From: <u>jlcalkins@gatewaycb.com</u>

To: <u>Director - FASB</u>

Subject: Comments on No. 1810-100, "Accounting for Financial Instruments and Revisions to the Accounting for

Derivative Instruments and Hedging Activities" Exposure Draft

Date: Tuesday, September 21, 2010 9:47:55 AM

Jesse Calkins 5390 Williams Dr. Roscoe, IL 61073-7320

September 21, 2010

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

Dear Mr. Golden:

Thank you for the opportunity to comment on FASB's Exposure Draft: Accounting for Financial Instruments and Revisions to the Accounting for Derivative Instruments and Hedging Activities.

I am writing to urge FASB to not go forward with the proposal.

The primary business of Gateway Community Bank and most community banks is to hold loans to maturity, collecting periodic payments on them, not to trade them.

We and most community banks fund their operations by taking deposits and holding loans for the long term. These financial instruments are not readily marketable.

We also oppose requiring fair value calculations for loans that are held for the long-term to collect cash flows.

We oppose the proposed accounting treatment for deposits which, as we understand, calls for them to be regularly remeasured using a present value calculation. We do not believe this would provide information that is more accurate and the calculations would be expensive and time consuming, particularly for smaller banks like ours that have limited staff resources to conduct the analysis.

The objective of providing a clearer and more informative financial picture of the organization is very good. However, the methods being proposed will not, in our opinion, accomplish this and it will be costly to implement.

Sincerely,

Jesse Calkins