From: <a href="mailto:rlaux@parkbank.com">rlaux@parkbank.com</a>
To: <a href="mailto:Director-FASB">Director-FASB</a>

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 10:32:58 AM

Robert Laux 1801 Greenway Cross Madison, WI 53713-3010

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 the Sr. Vice President of Finance for Park Bank in Madison, WI, a community bank with approximately \$820 million in total assets.

I am writing to urge FASB to not go forward with the proposal. My belief is that adoption of the proposal would virtually eliminate fixed rate lending.

The accounting that would result from this proposal would greatly misrepresent the financial condition of our bank and other community banks.

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.

Accounting standards and guidance should not be pro-cyclical. Recent market conditions have demonstrated the pro-cyclical nature of mark-to-market accounting as declining values of financial instruments necessitated write-downs and sales, causing further write-downs and sales.

These accounting changes will increase the volatility of bank balance sheets, forcing them to face higher capital requirements or decrease lending at a time when regulators are calling for more capital and our economy needs more, not less, credit availability.

Again, thank your for the opportunity to comment on this proposal.

Sincerely,

Robert H. Laux, Sr. VP - Finance

1810-100 Comment Letter No. 2052