

# Southeast Bankers Outreach Forum

## Implementing CECL

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*This presentation and my comments represent my personal views and do not necessarily reflect the views of the Federal Reserve Bank of Atlanta or the Federal Reserve System.*



FEDERAL  
RESERVE  
BANK  
of ATLANTA

Macroeconomic impact

Regulatory and Exam Approach

FAQs

Implementation Issues

Interaction with regulatory measures

Procyclicality

# REGULATORY AND EXAM APPROACH

Regulatory tone and process

Exam approach

Participation with other stakeholders

# FAQS: KEY AREAS OF COVERAGE

Are complex models needed?

- No. Scalable to institutions of all sizes

Data and systems

- Increased data needs and system impacts—encouraged to take action now

Q Factors

- Qualitative factors

The key details

- Portfolio segmentation, contractual term

# FAQS: KEY AREAS OF COVERAGE

Consultants – are they needed?

- Not required but, if used, follow guidance on third-party service providers

Collateral

- Collateral dependence and using the fair value of collateral

Capital and allowance impact

- Impact will vary by institution; no regulatory floor or benchmarks

Supervisory expectations

- Dos and don'ts

# IMPLEMENTATION ISSUES

Change in allowance moving to CECL

Reasonable and supportable forecast

# INTERACTION WITH REGULATORY MEASURES

Regulatory capital

Stress testing