



November 18, 2013

P.O. Box 500  
Sulphur Springs, Texas 75483

Telephone: 903/885-2187  
Fax: 903/885-7730

*Member FDIC*



Mr. Russell G. Golden  
Chairman  
Financial Accounting Standards Board  
401 Merritt 7  
Norwalk, CT 06856-5116

RE: Proposed Accounting Standards update: Financial Instruments-Credit Losses

Dear Mr. Golden:

My name is Keith Shurtleff and I am Senior Vice President of Alliance Bank in Sulphur Springs, TX. I am writing to you to express serious concerns about the proposed changes to accounting standards on impairment for loans and securities. My bank is a community bank with assets of about \$600 million. Part of my specific responsibilities involves managing the loan loss provisions for my bank.

I am very concerned about my bank's ability to make proper calculations under the new proposal. The complex modeling requirements of the new guidelines will create yet another unnecessary expense that will ultimately be born by consumers. The proposed guidance may work for banks with billions of dollars in loans but for banks with limited portfolios, this method will create several areas of added expense and in the end not be able to more accurately forecast my losses than other, simpler models.

The ICBA has proposed a method of loss calculation that utilizes historical observations. This method will work as well for community banks and their limited portfolios as the FASB proposed method will but it will be much simpler to implement and maintain. I urge you to consider the ICBA proposal.

We are not adverse to changing methods to improve our ability to prepare for losses in our asset portfolio. We are averse to using a complicated method that must be out-sourced and that we simply do not need. Our loss calculation needs are very different from the largest banks in the country. We should not have to operate under a system that is made for very large banks and is onerous to community banks.

Thank you for considering my request. If you have other questions you can reach me at 903-439-6757 or at [kshurtleff@alliancebank.com](mailto:kshurtleff@alliancebank.com).

Sincerely,

A handwritten signature in black ink that reads "Keith Shurtleff". The signature is written in a cursive style.

Keith Shurtleff  
Senior Vice President