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September 28, 2010

Mr. Russell Golden
Technical Director
Financial Accounting Standards Board
401 Merritt 7
P.O. Box 5116
Norwalk, CT 06856-5117

Dear Mr. Golden

I appreciate the opportunity to comment on the exposure draft *Accounting for Financial Instruments and Revisions to the Accounting for Derivative Instruments and Hedging Activities.*

We are a community bank with assets of $208 million located in western Kentucky. We have three locations serving two communities with a total population of around 30,000. Being a sound, profitable bank we have the utmost respect for your efforts in to increase transparency and disclosure by standardizing financial instrument pricing methodologies, but we have great concern regarding this proposal as it is written.

Community banks such as ours offer deposit and loan accounts. We are not an investment bank nor are we a mortgage bank. We serve our community with primary financial products that help grow the economy. Our business does not involve complex financial instruments or holding significant loans for resale.

The focus on mark to market is not relevant for loans that are not being sold. When loan values do fluctuate, the bank responds appropriately by adjustments in loan loss reserve. This method is accepted by the industry and has served us well. Under this proposal, due to market volatility community banks may be required to forego the traditional banking model for more of an investment banking environment. This is an injustice to the community that depends on local banks for funding.

Lastly, the accounting system needed to maintain such sophisticated accounting methods will have an impact on profitability. There will be a need to hire more staff or employee consultants to assist with estimating fair values and report generation need to comply with this proposed standard. As out costs increase, it is reasonable to assume these costs may be pushed down to the consumer.

This proposed fair value standard will be another barrier for community banks to succeed in the future. We strongly recommend that the FASB not proceed with this proposal.

Again, thank you for the opportunity to share the views of a community banker on this very important topic.

Respectfully,

J. Jason Hawkins
Senior Vice President
Chief Financial Officer