

**From:** [joe@monitorbank.com](mailto:joe@monitorbank.com)  
**To:** [Director - FASB](#)  
**Subject:** Comments on No. 1810-100, "Accounting for Financial Instruments and Revisions to the Accounting for Derivative Instruments and Hedging Activities" Exposure Draft  
**Date:** Monday, September 20, 2010 5:58:26 PM

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Joe Wachtel  
PO Box 98  
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September 20, 2010

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

Dear Mr. Golden:

I'm writing on FASB's Exposure Draft: Accounting for Financial Instruments and Revisions to the Accounting for Derivative Instruments and Hedging Activities. I am asking that FASB not go forward with the proposal.

The accounting that would result from this proposal would greatly misrepresent the financial condition of our bank and other community banks. In addition, it would create yet another huge burden as we try to comply with even more regulations. Providing accurate information and calculations would be expensive and time consuming, particularly for smaller banks like ours that have limited staff resources to conduct the analysis.

Most community banks fund their operations by taking deposits and holding loans for the long term. Most financial instruments this bank holds are not readily marketable. Case in point - a very large Amish population we service. Loans to the Amish do not qualify for any secondary markets.

We oppose the proposed accounting treatment for core deposits which calls for them to be regularly remeasured using a present value calculation. We also oppose requiring banks to record demand deposits at fair value, as well as requiring fair value calculations for loans that are held for the long-term to collect cash flows.

These accounting changes will increase the volatility of bank balance sheets, forcing us to face higher capital requirements or decrease lending at a time when regulators are calling for more capital. Our economy needs more, not less, credit availability, and this proposed law would curtail lending at community banks nation-wide.

Thank your for the opportunity to comment on this proposal.

Sincerely,

Joe Wachtel

