INVESTMENT COUNSEL AND MANAGEMENT

Regulatory Alert

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The federal banking agencies today issued a notice of proposed rule making providing banks with an option to phase in the regulatory capital effects of FASB's new "Current Expected Credit Losses" (CECL) reserve methodology over a three-year period in order to cushion the day-one adverse effects on regulatory capital from the adoption of this new GAAP standard

Fore SEC filers, this would apply the phase-in period from 2020-2022, while other banking organizations would implement the new guidance over the three-year period from 2021-2023.

We will keep you apprised of further CECL regulatory and industry guidance as it becomes available.

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