

From: dmcclary@americanfederal.net
To: [Director - FASB](#)
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Mr. Golden,

I sat in on the June 30th FASB Webcast on the Accounting for Financial Instruments, Overview of Project and Exposure Draft topic.

I am very concerned with this proposal. I work for a small (\$400 million) thrift organization located in the midwest. I am deeply troubled by the proposal that we must record loans on the balance sheet at their market value. With no reliable market available and no intent to sell our loans, this will be a very cumbersome exercise that is simply not practical.

These are difficult times for those of us in small community banks. We continue to manage our banks well, we are having an outstanding year....because we are paying attention to the important things that matter to our shareholders. Legislators are now pushing forward 5,000 pages of new regulations that we will soon need to comply with, and now FASB is pushing forward with this initiative which makes no sense. It is JUST TOO MUCH to force changes in every aspect of banking at one time. Some of the legislators and members of the FASB Board should spend a few days in the shoes of a Banker.....and you will quickly understand that what you are all doing is forcing small community banks to close or consolidate.....as it is not cost efficient for a small bank to have mostly accounting and compliance people on their staff. The end result will be a banking system similar to Canada....having about 6 national banks to choose from.

I think the FASB proposal makes no sense to push forward and will cause significant volatility in capital that is not necessary. The unintended consequences of this and the regulatory reform bill will be very significant. One thing is for sure, lawyers and accountants will be happy with all this unnecessary complex accounting nightmare being rammed down our throats. Although it was obvious on the Webcast that the FASB Board is not concerned with anyone else's views on the matter, I would ask you to please take a minute to examine the true impact of this proposal....as it does NOT improve financial reporting and it certainly does NOT achieve one of your stated objectives of reducing complexity in accounting for those instruments.

Sincerely,

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