From: <a href="mailto:rbrandt@countrysidebank.com">rbrandt@countrysidebank.com</a>

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

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

Derivative Instruments and Hedging Activities"

**Date:** Monday, September 27, 2010 3:43:21 PM

Robert Brandt 379 Main Street Unadilla, NE 68454-4039

September 27, 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 taking the time to understand my concern of the proposed exposure draft of, "Accounting for Financial Instruments and Revisions to the Accounting for Derivative Instruments and Hedging activities." I am President of, Countryside Bank, a \$65 million third generation family owned bank based in Unadilla, Nebraska. We are a community Bank that takes pride in assisting our local citizens and business owners thrive and grow in rural Nebraska.

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.

Our bank does not sell our commercial loans. Basing our balance sheet on fair values leads readers of our financial statements to assume that we will sell the loans, which is not the case.

There is no active market for many of our loans, and estimating a market value makes no real sense.

Even if we could easily obtain a market price, since the loan is just one part of the financial relationship that we have with the customer (multiple loans, investment and trust services, etc.), there is no financial incentive to sell.

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.

Sincerely,

President Countryside Bank

1810-100 Comment Letter No. 2648