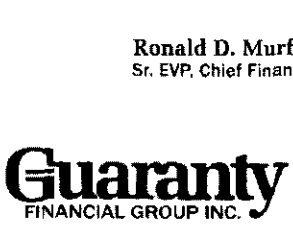
Ronald D. Murff
Sr. EVP, Chief Financial Officer

LETTER OF COMMENT NO. 136



December 29, 2008

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

Via email: director@fasb.org

File Reference: Proposed FSP EITF 99-20-a (*Amendments to the Impairment and Interest Income Measurement Guidance of EITF Issue No. 99-20)*

Dear Technical Director:

Guaranty Bank is a $16 billion regional bank with operations primarily in Texas and California. We are publicly traded on the NYSE as GFG. We have a portfolio of mortgage-backed securities, so this issue in general is important to us. We appreciate the recent focus of the Financial Accounting Standards Board (FASB) on the important issue of "other than temporary impairment" (OTTI).

We support the FASB's Proposed FASB FSP EITF 99-20-a, *Amendments to the Impairment and Interest Income Measurement Guidance of EITF Issue No. 99-20,* which would amend EITF Issue No. 99-20 *(Recognition of Interest Income and Impairment on Purchased Beneficial Interests and Beneficial Interests That Continue to Be Held by a transferor in Securitized Financial Assets).* We urge you to issue the proposal in final form, to be effective for December 31, 2008 financial reporting.

We support the proposal only as a first step toward improving the application of OTTI, and we appreciate the FASB's recent decision to examine additional problems relating to OTTI. Because of the significance of the problems with the application of OTTI in the current market environment, we believe changes to these practices are critical for year-end 2008 financial reporting. We agree with the letter from the American Bankers Association to the FASB on the proposal, dated December 28, 2008, which supports the proposal and requests that additional OTTI concerns be addressed for year-end 2008 reporting. OTTI has been controversial for many years, and we believe it would be more meaningful to use a model based on credit impairment rather than on market values.
Thank you for your attention to these matters and for considering our views.

Sincerely,

Ronald D. Murff
Sr. EVP, Chief Financial Officer

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