



PRESS RELEASE

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FDIC Board Approves Interim Final Rule Requiring Resolution Plans for Insured Depository Institutions Over \$50 Billion

The FDIC today approved an Interim Final Rule that would require an insured depository institution with \$50 billion or more in total assets to submit periodic contingency plans to the FDIC for resolution in the event of the financial institution's failure. The rule requires these insured institutions to submit a resolution plan that will enable the FDIC, as receiver, to resolve the bank to ensure that depositors receive access to their insured deposits within one business day of the institution's failure, maximize the net present value return from the sale or disposition of its assets and minimize the amount of any loss to be realized by the institution's creditors.

The rule seeks to address a key lesson from the recent financial crisis that resolution plans for large and complex insured depository institutions are essential for their orderly and least-cost resolution. The Interim Final Rule enables the FDIC to perform its resolution functions most efficiently by requiring the largest insured depository institutions to engage in extensive planning that will, in cooperation with the FDIC, enhance the FDIC's ability to reduce losses to the Deposit Insurance Fund and resolve the institutions in a manner that limits any disruption from their insolvency. The Interim Final Rule also sets specific standards for the resolution plans, including requiring a strategic analysis of the plan's components, a description of the strategies for achieving the least costly resolution, and analyses of the financial company's organization, material entities, interconnections and interdependencies, and management information systems among other elements.

Currently, 37 insured depository institutions are covered by the interim final rule. Those institutions held approximately \$3.6 trillion in insured deposits or nearly 60% of all insured deposits as of December 31, 2010.



Congress created the Federal Deposit Insurance Corporation in 1933 to restore public confidence in the nation's banking system. It promotes the safety and soundness of these institutions by identifying, monitoring and addressing risks to which they are exposed. The FDIC receives no federal tax dollars — insured financial institutions fund its operations.

FDIC press releases and other information are available on the Internet at www.fdic.gov, by subscription electronically (go to www.fdic.gov/about/subscriptions/index.html) and may also be obtained through the FDIC's Public Information Center (877-275-3342 or 703-562-2200). PR-150-2011

FDIC Acting Chairman Martin J. Gruenberg said, "The FDIC's Interim Final Rule requiring insured depository institutions with assets over \$50 billion to submit resolution plans is intended to serve as a complement to the joint rulemaking with the Federal Reserve under the Dodd-Frank Act that was also approved by the FDIC Board today. These two rules will ensure the comprehensive and coordinated resolution planning for both the insured depository and its holding company and affiliates in the event that an orderly liquidation is required. The rules will also facilitate improved efficiencies and risk management practices among covered institutions as they produce and evaluate these plans."

The Interim Final Rule was adopted by the Board under the Federal Deposit Insurance Act and complements separate rulemaking pursuant to Section 165(d) of the Dodd-Frank Wall Street Reform and Consumer Protection Act. The Dodd-Frank joint rulemaking requires that certain systemically important nonbank financial companies and bank holding companies prepare resolution plans for such entities to be resolved in an orderly manner under the bankruptcy code.

The interim final rule authorizes its publication in the Federal Register with a 60-day comment period and an effective date of January 1, 2012.

Attachments:

[Interim Final Rule on Resolution Plans Required for Insured Depository Institutions with \\$50 Billion or More in Total Assets - PDF \(PDF Help\)](#)
[Resolution Plan Work Streams - PDF \(PDF Help\)](#)
