

From: markloosbrock@statebankoflismore.com
To: [Director - FASB](#)
Subject: Comments on No. 1810-100, "Accounting for Financial Instruments and Revisions to the Accounting for Derivative Instruments and Hedging Activities" Exposure Draft
Date: Monday, September 20, 2010 1:12:55 PM

Mark Loosbrock
PO Box 8
Lismore, MN 56155-0008

September 20, 2010

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

Dear Mr. Golden:

Thank you for the opportunity to comment on FASB's Exposure Draft: Accounting for Financial Instruments and Revisions to the Accounting for Derivative Instruments and Hedging Activities.

My name is Mark Loosbrock and I am the president of the State Bank of Lismore, Lismore, MN. Our bank has under \$ 40,000,000 in assets but have maintained excellent partnerships with our neighboring financial institutions which allows us to meet the needs of our community. I have recently completed a detailed examination of FASB 166 & FASB 167 that costs our bank thousands of dollars not only in completing the analysis but will cost us additional thousand in loss of revenue. Now I have been made aware of the proposal mentioned above and I find it equally frustrating.

I oppose the proposed accounting treatment for core deposits which calls for them to be regularly remeasured using a present value calculation. This would not provide accurate information and the calculations would be expensive and time consuming, particularly for smaller banks like ours that have limited staff resources to conduct the analysis. Community banks such as this bank create and hold small business loans for which there is no active market; it would be very difficult and costly to mark them to market. The expanded reporting of comprehensive income is unnecessary, confusing and of little use to most financial statement users.

I have 7 employees that fill their days with meaningful hours insuring that this financial institution provides the necessary deposit instruments and credit instruments to satisfy the needs of this rural community. Your additional requirements under this proposal would not only be costly and time consuming but unfortunately would also be quite useless. Community banks such as this bank create and hold small business loans for which there is no active market; it would be very difficult to mark them to market.

These accounting changes will increase the volatility of bank balance sheets, forcing them to face higher capital requirements or decrease lending at a time when regulators are calling for more capital and our economy needs more, not less, credit availability.

Again, we thank your for the opportunity to comment on this proposal.

Sincerely,

Mark Loosbrock
507-472-8221