

Date: December 18, 2018

To: Members of the U.S. House of Representatives

From: James Ballentine, Executive Vice President, Congressional Relations & Political Affairs

Re: COSIGN Rep. Kustoff's CECL Letter - Deadline: 2:00 pm Today

On behalf of the members of the American Bankers Association, I write to express our strong support for Representative David Kustoff's (R-TN) letter to Treasury Secretary Steve Mnuchin, as the Chairman of the Financial Stability Oversight Council (FSOC), urging FSOC to delay the implementation of the Current Expected Credit Loss (CECL) accounting model until a quantitative impact study on this new proposed accounting standard is complete.

As the Financial Stability Oversight Council is scheduled to meet in executive session tomorrow, Wednesday, December 19th – and CECL will be one of the items to be discussed – it is important to remember that the banking industry has long been concerned about CECL's cost and impact on our ability to serve our customers and communities. In particular, the additional capital requirements that CECL would place on banks, which will ultimately divert resources away from popular lending services and products in times of economic stress.

On October 25, 2018, 52 state bankers associations highlighted these concerns in the attached letter to Secretary Mnuchin, and made a similar request to delay the implementation of CECL indefinitely until a comprehensive quantitative impact study to assess the standard's impact on banks, lending, and the economy is complete.

We urge you to cosign Representative Kustoff's letter. Deadline for signature is 2:00 p.m. today. If interested, please contact Justin Melvin at 202-225-4714.