



January 30, 2018

Ms. Susan Cospier
Technical Director
File Reference No. 2018-200
Financial Accounting Standards Board
401 Merritt 7
PO Box 5116
Norwalk, CT 06856-5116

RE: File Reference No. 2018-200: Leases (Topic 842) – Targeted Improvements

Dear Ms. Cospier:

Texas Capital Bancshares, Inc. (“we” or “TCBI”) appreciates the opportunity to provide feedback on the Financial Accounting Standards Board’s (“FASB”) Proposed Accounting Standards Update – *Leases (Topic 842) – Targeted Improvements* (the “proposed ASU”).

TCBI is a registered bank holding company and a financial holding company. TCBI is the parent company of Texas Capital Bank, N.A., headquartered in Dallas, Texas. We are an independent bank focused primarily on serving the needs of middle market commercial businesses, successful professionals and entrepreneurs in Texas. In addition, we operate four national lines of business to provide specialized products and services for customers in Builder Finance, Lender Finance, Mortgage Finance and Premium Finance.

We commend the FASB’s actions to address implementation issues raised by stakeholders regarding the implementation of Topic 842 and we support the proposed additional transition option. We also support the proposed practical expedient to allow lessors to not separate nonlease components from the related lease components if certain criteria are met, although this proposed practical expedient would not significantly impact TCBI. Our responses below pertain to the proposed optional transition method.

Question 1: Would the proposed optional transition method to apply the new lease requirements through a cumulative-effect adjustment in the period of adoption reduce the costs and complexity associated with implementing Topic 842? If not, please explain why.

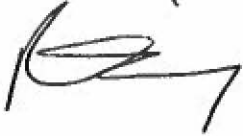
Yes, we believe the proposed optional transition method would significantly reduce the costs and complexity associated with implementing Topic 842 by providing meaningful relief from the time and cost that would be required to retrospectively analyze, report, and disclose information related to leasing arrangements that expire prior to the adoption date. We also believe that the reduction in cost and complexity of implementation would justify the reduction in expected benefits to users of financial statements in that the current disclosure requirements of Topic 840 provide sufficient information to allow users to understand the future lease obligations not reported on the balance sheet for the periods prior to adoption. We also recognize that the primary objective of Topic 842 was to bring operating leases onto the balance sheet and we believe this objective will still be achieved by having leases recognized on the balance sheet as of the effective date.

Question 2: Is the proposed transition method, as written in this proposed Update, operable? If not, please explain why.

Yes, we believe the proposed transition method is operable.

Thank you for the opportunity to comment on the proposed ASU. We would be pleased to discuss any of our comments at your convenience.

Sincerely,

A handwritten signature in black ink, appearing to read 'AW', is positioned above the typed name and contact information.

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