

FIRST BANK RICHMOND

P.O. Box 937 Richmond, IN 47375-0937 (765) 962-2581

September 20, 2010

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

File Reference: No. 1810-100 Accounting for Financial Instruments and revisions

to the Accounting for Derivative Instruments and Hedging

Activities.

Dear Mr. Golden:

First Bank Richmond, NA appreciates the opportunity to comment on the changes in the accounting proposal, "Accounting for Financial Instruments and Revisions to the Accounting for Derivative Instruments and Hedging Activities." The current draft proposal requires banks to record loans on their balance sheets at market values. As a Mutual Institution located in Indiana, we do not sell our commercial loans and leases and portfolio several of our residential mortgage loans. The balance in these accounts is quite large based on community banking standards. Since these loans are held until maturity and there is not a ready market available, I am more than a little concerned about how the values will be developed and how subjective they could be.

Also, being a Mutual and not having access to capital, I am concerned at how these market swings could affect our regulatory capital position.

As you are aware, the capital positions at many banks have been affected by this recession. I believe that had this accounting change been in place, that it would have exacerbated the capital issues that some community banks are having.

Finally, the additional costs associated with complying with this rule could be significant. First Bank does not have the same level of resources available as some of our larger competitors and potentially could have to outsource this process.

For these reasons, we respectfully request that the fair value section of the draft be eliminated. Thank you for your time.

Sincerely,

Garry D. Kleer President/CEO