From: <u>Barrett, Rob</u>
To: <u>Director - FASB</u>

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

File Reference Number 1810-100 Accounting for Financial Instruments

The Heritage State Bank opposes the proposed mark to market accounting rules in fair value accounting since it is pro cyclical. Many banks will be required to increase capital as a result of this accounting change. Mark to market would include loans that would be reported at fair value on the balance sheet, with changes in fair value being divided between the income statement and other comprehensive income.

Sincerely

Rob Barrett, President Heritage State Bank Nevada, Mo