July 25, 2019

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

Dear Mr. Golden:

We write to express our continued concern around the implementation of the proposed Current Expected Credit Losses (CECL) accounting standard. We are deeply concerned with the impacts of CECL implementation on economic stability, job creation and wage growth.

We welcome your recently-announced delay for certain smaller banks and credit unions following your July 17th meeting and your acknowledgment of the difficulties posed by CECL implementation. However, this delay does little to address our broader concerns with CECL implementation on our nation’s economy. Prior to any implementation of CECL FASB, in concert with the US Treasury Department and the federal financial institutions regulators, should study and fully analyze the potential impact and should share those findings with Congress. Only once the implications of implementing the new CECL standards are fully understood and there is a consensus for implementation, should FASB adopt the new standard.

The delegation of accounting standard setting from Congress through the Securities and Exchange Commission (SEC) to FASB has resulted in accounting standards that have, to this point in time, served the US economy well. This delegation authority and the independent structure of FASB does not remove your responsibility to study and understand the impact of the standards you set. Nor does it remove the SEC’s and Congress’s ongoing oversight responsibility of your actions, including the possible reversal of your actions.
We strongly urge you to delay the implementation of the CECL standards for all institutions until you have fully studied the implications of the standard and there is a consensus among stakeholders to move forward.

Sincerely,

David Scott  
Member of Congress

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Member of Congress