

Banking and Finance Law Daily Wrap Up, DODD-FRANK ACT—GSIBs release ‘targeted submission’ of living wills, (Oct. 5, 2016)

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To resolve issues regarding deficiencies, weaknesses, and shortcomings found in their 2015 resolution plans, eight systemically important, domestic banking institutions were required by the Federal Reserve Board and the Federal Deposit Insurance Corporation to provide "targeted submissions" regarding their resolution or plans or "living wills." These banking institutions are also referred to as global systemically important banks or GSIBs.

In order to foster transparency, the agencies released the public portion of the targeted submissions of: Bank of America; Bank of New York Mellon; Citigroup; Goldman Sachs; JPMorgan Chase; Morgan Stanley; State Street Corp.; Wells Fargo & Co.

Earlier in 2016, the Fed and FDIC jointly determined that each of the 2015 resolution plans of Bank of America, Bank of New York Mellon, JPMorgan Chase, State Street, and Wells Fargo were not credible or would not facilitate an orderly resolution under the U.S. Bankruptcy Code, the standard established in the Dodd-Frank Act. The agencies issued joint letters to these five firms detailing the deficiencies in their plans and the actions the firms must take to address them. The agencies required these five firms to remediate their deficiencies by Oct. 1, 2016, and file a targeted submission to the agencies detailing the remediation. If a firm has not remediated the identified deficiencies, it may be subject to more stringent prudential requirements.

The agencies also jointly identified weaknesses in the 2015 resolution plans of Goldman Sachs, Morgan Stanley, and Citigroup that the firms must address in their 2017 plans. These firms were also required to file a targeted submission by Oct. 1, 2016, detailing the efforts taken to improve their weaknesses (see *Banking and Finance Law Daily*, April 13, 2016).

Companies: Bank of America; Bank of New York Mellon; Citigroup; Goldman Sachs; JPMorgan Chase; Morgan Stanley; State Street Corp.; Wells Fargo & Co.

RegulatoryActivity: BankHolding DoddFrankAct FederalReserveSystem FinancialStability Receiverships