Good morning, my name is Joe Stieven, and I sincerely appreciate the opportunity to share my personal views and opinions on the scheduled topic. I have analyzed the financial industry and financial institutions for 35 years.

Early in my career, I was an Analyst/Examiner in Banking Supervision and Regulation at the Federal Reserve Bank of St. Louis.

From there, I went to Stifel, Nicolaus for 20 years. (For your information, Stifel is a St. Louis based multinational investment bank and financial services company.) I founded and was Director of Financial Institutions Research. During my tenure, the firm completed over 250 transactions for financial institutions.

Most recently, 13 years ago I started my own company, an SEC registered private investment advisory firm focusing on financial institutions.

In January 2012, in addition to my CEO responsibilities, I was appointed by then FASB Chairman, Leslie F. Seidman, as a member of the Investors Technical Advisory Committee (ITAC). It was a 4-year non-compensated appointment and the FASB expected us to thoroughly analyze and discuss current and proposed accounting rules, including CECL.

After a year, I was invited by the FASB Chairman and the Board to become Co-Chair of the IAC (renamed from ITAC). In April, 2015, the IAC issued a comment letter on CECL. I would like to read to you a short excerpt from the summary paragraph on page 2 of the report:

"Currently, IAC members have wide ranging views on the proposed CECL model. However a majority view the proposed model as needing improvements on topics listed in the body of this letter under "Points of General Concern." These points address process/implementation, lifetime losses accrued on Day 1, and IFRS convergence.

I have been asked to discuss the impact this new accounting standard will have on financial institutions, including the effect on the availability and affordability of credit (for your constituents, the U.S. consumer) and the burden on financial institutions.

So let's start. The burden on financial institutions (primarily banks) is much more than readily apparent. Instead of me giving you my opinion, let me give you an actual example. One of my references is David Kemper, Executive Chairman of Commerce Bancshares, a great regional banking company with 150 year roots. Commerce never took one penny of TARP and came through the 2007-2009 Great Recession in excellent shape. When the market froze up, Commerce was still lending to consumers. I know this for a fact, as I have been a customer for well over 25 years. They came through the toughest period in nearly a century, and they had to go out and hire a 3rd party to model CECL. This shows you the enormous complexity of this model.

I can give you names of other great companies with similar experiences, like Texas-based Prosperity Bancshares, and CEO David Zalman. If you add these implementation costs to the wide-ranging estimates from third party experts for the reserve build, it could cost $20B, $50B, some say $100B. But don't stop there, what is the impact on consumers and the availability and affordability of credit? If loans can equal about 10 times each dollar of equity, that simple math amounts to $500 billion ($1/2 trillion) of potential less lending. Let me ask you, do you think that hurts availability? Will this lower the availability of long-term financing if you have to look lifetime? Does this push people out of the banking industry into non-bank lenders? What rates will these other lenders charge consumers versus a bank? How many billions will be wasted on unproductive modeling, as none of this modeling changes the actual results.

In my view, this model definitely will impact the availability of credit for consumers. Furthermore, there are other negative consequences that absolutely need to be discussed.

Thank you.