

From: radams@fscb.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: Thursday, September 30, 2010 2:58:56 PM

Richard Adams
201 North Main
Sikeston, MO 63801-4211

September 30, 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 Community Bank President of First State Community Bank in Sikeston, Missouri with \$1.2 billion in total assets, I am writing to express my opinions on specific provisions of the exposure draft.

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.

Since our bank does not sell our commercial loans, I fail to understand what the perceived fair value of the loan portfolio will accomplish. Establishing a "fair value" does not truly represent the amount of funding the bank will receive if it should be determined the loans are to be sold. The performance of the loan portfolio should be and does represent a more factual basis for value.

Marking all loans to market would cause our bank's capital to sway with fluctuations in the markets - even if the entire loan portfolio is performing. Instead of providing better information about our bank's health or its ability to pay dividends, the proposal would mask it.

Presently, it would be immeasurable to determine the amount of personnel resources that would be necessary to establish and maintain a valuation of the loan portfolio as this measure proposes. The costs for a bank of our size will be prohibitively expensive.

Our investors have expressed no interest in receiving this information. We believe our investors would not view these costs, which must come out of bank earnings, as being either reasonable or worthwhile.

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,

573-472-5933
Community Bank President
First State Community Bank