

RESCINDED

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Outdated

Consolidated Reports of Condition and Income: Supplemental Instructions for Nonaccrual Treatment of Purchased Credit-Deteriorated Assets

To

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

Summary

On March 13, 2020, the Office of the Comptroller of the Currency, the Board of Governors of the Federal Reserve, and the Federal Deposit Insurance Corporation issued supplemental instructions to the Federal Financial Institutions Examination Council's (FFIEC) Consolidated Reports of Condition and Income (call report) in response

to comments received on the proposed Interagency Policy Statement on Allowances for Credit Losses. The supplemental instructions pertain to nonaccrual treatment of purchased credit-deteriorated (PCD) assets for the March 31, 2020, call report for banks that have adopted the Financial Accounting Standards Board's Accounting Standards Update 2016-13, "Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments" (ASU 2016-13), and have PCD assets.

These instructions apply to the three versions of the call report (FFIEC 031, FFIEC 041, and FFIEC 051).

Note for Community Banks

This bulletin applies to community banks that have adopted ASU 2016-13 and have PCD assets.

Highlights

- If certain criteria are met, the agencies will give banks the option to not report PCD assets in nonaccrual status on an interim basis.
- The agencies plan to propose changes to the call report instructions to revise the nonaccrual treatment for PCD assets through the Paperwork Reduction Act process, which will include a request for comment.

Further Information

Please contact Sarah Nawrocki, Professional Accounting Fellow, Office of the Chief Accountant, at (202) 640-6280.

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Related Link

- [Nonaccrual Treatment for Purchased Credit-Deteriorated \(PCD\) Assets](#) (PDF)

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