

RESCINDED

OCC BULLETIN 2018-13

Subject: Current Expected Credit Losses
Date: May 16, 2018

To: Chief Executive Officers of All National Banks and Federal Savings Associations; Federal Branches and Agencies of Foreign Banks; Department and Division Heads; All Examining Personnel; and Other Interested Parties

Replaced-See OCC 2019-10

Description: Notice of Proposed Rulemaking

Summary

On May 14, 2018, the Office of the Comptroller of the Currency (OCC), Board of Governors of the Federal Reserve System, and Federal Deposit Insurance Corporation (collectively, the agencies) published a notice of proposed rulemaking (NPR) to implement the Financial Accounting Standards Board's Accounting Standards Update (ASU) 2016-13, "Financial Instruments—Credit Losses," in their rules. The proposed revisions would conform definitions in the agencies' capital and non-capital rules to the current expected credit losses (CECL) standard and provide an optional transition framework for banks that experience a decrease in capital as a result of adopting the CECL standard.

Note for Community Banks

The NPR, including the optional capital transition framework, would apply to all community banks.

Highlights

The proposed rule would

- update references in the agencies' risk-based capital rules to conform with the new terminology used in ASU 2016-13.
- update references to allowances in the OCC's non-capital regulations to conform with the new terminology used in ASU 2016-13.
- provide a transition under the risk-based capital rules for banks that experience a capital decrease as a result of implementing the CECL standard.

Further Information

Please contact Mark Ginsberg, Senior Risk Expert, Capital Policy Division, at (202) 649-6489; Jeffrey Geer, Associate Chief Accountant, at (202) 649-6280; or Kevin Korzeniewski, Counsel, Legislative & Regulatory Activities Division, at (202) 649-5490.

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Related Link

- [Regulatory Capital Rule: Implementation and Transition of the Current Expected Credit Losses Methodology for Allowances and Related Adjustments to the Regulatory Capital Rule and Conforming Amendments to Other Regulations \(PDF\)](#)

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