

August 26, 2019

Financial Accounting Standards Board  
FASB Technical Director  
401 Merritt 7  
Norwalk, CT 06856-5116

RE: Comments on Effective Dates; File Reference No. 2019-750

Dear Technical Director,

I am writing on behalf of Valley Oak Credit Union, which serves Tulare and Madera County, California. We have 7,000 members and \$52,000,000 in assets. Valley Oak Credit Union appreciates the opportunity to provide comments to the Financial Accounting Standards Board (FASB) on its proposed Accounting Standards Update (ASU) regarding a change in philosophy regarding effective dates and its application to the effective dates for the following major ASUs: current expected credit losses (CECL) (*Topic 326*), Leases (*Topic 842*), and Hedging (*Topic 815*).

I support delaying the CECL effective date to January 2023 (from January 2022). CECL is a tool designed to give better evaluations of assets in for profit entities that are publically traded. As credit unions are not for profit and are not subject to public trading the value of the CECL standard is not necessary for entiites such as credit unions. Ultimately it would be best if non and not for profit, which are not publically traded were never required to comply with CECL however the delay is better than needed to implement the standard as originally scheduled.

The FASB is adopting a new effective date philosophy for major standards updates – that is, a major standard update would first be effective for larger public companies and for all other entities the Board would consider requiring an effective date staggered at least two years later. I support FASB using a phased approach for major standard changes. In many cases the need for the changes for large public companies is the reason for the change in the first place so the staggered approach makes sense.

In summary I support the delay in the CECL standard for non publicly traded entities. I would also like to reiterate that the need for CECL in non publically traded organizations is not necessary at all and the non publically trade organizations would be better served without ever being required to implement CECL

Thank you for the opportunity to comment on the proposed ASU regarding effective and for considering our views.

Sincerely,

Alan Cortum  
President/CEO  
Valley Oak CU

cc: CCUL