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FDIC signals steady commitment to simplify resolution planning

Initial perspectives on comments from Acting Chair Travis Hill

On October 15, 2025[1], Acting Chairman Travis Hill emphasized that the Federal Deposit Insurance Corporation (FDIC) remains firmly committed to ensuring practical resolution readiness for large banks. The FDIC will prioritize critical elements needed to market a failed bank and to understand operational capabilities. Acting Chairman Hill's remarks reinforce that, while no rule or filing threshold changes[2] have been introduced, expectations around resolution planning are becoming more operational and execution-focused. Banks should be prepared for orderly resolution with a focus on rapid sale and data transparency and anticipate future regulatory codification, especially as increased nonbank involvement and cross-border considerations reshape the resolution landscape.

5 insights you should know

Emphasis on expediting the resolution process: This speech highlights a preference of weekend sale outcomes and rapid asset transfers over a bridge bank. This shift is primarily driven by the high costs and significant operational risks associated with managing bridge banks. Furthermore, Acting Chairman Hill noted a key lesson learned from the recent bank failures in 2023 is that a post-failure bridge bank can be a costly, undesirable outcome that may result in significant outflows of deposits and value destruction.

Codification of the recent FDIC FAQs[3] into the Final IDI Rule and reviewing interplay with Title I: The FDIC aims to codify the recent FAQs to the Final IDI Rule and closely examine any overlaps pursuant to Title I of the Dodd-Frank Act. This includes the FDIC considering changes to avoid duplicative filling for Group A CIDIs using a single point of entry (SPOE) strategy or multiple point of entry strategy (MPOE) by reducing the regulatory requirements.

Enhancing the FDIC's bidding and failed-bank marketing process: The FDIC has initiated change in the way failed banks are marketed and sold. By actively engaging market participants for feedback, the FDIC is looking to build a more transparent, responsive, and innovative process by making it easier for bidders through timely data access, clear communication protocols, and enabling deals with a wider spectrum of buyers (including nonbanks and cross-sector partnerships). The FDIC is also reevaluating bidder eligibility criteria to be less restrictive, exploring ways to expand participation of nonbanks.

Emphasis on value-add content elements: The FDIC is evaluating elements that could be adjusted or added to improve the value of the Resolution Planning process and considering opportunities to shift the overall Resolution Planning process towards engagement and capabilities testing. The importance of maintaining a virtual data room (VDR) inventory is increasing, as it can provide prospective bidders with more complete, well-organized, and timely information.

Other areas of FDIC resolution focus: The speech highlighted topics that, while not directly impacting individual banks' resolution planning, demonstrate the FDIC's continued focus on this area of regulatory oversight. Examples include changes to funding receiverships, refinement of bail-in debt, and working with central counterparties.

5 considerations to evaluate

1 **Readiness assessment for weekend sale strategy:** Covered Insured Depository Institutions (CIDIs) should assess whether their resolution strategies, data infrastructure, and operational plans are optimized for rapid-sale outcomes—a growing FDIC expectation aimed at reducing the risks and costs associated with extended bridge bank operations. CIDIs should review their resolution strategies for actionable steps that are feasible under tight timelines. The FDIC will likely focus on testing plans for practical execution, not just policy compliance.

2 **Simplification of resolution strategy and focus on operational capabilities**: As regulatory requirements evolve, Group A CIDIs should ascertain that their selected resolution strategies remain aligned with the latest standards. Going forward, emphasis should be placed on proactive engagement with regulators while continuing to build out and testing operational capabilities.

3 **Expanding bidder pools to reflect the FDICs updated marketing to a broader group of eligible bidders:** With the FDIC updating their marketing process to increase interest from a wider group of bidders, CIDIs should consider broadening the types of bidders in their resolution plans to include more nonbank participation, which will enhance the ability to support an over a weekend resolution.

4 **Operational readiness is an ongoing investment:** CIDI's should prioritize their VDR capabilities now, more than ever, as this is an area of regulatory focus. The FDIC may codify the FAQs into the IDI Rule, underscoring the importance of VDR capabilities. Additionally, strong VDR capabilities are critical for CIDIs to execute successful, timely, and cost-effective resolutions. CIDIs should ensure that, in addition to thorough and up-to-date foundational data, that if required in the future, there should also be capability to produce items such as internal risk management reports and liquidity data, so that they can be made available to potential bidders.

5 **Continue to focus resolution planning on areas of FDIC emphasis:** As the FDIC updates its own capabilities, CIDIs should recognize this as an expectation to strengthen their own resolution planning capabilities. Banks should be prepared to clearly demonstrate their enhanced capabilities.

Endnotes

[1] Federal Deposit Insurance Corporation (FDIC), Acting Chairman emphasizes on "Resolution Readiness and Lessons Learned from Recent Large Bank Failures" in Oct 2025.

[2] The FDIC's June 2024 final rule established two new categories of filers with differing submission cycles: (i) Group A consisting of IDIs with $100bn or more in total assets; and (ii) Group B consisting of IDIs with $50bn up to $100bn in total assets. In April 2025 FDIC published , "IDI Resolution Planning Rule Frequently Asked Questions (FAQs),"

[3] *See* FDIC, "Content Requirement Exemptions for Initial Submission Cycle (12 CFR § 360.10)," April 2024.

* GSIB = Global Systemically Important Bank

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