
Joint Release

Board of Governors of the Federal Reserve System
Federal Deposit Insurance Corporation
National Credit Union Administration
Office of the Comptroller of the Currency

For immediate release

October 17, 2019

Federal Financial Regulatory Agencies Seek Comment on Proposed Interagency Policy Statement on Allowances for Credit Losses and Proposed Interagency Guidance on Credit Risk Review Systems

Four federal financial regulatory agencies today requested comment on a proposed Interagency Policy Statement on Allowances for Credit Losses. This proposed policy statement is intended to promote consistency in the interpretation and application of the Financial Accounting Standards Board's (FASB) credit losses accounting standard, which introduces the current expected credit losses (CECL) methodology.

The proposed interagency policy statement describes the measurement of expected credit losses using the CECL methodology and updates concepts and practices detailed in existing supervisory guidance that remain applicable. CECL is effective for most public financial institutions beginning in 2020, and the FASB recently decided to defer the effective date of CECL for all other institutions to 2023. The proposed interagency policy statement would be effective at the time of each institution's adoption of the credit losses accounting standard.

The agencies also are requesting comment on the proposed Interagency Guidance on Credit Risk Review Systems. The guidance presents principles for establishing a system of independent, ongoing credit risk review in accordance with safety and soundness standards.

The proposals were issued by the Federal Reserve Board, the Federal Deposit Insurance Corporation, the National Credit Union Administration, and the Office of the Comptroller of the Currency. Comments on each proposal will be accepted for 60 days after publication in the *Federal Register*.

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Attachments:

[Proposed Interagency Policy Statement on Allowances for Credit Losses](#)
[Proposed Interagency Guidance on Credit Risk Review Systems](#)

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