From: <u>itrandall@communitybankiowa.com</u>

To: <u>Director - FASB</u>

Subject: File Reference: No. 1810-100, "Accounting for Financial Instruments and Revisions to the Accounting for

Derivatives Instruments and Hedging Activities"

Date: Monday, September 13, 2010 9:42:55 AM

Jay Randall 1404 Eaton St. Dunlap, IA 51529-1500

September 13, 2010

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

Dear Mr. Golden:

As President of Community Bank, a banking institution in Dunlap, Iowa with \$75,000,000.00 in total assets, I am writing to express my opinions on specific provisions of the exposure draft.

I. COMMENTS ON FAIR VALUE

Where do I start?

In the over 25 years that I've worked for Community Bank, we have NOT sold commercial loans from our balance sheet.

When a borrower's ability to repay is impaired, we sit down with the borrower and try to work things out.

I am not even sure that there is an active market for many of our loans which would make it terribly difficult to determine the market value.

It would seem that marking loans to mark market would have a misleading impact on our bank's capital.

Just how much is this going to cost?

As a family owned financial institution, our "investors" have not interest in this information.

Drop this proposal.

II. COMMENTS ON LOAN IMPAIRMENT

Models be tested to be sure they work in my size bank?

Please have all parties (regulators, auditors and bankers) in agreement with any new processes prior to finalizing the rules.

III. COMMENTS ON HEDGE ACCOUNTING

Our bank has not been involved in hedge accounting, but the change that a hedge is "reasonably effective" (as opposed to being "highly effective") should make it easier for banks like mine to implement hedge accounting.

But, please define the term "reasonably effective".

Sincerely,

Jay Randall 7126435413