

116TH CONGRESS
2D SESSION

S. 3502

To delay the implementation date of the current expected credit losses methodology for estimating allowances for credit losses, and for other purposes.

IN THE SENATE OF THE UNITED STATES

MARCH 16, 2020

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

A BILL

To delay the implementation date of the current expected credit losses methodology for estimating allowances for credit losses, 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 “Community Bank Reg-
5 ulatory Relief Act”.

6 **SEC. 2. DELAYED IMPLEMENTATION DATE FOR CECL.**

7 (a) DEFINITIONS.—In this section—

8 (1) the term “CECL” means the accounting
9 standard in “Accounting Standards Update 2016–

1 13, Financial Instruments—Credit Losses (Topic
2 326)”, issued by the Financial Accounting Stand-
3 ards Board in June 2016, as amended by “Account-
4 ing Standards Update 2018–19, Codification Im-
5 provements to Topic 326, Financial Instruments—
6 Credit Losses”, issued by the Financial Accounting
7 Standards Board in November 2018; and

8 (2) the term “Federal financial regulators”
9 means—

10 (A) the Department of the Treasury;

11 (B) the Board of Governors of the Federal
12 Reserve System;

13 (C) the Bureau of Consumer Financial
14 Protection;

15 (D) the Office of the Comptroller of the
16 Currency;

17 (E) the Commodity Futures Trading Com-
18 mission;

19 (F) the Federal Deposit Insurance Cor-
20 poration;

21 (G) the Federal Housing Finance Agency;

22 (H) the National Credit Union Administra-
23 tion; and

24 (I) the Securities and Exchange Commis-
25 sion.

1 (b) DELAY.—No Federal agency, including any of the
 2 Federal financial regulators, may require a person to use
 3 CECL for any purpose with respect to any fiscal year that
 4 begins before December 31, 2024.

5 **SEC. 3. COMMUNITY BANK LEVERAGE RATIO.**

6 (a) IN GENERAL.—Section 201 of the Economic
 7 Growth, Regulatory Relief, and Consumer Protection Act
 8 (12 U.S.C. 5371 note) is amended—

9 (1) by striking subsection (b) and inserting the
 10 following:

11 “(b) COMMUNITY BANK LEVERAGE RATIO.—

12 “(1) IN GENERAL.—The Community Bank Le-
 13 verage ratio for qualifying community banks shall be
 14 8 percent.

15 “(2) PROCEDURES.—The appropriate Federal
 16 banking agencies shall, through notice and comment
 17 rule making under section 553 of title 5, United
 18 States Code, establish procedures for treatment of a
 19 qualifying community bank that has a Community
 20 Bank Leverage Ratio that falls below the percentage
 21 established under paragraph (1) after exceeding the
 22 percentage established under paragraph (1).”;

23 (2) in subsection (c)(1), in the matter preceding
 24 subparagraph (A), by striking “developed under”
 25 and inserting “established under”; and

1 (3) in subsection (d)(2), by striking “developed
2 under” and inserting “established under”.

3 (b) APPLICABILITY.—Beginning on the effective date
4 described in subsection (c), any provision of a rule that
5 was issued under section 201(b) of the Economic Growth,
6 Regulatory Relief, and Consumer Protection Act (12
7 U.S.C. 5371 note) before the date of enactment of this
8 Act and that is inconsistent with such section 201(b), as
9 amended by subsection (a) of this section, shall have no
10 force or effect.

11 (c) EFFECTIVE DATE.—This section, and the amend-
12 ments made by this section, shall take effect on the date
13 that is 7 days after the date of enactment of this Act.

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