



Filed via director@fasb.org.

September 13, 2019

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

Re: File Reference No. 2019-750
Proposed Accounting Standards Update

To Whom It May Concern:

The Illinois Credit Union League (“ICUL”) is the primary trade association for nearly 260 state and federally chartered credit unions doing business in the State of Illinois, who in turn serve over 3.5 million consumers. We thank you for the opportunity to comment on the Financial Accounting Standards Board’s (FASB) proposed accounting standards update granting private companies, not-for-profit organizations and certain small public companies additional time to implement FASB standards on current expected credit losses (CECL), hedging and leases.

Regarding the request for feedback presented in the Exposure Draft, we submit the following:

Effective Date Philosophy

We are in favor of the Board setting forth a new philosophy to extend and simplify how effective dates are staggered between larger public companies (bucket one) and all other entities (bucket two). Under this philosophy, a major accounting standard update would first be effective for bucket-one entities – entities that are Securities and Exchange Commission filers, all other entities, including credit unions would compose bucket two. For bucket-two entities, it is anticipated that the Board will consider requiring an effective date staggered at least two years after bucket one for major accounting standard updates.

As FASB reports, bucket two entities, including credit unions, face magnified implementation challenges, including but not limited to the following factors:

- Availability of resources (both internal and external)
- Timing and sources of education
- Knowledge or experience gained from the implementation issues encountered by larger public companies



- Comprehensive transition requirements
- Understanding and applying guidance from post-issuance standard-setting activities
- The development or acquisition of:
 - Sufficient information technology and expertise in developing new systems or changing existing ones
 - Effective business solutions and internal controls
 - Better data or estimation processes

As a result of these and other factors, we support the delay in the effective dates for bucket two entities for CECL, hedging and leases.

While we are in favor of the new philosophy, we stand with our national equivalent, the Credit Union National Association (CUNA) in its longstanding position that application of CECL to credit unions is inappropriate. As CUNA points out:

CECL is intended to address delayed recognition of credit losses resulting in insufficient funding of the allowance accounts of certain covered entities. However, underfunding of allowance accounts has not generally been an issue for credit unions. Further the typical user of a credit union's financial statements is not a public investor-such as with large public banks-but instead is the credit union's prudential regulator, the National Credit Union Administration (NCUA).

Furthermore, we ask the Board to collaborate with the NCUA to provide resources in preparation of implementing this major accounting standard update. It is crucial to offer reliable guidance for smaller entities to ensure an efficient and successful transition.

Conclusion

We applaud FASB for recognizing the implementation challenges encountered by private and smaller public companies with regard to major accounting standards and appreciate the opportunity to offer our comments.

Sincerely,

A handwritten signature in black ink that reads "Joni Senkpele".

Illinois Credit Union League
By: SVP Member Solutions