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June 10, 2011

Mr. Robert E. Feldman
Executive Secretary
Attention: Comments
Federal Deposit Insurance Corporation
550 17th Street, NW
Washington, D.C. 20429

Jennifer J. Johnson, Secretary
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue, NW
Washington, D.C. 20551

Re: Resolution Plans and Credit Exposure Reports Required (FDIC RIN 3064-AD77; Fed RIN 7100-AD73, Fed Docket No. R-1414)

Dear Mr. Feldman and Ms. Johnson:

The Independent Community Bankers of America[1] (ICBA) welcomes the opportunity to comment on the Federal Deposit Insurance Corporation's (the "FDIC") and the Federal Reserve's proposed rule that implements the requirements in section 165(d) of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act") regarding resolution plans and credit exposure reports. More specifically, section 165(d) requires each nonbank financial company supervised by the Federal Reserve Board (the "Board") and each bank holding company with total consolidated assets of $50 billion or more to periodically submit to the Board, the FDIC and the Financial Stability Oversight

[1] The Independent Community Bankers of America represents nearly 5,000 community banks of all sizes and charter types throughout the United States and is dedicated exclusively to representing the interests of the community banking industry and the communities and customers we serve. ICBA aggregates the power of its members to provide a voice for community banking interests in Washington, resources to enhance community bank education and marketability, and profitability options to help community banks compete in an ever-changing marketplace.

With nearly 5,000 members, representing more than 20,000 locations nationwide and employing nearly 300,000 Americans, ICBA members hold $1 trillion in assets, $800 billion in deposits, and $700 billion in loans to consumers, small businesses and the agricultural community. For more information, visit ICBA's website at www.icba.org.

Council ("FSOC"), a plan for such company's rapid and orderly resolution in the event of material financial distress or failure, and a report on the nature and extent of credit exposures of such company to significant bank holding companies and significant nonbank financial companies.

ICBA's Comments

ICBA supported the provisions of the Dodd-Frank Act that provide a process for the appointment of the FDIC as receiver of a failing financial company that poses significant risk to the financial stability of the United States**. It is essential that the largest financial companies submit credible contingent resolution plans that will facilitate a rapid and orderly resolution of the company and will describe how the liquidation process can be accomplished without posing systemic risk to the public and the financial system. If the company cannot submit a credible plan, the FDIC and the Federal Reserve should exercise their authority under the Dodd-Frank Act to order a divestiture of those assets or operations that might hinder an orderly resolution.**

The proposed rule would require a strategic analysis by the Covered Company of how it can be resolved under Title 11 of the U.S. Code (the "Bankruptcy Code") in a way that would not pose a systemic risk to the financial system. In doing so, the company must map its business lines to material legal entities and provide integrated analyses of its corporate structure; credit and other exposures; funding; capital and cash flows; the domestic and foreign jurisdictions in which it operates; and its supporting information systems for core business lines and critical operations. The credit exposure reports required by the proposed rule will also provide important information critical to ongoing risk management and will identify the company's significant credit exposures and other key information across the entity and its related entities.

ICBA agrees with the Board and the FDIC that the information that needs to be disclosed under the proposed rule must go beyond merely additional information about the business operations of the financial company. **The rule should require a very detailed and strategic analysis by the financial company of how it can be resolved under the Bankruptcy Code in a way that does not pose systemic risk to the financial system. The strategic analysis should include the analytical support for the plan, its key assumptions, and how it would be implemented in different stress scenarios including a scenario where there is a complete financial meltdown involving numerous large financial companies.**

ICBA also agrees that the analytical mapping of the core business lines and critical operations of the Covered Company and the mapping of funding, liquidity, critical service support, and other resources to legal entities should demonstrate how those core business lines and critical operations could be resolved and transferred to potential acquirers. This analysis should demonstrate how these critical elements of the business operations could survive in an environment of material financial distress as well as the failure or insolvency of one or more entities within the Covered Company.

For a Covered Company with foreign operations, the plan should identify the extent of the risks related to its foreign operations and the Covered Company's strategy for addressing such risks. These elements of the Resolution Plan should take into consideration the complications created by differing national laws and regulations. **ICBA expects that some Covered Companies with foreign operations will need to restructure their operations to address the weaknesses and vulnerabilities associated with winding down a financial company operating in different foreign jurisdictions.**

ICBA believes the proposed timelines are adequate and provide sufficient time for filing Resolution Plans and Credit Exposure Reports. The proposal requires a Covered Company to file with the Federal Reserve and the FDIC its initial Resolution Plan within 180 days of the effective date of the regulation, or within 180 days of such later date as the company becomes a Covered Company. Updates of the Resolution Plan must be filed within a time period specified by the FDIC and the Federal Reserve, but no later than 45 days after any event, occurrence, change in conditions or circumstances or change which results in, or could reasonably be foreseen to have, a material effect on the Covered Company's Restoration Plan. The proposal also requires each Covered Company to file with the Federal Reserve and the FDIC Credit Exposure Reports no later than 30 days after the end of each calendar quarter. Once the Resolution Plan is filed and accepted for review, the Federal Reserve and the FDIC will review it for compliance with the proposed rule.

ICBA supports the proposed procedures for reviewing Resolution Plans and correcting their deficiencies as well as the penalties for not filing credible Restoration Plans. Under the proposal, if the FDIC and the Federal Reserve jointly determine that the Resolution Plan is not credible or would not facilitate an orderly resolution of the Covered Company under the Bankruptcy Code, the agencies would jointly notify the Covered Company in writing. If the Covered Company fails to submit a revised Resolution Plan correcting the deficiencies, both the Federal Reserve and the FDIC can jointly subject the Covered Company or any subsidiary of a Covered Company to more stringent capital, leverage, or liquidity requirements, or restrictions on growth, activities, or operations. If the Covered Company fails within the two-year period beginning on the date on which the determination to impose such requirements or restrictions was made, to submit a revised Restoration Plan that adequately remedies all deficiencies, then the FDIC and the Federal Reserve, in consultation with FSOC, can jointly, by order, direct the Covered Company to divest such assets or operations as the agencies determine are necessary to facilitate an orderly resolution of the Covered Company under the Bankruptcy Code in the event the company were to fail.

Conclusion

ICBA agrees with FDIC Chairman Bair that one of the essential prerequisites under the Dodd-Frank Act for ending too-big-to-fail is the filing of credible Restoration Plans with the FDIC and the Federal Reserve. ICBA agrees with the agencies that the information that needs to be disclosed by a Covered Company under the proposed rule must go beyond merely additional information about the business operations of the financial

company and should include a very detailed and strategic analysis of how the company can be resolved under the Bankruptcy Code in a way that does not pose systemic risk to the financial system. The strategic analysis should include the analytical support for the plan, its key assumptions, and how it would be implemented in different stress scenarios. It should take into account that the event of material financial distress may be isolated or may occur at a time when financial markets and other significant companies are also under extreme stress.

For a Covered Company with foreign operations, the plan should identify the extent of the risks related to its foreign operations and the Covered Company's strategy for addressing such risks. ICBA expects that some Covered Companies with foreign operations will need to restructure their operations to address the weaknesses and vulnerabilities associated with winding down a financial company operating in different foreign jurisdictions.

ICBA believes the proposed timelines for filing Resolution Plans and Credit Exposure Reports are adequate and supports the proposed procedures for reviewing Resolution Plans and correcting their deficiencies. If the Covered Company fails to submit a revised Resolution Plan correcting the deficiencies, both the Federal Reserve and the FDIC should subject it to more stringent capital, leverage, or liquidity requirements, or restrictions on growth, activities, or operations. Furthermore, if the Covered Company fails within a two-year period to submit a revised Restoration Plan that adequately remedies all deficiencies, then the FDIC and the Federal Reserve, in consultation with FSOC, should direct the Covered Company to divest such assets or operations as the agencies determine are necessary to facilitate an orderly resolution of the Covered Company under the Bankruptcy Code in the event the company were to fail.

ICBA appreciates the opportunity to comment on the FDIC's and the Federal Reserve's proposed rule that implements the requirements in section 165(d) of the Dodd-Frank Act regarding resolution plans and credit exposure reports. If you have any questions or need additional information, please do not hesitate to contact me at my email address (Chris.Cole@icba.org) or at 202-659-8111.

Sincerely,
/s/ Christopher Cole

Christopher Cole
Senior Vice President and Senior Regulatory Counsel