



FOR IMMEDIATE RELEASE

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AFR Statement on Resolution Plans

Today banking regulators announced their formal finding that the resolution plans of five major banks are not credible. In other words, over five years after the passage of Dodd-Frank, these “too big to fail” entities have not yet demonstrated that they could go bankrupt without creating unacceptable costs to the public. The resolution plans of three other major banks were also found to be flawed, but there was no formal determination that they were not credible.

These regulatory assessments add yet more weight to the case for aggressive action to realize the promise made in the Dodd-Frank Act that ‘too big to fail’ will be ended. The findings open the door to such action by authorizing regulators to place additional controls on the five banks whose plans were officially found to be ‘not credible’ if these banks do not meet the October 1st deadline for remediating the issues identified in the resolution plans. The regulators’ action also starts the two year clock in Dodd-Frank on the potential breakup or restructuring of these banks.

As we [indicated in our recent letter to regulators on this issue](#), we have major doubts about whether our largest and most complex banks can be made “safe to fail” without significant downsizing and simplification. Banking regulators took a positive step today, but we will be watching closely to see how they follow up on their findings.

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