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July 16, 2010

Robert E. Feldman, Executive Secretary
Attention: Comments
Federal Deposit Insurance Corporation
550 17th Street, NW
Washington DC 20429

Re: RIN #3064-AD59; Special Reporting, Analysis and Contingent Resolution Plans
at Certain Large Insured Depository Institutions

Dear Mr. Feldman:

The Independent Community Bankers of America¹ (ICBA) welcomes the opportunity to comment on the FDIC's proposal that would require certain insured depository institutions (IDIs) that are subsidiaries of large and complex financial parent companies to submit to the FDIC contingent resolution plans that address and demonstrate the IDI's ability to be separated from its parent structure, and to be wound down or resolved in an orderly fashion. The proposed rule would apply only to IDIs with greater than \$10 billion in total assets that are owned or controlled by parent companies with more than \$100 billion in total assets.

ICBA's Comments

ICBA strongly supports the FDIC's proposed rule. We agree that over the past decades, the size and complexity of IDIs have grown dramatically and that the recent financial crisis has only accentuated this trend. These large and complex insured depository institutions present profound challenges to the FDIC both as insurer and when it must act in its receivership capacity. The complexity of these institutions, and the extensive internal interrelationships these institutions have with their holding companies

¹ The Independent Community Bankers of America represents nearly 5,000 community banks of all sizes and charter types throughout the United States and is dedicated exclusively to representing the interests of the community banking industry and the communities and customers we serve. ICBA aggregates the power of its members to provide a voice for community banking interests in Washington, resources to enhance community bank education and marketability, and profitability options to help community banks compete in an ever changing marketplace.

With nearly 5,000 members, representing more than 20,000 locations nationwide and employing nearly 300,000 Americans, ICBA members hold \$1 trillion in assets, \$800 billion in deposits, and \$700 billion in loans to consumers, small businesses and the agricultural community. For more information, visit ICBA's website at www.icba.org.

and their affiliated companies, hinders the FDIC's ability to resolve the IDI in a cost-effective and timely fashion as a receiver in the event of a failure.

Further complicating the FDIC's mission as a potential receiver of the IDI is the fact that these complex financial institutions often have distinct statutory insolvency regimes within their structure. For example, the insolvency of bank and thrift holding companies and most of their non-insured financial subsidiaries are subject to the Bankruptcy Code. If there are broker-dealer subsidiaries within the holding company structure, these subsidiaries are subject to a combination of the Securities Investor Protection Act and the Bankruptcy Code. These competing regimes result in disputes over assets, intra-affiliate claims, and can increase the cost of the resolution and impair its efficiency.

The proposed rule sets forth appropriate reporting requirements intended to provide the FDIC with key information concerning the operations, management, financial, affiliate relationships and other aspects of IDIs operating within a complex conglomerate. It requires IDIs to prepare and submit to the FDIC, a contingent resolution plan describing the means by which the IDI could be effectively separated from the rest of the conglomerate enterprise in the event of failure of the IDI or the bankruptcy of the parent company or any key affiliate of the IDI. The rule proposes that the contingent resolution plan be submitted within six months of the effective date of the rule and that it be updated annually.

ICBA commends the FDIC for taking the initiative to propose this rule prior to the passage of the Dodd-Frank Wall Street Reform and Consumer Protection Act.

Section 115 of that Act authorizes the Federal Reserve to require certain large IDIs and nonbank financial companies to submit contingent resolutions plans to the Federal Reserve and the FDIC. By proposing this rule early, the FDIC will be able to implement the requirement in the legislation within six months to a year of the bill's enactment and therefore will be prepared if another financial crisis or a failure of a large firm were to occur in the near future.

ICBA also agrees with the FDIC that only the most complex institutions should be subject to the proposed rule. Only IDIs with greater than \$10 billion in total assets that are owned or controlled by parent companies with more than \$100 billion in total assets would be subject to the proposed rule. As of the fourth quarter of 2009, there were 40 such institutions, representing total assets of \$8.3 trillion, holding approximately 48% of all insured deposits. Community banks should remain exempt since their holding company structures and affiliate relationships are simple enough that they would not, and indeed, do not today, impede an FDIC resolution.

Conclusion

ICBA strongly supports the proposed rule and commends the FDIC for taking the initiative prior to the passage of the Dodd-Frank Act of proposing that the largest and most complex IDIs adopt contingent resolution plans to insure that they can be wound down or resolved in an orderly fashion.

ICBA appreciates the opportunity to comment on the FDIC's proposal concerning contingent resolution plans. If you have any questions or need additional information, please do not hesitate to contact me at my email address (Chris.Cole@icba.org) or at 202-659-8111.

Sincerely,

/s/ Christopher Cole

Christopher Cole
Senior Vice President and Senior Regulatory Counsel