



October 6, 2023

Via Electronic Mail

Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue NW
Washington, DC 20551
Attention: Ann E. Misback, Secretary
Docket No. R-1815; RIN 7100-AG66
Docket No. OP-1816
Docket No. OP-1817

Federal Deposit Insurance Corporation
550 17th Street NW
Washington, DC 20429
Attention: James P. Sheesley, Assistant Executive Secretary
RIN 3064-AF86
RIN 3064-AF90
RIN 3064-ZA37
RIN 3064-ZA38

Office of the Comptroller of the Currency
400 7th Street SW, Suite 3E-218
Washington, DC 20219
Attention: Chief Counsel's Office, Comment Processing
Docket ID OCC-2023-0011; RIN 1557-AF21

Re: Request for Extension of Comment Period for Resolution-Related Notices of Proposed Rulemaking

Ladies and Gentlemen:

The Bank Policy Institute, the American Bankers Association, the Financial Services Forum, the Institute of International Bankers, and the Securities Industry and Financial Markets Association¹ submit this letter requesting a 60-day extension of the comment period for each of

¹ See Appendix for information on the associations.

the following four resolution-related proposals (together, the **Resolution-Related Proposals**):

- Long-Term Debt Requirements for Large Bank Holding Companies, Certain Intermediate Holding Companies of Foreign Banking Organizations, and Large Insured Depository Institutions (**Long-Term Debt Proposal**);²
- Resolution Plans Required for Insured Depository Institutions With \$100 Billion or More in Total Assets; Informational Filings Required for Insured Depository Institutions With at Least \$50 Billion But Less Than \$100 Billion in Total Assets (**IDI Rule Proposal**);³
- Guidance for Resolution Plan Submissions of Domestic Triennial Full Filers (**Domestic Filer Proposed Guidance**); and⁴
- Guidance for Resolution Plan Submissions of Foreign Triennial Full Filers (**Foreign Filer Proposed Guidance** and, together with the Domestic Filer Guidance, **165(d) Proposed Guidance**).⁵

We are requesting extensions given the extent to which the four proposals relate to one another, as well as to the currently open **Basel III Endgame Proposal**⁶ and, for several banking organizations, the **GSIB Surcharge Proposal**.⁷ Specifically, we believe that comment period extensions are appropriate because:

- the number, length, and complexity of the proposals require detailed attention from affected banking organizations;
- understanding certain of the effects of the proposals requires analysis and understanding of the potential effects of other proposals;
- comments on one proposal may relate to or affect comments on another proposal; and

² Board of Governors of the Federal Reserve System, Federal Deposit Insurance Corporation, Office of the Comptroller of the Currency, *Long-Term Debt Requirements for Large Bank Holding Companies, Certain Intermediate Holding Companies of Foreign Banking Organizations, and Large Insured Depository Institutions*, 88 Fed. Reg. 64524 (Sept. 19, 2023).

³ Federal Deposit Insurance Corporation, *Resolution Plans Required for Insured Depository Institutions With \$100 Billion or More in Total Assets; Informational Filings Required for Insured Depository Institutions With at Least \$50 Billion But Less Than \$100 Billion in Total Assets*, 88 Fed. Reg. 64579 (Sept. 19, 2023).

⁴ Board of Governors of the Federal Reserve System, Federal Deposit Insurance Corporation, *Guidance for Resolution Plan Submissions of Domestic Triennial Full Filers*, 88 Fed. Reg. 64626 (Sept. 19, 2023).

⁵ Board of Governors of the Federal Reserve System, Federal Deposit Insurance Corporation, *Guidance for Resolution Plan Submissions of Foreign Triennial Full Filers*, 88 Fed. Reg. 64641 (Sept. 19, 2023).

⁶ Board of Governors of the Federal Reserve System, Federal Deposit Insurance Corporation, Office of the Comptroller of the Currency, *Regulatory Capital Rule: Large Banking Organizations and Banking Organizations With Significant Trading Activity*, 88 Fed. Reg. 64028 (Sept. 18, 2023).

⁷ Board of Governors of the Federal Reserve System, *Regulatory Capital Rule: Risk-Based Capital Surcharges for Global Systemically Important Bank Holding Companies; Systemic Risk Report (FR Y-15)*, 88 Fed. Reg. 60385 (Sept. 1, 2023).

- the same personnel from affected banking organizations are, in many cases, responsible for analyzing the proposals.

These factors all argue in favor of extending the comment periods for each of the Resolution-Related Proposals so that banking organizations have sufficient time and resources to evaluate the content of each proposal, as well as how they interact with one another. Accordingly, we request a 60-day extension of the comment periods for each of the Resolution-Related Proposals, until January 30, 2024, or until the date that is 60 days following the end of the comment period for the Basel III Endgame Proposal, whichever is later.

To meaningfully comment on the proposals, it is vital for the public to understand how they all relate to one another and the collective impact that they would have on banking organizations, their customers, and the financial system. This task is not limited to evaluating the four Resolution-Related Proposals, which would already be a substantial undertaking given that they were issued simultaneously and have the same due date for comments. It is also critical to understand how the Resolution-Related Proposals build on the related Basel III Endgame Proposal, which spans more than 1,000 pages.

For example, if adopted, the Basel III Endgame Proposal would increase risk-weighted assets (**RWAs**) for the same banking organizations that would be subject to the Long-Term Debt Proposal. The RWA increases would “lead mechanically to increased requirements for [long-term debt] under the [long-term debt] proposal.”⁸ Thus, it is impossible for banking organizations to assess the proposed requirements and the cost and feasibility of complying with the Long-Term Debt Proposal without understanding what their RWAs may be. Ideally, commenters would be able to review and comment on the Long-Term Debt Proposal with the benefit of knowing their final RWAs and capital requirements. At a minimum, commenters should be able to complete their review of the substantial Basel III Endgame Proposal before assessing the knock-on effects and providing comments on the Long-Term Debt Proposal.

As another example, the 165(d) Proposed Guidance for Category II and III banking organizations contemplates new capital-related expectations and would require banking organizations that follow a single point of entry (**SPOE**) resolution strategy to recapitalize a bank subsidiary to a level that “meet(s) or exceed(s) all applicable regulatory capital requirements for ‘well-capitalized’ status.”⁹ The proposal also states that “[t]he positioning of capital resources within the firm should be consistent with any applicable rules requiring prepositioned resources in IDIs in the form of long-term debt.”¹⁰ Assessing the feasibility and cost of these aspects of the guidance, therefore, requires an understanding of *both* the applicable capital requirements and the long-term debt requirements that may apply to a banking organization.

Finally, commenters need sufficient time to consider the interactions among the Resolution-Related Proposals themselves and to consider them holistically. Cumulatively, the Long-Term Debt Proposal, the 165(d) Proposed Guidance, and the IDI Rule Proposal could require significant changes to banking organizations’ resolution strategies; determining the potential effect of these proposals requires evaluating several complex trade-offs. In addition, the

⁸ 88 Fed. Reg. 64551.

⁹ 88 Fed. Reg. 64634.

¹⁰ 88 Fed. Reg. 64628.

165(d) Proposed Guidance and IDI Rule Proposal address two sets of similar but often varying regulatory expectations and requirements, which also need to be considered in concert. It is not feasible to consider all of these interactions in the time currently provided while institutions are also simultaneously assessing the Basel III Endgame Proposal.¹¹

These timing concerns are exacerbated by the fact that the pending proposals draw on specialized expertise of subject matter experts at the affected institutions. Banking organizations—particularly the midsize and regional banks that are most significantly affected by the Resolution-Related Proposals—will depend upon a fixed pool of subject matter experts to review the pending proposals simultaneously. Staff resources are similarly strained at U.S. GSIBs because the November 30 comment deadline coincides with the December 1, 2023, due date for U.S. GSIBs’ next IDI plan submissions. Accordingly, the same subject matter experts at these institutions that are currently engaged in finalizing their institutions’ IDI plans will be simultaneously tasked with reviewing the Resolution-Related Proposals by effectively the same date. Extending the comment period for the Resolution-Related Proposals would allow these subject matter experts more time to consider all of the pending proposals in light of the Basel III Endgame Proposal. This would enable banking organizations to provide more thorough comments and would support a more complete analysis of the cumulative costs and benefits of the pending proposals.

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¹¹ As Federal Reserve Governor Michelle W. Bowman acknowledged, having “multiple, interrelated proposals out for comment at the same time may complicate or even frustrate the ability to provide meaningful comment.” Federal Reserve Governor Michelle W. Bowman, *Brief Remarks on the Economy and Monetary Policy* (Sept. 22, 2023), available at <https://www.federalreserve.gov/newsevents/speech/bowman20230922a.htm>.

We appreciate the opportunity to comment on these proposals and through this request for an extension are seeking the ability to do so in a more holistic manner. If you have any questions, please contact the undersigned by email at john.court@bpi.com, hbenton@aba.com, scampbell@fsforum.com, swebster@iib.org, and pryan@sifma.org.

Sincerely,

John Court
General Counsel
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American Bankers Association

Sean D. Campbell
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Peter J. Ryan
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Appendix

The **Bank Policy Institute** is a nonpartisan public policy, research, and advocacy group representing the nation's leading banks and their customers. BPI's members include universal banks, regional banks, and major foreign banks doing business in the United States.

The **American Bankers Association** is the voice of the nation's \$23.5 trillion banking industry, which is composed of small, regional and large banks that together employ more than 2.1 million people, safeguard \$18.6 trillion in deposits and extend \$12.3 trillion in loans.

The **Financial Services Forum** is an economic policy and advocacy organization whose members are the chief executive officers of the eight largest and most diversified financial institutions headquartered in the United States. Forum member institutions are a leading source of lending and investment in the United States and serve millions of consumers, businesses, investors, and communities throughout the country. The Forum promotes policies that support savings and investment, financial inclusion, deep and liquid capital markets, a competitive global marketplace, and a sound financial system. Visit our website, fsforum.com.

The **Institute of International Bankers** represents internationally headquartered financial institutions from more than 35 countries around the world doing business in the United States. The membership consists principally of international banks that operate branches, agencies, bank subsidiaries, and broker-dealer subsidiaries in the United States. The IIB works to ensure a level playing field for these institutions, which are an important source of credit for U.S. borrowers and comprise the majority of U.S. primary dealers. These institutions enhance the depth and liquidity of U.S. financial markets and contribute significantly to the U.S. economy through direct employment of U.S. citizens, as well as through other operating and capital expenditures.

The **Securities Industry and Financial Markets Association** is the leading trade association for broker-dealers, investment banks, and asset managers operating in the U.S. and global capital markets. On behalf of our industry's nearly 1 million employees, we advocate on legislation, regulation, and business policy affecting retail and institutional investors, equity and fixed income markets, and related products and services. We serve as an industry coordinating body to promote fair and orderly markets, informed regulatory compliance, and efficient market operations and resiliency. We also provide a forum for industry policy and professional development. SIFMA, with offices in New York and Washington, D.C., is the U.S. regional member of the Global Financial Markets Association.