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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:

ProMedica Federal Credit Union appreciates the opportunity to submit feedback to the Financial Accounting Standards Board (FASB) regarding the current expected credit loss (CECL) standard and the delay of its effective date. We are a Health Care Credit Union in Northwest Ohio.

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.

Since FASB issued CECL, stakeholders and interested parties, like ProMedica Federal Credit Union, have submitted feedback to the agency regarding challenges with CECL implementation and compliance. 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.

We began working on this project over a year ago. When going through the process we found that the number of different options available is a bit overwhelming. We need to make sure we pick the right options for our credit union which requires a significant amount of more research. So more time to allow for additional research to make the correct decision is certainly welcomed.

As such, it is necessary that FASB afford the maximum amount of time for credit unions to prepare for CECL, which is why ProMedica Federal Credit Union supports delaying the effective date for all other public business entities, including credit unions, until January 2023. 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).

While we appreciate FASB engaging with credit unions and laud 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.

We appreciate the Board's commitment to engage with interested parties, especially those impacted by the new standard. Thank for you the opportunity to respond to this proposed accounting standards update.

Respectfully,

A handwritten signature in blue ink, appearing to read "R. Haas Jr.", is written over the printed name.

Richard J. Haas Jr.
CEO
ProMedica Federal Credit Union