

From: kmonday@thefarmersbank.net
To: [Director - FASB](#)
Subject: File Reference: No. 1810-100, "Accounting for Financial Instruments and Revisions to the Accounting for Derivative Instruments and Hedging Activities"
Date: Friday, September 24, 2010 8:47:33 AM

Kimberly Monday
120 Village Drive
Portland, TN 37148-1410

September 23, 2010

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

Dear Mr. Golden:

Thank you for the opportunity to comment on the exposure draft, "Accounting for Financial Instruments and Revisions to the Accounting for Derivative Instruments and Hedging Activities."

As CFO of The Farmers Bank headquartered in Portland, Tennessee, I am writing to express my opinion on mark to market provisions of the exposure draft. Our bank is approximately \$425 million in total assets as of September 30, 2010.

I am strongly opposed to the portion of the proposal that requires all financial instruments - including loans - to be reported at fair value (market value) on the balance sheet.

We are a community bank and our main focus is to do what's best for our stockholders. We strive to provide the best customer service possible. Our customers and stockholders are not interested in fair value nor do they really understand it. Being required to perform the mark to market provisions provides no benefit to anyone in our organization or our investors.

We do not sell our loans but rather we work with our customers during problem times to come to the best solution for everyone involved. With the economic environment we are in today, I do not believe that an estimate for fair value of loans is realistic. In addition, the adjustment to capital could cause questions from investors that would be hard to explain. This adjustment to reporting would provide no benefit to anyone.

The costs and resources that we will need to comply with this new requirement would be significant. This will require us to pay consultants and auditors to estimate market value. In addition, as a small community bank, our staff is not large enough to perform the calculations internally.

For the reasons stated above, our bank respectfully requests that the fair value section of the exposure draft be dropped.

Thank you for considering my comments.

Sincerely,

6153231106
CFO
The Farmers Bank