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**Determinations and Feedback on Resolution Plans of Eight Systemically Important,  
Domestic Banking Institutions**

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The actions the FDIC and the Federal Reserve are announcing today are a significant step forward in the use of the living will authority to require systemically important financial institutions to demonstrate they can fail in an orderly way under bankruptcy at no cost to taxpayers.

The Dodd-Frank Act gave the FDIC and the Federal Reserve Board important new authority to review resolution plans, often called living wills, submitted by systemically important financial institutions for their rapid and orderly resolution under the Bankruptcy Code. The statutory standard under the Dodd-Frank Act for reviewing the plans is whether a plan is not credible or would not facilitate an orderly resolution of the firm under bankruptcy.

Eight of the most systemically important U.S. financial institutions submitted their most recent resolution plans in July of last year. The FDIC and Federal Reserve are announcing our findings and required actions for remediation today.

For five firms – Bank of America, Bank of New York Mellon, J.P. Morgan Chase, State Street, and Wells Fargo -- the agencies have jointly determined that the plans are not credible or would not facilitate an orderly resolution under bankruptcy. The agencies have jointly identified a number of deficiencies in those plans, as required by the statute if a joint determination is made.

Those five firms are required to remedy those deficiencies by October 1<sup>st</sup> of this year. Failure to remedy the deficiencies could subject the firms to more stringent capital, leverage, or liquidity requirements, or restrictions on the growth, activities, or operations of the firms as provided in the statute.

For two firms - Goldman Sachs and Morgan Stanley - the FDIC and Federal Reserve jointly identified shortcomings in their 2015 plans that the firms must address, but did not make joint determinations regarding the plans. The FDIC found that the plan submitted by Goldman Sachs was not credible or would not facilitate an orderly resolution under bankruptcy. The Federal Reserve found that the plan from Morgan Stanley was not credible or would not facilitate an orderly resolution under bankruptcy.

Finally, although both agencies identified shortcomings in the Citigroup resolution plan, they did not believe the shortcomings rose to the level of the statutory standard required for a joint determination of non-credibility.

The agencies have established a framework under which all of the shortcomings identified in the plans, as well as the more comprehensive guidance for the plans, must be addressed by July 1, 2017. In addition, the deficiencies identified in the plans for which a joint determination of non-credibility has been made must be addressed by October 1, 2016.

The FDIC and Federal Reserve are committed to carrying out the statutory mandate that systemically important financial institutions demonstrate a clear path to an orderly failure under bankruptcy at no cost to taxpayers.

Today's action is a significant step toward achieving that goal.