From: mford@cbtcnet.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:** Tuesday, September 21, 2010 10:47:58 AM

Mott Ford 510 South mendenhall Memphis, TN 38117-4246

September 21, 2010

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

Dear Mr. Golden:

Mr. Russell Golden Technical Director Financial Accounting Standards Board

Dear Mr. Russell,

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.

I am writing to urge FASB to not go forward with the proposal.

I am the Chief Executive Officer of a \$600 milion dollar community bank headquartered in Paris, Tennessee. We serve four markets in Tennessee that include Paris, Union City, Jackson and Memphis. We serve both rural and urban markets. We make extensions of credit for agriculture loans and production lines as well as small business and commercial loans and lines of credit. We also serve the individual needs of our clients with personal lines of credit, mortgage loans, home equity loans and lines as well as personal savings, checking accounts, certifiactes of deposits and money market accounts.

The accounting that would result from this proposal would greatly misrepresent the financial condition of our bank and other community banks.

Community banks fund their operations by taking deposits and holding loans for the long term. Most financial instruments this bank holds are not readily marketable.

We 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.

We also oppose requiring fair value calculations for loans that are held

for the long-term to collect cash flows.

Fair value measurements will not provide a better understanding of the values of illiquid agricultural loans held by small banks in rural areas such as this bank.

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.

Conservative community bankers (and bank regulators) see the need for more flexibility in setting the allowance for loan and lease losses. We are all well aware that economic cycles occur and it is very difficult to absorbing losses and raising capital during times of economic difficulties, such as the current environment.

While I believe strongly that the recent economic crisis forces us to look at the systems, processes and procedures that could have had an impact on the crisis, the proposed changes to the fair value accounting are misguided and will result in greater harm than good.

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

Sincerely,

Mott Ford 901 888-2265