am compelled to provide you my input on this matter.

As President of First National Bank of Camdenton, MO., with assets of \$280 million, I am writing to express my concerns of specific provisions of the draft.

Comments on Fair Value

I am strongly opposed to the part of the proposal that requires all financial instruments, including loans, to be reported at fair value or market value on the bank's balance sheet.

Since we are a community bank, we don't sell our commercial loans and we work with our borrowers through the life of the relationship. Even if we decided to sell a portion of our commercial loans, there is no active market for many of our loans, so estimating a market value make no real sense.

We have chosen not to pursue the secondary market for our commercial loans because our relationship with our customers extend well beyond a single loan. There is no incentive to sell when our goal is to have the complete relationship with our customers.

The costs of time and resources and possibly an outside provider to comply with new requirement would be significant. Since our shareholders, whom many are local individuals, have not asked for this type of information, we feel this added cost is not merited or worthwhile.

Comments on Loan Impairment

My concern here is whether the new methodology fits for all banks, especially smaller banks. I recommend that a model be reviewed to ensure that it is workable and reasonable for all banks, regardless of size.

I do not support the proposed change in how interest income is recorded. I recommend maintaining the current method.

Thank you for considering my comments.

Sincerely,

President
First National Bank

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