

From: Clayton Fuchigami <cfuchigami@mauifcu.com>
Sent: Tuesday, August 20, 2019 8:36 PM
To: Director - FASB <director@fasb.org>
Subject: FASB 2019-05 Financial Instruments - Credit Losses (Topic 325) Targeted Transition Relief

Mr. Director,

We are in support of the proposal to delay the effective date to January 2023 to non SEC filers. This will afford us additional time to prepare for the new rules on this subject. We are in favor of the delayed implementation for the following reasons.

1. By definition we are considered a small credit union by our federal regulator NCUA without a complex portfolio. The new accounting standard does impose an additional burden.
2. Having the extension will provide us with additional time and cost savings of collecting the data.
3. We feel the current “incurred-loss” approach is adequate based on our complexity and that adopting the “lifetime expected credit losses” poses an additional financial and regulatory burden.
4. Historically, underfunding of our allowance accounts has never been a regulatory issue.

Thank you for allowing us to submit these comments.

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