

**From:** [pkramer@alturastatebank.com](mailto:pkramer@alturastatebank.com)  
**To:** [Director - FASB](#)  
**Subject:** PLEASE READ - 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 10:03:32 AM

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Peter Kramer  
PO Box 165  
Altura, MN 55910-0165

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:

Peter Kramer, CPA Vice President  
Altura State Bank  
Asset Size \$42M  
One branch located in Altura, MN

I am writing to urge FASB to not go forward with the proposal of "fair value accounting". As a CPA and banker I feel strongly that the proposed change would add volatility to the bank's balance sheet and significantly mislead financial statement users. With the exception of loans and investments, the value of our assets and liabilities does not fluctuate on a daily, weekly, monthly, or annual basis. The fluctuating value of a bank's loans are already accounted for with the loan loss reserve and charge-offs to distressed loans as required by the FDIC. Specific distressed loans are already separately reserved for in the loan loss reserve calculation. Investments held to maturity in a bank's portfolio are already marked to market. The proposed change is unnecessary and another example of regulatory burden that a small bank can not bear with its limited staff. Please note that our bank does not sell or intend to sell any of our assets or liabilities. We hold our assets and liabilities on our balance sheet to operate a business and generate cash flow. Even if we wanted to sell assets or liabilities, there is no market available to sell them with the exception of our investment portfolio which is already marked to market value. Although I am not qualified to comment with regards to large bank, I find this proposal unapplicable and ridiculous for community banks. The proposal makes no sense and will do nothing to add value to a community bank's balance sheet. It will cost us money and add more regulatory burden in a time when we need to focus our limited resources on lending money to our community and providing a safe place for the community to deposit their money. Please take a common sense approach and realize that this proposed change is unnecessary and detrimental to community banks. If you would like to discuss this in further detail please feel free to contact me. I thank you for taking the time to carefully review my comments.

Sincerely,

Peter Kramer, CPA Vice President  
507-796-6761