

MINUTES



MEMORANDUM

**To:** Board Members  
**From:** Accounting for Financial Instruments Team  
**Subject:** Minutes of the April 3, 2019 Board Meeting  
**Date:** April 11, 2019

*The Board meeting minutes are provided for the information and convenience of constituents who want to follow the Board's deliberations. All of the conclusions reported are tentative and may be changed at future Board meetings. Decisions become final only after a formal written ballot to issue an Accounting Standards Update or a Statement of Financial Accounting Concepts.*

Topic: Financial Instruments—Credit Losses Implementation

Basis for Discussion: FASB Memo No. 18, "Current Expected Credit Losses"

Length of Discussion: 9:00 a.m. to 10:15 a.m. EDT

Attendance:

Board members present: Golden, Kroeker, Botosan, Buesser, Hunt, and Schroeder

Board members absent: None

Staff in charge of topic: Shah

Other staff at Board table: Cospers, Kuhaneck, Romano, Cryderman, Mohamed, Jepsen, and Williams

Outside participants: None

**Type of Document and Timing Based on the Technical Plan:**

The Board discussed a proposal submitted by a group of regional banks and feedback received at its January 2019 public roundtable on the credit losses standard. The Board also discussed implementation questions on vintage disclosures.

**Tentative Board Decisions:**

The Board decided that the proposed alternative submitted by a group of regional banks on November 5, 2018, and their follow-up letter, which was submitted on January 11, 2019, would not result in incremental improvements to the accounting for expected credit losses. Therefore, the Board did not add a project to its technical agenda to explore modifying the accounting for expected credit losses by requiring that an entity bifurcate expected credit losses in net income and other comprehensive income, as recommended in the proposal.

**[Vote: 6-0]**

The Board also decided that the intent of what is required as it relates to credit-quality disclosures in paragraphs 326-20-50-4 through 50-9 and what is illustrated in Example 15 of paragraph 326-20-55-79 is unclear. Therefore, the Board decided that an entity should apply the guidance in paragraphs 326-20-50-4 through 50-9 when preparing credit-quality disclosures and that an entity is not required to disclose gross writeoffs and gross recoveries by vintage, as illustrated in Example 15.

**[Vote: 5-1]**

*Next Steps*

The Board directed the staff to conduct additional outreach and research on the costs and benefits of disclosing gross writeoffs and gross recoveries in the vintage disclosure table.

**General Announcements:**

The staff is developing educational materials related to the credit losses standard, including a Q&A document that discusses the inclusion of reasonable and supportable forecasts when developing an estimate how an entity may develop its reasonable and supportable forecasts, among other potential Q&As.