FDIC Federal Deposit Insurance Corporation

FACT SHEET

Fact Sheet on Proposed Rule on Resolution Planning for Insured Depository Institutions with $100 Billion or More in Total Assets; Informational Filings for IDIs with At Least $50 Billion but Less Than $100 Billion in Total Assets

Background

First adopted in 2011, the Federal Deposit Insurance Corporation's (FDIC) Insured Depository Institution (IDI) Resolution Plan rule requires banks with over $50 billion in total assets (covered IDIs) to periodically submit resolution plans to provide the FDIC with information about the bank that is essential to effective resolution planning, and to support the execution of a resolution if necessary. The Rule requires covered IDIs to develop and submit detailed plans demonstrating how they could be resolved in an orderly and timely manner in the event of receivership.

The FDIC is inviting public comment on a proposal to amend and restate the existing IDI resolution planning requirements under 12 CFR § 360.10.

Proposal

The proposal would strengthen the current resolution plan rule including with respect to the content and timing of resolution submissions as well as interim supplements provided to the FDIC. The modifications to existing requirements are intended to support the FDIC's resolution readiness in the event of material distress and failure of these large IDIs. Key elements of the proposal include:

- IDIs with $100 billion or more in total assets (Group A) would submit more robust resolution plans, while IDIs with total assets between $50 and $100 billion (Group B) would submit more limited informational filings. All covered IDIs would be providing the FDIC with critical information and analysis to assist in their potential resolution.

- Covered IDIs in Group A would be required to submit a comprehensive strategy (Identified Strategy) from the point of their potential failure to liquidation or return of the institution to the private sector. The Identified Strategy would generally expect, but not require, a default scenario whereby the FDIC, as receiver of the failed institution, operates the institution under a bridge bank. As proposed, the Identified Strategy must ensure timely access to insured deposits, maximize value from the sale or disposition of assets, minimize any losses realized by creditors, and address potential risks of adverse effects on U.S. economic conditions or financial stability.

- Covered IDIs would file their respective resolution plans or informational filings biennially with limited information supplements to be provided in off-years, starting in 2025.

- The proposal enhances the criteria for all covered IDIs to assess the credibility of their resolution submissions.

- All covered IDIs would be required to demonstrate capabilities to promptly establish a virtual due diligence data room and populate it with information necessary for interested parties to submit well-informed bids on the bank or its assets.

- The FDIC would expect all covered IDIs to engage with the agency to assess and test their resolution capabilities, including those that ensure the continuation of critical banking services and the potential marketing of the franchise or its components.

Deadline

Comments on the proposal are due by November 30, 2023.