From: kniedan@hersheystatebank.com
To: Director - FASB
Subject: File Reference: No. 1810-100, "Accounting for Financial Instruments and Revisions to the Accounting for Derivative Instruments and Hedging Activities"
Date: Thursday, September 16, 2010 11:13:03 AM

Kenneth Niedan
P. O. Box 459
Hershey, NE 69143-0459

September 16, 2010

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

Dear Mr. Golden:

As President of Hershey State Bank, a community banking institution in Hershey, NE with 45+ million in total assets, I am writing to express my opinions and concerns on specific provisions of the exposure draft.

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.

Community bank loans will generally be unique in some manner to that community, and it would be extremely difficult to fairly and realistically determine the true market value of the loan. The overall customer relationship would need to be factored into the marketability of the loan, which would have so many variables as to make it nearly impossible to arrive at a fair and equitable market value.

If, for the sake of commerce and there is an actual need to regulate the sale and purchase of commercial loans among banks and financial institutions that originate and sell/buy commercial loans, THEN SMALLER COMMUNITY BANKS, SUCH AS OURSELVES, WHO NEARLY ALWAYS HOLD SUCH LOANS IN-HOUSE, SHOULD BE EXEMPTED FROM THIS REQUIREMENT.

Thank you for considering my comments.

Sincerely,

308-368-5555
President & CEO
The HERSHEY STATE BANK

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