Receivables—Troubled Debt Restructurings by Creditors (Subtopic 310-40)

Reclassification of Residential Real Estate Collateralized Consumer Mortgage Loans upon Foreclosure

a consensus of the FASB Emerging Issues Task Force

An Amendment of the FASB Accounting Standards Codification®
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Financial Accounting Standards Board
Accounting Standards Update 2014-04

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January 2014

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Summary

Why Is the FASB Issuing This Accounting Standards Update (Update)?

In recent years, the rate of default on loans collateralized by residential real estate properties resulting from general economic conditions, including weakness in the housing market, has affected the rate of residential real estate foreclosures and the levels of foreclosed real estate owned by banks or similar lenders (creditors). U.S. generally accepted accounting principles on troubled debt restructurings include guidance on situations in which a creditor obtains one or more collateral assets in satisfaction of all or part of the receivable. That guidance indicates that a creditor should reclassify a collateralized mortgage loan such that the loan should be derecognized and the collateral asset recognized when it determines that there has been in substance a repossession or foreclosure by the creditor, that is, the creditor receives physical possession of the debtor’s assets regardless of whether formal foreclosure proceedings take place. However, the terms in substance a repossession or foreclosure and physical possession are not defined in the accounting literature and there is diversity about when a creditor should derecognize the loan receivable and recognize the real estate property. That diversity has been highlighted by recent extended foreclosure timelines and processes related to residential real estate properties.

The objective of the amendments in this Update is to reduce diversity by clarifying when an in substance repossession or foreclosure occurs, that is, when a creditor should be considered to have received physical possession of residential real estate property collateralizing a consumer mortgage loan such that the loan receivable should be derecognized and the real estate property recognized.

Who Is Affected by the Amendments in This Update?

The amendments in this Update apply to all creditors who obtain physical possession (resulting from an in substance repossession or foreclosure) of residential real estate property collateralizing a consumer mortgage loan in satisfaction of a receivable.

What Are the Main Provisions?

The amendments in this Update clarify that an in substance repossession or foreclosure occurs, and a creditor is considered to have received physical
possession of residential real estate property collateralizing a consumer mortgage loan, upon either (1) the creditor obtaining legal title to the residential real estate property upon completion of a foreclosure or (2) the borrower conveying all interest in the residential real estate property to the creditor to satisfy that loan through completion of a deed in lieu of foreclosure or through a similar legal agreement. Additionally, the amendments require interim and annual disclosure of both (1) the amount of foreclosed residential real estate property held by the creditor and (2) the recorded investment in consumer mortgage loans collateralized by residential real estate property that are in the process of foreclosure according to local requirements of the applicable jurisdiction.

How Do the Main Provisions Differ from Current U.S. Generally Accepted Accounting Principles (GAAP) and Why Are They an Improvement?

The amendments in this Update are intended to reduce diversity in practice by clarifying when an in substance repossession or foreclosure occurs, that is, when a creditor should be considered to have received physical possession of residential real estate property collateralizing a consumer mortgage loan such that the loan should be derecognized and the real estate property recognized. Holding foreclosed real estate property presents different operational and economic risk to creditors compared with holding an impaired loan. Therefore, consistency in the timing of loan derecognition and presentation of foreclosed real estate properties is of qualitative significance to users of the creditor’s financial statements. Additionally, the disclosure of the amount of foreclosed residential real estate properties and of the recorded investment in consumer mortgage loans secured by residential real estate properties that are in the process of foreclosure is expected to provide decision-useful information to many users of the creditor’s financial statements.

When Will the Amendments Be Effective?

The amendments in this Update are effective for public business entities for annual periods, and interim periods within those annual periods, beginning after December 15, 2014. For entities other than public business entities, the amendments in this Update are effective for annual periods beginning after December 15, 2014, and interim periods within annual periods beginning after December 15, 2015.

An entity can elect to adopt the amendments in this Update using either a modified retrospective transition method or a prospective transition method. Under the modified retrospective transition method, an entity should apply the amendments in this Update by means of a cumulative-effect adjustment to residential consumer mortgage loans and foreclosed residential real estate
properties existing as of the beginning of the annual period for which the amendments are effective. Assets reclassified from real estate to loans as a result of adopting the amendments in this Update should be measured at the carrying value of the real estate at the date of adoption. Assets reclassified from loans to real estate as a result of adopting the amendments in this Update should be measured at the lower of the net amount of loan receivable or the real estate’s fair value less costs to sell at the time of adoption. For prospective transition, an entity should apply the amendments in this Update to all instances of an entity receiving physical possession of residential real estate property collateralized by consumer mortgage loans that occur after the date of adoption. Early adoption is permitted.

How Do the Provisions Compare with International Financial Reporting Standards (IFRS)?

IFRS does not contain any guidance specific to the reclassification of collateralized mortgage loans to foreclosed residential real estate property.
Amendments to the  
*FASB Accounting Standards Codification®*

**Introduction**

1. The Accounting Standards Codification is amended as described in paragraphs 2–11. In some cases, to put the change in context, not only are the amended paragraphs shown but also the preceding and following paragraphs. Terms from the Master Glossary are in **bold** type. Added text is underlined, and deleted text is struck out.

**Amendments to Subtopic 270-10**

2. Amend paragraph 270-10-50-1 by adding item s, with a link to transition paragraph 310-40-65-2, as follows:

**Interim Reporting—Overall**

**Disclosure**

> Disclosure of Summarized Interim Financial Data by Publicly Traded Companies

**270-10-50-1** Many **publicly traded companies** report summarized financial information at periodic interim dates in considerably less detail than that provided in annual financial statements. While this information provides more timely information than would result if complete financial statements were issued at the end of each interim period, the timeliness of presentation may be partially offset by a reduction in detail in the information provided. As a result, certain guides as to minimum disclosure are desirable. (It should be recognized that the minimum disclosures of summarized interim financial data required of publicly traded companies do not constitute a fair presentation of financial position and results of operations in conformity with generally accepted accounting principles [GAAP]). If publicly traded companies report summarized financial information at interim dates (including reports on fourth quarters), the following data should be reported, as a minimum:

   s. The carrying amount of foreclosed residential real estate property as required by the last sentence of paragraph 310-10-50-11 and the amount of loans in the process of foreclosure as required by paragraph 310-10-50-35.
Amendments to Subtopic 310-10

3. Amend paragraph 310-10-50-11 and add paragraph 310-10-50-35 and its related heading, with a link to transition paragraph 310-40-65-2, as follows:

Receivables—Overall

Disclosure

> Foreclosed and Repossessed Assets

310-10-50-11 Paragraph 310-10-45-3 states that foreclosed and repossessed assets included in other assets on the balance sheet statement of financial position shall have separate disclosures in the notes to financial statements. An entity shall also disclose the carrying amount of foreclosed residential real estate properties held at the reporting date as a result of obtaining physical possession in accordance with paragraphs 310-40-40-6 and 310-40-55-10A.

> Loans in Process of Foreclosure

310-10-50-35 An entity shall disclose the recorded investment of consumer mortgage loans secured by residential real estate properties for which formal foreclosure proceedings are in process according to local requirements of the applicable jurisdiction.

Amendments to Subtopic 310-40

4. Amend paragraph 310-40-40-6, with a link to transition paragraph 310-40-65-2, as follows:

Receivables—Troubled Debt Restructurings by Creditors

Derecognition

> Foreclosure

310-40-40-6 Except in the circumstances described in the following paragraph, a troubled debt restructuring that is in substance a repossession or foreclosure by the creditor, that is, the creditor receives physical possession of the debtor’s assets regardless of whether formal foreclosure proceedings take place, or in
which the creditor otherwise obtains one or more of the debtor’s assets in place of all or part of the receivable, shall be accounted for according to the provisions of paragraphs 310-40-35-7; 310-40-40-2 through 40-4 and; if appropriate, 310-40-40-8. For guidance on when a creditor shall be considered to have received physical possession (resulting from an in substance repossession or foreclosure) of residential real estate property collateralizing a consumer mortgage loan, see paragraph 310-40-55-10A.

5. Amend paragraph 310-40-55-1 and add paragraph 310-40-55-10A and its related heading, with a link to transition paragraph 310-40-65-2, as follows:

Implementation Guidance and Illustrations

> Implementation Guidance

310-40-55-1 This Section provides guidance concerning the following aspects of troubled debt restructuring:

a. Classification of debt restructurings by debtors and creditors
b. Use of zero coupon bonds in a troubled debt restructuring.
c. Physical possession of residential real estate property collateralizing a consumer mortgage loan.

>>> Physical Possession of Residential Real Estate Property Collateralizing a Consumer Mortgage Loan

310-40-55-10A A creditor is considered to have received physical possession (resulting from an in substance repossession or foreclosure) of residential real estate property collateralizing a consumer mortgage loan only upon the occurrence of either of the following:

a. The creditor obtains legal title to the residential real estate property upon completion of a foreclosure. A creditor may obtain legal title to the residential real estate property even if the borrower has redemption rights that provide the borrower with a legal right for a period of time after a foreclosure to reclaim the real estate property by paying certain amounts specified by law.
b. The borrower conveys all interest in the residential real estate property to the creditor to satisfy the loan through completion of a deed in lieu of foreclosure or through a similar legal agreement. The deed in lieu of foreclosure or similar legal agreement is completed when agreed-upon terms and conditions have been satisfied by both the borrower and the creditor.
Amendments to Subtopic 360-10

6. Add paragraph 360-10-50-4 and its related heading, with a link to transition paragraph 310-40-65-2, as follows:

Property, Plant, and Equipment—Overall

Disclosure

> Foreclosed Properties Held for Sale

360-10-50-4 See paragraph 310-10-50-11 for guidance related to foreclosed and repossessed assets.

7. Add paragraph 310-40-65-2 and its related heading as follows:

> Transition Related to Accounting Standards Update No. 2014-04, Receivables—Troubled Debt Restructurings by Creditors (Subtopic 310-40): Reclassification of Residential Real Estate Collateralized Consumer Mortgage Loans upon Foreclosure

310-40-65-2 The following represents the transition and effective date information related to Accounting Standards Update No. 2014-04, Receivables—Troubled Debt Restructurings by Creditors (Subtopic 310-40): Reclassification of Residential Real Estate Collateralized Consumer Mortgage Loans upon Foreclosure:

a. The pending content that links to this paragraph shall be effective as follows:
   1. For public business entities, for annual periods, and interim periods within those annual periods, beginning after December 15, 2014.
   2. For entities that are not public business entities, for annual periods beginning after December 15, 2014, and interim periods within annual periods beginning after December 15, 2015.

b. An entity shall apply the pending content that links to this paragraph on either a prospective basis or a modified retrospective basis as follows:
   1. For prospective transition, a reporting entity shall apply the pending content that links to this paragraph to all instances of an entity receiving physical possession of residential real estate property collateralized by consumer mortgage loans that occur after the date of adoption.
   2. For modified retrospective transition, a reporting entity shall adopt by means of a cumulative-effect adjustment to residential consumer mortgage loans and foreclosed residential real estate properties existing as of the beginning of the annual period for which the
pending content that links to this paragraph is effective. Assets reclassified from real estate to loans as a result of adopting the pending content that links to this paragraph shall be based on the carrying value of the real estate at the date of adoption. Assets reclassified from loans to real estate as a result of adopting the pending content that links to this paragraph shall be based on the lower of the net amount of loan receivable or the real estate’s fair value less costs to sell at the date of adoption.

c. Earlier adoption of the pending content that links to this paragraph is permitted.
d. An entity shall provide the disclosures in paragraphs 250-10-50-1 through 50-3 in the period the entity adopts the pending content that links to this paragraph.

8. Amend paragraph 270-10-00-1, by adding the following item to the table, as follows:

**270-10-00-1** The following table identifies the changes made to this Subtopic.

<table>
<thead>
<tr>
<th>Paragraph Number</th>
<th>Action</th>
<th>Accounting Standards Update</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>270-10-50-1</td>
<td>Amended</td>
<td>2014-04</td>
<td>01/17/2014</td>
</tr>
</tbody>
</table>

9. Amend paragraph 310-10-00-1, by adding the following items to the table, as follows:

**310-10-00-1** The following table identifies the changes made to this Subtopic.

<table>
<thead>
<tr>
<th>Paragraph Number</th>
<th>Action</th>
<th>Accounting Standards Update</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>310-10-50-11</td>
<td>Amended</td>
<td>2014-04</td>
<td>01/17/2014</td>
</tr>
<tr>
<td>310-10-50-35</td>
<td>Added</td>
<td>2014-04</td>
<td>01/17/2014</td>
</tr>
</tbody>
</table>

10. Amend paragraph 310-40-00-1, by adding the following items to the table, as follows:

**310-40-00-1** The following table identifies the changes made to this Subtopic.

<table>
<thead>
<tr>
<th>Paragraph Number</th>
<th>Action</th>
<th>Accounting Standards Update</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public Business Entity</td>
<td>Added</td>
<td>2014-04</td>
<td>01/17/2014</td>
</tr>
<tr>
<td>310-40-40-6</td>
<td>Amended</td>
<td>2014-04</td>
<td>01/17/2014</td>
</tr>
</tbody>
</table>
11. Amend paragraph 360-10-00-1, by adding the following item to the table, as follows:

**360-10-00-1** The following table identifies the changes made to this Subtopic.

<table>
<thead>
<tr>
<th>Paragraph Number</th>
<th>Action</th>
<th>Accounting Standards Update</th>
<th>Date</th>
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<tbody>
<tr>
<td>360-10-50-4</td>
<td>Added</td>
<td>2014-04</td>
<td>01/17/2014</td>
</tr>
</tbody>
</table>

The amendments in this Update were adopted by the unanimous vote of the seven members of the Financial Accounting Standards Board:

Russell G. Golden, Chairman  
James L. Kroeker, Vice Chairman  
Daryl E. Buck  
Thomas J. Linsmeier  
R. Harold Schroeder  
Marc A. Siegel  
Lawrence W. Smith
Background Information and Basis for Conclusions

Introduction

BC1. The following summarizes the Task Force’s considerations in reaching the conclusions in this Update. It includes the Board’s basis for ratifying the Task Force conclusions when needed to supplement the Task Force’s considerations. It also includes reasons for accepting certain approaches and rejecting others. Individual Task Force and Board members gave greater weight to some factors than to others.

Background Information

BC2. In recent years, the rate of default on loans collateralized by residential real estate properties resulting from general economic conditions, including weakness in the housing market, has affected the rate of residential foreclosures and the levels of foreclosed real estate owned by creditors. Because of extended foreclosure processes, some creditors are reviewing their policies on when to reclassify residential real estate property collateralizing a residential consumer mortgage loan, such that the loan should be derecognized and the real estate property recognized. Considering that foreclosed real estate property presents different operational and economic risks compared with holding an impaired loan, loan derecognition and presentation as foreclosed real estate may be of significance to users of the creditor’s financial statements.

BC3. Paragraph 310-40-40-6 addresses accounting for a troubled debt restructuring and states the following:

   . . . a troubled debt restructuring that is in substance a repossession or foreclosure by the creditor, that is, the creditor receives physical possession of the debtor’s assets regardless of whether formal foreclosure proceedings take place, or in which the creditor otherwise obtains one or more of the debtor’s assets in place of all or part of the receivable, shall be accounted for according to the provisions of paragraphs 310-40-35-7; 310-40-40-2 through 40-4 and; if appropriate, 310-40-40-8. [Emphasis added.]

BC4. As such, a creditor is considered to have received physical possession of residential real estate property collateralizing a consumer mortgage loan when it determines that it has, in substance, reposessed or foreclosed on the residential
real estate property. However, the terms *in substance a repossession or foreclosure* and *physical possession* are not defined in the accounting literature, and there is diversity about when a creditor should derecognize the loan receivable and recognize the real estate property received. The objective of the amendments in this Update is to reduce diversity by clarifying when an in substance repossession or foreclosure occurs. Accordingly, a creditor should be considered to have received physical possession of residential real estate property collateralizing a consumer mortgage loan, such that the loan receivable should be derecognized and the real estate property recognized.

BC5. The Board issued a proposed Accounting Standards Update on July 19, 2013, with a comment period that ended on September 17, 2013, and received 18 comment letters on the proposed Update.

**Scope**

BC6. The guidance in the amendments in this Update applies to all consumer mortgage loans collateralized by residential real estate properties. The Task Force decided to limit the scope to consumer mortgage loans collateralized by residential real estate properties noting that the prevalent diversity in practice relate to those arrangements because of the extended foreclosure timelines and processes, including those resulting from regulatory and legal safeguards afforded to residential borrowers. The Task Force considered whether the scope of the amendments should be expanded to include commercial real estate loans and loans collateralized by nonfinancial assets other than real estate. The Task Force decided that those arrangements are beyond the scope of this Update because the foreclosure processes and applicable laws for those assets are significantly different from residential real estate.

**Timing of Reclassification of a Collateralized Consumer Mortgage Loan to Foreclosed Residential Real Estate Property**

BC7. The Task Force decided that an in substance repossession or foreclosure occurs, that is, a creditor is considered to have received physical possession of residential real estate property collateralizing a consumer mortgage loan, upon either (a) the creditor obtaining legal title to the residential real estate property upon completion of a foreclosure or (b) the borrower conveying all interest in the residential real estate property to the creditor to satisfy that loan through completion of a deed in lieu of foreclosure or through a similar legal agreement. The deed in lieu of foreclosure or similar legal agreement is completed when agreed terms and conditions have been satisfied by both the borrower and the creditor.
BC8. The Task Force noted that a creditor generally obtains legal title to the residential real estate property upon completion of a foreclosure sale. The Task Force acknowledged that legal title also can be obtained through completion of a deed in lieu of foreclosure. A deed in lieu of foreclosure generally is an agreement by which the borrower voluntarily conveys all interest in residential property to the creditor to satisfy a loan that is in default. The agreement is completed when agreed terms and conditions have been satisfied by both parties. The Task Force determined that the reference in paragraph 310-40-40-6 to the creditor receiving physical possession of the debtor’s assets regardless of whether formal foreclosure proceedings take place contemplates situations in which a deed in lieu of foreclosure or similar legal agreement is completed without formal foreclosure proceedings taking place.

BC9. The Task Force observed that before obtaining title or other legal conveyance of property in satisfaction of the loan, the creditor generally only has protective rights associated with the residential real estate property and it is not the legal owner. Before obtaining legal title, the actions taken by a creditor with regard to the property such as maintaining the physical property, paying taxes to avoid a tax lien being placed on the property, and obtaining insurance coverage, are to protect the creditor’s interest in the property and prevent deterioration in the physical condition of the property to maximize the future recovery value. The Task Force concluded that at the point of foreclosure, or completion of a deed in lieu of foreclosure or similar legal agreement, the rights of the creditor shift from protective rights to legal ownership rights because the creditor now has the legal right to sell the property. The Task Force also noted that reclassifying loans to real estate at the point of legal title transfer is a more objectively determinable threshold than earlier thresholds and, therefore, would result in more consistent reporting between creditors regardless of jurisdiction.

BC10. Some respondents to the proposed Update questioned whether a residential real estate property collateralizing a consumer mortgage loan should be reclassified if the creditor has legal ownership subject to the borrower’s right of redemption. In many jurisdictions, after foreclosure a borrower has a legal right for a period of time to reclaim the real estate property by paying certain amounts specified by law. The Task Force decided that a creditor should not wait until the redemption period has expired to reclassify a consumer mortgage loan to residential real estate. The Task Force concluded that an entity should be considered to obtain physical possession when it obtains legal title because the creditor generally has the right to sell the property subject to the borrower’s right of redemption. In addition, the Task Force observed that redemption rights of the borrower are rarely exercised because a borrower who fails to make monthly payments typically is unable to pay the entire loan balance before the redemption period expires.
Disclosure

BC11. The Task Force decided that creditors should disclose the recorded investment in residential consumer mortgage loans secured by residential real estate that are in the process of foreclosure. The determination of whether such loans are in the process of foreclosure should be made by reference to local requirements of the applicable jurisdiction. The Task Force observed that this requirement is similar to the disclosure of the unpaid principal balance of loans secured by one to four family residential properties in process of foreclosure that currently is required on a quarterly basis for regulated financial institutions that are required to file a Consolidated Report of Condition and Income (Call Report). The Task Force decided that the disclosure should be brought into U.S. GAAP financial statements within the context of existing credit quality disclosures in Section 310-10-50 to provide decision-useful and complete information to users of a creditor’s financial statements about the progression of collateral-dependent residential consumer mortgage loans from performing to nonperforming and, ultimately, to foreclosure. The Task Force expects that users of financial statements will benefit from understanding the trend of progression toward foreclosure over time. Various Task Force members did not agree with adding these disclosures. In their view, the existing credit quality and foreclosed asset disclosures provide sufficient information to users of financial statements.

BC12. The Task Force decided based on feedback from comment letter respondents that disclosure of a roll-forward of residential real estate property was not necessary. The Task Force concluded that the disclosure of loans in process of foreclosure and the amount of outstanding foreclosed residential real estate provided sufficient information for users to understand the trend of progression toward foreclosure over time.

Transition and Effective Date

BC13. The Task Force decided that entities can elect to apply the amendments in this Update on either a modified retrospective transition basis or a prospective transition basis. The Task Force decided to permit early adoption of the amendments to eliminate existing diversity as soon as is practicable.

BC14. Under the modified retrospective transition method, an entity should apply the amendments in this Update by means of a cumulative-effect adjustment to residential consumer mortgage loans and foreclosed residential real estate properties existing as of the beginning of the annual period for which the amendments are effective. Assets reclassified from real estate to loans as a result of adopting the amendments in this Update should be measured at the carrying value of the real estate at the date of adoption. Assets reclassified from loans to real estate as a result of adopting the amendments in this Update should be measured at the lower of the net amount of loan receivable or the real estate’s
fair value less costs to sell at the date of adoption. The Task Force noted that a modified retrospective approach will provide entities with the ability to adjust their statement of financial position as of the beginning of the year of adoption. Thus, there is consistency in the accounting and presentation of all consumer mortgage loans and foreclosed real estate properties after adoption. The Task Force also decided to allow entities to reclassify the carrying amount of real estate back to loans at the time of adoption as a practical transition accommodation.

BC15. Under a prospective transition, an entity will apply the amendments in this Update to all instances of an entity receiving physical possession of residential real estate collateralized by consumer mortgage loans that occur after the date of adoption. If an entity obtained physical possession before the date of adoption and the entity’s previous policy was to reclassify at a later point, the entity would follow its previous policy for determining when to reclassify those loans. The Task Force agreed to allow an entity to elect a prospective transition so that an entity with an earlier policy for reclassification would not have to transfer foreclosed real estate back to loans and then subsequently transfer the loan back to foreclosed real estate when legal title has been obtained. The Task Force also noted that based on the foreclosure timeline, the inconsistency resulting from prospective adoption should be alleviated in most cases within one year.

BC16. The Task Force decided that the effective date provides sufficient time for all reporting entities to comply with the amendments in this Update. After considering the guidance in the Private Company Decision-Making Framework that indicates that nonpublic entities generally should be provided with an additional year for transition, and considering the level of effort needed for transition, the Task Force concluded that no additional delay was necessary for nonpublic entities because an entity has an option to apply the amendments on a prospective basis and a nonpublic entity is not required to apply the guidance in this Update to interim periods in the year of adoption.

Benefits and Costs

BC17. The objective of financial reporting is to provide information that is useful to present and potential investors, creditors, donors, and other capital market participants in making rational investment, credit, and similar resource allocation decisions. However, the benefits of providing information for that purpose should justify the related costs. Present and potential investors, creditors, donors, and other users of financial information benefit from improvements in financial reporting, while the costs to implement new guidance are borne primarily by present investors. The Task Force's assessment of the costs and benefits of issuing new guidance is unavoidably more qualitative than quantitative because there is no method to objectively measure the costs to implement new guidance or to quantify the value of improved information in financial statements.
BC18. The Task Force does not anticipate that entities will incur significant costs as a result of the new guidance in this Update. The guidance clarifies when a collateralized consumer mortgage loan should be reclassified to foreclosed residential real estate property under guidance that already exists in U.S. GAAP. The new guidance does not provide new accounting requirements other than additional disclosures for which information should be readily available for most entities. In allowing an option for transition, the Task Force determined that either a prospective approach or a modified retrospective approach is justified from a cost-benefit perspective.
Amendments to the XBRL Taxonomy

The amendments to the *FASB Accounting Standards Codification®* in this Accounting Standards Update require changes to the U.S. GAAP Financial Reporting Taxonomy (UGT). Those changes, which will be incorporated into the 2015 UGT, are available for public comment through ASU Taxonomy Changes provided at [www.fasb.org](http://www.fasb.org), and finalized as part of the annual release process starting in September 2014.