

From: lauram@fsb1908.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: Tuesday, September 21, 2010 10:58:03 AM

Laura Miller
P O Box 610
Quinton, OK 74561-0610

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:

My name is Laura Miller, and I am an Executive Vice President with The Farmers State Bank of Quinton, Oklahoma. The bank has been in business for more than one hundred years in this small rural community and has two branches located in similar areas in Haskell and Latimer Counties. Our total assets are approximately \$74,000,000. Our customers reside in sparsely populated and low-income areas of Southeast Oklahoma.

I'm writing in regard to the FASB's Exposure Draft: Accounting for Financial Instruments and Revisions to the Accounting for Derivative Instruments and Hedging Activities. I am urging you to not go forward with this FASB proposal.

Community banks fund their operations by taking deposits and holding loans for the long term. Although our name reflects farming operations of the early nineteen hundreds, our portfolio holds small agricultural operations, numerous small business loans, consumer mortgage loans for customers not eligible for secondary market mortgage programs, and which very few may be marketable.

We do not have the staff nor the resources to provide this value analysis. We would be forced to hire these services, which will be expensive. I also question the validity of the evaluation of these types of loans and what purpose it may serve for community banks.

We are opposed to requiring institutions to record demand deposits at fair value and opposed to requiring fair value calculations for loans that are held for the long-term. 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 and our economy needs more, not less, credit availability.

Thank your for the opportunity to comment on this proposal.

Sincerely,

Laura Miller
918-469-3337