From: cgustafson@unionfederal.us

To: <u>Director - FASB</u>

Subject: File Reference: No. 1810-100, "Accounting for Financial Instruments and Revisions to the Accounting for

Derivative Instruments and Hedging Activities"

**Date:** Friday, September 17, 2010 10:12:56 AM

Craig Gustafson 710 S. East St. Kewanee, IL 61443-3012

September 17, 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 Union Federal Savings and Loan Association, a thrift institution in Kewanee, Illinois with approximately \$125,000,000 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. Our institution does not sell our loans from our portfolio, and listing our assets at "market" value will often lead to very misleading statements of value. Since we will be trying to price assets that our not easily sellable, the values will most often look worse than they actually are for an asset that will be worth 100% at maturity.

We are a small rural institution, and we believe the costs associated with complying with the change would be significant for our institution.

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

Thank you for your time.

Sincerely,

309-852-2686 President Union Federal Savings and Loan