

**From:** [jmclane@1midwest.com](mailto:jmclane@1midwest.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 9:08:21 AM

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Joey McLane  
P. O. Box 160  
Poplar Bluff, MO 63902-0160

September 30, 2010

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

Dear Mr. Golden:

I writing to you to comment on the proposed mark-to-market rule. This has the potential to be the most costly and non-beneficial red tape rule that our industry has ever faced; and we have faced many.

I am President of First Midwest Bank of Poplar Bluff, in Poplar Bluff, Missouri. We are a small community bank with assets of \$160,000,000. For our bank, and over 95% of banks, this proposed reg will cause massive amounts of calculations, that will be based upon arbitrary, subjective assumptions, and WILL PROVIDE NO BENEFIT TO ANYONE.

Assuming that this "10,000 foot overview" logic can't prevail, then let's look at the specifics. Our bank DOESN'T SELL LOANS...PERIOD. We don't sell home loans, commercial loans, problem loans, or any other types. Thus, without question, we should be able to continue to carry the assets at cost. If we must mark-to-market, then so should retailers, hospitals, factories, i.e. everybody.

As noted above, valuing our loans would be arbitrary and ridiculous, as there is no functioning market for them. And doing so would cause swings in our capital with the winds of rate change. The public will see these numbers, regardless of whether or not it is technically included in Tier 1. This will WEAKEN the bank industry, not strengthen it.

I do not support the proposal for recording interest income. Interest income should continue to be calculated based on contractual terms and not on an after-impairment basis.

I support the change of the requirement that a hedge is "reasonably effective" (as opposed to being "highly effective"). This should make it easier for banks like mine to implement hedge accounting. It is very important that the term "reasonably effective" be better defined though.

Thank you for considering my comments.

Sincerely,

573-785-8461  
President  
First Midwest Bank of Poplar Bluff