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

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# FDIC Issues Guidance for the Resolution Plans of Large Banks

FOR IMMEDIATE RELEASE

The Federal Deposit Insurance Corporation (FDIC) issued guidance for resolution plans that insured depository institutions with assets greater than $50 billion must submit periodically to the FDIC. These plans are required by an FDIC rule approved in January 2012 and complement those required from certain entities such as covered bank holding companies under the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010.

The FDIC's rule requires each covered institution to provide a resolution plan that should enable the FDIC as receiver under the Federal Deposit Insurance Act to resolve the institution in an orderly manner that enables prompt access of insured deposits; maximizes the return from the failed institution's assets; and minimizes losses realized by creditors and the Deposit Insurance Fund.

Under the guidance, a covered institution must provide a fully developed discussion and analysis of a range of realistic resolution strategies. Each institution should include in its discussion and analysis at least one strategy that primarily involves the separation and sale of the covered institution's deposit franchise, core business lines, and/or major assets to multiple acquirers. It should also include a second strategy that involves the liquidation of the firm, including a payout of insured deposits.

To assist institutions in writing their plans, the guidance includes direction regarding the elements that should be discussed in a fully developed resolution strategy and the cost analysis, clarification regarding assumptions made in the plan, and a list of significant obstacles to an orderly and least costly resolution that institutions should address. The guidance applies to the resolution plans of 36 insured banks that currently meet the criteria, as well as any new institution meeting the threshold, commencing with the 2015 submissions.

Attachment:
Guidance for Covered Insured Depository Institution Resolution Plan Submissions - PDF (PDF Help)
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