

115TH CONGRESS
2D SESSION

H. R. 7394

To prohibit the Federal financial regulators from requiring compliance with the accounting standards update of the Financial Accounting Standards Board related to current expected credit loss (“CECL”), to require the Securities and Exchange Commission to take certain impacts of a proposed accounting principle into consideration before accepting the principle, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

DECEMBER 21, 2018

Mr. LUETKEMEYER (for himself 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

A BILL

To prohibit the Federal financial regulators from requiring compliance with the accounting standards update of the Financial Accounting Standards Board related to current expected credit loss (“CECL”), to require the Securities and Exchange Commission to take certain impacts of a proposed accounting principle into consideration before accepting the principle, 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,*

1 **SECTION 1. NON-APPLICATION OF THE CECL RULE BY FED-**
2 **ERAL FINANCIAL REGULATORS.**

3 (a) IN GENERAL.—Notwithstanding any other provi-
4 sion of law, a Federal financial regulator may not require
5 any person to comply with the CECL Rule under any Fed-
6 eral statute or rule.

7 (b) DEFINITIONS.—In this section:

8 (1) CECL RULE.—The term “CECL Rule”
9 means the accounting standard contained in the Ac-
10 counting Standards Update No. 2016–13 of the Fi-
11 nancial Accounting Standards Board, titled “Finan-
12 cial Instruments–Credit Losses (Topic 326): Meas-
13 urement of Credit Losses on Financial Instruments”
14 issued June 2016.

15 (2) FEDERAL FINANCIAL REGULATOR.—The
16 term “Federal financial regulator” means the De-
17 partment of the Treasury, the Board of Governors
18 of the Federal Reserve System, the Office of the
19 Comptroller of the Currency, the Office of Thrift
20 Supervision, the Securities and Exchange Commis-
21 sion, the Commodity Futures Trading Commission,
22 the Federal Deposit Insurance Corporation, the Fed-
23 eral Housing Finance Agency, and the National
24 Credit Union Administration.

1 **SEC. 2. SEC CONSIDERATIONS WHEN RECOGNIZING AC-**
2 **COUNTING PRINCIPLES.**

3 Section 19(b) of the Securities Act of 1933 (15
4 U.S.C. 77s(b)) is amended by adding at the end the fol-
5 lowing:

6 “(3) CONSIDERATION.—The Commission may
7 not, after the date of enactment of this paragraph,
8 recognize any accounting principle as ‘generally ac-
9 cepted’ under paragraph (1) unless the Commission
10 first takes into consideration the accounting prin-
11 ciple’s impact on the broader United States econ-
12 omy, market stability, and availability of credit (par-
13 ticularly for small businesses and low- and mod-
14 erate-income borrowers).”.

○