



September 12, 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

Dear Technical Director,

I am writing on behalf of Northland Area Federal Credit Union, which serves primarily rural areas in Northeastern Michigan. We are a low-income designated credit union with 48,000 members and \$432 million in assets.

Effective Date Philosophy

We support the Board's proposed philosophy of staggering effective dates for major Update implementations for larger public companies (bucket one) and all other entities (bucket two), including credit unions, by at least two years. The challenges for smaller entities acknowledged by the Board, such as availability of resources, are very real and often exacerbated for financial institutions of our size. However, we would caution against implementing this philosophy as a steadfast rule as it limits the Board's flexibility.

Credit Losses

Over the last several years, Northland has been preparing for the implementation of the new Current Expected Credit Loss (CECL) Accounting Standard. Our Board of Directors, Management Team and CECL Implementation Committee continue to participate in numerous educational sessions; we have developed an implementation plan, and consulted with our independent auditors. Although we have a strategy in place, we are challenged by the availability of resources, information technology systems, and reporting that is necessary to implement this new standard. Accordingly, we support delaying the effective date until January 2023.

Thank you for the opportunity to share our comments.

Respectfully,

Kristine Brenner

Vice President of Finance/CFO