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FASB Defers Disclosure Requirements for TDRs

As expected, the Financial Accounting Standards Board (FASB) approved the deferral of the requirement to disclose activity related to troubled debt restructurings (TDRs), which was scheduled to go into effect January 1.

The requirement was part of the recent Accounting Standards Update 2010-20 [Receivables \(Topic 310\): Disclosures about the Credit Quality of Financing Receivables and the Allowance for Credit Losses](#). In 2010-20, various new disclosures relating to end-of-period status (such as the current credit quality of loans held) are required for public companies at year-end 2010. Those requirements dealing with activity (such as TDRs issued and TDRs re-defaulting during the period) are effective beginning January 1, 2011. For private entities, all required information is effective at year-end 2011.

The disclosure requirements will become effective once FASB finalizes any standards update related to their exposure draft *Clarifications to Accounting for Troubled Debt Restructurings by Creditors* (TDR ED). The proposals in the TDR ED will alter how TDRs are determined, so any changes could significantly impact how banks determine what to disclose. The deferral that FASB approved ([and was supported by ABA](#)) is expected to last only one quarter, as they expect to come to a final standard related to the TDR ED by March.

ABA recently submitted its comment letter to the TDR ED. To view the comment letter, [click here](#).

If you have any questions, please contact [Mike Gullette](#).

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