From: <u>craig.coffman@ssbindee.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:** Thursday, September 23, 2010 10:48:10 AM

Craig Coffman 231 First St E Independence, IA 50644-2808

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:

Dear Board:

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 accounting that would result from this proposal would greatly misrepresent the financial condition of our bank and other community banks. Additionally, implementation of this reporting may add to our data processing costs and additional workload to our staff.

The primary business of community banks is to hold financial instruments to collect contractual cash flows, not to trade them on a regular basis. There is currently no ready market to determine a fair value of these assets, therefore, an educated guess may be the only way we have to value these assets. This creates a subjective valuation and distorts the financial reporting of the bank.

We oppose the proposed accounting treatment for core deposits which calls for them to be regularly remeasured using a present value calculation. This would not provide accurate information and the calculations would be expensive and time consuming, particularly for smaller banks like ours that have limited staff resources to conduct the analysis. Again, an educated guess may be the only way we have to value these deposits for a snapshot in time.

The expanded reporting of comprehensive income is unnecessary, confusing and of little use to most financial statement users.

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.

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

Sincerely,

Craig K. Coffman 319-334-7035