1810-100 Comment Letter No. 2066

From: <u>bstodd11@mindspring.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 11:03:01 AM

Robert Todd P. O. Box 294 Stratton, CO 80836-0294

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:

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

Our rural bank would again be the target of the 'unintended consequences' of this proposal to guide big banks. It would limit our lending abilities forcing higher captial and serve no real purposed for smaller community banks.

Fair value measurements will not provide a better understanding of the values of illiquid agricultural loans held by small banks in rural areas such as this bank.

Community banks such as this bank create and hold small business loans for which there is no active market; it would be very difficult and costly to mark them to market.

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.

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.

I urge FASB NOT to go forward with this proposal at this time. This is not the time to have additional uncertainty injected into the financial system.

This proposal does not provide clearer understanding of community bank balance sheets nor does it impact 99.999% of the investors in smaller institutions. This is not a good move and will hurt increased lending activity at a time when we need to be increasing our lending to small business.

You wonder why lending activity is stymied, this is it. This is not

productive and should not be revised.

Sincerely,

Robert Todd 7193491348