



March 25, 2020

The Honorable Jay Clayton
Chairman
U.S. Securities and Exchange Commission
100 F St., NE
Washington, DC 20549

RE: SFA Requests Uniform Delay of Current Expected Credit Loss Accounting Standards (“CECL”) Implementation

Dear Chairman Clayton:

During this time of significant disruption and uncertainty to the daily life and functioning of American consumers and businesses across the country, the Structured Finance Association (“SFA”)¹ members are fully focused on supporting their customers and communities. Our bank and non-bank lenders are placing considerable attention on providing extensive forbearance programs, fee waivers and other flexible repayment programs to provide immediate financial support as well as maintaining the ability to lend to consumers and small businesses to aid in our nation’s economic recovery.

In order to remove impediments from financial institutions’ abilities to support customers to the greatest extent possible throughout the current situation, SFA respectfully requests that any relief package contain a uniform delay of the CECL accounting standard implementation for all financial institutions – including but not limited to banks, non-banks, captive finance companies such as auto finance companies, etc. – subject to the standard now or in the future.

As you are aware, the new CECL framework is a far more stringent accounting standard that will require a significant increase in loss reserves, tying up capital that can be used to help reinvigorate our nation’s economy and at the very same time that institutions need to be in a position to support consumers and businesses during this period of massive economic disruption due to the COVID 19 health emergency.

¹ SFA is a member-based, trade industry advocacy group focused on improving and strengthening the broader structured finance and securitization market. SFA provides an inclusive network for securitization professionals to collaborate and, as industry leaders, drive necessary changes, be advocates for the securitization community, share best practices and innovative ideas, and educate industry members through conferences and other programs. Members of SFA represent all sectors of the securitization market including issuers, investors, financial intermediaries, law firms, accounting firms, technology firms, rating agencies, servicers, and trustees. Further information can be found at www.structuredfinance.org.

SFA greatly appreciates the opportunity to raise awareness on an issue of urgent importance to the US economy. A uniform delay of CECL for all financial institutions will have an immediate impact during this time of distress, strengthening institutions' abilities to remain focused on serving customers and communities.

Sincerely,



Michael Bright
Chief Executive Officer
Structured Finance Association

cc: Hon. Hester M. Peirce, SEC Commissioner
Hon. Elad L. Roisman, SEC Commissioner
Hon. Allison Herren Lee, SEC Commissioner
Financial Accounting Standards Board (FASB)