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National Credit Union Administration

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**BOARD ACTION MEMORANDUM**

**TO:** NCUA Board **DATE:** February 10, 2020  
**FROM:** Office of Examination and Insurance **SUBJ:** Interagency Policy Statement; on Allowances for Credit Losses

**ACTION REQUESTED:** NCUA Board approval to issue in the *Federal Register* the attached Interagency Policy Statement (final) on Allowances for Credit Losses.

**DATE ACTION REQUESTED:** February 20, 2020.

**OTHER OFFICES CONSULTED:** Office of General Counsel.

**VIEWS OF OTHER OFFICES CONSULTED:** Concur.

**RESPONSIBLE STAFF MEMBERS:** Scott Neat, Associate Director Office of Examination and Insurance; Alison Clark, Chief Accountant, Office of Examination and Insurance.

**SUMMARY:** In April 2018, the FFIEC's Task Force on Supervision (TFOS) authorized a project to determine interagency policy implications of the Financial Accounting Standard Board (FASB)'s new rule on accounting for credit losses - the current expected credit losses methodology (CECL). As a result, the CECL Oversight group was formed. Work began on an update to the 2002/2006 Interagency Policy Statement (IPS) to incorporate CECL which was issued for public comment on October 17, 2019.

The final IPS incorporates feedback from stakeholders and the 2002/2006 interagency allowance guidance issuances.

**RECOMMENDED ACTION:** Recommend the Board approve the Interagency Policy Statement.

**ATTACHMENT:** Interagency Policy Statement.