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September 4, 2019

Financial Accounting Standards Board
401 Merritt 7
PO Box 5116
Norwalk, CT 06856-5116

Re: Proposed Accounting Standards Update-Financial Instruments-Credit Losses (Topic 326)
File Reference No. 2019-750

To Whom It May Concern:

I am writing on behalf of TopMark Federal Credit Union, which serves Allen and Auglaize Counties in Ohio. We have over 9,100 members and 45 million in assets. TopMark 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)*.

Historically, financial institutions' accounting methods recognized losses based on actual defaults or specific events that anticipated a loss. Representing a significant shift, in 2016, FASB issued new accounting standards, which included CECL. CECL accounting is premised on both historical and current loss ***and* loss that is *expected to occur in the future* over the entire lifetime of a loan.**

Last year, FASB extended the effective date to January 2020. Since then, entities have continued to prepare for CECL implementation despite experiencing challenges, such as extracting data from core processors, overhauling accounting methods, determining the appropriate model, and adjusting internal controls and reporting systems. Additionally, our comment in full support of the delay in no way represents concurrence with the notion that the new CECL standard is necessary and beneficial (we do not agree that it is) or that it should apply to financial cooperatives (we do not agree that it should).

I am a huge supporter to postpone the implementation of CECL until January 2023. The delay will allow for more extensive testing to occur in order to properly determine which methodology we will use. Because CECL isn't a one-size-fits-all standard, we will need to select different methodologies to assess risk for different loan classifications and apply different loss methodologies to our loan pools.

As a small credit union, with limited staff (20) and resources, the ground work required is too immense in addition to all the other daily demands we are faced with.

While we appreciate FASB engaging with credit unions and praise the Board's proposal to ensure all other public business entities receive enough time to prepare for CECL, we **urge** FASB to continue engaging with the financial services industry, especially credit unions and other community institutions which face challenges in preparing for CECL implementation.

Thank for you the opportunity to respond to this proposed accounting standards update.

Respectfully,

Angie Maynard

Angie Maynard, CEO
TopMark FCU

EQUAL HOUSING LENDER

NCUA