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May 22, 2018

Ms. Susan M. Cospers
Technical Director
Financial Accounting Standards Board
401 Merritt 7
P.O. Box 5116
Norwalk, CT 06856

Re: Effective Date of Accounting Standards Update 2016-13, “Financial Instruments—
Credit Losses (Topic 326)”

Dear Ms. Cospers:

On behalf of America’s credit unions, I am writing regarding the upcoming effective date of ASU 2016-13, *Financial Instruments—Credit Losses* (CECL). The Credit Union National Association (CUNA) represents America’s credit unions and their 110 million members. The comments below were written under the auspices of CUNA’s Accounting Advisory Committee, chaired by Julie Renderos, EVP & CFO of Suncoast Credit Union.

CUNA supports the Financial Accounting Standards Board’s (FASB) intent of tiered effective dates to allow smaller and less complex financial institutions the flexibility and time to implement the standard in an appropriate manner. It appears the FASB sought to provide additional implementation time for non-public business entities (PBE), which includes federal and state chartered credit unions. We understand the American Institute of Certified Public Accountants (AICPA) Credit Losses Task Force submitted a paper, *ASU 2016-13 and Effective date for non-PBEs*, to the FASB staff regarding the effective date for non-PBEs.

Both populations of entities need to determine the transition entry as of the beginning of the first quarter of fiscal years beginning after December 15, 2020—which is January 1, 2021, for calendar year-ends. We concur with the AICPA that the adoption during the fourth quarter does not effectively result in a different adoption date between non-SEC filer PBEs and non-PBEs, given the need to have appropriate reporting systems and internal controls as of January 1, 2021.

CUNA supports the AICPA recommendation to clarify the effective date to provide additional time for non-PBEs as the Board intended.

On behalf of America's credit unions and their 110 million members, thank you for the opportunity to share our views regarding the effective date of the CECL accounting standard. If you have questions about our comments, please do not hesitate to contact me at (202) 508-6743.

Sincerely,

A handwritten signature in cursive script that reads "Luke Martone".

Luke Martone
Senior Director of Advocacy & Counsel