From: [redacted]
To: Comments
Subject: [EXTERNAL MESSAGE] Public Comment on RIN 3064-AF86 ANPR Resolution-Related Resource Requirements for Large Banking Organizations
Date: Tuesday, December 06, 2022 12:16:22 PM

To whom it may concern,

I disagree with the proposal entitled "Resolution-Related Resource Requirements for Large Banking Organizations" Docket No. R-1786 and RIN 7100-AG44 / 3064-AF86. Banks at risk of bankruptcy should not be required to sell long term debt (e.g., bonds) for the purpose of absorbing losses. This proposal is a malicious self-serving attempt to shift predictable costs to resolve the bankruptcy of a large banking organization from the FDIC's Depository Insurance Fund to unsuspecting investors. It should realize that marketing a failed institution erodes trust in the financial system. Trust that has already been greatly eroded by the handling of the 2008 global financial crisis where Too Big To Fail banks were bailed out by taxpayers with few, if any, consequences. Have the Federal Reserve and FDIC considered the impact of proposing and requiring failing banking institutions to knowingly sell junk bonds for the purpose of absorbing losses? The Federal Reserve and FDIC should consider the impact on a fiat currency issued by an untrustworthy Federal Reserve backed by a self-serving FDIC in addition to the roles the Federal Reserve and FDIC may have in future books and movies about the next financial crisis.

Failure must always be an option for banks and other financial organizations. When failure is not an option, there is no downside to excessive risk taking as they have nothing to lose and all to gain. Eliminating failure as an option naturally promotes excessive risk taking that increases risks to financial stability. No financial institution should be Too Big To Fail. Failure must always be an option.

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