

From: brian.meyer@ssbindee.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: Thursday, September 23, 2010 12:33:16 PM

Brian Meyer
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September 23, 2010

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

Dear Mr. Golden:

Dear Sir(s):

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.

The accounting that would result from this proposal would create an expensive misrepresentation of our balance sheet on a daily basis. We are an \$82 million dollar rural Iowa institution. We make loans to farmers and small businesses every day and these loans would be very difficult to value on a monthly basis. They are our customers and neighbors and we intend to assist them no matter what the market does or how their loan is valued. We have no intention of selling these loans in to the marketplace and it makes no sense to develop a rule that will be very inaccurate in this valuation process.

This same thought process hold true for our core deposits that come from this same customer base. We also do not have and cannot afford to hire the addition staff necessary to complete these tasks.

The expanded reporting of comprehensive income is unnecessary, confusing and of little use to most community banks and their 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 absorb losses and raise capital during times of economic difficulties, such as the current environment. Please allow us to build a reserve during the good years to be used in these credit crisis periods.

The proposed accounting changes will exacerbate cyclicity in financial results due to the greater reliance on fair value measurements, valuations that will be less accurate than current accounting requirements.

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 you for the opportunity to comment on this proposal.

Sincerely,

Brian K. Meyer, President of Security State Bank