



165(d) Living Will Planning Update

April 14, 2016

Dodd-Frank Act and Resolution Planning

- Dodd Frank Act: Firms must submit plans for their rapid and orderly resolution under U.S. Bankruptcy Code.
- 2011: Joint Agency Resolution Plan Rule
- 2012: First plans received
- 2013: Joint Guidance identifies 5 obstacles to resolution
- 2014: Both Agencies find shortcomings and provide significant feedback to firms
- 2015: New plans filed, including Public Sections

Resolution Plan Review Process

- Heightened engagement with firms following release of 2014 letters
- Resolution Plan Review Program:
 - Training
 - Vertical Review Teams
 - Horizontal Review Teams
 - Oversight Group
 - Coordination with the Federal Reserve

Joint Determinations and Feedback

- Five firms receive joint determination
 - Deficiencies: October 1, 2016
 - Shortcomings: July 1, 2017
- Three firms without joint determination
 - Shortcomings: July 1, 2017

Key Elements of Review

- Core Components of Plans
- Specific needs of each plan dependent upon specific features of firm and strategy
- Key Elements Identified
 - Resources: Liquidity and Capital
 - Governance Mechanisms
 - Legal Entity Rationalization/Separability
 - Operational
 - Derivatives and Trading Activities

Conclusion

- GAO Recommendations
- Next Steps