



**Federal Deposit Insurance
Corporation**

550 17th Street NW, Washington, DC 20429-9990

Financial Institution Letter

FIL-18-2013

May 9, 2013

BANKER TELECONFERENCE ON FASB PROPOSAL TO CHANGE THE ACCOUNTING FOR CREDIT LOSSES

Summary: The Financial Accounting Standards Board (FASB) has issued a proposed Accounting Standards Update (ASU) that would change recognition and measurement of credit losses for financial and regulatory reporting purposes. The FASB's comment period closes May 31, 2013. The FDIC will host a free 90-minute teleconference at 1:00 p.m. EDT, May 16, 2013, to discuss the proposal with interested bankers. Employees of all FDIC-supervised institutions are invited to participate.

Statement of Applicability to Institutions Under \$1 Billion in Total Assets: This Financial Institution Letter applies to all FDIC-supervised institutions.

Distribution:

FDIC-Supervised Banks (Commercial and Savings)
FDIC-Supervised Savings Associations

Suggested Routing:

Chief Executive Officer
Chief Credit Officer
Chief Financial Officer
Principal Accounting Officer

Related Topics:

Consolidated Reports of Condition and Income (Call Report)

Attachment:

[Telecon 5-16 - FI - Credit Losses - PDF \(PDF Help\)](#)
[Transcript of Teleconference – PDF](#)

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Teleconference number:

(888) 769-8516

Passcode: 9436220#

Note:

FDIC Financial Institution Letters (FILs) may be accessed from the FDIC's Web site at www.fdic.gov/news/news/financial/2013/index.html.

To receive FILs electronically, visit <http://www.fdic.gov/about/subscription/fil.html>.

Paper copies may be obtained through the FDIC's Public Information Center, 3501 Fairfax Drive, E-1002, Arlington, VA 22226 (877-275-3342 or 703 562 2200).

Highlights:

- The FASB proposes to adopt an expected credit loss approach that would replace several methods now used in accounting for credit losses, including loans where impairment is now based on a probable incurred-loss model. The proposal would apply to loans and debt securities carried at amortized cost and fair value with changes reported in other comprehensive income. The proposal is intended to require more timely recognition of credit losses.
- Bankers are encouraged to review the FASB's ASU and submit comments to the FASB on those aspects of the proposal of interest to them. The FASB extended its comment deadline from April 30 to May 31, 2013. The ASU can be accessed at http://www.fasb.org/cs/ContentServer?c=Document_C&pagename=ASB%2FDocument_C%2FDocumentPage&cid=1176160587228.

The FASB has also provided an Electronic Feedback Form at <https://www.fasurveys.org/se.ashx?s=4CA36E9212DA4751>.
- The FDIC's teleconference will be on May 16, 2013, from 1:00 p.m. to 2:30 p.m. EDT and will consist of a presentation followed by a question-and-answer period. A transcript of the call will be made available after the call.
- Financial institution officers and employees wishing to participate in the FDIC call should dial 888-769-8516 and enter passcode 9436220#. Please join the presentation 30 minutes before the 1:00 p.m. EDT start time.
- PowerPoint slides are an integral part of the teleconference presentation. Participants are encouraged to have a copy of the slides with them during the presentation. A PDF version of the slide presentation is available at [Telecon 5-16 - FI - Credit Losses - PDF \(PDF Help\)](#).