

116TH CONGRESS  
1ST SESSION

# H. R. 3182

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

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## IN THE HOUSE OF REPRESENTATIVES

JUNE 10, 2019

Mr. GONZALEZ of Texas (for himself, Mr. SHERMAN, Mr. DAVID SCOTT of Georgia, Mr. GOTTHEIMER, Mr. CUELLAR, Mr. LUETKEMEYER, Mr. WILLIAMS, Mr. HILL of Arkansas, Mr. LOUDERMILK, and Mr. BUDD) introduced the following bill; which was referred to the Committee on Financial Services, and in addition to the Committee on Agriculture, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## 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”.

1 **SEC. 2. DEFINITIONS.**

2 In this Act—

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

5 (A) the Committee on Banking, Housing,  
6 and Urban Affairs of the Senate; and

7 (B) the Committee on Financial Services  
8 of the House of Representatives;

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

18 (3) the term “Commission” means the Securi-  
19 ties and Exchange Commission;

20 (4) the term “Federal financial regulators”  
21 means—

22 (A) the Secretary of the Treasury;

23 (B) the Board of Governors of the Federal  
24 Reserve System;

25 (C) the Bureau of Consumer Financial  
26 Protection;

1 (D) the Comptroller of the Currency;

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

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

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

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

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

13 **SEC. 3. STUDY AND REPORT.**

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

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

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

24 (B) with respect to the credit products on  
25 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. COST-BENEFIT STUDY OF CECL IMPACT ON NON-FI-**  
18 **NANCIAL INSTITUTIONS, INSURERS, AND**  
19 **GOVERNMENT-SPONSORED ENTERPRISES.**

20 (a) STUDY.—The Commission and the Federal finan-  
21 cial regulators, in consultation with the Financial Ac-  
22 counting Standards Board, shall carry out a study on the  
23 potential costs and benefits of the impact of CECL on  
24 non-financial institutions, the insurance industry (includ-  
25 ing reinsurance), and Government-sponsored enterprises.

1 (b) REPORT.—Not later than 1 year after the date  
2 of enactment of this Act, the Commission and the Federal  
3 financial regulators shall submit to the Financial Account-  
4 ing Standards Board and the appropriate committees of  
5 Congress a report containing all findings and determina-  
6 tions made in carrying out the study required under sub-  
7 section (a).

8 **SEC. 5. DELAY IN IMPLEMENTATION OF CECL.**

9 During the period beginning on the date of enactment  
10 of this Act and ending on the date that is 1 year after  
11 the date on which the Commission and the Federal finan-  
12 cial regulators submit the report required under section  
13 3(b), neither the Commission nor any of the Federal fi-  
14 nancial regulators may require a person to comply with  
15 CECL.

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