From: jhalb@cnbaccess.com
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:** Tuesday, September 28, 2010 11:23:17 AM

John Halbersleben 200 N Main PO Box 6 Ainsworth, NE 69210-0006

September 28, 2010

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

Dear Mr. Golden:

As President of The Commercial National Bank in Ainsworth, Nebraska, I am writing to comment on the "Accounting for Financial Instruments and Revisions to the Accounting for Derivative Instruments and Hedging Activites." As our bank is concerned about Accounting for Financial Instruments I will restrict my comments to that area only.

## I. COMMENTS ON FAIR VALUE

I am strongly opposed to any effort to mark our loans to fair value. Our b ank keeps all but a small percentage of our loans and what we don't keep we participate to other banks. Our job as lenders is to assess the risk and based on the collateral available and the ability to repay it, make the loan and price it (the interest rate charged) accordingly. There is no national market for our ag loans and determing a market value is therefore impossible.

## II. COMMENTS ON LOAN IMPAIRMENT

As a small (\$80 million) privately owned bank we have worked diligently with our regulator on our loan loss methodology. Any increase in our loan loss provision is expensed as part of our general ledger. The changes proposed make the accounting very confusing and subjects otherwise firm data to the volatility that comes naturally to the provisioning process. So please leave it as it is.

Thank you for considering my comments.

Sincerely,

402-387-2381
President
The Commercial National Bank

1810-100 Comment Letter No. 2687