

116TH CONGRESS  
1ST SESSION

# S. 1564

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 SENATE OF THE UNITED STATES

MAY 21, 2019

Mr. TILLIS (for himself, Mr. MORAN, Mr. CRAMER, Mr. COTTON, Mr. PERDUE, and Mr. ROUNDS) 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 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 “Continued Encourage-  
5        ment for Consumer Lending Act”.

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; 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. DELAY IN IMPLEMENTATION OF CECL.**

18 During the period beginning on the date of enactment  
19 of this Act and ending on the date that is 1 year after  
20 the date on which the Commission and the Federal finan-  
21 cial regulators submit the report required under section  
22 3(b), neither the Commission nor any of the Federal fi-  
23 nancial regulators may require a person to comply with  
24 CECL.

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