

## **Banking and Finance Law Daily Wrap Up, FINANCIAL STABILITY—FDIC shifts approach on resolution planning rule, releases new FAQs, (Apr. 21, 2025)**

Banking and Finance Law Daily Wrap Up

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By Nora Macaluso

The agency said it is exempting institutions from planning requirements involving bridge loans and hypothetical failure scenarios.

The Federal Deposit Insurance Corporation is modifying its approach to resolution planning for insured depository institutions (IDIs) to [focus](#) the process on the operational information “most relevant” to resolving a large bank through a weekend sale or operating one for a short period while trying to sell it. The new approach will focus the IDI resolution planning process on the operational information most relevant for the FDIC to 1) resolve a large bank through a weekend sale or 2) operate the institution for a short period of time while rapidly marketing the institution.

To that end, the FDIC said it exempted IDIs from certain content requirements in the original rule, including requirements to use a bridge bank strategy and a hypothetical failure scenario.

“The 2023 bank failures served as a reminder of how costly and damaging a bridge bank solution can be,” [said](#) FDIC Acting Chairman Travis Hill. “Today’s action is one step in shifting our approach towards maximizing the likelihood of a lower cost and more stabilizing resolution for large regional banks.”

The final rule, which was met with criticism when it was published last June (see [Banking and Finance Law Daily](#), Jun. 21, 2024), imposes different requirements depending on whether an IDI has more than \$100 billion in total assets. Those with assets above that amount are required to submit comprehensive resolution plans with enhanced standards once every three years, with the aim of helping the FDIC in resolution should the institution fail. Banks that are affiliates of U.S. global systemically important banking organizations were required to submit those plans every two years.

The FDIC [issued](#) an updated set of frequently asked questions elaborating on the exemptions and clarifying expectations. It said it is “continuing to evaluate other provisions” in the rule, and may issue additional FAQs.

Among announced revisions are a new question, “How does the FDIC expect to apply the credibility standard and establish findings upon reviewing submissions?” In its answer, the FDIC said staff will “not recommend findings under paragraph (f)(1)(i) of the rule related to the credibility of the identified strategy,” and would focus its review related to information and analysis “on the quality and thoroughness of the submission, rather than a comprehensive verification of capabilities or evaluation of projections.”

“A submission that is responsive to each of the content requirements would be unlikely to result in material weaknesses or significant findings,” the FDIC said. It went on to say it “does not expect to make credibility determinations with respect to each submission,” and “will only make a credibility determination if a submission is determined to be not credible.”

The revised FAQ document also has new questions covering digital services and electronic platforms—the FDIC said it “is only expecting filers to describe unique digital services and electronic platforms with low substitutability that might result in customer loyalty”—and non-deposit claims, for which the FDIC said it is “waiving the content requirement in paragraph (d)(20) as it believes the most critical elements of the information needed to administer non-deposit claims in a failed bank resolution can be obtained in other requirements or through supervisory channels.”

The FDIC revised other questions in the FAQ document, including questions related to communications  
playbook content and interim supplement expectations.

Questions and answers on critical services, management information systems, asset thresholds, and submission  
format were unchanged.

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