From: jkrejci@1fsb.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 30, 2010 12:44:54 PM

Jeff Krejci
4915 Old Cheney Rd
Lincoln, NE 68516-3122

September 30, 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 the opportunity to comment on the exposure draft, "Accounting for Financial Instruments and Revisions to the Accounting for Derivative Instruments and Hedging Activities." As President of First State Bank, Lincolh, Ne with assets of approx. $332 million, I am writiing to express my concern and opposition to the above mentioned draft. In particular the area that would require financial institutions to market to market their loans. Like most community banks we do not sell our commercial loans we service them internally. Our bank currently serves 15 small communties. I don't know how we could ever come up with a market value for these loans in these communities. In addition the fluctuations that would occure in our capital account, even though the regulators may exclude fair value fluctuations, will raise concerns with our customers and may be perceived negatively in their eyes. This could lead to the liquidity issues banks faced in 2008.

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

Thank you for considering my comments.

Sincerely,

President
First State Bank