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November 21, 2011

Robert E. Feldman, Executive Secretary
Attention: Comments
Federal Deposit Insurance Corporation
550 17th Street, NW
Washington DC 20429

Re: RIN #3064-AD59; Resolution Plans Required for Insured Depository Institutions
With \$50 Billion or More in Total Assets

Dear Mr. Feldman:

The Independent Community Bankers of America¹ (ICBA) welcomes the opportunity to comment on the FDIC's interim final rule ("Rule") that would require insured depository institutions with \$50 billion or more in total assets to submit periodically to the FDIC a contingent plan for the resolution of such institution in the event of its failure. The Rule, originally proposed on May 17, 2010, is intended to complement the resolution plan requirements of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act") which applies to each bank holding company with assets of \$50 billion or more and each nonbank financial company subject to supervision by the Federal Reserve Board under Title I of the Dodd-Frank Act.

ICBA's Comments

ICBA strongly supports the FDIC's Rule. The Rule requires a covered insured depository institution to submit a Resolution Plan that should enable the FDIC, as receiver, to resolve the institution under Sections 11 and 13 of the Federal Deposit Insurance Act in a manner that ensures that depositors receive access to their insured deposits within one business day of the institution's failure (two business days if the failure occurs on a day other than Friday), maximizes the net present value return from

¹ The Independent Community Bankers of America represents nearly 5,000 community banks of all sizes and charter types throughout the United States and is dedicated exclusively to representing the interests of the community banking industry and the communities and customers we serve. ICBA aggregates the power of its members to provide a voice for community banking interests in Washington, resources to enhance community bank education and marketability, and profitability options to help community banks compete in an ever changing marketplace.

With nearly 5,000 members, representing more than 20,000 locations nationwide and employing nearly 300,000 Americans, ICBA members hold \$1 trillion in assets, \$800 billion in deposits, and \$700 billion in loans to consumers, small businesses and the agricultural community. For more information, visit ICBA's website at www.icba.org.

the sale or disposition of its assets, and minimizes the amount of any loss to be realized by the institution's creditors.

We agree with the FDIC that resolution plans for large and complex insured depository institutions are essential for their orderly and least-cost resolution. The Rule effectively addresses the continuing exposure of the banking industry to the risks of insolvency of large and complex insured depository institutions, an exposure that can be mitigated with proper resolution planning. Over the past decades, the size and complexity of these IDIs have grown dramatically and the recent financial crisis has only accentuated this trend. These large and complex insured depository institutions present profound challenges to the FDIC both as insurer and when it must act in its receivership capacity. The complexity of these institutions, and the extensive internal interrelationships these institutions have with their holding companies and their affiliated companies, hinders the FDIC's ability to resolve the IDI in a cost-effective and timely fashion as a receiver in the event of a failure.

The Rule sets forth appropriate reporting requirements intended to provide the FDIC with key information concerning the operations, management, financial, affiliate relationships and other aspects of IDIs operating within a complex conglomerate. The Rule requires these institutions to develop and submit detailed plans demonstrating how such insured depository institutions could be resolved in an orderly and timely manner in the event of receivership. It requires IDIs to prepare and submit to the FDIC, a contingent resolution plan describing the means by which the IDI could be effectively separated from the rest of the conglomerate enterprise in the event of failure of the IDI or the bankruptcy of the parent company or any key affiliate of the IDI. Since most of the IDIs covered by the Rule also have holding companies that are required to submit resolution plans under Section 165 of the Dodd-Frank Act, the Rule—which is focused on IDIs-- will supplement those requirements.

ICBA also agrees with the FDIC that only the most complex institutions should be subject to the proposed rule. Only IDIs with \$50 billion or more in total assets would be subject to the proposed rule. Currently, 37 insured depository institutions holding approximately \$3.6 trillion in insured deposits or nearly 60% of all insured deposits are covered by the Rule. The rest of the industry should remain exempt since their holding company structures and affiliate relationships are simple enough that they would not, and indeed, do not today, impede an FDIC resolution.

Conclusion

ICBA strongly supports the interim final rule and commends the FDIC for addressing the resolution of large and complex institutions. The Rule makes it much more likely that these large institutions can be resolved in an orderly and cost-effective manner.

ICBA appreciates the opportunity to comment on the FDIC's interim final rule concerning contingent resolution plans for insured depository institutions with \$50 billion

or more in total assets. If you have any questions or need additional information, please do not hesitate to contact me at my email address (Chris.Cole@icba.org) or at 202-659-8111.

Sincerely,

/s/ Christopher Cole

Christopher Cole
Senior Vice President and Senior Regulatory