

116TH CONGRESS
1ST SESSION

S. 1564

To require the Securities and Exchange Commission and certain Federal agencies to carry out a study relating to accounting standards, and for other purposes.

IN THE SENATE OF THE UNITED STATES

MAY 21, 2019

Mr. TILLIS (for himself, Mr. MORAN, Mr. CRAMER, Mr. COTTON, Mr. PERDUE, and Mr. ROUNDS) introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

A BILL

To require the Securities and Exchange Commission and certain Federal agencies to carry out a study relating to accounting standards, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Continued Encourage-
5 ment for Consumer Lending Act”.

6 **SEC. 2. DEFINITIONS.**

7 In this Act—

1 (1) the term “appropriate committees of Con-
2 gress” means—

3 (A) the Committee on Banking, Housing,
4 and Urban Affairs of the Senate; and

5 (B) the Committee on Financial Services
6 of the House of Representatives;

7 (2) the term “CECL” means the accounting
8 standard in “Accounting Standards Update 2016–
9 13, Financial Instruments—Credit Losses (Topic
10 326)”, issued by the Financial Accounting Stand-
11 ards Board in June 2016, as amended by “Account-
12 ing Standards Update 2018–19, Codification Im-
13 provements to Topic 326, Financial Instruments—
14 Credit Losses”, issued by the Financial Accounting
15 Standards Board in November 2018;

16 (3) the term “Commission” means the Securi-
17 ties and Exchange Commission;

18 (4) the term “Federal financial regulators”
19 means—

20 (A) the Secretary of the Treasury;

21 (B) the Board of Governors of the Federal
22 Reserve System;

23 (C) the Bureau of Consumer Financial
24 Protection;

25 (D) the Comptroller of the Currency;

1 (E) the Commodity Futures Trading Com-
 2 mission;

3 (F) the Federal Deposit Insurance Cor-
 4 poration;

5 (G) the Director of the Federal Housing
 6 Finance Agency; and

7 (H) the National Credit Union Administra-
 8 tion; and

9 (5) the term “small business concern” has the
 10 meaning given the term in section 3(a) of the Small
 11 Business Act (15 U.S.C. 632(a)).

12 **SEC. 3. STUDY AND REPORT.**

13 (a) IN GENERAL.—The Commission and the Federal
 14 financial regulators, in consultation with the Financial Ac-
 15 counting Standards Board, shall conduct a quantitative
 16 study of—

17 (1) the potential impact that the implementa-
 18 tion of CECL may have on the availability of credit,
 19 with a particular focus on the impact on that avail-
 20 ability—

21 (A) for consumers and small business con-
 22 cerns; and

23 (B) with respect to the credit products on
 24 which consumers and small business concerns

1 rely during periods of economic expansion and
2 during recessions;

3 (2) whether implementing CECL could—

4 (A) accelerate the depletion of regulatory
5 capital that is available for lending purposes
6 during a recession;

7 (B) have a greater impact on regulatory
8 capital, or extend the period in which regulatory
9 capital is reduced, during a recession; or

10 (C) pose any other systemic risks to the
11 economy of the United States;

12 (3) the potentially disproportionate impact that
13 the implementation of CECL may have on financial
14 institutions, taking into account—

15 (A) the various sizes and levels of com-
16 plexity of those financial institutions; and

17 (B) the different amounts of resources that
18 are available to those financial institutions;

19 (4) the potential impact that the implementa-
20 tion of CECL may have on the decisions made by
21 investors; and

22 (5) the potential competitive impact that the
23 implementation of CECL may have on institutions
24 in the United States as a result of differing inter-

1 national accounting standards used to measure cred-
 2 it loss.

3 (b) REPORT.—Not later than 1 year after the date
 4 of enactment of this Act, the Commission and the Federal
 5 financial regulators shall submit to the Financial Account-
 6 ing Standards Board and the appropriate committees of
 7 Congress a report—

8 (1) regarding the results of the study conducted
 9 under subsection (a); and

10 (2) that shall include—

11 (A) the identification of any negative im-
 12 pacts resulting from the implementation of
 13 CECL; and

14 (B) recommendations for changes to
 15 CECL to eliminate or mitigate the negative im-
 16 pacts described in subparagraph (A).

17 **SEC. 4. DELAY IN IMPLEMENTATION OF CECL.**

18 During the period beginning on the date of enactment
 19 of this Act and ending on the date that is 1 year after
 20 the date on which the Commission and the Federal finan-
 21 cial regulators submit the report required under section
 22 3(b), neither the Commission nor any of the Federal fi-
 23 nancial regulators may require a person to comply with
 24 CECL.

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