

**From:** [danhfnb@tctelco.net](mailto:danhfnb@tctelco.net)  
**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:** Monday, September 27, 2010 3:33:14 PM

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Dan Coup  
P O Box 67  
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September 27, 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.

I am writing to urge FASB to not go forward with the proposal.

The First National Bank of Hope of which I am President and CEO is a small community bank located in an agricultural community of 400 people in central Kansas. We make loans to local business and farmers and ranchers in the area and depend on local deposits to fund those loans. Those loans are not for sale and neither are the deposits.

We do not have the personnel or the resources available to begin to try and formulate a value of either loans or deposits. Determining a value by anyone would be very subjective at best. This, in my opinion will most likely distort our balance sheet, good or bad, and would be very misleading.

The distortions on the value of loans and deposit would be even greater than what they current are in the mark to mark valuations of securities. In what I have observed in small banks is by far from accurate and they depend on third parties to provide them with those values.

I can see a possible benefit for mark to mark valuations on all assets and liabilities for those financial institutions that deal with business on a world wide basis and are dealing in billions of dollars, but not community banks like ours.

Conservative community bankers (and bank regulators) see the need for more flexibility in setting the allowance for loan and lease losses. We are all well aware that economic cycles occur and it is very difficult to absorbing losses and raising capital during times of economic difficulties, such as the current environment.

I can see where mark to mark of theses assets and liabilities could and most likely will reduce the availability of some types of loans, primarily

small loans, the type we make in our community. Why, because to be realistic, there is no market for those loans.

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

Sincerely,

Dan K Coup, President/CEO  
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