PRESS RELEASE

Federal Deposit Insurance Corporation ● Each Depositor insured to at least $250,000

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FDIC Adopts Final Rule on Resolution Plans Under Dodd-Frank

The Federal Deposit Insurance Corporation (FDIC) today approved a final rule to be issued jointly by the FDIC and the Federal Reserve Board to implement Section 165(d) of the Dodd-Frank Wall Street Reform and Consumer Protection Act. This provision requires bank holding companies with assets of $50 billion or more and companies designated as systemic by the Financial Stability Oversight Council to report periodically to the FDIC and the Federal Reserve the company's plan for its rapid and orderly resolution in the event of material financial distress or failure. The final rule approved today by the FDIC implements these requirements and will be considered by the Federal Reserve in the coming days.

The Final Rule requires the company to describe its plan of how it could be resolved in a bankruptcy proceeding. The goal is to achieve a rapid and orderly resolution of an organization in such a way as not to cause a systemic risk to the financial system. The final rule also sets specific standards for the resolution plans, including requiring a strategic analysis of the plan's components, a description of the range of specific actions to be taken in the resolution, and analyses of the company's organization, material entities, interconnections and interdependencies, and management information systems among other elements.

Submission of resolution plans will be staggered based on the asset size of a covered company's U.S. operations. Companies with $250 billion or more in non-bank assets must submit plans on or before July 1, 2012; companies with $100 billion or more in total non-bank assets must submit plans on or before July 1, 2013; and companies that predominately operate through one or more insured depository institutions must submit plans on or before December 31, 2013. Plans are required to be updated annually. A company that experiences a material event after a plan is submitted has 45 days to notify regulators of the event.

Separately, the FDIC's Board of Directors approved a complementary Interim Final Rule under the Federal Deposit Insurance Act to require insured depository institutions with $50 billion or more in total assets to submit periodic contingency plans to the FDIC for resolution in the event of the depository institution failure. The interim rule follows a Notice of Proposed Rulemaking issued by the FDIC in May 2010 and has been synchronized with the Dodd-Frank Final Rule. The interim rule has a 60-day comment period.

Attachments:
Final Rule on Resolution Plans - PDF (PDF Help)
Resolution Plan Work Stream - PDF (PDF Help)