



FACT SHEET | Amendments to Joint Resolution Plan Rule

The Federal Deposit Insurance Corporation (FDIC) and Federal Reserve Board (FRB) have published a final rule, modifying their resolution plan requirements for large banking firms. Resolution plans, also known as living wills, describe a firm's strategy for rapid and orderly resolution under bankruptcy in the event of material financial distress or failure of the firm.

GREATER EFFICIENCY AND EFFECTIVENESS: Changes to the resolution plan rule improve efficiency and effectiveness of the resolution planning process based on multiple rounds of plan reviews and engagement with firms over a seven-year period.

- Consistent with the *Economic Growth, Regulatory Relief, and Consumer Protection Act* passed by Congress last year, changes to the resolution plan rule streamline, clarify, and improve the resolution plan processes and timelines, taking into consideration the relative risks to U.S. financial stability that a firm's failure may pose.

REDUCES FREQUENCY, NOT RIGOR: The new rule specifies new resolution plan submission schedules, which reduce the frequency and scope of submission, but do not reduce the high regulatory expectations for resolution planning.

Filing Group	Firms	General Submission Requirements
Biennial filers	Firms subject to Category I standards (U.S. GSIBs)	<ul style="list-style-type: none">• Submit a resolution plan every two years• Alternate between full and targeted resolution plans
Triennial full filers	Firms subject to Category II or III standards	<ul style="list-style-type: none">• Submit a resolution plan every three years• Alternate between full and targeted resolution plans
Triennial reduced filers	Firms subject to the final rule but not subject to Category I, II, or III standards	<ul style="list-style-type: none">• Submit a resolution plan every three years• Submit reduced resolution plans

- Critically, under the new rule, the underlying standards for reviewing resolution plans from the largest, most systemically important banks will not change.

- Targeted plans will focus on the most material topics identified by the FDIC and FRB, including capital and liquidity, and any material changes to the firm that have occurred since the last plan submission. The agencies also retain authority to require interim updates between plans if they believe additional information is necessary.

PLANS TAILORED TO SIZE AND RISK: The new rule establishes three types of resolution plans commensurate with the risk profile the firm poses.

- Specifically, the new rule retains the **full resolution plan** under the original rule; introduces a new resolution plan type, the **targeted resolution plan**, which requires a subset of information required in a full resolution plan; and formalizes the **reduced resolution plan**, under which the agencies have permitted certain foreign firms with limited U.S. operations to submit only a limited set of key information.
- Firms with **less than \$250 billion in total consolidated assets** that do not meet certain risk criteria would no longer be subject to the rule. These firms do not present financial stability risks to the broader U.S. economy that the statute and rule intend to address.

ADDITIONAL IMPROVEMENTS: The new rule also makes the following improvements to other aspects of the original rule:

- Introduces a process by which firms other than U.S. GSIBs may request a waiver of some of the informational content requirements of a full resolution plan
- Provides that the agencies will provide notice of a deficiency or shortcoming, or any other firm-specific feedback, no later than 12 months after a resolution plan is submitted, absent extenuating circumstances
- Includes a process for firms and the agencies to identify a firm's critical operations, which are those aspects of the firm that are most important for maintaining financial stability

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