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September 17, 2010

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

File Reference No. 1810-100

Dear Sir:

I would like to 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 CEO and Chairman of the Board of Centera Bank, Sublette, KS with approximately \$205 Million in total assets, I am writing to express my opinions on specific provisions of the exposure draft.

## I. COMMENTS ON FAIR VALUE

I strongly oppose the part of the proposal that requires all financial instruments, including loans, to be reported at fair value on the balance sheet. First of all, our bank does not sell our commercial loans. Basing our balance sheet on fair values would lead readers of our financial statements to assume we sell the loans, which isn't the case. Secondly, if there are issues with a borrower's ability to repay a loan, we work through the collection process with the borrower. Lastly, there is no active market for many of our loans, so estimating a market value makes no real sense.

Even if our regulators' Tier 1 capital excludes fair value fluctuations, we still will have to explain it to our investors, customers and depositors. The costs and resources that we will need to comply with this new requirement would be significant and would require us to pay consultants and auditors to estimate market value.

For the reasons stated above, our bank requests that the fair value section of the exposure draft be dropped.

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## II. COMMENTS ON LOAN IMPAIRMENT

I recommend that any final model be tested by banks my size in order to insure that the model is solid and workable. In addition, it is very important that any new processes are agreed upon and well understood by regulators, auditors, and bankers prior to finalizing the rules. 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.

Thank you for considering my comments.

Missell. Steven

Sincerely,

Michael D. Stevens CEO/Chairman

MDS:kb