

## **Banking and Finance Law Daily Wrap Up, FINANCIAL STABILITY —McWilliams urges FASB to delay certain accounting rules amid pandemic, (Mar. 20, 2020)**

Banking and Finance Law Daily Wrap Up

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The FDIC Chairman called for the delay to support the industry's efforts to focus on their employees and customers.

Federal Deposit Insurance Corporation Chairman Jelena McWilliams sent a [letter](#) to the Financial Accounting Standards Board urging a delay in transitions to and exclusions from certain accounting rules. In her [press release](#), McWilliams said, "To support the industry's efforts to focus on their employees and customers, I encourage FASB to take these much needed actions to allow banks to help their communities at this time of need."

These include: (1) excluding COVID-19-related modifications from being considered a concession when determining a troubled debt restructuring classification; (2) permitting financial institutions currently subject to the current expected credit losses (CECL) methodology an option to postpone implementation of CECL given the current economic environment; and (3) imposing a moratorium on the effective date for those institutions that are not currently required to implement CECL to allow these financial institutions to focus on immediate business challenges relating to the impact of the current pandemic and its effect on the financial system.

American Bankers Association President and CEO Rob Nichols released a [statement](#) applauding McWilliams' action: "ABA has long called for delaying CECL until a quantitative impact study can be conducted to better understand how it might impact credit availability during periods of economic stress. With economic stress now here thanks to COVID-19, it is critically important that banks of all sizes have all the tools they need to lend to creditworthy individuals and businesses."

Companies: American Bankers Association

Regulatory Activity: Banking Operations Community Development Financial Stability