Dear Mr. Feldman,

In December 2013 you requested comments regarding the Single Point of Entry Strategy (SPOE) and bank resolution tools, and the comments provided were published on your website.

-> May I kindly ask what the next steps will be, and how the FDIC's position regarding the discussed topics and the raised questions now looks like?
(As I could not find any up-to-date publication of the FDIC on what you "learned" from the received comments and how they affected your future use of resolution tools.)

-> In addition, I have a few questions regarding bank resolution in general, which I have not seen being discussed so far. Your opinions would be very interesting to me:

1) Ho do you perceive the contagion risk to equity/debt holders in the context of bank resolution? I.e. when there is a bail-in, wouldn't this potentially trigger a dangerous chain of contagion effects, e.g. when investors like other banks and insurance companies are hit by significant losses, which in turn can lead to solvency problems / instability at those investor companies?

2) How could the resolution tools cope with a situation of general market crisis, where various large banks are affected at the same time, e.g. when there is a major sovereign default affecting several of them?

3) In some situations, ideally private investors should be able to acquire a bank (which is subject to bail-in) from a bridge institution. However, in my opinion the danger is that the investors would be large banks, which would become "even more TBTF" if they purchase assets / companies from a bridge institution.
What is your opinion on this?

4) At last: For bail-in to work efficiently, banks need to have issued sufficient own funds and liabilities eligible for bail-in before.
One can force banks to issue such own funds and eligible liabilities, but what if there are not sufficient investors who are interested in these?
E.g. I suppose other banks, pension funds and insurance companies may show decreasing appetite in bank liabilities & shares that are likely subject to bail-in, and I also suppose that if hedge funds became the main investors in such instruments issued by banks, that may have consequences undesired by the regulators.

Many thanks and very best regards
Michael Mahlknecht