

Please note that the comments expressed herein are solely my personal views

Federal Deposit Insurance Corporation  
550 17<sup>th</sup> Street, NW  
Washington, DC 20429  
United States  
[www.fdic.gov](http://www.fdic.gov)

Chris Barnard

15 May 2012

- **12 CFR Part 380**
- **RIN: 3064-AD94**
- **Enforcement of Subsidiary and Affiliate Contracts by the FDIC as Receiver of a Covered Financial Company**

Dear Sir,

Thank you for giving us the opportunity to comment on your notice of proposed rulemaking: Enforcement of Subsidiary and Affiliate Contracts by the FDIC as Receiver of a Covered Financial Company.

You are proposing a rule, with request for comments, that implements section 210(c)(16) of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank), codified at 12 U.S.C. section 5390(c)(16), which permits the Corporation, as receiver for a financial company whose failure would pose a significant risk to the financial stability of the United States (a covered financial company), to enforce contracts of subsidiaries or affiliates of the covered financial company despite contract clauses that purport to terminate, accelerate, or provide for other remedies based on the insolvency, financial condition or receivership of the covered financial company, as long as the Corporation complies with the included statutory requirements.

I support the Proposed Rule which faithfully and completely implements section 210(c)(16) of Dodd-Frank. This rule should ensure that the Corporation will: preserve the going-concern value of the covered financial company; avoid unnecessary terminations by counterparties of a subsidiary or affiliate resulting in disorderly collapse and a loss of value to the covered financial company; address any uncertainty as to how the orderly liquidation of the covered financial company would be conducted; and mitigate systemic loss through an economic chain reaction that would threaten the financial stability of the United States. In my opinion this last point is the most important one, and the proposed rule provides sufficient protective measures here.

Please note that the comments expressed herein are solely my personal views

In response to your specific request for comments, I would add that I agree with the definition of "support" under proposed § 380.12(b)(3). "Support" should not include assistance that is non-financial in nature such as specific performance obligations. Such support would be subjective and not feasible or practicable. I would also agree that the Proposed Rule is sufficiently clear that no action is required of the receiver to preserve the enforceability of a contract as long as the conditions with respect to the transfer of support or provision of adequate protection are met.

Yours faithfully

C.R.B.

Chris Barnard