From: Kim Fairbank
To: Director - FASB

Subject: File Reference Number 1810-100

Date: Tuesday, September 28, 2010 5:47:32 PM

September 28, 2010

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

File Reference Number 1810-100

Dear Mr. Golden:

This letter is in response to the exposure draft issued May 26, 2010 entitled, "Accounting for Financial Instruments and Revision to the Accounting for Derivative Instruments and Hedging Activities." I have serious concerns with the mark-to-market provision of this exposure draft.

I currently serve as Chairman/CEO of our closely held \$70 million community bank located in rural Kansas. My almost 27 years of experience in banking have been devoted to the chief financial officer responsibilities. As a CPA, I practiced 3 years in public accounting, but most of my career has been in the banking industry.

I can honestly say that I have never had a shareholder or director question what are the "market values" of the loans and deposits of our bank. Even with the introduction of the unrealized gain / (loss) on our investment portfolio to the bank financial statements, we tend to talk around the effect of this adjustment. We all know the impact that wide swings in interest rates have had on our investment portfolio gains and losses. This has caused large adjustments to our capital, when in fact our bank's performance has been quite consistent. To include these types of mark-to-market adjustments in our bank's capital plan makes the financial information difficult to explain, monitor, and understand for the average investor.

To expand this type of accounting to include mark-to-market valuations on loans and deposits is going to magnify this problem greatly. At least with investment securities there is an active market to determine a reasonable market value. I can only imagine the type of analysis that will have to take place to determine the "market value" of loans and deposits. It will be a very costly process, and a process that will include so many assumptions that it will leave much room for inaccurate numbers and disclosure.

I could go in to technical reasons as to why I feel this exposure draft does not apply to the banking business model, which have been already powerfully expressed in other letters to FASB. But, the main point that I want to communicate is that this mark-to-market accounting will have tremendous cost, in both time and money, in applying this standard and trying to "determine" the market value of our bank's financial condition. I honestly believe it will provide absolutely <u>no</u> benefit especially to a bank of our size. It will only raise questions and doubt.

I would prefer that our bank be able to concentrate on basic safety and soundness issues such as asset quality, interest rate risk, liquidity, consistent earnings, compliance and regulation issues, and promoting economic development in our communities - issues that really <u>do</u> have a significant effect on our bank's financial condition.

I do sincerely hope that the Financial Accounting Standards Board will reconsider the applicability of this exposure draft, and the impact it will have on the individual financial institutions.

Sincerely,

Kimberly Jo Fairbank, CPA Chairman & CEO

First National Bank in Cimarron P. O. Box 129 Cimarron, KS 67835

(620) 855-3716 fnbkjf@ucom.net