

**From:** [bluetkemeyer@ste-bank.com](mailto:bluetkemeyer@ste-bank.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:** Monday, September 20, 2010 12:53:02 PM

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Brice Luetkemeyer  
PO Box 8  
St. Elizabeth, MO 65075-0008

September 20, 2010

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

Dear Mr. Golden:

Thank you for the opportunity to comment on the exposure draft, "Accounting for Financial Instruments and Revisions to the Accounting for Derivative Instruments and Hedging Activities."

#### I. COMMENTS ON FAIR VALUE

I am strongly opposed to the portion of the proposal that requires all financial instruments - including loans - to be reported at fair value (market value) on the balance sheet.

Our bank does not sell our commercial loans. Basing our balance sheet on fair values leads readers of our financial statements to assume that we will sell the loans, which is not the case.

There is no active market for many of our loans, and estimating a market value makes no real sense.

#### II. COMMENTS ON LOAN IMPAIRMENT

It is very important that any new processes are agreed upon and well understood by regulators, auditors, and bankers prior to finalizing the rules.

#### III. COMMENTS ON HEDGE ACCOUNTING

Thank you for considering my comments.

Sincerely,

573-493-2313  
President  
Bank of St. Elizabeth

