

From: snelson@mabank.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: Thursday, September 23, 2010 10:13:05 AM

Scott Nelson
1513 North Missouri Street
Macon, MO 63552-1969

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:

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. My name is Scott Nelson and I am an Executive Vice President at our bank. I am involved in lending primarily but also operations and personnel.

My bank, Macon-Atlanta State Bank was founded in 1893. We are a 190 million dollar institution located in Northeast Missouri Our board president is the founder's great nephew. WE ARE STILL A FAMILY OWNED BANK. Our average tenure for an employee is about 18 years! WE KNOW OUR CUSTOMERS BETTER THAN ANYONE!

We have found that non-local lenders who make real estate loans send appraisers in from St. Louis and Kansas City and they do a terrible job of valuing property. In your new plan WHO is going to mark to market real estate? There isn't enough money or time to do this and when the job is done according to someone's standard it won't be right. In addition the numbers won't make sense very long anyway.

Our current loan loss reserves and capital are very strong. Why?- to protect against market fluctuations!

We oppose requiring institutions to record demand deposits at fair value.

We also oppose requiring fair value calculations for loans that are held for the long-term to collect cash flows.

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.

Small banks provide an incredible service to local communities. As you know big banks don't do a very good job of knowing their customers. They are so bottom-line sensitive they make poor choices regarding loans and loan pricing. In addition, when they fail they pose a significant threat to the industry. Small banks do not carry that risk.

No bank failure is good but diluting the footprint of large institutions addresses many of the banking problems we have today.

Your mark-to-market approach will not solve the banking industry's problems.

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

Sincerely,

Scott Nelson
660-385-3161