

From: rcottle@ccb-idaho.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 1:23:12 PM

Ralph G. Cottle
201 S. Main
Pocatello, ID 83204-3206

September 16, 2010

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

Dear Mr. Golden:

Thank you for the opportunity to comment on the exposure draft, "Accounting for Financial Instruments and Revisions to the Accounting for Derivative Instruments and Hedging Activities."

As President of Citizens Community Bank, a banking institution in Pocatello, Idaho, with \$269,500,00 in total assets, I am writing to express my opinions on specific provisions of the exposure draft.

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.

Citizens Community Bank has held our commercial loans since our beginning in 1997. We are not intending to sell our loans and the fair values concept leads those that look at our financial statements to assume that we sell those loans. That is and will not be the case.

Our loans are worked in a well established collection process with each and every borrower, paying or problem. No consideration has ever been given to selling those loans off. We have never seen a market for the loans we make and to estimate the market value of those loans would be like using a crystal ball. This make no sense.

If there was a market price that we could find, most of our loans are part of a relationship with our borrower and there would be not financial incentive to sell them.

Marking all loans to market would cause our bank's capital to move with fluctuations in the markets - even if the entire loan portfolio is performing. Instead of providing better information about our bank's health or its ability to pay dividends, the proposal would mask it.

Being a smaller bank, the costs associated with compliance to the new requirment is more than this small bank could afford. The costs would come from bank earnings and this could significantly restrict our ability to grow into the future.

For the reasons stated above, our bank respectfully requests that the fair value section of the exposure draft be dropped.

Sincerely,

208-239-8601
President / CEO
Citizens Community Bank

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