

Proposal: 1786 (AG44) Resolution Related Resource for Large Banking Organizations

Description:

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Comment ID: 142538

From: Scott Witte

Proposal: 1786 (AG44) Resolution Related Resource for Large Banking Organizations

Subject: Resolution-Related Resource Requirement for Large Banking Organizations

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Comments:

NONCONFIDENTIAL // EXTERNAL

I disagree with the proposal entitled "Resolution-Related Resource Requirements for Large Banking Organizations" Docket No. R-1786 and RIN 7100-AG44 / 3064-AF86. Banks at risk of bankruptcy should not be required to sell long term debt (e.g., bonds) for the purpose of absorbing losses.

This proposal is a malicious self-serving attempt to shift predictable ("ex ante") costs to resolve the bankruptcy of a large banking organization from the FDIC's Depository Insurance Fund to unsuspecting investors.

Privatizing profits and socializing losses needs to stop. Shifting the burden for failed banking institutions to taxpayers (and especially retirement funds) by fraudulently selling crap bonds deserves criminal prosecution including but not limited to the federal regulators facilitating the financial climate that allows it. Americans are tired of holding the bag for private institutions under the guise of "too big to fail", an obvious resolution influenced by the advent of private money and thus influence on our federal policy and law makers. Enough is enough.