



May 17, 2013

Ms. Leslie F. Seidman, Chairman
Financial Accounting Standards Board
401 Merritt 7
PO Box 5116
Norwalk, Connecticut 06856-5116

Dear Ms. Seidman:

**Re: File Reference No. 2012-260, Financial Instruments – Credit Losses
(Subtopic 825-15)**

Home Bancshares, Inc. appreciates the opportunity to provide feedback on the financial instruments credit loss exposure drafts issued by FASB. We are submitting our detailed comments on your proposal and the purpose of this letter is to describe our recommendations for a successful standard on credit losses.

The following are our views and recommendations to FASB:

1. For Purchased Credit-Impaired financial assets, it allows for a day one allowance to be established. This is an outstanding improvement over the current accounting treatment. The same accounting should apply to all loans, including those acquired in a business combination. This change should be allowed as soon as possible.
2. The proposal changes the approach to losses from a historical and possible incurred loss projection based on facts relative to the loan, to one that would require very speculative forecasting on all loans including the economic cycle. Attempting to predict credit loss over the life of a loan with any accuracy upfront would be very difficult and does not necessarily yield more accurate credit loss predictions. Additionally, this proposal creates a guessing game method which could lead to the perception of earnings management.
3. The proposal includes the hardship of capturing the time value of money in the credit loss allowance. We believe that financial statement users are interested in what will/will not be collected with regard to principal, and an amortized cost balance needs no explanation. The inclusion of present value theory unnecessarily complicates that process, and it should be removed from the exposure draft.

Thank you for considering our views on this significant banking industry evolution. I appreciate the opportunity to share my opinion on this important proposal. Please feel free to contact me at 501-328-4657 if you would like to discuss these views.

Respectively submitted,

A handwritten signature in black ink, appearing to read "Randy Mayor", with a long, sweeping horizontal line extending to the right.

Randy Mayor
Chief Financial Officer