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# Operational Planning

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# Systemic Resolution Framework

- **The FDIC has established a comprehensive operational framework for responding to the threat of a failing SIFI and executing our systemic resolution authorities**
- **Actions and processes that need to be carried out from the time contingency planning begins through exit from resolution**
- **Designed to be flexible and responsive to different types of institutions and scenarios**
  - Heightened attention when recovery or bankruptcy resolution is more likely
  - Processes adapted to the unique facts and circumstances of any SIFI's failure

# Operational Exercises

- **The FDIC has been conducting an ongoing series of operational exercises to evaluate and test our processes**
- **Builds on inter-agency exercises and other work with domestic and foreign authorities**
- **Program of operational exercises will continue on a regular basis going forward**
  - Test alternate scenarios and resolution strategies
  - Familiarize new personnel with operational processes

# Systemic Resolution Phases

Phase	Summary
Planning Phase	<ul style="list-style-type: none"> <li>• Risk monitoring and supervision</li> <li>• Advanced resolution planning: internal, domestic, international</li> <li>• Early recovery actions</li> </ul>
<b><i>Contingency Resolution Planning Initiated</i></b>	
Determination Phase	<ul style="list-style-type: none"> <li>• Activation of resolution management infrastructure: internal, domestic, international</li> <li>• Information requests for SIFI and authorities</li> <li>• Resolution strategy, capital, and liquidity analysis</li> <li>• Identification of new management</li> <li>• Legal document preparation, board case, appointment process (“key turning”)</li> </ul>
<b><i>FDIC Appointed Receiver</i></b>	

# Systemic Resolution Phases (cont.)

<b><i>FDIC Appointed Receiver</i></b>	
<b>Immediate Stabilization Phase</b>	<ul style="list-style-type: none"><li>• Receivership and Bridge formation</li><li>• Appointment of new Board and senior officers</li><li>• Capital and funding stabilization</li><li>• Communications: public, regulators (including host authorities) and policy makers, firm personnel, and customers and service providers</li></ul>
<b><i>Bridge Institution Stabilized</i></b>	
<b>Orderly Liquidation Phase</b>	<ul style="list-style-type: none"><li>• Bridge oversight</li><li>• Valuation, fairness opinion, and new financials</li><li>• Liquidation actions and restructuring plan</li><li>• Fulfillment of regulatory requirements needed to exit resolution, if applicable</li><li>• Claims process and distribution to creditors</li></ul>
<b><i>Bridge Terminated / Exit From Resolution</i></b>	
<b>Post-Exit Phase</b>	<ul style="list-style-type: none"><li>• Completion of restructuring plan</li><li>• Ongoing receivership management</li><li>• Post-exit communications and reporting</li></ul>