From: Taylor, Paul
To: Director - FASB
Cc: Treece, Christopher
Subject: FW: File Reference No. 1810-100
Date: Monday, September 20, 2010 4:52:20 PM

Dear Mr. Russell Golden, Technical Director, FASB

My name is Paul Taylor, and I am the Executive Vice President and Chief Financial and Operative Officer for Guaranty Bank and Trust Company in Denver, Colorado. We are a $2.0 billion community bank with 34 branches serving the front range of Colorado. I thank you for the opportunity to comment on FASB's Exposure Draft related to the Accounting for Financial Instruments and Revisions to the Accounting for Derivative Instruments and Hedging Activities.

I encourage the FASB to **not** go forward with this fair value accounting proposal.

The fair value accounting that would result from this proposal would greatly misrepresent the balance sheet and income statement of our bank as well as other community banks across the country.

As a community bank, we take deposits and hold loans for the long term. We do not trade any of our liabilities or loans, nor does our bank engage in hedging or derivatives activity as a means of risk management. With the exception of our conservative investment portfolio, the financial instruments (i.e. loans, deposits and other borrowings) that this bank holds are not readily marketable.

We strongly oppose requiring fair value calculations for loans that are held for the long-term. We create and hold loans for businesses and individuals in the communities we serve, which is why it is our intent to hold these loans long-term. It would be very difficult and costly to mark them to market, as well as quite subjective due to the lack of market. The same loan could be valued differently by different community banks which brings into question, the validity and reliability of the results of any valuation. We would have to hire additional staff to perform the necessary valuations and/or hire a third party valuation expert to perform these calculations which will provide nominal incremental useful information to the investor beyond that which is already required to be disclosed in our fair value footnotes.

We oppose the proposed accounting treatment for core deposits which calls for them to be regularly remeasured, or revalued, using a present value calculation. This would not provide accurate information and the calculations would be expensive and time consuming, particularly for a bank our size that has tight reporting deadlines to both banking regulators and the SEC. We have very limited staff resources to conduct a core deposit analysis and a third party core deposit analysis is very expensive.

We also oppose requiring institutions to record demand deposits at fair value. Our demand deposits are relatively stable over time and any valuation infers that these are readily marketable, when in fact they are not, unless we sell a particular branch or the entire institution. We do not have any intention to do either at this time.

Accounting standards and guidance should not be pro-cyclical. Recent market conditions have demonstrated the pro-cyclical nature of mark-to-market accounting as declining values of financial instruments necessitated write-downs and sales, causing further write-downs and sales. The proposed accounting changes will exacerbate cyclicality 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, if implemented as proposed, will significantly increase the volatility of community bank balance sheets. Interest rates and market cyclicality could impact on our financial statements more than our core business activities. This volatility could subject us to potentially higher capital requirements based on varying values when banking regulators are already calling for more capital. It is our belief that the additional cost and burden of compliance, including higher capital requirements, will cause community banks to decrease lending at a time our economy needs more, not less, credit availability to our local communities.

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

Sincerely,

Paul W. Taylor
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