

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.

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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

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## 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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