From: steve.brunton@fowlerstatebank.com

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: Thursday, September 23, 2010 9:58:07 AM

Steve Brunton P O Box 511 Fowler, IN 47944-0511

September 23, 2010

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

Dear Mr. Golden:

Steven K. Brunton
Executive Vice President & CFO
Fowler State Bank
Fowler, Indiana
~ \$136MM Asset size
Rural Community Bank

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 community banks is to hold financial instruments to collect contractual cash flows, not to trade them on a regular basis.

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.

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.

Implementing these new rules will not produce a clearer understanding of finacial statements for our shareholders. Small non-registered and non-listed community banks like ours should be exempt from the often confusing accounting treatments you propose.

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

Sincerely,

Steven K. Brunton

1810-100 Comment Letter No. 2474