



September 22, 2010

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

File Reference: No. 1810-100 Accounting for Financial Instruments and Revisions to the Accounting for Derivative Instruments and Hedging Activities

Dear Members of the Financial Accounting Standards Board:

I am the President of a small rural bank located in central Texas with assets of \$67 million dollars. I am writing today to express my opposition to FASB's proposed changes to the way my bank would mark its financial instruments; namely, the expansion of fair value accounting to all financial instruments. The changes proposed in No. 1810-100 expand current mark-to-market accounting and would require me to record all financial assets and liabilities at fair value on my balance sheet.

For the sake of civility, I cannot express in this letter my true feelings toward this proposal. First National Bank is a small bank with only 27 full time employees staffing three locations serving towns with populations of 457 people, 2,433 people, and 3,754 people. Obviously, the bank is not a "Money Center" bank with staff that can be dedicated to marking some 3,000 loans to a value that will, at best, be an estimated value when finished. The average small town bank staff, mine included, would not have the expertise to do so, anyway. Further, current well tested analytical models used by banks my size already accomplish a better analysis.

I hope that clearer heads will prevail and realize that the financial statements of banks like First National Bank are not that sophisticated. We make loans that stay on books until the day they are paid. We have to operate that way because our small size prevents us from actively trading and securitizing our loans. Thus, we have no skill, or need, to consider our loans as investments to sold on the market. However, if the proposal were to be passed, we would have no choice but to mitigate the risk to our capital by raising costs to our borrowers, shortening maturities, and ultimately reducing the availability of credit to our customers.

Thank you for consideration of my comments regarding this proposal.

Sincerely

Terry Miller President