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Russell Golden
Financial Accounting Standards Board

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.

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

I am the Chief Executive Officer of an independent family owned financial institution with approximately \$89,000,000 in assets. We are located in a rural southern Illinois region that has been greatly impacted by economy not only recently but in the past ten years. I am the fifth generation to work in the financial industry and am greatly concerned as to the recent regulatory changes as well as the impact of this FASB decision.

The primary business of our community bank just like other small institutions is to hold financial instruments to collect contractual cash flows, not to trade them on a regular basis. We do not actively market our loans - we take in local deposits pay interest on them and turn around to invest them in the local economy by making loans to our friends and business partners holding them until maturity. Trying to find a market value of these types of assets will be nearly impossible and unrealistic.

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 are a closely held organization that fair value accounting would only

be difficult to calculate and account for but would only be more confusing and of little use to our owners. Although we are currently well-capitalized the fluctuation in an organizations capital under these rules will only weaken the financial industry even more than it is today.

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. Furthermore, this accounting practice overstates a balance sheet when the intent of the organization is to never sell the assets in an unrealistic unnecessary way. To provide resources and changes to these practices is exorbitant to an organization that should not be required to account in this manner in the first place.

Thank you for your time and consideration and again I implore you to drop the proposal for fair value accounting changes.

Sincerely,

Sheila Burcham
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Community Bankers Association of Illinois