

August 31, 2026

Jennifer M. Jones, Deputy Executive Secretary
Attention: Comments/Legal OES
Federal Deposit Insurance Corporation
550 17th Street NW, Washington, DC 20429

RE: Notice of Proposed Rulemaking, “Resolution Submissions Required for Covered Insured Depository Institutions” (RIN 3064–AG21)

To Whom It May Concern,

The Independent Community Bankers of America (“ICBA”)¹ appreciates the opportunity to provide comments on the notice of proposed rulemaking (“proposal”) issued by the Federal Deposit Insurance Corporation (“FDIC”) to substantially revise the resolution submissions required for covered insured depository institutions (“CIDIs”).²

ICBA has long supported robust resolution planning requirements for the nation’s largest and most complex banking organizations. As the challenging Spring 2023 failures of Silicon Valley Bank, Signature Bank, and First Republic demonstrated, the ability to orderly resolve large institutions remains critical to minimizing disruptions in the banking system, safeguarding the Deposit Insurance Fund (“DIF”), and preserving the public’s confidence in the federal deposit insurance framework.

ICBA supports the FDIC’s proposal to raise the applicability threshold to exempt institutions below \$100 billion in assets from the rule’s resolution submission requirements. Institutions below \$100 billion typically present less complicated resolution dynamics, as there are a broader range of potential acquirers and it is more likely that a traditional, straightforward purchase and assumption resolution approach can be implemented. Resolution planning requirements should be focused on those institutions whose size, complexity, and operational characteristics pose the greatest challenge for the FDIC to resolve and present the greatest potential for losses to the DIF.

¹ The Independent Community Bankers of America® has one mission: to create and promote an environment where community banks flourish. We power the potential of the nation’s community banks through effective advocacy, education, and innovation. As local and trusted sources of credit, America’s community banks leverage their relationship-based business model and innovative offerings to channel deposits into the neighborhoods they serve, creating jobs, fostering economic prosperity, and fueling their customers’ financial goals and dreams. For more information, visit ICBA’s website at icba.org.

² FDIC, NPR: Resolution Submissions Required for Covered Insured Depository Institutions, 91 FR 39546 (June 30, 2026).

The proposal would overcorrect, however, by eliminating many elements that make the resolution planning process a valuable exercise. Submissions would only be required every three years, and interim filing requirements would be eliminated. Notably, CIDs would no longer be required to develop resolution strategies, failure scenarios, valuation analyses, franchise component analyses, assessments of economic effects, or descriptions of impediments to resolvability. The proposal would also eliminate the FDIC's credibility assessments for resolution submissions and would strike provisions that allow the agency to require CIDs to perform capabilities testing. The proposal would also eliminate the requirement that CIDs include a public section of the resolution submission.

While ICBA supports the proposal's revised asset threshold, the FDIC should not weaken substantive resolution planning requirements necessary to ensure that large banks are resolvable in practice. Recent disruptive bank failures demonstrate that resolution planning must remain more than an infrequent data collection exercise. For institutions whose size, complexity, and operational characteristics present the greatest resolution challenges, the FDIC should continue to require meaningful information submissions and analysis that facilitates least-cost resolutions, preserves franchise value, identifies and addresses impediments to resolution ahead of time, and strengthens the agency's ability to act quickly in the event of a failure. Preserving these core requirements will promote orderly resolutions, better protect the DIF, and help ensure that the costs of future large bank failures are not shifted to less risky community banks or allowed to accelerate further industry consolidation.

I. Proposal Would Appropriately Adjust the Applicability Asset Threshold

ICBA agrees that resolution plan submissions should be required for banking organizations with total consolidated assets of \$100 billion or more. Banks with total consolidated assets in the \$50 billion to \$100 billion range are generally traditional lenders that have expanded in size to reach the scale necessary to generate returns that meet or exceed shareholder demands. Banks below \$100 billion are generally easier to resolve since it is easier to find a willing buyer or pool of interested buyers.

As the FDIC has previously noted, the larger and more complex an institution is, the more difficult it is to resolve:

The size of an IDI can significantly impact the resolution options available to the FDIC under the FDI Act. In particular, as IDIs increase in size, the likelihood of a timely sale to a single acquirer diminishes... This is particularly true for the largest CIDs with \$100 billion or more in total assets because the pool of potential acquirers for these institutions is limited, and any possible transaction would be complex.³

Raising the asset threshold appropriately tailors the rules' scope. However, reducing the

³ FDIC, Final Rule: Resolution Plans Required for Insured Depository Institutions With \$100 Billion or More in Total Assets; Informational Filings Required for Insured Depository Institutions With at Least \$50 Billion but Less Than \$100 Billion in Total Assets, 89 FR 56620, 56621 (July 9, 2024).

substantive provisions of the rule for institutions that remain covered – those that are the most challenging to resolve – is unjustified and would weaken the FDIC’s ability to respond to a crisis.

II. The FDIC Must Retain Meaningful Resolution Submission Requirements

As stated in the preamble to the proposal, the revisions would eliminate more than half of the content submission requirements. While ICBA generally supports regulatory modernization efforts, the FDIC has not demonstrated that these drastic reductions will preserve or enhance its ability to resolve large institutions in an orderly manner while protecting the DIF. Moreover, unless the FDIC is prepared to categorically rule out the future use of extraordinary measures, such as the recently-invoked systemic risk exception, the agency should be very cautious about weakening tools that are intended to improve preparedness to respond to a large bank failure. The FDIC should instead seek to strengthen its resolution preparedness and capabilities, reducing the likelihood that extraordinary interventions will be needed.

Retain Resolution Strategy Requirements

The proposal would eliminate requirements that CIDs develop a resolution strategy, adopt a failure scenario, conduct valuation analyses, identify obstacles to resolution, and describe mitigating actions. These requirements are the core of a meaningful resolution plan. In fact, a resolution submission that lacks any discussion of how the institution could be resolved is difficult to characterize as a true resolution plan.

While the FDIC justifies eliminating these requirements because the agency would need to perform this analysis itself in a failure, each CID is the expert on its own organizational structure, business lines, operational interconnections, funding arrangements, third party dependencies, and other institution-specific complications. This is precisely the type of information that the agency should leverage as part of its resolution planning process. Additionally, requiring a CID’s management to analyze how the institution could be resolved serves important supervisory and resolution planning purposes. It encourages identification of problems before a crisis occurs, provides a reason to address unnecessary organizational and operational complexities, and provides the FDIC with valuable insights that may not be apparent otherwise or readily available through supervisory data.

ICBA therefore urges the FDIC to retain requirements that CIDs develop a resolution strategy, identify material impediments to orderly resolution, and describe mitigating actions. These components are essential to a meaningful resolution planning framework and support the FDIC’s ability to execute orderly least-cost resolutions that protect the DIF.

Retain Credibility Assessments and Targeted Capacity Testing

The proposal would eliminate the agency’s framework to assess the credibility of resolution plans, including the process to redress material weakness findings. Rather, the proposal turns the FDIC’s review into a check the box exercise in which agency staff would review

submissions to confirm they meet the applicable requirements of the proposed rule. Additionally, the proposal would eliminate capabilities testing.

These tools provide important validation that the institution can actually produce and deliver the information needed in a resolution scenario rather than simply describe its hypothetical capability to do so. ICBA is particularly concerned that the proposal's elimination of mechanisms designed to evaluate a CIDI's resolution readiness undercuts the FDIC's stated objective of improving preparedness to respond to large bank failures. The proposal repeatedly emphasizes the importance of obtaining information that will support rapid marketing efforts and facilitate least-cost resolution outcomes, while simultaneously removing the principal tools that the agency can use to assess whether a CIDI can actually produce critical information when needed.

The FDIC should retain a credibility assessment framework and a targeted risk-based testing framework. CIDs are sufficiently large and complex enough to warrant resolution planning requirements, and the FDIC must maintain mechanisms to assess whether those institutions can conceivably undergo an orderly resolution. Without assessment, testing, and feedback capabilities, the resolution planning process becomes a paper exercise rather than a meaningful readiness tool.

Governance and Accountability Should Remain Part of Resolution Planning

The proposal would eliminate the requirement that resolution submissions be approved by the CIDI's board of directors. Removing board involvement entirely sends the wrong message regarding the importance of resolution preparedness. Board engagement ensures that senior management devotes appropriate time, attention, and resources to maintaining institutional preparedness. The FDIC should retain the board approval requirement, as this level of accountability encourages the submission of high quality and reliable information to the agency.

Retain the Public Section of the Resolution Submissions

The proposal would eliminate the requirement that CIDs provide a public section of their resolution submissions, without providing much in the way of an explanation for doing so. ICBA believes that the FDIC has not established a basis for eliminating this requirement. Public disclosure serves a critical transparency and accountability function by providing depositors, investors, and the public with information regarding the structure and operations of the large banking organizations that pose the greatest risk to the financial system. The FDIC must not reduce both the substance of the resolution planning process and the transparency surrounding those plans, leaving the DIF at increased risk and undermining the agency's own resolution readiness.

Three-year Submission Cycle Would Leave the FDIC With Stale Information in a Crisis

The proposal would move all covered institutions to a three-year filing cycle and eliminate interim supplements, leaving the FDIC to rely on notices of extraordinary events during the gaps between submissions.

Extraordinary event notices are not an adequate substitute for a regular submission cadence. The nation's large banks routinely experience changes in operations, funding, technology infrastructure, business lines, affiliate relationships, and third party arrangements. As recent events including the failures of Silicon Valley Bank and Signature Bank showed, conditions can change rapidly. A framework that relies on a full submission only once every three years will leave the FDIC with stale information that will be of little use should a CIDI fail. The FDIC cannot simultaneously argue that timely and institution-specific operational information is the most critical to resolution preparedness, as it states in the proposal, while reducing the frequency with which that information is collected.

ICBA recommends that the FDIC retain the current submission cadence. At a minimum, the FDIC should require a streamlined annual submission in which a CIDI addresses any updates or changes that have occurred since the prior submission so that the agency has relevant information should a failure occur before the next full plan submission date.

III. Deposit Insurance Assessment Incentives Should Reinforce, Not Replace, Meaningful Resolution Readiness Framework

ICBA is concerned that the FDIC's separate deposit insurance assessment proposal,⁴ considered together with this proposal, creates an inconsistent policy framework for large and highly complex institutions. Resolution readiness should not be reduced to the existence of a virtual data room. Such tools may help support the FDIC's receivership functions, but they are not a substitute for resolution analysis and planning, credibility assessments, and targeted testing. The FDIC must ensure that any assessment-related incentives for large, highly complex institutions are aligned with the resolution planning framework; they cannot be a replacement for meaningful resolution planning requirements.

ICBA therefore urges the FDIC to preserve robust resolution submission requirements for CIDs and to ensure that any assessment incentives reinforce the substantive planning, testing, and accountability necessary to support least-cost resolutions, protect the DIF, and prevent the costs of large bank failures from being shifted to community banks that pose the lowest risk to the financial system and operate without the benefit of the implied guarantee of government assistance in times of crisis.

Conclusion

ICBA appreciates the opportunity to comment on this proposal. Raising the applicability threshold for resolution submission to institutions with \$100 billion or more in total assets is an appropriate step to focus the agency's efforts on the institutions that are the most complex to resolve. However, for institutions that remain subject to the rule, the FDIC must preserve the substantive tools necessary to resolve large institutions. This includes retaining substantive planning, testing, governance, and transparency requirements. The resolution planning

⁴ FDIC, NPR: Assessments Thresholds, Rate Schedules, and Adjustments, 91 FR 39794 (June 30, 2026).

framework must remain substantive and robust enough to strengthen the FDIC's resolution readiness, protect the DIF, and prevent community banks from being left to shoulder the costs of large bank failures.

If you would like to discuss this letter further, please contact the undersigned at amy.ledig@icba.org.

Sincerely,

/s/

Amy Ledig

VP, Safety & Soundness Regulatory Counsel