

From: dmcmillan@sbandt.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: Friday, September 17, 2010 10:42:44 AM

David McMillan
P O Box 2080
Clarkesville, GA 30523-0035

September 17, 2010

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

Dear Mr. Golden:

As President and CEO of Southern Bank & Trust in Clarkesville, Georgia, a banking with \$87,000,000 in total assets, I am writing to express my opinions on specific provisions of the exposure draft.

I. COMMENTS ON FAIR VALUE: Our bank's loans are not made to sell in the secondary market and not made in a manner that aid in valuing them to sell into another market. Therefore, I am strongly opposed to the proposed change.

We are not aware of any market for our loans and to hope we could sell them at par would be a dream. We work with our customers as necessary to ensure loans are paid as agreed and in a timely manner. Estimating a market value for these loans absolutely makes no sense to banks like ours.

Since our loans are made to be an income stream over time, it makes no sense to attempt to mark them to market for possible sale.

Marking to Market has the potential of eroding the bank's equity. Explaining this to the Bank's customers, investors and depositors would prove to be difficult. In addition, the cost to comply would prove burdensome.

For these reasons, we ask that you not support this fair market accounting application.

It appears that much work needs to be done on this matter.

Thank you for taking time to consider these comments.

Sincerely,

706-754-0001
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