

JAMES E. ROUGEOU
Certified Public Accountant
117 E. Crockett
Luling, Texas 77648
(830) 875-3592

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

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

Members of the Board:

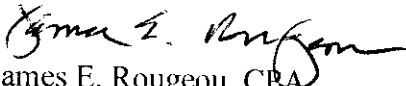
I am a local Certified Public Accountant and a director of a small community bank in central Texas. I serve on the bank's audit and loan committees and am actively involved in the management of the bank from reviewing financial results to analyzing and approving lending activities.

Our bank is committed to serving our community by providing banking services to our customers who are primarily individuals or small businesses. Many of the loans we make fall under the Community Re-Investment Act. We are acutely attuned to our customers needs, and, as such, we do not sell our loans. In fact, the vast majority of our loans have no real value in the secondary markets.

As mentioned earlier, we are a small community bank and barely possess the resources to comply with the volume of banking regulations. Adding "mark to market" accounting standards will require the engagement of outside consultants to assist us with compliance. In addition, our audit fees will definitely increase along with the assessments from our regulators for their examinations, and, as a result, will severely impact the bank's profitability.

I understand that the Board feels that this accounting standard is necessary to monitor or possibly prevent the events of the past in the financial industry, however, you must know that the small community banks did not cause these problems although we have certainly been effected by them. In conclusion, I strongly request that this proposed accounting standard be withdrawn or at least stratified in a manner to exclude financial institutions that do not participate in loan packaging and selling activities.

Respectfully submitted,


James E. Rougeou, CPA