



June 29, 2020

This letter concerns the next resolution plan submission of the Covered Company, required by section 165(d) of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act), 12 U.S.C. § 5365(d), and the jointly issued implementing regulation, 12 CFR Part 243 and 12 CFR Part 381 (the Resolution Plan Rule). Under the Resolution Plan Rule, the Covered Company is required to submit a targeted resolution plan on or before July 1, 2021 (2021 Targeted Plan).¹ By this letter, the Agencies are jointly identifying the targeted information required to be included in the Covered Company's 2021 Targeted Plan pursuant to 12 CFR 243.6(c) and 12 CFR 381.6(c) (Targeted Information Request).

Pursuant to Sections __.6 and __.11(c)(2) of the Resolution Plan Rule,² a targeted resolution plan is a subset of a full resolution plan and must include the following components: the core elements;³ the Covered Company's response to the Targeted Information Request; a

¹ 12 CFR 243.4(k)(1)(i); 12 CFR 381.4(k)(1)(i).

² Section 165(d) of the Dodd-Frank Act and the Resolution Plan Rule require certain financial companies to report periodically to the Agencies their plans for rapid and orderly resolution in the event of material financial distress or failure. On November 1, 2019, the Agencies published in the Federal Register amendments to the Resolution Plan Rule. 84 Fed. Reg. 59,194 (November 1, 2019). Among other changes, these amendments, effective December 31, 2019, established a new type of resolution plan: a targeted resolution plan. The Covered Company will alternate between submitting a full resolution plan and a targeted resolution plan on a biennial cycle. 12 CFR 243.4(a)(5); 12 CFR 381.4(a)(5).

³ "Core elements" means the information required to be included in a full resolution plan, pursuant to § __.5(c); (d)(1)(i), (iii), and (iv); (e)(1)(ii); (e)(2), (3), and (5); (f)(1)(v) and (g), regarding capital, liquidity, and the Covered Company's plan for executing any recapitalization contemplated in its resolution plan, including updated quantitative financial information and analyses important to the execution of the Covered Company's resolution strategy. 12 CFR § 243.2; 12 CFR § 381.2. *See also* 84 Fed. Reg. 59,208 at n.35 (November 1, 2019) (regarding guidance previously received from the Agencies).

description of each material change experienced by the Covered Company since its previously submitted resolution plan (or affirmation that no such material change has occurred) and changes the Covered Company has made to its resolution plan in response; and a description of changes to the Covered Company's previously submitted resolution plan resulting from changes in law or regulation, or guidance or feedback from the Agencies; and a public section.

Targeted Information Request for 2021 Targeted Plan

The Agencies' Targeted Information Request for the 2021 Targeted Plan focuses on the Covered Company's actions in response to events surrounding the coronavirus. The Agencies intend to use the Covered Company's response to the stress caused by the coronavirus to inform their assessment of the Covered Company's resolution-related capabilities and infrastructure.

Please discuss (i) linkages between the Covered Company's coronavirus response and resolution-related capabilities through December 31, 2020, and (ii) lessons learned, including whether such lessons have been or will be incorporated into the Covered Company's resolution planning infrastructure. As part of the broader discussion, please address the following factors to the extent applicable. (In the event that any of these factors is not applicable, the Covered Company may so indicate, and no further response to that factor would be required.)

1. Trigger framework: The utilization of the Covered Company's resolution trigger framework, including breaches of resolution-related triggers and actions taken as a result, as well as any adjustments or recalibrations that may have resulted from these actions.
2. Forecasting capabilities: The extent to which the Covered Company's resolution capital and liquidity capabilities were leveraged, including:
 - a. How and why Resolution Capital Execution Need (RCEN) and Resolution Liquidity Execution Need (RLEN) calculation assumptions and processes, including any

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- dynamic liquidity forecasting capabilities, diverged from business-as-usual practices;
- b. Changes to Resolution Liquidity Adequacy and Positioning (RLAP) assumptions related to inter-affiliate flows and pre-positioning of liquidity resources between the Covered Company's parent entity and its material entities;
 - c. Considerations of the impact of market volatility on the accuracy of resolution forecasting capabilities; and
 - d. Operational challenges in producing accurate and timely capital and liquidity metrics during the coronavirus response.
3. Reporting/escalation of information: The exercise of governance procedures and internal and external reporting processes, including:
- a. Ad hoc information needs and how those needs were satisfied;
 - b. Operational challenges in producing accurate and timely information/reports and escalating information;
 - c. How and why reporting and escalation processes during the coronavirus response diverged from business-as-usual practices or resolution-related simulations/tabletop exercises; and
 - d. Changes made or planned to reporting or escalation capabilities.
4. Resolution planning infrastructure: How the coronavirus response affected other capabilities supporting the continuation of critical operations in resolution, including shared services and/or outsourced services and access to financial market utilities (FMUs).

[The following section is only applicable to firms with identified shortcomings from the 2019 Title I review.]

2019 Resolution Plan Shortcoming

As demonstrated by the action plan submitted to the Agencies on March 27, 2020, the Covered Company is making progress toward addressing the shortcoming that the Agencies identified in the resolution plan the Covered Company submitted in 2019. The Covered Company should continue implementing the action plan and should notify the Agencies of any material divergences from the action plan, including any that have arisen from coronavirus-related events. The Agencies will review whether the shortcoming has been addressed adequately, in connection with their review of the 2021 Targeted Plan.

Conclusion

The Agencies welcome continued engagement with the Covered Company regarding their expectations for the 2021 Targeted Plan. If you have any questions about the information communicated in this letter, please contact the Agencies.

Sincerely,
(Signed)

Ann E. Misback
Secretary of the Board
Board of Governors of the Federal
Reserve System

Sincerely,
(Signed)

Robert E. Feldman
Executive Secretary
Federal Deposit Insurance Corporation