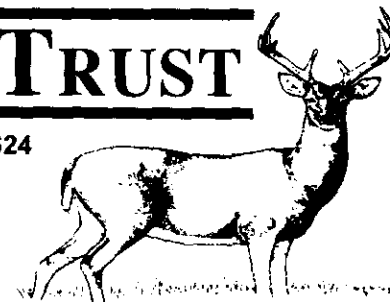


# SECURITY STATE BANK & TRUST

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(830) 997-7575 • Fax (830) 997-7994  
www.ssbtxas.com



September 23, 2010

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

File Reference: No.1810-100 Accounting for Financial Instruments and Revisions to the  
Accounting for Derivative Instruments and Hedging Activities

Dear Members of the Financial Accounting Standards Board:

I am Bill Cowden, President and CEO of Security State Bank & Trust in Fredericksburg, Texas. We are a \$600,000,000 bank this is entering our 70<sup>th</sup> year of service to the Texas Hill Country. We employ 230 bankers in 14 locations including Mortgage and Trust Financial Services and serve the banking needs of over 38,000 customers in our banking market.

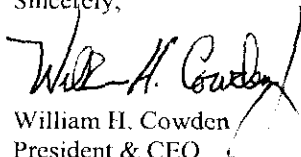
I am writing today to express opposition to FASB's proposed expansion of fair value accounting to all financial instruments. As President, CEO and a member of the Board of Directors, I am actively involved on a daily basis with the bank's management including the responsibility for the financial results. Our financial outcome would be severely affected if our core assets (loans) were recorded in accordance with "fair value accounting". The reason: there is no active market within which we can sell our loans.

As a community bank our loans are made to serve our community. Our loans are our long-term investments. They are not for trading purposes. We are committed to work with our customers and community on problem loans - not just sell the loans and abandon our customers.

I anticipate significant increased accounting costs and human resources in providing fair value estimates. And, I do not see a benefit to our customers, our shareholders or to the bank.

It is my understanding that the FASB's intent is to provide consistent accounting globally and to be consistent with the standards utilized by the international financial reporting standards. Community banks such as Security State Bank & Trust are not on the global stage. I urge you to withdraw this proposal.

Sincerely,



William H. Cowden  
President & CEO

cc: Texas Bankers Association  
Security State Bank & Trust Board of Directors

