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(Original Signature of Member)

116TH CONGRESS
1ST SESSION

H. R.

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 HOUSE OF REPRESENTATIVES

Mr. GONZALEZ of Texas introduced the following bill; which was referred to the Committee on _____

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 “CECL Consumer Im-
5 pact and Study Bill of 2019”.

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;

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; and

3 (6) the potential impact of CECL on non-finan-
4 cial institutions, the insurance industry (including
5 reinsurance), and Government-sponsored enterprises.

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

11 (1) regarding the results of the study conducted
12 under subsection (a); and

13 (2) that shall include—

14 (A) the identification of any negative im-
15 pacts resulting from the implementation of
16 CECL; and

17 (B) recommendations for changes to
18 CECL to eliminate or mitigate the negative im-
19 pacts described in subparagraph (A).

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

21 During the period beginning on the date of enactment
22 of this Act and ending on the date that is 1 year after
23 the date on which the Commission and the Federal finan-
24 cial regulators submit the report required under section
25 3(b), neither the Commission nor any of the Federal fi-

- 1 nancial regulators may require a person to comply with
- 2 CECL.