

From: Keith Thornburg <kthornburg@mobankers.com>
Sent: Tuesday, September 10, 2019 3:22 PM
To: Director - FASB <director@fasb.org>
Subject: File Ref. No. 2019-750

Dear Technical Director:

The Missouri Bankers Association is in favor of the proposal to establish a “2-bucket” implementation of CECL with a delayed effective date for most financial institutions till December 15, 2022.

The MBA respectfully urges further consideration of CECL as follows:

1. FASB should further delay the implementation and work with the SEC, the Federal Reserve, the FDIC and the OCC to undertake an economic impact analysis because CECL could be pro-cyclical and act as a constraint on credit and economic activity detrimental to economy and jobs -the results of financial impact studies and stress testing scenarios should guide FASB as to making appropriate changes to CECL – to avoid such perverse outcomes as was the case with “mark to market” accounting at times when market pricing data was under duress or markets were effectively locked up;
2. CECL could place the US economy and commerce at a disadvantage globally – CECL should give consideration to international standards;
3. With regard to depository institutions CECL should not be implemented without timely coordinated changes in regulatory capital requirements such as a review of risk weighted asset requirements;
4. CECL appears to result in opening the door to financial statement manipulation via smoothing of credit losses and earnings;
5. CECL does not appear to serve the benefit of financial statement users because of its complexity and will obscure accurate and timely measurement of financial performance;
6. CECL adds complexity and will at times report inconsistent financial data as compared to a bank’s internal data relied on by management pertaining to management of assets.

Thank you.

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